

Letter to Shareholders

Q. 1–3 2010/11

October 1, 2010 – June 30, 2011

Revenue –0.9% (EUR 2,163.6m)

EBITDA +7.9% (EUR 394.4m)

EBIT +9.8% (EUR 213.2m)

Group net profit +1.2% (EUR 207.2m)

Gross cash flow +1.0% (EUR 426.6m)

- Cold winter in Austria once again
- Focus on the expansion of renewable energy in Lower Austria and abroad
- Opening of EVN's largest photovoltaic plant in Trastikovo, Bulgaria
- Acquisition of 13% of VERBUND Innkraftwerke GmbH
- Ground-breaking ceremony for gas network expansion in Zadar, Croatia
- Outlook 2010/11: operating results at the prior-year level,
Group net profit below the previous year

Key figures

		2010/11 Q. 1–3	2009/10 Q. 1–3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Sales volumes							
Electricity generation volumes	GWh	2,655	3,001	–11.5	570	460	23.9
Electricity sales volumes to end customers	GWh	15,763	15,444	2.1	4,472	4,369	2.4
Natural gas sales volumes to end customers	GWh	6,160	6,254	–1.5	608	858	–29.1
Heat sales volumes to end customers	GWh	1,640	1,580	3.8	269	300	–10.3
Statement of operations							
Revenue	EURm	2,163.6	2,182.8	–0.9	533.9	557.7	–4.3
EBITDA	EURm	394.4	365.7	7.9	70.2	52.7	33.3
EBITDA margin	%	18.2	16.8	1.4	13.2	9.5	3.7
Results from operating activities (EBIT)	EURm	213.2	194.1	9.8	16.0	–0.3	–
EBIT margin	%	9.9	8.9	1.0	3.0	–	–
Profit before income tax	EURm	275.1	266.2	3.4	28.4	0.1	–
Group net profit	EURm	207.2	204.9	1.2	23.2	–3.6	–
Statement of financial positions							
Total assets	EURm	7,298.6	6,570.0	11.1	7,298.6	6,570.0	11.1
Equity	EURm	3,488.1	3,002.3	16.2	3,488.1	3,002.3	16.2
Equity ratio	%	47.8	45.7	2.1	47.8	45.7	2.1
Net debt	EURm	1,249.5	1,415.9	–11.8	1,249.5	1,415.9	–11.8
Gearing	%	35.8	47.2	–11.4	35.8	47.2	–11.4
Return on Equity (ROE)	%	7.2	7.1	0.1	1.1	0.2	0.9
Return on Capital Employed (ROCE)	%	5.3	5.2	0.1	0.9	0.4	0.5
Cash flow and investments							
Gross cash flow	EURm	426.6	422.5	1.0	132.2	133.6	–1.1
Net cash flow from operating activities	EURm	465.7	314.5	48.1	244.4	237.3	3.0
Investments ¹⁾	EURm	246.5	252.8	–2.5	101.7	81.2	25.2
Employees							
Number of employees	Ø	8,279	8,569	–3.4	8,222	8,546	–3.8
thereof Austria	Ø	2,548	2,550	–0.1	2,551	2,543	0.3
thereof abroad	Ø	5,730	6,019	–4.8	5,671	6,002	–5.5
Share							
Earnings	EUR	1.17	1.25	–6.4	0.13	–0.02	–

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

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Dear Shareholders!

In the first three quarters of the 2010/11 financial year, EVN generated total revenue of EUR 2,163.6m, a decline of 0.9% from the prior-year period. In the energy business, the positive effect of higher energy sales related to the colder winter in comparison to the long-term average and the tariff increase for gas in Austria was in contrast to the changed reporting of revenue in Bulgaria. EVN was able to achieve a strong increase in revenue in the environmental services business. Despite the slight decline in revenue, the results from operating activities improved by 9.8%, to EUR 213.2m. The financial results amounted to EUR 61.9m, down 14.1% from the previous year. The results from associates were at the prior-year level. The significant decrease in the gain from other investments could be compensated by higher earnings contributions from investments in equity accounted investees. The Group net profit totalled EUR 207.2m, a rise of 1.2% or EUR 2.3m from the high prior-year figure. The positive development in the first three quarters of the 2010/11 financial year confirms our strategy aiming at a further stabilisation of the business model and the consolidation of existing business areas.



For many years EVN's energy production has relied on a flexible power generation mix encompassing hydropower and thermal energy along with alternative energy sources, emphasizing the importance of sustainability as well as the reliability and security of the energy supply. Thus our strategy is in line with the new policies being pursued in the global energy sector following the devastating catastrophe in Japan and the decision to phase out nuclear energy in Germany. We have considerably expanded our portfolio as a means of achieving our objective of raising the share of renewable energy to comprise 50% of our production mix. In July 2011, we acquired a 13.0% stake in the 13 power plants on the Inn River from VERBUND Innkraftwerke GmbH.

EVN is implementing a diverse range of ambitious projects in Austria in the field of renewable energy sources. Up to EUR 800.0m will be invested for this purpose by the year 2020. One successful example is the small-scale hydropower plant Schütt opened in July 2011, which will provide electricity for 10,000 households following the completion of extensive revitalisation work. Since July 2011, the Markgrafneusiedl wind park featuring a total capacity of 18 MW has been feeding electricity into the grid to cover the needs of about 12,000 households. Eight wind turbines with a total capacity of 16 MW are being constructed in Tattendorf. An important milestone in the expansion of power generation from renewable energy sources was also the coming on stream of EVN's largest photovoltaic facility in Trastikovo, Bulgaria, in July 2011. In Bulgaria we also acquired a 70.0% shareholding in the project company "Gorna Arda" in July 2011, which will implement a hydropower plant project in cooperation with the state-owned electricity producer NEK.

The regulatory environment improved slightly in South East Europe in the first half-year of 2011. Following the positive pricing decision for electricity rates in Macedonia in March, the regulatory authority in Bulgaria approved an average increase of 1.9% for end customer electricity prices and 6.8% for heat in July 2011. The Bulgarian State plans to sell its 33.0% stake in the regional energy suppliers via the Bulgarian Stock Exchange. In this regard, EVN is making the necessary preparations to fulfil the related legal regulations of a publicly listed company.

Construction and assembly work has almost been concluded on the cogeneration plant in Plovdiv, Bulgaria, and is expected to be completed on schedule at the end of 2011. In April 2011 the ground-breaking ceremony took place in Zadar, Croatia, for the construction of a high and medium-pressure gas pipeline with a length of 25 kilometres. On the basis of a recurrence of damage to the boiler of the coal-fired power plant in Duisburg-Walsum, material replacement is considered to be the most technically reasonable solution. As a result, the power station will first likely come on stream in September 2013.

Following the first three quarters of 2010/11, we confirm our outlook for the entire financial year. We expect the results from operating activities to match the previous year's performance, whereas the Group net profit for 2010/11 as a whole will likely be below the comparable prior-year figure.

Maria Enzersdorf, August 2011



Peter Layr
Spokesman of the Executive Board



Stefan Szyszkowitz
Member of the Executive Board



Herbert Pöttschacher
Member of the Executive Board

Interim management report

Overall business environment

GDP growth	%	2008	2009	2010	2011e	2012f
EU-27 ¹⁾		0.8	-4.1	1.7	2.0	2.1
Austria ¹⁾		2.1	-3.9	2.1	3.3	2.0
Bulgaria ¹⁾		6.0	-5.5	0.2	2.5	4.0
Albania ¹⁾		6.0	3.3	3.9	5.0	5.5
Croatia ¹⁾		2.4	-6.0	-1.2	1.0	2.0
Macedonia ²⁾		5.0	-0.9	0.7	2.0	3.0

1) Source: Raiffeisen Research "Strategie Globale Märkte 3. Quartal 2011" and "Strategie Österreich & CEE 3. Quartal 2011".

2) Source: wiw "Country Report Macedonia", July 2011.

Due to the solid economic momentum, expectations for GDP growth in the EU in 2011 were revised upwards to 2.0%. The 2012 forecast of 2.1% growth remains unchanged. The Austrian economy is now expected to expand by 3.3% in 2011, making it one of the highest growth countries in the eurozone. This development could enable it to compensate for the downturn in 2009, similar to the situation for Germany. However, the Austrian GDP increase is expected to slow down to 2.0% in 2012.

Higher exports will help push up Bulgaria's anticipated GDP growth to 2.5%. Forecasts for 2012 were revised downwards by 0.5 percentage points to 4.0% to reflect the uncertain level of investment activity. The Albanian economy is predicted to expand by 5.0% in 2011 and 5.5% in 2012. Economic expectations for Croatia and Macedonia remain unchanged from the second quarter, with the two markets forecast to expand by 1.0% and 2.0% respectively in 2011 and by 2.0% and 3.0% respectively in the year 2012.

Energy sector environment

		2010/11 Q. 1-3	2009/10 Q. 1-3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Temperature-related energy demand¹⁾							
	%						
Austria		102.4	105.1	-2.7	61.5	115.2	-53.7
Bulgaria		86.2	81.2	5.0	200.4	51.7	148.7
Macedonia		101.0	94.0	7.0	122.4	87.0	35.4
Primary energy and CO₂ certificates							
Crude oil – Brent	EUR/bbl	74.22	56.51	31.4	81.14	62.34	30.1
Natural gas – GIMP	EUR/MWh	25.01	20.78	20.3	28.38	21.90	29.6
Coal – API#2 ²⁾	EUR/t	85.87	67.36	27.5	89.94	77.31	16.3
CO ₂ certificates (2 nd period)	EUR/t	15.59	14.03	11.1	16.35	15.12	8.1
Electricity – EPEX spot market³⁾							
Base load	EUR/MWh	52.34	40.44	29.4	53.68	41.52	29.3
Peak load	EUR/MWh	62.82	51.85	21.2	62.47	51.62	21.0
Electricity – EEX forward market⁴⁾							
Base load	EUR/MWh	50.14	50.35	-0.4	47.01	41.75	12.6
Peak load	EUR/MWh	64.73	70.39	-8.0	58.72	56.16	4.6

1) Calculated according to the heating degree total; in Austria the basis (100%) corresponds to the long-term average value from 1997 until 2006; in Bulgaria it corresponds to the long-term average value from 2004 until 2007 and in Macedonia to the long-term average value from 2001 until 2009; changes reported in percentage points.

2) ARA notation (Amsterdam, Rotterdam, Antwerp).

3) EPEX spot – European Power Exchange.

4) Average prices for the respective EEX (European Energy Exchange) quarterly forward market prices, beginning one year before the respective period under review.

