

**New Challenges.  
New Opportunities.  
New Horizons.**

Letter to Shareholders Q. 1 2018/19  
1 October – 31 December 2018



# Key figures

		2018/19 Q.1	2017/18 Q.1	+/- %	2016/17 Q.1	2017/18
<b>Sales volumes</b>						
Electricity generation volumes	GWh	1,549	1,687	-8.1	1,936	5,526
thereof from renewable energy	GWh	520	577	-9.9	522	2,213
Electricity sales volumes to end customers	GWh	5,018	4,694	6.9	5,001	18,413
Natural gas sales volumes to end customers	GWh	1,750	1,894	-7.6	2,118	5,178
Heat sales volumes to end customers	GWh	717	728	-1.5	725	2,219
<b>Consolidated statement of operations</b>						
Revenue <sup>1)</sup>	EURm	596.0	592.5	0.6	607.4	2,078.7
EBITDA	EURm	163.2	231.6	-29.5	219.8	671.8
EBITDA margin <sup>2)</sup>	%	27.4	39.1	-11.7	36.2	32.3
Results from operating activities (EBIT)	EURm	97.4	166.0	-41.3	125.2	392.9
EBIT margin <sup>2)</sup>	%	16.4	28.0	-11.7	20.6	18.9
Result before income tax	EURm	81.9	154.2	-46.9	116.6	355.7
Group net result	EURm	59.1	112.2	-47.3	95.3	254.6
Earnings per share	EUR	0.33	0.63	-47.3	0.54	1.43
<b>Statement of financial position</b>						
Balance sheet total	EURm	7,522.0	6,627.5	13.5	6,599.5	7,831.1
Equity	EURm	3,985.9	3,276.5	21.7	2,888.4	4,092.6
Equity ratio <sup>2)</sup>	%	53.0	49.4	3.6	43.8	52.3
Net debt <sup>3)</sup>	EURm	1,033.2	1,132.5	-8.8	1,433.2	963.7
Gearing <sup>2)</sup>	%	25.9	34.6	-8.6	49.6	23.5
<b>Cash flow and investments</b>						
Gross cash flow	EURm	200.7	233.1	-13.9	199.0	560.3
Net cash flow from operating activities	EURm	-7.6	115.4	-	25.3	603.5
Investments <sup>4)</sup>	EURm	79.5	61.9	28.5	59.7	356.4
<b>Share performance</b>						
Share price at 31 December	EUR	12.58	16.70	-24.7	11.21	16.88
Value of shares traded <sup>5)</sup>	EURm	48.1	37.7	27.7	22.7	169.7
Market capitalisation at 31 December	EURm	2,263	3,004	-24.7	2,016	3,036
<b>Employees</b>	∅	<b>6,885</b>	<b>6,824</b>	<b>0.9</b>	<b>6,858</b>	<b>6,831</b>

1) The comparative information for the first quarter of 2017/18 and for the 2017/18 financial year was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”

2) Changes reported in percentage points

3) Incl. non-current personnel provisions

4) In intangible assets and property, plant and equipment

5) Vienna Stock Exchange, single counting

# Contents

<b>Highlights</b>	3	<b>Consolidated interim report</b>	18
<b>Interim management report</b>	4	Consolidated statement of operations	18
Shareholder structure	4	Consolidated statement of comprehensive income	19
Energy sector environment	4	Consolidated statement of financial position	20
Business development	5	Consolidated statement of changes in equity	21
Segment reporting	9	Condensed consolidated statement of cash flows	21
		Notes to the consolidated interim report	22

---

# Highlights

## Business development in the first quarter of 2018/19

- Development in line with expectations – after two financial years which were influenced by non-recurring effects – return in Group net result for 2018/19 to the long-term level as forecasted
- Improvement in revenue (+0.6%), decline in EBITDA (-29.5%), EBIT (-41.3%) and Group net result (-47.3%)

## Inconsistent energy sector framework conditions

- Temperature-related demand for energy in Lower Austria substantially lower than the previous year due to the unusually warm weather up to the beginning of November 2018
- Heating degree total in Bulgaria improves markedly year-on-year and slightly in relation to the long-term average, in Macedonia slightly lower than the long-term average
- Water flows clearly below high prior year level; wind flows in Austria higher than the long-term average, but lower than the previous year
- Significant increase in forward and spot market prices for base load and peak load electricity
- Substantially higher prices for CO<sub>2</sub> emission certificates, coal and natural gas

## Results from sales activities negatively affected by higher wholesale prices

- Negative effect from valuation of hedges held by EVN KG as of 31 December 2018
- Increase in electricity and natural gas working prices for household customers within the framework of EnergieAllianz as of 1 October 2018 covers higher procurement costs only in part

## Effects from the separation of the German-Austrian electricity price zone

- Separation as of 1 October 2018 leads to higher wholesale prices in Austria – in contrast to Germany – and, in turn, to higher procurement costs for EVN KG
- End of contractual provision of EVN's thermal power plants to support network stability in southern Germany (capacity of 1,090 MW was provided in the winter half-year 2017/18)
- New contract for the gas-fired power plant in Theiss to provide 430 MW as reserve capacity for the Austrian transmission network (initially for three years)

## New regulatory period for electricity distribution networks in Austria

- Start of the new five-year regulatory period on 1 January 2019
- Continuation of incentive regulation as the basis for further investments and efficiency improvements in stable, regulated network activities
- Lower regulatory cost of capital reflects decline in interest rates

## Wind power generation capacity rises to 336 MW

- Successful repowering of the Gänserndorf West wind park (6 MW)
- Commissioning of the new Au am Leithaberge wind park (18 MW)
- Construction preparation in progress for further projects
- Expansion towards targeted wind capacity of 500 MW still on schedule with 370 MW as the milestone by the end of 2019/20

## Investment strategy with clear focus on regulated and stable activities

- Annual investments of up to EUR 400m over the coming years
- Thereof roughly EUR 300m annually for network infrastructure, renewable generation and drinking water supplies in Lower Austria

## International project business

- General contractor assignment for a wastewater treatment plant in Poland with a value of approximately EUR 16m received in November 2018

## Annual General Meeting approves dividend for 2017/18

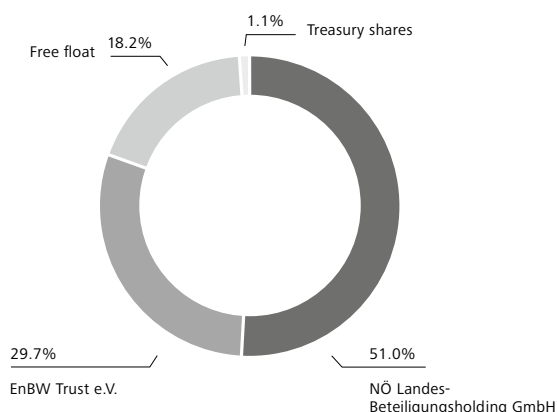
- Dividend of EUR 0.44 plus bonus dividend of EUR 0.03 per eligible share approved on 17 January 2019

## Outlook on the 2018/19 financial year confirmed

- The 2017/18 financial year was positively influenced by the strong rise in energy prices, which was reflected, above all, in the valuation of hedges as of the balance sheet date. Assuming average conditions in the energy business environment, Group net result for 2018/19 is expected to range from EUR 160m to EUR 180m.
- However, Group net result could be significantly influenced by the regulatory background, the legal proceedings currently in progress in Bulgaria and the remaining proceeding related to the Walsum 10 power plant project as well as the progress on activities in Moscow.

# Interim management report

## Shareholder structure<sup>1)</sup>



1) As of 31 December 2018

In accordance with Austrian federal and provincial constitutional law, the province of Lower Austria is the major shareholder of EVN AG with a stake of 51.0%. These constitutional requirements limit the transfer of the investment, which is held directly by NÖ Landes-Beteiligungsholding GmbH, St. Pölten.

The second largest shareholder of EVN AG is EnBW Trust e.V., an association headquartered in Karlsruhe, which is recorded in the register of associations maintained by the district court in Mannheim under VR 3737. As of 31 December 2018, EnBW Trust held an investment of 29.7% of the share capital in trust for EnBW Energie Baden-Württemberg AG, which is also headquartered in Karlsruhe and recorded in the commercial register of the district court in Mannheim under HRB 107956.

## Energy sector environment

Energy sector environment		2018/19 Q.1	2017/18 Q.1	2016/17 Q.1
<b>Temperature-related energy demand<sup>1)</sup></b>				
Austria	%	89.3	101.8	117.6
Bulgaria	%	102.1	90.6	100.8
Macedonia	%	97.4	101.1	112.8
<b>Primary energy and CO<sub>2</sub> emission certificates</b>				
Crude oil – Brent	EUR/bbl	62.4	52.4	44.5
Natural gas – GIMP <sup>2)</sup>	EUR/MWh	24.8	19.2	17.0
Hard coal – API#2 <sup>3)</sup>	EUR/t	83.5	79.4	79.1
CO <sub>2</sub> emission certificates	EUR/t	19.1	7.5	5.5
<b>Electricity – EEX forward market<sup>4)</sup></b>				
Base load	EUR/MWh	44.7	34.4	28.3
Peak load	EUR/MWh	56.7	44.3	36.4
<b>Electricity – EPEX spot market<sup>5)</sup></b>				
Base load	EUR/MWh	59.4	33.2	37.6
Peak load	EUR/MWh	70.7	46.4	47.3

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

2) Net Connect Germany (NCG) – EEX (European Energy Exchange) stock exchange price for natural gas

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

4) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective reporting period

5) EPEX spot – European Power Exchange

<b>EVN's key energy business indicators</b>	<b>2018/19</b>	<b>2017/18</b>	<b>+/-</b>		<b>2016/17</b>
	<b>Q.1</b>	<b>Q.1</b>	<b>Nominal</b>	<b>%</b>	<b>Q.1</b>
GWh					
<b>Electricity generation volumes</b>	<b>1,549</b>	<b>1,687</b>	<b>-137</b>	<b>-8.1</b>	<b>1,936</b>
Renewable energy sources	520	577	-57	-9.9	522
Thermal energy sources	1,029	1,110	-80	-7.2	1,415
<b>Network distribution volumes</b>					
Electricity	5,942	5,871	71	1.2	5,957
Natural gas <sup>1)</sup>	5,388	5,907	-518	-8.8	6,151
<b>Energy sales volumes to end customers</b>					
<b>Electricity</b>	<b>5,018</b>	<b>4,694</b>	<b>324</b>	<b>6.9</b>	<b>5,001</b>
thereof Central and Western Europe <sup>2)</sup>	1,914	1,748	166	9.5	1,768
thereof South Eastern Europe	3,103	2,946	157	5.3	3,233
<b>Natural gas</b>	<b>1,750</b>	<b>1,894</b>	<b>-144</b>	<b>-7.6</b>	<b>2,118</b>
<b>Heat</b>	<b>717</b>	<b>728</b>	<b>-11</b>	<b>-1.5</b>	<b>725</b>
thereof Central and Western Europe <sup>2)</sup>	642	660	-17	-2.6	643
thereof South Eastern Europe	75	68	6	9.3	82

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

## Business development

### Statement of operations

#### Highlights

- Revenue: +0.6% to EUR 596.0m
- EBITDA: -29.5% to EUR 163.2m
- EBIT: -41.3% to EUR 97.4m
- Financial results: -31.9% to EUR -15.5m
- Group net result: -47.3% to EUR 59.1m

Revenue recorded by the EVN Group rose by 0.6% year-on-year to EUR 596.0m in the first quarter of 2018/19. This development was supported primarily by valuation effects from hedges and by an increase in renewable generation and heat sales. Contrasting factors were a price- and volume-related decline in the Networks Segment and a change in the calculation method for the so-called "green electricity mark-up" in Bulgaria which, however, has no effect on profit or loss (also see the notes to the South East Europe Segment).

A positive change in inventory in the international project business led to a year-on-year increase of 25.8% in other operating income to EUR 28.0m for the reporting period.

