

# Letter to Shareholders

Q. 1–3 2009/10  
October 1, 2009–June 30, 2010

Revenue +1.5% (EUR 2,182.8m)  
EBITDA +12.6% (EUR 365.7m)  
EBIT +8.3% (EUR 194.1m)  
Group net profit +16.7% (EUR 204.9m)  
Gross cash value +5.5% (EUR 422.5m)

- Positive sales development in the energy business
- Progress in realising the hydropower plant project on the Arda River in Bulgaria
- Opening of a photovoltaic park in Bulgaria
- Completion and start of operational management of the wastewater purification plant in Istanbul
- Wastewater purification plant in Stettin in operation
- Capital increase planned in the second half of 2010 for up to 10.0% of share capital
- Positive outlook confirmed for the 2009/10 financial year

# Key figures

		2009/10 Q. 1-3	2008/09 Q. 1-3	Change in %	2009/10 Q. 3	2008/09 Q. 3	Change in %
<b>Sales volumes</b>							
Electricity generation	GWh	3,001	2,778	8.0	459	388	18.6
Electricity sales volumes to end customers	GWh	15,444	15,114	2.2	4,369	4,243	3.0
Gas sales volumes to end customers	GWh	6,254	5,768	8.4	890	568	56.7
Heat sales volumes to end customers	GWh	1,580	1,411	12.0	301	220	36.8
<b>Consolidated income statement</b>							
Total revenue	EURm	2,182.8	2,150.2	1.5	557.7	534.6	4.3
EBITDA	EURm	365.7	324.9	12.6	52.7	47.5	11.0
EBITDA margin <sup>1)</sup>	%	16.8	15.1	1.6	9.5	8.9	0.6
Results from operating activities (EBIT)	EURm	194.1	179.2	8.3	-0.3	-4.8	94.2
EBIT margin <sup>1)</sup>	%	8.9	8.3	0.6	-	-0.9	0.9
Profit before income tax	EURm	266.2	224.3	18.7	0.1	9.0	-99.3
Group net profit	EURm	204.9	175.6	16.7	-3.6	6.8	-
<b>Consolidated balance sheet</b>							
Balance sheet total	EURm	6,570.0	6,756.2	-2.8	6,570.0	6,756.2	-2.8
Equity	EURm	3,002.3	3,068.8	-2.2	3,002.3	3,068.8	-2.2
Equity ratio <sup>1)</sup>	%	45.7	45.4	0.3	45.7	45.4	0.3
Net debt	EURm	1,415.9	1,357.2	4.3	1,415.9	1,357.2	4.3
Gearing <sup>1)</sup>	%	47.2	44.2	2.9	47.2	44.2	2.9
Return on equity (ROE) <sup>1)</sup>	%	7.1	6.1	1.0	0.2	0.1	0.1
Return on capital employed (ROCE) <sup>1)</sup>	%	5.2	5.0	0.3	0.4	0.4	-
<b>Consolidated cash flow and investments</b>							
Gross cash value	EURm	422.5	400.4	5.5	133.6	159.4	-16.2
Investments <sup>2)</sup>	EURm	252.8	249.3	1.4	81.2	94.3	-13.9
<b>Employees</b>							
Total	Ø	8,569	8,993	-4.7	8,546	8,808	-3.0
Thereof Austria	Ø	2,550	2,564	-0.5	2,543	2,557	-0.5
Thereof abroad	Ø	6,019	6,429	-6.4	6,002	6,251	-4.0
<b>Share</b>							
Earnings	EUR	1.25	1.07	16.7	-0.02	0.04	-

1) Changes reported in percentage points

2) In intangible assets and property, plant and equipment

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## Dear shareholders!

In the first three quarters of the 2009/10 financial year, EVN achieved very good results despite the ongoing sluggish economy and the unfavourable influencing factors impacting the energy industry. During the period under review (October 1, 2009 to June 30, 2010), EVN's total revenue rose by 1.5%, to EUR 2,182.8m. The comparatively cold winter led to higher electricity, gas and heating sales volumes and revenues. Revenue of the Environmental Services segment was above the previous year's level, primarily as a consequence of the capacity expansion of the waste incineration plant in Dürnröhr. Following a striking decline in expenses on electricity purchases and primary energy, the results from operating activities climbed by 8.3%, to EUR 194.1m, in spite of a considerably higher level of depreciation and amortisation and a slight rise in personnel expenses. Based on an improvement in the income from investments and a significant increase in the interest and other financial results, the financial results climbed to EUR 72.0m, up from EUR 45.1m in the prior-year period. On balance, Group net profit was up 16.7%, to EUR 204.9m.

On May 14, 2010, the Pomorzany wastewater purification plant in Stettin, Poland was put into operation. EVN was the lead manager in the consortium with responsibility for the planning, implementation and start-up of the turn-key installation conceived for 400,000 inhabitants, which also includes a sludge drying and incineration facility. In its role as the head of a consortium, EVN also completed a wastewater treatment plant for two million inhabitants in the Turkish city of Istanbul at a value of EUR 108.6m, and assumed responsibility for operating the plant in June 2010 for a period of five years.

In December 2009, EVN was awarded a contract to construct a waste treatment plant in Moscow. In August 2010, a contract was signed with the city of Moscow stipulating an annual capacity of 700,000 tonnes. EVN is responsible for financing, constructing and operating the facility, which is being realised as a BOOT-project and features total investments of EUR 575m, for a period of twelve years after completion.

As of July 1, 2010, end customer prices for electricity in Bulgaria were raised by the regulatory authority by an average of 1.4%, and procurement prices were hiked by 8.4%. This decision will have a negative effect on the performance of EVN Bulgaria.

On June 23, 2010, the Executive Board of EVN announced to take the steps necessary to carry out a capital increase of up to 10% of the share capital in the second half of 2010, as authorized by the Annual General Meeting held on January 21, 2010. The aim of the intended capital increase is to strengthen EVN's capital resources. Such a capital increase is subject to approval by the Supervisory Board of EVN AG and requires the approval of a prospectus by the Austrian Financial Market Authority, as well as a favourable capital market environment.

Against the backdrop of the arbitration proceedings against the Republic of Macedonia initiated by EVN AG on May 8, 2010 to protect its investments, the Macedonian government and EVN agreed to systematically seek a joint solution to all open issues and problems between the two parties. The definition of criteria and a time framework for implementation of this agreement should enable intensive bilateral negotiations between the two parties in the next few months to create a win-win situation for the government, the citizens as well as EVN and thus create greater trust.

Following the first nine months of the 2009/10 financial year, we expect, from today's perspective, a Group net profit exceeding the comparable figure for the previous year, despite the difficult and continuous uncertain development of overall economic conditions and high price volatility in the energy sector.

Burkhard Hofer  
Spokesman of the Executive Board and Chief Executive Officer  
August 2010



**Project completions and new projects for the Environmental Services segment**

**Pricing decision in Bulgaria**

**Preparations underway for planned capital increase to strengthen company's financial resources**

**Criteria and time framework defined to reach agreement with Macedonian government**

**Outlook**

# Interim management report

## Overall business and energy sector environment

GDP in the Euro zone rose by 0.2% in the fourth quarter of 2009 and the first quarter of 2010 from the prior-quarter periods. In comparison, economic growth in Austria amounted to 0.3% for the fourth quarter of 2009 and –0.1% in the first quarter of 2010. The European Economy developed vibrant in the second quarter and GDP grew by 1.0%. The Austrian economy expanded by 0.9%. GDP growth in the Euro zone is expected to reach a level of 1.2% in 2010. The growth forecasts for Austria range between 1.4% and 1.7%.

The south-eastern Europe economic region did not remain untouched by the global recession. The Bulgarian economy slightly contracted in the last few quarters, but is expected to show a stabile development in 2010. GDP in Macedonia rose by 1.2% in the fourth quarter of 2009 compared to the prior-year quarter. Despite a decline of –0.9% in the first quarter of 2010, an economic growth rate of 2.0% is still expected for 2010.

<b>Energy sector environment</b>		<b>2009/10 Q. 1–3</b>	<b>2008/09 Q. 1–3</b>	<b>Change in %</b>	<b>2009/10 Q. 3</b>	<b>2008/09 Q. 3</b>	<b>Change in %</b>
<b>Temperature-related energy demand<sup>1)</sup></b>							
Austria	%	105	95	10.6	115	35	–
Bulgaria	%	81	103	–21.0	52	185	–72.1
Macedonia	%	94	88	6.6	87	34	–
Crude oil – Brent	EUR/bbl	56.51	41.15	37.3	62.34	44.04	41.6
Gas – GIMP <sup>2)</sup>	EUR/MWh	20.78	29.16	–28.7	21.90	22.35	–2.0
Coal – API#2 <sup>3)</sup>	EUR/t	67.36	67.68	–0.5	77.31	63.44	21.9
CO <sub>2</sub> certificates (1 <sup>st</sup> and 2 <sup>nd</sup> periods)	EUR/t	14.03	14.59	–3.8	15.12	13.82	9.4
<b>Electricity – spot market EEX<sup>4)</sup></b>							
Base load	EUR/MWh	40.44	49.25	–17.9	41.52	32.38	28.2
Peak load	EUR/MWh	51.85	65.80	–21.2	51.62	41.86	23.3
<b>Electricity – forward market EEX<sup>5)</sup></b>							
Base load	EUR/MWh	50.35	70.58	–28.7	41.75	59.37	–29.7
Peak load	EUR/MWh	70.39	98.46	–28.5	56.16	82.47	–31.9

1) Calculated according to the heating degree total; in Austria and Bulgaria the basis (100%) corresponds to the long-term average value 1997–2006; in Macedonia it corresponds to the long-term average value 2003–2009.

2) Gas Import Price (GIMP); starting in this financial year, reporting will be based on EUR/MWh, the previous year's figures have been adjusted accordingly.

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

4) EEX – European Energy Exchange

5) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective period under review

During the reporting period October 2009 to June 2010, European wholesale prices for electricity as well as for CO<sub>2</sub> certificates remained at a lower level compared to the previous year as a consequence of weak demand. Spot market prices for base load and peak load electricity were on average 17.9% and 21.2% below the prior-year level, but climbed by 28.2% and 23.3% in the period April 2010 to June 2010. Forward prices for electricity were significantly below the prevailing prices in the preceding year due to the uncertain economic outlook. Oil prices in euros increased, primarily as a result of stronger demand in Asia. Gas prices were down 28.7% from the previous year, whereas coal prices remained stable.

## Business development

### Consolidated income statement

In the first three quarters of 2009/10, EVN achieved an increase in total revenue of 1.5%, or EUR 32.6m, to EUR 2,182.8m. All business areas contributed to this positive revenue development with the exception of the Generation segment, which posted a decline. Details can be found in the section on segment reporting starting on page 8.

Other operating income fell by EUR 13.5% in the reporting period, or EUR 6.2m, to EUR 39.5m, which is related to the positive one-off effects in the previous financial year. The item "Change in work in progress and own work capitalised" was down by 26.9%, or EUR 4.2m, to EUR 11.3m, due to the invoicing of customer projects.

