

Letter to Shareholders

1st Half-Year 2008/09
October 1, 2008 – March 31, 2009

Revenue +18.4% (EUR 1,615.6m)
EBITDA +5.8% (EUR 277.3m)
EBIT +7.8% (EUR 184.0m)
Group net profit –10.0% (EUR 168.8m)
Gross cash value –13.6% (EUR 241.0m)

- Positive revenue and EBIT development despite earnings decline in Energy segment sales
- Lower income from investments in associates as the result of the price decline for primary energy
- Group net profit on balance below the previous year's level
- Successful corporate bond issue, optimisation of financial structure
- Outlook for the current financial year confirmed
- Ratification of concession agreement for constructing three hydropower storage plants in Albania

Key figures

		2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Sales volumes							
Electricity generation	GWh	2,390	2,663	-10.3	1,134	1,177	-3.7
Electricity sales volumes to end customers	GWh	10,871	10,421	4.3	5,822	5,435	7.1
Gas sales volumes to end customers	GWh	5,200	5,177	0.4	3,016	2,449	23.2
Heating sales volumes to end customers	GWh	1,191	944	26.2	672	538	24.9
Consolidated income statement							
Revenue	EUR m	1,615.6	1,365.0	18.4	879.6	697.3	26.1
EBITDA	EUR m	277.3	262.0	5.8	143.8	125.2	14.9
EBITDA margin ¹⁾	%	17.2	19.2	-2.0	16.4	18.0	-1.6
Results from operating activities (EBIT)	EUR m	184.0	170.6	7.8	96.1	78.6	22.2
EBIT margin ¹⁾	%	11.4	12.5	-1.1	10.9	11.3	-0.4
Profit before income tax	EUR m	215.2	232.5	-7.4	141.3	129.6	9.0
Group net profit	EUR m	168.8	187.4	-10.0	113.9	109.9	3.7
Consolidated balance sheet							
Balance sheet total	EUR m	6,511.4	6,679.1	-2.5	6,511.4	6,679.1	-2.5
Equity	EUR m	2,828.4	3,300.3	-14.3	2,828.4	3,300.3	-14.3
Equity ratio ¹⁾	%	43.4	49.4	-6.0	43.4	49.4	-6.0
Net debt	EUR m	1,526.2	1,092.7	39.7	1,526.2	1,092.7	39.7
Gearing ¹⁾	%	54.0	33.1	20.9	54.0	33.1	20.9
Return on equity (ROE) ¹⁾	%	6.0	6.6	-0.6	4.1	4.0	0.1
Return on capital employed (ROCE) ¹⁾	%	4.6	5.1	-0.5	2.7	2.8	-0.1
Consolidated cash flow and investments							
Gross cash values	EUR m	241.0	278.9	-13.6	133.1	160.9	-17.2
Investments ²⁾	EUR m	154.9	185.3	-16.4	76.5	74.2	3.1
Employees							
Employees	Ø	9,061	9,450	-4.1	8,886	9,392	-5.4
Thereof Austria	Ø	2,568	2,447	5.0	2,556	2,449	4.4
Thereof abroad	Ø	6,493	7,004	-7.3	6,330	6,943	-8.8
Share							
Earnings ³⁾	EUR	1.03	1.15	-10.0	0.70	0.67	3.7

1) Changes reported in percentage points

2) In intangible assets and property, plant and equipment

3) The previous year's figures have been adapted to reflect the stock split carried out effective April 17, 2008 by a ratio of 4 for 1.

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Dear shareholders!

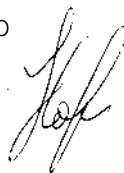
The global financial crisis which started in the middle of 2007 intensified the economic downturn which had already been evident, and led to a severe recession in the 2nd half of 2008. The global economy will post negative growth in the year 2009. From today's perspective, a recovery is first expected in 2010 at the earliest. The development of the economy as a whole has also had a negative impact on the energy sector. The 2nd half of 2008 was characterised by a massive decline in energy demand, and thus a corresponding reduction in primary energy and electricity prices on Europe's electricity exchanges. Nevertheless, EVN will continue pursuing its strategy and selective investment policy, in order to be able to fittingly participate in the long-term growth in Europe's energy demand.

Despite all these negative factors, EVN managed to improve its business performance in the 1st half-year 2008/09. We succeeded in raising total revenue by 18.4%, to EUR 1,615.6m, whereas EBIT climbed 7.8%, to EUR 184.0m. The revenue increase in the Energy segment is primarily related to the higher sales prices designed to compensate for the increased costs of electricity purchases and primary energy expenses. The financial results were impacted by a lower income from associates, which indirectly resulted from the price decline for primary energy facing companies in which EVN holds a stake. Accordingly, the financial result fell from EUR 61.9m to EUR 31.3m, leading to a 10.0% drop in the Group net profit, to EUR 168.8m. Revenue of the Energy segment rose 17.8%, to EUR 1,503.5m. In contrast, EBIT only improved by 5.8%, to EUR 182.0m. This development is primarily due to the responsible energy procurement strategy of EVN, which continually concludes forward contracts for future period in order to ensure the long-term reliability of energy supplies. However, the supply contracts concluded in the previous year were oriented to the record high energy prices prevailing at that time. For this reason, the benefits derived from the significant decrease in primary energy and electricity prices were quite limited in the 1st half-year 2008/09. Thanks to new projects, the revenue in the Environmental Services segment rose 33.5%, to EUR 101.2m, and EBIT improved from EUR 1.8m to EUR 7.4m. WTE managed to win two new large contracts during the period under review for projects in Lithuania and Cyprus.

