EVN

Letter to Shareholders Q. 1 2015/16

1 October – 31 December 2015

EVN Future Lab
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Highlights

- Increase in electricity generation through greater use of thermal power plants to protect network stability
- Decline in revenues, energy business result stable; Group net result above prior year
- Receipt of building permit and cornerstone ceremony for the wastewater treatment plant in Prague
- Outlook 2015/16: largely stable Group net profit expected

Key figures

		2015/16 Q.1	2014/15 Q.1	+/– in %	2013/14 Q.1	2014/15
Sales volumes						
Electricity generation volumes	GWh	1,636	1,364	19.9	972	4,882
thereof from renewable energy	GWh	438	507	–13.7	479	2,106
Electricity sales volumes to end customers	GWh	4,982	5,071	–1.7	5,279	19,263
Natural gas sales volumes to end customers	GWh	1,788	1,786	0.1	2,053	5,241
Heat sales volumes to end customers	GWh	632	637	–0.9	654	2,038
Consolidated statement of operations						
Revenue	EURm	573.3	599.9	–4.4	554.2	2,135.8
EBITDA	EURm	185.0	184.8	0.1	139.6	583.2
EBITDA margin	%	32.3	30.8	4.8	25.2	27.3
Results from operating activities (EBIT)	EURm	119.4	121.2	–1.4	79.0	268.2
EBIT margin	%	20.8	20.2	0.6	14.3	12.6
Result before income tax	EURm	102.7	96.8	6.1	60.7	207.9
Group net result	EURm	78.8	73.1	7.9	44.0	148.1
Earnings per share	EUR	0.44	0.41	8.0	0.25	0.83
Statement of financial position						
Balance sheet total	EURm	6,481.9	6,670.9	–2.8	7,508.5	6,501.2
Equity	EURm	2,668.9	2,669.8	0.0	3,083.1	2,590.1
Equity ratio	%	41.2	40.0	1.2	41.1	39.8
Net debt	EURm	1,181.6	1,352.5	–12.6	1,702.2	1,230.9
Gearing	%	44.3	50.7	–6.4	55.2	47.5
Cash flow and investments						
Gross cash flow	EURm	182.1	166.6	9.3	136.9	438.1
Net cash flow from operating activities	EURm	93.2	92.4	0.8	186.4	478.3
Investments[1)]	EURm	57.5	65.5	–12.3	105.5	322.7
Employees	Ø	6,861	7,126	–3.7	7,389	6,973

1) 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 months of 2015/16 were slightly lower than in the first quarter of the previous year, but again noticeably below the long-term average. In South East Europe, the autumn and winter weather brought different temperature trends: Bulgaria was much milder than the previous year and the long-term average, while Macedonia was colder with temperatures that were not only significantly below the previous year, but also slightly lower than the long-term average.

Revenue recorded by the EVN Group declined by 4.4% to EUR 573.3m in the first quarter of the 2015/16 financial year, above all because of lower revenue in Bulgaria. However, EBITDA remained nearly constant compared with the previous year and amounted to EUR 185.0m for the reporting period. A minor increase in scheduled depreciation and amortisation was responsible for a slight 1.4% decline in EBIT to EUR 119.4m. In contrast, Group net result rose by 7.9% to EUR 78.8m based on a substantial improvement in financial results due to the absence of non-recurring effects from the previous year.

The use of EVN's power plants to support network stability and ensure supply security in Austria and Germany increased during the reporting period and already exceeded the entire 2014/15 financial year during the first quarter. This development reflects the rising network feed-in of volatile electricity production from renewable energy sources.

EVN's distribution company passed on procurement advantages from the energy business to its private customers in the form of a price reduction through EnergieAllianz Austria as of 1 October 2015. This led to an average decrease of 5% each in the energy prices for electricity and natural gas. Within the framework of EnergieAllianz Austria, the operating prices for natural gas for households will be further reduced by roughly 7% as of 1 May 2016.

In connection with the Duisburg-Walsum power plant, the project company filed another lawsuit against the general contractor Hitachi. This lawsuit is in addition to the arbitration action that has been pending since 2013 and was based on control measurements and analyses of the power plant's operations so far, which show that the availability and efficiency do not meet the agreed parameters.

The results of our activities in South East Europe were influenced by price decisions taken by the national regulatory authorities in July and August 2015. End customer prices were reduced by 0.4% in Bulgaria and by 0.3% in Macedonia. Moreover, the results of electricity generation in Macedonia were negatively affected by water flows that were considerably lower than in the very rainy previous year. Both of these countries are expected to see further liberalisation in the area of energy distribution over the coming months.

EVN worked on the realisation and completion of eight international projects in the Environmental Services Segment during the reporting period. The receipt of the building permit for the wastewater purification plant in Prague, which EVN and its project partners will be constructing for 1.2 million residents, was followed by the cornerstone ceremony in November 2015. The wastewater treatment plant built by EVN in Krakow was transferred to the city on schedule in December 2015, and the expansion of the Pruszkow wastewater treatment plant in Warsaw was successfully completed. EVN's ongoing interest in the realisation of water engineering projects in its target region reflects the need to implement EU standards as well as public demands for adequate environmental protection facilities.

With regard to water supplies for Lower Austria, we took over the management of the water supply network in Litschau as of 1 January 2016. That means EVN now provides direct drinking water supplies to a further 3,700 residents as end customers. We also continued the realisation of numerous infra-

structure improvement measures to protect and further improve supply security. For example: work is proceeding on the construction of a natural filter plant in Zwentendorf an der Zaya, and the performance of the pump stations that supply the Waldviertel water supply system will be increased to cover the higher and more frequent peak usage periods.

Under the assumption of average conditions in the energy sector, the Group net result for 2015/16 is expected to remain largely stable. Factors that could significantly influence the Group net result include the regulatory background, 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 the progress of the activities in Moscow.

Maria Enzersdorf, February 2016

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	%	2017f	2016f	2015e	2014	2013
EU-28[1)2)]		1.9–2.0	1.8–1.9	1.7–1.9	1.4	0.2
Austria[2)3)]		1.6–1.7	1.6–1.7	0.8	0.4	0.3
Bulgaria[1)2)4)]		2.0–3.0	1.5–2.3	2.2–2.9	1.6	1.3
Croatia[1)2)4)6)]		1.5–2.1	1.0–2.1	0.8–1.8	–0.4	–1.0
Macedonia[5)6)]		3.3–3.7	3.2–3.4	3.2	3.5–3.8	2.7

1) Source: "European Economic Forecast, Winter 2016, EU Commission", February 2016
2) Source: "Prognose der österreichischen Wirtschaft 2015–2017", IHS, December 2015
3) Source: "Prognose für 2016 bis 2017: Konsumausgaben erhöhen Wirtschaftswachstum in Österreich", WIFO, December 2015
4) Source: "Strategie Österreich & CEE 1. Quartal 2016", Raiffeisen Research, January 2016
5) Source: "Global Economic Prospects", World Bank, January 2016
6) Source: "World Economic Outlook", International Monetary Fund, October 2015

General business environment

The global economy has recently been characterised by different trends. The industrialised economies have remained on a moderate growth course, while the emerging countries have been slowed by economic problems. Brazil and Russia have been in recession, and China has been confronted with substantially weaker growth in its transformation to a more consumer-based economy. The US economy has remained robust, while recovery in the Eurozone has been hesitant. Positive factors for the European economy have been the low oil price, the weaker euro and the ongoing expansive monetary policy of the European Central Bank (ECB). GDP growth in the European Union is expected to range from 1.8% to 1.9% in 2016 and from 1.9% to 2.0% in 2017.

In Austria, the economy is expected to generate significantly stronger growth over the coming years. The tax reform that took effect at the beginning of 2016 will provide relief for private household income and should have a positive effect on consumer spending. Estimates for the development of the labour market are, in contrast, less positive: experts see an increase in the unemployment rate towards 10% for each of the next two years. Economic growth in this environment is forecasted to range from 1.6% to 1.7% in 2016 and 2017.

Economic development in Bulgaria is also following a positive trend. Supported by better conditions due to the declining oil price and lower-cost loans, real GDP grew faster than expected in a low

Key indicators for the energy sector environment		2015/16 Q. 1	2014/15 Q. 1	+/– in %	2013/14 Q. 1
Temperature-related energy demand[1)]	%				
Austria		82.3	78.3	4.0	89.8
Bulgaria		70.6	94.6	–24.0	92.1
Macedonia		101.3	89.5	11.7	96.3
Primary energy and CO_2 certificates					
Crude oil – Brent	EUR/bbl	39.9	61.0	–34.6	80.3
Natural gas – NCG[2)]	EUR/MWh	17.4	22.6	–22.9	27.2
Coal – API#2[3)]	EUR/t	47.0	58.5	–19.6	61.7
CO_2 emission certificates (2nd/3rd period)	EUR/t	8.4	6.6	26.2	4.7
Electricity – EEX forward market[4)]					
Base load	EUR/MWh	34.7	37.3	–6.9	43.8
Peak load	EUR/MWh	44.9	48.1	–6.6	56.7
Electricity – EPEX spot market[5)]					
Base load	EUR/MWh	33.2	34.8	–4.7	37.5
Peak load	EUR/MWh	43.0	45.9	–6.4	50.8

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 2015; 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

inflation environment. Further important growth drivers were the increase in net exports and a moderate rise in household consumption. Forecasts for economic growth point to an increase of 1.5% to 2.3% in 2016 and 2.0% to 3.0% in 2017.

Exports were also responsible for the acceleration of growth in Croatia. Changes in the income tax, the lack of inflationary pressure and the positive effects of the tourism season were responsible for an increase in private consumption. However, the upturn was not strong enough to reduce unemployment or raise the employment level, which is among the lowest in the EU. GDP growth is projected to range from 1.0% to 2.1% in 2016 and from 1.5% to 2.1% in 2017.