During the reporting period, European wholesale prices for electricity as well as for CO₂ certificates were above the previous year's levels, which is mainly due to the positive economic development and the rise in primary energy prices. In the third quarter of the 2010/11 financial year, this development was chiefly driven by the nuclear catastrophe in Japan and the unrest in North Africa. Accordingly, spot market prices for base load and peak load electricity were up 29.4% and 21.2% on average from the very low prior-year level. The valid forward prices for the reporting period remained at 0.4% below the prior-year level for base load electricity and 8.0% lower for peak load electricity, but prices are tending to rise. Forward prices for the period 2012/13 increased following the events in Japan in March 2011 and have stayed at this level up until now.

Crude oil prices in euros increased by 31.4% year-on-year as a result of the positive economic situation, particularly the ongoing strong demand in Asia. The price of gas, which is tied to the oil price, rose 20.3% from the previous year, whereas coal prices climbed by 27.5%.

Business development

Statement of operations

In the first three quarters of 2010/11, EVN generated total revenue of EUR 2,163.6m, a decline of 0.9% from the previous year. The strong increase in revenue from the environmental services business almost fully compensated for the revenue drop in the energy business and in the Strategic Investments and Other Business segment. The Generation and Network Infrastructure Austria segments in the energy business succeeded in slightly increasing revenue, whereas revenue fell in the Energy Trade and Supply as well as the Energy Supply South East Europe segments. The positive sales development based on the colder winter compared to the long-term average along with the network tariff increases and the rise in end customer gas prices in Austria could not compensate for the negative effect of the changed reporting of revenue in Bulgaria.

The revenue generated outside of Austria rose by 1.4%, or EUR 10.8m, to EUR 806.5m, and thus corresponded to a 37.3% share of total Group revenue (previous year: 36.5%).

Other operating income rose by 17.1%, or EUR 8.7m, to EUR 59.5m.

The costs for "Electricity purchases and primary energy expenses" fell by 7.1%, or EUR 92.0m, to EUR 1,209.0m. This development is due to the slightly lower electricity procurement prices in Austria and the changed reporting of this item in Bulgaria. This was in contrast to higher sales volumes for electricity and heating, as well as increased procurement costs in the gas business and in South East Europe.

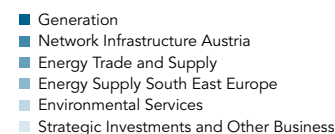
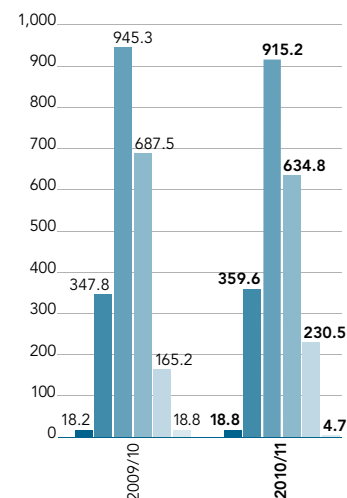
The significantly higher volume in the international environmental project business led to a rise in the cost of materials and services by 30.5%, or EUR 60.9m, to EUR 260.5m during the period under review.

The average number of employees fell by 3.4% compared to the prior-year period, or 290 people, to 8,279 employees. Due to the positive development in the environmental services business, 43 additional employees were hired. In contrast, efficiency enhancement measures in Macedonia and Bulgaria led to a reduction of the workforce by 330 employees. As a result, despite the contractually stipulated wage and salary increases mandated by collective wage agreements, personnel expenses could be reduced by 1.6% or EUR 3.9m, to EUR 243.8m.

Other operating expenses fell by 3.5%, or EUR 4.2m, to EUR 115.5m. In this regard, the lower level of write-offs on receivables in South East Europe compensated for the higher legal and consulting costs mainly relating to the capital increase carried out in the first quarter of 2010/11. In the prior-year, the Environmental Services segment included a write-off of EUR 3.9m.

Revenue by segments¹⁾ Q. 1-3

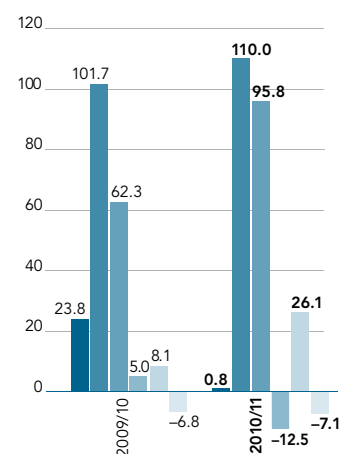
in EURm



1) External revenue

EBIT by segments Q. 1-3

in EURm



On balance, in the light of an almost constant revenue situation, these developments led to an EBITDA increase in the period under review of 7.9%, or EUR 28.7m, to EUR 394.4m. The EBITDA margin improved from the prior-year level of 16.8% to 18.2%.

The increase in scheduled depreciation and amortisation of 1.6%, or EUR 2.6m, to EUR 163.5m, can be attributed to the commissioning of several investment projects in the 2009/10 financial year. Moreover, an impairment loss was carried out on goodwill and for property, plant and equipment for TEZ Plovdiv and the power plant site in Plovdiv. In total, these amounted to EUR 17.7m. The prior-year period was burdened by an impairment loss of EUR 10.7m related to the Kavarna wind park project in Bulgaria. All in all, depreciation and amortisation rose by 5.6% or EUR 9.6m from the previous year's level, to EUR 181.2m during the period under review.

The results from operating activities (EBIT) could be improved by 9.8%, or EUR 19.1m, to EUR 213.2m. Accordingly, the EBIT margin rose by one percentage point to 9.9% in the reporting period.

The financial results in the first three quarters of 2010/11 fell by 14.1%, or EUR 10.1m, to EUR 61.9m. In this case, the higher income from investments in equity accounted investees, which rose by EUR 28.4m, especially from RAG, was in contrast to the declining gain from other investments of EUR 28.3m, in particular the lower dividend paid by VERBUND AG. Moreover, the increase in the interest expense by 12.5%, or EUR 6.4m, due to the higher interest rates as well as the lower capitalisation of construction period interest related to the completion of investment projects, had a negative effect on the financial results. The other financial result was down from EUR -0.5m to EUR -2.9m.

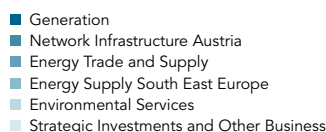
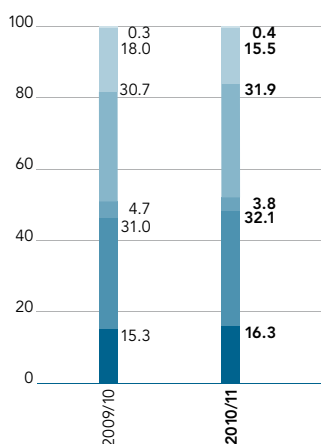
These developments led to a profit before income tax of EUR 275.1m, comprising a rise of 3.4%, or EUR 8.9m. Taking account of the income tax of EUR 40.1m, the profit for the period totalled EUR 235.0m, a rise of 7.7% or EUR 16.9m.

The Group net profit was up 1.2% or EUR 2.3m, to EUR 207.2m. Details on the development of the individual segments can be found starting on page 9.

Structure of investments

Q. 1–3

in %



Statement of cash flows

In the first three quarters of 2010/11, the gross cash flow amounted to EUR 426.6m, up 1.0% or EUR 4.1m from the prior-year level due to the higher profit before income tax. This development was weakened by lower non-cash earnings components. Higher depreciation and amortisation and higher non-cash results at equity were in contrast to lower non-current provisions.

The net cash flow from operating activities could be significantly increased, up by 48.1%, or EUR 151.2m, to EUR 465.7m. This improvement was based on the lower level of working capital compared to the increased working capital of the previous year.

Due to higher overall investments, the net cash flow from investing activities totalled EUR -427.2m (previous year: EUR -253.7m). The main reasons were capital payments for investments in equity accounted investees, the growth of lease receivables in the project business of the Environmental Services segment and in the increased investments in cash funds. This was in contrast to the decline in net investments, which amounted to EUR 178.3m, a drop of 18.1%, or EUR 39.4m, from the prior-year figure of EUR 217.7m.

The net cash flow from financing activities of EUR 28.4m was primarily affected by the capital increase of EVN AG in the first quarter of 2010/11 totalling EUR 175.5m, as well as the dividend distributed to shareholders of EVN AG amounting to EUR 71.8m or to non-controlling interests of EUR 33.7m, as well as the repayment of non-current liabilities amounting to EUR 41.6m.

On balance, the above-mentioned developments resulted in a positive cash flow of EUR 67.0m in the first nine months of the 2010/11 financial year, compared to EUR -0.9m in the prior year. As a result, the Group's cash and cash equivalents increased to EUR 156.0m (previous year: EUR 112.6m). In addition, as at the reporting date of June 30, 2011, funds arising from current investments in securities, primarily cash funds, totalled EUR 346.0m (September 30, 2010: EUR 223.8m), which is not to be included in the item cash and cash equivalents pursuant to IFRS stipulations.

Statement of financial positions

At EUR 7,298.6m, EVN's total assets in the first three quarters of 2010/11 rose by 8.4%, or EUR 567.4m, compared to the last balance sheet date at September 30, 2010.

Non-current assets rose by 6.5%, or EUR 371.2m, to EUR 6,113.4m, and its share of total assets amounted to 83.8% of total assets (September 30, 2010: 85.3%). This increase in non-current assets is primarily related to the rise in the valuation of the investments in equity accounted investees based on the capital contributions in regards to Walsum, Devoll and Ashta power plant projects and EVN's participation in the capital increase of VERBUND AG. Accordingly, this balance sheet item increased by 15.0%, or EUR 110.2m, to EUR 844.1m. Furthermore, the value of other investments rose by 13.8% from the previous balance sheet date, or EUR 148.6m, to EUR 1,226.3m, which is primarily the result of the positive valuation of EVN's shareholding in VERBUND AG.

Current assets rose by 19.8%, or EUR 196.2m, to EUR 1,185.3m, in which case their share of total increased from 14.7% to 16.2%. This development is due to the increased investments in securities as well as the higher level of cash and cash equivalents. As a consequence of the financial proceeds of EUR 175.5m from the capital increase of EVN AG and the funds derived from the net cash flow from operating activities, current investments in securities increased by EUR 122.3m to EUR 346.0m and cash and cash items were up by EUR 76.6m to EUR 200.1m.

