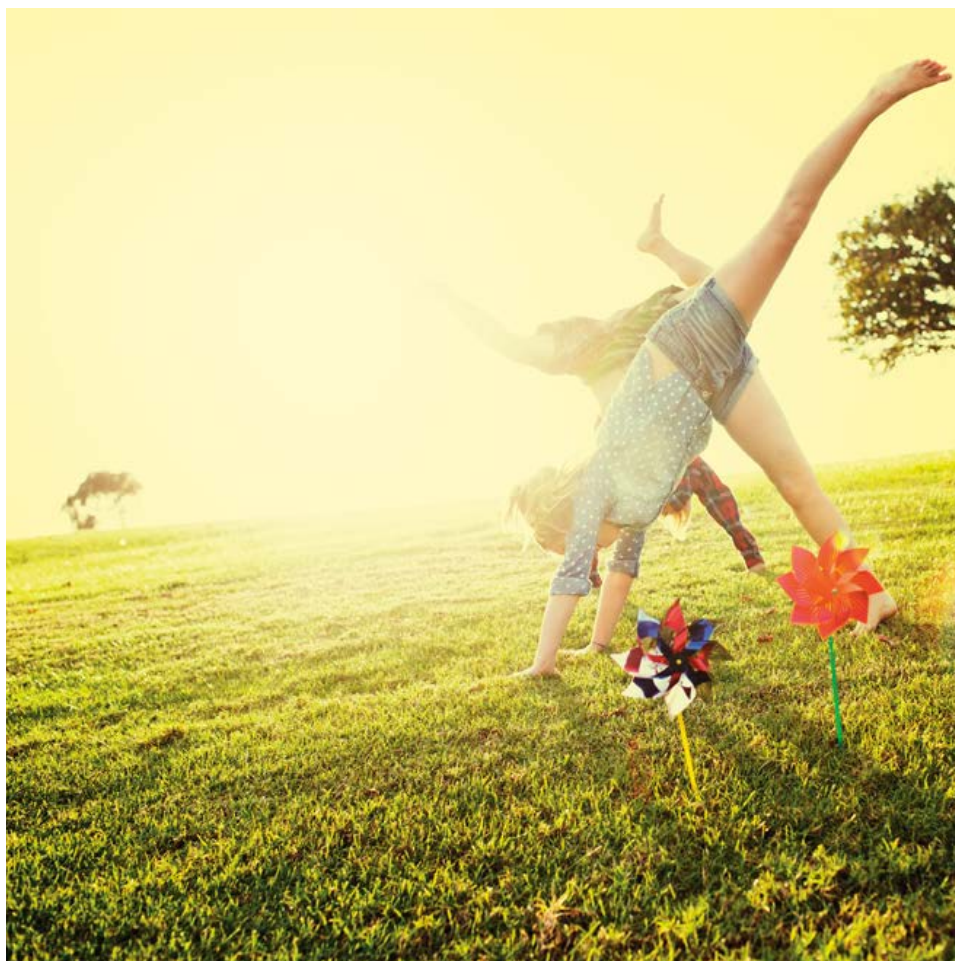


Networked thinking



Renewable energy and supply security

Highlights

- Increase in electricity production
 - Full operations at the Duisburg-Walsum power plant
 - Expansion of renewable energy production:
 - Commissioning completed at the 37 MW Prottes-Ollersdorf windpark in May 2015
 - Increase in use of natural gas power plants to ensure network stability in Austria and Germany
- Sale of the sodium hypochlorite plant to the water supply and waste water disposal company of the city of Moscow
- Operating result as well as Group net result above prior year
- Outlook 2014/15: Group net result expected to exceed 2012/13

Key figures

		2014/15 Q. 1-3	2013/14 ¹⁾ Q. 1-3	+/- in %	2014/15 Q. 3	2013/14 ¹⁾ Q. 3	+/- in %	2013/14 ¹⁾ 30.09.2014
Sales volumes								
Electricity generation volumes	GWh	3,902	3,073	27.0	967	865	11.9	3,701
Electricity sales volumes to end customers	GWh	14,802	14,977	-1.2	4,233	4,325	-2.1	20,209
Natural gas sales volumes to end customers	GWh	4,937	5,038	-2.0	702	661	6.2	6,333
Heat sales volumes to end customers	GWh	1,752	1,717	2.0	349	324	7.7	2,062
Statement of operations								
Revenue	EURm	1,664.1	1,495.5	11.3	439.4	345.0	27.3	1,974.8
EBITDA	EURm	497.2	358.2	38.8	113.2	32.9	-	184.1
EBITDA margin	%	29.9	24.0	5.9	25.8	9.5	16.2	9.3
Results from operating activities (EBIT)	EURm	286.5	-41.8	-	49.0	-240.6	-	-341.4
EBIT margin	%	17.2	-2.8	20.0	11.2	-69.7	80.9	-17.3
Result before income tax	EURm	245.4	-51.8	-	29.9	-260.0	-	-373.3
Group net result	EURm	187.1	-59.0	-	21.7	-225.3	-	-299.0
Earnings per share	EUR	1.05	-0.33	-	0.12	-1.25	-	-1.68
Statement of financial position								
Balance sheet total	EURm	6,521.1	7,015.5	-7.0	6,521.1	7,015.5	-7.0	6,841.8
Equity	EURm	2,635.3	2,828.5	-6.8	2,635.3	2,828.5	-6.8	2,632.7
Equity ratio	%	40.4	40.3	0.1	40.4	40.3	0.1	38.5
Net debt	EURm	1,293.6	1,642.6	-21.2	1,293.6	1,642.6	-21.2	1,622.4
Gearing	%	49.1	58.1	-9.0	49.1	58.1	-9.0	61.6
Cash flow and investments								
Gross cash flow	EURm	387.6	330.2	17.4	81.9	29.9	-	337.4
Net cash flow from operating activities	EURm	316.1	367.2	-13.9	106.6	16.8	-	546.0
Investments ²⁾	EURm	198.4	249.0	-20.3	61.6	77.3	-20.3	396.3
Employees	∅	7,004	7,336	-4.5	6,915	7,371	-6.2	7,314

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) In intangible assets and property, plant and equipment

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Statement by the Executive Board

Dear Shareholders,

The temperatures in Austria during the first three quarters of 2014/15 showed very little change compared with the previous year, which means the heating degree total – a key indicator for our company's business development – remained substantially below the long-term average. In contrast, Bulgaria and Macedonia recorded cooler temperatures during the winter period: the heating degree total reflected the long-term average in Macedonia and was only slightly below this level in Bulgaria.

Despite only a limited positive influence from temperature trends, EVN recorded an increase of 11.3% in revenue to EUR 1,664.1m for the first three quarters of 2014/15. EBITDA totalled EUR 497.2m, and EBIT amounted to EUR 286.5m. Both indicators exceeded the comparable prior year levels, which were negatively influenced, above all, by impairment losses in South Eastern Europe. Group net result rose to EUR 187.1m based on the positive operating development and the absence of non-recurring effects from the previous year. An analysis of business performance by segments shows a year-on-year improvement, especially in the Generation and Energy Supply South East Europe Segments.

Positive cash flow from operating activities made it possible for EVN to increase its investment activities in Lower Austria. Within the current four-year investment period, EVN will be investing approximately EUR 1bn in networks, renewable energy and water supplies – and will thereby further improve supply security and service quality for the customers in its home market.

In addition, EVN's sales company will pass on the benefits from lower energy procurement costs in the form of a price reduction for private customers within the framework of EnergieAllianz Austria. The energy prices for electricity and natural gas will be reduced by 5% on average as of 1 October 2015.

The regulatory authorities in Bulgaria and Macedonia have announced their price decisions for the coming twelve months. End customer prices in Macedonia were reduced by 0.3% as of 1 July 2015. The decision in Bulgaria was initially postponed by one month to 1 August 2015, and the new tariffs call for a reduction of 0.4% in end customer prices.

EVN is currently working on eight international projects. Plants in Austria, Germany, Cyprus, Croatia, Russia and Turkey are in the operating phase and further orders are currently in the acquisition phase.

The continuous improvement of the water quality is a key objective with regard to water supplies in Lower Austria. EVN is working to meet customers' requests for softer water with natural filter plants which rely on membrane technology to reduce the hardness of the water without chemicals. The opening of a natural filter plant in the community of Drösing in December 2014 was followed by the completion of a similar plant in Obersiebenbrunn in the third quarter of 2014/15. Another plant of this type is currently under construction in Zwentendorf an der Zaya. These three plants will significantly improve the water quality for nearly 200,000 residents in the Weinviertel and Marchfeld regions. In addition, EVN took over the management and operation of the water supply network in the community of Paudorf as of 1 January 2015.

With an equity ratio of 40.4% as of 30 June 2015 and gearing of 49.1%, EVN also has a solid position on the capital market. The Standard & Poor's rating agency confirmed its BBB+ and stable outlook in April 2015.

The positive first three quarters lead us to confirm our outlook for the 2014/15 financial year, with Group net result that is expected to exceed 2012/13. The assumptions for energy sector developments during the financial year are based on long-term averages, and short-term developments cannot be predicted with certainty. The Group net result could be significantly influenced by regulatory conditions, developments in the proceedings related to claims from the tariff decisions in Bulgaria and in connection with the Duisburg-Walsum power plant as well as by the progress of the activities in Moscow.

Maria Enzersdorf, August 2015



Peter Layr
Spokesman of the Executive Board



Stefan Szyszkowitz
Member of the Executive Board

Interim management report

Overall business and energy sector environment

GDP growth	%	2016f	2015e	2014	2013	2012
EU-28 ¹⁾²⁾		2.0–2.1	1.7–1.8	1.3	0.0	–0.4
Austria ²⁾³⁾		1.3–1.8	0.5–0.7	0.3	0.3	0.9
Bulgaria ¹⁾²⁾⁴⁾⁵⁾		1.3–2.1	1.0–2.0	1.7	1.1	0.6
Croatia ¹⁾²⁾⁴⁾⁶⁾		0.8–1.2	0.3–0.5	–0.4	–0.9	–2.2
Macedonia ⁵⁾⁶⁾		3.8–3.9	3.5–3.8	3.4–3.5	2.9	–0.4

1) Source: European Economic Forecast, Spring 2015, EU Commission, May 2015

2) Source: Prognose der österreichischen Wirtschaft 2015–2016, IHS, June 2015

3) Source: Prognose für 2015 und 2016: Steuerentlastung stärkt, Gegenfinanzierung dämpft die Konjunktur, WIFO, June 2015

4) Source: Strategie Österreich & CEE 3. Quartal 2015, Raiffeisen Research, June 2015

5) Source: ECA Economic Outlook, World Bank, December 2014

6) Source: World Economic Outlook, International Monetary Fund, April 2015

General business environment

Global economic growth is currently driven by the industrialised countries. Development has been positive in Germany and France as well as in the South European countries of Spain and Italy. The USA is also on a solid recovery course. In contrast, growth has slowed substantially in the emerging countries and Russia has fallen into a recession. Geopolitical tensions (Ukraine, Syria, Iraq) continue to represent a major risk.

The expansive monetary policy of the European Central Bank (ECB) has averted the danger of deflation in the Eurozone, but could lead to bubbles on the stock and real estate markets over the medium term. The expected retreat of the US Federal Reserve from its

low-interest policy over the next six to twelve months could trigger corrections on international foreign exchange and financial markets. GDP growth in the European Union is expected to range from 1.7% to 1.8% in 2015, and a slight improvement to between 2.0% and 2.1% is projected for 2016.

The Austrian economy has been growing at a slow pace since 2012. Domestic demand has been subdued, and investments continue to decline. However, a slight improvement has been noted in the export sector. Positive development in the Eurozone could improve the general mood in Austria and, in that way, strengthen demand. The economy is projected to grow by 0.5% to 0.7% in 2015. The 2015/16 tax reform will support private sector demand

Key indicators for the energy sector environment		2014/15 Q. 1–3	2013/14 Q. 1–3	+/- in %	2014/15 Q. 3	2013/14 Q. 3	+/- in %
Temperature-related energy demand¹⁾	%						
Austria		87.7	87.5	0.3	95.5	92.6	2.8
Bulgaria		94.6	79.8	14.8	121.1	55.7	65.4
Macedonia		99.9	89.1	10.8	166.0	119.7	46.3
Primary energy and CO₂ certificates							
Crude oil – Brent	EUR/bbl	55.0	79.9	–31.1	56.0	79.8	–29.8
Natural gas – NCG ²⁾	EUR/MWh	21.8	23.7	–8.0	21.2	19.3	9.8
Coal – API#2 ³⁾	EUR/t	55.1	59.9	–8.1	53.0	58.6	–9.6
CO ₂ emission certificates (2 nd /3 rd period)	EUR/t	7.0	5.1	36.5	7.3	5.3	37.7
Electricity – EEX forward market⁴⁾							
Base load	EUR/MWh	35.7	40.0	–4.3	31.3	33.7	–7.1
Peak load	EUR/MWh	45.3	51.2	–5.8	37.8	42.0	–10.0
Electricity – EPEX spot market⁵⁾							
Base load	EUR/MWh	31.8	34.1	–6.7	28.4	31.2	–9.0
Peak load	EUR/MWh	40.1	43.7	–8.3	33.1	37.2	–11.0

1) Calculated based on the heating degree total; in Austria the basis (100%) corresponds to the long-term average value from 1996 to 2010, in Bulgaria from 2004 to 2012 and in Macedonia from 2001 to 2010; changes reported in percentage points.