Despite higher sales volumes for electricity, gas and heat, the item "Electricity purchases and primary energy expenses" decreased by 2.1%, or EUR 28.2m, to EUR 1,301.0m, which is mainly related to declining wholesale prices. The item "Cost of materials and services" rose slightly by 0.4%, or EUR 0.7m, to EUR 199.6m. This takes into account stable maintenance expenses and lower costs related to the international project business in the Environmental Services segment, in contrast to increased costs related to the start-up of the third waste incineration line in Dürnrrohr and the first full year consolidation of the cable network operator B.net in Burgenland.

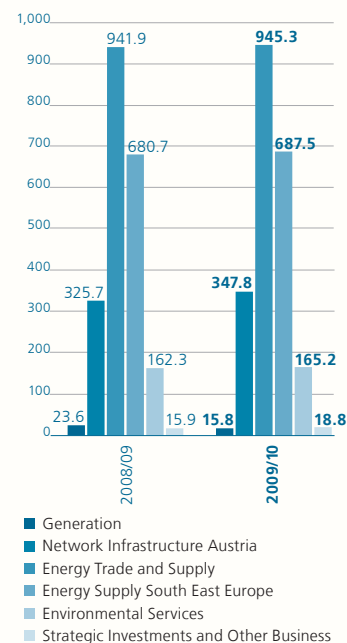
In the first nine months of 2009/10, employee headcount in Austria was slightly down by 0.5%, or 14 employees, to 2,550 people. However, efficiency improvements in South East Europe led to a reduction in total headcount by 6.4%, or 410 employees, to 6,019 people. The resulting cutback in staff in the EVN of 4.7%, or 424 people, to 8,569 employees, was not reflected in personnel expenses though, which rose 3.1%, or EUR 7.5m, to EUR 247.7m. This increase was the result of contractually stipulated wage increases mandated by collective wage agreements.

Depreciation and amortisation increased by 17.7%, or EUR 25.8m, to EUR 171.5m, which is primarily related to the impairment loss for the Bulgarian wind park in Kavarna, which in turn was the result of a time delay in the project. This development was also affected by the initial full-year consolidation of B.net, the coming on stream of the third waste incineration line in Dürnrrohr and the high level of investment activity in past years. Despite lower legal and consulting fees, the higher write-offs of receivables in South East Europe led to a rise in other operating expenses of 1.3%, or EUR 1.5m, to EUR 119.7m.

As a result of these developments, EBITDA climbed by 12.6%, or EUR 40.8m, to EUR 365.7m in the period under review. Despite the higher level of depreciation and amortisation, EBIT was still above the prior-year figure, rising by 8.3%, or EUR 14.9m, to EUR 194.1m. Accordingly, the EBIT margin improved to 8.9%, up from 8.3% in the previous year.

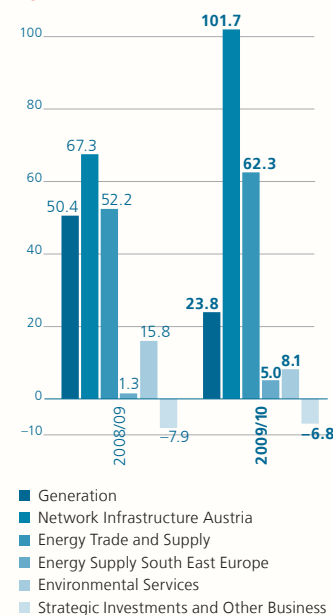
The financial results developed extremely positive in the first three quarters of 2009/10: Income from investments in associates included at equity climbed 8.5%, or EUR 3.2m, to EUR 41.0m. Income from other investments rose by 14.3%, or EUR 6.7m, to EUR 53.8m, which can be attributed to the higher dividend distributed by Verbund AG. Interest income also improved considerably, improving by EUR 7.4m, to EUR –22.2m. The decline in interest income related to lower leasing receivables in the project busi-

Revenue by segment<sup>1)</sup>  
Q. 1–3  
EURm



1) External revenue

EBIT by segment  
Q. 1–3  
EURm



ness and lower interest from securities recorded as current financial assets was more than compensated by lower interest rates for variable-interest financial liabilities and higher capitalised construction period interest. The item "Other financial results", which had been negatively affected in the previous year by the situation on financial markets, increased by EUR 9.6m to EUR –0.5m as a result of the recovery on global capital markets, compared to EUR –10.1m in the previous year. On balance, the financial results noticeably improved from EUR 45.1m in the prior-year period to EUR 72.0m.

On the basis of these developments, the profit before income tax totalled EUR 266.2m in the first three quarters of the 2009/10 financial year, a rise of 18.7%, or EUR 41.9m from the previous year's level. Net profit after tax rose 13.5%, or EUR 26.0m, to EUR 218.1m. The profit attributable to minority interest fell by EUR 3.3m to EUR 13.3m, mainly taking into account the pro-rata share of the impairment loss for the wind park in Kavarna. Group net profit amounted to EUR 204.9m, an increase of 16.7%, or EUR 29.3m, from the preceding year.

#### **Consolidated cash flow statement**

The gross cash value rose to EUR 422.5m, an increase of 5.5%, or EUR 22.1m, from the previous year's level. This was shaped by the 18.7% increase, or EUR 41.9m, in the profit before income tax to EUR 266.2m. This was partly offset by non-cash items, which declined and thus burdened cash flow despite the higher level of depreciation and amortisation due to the non-cash earnings contributions in the results of investments in associates included at equity and the other financial results as well as the development of provisions. The net cash flow from operating activities amounted to EUR 314.5m, a rise of 61.2% or EUR 119.4m, which can be attributed to the considerably lower increase in working capital.

The cash outflow from the net cash flow from investing activities amounted to 253.7m, or EUR 70.7m below the prior-year level, despite higher investments in property, plant and equipment. This development can be attributed to payments for the acquisition of B.net in the previous year as well as higher investments in associates included at equity in the prior-year period (increase in EVN's shareholding in EconGas and the raising of equity capital to finance the power plant projects in Germany and Albania).

The net cash flow from financing activities was affected by the conclusion of a non-recourse project financing agreement with a volume of EUR 101.2m for the construction of a sodium hypochlorite plant in Moscow. This was contrasted by the ongoing scheduled redemption of loans and borrowings, as well as dividend payments to EVN AG shareholders totalling EUR 60.3m and profit distribution to minority interest of EUR 22.5m. On balance, the net cash flow from financing activities totalled EUR –61.8m for the first three quarters of the 2009/10 financial year.

All in all, these developments resulted in a slightly negative net change in cash and cash equivalents of EUR 0.9m, whereby cash and cash equivalents remained virtually unchanged, at EUR 112.6m. In addition, investments in current securities totalling EUR 134.1m (September 30, 2009: EUR 86.7m), as well as the undrawn syndicated revolving credit facility of EUR 600.0m were available. On balance, EVN has sufficient financial resources at its disposal to finance the development of its business operations, and the liquidity situation of EVN thus continues to remain stable.

## Consolidated balance sheet

In the first three quarters 2009/10, the balance sheet total of EVN declined by 1.9%, or EUR 125.3m, to EUR 6,570.0m. The reduction of non-current assets of 4.7%, or EUR 268.4m, to EUR 5,492.8m, was in contrast to a 15.3% increase in current assets, or EUR 143.0m, to EUR 1,077.2m.

In respect to non-current assets, the decline primarily resulted from the negative market valuation of EVN's shareholding in Verbund AG encompassed in other investments. This decrease could not be compensated by the increased investments in property, plant and equipment and the rise in other assets due to the positive market values of hedging transactions for bond issues (also contrasted by a corresponding rise in loans and borrowings). As a result, the share of non-current assets as a percentage of total assets was down from 86.0% to 83.6%.

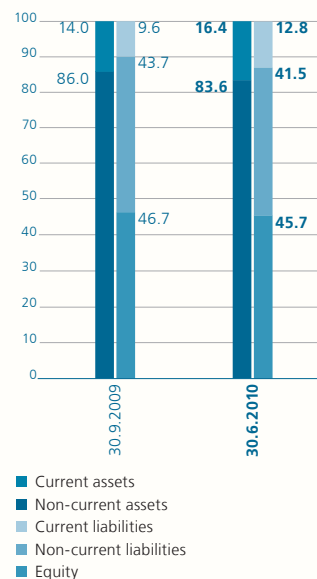
In contrast, there was an increase in all items encompassed under current assets. In addition to higher inventories related to the increase in non-invoiced customer orders in the Environmental Services segment and in cash and cash equivalents, the rise in current assets was also due to the seasonally-related increased receivables and the acquisition of current securities. Accordingly, current assets now comprise 16.4% of total assets, up from the previous figure of 14.0%.

All in all, equity decreased by 4.0%, or EUR 124.9m, to EUR 3,002.3m. The Group net profit for the period generated in the first three quarters of 2009/10 could not completely compensate for the negative market valuation without recognition to profit or loss of EVN's shareholding in Verbund AG, the dividend payment to EVN AG shareholders amounting to EUR 60.3m and the profit distribution to minority interest of EUR 22.5m. Accordingly, the equity ratio amounted to 45.7% at the quarterly balance sheet date. Taking account of the net debt of EUR 1,415.9m, the gearing at the reporting date was 47.2%.

Non-current liabilities declined by 6.8%, or EUR 198.4m, to EUR 2,725.2m based on decreases in all items, in particular due to a decline in non-current loans and borrowings, deferred tax liabilities and other non-current liabilities. Non-current loans and borrowings, which were down 5.0%, or EUR 84.3m, to EUR 1,618.2m, lines of credit concluded by EVN and the valuation-related increase in bonds were more than compensated by the scheduled redemption of loans and borrowings and the reclassification of a repayable bullet loan due for repayment in February 2011 under current loans and borrowings. Main reason for the reduction in deferred tax liabilities by 31.7%, or EUR 97.4m, to EUR 209.7m was the market valuation of EVN's shareholding in Verbund AG. The now positive swap valuations in connection with the bonds led to a significant reduction in other non-current assets of 30.4%, or EUR 27.4m, to EUR 62.8m.

The rise in current liabilities totalling 30.7%, or EUR 198.0m, to EUR 842.5m, resulted from the higher level of current loans and borrowings due to the reclassification of a loan due for repayment in February 2011, the higher level of taxes payable at the balance sheet date and higher current provisions. This was in contrast to the relatively low drop in the level of trade payables and other current liabilities.