In the 1st half of 2008/09, EVN's total investment volume amounted to EUR 154.9m, or 16.4% below the record investment level of the previous year. The investment focus continues to be on expanding the Austrian electricity and gas networks, and improving network and metre technologies in South East Europe. EVN issued a total of four corporate bonds with a total volume of EUR 327.0m in the 2nd quarter 2008/09, as a means of fulfilling the company's long-term liquidity requirements and taking advantage of the attractive financial market conditions at the present time. These financial resources will be used to finance investment projects and for the redemption of loans and borrowings which have fallen due. Accordingly, the net debt increased from EUR 1,131.3m as of September 30, 2008 to EUR 1,526.2m. Together with the decline in equity, which is related to the downward valuation in the market value of EVN's shareholding in Verbundgesellschaft, gearing rose from 35.3% to 54.0%.

The business development of EVN in the 2008/09 financial year is being negatively impacted by the financial and economic crisis and potentially by political and regulatory risks. Despite a significant improvement in the operational performance of EVN Macedonia AD, EVN is being continually confronted with discriminatory measures on the part of the Republic of Macedonia and state-owned companies, which target our involvement in the country. EVN is using all legal means at its disposal to protect its investments in Macedonia, and has already initiated international arbitration proceedings. In addition to a weaker development in the Energy segment, the associated companies operating in the field of primary energy have been strongly affected by the falling energy prices, and will thus generate considerably lower earnings contributions. We also anticipate a negative value development in respect to our financial assets. Even if the economic recession has corresponding effects on the Group net profit, from today's point of view EVN will likely be able to maintain the results from operating activities achieved in the previous year, aside from any potential negative consequences arising as the result of political and regulatory risks.

Burkhard Hofer, Spokesman of the Executive Board and CEO
May 2009



Energy segment:
earnings improvement despite
average temperatures and
higher procurement costs

Environmental Services segment:
new projects raise revenue and
earnings

**Optimisation of the financing
structure**

Outlook

Interim Group management report

Overall business and energy sector environment

Serious recession in the global economy

Whereas nearly all industrial countries were subject to a significant economic downturn in the 4th quarter of 2008, the GDP decline in Austria was quite moderate. Accordingly, the country posted an economic growth rate of 1.8% for the year 2008 as a whole. The economies of Bulgaria and Macedonia also developed stably, reporting GDP growth rates of 6.0% and 4.0% respectively. Forecasts for 2009 predict a negative economic growth of –3.5% for the Eurozone, and approximately –0.8% for Central and Eastern Europe. Predictions for the Austrian economy call for a contraction ranging from –2.7% to –4.0%, accompanied by an export slump and a slight increase in consumption. The recession will also impact Bulgaria and Macedonia, with negative GDP growth forecast, at –1.0% to –2.0% for both markets.

Generally speaking, the economic downturn is expected to massively reduce total electricity demand. However, the decline in sales volumes of the EVN Group could turn out to be more moderate, due to its customer structure in Lower Austria and South-eastern Europe.

Energy sector environment		2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Temperature-related energy demand ¹⁾	%	100	100	–	107	89	18
Crude oil – Brent	EUR/bbl	39.70	62.61	–36.6	35.15	64.22	–45.3
Gas – GIMP ²⁾	Cent/m ³	28.59	25.62	11.6	25.03	27.04	–7.4
Coal – API#2 ³⁾	EUR/t	64.76	84.79	–23.6	53.28	87.87	–39.4
CO ₂ certificates (1 st and 2 nd periods)	EUR/t	14.97	10.77	39.0	11.46	21.46	–46.6
Electricity – spot market EEX ⁴⁾							
Base load	EUR/MWh	57.69	56.97	1.3	47.35	56.20	–15.7
Peak load	EUR/MWh	77.77	81.31	–4.4	60.87	71.73	–15.1
Electricity – forward market EEX ⁴⁾⁵⁾							
Base load	EUR/MWh	76.18	56.36	35.2	78.65	63.06	24.7
Peak load	EUR/MWh	106.45	82.05	29.7	111.02	88.69	25.2

1) Calculated according to the heating degree total in Austria. The basis (100%) corresponds to the long-term average value 1997–2006.
Changes reported in percentage points

2) Gas Import Price (GIMP)

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

4) EEX – European Energy Exchange

5) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective period under review

As a result of the price decline for primary energy, prices on electricity markets had already fallen slightly in the middle of 2008 before a collapse in prices set in at the end of the year as a reaction to the economic downswing in Europe. In the 1st quarter of 2009, spot market prices for electricity were 15.0% lower than in the comparable period of the previous year. Import prices for gas, the most important fossil fuel for EVN, rose 11.6% in the 1st half-year 2008/09. In contrast, the coal price dropped by 23.6%, and the price of crude oil (Brent) was down by 36.6%.

In order to ensure the reliability of its energy supply, EVN purchases primary energy and electricity on the forward market. At the time supply contracts for the 1st first half of 2008/09 were concluded in the summer of 2008, prices were still at record levels. For this reason, the market price effects impact the earnings development of EVN with a corresponding time delay.