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

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

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

5) EPEX spot – European Power Exchange

beginning in 2016 and should lead to higher growth rates of up to 1.8%.

In 2014 the Bulgarian economy grew slightly faster than in previous years despite the difficult political climate and developments in neighbouring Greece. This upward trend is, however, expected to weaken in 2015 because domestic demand is limited by the slow growth in real incomes, the decline in the labour force and fiscal consolidation efforts. Positive impulses are expected to come from the recovery of foreign demand and public sector investments, above all in infrastructure. The estimates for economic growth in 2016 range from 1.3% to 2.1%.

In Croatia, there are increasing signs that the six-year recession will end in 2015. The expected return to growth is based on foreign demand as well as a steady improvement in private consumption, which is supported by higher net income owing to new wage and income tax regulations, a lack of inflationary pressure and an expected successful tourism season. However, the labour market represents a risk for the development of domestic demand due to the low level of employment and structural weakness. Economic growth of up to 0.5% is forecast for 2015, and this positive trend should continue with an increase of 0.8% to 1.2% in 2016.

Macedonia was the top performer in the region with a GDP increase of 3.5% in 2014, and forecasts are pointing to a similar growth rate in 2015. This sound development has been supported, above all, by public sector infrastructure projects and the resulting improvement in investment demand as well as a sound increase in exports. Rising wages and transfer services and stronger consumer demand should provide additional impulses for growth. Notwithstanding the comparatively robust economic development, the country is still faced with a major challenge in the form of high unemployment. GDP growth is expected to reach up to 3.8% in 2015 and 3.8% to 3.9% in 2016.

Energy sector environment

The average temperatures in Austria during the first three quarters of 2014/15 were nearly identical to the previous year and, therefore, continued to exceed the long-term average. The heating degree total consequently remained unchanged at a low level. In contrast, lower temperatures in South Eastern Europe led to a 14.8% increase in the heating degree total in Bulgaria and 10.8% in Macedonia. Here the actual developments were only slightly lower than the long-term average.

The euro price for Brent crude oil continued to decline during the third quarter of 2014/15, above all due to the current worldwide surplus, and at EUR 55.0 per barrel it was 31.1% below the comparable prior year level. The average EEX price for natural gas was also lower than the previous year and fell by 8.0% to EUR 21.8 per MWh for the first nine months of 2014/15. This decline resulted chiefly from the mild weather during the winter 2014/15 and the resulting lower

demand on the spot markets. Weaker demand for coal led to a further decrease of 8.1% in the price to EUR 55.1 per tonne. In contrast, the price for CO₂ emission certificates rose by 36.5% compared to the prior year period, to EUR 7.0 per tonne in the reporting period. This trend was based – as in the previous quarters – primarily on a January 2014 decision by the EU Commission to cut the auction volumes by 900 million CO₂ emission certificates for 2014, 2015 and 2016 and to reschedule these auctions to 2019 and 2020 (backloading).

The continuing expansion of renewable energy generation capacity in Austria and Germany as well as the low price of coal and – despite the recent increase – the still low price for CO₂ emission certificates led to a further drop in the forward and spot market prices for base load and peak load electricity during the first nine months of 2014/15. The forward prices applicable to the reporting period fell by 4.3% to EUR 35.7 per MWh for base load electricity and by 5.8% to EUR 45.3 per MWh for peak load electricity. In comparison with the first nine months of 2013/14, the spot market prices declined 6.7% to EUR 31.8 per MWh for base load electricity and by 8.3% to EUR 40.1 per MWh for peak load electricity.

Business development

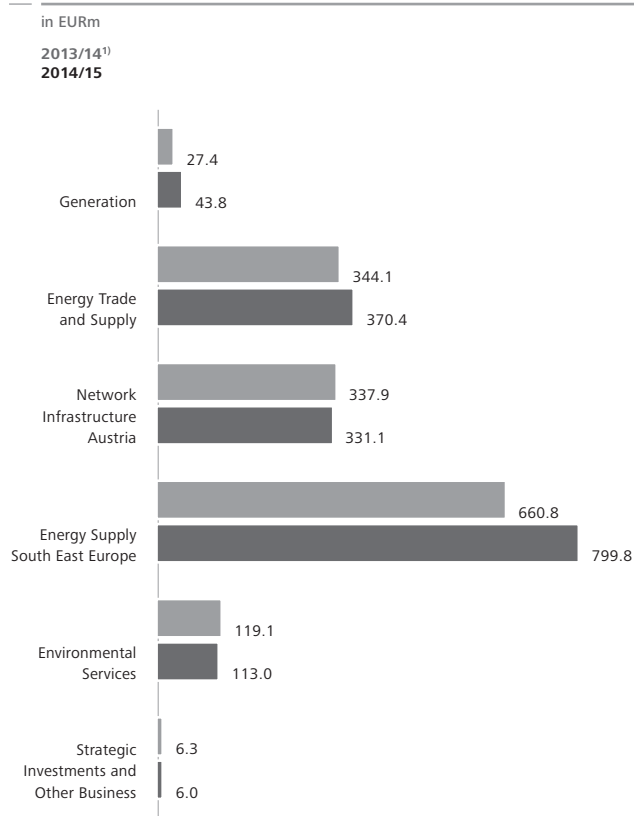
Statement of operations

Highlights

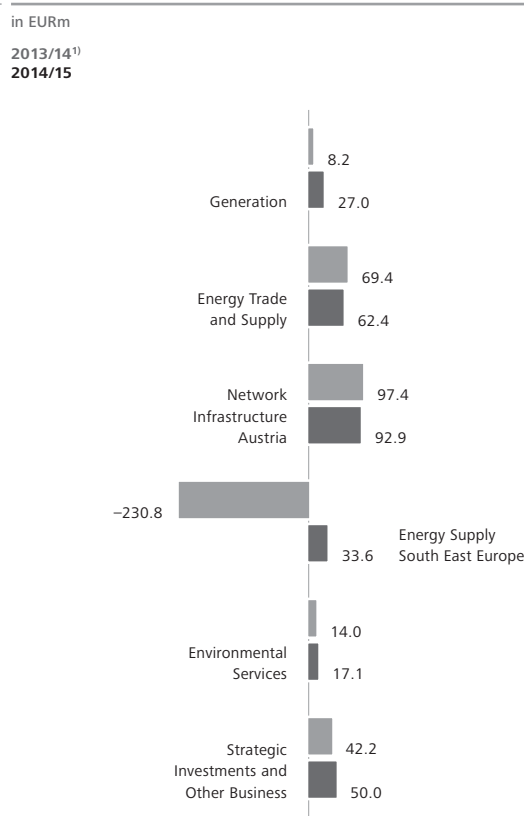
- Revenue: +11.3% to EUR 1,664.1m
- EBITDA: +38.8% to EUR 497.2m
- EBIT: EUR +328.4m to EUR 286.5m
- Financial result: EUR –31.2m to EUR –41.2m
- Group net result: EUR +246.1m to EUR 187.1m

Revenue generated by the EVN Group rose by EUR 168.6m, or 11.3% to EUR 1,664.1m in the first three quarters of 2014/15. This increase was supported, above all, by full operations at the Duisburg-Walsum power plant throughout the entire reporting period and the related sale of electricity as well as the Group's natural gas sales activities, the results of recent price decisions in Bulgaria and Macedonia and the absence of negative non-recurring effects from regulatory decisions in South Eastern Europe during the previous year. In addition, the Theiss and Korneuburg power plants were called on more frequently by the Austrian and German transmission system operators to ensure network stability. These two plants are used to provide reserve capacity and generate balancing energy and for congestion management. A decline was recorded in the network business due to the reduction of the network tariffs for electricity and natural gas as of 1 January 2015.

External revenue by segment Q. 1–3



EBIT by segment Q. 1–3



1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

Other operating income rose by EUR 21.6m to EUR 90.3m. This improvement is attributable primarily to the positive conclusion of negotiations with the city of Moscow over the sodium hypochlorite plant project, which led to the sale of the shares in the project company in October 2014.

The cost of electricity purchases from third parties and primary energy expenses amounted to EUR 841.2m for the reporting period and was EUR 51.7m, or 6.5%, higher in year-on-year comparison. This development resulted primarily from an increase in the cost of primary energy following the start of full operations at the Duisburg-Walsum power plant, the use of natural gas volumes for trading purposes and increased energy purchase prices in Bulgaria. The comparable prior year period also included additions to the provisions for onerous contracts related to the marketing of EVN's own electricity production.

The cost of materials and services rose by EUR 16.7m, or 9.8%, to EUR 186.3m. This amount includes a valuation allowance of

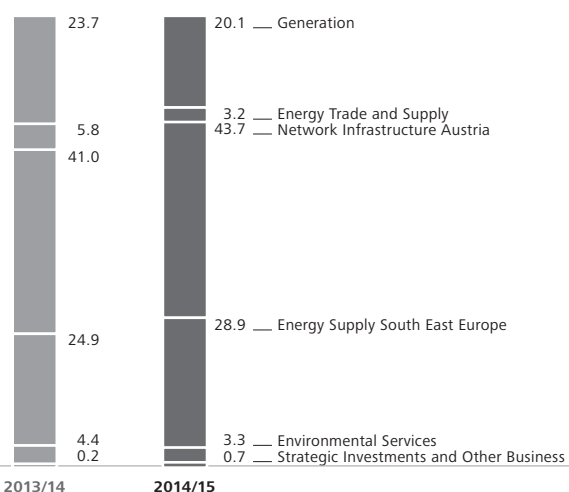
EUR 11.0m recognised in the second quarter to the remaining components of the former project thermal waste utilisation plant no. 1 in Moscow, which are carried under inventories. Higher costs were also recorded due to the above-mentioned full operations at the Duisburg-Walsum power plant, a turbine damage at the co-generation plant in Bulgaria and weather-related damages to the distribution networks in Bulgaria and Macedonia during the winter 2014/15.

The average number of employees declined by 331 to 7,004 as a result of the Group's continuous reorganisation and optimisation measures. Personnel expenses rose by 5.0% to EUR 241.0m based on wage and salary adjustments required by collective bargaining agreements and expenses related to restructuring and reorganisation measures.

Other operating expenses totalled EUR 120.6m and were EUR 5.7m, or 4.5%, lower than the previous year.

Structure of investments Q. 1–3

in %



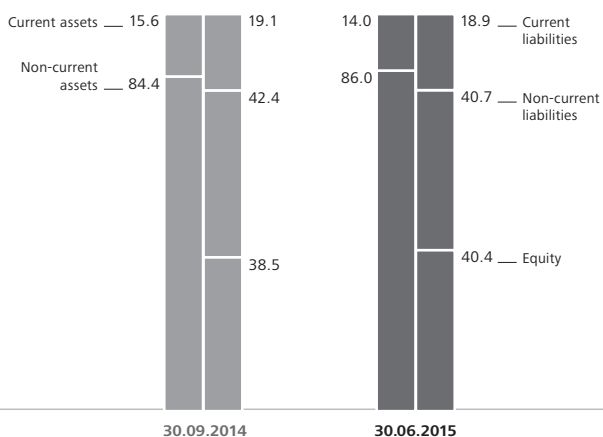
The share of results from equity accounted investees with operational nature rose by EUR 23.0m, or 21.1%, to EUR 131.9m, among others due to higher earnings contributions from Rohöl-Aufsuchungs AG (RAG) and EVN KG.

In total, these developments led to an increase of EUR 139.0m, or 38.8%, in EBITDA to EUR 497.2m.