## Balance sheet structure in %



## Segment reporting

### Overview

Areas of business	Segments	Activities
Energy business	<b>Generation</b>	Electricity generation from thermal sources and renewable energies on Austrian and international locations
	<b>Network Infrastructure Austria</b>	Operation of regional electricity and gas networks as well as cable TV and telecommunications networks
	<b>Energy Trade and Supply</b>	Sourcing of electricity and primary energy sources, trading and selling to end customers and on wholesale markets as well as heat generation and sales
	<b>Energy Supply South East Europe</b>	Operation of electricity networks and electricity sale in Bulgaria and Macedonia, heat generation and heat sale in Bulgaria, construction and operation of gas networks in Croatia, energy trading within the whole region
Environmental Services business	<b>Environmental Services</b>	Drinking water supply, wastewater disposal, thermal waste incineration in Austria as well as international project business
Strategic Investments and Other Business	<b>Strategic Investments and Other Business</b>	Strategic and other investments and Intra-Group services

### New segmentation

Taking account of the obligatory stipulations contained in IFRS 8 "Operating Segments" starting in the 2009/10 financial year, the identification of the operating segments is from now on exclusively based on internal organisational and reporting structures. The result is a slightly changed segment reporting. The previous business units of the Energy Segment are now reported as separate business segments. Within the context of these changes, the segment names have also been adapted to the new reporting structure to more clearly differentiate the individual segments.

Key energy business indicators	GWh	2009/10 Q. 1–3	2008/09 Q. 1–3	Change in %	2009/10 Q. 3	2008/09 Q. 3	Change in %
<b>Electricity generation</b>		<b>3,001</b>	<b>2,778</b>	<b>8.0</b>	<b>459</b>	<b>388</b>	<b>18.6</b>
<b>Network Distribution volumes</b>							
Electricity		15,954	15,817	0.9	4,543	4,447	2.2
Gas <sup>1)</sup>		16,276	14,610	11.4	2,836	2,229	27.2
<b>Energy Sales volumes to end customers</b>							
Electricity <sup>2)</sup>		15,444	15,114	2.2	4,369	4,243	3.0
Gas		6,254	5,768	8.4	890	568	56.7
Heat		1,580	1,411	12.0	301	220	36.8

1) Incl. network sales to EVN power stations

2) Incl. energy sales to the Network Infrastructure Austria segment for losses from the power grid

The operating development of the six segments is described below. Explanations of the effects of these key energy business indicators on EVN are specified there as well.

### Generation

The Generation segment encompasses electricity production from thermal production capacities and renewable energy sources in Austria as well as projects for future generation facilities in Germany, Bulgaria and Albania. In terms of EVN AG's thermal power generation, the option value of the power stations, i.e. the difference between the market prices for electricity and the fuel costs incurred, is included. The marketing of the electricity generated and the primary energy sourcing are reported in the Energy Trade and Supply segment.



<b>Key figures</b>		<b>2009/10</b>	<b>2008/09</b>	<b>Change</b>	<b>2009/10</b>	<b>2008/09</b>	<b>Change</b>
		<b>Q. 1–3</b>	<b>Q. 1–3</b>	<b>in %</b>	<b>Q. 3</b>	<b>Q. 3</b>	<b>in %</b>
<b>Key energy business indicators</b>		GWh					
<b>Electricity generation<sup>1)</sup></b>		<b>3,001<sup>1)</sup></b>	<b>2,778</b>	<b>8.0</b>	<b>459</b>	<b>388</b>	<b>18.6</b>
Thereof thermal power		2,098	1,826	14.9	141	57	–
Thereof renewable energy		903	952	–5.1	318	331	–3.7
<b>Financial indicators</b>		EURm					
External revenue		18.2	23.6	–23.0	3.9	7.5	–47.8
Intra-Group revenue <sup>2)</sup>		73.0	85.9	–15.1	17.7	30.2	–41.3
<b>Total revenue</b>		<b>91.1</b>	<b>109.5</b>	<b>–16.8</b>	<b>21.6</b>	<b>37.7</b>	<b>–42.6</b>
Operating expenses		–67.3	–59.1	–14.0	–20.2	–23.6	–14.2
<b>Results from operating activities (EBIT)</b>		<b>23.8</b>	<b>50.4</b>	<b>–52.8</b>	<b>1.4</b>	<b>14.1</b>	<b>–90.1</b>
EBIT margin (%) <sup>3)</sup>		26.1	46.1	–19.9	6.5	37.5	–31.0
Financial results		–4.5	–6.2	27.2	–3.2	–2.2	–46.9
<b>Profit before income tax</b>		<b>19.3</b>	<b>44.2</b>	<b>–56.4</b>	<b>–1.8</b>	<b>12.0</b>	<b>–</b>
Investments		39.6	30.7	29.0	1.3	12.1	–88.9

1) Incl. cogeneration and hydro power production volumes from facilities that are part of the Energy Supply South East Europe Segment and from cogeneration and district heat facilities that are part of the Energy Trade and Supply Segment; However, revenues from such energy production are included in such respective segments.

2) In terms of EVN AG's thermal power generation, total revenue comprises the option value of the power stations.

3) Changes reported in percentage points

EVN's total electricity generation amounted to 3,001 GWh in the first three quarters of 2009/10, a rise of 8.0%, or 223 GWh. This increase can be exclusively attributed to the rise in power generating volumes at own thermal power stations, which climbed 14.9%, or 272 GWh – compared to the relatively low level of the previous year – to 2,098 GWh. Electricity generation from renewable energy sources could not reach the level of the prior-year period though: the notably less favourable wind and water flow conditions led to an overall reduction of electricity generation from renewable energy sources by 5.1%. Since May 2010, the photovoltaic facility in Bulgaria contributed to power generation from renewable energy sources for the first time.

In the first three quarters 2009/10, 19.4% of total electricity sales volumes to end customers (previous year: 18.4%) was generated by own power stations. Without taking energy sales volumes in South East Europe into account, the total coverage ratio totalled 56.2% (previous year: 55.7%).

Due to the declining market prices in the period used for calculating the option value of the power stations, and the lower volume of electricity generated by renewable energy sources in the first three quarters of 2009/10, total revenue of the period under review was down 16.8%, or EUR 18.4m, to EUR 91.1m. Despite lower deployment costs, operating expenses rose by 14.0%, or EUR 8.3m, to EUR 67.3m, which is related to the impairment loss of EUR 10.7m for the wind park in Kavarna. Accordingly, EBIT totalled EUR 23.8m, a decline of 52.8%, or EUR 26.6m, which could be partially cushioned by the improved financial results. Nevertheless, the profit before income tax was down 56.4% from the previous year, or EUR 24.9m, to EUR 19.3m.

Concerning investments, a tubular conveyor belt with a length of 3.2 kilometres was put into operation in March 2010 in order to optimise fuel procurement and delivery processes for the Dürnröhr power

## Energy business development

## Revenue and earnings

## Investments

plant. In the future, 50.0% of the energy sources required by the power plant will be transported by the environmentally-friendly waterway and then be brought from the Danube river bank to the Dürnröhr power plant by means of the coated conveyor belt.

For the construction of the wind park in Kavarna, Bulgaria, EUR 32.4m – thus a good portion of the segment's total investments – were invested during the reporting period. A photovoltaic facility came on stream in Blatets, Bulgaria, in May 2010, which has generated more than 340 MWh of solar power up until now. As a consequence, it is the most productive of all of EVN's photovoltaic facilities. On balance, investments for this important contribution to climate protection totalled about EUR 3.0m.

On April 21, 2010, EVN and Verbund AG signed a syndicate agreement for the Ashta hydropower plant which is to be constructed in northern Albania by 2012. The power station on the Drin River will boast a capacity of 50 MW.

The completion of the coal-fired power plant in Duisburg-Walsum, Germany constructed jointly with Evonik Steag GmbH will be delayed, due to the measures required to repair the damage which arose within the context of the construction work. Accordingly, it is expected that the power station will first be put into operation in the first half of 2011.

### Network Infrastructure Austria

The Network Infrastructure Austria segment encompasses the operation of the regional electricity and gas networks and cable TV and telecommunications networks in Lower Austria and since the second quarter of 2008/09 in Burgenland as well.

<b>Key figures</b>	<b>2009/10 Q. 1–3</b>	<b>2008/09 Q. 1–3</b>	<b>Change in %</b>	<b>2009/10 Q. 3</b>	<b>2008/09 Q. 3</b>	<b>Change in %</b>
<b>Key energy business indicators</b> GWh						
<b>Network Distribution volumes</b>						
Electricity	5,773	5,606	3.0	1,788	1,650	8.3
Gas <sup>1)</sup>	16,276	14,610	11.4	2,836	2,229	27.2
<b>Financial indicators</b> EURm						
External revenue	347.8	325.7	6.8	89.8	84.3	6.6
Intra-Group revenue	41.3	39.0	5.8	11.6	10.7	9.0
<b>Total revenue</b>	<b>389.1</b>	<b>364.8</b>	<b>6.7</b>	<b>101.4</b>	<b>94.9</b>	<b>6.8</b>
Operating expenses	-287.4	-297.5	3.4	-91.2	-97.1	6.0
<b>Results from operating activities (EBIT)</b>	<b>101.7</b>	<b>67.3</b>	<b>51.1</b>	<b>10.2</b>	<b>-2.1</b>	<b>-</b>
EBIT margin (%) <sup>2)</sup>	26.1	18.5	7.7	10.1	-2.2	12.3
Financial results	-9.6	-9.9	2.7	-3.3	-3.4	4.2
<b>Profit before income tax</b>	<b>92.1</b>	<b>57.4</b>	<b>60.3</b>	<b>6.9</b>	<b>-5.5</b>	<b>-</b>
Investments	78.4	69.8	12.4	33.2	32.2	3.0

1) Incl. network sales to EVN's own power stations

2) Changes reported in percentage points

In the electricity and gas business, network tariffs are generally adjusted by an appraisal carried out by the E-Control Commission on January 1<sup>st</sup> of each calendar year within the framework of the incentive regulatory system. Effective January 1, 2010, electricity network tariffs were reduced by an average of 2.0% (January 1, 2009: increase of 1.0%), and gas network tariffs were hiked by an average of 8.2% (January 1, 2009: rise of 7.3% on average).

Network distribution volumes for electricity and gas developed positively, both for industrial as well as for private customers. EVN profited from the prevailing weather conditions in the first three quarters of 2009/10, which led to a 10.6% higher temperature-related energy demand, and thus an increase in network distribution volumes. Electricity distribution volumes were up 3.0%, or 167 GWh, to 5,773 GWh. Gas distribution volumes, which are generally more strongly affected by weather conditions, rose by 11.4% or 1,666 GWh, to 16,276 GWh. Moreover, the development of gas distribution volumes was also positively impacted by the increased use of own gas-fired power stations.

Based on these energy-related developments, network revenues rose 5.7%, or EUR 16.8m, to EUR 312.2m, which is largely attributable to the higher distribution of electricity and gas volumes. In addition, the gas network tariff adjustments also positively affected the network revenue development, whereas the reduction in electricity network tariffs had a negative impact. The initial consolidation effect of B.net comprised an increase of EUR 7.3m, thus significantly increasing the revenue generated by the cable TV and telecommunications networks. On balance, total revenue of the Network Infrastructure segment climbed by 6.7%, or EUR 24.4m, to EUR 389.1m. Operating expenses were down 3.4%, or EUR 10.0m, to EUR 287.4m, which is chiefly attributable to lower costs arising from network losses and energy balancing due to declining electricity market prices. As a result, EBIT improved by 51.1%, or EUR 34.4m, to EUR 101.7m compared to the prior-year period. Taking account of the financing costs for the network infrastructure, the profit before income tax amounted to EUR 92.1m, up from EUR 57.4m in the previous year.