Business development

Consolidated income statement

In the 1st half-year 2008/09, EVN raised its total revenue by 18.4%, or EUR 250.6m, to EUR 1,615.6m. The main reason for this development was the increased revenue in the Energy segment, which rose 17.8%, or EUR 227.0m, to EUR 1,503.5m, due to higher sales volumes for electricity, particularly in South East Europe, and higher prices for electricity and gas, which partially compensated for the energy procurement prices which had significantly risen in previous period. On the basis of several new project acquisitions, the Environmental Services segment achieved a 33.5% improvement in revenue, or EUR 25.4m, to EUR 101.2m.

In the 1st half of the 2008/09 financial year, the item "Electricity purchases and primary energy expenses" climbed by 25.7% from the preceding year, or EUR 207.7m, to EUR 1,016.2m. This development can be attributed to slight increases in electricity and gas sales volumes, but above all to the higher price levels for energy procured in previous periods within the context of our long-term, optimised requirements planning. Despite lower maintenance investments, higher volumes, above all in the project business of the Environmental Services segment, led to an increase in the costs of other materials and expenses amounting to 7.7%, or EUR 8.9m, to EUR 124.9m.

EVN continued its strategy of reducing the workforce in South East Europe in the 1st half of 2008/09. Employee headcount abroad was reduced by 7.3%, or 511 employees, thanks to the ongoing restructuring efforts. At the same time, workforce numbers in Austria climbed by 5.0%, or 121 employees, to 2,568 employees. On balance, the average number of employees in the EVN Group was down 4.1%, or 389 people, to 9,061 employees. Despite this development, personnel expenses rose 10.6%, or EUR 15.2m, to EUR 159.5m. This is related to contractually stipulated wage increases, costs for the restructuring programme in South East Europe, and contributions to the pension fund EVN Pensionskasse AG.

Depreciation and amortisation was up 2.2%, or EUR 2.0m, to EUR 93.4m, which is mainly due to the continuously high investment volume and the initial consolidation of B.net Burgenland Telekom GmbH, Eisenstadt, ("B.net"), and Dataservice GmbH, Eisenstadt, ("Dataservice"). Other operating expenses climbed 6.1%, or EUR 4.5m, to EUR 79.0m.

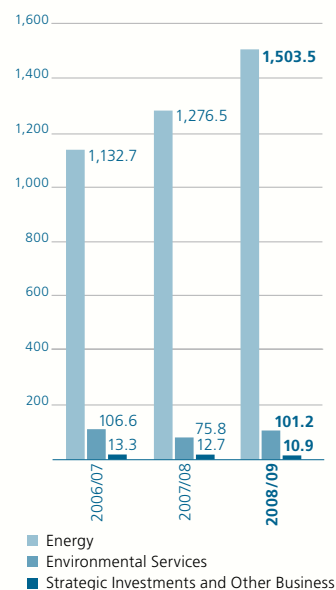
As a result of the above-mentioned developments, EBITDA in the 1st half 2008/09 rose 5.8%, or EUR 15.3m, to EUR 277.3m. The results from operating activities (EBIT) amounted to EUR 184.0m, an increase of 7.8%, or EUR 13.4m, above the previous year's level. The lower EBIT rise in comparison to increased revenue, which resulted in an earnings decline in energy sales in the face of a positive development of all other business segments, led to a decline in the EBIT margin from 12.5% to 11.4%.

The financial results decreased significantly by EUR 30.7m, to EUR 31.3m. This can be primarily attributed to the strong decline in income from investments, which fell EUR 24.4m, to EUR 69.6m. The earnings contribution of Rohöl-Aufsuchungs Aktiengesellschaft, Vienna, ("RAG") decreased as a result of the lower oil price, as did that of Burgenländischen Elektrizitätswirtschaft-Aktiengesellschaft, Eisenstadt, ("BEWAG"), due to the depreciation of financial assets. Net interest income, which changed by –EUR 3.9m, to –EUR 20.3m, was impacted more by the increase in financial liabilities than by the recent drop in interest rates. The other financial result amounting to –EUR 18.0m, which was in terms of valuation negatively affected by the capital market situation, added to the negative development of financial results (previous year: –EUR 15.6m).

Revenue by segment

HY. 1

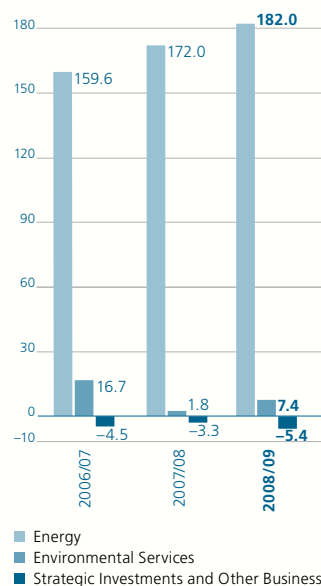
in EUR m



EBIT by segment

HY. 1

in EUR m



The profit before income tax in the 1st half of 2008/09 totalled EUR 215.2m, a decrease of 7.4% from the previous year. Due to the lower share of the tax-free income from investments in associates, income tax rose 43.9%, or EUR 10.4m to EUR 34.1m. Despite lower minority interest, the Group net profit thus fell by 10.0%, or EUR 18.6m to EUR 168.8m.