Current depreciation and amortisation declined by EUR 189.3m, or 47.3%, year-on-year to EUR 210.7m. Scheduled depreciation was increased chiefly by full operations at the Duisburg-Walsum power plant and ongoing investments, while impairment losses were substantially lower. Impairment losses in the previous year were influenced by negative valuation effects from Bulgaria and Macedonia. As reported in the first half-year 2014/15, impairment losses of EUR 19.0m were recognised during the reporting period, above all, to reflect the closing of the Verbund power plant unit at the Dürnrrohr joint power plant in April 2015 and the related expectations of higher maintenance and operating costs in the future. Based on these developments, the results from operating activities (EBIT) totalled EUR 286.5m, which represents a year-on-year increase of EUR 328.4m.

Balance sheet structure as per the balance sheet date

in %



Financial results amounted to EUR –41.2m and were EUR 31.2m lower than in the previous year. This change can be attributed, on the one hand, to a reduced dividend from Verbund AG for the 2014 financial year and, on the other hand, to the termination of the hedge for the financing of the sold sodium hypochlorite plant in Moscow and the costs for the related investment guarantee from the Federal Republic of Germany.

The result before income tax rose by EUR 297.2m to EUR 245.4m. Group net result equalled EUR 187.1m after the deduction of EUR 29.3m in income tax and the share of results attributable to non-controlling interests, which consisted primarily of the results from RAG. This represents an increase of EUR 246.1m over the first nine months of the previous year.

Statement of cash flows

Gross cash flow rose by EUR 57.4m to EUR 387.6m in the first three quarters of 2014/15 based on the improved operational development. The EUR 51.2m decline in cash flow from operating activities to EUR 316.1m resulted from changes in working capital, which were influenced by non-recurring effects in the previous year.

Cash flow from investing activities was positive at EUR 45.4m. Cash outflows for the current investment programme were contrasted by cash inflows from the sale of the sodium hypochlorite plant in Moscow. Part of the proceeds from this sale were invested in short-term securities; despite their immediate availability, these securities are reported under cash flow from investing activities.

Cash flow from financing activities equalled EUR –340.6m for the reporting period and reflected the repayment of the financing for the sodium hypochlorite plant and the scheduled repayment of financial liabilities. Also included here is the payment of the dividend in January 2015 for the 2013/14 financial year.

Total cash flow for the first three quarters of 2014/15 amounted to EUR 20.9m. Cash and cash equivalents equalled EUR 218.1m as of 30 June 2015. In addition, EVN had committed, undrawn credit lines totalling EUR 575.0m at its disposal to meet possible short-term financing requirements.

Statement of financial position

EVN's balance sheet total equalled EUR 6,521.1m as of 30 June 2015, which is EUR 320.7m, or 4.7%, lower than on 30 September 2014.

Non-current assets fell by EUR 169.1m, or 2.9%, to EUR 5,608.6m, above all due to valuation effects resulting from the lower price of the Verbund AG share on 30 June 2015. Another reason for this reduction was the reclassification of the short-term components of leasing receivables to current assets. However, the non-current share of total assets rose to 86.0% as of 30 June 2015 because of the decline in the balance sheet total (30 September 2014: 84.4%).

Current assets rose by EUR 72.1m, or 8.6%, to EUR 912.5m, chiefly due to the above-mentioned reclassification of the short-term components of non-current leasing receivables. This increase was diminished slightly by a reduction in inventories below the level on 30 September 2014. The higher balance of current securities reflected the investment of available liquidity in cash funds.

The decline in non-current assets held for sale was related to the sale of the sodium hypochlorite plant in Moscow at the end of October 2014. The resulting liquidity was used to repay the financing for this project or was invested in cash funds.

The reporting period brought a slight year-on-year increase of EUR 2.6m, or 0.1%, in equity to EUR 2,635.3m. The positive earnings for the first three quarters offset the results recorded directly in equity without recognition through profit or loss and the dividend payment to the shareholders of EVN AG and non-controlling interests. The equity ratio equalled 40.4% as of 30 June 2015 (30 September 2014: 38.5%).

Non-current liabilities declined by EUR 246.5m, or 8.5%, to EUR 2,656.1m, chiefly due to the reclassification of the short-term components of non-current financing and lower deferred tax liabilities.

Current liabilities fell by EUR 76.8m, or 5.9%, to EUR 1,229.7m. The reduction resulting from the repayment of the financing for the sodium hypochlorite plant and a decline in trade payables was offset in part by the reclassification of the short-term components of financial liabilities and by higher VAT and corporate income tax liabilities.

Net debt declined EUR 328.8m below the level on 30 September 2014 to EUR 1,293.6m as of 30 June 2015, and gearing fell to 49.1% (30 September 2014: 61.6%).

Segment reporting

Overview

The structure of the EVN Group is based on three general categories: the energy business, the environmental services business and other business activities. The energy business covers the entire electricity and heat value chain from generation and distribution to networks and supply, while the natural gas business is concentrated on the distribution and supply. This product portfolio is supplemented by the activities of EVN subsidiaries in related areas as well as regional

cable TV and telecommunication services. The environmental services business involves activities in the areas of drinking water supply, wastewater disposal and thermal waste utilisation.

The definition of the operating segments is done in accordance with the requirements of IFRS 8 "Business Segments" and is therefore based exclusively on the internal organisational and reporting structure of the EVN Group. The following section describes the operating performance of EVN's six segments and the effects of energy sector indicators on their development.

Business areas	Segments	Activities
Energy business	Generation	Electricity generation from thermal sources and renewable energies at Austrian and international locations
	Energy Trade and Supply	Procurement of electricity and primary energy sources, trading and sale of electricity and natural gas to end customers and on wholesale markets as well as heat generation and sale
	Network Infrastructure Austria	Operation of regional electricity and natural gas networks as well as cable TV and telecommunications networks
	Energy Supply South East Europe	Operation of electricity networks and electricity sales to end customers in Bulgaria and Macedonia, heat generation and sale in Bulgaria, electricity generation in Macedonia, construction and operation of natural gas networks in Croatia, energy trading throughout the entire region
Environmental services business	Environmental Services	Drinking water supply, wastewater disposal and thermal waste utilisation in Austria, operation of combined cycle heat and power co-generation plants in Moscow as well as international project business
Other business activities	Strategic Investments and Other Business	Strategic and other investments, corporate services

Key energy business indicators	GWh	2014/15	2013/14	+/-		2014/15	2013/14	+/-
		Q. 1-3	Q. 1-3	nominal	in %	Q. 3	Q. 3	in %
Electricity generation volumes		3,902	3,073	829	27.0	967	865	11.9
Renewable energy sources ¹⁾		1,668	1,373	294	21.4	586	489	19.8
Thermal energy sources ²⁾		2,234	1,699	535	31.5	382	376	1.6
Network distribution volumes								
Electricity		16,582	16,013	569	3.6	4,838	4,752	1.8
Natural gas ³⁾		12,874	12,073	801	6.6	2,498	2,427	2.9
Energy sales volumes to end customers								
Electricity		14,802	14,977	-175	-1.2	4,233	4,325	-2.1
thereof Central and Western Europe ⁴⁾		5,181	5,207	-26	-0.5	1,553	1,554	-0.1
thereof South Eastern Europe		9,621	9,770	-149	-1.5	2,680	2,771	-3.3
Natural gas		4,937	5,038	-101	-2.0	702	661	6.2
Heat		1,752	1,717	35	2.0	349	324	7.7
thereof Central and Western Europe ⁴⁾		1,554	1,545	9	0.6	325	305	6.4
thereof South Eastern Europe		198	172	26	15.2	24	19	28.2

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

2) Incl. the co-generation plant in Bulgaria in the Energy Supply South East Europe Segment and the combined heat and power plants in Austria in the Energy Trade and Supply Segment, respectively. Revenues from such energy production are included in the respective segments.

3) Incl. network distribution volumes to EVN power plants

4) Central and Western Europe covers Austria and Germany.

Generation

The Generation Segment covers the generation of electricity from thermal production capacities and renewable energy sources in Austria, Germany, Bulgaria and Albania as well as projects for the construction of power generation plants in Austria and Bulgaria.

The external revenue recorded by this segment is derived mainly from the sale of electricity from renewable windpower. Internal revenue from electricity generation (in particular hydropower plants as well as windpower plants that are no longer covered by subsidy schemes) is based on the market price for electricity. Revenue from thermal power generation in the Dürnrrohr, Korneuburg and Theiss power plants and the storage power plants is based on the option value. The option value normally reflects the pre-defined difference between the forward prices for electricity and the related fuel costs. It also includes the allocation and use of reserve capacity to ensure network security in southern Germany as well as the delivery of balancing energy and congestion management for the Austrian Power Grid AG (APG). The price for energy purchased from Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH generally includes operating, financing and primary energy costs. The sale of the generated electricity and the procurement of primary energy are reported under the Energy Trade and Supply Segment.

Highlights

- Increase in renewable and thermal production
- Full commissioning of 37 MW Prottes-Ollersdorf windpark in May 2015
- Increased calls of Theiss and Korneuburg natural gas power plants to ensure network stability in Austria and Germany
- EBITDA, EBIT and result before tax above prior year level

Electricity generation rose by 699 GWh, or 27.3%, to 3,260 GWh in the first nine months of 2014/15 based on higher production from renewable energy sources and the thermal power plants. The production from renewable energy sources was 17.1% higher as the result of a year-on-year increase in water flows and wind conditions and, above all, full operations at the Prellenkirchen windpark and the step-by-step operational start of the Prottes-Ollersdorf windpark, which was completed in May 2015. Production output in the thermal power plants was 35.3% higher. The increase in production was supported by full operations throughout the entire reporting period at the Duisburg-Walsum power plant, which was commis-

Key indicators – Generation		2014/15	2013/14¹⁾	+/-		2014/15	2013/14¹⁾	+/-
		Q. 1–3	Q. 1–3	nominal	in %	Q. 3	Q. 3	in %
Key energy business indicators	GWh							
Electricity generation volumes		3,260	2,561	699	27.3	775	706	9.7
thereof renewable energy sources		1,318	1,126	192	17.1	467	387	20.9
thereof thermal energy sources		1,942	1,435	506	35.3	307	319	-3.8
Key financial indicators	EURm							
External revenue		43.8	27.4	16.3	59.7	13.5	6.6	-
Internal revenue		127.5	111.9	15.6	13.9	34.4	40.9	-15.9
Total revenue		171.2	139.3	31.9	22.9	47.9	47.5	0.7
Operating expenses		-87.7	-82.1	-5.6	-6.8	-29.5	-31.7	6.9
Share of results from equity accounted investees with operational nature		1.3	1.4	-0.1	-2.5	0.6	0.5	9.4
EBITDA		84.9	58.6	26.3	45.0	19.0	16.4	15.7
Depreciation and amortisation including effects from impairment tests		-58.0	-50.3	-7.6	-15.1	-13.6	-27.0	49.5
Results from operating activities (EBIT)		27.0	8.2	18.7	-	5.3	-10.6	-
Financial results		-18.3	-18.1	-0.2	-1.3	-5.9	-6.8	13.5
Result before income tax		8.6	-9.9	18.5	-	-0.6	-17.4	96.8
Total assets		1,195.6	1,227.4	-31.7	-2.6	1,195.6	1,227.4	-2.6
Total liabilities		968.7	989.6	-20.8	-2.1	968.7	833.3	16.3
Investments ²⁾		41.1	60.1	-19.0	-31.6	2.7	5.3	-48.3

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) In intangible assets and property, plant and equipment

sioned in December 2013 and is undergoing continuous technical optimisation. In addition, the Theiss and Korneuburg natural gas power plants were called on more frequently by the Austrian and German transmission network operators to ensure network stability.

EVN covered 26.4% of the electricity sold during the first nine months of 2014/15 with its own production (previous year: 20.5%). The share of renewable energy in electricity production at the Group level fell from 44.7% in the previous year to 42.8%, above all due to production from the Duisburg-Walsum power plant and the use of reserve capacity in EVN's natural gas power plants by transmission network operators. Revenue in the Generation Segment rose by EUR 31.9m, or 22.9%, year-on-year to EUR 171.2m for the reporting period. In addition to the full operation of the Duisburg- Walsum power plant, other positive factors included the delivery of balancing energy and congestion management based on additional use by the Austrian transmission network operator and income from the provision of reserve capacity to support network reliability in southern Germany.

Operating expenses rose by EUR 5.6m, or 6.8%, to EUR 87.7m. This increase was related primarily to deployment costs for the energy carriers required for full operations in the Duisburg-Walsum power plant, but was offset in part by further market-related optimisation measures in the thermal power plants.