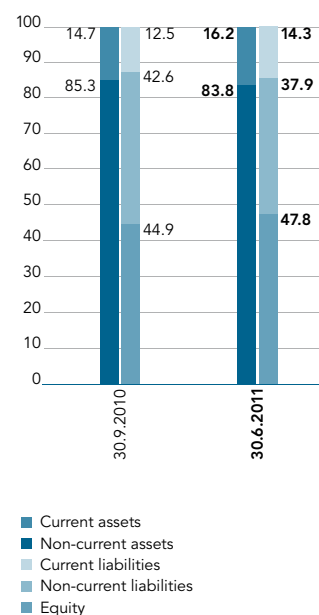
Equity rose by 15.3%, or EUR 462.8m, to EUR 3,488.1m. In spite of the dividend distributed to shareholders of EVN AG for the 2009/10 financial year, equity increased due to the additional equity capital arising as a consequence of the capital increase, the Group profit for the period as well as the positive valuation of EVN's shareholding in VERBUND AG. As at the balance sheet date of June 30, 2011, the equity ratio improved to 47.8%, compared to 44.9% as at September 30, 2010. Net debt of EUR 1,249.5m corresponded to a gearing of 35.8%, a decrease of 11.4 percentage points.

Non-current liabilities were reduced by 3.3%, or EUR 95.9m, to EUR 2,768.5m. This development is primarily related to the reclassification of a EUR bond of EUR 258.2m scheduled for redemption in December 2011 to current loans and borrowings as well as the extension of a loan amounting to EUR 170.8m which would have been due on February 28, 2011, which was thus reclassified as non-current loans and borrowings. This item also includes deferred tax liabilities, which rose by 16.4%, or EUR 37.2m, to EUR 264.3m, which is mainly the result of the change in the market valuation of EVN's shareholding in VERBUND AG.

Current liabilities climbed by 23.8%, or EUR 200.5m, to EUR 1,042.0m. The above-mentioned reclassification of the EUR bond and the extension of a loan resulted in a corresponding increase in current loans and borrowings of 57.7%, or EUR 118.4m, to EUR 323.7m. Taxes payable increased by EUR 82.0m to EUR 145.0m and other current liabilities by 57.2%, or EUR 64.7m, to EUR 177.9m, respectively. In contrast, trade payables and current provisions declined.

Balance sheet structure

in %



Segment development

Overview

EVN's Group structure encompasses the business areas Energy business, Environmental Services business as well as Strategic Investments and Other business. The definition of the operating segments will be exclusively based – pursuant to IFRS 8 “Operating Segments” – on internal organisational and reporting structures. Contents, effects of the key energy business indicators and the operating development of the six segments are described below.

Due to a re-assignment three subsidiaries previously included in the Strategic Investments and Other Business segment relate to different segments: The results of first facility GmbH and Allplan Gesellschaft m.b.H. are now shown in the segment Energy Trade and Supply. The result of V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H. is assigned to the segment Network Infrastructure Austria. The previous year figures are not adopted due to inessentiality.

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

Key energy business indicators	GWh	2010/11 Q. 1–3	2009/10 Q. 1–3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Electricity generation volumes		2,655	3,001	-11.5	570	460	23.9
Thermal energy sources ¹⁾		1,778	2,098	-15.3	304	141	–
Renewable energy sources ²⁾		878	903	-2.8	268	318	-15.7
Network distribution volumes							
Electricity		16,298	15,954	2.2	4,669	4,543	2.8
Natural gas ³⁾		14,264	16,276	-12.4	2,373	2,836	-16.3
Energy sales volumes to end customers							
Electricity		15,763	15,444	2.1	4,472	4,369	2.4
thereof Central and Western Europe ^{4) 5)}		5,507	5,335	3.2	1,642	1,633	0.6
thereof South East Europe		10,257	10,109	1.5	2,831	2,735	3.5
Natural gas		6,160	6,254	-1.5	608	858	-29.1
Heat		1,640	1,580	3.8	269	300	-10.3
thereof Central and Western Europe ⁴⁾		1,422	1,343	5.9	246	276	-10.9
thereof South East Europe		218	238	-8.2	23	26	-11.5

1) Incl. cogeneration in Bulgaria in the Energy Supply South East Europe segment and in Austria in the Energy Trade and Supply segment, respectively. Revenues from such energy production are included in such respective segments.

2) Incl. bio-cogeneration in Austria in the Energy Trade and Supply segment, small-scale hydropower plants in Macedonia in the Energy Supply South East Europe segment and a combined cycle heat and power cogeneration plant in Kurjanovo, Moscow, in the Environmental Services segment. Revenues from such energy production are included in the respective segments.

3) Incl. network distribution volumes to EVN power stations.

4) Central and Western Europe includes Austria and Germany.

5) Incl. energy sales to the Network Infrastructure Austria segment for network losses.

Generation

The Generation segment comprises the generation of electricity from thermal production capacities and renewable sources of energy in Austria, as well as projects related to future power-generating facilities in Germany, Bulgaria and Albania.

Segment revenue basically comprises Intra-Group revenue and a small amount of external revenue arising mainly from the sale of electricity from renewable wind power. The option value is recognised as Intra-Group revenue in connection with EVN AG's activities regarding the production of electricity by means of thermal power and the electricity procurement rights from Danube power plants. Basically, the option value is the price that the Generation segment receives from the utilisation of its power generation capacities by the Energy Trade and Supply segment in return for the marketing of the power generation. The calculations are performed in advance based on the targeted generation volume using forward prices and planned costs. Hence, the current generation volume of EVN's own power generating capacities permits only limited conclusion as to the development of earnings. In contrast, the marketing of the power generated and the sourcing of primary energy are shown in the Energy Trade and Supply segment.

Key indicators		2010/11 Q. 1–3	2009/10 Q. 1–3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Key energy business indicators		GWh					
Electricity generation volumes¹⁾		2,384	2,769	-13.9	509	409	24.4
thereof thermal energy sources		1,641	1,948	-15.8	280	116	–
thereof renewable energy sources		742	821	-9.6	228	294	-22.4
Key financial indicators		EURm					
External revenue		18.8	18.2	3.5	6.4	3.9	64.0
Internal revenue		49.4	73.0	-32.3	13.0	17.7	-26.6
Total revenue		68.2	91.1	-25.2	19.4	21.6	-10.3
Operating expenses		-49.4	-39.2	-26.0	-18.1	-14.4	-25.0
EBITDA		18.8	51.9	-63.8	1.4	7.2	-81.1
Depreciation and amortisation		-18.0	-28.1	36.0	-6.0	-5.8	-4.2
Results from operating activities (EBIT)		0.8	23.8	-96.6	-4.7	1.4	–
Financial results		-7.9	-4.5	-73.6	-4.7	-3.2	-46.2
Profit before income tax		-7.1	19.3	–	-9.3	-1.8	–
Total assets		542.7	445.3	21.9	542.7	445.3	21.9
Investments ²⁾		43.9	39.6	10.9	18.4	1.3	–

1) The previous financial year's figures were adjusted due to a changed presentation.

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

EVN's total electricity generation amounted to 2,384 GWh in the first three quarters of 2010/11, a drop of 13.9% from the previous year. This is mainly attributable to the lower power generating volumes at EVN's own thermal power stations, which fell by 15.8% to 1,641 GWh. In addition, electricity production from renewable energy sources fell by 9.6% to 742 GWh due to the significantly lower water flow conditions.

In the first three quarters of the 2010/11 financial year, the total coverage ratio of electricity from own production in the EVN Group amounted to 16.8% (previous year: 19.4%). This also contains the power generation capacities of the segments Energy Trade and Supply, Energy Supply South East Europe and Environmental Services. The coverage ratio of electricity from own production totalled 48.2% (previous year: 56.2%) excluding the energy sales in the Energy Supply South East Europe segment.

Revenue in the reporting period of the Generation segment amounted to EUR 68.2m, down 25.2% from the previous year. In addition to the decrease in production, this drop was due to the unfavourable market prices prevailing in the period used for determining the option value of the power stations. In term, this led to a considerable reduction in revenue from EVN's thermal power stations.

Operating expense increased in the reporting period, which is mainly related to the higher personnel expenses, increased legal and consulting costs and higher other operating expenses. This led to a corresponding decline in the segment's EBITDA, which fell 63.8% to EUR 18.8m. EBIT amounted to EUR 0.8m, down 96.6% from the prior-year level, which was burdened by the one-off effect of an impairment loss of EUR 10.7m for the wind park in Kavarna. The declining financial results further aggravated the negative operational performance of the segment, leading to a profit before income tax of EUR -7.1m.

In the first three quarters of the 2010/11 financial year, investment volume of the segment totalled EUR 43.9m, a rise of 10.9%, or EUR 4.3m. The investment focus was on the revitalisation work for the Schütt hydropower plant and construction of the small-scale hydropower plant in Schaldorf. The small-scale hydropower plant Schütt was completed during the period under review, and with a capacity of 2 MW the station now provides 2,700 households with environmental-friendly energy. Total investment costs amounted to EUR 9.5m. In February 2011, work commenced to reconstruct the small-scale hydropower plant in Schaldorf. The facility will boast a capacity of 1 MW and thus supply the electricity needs of some 1,500 households. The plant is expected to come on stream in the spring of 2012.

Since its completion at the beginning of July 2011, the Markgrafneusiedl wind park has been feeding electricity into the grid to cover the needs of about 12,000 households. The investment volume amounted to EUR 30.0m. Eight wind turbines with a total capacity of 16 MW are being constructed in Tattendorf, supplying electricity for approximately 10,000 households. The facility, involving investment costs of some EUR 27.0m, is expected to come on stream in late autumn of 2011.

At the end of July 2011, EVN's single largest photovoltaic plant with a total capacity of approximately 2 MWp, built at a cost of EUR 5.0m, was put into operation.

Network Infrastructure Austria

The Network Infrastructure Austria segment encompasses the operation of the regional electricity and natural gas networks as well as the networks for cable TV and telecommunications in Lower Austria and Burgenland. The previously at equity accounted investees included NÖKOM has been fully consolidated as of the acquisition of the remaining 50.0% interest in the company in December 2010. Subsequently the merger of NÖKOM and Kabelsignal AG took place in March 2011. The subsidiary V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H. previously included in the Strategic Investment and Other Business segment is assigned to this segment. The previous year figures are not adapted due to inessentiality. In addition, this segment also provides Intra-Group services – especially in connection with construction activities – that are recognised as Intra-Group revenue.