Consolidated cash flow statement

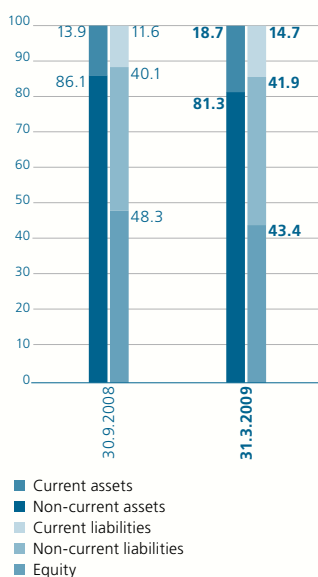
The gross cash value in the 1st half 2008/09 was down 13.6% from the comparable period of 2007/08, to EUR 241.0m. This development is the result of the lower profit before income tax by EUR 17.3m, as well as the lower amount of non-cash items, which fell by EUR 20.6m.

Based on sales price adjustments in Austria and the approximately same level of current liabilities, the increase in trade accounts receivable within the context of the change in working capital, which is generally subject to a stronger seasonal effect in the 1st half of the financial year, was considerably higher than in the previous year. Moreover, due to the decline in energy prices, the energy volumes procured in previous periods led to a greater commitment of capital. As a consequence of these factors, the net cash flow from operating activities was significantly reduced by EUR 259.7m, to –EUR 82.2m. However, this development is expected to stabilise at the previous year's level by the end of 2008/09.

The net cash flow from investing activities, which not only featured ongoing investments in property, plant and equipment as well as payments for the acquisition of “B.net” and “Dataservice” and the increase in EVN's stake in Econgass GmbH, Vienna, (“EconGas”), totalled –EUR 145.5m, or EUR 24.9m lower than in the previous year.

The net cash flow from financing activities showed a cash inflow of EUR 214.8m in the 1st half of 2008/09, compared to –EUR 14.6m in 2007/08, which is related to the higher level of financial liabilities (see page 20, non-current financial liabilities).

Balance sheet structure in %



On balance, EVN posted a slightly negative net change in cash and cash equivalents of –EUR 12.9m in the 1st half-year 2008/09. Accordingly, cash and cash equivalents fell from EUR 94.1m to EUR 81.3m. In addition, EVN had investments in current securities totalling EUR 71.5m at its disposal (September 30, 2008: EUR 136.0m). As of the balance sheet date on March 31, 2009, EVN had drawn upon EUR 101.9m (September 30, 2008: EUR 200.0m) of its syndicated revolving credit facility amounting to EUR 600.0m. Therefore, EVN has sufficient liquidity reserves at its disposal to finance the development of its business operations. The liquidity situation of EVN continues to remain stable.

Consolidated balance sheet

Since the last balance sheet date on September 30, 2008, the balance sheet total of the EVN Group fell by 1.9%, or EUR 124.9m, to EUR 6,511.4m. Non-current assets declined by 7.3%, or EUR 417.6m, to EUR 5,294.9m. As a result, non-current assets comprise 81.3% of total assets, down from 86.1% as at September 30, 2008. This decrease mainly related to the decline in the market value of EVN's shareholding in Verbundgesellschaft. In contrast, there was an increase in value resulting from the additional companies included at equity in the consolidated financial statements of the EVN Group, as well as ongoing investments in intangible assets and property, plant and equipment. However, the investment volume was down 16.4%, or EUR 30.4m, to EUR 154.9m. As a consequence of the increase in current receivables, featuring a much higher seasonally-related rise in the current financial year, as well as inventories, total current assets rose by 31.7%, or EUR 292.7m, to EUR 1,216.5m.

The lower profit before income tax in the 1st half-year 2008/09, the change in the market valuation of EVN's shareholding in Verbundgesellschaft without recognition to profit or loss and the distribution of the

dividend totalling EUR 60.3m to shareholders of EVN AG for the 2007/08 financial year led to a decrease in equity by 11.8%, or EUR 380.0m, to EUR 2,828.4m. Accordingly, the equity ratio amounted to 43.4% as of March 31, 2009. Taking account of the net debt of EUR 1,526.2m, the gearing was 54.0% at the end of the 1st half of 2008/09.

The development of non-current liabilities was primarily shaped by a further growth in non-current loans and borrowings, which increased by 14.9%, or EUR 202.0m, to EUR 1,560.9m as a consequence of the corporate bond issues, despite the repayment of the syndicated revolving credit facility. This was offset by a reduction in deferred tax liabilities of 35.2%, or EUR 147.9m, to EUR 272.2m, mainly due to the changes in the valuation of EVN's shareholding in Verbundgesellschaft. On balance, total non-current loans and borrowings were up 2.8%, or EUR 74.7m, to EUR 2,730.0m.

In terms of current liabilities, the reduction in current provisions was opposed by increases in all other positions, particularly current loans and borrowings and taxes payable. All in all, total current liabilities were EUR 953.0m, a rise of 23.4%, or EUR 180.4m.

Risk management

The EVN Group defines risk as the danger of a negative deviation from planned business targets, taking into account chances and opportunities when evaluating and managing risks.

Market risks faced by EVN relate to the commercial realisation of electricity, gas, coal and CO₂. Profit margin risks can arise in the marketing of electricity, gas and heat as well as the disadvantageous procurement prices for primary energy sources. Hedging strategies such as the diversification of customer segments, the longer-term sale of power plant capacities and fixed pricing agreements (e.g. forwards and futures) are designed to minimise risk.