The share of results from equity accounted investees with an operational nature declined by EUR 0.1m to EUR 1.3m due to a slightly lower earnings contribution from Verbund Innkraftwerke GmbH.

EBITDA totalled EUR 84.9m and was EUR 26.3m, or 45.0%, higher than in the first nine months of the previous year. Depreciation and amortisation, including the effects from impairment tests, increased by EUR 7.6m, or 15.1%, to EUR 58.0m. The increase in scheduled depreciation resulted from full operations at the Duisburg-Walsum power plant and the recently commissioned Prellenkirchen und Prottes-Ollersdorf windparks. In the first half of 2014/15, impairment losses of EUR 17.0m were recognised to the Dürnröhr power plant to reflect the shutdown of a production unit by Verbund during April 2015. These impairment losses were contrasted by impairment losses in the previous year, which were recognised in connection with tariff decisions in Bulgaria and the resulting negative effects on production capacity in that country. EBIT rose by EUR 18.7m over the previous year to EUR 27.0m.

Financial results deteriorated by EUR 0.2m, or 1.3%, to EUR -18.3m. The result before income tax amounted to EUR 8.6m and was EUR 18.5m higher than the first nine months of the previous year.

Investments were EUR 19.0m, or 31.6%, lower at EUR 41.1m in the first nine months of 2014/15. The comparable prior year value included the costs for the completion and commissioning of the Duisburg-Walsum power plant. The investments made during the reporting period were concentrated almost exclusively on renewable energy generation projects. The focus was on the completion of the Prottes-Ollersdorf windpark which was commissioned in May 2015.

Key indicators – Energy Trade and Supply		2014/15 Q. 1–3	2013/14¹⁾ Q. 1–3	+/-		2014/15 Q. 3	2013/14¹⁾ Q. 3	+/-
				nominal	in %			in %
Key energy business indicators		GWh						
Energy sales volumes to end customers								
Electricity		5,181	5,207	-26	-0.5	1,553	1,554	-0.1
Natural gas		4,937	5,038	-101	-2.0	702	661	6.2
Heat		1,554	1,545	9	0.6	325	305	6.4
Key financial indicators		EURm						
External revenue		370.4	344.1	26.3	7.6	77.6	87.7	-11.5
Internal revenue		11.2	11.2	0.0	-0.1	3.9	3.9	-0.3
Total revenue		381.6	355.3	26.3	7.4	81.5	91.6	-11.1
Operating expenses		-367.2	-325.4	-41.8	-12.8	-87.2	-84.9	-2.7
Share of results from equity accounted investees with operational nature		60.5	51.1	9.4	18.3	14.0	5.2	-
EBITDA		74.9	81.1	-6.2	-7.6	8.2	11.9	-30.6
Depreciation and amortisation including effects from impairment tests		-12.5	-11.7	-0.8	-6.8	-4.2	-3.9	-7.6
Results from operating activities (EBIT)		62.4	69.4	-6.9	-10.0	4.1	8.0	-49.0
Financial results		-3.6	-2.2	-1.4	-63.8	-2.2	-0.6	-
Result before income tax		58.9	67.2	-8.3	-12.4	1.9	7.4	-74.5
Total assets		473.6	444.0	29.6	6.7	473.6	444.0	6.7
Total liabilities		368.8	289.2	79.6	27.5	368.8	127.8	-
Investments ²⁾		6.5	14.6	-8.1	-55.3	2.2	3.8	-43.5

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) In intangible assets and property, plant and equipment

Energy Trade and Supply

The Energy Trade and Supply Segment is responsible for the trading and sale of electricity and natural gas to end customers, primarily in the Austrian home market and in wholesale markets. The segment's business activities also include the procurement of electricity, natural gas and other primary energy carriers as well as the production and sale of heat.

Highlights

- Decline in sales volumes of natural gas
- EBITDA, EBIT and result before income tax slightly below prior year level

The demand for electricity and heat remained nearly unchanged during the reporting period, but natural gas sales fell by 2.0%. Higher natural gas sales volumes to commercial customers were contrasted by a reduced sales volume to household customers.

Segment revenue rose by EUR 26.3m, or 7.4%, to EUR 381.6m. This increase was supported, above all, by the sale of production from the Duisburg-Walsum power plant and increased natural gas trading activities during the reporting period.

Operating expenses were EUR 41.8m, or 12.8%, higher at EUR 367.2m in the first nine months of 2014/15. This development was related primarily to the purchase of electricity generated by the Duisburg-Walsum power plant and the higher natural gas volumes used for the increased trading activities.

The share of results from equity accounted investees with operational nature rose by EUR 9.4m, or 18.3%, to EUR 60.5m. In total, these factors led to a year-on-year decrease of EUR 6.2m, or 7.6%, in EBITDA to EUR 74.9m.

Depreciation and amortisation rose by 6.8% to EUR 12.5m. EBIT totalled EUR 62.4m for the first nine months of 2014/15 and represents a decline of EUR 6.9m, or 10.0%, compared with the previous year.

Financial results were EUR 1.4m lower than the previous year at EUR -3.6m. The result before income tax totalled EUR 58.9m in the first nine months of 2014/15, which amounts to a year-on-year decline of EUR 8.3m or 12.4%.

Investments were EUR 8.1m, or 55.3%, lower at EUR 6.5m during the reporting period and were directed to the expansion of the district heating plants and networks.

Key indicators – Network Infrastructure Austria		2014/15 Q. 1–3	2013/14¹⁾ Q. 1–3	+/-		2014/15 Q. 3	2013/14¹⁾ Q. 3	+/-
				nominal	in %			in %
Key energy business indicators		GWh						
Network distribution volumes								
Electricity		6,152	6,011	141	2.3	1,891	1,850	2.2
Natural gas		12,855	12,063	792	6.6	2,498	2,427	2.9
Key financial indicators		EURm						
External revenue		331.1	337.9	-6.8	-2.0	89.1	86.0	3.6
Internal revenue		34.9	33.7	1.3	3.7	11.5	9.1	26.3
Total revenue		366.0	371.6	-5.5	-1.5	100.5	95.1	5.8
Operating expenses		-195.7	-198.6	2.9	1.4	-62.4	-59.5	-4.9
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	-	0.0	0.0	-
EBITDA		170.3	173.0	-2.6	-1.5	38.1	35.6	7.2
Depreciation and amortisation including effects from impairment tests		-77.4	-75.6	-1.8	-2.4	-25.7	-25.0	-3.0
Results from operating activities (EBIT)		92.9	97.4	-4.5	-4.6	12.4	10.6	17.0
Financial results		-13.0	-13.7	0.7	5.3	-4.3	-5.4	20.6
Result before income tax		79.9	83.7	-3.7	-4.4	8.2	5.2	55.6
Total assets		1,822.9	1,753.8	69.1	3.9	1,822.9	1,753.8	3.9
Total liabilities		1,303.2	1,234.0	69.2	5.6	1,303.2	1,234.0	69.2
Investments ²⁾		89.6	104.1	-14.5	-13.9	37.5	43.0	-12.9

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) In intangible assets and property, plant and equipment

Network Infrastructure Austria

The Network Infrastructure Austria Segment covers the operation of the regional electricity and natural gas networks as well as the cable TV and telecommunications networks in Lower Austria and Burgenland. This segment also includes corporate services, above all in connection with construction, which are reported as internal revenue. Income from investments includes the distributions from the R-138 funds and AGGM Austrian Gas Grid Management AG to Netz Niederösterreich GmbH.

Highlights

- Increase in electricity and natural gas network distribution volumes
- Adjustment of network tariffs as of 1 January 2015
 - Electricity: -1.0%
 - Natural gas: -3.0%
- Investment focus on supply security
- Decline in EBITDA, EBIT and result before income tax

The network tariffs for electricity and natural gas in Austria are adjusted annually at the beginning of each calendar year by the E-Control Commission in accordance with the incentive regula-

tory system. As of 1 January 2015, the electricity network tariffs were reduced by an average of 1.0% (1 January 2014: reduction of 9.0%) and the natural gas network tariffs were reduced by an average of 3.0% (1 January 2014: increase of 7.7%).

Electricity network distribution volumes rose by 141 GWh, or 2.3%, year-on-year to 6,152 GWh. This increase resulted, above all, from higher demand by industrial customers and also from higher distribution volumes to household and commercial customers. The greater use of EVN's natural gas plants for network stabilisation in Austria and Germany, as well as an increase in natural gas network distribution volumes across all customer groups led to a total rise in natural gas network distribution volumes of 792 GWh, or 6.6%, to 12,855 GWh in the first nine months of 2014/15.

In spite of the above mentioned developments, revenue in the Network Infrastructure Austria Segment fell by EUR 5.5m, or 1.5%, year-on-year to EUR 366.0m. This decrease resulted, in particular, from the reduction in network tariffs and the resulting decrease in electricity network distribution revenue. Higher revenue from natural gas network distribution and an increase in revenue from cable TV and telecommunications services were unable to offset the decline in electricity network distribution revenue.

Operating expenses fell by EUR 2.9m, or 1.4%, to EUR 195.7m, chiefly due to a decrease in the cost of materials and services. This

was contrasted by a rise in personnel expenses based on the results of collective negotiations. EBITDA fell by EUR 2.6m, or 1.5%, to EUR 170.3m due to the decline in revenue. In connection with the increase of EUR 1.8m, or 2.4%, in depreciation and amortisation to EUR 77.4m, this led to a reduction of EUR 4.5m, or 4.6%, in results from operating activities (EBIT) to EUR 92.9m.

Financial results improved by EUR 0.7m, or 5.3%, to EUR –13.0m, primarily owing to a decrease in interest expense on personnel provisions. The result before income tax equalled EUR 79.9m, which is EUR 3.7m, or 4.4%, lower than the previous year.

The investment strategy for the Network Infrastructure Austria Segment is focused on the protection of supply security in Lower Austria. EVN invests, above all, in network expansion to accommodate the growing generation from renewable energy sources and in the upgrading of its distribution networks. Projects during the reporting period continued to concentrate on the strengthening of the 110 kV network to transport the steadily rising feed-in of electricity from windpower and on the expansion and new construction of transformer stations. Two 110 kV lines with a total length of 20 kilometres were completed during the third quarter of 2014/15. EVN invested a total of EUR 89.6m in the network infrastructure during the first nine months of the current financial year. This represents a reduction of EUR 14.5m, or 13.9%, compared with the previous year, which included the completion of the Westschiene natural gas transport pipeline. Further major investment projects are scheduled for this summer. The sale of the subsidiary V&C Kathodischer Korrosionsschutz GmbH to TÜV AUSTRIA in June 2015 marked a further strategic step toward consolidation and concentration on the core business.

Energy Supply South East Europe

The Energy Supply South East Europe Segment is responsible for the operation of electricity networks and the sale of electricity to end customers in Bulgaria and Macedonia, the generation and sale of heat in Bulgaria, the production of electricity in Macedonia, the sale of natural gas to end customers in Croatia and energy trading throughout the region.

Highlights

- Regulatory decisions in Bulgaria
 - 1 August 2015: 0.4% reduction in end customer prices
 - 1 October 2014: 9.7% increase in end customer prices with parallel increase in electricity purchase costs
 - Regulatory decisions in Macedonia
 - 1 July 2015: 0.3% reduction in end customer prices
 - 1 October 2014: start of gradual market opening
 - Improvement in EBITDA, EBIT and result before income tax
-

The previous series of tariff reductions in Bulgaria was followed by a slight 0.6% increase in end customer prices as of 1 July 2014. At the same time, however, electricity purchase costs were increased and the allowable margin for EVN's sales company was cut from 3% to 2%. As of 1 October 2014 the regulatory authority implemented a further tariff increase of 9.7% and raised the allowable supply margin to 2.3%. Once again the electricity purchase costs for EVN were increased. With a decision on 1 August 2015, the regulatory authority reduced end customer prices in EVN's supply area by a slight 0.4%.

The end customer prices for heat in Bulgaria were reduced by an average of 7.0% as of 1 July 2015. EVN is continuing its active pursuit of the arbitration proceedings started in June 2013 at the World Bank's International Centre for the Settlement of Investment Disputes (ICSID).

Average end customer prices in Macedonia were raised by 3.5% through a tariff decision on 1 July 2014. The network tariff included in this price, which is relevant for EVN on the Macedonian market, was increased by only a slight amount and remained below the expected level. In addition, cost elements related to the next planned liberalisation steps were not included. End customer prices were reduced by an average of 0.3% as of 1 July 2015.