Key indicators	2010/11 Q. 1–3	2009/10 Q. 1–3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Key energy business indicators	GWh					
Network distribution volumes						
Electricity	5,934	5,773	2.8	1,802	1,788	0.8
Natural gas	14,264	16,276	-12.4	2,373	2,836	-16.3
Key financial indicators	EURm					
External revenue	359.6	347.8	3.4	89.8	89.8	–
Internal revenue	34.5	41.3	-16.6	11.4	11.6	-2.0
Total revenue	394.1	389.1	1.3	101.2	101.4	-0.2
Operating expenses	-211.7	-217.4	2.6	-71.2	-68.4	-4.1
EBITDA	182.4	171.8	6.2	30.0	33.1	-9.1
Depreciation and amortisation	-72.4	-70.1	-3.4	-23.9	-22.9	-4.6
Results from operating activities (EBIT)	110.0	101.7	8.1	6.1	10.2	-39.8
Financial results	-8.2	-9.6	14.2	-3.2	-3.3	0.6
Profit before income tax	101.8	92.1	10.5	2.9	6.9	-58.3
Total assets	1,619.6	1,589.5	1.9	1,619.6	1,589.5	1.9
Investments ¹⁾	79.1	78.4	0.9	40.0	33.2	20.7

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

Network tariffs for electricity and natural gas are adjusted annually on January 1st pursuant to the incentive regulatory system by means of a resolution of the E-Control Commission. As at January 1, 2011, the electricity network tariffs were increased by 1.0% on average (they were reduced by 2.0% as at January 1, 2010), and the natural gas network tariffs were raised by an average of 10.6% (compared to the increase of 8.2% effective January 1, 2010).

Network distribution volumes in the first three quarters of the 2010/11 financial year did not develop uniformly. Due to the economic upswing, network distribution volume for electricity rose by 2.8%, or 161 GWh, to 5,934 GWh. In contrast, natural gas distribution volume fell by 12.4%, or 2,012 GWh, to 14,264 GWh, which can be attributed to the considerably reduced use of EVN's own thermal power stations.

The increase in the network distribution volume for electricity and the upward tariff adjustment for the gas network more than compensated for the decline in the natural gas distribution volume. Accordingly, total network revenue was up 1.9%, or EUR 5.9m, to EUR 318.2m. In spite of the revenue drop in the cable TV and telecommunications business, the Network Infrastructure Austria segment posted an overall 1.3% rise in revenue, or EUR 4.9m, to EUR 394.1m.

In the first three quarters in the 2010/11 financial year, total operating expenses could be reduced by 2.6% from the previous period, or EUR 5.7m, to EUR –211.7m. This development is primarily due to the higher other operating income as well as lower personnel expenses. As a consequence, EBITDA improved by 6.2% from the prior-year level, or EUR 10.6m, to EUR 182.4m. Taking slightly higher depreciation and amortisation into account, EBIT was up 8.1%, or EUR 8.3m, to EUR 110.0m.

The financial results profited from a higher income from investments. On balance, this led to a profit before income tax of EUR 101.8m, up 10.5%, or EUR 9.6m, from the prior-year level.

In the reporting period, investment activity in the Network Infrastructure Austria segment totalled EUR 79.1m, a rise of 0.9%, or EUR 0.7m, from the previous year. In addition to network expansion work designed to increase the security and reliability of the energy supply, investments focused on construction of the southern and western sections (“Südschiene”/“Westschiene”) of the natural gas transport pipeline. The entire southern section with a length of 120 km was completed in the third quarter of 2010/11, entailing investments of EUR 10.3m during the period under review. In the second quarter of the 2010/11 financial year, preparatory work was commenced for construction of the western section of the natural gas transport pipeline with a length of 143 km. Initial subsections of the pipeline have already been completed; investments in the first three quarters of 2010/11 totalled EUR 8.7m. A total of EUR 8.4m was invested in network insulation and modernisation of the cable TV and telecommunications business.

Energy Trade and Supply

The Energy Trade and Supply segment encompasses mainly in the Austrian domestic market the sourcing of electricity, natural gas and primary energy, the trading and selling of electricity and natural gas to end customers and in wholesale markets as well as production and sale of heating. The facility management of the 100%-subsidiary first facility GmbH as well as the results of Allplan Gesellschaft m.b.H., which were previously included in the Strategic Investments and Other Business segment are now assigned to this segment. The previous year figures are not adapted due to inessentiality.

Intra-Group revenue basically comprises the sale of electricity to the Network Infrastructure Austria segment for purposes of compensating for network losses.

Key indicators	2010/11 Q. 1–3	2009/10 Q. 1–3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Key energy business indicators	GWh					
Energy sales volumes to end customers						
Electricity	5,507	5,335	3.2	1,642	1,633	0.6
Natural gas	6,160	6,254	–1.5	608	858	–29.1
Heat	1,422	1,343	5.9	246	276	–10.9
Key financial indicators	EURm					
External revenue	915.2	945.3	–3.2	192.5	198.8	–3.1
Internal revenue	37.4	36.7	2.0	11.7	11.2	3.9
Total revenue	952.6	982.0	–3.0	204.2	210.0	–2.8
Operating expenses	–846.6	–910.4	7.0	–183.0	–218.2	16.1
EBITDA	106.0	71.6	48.1	21.2	–8.1	–
Depreciation and amortisation	–10.2	–9.3	–9.2	–3.4	–3.2	–6.6
Results from operating activities (EBIT)	95.8	62.3	53.9	17.8	–11.3	–
Financial results	6.2	7.1	–12.6	–2.5	–0.9	–
Profit before income tax	102.0	69.3	47.1	15.3	–12.2	–
Total assets	636.5	702.3	–9.4	636.5	702.3	–9.4
Investments ¹⁾	9.3	11.8	–21.4	4.3	5.2	–16.7

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

Energy sales to end customers in the first three quarters of 2010/11 featured higher electricity and heating sales volumes. Electricity sales to end customers rose by 3.2%, or 172 GWh, to 5,507 GWh. This can be mainly attributed to the positive economic development as well as the enhanced activities of EnergieAllianz outside of the Austrian region supplied by EVN. Despite the cold winter temperatures in the domestic region supplied by EVN, natural gas sales to end customers fell slightly by 1.5%, or 94 GWh, to 6,160 GWh. Heating sales volumes climbed by 5.9%, or 79 GWh, which was driven by the increased deliveries of steam to AGRANA AG's bioethanol plant as well as higher heating volumes supplied to St. Pölten.

In spite of the higher sales volumes and the first-time consolidation of first facility GmbH in the Energy Trade and Supply segment, total revenue was down by 3.0%, or EUR 29.4m, to EUR 952.6m. The decline in marketing proceeds from power plants based on lower production volumes and the negative power price development as well as the reduction of end customer prices in the gas business by 7.0% as of December 1, 2009, had the opposite effect from the increased sales volumes along with the increased end customer prices in the gas business by 8.9% as of April 2011.

Operating expenses could be reduced by 7.0%, or EUR 63.8m. The volume-related cost increases in the electricity and heating business, the price-related rise in gas sourcing costs and higher personnel expenses mainly as a consequence of the initial consolidation of first facility GmbH were more than compensated by lower electricity procurement prices and primary energy costs as well as the reduced use of EVN's own thermal power stations. Considering slightly higher depreciation and amortisation, EBIT rose appreciably by 53.9%, or EUR 33.5m, to EUR 95.8m.

Despite the slightly higher income from investments, the financial results declined by 12.6% from the previous year, or EUR 0.9m, to EUR 6.2m as a consequence of the lower interest result. Accordingly, the profit before income tax was EUR 102.0m, a rise of 47.1%, or EUR 32.7m, from the prior-year level.

Following completion of the district heating transmission pipeline to St. Pölten in the previous year, investments in the first three quarters of 2010/11 fell by 21.4%, or EUR 2.5m, to EUR 9.3m. Investment activity focused on further expanding the heating networks.

Energy Supply South East Europe

The Energy Supply South East Europe segment encompasses the operation of electricity networks and the sale of electricity to end customers in Bulgaria and Macedonia, the generation and sale of heat in Bulgaria as well as energy trading throughout the region. This segment also includes the project company responsible for building the natural gas networks in Croatia, specifically, Split, Zadar and Sibenik.

Key indicators	2010/11 Q. 1-3	2009/10 Q. 1-3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Key energy business indicators	GWh					
Network distribution volumes ¹⁾	10,363	10,181	1.8	2,866	2,755	4.0
Heat sales volumes to end customers	218	238	-8.2	23	26	-11.5
Key financial indicators	EURm					
External revenue	634.8	687.5	-7.7	177.2	190.8	-7.1
Internal revenue	-	-	-	-	-	-
Total revenue	634.8	687.5	-7.7	177.2	190.8	-7.1
Operating expenses	-585.3	-636.1	8.0	-172.5	-181.2	4.8
EBITDA	49.6	51.4	-3.6	4.7	9.6	-51.0
Depreciation and amortisation	-62.1	-46.5	-33.6	-14.6	-14.9	2.0
Results from operating activities (EBIT)	-12.5	5.0	-	-9.9	-5.3	-85.8
Financial results	-14.0	-14.3	1.6	-5.8	-3.0	-94.4
Profit before income tax	-26.6	-9.3	-	-15.7	-8.3	-88.9
Total assets	1,125.7	1,077.5	4.5	1,125.7	1,077.5	4.5
Investments ²⁾	78.6	77.4	1.4	28.2	30.6	-7.7

1) In Bulgaria and Macedonia energy sales volumes fairly equal present network distribution volumes.

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

In Bulgaria, regulatory authorities increased end customer prices by about 2.0% effective July 1, 2010, whereas the prices for procured energy as well as for transmission grid operators and the system operator were raised by approximately 8.0%. A change in the price structure resulted in a corresponding change in the reporting of the tariff components related to the high-voltage network, such that they are no longer included by EVN. This decreased both revenue and procurement costs. The resulting effect in the first three quarters of 2010/11 was about EUR 74.5m, but this did not have an impact on earnings.

In Macedonia, after the regulatory authority approved a hike in end customer prices by 10.0% effective January 1, 2010 (5.1% can be assigned to EVN Macedonia), it once again raised end customer prices by 5.5% as of March 1, 2011 (4.9% applies to EVN Macedonia).

Despite a mild winter in Bulgaria, network distribution volumes rose slightly in the first three quarters of 2010/11, which is mainly related to the economic upswing. Heating sales volumes in Bulgaria fell by 8.2%, or 20 GWh, to 218 GWh. Electricity sales in Macedonia also rose as a consequence of the colder weather prevailing during the reporting period.

Total revenue of the segment fell by 7.7%, or EUR 52.7m, to EUR 634.8m, which can be chiefly attributed to the previously described change in the reporting of tariff components. This decline was in contrast to higher electricity sales volumes as well as the rise in end customer prices in Macedonia as of March 1, 2011.

The decrease in operating expenses of 8.0%, or EUR 50.8m, to EUR 585.3m, was primarily the consequence of the changed reporting of procurement costs in Bulgaria, as well as lower personnel expenses and write-offs of receivables in Macedonia. This was in contrast to an increase in legal and consulting costs as well as higher energy procurement costs mainly related to higher network losses in Macedonia. On balance, segment EBITDA was down 3.6%, or EUR 1.8m, to EUR 49.6m. Due to the ongoing unfavourable regulations in the heating business imposed by the regulatory authority in Bulgaria, an impairment loss amounting to EUR 9.2m was reported for goodwill at TEZ Plovdiv during the reporting period as well as for property, plant and equipment of EUR 1.9m. Moreover, an impairment loss of EUR 6.6m was carried out for the Plovdiv power plant site, due to the fact that construction on a planned gas-fired power plant was not begun as a consequence of the delay in the electricity market liberalisation. All in all, EBIT totalled EUR -12.5m (previous year: EUR 5.0m).