Market risks

EVN counteracts interest rate and foreign exchange risks through derivative hedging instruments. Credit risks are managed on the basis of credit limit management systems and a targeted strategy to diversify business partners. Regular liquidity analyses, long-term, centrally managed financial planning and the safeguarding of financing requirements enable EVN to counteract liquidity risks.

Financial risks

Operational risks in the Energy segment relate to potential disruptions in the production and distribution of electricity and district heat, as well as the procurement and sale of gas. In the case of a longer-term interruption in the delivery of primary energy sources, EVN can resort to extensive inventories of coal as the basis for electricity generation. These measures ensure an adequate supply of energy to customers. In the Environmental Services segment, operational risks refer to potential breakdowns of waste incineration facilities as well as disruptions in wastewater treatment systems or in supplying drinking water. EVN applies state-of-the-art technologies and continually implements upgrades to incorporate the best available technologies. Experienced employees of the EVN Group, who regularly take part in professional trainings, play an important role in reducing risk.

Operational risks

Political and legal risks primarily arise as a result of regulatory conditions, the influence exerted by public authorities on large projects and tougher environmental protection laws. Moreover, changing legal conditions in foreign markets also pose a major challenge, which is overcome by cooperating with local, regional, national and international authorities and interest groups. Legal and political influences on large-scale projects (e.g. the Devoll River project in Albania) can be reduced by concluding strategic partnerships. Liability rights and right of recourse are ensured on the basis of corporate law.

Political and legal risks

Segment reporting

Segment activities

Segment	Business areas
Energy¹⁾	Generation, networks, supply and South East Europe
Environmental Services	Water, wastewater and waste incineration
Strategic Investments and	
Other	Strategic and other investments and intra-Group services

1) The four business areas also comprise the four business units of this segment.

Energy segment

Key energy business indicators	GWh	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Electricity generation		2,390	2,663	-10.3	1,134	1,177	-3.7
Thereof thermal power		1,769	1,992	-11.2	810	840	-3.6
Thereof renewable energy		622	671	-7.3	325	337	-3.6
Distribution volumes							
Electricity		11,370	11,021	3.2	6,028	5,742	5.0
Thereof Austria		3,956	3,946	0.3	2,003	1,958	2.3
Thereof Bulgaria		4,349	4,281	1.6	2,392	2,367	1.1
Thereof Macedonia		3,065	2,794	9.7	1,633	1,418	15.2
Gas ¹⁾		12,381	12,726	-2.7	6,288	5,609	12.1
Sales volumes to end customers							
Electricity ²⁾		10,871	10,421	4.3	5,822	5,435	7.1
Gas		5,200	5,177	0.4	3,016	2,449	23.2
Heating ³⁾		1,191	944	26.2	672	538	24.9

1) Incl. network sales to EVN power stations

2) In Bulgaria and Macedonia, energy sales to end customers roughly correspond to distribution volumes.

3) Including heating supply volumes in Bulgaria (EVN Bulgaria Toplofikatsia EAD) as of January 1, 2008

Revenue and earnings development	EUR m	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
External revenue		1,503.5	1,276.5	17.8	818.9	649.6	26.1
Intra-Group revenue		10.8	6.9	56.4	5.9	3.4	73.2
Operating expenses		-1,246.4	-1,027.6	-21.3	-684.9	-528.9	-29.5
EBITDA		267.9	255.8	4.7	139.9	124.2	12.7
Depreciation and amortisation		-85.9	-83.7	-2.6	-44.0	-42.5	-3.4
Results from operating activities (EBIT)		182.0	172.0	5.8	96.0	81.6	17.6
EBIT margin (%) ¹⁾		12.0	13.4	-1.4	11.6	12.5	-0.9
Financial results		-19.4	-14.5	-33.6	-10.4	-5.0	-
Profit before income tax		162.6	157.5	3.2	85.6	76.6	11.7
Investments		122.7	163.5	-24.9	55.8	58.7	-5.0

1) Changes reported in percentage points

Electricity generation: -10.3%

The flexible deployment of EVN's power plant facilities provides the basis for the company to quickly react to the current market price situation, which is characterised by a very small difference between selling prices and primary energy prices (= spread). In the 1st half 2008/09, electricity generation from EVN's own power plants was reduced by 11.2%, to 1,769 GWh.

The relevant water flow conditions required for electricity generation from EVN's hydroelectric power stations were at normal levels in the 1st half 2008/09, but below the extraordinarily high level which prevailed in the comparable period of the preceding year. Electricity generation from wind power profited from favourable wind conditions during the period under review and was thus slightly higher than in the previous year. On balance, electricity generation from renewable energy sources was down 7.3%, to 622 GWh. Due to this reduction and the lower amount of electricity generated by EVN's thermal power stations, EVN's total electricity generation from its own plants amounted to 2,390 GWh, a decrease of 10.3% from the 1st half of 2007/08. During the period under review, the district heating plant EVN Bulgaria Toplofikatsia EAD, Plovdiv, Bulgaria, ("TEZ Plovdiv") accounted for a 3.4% share of the total electricity generated (previous year: 1.5%).

Electricity distribution volumes of EVN climbed 3.2%, to 11,370 GWh. This development was based on the moderate increase in electricity distribution volumes of 1.6%, to 4,349 GWh, in the Bulgarian regions supplied by EVN, and a considerable 9.7% rise in the Macedonian region supplied by EVN, to 3,065 GWh. Electricity distribution volumes in Austria totalled 3,956 GWh, approximately the same level as in the preceding year.