The cost of electricity purchases from third parties and primary energy expenses were also influenced by contrary effects in the first quarter of 2018/19. Upstream network costs and the valuation of hedges were responsible for an increase, while the above-mentioned change in the calculation method for the green electricity mark-up in Bulgaria led to a reduction. In total, this position was 13.1% higher than the comparable prior year period at EUR 302.2m.

The cost of materials and services was 2.2% lower at EUR 61.6m as a result of developments in the international project business.

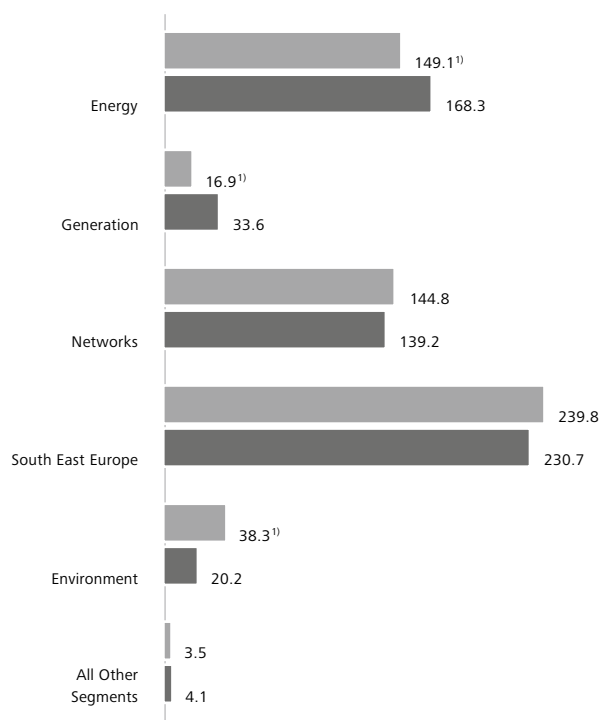
Personnel expenses, in contrast, were 3.1% higher than the previous year at EUR 81.4m. The average number of employees equalled 6,885 (previous year: 6,824 employees).

Other operating expenses fell by 30.3%, to EUR 22.1m, among others due to a reduction in the write-off of receivables in South East Europe.

The share of results from equity accounted investees with operational nature fell to EUR 6.5m in the first quarter of 2018/19 (previous year: EUR 57.6m). The decline is attributable to a lower earnings contribution from RAG and, above all, to the development of business at EVN KG. This company's selling activities were negatively affected by the higher procurement costs which followed an increase in wholesale prices during

## External revenue by segments Q. 1

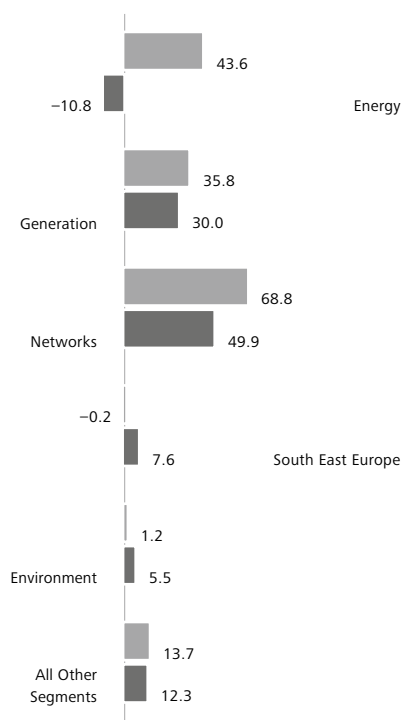
EURm  
2017/18  
2018/19



1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”

## EBIT by segments Q. 1

EURm  
2017/18  
2018/19



the reporting period and by negative effects from the valuation of hedges as of 31 December 2018.

EBITDA recorded by the EVN Group declined by 29.5% to EUR 163.2m. The EBITDA margin was reduced from 39.1% to 27.4%.

Depreciation and amortisation, including the effects of impairment testing, remained nearly stable at EUR 65.8m (previous year: EUR 65.6m). EVN generated EBIT of EUR 97.4m in the first quarter of 2018/19, which represents a decrease of 41.3% compared with the first quarter of the previous year.

Financial results declined by 31.9% to EUR -15.5m. Here the performance of the R 138 fund was lower than the previous year – in line with the development of the major stock indexes – during the period from October to December 2018.

The result before income tax totalled EUR 81.9m, which represents a year-on-year decrease of 46.9%. After the deduction of EUR 17.1m (previous year: EUR 35.1m) in income tax expense and the earnings attributable to non-controlling interests, Group net result for the period amounted to EUR 59.1m and was 47.3% lower than the first quarter of the previous year.

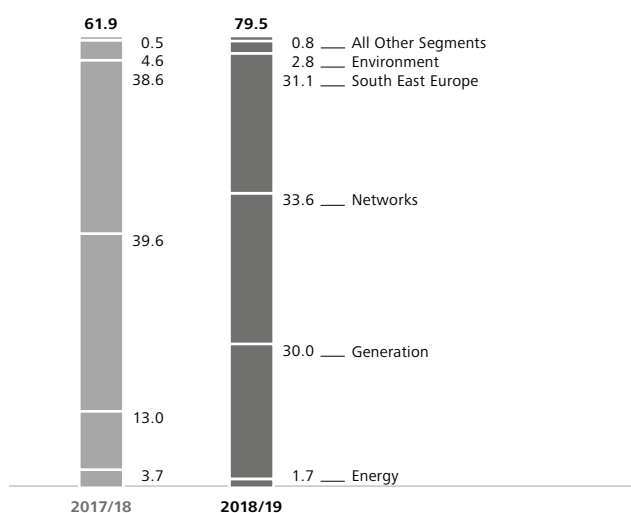
### Statement of cash flows

Gross cash flow fell by 13.9% to EUR 200.7m in the first quarter of 2018/19. The first quarter decline in the result before income tax was partly offset by the dividends from equity accounted investees, which were higher than the earnings contributions from these companies.

Cash flow from operating activities amounted to EUR -7.6m (previous year: EUR 115.4m). It was negatively influenced by the developments of inventories, receivables and liabilities.

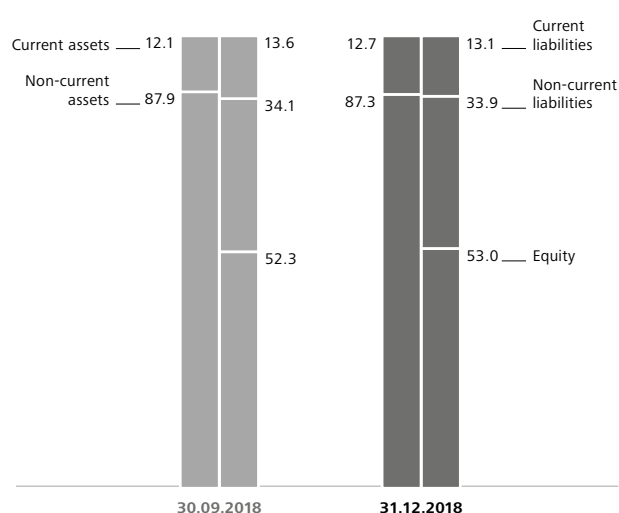
## Structure of investments Q. 1

%, total in EURm



## Balance sheet structure as of the balance sheet date

%



Cash flow from investing activities was influenced primarily by EVN's investments in property, plant and equipment, which were contrasted by payments received for network subsidies and income from the sale of securities in the R 138 fund and in cash funds. The investments in these funds were increased during the first quarter of 2017/18. In total, cash flow from investing activities amounted to EUR –28.7m (previous year: EUR –163.2m).

Cash flow from financing activities totalled EUR –35.7m (previous year: EUR –10.1m) and reflected an increase in the scheduled repayment of financial liabilities during the reporting period.

Cash flow amounted to EUR –72.1m in the first quarter of 2018/19, and cash and cash equivalents totalled EUR 142.5m as of 31 December 2018. The EVN Group also had undrawn credit lines of EUR 492.0m at its disposal to service potential short-term financing requirements.

### Statement of financial position

EVN's balance sheet total equalled EUR 7,522.0m as of 31 December 2018 and was 3.9% below the level on 30 September 2018.

This decline was related mainly to the development of non-current assets, which were 4.5% lower at EUR 6,570.1m. It was caused primarily by a decrease in the price of the Verbund share to EUR 37.24 as of 31 December 2018 (30 September 2018: EUR 42.42) as well as the negative earnings contribution from EVN KG and a lower dividend from this company for the 2017/18 financial year. Other non-current assets declined, above all, due to a reduction in receivables from derivative transactions and reflected the lower valuation of derivatives in the energy business at the end of the reporting period which was caused by the increase in wholesale prices. In contrast, intangible assets and property, plant and equipment increased as a result of the investments made during the first quarter of 2018/19.

Current assets rose by 0.3% to EUR 951.9m, chiefly due to an increase in receivables from equity accounted investees and inventories as of 31 December 2018. Declines were recorded in cash and cash equivalents and the investments in cash funds which are recorded as current securities.

Equity totalled EUR 3,985.9m as of 31 December 2018 and was 2.6% below the level on 30 September 2018. This decline resulted primarily from the lower market value of the Verbund share at the end of the reporting period and the resulting

negative measurement effects that were recognised directly in equity; the earnings contribution during the reporting period was not able to compensate the effect of the Verbund share which is shown in equity directly. Not included here is the dividend of EUR 0.47 per share (which includes a one-time bonus dividend of EUR 0.03 per share) for the 2017/18 financial year, which was approved by the 90<sup>th</sup> Annual General Meeting on 17 January 2019 and distributed to shareholders on 25 January 2019. The equity ratio, which was significantly influenced by the price of the Verbund share at the end of the reporting period, equalled 53.0% as of 31 December 2018 (30 September 2018: 52.3%).

Non-current liabilities fell by 4.4% to EUR 2,551.7m in the first quarter of 2018/19. The following factors were primarily

responsible for this decline: the reduction in non-current tax liabilities which resulted from the lower price of the Verbund share, the reclassification of financial liabilities from non-current to current and a decrease in non-current liabilities from derivative transactions.

Current liabilities declined by 7.8% to EUR 984.4m, above all due to a lower balance of trade payables and liabilities to equity accounted investees as of 31 December 2018. These reductions were contrasted by an increase in current tax liabilities and the reclassification of current financial liabilities.

EVN's net debt rose by 7.2% over the level on 30 September 2018 to EUR 1,033.2m as of 31 December 2018. As a result, gearing increased from 23.5% to 25.9%.



## Segment reporting

### Overview

EVN's corporate structure comprises six reportable segments. In accordance with IFRS 8 "Operating Segments", they are differentiated and defined solely on the basis of the internal organisational

and reporting structure. Business activities which cannot be reported separately because they are below the quantitative thresholds are aggregated under "All Other Segments".