Investment activity was dominated by the currently most important building project of the Network Infrastructure Austria segment – the southern section of the trans-regional gas transport pipeline (“Südschiene”) – in which a total of EUR 29.2m was invested during the period under review. The first section is in the final stage of construction work. As a consequence, partial operation of the section Gänserndorf–Peisching is expected in September 2010. Preparations for the western section (“Westeschiene”), for which EVN invested EUR 3.8m in the period under review, are proceeding on schedule, so that construction is expected to begin after the upcoming winter season.

The remaining investments of EUR 45.4m were designed to ensure a secure and efficient supply of energy as well as to modernise the Lower Austrian gas and electricity networks. Investments were also made to expand and modernise the cable TV and telecommunications networks.

Hence total investments of the Network Infrastructure Austria segment amounted to EUR 78.4m in the first three quarters of 2009/10, an increase of 12.4%, or EUR 8.6m, from the previous year.

### **Energy Trade and Supply**

The Energy Trade and Supply segment encompasses the sourcing of electricity, gas and other primary energy sources, the trading and selling of electricity and gas to end customers and on wholesale markets as well as the heat generation and heat selling mainly on the Austrian home market.

## **Energy business development**

## **Revenue and earnings**

## **Investments**

<b>Key figures</b>	<b>2009/10 Q. 1–3</b>	<b>2008/09 Q. 1–3</b>	<b>Change in %</b>	<b>2009/10 Q. 3</b>	<b>2008/09 Q. 3</b>	<b>Change in %</b>
<b>Key energy business indicators</b> GWh						
<b>Energy sales volumes to end customers</b>						
Electricity	5,335	4,987	7.0	1,634	1,464	11.6
Gas <sup>1)</sup>	6,254	5,768	8.4	890	568	56.7
Heat	1,343	1,169	14.9	275	195	41.5
<b>Financial indicators</b> EURm						
External revenue	945.3	941.9	0.4	198.8	190.5	4.4
Intra-Group revenue	36.7	32.1	14.3	11.2	13.4	-15.8
<b>Total revenue</b>	<b>982.0</b>	<b>974.0</b>	<b>0.8</b>	<b>210.0</b>	<b>203.8</b>	<b>3.0</b>
Operating expenses	-919.7	-921.7	0.2	-221.4	-223.3	0.9
<b>Results from operating activities (EBIT)</b>	<b>62.3</b>	<b>52.2</b>	<b>19.2</b>	<b>-11.3</b>	<b>-19.4</b>	<b>41.7</b>
EBIT margin (%) <sup>2)</sup>	6.3	5.4	1.0	-5.4	-9.5	4.1
Financial results	7.1	8.9	-20.1	-0.9	1.1	-
<b>Profit before income tax</b>	<b>69.3</b>	<b>61.1</b>	<b>13.5</b>	<b>-12.2</b>	<b>-18.3</b>	<b>33.0</b>
Investments	11.8	22.0	-46.2	5.2	9.3	-44.1

1) Incl. energy sales to the Network Infrastructure Austria segment for losses from the power grid  
2) Changes reported in percentage points

## Energy business development

Energy sales to end customers rose in all three areas during the first three quarters of 2009/10. In addition to rising electricity sales volumes in Lower Austria, the increase in electricity sales volumes by 7.0%, or 348 GWh, to 5,335 GWh, was mainly due to the activities of EnergieAllianz outside of EVN's Austrian supply region. The cold weather conditions were responsible for rising gas sales volumes by 8.4%, or 486 GWh, to 6,254 GWh, and increasing heat sales volumes to end customers by 14.9%, or 174 GWh, to 1,343 GWh. Additionally, the start-up of the Sankt Pölten district heating transmission pipeline also had a positive effect.

Declining primary energy prices once again enabled EVN to carry out downward adjustments in sales prices for gas to the benefit of end customers. Following previous selling price decreases in January and March 2009, gas prices could be reduced by about 7.0% on December 1, 2009.

## Revenue and earnings

Despite the high level of electricity produced by own power generation facilities, the related income derived from marketing this electricity was approximately at the same level as in the prior-year period due to the negative development of electricity prices. In contrast, the downward price adjustments carried out for gas network tariffs were more than offset by the increased energy sales volumes, leading to an increase in total revenue by 0.8%, or EUR 8.0m, to EUR 982.0m.

After deduction of the operating expenses, which were close to the same level as in the previous year, declining by 0.2%, or EUR 2.0m, to EUR 919.7m – the lower electricity procurement costs and primary energy prices were in contrast to the more intensified use of own power stations and increased sales volumes – EBIT improved by EUR 19.2%, or EUR 10.0m, to EUR 62.3m. The financial results were down by 20.1% from the prior-year level, or EUR 1.8m, to EUR 7.1m, which is related to the lower earnings contribution from EconGas as well as the financing costs for constructing heat generation facilities. The profit before income tax amounted to EUR 69.3m and is 13.5% higher than the prior-year's level (previous year: EUR 61.1m).

## Investments

The most important project of the Energy Trade and Supply segment was already successfully concluded in the first quarter 2009/10, which featured the start-up of Austria's longest district heating transmission pipeline. Since October 1, 2009, EVN has been supplying the provincial capital Sankt Pölten with district heat from the Dürnrrohr power station; by the end of June 2010, close to 127.0 GWh of district heat had been supplied. The originally targeted full heating capacity of 40 MW could already be surpassed by more than 20.0% in the winter months when the maximum capacity was 50 MW. As a consequence of the project's completion, total investments of the segment decreased considerably compared to the prior-year level by EUR 10.1m, to EUR 11.8m.

### Energy Supply South East Europe

The Energy Supply South East Europe segment encompasses the operation of the electricity networks and the selling of electricity to end customers in Bulgaria and Macedonia, the heat generation and heat selling in Bulgaria as well as energy distribution within the whole region. Moreover, the project company for constructing the gas networks in Split, Zadar and Sibenik in Croatia is included.

Key figures	2009/10 Q. 1-3	2008/09 Q. 1-3	Change in %	2009/10 Q. 3	2008/09 Q. 3	Change in %
<b>Key energy business indicators</b> GWh						
<b>Electricity distribution volumes<sup>1)</sup></b>	<b>10,181</b>	<b>10,211</b>	<b>-0.3</b>	<b>2,755</b>	<b>2,797</b>	<b>-1.5</b>
thereof Bulgaria	6,079	6,054	0.4	1,668	1,704	-2.1
thereof Macedonia	4,101	4,158	-1.4	1,087	1,093	-0.5
<b>Heat sales volumes to end customers</b>	<b>238</b>	<b>242</b>	<b>-1.9</b>	<b>25</b>	<b>25</b>	<b>-</b>
<b>Financial indicators</b> EURm						
External revenue	687.5	680.7	1.0	190.8	186.2	2.5
Intra-Group revenue	-	-	-	-	-	-
<b>Total revenue</b>	<b>687.5</b>	<b>680.7</b>	<b>1.0</b>	<b>190.8</b>	<b>186.2</b>	<b>2.5</b>
Operating expenses	-682.5	-679.4	-0.5	-196.2	-189.5	-3.5
<b>Results from operating activities (EBIT)</b>	<b>5.0</b>	<b>1.3</b>	<b>-</b>	<b>-5.3</b>	<b>-3.4</b>	<b>-59.2</b>
EBIT margin (%) <sup>2)</sup>	0.7	0.2	0.5	-2.8	-1.8	-1.0
Financial results	-14.3	-21.6	33.8	-3.0	-5.0	40.1
<b>Profit before income tax</b>	<b>-9.3</b>	<b>-20.3</b>	<b>54.2</b>	<b>-8.3</b>	<b>-8.3</b>	<b>-</b>
Investments	77.4	81.4	-4.8	30.6	27.5	11.4

1) In Bulgaria and Macedonia, energy sales to end customers nearly correspond to distribution volumes at present.

2) Changes reported in percentage points

The varying factors in the energy business of the supply area in south-eastern Europe during the first three quarters of 2009/10 affected the segment's development. Despite warmer weather conditions (the heating degree total was 21.0% below the prior-year period), electricity sales volumes in Bulgaria were up slightly by 0.4%, or 26 GWh, to 6,079 GWh due to investments which succeeded in reducing network losses from the power grid. In contrast, in spite of the colder temperatures in Macedonia (the heating degree total was 6.6% above the previous year's level) and progress made in countering network losses, electricity network sales volumes were down slightly by 1.4%, or 56 GWh, to 4,101 GWh. Prevailing weather conditions negatively affected heating sales volumes in Bulgaria, which fell 1.9%, or 5 GWh, to 238 GWh.

## Energy business development

## Revenue and earnings

The revenue development was shaped by the pricing decisions waived on July 1, 2009 in Bulgaria and January 1, 2010 in Macedonia. In Bulgaria, the reduction of end customer prices by approximately 1.0% and the decline in heat sales volumes could not be fully compensated by the higher electricity network distribution volumes. For this reason, revenue in Bulgaria was slightly below the prior-year level. The situation developed positively in Macedonia, where despite lower network distribution volumes revenue could be increased due to the positive pricing decision, raising end customer prices by approximately 10.0%; EVN Macedonia accounted for about 51.0% of the entire price increase. On balance, total revenue of the segment was up 1.0%, or EUR 6.8m, to EUR 687.5m.

With respect to operating expenses, the decline in energy procurement costs could not offset the higher scheduled depreciation for property, plant and equipment as well as write-offs of receivables. Nevertheless, due to the increased revenue, EBIT still improved by EUR 3.7m, to EUR 5.0m. Negative one-off effects in the prior-year period and lower interest rates led to an improvement in the financial results from EUR –21.6m to EUR –14.3m, and subsequently to a significant increase in the profit before income tax, which rose 54.2%, or EUR 11.0m, to EUR –9.3m.

## Investments

Investments totalled EUR 77.4m, a decline of EUR 3.9m compared to the previous year, and continued to focus on upgrading the network infrastructure and replacing electricity metres in order to improve the reliability and quality of energy supplies and further reduce losses from the power grid.

Construction work on the new cogeneration facility located on the premises of the TEZ Plovdiv district heating plant, entailing a projected investment volume of EUR 50.0m, has been in full swing since the middle of July 2010. The new cogeneration plant is expected to come on stream in December 2011.

## Environmental Services

The Environmental Services segment encompasses the drinking water supply, wastewater disposal and thermal waste incineration on the domestic market as well as the international project business in 15 countries in Central, Eastern and south-eastern Europe.