Electricity distribution volumes: +3.2%

Gas distribution volumes amounted to 12,381 GWh, a decline of 2.7% from the previous year, which is related to the decreasing deployment of gas-fired power plants.

Gas distribution volumes: -2.7%

Electricity sales volumes to end customers of EVN rose 4.3% from the 1st half 2007/08, to 10,871 GWh. During the period under review, 22.0% of the electricity provided to end customers (previous year: 25.2%) was generated by EVN's own power stations. Not taking into account sales volumes in Bulgaria and Macedonia, where no major power generating capacities are available at present, the coverage ratio is 65.4% (previous year: 78.4%).

Coverage ratio from own electricity production: 22.0%

Gas sales volumes supplied to end customers in Lower Austria amounted to 5,200 GWh during the period under review, approximately the same level as in the 1st half of 2007/08 in the light of constant temperature-related energy demand.

Gas sales volumes: +0.4%

Total heating sales volumes rose significantly, climbing 26.2%, to 1,191 GWh. This development can be primarily attributed to the initial consolidation of the Bulgarian district heating company "TEZ Plovdiv" since the 2nd quarter 2007/08, as well as the process steam supplied by the Dürnröhr power plants to the bioethanol facility of Agrana AG since the 3rd quarter of 2007/08. The ongoing expansion of the heating network also had a positive impact on sales volumes. Heating sales volumes in Austria were up 20.9%, to 974 GWh. Heating sales volumes in Bulgaria amounted to 217 GWh, comprising 18.2% of EVN's total heating sales volumes in the 1st half of the 2008/09 financial year.

Heating sales volumes: +26.2%

The revenue of the Energy segment rose 17.8% year-on-year, or EUR 227.0m, to EUR 1,503.5m. This development is mainly related to an increase in energy sales volumes in South East Europe, as well as electricity and gas price adjustments. Despite higher electricity purchases and primary energy expenses, as well as an increased level of personnel expenses and other operating expenses, this revenue improvement enabled the Energy Segment to raise EBIT by 5.8%, or EUR 10.0m, to EUR 182.0m. Whereas the results from operating activities of the Supply business unit fell despite higher sales prices, the Generation, Networks and South East Europe business units all posted an EBIT improvement.

**Revenue: +17.8%
EBIT: +5.8%**

Generation business unit

The Generation business unit encompasses EVN's own electricity production from its thermal power production capacities, hydroelectric power and wind power. In terms of EVN's thermal power generation, the option value of the power stations, i.e. the difference between the market prices for electricity and the fuel costs incurred, is included in the Generation business unit. In contrast, the marketing of the electricity generated and the primary energy sourcing are reported in the Supply business unit. In the future, the planned power generation capacities in Albania and Bulgaria will also be encompassed in the Generation business unit. Accordingly, the Generation business unit also encompasses EVN Enertrag Kavarna OOD, Plovdiv, Bulgaria, ("EVN Kavarna"), a company whose purpose is to construct a wind park in the Bulgarian town of Kavarna, as well as Devoll Hydropower SHA, Tirana, Albania, ("Devoll Hydropower"), consolidated at equity, which is a joint venture to build and operate three hydroelectric power plants on the Devoll River in Albania.

Generation business unit	EUR m	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Revenue		71.8	66.9	7.2	35.3	35.4	-0.2
Results from operating activities (EBIT)		36.3	32.7	11.0	19.1	17.0	12.2
Profit before income tax		32.2	28.9	11.4	16.8	15.2	10.6
Investments		18.6	12.0	54.0	10.4	5.0	-

Revenue: +7.2%
EBIT: +11.0%

In the 1st half-year 2008/09, the revenue development of the Generation business unit profited from the long-term marketing strategy of EVN. Despite the lower volume of electricity generated by EVN's own power plants, higher market prices pushed up revenue in the Generation business unit by 7.2% in the period under review, or EUR 4.8m, to EUR 71.8m. The reduction in other operating expenses more than compensated for the rise in primary energy prices and higher personnel expenses. As a result, EBIT climbed by 11.0%, or ER 3.6m, to EUR 36.3m.

**Increase and diversification of
production capacities**

Investments of EUR 18.6m in the Generation business unit included EUR 10.2m for the construction of a wind park in Bulgaria by "EVN Kavarna". The remaining investments focused on existing capacities, in particular renewable energy sources. On February 23, 2009, the Albanian parliament legally ratified the concession agreement for the construction of three peak load storage power plants on the Devoll River in Albania, which EVN will build together with its Norwegian joint venture partner Statkraft. Project preparations will require about three years.

Networks business unit

The Networks business unit, which primarily encompasses the operation of electricity and gas distribution networks in Austria, as well as EVN's cable TV and telecommunications businesses, has also included the acquired subsidiaries "B.net" and "Dataservice" since the 2nd quarter 2008/09.

**Adjustment to electricity and
gas network tariffs**

A new tariff rate appraisal carried out on January 1, 2008 within the framework of the existing incentive regulatory system did not lead to any lowering of EVN's electricity network tariffs. The incentive regulatory system was extended to gas network tariffs effective February 1, 2008, and led to a reduction of gas network tariffs of about 2.0% for household customers. As of January 1, 2009, an average increase of 1.0% for electricity network tariffs was carried out, accompanied by an upward adjustment of gas network tariffs by 7.0% based on the new incentive regulatory system.

