70 years of VERBUND.
Energising the future.

VERBUND SINCE 1947
70
YEARS OF FUTURE

Verbund
Power for the Future

Half-year Financial Report 2017

Contents

At a glance

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- Increasing number of customers demonstrates attractiveness of Group's broad range of products
- Earnings outlook for 2017 unchanged: EBITDA of approx. €830m, Group result of approx. €300m

KPIs

	Unit	Q1–2/2016	**Q1–2/2017**	Change
Revenue	€m	1,460.7	**1,476.4**	1.1%
EBITDA	€m	450.2	**415.9**	–7.6%
EBITDA adjusted	€m	450.2	**415.9**	–7.6%
Operating result	€m	190.8	**243.3**	27.5%
Group result	€m	153.9	**154.5**	0.4%
Group result adjusted	€m	173.9	**154.5**	–11.2%
Earnings per share	€	0.44	**0.44**	0.4%
EBIT margin	%	13.1	**16.5**	–
EBITDA margin	%	30.8	**28.2**	–
Cash flow from operating activities	€m	476.6	**385.1**	–19.2%
Additions to property, plant and equipment (excluding business acquisitions)	€m	101.0	**71.1**	–29.6%
Free cash flow before dividends	€m	364.8	**273.6**	–25.0%
Average number of employees		2,940	**2,843**	–3.3%
Electricity sales volume	GWh	28,406	**28,415**	0.0%
Hydro coefficient		0.99	**0.89**	–

	Unit	31/12/2016	**30/6/2017**	Change
Total assets	€m	11,538.2	**11,255.4**	–2.5%
Equity	€m	5,529.5	**5,625.6**	1.7%
Equity ratio (adjusted)	%	50.0	**52.0**	–
Net debt	€m	3,221.7	**3,074.7**	–4.6%
Gearing	%	58.3	**54.7**	–

Report of the Executive Board

Dear Shareholders,

The energy industry continues to undergo tremendous upheaval. Reorganising the electricity market means finding ways to deal with the massive expansion of new renewable energy sources as well as an increasingly decentralised generation structure, in addition to meeting new requirements for power grids and storage capacity. These changes, along with the increasing digitalisation occurring at all levels of the value chain, are forcing energy suppliers to alter their business models to support new trends.

VERBUND began making preparations early on for operating in a changed environment based on its clear strategic positioning coupled with systematic implementation in recent years of the measures defined in the Group's restructuring programme. We thus created the basis for sustainable, profitable corporate development. This foundation will enable VERBUND to take proactive advantage of the opportunities arising in the energy sector and to look to the developments of the future with optimism.

For 70 years, we have been actively shaping the future of energy for the coming generations. Moreover, we are optimally positioned to continue doing so in the coming decades thanks to our power plant portfolio with its strong basis in renewable hydropower. VERBUND also makes a key contribution to balancing the increasingly volatile electricity grids based on its leading-edge, flexible power plant portfolio consisting of storage power plants, pumped storage power plants and the Mellach thermal power plant. In addition, we keep a very close eye on market developments to be able to act quickly as needed. Our contributions to the environment, including numerous restoration projects, are evidence of the high value VERBUND places on sustainability.

Our innovative products and services already offer customers solutions for the future of energy. In addition to optimally marketing the Group's supply of flexible own generation from nearly 100% renewable resources, VERBUND positioned itself early on as a leading European supplier of green electricity and flexibility products. Our first-half results testify to the success of our chosen path. We were able to take extensive advantage of market opportunities, which made a significant contribution to the Group result.

In June 2017 we launched VISION, a new digital platform developed in-house for business customers to assist them in optimising their trading and sales processes. VISION offers an even more modern and transparent market access option for VERBUND's large corporate customers, which include municipal utilities, industrial customers and local suppliers of wind and solar power. In the retail customer area, we again substantially increased our customer numbers to around 419,000 households. Our steadily growing customer base shows that our broad range of products and our marketing campaign have been well received. The success of our strategy was also demonstrated by the top ranking awarded to VERBUND out of all Austrian electricity suppliers in the "offer" category in a study compiled by the ÖGVS consumer survey firm in the period from December 2016 to February 2017.

The Group's partnerships with OMV and voestalpine are currently in the implementation stage. In April 2017, internationally integrated oil and gas company OMV announced that it would be taking a stake of around 40% in the VERBUND subsidiary SMATRICS, Austria's leading provider of electromobility charging networks. VERBUND has also launched an Innovation Challenge for the purpose of finding ways to master various tasks ("challenges") and is currently searching for start-ups, established companies and institutions with innovative ideas.

Early May 2017 also saw the kick-off of the SYNERG-E project, which focuses on the challenges related to ultra-fast charging stations and the associated high system costs for building and operating a high-performance electromobility charging infrastructure. The risk associated with this innovative project will be covered by European Commission funding (the "Connecting Europe Facility").

APG, our wholly owned subsidiary, assumes a key role with respect to the security of supply as owner and operator of one of Europe's most technically advanced transmission grids. The first half of 2017 saw a continuation of the difficult grid situation, which made it necessary for grid operators to intervene to correct imbalances between supply and demand. The increase in volatility continues to lead to rising demand for flexible products. As a result, the importance of VERBUND's flexible power plant fleet is also increasing. The recently adopted amendment to the Green Electricity Act (Ökostromgesetz, ÖSG) and the Austrian Electricity Industry and Organisation Act (Elektrizitätswirtschafts- und -organisationsgesetz, EIWOG) represents the first major step in introducing a long-term reserve for grid stabilisation purposes (maintenance of thermal power plant reserves, among other things, in return for a fee).

With regard to the ongoing debate about splitting up the German–Austrian price zone, a preliminary bilateral compromise was reached in May 2017 by the two countries' energy regulators. Trading in the German–Austrian electricity market, which is currently unrestricted, will be limited effective 1 October 2018. Up to 4.9 gigawatts of electricity (net transfer capacity, or NTC) will be allocated long-term. A final decision has not yet been made on whether the German–Austrian price zone will actually be split up. Proceedings are expected to continue until Q1/2018 in Europe, especially the bidding zone review process.

Despite the well-below-average water supply and challenging market conditions, VERBUND generated good results. Although EBITDA decreased by 7.6% to €415.9m, the Group result was up 0.4% on the prior-year period to €154.5m despite the reduction in hydropower generation. The adjusted Group result declined by 11.2%. Earnings were positively impacted by higher revenue from flexible products, particularly congestion management products, as well as by the restructuring of thermal operations. By contrast, the lower water supply (Q1–2/2017: 0.89; Q1–2/2016: 0.99) and lower earnings in the Grid segment had a counteracting effect.

We are maintaining our earnings forecast for full-year 2017. Assuming an average supply of both wind and water in the second half of 2017, VERBUND expects EBITDA to amount to approximately €830m and the Group result to approximately €300m.

Join us in shaping the future of energy for the benefit of all!

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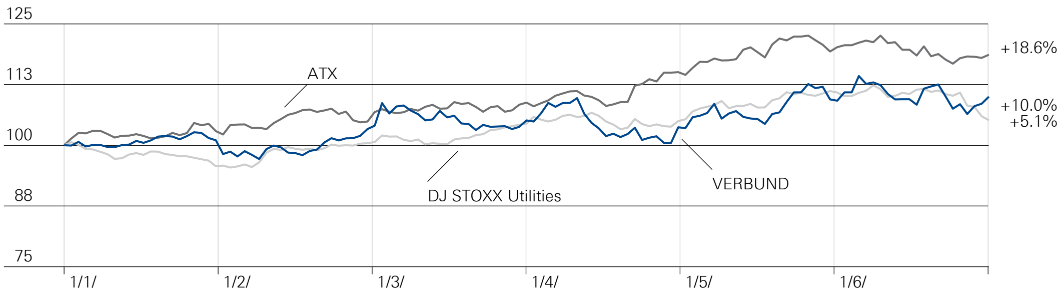
The world's major stock exchanges posted encouraging gains in the first half of 2017 thanks to the strong economic trend, continued expansionary monetary policies and higher corporate profits. Only briefly was the upward trend halted due to political uncertainty. In the USA, the robust economy and hopes of tax reductions led to strong gains in share prices and multiple all-time highs. The Dow Jones Industrial stock index ended the first half of 2017 with a gain of 8.0%. The Euro Stoxx 50 closed the first half up 4.6%, despite having undergone a correction during the final weeks of the reporting period. The Nikkei 225, the leading Japanese index, delivered a similar performance with an increase of 4.8% on the year-end 2016 level as at 30 June 2017. In the emerging markets, the upward trend was much more pronounced. The MSCI Emerging Markets Index rose by a substantial 17.2% in the first six months of 2017.

VERBUND share price: relative performance 2017



Upcoming dates:
Results for quarters 1–3/2017:
8 November 2017

VERBUND's share price moved sideways until mid-February 2017. The shares then rose sharply until the beginning of March, before witnessing a slight price correction. A brief high was registered at the start of quarter 2/2017. The Group's shares then lost ground until the beginning of April before initiating a steady climb until early June. This was followed by another price correction. On 30 June 2017, VERBUND shares closed at €16.7, up 10.0% on the closing price as at 31 December 2016. The shares thus underperformed against the ATX (+18.6%), but outperformed the DJ STOXX Utilities sector index (+5.1%).