The financial results totalled EUR -14.0m, an improvement of EUR 0.3m from the previous year. These developments led to a profit before income tax of EUR -26.6m, a decrease by EUR -17.3m compared to the previous year.

In the first three quarters of 2010/11, investments amounted to EUR 78.6m, a rise of 1.4%, or EUR 1.2m. The focus was on the expansion of the network infrastructure and the replacement of electricity metres in order to improve supply reliability and quality as well as sustainably reduce network losses. Moreover, construction and assembly work on the new cogeneration plant at the TEZ Plovdiv district heating site boasting electricity generation capacity of 54 MW and heating capacity of 50 MW was largely completed. The cogeneration plant is expected to come on stream at the end of 2011. Total investments will amount to about EUR 50.0m.

The ground-breaking ceremony for construction of the gas pipeline in Zadar, Croatia, took place on April 12, 2011. The gas supply network for the counties of Zadar, Sibenik and Split will be successively built up in order to deliver natural gas to about 130,000 customers when completed. Some 25 km of the high and medium-pressure pipeline will be constructed in Zadar in the initial phase.

Environmental Services

The Environmental Services segment encompasses drinking water, wastewater disposal and waste incineration activities in EVN's domestic market as well as the international project business in 16 countries of Central, Eastern and South East Europe.

Key indicators	EURm	2010/11 Q. 1–3	2009/10 Q. 1–3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
External revenue		230.5	165.2	39.5	67.5	68.7	–1.6
Internal revenue		13.2	12.1	8.8	4.4	4.8	–8.6
Total revenue		243.7	177.3	37.4	71.9	73.4	–2.1
Operating expenses		–198.8	–151.5	–31.2	–59.0	–58.6	–0.7
EBITDA		44.9	25.8	74.0	12.9	14.9	–13.2
Depreciation and amortisation		–18.8	–17.7	–6.2	–6.3	–6.2	–1.3
Results from operating activities (EBIT)		26.1	8.1	–	6.6	8.6	–23.8
Financial results		8.1	14.1	–42.6	2.6	3.2	–19.2
Profit before income tax		34.2	22.2	53.9	9.1	11.8	–22.5
Total assets		1,438.6	1,208.5	19.0	1,438.6	1,208.5	19.0
Investments ¹⁾		38.3	45.6	–16.0	10.4	10.2	1.1

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

The revenue of the Environmental Services segment amounted to EUR 243.7m in the first three quarters of 2010/11, a rise of 37.4%, or EUR 66.4m, above the prior-year period. This development was mainly impacted by the increased earnings contribution of the sodium hypochlorite and waste incineration plant in Moscow. In addition, revenue derived from the Dürnröhr waste incineration plant and EVN's domestic drinking water supply business also rose.

Operating expenses in the segment rose by 31.2%, or EUR 47.3m, to EUR 198.8m, which is mainly related to higher material, operating and personnel costs triggered by the expanded project activity. Furthermore, the operating results in the previous period were burdened by a write-off of receivables amounting to EUR 3.9m.

In the light of these developments, EBITDA improved by 74.0%, or EUR 19.1m, to EUR 44.9m. The slightly higher depreciation and amortisation of EUR 18.8m is primarily due to the completion of two projects in the 2009/10 financial year, namely the expansion of the Dürnröhr waste incineration plant by Line 3 and the start-up of the co-generation plant in Kurjanovo, Moscow. Based on the significant rise in revenue and the more moderate growth in operating expenses, EBIT of the Environmental Services segment notably improved, climbing by EUR 18.0m to EUR 26.1m.

The financial results were down by 42.6% from the previous year, or EUR 6.0m, to EUR 8.1m. This can be attributed to the lower earnings contribution of the wastewater treatment plant in Zagreb as well as declining interest income related to lower lease payments in the project business. Nevertheless, the profit before income tax improved by 53.9%, or EUR 12.0m, to EUR 34.2m.

Investments during the period under review totalled EUR 38.3m, corresponding to a reduction of 16.0% or EUR 7.3m. The high level in investments was related to the completion of major projects as described above. Investment activity in the first three quarters of the 2010/11 financial year focused on construction of a co-generation plant in Moscow with a capacity of 13.5 MW on the premises of the large Ljuberzy wastewater purification facility.

In the international project business of the Environmental Services segment, investments were mainly designed to implement existing large-scale projects. The two wastewater purification plants in Cyprus will be put into operation in the near future. The ground-breaking ceremony for the wastewater treatment plants in Gherla and Huedin, Romania, took place in August 2011.

Furthermore, the ground-breaking ceremony held at the beginning of May 2011 marked the launch of construction on the 5.5 km long trans-regional water transport pipeline from Marchfeld to the eastern Weinviertel area of Austria. The project is expected to be concluded in 2011.

Strategic Investments and Other Business

The Strategic Investments and Other Business segment basically encompasses EVN's interests in RAG, BEGAS, BEWAG and VERBUND AG. Moreover, key Intra-Group services as well as companies operating outside EVN's core business that provide mainly Intra-Group services with EVN are also classified in this segment. The subsidiaries first facility GmbH, V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H. und Allplan Gesellschaft m.b.H. were included in this segment till the first quarter 2010/11 and as already mentioned are now assigned to other segments. The previous year figures are not adapted due to inessentiality.

Key indicators	EURm	2010/11 Q. 1–3	2009/10 Q. 1–3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
External revenue		4.7	18.8	-75.1	0.4	5.7	-92.7
Internal revenue		44.6	46.7	-4.5	15.5	15.3	1.6
Total revenue		49.3	65.5	-24.8	15.9	21.0	-24.1
Operating expenses		-55.2	-70.9	22.2	-15.4	-24.4	36.6
EBITDA		-5.9	-5.4	-8.5	0.5	-3.3	-
Depreciation and amortisation		-1.2	-1.3	13.0	-0.4	-0.5	18.1
Results from operating activities (EBIT)		-7.1	-6.8	-4.3	0.1	-3.8	-
Financial results		80.5	80.6	-0.2	26.2	7.5	-
Profit before income tax		73.4	73.8	-0.6	26.4	3.7	-
Total assets		3,276.3	2,632.2	24.5	3,276.3	2,632.2	24.5
Investments ¹⁾		1.0	0.7	37.3	0.3	0.4	-30.4

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

The revenue decline of 24.8%, or EUR 16.2m, to EUR 49.3m, is primarily the result of the above-mentioned reclassification of subsidiaries to other segments. This change is also reflected in the development of the cost of materials and personnel expenses. EBITDA of the segment was affected by the higher legal and consulting costs in connection with the capital increase on the part of EVN AG as well as higher advertising expenses, and thus declined by 8.5%, or EUR 0.5m, to EUR -5.9m. EBIT fell by 4.3%, or EUR 0.3m, to EUR -7.1m despite the slightly lower level of depreciation and amortisation.

The financial results, which are of primary importance to this segment, totalled EUR 80.5m, down slightly by 0.2%, or EUR 0.1m, from the prior-year level. The total income from investments at EUR 80.9m remained virtually unchanged from the previous year. The reduced gain from other investments related to the lower dividend payment on the part of VERBUND AG could be compensated by the higher income from investments in equity accounted investees, above all RAG and BEWAG.

The lower interest income was in contrast to the slightly higher other financial results during the reporting period. The interest result was down 68.7%, or EUR 1.5m, to EUR 0.7m. The increase in the other financial results by 50.4%, or EUR 1.1m, to EUR -1.1m was primarily related to valuation changes.

These developments led to a slight drop in the profit before income tax to EUR 73.4m (previous year: EUR 73.8m).

Consolidated interim report pursuant to IAS 34

Statement of financial positions

	EURm	30.6.2011	30.9.2010	nominal	Changes in %	30.9.2009
Assets						
Non-current assets						
Intangible assets		351.2	361.0	-9.8	-2.7	365.2
Property, plant and equipment		2,882.6	2,818.2	64.4	2.3	2,653.1
Investments in equity accounted investees		844.1	734.0	110.2	15.0	712.5
Other investments		1,226.3	1,077.8	148.6	13.8	1,409.7
Deferred tax assets		11.6	6.5	5.1	78.8	1.2
Other non-current assets		797.6	744.8	52.8	7.1	619.5
		6,113.4	5,742.1	371.2	6.5	5,761.2
Current assets						
Inventories		121.7	135.7	-14.0	-10.3	137.3
Trade and other receivables		517.4	506.0	11.4	2.2	579.7
Securities		346.0	223.8	122.3	54.6	86.7
Cash and cash equivalents		200.1	123.5	76.6	62.0	130.5
		1,185.3	989.1	196.2	19.8	934.2
Total assets		7,298.6	6,731.2	567.4	8.4	6,695.4
Equity and liabilities						
Equity						
Share capital		330.0	300.0	30.0	10.0	300.0
Share premium and capital reserves		253.7	108.3	145.5	-	108.4
Retained earnings		1,942.8	1,808.0	134.9	7.5	1,661.4
Valuation reserve according to IAS 39		626.4	473.8	152.6	32.2	725.4
Currency translation reserve		2.6	-3.5	6.1	-	-3.4
Treasury shares		-7.0	-7.0	-	-	-8.0
Equity attributable to EVN AG shareholders		3,148.6	2,679.5	469.1	17.5	2,783.8
Non-controlling interests		339.5	345.7	-6.2	-1.8	343.4
		3,488.1	3,025.3	462.8	15.3	3,127.2
Non-current liabilities						
Non-current loans and borrowings		1,585.9	1,726.4	-140.5	-8.1	1,702.5
Deferred tax liabilities		264.3	227.1	37.2	16.4	307.1
Non-current provisions		440.2	450.0	-9.7	-2.2	444.8
Deferred income from network subsidies		427.1	397.9	29.2	7.3	379.1
Other non-current liabilities		51.0	63.1	-12.1	-19.2	90.2
		2,768.5	2,864.5	-95.9	-3.3	2,923.7
Current liabilities						
Current loans and borrowings		323.7	205.2	118.4	57.7	17.0
Taxes payable		145.0	63.0	82.0	-	58.7
Trade payables		300.7	339.3	-38.7	-11.4	328.7
Current provisions		94.7	120.6	-26.0	-21.5	83.6
Other current liabilities		177.9	113.2	64.7	57.2	156.5
		1,042.0	841.5	200.5	23.8	644.5
Total equity and liabilities		7,298.6	6,731.2	567.4	8.4	6,695.4