Financial indicators	EURm	2009/10 Q. 1–3	2008/09 Q. 1–3	Change in %	2009/10 Q. 3	2008/09 Q. 3	Change in %
External revenue		165,2	162,3	1,8	68,7	61,1	12,4
Intra-Group revenue		12,1	8,3	45,3	4,8	3,1	56,4
<b>Total revenue</b>		<b>177,3</b>	<b>170,6</b>	<b>3,9</b>	<b>73,4</b>	<b>64,2</b>	<b>14,5</b>
Operating expenses		–169,2	–154,8	–9,3	–64,8	–55,8	–16,2
<b>Results from operating activities (EBIT)</b>		<b>8,1</b>	<b>15,8</b>	<b>–48,6</b>	<b>8,6</b>	<b>8,5</b>	<b>1,8</b>
EBIT margin (%) <sup>1)</sup>		4,6	9,3	–4,7	11,7	13,2	–1,5
Financial results		14,1	9,3	52,1	3,2	5,8	–45,0
<b>Profit before income tax</b>		<b>22,2</b>	<b>25,1</b>	<b>–11,4</b>	<b>11,8</b>	<b>14,2</b>	<b>–17,1</b>
Investments		45,6	54,6	–16,4	10,2	22,9	–55,2

1) Changes reported in percentage points

## Revenue and earnings

In the first three quarters 2009/10, the revenue development of the Environmental Services segment was impacted by a EUR 12.8m increase in revenue from the ongoing operation of the waste incineration plant in Dürnröhr and the completion of an expansion project involving a third line in December 2009. Revenue

from the water supply business in Lower Austria remained constant. However, due to a weather-related delay in the project business, total revenue of the Environmental Services segment was limited to 3.9%, or EUR 6.7m, to EUR 177.3m.

The expansion of the third line at the waste incineration plant in Dürnröhr and the start-up of the combined cycle heat and power plant in Kurjanovo, Moscow, Russia, were also reflected in the operating expenses – particularly in the level of depreciation and amortisation. EBIT was moreover negatively affected by higher write-offs of receivables, weighting about EUR 3.0m, related to the bankruptcy of a large customer in the waste treatment business. This was in contrast to the reduction in operating expenses as a consequence of the weather-related decline in project work. On balance, operating expenses of the Environmental Services segment were up 9.3%, or EUR 14.4m, to EUR 169.2m. Accordingly, EBIT amounted to EUR 8.1m, a drop of 48.6%, or EUR 7.7m.

However, the financial results developed positively, improving by 52.1%, or EUR 4.8m, to EUR 14.1m. This development can be primarily attributed to the higher earnings contribution from the wastewater treatment facility in Zagreb. As a consequence, the decrease in the profit before income tax could be limited, falling from EUR 25.1 in the previous year to EUR 22.2m.

On May 14, 2010, the Pomorzany waste purification plant in Stettin, Poland commenced operations. EVN was the lead manager in the consortium with responsibility for the planning, implementation and start-up of the turn-key installation. It is conceived for 400,000 inhabitants and also includes a sludge drying and incineration facility.

**Completed projects in Poland and Turkey**

In its role as the head of a consortium, EVN also completed a wastewater treatment plant for 2.0 million inhabitants in the Turkish city of Istanbul, involving a total volume of EUR 108.6m, and assumed responsibility for operating the plant in June 2010 for a period of five years.

In December 2009, EVN was awarded a contract to construct a waste treatment plant in Moscow. In June 2010, a contract was signed with the city of Moscow finally stipulating an annual capacity of 700,000 tonnes. The project with total investments of EUR 575.0m will be realised as a BOOT-project, which means that EVN is responsible for financing, constructing and subsequently operating the facility for a period of twelve years after completion.

**Waste treatment project in Moscow, Russia**

## Strategic Investments and Other Business

The strategic investments of this segment mainly encompass investments in RAG, BEGAS, BEWAG and Verbund AG. This segment also includes the intra-Group services provided by central departments and by companies within EVN providing such services.

Financial indicators	EURm	2009/10 Q. 1–3	2008/09 Q. 1–3	Change in %	2009/10 Q. 3	2008/09 Q. 3	Change in %
External revenue		18.8	15.9	18.5	5.7	5.0	15.4
Intra-Group revenue		46.7	47.5	-1.7	15.3	15.5	-1.1
<b>Total revenue</b>		<b>65.5</b>	<b>63.4</b>	<b>3.3</b>	<b>21.0</b>	<b>20.4</b>	<b>2.9</b>
Operating expenses		-72.3	-71.3	-1.4	-24.8	-22.9	-8.4
<b>Results from operating activities (EBIT)</b>		<b>-6.8</b>	<b>-7.9</b>	<b>14.1</b>	<b>-3.8</b>	<b>-2.5</b>	<b>-53.5</b>
EBIT margin (%) <sup>1)</sup>		-10.4	-12.5	2.1	-18.2	-12.2	-6.0
Financial results		80.6	66.5	21.2	7.5	17.5	-57.0
<b>Profit before income tax</b>		<b>73.8</b>	<b>58.6</b>	<b>26.0</b>	<b>3.7</b>	<b>15.0</b>	<b>-75.4</b>
Investments		0.7	0.9	-16.5	0.4	0.4	-

1) Changes reported in percentage points

## Earnings

The financial results, the most relevant performance indicator for this segment, developed very positively in the first three quarters of 2009/10 as compared to the previous year:

The considerably increased income from investments of EUR 6.8m is exclusively related to the higher earnings contribution from the Verbund AG, which rose by EUR 8.0m, in contrast to the slight decline in the earnings contributions from the investments in associates included at equity, namely BEGAS, BEWAG and RAG (for Income from investments see page 24).

The lower interest rates resulted in both a reduced interest income for short-term money investments as well as a lower interest expense. On balance, the interest result remained virtually stable, at EUR 2.2m compared to EUR 2.4m in the prior year. Accordingly, a perceptible recovery occurred in the other financial results during the first three quarters of 2009/10, which had been negatively impacted by the changes in the market valuation of securities and non-current financial results as a consequence of the financial and economic crisis in the prior-year period. Although still slightly negative, the other financial results improved by EUR 7.5m, of which EUR 6.5m relates to share price changes.

On balance, the financial results of the Strategic Investments and Other Business segment improved by 21.2%, or EUR 14.1m, to EUR 80.6m. In turn, the profit before income tax climbed 26.0%, or EUR 15.2m, to EUR 73.8m.



## Interim report pursuant to IAS 34

Consolidated balance sheet	EURm	30.6.2010	30.9.2009	Change		30.9.2008
				nominal	in %	
<b>Assets</b>						
<b>Non-current assets</b>						
Intangible assets		361.2	365.2	-4.0	-1.1	357.5
Property, plant and equipment		2,743.3	2,653.1	90.2	3.4	2,392.0
Companies included at equity		707.9	712.5	-4.6	-0.6	641.5
Other investments		1,032.5	1,409.7	-377.2	-26.8	1,723.5
Deferred tax assets		2.6	1.2	1.4	-	0.9
Other non-current assets		645.3	619.5	25.7	4.1	597.0
		<b>5,492.8</b>	<b>5,761.2</b>	<b>-268.4</b>	<b>-4.7</b>	<b>5,712.4</b>
<b>Current assets</b>						
Inventories		161.4	137.3	24.1	17.5	97.6
Receivables		635.6	579.7	56.0	9.7	569.4
Securities		134.1	86.7	47.4	54.6	136.0
Cash		146.1	130.5	15.6	11.9	121.0
		<b>1,077.2</b>	<b>934.2</b>	<b>143.0</b>	<b>15.3</b>	<b>923.9</b>
<b>Total assets</b>		<b>6,570.0</b>	<b>6,695.4</b>	<b>-125.3</b>	<b>-1.9</b>	<b>6,636.3</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Share capital		300.0	300.0	-	-	300.0
Share premium		108.4	108.4	-	-	108.4
Retained earnings <sup>1)</sup>		1,806.0	1,661.4	144.6	8.7	1,558.1
Valuation reserve according to IAS 39		457.7	725.4	-267.7	-36.9	1,012.0
Currency translation reserve		1.4	-3.4	4.8	-	2.1
Treasury shares		-8.0	-8.0	-	-	-4.8
Equity attributable to EVN AG shareholders		2,665.5	2,783.8	-118.2	-4.2	2,975.9
Equity attributable to minority interest		336.7	343.4	-6.7	-1.9	232.5
		<b>3,002.3</b>	<b>3,127.2</b>	<b>-124.9</b>	<b>-4.0</b>	<b>3,208.5</b>
<b>Non-current liabilities</b>						
Non-current loans and borrowings		1,618.2	1,702.5	-84.3	-5.0	1,358.9
Deferred tax liabilities		209.7	307.1	-97.4	-31.7	420.0
Non-current provisions <sup>2)</sup>		440.0	444.8	-4.7	-1.1	430.2
Deferred income from network subsidies		394.5	379.1	15.5	4.1	354.3
Other non-current liabilities <sup>2)</sup>		62.8	90.2	-27.4	-30.4	91.8
		<b>2,725.2</b>	<b>2,923.7</b>	<b>-198.4</b>	<b>-6.8</b>	<b>2,655.3</b>
<b>Current liabilities</b>						
Current loans and borrowings		204.2	17.0	187.2	-	153.9
Taxes payable		105.5	58.7	46.8	79.7	60.5
Trade payables		267.6	328.7	-61.1	-18.6	283.7
Current provisions		112.4	83.6	28.7	34.4	96.4
Other current liabilities		152.9	156.5	-3.6	-2.3	178.0
		<b>842.5</b>	<b>644.5</b>	<b>198.0</b>	<b>30.7</b>	<b>772.5</b>
<b>Total equity and liabilities</b>		<b>6,570.0</b>	<b>6,695.4</b>	<b>-125.3</b>	<b>-1.9</b>	<b>6,636.3</b>

1) Incl. the valuation reserve according to IFRS 3 amounting to EUR 7.1m, which was still reported as a separate item on the consolidated balance sheet in the previous financial year.

2) Comparative figures as at September 30, 2008 were adjusted to reflect a new reporting.