KPIs – shares

	Unit	Q1–2/2016	**Q1–2/2017**	Change
Share price high	€	13.4	17.3	29.0%
Share price low	€	10.0	14.7	46.9%
Closing price	€	12.7	16.7	31.3%
Performance	%	7.2	10.0	–
Market capitalisation	€m	4,415.7	5,798.4	31.3%
ATX weighting	%	2.8	2.3	–
Value of shares traded	€m	443.4	576.8	30.1%
Shares traded per day	Shares	320,245	293,243	–8.4%

Interim Group management report

Business performance

Electricity supply and sales volume

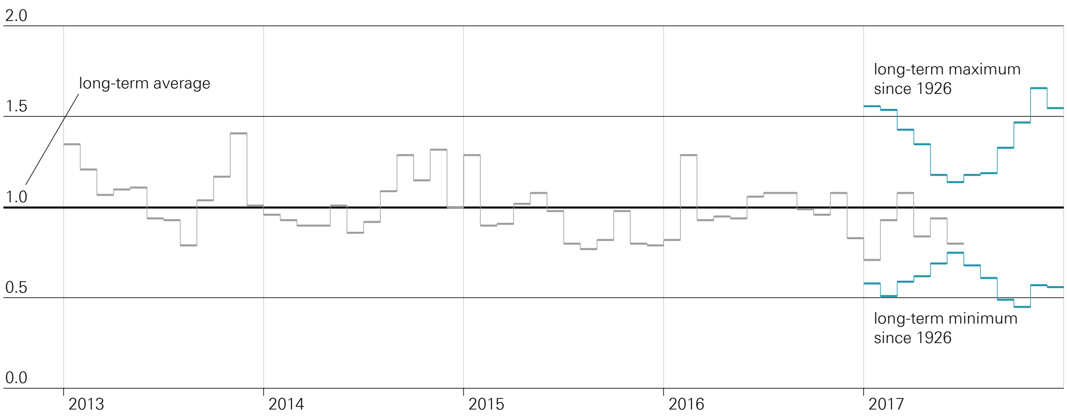
Group electricity supply GWh

	Q1–2/2016	Q1–2/2017	Change
Hydropower[1]	14,846	13,369	–9.9%
Wind/solar power	438	484	10.4%
Thermal power	602	1,279	112.6%
Own generation	15,886	**15,132**	–4.7%
Electricity purchased for trading and sales	12,496	13,126	5.0%
Electricity purchased for grid loss and control power volumes	1,580	2,774	75.6%
Electricity supply	29,961	**31,032**	3.6%

[1] incl. purchase rights

VERBUND's own generation decreased by 754 GWh, or 4.7%, compared with quarters 1–2/2016 to 15,132 GWh as at the end of quarter 2/2017. Generation from hydropower decreased by 1,477 GWh compared with the prior-year period. At 0.89, the hydro coefficient for the run-of-river power plants was 10 percentage points below the prior-year figure and down 11% on the long-term average. Generation from annual storage power plants decreased by 2%.

Hydro coefficient (monthly averages)



VERBUND's wind power and photovoltaic installations generated 46 GWh more electricity in quarters 1–2/2017 than in the prior-year period, mainly due to the windier conditions in Romania. The photovoltaic farms in Spain were sold effective 12 December 2016.

Generation from thermal power plants increased by 677 GWh in quarters 1–2/2017. The Mellach combined cycle gas turbine power plant produced 632 GWh more electricity in quarters 1–2/2017 due to greater use of congestion management compared with the prior year. Generation at the Mellach coal-fired power plant increased by 46 GWh. Purchases of electricity from third parties for trading and sales rose by 630 GWh. Electricity purchased from third parties for grid losses and control power increased by 1,194 GWh in the reporting period.

Group electricity sales volume and own use GWh

	Q1–2/2016	Q1–2/2017	Change
Consumers	5,601	5,853	4.5%
Resellers	13,106	13,628	4.0%
Traders	9,699	8,934	–7.9%
Electricity sales volume	28,406	**28,415**	0.0%
Own use	1,300	1,934	48.7%
Control power	254	683	168.5%
Electricity sales volume and own use	29,961	**31,032**	3.6%

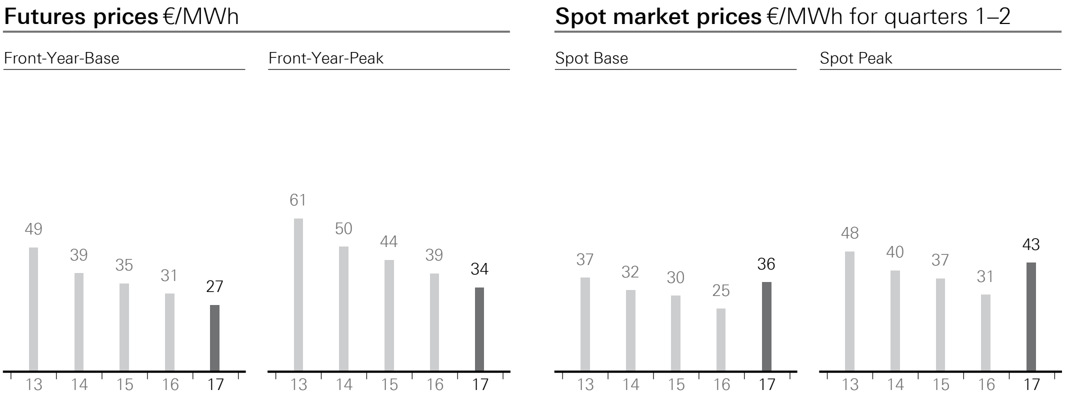
VERBUND's electricity sales volume in quarters 1–2/2017 was nearly the same as in the prior year. Electricity volumes delivered to consumers increased by 251 GWh. Here, a sharp rise in sales to domestic customers more than compensated for the slight decline in the Group's international business. As at 30 June 2017, our private customer base amounted to approximately 419,000 electricity and gas customers. Sales to resellers rose slightly year-on-year (+522 GWh) due to a significant rise in congestion management services supplied by APG. By contrast, electricity deliveries to trading firms decreased by 765 GWh. The decline relates nearly entirely to deliveries in France and is attributable to the fact that PSS and Toul no longer have market access via VERBUND. Own use of electricity rose by 633 GWh. The increase was due to a significant rise in generation from reverse operation.

Electricity sales by country GWh

	Q1–2/2016	Q1–2/2017	Change
Austria	14,293	15,667	9.6%
Germany	11,037	11,088	0.5%
France	2,671	1,338	–49.9%
Others	406	322	–20.6%
Electricity sales volume	28,406	**28,415**	0.0%

Approximately 55% of the electricity sold by VERBUND in quarters 1–2/2017 went to the Austrian market. International trading and sales activities focused on the German market, which accounted for around 87% of all volumes sold abroad.

Electricity prices



Futures prices traded in the year before the supply. The stated years are the years of supply respectively. Average prices *source: EEX, EPEX Spot*

At an average of €26.6/MWh, prices for electricity futures contracts applicable to financial year 2017 (front-year base 2017 traded in 2016) were down 14.2% on the prior-year average. These prices are a reflection of expectations that the production of renewable energy will continue to increase and price levels will remain low in the markets for primary energy and CO_2. Based on its hedging strategy, VERBUND had already included most of its own generation in its pricing calculation in 2016 via the futures market. Spot market prices (base price) rose by 41.8% to €35.5/MWh in the reporting period. The sharp rise is attributable to the cold snap at the start of 2017, when low wind yields in Germany and low temperatures across Europe drove up spot market prices in the German–Austrian electricity market to a high level. The day-ahead figures in euros reached the triple digits in the second half of January 2017. The low wind supply and cold temperatures also resulted in firm price quotations extending into early February 2017.

Financial performance

Results €m

	Q1–2/2016	Q1–2/2017	Change
Revenue	1,460.7	1,476.4	1.1%
EBITDA	450.2	415.9	–7.6%
Operating result	190.8	243.3	27.5%
Group result	153.9	154.5	0.4%
Earnings per share in €	0.44	0.44	0.4%

Electricity revenue

VERBUND's electricity revenue rose by €31.2m to €1,200.2m in quarters 1–2/2017. In terms of quantities, electricity sales volumes were nearly unchanged year-on-year. The considerably higher spot market prices in quarters 1–2/2017 had a positive impact in particular. However, the coming into force of the so-called reimbursement model led to a decline in electricity revenue (please see the Notes to the consolidated financial statements for details on the reimbursement model). Electricity revenue of €85.0m was thus reported after offsetting with the corresponding expenses for grid purchases.

Grid revenue

Grid revenue increased by €11.7m to €210.7m in quarters 1–2/2017 compared with the same period in 2016. The rise was primarily attributable to higher international grid revenue due to the auctioning off of cross-border capacities as well as to higher revenue relating to control power.

Other revenue and other operating income

Other revenue decreased by €27.2m to €65.5m. The decline can be attributed, among other things, to lower proceeds from the sale of green electricity certificates and to lower revenue from gas deliveries. Other operating income rose slightly (+€1.4m) to €26.2m.

Expenses for electricity, grid, gas and certificate purchases

Expenses for electricity, grid, gas and certificate purchases increased by €30.0m to €768.5m. The volume of electricity purchased from third parties for trading and sales as well as for grid losses and control power rose by a total of 1,825 GWh, due among other things to the lower water supply. The average purchase prices also rose compared with the prior-year period. Expenses for electricity purchases thus increased by €137.7m compared with quarters 1–2/2016. Expenses for grid purchases decreased by €71.3m, mainly due to the entry into force of the reimbursement model (please refer to Electricity revenue or to the Notes for details on the reimbursement model), and expenses for gas purchases fell by €34.3m.

Fuel expenses
Fuel and other usage-dependent expenses rose by €32.4m to €67.6m. The increase was mainly attributable to greater use of the Mellach combined cycle gas turbine power plant for congestion management (for details see the section on Electricity supply and sales volumes).

Personnel expenses
Personnel expenses decreased by €1.7m to €161.5m, despite an increase of 1.55% in pay rates under the collective bargaining agreement. The reduction was due to systematic implementation of the measures outlined in the programmes to reduce costs and increase efficiency.

Other operating expenses
Other operating expenses declined by €9.4m to €89.0m. Changes in provisions accounted for most of the decrease, in addition to lower expenses for legal fees, auditing and consulting.

EBITDA
As a consequence of the above-mentioned factors, EBITDA decreased by 7.6% to €415.9m.

Depreciation and amortisation
Amortisation of intangible assets and depreciation of property, plant and equipment rose by €3.6m to €172.6m. The increase was due in particular to the commissioning of the Reißeck II pumped storage power plant in October 2016.

Impairment losses
In quarters 1–2/2016, impairment losses amounted to €90.4m and resulted primarily from the losses recognised on the Romanian wind farms (€57.2m), the Gössendorf and Kalsdorf run-of-river power plants (€16.5m) and the Mellach combined cycle gas turbine power plant (€15.5m). No impairment losses were required to be recognised in quarters 1–2/2017.

Result from interests accounted for using the equity method
The result from interests accounted for using the equity method decreased by €2.2m to €17.7m. The decline was mainly due to the earnings contributions from KELAG in the amount of €17.9m (Q1–2/2016: €20.9m).