Macedonia continues to generate strong growth. This development was driven by continuing sound foreign demand, above all from the German market, as well as impulses from the expansion of the traffic infrastructure. It was also supported by rising incomes and the resulting improvement in consumer sentiment. The GDP is expected to increase by 3.2% to 3.4% in 2016, with a further acceleration to between 3.3% and 3.7% in 2017.

Energy sector environment

The temperatures in EVN's relevant markets differed substantially during the first quarter of 2015/16. The heating degree total in Austria rose by 4.0%, but still remained below the long-term average. The winter in Bulgaria brought mild temperatures with a heating degree total for the reporting period that was 24.0% below the prior year and substantially below the long-term average. In contrast, Macedonia recorded lower temperatures. The heating degree total rose by 11.7% and, after a mild winter in the previous year, again reflected the long-term average.

The euro price for Brent crude oil fell to an average of EUR 39.9 per barrel during the reporting period, above all due to the current worldwide oversupply, a decrease of 34.6% versus the comparable prior year period. The average EEX price for natural gas was also lower than the previous year and fell 22.9% to EUR 17.4 per MWh for the first three months of 2015/16. This decline was caused, among others, by the below-average temperatures during the reporting period and the resulting lower demand on the spot markets. The cyclical weaker demand for coal, especially in China, was responsible for a 19.6% drop in prices to EUR 47.0 per tonne. In contrast, the price for CO_2 emission certificates rose by 26.2% over the first quarter of the previous year to EUR 8.4 per tonne in the reporting period. This trend was based primarily on a January 2014 decision by the EU Commission to postpone the auction of 900 million CO_2 certificates to 2019 and 2020 ("backloading").

The continuing expansion of electricity generation capacity from renewable sources in Austria and Germany as well as the low prices for primary energy carriers and – despite the recent slight increase – the still low price for CO_2 emission certificates led to a further drop in the forward and spot market prices for base load and peak load electricity during the first three months of 2015/16. The forward prices applicable to the reporting period fell by 6.9% to EUR 34.7 per MWh for base load electricity and by 6.6% to EUR 44.9 per MWh for peak load electricity. In comparison with the first three months of 2014/15, the spot market prices declined by 4.7% to EUR 33.2 per MWh for base load electricity and by 6.4% to EUR 43.0 per MWh for peak load electricity.

Business development

Statement of operations

Highlights 2015/16

- Revenue: –4.4% to EUR 573.3m
- EBITDA: +0.1% to EUR 185.0m
- EBIT: –1.4% to EUR 119.4m
- Financial results: +31.5% to EUR –16.7m
- Group net result: +7.9% to EUR 78.8m

Revenue declined by EUR 26.6m, or 4.4%, year-on-year to EUR 573.3m in the first quarter of 2015/16. Higher revenue from the marketing of the electricity generated in EVN's power plants was unable to fully offset the decline resulting from a reduction in the Group's natural gas trading activities and a volume- and price-related revenue decrease in Bulgaria.

Other operating income fell by EUR 26.2m, or 54.8%, to EUR 21.6m. It was caused primarily by the sale of the shares in the property company that holds the sodium hypochlorite plant in Moscow, which was reported under this position in the previous year.

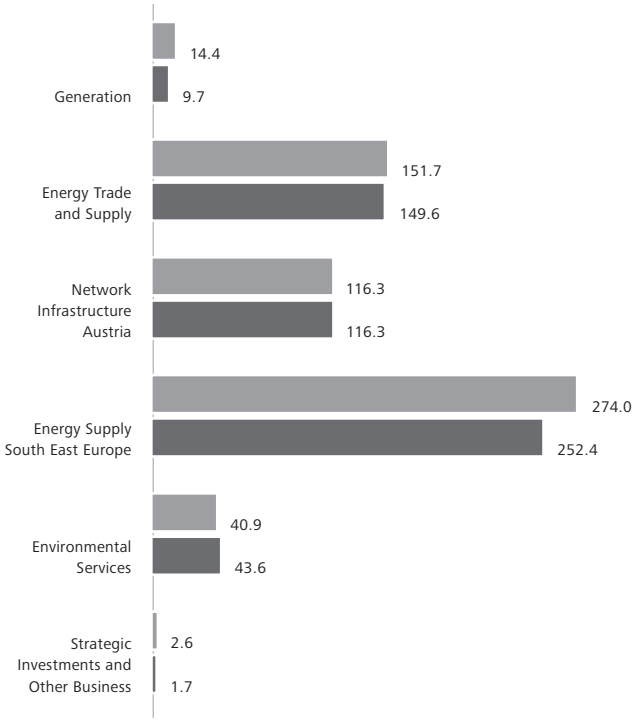
The cost of electricity purchased from third parties and primary energy expenses amounted to EUR 282.9m for the reporting period, which reflects a decrease of EUR 28.5m, or 9.1%, compared with the previous year. This development correlates with the decline in revenue and, therefore, the total result from the energy business in the first quarter of 2015/16 is nearly unchanged in year-on-year comparison.

The cost of materials and services fell by EUR 6.1m, or 9.3%, year-on-year to EUR 60.0m, chiefly due to a reduction in project-related material and service expenses.

The average number of employees declined by 264 year-on-year to 6,861 due to the Group's continuous reorganisation and optimisation measures. This reduction offset the salary and wage

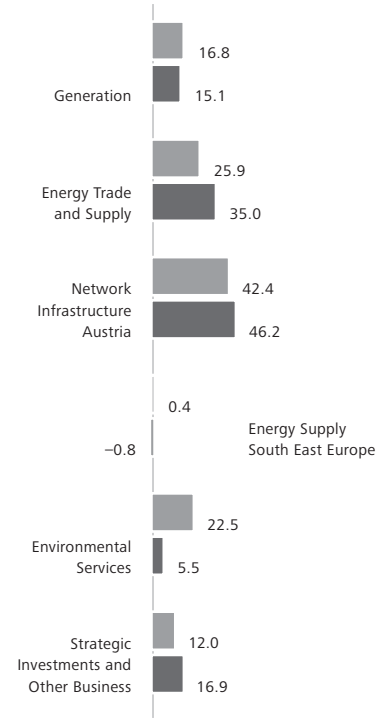
External revenue by segments Q. 1

in EURm



EBIT by segments Q. 1

in EURm



adjustments resulting from collective bargaining agreements and non-recurring effects related to restructuring measures in Macedonia. Personnel expenses declined by a total of EUR 3.0m, or 3.7%, to EUR 78.7m.

Other operating expenses totalled EUR 30.6m and were EUR 10.9m, or 26.3%, lower than the comparable prior year period. This significant decline resulted from further improvements in collection and parallel cost reduction in South East Europe.

The share of results from equity accounted investees with operational nature rose by EUR 4.5m, or 11.8%, to EUR 42.3m. An improvement in earnings at EVN KG – EVN's electricity and natural gas distribution company – was contrasted by an impairment loss recognised at the Shkodra Region Beteiligungsholding GmbH in connection with the Ashta hydropower plant.

In total, these developments led to a slight increase of EUR 0.2m, or 0.1%, in EBITDA to EUR 185.0m. The EBITDA margin improved from 30.8% to 32.3%.

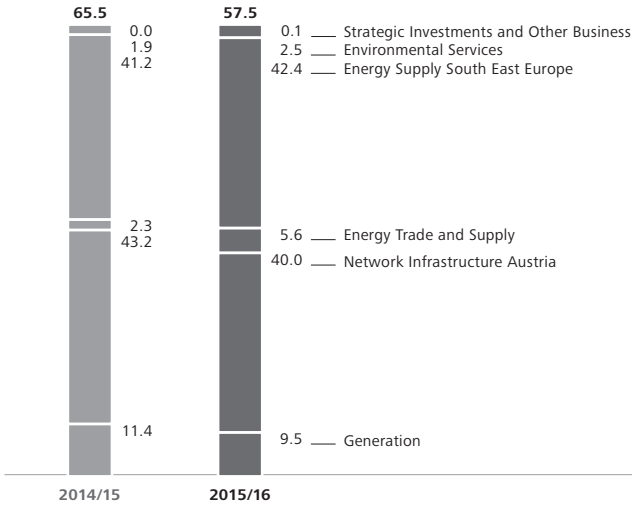
Depreciation and amortisation rose by EUR 2.0m, or 3.1%, to EUR 65.5m as a result of the Group's investment activity. EBIT totalled EUR 119.4m, which is EUR 1.8m, or 1.4%, lower than the first quarter of the previous year.

Financial results amounted to EUR –16.7m and are EUR 7.7m, or 31.5%, higher than the previous year. This change is attributable, above all, to the sale of the property company that holds the sodium hypochlorite plant in Moscow in the previous year, which reflected the costs to terminate the investment guarantee granted by the Federal Republic of Germany for this project and the costs for the related interest rate hedge.

The result before income tax rose by EUR 5.9m, or 6.1%, to EUR 102.7m. Group net result equalled EUR 78.8m after the deduction of income tax, which remained nearly unchanged in year-on-year comparison at EUR 16.9m, and the share of results attributable to non-controlling interests. This represents an increase of EUR 5.8m, or 7.9%, over the first quarter of the previous year.