Business areas	Segments	Major activities
Energy business	Energy	<ul style="list-style-type: none"> <li>→ Marketing of electricity produced in the Generation Segment</li> <li>→ Procurement of electricity, natural gas and primary energy carriers</li> <li>→ Trading with and sale of electricity and natural gas to end customers and on wholesale markets</li> <li>→ Production and sale of heat</li> <li>→ 45.0% investment in ENERGIEALLIANZ Austria GmbH<sup>1)</sup></li> <li>→ Investment as sole limited partner in EVN Energievertrieb GmbH &amp; Co KG (EVN KG)<sup>1)</sup></li> </ul>
	Generation	<ul style="list-style-type: none"> <li>→ Generation of electricity from thermal production capacities and renewable energy sources at Austrian and international locations</li> <li>→ Operation of a thermal waste utilisation plant in Lower Austria<sup>2)</sup></li> <li>→ 13.0% investment in Verbund Innkraftwerke GmbH (Germany)<sup>1)</sup></li> <li>→ 49.0% investment in Walsum 10 hard coal-fired power plant (Germany)<sup>3)</sup></li> <li>→ 49.99% investment in Ashta run-of-river power plant (Albania)<sup>1)</sup></li> </ul>
	Networks	<ul style="list-style-type: none"> <li>→ Operation of distribution networks and network infrastructure for electricity and natural gas in Lower Austria</li> <li>→ Cable TV and telecommunication services in Lower Austria and Burgenland</li> </ul>
	South East Europe	<ul style="list-style-type: none"> <li>→ Operation of distribution networks and network infrastructure for electricity in Bulgaria and Macedonia</li> <li>→ Sale of electricity to end customers in Bulgaria and Macedonia</li> <li>→ Generation of electricity from hydropower in Macedonia</li> <li>→ Generation, distribution and sale of heat in Bulgaria</li> <li>→ Construction and operation of natural gas networks in Croatia</li> <li>→ Energy trading for the entire region</li> </ul>
Environmental services business	Environment	<ul style="list-style-type: none"> <li>→ Water supply and wastewater disposal in Lower Austria</li> <li>→ International project business: planning, construction, financing and/or operation (depending on the project) of plants for drinking water supplies, wastewater treatment and thermal waste utilisation</li> </ul>
Other business activities	All Other Segments	<ul style="list-style-type: none"> <li>→ 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in RAG Austria AG (RAG)<sup>1)</sup></li> <li>→ 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG<sup>1)</sup></li> <li>→ 12.63% investment in Verbund AG<sup>4)</sup></li> <li>→ Corporate services</li> </ul>

1) The earnings contribution represents the share of results from equity accounted investees with operational nature and is included in EBITDA.

2) The thermal waste utilisation plant in Zwentendorf/Dürnrohr that was previously held in the Environment Segment was assigned to the Generation Segment beginning with the fourth quarter of 2017/18.

3) The investment in Steag-EVN Walsum 10 Kraftwerksgesellschaft is accounted for as a joint operation.

4) Dividends are included under financial results.

## Energy

### Highlights

- Higher electricity sales volumes, temperature-related decline in natural gas and heat sales volumes
- Valuation effects from hedges
- EBITDA, EBIT and result before income tax below previous year

Energy sales volumes to end customers followed different trends in the first quarter of 2018/19. Electricity sales volumes rose by 9.5% to 1,914 GWh, while due to milder temperatures natural gas sales volumes fell by 7.9% year-on-year to 1,723 GWh and heat sales volumes by 2.6% to 642 GWh.

Revenue in the Energy Segment rose by 12.1% over the previous year to EUR 169.5m in spite of a decline in sales of the electricity generated by EVN. Operating expenses increased by 16.5% to EUR 161.9m. In both cases, the increases resulted primarily from

the development of market prices and effects from the valuation of hedges as of 31 December 2018.

The share of results from equity accounted investees with operational nature totalled EUR –13.6m in the first quarter of 2018/19 (previous year: EUR 36.3m). This decline resulted chiefly from higher primary energy prices and the subsequent increase in procurement costs and from negative effects from the valuation of hedges held by EVN KG. EBITDA in this segment amounted to EUR –6.0m for the reporting period (previous year: EUR 48.5m).

Scheduled depreciation and amortisation were nearly constant at EUR 4.8m. EBIT in the Energy Segment equalled EUR –10.8m in the first quarter of 2018/19 (previous year: EUR 43.6m).

Financial results remained nearly unchanged in year-on-year comparison at EUR –0.5m, and the result before income tax totalled EUR –11.3m for the reporting period (previous year: EUR 43.0m).

Investments in this segment were 36.5% lower than the previous year at EUR 1.4m and focused entirely on the expansion of the heating plants and networks.

Key indicators – Energy		2018/19	2017/18	+/-		2016/17
		Q.1	Q.1	Nominal	%	Q.1
<b>Key energy business indicators</b>	GWh					
<b>Energy sales volumes to end customers</b>						
Electricity		1,914	1,748	166	9.5	1,768
Natural gas		1,723	1,871	-149	-7.9	2,108
Heat		642	660	-17	-2.6	643
<b>Key financial indicators</b>	EURm					
External revenue <sup>1)</sup>		168.3	149.1	19.1	12.8	137.0
Internal revenue		1.3	2.0	-0.8	-37.8	2.1
<b>Total revenue<sup>1)</sup></b>		<b>169.5</b>	<b>151.2</b>	<b>18.3</b>	<b>12.1</b>	<b>139.1</b>
Operating expenses <sup>1)</sup>		-161.9	-139.0	-23.0	-16.5	-129.3
Share of results from equity accounted investees with operational nature		-13.6	36.3	-49.8	-	36.4
<b>EBITDA</b>		<b>-6.0</b>	<b>48.5</b>	<b>-54.5</b>	<b>-</b>	<b>46.2</b>
Depreciation and amortisation including effects from impairment tests		-4.8	-4.9	0.1	1.6	-4.7
<b>Results from operating activities (EBIT)</b>		<b>-10.8</b>	<b>43.6</b>	<b>-54.4</b>	<b>-</b>	<b>41.5</b>
Financial results		-0.5	-0.6	0.1	16.4	-0.8
<b>Result before income tax</b>		<b>-11.3</b>	<b>43.0</b>	<b>-54.3</b>	<b>-</b>	<b>40.7</b>
Total assets		814.1	714.0	100.1	14.0	708.9
Total liabilities		709.1	607.7	101.4	16.7	614.3
Investments <sup>2)</sup>		1.4	2.3	-0.8	-36.5	2.8

1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”

2) In intangible assets and property, plant and equipment

## Generation

### Highlights

- Supply of 430 MW in reserve capacity for network stabilisation
- Electricity generation, in total, below previous year
- Decline in EBITDA, EBIT and result before income tax

Electricity generation, which is aggregated in this segment, was 9.6% lower than the previous year at 1,350 GWh in the first quarter of 2018/19 due to a decline in renewable energy and in the thermal power plants. In the area of renewable energy generation, the increase in wind power – which resulted from the commissioning of the Sommerein wind park at the beginning of July 2018 and higher wind flows than the previous year – was unable to offset the substantial year-on-year decrease in water flows. The lower volume of electricity generated in the thermal power plants reflected, above all, a reduction in the reserve capacity under contract for network stabilisation to 430 MW (previous year: 1,090 MW). The number of days on which EVN's

thermal power plants were called up in the first quarter of 2018/19 matched the previous year, but the volume of electricity called up was lower.

At the Group level, EVN covered 30.9% of the electricity sold during the reporting period with its own production (previous year: 35.9%). The share of renewable energy in the Group's electricity production equalled 33.6% (previous year: 34.2%).

Revenue in the Generation Segment rose by 22.0% year-on-year to EUR 91.7m, in particular due to the revenue from the thermal waste utilisation plant in Zwentendorf/Dürnrrohr which has been included in this segment since the fourth quarter of 2017/18. A further positive factor was the revenue from renewable electricity generation, which was higher than the previous year due to the general upward trend in electricity prices. At the same time, operating expenses increased by 62.9% to EUR 47.3m following the above-mentioned reassignment of the thermal waste utilisation plant and a year-on-year increase in primary energy expenses.

The share of results from equity accounted investees with operational nature amounted to EUR 0.8m in the first quarter of 2018/19 (previous year: EUR 1.8m) and was based primarily on the earnings contribution from Verbund Innkraftwerke GmbH. EBITDA in

Key indicators – Generation		2018/19	2017/18	+/-		2016/17
		Q. 1	Q. 1	Nominal	%	Q. 1
<b>Key energy business indicators</b>		GWh				
Electricity generation volumes		1,350	1,493	-143	-9.6	1,725
thereof renewable energy sources		427	479	-52	-10.8	423
thereof thermal energy sources		923	1,014	-92	-9.0	1,302
<b>Key financial indicators</b>		EURm				
External revenue <sup>1)</sup>		33.6	16.9	16.7	99.1	13.9
Internal revenue		58.1	58.3	-0.2	-0.3	43.7
<b>Total revenue<sup>1)</sup></b>		<b>91.7</b>	<b>75.2</b>	<b>16.5</b>	<b>22.0</b>	<b>57.6</b>
Operating expenses <sup>1)</sup>		-47.3	-29.0	-18.3	-62.9	-34.2
Share of results from equity accounted investees with operational nature		0.8	1.8	-1.0	-57.5	0.0 <sup>*)</sup>
<b>EBITDA</b>		<b>45.2</b>	<b>48.0</b>	<b>-2.8</b>	<b>-5.8</b>	<b>23.4</b>
Depreciation and amortisation including effects from impairment tests		-15.1	-12.2	-2.9	-24.2	-41.5
<b>Results from operating activities (EBIT)</b>		<b>30.0</b>	<b>35.8</b>	<b>-5.7</b>	<b>-16.0</b>	<b>-18.1</b>
Financial results		-4.3	-3.5	-0.8	-23.0	2.0
<b>Result before income tax</b>		<b>25.7</b>	<b>32.3</b>	<b>-6.5</b>	<b>-20.3</b>	<b>-16.2</b>
Total assets		1,136.5	934.5	202.1	21.6	990.8
Total liabilities		882.2	659.3	222.9	33.8	761.1
Investments <sup>2)</sup>		24.6	8.5	16.1	-	3.8

1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”

2) In intangible assets and property, plant and equipment

\*) Small amount

the Generation Segment totalled EUR 45.2m for the reporting period, which represents a year-on-year decline of 5.8%.

Depreciation and amortisation, including the effects of impairment tests, rose to EUR 15.1m (previous year: EUR 12.2m). In total, EBIT equalled EUR 30.0m (previous year: EUR 35.8m).

Financial results amounted to EUR –4.3m (previous year: EUR –3.5m) for the reporting period, and the result before income tax equalled EUR 25.7m (previous year: EUR 32.3m).

Investments in this segment rose substantially from EUR 8.5m in the first quarter of the previous year to EUR 24.6m. This increase was related chiefly to the expansion of wind power capacity, in particular the wind parks in Gänserndorf West (6 MW, repowering) and Au am Leithaberge (18 MW) which were commissioned in December 2018. These projects increased EVN's wind power generation capacity from 318 MW (as of 30 September 2018) to 336 MW (as of 31 December 2018).

## Networks

---

### Highlights

---

- Different developments: nearly constant electricity network sales volumes, decline in natural gas
  - Decline in EBITDA, EBIT and result before income tax
  - Continuing high investments in supply security
- 

EVN's network distribution volumes developed differently during the reporting period: electricity distribution volumes rose slightly by 0.1% to 2,263 GWh, while natural gas network distribution volumes declined by 9.1% to 5,330 GWh. The main reasons were the milder temperatures and the reduced use of EVN's natural gas-fired power plants to support network stabilisation.

The compensation for network sales volumes in the first quarter of 2018/19 was still based on the network tariffs set by the E-Control Commission for the 2018 calendar year. As of 1 January 2018, these tariffs had been raised by an average of 2.4% for electricity and reduced by an average of 16.2% for natural gas for household customers.

Based on these volume and price effects, revenue in the Networks Segment fell by 4.5% year-on-year to EUR 152.8m. Operating expenses were 17.4% higher than the previous year at EUR 72.5m, primarily due to higher upstream network costs.

EBITDA therefore declined by 18.3% to EUR 80.3m. After the deduction of scheduled depreciation and amortisation – which rose by 2.8% to EUR 30.4m as the result of investments – EBIT equalled EUR 49.9m (previous year: EUR 68.8m).

Financial results generally reflected the previous year at EUR –4.3m in the first quarter of 2018/19. The Networks Segment recorded result before income tax of EUR 45.7m for the reporting period, which represents a decline of 29.2%.