Interest income and expenses
Interest income matched the prior-year level at €15.6m. Interest expenses increased slightly (+€0.2m) to €66.2m. The higher interest expenses were primarily the result of the decrease in capitalised interest costs under IAS 23. Lower interest rates for credit facilities and bonds had a counteracting effect.

Other financial result

The other financial result decreased by €22.8m to €–1.2m in quarters 1–2/2017. The decline was mainly due to the non-recurrence in the current period of income generated from the measurement of an obligation to return an interest (€–33.4m), the positive valuation of interest rate hedging transactions (+€5.9m) and the measurement of a long position relating to VERBUND's share in Gemeinschaftskraftwerk Inn GmbH (+€0.7m).

Taxes on income

Income taxes changed from €–16.1m to €–47.0m. Prior-period income tax revenue in the amount of €37.3m was recognised in the 2016 reporting period as a result of the goodwill amortisation in the tax accounts of VERBUND's equity interest in VERBUND Innkraftwerke GmbH (for 2010–2013) and Innwerk AG (for 2015), including interest thereon.

Group result

After deduction of non-controlling interests in the amount of €13.2m, the Group result amounted to €154.5m. This represents an increase of 0.4% compared with the previous year. Earnings per share amounted to €0.44 (Q1–2/2016: €0.44) for 347,415,686 shares. Since only minor non-recurring effects were recorded in quarters 1–2/2017, the Group result after adjustment for non-recurring effects also amounted to €154.5m, a decrease of 11.2% on the prior-year period.

Financial position

Consolidated balance sheet (short version)

€m

	31/12/2016	Share	**30/6/2017**	**Share**	Change
Non-current assets	10,933.6	95%	10,805.4	96%	–1.2%
Current assets	604.6	5%	443.9	4%	–26.6%
Assets held for sale	0.0	0%	6.2	0%	–
Total assets	11,538.2	100%	**11,255.4**	**100%**	–2.5%
Equity	5,529.5	48%	5,625.6	50%	1.7%
Non-current liabilities	4,908.2	43%	4,868.6	43%	–0.8%
Current liabilities	1,100.5	10%	757.3	7%	–31.2%
Liabilities directly associated with assets held for sale	0.0	0%	3.9	0%	–
Equity and liabilities	11,538.2	100%	**11,255.4**	**100%**	–2.5%

Assets

VERBUND's assets decreased slightly in quarters 1–2/2017. With respect to property, plant and equipment, additions of €71.1m were offset by depreciation of €169.5m. The main additions to property, plant and equipment related to replacement investments at Austrian hydropower plants and investments in the Austrian transmission grid. The decline in current assets is mainly due to the decrease in trade receivables and the decline in the positive fair values of derivative hedging transactions from energy trading.

Equity and liabilities

Equity increased by 1.7% compared with 31 December 2016. The rise was due above all to the profit for the period generated in quarters 1–2/2017 and positive effects from the measurement of cash flow hedges reported in other comprehensive income. Dividend distributions had an offsetting effect, reducing equity. The decrease in current and non-current liabilities is primarily attributable to the decline in the negative fair values of hedging transactions as well as to lower current and non-current financial liabilities due to measurement effects and scheduled repayments, only some of which had to be refinanced via short-term borrowings (cash advances).

Cash flows

Cash flow statement (short version) €m

	Q1–2/2016	**Q1–2/2017**	Change
Cash flow from operating activities	476.6	385.1	–19.2%
Cash flow from investing activities	–149.6	–109.3	–26.9%
Cash flow from financing activities	–279.2	–287.2	2.9%
Change in cash and cash equivalents	47.8	–11.4	–123.9%
Cash and cash equivalents as at 30/6/	77.4	**15.6**	–79.9%

Cash flow from operating activities

Cash flow from operating activities amounted to €385.1m in quarters 1–2/2017, representing a decline of €91.5m. The year-on-year decrease was primarily the consequence of changes in working capital (particularly due to cash inflows from the Grid segment related to the settlement of congestion management receivables from 2015 that were contained in the figure for quarters 1–2/2016) as well as the lower water supply. Cash flow from operating activities was positively impacted by the measures already implemented from the programmes to reduce costs and increase efficiency as well as by lower tax payments.

Cash flow from investing activities

Cash flow from investing activities amounted to €–109.3m in quarters 1–2/2017 (Q1–2/2016: €–149.6m). Just as in the prior year, cash flow from investing activities in quarters 1–2/2017 resulted mainly from cash outflows for capital expenditure for intangible assets and property, plant and equipment, which at €110.3m were on a level with the previous year.

Cash flow from financing activities

Cash flow from financing activities amounted to €–287.2m in quarters 1–2/2017, thus representing a change of €–8.0m. The main reason for the decline was higher repayments of financial liabilities (€–168.3m) in combination with higher cash inflows and outflows associated with money market transactions (€+117.9m) and a lower dividend payment (+€42.4m).

Opportunity and risk management

VERBUND has competitive resources at its disposal in the heart of Europe, where it generates renewable base-load and peak-load energy at its run-of-river and pumped storage power plants. The Mellach CCGT plays a vital role as a capacity reserve for grid stabilisation. Moreover, VERBUND makes a key contribution to guaranteeing the security of supply in Austria via APG, which operates the transmission grid and is wholly owned by VERBUND. The Group's flexible structures and processes enable it to take advantage of opportunities in a challenging energy market environment. Preparations continue to be made for creating a balanced legal and regulatory regime in the Austrian electricity market. In its core business, VERBUND pursues strict cost management and has a focused investment policy. In addition, VERBUND benefits from many years of project management experience in its operating segments. This experience forms the basis for successful participation in the process of shaping Europe's energy systems. A Group-wide project has been initiated to make preparations for adapting existing business processes and possibly developing new ones to comply with anticipated new requirements for information security, cyber security and data protection. At present, judicial proceedings are underway with regard to generation from hydropower (flooding on the Drau in 2012 and on the Danube in 2013) as well as with respect to thermal generation (early termination of a joint operation).

Operating result

Potential fluctuations in the operating result relate primarily to electricity generation from hydropower, particularly because hydrological conditions cannot be controlled. Potential successes in the marketing of control power and congestion management will increase earnings volatility. In addition, ongoing judicial proceedings and changes in the operating environment could lead to measurement-related adjustments in values and changes in provisions.

Financial result

The potential extent of fluctuation in the financial result is determined by the volatility of investment income, measurement effects on the balance sheet arising from changes in market prices and interest rates, and potential expenses from collateral provided being called in.

Sensitivities

All else remaining equal, a change in the factors shown below would be reflected in the planned Group result for full-year 2017 as follows (based on the hedging status as at 30 June 2017 for generation volumes and interest rates):

- +/–1% generation from hydropower plants: €+/–2.8m
- +/–1% generation from wind power: €+/–0.2m
- €+/–1/MWh wholesale electricity prices (renewable generation): €+/–2.0m
- +/–1 percentage point in interest rates: €+/–1.2m

Significant transactions with related parties requiring disclosure are presented in the selected explanatory notes.

Outlook

VERBUND's income trend is significantly impacted by ongoing developments in the energy market, the trend in wholesale electricity prices and own generation from hydropower.

The downward trend in wholesale electricity prices has persisted over the course of the year with respect to electricity futures contracts for the 2017 supply year. The trend in spot market prices reversed in 2017 compared with the prior-year period, and prices continue to rise. VERBUND expects electricity prices to see volatile sideways movement in the second half of 2017 due to sustained overcapacities and the still ineffective CO_2 market.

In accordance with our hedging strategy, we had already contracted for around 88% of our planned own generation from hydropower for 2017 as at 30 June 2017. The average price obtained was €29.8/MWh. For those volumes not yet hedged, we have based our planning on current market prices. The performance of own generation depends largely on the water supply. In the first half of 2017, the hydro coefficient fell 11% below the long-term average.

On the basis of average own generation from hydropower and an average wind supply in the second half of the year, we expect EBITDA for financial year 2017 to amount to approximately €830m and the Group result to approximately €300m.

Segment report

Renewable generation segment

Hydropower, wind and photovoltaic generation technologies are brought together under the Renewable generation segment.

KPIs – Renewable generation segment

	Unit	Q1–2/2016	**Q1–2/2017**	Change
Total revenue	€m	462.4	**424.8**	–8.1%
EBITDA	€m	270.3	**244.6**	–9.5%
Result from interests accounted for using the equity method	€m	0.3	**0.3**	–10.1%
Capital employed	€m	6,757.1	**7,017.6**	3.9%

EBITDA of the Renewable generation segment decreased by €25.7m to €244.6m, predominately due to lower generation from hydropower compared with the previous year. The hydro coefficient amounted to 0.89 in quarters 1–2/2017 (Q1–2/2016: 0.99). Reductions in fixed costs had an offsetting effect in other operating expenses. The result from interests accounted for using the equity method of the Renewable generation segment was at the prior-year level and was largely made up of the earnings contribution from Shkodra Region Beteiligungsholding GmbH. Capital employed of the Renewable generation segment rose by €260.4m to €7,017.6m, due in particular to the commissioning of the Reißeck II pumped storage power plant in October 2016.

Current information on the Renewable generation segment

Efficiency increases in the area of hydropower

Work on the Ybbs project to increase efficiency (conversion of generator set 5) is progressing on schedule. With regard to the Gries new construction project, erection of the main structure on the right bank proceeded as planned, as did the work on the pressure tunnel in the Zemmbach section of the Tuxbach expansion project.

Optimising rotor blade angles in the wind turbine fleet

A laser distance meter has been purchased to enable simple and efficient measurement, and subsequent correction, of the rotor blade angle of all wind turbines in operation. Reducing imbalances can extend the lifetime of the turbines, and placing the rotor blades at the best angle minimises wake losses.

Sales segment

The Sales segment comprises VERBUND's trading and sales activities.