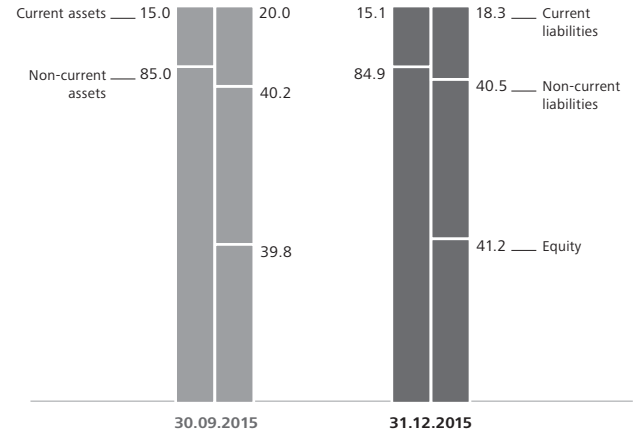
Structure of investments Q. 1

in %, total in EURm



Balance sheet structure as of the balance sheet date

in %



Statement of cash flows

Gross cash flow rose by EUR 15.5m to EUR 182.1m in the first quarter of 2015/16, primarily due to the increase in result before income tax and a higher non-cash share of results from equity accounted investees. In spite of this increase, cash flow from operating activities totalled EUR 93.2m and remained nearly constant at the prior year level because of changes in working capital.

Cash flow from investing activities was EUR 119.4m lower than the first quarter of 2014/15 at EUR –58.5m. The main reason for this decline was the sale of the property company that holds the sodium hypochlorite plant in Moscow, which was included under this position in the previous year. In contrast, the development in the first quarter of 2015/16 was influenced primarily by the current investment programme.

Cash flow from financing activities equalled EUR –26.8m for the reporting period, compared with EUR –192.8m in the first quarter of the previous year. This development resulted mainly from the repayment of the financing in connection with the sale of the property company that holds the sodium hypochlorite plant project in 2014/15.

Total cash flow for the first quarter of 2015/16 amounted to EUR 7.9m, and cash and cash equivalents equalled EUR 252.2m as of 31 December 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 6,481.9m as of 31 December 2015, which is EUR 19.3m, or 0.3%, lower than on 30 September 2015.

Non-current assets declined by EUR 27.9m, or 0.5%, to EUR 5,501.3m in the first quarter of 2015/16 and fell slightly to 84.9% as a share of total assets (30 September 2015: 85.0%). The changes in intangible assets and property, plant and equipment nearly balanced out, but distributions led to a decline in the carrying amount of the equity accounted investees.

Current assets increased EUR 8.6m, or 0.9%, to EUR 980.7m, whereby there were no notable variances compared with the last balance sheet date.

Equity rose by 3.0%, or EUR 78.7m, to EUR 2,668.9m based on the positive Group result recorded in the first quarter of 2015/16. The equity ratio equalled 41.2% as of 31 December 2015 (30 September 2015: 39.8%). The dividend of EUR 0.42 per share approved by the 87th Annual General Meeting on 21 January 2016 was paid on 29 January 2016 and is not yet reflected in equity.

Non-current liabilities rose by EUR 14.6m, or 0.6%, to EUR 2,625.6m. Non-current financial liabilities and other non-current liabilities declined, but there was an increase in the deferred income from network subsidies.

Current liabilities fell by EUR 112.6m, or 8.7%, to EUR 1,187.4m, primarily due to a decrease in trade payables, current provisions and other current liabilities.

Net debt declined by EUR 49.3m below the level on 30 September 2015 to EUR 1,181.6m, and gearing fell to 44.3% (30 September 2015: 47.5%).

EVN's key energy business indicators	GWh	2015/16 Q.1	2014/15 Q.1	+/– nominal	+/– in %	2013/14 Q.1
Electricity generation volumes		**1,636**	**1,364**	**271**	**19.9**	**972**
Renewable energy sources		438	507	–69	–13.7	479
Thermal energy sources		1,197	857	341	39.8	492
Network distribution volumes						
Electricity		5,592	5,610	–18	–0.3	5,532
Natural gas[1]		5,403	4,469	933	20.9	4,772
Energy sales volumes to end customers						
Electricity		**4,982**	**5,071**	**–88**	**–1.7**	**5,279**
thereof Central and Western Europe[2]		1,794	1,805	–10	–0.6	1,877
thereof South Eastern Europe		3,188	3,266	–78	–2.4	3,401
Natural gas		**1,788**	**1,786**	**2**	**0.1**	**2,053**
Heat		**632**	**637**	**–5**	**–0.9**	**654**
thereof Central and Western Europe[2]		574	565	8	1.5	589
thereof South Eastern Europe		58	72	–14	–19.2	65

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

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 segment 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 carriers, 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

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 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 power plants with flexible generation capacity is based on the option value, which reflects the profit margins from the option values realised over the short and medium term. The billing for energy deliveries from Steag-EVN Walsum 10 Kraftwerksgesellschaft is generally based on 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.

The income from EVN's investments in the Verbund-Inn River power plants and EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG are reported under the share of equity accounted investees with operational nature as part of the results from operating activities (EBIT). The investment in STEAG-EVN Walsum 10 Kraftwerksgesellschaft is included through proportionate consolidation.

Highlights

- Increase in energy production through significantly greater use of thermal power plants to support network stability
- Allocation of balancing energy and reserve capacity for Austria and southern Germany
- Decline in electricity generation from renewable energy due to lower wind and water flows
- EBITDA, EBIT and result before income tax slightly below previous year

Electricity generation rose by 293 GWh, or 25.2%, to 1,458 GWh in the first quarter of 2015/16. While the production from renewable energy declined 12.9% year-on-year to 350 GWh, the generation from EVN's thermal power plants rose by 345 GWh, or 45.2%, to 1,108 GWh. Wind and water flows were significantly lower than the previous year and led to a drop in renewable energy generation despite the expansion of windpower capacity. The Theiss and Korneuburg thermal power plants are again available to provide reserve capacity for southern Germany during the winter of 2015/16 and, in addition, the Dürnrohr power plant has been used to manage shortages. In the first quarter of 2015/16, the use of the thermal power plants to stabilise the networks in Austria and Germany increased and already exceeded the prior year.

Key indicators – Generation		2015/16 Q.1	2014/15 Q.1	+/– nominal	+/– in %	2013/14 Q.1
Key energy business indicators	GWh					
Electricity generation volumes		**1,458**	**1,165**	**293**	**25.2**	**804**
thereof renewable energy sources		350	401	–52	–12.9	408
thereof thermal energy sources		1,108	764	345	45.2	396
Key financial indicators	EURm					
External revenue		9.7	14.4	–4.7	–32.7	13.3
Internal revenue		48.4	44.8	3.6	8.0	21.8
Total revenue		**58.0**	**59.1**	**–1.1**	**–1.9**	**35.1**
Operating expenses		–25.1	–29.1	4.1	13.9	–20.7
Share of results from equity accounted investees with operational nature		–4.2	0.2	–4.4	–	0.3
EBITDA		**28.8**	**30.2**	**–1.5**	**–4.9**	**14.6**
Depreciation and amortisation including effects from impairment tests		–13.6	–13.4	–0.2	–1.4	–9.2
Results from operating activities (EBIT)		**15.1**	**16.8**	**–1.7**	**–9.9**	**5.5**
Financial results		–6.0	–6.2	0.3	4.0	–4.3
Result before income tax		**9.2**	**10.6**	**–1.4**	**–13.4**	**1.2**
Total assets		1,131.3	1,248.0	–116.7	–9.4	1,245.9
Total liabilities		923.4	1,035.3	–111.8	–10.8	993.4
Investments[1)]		5.4	14.0	–8.6	–61.1	49.7

1) In intangible assets and property, plant and equipment

EVN covered 32.8% of the electricity sold during the reporting period with its own production (previous year: 26.9%). The share of renewable energy in the Group's total production fell to 26.8% (previous year: 37.2%) due to the unfavourable wind and water flows and the increased use of the thermal power plants.

Revenue in the Generation Segment totalled EUR 58.0m for the reporting period and was EUR 1.1m, or 1.9%, lower than the previous year. The increased revenue from the allocation of balancing energy and reserve capacity to support network stability in Austria and southern Germany was unable to fully offset the volume-related decrease in revenue from renewable generation.

Operating expenses fell by EUR 4.1m, or 13.9%, to EUR 25.1m, primarily due to a decline in the cost of primary energy carriers.

The share of results from equity accounted investees with operational nature was EUR 4.4m lower at EUR –4.2m. This development reflected a weather- and market price-related slight decline in the share of results from Verbund Innkraftwerke GmbH and, above all, an impairment loss recognised to Shkodra Region Beteiligungsholding GmbH in connection with the Ashta hydropower plant.

In total, EBITDA in the Generation Segment amounted to EUR 28.8m in the first quarter of 2015/16, a year-on-year decline of EUR 1.5m or 4.9%. Depreciation and amortisation, including the results of impairment tests, increased by EUR 0.2m, or 1.4%, to EUR 13.6m. Neither the reporting period nor the comparable prior year period include effects from impairment testing. Results from operating activities (EBIT) fell by EUR 1.7m, or 9.9%, to EUR 15.1m.

Financial results improved by EUR 0.3m, or 4.0%, to EUR –6.0m following scheduled repayments and the subsequent reduction of financial liabilities. Result before income tax amounted to EUR 9.2m and was EUR 1.4m, or 13.4%, lower than the first quarter of the previous year.

Investments in this segment were EUR 8.6m, or 61.1%, lower at EUR 5.4m in the first quarter of 2015/16, chiefly due to the higher level of investment in the previous year for the construction of the Prottes-Ollersdorf windpark.

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

- → Slight temperature-related increase in energy sales volumes in Austria; lower electricity sales volumes in Germany
- → Reduction in operating expenses
- → EBITDA, EBIT and result before income tax above prior year level

Electricity, natural gas and heat sales volumes to end customers in Austria were higher year-on-year in the first quarter of 2015/16 because of the cooler winter temperatures. In Germany, the on-going strong competition between energy providers led to a decrease in electricity sales volumes. This was reflected in an overall decline in electricity sales volumes for the Energy Trade and Supply Segment.