Network business unit	EUR m	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Revenue		269.8	265.3	1.7	144.3	129.9	11.1
Results from operating activities (EBIT)		69.4	57.7	20.4	34.3	17.4	97.1
Profit before income tax		63.0	50.5	24.6	31.6	13.8	–
Investments		37.6	57.6	–34.7	18.2	34.4	–46.9

Total distribution revenue of the Networks business unit rose by 2.7%, or EUR 6.0m, to EUR 225.9m, due to the price adjustments carried out as of January 1, 2009. In respect to cable TV and telecommunications services, the initial consolidation of "B.net" and "Dataservice" resulted in a slight rise of revenue by 3.9%, or EUR 0.5m. Despite lower invoicing of Intra-Group services provided, revenue of the Networks business unit as a whole increased by 1.7%, or EUR 4.5m, to EUR 269.8m.

Revenue: +1.7%
EBIT: +20.4%

The revenue rise along with constant energy procurement costs compensated for losses from the power grid and led to an increase in the profit margin. The decline in maintenance and repair expenses also had a positive impact on EBIT development. All in all, EBIT rose 20.4%, or EUR 11.8m, to EUR 63.0m.

In the Networks business unit, the investment focus continues to be on expanding the Lower Austrian electricity and gas networks, in order to fulfill the growing market requirements. During the period under review, construction began on the southern section of the trans-regional gas pipeline in Lower Austria. Total investments in the project, which is expected to be completed by 2012, amount to EUR 250.0m.

Supply business unit

Supply business unit	EUR m	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Revenue		770.1	641.3	20.1	421.2	307.2	37.1
Results from operating activities (EBIT)		71.7	80.9	–11.5	37.9	34.6	9.7
Profit before income tax		79.4	88.4	–10.2	39.9	39.0	2.5
Investments		12.6	0.1	–	6.5	0.1	–

Upward adjustments in the sales prices for electricity and gas were necessary as of November 1, 2008 due to higher primary energy prices. Despite constant distribution volumes, these selling price adjustments together with higher marketing proceeds from EVN's own power generation facilities led to an increase in revenue of the Supply business unit by 20.1%, or EUR 128.8m, to EUR 770.1m.

Revenue: +20.1%
EBIT: –11.5%

In order to ensure the reliability of supply, EVN is pursuing a long-term procurement strategy. For this reason, the current decline in primary energy prices has not yet been reflected by a corresponding drop in total energy procurement costs. The high electricity purchases and primary energy expenses and a slight increase in costs of other materials and expenses resulted in a 11.5% reduction of EBIT, or EUR 9.3m, to EUR 71.7m.

Investments in the Supply business unit amounted to EUR 12.6m. In addition to ongoing investments in the district heating network, the focus was on the rapid construction of a district heating transmission pipeline between Dürnröhr and Sankt Pölten.

South East Europe business unit

Since December 2007, the South East Europe business unit has encompassed the activities of the Bulgarian district heating supplier "TEZ Plovdiv" in addition to the Bulgarian and Macedonian subsidiaries.

South East Europe business unit EUR m	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Revenue	494.5	404.7	22.2	275.5	221.1	24.6
Results from operating activities (EBIT)	4.6	0.7	–	4.6	12.6	–63.2
Profit before income tax	–12.0	–10.3	–16.0	–2.7	8.7	–
Investments	53.9	93.8	–42.5	20.8	19.3	7.7

Revenue: +EUR 89.8m
EBIT: +EUR 3.9m

In the 1st half of 2008/09, the South East Europe business unit posted a revenue increase of 22.2%, or EUR 89.9m, to EUR 494.5m, which was based on an increase in electricity sales volumes totalling 1.6% in Bulgaria and 9.7% in Macedonia as well as higher sales prices.

The investment programme designed to upgrade and modernise the power grid remained at a high level in the 1st half 2008/09. A reduction in the total number of employees could not compensate for higher expenses for restructuring measures and collective wage increases. For this reason, the EBIT improvement was relatively moderate, from EUR 0.7m in the previous year to EUR 4.6m in the 1st half 2008/09.

A total of EUR 53.9m was invested to expand and modernise electricity networks and metres in South East Europe. In addition to improving the reliability and quality of energy supplies, the focus was on further reducing losses from the power grid.

Environmental Services segment

Revenue and earnings development EUR m	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
External revenue	101.2	75.8	33.5	55.7	40.4	37.7
Intra-Group revenue	5.2	4.4	17.7	2.6	2.2	16.1
Operating expenses	–91.9	–71.3	–28.8	–50.3	–40.2	–25.1
EBITDA	14.5	8.9	62.3	8.0	2.4	–
Depreciation and amortisation	–7.1	–7.1	–	–3.5	–3.7	3.4
Results from operating activities (EBIT)	7.4	1.8	–	4.4	–1.2	–
EBIT margin (%) ¹⁾	6.9	2.3	4.6	7.9	–2.9	10.8
Financial results	3.5	6.1	–42.0	6.5	3.2	–
Profit before income tax	10.9	7.9	37.8	10.9	2.0	–
Investments	31.7	21.1	50.5	20.3	15.1	34.9

1) Changes reported in percentage points

Revenue: +EUR 25.4m
EBIT: +EUR 5.5m

The projects initiated in previous years generated revenue for the first time or made higher contributions to segment revenue. Accordingly, total revenue in the Environmental Services segment rose 33.5% in the 1st half 2008/09, or EUR 25.4m, to EUR 101.2m. This positive development was offset by increases in almost all operating expense items. The costs of other materials and expenses rose significantly as a consequence of increasing project and construction work. However, due to the disproportionately high increase in revenue, EBIT improved by EUR 5.5m, to EUR 7.4m.