KPIs – Sales segment

	Unit	Q1–2/2016	Q1–2/2017	Change
Total revenue	€m	1,161.7	1,161.2	0.0%
EBITDA	€m	71.9	50.2	–30.2%
Result from interests accounted for using the equity method	€m	0.0	0.0	–
Capital employed	€m	338.6	268.7	–20.7%

EBITDA of the Sales segment decreased by €21.7m to €50.2m. The decline was primarily due to the fact that hedging transactions were recognised at positive fair values in quarters 1–2/2016 and at negative fair values in quarters 1–2/2017. This was offset in part by higher contribution margins from flexible products (control power, congestion management, reverse pump operation business) in quarters 1–2/2017. Capital employed of the Sales segment was down €70.0m on the prior-year figure, mainly due to the decrease in the positive fair values of hedging transactions and the simultaneous increase in the negative fair values.

Current information on the Sales segment

VERBUND's trading activities currently focus on continuing to expand the portfolio of innovative green electricity and flexible products, on direct marketing of renewable energy (especially wind power and small-scale hydropower) and on taking advantage of short-term market opportunities. VERBUND continuously adapts its comprehensive portfolio of products and services to meet changing market requirements. The products and services included in the portfolio range from plant use optimisation and market access services to flexible marketing and hedging products as well as forecasting and regulatory services. One particularly important area for VERBUND involves innovative products designed to meet individual customer needs. Examples include green electricity products, virtual power plants and the direct marketing of renewable energy, all of which are considered growth areas. The energy market is changing constantly and is becoming more dynamic. Short-term electricity trading in particular is gaining in significance with the integration of European electricity markets and the rise in the proportion of renewable energy in the total electricity market. Thus the marketing of flexibility for own plants as well as for customers in the areas of generation management (e.g. with the aid of virtual power plants and demand side management), balancing energy optimisation, intraday trading and marketing of balancing services is both a challenge and, at the same time, the central task of electricity/energy trading.

Grid segment

The Grid segment comprises the activities of Austrian Power Grid AG (APG).

KPIs – Grid segment

	Unit	Q1–2/2016	Q1–2/2017	Change
Total revenue	€m	340.3	410.4	20.6%
EBITDA	€m	128.2	88.1	–31.3%
Result from interests accounted for using the equity method	€m	0.1	0.2	–
Capital employed	€m	1,204.9	1,234.0	2.4%

EBITDA of the Grid segment decreased by €40.1m to €88.1m, mainly caused by a lower profit contribution from the control power, grid loss and congestion management business. Capital employed increased to €1,234.0m, primarily as a result of net capital expenditure for intangible assets and property, plant and equipment.

Current information on the Grid segment

Security of supply and congestion management

Quarter 2/2017 saw a continuation of the rising trend towards having to intervene in power plant operations in order to ensure system operations. Extensive action was required at power plants, both to maintain the security of supply in the APG control area and to handle congestion in Germany. Repeated recourse had to be taken to the contracted redispatch plants, which had to be utilised to the limits of their capacity so as to maintain security of supply.

Tariff regulation

The tariff review is proceeding as planned. A draft of the cost decision is expected by the end of July 2017. APG's primary goal in conducting the tariff review continues to be to secure a return on capital employed.

General overhaul of the 220-kV St. Peter – Ernsthofen line

The hearing pursuant to the Electric Power Lines Act (Starkstromwegegesetz, StWG) was held on 21 and 22 March 2017 in Wels. An approval notice has not yet been issued. However, the majority of the property owners have already granted their consent under civil law to the easements. Implementation is scheduled to commence in 2018.

All other segments

"All other segments" is a combined heading under which the Energy services, Thermal generation, Services and Equity interests segments are brought together because they are below the quantitative thresholds.

KPIs – All other segments

	Unit	Q1–2/2016	Q1–2/2017	Change
Total revenue	€m	83.4	144.6	73.3%
EBITDA	€m	–6.5	45.5	–
Result from interests accounted for using the equity method	€m	19.6	17.3	–11.8%
Capital employed	€m	216.9	394.4	81.8%

EBITDA of the other segments rose by €52.0m to €45.5m. The increase was mainly a result of the higher EBITDA generated in the Thermal generation segment (+€51.7m) due to the sharp rise in the use of congestion management in quarters 1–2/2017 in combination with the non-recurrence of expenses incurred in the prior year for a long-term natural gas supply contract. The other segments' result from interests accounted for using the equity method nearly matched the prior-year level and related primarily to KELAG-Kärntner Elektrizitäts-Aktiengesellschaft. Compared with the previous year, capital employed rose by €177.5m to €394.4m. The increase was primary attributable to the settlement of outstanding issues between VERBUND and EconGas GmbH as well as Energie Steiermark AG in the second half of 2016, which led to minor non-interest-bearing debts that were deducted.

Current information on the Energy services segment

With regard to the VERBUND-Eco-Home product, sales of the B2B white label product increased in the first six months of 2017. Other major contracts with customers are in the pipeline. In addition, new cooperation partners are being acquired at an international level for the existing international Energy IoT Alliance. In the consumer area, test shoppers were used to test additional application cases, and development of the first product packages was initiated together with the consumer sales department. Additional customers were gained for the demand response Power Pool product in the first half of the year. It is planned to expand the sales portfolio by adding a primary control reserve product.

In the area of integrated industry solutions, work is currently ongoing on increasing voltage quality and security of supply at customer facilities. Another area of focus is stationary battery energy storage systems, the deployment of which is being tested at high-capacity e-mobility locations in connection with the EU-funded SYNERG-E project.

H2FUTURE is a green hydrogen project subsidised by the EU in the amount of €12m that was successfully launched in quarter 1/2017. As part of the project, a PEM (proton exchange membrane) electrolyser installation will be built and put into operation at project partner voestalpine in Linz. The PEM electrolyser is one of the world's biggest at 6 MW.

SOLAVOLTA and SMATRICS

SOLAVOLTA, in which VERBUND has a stake of 50%, increased sales of small-scale solar power installations and storage units in the first six months of 2017 compared with the prior year. Sales personnel were added in the first half to cover the Upper Austria and Styria territories. Good leads were generated at both trade fairs and online.

SMATRICS (VERBUND'S share: 86%) has become a market leader in the area of public charging in Austria. The company's shareholder structure is expected to undergo a major change in the second half of 2017, when OMV Aktiengesellschaft will be acquiring shares in the company. The involvement of OMV will open up additional options for marketing the charging network.

Current information on the Thermal generation segment

Regarding the combined cycle gas turbine power plant located in Mellach, VERBUND has evaluated all options in recent years, including selling the plant. On 14 March 2017, the management of VERBUND AG announced that the Mellach CCGT would not be sold as the offers made by potential buyers did not meet management's expectations. The recently adopted amendment to the Green Electricity Act (Ökostromgesetz, ÖSG) and the Austrian Electricity Industry and Organisation Act (Elektrizitätswirtschafts- und -organisationsgesetz, EIWOG) represents the first major step in introducing a reserve for grid stabilisation purposes.

Current information on the Services segment

The Group's Digital Future project was brought to a successful conclusion in quarter 2/2017. VERBUND has furthermore institutionalised the digitalisation of core processes. Additional resources were approved, and a number of projects were given the go-ahead. VERBUND Services GmbH is supporting the project managers in implementation. An information security and data protection project was likewise launched by VERBUND in the second quarter of 2017. The project aims to ensure adherence to the new statutory provisions on grid security and IT security no later than May 2018 by introducing and certifying a Group-wide IT security and data protection management system (ISMS and DSMS). In view of the increased requirements placed on critical infrastructure, key topics will be the control and in-process computing systems used for generation, including the upstream central systems (networks, data transmission systems, data centres, etc.).

Current information on the Equity interests segment

KELAG-Kärntner Elektrizitäts-Aktiengesellschaft

In quarters 1–2/2017, KELAG's contribution to the result from interests accounted for using the equity method was €17.9m (Q1–2/2016: €21.0m). Despite the uncertain market environment, KELAG is expected to report stable performance with a slight downward trend in financial year 2017.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 30 June 2017 and approval for publication on 18 July 2017.

Consolidated interim financial statements

of VERBUND

Income statement

€m

In accordance with IFRSs	Notes	Q1–2/2016	Q1–2/2017	Q2/2016	Q2/2017
Revenue		1,460.7	**1,476.4**	654.4	**666.2**
Electricity revenue	1	1,169.0	1,200.2	559.0	559.6
Grid revenue	2	199.0	210.7	81.4	86.8
Other revenue		92.6	65.5	14.0	19.8
Other operating income		24.9	26.2	13.9	16.6
Expenses for electricity, grid, gas and certificate purchases	3	–738.5	–768.5	–285.9	–339.8
Fuel expenses and other usage-dependent expenses	4	–35.2	–67.6	–6.7	–25.1
Personnel expenses	5	–163.3	–161.5	–85.4	–83.6
Other operating expenses		–98.4	–89.0	–53.7	–45.9
EBITDA		450.2	**415.9**	236.6	**188.4**
Amortisation of intangible assets and depreciation of property, plant and equipment		–169.0	–172.6	–84.9	–86.5
Impairment losses[1]	6	–90.4	0.0	–90.3	0.0
Operating result		190.8	**243.3**	61.4	**102.0**
Result from interests accounted for using the equity method	7	19.9	17.7	12.6	10.7
Other result from equity interests		2.8	5.5	1.4	1.4
Interest income	8	15.6	15.6	7.5	7.9
Interest expenses	9	–66.0	–66.2	–32.7	–32.2
Other financial result	10	21.6	–1.2	20.0	1.4
Reversals of impairment losses		0.7	0.0	0.7	0.0
Financial result		–5.5	**–28.6**	9.4	**–11.0**
Profit before tax		185.3	**214.7**	70.8	**91.0**
Taxes on income	11	–16.1	–47.0	8.9	–21.2
Profit for the period		169.2	**167.7**	79.7	**69.8**
Attributable to the shareholders of VERBUND AG (Group result)		153.9	154.5	71.5	61.0
Attributable to non-controlling interests		15.3	13.2	8.2	8.8
Earnings per share in €[2]		0.44	**0.44**	0.21	**0.18**

[1] The impairment losses have been reduced by the amount of the change in related deferred contributions to building costs and government grants. // [2] Diluted earnings per share correspond to basic earnings per share.