Revenue fell by EUR 3.5m, or 2.3%, to EUR 152.2m, primarily as the result of a decrease in natural gas trading activities.

Operating expenses declined by EUR 4.4m, or 3.1%, to EUR 139.8m. This development was related, above all, to energy purchased from third parties and correlates with the decrease in revenue caused by the reduction in natural gas trading activities.

The share of results from equity accounted investees with operational nature rose by EUR 8.4m, or 45.1%, to EUR 27.0m. In total, the above developments led to an increase of EUR 9.3m, or 30.9%, in EBITDA to EUR 39.4m.

Depreciation and amortisation rose by EUR 0.2m, or 4.8%, to EUR 4.4m. Results from operating activities (EBIT) totalled EUR 35.0m, which represents an increase of EUR 9.1m, or 35.1%, over the previous year.

Financial results were slightly lower at EUR –0.9m (previous year: EUR –0.6m). Result before income tax rose by EUR 8.7m, or 34.4%, to EUR 34.1m in the first quarter of 2015/16.

Investments increased by EUR 1.7m year-on-year to EUR 3.2m and focused, in total, on the expansion of the heating plants and network.

Key indicators – Energy Trade and Supply		2015/16 Q. 1	2014/15 Q. 1	+/– nominal	+/– in %	2013/14 Q. 1
Key energy business indicators	GWh					
Energy sales volumes to end customers						
Electricity		1,794	1,805	–10	–0.6	1,877
Natural gas		1,788	1,786	2	0.1	2,053
Heat		574	565	8	1.5	589
Key financial indicators	EURm					
External revenue		149.6	151.7	–2.1	–1.4	109.7
Internal revenue		2.5	4.0	–1.5	–36.7	3.9
Total revenue		**152.2**	**155.7**	**–3.5**	**–2.3**	**113.6**
Operating expenses		–139.8	–144.3	4.4	3.1	–96.9
Share of results from equity accounted investees with operational nature		27.0	18.6	8.4	45.1	21.1
EBITDA		**39.4**	**30.1**	**9.3**	**30.9**	**37.8**
Depreciation and amortisation including effects from impairment tests		–4.4	–4.2	–0.2	–4.8	–3.8
Results from operating activities (EBIT)		**35.0**	**25.9**	**9.1**	**35.1**	**34.0**
Financial results		–0.9	–0.6	–0.4	–63.7	–0.8
Result before income tax		**34.1**	**25.4**	**8.7**	**34.4**	**33.2**
Total assets		603.7	498.3	105.5	21.2	446.3
Total liabilities		510.9	388.6	122.3	31.5	342.6
Investments[1)]		3.2	1.5	1.7	–	4.5

1) 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 in this segment includes the distributions from the R-138 fund and AGGM Austrian Gas Grid Management AG to Netz Niederösterreich GmbH.

Highlights

- Increase in electricity and natural gas network distribution volumes
- Stable revenue development
- Improvement in EBITDA, EBIT and result before income tax
- Investment focus on supply security

Electricity distribution volumes rose slightly by 43 GWh, or 2.0%, to EUR 2,147 GWh in the first quarter of 2015/16. Volume growth was recorded, above all, in the industrial customer segment. Natural gas distribution volumes increased by 931 GWh, or 20.9%, primarily due to the frequent use of EVN's natural gas-fired power plants to stabilise the Austrian and German electricity networks. Weather-related growth in natural gas distribution was also recorded in the end customer segment.

Revenue development was stable despite the increase in network sales volumes and totalled EUR 127.9m (+0.1% year-on-year). The cable TV and telecommunications business recorded an increase in the number of customers, which was also reflected in higher revenue.

Operating expenses fell by EUR 5.6m, or 9.4%, to EUR 54.5m. This reduction resulted primarily from a decline in the cost of materials and services. The development of revenue and expenses led to EBITDA of EUR 73.5m and results from operating activities (EBIT) of EUR 46.2m, which represent an improvement of EUR 5.7m (+8.4%) in EBITDA and EUR 3.8m (+9.0%) in EBIT. The comparatively lower growth in EBIT resulted from an investment-related increase in depreciation and amortisation, which rose by EUR 1.9m to EUR 27.3m.

Financial results improved slightly by EUR 0.2m to EUR –4.3m. Result before income tax recorded by the Network Infrastructure

Key indicators – Network Infrastructure Austria		2015/16 Q. 1	2014/15 Q. 1	+/– nominal	in %	2013/14 Q. 1
Key energy business indicators	GWh					
Network distribution volumes						
Electricity		2,147	2,104	43	2.0	2,101
Natural gas		5,395	4,464	931	20.9	4,770
Key financial indicators	EURm					
External revenue		116.3	116.3	0.0	0.0	126.0
Internal revenue		11.7	11.6	0.1	0.8	11.3
Total revenue		**127.9**	**127.9**	**0.1**	**0.1**	**137.3**
Operating expenses		–54.5	–60.1	5.6	9.4	–64.6
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	–	0.0
EBITDA		**73.5**	**67.8**	**5.7**	**8.4**	**72.6**
Depreciation and amortisation including effects from impairment tests		–27.3	–25.4	–1.9	–7.4	–25.2
Results from operating activities (EBIT)		**46.2**	**42.4**	**3.8**	**9.0**	**47.5**
Financial results		–4.3	–4.5	0.2	3.6	–4.7
Result before income tax		**41.9**	**37.9**	**4.0**	**10.5**	**42.8**
Total assets		1,796.7	1,812.2	–15.5	–0.9	1,766.4
Total liabilities		1,291.1	1,324.5	–33.4	–2.5	1,278.0
Investments [1]		23.0	28.3	–5.3	–18.9	27.3

1) In intangible assets and property, plant and equipment

Austria Segment amounted to EUR 41.9m, an increase of EUR 4.0m or 10.5%.

The capital expenditure programme announced by EVN in 2013/14, which calls for investments of EUR 1bn in Lower Austria over a period of four years, entered its third year as planned in the first quarter of 2015/16. Roughly 70% of the total programme will be directed to the expansion of the network infrastructure in Lower Austria, which is faced with special challenges caused by the intensive expansion of renewable generation capacity. The reporting period therefore brought further investments in the expansion or new construction of transformer stations and in the strengthening of the 110 kV network to transport the increased feed-in of windpower-generated electricity. Investments in this segment totalled EUR 23.0m in the first quarter of 2015/16. This represents a year-on-year decline of EUR 5.3m, or 18.9%, which resulted from the postponement of individual construction projects. The completion of the Spannberg transformer station marked the start of operations at an important connecting point for the Weinviertel windparks and thus represents a further central cornerstone for supply security.

The electricity and natural gas network tariffs in Austria are adjusted annually on 1 January by the E-Control Commission in accordance with the incentive regulatory system. As of 1 January 2016, the electricity and natural gas network tariffs for household customers were raised by an average of 11.0%. In the previous year, the network tariffs for electricity and natural gas were reduced by 1.0% and 3.0%, respectively.

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

- Demand for energy in Bulgaria influenced by mild winter
- Revenue and energy procurement costs below previous year
- Slight decline in EBITDA, EBIT and result before income tax

The regulatory authority in Bulgaria reduced the end customer prices for electricity in EVN's supply area by an average of 0.4% as of 1 August 2015. In addition, the end customer prices for heat

Key indicators – Energy Supply South East Europe		2015/16 Q. 1	2014/15 Q. 1	+/– nominal	+/– in %	2013/14 Q. 1
Key energy business indicators	GWh					
Electricity generation volumes		**94**	**120**	**–26**	**–21.4**	**102**
thereof renewable energy		26	48	–21	–44.6	20
thereof thermal power plants		68	72	–4	–6.0	82
Network distribution volumes[1]		**3,445**	**3,507**	**–61**	**–1.7**	**3,432**
Heat sales volumes to end customers		**58**	**72**	**–14**	**–19.2**	**65**
Key financial indicators	EURm					
External revenue		252.4	274.0	–21.7	–7.9	263.9
Internal revenue		0.1	0.1	0.0	13.5	0.0
Total revenue		**252.4**	**274.1**	**–21.7**	**–7.9**	**263.9**
Operating expenses		–237.7	–258.5	20.7	8.0	–251.4
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	–	0.0
EBITDA		**14.7**	**15.6**	**–0.9**	**–6.0**	**12.5**
Depreciation and amortisation including effects from impairment tests		–15.5	–15.2	–0.3	–1.8	–15.6
Results from operating activities (EBIT)		**–0.8**	**0.4**	**–1.2**	**–**	**–3.1**
Financial results		–5.8	–6.1	0.3	5.0	–7.5
Result before income tax		**–6.6**	**–5.7**	**–0.9**	**–16.0**	**–10.6**
Total assets		1,256.2	1,245.3	10.9	0.9	1,441.3
Total liabilities		1,101.8	1,135.0	–33.1	–2.9	1,118.5
Investments[2]		24.4	27.0	–2.6	–9.7	24.5

1) In Bulgaria and Macedonia energy sales volumes are approximately equivalent to present network distribution volumes.
2) In intangible assets and property, plant and equipment

were cut by 7.0% as of 1 July 2015 and by a further 0.7% as of 1 October 2015. EVN is continuing to actively pursue the arbitration proceedings started in June 2013 at the World Bank's International Centre for the Settlement of Investment Disputes (ICSID).

A tariff decision in Macedonia reduced the end customer prices for electricity by an average of 0.3% as of 1 July 2015. This adjustment again failed to include the cost elements related to the next planned liberalisation steps.

EVN now supplies customers in all three Croatian counties (Zadar, Sibenik and Split) for which it has signed concession agreements covering the construction and operation of natural gas distribution networks. The current focus is on the connection of new customers through measures to increase the network coverage and on the further expansion of the local network.