In Croatia, the gas distribution network in the city of Biograd was commissioned in January 2015. The three major cities in Zadar county (Zadar, Benkovac, Biograd) are now connected to this gas distribution network. The gas distribution network in Dugopolje was commissioned during May 2015. Further customers were won and connected to the distribution network. The first partial sections

Key indicators – Energy Supply South East Europe		2014/15 Q. 1–3	2013/14¹⁾ Q. 1–3	+/-		2014/15 Q. 3	2013/14¹⁾ Q. 3	+/-
				nominal	in %			in %
Key energy business indicators		GWh						
Electricity generation volumes		414	310	105	33.8	126	96	31.0
thereof renewable energy sources		179	94	85	90.7	66	51	27.4
thereof thermal energy sources		235	216	19	9.0	61	45	35.0
Network distribution volumes ²⁾		10,430	10,002	428	4.3	2,947	2,903	1.5
Heat sales volumes to end customers		198	172	26	15.2	24	19	28.2
Key financial indicators		EURm						
External revenue		799.8	660.8	139.0	21.0	218.6	120.0	82.2
Internal revenue		0.2	0.3	-0.1	-47.9	0.0	0.1	-49.5
Total revenue		800.0	661.1	138.9	21.0	218.6	120.1	82.1
Operating expenses		-720.4	-652.3	-68.1	-10.4	-190.1	-147.6	-28.8
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	-	0.0	0.0	-
EBITDA		79.6	8.8	70.8	-	28.5	-27.5	-
Depreciation and amortisation including effects from impairment tests		-46.0	-239.6	193.5	80.8	-15.4	-208.6	92.6
Results from operating activities (EBIT)		33.6	-230.8	264.3	-	13.1	-236.1	-
Financial results		-19.9	-22.2	2.3	10.4	-6.4	-6.9	7.2
Result before income tax		13.7	-253.0	266.6	-	6.7	-243.0	-
Total assets		1,279.4	1,284.1	-4.7	-0.4	1,279.4	1,284.1	-0.4
Total liabilities		1,138.9	1,165.3	-26.4	-2.3	415.8	341.2	21.9
Investments ³⁾		59.3	63.3	-4.0	-6.4	16.6	23.4	-28.9

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) In Bulgaria and Macedonia energy sales volumes to end customers are approximately equivalent to present network distribution volumes.

3) In intangible assets and property, plant and equipment

of the natural gas high-pressure supply pipeline for the city of Split were also completed.

EVN generated 414 GWh of electricity in South Eastern Europe during the first nine months of 2014/15, for an increase of 105 GWh or 33.8%. Thermal production at the co-generation plant in Plovdiv increased slightly by 19 GWh, or 9.0%, year-on-year to 235 GWh. In addition, higher water flows in Macedonia led to a sound 85 GWh increase in electricity production from renewable energy to 179 GWh.

Electricity distribution volumes totalled 10,430 GWh for the reporting period, which represents a year-on-year increase of 428 GWh or 4.3%. This development resulted, above all, from temperatures that were lower than the previous winter. These same weather conditions were also responsible for an increase of 26 GWh, or 15.2%, in heat sales to end customers in Bulgaria, which rose to 198 GWh.

Revenue rose by EUR 138.9m, or 21.0%, to EUR 800.0m in the first three quarters of 2014/15. This development was supported by the above-mentioned higher end customer prices in Bulgaria and Macedonia and a weather-related increase in sales volumes as well

as the absence of the negative non-recurring effect from the liability recorded in the previous year for the mandatory repayment of revenue from earlier periods in Bulgaria.

Operating expenses rose by EUR 68.1m, or 10.4%, year-on-year to EUR 720.4m. The primary reasons for this development were the regulatory tariff decisions and the resulting higher energy purchase costs. The continued reduction of network losses during the reporting period had a slight opposite effect on energy purchase costs. These factors, in total, led to an increase of EUR 70.8m in EBITDA to EUR 79.6m.

Depreciation and amortisation declined by EUR 193.5m to EUR 46.0m due to the absence of the prior year effects from impairment losses to goodwill and customer bases in Bulgaria and Macedonia. Results from operating activities (EBIT) rose by EUR 264.3m to EUR 33.6m.

Financial results improved by EUR 2.3m, or 10.4%, to EUR -19.9m due to the scheduled repayment of borrowings and the current interest rate level. The result before income tax amounted to EUR 13.7m for the first nine months of 2014/15, which is EUR 266.6m higher than the previous year.

Key indicators – Environmental Services	EURm	2014/15	2013/14 ¹⁾	+/-		2014/15	2013/14 ¹⁾	+/-
		Q. 1–3	Q. 1–3	nominal	in %	Q. 3	Q. 3	in %
External revenue		113.0	119.1	-6.0	-5.1	39.0	42.7	-8.7
Internal revenue		14.5	15.7	-1.2	-7.7	4.9	5.4	-10.4
Total revenue		127.6	134.8	-7.2	-5.4	43.8	48.1	-8.9
Operating expenses		-100.0	-106.4	6.4	6.0	-34.7	-35.8	3.1
Share of results from equity accounted investees with operational nature		9.4	8.9	0.5	5.9	3.4	3.2	6.2
EBITDA		36.9	37.3	-0.4	-1.0	12.5	15.5	-19.3
Depreciation and amortisation including effects from impairment tests		-19.9	-23.3	3.4	14.7	-6.7	-9.2	27.8
Results from operating activities (EBIT)		17.1	14.0	3.0	21.7	5.8	6.3	-6.8
Financial results		-6.4	-2.1	-4.4	-	1.4	-1.3	-
Result before income tax		10.6	12.0	-1.3	-11.1	7.3	4.9	47.7
Total assets		957.5	1,434.2	-476.7	-33.2	957.5	1,434.2	-33.2
Total liabilities		765.8	1,020.6	-254.8	-25.0	765.8	1,020.6	-25.0
Investments ²⁾		6.8	11.3	-4.4	-39.4	2.0	3.1	-34.7

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) In intangible assets and property, plant and equipment

Investments declined by EUR 4.0m, or 6.4%, to EUR 59.3m in the reporting period.

Environmental Services

The activities of the Environmental Services Segment cover drinking water supply, wastewater treatment and thermal waste utilisation in Austria; the international project business in Central, Eastern and South Eastern Europe; and the operation of two combined cycle heat and power co-generation plants in Moscow.

Highlights

- Commissioning of plants in Poland, Romania and Cyprus
- Commissioning and takeover of the sodium hypochlorite plant by the city of Moscow
- Positive revenue development in water supplies and thermal waste utilisation in Lower Austria
- Improvement in results from operating activities (EBIT); lower result before income tax

Revenue in the Environmental Services Segment fell by EUR 7.2m, or 5.4%, to EUR 127.6m in the first nine months of 2014/15. This decline resulted primarily from lower revenue in the international project business that was offset in part by the positive development of revenue from water supplies and thermal waste utilisation in Lower Austria.

Operating expenses fell by EUR 6.4m, or 6.0%, to EUR 100.0m in the reporting period. This development resulted, above all, from the positive conclusion of negotiations with the city of Moscow over the sodium hypochlorite plant project in the first quarter of 2014/15, which led to the sale of the shares in the property company for EUR 250.0m. The resulting increase in other operating income was contrasted by a year-on-year rise in the cost of materials. These costs were influenced by an additional valuation allowance of EUR 11.0m recognised to the remaining aggregate components – which are carried under inventories – from the former project waste utilisation plant no. 1 in Moscow during the second quarter. EBITDA in this segment declined by EUR 0.4m, or 1.0%, to EUR 36.9m. Depreciation and amortisation were EUR 3.4m, or 14.7%, lower at EUR 19.9m, and the results from operating activities (EBIT) rose by EUR 3.0m, or 21.7%, to EUR 17.1m.

Financial results declined by EUR 4.4m to EUR -6.4m, primarily due to lower interest income from completed projects and the termination of the hedge and the federal investment guarantee related to the sodium hypochlorite plant in Moscow. The result before income tax declined by EUR 1.3m, or 11.1%, to EUR 10.6m.

EVN invested EUR 6.8m in the Environmental Services Segment during the first three quarters of 2014/15, which is EUR 4.4m, or 39.4%, less than in the comparable prior year period.

In the international project business, EVN is currently working on the realisation of eight projects. The contract signing in February 2014 was followed by the start of construction in Janu-

ary 2015 on a wastewater purification plant in Kotor-Tivat on the coast of Montenegro. This plant will have the capacity to service up to 72,500 residents. Work also started on another project in Montenegro during March 2015, namely on the second wastewater purification plant planned and built by EVN in the city of Budva, Buljarica.

Three of the four wastewater lines in the Kujawy wastewater purification plant in the Polish city of Krakow were successfully commissioned during the first three quarters of 2014/15, and the commissioning process for the fourth line was started. This plant will have a capacity to service 370,000 residents.

EVN is also currently realising two projects in Romania. In Zalau, the expansion of the local wastewater purification plant and the construction of a sludge treatment plant with biogas utilisation for 85,000 residents started during February 2015. The wastewater treatment plant built by EVN in Silvaniei, which has a capacity to service roughly 30,000 residents, entered the commissioning phase in April 2015.

The commissioning process has been nearly finalised for the waste water purification plant in Larnaca, Cyprus, that was completed during the previous financial year. In addition, the sodium hypochlorite plant sold to the city of Moscow in October 2014 was successfully commissioned in March 2015 and transferred to city ownership after a 72-hour test.

In the area of drinking water supplies for Lower Austria, EVN – which currently supplies drinking water for more than 500,000 residents in Lower Austria – continued work on numerous projects to supply new communities with drinking water and to further improve the quality of drinking water for existing customers. EVN took over the management and operation of the water supply network for the community of Paudorf, including drinking water supplies for the roughly 2,500 local residents, as of 1 January 2015. In addition, EVN continued to pursue projects for the construction of natural filter plants to reduce the hardness of the water by natural means. The commissioning of a natural filter plant in Drösing during December 2014 was followed in the third quarter of 2014/15 by the commissioning of a natural filter plant in Obersiebenbrunn and the start of construction on a similar plant in Zwentendorf an der Zaya. The completion of these three plants will improve the water quality for nearly 200,000 residents in the involved regions.

Strategic Investments and Other Business

The Strategic Investments and Other Business Segment basically covers the investments in Rohöl-Aufsuchungs AG (RAG), Energie Burgenland (held by Burgenland Holding AG) and Verbund AG. This segment also includes corporate functions as well as companies outside EVN's core business which generally provide internal services.

Highlights

- Increased earnings contribution from equity accounted investees with operational nature
 - Higher earnings contribution from Rohöl-Aufsuchungs AG (RAG)
 - Higher earnings contribution from Energie Burgenland
- Lower dividend from Verbund AG
- Increase in EBITDA and EBIT; decline in result before income tax

Revenue declined by EUR 4.1m, or 7.8%, year-on-year to EUR 48.5m in the first three quarters of 2014/15. Operating expenses reflected the previous year at EUR 56.7m. This development was contrasted by an increase of EUR 13.1m, or 27.6%, to EUR 60.7m in the earnings contribution from equity accounted investees with operational nature. The increase was supported, above all, by higher earnings contributions from RAG and Energie Burgenland.

EBITDA therefore rose by EUR 9.0m, or 20.7%, to EUR 52.4m. Depreciation and amortisation amounted to EUR 2.3m, compared with EUR 1.2m in the previous year, and the results from operating activities (EBIT) rose by EUR 7.9m, or 18.6%, to EUR 50.0m.

Financial results, which are influenced primarily by the income from investments, fell by EUR 28.2m, or 46.4%, to EUR 32.5m. This decline resulted mainly from a lower dividend by Verbund AG, which equalled EUR 0.29 per share compared with EUR 1.00 per share in the previous year. The result before income tax was therefore EUR 20.3m, or 19.7%, lower year-on-year at EUR 82.5m for the reporting period.