Statement of comprehensive income

€m

In accordance with IFRSs	Notes	Q1–2/2016	**Q1–2/2017**	Q2/2016	**Q2/2017**
Profit for the period		169.2	**167.7**	79.7	**69.8**
Remeasurements of net defined benefit liability		1.8	–7.2	1.6	–7.1
Other comprehensive income from interests accounted for using the equity method		1.4	2.3	0.0	0.0
Total of items that will not be reclassified subsequently to the income statement		3.2	**–4.9**	1.6	**–7.1**
Differences from currency translation		0.0	–0.4	0.3	0.0
Measurements of available-for-sale financial instruments		0.7	1.8	0.8	0.3
Measurements of cash flow hedges		–38.0	71.4	–128.5	–10.6
Other comprehensive income from interests accounted for using the equity method		0.5	–0.1	0.3	0.0
Total of items that will be reclassified subsequently to the income statement		–36.8	**72.7**	–127.1	**–10.3**
Other comprehensive income before tax		–33.5	**67.8**	–125.5	**–17.4**
Taxes on income relating to items that will not be reclassified subsequently to the income statement		–0.5	1.9	–0.2	1.8
Taxes on income relating to items that will be reclassified subsequently to the income statement		9.3	–18.3	31.9	2.6
Other comprehensive income after tax		–24.7	**51.4**	–93.7	**–13.0**
Total comprehensive income for the period		144.5	**219.1**	–14.0	**56.8**
Attributable to the shareholders of VERBUND AG		129.2	206.3	–22.2	48.4
Attributable to non-controlling interests		15.3	12.8	8.3	8.4

Balance sheet

€m

In accordance with IFRSs	Notes	31/12/2016	30/6/2017
Non-current assets		10,933.6	**10,805.4**
Intangible assets		811.3	818.9
Property, plant and equipment		9,010.6	8,907.7
Interests accounted for using the equity method		281.9	288.5
Other equity interests	14	114.6	115.7
Investments and other receivables	14	715.1	674.6
Current assets		604.6	**443.9**
Inventories	12	9.1	8.5
Trade receivables and other receivables	14	567.6	419.8
Cash and cash equivalents	14	28.0	15.6
Assets held for sale	13	0.0	**6.2**
Total assets		11,538.2	**11,255.4**

€m

In accordance with IFRSs	Notes	31/12/2016	30/6/2017
Equity		5,529.5	**5,625.6**
Attributable to the shareholders of VERBUND AG		4,964.3	5,069.4
Attributable to non-controlling interests		565.3	556.2
Non-current liabilities		4,908.2	**4,868.6**
Financial liabilities	14	2,394.9	2,313.4
Provisions		839.6	839.3
Deferred tax liabilities		569.2	618.6
Contributions to building costs and grants		751.7	748.9
Deferred income – cross-border leasing		47.2	46.4
Other liabilities	14	305.5	302.0
Current liabilities		1,100.5	**757.3**
Financial liabilities	14	324.8	203.8
Provisions		78.6	71.2
Current tax liabilities		51.8	59.9
Trade payables and other liabilities	14	645.3	422.4
Liabilities directly associated with assets held for sale	13	0.0	**3.9**
Total equity and liabilities		11,538.2	**11,255.4**

Statement of changes in equity

In accordance with IFRSs	Called and paid-in share capital	Capital reserves	Retained earnings	Remeasure-ments of net defined benefit liability
Notes				
As at 1/1/2016	347.4	954.3	3,776.3	–259.1
Profit for the period	–	–	153.9	–
Other comprehensive income	–	–	0.2	2.4
Total comprehensive income for the period	–	–	154.2	2.4
Changes in the basis of consolidation	–	–	–7.2	0.1
Shifts between shareholder groups	–	–	–1.7	0.0
Dividends	–	–	–121.6	–
Other changes in equity	–	–	–0.6	0.0
As at 30/6/2016	347.4	954.3	3,799.5	–256.6
As at 1/1/2017	**347.4**	**954.3**	**4,069.9**	**–273.3**
Profit for the period	–	–	154.5	–
Other comprehensive income	–	–	–0.2	–2.6
Total comprehensive income for the period	**–**	**–**	**154.3**	**–2.6**
Dividends	–	–	–100.8	–
Other changes in equity	–	–	–0.4	0.0
As at 30/6/2017	**347.4**	**954.3**	**4,123.0**	**–275.9**

€m

	Difference from currency translation	Measure-ments of available-for-sale financial instruments	Measure-ments of cash flow hedges	Other components of other compre-hensive income	Equity attributable to the share-holders of VERBUND AG	Equity attributable to non-controlling interests	Total equity
	−2.8	23.8	20.4	−0.8	4,859.6	573.7	5,433.3
	–	–	–	–	153.9	15.3	169.2
	0.2	0.5	−28.4	0.2	−24.8	0.1	−24.7
	0.2	0.5	−28.4	0.2	129.2	15.3	144.5
	0.0	0.0	0.0	0.0	−7.0	−0.2	−7.2
	0.0	0.0	0.0	0.0	−1.7	0.8	−0.9
	–	–	–	–	−121.6	−43.4	−165.0
	0.0	0.0	0.0	0.6	0.0	0.0	0.0
	−2.6	24.4	−8.0	0.0	4,858.4	546.3	5,404.7
	−3.9	**30.3**	**−160.4**	**0.0**	**4,964.3**	**565.3**	**5,529.5**
	–	–	–	–	154.5	13.2	167.7
	−0.4	1.3	53.6	0.0	51.8	−0.4	51.4
	−0.4	**1.3**	**53.6**	**0.0**	**206.3**	**12.8**	**219.1**
	–	–	–	–	−100.8	−21.8	−122.6
	0.0	0.0	0.0	0.0	−0.4	0.0	−0.4
	−4.3	**31.6**	**−106.8**	**0.0**	**5,069.4**	**556.2**	**5,625.6**

Cash flow statement

€m

In accordance with IFRSs	Notes	Q1–2/2016	Q1–2/2017
Profit for the period		169.2	**167.7**
Amortisation of intangible assets and depreciation of property, plant and equipment (net of reversals of impairment losses)		260.8	172.6
Impairment losses on investments (net of reversals of impairment losses)		1.0	0.0
Result from interests accounted for using the equity method (net of dividends received)		–19.8	–3.5
Result from the disposal of non-current assets		0.0	–0.9
Change in non-current provisions and deferred tax liabilities		45.4	24.5
Change in contributions to building costs and grants		–1.2	–0.7
Income from the reversal of deferred income from cross-border leasing transactions		–0.8	–0.8
Other non-cash expenses and income		–15.5	7.0
Subtotal		439.0	**365.9**
Change in inventories		6.5	0.4
Change in trade receivables and other receivables		97.4	122.1
Change in trade payables and other liabilities		–117.9	–104.5
Change in current provisions and current tax liabilities		51.5	1.1
Cash flow from operating activities[1]		476.6	**385.1**

[1] Cash flow from operating activities includes income taxes paid of €12.1m (Q1–2/2016: €17.1m), interest paid of €21.6m (Q1–2/2016: €22.1m), interest received of €0.2m (Q1–2/2016: €0.8m) and dividends received of €19.6m (Q1–2/2016: €7.8m).

€m

In accordance with IFRSs	Notes	Q1–2/2016	Q1–2/2017
Cash outflow from capital expenditure for intangible assets and property, plant and equipment		–111.1	–110.3
Cash inflow from the disposal of intangible assets and property, plant and equipment		0.3	0.9
Cash outflow from capital expenditure for investments		–0.1	–0.8
Cash inflow from the disposal of investments		2.3	3.0
Cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests		–0.9	–2.1
Cash outflow from capital expenditure for current investments		–40.0	0.0
Cash flow from investing activities		–149.6	**–109.3**
Cash inflow from money market transactions		0.0	97.4
Cash outflow from money market transactions		–20.5	0.0
Cash outflow from the repayment of financial liabilities (excluding money market transactions)		–93.7	–262.0
Dividends paid		–165.0	–122.6
Cash flow from financing activities		–279.2	**–287.2**
Change in cash and cash equivalents		47.8	**–11.4**
Cash and cash equivalents as at 1/1/		28.9	**28.0**
Change in cash and cash equivalents		47.8	–11.4
Changes in the basis of consolidation		0.7	0.0
Classification as available for sale		0.0	–1.0
Cash and cash equivalents as at 30/6/		77.4	**15.6**

Selected explanatory notes

Financial reporting principles

Basic principles

These consolidated interim financial statements of VERBUND as at 30 June 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable to interim financial statements as adopted by the European Union.

The condensed format of VERBUND's consolidated interim financial statements is consistent with IAS 34 "Interim Financial Reporting"; for further information and disclosures please refer to VERBUND's consolidated financial statements as at 31 December 2016, which form the basis for these consolidated interim financial statements of VERBUND.

Accounting policies

The same accounting policies were applied in these consolidated interim financial statements of VERBUND as in VERBUND's consolidated financial statements as at 31 December 2016.

The addition of rounded amounts and the calculation of percentages may lead to rounding differences as a result of the use of computing software.

New accounting standards not yet applicable or applied

The status of the expectations described on 31 December 2016 regarding the effects of accounting standards to be applied in the future can be updated as follows:

We expect to make use of the opportunity to classify equity instruments as FVOCI in accordance with IFRS 9. This will reduce earnings volatility, because all measurement gains or losses and gains or losses on disposal will be recognised in other comprehensive income in the future. However, shares in investment funds are to be measured at fair value through the financial result, because the payments related to the funds are not comprised solely of interest and principal payments. As at 30 June 2017, this would have resulted in a €1.4m increase in profit for the period. However, since the implementation project has not yet been completed, no quantitative statements with respect to the full effects of the transition to IFRS 9 can be made at this time.

Based on the current findings of the ongoing implementation project, the first-time application of IFRS 15 will not have any material effects on the scope or timing of revenue recognition.

In connection with the Group-wide implementation of IFRS 16, a centralised database solution for the management and future recognition of leases is currently being integrated into VERBUND's IT landscape. The leases will be assessed in parallel to this over the coming months. Since the analysis of the impact of the new standard has not yet been completed, no quantitative statements with respect to the effects of the transition to IFRS 16 can be made at this time. An enhancement of the balance sheet, a minor increase in net debt and somewhat higher expenses at the commencement of a lease are expected, however.