EVN's companies in South East Europe generated 94 GWh of electricity in the first quarter of 2015/16, which represents a year-on-year decline of 26 GWh or 21.4%. Water flows in Macedonia were higher than the long-term average, but did not reach the previous year's record level. This led to a 21 GWh drop in renewable production to 26 GWh. In Bulgaria, the average temperatures were even higher than the mild winter 2014/15. The result was a reduction in the operating time of the co-generation plant in Plovdiv and a subsequent decrease of 4 GWh in thermal generation to 68 GWh.

In total, electricity network sales volumes declined by 61 GWh, or 1.7%, year-on-year to 3,445 GWh. Moreover, heat sales to end customers in Bulgaria fell by 14 GWh, or 19.2%, to 58 GWh.

Revenue generated by the Energy Supply South East Europe Segment was EUR 21.7m, or 7.9%, lower at EUR 252.4m in the first quarter of 2015/16. This development reflected the tariff decisions in Bulgaria and Macedonia during summer 2015, the liberalisation steps in both countries and, above all, the mild winter in Bulgaria.

Operating expenses also fell during the reporting period and were EUR 20.7m, or 8.0%, lower year-on-year at EUR 237.7m. Energy purchases from third parties declined because of the lower volumes and, not least, due to the further reduction of network losses. Further improvements in the collection of customer receivables led to a decrease in the related valuation allowances. In total, EBITDA declined by EUR 0.9m, or 6.0%, to EUR 14.7m.

Depreciation and amortisation rose by EUR 0.3m, or 1.8%, to EUR 15.5m. The results from operating activities (EBIT) amounted to EUR –0.8m, which is EUR 1.2m lower than the previous year.

Financial results improved by EUR 0.3m, or 5.0%, to EUR –5.8m based on the scheduled repayment of loans and the current low level of interest rates. Result before income tax equalled EUR –6.6m in the first quarter of 2015/16, which is EUR 0.9m, or 16.0%, lower than the previous year.

Investments in the Energy Supply South East Europe Segment declined by EUR 2.6m, or 9.7%, to EUR 24.4m.

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

- Completion of construction on two wastewater treatment plant projects in both Poland and Romania
- Cornerstone ceremony for a wastewater purification plant in Prague
- Decline in EBITDA, EBIT and result before income tax

Revenue recorded by the Environmental Services Segment rose by EUR 2.0m, or 4.2%, to EUR 48.2m in the first quarter of 2015/16. This development was supported, above all, by higher revenue in the international project business and the weather-related growth in revenue from drinking water supplies in Lower Austria. In contrast, revenue from thermal waste utilisation in Lower Austria declined during the reporting period.

Operating expenses amounted to EUR 39.0m in the first quarter of 2015/16 (previous year: EUR 19.9m). This increase is attributable chiefly to the absence of positive non-recurring effects which resulted from the sale of the shares in the project company for the sodium hypochlorite plant in Moscow during the previous year.

The share of results from equity accounted investees with operational nature remained stable at EUR 2.8m. These developments led, in total, to EBITDA of EUR 11.9m, which represents a decline of EUR 17.2m or 59.0%. Depreciation and amortisation were nearly constant at EUR 6.5m (previous year: EUR 6.7m), and the results of operating activities (EBIT) fell by EUR 17.0m, or 75.6%, year-on-year to EUR 5.5m.

Financial results amounted to EUR 0.4m and improved by EUR 10.1m over the previous year. The main factors supporting this development were the absence of the negative effects on financial results caused by the termination of the hedge and the federal guarantee for the sodium hypochlorite project. Result before income tax equalled EUR 5.9m in the first quarter of 2015/16, which is EUR 6.9m, or 53.8%, lower than the previous year.

Key financial indicators – Environmental Services	EURm	2015/16 Q.1	2014/15 Q.1	+/– nominal	+/– in %	2013/14 Q.1
External revenue		43.6	40.9	2.7	6.5	38.9
Internal revenue		4.5	5.3	–0.7	–13.7	5.6
Total revenue		**48.2**	**46.2**	**2.0**	**4.2**	**44.5**
Operating expenses		–39.0	–19.9	–19.1	–96.2	–36.0
Share of results from equity accounted investees with operational nature		2.8	2.8	0.0	–1.7	2.9
EBITDA		**11.9**	**29.2**	**–17.2**	**–59.0**	**11.4**
Depreciation and amortisation including effects from impairment tests		–6.5	–6.7	0.2	3.3	–7.1
Results from operating activities (EBIT)		**5.5**	**22.5**	**–17.0**	**–75.6**	**4.4**
Financial results		0.4	–9.7	10.1	–	–0.5
Result before income tax		**5.9**	**12.7**	**–6.9**	**–53.8**	**3.9**
Total assets		914.7	980.1	–65.4	–6.7	1,436.4
Total liabilities		723.1	783.8	–60.7	–7.7	1,053.1
Investments[1]		1.4	1.3	0.2	11.9	2.9

1) In intangible assets and property, plant and equipment

EVN invested a total of EUR 1.4m in the Environmental Services Segment in the first quarter of 2015/16, which represents a year-on-year increase of EUR 0.2m. These expenditures are focused primarily on supplying new communities with drinking water and improving the quality and supply security of drinking water for existing customers. As of 1 January 2016, EVN took over the management of the water supply network for the roughly 3,700 residents of Litschau. The measures to improve supply security include investments to increase the performance capability of the Waldviertel pumping stations and the construction of a natural filter plant in Zwentendorf an der Zaya.

In the international project business, EVN worked on realising and finalising eight projects in the Czech Republic, Poland, Montenegro, Romania and Cyprus. Most of these projects involve EVN's services as the general contractor with responsibility for the planning and construction of the plant, while the financing is arranged by the customer.

In the Czech Republic, construction on the renovation and expansion of a wastewater purification plant in Prague started after the receipt of the building permit. EVN is realising this project as a partner in a consortium. The wastewater purification plant will have a capacity to service 1.2m residents.

Construction was successfully completed during the first quarter of 2015/16 on two projects in Poland (modernisation and expansion of the wastewater purification plants in Kujawy/Krakow and Pruszkow) and two projects in Romania (construction of three wastewater treatment plants in Silvaniei and expansion of the wastewater treatment plant in Zalau). The transfer of these projects to the customers will be followed by the final invoicing of these general contractor orders.

In Montenegro, EVN constructed and is now operating a wastewater purification plant in Budva and continued work on the construction of a wastewater purification plant in Kotor-Tivat. Both of these projects make an important contribution to improving the water quality on the Adriatic Coast and, in this way, support the development of tourism in Montenegro. In Cyprus, work continued on the commissioning and optimisation of a wastewater treatment plant in Larnaca.

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

→ Contrary developments in earnings contributions from equity accounted investees with operational nature:
- Slight growth at Rohöl-Aufsuchungs AG (RAG)
- Decline at Energie Burgenland

→ Improvement in EBITDA, EBIT and result before income tax

The Strategic Investments and Other Business Segment recorded an increase of EUR 1.5m, or 10.0%, in revenue to EUR 16.9m in the first quarter of 2015/16. Operating expenses declined by EUR 2.8m, or 14.9%, to EUR 16.2m. The share of results from equity accounted investees with operational nature rose slightly year-on-year to EUR 16.6m (previous year: EUR 16.1m). This position includes the share of results from RAG and Energie Burgenland, which showed contrary development in the first quarter of 2015/16. A slight increase in the earnings contribution from RAG was contrasted by a minor decline in the contribution from Energie Burgenland.

In total, these developments resulted in EBITDA of EUR 17.3m, which is EUR 4.9m, or 39.5%, higher than the previous year. Depreciation and amortisation remained constant at EUR 0.4m, and results from operating activities (EBIT) equalled EUR 16.9m (previous year: EUR 12.0m).

Financial results declined by EUR 1.9m, or 12.6%, to EUR 13.2m. In total, these developments led to result before income tax of EUR 30.1m (previous year: EUR 27.1m).

Key financial indicators – Strategic Investments and Other Business	EURm	2015/16 Q. 1	2014/15 Q. 1	+/– nominal	+/– in %	2013/14 Q. 1
External revenue		1.7	2.6	–0.9	–35.1	2.4
Internal revenue		15.2	12.7	2.5	19.4	15.4
Total revenue		**16.9**	**15.3**	**1.5**	**10.0**	**17.8**
Operating expenses		–16.2	–19.0	2.8	14.9	–18.0
Share of results from equity accounted investees with operational nature		16.6	16.1	0.5	3.3	12.6
EBITDA		**17.3**	**12.4**	**4.9**	**39.5**	**12.4**
Depreciation and amortisation including effects from impairment tests		–0.4	–0.4	0.0	–2.3	–0.4
Results from operating activities (EBIT)		**16.9**	**12.0**	**4.9**	**40.7**	**12.0**
Financial results		13.2	15.1	–1.9	–12.6	11.9
Result before income tax		**30.1**	**27.1**	**3.0**	**11.0**	**23.8**
Total assets		2,634.0	2,834.0	–200.0	–7.1	2,997.1
Total liabilities		1,073.0	1,199.7	–126.6	–10.6	1,382.2
Investments[1]		0.0	0.0	0.0	–	0.1