Key indicators – Strategic Investments and Other Business	EURm	2014/15	2013/14 ¹⁾	+/-		2014/15	2013/14 ¹⁾	+/-
		Q. 1–3	Q. 1–3	nominal	in %	Q. 3	Q. 3	in %
External revenue		6.0	6.3	-0.3	-4.2	1.7	2.1	-18.3
Internal revenue		42.5	46.3	-3.8	-8.3	14.8	15.6	-5.2
Total revenue		48.5	52.6	-4.1	-7.8	16.5	17.7	-6.8
Operating expenses		-56.7	-56.7	-0.1	-0.1	-17.9	-18.6	3.7
Share of results from equity accounted investees with operational nature		60.7	47.5	13.1	27.6	8.8	10.3	-14.3
EBITDA		52.4	43.4	9.0	20.7	7.4	9.4	-21.1
Depreciation and amortisation including effects from impairment tests		-2.3	-1.2	-1.1	-92.9	-0.4	-0.4	7.1
Results from operating activities (EBIT)		50.0	42.2	7.9	18.6	7.1	9.0	-21.7
Financial results ²⁾		32.5	60.7	-28.2	-46.4	-1.8	1.7	-
Result before income tax		82.5	102.8	-20.3	-19.7	5.3	10.7	-50.8
Total assets		2,654.9	2,686.2	-31.4	-1.17	2,654.9	2,686.2	-1.2
Total liabilities		1,124.7	1,205.3	-80.6	-6.7	1,124.7	1,205.3	-6.7
Investments ³⁾		1.5	0.6	0.9	-	0.7	0.2	-

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) For income from investments see notes to the consolidated interim report, page 27.

3) In intangible assets and property, plant and equipment

Consolidated interim report

according to IAS 34

Consolidated statement of operations

EURm	2014/15 Q. 1–3	2013/14 ¹⁾ Q. 1–3	+/- in %	2014/15 Q. 3	2013/14 ¹⁾ Q. 3	+/- in %	2013/14
Revenue	1,664.1	1,495.5	11.3	439.4	345.0	27.3	1,974.8
Other operating income	90.3	68.7	31.4	23.8	27.3	-12.9	71.1
Electricity purchases and primary energy expenses	-841.2	-789.5	-6.5	-203.0	-187.0	-8.5	-1,032.2
Costs of materials and services	-186.3	-169.6	-9.8	-59.7	-59.3	-0.6	-251.9
Personnel expenses	-241.0	-229.6	-5.0	-81.9	-76.0	-7.8	-313.0
Other operating expenses	-120.6	-126.3	4.5	-32.1	-36.3	11.5	-359.0
Share of results from equity accounted investees with operational nature	131.9	108.9	21.1	26.7	19.1	39.6	94.0
EBITDA	497.2	358.2	38.8	113.2	32.9	-	184.1
Depreciation and amortisation	-191.7	-190.8	-0.4	-64.2	-64.6	0.7	-256.0
Effects from impairment tests	-19.0	-209.2	90.9	-	-208.9	100.0	-269.5
Results from operating activities (EBIT)	286.5	-41.8	-	49.0	-240.6	-	-341.4
Share of results from equity accounted investees with financial nature	0.6	3.0	-80.6	-0.1	-0.2	34.6	2.8
Results from other investments	11.9	42.5	-71.9	-1.5	0.2	-	42.4
Interest income	17.6	17.8	-1.0	6.1	5.3	14.4	23.5
Interest expense	-71.7	-71.8	0.2	-20.0	-24.5	18.5	-96.7
Other financial results	0.4	-1.4	-	-3.6	-0.1	-	-4.0
Financial results	-41.2	-10.0	-	-19.1	-19.4	1.2	-31.9
Result before income tax	245.4	-51.8	-	29.9	-260.0	-	-373.3
Income tax expense	-29.3	11.5	-	-2.5	38.3	-	102.8
Result for the period	216.1	-40.3	-	27.4	-221.7	-	-270.5
thereof result attributable to EVN AG shareholders (Group net result)	187.1	-59.0	-	21.7	-225.3	-	-299.0
thereof result attributable to non-controlling interests	29.0	18.6	55.4	5.7	3.6	57.8	28.5
Earnings per share in EUR ²⁾	1.05	-0.33	-	0.12	-1.25	-	-1.68

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

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

Consolidated statement of comprehensive income

EURm	2014/15 Q. 1-3	2013/14 ¹⁾ Q. 1-3	+/- in %	2014/15 Q. 3	2013/14 ¹⁾ Q. 3	+/- in %	2013/14
Result for the period	216.1	-40.3	-	27.4	-221.7	-	-270.5
Other comprehensive income from							
Items that will not be reclassified to profit or loss							
Remeasurements IAS 19	-25.8	1.2	-	9.2	2.1	-	-22.1
Investments in equity accounted investees	-16.8	0.4	-	13.8	5.4	-	-31.0
thereon apportionable income tax expense	-13.1	1.1	-	-1.2	-2.0	-	1.3
	4.2	-0.2	-	-3.4	-1.4	-	7.5
Items that may be reclassified to profit or loss							
Currency translation differences	-92.6	-103.3	10.4	-72.1	-19.7	-	-46.5
Available for sale financial instruments	-7.4	-3.9	-89.1	0.3	4.7	-94.3	-7.9
Cash flow hedges	-116.5	-103.8	-12.3	-101.9	-31.5	-	-31.6
Investments in equity accounted investees	9.1	-8.3	-	9.4	-5.7	-	-10.6
thereon apportionable income tax expense	-4.4	-16.1	72.7	-2.3	2.9	-	-7.8
	26.5	28.7	-7.7	22.4	9.9	-	11.5
Total other comprehensive income after tax	-118.4	-102.1	-16.0	-62.9	-17.6	-	-68.6
Comprehensive income for the period	97.7	-142.5	-	-35.6	-239.3	85.1	-339.0
thereof income attributable to EVN AG shareholders	74.0	-161.1	-	-41.2	-242.9	83.0	-367.0
thereof income attributable to non-controlling interests	23.7	18.6	27.2	5.7	3.6	57.8	27.9

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

Consolidated statement of financial position

EURm	30.06.2015	30.09.2014	+/-	
			nominal	in %
Assets				
Non-current assets				
Intangible assets	221.1	196.5	24.6	12.5
Property, plant and equipment	3,499.4	3,542.2	-42.8	-1.2
Investments in equity accounted investees	901.7	889.1	12.5	1.4
Other investments	546.4	664.7	-118.2	-17.8
Deferred tax assets	105.6	87.1	18.5	21.3
Other non-current assets	334.4	398.1	-63.7	-16.0
	5,608.6	5,777.7	-169.1	-2.9
Current assets				
Inventories	133.0	178.1	-45.1	-25.3
Trade and other receivables	489.8	443.9	45.9	10.4
Securities	41.2	0.8	40.5	-
Cash and cash equivalents	248.4	217.6	30.7	14.1
	912.5	840.4	72.1	8.6
Non-current assets held for sale	0.0	223.7	-223.7	-100.0
	912.5	1,064.1	-151.7	-14.3
Total assets	6,521.1	6,841.8	-320.7	-4.7
Equity and liabilities				
Equity				
Share capital	330.0	330.0	-	-
Share premium and capital reserves	253.1	253.1	-	-
Retained earnings	1,907.3	1,794.9	112.4	6.3
Valuation reserve	-53.7	52.1	-105.8	-
Currency translation reserve	-20.6	-13.2	-7.4	-55.6
Treasury shares	-22.3	-21.6	-0.8	-3.5
Issued capital and reserves attributable to shareholders of EVN AG	2,393.7	2,395.2	-1.5	-0.1
Non-controlling interests	241.6	237.5	4.1	1.7
	2,635.3	2,632.7	2.6	0.1
Non-current liabilities				
Non-current loans and borrowings	1,549.3	1,747.7	-198.4	-11.4
Deferred tax liabilities	22.2	48.1	-25.9	-53.9
Non-current provisions	507.4	497.4	10.0	2.0
Deferred income from network subsidiaries	503.9	521.6	-17.7	-3.4
Other non-current liabilities	73.2	87.8	-14.5	-16.6
	2,656.1	2,902.6	-246.5	-8.5
Current liabilities				
Current loans and borrowings	156.4	194.2	-37.8	-19.5
Taxes payable	91.3	61.1	30.2	49.4
Trade payables	410.6	505.1	-94.5	-18.7
Current provisions	135.4	137.2	-1.8	-1.3
Other current liabilities	436.0	408.9	27.1	6.6
	1,229.7	1,306.5	-76.8	-5.9
Total equity and liabilities	6,521.1	6,841.8	-320.7	-4.7

Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2013¹⁾	2,837.5	241.7	3,079.2
Comprehensive income for the period ¹⁾	-161.1	18.6	-142.5
Dividends 2012/13	-74.8	-32.1	-106.9
Change in treasury shares	-1.6	-	-1.6
Balance on 30.06.2014¹⁾	2,600.0	228.2	2,828.2
Balance on 30.09.2014	2,395.2	237.5	2,632.7
Comprehensive income for the period	74.0	23.7	97.7
Dividends 2013/14	-74.7	-19.6	-94.4
Change in treasury shares	-0.8	-	-0.8
Balance on 30.06.2015	2,393.7	241.6	2,635.3

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

Condensed consolidated statement of cash flows

EURm	2014/15	2013/14 ¹⁾	+/-		2013/14 ¹⁾
	Q. 1-3	Q. 1-3	nominal	in %	
Profit before income tax	245.4	-51.8	297.2	-	-373.3
+ Depreciation and amortisation of intangible assets and property, plant and equipment	210.7	400.0	-189.3	-47.3	716.9
-/+ Non-cash share of results of equity accounted investees	-29.6	22.8	-52.4	-	48.8
-/+ Other non-cash financial results	-1.0	-1.8	0.8	44.8	-2.7
- Release of deferred income from network subsidiaries	-28.4	-32.6	4.2	13.0	-45.4
-/+ Decrease/increase in non-current provisions	-9.7	-8.5	-1.2	-14.5	-10.7
+/- Other non-cash expenses/gains	0.3	2.2	-1.9	-87.1	3.9
Gross cash flow	387.6	330.2	57.4	17.4	337.4
- Changes in assets and liabilities arising from operating activities	-80.5	44.9	-125.4	-	228.3
- Income tax paid	9.0	-7.9	16.9	-	-19.6
Net cash flow from operating activities	316.1	367.2	-51.2	-13.9	546.0
- Changes in intangible assets and property, plant and equipment	-143.5	-168.6	25.1	14.9	-300.5
- Changes in financial assets and other non-current assets	229.4	-21.0	250.4	-	14.1
- Changes in current securities	-40.5	33.1	-73.6	-	43.1
Net cash flow from investing activities	45.4	-156.5	201.9	-	-243.3
- Dividends paid to EVN AG shareholders	-74.7	-74.8	-	-	-74.8
- Dividends paid to non-controlling interests	-19.6	-2.1	-17.5	-	-32.1
- Acquisition of own shares	-0.8	-1.6	0.9	53.9	-0.8
+/- Changes in financial liabilities	-245.4	-160.0	-85.4	-53.4	-227.3
Net cash flow from financing activities	-340.6	-238.6	-102.0	-42.8	-335.0
Net change in cash and cash equivalents	20.9	-27.8	48.7	-	-32.3
Cash and cash equivalents at the beginning of the period²⁾	197.2	229.5	-32.3	-14.1	229.5
Cash and cash equivalents at the end of the period²⁾	218.1	201.7	16.4	8.1	197.2

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 25).

2) 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 30 June 2015, of EVN AG, taking into consideration § 245a Austrian Commercial Code (UGB), was prepared in accordance with the guidelines set forth in IFRS by the International Financial Reporting 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 2013/14 financial year (balance sheet date: 30 September 2014).

The accounting and valuation methods are essentially the same as those applied as of 30 September 2014, with the exception of those described under the section "Reporting according to IFRS" below. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

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

Reporting according to IFRS

The following standards and interpretations were applied for the first time in the 2014/15 financial year:

Standards and interpretations applied for the first time		Effective ¹⁾
New standards and interpretations		
IFRIC 21	Levies	01.01.2014
Revised standards and interpretations		
IAS 19	Employee Benefits – Defined Benefit Plans: Employee Contributions	01.07.2014
IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	01.01.2014
Several	Annual Improvements 2010–2012	01.07.2014
Several	Annual Improvements 2011–2013	01.07.2014

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

The initial mandatory application of the new or revised standards and interpretations had no effect on the consolidated interim report.

Based on current developments in the accounting treatment of regulatory deferral accounts and given the non-applicability of IFRS 14 for EVN, regulatory assets and regulatory liabilities were not recognised beginning in the fourth quarter of 2013/14. This also led to a change in the accounting policy applied to the regulatory account.

The change in the accounting policy applied to the regulatory account took place retrospectively as of 1 October 2012 in accordance with IAS 8. This led to adjustments to the data reported in prior periods.