		2018/19	2017/18	+/-		2016/17
		Q.1	Q.1	Nominal	%	Q.1
<b>Key indicators – Networks</b>						
<b>Key energy business indicators</b>		GWh				
<b>Network distribution volumes</b>						
Electricity		2,263	2,261	2	0.1	2,231
Natural gas		5,330	5,864	-534	-9.1	6,130
<b>Key financial indicators</b>		EURm				
External revenue		139.2	144.8	-5.6	-3.8	135.7
Internal revenue		13.6	15.3	-1.7	-11.3	15.6
<b>Total revenue</b>		<b>152.8</b>	<b>160.1</b>	<b>-7.3</b>	<b>-4.5</b>	<b>151.2</b>
Operating expenses		-72.5	-61.7	-10.7	-17.4	-64.7
Share of results from equity accounted investees with operational nature		-	-	-	-	-
<b>EBITDA</b>		<b>80.3</b>	<b>98.3</b>	<b>-18.0</b>	<b>-18.3</b>	<b>86.6</b>
Depreciation and amortisation including effects from impairment tests		-30.4	-29.6	-0.8	-2.8	-28.6
<b>Results from operating activities (EBIT)</b>		<b>49.9</b>	<b>68.8</b>	<b>-18.8</b>	<b>-27.4</b>	<b>58.0</b>
Financial results		-4.3	-4.3	0.0 <sup>*)</sup>	-0.4	-4.0
<b>Result before income tax</b>		<b>45.7</b>	<b>64.5</b>	<b>-18.8</b>	<b>-29.2</b>	<b>54.0</b>
Total assets		1,921.1	1,894.2	26.9	1.4	1,867.7
Total liabilities		1,315.2	1,325.1	-9.9	-0.7	1,358.4
Investments <sup>1)</sup>		26.7	24.5	2.2	9.1	19.3

1) In intangible assets and property, plant and equipment

\*) Small amount

Investments in this segment rose by 9.1% year-on-year to EUR 26.7m. This underscores EVN's steady focus on the network infrastructure in Lower Austria, which is intended to sustainably protect and improve supply security and quality. Activities in the first quarter of 2018/19 included the renovation of the transformer stations in Gerstl and Wilhelmsburg as well as the expansion of the transformer station in Bockfliess. A project to renew the nearly 50 km, 110-kV power line between Gresten and Pottenbrunn was also completed. Further projects are currently in progress to expand the equipment and networks.

The new five-year regulatory period for the electricity distribution network, which began on 1 January 2019, includes the application of a lower weighted average cost of capital to reflect the general decline in interest rates. In addition, the E-Control Commission reduced the network tariffs for household customers by an average of 5.7% for electricity and an average of 9.3% for natural gas as of 1 January 2019. These reductions are based on the application of the changed parameters for the new regulatory period (in particular, the lower weighted average cost of capital). They also represent an offset for positive volume effects resulting from the cold winters in previous periods.

<b>Key indicators – South East Europe</b>		<b>2018/19</b>	<b>2017/18</b>	<b>+/-</b>		<b>2016/17</b>
		<b>Q. 1</b>	<b>Q. 1</b>	<b>Nominal</b>	<b>%</b>	<b>Q. 1</b>
<b>Key energy business indicators</b>	GWh					
<b>Electricity generation volumes</b>		<b>106</b>	<b>100</b>	<b>5</b>	<b>5.3</b>	<b>128</b>
thereof renewable energy		20	27	-7	-27.2	37
thereof thermal power plants		86	73	13	17.3	91
<b>Electricity network distribution volumes</b>		<b>3,679</b>	<b>3,611</b>	<b>69</b>	<b>1.9</b>	<b>3,726</b>
<b>Energy sales volumes to end customers</b>		<b>3,205</b>	<b>3,037</b>	<b>168</b>	<b>5.5</b>	<b>3,324</b>
thereof electricity		3,103	2,946	157	5.3	3,233
thereof natural gas		27	23	4	19.2	10
thereof heat		75	68	6	9.3	82
<b>Key financial indicators</b>	EURm					
External revenue		230.7	239.8	-9.1	-3.8	255.5
Internal revenue		0.3	0.2	0.1	83.0	0.1
<b>Total revenue</b>		<b>231.0</b>	<b>239.9</b>	<b>-9.0</b>	<b>-3.7</b>	<b>255.5</b>
Operating expenses		-207.9	-224.4	16.5	7.3	-231.3
Share of results from equity accounted investees with operational nature		-	-	-	-	-
<b>EBITDA</b>		<b>23.1</b>	<b>15.6</b>	<b>7.5</b>	<b>48.1</b>	<b>24.2</b>
Depreciation and amortisation including effects from impairment tests		-15.4	-15.8	0.3	2.2	-15.5
<b>Results from operating activities (EBIT)</b>		<b>7.6</b>	<b>-0.2</b>	<b>7.8</b>	<b>-</b>	<b>8.6</b>
Financial results		-5.4	-5.4	0.0 <sup>*)</sup>	-0.3	-5.7
<b>Result before income tax</b>		<b>2.3</b>	<b>-5.6</b>	<b>7.8</b>	<b>-</b>	<b>3.0</b>
Total assets		1,221.1	1,177.6	43.5	3.7	1,208.4
Total liabilities		977.7	953.9	23.9	2.5	1,025.5
Investments <sup>1)</sup>		24.8	23.9	0.9	3.6	30.5

1) In intangible assets and property, plant and equipment

\*) Small amount

## South East Europe

### Highlights

- Increase in network and energy sales volumes
- EBITDA, EBIT and result before income tax above previous year

The mild weather in the previous year – with a heating degree total substantially below the long-term average at 90.6% in the first quarter of 2017/18 – was followed by considerably cooler temperatures in Bulgaria during the reporting period with a value of 102.1%. In contrast, heating energy requirements in Macedonia were below the long-term average at 97.4%. These weather effects and the growth of the liberalised market

segment in Bulgaria led to an increase of 5.3% to 3,103 GWh in electricity sales volumes to end customers in the South East Europe Segment. Heat sales volumes rose by 9.3% to 75 GWh, and network distribution volumes of electricity increased by 1.9% to 3,679 GWh.

Electricity generation in South East Europe was characterised by different developments during the reporting period. Renewable generation fell by 27.2% to 20 GWh because the hydrological conditions in Macedonia, which were unusually good in the previous year, were below the long-term average in the reporting period. Thermal generation, on the other hand, increased by 17.3% to 86 GWh, whereby the prior year value was influenced by a special inspection and the related extended standstill at the co-generation plant in Plovdiv.

In connection with the unbundling of the individual business areas in the energy business and to meet the related legal

requirements, the name of the Macedonian network distribution operator EVN Elektrodistribucija DOOEL was changed to Elektrodistribucija DOOEL as of 1 January 2019.

The so-called “green electricity mark-up” in Bulgaria is no longer included in the energy price, but disclosed and charged separately to customers following the change in the invoicing method as of 1 July 2018. This change has no effect in total because revenue and procurement costs are reduced by the same amount.

This change, however, led to a 3.7% decline in segment revenue to EUR 231.0m in spite of the positive energy sector developments.

Lower write-offs of receivables and the change in the invoicing method for the green electricity mark-up were reflected in a decrease of 7.3% in operating expenses to EUR 207.9m. EBITDA amounted to EUR 23.1m (previous year: EUR 15.6m). Scheduled depreciation and amortisation declined to EUR 15.4m (previous year: EUR 15.8m), and EBIT in the South East Europe Segment totalled EUR 7.6m (previous year: EUR –0.2m).

Financial results were nearly constant at EUR –5.4m, and the result before income tax amounted to EUR 2.3m (previous year: EUR –5.6m).

EVN’s investments in South East Europe rose by 3.6% year-on-year to EUR 24.8m. A major part of this growth is attributable to new connections, the exchange of meters and maintenance measures to protect supply security.

The decision by the World Bank’s International Centre for the Settlement of Investment Disputes in the arbitration proceedings against the Republic of Bulgaria is expected during the 2018/19 financial year.

## Environment

### Highlights

- General contractor assignment in Poland received
- Increase in EBITDA, EBIT and result before income tax

The development of revenue and earnings in the Environment Segment is influenced to a significant degree by the acquisition of new contracts in the international project business and the status of project realisation as of the reporting date. The characteristic fluctuations in this business led to a decline in revenue for the

Key financial indicators – Environment	EURm	2018/19	2017/18	+/-		2016/17
		Q. 1	Q. 1	Nominal	%	Q. 1
External revenue <sup>1)</sup>		20.2	38.3	-18.1	-47.2	61.8
Internal revenue		0.0	3.6	-3.6	-99.9	4.1
<b>Total revenue<sup>1)</sup></b>		<b>20.2</b>	<b>42.0</b>	<b>-21.7</b>	<b>-51.8</b>	<b>65.9</b>
Operating expenses <sup>1)</sup>		-17.9	-39.3	21.4	54.6	-47.0
Share of results from equity accounted investees with operational nature		6.0	4.3	1.7	38.7	2.9
<b>EBITDA</b>		<b>8.4</b>	<b>7.0</b>	<b>1.4</b>	<b>19.4</b>	<b>21.8</b>
Depreciation and amortisation including effects from impairment tests		-2.8	-5.8	3.0	51.7	-6.6
<b>Results from operating activities (EBIT)</b>		<b>5.5</b>	<b>1.2</b>	<b>4.4</b>	<b>-</b>	<b>15.2</b>
Financial results		-1.2	-0.3	-0.9	-	0.3
<b>Result before income tax</b>		<b>4.4</b>	<b>0.9</b>	<b>3.5</b>	<b>-</b>	<b>15.5</b>
Total assets		642.8	815.0	-172.1	-21.1	866.5
Total liabilities		500.9	634.1	-133.2	-21.0	644.5
Investments <sup>2)</sup>		2.2	2.9	-0.6	-22.2	3.2

1) The comparative information was adjusted – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”

2) In intangible assets and property, plant and equipment

first quarter of 2018/19. A comparison with the previous year is also influenced by the reassignment of the thermal waste utilisation plant in Zwentendorf/Dürnrohr to the Generation Segment in the fourth quarter of 2017/18. In contrast, drinking water supplies in Lower Austria increased slightly during the reporting period. Revenue in the Environment Segment fell by 51.8% to EUR 20.2m in the first quarter of 2018/19.

Operating expenses declined by 54.6% to EUR 17.9m during the reporting period, in line with developments in the international project business and the above-mentioned reassignment of the thermal waste utilisation plant.

The share of results from equity accounted investees with operational nature increased by 38.7% to EUR 6.0m due to the shift of earnings contributions from the wastewater treatment plant project in Zagreb from the 2017/18 financial year to 2018/19. These developments, in total, supported an increase of 19.4% in segment EBITDA to EUR 8.4m. After the deduction of scheduled depreciation and amortisation – which fell by 51.7% to EUR 2.8m in connection with the reassignment of the thermal waste utilisation plant in Zwentendorf/Dürnrohr – EBIT totalled EUR 5.5m (previous year: EUR 1.2m).

Financial results equalled EUR –1.2m (previous year: EUR –0.3m). The Environment Segment recorded result before income tax of EUR 4.4m for the first quarter of 2018/19, compared with EUR 0.9m in the previous year.

Drinking water supplies in Lower Austria represent one focal point of EVN's investment strategy. Investments in the Environment Segment declined by 22.2% to EUR 2.2m in the first quarter of 2018/19. However, the strengthening of the supply security and the quality of drinking water in its home market remains a central concern for EVN, and plans for the full 2018/19 financial year include a continuing high volume of investment. The focus will be placed on the expansion of cross-regional pipeline networks and the construction of a further natural filter plant southeast of Vienna to reduce the hardness of the water by natural means.

In the international project business, WTE Wassertechnik acquired a new major project in Poland during November 2018 with a general contractor assignment for the expansion of sludge treatment in the Gdynia wastewater treatment plant. The planning and construction of the entire project will take 36 months, and the investment volume totals approximately EUR 16m.

EVN was working on five general contractor assignments in the international project business as of 31 December 2018. These projects involve the construction of wastewater treatment plants in Macedonia, Poland, Croatia and Bahrain.

In Kuwait, the exclusive negotiations and preparations in the tender for the wastewater treatment project are still in progress. The responsible tender offices are expected to award the contract during the current financial year.