1) In intangible assets and property, plant and equipment

Consolidated interim report

according to IAS 34

Consolidated statement of operations

EURm	2015/16 Q. 1	2014/15 Q. 1	+/– nominal	+/– in %	2014/15
Revenue	573.3	599.9	–26.6	–4.4	2,135.8
Other operating income	21.6	47.8	–26.2	–54.8	108.4
Electricity purchases and primary energy expenses	–282.9	–311.3	28.5	9.1	–1,066.5
Costs of materials and services	–60.0	–66.1	6.1	9.3	–254.0
Personnel expenses	–78.7	–81.7	3.0	3.7	–313.5
Other operating expenses	–30.6	–41.6	10.9	26.3	–168.1
Share of results from equity accounted investees with operational nature	42.3	37.8	4.5	11.8	141.1
EBITDA	**185.0**	**184.8**	**0.2**	**0.1**	**583.2**
Depreciation and amortisation	–65.5	–63.6	–2.0	–3.1	–260.3
Effects from impairment tests	–	–	–	–	–54.7
Results from operating activities (EBIT)	**119.4**	**121.2**	**–1.8**	**–1.4**	**268.2**
Share of results from equity accounted investees with financial nature	0.0*)	–0.2	0.2	–	0.4
Results from other investments	0.2	–	0.2	–	11.6
Interest income	4.0	6.4	–2.4	–37.2	21.7
Interest expense	–19.6	–30.7	11.2	36.3	–91.1
Other financial results	–1.4	0.1	–1.5	–	–2.9
Financial results	**–16.7**	**–24.4**	**7.7**	**31.5**	**–60.3**
Result before income tax	**102.7**	**96.8**	**5.9**	**6.1**	**207.9**
Income tax expense	–16.9	–17.5	0.6	3.4	–17.3
Result for the period	**85.8**	**79.3**	**6.5**	**8.2**	**190.7**
thereof result attributable to EVN AG shareholders (Group net result)	78.8	73.1	5.8	7.9	148.1
thereof result attributable to non-controlling interests	6.9	6.2	0.7	11.8	42.6
Earnings per share in EUR 1)	0.44	0.41	0.03	8.0	0.83

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

*) Small amount

Consolidated statement of comprehensive income

EURm	2015/16 Q.1	2014/15 Q.1	+/– nominal	+/– in %	2014/15
Result for the period	85.8	79.3	6.5	8.2	190.7
Other comprehensive income from					
Items that will not be reclassified to profit or loss	–14.2	–13.5	–0.7	–5.0	1.6
Remeasurements IAS 19	–0.9	–2.5	1.6	63.8	21.2
Investments in equity accounted investees	–13.9	–11.6	–2.3	–19.7	–13.9
thereon apportionable income tax expense	0.6	0.6	0.0*)	7.4	–5.6
Items that may be reclassified to profit or loss	7.3	–28.4	35.7	–	–139.4
Currency translation differences	–6.4	–11.8	5.4	45.5	–10.7
Available for sale financial instruments	–0.4	–26.1	25.7	98.5	–163.5
Cash flow hedges	2.0	1.3	0.7	50.3	5.4
Investments in equity accounted investees	11.7	1.7	10.0	–	–12.9
thereon apportionable income tax expense	0.4	6.4	–6.0	–93.1	42.2
Total other comprehensive income after tax	–6.9	–41.9	35.1	83.6	–137.9
Comprehensive income for the period	78.9	37.3	41.6	–	52.9
thereof income attributable to EVN AG shareholders	72.0	31.1	40.9	–	15.4
thereof income attributable to non-controlling interests	6.9	6.2	0.7	11.8	37.5

*) Small amount

Consolidated statement of financial position

EURm	31.12.2015	30.09.2015	+/– nominal	+/– in %
Assets				
Non-current assets				
Intangible assets	230.0	220.2	9.8	4.4
Property, plant and equipment	3,505.5	3,516.3	–10.8	–0.3
Investments in equity accounted investees	879.2	898.1	–18.9	–2.1
Other investments	498.7	499.7	–0.9	–0.2
Deferred tax assets	80.8	86.4	–5.6	–6.5
Other non-current assets	307.0	308.4	–1.4	–0.5
	5,501.3	**5,529.2**	**–27.9**	**–0.5**
Current assets				
Inventories	131.1	132.5	–1.4	–1.1
Trade and other receivables	502.6	503.2	–0.7	–0.1
Securities	84.8	81.3	3.5	4.3
Cash and cash equivalents	262.2	255.1	7.2	2.8
	980.7	**972.0**	**8.6**	**0.9**
Total assets	**6,481.9**	**6,501.2**	**–19.3**	**–0.3**
Equity and liabilities				
Equity				
Share capital	330.0	330.0	–	–
Share premium and capital reserves	253.0	253.0	–	–
Retained earnings	1,947.0	1,868.2	78.8	4.2
Valuation reserve	–70.3	–69.9	–0.4	–0.6
Currency translation reserve	–30.4	–24.0	–6.4	–26.8
Treasury shares	–22.7	–22.5	–0.2	–0.9
Issued capital and reserves attributable to shareholders of EVN AG	2,406.6	2,334.8	71.8	3.1
Non-controlling interests	262.3	255.4	6.9	2.7
	2,668.9	**2,590.1**	**78.7**	**3.0**
Non-current liabilities				
Non-current loans and borrowings	1,527.3	1,535.7	–8.4	–0.5
Deferred tax liabilities	31.0	31.2	–0.2	–0.5
Non-current provisions	461.3	461.1	0.2	0.0
Deferred income from network subsidies	539.7	507.4	32.3	6.4
Other non-current liabilities	66.2	75.6	–9.4	–12.4
	2,625.6	**2,611.0**	**14.6**	**0.6**
Current liabilities				
Current loans and borrowings	125.2	140.1	–14.9	–10.6
Taxes payable and levies	94.4	63.6	30.8	48.3
Trade payables	421.9	472.3	–50.4	–10.7
Current provisions	117.9	146.1	–28.2	–19.3
Other current liabilities	428.1	477.9	–49.8	–10.4
	1,187.4	**1,300.0**	**–112.6**	**–8.7**
Total equity and liabilities	**6,481.9**	**6,501.2**	**–19.3**	**–0.3**

Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2014	2,395.2	237.5	2,632.7
Comprehensive income for the period	31.1	6.2	37.3
Change in treasury shares	–0.2	–	–0.2
Balance on 31.12.2014	2,426.1	243.7	2,669.8
Balance on 30.09.2015	2,334.8	255.4	2,590.1
Comprehensive income for the period	72.0	6.9	78.9
Change in treasury shares	–0.2	–	–0.2
Balance on 31.12.2015	2,406.6	262.3	2,668.9

Condensed consolidated statement of cash flows

EURm	2015/16 Q.1	2014/15 Q.1	+/– nominal	+/– in %	2014/15
Result before income tax	102.7	96.8	5.9	6.1	207.9
+ Depreciation and amortisation of intangible assets and property, plant and equipment	65.5	63.6	2.0	3.1	315.0
– Non-cash share of results of equity accounted investees and other investments	–42.5	–37.6	–4.9	–13.0	–153.1
+ Dividends from equity accounted investees and other investments	64.9	54.4	10.5	19.4	120.7
+ Interest expense	19.6	30.7	–11.2	–36.3	91.1
– Interest paid	–14.3	–25.7	11.4	44.4	–76.6
– Interest income	–4.0	–6.4	2.4	37.2	–21.7
+ Interest received	3.2	6.0	–2.8	–46.7	20.3
–/+ Other non-cash financial results	–0.3	–0.8	0.5	66.2	2.2
– Release of deferred income from network subsidies	–10.4	–9.9	–0.6	–5.7	–38.7
–/+ Decrease/increase in non-current provisions	–2.1	–4.5	2.5	54.1	–30.1
+/– Other non-cash expenses/gains	–0.3	0.0*)	–0.3	–	0.9
Gross cash flow	182.1	166.6	15.5	9.3	438.1
– Changes in assets and liabilities arising from operating activities	–92.7	–83.9	–8.7	–10.4	35.6
– Income tax paid	3.7	9.8	–6.1	–62.1	4.6
Net cash flow from operating activities	93.2	92.4	0.7	0.8	478.3
– Changes in intangible assets and property, plant and equipment	–44.2	–55.0	10.8	19.6	–242.5
– Changes in financial assets and other non-current assets	–10.8	210.2	–221.0	–	250.3
– Changes in current securities	–3.5	–94.3	90.8	96.3	–80.5
Net cash flow from investing activities	–58.5	60.9	–119.4	–	–72.7
– Dividends paid to EVN AG shareholders	–	–	–	–	–74.7
– Dividends paid to non-controlling interests	–	–	–	–	–19.6
– Acquisition of own shares	–0.2	–0.2	0.0*)	–4.0	–1.1
+/– Changes in financial liabilities	–26.6	–192.5	166.0	86.2	–261.9
Net cash flow from financing activities	–26.8	–192.8	166.0	86.1	–357.3
Net change in cash and cash equivalents	7.9	–39.4	47.3	–	48.3
Cash and cash equivalents at the beginning of the period[1)]	244.9	197.2	47.7	24.2	197.2
Cash and cash equivalents at the end of the period[1)]	252.2	157.8	94.4	59.8	244.9

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

*) Small amount

Notes to the consolidated interim report

Accounting and valuation methods

This consolidated interim report as of 31 December 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 2014/15 financial year (balance sheet date: 30 September 2015).

The accounting and valuation methods applied in preparing the consolidated financial statements as of 30 September 2015 remain unchanged. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

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

Reporting in accordance with IFRS

The following standards and interpretations require mandatory application beginning with the 2015/16 financial year:

Standards and interpretations applied for the first time		Effective[1)]
New standards and interpretations		
–	–	–
Revised standards and interpretations		
IAS 19	Employee Benefits – Defined Benefit Plans: Employee Contributions	01.02.2015
Several	Annual Improvements 2010–2012	01.02.2015
Several	Annual Improvements 2011–2013	01.01.2015

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

The revised standards and interpretations were applied prematurely in 2014/15 and had no effect on the consolidated interim financial statements.