Segment reporting

EBITDA in the total column corresponds to EBITDA in the income statement. Therefore, the reconciliation to profit before tax can be taken from the income statement. Transactions between segments are carried out at arm's length. All segment data are measured in accordance with IFRSs.

€m

	Renewable generation	Sales	Grid	All other segments	Recon-ciliation/ consoli-dation	Total Group
Q1–2/2017						
External revenue	77.9	1,007.9	374.4	13.4	2.7	1,476.4
Internal revenue	346.9	153.3	36.0	131.1	–667.4	0.0
Total revenue	424.8	1,161.2	410.4	144.6	–664.7	1,476.4
EBITDA	**244.6**	**50.2**	**88.1**	**45.5**	**–12.5**	**415.9**
Depreciation and amortisation	–128.6	–0.5	–38.7	–4.6	–0.2	–172.6
Effects from impairment tests (operating result)	0.0	0.0	0.0	0.0	0.0	0.0
Other material non-cash items	22.3	–8.8	6.2	11.2	0.9	31.8
Result from interests accounted for using the equity method	0.3	0.0	0.2	17.3	0.0	17.7
Capital employed	**7,017.6**	**268.7**	**1,234.0**	**394.4**	**–114.0**	**8,800.7**
of which carrying amount of interests accounted for using the equity method	2.6	0.0	1.3	284.6	0.0	288.5
Additions to intangible assets and property, plant and equipment	48.6	0.3	31.4	2.1	0.7	83.1
Additions to interests accounted for using the equity method	0.0	0.0	0.0	1.1	0.0	1.1

€m

	Renewable generation	Sales	Grid	All other segments	Recon-ciliation/ consoli-dation	Total Group
Q1–2/2016						
External revenue	68.1	1,082.6	295.4	12.0	2.6	1,460.7
Internal revenue	394.3	79.1	44.9	71.5	–589.8	0.0
Total revenue	462.4	1,161.7	340.3	83.4	–587.1	1,460.7
EBITDA	**270.3**	**71.9**	**128.2**	**–6.5**	**–13.8**	**450.2**
Depreciation and amortisation	–126.4	–0.9	–36.5	–4.9	–0.4	–169.0
Effects from impairment tests (operating result)	–74.9	0.0	0.0	–15.5	0.0	–90.4
Other material non-cash items	50.9	0.2	5.8	–3.3	1.0	54.5
Result from interests accounted for using the equity method	0.3	0.0	0.1	19.6	0.0	19.9
Effects from impairment tests (financial result)	0.7	0.0	0.0	0.0	0.0	0.7
Capital employed	6,757.1	338.6	1,204.9	216.9	172.3	8,689.8
of which carrying amount of interests accounted for using the equity method	2.5	0.0	1.3	272.1	0.0	275.8
Additions to intangible assets and property, plant and equipment	57.7	0.1	46.5	1.8	0.4	106.4
Additions to interests accounted for using the equity method	0.0	0.0	0.0	0.8	0.0	0.8

Notes to the income statement

(1) Electricity revenue

Electricity revenue by customer area

€m

	Q1–2/2016 Domestic	Q1–2/2017 Domestic	Change	Q1–2/2016 Foreign	Q1–2/2017 Foreign	Change
Electricity deliveries to resellers	282.4	289.8	2.6%	194.5	253.6	30.4%
Electricity deliveries to consumers[1]	177.5	134.5	–24.3%	187.5	191.3	2.0%
Electricity deliveries to traders	34.9	46.7	33.7%	292.2	284.3	–2.7%
Electricity revenue by customer area[2]	494.8	**471.0**	–4.8%	674.2	**729.2**	8.2%

[1] Agreements between VERBUND and Austrian grid operators concerning the so-called reimbursement model took effect in quarters 1–2/2017. Under this model, energy suppliers and grid operators pursue payment on outstanding receivables from consumers separately. This means that VERBUND is not exposed to a risk of default with respect to grid fees recharged to consumers. As a result, VERBUND has been classified as an agent of the grid operator in connection with the recharged grid fees, and electricity revenue of €85.0m has therefore been shown netted against the corresponding grid purchase expenses. // [2] To present business performance more accurately, revenue from energy trading is shown as a net amount, i.e. amounts realised and measured are each presented net of expenses. Without this net presentation, electricity revenue (and expenses for the purchase of electricity) would have been €1,584.0m higher in quarters 1–2/2017 (Q1–2/2016: €655.3m).

(2) Grid revenue

Grid revenue by customer area

€m

	Q1–2/2016 Domestic	Q1–2/2017 Domestic	Change	Q1–2/2016 Foreign	Q1–2/2017 Foreign	Change
Electric power companies	123.4	125.8	2.0%	0.0	2.3	n.a.
Industrial clients	8.8	5.3	–39.0%	0.0	0.0	n.a.
Other	23.8	26.1	9.7%	43.1	51.2	18.7%
Grid revenue	155.9	**157.3**	0.9%	43.1	**53.5**	24.3%

(3) Expenses for electricity, grid, gas and certificate purchases

Expenses for electricity, grid, gas and certificate purchases

€m

	Q1–2/2016	Q1–2/2017	Change
Expenses for electricity purchases (including control power)	548.8	686.5	25.1%
Expenses for grid purchases (system use)[1]	119.7	48.4	–59.6%
Expenses for gas purchases[2]	67.7	33.4	–50.6%
Purchases of emission rights (trade)	0.1	–0.3	n.a.
Purchases of proof of origin and green certificates	2.2	0.4	–81.2%
Expenses for electricity, grid, gas and certificate purchases	738.5	**768.5**	4.1%

[1] Agreements between VERBUND and Austrian grid operators concerning the so-called reimbursement model took effect in quarters 1–2/2017. Under this model, energy suppliers and grid operators pursue payment on outstanding receivables from consumers separately. This means that VERBUND is not exposed to a risk of default with respect to grid fees recharged to consumers. As a result, VERBUND has been classified as an agent of the grid operator in connection with the recharged grid fees, and electricity revenue of €85.0m was therefore shown netted against the corresponding grid purchase expenses. // [2] VERBUND and EconGas GmbH entered into a long-term natural gas supply agreement in the past which, as a consequence of its management, had to be classified as a freestanding derivative and recognised at fair value through profit or loss. Up until the settlement of outstanding issues between VERBUND and EconGas GmbH in connection with gas deliveries for the Mellach combined cycle gas turbine power plant, expenses from the measurement of the free-standing derivative were recognised in the amount of €9.8m in quarters 1–2/2016.

(4) Fuel expenses and other usage-dependent expenses

Fuel expenses and other usage-dependent expenses

€m

	Q1–2/2016	Q1–2/2017	Change
Fuel expenses	23.3	52.4	124.5%
Emission rights acquired in exchange for consideration	4.2	4.3	2.0%
Other usage-dependent expenses	7.7	10.9	42.6%
Fuel expenses and other usage-dependent expenses	35.2	**67.6**	92.1%

(5) Personnel expenses

Personnel expenses

€m

	Q1–2/2016	Q1–2/2017	Change
Wages and salaries	124.0	121.7	–1.8%
Expenses for social security contributions as required by law as well as income-based charges and compulsory contributions	28.7	28.1	–2.0%
Other social expenses	1.8	1.8	–1.2%
Subtotal	154.5	**151.6**	–1.8%
Expenses for termination benefits	2.5	2.1	–15.6%
Expenses for pensions and similar obligations	6.3	7.8	23.8%
Personnel expenses	163.3	**161.5**	–1.1%

(6) Impairment losses

Impairment losses in quarters 1–2/2016 related primarily to the Romanian wind farms, the Gössendorf and Kalsdorf run-of-river power plants and the Mellach combined cycle gas turbine power plant.

(7) Result from interests accounted for using the equity method

Result from interests accounted for using the equity method

€m

	Q1–2/2016 Domestic	Q1–2/2017 Domestic	Change	Q1–2/2016 Foreign	Q1–2/2017 Foreign	Change
Income or expenses	20.8	**17.9**	–13.9%	–0.9	**–0.2**	73.7%

(8) Interest income

Interest income

€m

	Q1–2/2016	Q1–2/2017	Change
Interest from investments under closed items on the balance sheet	14.4	14.6	1.5%
Other interest and similar income	1.2	1.0	–15.4%
Interest income	15.6	**15.6**	–13.8%

(9)
Interest expenses

Interest expenses

€m	Q1–2/2016	Q1–2/2017	Change
Interest on bonds	25.1	25.0	–0.3%
Interest on financial liabilities under closed items on the balance sheet	14.4	14.6	1.5%
Interest on bank loans	10.8	8.0	–25.5%
Interest on other liabilities from electricity supply commitments	8.6	8.4	–2.7%
Net interest expense on personnel-related liabilities	7.7	5.6	–27.9%
Interest on a share redemption obligation	3.6	3.2	–11.3%
Interest on other non-current provisions	0.4	0.9	121.2%
Profit or loss attributable to limited partners	–0.1	–0.2	–46.7%
Borrowing costs capitalised in accordance with IAS 23	–7.8	–2.3	71.1%
Other interest and similar expenses	3.4	3.0	–13.0%
Interest expenses	66.0	**66.2**	0.2%

(10)
Other financial result

Other financial result

€m	Q1–2/2016	Q1–2/2017	Change
Measurement of derivatives in the finance area	–3.9	2.0	150.7%
Income from securities and loans	1.3	1.2	–7.9%
Foreign exchange gains	0.1	0.1	–9.8%
Measurement of an obligation to return an interest	33.4	0.0	–100.0%
Foreign exchange losses	–0.1	–0.1	–34.4%
Measurement of long position: Gemeinschaftskraftwerk Inn GmbH	–5.0	–4.3	13.9%
Other	–4.2	0.0	99.0%
Other financial result	21.6	**–1.2**	139.6%

(11)
Taxes on income

Prior-period income tax revenue in the amount of €37.3m was recognised in quarters 1–2/2016. This related to the goodwill amortisation in the tax accounts of VERBUND's equity interest in VERBUND Innkraftwerke GmbH (for 2010–2013) and Innwerk AG (for 2015).