<b>Key financial indicators – All Other Segments</b>	EURm	<b>2018/19</b>	<b>2017/18</b>	<b>+/-</b>		<b>2016/17</b>
		<b>Q.1</b>	<b>Q.1</b>	<b>Nominal</b>	<b>%</b>	<b>Q.1</b>
External revenue		4.1	3.5	0.6	15.5	3.7
Internal revenue		16.1	15.3	0.7	4.9	14.6
<b>Total revenue</b>		<b>20.2</b>	<b>18.8</b>	<b>1.3</b>	<b>6.9</b>	<b>18.3</b>
Operating expenses		-20.7	-20.0	-0.7	-3.6	-18.9
Share of results from equity accounted investees with operational nature		13.3	15.2	-1.9	-12.6	21.7
<b>EBITDA</b>		<b>12.7</b>	<b>14.1</b>	<b>-1.3</b>	<b>-9.4</b>	<b>21.1</b>
Depreciation and amortisation including effects from impairment tests		-0.4	-0.4	-0.1	-16.5	-0.4
<b>Results from operating activities (EBIT)</b>		<b>12.3</b>	<b>13.7</b>	<b>-1.4</b>	<b>-10.2</b>	<b>20.7</b>
Financial results		15.3	17.9	-2.6	-14.5	12.6
<b>Result before income tax</b>		<b>27.6</b>	<b>31.6</b>	<b>-4.0</b>	<b>-12.6</b>	<b>33.3</b>
Total assets		3,979.6	3,161.8	817.8	25.9	2,870.4
Total liabilities		1,375.5	1,252.7	122.8	9.8	1,237.6
Investments <sup>1)</sup>		0.6	0.3	0.3	79.1	0.2

1) In intangible assets and property, plant and equipment

## All Other Segments

### Highlights

- Higher earnings contribution from Energie Burgenland
- Lower earnings contribution from RAG
- Decline in EBITDA and EBIT

Revenue in this segment rose by 6.9% to EUR 20.2m in the first quarter of 2018/19, while operating expenses increased by 3.6% to EUR 20.7m.

The share of results from equity accounted investees with operational nature declined by 12.6% year-on-year to EUR 13.3m. The higher earnings contribution from Energie Burgenland was unable to fully offset the lower earnings contribution from RAG.

These developments resulted in EBITDA of EUR 12.7m (previous year: EUR 14.1m) and EBIT of EUR 12.3m (previous year: EUR 13.7m).

Financial results in this segment declined by 14.5% to EUR 15.3m, above all due to higher intragroup distributions in the previous year. The result before income tax equalled EUR 27.6m, which represents a decrease of 12.6%.

# Consolidated interim report

according to IAS 34

## Consolidated statement of operations

EURm	2018/19	2017/18	+/-		2017/18
	Q. 1	Q. 1	nominal	%	
Revenue <sup>1)</sup>	596.0	592.5	3.5	0.6	2,078.7
Other operating income <sup>1)</sup>	28.0	22.3	5.8	25.8	98.9
Electricity purchases and primary energy expenses	-302.2	-267.2	-35.0	-13.1	-961.3
Cost of materials and services	-61.6	-62.9	1.4	2.2	-275.1
Personnel expenses	-81.4	-78.9	-2.5	-3.1	-321.7
Other operating expenses	-22.1	-31.7	9.6	30.3	-135.7
Share of results from equity accounted investees with operational nature	6.5	57.6	-51.1	-88.8	188.0
<b>EBITDA</b>	<b>163.2</b>	<b>231.6</b>	<b>-68.4</b>	<b>-29.5</b>	<b>671.8</b>
Depreciation and amortisation	-65.6	-65.0	-0.6	-1.0	-258.3
Effects from impairment tests	-0.2	-0.7	0.5	72.9	-20.6
<b>Results from operating activities (EBIT)</b>	<b>97.4</b>	<b>166.0</b>	<b>-68.5</b>	<b>-41.3</b>	<b>392.9</b>
Share of results from equity accounted investees with financial nature	-	0.1	-0.1	-	0.1
Results from other investments	-	-0.1	0.1	-	20.1
Interest income	1.9	2.6	-0.7	-25.7	10.7
Interest expense	-13.5	-13.6	0.1	0.7	-54.0
Other financial results	-4.0	-0.8	-3.2	-	-14.0
<b>Financial results</b>	<b>-15.5</b>	<b>-11.8</b>	<b>-3.8</b>	<b>-31.9</b>	<b>-37.2</b>
<b>Result before income tax</b>	<b>81.9</b>	<b>154.2</b>	<b>-72.3</b>	<b>-46.9</b>	<b>355.7</b>
Income tax expense	-17.1	-35.1	18.0	51.3	-76.1
<b>Result for the period</b>	<b>64.8</b>	<b>119.1</b>	<b>-54.3</b>	<b>-45.6</b>	<b>279.6</b>
thereof result attributable to EVN AG shareholders (Group net result)	59.1	112.2	-53.0	-47.3	254.6
thereof result attributable to non-controlling interests	5.7	6.9	-1.2	-17.9	25.0
Earnings per share in EUR <sup>2)</sup>	0.33	0.63	-0.3	-47.3	1.43

1) The comparative information was adjusted accordingly – see the section on “Changes in presentation of the consolidated financial statements and adjustment of prior year data”

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

## Consolidated statement of comprehensive income

EURm	2018/19	2017/18	+/-		2017/18
	Q.1	Q.1	nominal	%	
<b>Result for the period</b>	<b>64.8</b>	<b>119.1</b>	<b>-54.3</b>	<b>-45.6</b>	<b>279.6</b>
<b>Other comprehensive income from</b>					
<b>Items that will not be reclassified to profit or loss</b>	<b>-172.4</b>	<b>0.8</b>	<b>-173.2</b>	<b>-</b>	<b>-8.5</b>
Remeasurements IAS 19	-2.8	-2.6	-0.2	-6.9	-14.3
Investments in equity accounted investees	0.2	2.8	-2.6	-93.0	2.3
Shares and other equity instruments measured at fair value and reported in other comprehensive income <sup>1)</sup>	-227.3	-	-227.3	-	-
thereon apportionable income tax expense	57.5	0.6	56.9	-	3.5
<b>Items that may be reclassified to profit or loss</b>	<b>2.0</b>	<b>6.6</b>	<b>-4.7</b>	<b>-70.3</b>	<b>777.9</b>
Currency translation differences	0.2	-0.4	0.6	-	2.1
Available for sale financial instruments <sup>1)</sup>	-	8.8	-8.8	-	1,025.4
Cash flow hedges	-0.3	1.7	-2.0	-	7.4
Investments in equity accounted investees	1.5	-1.2	2.8	-	0.8
thereon apportionable income tax expense	0.5	-2.2	2.7	-	-257.8
<b>Total other comprehensive income after tax</b>	<b>-170.5</b>	<b>7.4</b>	<b>-177.9</b>	<b>-</b>	<b>769.4</b>
<b>Comprehensive income for the period</b>	<b>-105.6</b>	<b>126.5</b>	<b>-232.2</b>	<b>-</b>	<b>1,049.0</b>
thereof income attributable to EVN AG shareholders	-112.9	118.2	-231.1	-	1,023.4
thereof income attributable to non-controlling interests	7.3	8.3	-1.0	-12.2	25.6

1) See the section on "IFRS 9 Financial Instruments"

## Consolidated statement of financial position

EURm	31.12.2018	30.09.2018	+/-	
			nominal	%
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	181.0	182.1	-1.1	-0.6
Property, plant and equipment	3,453.1	3,438.7	14.4	0.4
Investments in equity accounted investees	929.8	995.7	-65.9	-6.6
Other investments	1,716.9	1,944.2	-227.3	-11.7
Deferred tax assets	65.2	68.8	-3.6	-5.3
Contract assets <sup>1)</sup>	0.4	-	0.4	-
Other non-current assets	223.7	252.4	-28.7	-11.4
	<b>6,570.1</b>	<b>6,881.9</b>	<b>-311.8</b>	<b>-4.5</b>
<b>Current assets</b>				
Inventories	117.0	94.6	22.4	23.7
Trade and other receivables	582.8	500.3	82.5	16.5
Securities	108.8	139.8	-30.9	-22.1
Cash and cash equivalents	143.2	214.5	-71.3	-33.2
	<b>951.9</b>	<b>949.1</b>	<b>2.7</b>	<b>0.3</b>
<b>Total assets</b>	<b>7,522.0</b>	<b>7,831.1</b>	<b>-309.1</b>	<b>-3.9</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	330.0	330.0	-	-
Share premium and capital reserves	253.4	253.4	-	-
Retained earnings	2,354.4	2,297.0	57.4	2.5
Valuation reserve	821.7	992.9	-171.2	-17.2
Currency translation reserve	-19.8	-20.0	0.2	1.0
Treasury shares	-20.5	-20.5	-	-
Issued capital and reserves attributable to shareholders of EVN AG	3,719.2	3,832.8	-113.6	-3.0
Non-controlling interests	266.7	259.9	6.9	2.6
	<b>3,985.9</b>	<b>4,092.6</b>	<b>-106.7</b>	<b>-2.6</b>
<b>Non-current liabilities</b>				
Non-current loans and borrowings	1,000.8	1,040.5	-39.6	-3.8
Deferred tax liabilities	407.3	471.0	-63.7	-13.5
Non-current provisions	479.2	480.8	-1.6	-0.3
Deferred income from network subsidies	608.8	602.6	6.2	1.0
Other non-current liabilities	55.5	75.4	-19.9	-26.4
	<b>2,551.7</b>	<b>2,670.3</b>	<b>-118.6</b>	<b>-4.4</b>
<b>Current liabilities</b>				
Current loans and borrowings	100.0	89.1	11.0	12.3
Taxes payable and levies	122.2	85.6	36.6	42.8
Trade payables	266.7	337.1	-70.4	-20.9
Current provisions	88.8	91.4	-2.7	-2.9
Other current liabilities	406.6	464.9	-58.3	-12.5
	<b>984.4</b>	<b>1,068.1</b>	<b>-83.7</b>	<b>-7.8</b>
<b>Total equity and liabilities</b>	<b>7,522.0</b>	<b>7,831.1</b>	<b>-309.1</b>	<b>-3.9</b>

1) See the section on "IFRS 15 Revenue from Contracts with Customers"

## Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
<b>Balance on 30.09.2017</b>	<b>2,892.1</b>	<b>258.0</b>	<b>3,150.1</b>
Comprehensive income for the period	118.2	8.3	126.5
Other changes/Changes in the scope of consolidation	-0.1	-	-0.1
<b>Balance on 31.12.2017</b>	<b>3,010.2</b>	<b>266.3</b>	<b>3,276.5</b>
<b>Balance on 30.09.2018</b>	<b>3,832.8</b>	<b>259.9</b>	<b>4,092.6</b>
Change in accounting method (IFRS 9 Group) <sup>1)</sup>	-1.3	-0.5	-1.8
Change in accounting method (IFRS 9 at equity) <sup>1)</sup>	0.7	-	0.7
Change in accounting method (IFRS 15) <sup>2)</sup>	-0.1	-	-0.1
<b>Balance on 01.10.2018</b>	<b>3,832.1</b>	<b>259.4</b>	<b>4,091.5</b>
Comprehensive income for the period	-112.9	7.3	-105.6
<b>Balance on 31.12.2018</b>	<b>3,719.2</b>	<b>266.7</b>	<b>3,985.9</b>

1) See the section on "Significant changes based on the initial application of IFRS 9"

2) See the section on "Significant changes based on the initial application of IFRS 15"