These changes are described in detail in the consolidated financial statements for 2013/14, which are part of the EVN Full Report 2013/14. The EVN Full Report 2013/14 is available on the EVN website under the following link:

<https://www.evn.at/EVN-Group/Investor-Relations/Publikationen/2013-14.aspx>

Adjustments to items in the consolidated statement of operations	2013/14 Q. 1–3			2012/13 30.09.2013		
	previous	change	adjusted	previous ¹⁾	change	adjusted
EURm						
Revenue	1,514.4	-18.9	1,495.5	2,113.9	-8.0	2,105.9
Operating expenses	-1,246.3	0.1	-1,246.2	-1,660.4	-0.4	-1,660.8
Share of results from equity accounted investees with operational nature	108.9	-	108.9	95.0	-	95.0
EBITDA	377.0	-18.8	358.2	548.5	-8.5	540.0
Depreciation and amortisation including effects from impairment tests	-400.0	-	-400.0	-297.8	-	-297.8
Results from operating activities (EBIT)	-23.0	-18.8	-41.8	250.6	-8.4	242.2
Financial results	-9.8	-0.2	-10.0	-71.4	-0.1	-71.5
Result before income tax	-32.8	-19.0	-51.8	179.2	-8.5	170.7
Income tax expense	6.7	4.8	11.5	-20.0	2.1	-17.9
Result for the period	-26.1	-14.2	-40.3	159.2	-6.4	152.8
thereof result attributable to EVN AG shareholders (Group net result)	-44.7	103.7	59.0	115.7	-6.4	109.3
thereof result attributable to non-controlling interests	18.6	-	18.6	43.5	-	43.5
Earnings per share in EUR ²⁾	-0.25	-0.08	-0.33	0.65	-0.04	0.61

1) These amounts reflect the data adjusted as of 30 June 2014 due to the application of the new consolidation standards IFRS 10–12 (see EVN Letter to Shareholders Q. 1–3 2013/14).

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

Adjustments to items in the consolidated statement of financial position	2013/14 30.06.2014			2012/13 30.09.2013		
	previous	change	adjusted	previous ¹⁾	change	adjusted
EURm						
Non-current assets	6,242.6	-22.7	6,219.9	6,404.0	3.2	6,407.2
Current assets	803.8	-8.2	795.6	896.2	-19.7	876.5
Total assets	7,046.4	-30.9	7,015.5	7,300.2	-16.5	7,283.7
Equity	2,852.9	-24.4	2,828.5	3,089.4	-10.2	3,079.2
Non-current liabilities	3,080.3	-6.3	3,074.0	2,977.9	-6.4	2,971.5
Current liabilities	1,113.1	-	1,113.1	1,232.9	-	1,232.9
Total equity and liabilities	7,046.4	-30.9	7,015.5	7,300.2	-16.5	7,283.7

1) These amounts reflect the data adjusted as of 30 June 2014 due to the application of the new consolidation standards IFRS 10–12 (see EVN Letter to Shareholders Q. 1–3 2013/14).

Adjustments to items in the consolidated statement of cash flows	2013/14 Q. 1–3			2012/13 30.09.2013		
	previous	change	adjusted	previous ¹⁾	change	adjusted
EURm						
Net cash flow from operating activities	367.2	-	367.2	570.3	-0.3	570.0
Net cash flow from investing activities	-156.5	-	-156.5	-359.4	0.3	-359.1
Net cash flow from financing activities	-238.6	-	-238.6	-108.2	-5.6	-113.8

1) These amounts reflect the data adjusted as of 30 June 2014 due to the application of the new consolidation standards IFRS 10–12 (see EVN Letter to Shareholders Q. 1–3 2013/14).

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 services business is also subject to seasonal effects. The construction of many large projects is usually scheduled to begin in the springtime due to weather conditions. For this

reason, the environmental services business usually generates lower revenues in the first half of the financial year than in the second half. Accordingly, business in the Environmental Services Segment serves to principally counteract the seasonal 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 26 domestic and 37 foreign subsidiaries (30 September 2014: 26 domestic and 38 foreign subsidiaries) were fully consolidated as of 30 June 2015. As of 30 June 2015, a total of 29 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 2014: 30).

Changes in the scope of consolidation	Fully	Line-by-line (Joint Operation)	Equity	Total
30.09.2013	63	1	19	83
First consolidation	1	–	1	2
Deconsolidation	–	–	–1	–1
30.09.2014	64	1	19	84
First consolidation	1	–	–	1
Deconsolidation	–2	–	–	–2
30.06.2015	63	1	19	83
thereof foreign companies	37	1	6	44

As announced in an ad-hoc press release on 29 October 2014, EVN reached an agreement with the Moscow city government over the sale of the sodium hypochlorite plant: Mosvodokanal, the water supply and wastewater disposal company of the city of Moscow, acquired the shares in the Russian property company that holds the sodium hypochlorite plant. The sale closed on 30 October 2014. The Russian property company OAO "WTE Süd-Ost", which was previously included through full consolidation, was therefore deconsolidated in the first quarter of 2014/15.

EVN MVA Nr. 1 Finanzierungs- und Servicegesellschaft mbH, Maria Enzersdorf, which is not included in the consolidated financial statements of EVN AG for reasons of immateriality, was renamed EVN Bulgaria RES Holding GmbH and organisationally assigned to evn naturkraft Erzeugungsgesellschaft m.b.H., Maria Enzersdorf, during the first half of 2014/15. This company now holds 100% of the shares in the two Bulgarian companies that are active in energy generation from renewable sources: EVN Kavarna EOOD, Plovdiv, and Naturkraft EOOD, Plovdiv. Both companies were previously held directly by EVN Naturkraft. EVN Bulgaria RES Holding GmbH, Maria Enzersdorf, was initially consolidated during the first half of 2014/15.

The subsidiary V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H. was sold during the third quarter of 2014/15 and subsequently deconsolidated.

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

Selected notes to the consolidated statement of operations

The cost of materials include a valuation allowance of EUR 11.0m that was recognised during the first half of 2014/15 to the remaining components of the former project thermal waste utilisation plant no. 1 in Moscow, which are carried under inventories. This measure involves the flue gas cleaning aggregate, which was adapted to meet the particular requirements of the city of Moscow and, based on recent market assessment, cannot be used for another purpose.

The impairment loss that is shown under the position effects from impairment tests was mainly recognised to the Dürnrrohr power plant during the reporting period to reflect an expected increase in operating and maintenance costs as a result from the closing of a production unit at the Dürnrrohr joint power plant by Verbund in April 2015.

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

Share of results from equity accounted investees with operational nature	2014/15	2013/14
EURm	Q. 1–3	Q. 1–3
EVN KG	54.6	49.2
RAG	49.9	37.7
Energie Burgenland	10.8	9.5
ZOV; ZOV UIP	9.4	8.9
Other companies	7.2	3.7
Share of results from equity accounted investees with operational nature	131.9	108.9

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

Income from investments	2014/15	2013/14
EURm	Q. 1–3	Q. 1–3
WEEV Beteiligungs GmbH	0.6	3.0
Other companies	0.0 ^{*)}	0.0 ^{*)}
Share of results of equity accounted investees with financial nature	0.6	3.0
Verbund AG	11.6	40.1
Other companies	0.3	2.4
Results from other investments	11.9	42.5
Total income from investments	12.5	45.5

*) Small amount

Earnings per share are calculated by dividing Group net profit (=net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i.e. 177,916,067 as of 30 June 2015 (30 June 2014: 177,941,679 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net profit amounting to EUR 187.1m (30 June 2014: EUR -40.3m), earnings per share at the balance sheet date 30 June 2015, totalled EUR 1.05 (30 June 2014: EUR -0.33 per share).

Selected notes to the consolidated statement of financial position

In the first three quarters of 2014/15, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 198.4m (previous year: EUR 249.0m). Property, plant and equipment with a net carrying amount (book value) of EUR 1.1m were disposed of (previous year: EUR 2.9m), with a capital gain of EUR 0.2m (previous year: capital loss of EUR 1.2m).

The item investments in equity accounted investees increased by EUR 12.5m, or 1.4% to EUR 901.7m. This rise was primarily due to EUR 132.5m of earnings contributions during the reporting period. This increase was contrasted by reductions of EUR 102.9m from the distributions made by at equity consolidated companies and valuation changes not recognised in profit and loss that amounted to EUR 18.4m.

Other investments totalling EUR 546.4m, which are assigned to the category of "available-for-sale", include the shares of listed companies with a market value of EUR 523.1m, a decrease of EUR 116.5m from the prior balance sheet date. The adjustments made to reflect changed market values were, in accordance with IAS 39, allocated to the valuation reserve after taking into account the deduction of deferred taxes.

The number of EVN shares in circulation developed as follows:

Development of the number of shares in circulation

	2014/15
	Q.1-3
Number	
Balance 30.09.2014	177,938,410
Purchase of treasury shares	-91,500
Total 30.06.2015	177,846,910

On 30 June 2015, the Executive Board of EVN AG announced the purchase of additional shares of the company's stock within the framework of the authorisation granted by the 85th Annual General Meeting of EVN AG on 16 January 2014. This share buyback programme has been in progress since 22 January 2014 and will now be extended to cover up to an additional 1,000,000 shares, which represent up to 0.556% of the current share capital of EVN AG. The Executive Board also announced that the current share buyback programme will presumably be extended to 29 January 2016.

As of 30 June 2015, the number of treasury shares amounted to 2,031,492 (or 1.13% of the share capital) with an acquisition value of EUR 22.3m and a market value of EUR 19.9m (30. September 2014: EUR 19.6m). The treasury shares held by EVN AG are not entitled to any rights, and in particular, they are not entitled to dividends.

The 86th Annual General Meeting of EVN AG held on 15 January 2015, approved the proposal of the Executive Board and Supervisory Board to distribute a dividend of EUR 0.42 per share for the 2013/14 financial year, which comprises a total dividend payout of EUR 74.7m. Ex-dividend date was 22 January 2015, and the dividend payment to shareholders of EVN AG took place on 28 January 2015.

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

Break-down of non-current loans and borrowings	30.06.2015	30.09.2014
EURm		
Bonds	675.6	705.7
Bank loans	873.7	1,041.9
Total non-current loans and borrowings	1,549.3	1,747.7

The EUR 30.1m decline in bonds resulted primarily from the reclassification of a EUR 28.5m euro bond to current financial liabilities and from the partial repurchase of a euro bond in the amount of EUR 5.0m. This decline was contrasted by an increase in the fair value of the hedged foreign exchange exposure.

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

Segment reporting

EURm	Generation		Energy Trade and Supply		Network Infrastructure Austria		Energy Supply South East Europe	
	2014/15 Q. 1-3	2013/14 Q. 1-3	2014/15 Q. 1-3	2013/14 Q. 1-3	2014/15 Q. 1-3	2013/14 Q. 1-3	2014/15 Q. 1-3	2013/14 Q. 1-3
External revenue	43.8	27.4	370.4	344.1	331.1	337.9	799.8	660.8
Internal revenue (between segments)	127.5	111.9	11.2	11.2	34.9	33.7	0.2	0.3
Total revenue	171.2	139.3	381.6	355.3	366.0	371.6	800.0	661.1
Operating expenses	-87.7	-82.1	-367.2	-325.4	-195.7	-198.6	-720.4	-652.3
Share of results from equity accounted investees operational	1.3	1.4	60.5	51.1	-	-	-	-
EBITDA	84.9	58.6	74.9	81.1	170.3	173.0	79.6	8.8
Depreciation and amortisation	-58.0	-50.3	-12.5	-11.7	-77.4	-75.6	-46.0	-239.6
Results from operating activities (EBIT)	27.0	8.2	62.4	69.4	92.9	97.4	33.6	-230.8
Financial results	-18.3	-18.1	-3.6	-2.2	-13.0	-13.7	-19.9	-22.2
Profit before income tax	8.6	-9.9	58.9	67.2	79.9	83.7	13.7	-253.0
Total assets	1,195.6	1,227.4	473.6	444.0	1,822.9	1,753.8	1,279.4	1,284.1
Investments ¹⁾	41.1	60.1	6.5	14.6	89.6	104.1	59.3	63.3

	Environmental Services		Strategic Investments and Other Business		Consolidation		Total	
	2014/15 Q. 1-3	2013/14 Q. 1-3	2014/15 Q. 1-3	2013/14 Q. 1-3	2014/15 Q. 1-3	2013/14 Q. 1-3	2014/15 Q. 1-3	2013/14 Q. 1-3
External revenue	113.0	119.1	6.0	6.3	-	-	1,664.1	1,495.5
Internal revenue (between segments)	14.5	15.7	42.5	46.3	-230.7	-219.1	-	-
Total revenue	127.6	134.8	48.5	52.6	-230.8	-219.1	1,664.1	1,495.5
Operating expenses	-100.0	-106.4	-56.7	-56.7	229.0	175.2	-1,298.8	-1,246.2
Share of results from equity accounted investees operational	9.4	8.9	60.7	47.5	-	-	131.9	108.9
EBITDA	36.9	37.3	52.4	43.4	-1.8	-43.9	497.2	358.2
Depreciation and amortisation	-19.9	-23.3	-2.3	-1.2	5.4	1.6	-210.7	-400.0
Results from operating activities (EBIT)	17.1	14.0	50.0	42.2	3.6	-42.2	286.5	-41.8
Financial results	-6.4	-2.1	32.5	60.7	-12.5	-12.4	-41.2	-10.0
Profit before income tax	10.6	12.0	82.5	102.8	-8.9	-54.6	245.4	-51.8
Total assets	957.5	1,434.2	2,654.9	2,686.2	-1,862.8	-1,814.1	6,521.1	7,015.5
Investments ¹⁾	6.8	11.3	1.5	0.6	-6.5	-4.9	198.4	249.0

1) In intangible assets and property, plant and equipment

The results shown in the total column represent the results reported on the consolidated income statement. The consolidation column reflects the elimination of intersegment transactions. Also included are transition amounts, which result from the difference between the viewpoints of the Generation and Energy Trade and Supply Segments and the Group with respect to the inclusion of Steag-EVN Walsum as a joint operation. The Generation Segment has not

identified any signs of impairment to its proportional investment in the power plant resulting from the inclusion of Steag-EVN Walsum as a joint operation, and the Energy Trade and Supply Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required from the Group's point of view.