<b>Consolidated income statement</b>	EURm	2009/10	2008/09	Change in %	2009/10	2008/09	Change in %
		Q. 1-3	Q. 1-3		Q. 3	Q. 3	
<b>Total revenue</b>		<b>2,182.8</b>	<b>2,150.2</b>	<b>1.5</b>	<b>557.7</b>	<b>534.6</b>	<b>4.3</b>
Other operating income		39.5	45.7	-13.5	12.4	13.7	-9.4
Change in work in progress and own work capitalised		11.3	15.5	-26.9	5.9	6.2	-4.9
Electricity purchases and primary energy expenses		-1,301.0	-1,329.2	2.1	-324.9	-313.0	-3.8
Costs of materials and services		-199.6	-198.9	-0.4	-79.9	-74.1	-8.0
Personnel expenses		-247.7	-240.2	-3.1	-85.8	-80.8	-6.2
Depreciation and amortisation		-171.5	-145.7	-17.7	-53.0	-52.3	-1.3
Other operating expenses		-119.7	-118.2	-1.3	-32.7	-39.2	16.6
<b>Results from operating activities (EBIT)</b>		<b>194.1</b>	<b>179.2</b>	<b>8.3</b>	<b>-0.3</b>	<b>-4.8</b>	<b>94.2</b>
Income from investments in associates included at equity		41.0	37.8	8.5	11.2	13.8	-18.6
Income from other investments		53.8	47.0	14.3	0.7	1.4	-47.6
Interest income		29.3	35.8	-18.1	9.6	10.4	-7.8
Interest expense		-51.5	-65.4	21.3	-17.9	-19.7	9.1
Other financial results		-0.5	-10.1	-	-3.3	7.9	-
<b>Financial results</b>		<b>72.0</b>	<b>45.1</b>	<b>59.8</b>	<b>0.3</b>	<b>13.8</b>	<b>-97.5</b>
<b>Profit before income tax</b>		<b>266.2</b>	<b>224.3</b>	<b>18.7</b>	<b>0.1</b>	<b>9.0</b>	<b>-99.3</b>
Income tax expense		-48.0	-32.1	-49.4	2.2	1.9	15.8
<b>Net profit for the period</b>		<b>218.1</b>	<b>192.1</b>	<b>13.5</b>	<b>2.3</b>	<b>11.0</b>	<b>-79.0</b>
thereof profit attributable to minority interest		13.3	16.5	-19.7	5.9	4.1	43.1
thereof profit attributable to EVN AG shareholders (Group net profit)		204.9	175.6	16.7	-3.6	6.8	-
<b>Earnings per share<sup>1)</sup></b>	EUR	<b>1.25</b>	<b>1.07</b>	<b>16.7</b>	<b>-0.02</b>	<b>0.04</b>	<b>-</b>

1) There is no difference between undiluted and diluted earnings per share.

<b>Segment reporting<sup>1)</sup></b>	EURm	Generation		Network Infrastructure Austria		Energy Trade and Supply		Energy Supply South East Europe	
		2009/10 Q. 1-3	2008/09 Q. 1-3	2009/10 Q. 1-3	2008/09 Q. 1-3	2009/10 Q. 1-3	2008/09 Q. 1-3	2009/10 Q. 1-3	2008/09 Q. 1-3
External revenue		18.2	23.6	347.8	325.7	945.3	941.9	687.5	680.7
Intra-Group revenue		73.0	85.9	41.3	39.0	36.7	32.1	-	-
<b>Total revenue</b>		<b>91.1</b>	<b>109.5</b>	<b>389.1</b>	<b>364.8</b>	<b>982.0</b>	<b>974.0</b>	<b>687.5</b>	<b>680.7</b>
Operating expenses		-67.3	-59.1	-287.4	-297.5	-919.7	-921.7	-682.5	-679.4
<b>Results from operating activities (EBIT)</b>		<b>23.8</b>	<b>50.4</b>	<b>101.7</b>	<b>67.3</b>	<b>62.3</b>	<b>52.2</b>	<b>5.0</b>	<b>1.3</b>
EBIT margin (%)		26.1	46.1	26.1	18.5	6.3	5.4	0.7	0.2
Financial results		-4.5	-6.2	-9.6	-9.9	7.1	8.9	-14.3	-21.6
<b>Profit before income tax</b>		<b>19.3</b>	<b>44.2</b>	<b>92.1</b>	<b>57.4</b>	<b>69.3</b>	<b>61.1</b>	<b>-9.3</b>	<b>-20.3</b>
<b>Investments<sup>2)</sup></b>		<b>39.6</b>	<b>30.7</b>	<b>78.4</b>	<b>69.8</b>	<b>11.8</b>	<b>22.0</b>	<b>77.4</b>	<b>81.4</b>

	EURm	Environmental Services		Strategic Investments and Other Business		Consolidation		Total	
		2009/10 Q. 1-3	2008/09 Q. 1-3	2009/10 Q. 1-3	2008/09 Q. 1-3	2009/10 Q. 1-3	2008/09 Q. 1-3	2009/10 Q. 1-3	2008/09 Q. 1-3
External revenue		165.2	162.3	18.8	15.9	-	-	2,182.8	2,150.2
Intra-Group revenue		12.1	8.3	46.7	47.5	-209.8	-212.8	-	-
<b>Total revenue</b>		<b>177.3</b>	<b>170.6</b>	<b>65.5</b>	<b>63.4</b>	<b>-209.8</b>	<b>-212.8</b>	<b>2,182.8</b>	<b>2,150.2</b>
Operating expenses		-169.2	-154.8	-72.3	-71.3	209.8	212.8	-1,988.7	-1,971.0
<b>Results from operating activities (EBIT)</b>		<b>8.1</b>	<b>15.8</b>	<b>-6.8</b>	<b>-7.9</b>	<b>-</b>	<b>-</b>	<b>194.1</b>	<b>179.2</b>
EBIT margin (%)		4.6	9.3	-10.4	-12.5	-	-	8.9	8.3
Financial results		14.1	9.3	80.6	66.5	-1.3	-1.9	72.0	45.1
<b>Profit before income tax</b>		<b>22.2</b>	<b>25.1</b>	<b>73.8</b>	<b>58.6</b>	<b>-1.3</b>	<b>-1.9</b>	<b>266.2</b>	<b>224.3</b>
<b>Investments<sup>2)</sup></b>		<b>45.6</b>	<b>54.6</b>	<b>0.7</b>	<b>0.9</b>	<b>-0.8</b>	<b>-10.0</b>	<b>252.8</b>	<b>249.3</b>

1) According to the new segmentation as of the first quarter 2009/10.

2) In intangible assets and property, plant and equipment.

### Consolidated statement of comprehensive income

EURm	2009/10 Q. 1-3	2008/09 Q. 1-3	Change in %	2009/10 Q. 3	2008/09 Q. 3	Change in %
<b>Net profit for the period</b>	<b>218.1</b>	<b>192.1</b>	<b>13.5</b>	<b>2.3</b>	<b>11.0</b>	<b>-79.0</b>
<b>Pre-tax gains (+) or losses (-) recognised directly in equity</b>						
Currency translation adjustments	4.8	-6.3	-	1.7	2.4	-29.0
Market valuation of securities	-376.8	-275.9	-36.6	-119.7	308.5	-
Cash flow hedges	22.6	-12.9	-	4.5	27.0	-83.2
Investments in associates included at equity	-0.2	-13.3	98.7	-4.0	6.4	-
<b>Total pre-tax gains (+) or losses (-) recognised directly in equity</b>	<b>-349.6</b>	<b>-308.4</b>	<b>-13.4</b>	<b>-117.4</b>	<b>344.2</b>	<b>-</b>
Income tax expenses	88.6	72.4	22.3	28.5	-83.9	-
<b>After tax gains (+) or losses (-) recognised directly in equity</b>	<b>-261.0</b>	<b>-236.0</b>	<b>-10.6</b>	<b>-88.9</b>	<b>260.4</b>	<b>-</b>
<b>Comprehensive income</b>	<b>-42.9</b>	<b>-43.9</b>	<b>-</b>	<b>-86.6</b>	<b>271.3</b>	<b>-</b>
thereof attributable to minority interest	15.1	16.5	-8.6	5.9	4.1	43.1
thereof attributable to EVN AG shareholders	-58.0	-60.4	4.0	-92.5	267.2	-

### Changes in consolidated equity

EURm	EVN AG shareholders	Minority interest	Total
<b>Balance on 30.9.2008</b>	<b>2,975.9</b>	<b>232.5</b>	<b>3,208.5</b>
Comprehensive income	-60.4	16.5	-43.9
Acquisition of shares of fully consolidated companies	-	-1.0	-1.0
Dividend 2007/08	-60.3	-35.0	-95.3
Buyback of treasury shares	-3.3	-	-3.3
Capital contributions from minority interest	-	3.8	3.8
<b>Balance on 31.3.2009</b>	<b>2,851.9</b>	<b>216.9</b>	<b>3,068.8</b>
<b>Balance on 30.9.2009</b>	<b>2,783.8</b>	<b>343.4</b>	<b>3,127.2</b>
Comprehensive income	-58.0	15.1	-42.9
Dividend 2008/09	-60.3	-22.5	-82.8
Capital contributions from minority interest	-	0.8	0.8
<b>Balance on 31.3.2010</b>	<b>2,665.5</b>	<b>336.7</b>	<b>3,002.3</b>

### Condensed consolidated cash flow

EURm	2009/10 Q. 1-3	2008/09 Q. 1-3	Nominal	Change in %	2007/08 Q. 1-3
Profit before income tax	266.2	224.3	41.9	18.7	237.7
Non-cash items	156.4	176.2	-19.8	-11.3	139.1
<b>Gross cash value</b>	<b>422.5</b>	<b>400.4</b>	<b>22.1</b>	<b>5.5</b>	<b>376.8</b>
<b>Net cash flow from operating activities</b>	<b>314.5</b>	<b>195.2</b>	<b>119.4</b>	<b>61.2</b>	<b>354.2</b>
<b>Net cash flow from investing activities</b>	<b>-253.7</b>	<b>-324.4</b>	<b>70.7</b>	<b>21.8</b>	<b>-189.5</b>
<b>Net cash flow from financing activities</b>	<b>-61.8</b>	<b>191.3</b>	<b>-253.1</b>	<b>-</b>	<b>-140.4</b>
<b>Net change in cash and cash equivalents</b>	<b>-0.9</b>	<b>62.0</b>	<b>-63.0</b>	<b>-</b>	<b>24.3</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>113.6</b>	<b>94.1</b>	<b>19.5</b>	<b>20.7</b>	<b>54.4</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>112.6</b>	<b>156.2</b>	<b>-43.6</b>	<b>-27.9</b>	<b>78.7</b>

## Notes to the Interim report

### Basis of preparation

#### Accounting and valuation methods

This Interim report of EVN AG as at June 30, 2010, taking into consideration § 245a Austrian Commercial Code, was prepared in accordance with the guidelines set forth in the International Financial Reporting Standards (IFRS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) 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 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 as at the last balance sheet date of September 30, 2009.

The accounting and valuation methods are essentially the same as those applied as at September 30, 2009, with the exception of the consequences of the first-time application of standards and interpretations described below. The preparation of an 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 Interim report are prepared on the basis of unified accounting and valuation methods.

#### Reporting according to IFRS

The following standards and interpretations were applied for the first time in the 2009/10 financial year:

#### Standards and interpretations applied for the first time

Effective<sup>1)</sup>

##### New standards and interpretations

IFRS 8	Operating Segments	January 1, 2009
IFRIC 13	Customer Loyalty Programmes	January 1, 2009
IFRIC 14	The Limit on Defined Benefit Asset Minimum Funding Requirements and Their Interaction	January 1, 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	July 1, 2009

##### Revised standards and interpretations

IAS 1	Presentation of Financial Statements	January 1, 2009
IAS 23	Borrowing Costs	January 1, 2009
IAS 27	Consolidated and Separate Financial Statements	January 1/July 1, 2009
IAS 32	Financial Instruments: Presentation	January 1, 2009
IAS 39	Financial Instruments: Recognition and Measurement	Nov. 1, 2008/January 1/July 1, 2009
IFRS 2	Share-based Payment	January 1, 2009
IFRS 3	Business Combinations	July 1, 2009
IFRS 4	Insurance Contracts	January 1, 2009
IFRS 7	Financial Instruments: Disclosure	Nov. 1, 2008/January 1, 2009
IFRIC 9	Reassessment of Embedded Derivatives	January 1, 2009
Various	"Annual Improvements 2006–2008"	January 1/July 1, 2009

1) In accordance with the Official Journal of the EU, these standards are to be applied beginning with the financial year that starts on or after the date on which the standards become binding.