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 Segment 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 seasonable nature of the energy business. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

Auditor's review

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

Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 31 domestic and 37 foreign subsidiaries (30 September 2015: 31 domestic and 37 foreign subsidiaries) were fully consolidated as of 31 December 2015. As of 31 December 2015, a total of 35 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 2015: 36).

Changes in the scope of consolidation	Fully	Line-by-line (Joint Operation)	Equity	Total
30.09.2014	69	1	19	89
First consolidation	1	–	–	1
Deconsolidation	–2	–	–	–2
30.09.2015	68	1	19	88
First consolidation	–	–	–	–
Deconsolidation	–	–	–	–
31.12.2015	68	1	19	88
thereof foreign companies	37	1	6	44

Anlagenbetriebsgesellschaft Waidhofen/Ybbs GmbH, Maria Enzersdorf, which was not included in the consolidated financial statements of EVN for reasons of immateriality, was merged with EVN Wärme GmbH, Maria Enzersdorf, retroactively to 30 September 2015 as of 11 November 2015.

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

Selected notes to the consolidated statement of operations

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

Share of results from equity accounted investees with operational nature EURm	2015/16 Q. 1	2014/15 Q. 1
EVN KG	25.0	16.2
RAG	11.8	10.7
Energie Burgenland	4.8	5.4
ZOV; ZOV UIP	2.8	2.8
Shkodra	–4.0	–
Verbund Innkraftwerke	–0.2	0.1
Other companies	2.1	2.6
Share of results from equity accounted investees with operational nature	**42.3**	**37.8**

The share of results from the equity accounted investee Shkodra includes an impairment loss of EUR 4.1m to the carrying amount, which is related to the Ashta hydropower plant. A capital increase in October 2015 gave rise to a review of the carrying amount for possible signs of impairment. The recoverable amount of EVN's investment in Shkodra was determined on the basis of fair value less costs of disposal (level 3 according to IFRS 13) and equalled EUR 2.8m. An after-tax WACC of 8.16% was used as the discount rate during the regulated phase and 10.29% for the free market phase. The present value model underlying the valuation includes a planning period up to 2043, after which the ownership of the power plant will be transferred to the state of Albania.

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 EURm	2015/16 Q. 1	2014/15 Q. 1
WEEV Beteiligungs GmbH	–	–0.2
Other companies	0.0*)	0.0*)
Share of results of equity accounted investees with financial nature	**0.0*)**	**–0.2**
Verbund AG	–	–
Other companies	0.2	–
Results from other investments	**0.2**	**–**
Total income from investments	**0.2**	**–0.2**

*) Small amount

Earnings per share are calculated by dividing Group net profit (=net profit for the period attributable to EVN shareholders) by the weighted average number of shares outstanding, i.e. 177,800,283 as of 31 December 2015 (31 December 2014: 177,932,397 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net result amounting to EUR 78.8m (31 December 2014: EUR 73.1m), earnings per share at the balance sheet date 31 December 2015, totalled EUR 0.44 (31 December 2014: EUR 0.41 per share).

Selected notes to the consolidated statement of financial position

In the first quarter of 2015/16, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 57.5m (previous year: EUR 65.5m). Property, plant and equipment with a net carrying amount (book value) of EUR 0.4m were disposed of (previous year: EUR 0.2m), with a capital gain of EUR 0.2m (previous year: capital gain of EUR 0.4m).

The item investments in equity accounted investees decreased by EUR 18.9m, or 2.1%, to EUR 879.2m. This decline resulted primarily from the distributions by at equity consolidated companies, which totalled EUR 64.9m as well as from valuation changes not recognised in profit and loss that amounted to EUR 2.2m. This reduction was contrasted by the current earnings contributions of EUR 42.3m.

Other investments totalling EUR 498.7m, which are assigned to the category of "available-for-sale", include the shares of listed companies with a market value of EUR 475.7m, a decrease of EUR 0.4m 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 Number	2015/16 Q. 1
Balance 30.09.2015	177,820,083
Purchase of treasury shares	–20,800
Total 31.12.2015	**177,799,283**

The 85th Annual General Meeting on 16 January 2014 authorised the Executive Board of EVN to repurchase the company's bearer shares during a period of 30 months (i) for distribution to employees of the company or its subsidiaries and (ii) in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act (acquisition with no specific purpose) at an amount equalling up to 10% of the share capital of EVN. Based on approvals by the EVN Executive Board on 16 January 2014, 30 September 2014 and 30 June 2015, each covering the repurchase of up to 1,000,000 shares, a total of 324,871 shares representing 0.2% of share capital were repurchased between 22 January 2014 and 31 December 2015.

As of 31 December 2015, the number of treasury shares amounted to 2,079,119 (or 1.16% of the share capital) with an acquisition value of EUR 22.7m and a market value of EUR 20.5m (30 September 2015: EUR 20.3m). The treasury shares held by EVN are not entitled to any rights, and in particular, they are not entitled to dividends.

The 87th Annual General Meeting of EVN held on 21 January 2016, approved the proposal of the Executive Board and Supervisory Board to distribute a dividend of EUR 0.42 per share for the 2014/15 financial year, which comprises a total dividend payout of EUR 74.4m. Ex-dividend date was 27 January 2016, and the dividend payment to shareholders of EVN took place on 29 January 2016.

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

Break-down of non-current loans and borrowings EURm	31.12.2015	30.09.2015
Bonds	681.5	679.4
Bank loans	845.8	856.2
Total non-current loans and borrowings	**1,527.3**	**1,535.7**

The increase of EUR 2.1m in bonds resulted primarily from a change in the value of the hedged foreign exchange risk. This was contrasted by an opposite movement in the market value of the hedges.

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

Segment reporting

EURm	Generation		Energy Trade and Supply		Network Infrastructure Austria		Energy Supply South East Europe	
	2015/16 Q.1	2014/15 Q.1	**2015/16** Q.1	2014/15 Q.1	**2015/16** Q.1	2014/15 Q.1	**2015/16** Q.1	2014/15 Q.1
External revenue	9.7	14.4	149.6	151.7	116.3	116.3	252.4	274.0
Internal revenue (between segments)	48.4	44.8	2.5	4.0	11.7	11.6	0.1	0.1
Total revenue	**58.0**	**59.1**	**152.2**	**155.7**	**127.9**	**127.9**	**252.4**	**274.1**
Operating expenses	–25.1	–29.1	–139.8	–144.3	–54.5	–60.1	–237.7	–258.5
Share of results from equity accounted investees operational	–4.2	0.2	27.0	18.6	–	–	–	–
EBITDA	**28.8**	**30.2**	**39.4**	**30.1**	**73.5**	**67.8**	**14.7**	**15.6**
Depreciation and amortisation	–13.6	–13.4	–4.4	–4.2	–27.3	–25.4	–15.5	–15.2
Results from operating activities (EBIT)	**15.1**	**16.8**	**35.0**	**25.9**	**46.2**	**42.4**	**–0.8**	**0.4**
Financial results	–6.0	–6.2	–0.9	–0.6	–4.3	–4.5	–5.8	–6.1
Result before income tax	**9.2**	**10.6**	**34.1**	**25.4**	**41.9**	**37.9**	**–6.6**	**–5.7**
Total assets	1,131.3	1,248.0	603.7	498.3	1,796.7	1,812.2	1,256.2	1,245.3
Investments[1)]	5.4	14.0	3.2	1.5	23.0	28.3	24.4	27.0

	Environmental Services		Strategic Investments and Other Business		Consolidation		Total	
	2015/16 Q.1	2014/15 Q.1	**2015/16** Q.1	2014/15 Q.1	**2015/16** Q.1	2014/15 Q.1	**2015/16** Q.1	2014/15 Q.1
External revenue	43.6	40.9	1.7	2.6	–0.0[*)]	–0.1	573.3	599.9
Internal revenue (between segments)	4.5	5.3	15.2	12.7	–82.3	–78.4	–	–
Total revenue	**48.2**	**46.2**	**16.9**	**15.3**	**–82.4**	**–78.5**	**573.3**	**599.9**
Operating expenses	–39.0	–19.9	–16.2	–19.0	81.8	78.0	–430.6	–452.9
Share of results from equity accounted investees operational	2.8	2.8	16.6	16.1	–	–	42.3	37.8
EBITDA	**11.9**	**29.2**	**17.3**	**12.4**	**–0.6**	**–0.6**	**185.0**	**184.8**
Depreciation and amortisation	–6.5	–6.7	–0.4	–0.4	2.1	1.8	–65.5	–63.6
Results from operating activities (EBIT)	**5.5**	**22.5**	**16.9**	**12.0**	**1.5**	**1.2**	**119.4**	**121.2**
Financial results	0.4	–9.7	13.2	15.1	–13.4	–12.5	–16.7	–24.4
Result before income tax	**5.9**	**12.7**	**30.1**	**27.1**	**–11.9**	**–11.3**	**102.7**	**96.8**
Total assets	914.7	980.1	2,634.0	2,834.0	–1,854.6	–1,946.9	6,481.9	6,670.9
Investments[1)]	1.4	1.3	0.0[*)]	–	–	–6.5	57.5	65.5