Selected notes on financial instruments

Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (according to IFRS 13)	30.06.2015		30.09.2014	
			Carrying amount	Fair Value	Carrying amount	Fair Value
Non-current assets						
Other investments						
Non-financial assets	–	–	23.3	–	25.1	–
Miscellaneous investments	AFS	Level 1	523.1	523.1	639.6	639.6
			546.4		664.7	
Other non-current assets						
Securities	@FVTPL	Level 1	86.9	86.9	62.1	62.1
Loans receivable	LAR	Level 2	33.7	40.6	38.9	44.0
Lease receivables and accrued lease transactions	LAR	Level 2	139.9	159.4	207.0	236.1
Receivables arising from derivative transactions	Hedge Accounting	Level 2	0.5	0.5	–	–
Remaining other non-current assets	LAR	–	58.8	58.8	75.5	75.5
Non-financial assets (primary energy reserves)	–	–	14.6	–	14.6	–
			334.4		398.1	
Current assets						
Current receivables and other current assets						
Trade and other receivables	LAR	–	470.8	470.8	406.6	406.6
Receivables arising from derivative transactions	Hedge Accounting	Level 2	1.1	1.1	0.2	0.2
Non-financial assets	–	–	17.9	–	37.1	–
			489.8		443.9	
Securities	AFS	Level 1	41.2	41.2	0.8	0.8
Cash and cash equivalents						
Cash on hand and cash at banks	LAR	–	248.4	248.4	217.6	217.6
			248.4		217.6	
Non-current liabilities						
Non-current loans and borrowings						
Bonds	FLAC	Level 1	675.6	804.7	705.7	836.2
Bank loans	FLAC	Level 2	873.7	934.2	1,041.9	1,165.1
			1,549.3		1,747.7	
Other non-current liabilities						
Leases	FLAC	–	16.2	16.2	19.8	19.8
Accruals of financial transactions	FLAC	–	2.1	2.1	2.9	2.9
Other liabilities	FLAC	–	6.7	6.7	8.1	8.1
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	48.2	48.2	56.9	56.9
			73.2		87.8	
Current liabilities						
Current loans and borrowings						
Trade payables	FLAC	–	156.4	156.4	194.2	194.2
Other current liabilities	FLAC	–	410.6	410.6	505.1	505.1
Other financial liabilities	FLAC	–	310.2	310.2	320.3	320.3
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	6.7	6.7	11.6	11.6
Non-financial liabilities	–	–	119.1	–	77.0	–
			436.0		408.9	
thereof aggregated to measurement categories						
Available for sale financial assets	AFS	–	564.3	–	640.4	–
Loans and receivables	LAR	–	951.6	–	945.6	–
Financial assets designated at fair value in profit or loss	@FVTPL	–	86.9	–	62.1	–
Financial liabilities at amortised cost	FLAC	–	2,451.5	–	2,798.2	–

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.

Selected notes to the statement of cash flows

Interest income and interest expense are allocated to current business activities. Interest income amounted to EUR 16.8m (previous year: EUR 14.0m), whereas interest expense was EUR 69.6m (previous year: EUR 75.6m). Furthermore, cash inflows from dividends of EUR 112.7m (previous year: EUR 177.1m) are included in operating cash flow.

Information on transactions with related parties

There were no major changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2013/14.

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

Transactions with investments in equity accounted investees	2014/15	2013/14
EURm	Q. 1–3	Q. 1–3
Revenue	219.5	212.1
Cost of materials and services	115.6	123.1
Trade accounts receivable	34.6	43.3 ¹⁾
Trade accounts payable	19.4	14.0 ¹⁾

1) Value at 30 September 2014

Other obligations and risks

Other obligations and risks decreased by EUR 137.6m to EUR 375.5m compared to 30 September 2014. This change was mainly due to the reduction in scheduled orders for investments in intangible assets and property, plant and equipment, the decrease in guarantees for subsidiaries in connection with construction projects in the Environmental Services Segment as well as the decrease in guarantees for subsidiaries in connection with energy transactions. This reduction stood in contrast to the increase in guarantees in connection with the construction and operation of power plants.

Contingent liabilities related to guarantees for subsidiaries for energy transactions are recognised on the basis of the guarantees issued by e&t Energie Handelsgesellschaft mbH and EconGas GmbH at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase. Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 43.1m as of 30 June 2015. The nominal volume of the guarantees underlying this assessment was EUR 340.5m.

Events after the balance sheet date

The following events of material importance took place between the quarterly balance sheet date of 30 June 2015, and the editorial deadline of the consolidated interim report on 25 August 2015:

On 4 August 2015, a total of 68,244 of EVN's own non-par value shares (treasury stock), corresponding to 0.04% of the current share capital of EVN AG, were transferred to employees off-market. This transfer of ownership was concluded on the same day.

The EVN share

Highlights

- Expansive monetary policy by the European Central Bank
- Greek crisis burdens international stock markets
- Negative development of the industry index DJ Euro Stoxx Utilities

Market environment and performance

The economic environment in the USA and Europe has been characterised by positive growth, despite the discussions surrounding the crisis in Greece. The first increase in interest rates by the US Federal Reserve is now expected for autumn 2015. In contrast, an end to the expansive monetary policy of the European Central Bank is currently not in sight.

Against the backdrop of a further intensification of the Greek crisis, the unsolved military conflict in Ukraine and the general geopolitical situation, the international stock markets were unable to maintain their previous highs towards the end of June 2015. This was true especially for the German benchmark index DAX, which recently lost part of its previous gains. However, the index still rose by a total of 15.5% between October 2014 and June 2015. The US Dow Jones index recorded a plus of 3.4% during this same period.

Vienna's benchmark index ATX registered sound performance with an increase of 9.4% over the past nine months. However, the EVN share was unable to completely disengage from the negative development of the Dow Jones Euro Stoxx Utilities, the relevant industry index, which fell 7.5% during this period. The EVN share closed at EUR 9.82 on 30 June 2015, which reflects a decline of 3.0% in the share price and market capitalisation of EUR 1.77bn. The average daily turnover in EVN shares declined year-on-year to 34,672 (single counting), which represents an annual trading volume of EUR 64.0m (single counting) for EVN shares and 0.31% of the total trading volume on the Vienna Stock Exchange.

Share buyback programme

The 85th Annual General Meeting on 16 January 2014 authorised the Executive Board of EVN AG to repurchase the company's shares for the purpose of distribution to employees of the company or its subsidiaries. This authorisation covers the repurchase of up to 10% of the share capital of EVN AG during a period of 30 months. At the same time, the resolution of the Annual General Meeting on 19 January 2012 authorising a share buyback by EVN AG was terminated prematurely. This resolution resulted in the repurchase of 1,640,030 EVN AG shares over the Vienna Stock Exchange between 6 June 2012 and 15 January 2014, which represent 0.91% of share capital. Based on the authorisation of the 85th Annual General Meeting, the Executive Board approved a share buyback programme on 16 January 2014 which had a term ending on 30 September 2014. This programme was extended from 30 Sep-

The EVN share price – relative development



		2014/15	2013/14
		Q. 1–3	Q. 1–3
EVN share – performance			
Share price at 30 June	EUR	9.82	10.68
Highest price	EUR	10.56	12.50
Lowest price	EUR	9.50	9.76
Value of shares traded ¹⁾	EURm	64	103.07
Average daily turnover ¹⁾	Shares	34,672	52,018
Share of total turnover ¹⁾	%	0.31	0.60
Market capitalisation at 30 June	EURm	1,766.00	1,921.00
ATX weighting at 30 June	%	0.87	0.80
WBI (Vienna Stock Exchange) weighting at 30 June	%	2.05	2.17

1) Vienna Stock Exchange, single counting

tember 2014, respectively 30 June 2015 to 29 January 2016 based on a resolution by the Executive Board. A total of 209,000 shares were repurchased from 16 January 2014 to 30 June 2015, which represent 0.1% of share capital. EVN AG held 2,031,492 treasury shares as of 30 June 2015, including the shares repurchased in earlier years, which represent approximately 1.1% of share capital.

Strategy for the use of financial resources and dividends

EVN's strategy for the use of its financial resources includes establishing a balance between current investment projects and attractive dividends for shareholders. A proposal was made to the 86th Annual General Meeting on 15 January 2015 to approve the distribution of a dividend of EUR 0.42 per share, or EUR 74.7m in total, to shareholders for the 2013/14 financial year. This proposal was accepted and the dividend was approved. The ex-dividend day was 22 January 2015, and payment was made to shareholders on 28 January 2015.

Shareholder structure

EVN is a listed stock corporation under Austrian law whose shares are traded in the Prime Market segment of the Vienna Stock Exchange. In accordance with Austrian federal and provincial constitutional law, 51.0% of the shares are held by NÖ Landes-Beteiligungsholding GmbH, St. Pölten. On 20 December 2013 EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, transferred its 32.5% holding in EVN to EnBW Trust e.V., a registered association whose headquarters are located at Durlacher Allee 93, 76131 Karlsruhe. EnBW Trust e.V. is recorded in the register of associations at the district court in Mannheim under VR 3737 (EnBW Trust). These shares are held by EnBW in trust for EnBW Energie Baden-Württemberg AG within the framework of a so-called contractual trust arrangement model. The registered headquarters of EnBW Energie Baden-Württemberg AG are located at Durlacher Allee 93, 76131 Karlsruhe, and the company is recorded in the commercial register of the district court in Mannheim under HRB 107956 (EnBW). As of 30 June 2015 EVN AG held treasury shares representing 1.1% of share capital and free float equalled 15.4%.

Contact

Investor Relations

Gerald Reidinger
Phone: +43 2236 200-12698

Alexander Sipek
Phone: +43 2236 200-12360

Katrin Stehrer
Phone: +43 2236 200-13140

E-mail: investor.relations@evn.at

Online Letter to Shareholders

www.financialreport.evn.at/?report=EN2015-Q3

Information on the internet

www.evn.at
www.investor.evn.at
www.responsibility.evn.at

Financial calendar¹⁾

Annual results 2014/15	10.12.2015
87 th Annual General Meeting of EVN AG	21.01.2016
Ex-dividend day	27.01.2016
Record-Date ²⁾	28.01.2016
Dividend payment	29.01.2016
Results Q. 1 2015/16	26.02.2016
Results HY. 1 2015/16	25.05.2016
Results Q. 1–3 2015/16	25.08.2016
Annual results 2015/16	15.12.2016

1) Preliminary

2) The definition of the record date follows the EU definition; the entitlement for receiving the dividend payment is defined by the ex-dividend day.

EVN share – Basic information

Share capital	EUR 330,000,000.00
Denomination	179,878,402 shares
ISIN security code number	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); EVN (Dow Jones); EVNVY (ADR)
Listing	Vienna
ADR programme; depositary	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Sustainability index	VÖNIX, FTSE4Good, Ethibel, ECPI
Ratings	A3, negative (Moody's); BBB+, stable (Standard & Poor's)

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EVN AG

EVN Platz, 2344 Maria Enzersdorf, Austria

Phone: +43 2236 200-0

Telefax: +43 2236 200-2030

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