Notes to the balance sheet

(12)
Inventories

Inventories €m

	31/12/2016	30/6/2017	Change
Inventories of primary energy sources held for generation	1.2	1.1	–11.6%
Emission rights held for trading	2.1	2.0	–3.3%
Measurements of emission rights held for trading	1.1	0.4	–66.4%
Fair value of emission rights held for trading	3.2	2.4	–25.1%
Proof of origin and green electricity certificates	0.5	1.0	104.9%
Other	4.2	4.1	–3.2%
Inventories	9.1	8.5	–6.2%

The measurement benchmark for inventories of natural gas and emission rights held for trading by VERBUND is the fair value less costs to sell in accordance with the exception provided for raw materials and commodity broker-traders (brokerage exemption). The stock exchange price for front-month gas forwards on the Central European Gas Hub (CEGH) or NetConnect Germany (NCG) is the relevant price for inventories of natural gas held for trading. The fair value of emission rights held for trading corresponds to the price quoted on the European Energy Exchange (EEX). The fair values are based on Level 1 measurements.

(13)
Assets and liabilities held for sale

The assets and liabilities of the consolidated 85.96% equity interest in SMATRICS GmbH & Co KG were classified as held for sale effective 16 May 2017. SMATRICS GmbH & Co KG is part of the Energy services segment (included under the “All other segments” combined heading in the segment reporting). As part of a far-reaching cooperation between OMV Aktiengesellschaft and VERBUND, OMV Aktiengesellschaft is expected to take a 40% stake in SMATRICS GmbH & Co KG in the second half of 2017. After the closing of this sale of shares, the remaining investment in SMATRICS GmbH & Co KG will be included in the consolidated financial statements of VERBUND using the equity method of accounting.

(14) Additional disclosures regarding financial instruments

Carrying amounts and fair values by measurement category 30/6/2017 €m

Assets – balance sheet items	Measurement category under IAS 39	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FAAC	–	5.3	–
Other equity interests	FAAFS	2	92.6	92.6
Other equity interests	FAAC	–	17.9	–
Other equity interests			**115.7**	
Securities	FAAFS	1	135.7	135.7
Securities	FAAC	–	3.5	–
Securities – closed items on the balance sheet	LAR	2	60.4	57.0
Other loans – closed items on the balance sheet	LAR	2	280.3	316.8
Derivatives in the finance area – closed items on the balance sheet	FAHFT	2	96.7	96.7
Loans to investees	LAR	2	65.4	70.4
Other loans	LAR	2	5.8	6.1
Other	–	–	26.7	–
Other non-current investments and non-current other receivables			**674.6**	
Trade receivables	LAR	–	260.7	–
Receivables from investees	LAR	–	22.7	–
Loans to investees	LAR	2	4.1	4.5
Other loans	LAR	2	0.3	0.3
Derivatives in the energy area	FAHFT	2	59.4	59.4
Long position: Gemeinschaftskraftwerk Inn GmbH	FAHFT	3	0.5	0.5
Emission rights	IAS 38, IAS 2	–	0.4	–
Other	LAR	–	43.9	–
Other	–	–	27.8	–
Trade receivables and current other receivables			**419.8**	
Cash and cash equivalents	**LAR**	**–**	**15.6**	**–**
Aggregated by measurement category				
Financial assets at cost	FAAC		26.6	
Loans and receivables	LAR		759.1	
Financial assets available for sale	FAAFS		228.3	
Financial assets held for trading	FAHFT		156.6	

Carrying amounts and fair values by measurement category 30/6/2017

€m

Liabilities – balance sheet items	Measurement category under IAS 39	Level	Carrying amount	Fair value
Bonds	FLAAC	2	1,424.0	1,577.0
Financial liabilities to banks and to others	FLAAC	2	653.0	691.9
Financial liabilities to banks – closed items on the balance sheet	FLAAC	2	109.5	149.6
Financial liabilities to banks – closed items on the balance sheet	FLAFVPL	2	328.0	328.0
Capital shares attributable to limited partners	IAS 32	–	2.7	–
Non-current and current financial liabilities			2,517.2	
Electricity supply commitment	–	–	166.5	–
Obligation to return an interest	FLAAC	3	106.8	186.0
Trade payables	FLAAC	–	1.1	–
Deferred income for grants (emission rights)	IAS 20	–	0.2	–
Other	FLAAC	–	27.4	–
Non-current other liabilities			302.0	
Trade payables	FLAAC	–	119.7	–
Derivatives in the energy area	FLHFT	1	0.0	0.0
Derivatives in the energy area	FLHFT	2	124.4	124.4
Derivatives in the finance area	FLHFT	2	20.8	20.8
Other	FLAAC	–	86.9	–
Other	–	–	70.7	–
Trade payables and current other liabilities			422.4	
Aggregated by measurement category				
Financial liabilities at amortised cost	FLAAC		2,528.3	
Financial liabilities at fair value through profit or loss	FLAFVPL		328.0	
Financial liabilities held for trading	FLHFT		145.2	

Carrying amounts and fair values by measurement category 31/12/2016

€m

Assets – balance sheet items	Measurement category under IAS 39	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FAAC	–	5.3	–
Other equity interests	FAAFS	2	92.6	92.6
Other equity interests	FAAC	–	16.8	–
Other equity interests			**114.6**	
Securities	FAAFS	1	133.9	133.9
Securities	FAAC	–	3.5	–
Securities – closed items on the balance sheet	LAR	2	67.1	61.8
Other loans – closed items on the balance sheet	LAR	2	308.0	333.2
Derivatives in the finance area – closed items on the balance sheet	FAHFT	2	114.1	114.1
Loans to investees	LAR	2	59.3	62.3
Other loans	LAR	2	5.3	5.7
Other	–	–	23.9	–
Other non-current investments and non-current other receivables			**715.1**	
Trade receivables	LAR	–	346.3	–
Receivables from investees	LAR	–	38.6	–
Loans to investees	LAR	2	4.6	4.8
Other loans	LAR	2	0.7	0.7
Derivatives in the energy area	FAHFT	2	118.6	118.6
Long position: Gemeinschaftskraftwerk Inn GmbH	FAHFT	3	4.3	4.3
Emission rights	IAS 38, IAS 2	–	6.0	–
Other	LAR	–	26.1	–
Other	–	–	22.5	–
Trade receivables and current other receivables			**567.6**	
Cash and cash equivalents	**LAR**	**–**	**28.0**	**–**
Aggregated by measurement category				
Financial assets at cost	FAAC		25.6	
Loans and receivables	LAR		883.9	
Financial assets available for sale	FAAFS		226.5	
Financial assets held for trading	FAHFT		236.9	

Carrying amounts and fair values by measurement category 31/12/2016

€m

Liabilities – balance sheet items	Measurement category under IAS 39	Level	Carrying amount	Fair value
Bonds	FLAAC	2	1,407.5	1,553.7
Financial liabilities to banks and to others	FLAAC	2	819.3	866.4
Financial liabilities to banks – closed items on the balance sheet	FLAAC	2	118.7	160.5
Financial liabilities to banks – closed items on the balance sheet	FLAFVPL	2	370.5	370.5
Capital shares attributable to limited partners	IAS 32	–	3.7	–
Non-current and current financial liabilities			**2,719.7**	
Electricity supply commitment	–	–	169.9	–
Obligation to return an interest	FLAAC	3	103.6	182.0
Trade payables	FLAAC	–	3.6	–
Other	FLAAC	–	28.4	–
Non-current other liabilities			**305.5**	
Trade payables	FLAAC	–	157.2	–
Derivatives in the energy area	FLHFT	1	0.5	0.5
Derivatives in the energy area	FLHFT	2	253.5	253.5
Derivatives in the finance area	FLHFT	2	27.0	27.0
Other	FLAAC	–	133.7	–
Other	–	–	73.5	–
Trade payables and current other liabilities			**645.3**	
Aggregated by measurement category				
Financial liabilities at amortised cost	FLAAC		2,772.0	
Financial liabilities at fair value through profit or loss	FLAFVPL		370.5	
Financial liabilities held for trading	FLHFT		280.9	

Of the derivative financial instruments in the energy area classified as FAHFT and FLHFT in the above table, positive fair values of €18.6m (31 December 2016: €28.9m) and negative fair values of €150.1m (31 December 2016: €227.1m) relate to hedging relationships designated as cash flow hedges. These fair values represent gross amounts; following the inter-portfolio netting carried out in accordance with VERBUND's accounting policies, cash flow hedges can no longer be isolated.

Valuation techniques and input factors for determining fair values

Level	Financial instruments	Valuation technique	Input factor
1	Listed securities	Market approach	Nominal values, stock exchange price
1	Listed energy forwards	Market approach	Settlement price published by the stock exchange
2	Other assets and liabilities measured at fair value in the finance area	Net present value approach	Cash flows already fixed or determined via forward rates, yield curve, credit risk of the contracting parties
2	Securities and other loans under closed items on the balance sheet, long-term loans, liabilities to banks, bonds and other financial liabilities	Net present value approach	Payments associated with the financial instruments, yield curve, credit risk of the contracting parties (credit default swaps or credit spread curves)
2	Other equity interest in Energie AG Oberösterreich	Market approach	Trading multiple
2	Non-listed energy forwards	Net present value approach	Forward price curve derived from stock exchange, yield curve, credit risk of the contracting parties
3	Return obligation (obligation to transfer back the 50% interest acquired in Donaukraftwerk Jochenstein AG)	Net present value approach	Price forecasts for electricity, weighted average cost of capital after taxes
3	Long position: Gemeinschaftskraftwerk Inn GmbH (GKI)	Net present value approach	Price forecast for electricity and discount rate for calculating the value of the underlying asset (weighted average cost of capital after taxes)
–	Cash and cash equivalents, trade receivables and payables, current other receivables, other borrowing within current credit lines as well as current other liabilities	–	Carrying amounts as a realistic estimate of fair value
–	Interests in unconsolidated subsidiaries and other equity interests	–	Reliable estimate of future cash flows mostly not possible; no comparable transactions for fair value measurement using analogy methods

Level 3 measurement of financial instruments: long position: GKI

€m	2016	2017
Carrying amount as at 1/1/	18.0	**4.3**
Measurement gains or losses (recognised in other financial result)	–5.0	–4.3
Measurement gains or losses (recognised as a measurement of cash flow hedges)	0.0	0.5
Carrying amount as at 30/6/	13.0	**0.5**

Effective 22 August 2014, VERBUND sold 40% of its 50% equity interest in Gemeinschaftskraftwerk Inn GmbH to TIWAG-Tiroler Wasserkraft AG. As part of this transaction, TIWAG-Tiroler Wasserkraft AG granted VERBUND a put and a call option: VERBUND can sell its remaining 10% equity interest in Gemeinschaftskraftwerk Inn GmbH to TIWAG-Tiroler Wasserkraft AG or increase its 10% equity interest to 25% between 1 June 2018 and 30 June 2018 by acquiring shares from TIWAG-Tiroler Wasserkraft AG. The strike price for the two options corresponds to the investment costs incurred up to that point plus interest for the power plant joint venture on the Inn River. The put option is treated as a hedging instrument for the hedging of a highly probable forecast transaction (cash flow hedge).