Statement of operations

	EURm	2010/11 Q. 1-3	2009/10 Q. 1-3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Revenue		2,163.6	2,182.8	-0.9	533.9	557.7	-4.3
Other operating income ¹⁾		59.5	50.9	17.1	24.3	18.3	32.6
Electricity purchases and primary energy expenses		-1,209.0	-1,301.0	7.1	-278.9	-324.9	14.2
Costs of materials and services		-260.5	-199.6	-30.5	-80.5	-79.9	-0.7
Personnel expenses		-243.8	-247.7	1.6	-83.6	-85.8	2.6
Other operating expenses		-115.5	-119.7	3.5	-45.1	-32.7	-37.9
EBITDA		394.4	365.7	7.9	70.2	52.7	33.1
Depreciation and amortisation		-181.2	-171.5	-5.6	-54.2	-53.0	-2.2
Results from operating activities (EBIT)		213.2	194.1	9.8	16.0	-0.3	-
Share of profit of equity accounted investees		69.4	41.0	69.3	23.7	11.2	-
Gain from other investments		25.5	53.8	-52.6	0.9	0.7	25.7
Interest income		27.8	29.3	-5.1	8.8	9.6	-8.3
Interest expense		-58.0	-51.5	-12.5	-20.1	-17.9	-12.5
Other financial results		-2.9	-0.5	-	-0.9	-3.3	-72.6
Financial results		61.9	72.0	-14.1	12.3	0.3	-
Profit before income tax		275.1	266.2	3.4	28.4	0.1	-
Income tax expense		-40.1	-48.0	16.5	5.1	2.2	-
Profit for the period		235.0	218.1	7.7	33.5	2.3	-
thereof profit attributable to non-controlling interests		27.8	13.3	-	10.3	5.9	73.6
thereof profit attributable to EVN AG shareholders (Group net profit)		207.2	204.9	1.2	23.2	-3.6	-
Earnings per share in EUR ²⁾		1.17	1.25	-6.4	0.13	-0.02	-

1) Change in work in progress and own work capitalized are shown under the operating income as of the 4th quarter of the financial year 2009/10 on; the previous financial year's figures were adjusted accordingly.

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

Statement of comprehensive income

	EURm	2010/11 Q. 1-3	2009/10 Q. 1-3	Change in %	2010/11 Q. 3	2009/10 Q. 3	Change in %
Profit for the period		235.0	218.1	7.7	33.5	2.3	-
Pre-tax gains (+) or losses (-) recognised directly in equity from							
Currency translation differences from foreign operations		6.1	4.8	27.5	0.3	1.7	-84.7
Net change in fair value of other investments		148.4	-376.8	-	-54.2	-119.7	54.8
Net change in fair value of cash flow hedges		19.0	22.6	-16.0	-11.9	4.5	-
Investments in equity accounted investees		27.0	-0.2	-	-4.4	-4.0	-9.3
Total pre-tax gains (+) or losses (-) recognised directly in equity		200.6	-349.6	-	-70.2	-117.4	40.2
Income tax expense		-41.9	88.6	-	16.5	28.5	-42.1
Total after tax gains (+) or losses (-) recognised directly in equity		158.7	-261.0	-	-53.6	-88.9	39.7
Comprehensive income		393.7	-42.9	-	-20.1	-86.6	76.8
thereof attributable to non-controlling interests		27.8	15.1	84.0	10.3	5.9	73.6
thereof attributable to EVN AG shareholders (Group net profit)		365.9	-58.0	-	-30.4	-92.5	67.1

Statement of changes in equity

	EURm	EVN AG shareholders	Non-controlling interests	Total
Balance on 30.9.2009		2,783.8	343.4	3,127.2
Comprehensive income		-58.0	15.1	-42.9
Dividends 2008/09		-60.3	-22.5	-82.8
Payments of nominal capital by non-controlling interests		-	0.8	0.8
Balance on 30.6.2010		2,665.5	336.7	3,002.3
Balance on 30.9.2010		2,679.5	345.7	3,025.3
Capital increase		175.5	-	175.5
Comprehensive income		365.9	27.8	393.7
Dividends 2009/10		-71.8	-33.7	-105.4
Changes in the scope of consolidation/Other items		-0.6	-0.3	-0.9
Balance on 30.6.2011		3,148.6	339.5	3,488.1

Statement of cash flows

	EURm	2010/11 Q. 1-3	2009/10 Q. 1-3	nominal	Change in %	2008/09 Q. 1-3
Profit before income tax		275.1	266.2	8.9	3.4	224.3
+ Depreciation and amortisation of intangible assets and property, plant and equipment		181.2	171.5	9.6	5.6	145.7
+ Non-cash share of income of equity accounted investees		4.4	13.7	-9.3	-67.9	41.3
+/- Other non-cash financial results		0.9	-0.4	1.3	-	7.2
- Release of deferred income from network subsidiaries		-24.2	-24.2	-	-	-23.3
-/+ Decrease/Increase in non-current provisions		-9.7	-4.7	-5.0	-	5.3
+/- Other non-cash expenses/gains		-1.1	0.5	-1.5	-	0.1
Gross cash flow		426.6	422.5	4.1	1.0	400.4
- Changes in assets and liabilities arising from operating activities		61.1	-81.1	142.3	-	-197.1
- Income tax paid		-22.0	-26.8	4.8	17.9	-8.1
Net cash flow from operating activities		465.7	314.5	151.2	48.1	195.2
- Changes in intangible assets and property, plant and equipment as well as in the acquisition of subsidiaries, net of cash acquired		-178.3	-217.7	39.4	18.1	-221.7
-/+ Changes in financial assets and other non-current assets		-128.0	14.9	-142.9	-	-45.1
-/+ Changes in current securities		-120.9	-50.7	-70.2	-	-57.7
Net cash flow from investing activities		-427.2	-253.7	-173.6	-68.5	-324.4
+ Capital increase/Payments of nominal capital by non-controlling interests		175.5	0.8	174.7	-	3.8
- Dividends paid to EVN AG shareholders		-71.8	-60.3	-11.5	-19.0	-60.3
- Dividends paid to non-controlling interests		-33.7	-22.5	-11.2	-49.5	-35.0
+ Sale/- Repurchase of own shares		-	-	-	-	-3.3
+/- Changes in financial liabilities		-41.6	20.3	-61.9	-	286.0
Net cash flow from financing activities		28.4	-61.8	90.2	-	191.3
Net change in cash and cash items		67.0	-0.9	67.8	-	62.0
Cash and cash items at the beginning of the period		89.1	113.6	-24.5	-21.6	94.1
Cash and cash items at the end of the period		156.0	112.6	43.4	38.5	156.2

Segment reporting

Segment reporting	EURm	Generation		Network Infrastructure Austria		Energy Trade and Supply		Energy Supply South East Europe	
		2010/11 Q. 1-3	2009/10 Q. 1-3	2010/11 Q. 1-3	2009/10 Q. 1-3	2010/11 Q. 1-3	2009/10 Q. 1-3	2010/11 Q. 1-3	2009/10 Q. 1-3
External revenue		18.8	18.2	359.6	347.8	915.2	945.3	634.8	687.5
Intra-Group revenue (between segments)		49.4	73.0	34.5	41.3	37.4	36.7	-	-
Total revenue		68.2	91.1	394.1	389.1	952.6	982.0	634.8	687.5
Operating expenses		-49.4	-39.2	-211.7	-217.4	-846.6	-910.4	-585.3	-636.1
EBITDA		18.8	51.9	182.4	171.8	106.0	71.6	49.6	51.4
Depreciation and amortisation		-18.0	-28.1	-72.4	-70.1	-10.2	-9.3	-62.1	-46.5
Results from operating activities (EBIT)		0.8	23.8	110.0	101.7	95.8	62.3	-12.5	5.0
Financial results		-7.9	-4.5	-8.2	-9.6	6.2	7.1	-14.0	-14.3
Profit before income tax		-7.1	19.3	101.8	92.1	102.0	69.3	-26.6	-9.3
Total assets		542.7	445.3	1,619.6	1,589.5	636.5	702.3	1,125.7	1,077.5
Investments ¹⁾		43.9	39.6	79.1	78.4	9.3	11.8	78.6	77.4

	Environmental Services		Strategic Investments and Other Business		Consolidation		Total	
	2010/11 Q. 1-3	2009/10 Q. 1-3	2010/11 Q. 1-3	2009/10 Q. 1-3	2010/11 Q. 1-3	2009/10 Q. 1-3	2010/11 Q. 1-3	2009/10 Q. 1-3
External revenue	230.5	165.2	4.7	18.8	-	-	2,163.6	2,182.8
Intra-Group revenue (between segments)	13.2	12.1	44.6	46.7	-179.1	-209.8	-	-
Total revenue	243.7	177.3	49.3	65.5	-179.1	-209.8	2,163.6	2,182.8
Operating expenses	-198.8	-151.5	-55.2	-70.9	177.7	208.4	-1,769.2	-1,817.1
EBITDA	44.9	25.8	-5.9	-5.4	-1.4	-1.4	394.4	365.7
Depreciation and amortisation	-18.8	-17.7	-1.2	-1.3	1.4	1.4	-181.2	-171.5
Results from operating activities (EBIT)	26.1	8.1	-7.1	-6.8	-	-	213.2	194.1
Financial results	8.1	14.1	80.5	80.6	-2.7	-1.3	61.9	72.0
Profit before income tax	34.2	22.2	73.4	73.8	-2.7	-1.3	275.1	266.2
Total assets	1,438.6	1,208.5	3,276.3	2,632.2	-1,340.8	-1,085.3	7,298.6	6,570.0
Investments ¹⁾	38.3	45.6	1.0	0.7	-3.7	-0.8	246.5	252.8

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

Notes to the Consolidated interim report

Accounting and valuation methods

This Consolidated interim report of EVN AG as at June 30, 2011, 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 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 2009/10 financial year (balance sheet date September 30, 2010).

The accounting and valuation methods are essentially the same as those applied as at September 30, 2010, with the exception of the consequences of the first-time application of standards and interpretations described below. 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 according to IFRS

The following standards and interpretations were applied for the first time in the 2010/11 financial year:

Standards and interpretations applied for the first time

Effective¹⁾

New interpretations

IFRIC 15	Agreements for the Construction of Real Estate	January 1, 2010
IFRIC 17	Distribution of Non-cash Assets to Owners	November 1, 2009
IFRIC 18	Transfers of Assets from Customers	November 1, 2009
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010

Revised standards and interpretations

IAS 10	Events after the Balance Sheet Date	November 1, 2009
IAS 32	Financial Instruments: Presentation	February 1, 2010
IFRS 1	First-time Adoption of International Financial Reporting Standards	November 1, 2009/January 1/July 1, 2010
IFRS 2	Share-based Payments	January 1, 2010
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	November 1, 2009
IFRS 7	Financial Instruments: Disclosures	July 1, 2010
IFRIC 4	Determining Whether an Agreement Contains a Lease	January 1, 2010
Several	Annual Improvements 2007–2010	January 1, 2010/July 1, 2010

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.