## Condensed consolidated statement of cash flows

EURm	2018/19	2017/18	+/-		2017/18
	Q.1	Q.1	nominal	%	
<b>Result before income tax</b>	<b>81.9</b>	<b>154.2</b>	<b>-72.3</b>	<b>-46.9</b>	<b>355.7</b>
+ Depreciation and amortisation of intangible assets and property, plant and equipment	65.8	65.6	0.1	0.2	278.9
- Non-cash share of results of equity accounted investees and other investments	-6.5	-57.6	51.1	88.7	-208.2
+ Dividends from equity accounted investees and other investments	75.0	84.1	-9.2	-10.9	163.3
+ Interest expense	13.5	13.6	-0.1	-0.7	54.0
- Interest paid	-11.5	-10.9	-0.6	-5.5	-42.9
- Interest income	-1.9	-2.6	0.7	25.7	-10.7
+ Interest received	1.9	2.0	-0.1	-5.0	8.4
+/- Losses/gains from foreign exchange translations	0.7	0.3	0.4	-	10.5
+/- Other non-cash financial results	1.9	-0.4	2.3	-	3.4
- Release of deferred income from network subsidiaries	-12.2	-11.6	-0.6	-5.2	-47.9
- Decrease in non-current provisions	-7.5	-3.8	-3.7	-99.7	-3.6
+/- Losses/gains on the disposal of intangible assets and property, plant and equipment	-0.5	-	-0.5	-	-0.7
<b>Gross cash flow</b>	<b>200.7</b>	<b>233.1</b>	<b>-32.5</b>	<b>-13.9</b>	<b>560.3</b>
- Changes in assets and liabilities arising from operating activities	-200.7	-117.6	-83.0	-70.6	45.2
+/- Income tax paid	-7.6	-0.1	-7.4	-	-2.0
<b>Net cash flow from operating activities</b>	<b>-7.6</b>	<b>115.4</b>	<b>-123.0</b>	<b>-</b>	<b>603.5</b>
+ Proceeds from the disposal of intangible assets and property, plant and equipment	0.9	4.6	-3.7	-80.6	20.9
+/- Changes in intangible assets and property, plant and equipment	-61.3	-43.0	-18.3	-42.4	-283.1
+/- Changes in financial assets and other non-current assets	2.5	-29.8	32.3	-	-54.3
+/- Changes in current securities	29.2	-95.0	124.2	-	-140.6
<b>Net cash flow from investing activities</b>	<b>-28.7</b>	<b>-163.2</b>	<b>134.5</b>	<b>82.4</b>	<b>-457.1</b>
- Dividends paid to EVN AG shareholders	-	-	-	-	-83.6
- Dividends paid to non-controlling interests	-	-	-	-	-23.7
+/- Decrease/increase in nominal capital	-	-	-	-	-
+/- Sales/repurchase of treasury shares	-	-	-	-	1.1
- Changes in financial liabilities	-35.7	-10.1	-25.7	-	-47.2
<b>Net cash flow from financing activities</b>	<b>-35.7</b>	<b>-10.1</b>	<b>-25.7</b>	<b>-</b>	<b>-153.5</b>
<b>Net change in cash and cash equivalents</b>	<b>-72.1</b>	<b>-57.9</b>	<b>-14.2</b>	<b>-24.5</b>	<b>-7.1</b>
<b>Cash and cash equivalents at the beginning of the period<sup>1)</sup></b>	<b>214.5</b>	<b>221.8</b>	<b>-7.3</b>	<b>-3.3</b>	<b>221.8</b>
Currency translation differences on cash and cash equivalents	-	0.1	-0.1	-	-0.1
<b>Cash and cash equivalents at the end of the period<sup>1)</sup></b>	<b>142.5</b>	<b>164.0</b>	<b>-21.5</b>	<b>-13.1</b>	<b>214.5</b>

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

## Notes to the consolidated interim report

### Accounting and valuation methods

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

EVN has exercised the option stipulated in IAS 34 to present condensed notes. Accordingly, the consolidated interim report contains merely condensed reporting compared to the Annual report, pursuant to IAS 34, as well as selected information and details pertaining to the period under review. For this reason, it should be read together with the Annual report of the 2017/18 financial year (balance sheet date: 30 September 2018).

The accounting and valuation methods applied in preparing the consolidated financial statements as of 30 September 2018 remain unchanged, with the exception of the following new rules issued by the IASB which require mandatory application in the current financial year. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

In order to improve clarity and comparability, all amounts in the notes and tables are generally shown in millions of euros (EURm)

unless indicated otherwise. Immaterial mathematical differences may arise from the rounding of individual items or percentage rates. The financial statements of companies included in this consolidated interim report are prepared on the basis of unified accounting and valuation methods.

### Reporting in accordance with IFRS

The following standards and interpretations require mandatory application beginning with the 2018/19 financial year:

<b>Standards and interpretations applied for the first time</b>		Effective <sup>1)</sup>
<b>New standards and interpretations</b>		
IFRS 9	Financial Instruments	01.01.2018
IFRS 15	Revenue from Contracts with Customers	01.01.2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	01.01.2018
<b>Revised standards and interpretations</b>		
Several	Annual Improvements 2014–2016	01.01.2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions	01.01.2018
IFRS 4	Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts	01.01.2018
IFRS 15	IFRS 15 Revenue from Contracts with Customers – Clarifications	01.01.2018
IAS 40	Transfers of Investment Property	01.01.2018

1) In accordance with the Official Journal of the EU, these standards are applicable to financial years beginning on or after the effective date.

The effects of the initial mandatory application of IFRS 9 and IFRS 15 are explained in detail in the following sections. The initial obligatory application for all other revised standards and interpretations did not have any impact on the consolidated interim report.

## IFRS 9 Financial Instruments

IFRS 9 replaces the existing rules for the recognition and measurement of financial instruments under IAS 39. In comparison with IAS 39, IFRS 9 includes new rules for the classification and measurement of financial assets and expanded rules for the recognition of impairment losses to financial assets. It also defines new rules for hedge accounting.

### Classification and measurement

IFRS 9 provides for a new classification of financial assets which, in contrast to IAS 39, is based on the respective business model and the characteristics of the contractual payment flows for the individual financial instruments. In the future, financial assets must be allocated to one of the following three categories: “at amortised cost (AC)”, “at fair value through profit or loss (FVTPL)” or “at fair value through other comprehensive income (FVOCI)”.

An evaluation by the EVN Group showed that most of the financial assets – in particular loans receivable, other non-current assets, trade and other receivables as well as cash on hand and at banks – will continue to meet the criteria for classification at amortised cost. Investments in equity instruments are generally classified as FVTPL; Investments in equity instruments which were previously classified as available for sale (AFS) and are held over the long term will be assigned to the category FVOCI under the application of IFRS 9.5.7.5. Related valuation adjustments to these instruments will no longer be reclassified to the consolidated statement of operations in the future. The investments in equity instruments which were previously measured at amortised cost based on the exemption provided by IAS39.46(c) do not lead to a material increase in the carrying amount.

## IFRS 9 Financial Instruments

<b>Classification and measurement</b>	Previous measurement category in accordance with IAS 39	New measurement category in accordance with IFRS 9	Carrying amount IFRS 9 as of 01.10.2018	Carrying amount IAS 39 as of 30.09.2018
EURm				
<b>Measurement at fair value</b>				
Investments	AFS	FVOCI <sup>1)</sup>	1.939.6	1.939.6
Securities (non-current)	FVTPL	FVTPL	135.1	135.1
Securities (current)	AFS	FVTPL	139.8	139.8
Receivables arising from derivative transactions <sup>2)</sup>	FVTPL	FVTPL	83.2	83.2
Liabilities arising from derivative transactions <sup>2)</sup>	FVTPL	FVTPL	122.3	122.3
<b>Measurement at amortised cost</b>				
Loans receivable	LAR	AC	38.3	38.3
Lease receivables	LAR	AC	28.7	28.7
Contract assets	–	AC	0.2 <sup>3)</sup>	–
Remaining other non-current assets	LAR	AC	0.6 <sup>4)</sup>	0.2
Trade and other receivables	LAR	AC	418.5 <sup>5)</sup>	419.5
Cash on hand and at banks	LAR	AC	214.5	214.5
Bonds	FLAC	AC	504.5	504.5
Bank loans	FLAC	AC	536.0	536.0
Leases	FLAC	AC	4.8	4.8
Accruals of financial transactions	FLAC	AC	0.6	0.6
Other liabilities	FLAC	AC	20.3	20.3
Current loans and borrowings	FLAC	AC	89.1	89.1
Trade payables	FLAC	AC	337.1	337.1
Other financial liabilities	FLAC	AC	292.7	292.7

1) The option provided by IFRS 9.5.7.5, which permits the assignment of other investments to the category FVOCI, was applied to all investments.

2) Including hedging instruments

3) Valuation adjustments in accordance with IFRS 15 (contract assets)

4) Valuation adjustments in accordance with IFRS 15 (incremental costs for obtaining a contract)

5) Valuation adjustments in accordance with IFRS 9 (impairments)

## Impairments

With regard to the recognition of impairment losses on financial assets, IFRS 9 replaces the “incurred loss model” with the “expected loss model”. Financial assets carried at amortised cost, contractual assets as defined in IFRS 15 and debt instruments measured at FVOCI are now subject to the provisions of the “expected loss model” on initial recognition and are tested for impairment. Impairment losses must be recognised in one of two forms: on the basis of a twelve-month model at the amount of the credit losses expected within the next twelve months or on the basis of a lifetime loss model at the amount of the credit losses expected over the lifetime of the asset. The latter alternative must be applied to trade receivables without material financing components and to assets whose credit risk has increased significantly since initial recognition.

In the EVN Group, the twelve-month model will be applied, in particular, to loans receivable, lease receivables and bank deposits, when the requirements of IFRS 9.7.2.19a are met. The preparation of the consolidated financial statements as of 30 September 2018 included impairment testing at the Group level in accordance with IFRS 9 for the following balance sheet positions: loans receivables, lease receivables and cash at banks. These impairment tests would have led, in total, to the recognition of an immaterial impairment loss of EUR 0.1m. EVN did not recognise this impairment because the amount is immaterial.

The application of the lifetime loss model is mandatory for trade receivables without material financing components. EVN applied the rules provided by IFRS 9B5.5.35, which provide for the use of an impairment matrix as a practical expedient to determine the amount of an impairment loss. The default incidents in recent years were analysed by region and core market, and an impairment matrix was then developed for the EVN Group based on time intervals. The calculations as of 30 September 2018 resulted in an additional need for the recognition of impairment losses totalling EUR 1.0m at the Group level as well as the reversal of impairment losses totalling EUR 0.9m for equity accounted investees.

<b>Impairment – receivables</b>	Trade receivables	Other receivables (general approach)	<b>Total</b>
EURm			
<b>30.09.2018 (IAS 39)</b>	<b>301.3</b>	<b>399.3</b>	<b>701.2</b>
Impairment losses – adjustment	-1.0	–	-1.0
<b>01.10.2018 (IFRS 9)</b>	<b>300.3</b>	<b>399.9</b>	<b>700.2</b>

1) The general approach covers the following balance sheet positions: loans receivables, lease receivables, remaining other non-current assets and other receivables as well as cash on hand and at banks.

## Hedge accounting

The new model for hedge accounting is intended to create a better connection between the company’s risk management strategy, the reasons for the conclusion of hedges and the recognition and measurement of these hedges. In addition to convergence with the goals and strategies of corporate risk management, IFRS 9 expands the range of acceptable underlying transactions and requires a rather qualitative and future-oriented approach for evaluating the effectiveness of the hedge relationship.

The hedges held by the EVN Group on the transition date for the hedging of foreign exchange and interest rate risks meet the requirements of IFRS 9. They are in agreement with the strategies and goals of risk management in the EVN Group and can therefore also be recorded under the provisions of IFRS 9.

## Transition

In principle, IFRS 9 is to be applied retrospectively. EVN, however, has decided to utilise the exception rule and will not adjust the comparative information for classification and measurement (including impairment) in previous accounting periods as of the initial application date. Differences between the carrying amounts which result from the application of IFRS 9 will generally be recorded under retained earnings without recognition through profit or loss as of 1 October 2018. In contrast, the new rules for hedge accounting will principally be applied prospectively.



### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 defines a five-step model for the recognition of revenue from contracts with customers and replaces all previously applicable standards and related interpretations. Under this model, a company recognises revenue at an amount equal to the consideration expected in exchange for the accepted performance obligations, i. e. the transfer of goods or the provision of services. A determination must therefore be made when a contract is concluded as to whether the resulting revenue should be recognised at a point in time or over time. Revenue is recognised when the customer obtains control over the goods or services. This standard also includes extensive requirements for qualitative and quantitative disclosures on the assets resulting from the capitalised costs for the acquisition and fulfilment of contracts with customers.

EVN's customer contracts were analysed as part of a Group-wide project to identify the contracts that could lead to a potential change in the previous method used to realise revenue. The application of IFRS 15 is not expected to result in any material effects on the scope or timing of revenue recognition, especially in EVN's core energy supply business. The EVN Group will, as soon as the corresponding prerequisites are met, utilise the practical expedient provided by IFRS 15.B16, which permits the recognition of revenue at the amount the company is entitled to invoice.

The contract analyses also identified the following issues for the EVN Group:

The costs to acquire a contract with a customer represent additional costs. When the company assumes it will be able to reclaim these costs, the related amounts must generally be capitalised and amortised over the period in which the goods or services are transferred to the customer. If the expected amortisation period does not exceed one year, the practical expedient permits the expensing of these costs. In 2017/18, this would have led to the capitalisation of EUR 0.4m for contract acquisition costs.

Payments to customers for sales purposes, e. g. free months, are generally recognised as revenue deductions. A payment made when the contract is concluded leads to the recognition of an asset which must be released over the minimum contract term. In 2017/18, this would have led to the capitalisation of an asset amounting to EUR 0.2m.

The arbitration decision issued in November 2016 led to a contract modification as defined in IFRS 15.21 b for the project company STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH ("SEK") in connection with granted network subsidies. These subsidies must be treated as if they were always part of the existing contract, which means revenues must be adjusted on a cumulative basis starting with the initial recognition of a network subsidy. This led to an increase of EUR 0.7m and will subsequently result in an annual increase of EUR 0.1m in the revenue recognised until the end of the contract term.

The initial application of IFRS 15 will be made retrospectively, whereby the cumulative adjustment amounts from the initial application will be recorded under retained earnings as of 1 October 2018.

### **Significant changes based on the initial application of IFRS 9 and IFRS 15**

EVN initially applied IFRS 9 and IFRS 15 as of 1 October 2018. As explained in the preceding sections, the comparative information for prior accounting periods was not adjusted. The effects on profit or loss from the application of the new standards were recorded under retained earnings as of 1 October 2018.

The following section shows the effects on EVN's consolidated financial statements from the initial application of IFRS 9 and IFRS 15, in particular on the consolidated statement of financial position and on equity.

## Adjustments to the consolidated statement of financial position

EURm	<b>01.10.2018</b>	Adjustment IFRS 9	Adjustment IFRS 15	<b>30.09.2018</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	182.1			182.1
Property, plant and equipment	3,438.7			3,438.7
Investments in equity accounted investees	996.6	0.9		995.7
Other investments	1,944.2			1,944.2
Deferred tax assets	69.0		0.2	68.8
Contract assets	0.2		0.2	–
Other non-current assets	252.8		0.4	252.4
	<b>6,883.7</b>			<b>6,881.9</b>
<b>Current assets</b>				
Inventories	94.6			94.6
Trade and other receivables	499.3	–1.0		500.3
Securities	139.8			139.8
Cash and cash equivalents	214.5			214.5
	<b>948.2</b>			<b>949.1</b>
<b>Total assets</b>	<b>7,831.8</b>			<b>7,831.1</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	330.0			330.0
Share premium and capital reserves	253.4			253.4
Retained earnings	2,295.2	–1.7	–0.1	2,297.0
Valuation reserve	994.0	1.1		992.9
Currency translation reserve	–20.0			–20.0
Treasury shares	–20.5			–20.5
Issued capital and reserves attributable to shareholders of EVN AG	3,832.1			3,832.8
Non-controlling interests	259.4	–0.5		259.9
	<b>4,091.5</b>			<b>4,092.6</b>
<b>Non-current liabilities</b>				
Non-current loans and borrowings	1,040.5			1,040.5
Deferred tax liabilities	472.1	1.0	0.2	471.0
Non-current provisions	480.8			480.8
Deferred income from network subsidies	603.3		0.7	602.6
Other non-current liabilities	75.4			75.4
	<b>2,672.2</b>			<b>2,670.3</b>
<b>Current liabilities</b>				
Current loans and borrowings	89.1			89.1
Taxes payable and levies	85.6			85.6
Trade payables	337.1			337.1
Current provisions	91.4			91.4
Other current liabilities	464.9			464.9
	<b>1,068.1</b>			<b>1,068.1</b>
<b>Total equity and liabilities</b>	<b>7,831.8</b>			<b>7,831.1</b>

## Adjustments to equity

EURm	Retained earnings	Valuation reserves (only AFS)	Valuation reserves (only FVOCI)	Non-controlling interests	Equity total
<b>Balance on 30.09.2018</b>	2,297.0	1,108.5	–	259.9	4,092.6
<b>Classification IFRS 9</b>					
Reclassification of current securities from AFS to FVTPL	–1.1	1.1	–	–	–
Reclassification of equity instruments from AFS to FVOCI	–	–1,109.5	1,109.5	–	–
	–1.1	–1,108.5	1,109.5	–	–
<b>Impairment IFRS 9</b>					
Impairments trade receivables (Group)	–0.5	–	–	–0.5	–1.0
Deferred taxes on initial application effects (Group)	–0.8	–	–	–	–0.8
Reversal of impairment trade receivables (at equity)	0.9	–	–	–	0.9
Deferred taxes on initial application effects (at equity)	–0.2	–	–	–	–0.2
	–0.6	–	–	–0.5	–1.1
<b>Adjustments IFRS 15</b>					
Incremental costs for obtaining a contract	0.4	–	–	–	0.4
Contract assets	0.2	–	–	–	0.2
Contract modification Walsum 10	–0.7	–	–	–	–0.7
Deferred taxes on initial application effects	–	–	–	–	–
	–0.1	–	–	–	–0.1
<b>Balance on 01.10.2018</b>	2,295.2	–	1,109.5	259.4	4,091.5

### Changes in presentation of the consolidated financial statements and adjustment of prior year data

The presentation of income from the release of network subsidies was adjusted in the first quarter of 2018/19. These subsidies were previously reported in total under other operating income. However, the income from the release of network subsidies from the unregulated markets is now reported under revenue. Income from the release of network subsidies from the regulated markets is still reported under other operating income (see the following table).

### Seasonally-related effects on business operations

In particular, the energy business is subject to weather-related fluctuations in power generation and sales, thus lower revenue and earnings are typically achieved in the second half of the financial year. The environmental business is also subject to seasonal effects. The construction of many large projects is usually scheduled to begin in the springtime due to weather conditions. For this reason, the Environment Segment usually generates lower revenues in the first half of the financial year than in the second

EURm	2018/19 Q.1 (New presentation)	2017/18 Q.1 (New presentation)	Adjustment	2017/18 Q.1 (Previous presentation)
<b>Consolidated statement of operations</b>				
Revenue	596.0	592.5	1.5	590.9
Other operating income	28.0	22.3	–1.5	23.8

half. Accordingly, business in the Environment Segment serves to principally counteract the seasonable nature of the energy business. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

#### Auditor's review

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

#### Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 30 domestic and 31 foreign subsidiaries (30 September 2018: 31 domestic and 32 foreign subsidiaries) were fully consolidated as of 31 December 2018. As of 31 December 2018, a total of 23 subsidiaries were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether (30 September 2018: 21).

<b>Changes in the scope of consolidation</b>	Fully	Line-by-line (Joint Operation)	Equity	Total
<b>30.09.2017</b>	<b>63</b>	<b>1</b>	<b>17</b>	<b>81</b>
First consolidation	–	–	1	1
Deconsolidation	–	–	–2	–2
<b>30.09.2018</b>	<b>63</b>	<b>1</b>	<b>16</b>	<b>80</b>
First consolidation	–	–	–	–
Deconsolidation	–2	–	–	–2
<b>31.12.2018</b>	<b>61</b>	<b>1</b>	<b>16</b>	<b>78</b>
thereof foreign companies	31	1	5	37

The following companies were previously included through full consolidation, but were deconsolidated during the first quarter of 2018/19 because they are immaterial: EVN Umwelt Finanz- und Service GmbH, Maria Enzersdorf, and WTE Projektgesellschaft Natriumhypochlorit mbH, Essen, Germany.

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

#### Selected notes to the consolidated statement of operations

<b>Revenue by product</b>	<b>2018/19</b>	<b>2017/18</b>
EURm	<b>Q.1</b>	<b>Q.1</b>
Electricity	416.4	415.9
Natural gas	60.3	59.5
Heat	45.7	43.1
Environmental services	20.2	38.2
Others	53.4	35.8
<b>Total</b>	<b>596.0</b>	<b>592.5</b>

<b>Revenue by country</b>	<b>2018/19</b>	<b>2017/18</b>
EURm	<b>Q.1</b>	<b>Q.1</b>
Austria	353.3	336.4
Germany	7.2	12.7
Bulgaria	133.2	142.0
Macedonia	96.6	96.9
Others	5.7	4.4
<b>Total</b>	<b>596.0</b>	<b>592.5</b>

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

<b>Share of results from equity accounted investees with operational nature</b>	<b>2018/19</b>	<b>2017/18</b>
EURm	<b>Q.1</b>	<b>Q.1</b>
EVN KG	–16.0	33.9
RAG	6.5	9.9
Energie Burgenland	6.8	5.3
ZOV; ZOV UIP	4.3	2.8
Verbund Innkraftwerke	0.4	1.3
Other companies	4.5	4.4
<b>Total</b>	<b>6.5</b>	<b>57.6</b>

The share of results from equity accounted investees with operational nature fell to EUR 6.5m in the first quarter of 2018/19 (previous year: EUR 57.6m). The decline is attributable to a lower earnings contribution from RAG and, above all, to the development of business at EVN KG. This company's selling

activities were negatively affected by the higher procurement costs which followed an increase in wholesale prices during the reporting period and by negative effects from the valuation of hedges as of 31 December 2018.

Earnings per share are calculated by dividing the Group net result (= net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i. e. 177,994,578 as of 31 December 2018 (31 December 2017: 177,927,548 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net result amounting to EUR 59.1m (previous year: EUR 112.2m), earnings per share at the balance sheet date 31 December 2018 totalled EUR 0.33 (previous year: EUR 0.63 per share).

#### **Selected notes to the consolidated statement of financial position**

In the first quarter of 2018/19, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 79.5m (previous year: EUR 61.9m). Property, plant and equipment with a net carrying amount (book value) of EUR 0.4m were disposed of (previous year EUR 4.6m), with a capital gain of EUR 0.5m (previous year: capital gain of EUR 0.01m).

The item investments in equity accounted investees decreased by EUR 65.9m, or 6.6%, to EUR 929.8m. This decline resulted primarily from the distributions made by at equity consolidated companies, which totalled EUR 75.0m. This reduction was contrasted by current earnings contributions of EUR 6.5m and valuation changes not recognised in profit and loss that amounted to EUR 1.7m.

The other investments of EUR 1,716.9m, mainly classified as FVOCI, include shares in listed companies with a market value of EUR 1,634.2m, which decreased by EUR 227.3m since the last balance sheet date. In accordance with IFRS 9, the adjustments to the changed market values were offset with the valuation reserve after the deduction of deferred taxes.

The number of EVN shares in circulation developed as follows:

<b>Development of the number of shares in circulation</b>		<b>2018/19</b>
Number		<b>Q.1</b>
<b>Balance 30.09.2018</b>		<b>177,994,578</b>
Purchase of treasury shares		–
<b>Total 31.12.2018</b>		<b>177,994,578</b>

As of 31 December 2018, the number of treasury shares amounted to 1,883,824 (or 1.05% of the share capital) with an acquisition value of EUR 20.5m. The treasury shares held by EVN are not entitled to any rights, and in particular, they are not entitled to dividends.