Sensitivity analysis for significant, non-observable input factors[1]

€m	Assumption	Change in assumption	If assumption increases, financial asset changes by[2]	If assumption decreases, financial asset changes by[2]
Electricity price[3]	€44.7/MWh	± 5%	3.6	3.3
Discount rate	4.50%	± 0.25 PP	4.0	5.7

[1] In the sensitivity analysis, one non-observable input factor was changed at a time while the other factors of influence remained constant. However, in reality changes in the non-observable inputs can also occur simultaneously. This can result in the amplification or (at least partial) neutralisation of the effects. // [2] The changes in the financial asset relate to the put and call option. Therefore, some of the changes have to be recognised in the financial result and some as a measurement of cash flow hedges. A 5% increase (decrease) in the electricity price would have an impact of €–0.5m (€+3.3m) on the measurement of cash flow hedges and lead to income of €+4.1m (€0.0m) in the financial result. A 0.25 percentage point increase (decrease) in the discount rate would have an impact of €+4.0m (€–0.5m) on the measurement of cash flow hedges and lead to income of €0.0m (€+6.2m) in the financial result. // [3] The electricity price shown relates to the year 2025. The sensitivity analysis varies the price of electricity steadily over time up to the planning horizon.

Other note disclosures

Dividends paid

Dividends paid

	Total (€m)	Number of ordinary shares	Per share (€)
Dividend paid in 2017 for financial year 2016	100.8	347,415,686	0.29
Dividend paid in 2016 for financial year 2015	121.6	347,415,686	0.35

Purchase commitments

Purchase commitments for property, plant and equipment, intangible assets and other services

€m	30/6/2017	of which due in 2017	of which due 2018-2022
Total commitment	**326.3**	180.1	146.2

Contingent liabilities

VERBUND's last remaining cross-border leasing transaction has an off-balance sheet financing structure. As at 30 June 2017, VERBUND's subsidiary liability for the non-redeemed portion of lease liabilities from cross-border leasing transactions amounted to €513.5m (31 December 2016: €582.3m). Of the rights of recourse against primary debtors, a total of €333.4m (31 December 2016: €392.8m) was secured through counter-guarantees from financial institutions, entities entitled to purchase electricity and regional authorities (from guarantors' liabilities). In addition, €246.1m (31 December 2016: €259.8m) was covered by off-balance sheet investments.

Court proceedings pending

There have been no major developments in connection with the proceedings between VERBUND and EVN AG (shutdown of the power plant block at the Dürnrohr site) compared with the status described as at 31 December 2016. No disclosures have been provided in respect of any contingent liabilities or provisions that may arise in relation to these proceedings because it is likely that such note disclosures would seriously prejudice VERBUND's position in the proceedings.

Additional parties filed claims for damages in quarters 1–2/2017 in connection with the flooding of the Drau River in 2012. The claims for damages currently amount to around €109.9m (31 December 2016: €109.8m). VERBUND is contesting both the amounts and merits of these claims. No disclosures have been provided in respect of any contingent liabilities or provisions that may arise in relation to these claims for damages because it is likely that such note disclosures would seriously prejudice VERBUND's position in the proceedings.

In connection with the amortisation of goodwill for the investment in VERBUND Innkraftwerke GmbH claimed for tax purposes for the years 2014–2023, the appeal against the 2014 notice of assessment for the group parent remains pending. The tax benefit for these years (reduction of future tax payments in the amount of €8.2m per year) is recognised in accordance with VERBUND's accounting policies if it is reasonably likely.

Transactions with related parties

Transactions with investees accounted for using the equity method €m

	Q1–2/2016	**Q1–2/2017**	Change
Income statement			
Electricity revenue	32.5	27.6	–15.3%
Grid revenue	11.5	12.6	9.1%
Other revenue	1.8	0.0	–97.8%
Other operating income	2.4	0.5	–77.7%
Expenses for electricity, grid, gas and certificate purchases	–14.7	–7.5	48.7%
Other operating expenses	–0.2	–0.2	–16.2%
Interest income	0.8	0.8	–6.3%
Interest expenses	0.0	0.0	53.5%
Other financial result	1.1	1.0	–6.2%

Transactions with investees accounted for using the equity method €m

	31/12/2016	30/6/2017	Change
Balance sheet			
Investments and other non-current receivables	42.2	40.7	–3.7%
Trade receivables and other current receivables	25.7	20.7	–19.7%
Contributions to building costs and grants	288.3	289.9	0.6%
Trade payables and other current liabilities	3.6	3.5	–2.8%

Electricity revenue with equity-accounted investees primarily came from KELAG-Kärntner Elektrizitäts-AG (€19.5m; Q1–2/2016: €17.6m) and OeMAG Abwicklungsstelle für Ökostrom AG (€7.0m; Q1–2/2016: €13.4m). The electricity revenue was offset by electricity purchases from KELAG-Kärntner Elektrizitäts-AG in the amount of €7.1m (Q1–2/2016: €9.9m).

Electricity revenue with companies controlled or significantly influenced by the Republic of Austria in quarters 1–2/2017 totalled €25.8m (quarters 1–2/2016: €14.1m). Electricity was purchased mainly by Österreichische Bundesbahnen (ÖBB), Telekom Austria Group and OMV. Electricity purchased from companies controlled or significantly influenced by the Republic of Austria amounted to a total of €7.9m in quarters 1–2/2017 (Q1–2/2016: €0.1m). The electricity was supplied primarily by Österreichische Bundesbahnen (ÖBB).

VERBUND's expenses for monitoring by E-Control in quarters 1–2/2017 amounted to a total of €6.9m (Q1–2/2016: €5.3m).

Audit and/or review

These consolidated interim financial statements of VERBUND have been neither audited nor reviewed by an auditor.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 30 June 2017 and approval for publication on 18 July 2017.

Vienna, 18 July 2017
Executive Board

Dipl.-Ing. Wolfgang Anzengruber
Chairman of the Executive Board

Dr. Johann Sereinig
Vice-Chairman of the Executive Board

Dipl.-Ing. Dr. Günther Rabensteiner
Member of the Executive Board

Dr. Peter F. Kollmann
Member of the Executive Board

Responsibility statement of the legal representatives

We confirm according to the best of our knowledge that the condensed consolidated interim financial statements of VERBUND as at 30 June 2017, prepared in accordance with the accounting standards for interim financial reports under International Financial Reporting Standards (IFRSs), give a true and fair view of the assets and liabilities, financial position and profit or loss of the Group as required under stock exchange regulations.

We also confirm that the interim Group management report of VERBUND gives a true and fair view of the assets and liabilities, financial position and profit or loss of the Group as required under stock exchange regulations with respect to the important events during the first six months of the financial year and their effects on the condensed consolidated interim financial statements of VERBUND as at 30 June 2017 as well as with respect to the principal risks and uncertainties in the remaining six months of the financial year and with respect to the related party transactions which must be disclosed.

Vienna, 18 July 2017
Executive Board

Dipl.-Ing. Wolfgang Anzengruber
Chairman of the Executive Board

Dr. Johann Sereinig
Vice-Chairman of the Executive Board

Dipl.-Ing. Dr. Günther Rabensteiner
Member of the Executive Board

Dr. Peter F. Kollmann
Member of the Executive Board

Notes

EDITORIAL DETAILS

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Shareholder structure:
– Republic of Austria (51,0 %)
– Syndicate (>25,0 %) consisting of EVN AG (the shareholders of which are: Niederösterreichische Landes-Beteiligungsholding GmbH, 51 %, EnBW Energie Baden-Württemberg AG, 32,0 %) and Wiener Stadtwerke (the sole shareholder is the City of Vienna)
– TIWAG-Tiroler Wasserkraft AG (>5,0 %, the sole shareholder is the province of Tyrol)
– Free float (<20,0 %): no further information is available concerning owners of shares in free float.

Legal and statutory limitations of voting rights:
With the exception of regional authorities and companies in which regional authorities hold an interest of at least 51%, the voting rights of each shareholder in the Annual General Meeting are restricted to 5% of the share capital.

Regulatory body/trade associations:
E-Control GmbH/E-Control Kommission
Bundesministerium für Wissenschaft, Forschung und Wirtschaft
Wirtschaftskammer Österreich
Oesterreichs Energie

Object of the Group:
The Group focus is the generation, transportation, trading with and sale of electrical energy and energy from other sources as well as the provision and performance of energy services.

Executive Board:
Wolfgang Anzengruber (Chairman),
Johann Sereinig (Vice-Chairman),
Peter F. Kollmann,
Günther Rabensteiner

Supervisory Board:
Gerhard Roiss (Chairman), Michael Süß (1st Vice-Chairman), Elisabeth Engelbrechtsmüller-Strauß (2nd Vice-Chairwoman), Harald Kaszanits, Peter Layr, Werner Muhm, Susanne Riess, Jürgen Roth, Christa Wagner, Peter Weinelt, Anton Aichinger, Isabella Hönlinger, Kurt Christof, Wolfgang Liebscher, Hans Pfau

Purpose of publication:
Information for customers, partners and the general public about the utilities sector and the Group.

Specific laws applicable:
Austrian Electricity Industry and Organisation Act (Elektrizitätswirtschafts-und -organisationsgesetz, ElWOG) with associated regulations and implementation laws. The legal bases listed can be accessed via the legal information system of the Federal Chancellery of the Republic of Austria at www.ris.bka.gv.at.

Power for the Future