1) In intangible assets and property, plant and equipment
*) Small amount

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)	31.12.2015 Carrying amount	31.12.2015 Fair Value	30.09.2015 Carrying amount	30.09.2015 Fair Value
Non-current assets						
Other investments						
Non-financial assets	–		13.2	–	13.8	–
Miscellaneous investments	AFS		9.8	–	9.8	–
Miscellaneous investments	AFS	Level 1	475.7	475.7	476.1	476.1
			498.7		**499.7**	
Other non-current assets						
Securities	@FVTPL	Level 1	88.5	88.5	73.3	73.3
Loans receivable	LAR	Level 2	31.8	40.6	33.1	40.4
Lease receivables and accrued lease transactions	LAR	Level 2	120.1	136.1	128.1	146.1
Receivables arising from derivative transactions	@FVTPL	Level 2	5.7	5.7	5.7	5.7
Remaining other non-current assets	LAR		48.6	48.6	53.8	53.8
Non-financial assets (primary energy reserves)	–		12.4	–	14.4	–
			307.0		**308.4**	
Current assets						
Current receivables and other current assets						
Trade and other receivables	LAR		471.9	471.9	472.6	472.6
Receivables arising from derivative transactions	@FVTPL	Level 2	9.8	9.8	7.3	7.3
Non-financial assets	–		9.2	–	23.4	–
			490.9		**503.2**	
Securities	AFS	Level 1	**84.8**	**84.8**	**81.3**	**81.3**
Cash and cash equivalents						
Cash on hand and cash at banks	LAR		262.2	262.2	255.1	255.1
			262.2		**255.1**	
Non-current liabilities						
Non-current loans and borrowings						
Bonds	FLAC	Level 2	681.5	805.6	679.4	805.3
Bank loans	FLAC	Level 2	845.8	898.5	856.2	916.7
			1,527.3		**1,535.7**	
Other non-current liabilities						
Leases	FLAC	Level 2	15.2	15.4	16.0	16.4
Accruals of financial transactions	FLAC		–40.1	–40.1	2.0	2.0
Other liabilities	FLAC		7.2	7.2	8.9	8.9
Liabilities arising from derivative transactions	Hedging, @FVTPL	Level 2	41.9	41.9	48.7	48.7
			24.3		**75.6**	
Current liabilities						
Current loans and borrowings	FLAC		**125.2**	**125.2**	**140.1**	**140.1**
Trade payables	FLAC		**421.9**	**421.9**	**472.3**	**472.3**
Other current liabilities						
Other financial liabilities	FLAC		297.3	297.3	327.7	327.7
Liabilities arising from derivative transactions	Hedging, @FVTPL	Level 2	19.9	19.9	17.7	17.7
Non-financial liabilities	–		110.9	–	132.5	–
			428.1		**477.9**	
thereof aggregated to measurement categories						
Available for sale financial assets	AFS		570.2		567.2	
Loans and receivables	LAR		934.6		942.6	
Financial assets designated at fair value in profit or loss	@FVTPL		103.9		86.3	
Financial liabilities at amortised cost	FLAC		2,354.1		2,502.7	

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

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

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

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

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

Information on transactions with related parties

There were no major changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2014/15.

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

Transactions with investments in equity accounted investees EURm	2015/16 Q. 1	2014/15 Q. 1
Revenue	87.5	76.6
Cost of materials and services	44.9	54.0
Trade accounts receivable	52.2	75.1
Trade accounts payable	35.6	30.5

Other obligations and risks

Other obligations and risks increased by EUR 32.0m to EUR 411.4m compared to 30 September 2015. This change was mainly due to the rise in guarantees for subsidiaries in connection with energy transactions, guarantees for subsidiaries in connection with construction projects in the Environmental Services Segment as well as the increased scheduled orders for investments in intangible assets and property, plant and equipment.

Contingent liabilities related to guarantees for subsidiaries for energy transactions are recognised on the basis of the guarantees issued by EAA at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase. Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 53.0m as of 31 December 2015. The nominal volume of the guarantees underlying this assessment was EUR 272.0m.

Events after the balance sheet date

The following events of material importance took place between the quarterly balance sheet date of 31 December 2015, and the editorial deadline of the consolidated interim report on 19 February 2016:

The electricity and natural gas network usage fees for household customers were raised by an average of 11.0% each as of 1 January 2016 based on a decision by the E-Control Commission.

A project manager from the German subsidiary WTE was questioned by the Montenegrin authorities during January 2016 in connection with the Budva wastewater purification plant project. EVN has supplied project documentation and is cooperating closely with the authorities. These circumstances have not led to the start of criminal proceedings against EVN or its subsidiaries and have not resulted in any financial damages for EVN.

The 87th Annual General Meeting on 21 January 2016, approved the proposal of the Executive Board to distribute a dividend of EUR 74.4m or EUR 0.42 per share for the 2014/15 financial year. Ex-dividend date was 27 January 2016, and the dividend payment to shareholders took place on 29 January 2016.

The 87th Annual General Meeting approved the premature termination of the share buyback programme that was started on 16 January 2014 and authorised the Executive Board to carry out a new share buyback programme for up to 10% of the share capital of EVN AG during a period of 30 months. The Executive Board used this authorisation and approved the repurchase of up to 1,000,000 shares, representing up to 0.556% of the current share capital, by 31 October 2016. This new share buyback programme has led to the repurchase of 43,500 shares over the Vienna Stock Exchange since 28 January 2016. EVN held 2,122,619 treasury shares, which represent 1.18% of share capital, as of the editorial deadline for this report.

The 87th Annual General Meeting also included the election of the Supervisory Board. Bettina Glatz-Kremsner, Philip Gruber, Susanne Scharnhorst and Friedrich Zibuschka were elected as new members of the Supervisory Board and replace Burkhard Hofer, Stefan Schenker, Bernhard Müller and Ewin Rambossek who did not stand for re-election. The following Supervisory Board members were re-elected: Norbert Griesmayr, Willi Stiowicek, Thomas Kusterer, Dieter Lutz, Reinhard Meißl and Angela Stransky. At the constituent meeting of the Supervisory Board, Bettina Glatz-Kremsner was elected as the new president of the Supervisory Board of EVN.

In February 2016, the rating agency Moody's confirmed EVN's A3 rating and stable outlook.

The EVN share

Market environment and performance

The performance of the international stock markets was generally positive during the reporting period. From October to December 2015, the German benchmark index DAX increased by 11% and the American benchmark index Dow Jones by 7%.

Vienna's benchmark index ATX was also positively influenced by international developments and rose by 7.5% during the first three months of 2015/16. The DJ Euro Stoxx Utilities, the relevant industry index for EVN, also recorded strong performance with a plus of 6.6% in this same period. The EVN share matched this increase and closed at EUR 10.50 on 31 December 2015. This represents a market capitalisation of EUR 1.89bn. The average daily turnover in EVN shares equalled 31,973 (single counting), which corresponds to an annual trading volume of EUR 19.58m (single counting) for EVN shares on the Vienna Stock Exchange and 0.28% of the total trading volume. The EVN share was weighted at 0.94% in the ATX Prime at the end of December 2015.

Share buyback programme

The 85th Annual General Meeting on 16 January 2014 authorised the Executive Board of EVN AG to repurchase the company's bearer shares during a period of 30 months (i) for distribution to employees of the company or its subsidiaries and (ii) in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act (acquisition with no specific purpose) at an amount equalling up to 10% of the share capital of EVN AG. Based on approvals by the EVN Executive Board on 16 January 2014, 30 September 2014 and 30 June 2015, each covering the repurchase of up to 1,000,000 shares, a total of 324,871 shares representing 0.2% of share capital were repurchased between 22 January 2014 and 31 December 2015. EVN AG held 2,079,119 treasury shares as of 31 December 2015, including the shares repurchased in earlier years, which represent approximately 1.2% of share capital.

This programme was terminated and replaced by a new authorisation for the repurchase of shares, which was approved by the 87th Annual General Meeting on 21 January 2016.

Strategy for the use of financial resources and dividend

EVN's strategy for the use of its financial resources includes establishing a balance between current investment projects and attractive dividends for shareholders. This strategy is reflected in a targeted payout rate equalling approximately 40% of Group net result over the long term.

The 87th Annual General Meeting on 21 January 2016 approved a dividend of EUR 0.42 per share, or EUR 74.4m in total, to shareholders for the 2014/15 financial year. The ex-dividend day was 27 January 2016, and payment was made to shareholders on 29 January 2016.

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 con-

The EVN share price – relative development

EVN share – performance		2015/16 Q.1	2014/15 Q.1
Share price at 31 December	EUR	10.50	10.00
Highest price	EUR	10.50	10.45
Lowest price	EUR	9.87	9.50
Value of shares traded[1)]	EURm	19.58	21.30
Average daily turnover[1)]	Shares	31,973	35,333
Share of total turnover[1)]	%	0.28	0.37
Market capitalisation at 31 December	EURm	1,889	1,799
ATX weighting at 31 December	%	0.94	0.97
WBI (Vienna Stock Exchange) weighting at 31 December	%	2.19	2.31

1) Vienna Stock Exchange, single counting

stitutional law, NÖ Landes-Beteiligungsholding GmbH, St. Pölten, which is a subsidiary of the province of Lower Austria, is the majority shareholder with 51.0% of the shares. The second largest shareholder is EnBW Trust e.V. (EnBW Trust), an association headquartered in Karlsruhe which is recorded in the register of associations maintained by the district court in Mannheim under VR 3737. EnBW Trust holds an investment of 32.2% in trust for EnBW Energie Baden-Württemberg AG (EnBW), which is also headquartered in Karlsruhe and recorded in the commercial register of the district court in Mannheim under HRB 107956. As of 31 December 2015, EVN AG held treasury shares representing 1.2% of share capital and free float equalled 15.6%.

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Online Letter to Shareholders
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Information on the internet
www.evn.at
www.investor.evn.at
www.verantwortung.evn.at

Financial calendar[1]	
Results HY. 2015/16	25.05.2016
Results Q. 1–3 2015/16	25.08.2016
Annual results 2015/16	13.12.2016

1) Preliminary

EVN share – Basic information[1]	
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, stable (Moody's); BBB+, stable (Standard & Poor's)

1) As of 31 December 2015

Imprint
Published by:
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Announcement pursuant to Section 25 Austrian Media Act: **www.evn.at/offenlegung**

Editorial deadline: 19 February 2016