The 90<sup>th</sup> Annual General Meeting of EVN AG on 17 January 2019 approved the recommendation by the Executive Board and Supervisory Board to distribute a dividend of EUR 0.44 per share plus a one-off bonus dividend of EUR 0.03 for the 2017/18 financial year, which comprises a total dividend payout of EUR 83.7m. Ex-dividend date was 23 January 2019, and the dividend payment to shareholders of EVN took place on 25 January 2019.

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

<b>Breakdown of non-current loans and borrowings</b>		
EURm	<b>31.12.2018</b>	<b>30.09.2018</b>
Bonds	510.5	504.5
Bank loans	490.3	536.0
<b>Total</b>	<b>1,000.8</b>	<b>1,040.5</b>

The increase of EUR 6.0m in the bonds resulted primarily from a change in the value of hedged foreign exchange risk. This was contrasted by an opposite movement in the market value of the hedges.

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

## Segment reporting

EURm	Energy		Generation		Networks		South East Europe	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
	Q.1	Q.1	Q.1	Q.1	Q.1	Q.1	Q.1	Q.1
External revenue	168.3	149.1	33.6	16.9	139.2	144.8	230.7	239.8
Internal revenue (between segments)	1.3	2.0	58.1	58.3	13.6	15.3	0.3	0.2
<b>Total revenue</b>	<b>169.5</b>	<b>151.2</b>	<b>91.7</b>	<b>75.2</b>	<b>152.8</b>	<b>160.1</b>	<b>231.0</b>	<b>239.9</b>
Operating expenses	-161.9	-139.0	-47.3	-29.0	-72.5	-61.7	-207.9	-224.4
Share of results from equity accounted investees operational	-13.6	36.3	0.8	1.8	-	-	-	-
<b>EBITDA</b>	<b>-6.0</b>	<b>48.5</b>	<b>45.2</b>	<b>48.0</b>	<b>80.3</b>	<b>98.3</b>	<b>23.1</b>	<b>15.6</b>
Depreciation and amortisation	-4.8	-4.9	-15.1	-12.2	-30.4	-29.6	-15.4	-15.8
<b>Results from operating activities (EBIT)</b>	<b>-10.8</b>	<b>43.6</b>	<b>30.0</b>	<b>35.8</b>	<b>49.9</b>	<b>68.8</b>	<b>7.6</b>	<b>-0.2</b>
Financial results	-0.5	-0.6	-4.3	-3.5	-4.3	-4.3	-5.4	-5.4
<b>Result before income tax</b>	<b>-11.3</b>	<b>43.0</b>	<b>25.7</b>	<b>32.3</b>	<b>45.7</b>	<b>64.5</b>	<b>2.3</b>	<b>-5.6</b>
Total assets	814.1	714.0	1,136.5	934.5	1,921.1	1,894.2	1,221.1	1,177.6
Investments <sup>1)</sup>	1.4	2.3	24.6	8.5	26.7	24.5	24.8	23.9

	Environment		All Other Segments		Consolidation		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
	Q.1	Q.1	Q.1	Q.1	Q.1	Q.1	Q.1	Q.1
External revenue	20.2	38.3	4.1	3.5	-	-	596.0	592.5
Internal revenue (between segments)	-	3.6	16.1	15.3	-89.4	-94.8	-	-
<b>Total revenue</b>	<b>20.2</b>	<b>42.0</b>	<b>20.2</b>	<b>18.8</b>	<b>-89.4</b>	<b>-94.8</b>	<b>596.0</b>	<b>592.5</b>
Operating expenses	-17.9	-39.3	-20.7	-20.0	89.0	95.0	-439.2	-418.5
Share of results from equity accounted investees operational	6.0	4.3	13.3	15.2	-	-	6.5	57.6
<b>EBITDA</b>	<b>8.4</b>	<b>7.0</b>	<b>12.7</b>	<b>14.1</b>	<b>-0.5</b>	<b>0.2</b>	<b>163.2</b>	<b>231.6</b>
Depreciation and amortisation	-2.8	-5.8	-0.4	-0.4	3.3	3.0	-65.8	-65.6
<b>Results from operating activities (EBIT)</b>	<b>5.5</b>	<b>1.2</b>	<b>12.3</b>	<b>13.7</b>	<b>2.8</b>	<b>3.2</b>	<b>97.4</b>	<b>166.0</b>
Financial results	-1.2	-0.3	15.3	17.9	-15.2	-15.7	-15.5	-11.8
<b>Result before income tax</b>	<b>4.4</b>	<b>0.9</b>	<b>27.6</b>	<b>31.6</b>	<b>-12.4</b>	<b>-12.5</b>	<b>81.9</b>	<b>154.2</b>
Total assets	642.8	815.0	3,979.6	3,161.8	-2,193.3	-2,069.5	7,522.0	6,627.5
Investments <sup>1)</sup>	2.2	2.9	0.6	0.3	-0.8	-0.4	79.5	61.9

1) In intangible assets and property, plant and equipment

The results shown in the total column represent the results reported on the consolidated statement of operations. The consolidation column reflects the elimination of intersegment transactions. Also included are transition amounts, which result from the difference between the viewpoints of the Energy and Generation segments and the Group with respect to the inclusion of Steag-EVN Walsum as a joint operation. The Generation Segment has

not identified any signs of impairment to its proportional investment in the power plant resulting from the inclusion of Steag-EVN Walsum as a joint operation, and the Energy Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required for the Walsum 10 power plant from the Group's point of view.

## Selected notes on financial instruments

### Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (IFRS 13)	31.12.2018		30.09.2018	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current assets</b>						
<b>Other investments</b>						
Investments	FVOCI	Level 3	78.1	78.1	78.1	78.1
Miscellaneous investments	FVOCI	Level 1	1,634.2	1,634.2	1,861.5	1,861.5
<b>Other non-current assets</b>						
Securities	FVTPL	Level 1	137.0	137.0	135.1	135.1
Loans receivable	AC	Level 2	35.2	40.8	38.3	44.7
Lease receivables	AC	Level 2	26.6	28.8	28.7	31.8
Receivables arising from derivative transactions	FVTPL	Level 2	8.0	8.0	35.1	35.1
Receivables arising from derivative transactions	Hedging	Level 2	1.6	1.6	0.6	0.6
Remaining other non-current assets	AC		1.1	1.1	0.2	0.2
<b>Current assets</b>						
<b>Current receivables and other current assets</b>						
Trade and other receivables	AC		499.1	499.1	419.5	419.5
Receivables arising from derivative transactions	FVTPL	Level 2	48.7	48.7	47.5	47.5
<b>Securities</b>	FVTPL	Level 1	<b>108.8</b>	<b>108.8</b>	<b>139.8</b>	<b>139.8</b>
<b>Cash and cash equivalents</b>						
Cash on hand and cash at banks	AC		143.2	143.2	214.5	214.5
<b>Non-current liabilities</b>						
<b>Non-current loans and borrowings</b>						
Bonds	AC	Level 2	510.5	592.8	504.5	591.9
Bank loans	AC	Level 2	490.3	544.5	536.0	593.7
<b>Other non-current liabilities</b>						
Leases	AC	Level 2	4.7	5.4	4.8	5.6
Accruals of financial transactions	AC		0.5	0.5	0.6	0.6
Other liabilities	AC		21.4	21.4	20.3	20.3
Liabilities arising from derivative transactions	FVTPL	Level 2	15.4	15.4	29.9	29.9
Liabilities arising from derivative transactions	Hedging	Level 2	13.5	13.5	19.9	19.9
<b>Current liabilities</b>						
<b>Current loans and borrowings</b>	AC		<b>100.0</b>	<b>100.0</b>	<b>89.1</b>	<b>89.1</b>
<b>Trade payables</b>	AC		<b>266.7</b>	<b>266.7</b>	<b>337.1</b>	<b>337.1</b>
<b>Other current liabilities</b>						
Other financial liabilities	AC		257.2	257.2	292.7	292.7
Liabilities arising from derivative transactions	FVTPL	Level 2	59.0	59.0	67.4	67.4
Liabilities arising from derivative transactions	Hedging	Level 2	4.7	4.7	5.1	5.1
<b>thereof aggregated to measurement categories</b>						
Designated at fair value through other comprehensive income	FVOCI		1,712.3		1,939.6	
Designated at fair value through profit or loss	FVTPL		396.8		480.3	
Financial assets and financial liabilities at amortised cost	AC		2,356.6		2,486.2	

The previous table shows the financial instruments carried at fair value and their classification in the fair value hierarchy according to IFRS 13.

Level 1 input factors are observable parameters such as quoted prices for identical assets or liabilities. These prices are used for valuation purposes without modification.

Level 2 input factors represent other observable parameters which must be adjusted to reflect the specific characteristics of the valuation object. Examples of the parameters used to measure the financial instruments classified under level 2 are forward price curves derived from market prices, exchange rates, interest structure curves and the counterparty credit risk.

Level 3 input factors are non-observable factors which reflect the assumptions that would be used by a market participant to determine an appropriate price.

There were no reclassifications between the various levels during the reporting period.

#### Information on transactions with related parties

There were no changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2017/18.

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

<b>Transactions with investments in equity accounted investees</b>	<b>2018/19</b>	<b>2017/18</b>
EURm	<b>Q.1</b>	<b>Q.1</b>
Revenue	95.8	96.0
Cost of materials and services	33.2	23.5
Trade accounts receivable	30.9	29.8
Trade accounts payable	17.6	16.1

#### Other obligations and risks

Other obligations and risks increased by EUR 55.9m to EUR 380.8m compared to 30 September 2018. This change was mainly due to the increase in scheduled orders for investments in property, plant and equipment, the increase in guarantees in connection with energy transactions as well as the increase in guarantees for subsidiaries in connection with construction projects in the Environment Segment.

Contingent liabilities related to guarantees for subsidiaries for energy transactions are recognised on the basis of the guarantees issued by EAA at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase. Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 8.9m as of 31 December 2018. The nominal volume of the guarantees underlying this assessment was EUR 259.5m.

#### Significant events after the balance sheet date

The following events occurred after the balance sheet date for the quarterly financial statements on 31 December 2018 and the editorial deadline for this consolidated interim financial report on 21 February 2019:

A decision by the Austrian E-Control Commission which took effect on 1 January 2019 reduced the electricity network tariffs for household customers by an average of 5.7% and the natural gas network tariffs by an average of 9.3%.

The 90<sup>th</sup> Annual General Meeting on 17 January 2019 approved the distribution of a dividend, as recommended by the Executive Board, of EUR 0.44 plus a one-off bonus dividend of EUR 0.03 per eligible share. The ex-dividend date was 23 January 2019 and payment was made to shareholders on 25 January 2019.



---

# Contact

## Investor Relations

Gerald Reidinger  
Phone: +43 2236 200-12698

Matthias Neumüller  
Phone: +43 2236 200-12128

Doris Lohwasser  
Phone: +43 2236 200-12473

**E-mail:** [investor.relations@evn.at](mailto:investor.relations@evn.at)

**Service telephone for investors:** 0800 800 200

**Service telephone for customers:** 0800 800 100

## Information on the internet

[www.evn.at](http://www.evn.at)

[www.investor.evn.at](http://www.investor.evn.at)

[www.verantwortung.evn.at](http://www.verantwortung.evn.at)

---

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

Results HY. 2018/19	29.05.2019
Results Q. 1–3 2018/19	22.08.2019
Annual results 2018/19	12.12.2019

---

## EVN share – Basic information<sup>2)</sup>

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

1) Preliminary

2) As of 31 December 2018

## Imprint

Published by:  
EVN AG  
EVN Platz, 2344 Maria Enzersdorf, Austria  
Phone: +43 2236 200-0  
Telefax: +43 2236 200-2030

Announcement pursuant to Section 25 Austrian Media Act: [www.evn.at/offenlegung](http://www.evn.at/offenlegung)

Editorial deadline: 21 February 2019