The new IFRS 8 regulates the disclosure of information on business segments, products and services, regions and the customer relationships of EVN. The identification of operating segments is based on the internal management (management approach). As a result, the former business units of the Energy segment have now been reported as separate segments.

The application of the new interpretations IFRIC 13, IFRIC 14 and IFRIC 16 did not lead to any changes in the Interim report of EVN.

Due to revisions made to IAS 1, a "Statement of Comprehensive Income" has been added to the Interim report, which presents all income and expense items in the consolidated income statement as well as all earnings components included in equity without recognition to profit and loss. The changes in the consolidated equity statement contain details on owner-related business transactions, whereas all other changes in equity are presented in a single line.

The main changes to IAS 27 and IFRS 3 relate to regulations on the reporting of acquisitions of shareholdings. Particular importance is attached to revisions in the successive acquisition of shares and the valuation of minority interest in the case of acquisitions. Moreover, ancillary acquisition costs are to be reported as expenses from now on.

The main change in IAS 23 relates to the deletion of the option to recognise borrowing costs as an expense if they are directly attributable to the acquisition, construction or production of a qualifying asset. Due to the fact that EVN did not exercise this option in the past, this change will not have any effects on the consolidated financial statements.

The changes to IFRS 7 refer to the extension of disclosure requirements to include information on measuring fair values and thus completely relate to the preparation of external reporting.

The Interim report of EVN is not affected by revisions to IAS 32, IAS 39, IFRS 2, IFRS 4, IFRIC 9 and the "Annual Improvements 2006–2008".

New standards and interpretations which are not yet legally effective have not been applied.

### **Seasonally-related effects on business operations**

In particular, the Energy business is subject to weather-related fluctuations in power generation and sales. Due to this dependence of the energy business on prevailing weather conditions, lower revenue and earnings are generally achieved in the second half of the financial year. The Environmental Services segment 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 Environmental Services segment usually generates lower revenues in the first two quarters of the financial year than in the second half. Accordingly, business in the Environmental Services segment serves to principally counteract the seasonable nature of the energy business. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

### **Review**

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

## Consolidation

### Consolidation range

The consolidation range is established in accordance with the requirements contained in IAS 27. Accordingly, including the parent company EVN AG, a total of 26 domestic and 31 foreign subsidiaries (September 30, 2009: 26 domestic and 27 foreign subsidiaries) were fully consolidated as of June 30, 2010. Associated companies are included at equity. A total of 36 affiliated companies (September 30, 2009: 36) were not consolidated due to their immaterial influence on financial and assets positions and profitability.

Changes in the consolidation range	Full consolidation	Proportionate consolidation	Equity method	Total
<b>30.9.2009</b>	<b>53</b>	<b>5</b>	<b>14</b>	<b>72</b>
Start-ups/initial consolidation	5	–	–	5
Deconsolidation	–1	–	–	–1
<b>30.6.2010</b>	<b>57</b>	<b>5</b>	<b>14</b>	<b>76</b>
thereof foreign companies	31	–	4	35

No acquisitions were made in the first three quarters of 2009/10. In the comparable period of the 2008/09 financial year, the Burgenland-based cable network operator B.net as well as Dataservice GmbH, Eisenstadt, were fully taken over by Kabelsignal at a purchase price of EUR 22.0m. No amendments occurred due to the final valuation of the property, plant and equipment of B.net compared to the balance sheet date September 30, 2009.

In July 2009, WTE Wassertechnik GmbH, Essen, Germany, was awarded a contract to construct a wastewater disposal plant in Budva, Montenegro, and to operate it over a period of 30 years. On this occasion, WTE odpadne vode Budva DOO, Podgorica, Montenegro, was established in September 2009, and was fully consolidated for the first time as of the first quarter of 2009/10.

EVN Trading d.o.o. Beograd, Belgrade, Serbia, and EVN Trading DOOEL, Skopje, Macedonia, in which EVN Trading SEE EAD, Sofia, Bulgaria, owns a 100% stake, are responsible for implementing energy trading projects in their respective countries, and were consolidated for the first time in the Interim report of EVN on the basis of their materiality as of the first quarter 2009/10.

EVN Plin d.o.o., Zagreb, Croatia, which will plan, build, operate and maintain gas distribution networks in the Zadar, Split and Sibenik administrative divisions, commenced business operations and was consolidated for the first time in the Interim report of EVN as of the second quarter 2009/10 .

Naturkraft EOOD, Plovdiv, Bulgaria, in which EVN owns a 100% shareholding, was fully consolidated as of the second quarter of the 2009/10 financial year. The company operates a photovoltaic facility in Blatets, Bulgaria, with a capacity of 0.8 MW.

The fully consolidated subsidiary Energy Trading EAD, Sofia, Bulgaria, was deconsolidated in the third quarter of 2009/10 due to the termination of its business operations.

### Selected notes

In the first three quarters of 2009/10, EVN acquired intangible assets and property, plant and equipment to the amount of EUR 252.8m (previous year: EUR 249.3m). This was in contrast to the disposal of property, plant and equipment at a carrying value of EUR 1.1m (previous year: EUR 1.5m). In this connection, EVN achieved a capital gain of EUR 0.4m (previous year: EUR 0.4m).

## Notes to the consolidated balance sheet

Other investments totalling EUR 1,032.5m, which are assigned to the category of “available-for-sale” securities, includes the shares of listed companies with a market value of EUR 1,009.0m, a decline of EUR 376.8m from the preceding year. The adjustments made to reflect changed market values were allocated to the valuation reserve in accordance with IAS 39 after taking account of the deduction of deferred taxes.

At the balance sheet date of June 30, 2010, the number of treasury shares remained unchanged at 534,864 treasury shares (representing 0.33% of the share capital), having an acquisition price of EUR 8.0m and a market value of EUR 6.6m on the balance sheet date (September 30, 2009: EUR 7.3m). EVN AG is not entitled to any rights arising from the ownership of treasury shares. In particular, these shares are not entitled to dividends.

The Annual General Meeting of EVN AG held on January 21, 2010 approved the proposal of the Executive Board and Supervisory Board to distribute a dividend of EUR 0.37 per share for the 2008/09 financial year (total dividend payout: EUR 60.3m). Ex-dividend day was January 26, 2010, and the distribution of the dividend to EVN AG shareholders took place on January 29, 2010.

Composition of non-current loans and borrowings	Nominal interest rate (%)	Term	Nominal amount	Carrying amount	Carrying amount
				30.6.2010 (TEUR)	30.9.2009 (TEUR)
JPY bond	5.200	1994–2014	JPY 8.0bn	76,626.9	61,182.7
EUR bond	5.250	2001–2011	EUR 262.9m	267,620.8	267,299.8
CHF bond	3.625	2009–2014	CHF 250.0m	188,003.3	165,575.8
EUR bond	5.000	2009–2016	EUR 28.5m	28,255.9	28,222.6
EUR bond	5.250	2009–2017	EUR 150.0m	148,289.8	148,099.7
EUR bond	5.250	2009–2019	EUR 30.0m	29,349.8	29,292.4
JPY bond	3.130	2009–2024	JPY 12.0m	105,883.6	79,983.6
<b>Total bonds</b>	–	–	–	<b>844,030.0</b>	<b>779,656.7</b>
Non-current bank loans	1.000–8.770	bis 2031	–	774,176.5	922,826.9
<b>Total</b>	–	–	–	<b>1,618,206.5</b>	<b>1,702,483.6</b>

Valuation is carried out at amortised cost. Liabilities in foreign currencies were translated at the exchange rate in effect on the balance sheet date. In accordance with IAS 39, hedged liabilities were adjusted to reflect the corresponding change in the value of the hedged risk in cases where hedge accounting was applied. The resulting increase in bonds amounting to EUR 63.6m (September 30, 2009: EUR 7.1m) is largely offset by a corresponding increase in provisions for non-current financial instruments of EUR 65.3m (September 30, 2009: EUR 6.7m).

In respect to non-current bank loans, the ongoing, scheduled redemption of loans and borrowings amounting to EUR 81.0m was mainly offset by drawing upon a line of credit as a means of financing the construction of a sodium hypochlorite plant in Moscow totalling EUR 101.2m. A repayable bullet loan of EUR 170.8m due for repayment in February 2011 was reclassified under current loans and borrowings.

An impairment test on assets in accordance with IAS 36 carried out in the first three quarters of 2009/10 resulted in an impairment loss on property, plant and equipment of EUR 10.7m due to an expected delay of the wind park project Kavarna. In addition, the high level of investments and the first full year consolida-

**Notes to the consolidated income statement**

tion of B.net led to a rise in depreciation and amortisation of EUR 25.8m, to EUR 171.5m in the first three quarters of 2009/10.

The income from investments, which mainly consists of income from investments in associates included at equity and dividend payments from affiliated companies that are not consolidated developed as follows:

<b>Income from investments</b>	TEUR	<b>2009/10 Q. 1-3</b>	2008/09 Q. 1-3
RAG <sup>1)</sup>		27,508.7	27,700.5
EconGas		6,469.3	8,397.7
ZOV; ZOV UIP		9,043.2	3,924.6
BEWAG; BEGAS <sup>2)</sup>		-2,051.1	-1,393.8
Other companies		12.6	-841.5
<b>Income from investments in associates included at equity</b>		<b>40,982.7</b>	<b>37,787.5</b>
Verbund AG		50,139.0	42,116.8
Other companies		3,631.5	4,913.7
<b>Income from other investments</b>		<b>53,770.5</b>	<b>47,030.4</b>
<b>Income from investments</b>		<b>94,753.3</b>	<b>84,817.9</b>

1) Indirectly held by RBG

2) 49.0% of the shares in BEWAG and BEGAS are indirectly hold by BUHO.

Earnings per share are calculated by dividing Group net profit (= Net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i.e. 162,990,956 (June 30, 2009: 163,016,639 shares). This figure may generally be diluted by the existence of so-called potential shares arising from share options or convertible bonds. However, EVN has no such potential shares. Subsequently, there is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net profit amounting to EUR 204.9m (June 30, 2010: EUR 175.6m). Calculated on this basis, earnings per share at the balance sheet date of the first three quarters of 2009/10 on June 30, 2010 totalled EUR 1.25 (June 30, 2009: EUR 1.07).