IFRIC 18 deals with the accounting treatment for business transactions in which a company from its customers receives an asset or cash which is then used to acquire or construct such an asset in order to provide the customer with access to a network or with an ongoing supply with goods or services. Construction subsidies received by EVN partly fall under the scope of IFRIC 18. The accounting and valuation methods of EVN are in accordance with IFRIC 18. However, the reversals of deferred income from construction subsidies are currently recognized in other operating income. In the light of the prospective applicability of IFRIC 18 and as a result of the immateriality of the resulting reversals from the new construction subsidies, these reversals of deferred income are not being reclassified as revenue for the time being.

The new interpretations IFRIC 15, 17 and 19 as well as the initial obligatory application of 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 generally achieved in the second half of the financial year. The Environmental Services 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 Environmental Services business 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 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 IAS 27. Accordingly, including the parent company EVN AG, a total of 27 domestic and 34 foreign subsidiaries (September 30, 2010: 26 domestic and 34 foreign subsidiaries) were fully consolidated as of June 30, 2011. As at the balance sheet date September 30, 2010, a total of 35 affiliated companies were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether.

Scope of consolidation	Full consolidation	Proportionate consolidation	Equity method	Total
30.9.2010	60	5	15	80
Start-ups	1	–	1	2
Business combination	1	–	–1	–
Merger	–1	–	–	–
30.6.2011	61	5	15	82
Thereof foreign companies	34	–	5	39

Together with the syndicate partner Wiener Stadtwerke Holding AG, EVN participated in the capital increase of VERBUND AG in the first quarter of 2010/11. For this purpose, starting in the first quarter of 2010/11 EVN WEEV Beteiligungs GmbH, Maria Enzersdorf, was fully consolidated as a 100.0% subsidiary of EVN and WEEV Beteiligungs GmbH, Maria Enzersdorf, in which EVN holds a 50.0% stake, was consolidated at equity.

Effective as at December 23, 2010, the date of the signing of the share purchase agreement, EVN acquired the remaining 50.0% stake in NÖKOM NÖ Telekom Service Gesellschaft m.b.H., (NÖKOM), which had been previously consolidated at equity. NÖKOM provides telecommunications services for the public sector in Lower Austria. Subsequently following the approval granted at the general shareholders' meeting, NÖKOM was merged with the EVN subsidiary Kabelsignal AG on March 28, 2011.

The following preliminary effects at fair value arise due to the acquisition of NÖKOM and the related initial consolidation in the consolidated statements of financial position:

Impact of the business combination ¹⁾	EURm	30.6.2011
Non-current assets		5.6
Current assets		5.8
Total assets		11.4
Equity		9.5
Non-current liabilities		1.2
Current liabilities		0.6
Total equity and liabilities		11.4

1) There were no business combinations in the 2009/10 financial year.

The acquisition does not have a material effect on the revenues and the profit after income tax presented in the Consolidated interim report. The valuation of the previously held shares at fair value resulted in an earnings effect of EUR +1.3m, which is contained in the share of profit of investments in equity accounted investees.

On October 22, 2010, EVN acquired the remaining 30.0% of EVN ENERTRAG Kavarna, OOD, Plovdiv, Bulgaria, which had already been previously fully consolidated in the consolidated financial statements of the EVN Group. Moreover, the company was renamed EVN Kavarna EOOD.

Selected notes to the Statements of financial positions

In the first three quarters of 2010/11, EVN acquired intangible assets and property, plant and equipment to the amount of EUR 246.5m (previous year: EUR 252.8m). This was in contrast to the disposal of property, plant and equipment at a carrying value of EUR 3.2m (previous year: EUR 1.1m). In this connection, EVN achieved a gain on the disposal of EUR 1.6m (previous year: gain of EUR 0.4m).

The item investments in equity accounted investees increased by EUR 110.2m, or 15.0%, to EUR 844.1m. A total of EUR 89.9m of this increase can be attributed to additional investments related to the payment of equity capital for the power plant projects Ashta and Devoll in Albania and Walsum in Germany, and for the participation in the capital increase of VERBUND AG together with the syndicate partner Wiener Stadtwerke Holding AG, Vienna. In addition, there were changes related to valuation changes not recognised in profit and loss and currency translation differences as well as disposals due to the present full consolidation of NÖKOM.

Other investments totalling EUR 1,226.3m, which are assigned to the category of "available-for-sale", include the shares of listed companies with a market value of EUR 1,203.3m, a rise of EUR 148.4m from the prior year. The adjustments made to reflect changed market values were allocated to the valuation reserve in accordance with IAS 39 after taking into account the deduction of deferred taxes.

On October 27, 2010, the Executive Board of EVN AG resolved, with the approval of the Supervisory Board, to carry out a capital increase from authorized capital through the issuance of 16,352,582 new ordinary no-par value bearer shares at a subscription ratio of 10:1. The subscription price was set at EUR 11.00 per share, thus leading to total net proceeds from the capital increase of EUR 175.5m after deducting auxiliary costs. The first day of trading the new shares on the Vienna Stock Exchange was November 2, 2010.

The implementation of the capital increase, which was entered into the commercial register on October 30, 2010, raised EVN's share capital from EUR 300.0m, by 10.0%, to EUR 330.0m. Similarly, it also led to an increase in the share premium and capital reserves by EUR 145.5m, to EUR 253.7m.

Following the implemented capital increase, the number of shares in circulation as at the balance sheet date June 30, 2011, amounted to 179,878,402. This included the unchanged amount of 467,328 treasury shares (or 0.26% of the share capital; September 30, 2010: 0.29% of the share capital) with an acquisition value of EUR 7.0m and a market value of EUR 5.6m (September 30, 2010: EUR 5.3m) which were deducted when calculating the earnings per share. This resulted in a weighted average number of shares in circulation of 177,594,120 shares, which are the basis for calculating the earnings per share for the first three quarters of 2010/11 (first three quarters 2009/10: 162,990,956). The treasury shares held by EVN AG are not entitled to any rights, and in particular, they are not entitled to dividends.

The Annual General Meeting of EVN AG held on January 20, 2011, approved the proposal of the Executive Board and Supervisory Board to distribute a dividend of EUR 0.40 per share for the 2009/10 financial year, which comprises a total dividend payout of EUR 71.8m, including the shares in the capital increase which are also entitled to dividends. Ex-dividend day was January 25, 2011, and the dividend payment to shareholders took place on January 28, 2011.

Non-current loans and borrowings are comprised of the following:

Break-down of non-current loans and borrowings	EURm	30.6.2011	30.9.2010
Bonds		581.7	835.3
Bank loans		1,004.2	891.1
Total		1,585.9	1,726.4

The EUR bond (term to maturity 2001–2011, nominal value of EUR 257.4m) at an interest rate of 5.25% and a carrying amount of EUR 258.2m as at June 30, 2011, was reclassified as current loans and borrowings due to its upcoming redemption date on December 14, 2011. This was contrasted by the valuation-related increase of the bonds as at the balance sheet date.

Bank loans reflect the ongoing, scheduled redemption amounting to EUR 63.1m, as well as the drawing upon lines of credit to finance a sodium hypochlorite plant in Moscow and the investment programme in Macedonia, and the extension of the loan amounting to EUR 170.8 which was originally scheduled for repayment on February 28, 2011, for another eight years.

Selected notes to the Statements of operations

Due to the ongoing disadvantageous regulations in the heating sector imposed by the regulatory authority in Bulgaria, an impairment loss amounting to EUR 9.2m was reported for goodwill at TEZ Plovdiv and EUR 1.9m for property, plant and equipment. Moreover, an impairment loss of EUR 6.6m was carried out for the Plovdiv power plant site. In the previous year the value reflects the impairment of the property, plant and equipment of the wind park in Kavarna amounting to EUR 10.7m.

Content of depreciation	EURm	2010/11 Q. 1–3	2009/10 Q. 1–3
Scheduled depreciation		163.5	160.8
Impairment		17.7	10.7
Total		181.2	171.5

The income from investments developed as followed:

Income from investments	EURm	2010/11 Q. 1–3	2009/10 Q. 1–3
RAG ¹⁾		46.7	27.5
EconGas		8.2	6.5
ZOV; ZOV UIP		8.0	9.0
BEWAG; BEGAS ²⁾		5.9	-2.1
WEEV Beteiligungs GmbH		1.1	-
Other companies		-0.5	-
Share of profit of equity accounted investees		69.4	41.0
VERBUND AG		22.1	50.1
Other companies		3.4	3.6
Gain from other investments		25.5	53.8
Income from investments		94.9	94.8

1) Indirectly held through RBG.

2) A stake of 49.0% in each of BEWAG and BEGAS is indirectly held through 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. 177,594,120 (June 30, 2010: 162,990,956 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 207.2m (June 30, 2010: EUR 204.9m), earnings per share at the balance sheet date June 30, 2011, totalled EUR 1.17 (June 30, 2010: EUR 1.25).

Selected notes to the Statements of cash flows

Dividends received, interest income and interest expense are allocated to current business activities. Interest income amounted to EUR 25.1m (previous year: EUR 25.7m), whereas interest expense was EUR 41.2m (previous year: EUR 40.8m). The cash flows from dividend payments amounted to EUR 99.4m in the first three quarters 2010/11 (previous year: EUR 108.6m). The payments for acquisitions amounting to EUR 7.0m in the reporting period were encompassed in the net cash flow from investing activities.

Informations on transactions with related parties

In the first three quarters of 2010/11, there was a change in the group of related parties compared to the Annual report of 2009/10 due to the acquisition of the remaining 50.0% of the shares in NÖKOM which had previously been consolidated at equity, and its inclusion in the scope of consolidation as a fully consolidated company. Subsequently NÖKOM was merged with the EVN subsidiary

Kabelsignal AG. Otherwise there were no major changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2009/10.

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

Transactions with investments in equity accounted investees	EURm	2010/11 Q. 1–3	2009/10 Q. 1–3
Revenue		143.6	203.3
Cost of materials and services		600.6	613.7
Trade accounts receivable		39.7	85.3 ¹⁾
Trade accounts payable		20.3	11.5 ¹⁾

1) Value at September 30, 2010.

Other obligations and risks

Other obligations and risks reduced by EUR 132.7m compared to September 30, 2010, to EUR 827.9m, primarily as a result of the reduction in the order obligations for investments in intangible assets and property, plant and equipment, the guarantees for subsidiaries in connection with energy business transactions as well as the guarantees for subsidiaries in connection with the construction of power plants. In contrast there is an increase in guarantees for subsidiaries in connection with construction and operation of project in the Environmental Services segment.

Contingent liabilities relating to guarantees for subsidiaries in connection with energy transactions, particularly guarantees issued by e&t Handelsgesellschaft mbH, are recognised in the amount of the actual risk to 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, 2011, resulted in contingent liabilities of EUR 3.4m. The nominal volume of the guarantees underlying this valuation amounted to EUR 402.7m.

Significant events after the balance sheet date

The following events of material importance took place between the quarterly balance sheet date of June 30, 2011 and the publication of the Consolidated interim report on August 25, 2011:

In Bulgaria, the regulatory authority raised end customer prices for electricity by approximately 1.9% as at July 1, 2011, whereas the prices for procured energy as well as for transmission grid operators and the system operator remained at about the prior-year level. At the same time, a 6.8% increase in the end customer price for heating was approved effective July 1, 2011. The gas procurement price rose by 4.7%.

On July 4, 2011, the closing for the acquisition by evn naturkraft Beteiligungs- und Betriebs-GmbH of a 13.0% stake in the 13 hydro-power plants along the Inn River owned by VERBUND Innkraftwerke GmbH took place. The acquisition price for the stake acquired by EVN is based on the price originally paid by the VERBUND Group for VERBUND Innkraftwerke GmbH plus an appropriate return on investment. The parties to the transaction agreed not to disclose any further details concerning the precise acquisition price. In addition, evn naturkraft Beteiligungs- und Betriebs-GmbH and Wien Energie GmbH will be granted pro rata electricity procurement rights at market prices for the energy generated by these power plants.

In July 2011, EVN AG acquired a 70.0% stake in the project company "Gorna Arda" whose purpose is to realise the "Gorna Arda" hydropower plant project in cooperation with the state-owned electricity producer NEK.

On July 1, 2011, the rating agency Standard & Poor's confirmed the long-term credit rating of EVN AG of "A–" and the outlook with "negative". The long-term credit rating of "A3" and a "stable" outlook was also confirmed by Moody's on July 19, 2011.

In July 2011, within the framework of the "roadmap" agreed upon by the Macedonian government and EVN in 2010 the two arbitration proceedings in Paris and Washington were concluded.

The EVN share

The recovery of the global economy from the international financial and economic crisis continued during the period under review. Compared to the previous quarter, the growth forecasts for Austria, the eurozone as well as in the South East European countries such as Bulgaria, Croatia, Macedonia and Albania have been revised upwards. The predictions range from 1.0% growth in Croatia to 5.5% in Albania for the years 2011 and 2012. For more details refer to page 4 of this interim report.

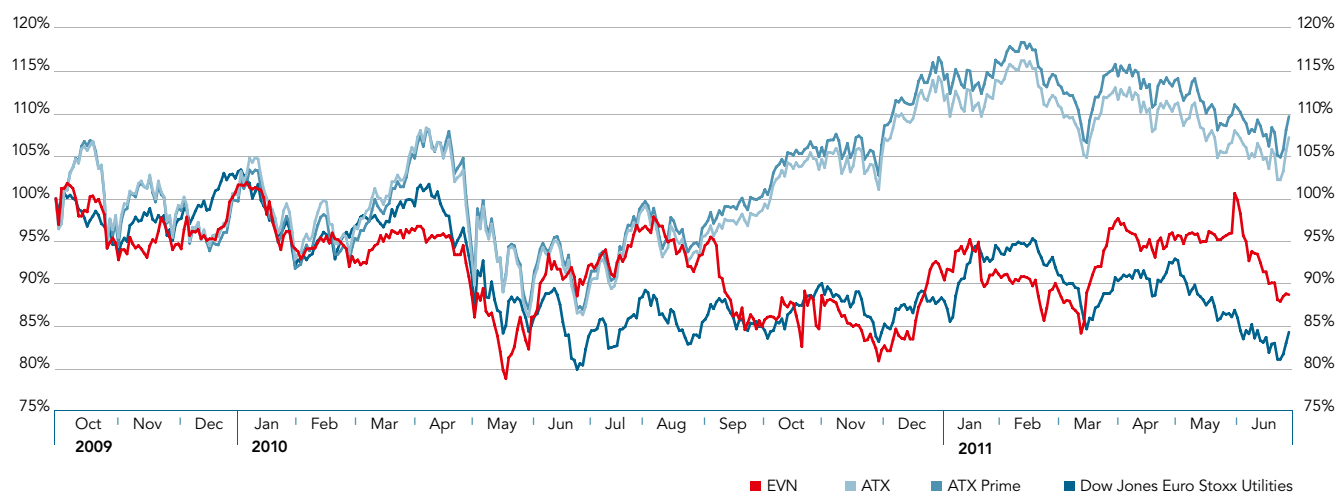
The European Central Bank raised its prime lending rate, which had been unchanged a 1.0% since the beginning of May 2009 by 0.25 basis points in both April and July 2011 to 1.5%. The turning point in the interest rate policy was justified on grounds of high inflationary risk and high liquidity. In the second half of 2011 a further small-scale rise in the prime lending rate for the eurozone is expected.

During the period under review, international stock markets continued to be subject to an upward but volatile trend. In the first two quarters of 2010/11, the markets strongly profited from the robust economic situation, whereas they later reported share price losses, particularly for utility companies, as a result of the nuclear catastrophe in Japan and the subsequent stress tests for the nuclear power plants. The Dow Jones Euro Stoxx Utilities Index, which encompasses the stocks of leading European utility companies, fell by 6.8% in the period April to June 2011.

From October 1, 2010 to June 30, 2011, the German share index DAX registered a considerable rise in value of 18.4%, the American benchmark index Dow Jones gained 15.1% and the Vienna benchmark index ATX also posted an increase of 8.9%. In contrast, the Dow Jones Euro Stoxx Utilities Index, which is relevant to EVN, fell by 0.8% in this period. The EVN share profited from the positive domestic trading environment and gained 4.5% in value. As at June 30, 2011, the EVN share traded at EUR 11.96, which corresponds to a market capitalisation of about EUR 2.15 billion.

The average daily turnover in EVN shares increased considerably compared to previous periods due to the capital increase carried out in the first quarter of 2010/11 and amounted to 140,604 shares (counted once). The total trading volume of EVN shares on the Vienna Stock Exchange was EUR 307.0m (counted once), which corresponds to 1.23% of total Vienna Stock Exchange trading volume. The weighting of the EVN share on the ATX index was 1.06% as of the end of June 2011.

EVN share price – relative development



EVN share – Index weighting 30.6.2011

ATX	1.06%
WBI (Wiener Börse Index)	2.40%

EVN share – performance		2010/11	2009/10	2008/09
		Q. 1–3	Q. 1–3	Q. 1–3
Share price at the end of June	EUR	11.96	12.25	11.83
Highest price	EUR	13.58	13.75	16.00
Lowest price	EUR	10.90	10.61	10.11
Value of shares traded ¹⁾	EURm	307	132	143
Average daily turnover ¹⁾	Shares	140,604	57,508	65,812
Share of total turnover ¹⁾	%	1.23	0.43	0.55
Market capitalisation at the end of June	EURm	2,151	2,003	1,935

1) Vienna Stock Exchange, counted once.

At the 82nd Annual General Meeting held on January 20, 2011, it was resolved to distribute a dividend of EUR 71.8m or EUR 0.40 per share to the shareholders of EVN AG for the 2009/10 financial year. Ex-dividend day was January 25, 2011, and the dividend payment to shareholders took place on January 28, 2011. Moreover, it was resolved to reduce the number of capital representatives on the Supervisory Board of EVN AG from 13 to 10 members. Thus the total number of Supervisory Board members including employee representatives declined from 20 to 15. Details on the newly elected Supervisory Board can be found at www.evn.at.

On October 27, 2010, the Executive Board of EVN AG resolved, with the approval of the Supervisory Board, to carry out a capital increase from authorized capital through the issuance of 16,352,582 new ordinary no-par value bearer shares at a subscription ratio of 10:1. The implementation of the capital increase raised EVN's share capital from EUR 300.0m by 10.0% to EUR 330.0m. The subscription price was set at EUR 11.00 per share, and the subscription period for shareholders lasted between October 29, 2010 and November 12, 2010. Net proceeds from the capital increase amounted to EUR 175.5m, which is designed to strengthen the balance sheet and support the credit ratings of EVN, as well as to finance investments in renewable energy projects in Lower Austria and the expansion of hydropower energy capacities in other regions of Austria and in neighbouring countries.

At the Annual General Meeting held on January 17, 2008, it was resolved to authorize the Executive Board of EVN AG to acquire own shares (treasury stock) amounting to a maximum of 10.0% of the share capital of EVN AG during a period lasting 18 months commencing on the day on which the resolution was adopted. On the basis of this authorization, the Executive Board acquired own shares up until October 29, 2008, with the purpose of improving the supply and demand for the EVN share on the Vienna Stock Exchange. At present EVN AG has 467,328 own shares in its possession, which corresponds to about 0.26% of the share capital of the company. Now, the Executive Board of EVN AG resolved on June 21, 2011, to release a maximum of 146,000 of its own shares to employees of the company as well as employees of specified subsidiaries (EVN Netz GmbH and evn wasser Gesellschaft m.b.H.) instead of the planned special payment stipulated in an agreement concluded with employee representatives. Therefore it is intended to transfer a maximum of 146,000 non-par value shares (corresponding to a maximum of 0.0812% of the share capital of EVN AG) currently owned by the company to employees, provided that the employees agree to exercise this option. The transfer of these own shares to employees took place and ended on August 3, 2011.

There was a change in the shareholder structure of EVN AG as a result of the capital increase carried out in October/November 2010. The majority shareholder NÖ Landes-Beteiligungsholding GmbH continues to hold a 51.0% stake in EVN AG. The stake owned by the second largest shareholder, EnBW Energie Baden-Württemberg AG, was diluted from 35.7% to 32.5%. The remaining 16.5% is in free float.

Financial calendar¹⁾

Annual results 2010/11	December 15, 2011
83 rd Annual General Meeting of EVN AG	January 19, 2012
Ex-dividend day	January 24, 2012
Dividend payment	January 27, 2012
Results Q. 1 2011/12	February 28, 2012
Results HY. 1 2011/12	May 31, 2012
Results Q. 1–3 2011/12	August 30, 2012
Annual results 2011/12	December 13, 2012

1) Preliminary.

EVN share – Basic information

Share capital	330,000,000.00 EUR
Denomination	179,878,402 zero par value share
ISIN security code number	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); EVN (Dow Jones); EVNVY (ADR)
Listing	Vienna
ADR programme; depository	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Ratings	A3, stable (Moody's); A–, negative (Standard & Poor's)

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<http://www.financialreport.evn.at/?report=EN2011-Q3>

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