#### Notes to the consolidated cash flow statement

Dividends received, interest income and interest expense are allocated to current business activities. The cash flow from dividend payments totalled EUR 108.6m in the first three quarters of 2009/10 (previous year: EUR 79.1m). Interest income amounted to EUR 25.7m (previous year: EUR 34.1m), whereas interest expense was EUR 40.8m (previous year: EUR 54.2m). The effects of business combinations amounting to EUR 20.9m in the first three quarters of 2008/09 were reported in the net cash flow from investing activities. No business combinations took place in the first three quarters of 2009/10.

#### Other information

##### Transactions with related companies and individuals

There were no changes in the range of related companies and individuals since the previous consolidated financial statements. The transactions concluded with investments in associates included at equity are as follows:

<b>Transactions with investments in associates included at equity</b>	EURm	<b>2009/10 Q. 1-3</b>	2008/09 Q. 1-3
Revenue		203.3	228.7
Cost of services		613.7	636.0
Trade accounts receivable		55.3	154.8 <sup>1)</sup>
Trade accounts payable		22.9	13.4 <sup>1)</sup>

1) Value at September 30, 2009.



### **Other obligations and risks**

Other obligations and risks increased by EUR 155.7m compared to September 30, 2009, to EUR 949.4m, primarily as a result of the increase in both the guarantees for the construction of the coal-fired power plant in Duisburg-Walsum as well as for subsidiaries in connection with energy business transactions. The rise relating to the Duisburg-Walsum project involves an expansion of external financing corresponding to construction progress, for which guarantees were issued. The guarantees issued for subsidiaries in connection with energy transactions are the result of an expansion in energy trading at the reporting date.

Contingent liabilities relating to guarantees issued for subsidiaries in connection with energy transactions have not been capitalised at their nominal value since the 2008/09 financial year but to the amount of the actual risk for EVN AG. This risk is measured by the changes between the stipulated price and the actual market price. Risks relating to procurement transactions exist in the case of declining market prices, whereas risks concerning sales transactions exist on the basis of increased market prices. Accordingly, the risk can correspondingly change after the balance sheet date due to market price changes. The risk valuation at June 30, 2010 resulted in contingent liabilities of EUR 11.7m. The nominal volume of the guarantees underlying this valuation amounted to EUR 380.0m.

### **Significant events after the balance sheet date**

The following significant events requiring disclosure took place between the quarterly balance sheet date of June 30, 2010 and the publication of this Interim report on August 26, 2010:

Against the backdrop of the arbitration proceedings against the Republic of Macedonia initiated by EVN on May 8, 2010 to protect its investments, the Macedonian government and EVN agreed to systematically seek a joint solution to all open issues and problems between the two parties. The definition of criteria and a time framework for implementation of this agreement should enable intensive bilateral negotiations between the two parties in the next few months to create a win-win situation for the government, the citizens as well as EVN and thus create greater trust.

Effective July 1, 2010, end customer prices for electricity in Bulgaria were raised by the regulatory authority by an average of 1.4%, and procurement prices were hiked by 8.4%. This decision will have a negative effect on the performance of EVN Bulgaria.

EVN and the state-owned Bulgarian energy company NEK intend to reactivate a long-planned project to construct a series of power plants along the upper reaches of the Arda River in South-East Bulgaria. A corresponding joint venture agreement between EVN and NEK was signed on July 19, 2010. Storage power stations with a total output of up to 170 MW are to be constructed in several phases.

Already in December 2009, EVN was awarded a contract to build a waste treatment plant in Moscow with a total investment volume of about EUR 575.0m. In August 2010, after the required environmental permits were finally granted, capacity of the facility was stipulated at 700,000 tonnes annually. Financing is realised on basis of a BOOT-model. EVN is responsible for financing, constructing and operating the facility for a period of twelve years after completion.

## The EVN share

Apparently the global economy managed to overcome the recession it had suffered from starting in the middle of 2009. The economic recovery in Europe was restrained due to the crisis of confidence linked to high level of public debt. The latest forecasts anticipate stable but low growth for the European economy in the second half of 2010.

The ongoing difficult situation led national banks to maintain their low interest policies. The economic pick-up has to prove itself to be sustainable before the national banks are likely to take other measures.

In the first three quarters of 2009/10, international stock markets were subject to extensive volatility as a consequence of the mixed signals being sent by economic performance and sentiment indicators.

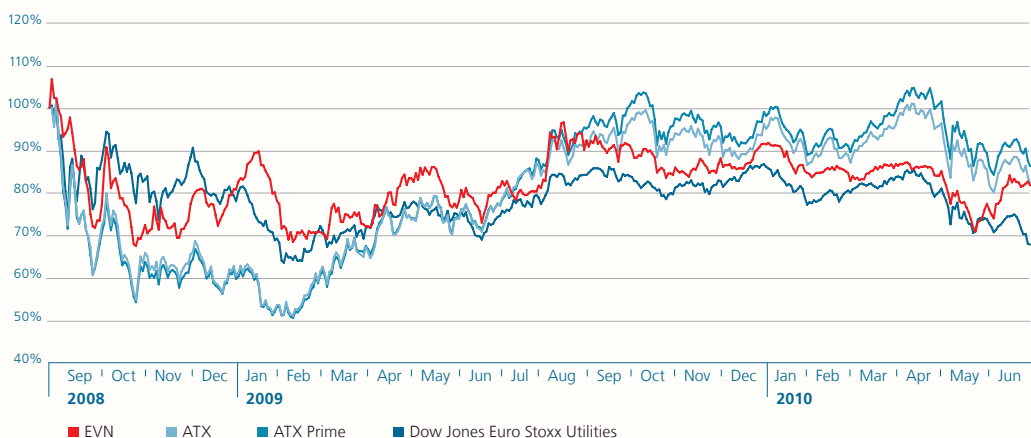
From October 1, 2009 to June 20, 2010 the German share index DAX rose by 5.1%, while the leading American share index Dow Jones only registered a 0.6% rise in value. The Vienna benchmark index ATX posted a considerably weaker performance in this period, recording a drop of 13.6%. The Dow Jones Euro Stoxx Utilities Index, which is relevant to EVN, posted an even greater loss of, declining in value by 20.8%. The EVN share was not immune to the weak trading environment, and was down 10.5%. On June 30, 2010, the EVN share was traded at EUR 12.25, which corresponds to a market capitalisation of EUR 2.0 billion.

### EVN share – Index weighting 30.6.2010

ATX	_____	1.55%
WBI	_____	
(Vienna Stock Exchange Index)	_____	
	_____	2.79%

The average daily turnover in EVN shares weakened somewhat in comparison to previous periods, amounting to 57,508 shares (counted once). The total trading volume of EVN shares on the Vienna Stock Exchange was EUR 132m (counted once), which corresponds to 0.43% of total Vienna Stock Exchange trading volume. The weighting of the EVN share on the ATX index was 1.55% as of the end of June 2010.

### EVN share price – relative development



<b>EVN share – performance</b>		<b>2009/10 Q. 1–3</b>	<b>2008/09 Q. 1–3</b>	<b>2007/08 Q. 1–3</b>
Share price at the end of June	EUR	12.25	11.83	22.00
Highest price	EUR	13.75	16.00	23.38
Lowest price	EUR	10.61	10.11	18.85
Value of shares traded <sup>1)</sup>	EURm	132	143	309
Average daily turnover <sup>1)</sup>	Shares	57,508	65,812	76,228
Share of total turnover <sup>1)</sup>	%	0.43	0.55	0.50
Market capitalisation at the end of June	EURm	2,003	1,935	3,598

1) Vienna Stock Exchange, counted once

The 81<sup>st</sup> Annual General Meeting of EVN AG held on January 21, 2010 approved the payment of a dividend to shareholders of EVN AG amounting to EUR 60.3m or EUR 0.37 per share for the 2008/09 financial year. Ex-dividend day was January 26, 2010, and the distribution of the dividend to EVN AG shareholders took place on January 29, 2010.

**Stable dividend for the 2008/09 financial year**

The 81<sup>st</sup> Annual General Meeting also granted authorisation to the Executive Board, within five years after the registration of the relevant amendment to the Articles of Incorporation in the company register, to increase the authorised capital of the company by up to EUR 30.0m, in one or more tranches, by issuing up to 16,352,582 non-par value bearer shares against a contribution in cash and/or in kind, as and to fix the volume of the capital increase, the offering price and the terms of the issue, with the approval of the Supervisory Board, inasmuch as the Executive Board ensures that the shareholding in EVN AG held by NÖ Landes-Beteiligungsholding GmbH does not fall below the level of 51%, even after the capital increase. The Executive Board did not make use of this authorisation during the period under review.

**Authorisation for a capital increase granted by the 81<sup>st</sup> Annual General Meeting**

On June 23, 2010, the Executive Board of EVN announced to take the steps necessary in the second half of 2010 to carry out a capital increase of up to 10% of the share capital, as authorized by the Annual General Meeting held on January 21, 2010. The aim of the intended capital increase is to strengthen the capital resources of the company. Such a capital increase is subject to approval by the Supervisory Board of EVN, the required approval of the prospectus by the responsible body, namely the Austrian Financial Market Authority, as well as a favourable capital market environment.

**Criteria and time framework defined to reach agreement with Macedonian government**

In the first three quarters 2009/10, there was no change in the shareholder structure of EVN AG: 51% of the shares continue to be owned by NÖ Landes-Beteiligungsholding GmbH, St. Pölten. The second largest shareholder is EnBW Energie Baden-Württemberg AG with a stake of >35%. The remaining <14% are in free float.

**Unchanged shareholder structure**

## Disclaimer

This information does not constitute or form part of any prospectus or offer document or solicitation or invitation of any offer to exchange for or to buy any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. A public offer may only be made in Austria after publication of a prospectus prepared in accordance with the provisions of the Austrian Capital Markets Act and approved by the Austrian Financial Market Authority. Any securities orders received prior to the commencement of a public offer will be rejected. If a public offer is made in Austria, a prospectus prepared in accordance with the provisions of the Austrian Capital Markets Act and the Stock Exchange Act will be published and will be available free of charge at EVN AG, 2344 Maria Enzersdorf.

## Financial calendar<sup>1)</sup>

Annual results 2009/10	December 16, 2010
82 <sup>nd</sup> Annual General Meeting	January 20, 2011
Ex-dividend day	January 25, 2011
Dividend payment	January 28, 2011
Results Q. 1 2010/11	February 24, 2011
Results HY. 1 2010/11	May 26, 2011
Results Q. 1–3 2010/11	August 25, 2011
Annual results 2010/11	December 15, 2011

1) Preliminary

### EVN share – Basic information

Share capital	300,000,000.00 EUR
Denomination	163,525,820 zero par value 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 program (5 ADR = 1 share); The Bank of New York Mellon
Ratings	A2, negative (Moody's); A–, negative (Standard & Poor's)

## EVN AG

EVN Platz  
2344 Maria Enzersdorf  
Phone +43 2236 200-0  
Fax +43 2236 200-2030

### Investor Relations

Klára Székffy  
Phone +43 2236 200-12745  
Fax +43 2236 200-82745  
investor.relations@evn.at

### Online letter to shareholders

<http://www.financialreport.evn.at/?report=EN2010-Q3>

### Information on the Internet

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