The development of the financial results was burdened by lower contributions from Zagrebacke otpadne vode d.o.o., Zagreb, Croatia, ("ZOV"), as well as negative currency effects related to the unfavourable valuation. Nevertheless, the positive EBIT development was partially reflected in the profit before income tax, which amounted to EUR 10.9m, an improvement of 37.8%, or EUR 3.0m, compared to the previous year.

During the period under review, the subsidiary WTE won two new large contracts. In November 2008, it was contracted to construct a sludge treatment plant in the Lithuanian capital city of Vilnius, with investments totalling EUR 45.0m. At the end of December 2008, WTE won an international tender to plan, construct, finance and operate a seawater desalination plant near Limassol, its second project in Cyprus. The BOOT project will be operated by WTE for a period of 20 years following a construction period of two years.

New contracts: sludge treatment plant in Lithuania and seawater desalination facility in Cyprus

Investments in the Environmental Services segment rose by EUR 21.1m, to EUR 31.7m, primarily focusing on the expansion of the third waste incineration line at the waste incineration plant in Dürnröhr, and the combined cycle heat and power plants in Moscow. After the completion of the Kurjanovo und Ljuberzy wastewater treatment installations in Moscow, WTE is building several combined cycle heat and power plants to generate electricity and district heat based on the biogas derived from the sludge of the wastewater purification plants. During the period under review, the four power plant aggregates at the Kurjanovo site were put into operation. WTE will also be responsible for operating the facilities for a period of at least 15 years.

Focus of investments: Waste incineration, Dürnröhr and combined cycle heat and power plants, Moscow

In the drinking water segment, two new municipal networks were acquired in the 1st half 2008/09, supplying drinking water to about 4,000 inhabitants. After the balance sheet date of March 31, 2009, the groundbreaking ceremony took place in Weinern for construction of a trans-regional drinking water network with a length of about 40 kilometres, running from the Weinviertel region to the Waldviertel region in Austria. The project is expected to be completed in 2011 after a construction period of two years.

Trans-regional drinking water network in Lower Austria

Strategic Investments and Other Business segment

Revenue and earnings development	EURm	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
External revenue		10.9	12.7	-14.4	4.9	7.3	-32.4
Intra-Group revenue		32.1	29.5	8.7	15.8	13.5	17.0
Operating expenses		-47.4	-44.6	-6.4	-24.5	-22.1	-11.3
EBITDA		-4.5	-2.3	-92.0	-3.8	-1.2	-
Depreciation and amortisation		-0.9	-0.9	-	-0.5	-0.5	-
Results from operating activities (EBIT)		-5.4	-3.3	-66.1	-4.3	-1.8	-
EBIT margin (%) ¹⁾		-12.6	-7.7	-4.9	-20.6	-8.4	-12.2
Financial results		49.0	75.7	-35.3	49.1	56.2	-12.7
Profit before income tax		43.6	72.5	-39.8	44.8	54.5	-17.8
Investments		0.5	0.7	-21.1	0.4	0.4	-1.0

1) Changes reported in percentage points

The total increase in revenue of EUR 0.8m was less than the rise in operating expenses, which was driven by the higher personnel expenses. As a result, EBIT was down EUR 2.2m, to EUR -5.4m.

**Revenue: -EUR 1.8m
EBIT: -EUR 2.2m**

The financial results decreased despite an increase in the dividend distributed by Verbundgesellschaft by 35.3%, or EUR 26.7m, to EUR 49.0m. This can be attributed to lower earnings contributions for EVN's investments in companies consolidated at equity, in particular „RAG“ and „BEWAG“, as well as market-related downward changes in the share prices of securities and non-current financial assets. Correspondingly, the profit before income tax was down 39.8%, or EUR 28.8m, to EUR 43.6m.

Interim Group report pursuant to IAS 34

Consolidated balance sheet	EUR m	31.3.2009	30.9.2008	Change Nominal	%	30.9.2007
Assets						
Non-current assets						
Intangible assets		361.1	357.5	3.5	1.0	327.9
Property, plant and equipment		2,506.8	2,392.0	114.9	4.8	2,149.1
Companies included at equity		671.0	641.5	29.5	4.6	460.3
Other financial assets		1,163.4	1,723.5	-560.1	-32.5	1,613.4
Other non-current assets		592.6	597.9	-5.3	-0.9	615.3
		5,294.9	5,712.4	-417.6	-7.3	5,166.0
Current assets						
Inventories		116.1	97.6	18.6	19.1	84.1
Current receivables and other current assets		915.9	569.4	346.5	60.9	539.9
Cash and cash equivalents		184.5	256.9	-72.4	-28.2	471.9
		1,216.5	923.9	292.7	31.7	1,095.9
Total assets		6,511.4	6,636.3	-124.9	-1.9	6,261.9
Equity and liabilities						
Equity						
Share capital		300.0	300.0	-	-	99.1
Share premium		108.4	108.4	-	-	309.4
Retained earnings		1,659.5	1,551.0	108.5	7.0	1,425.4
Valuation reserve according to IFRS 3		7.1	7.1	-	-	7.1
Valuation reserve according to IAS 39		524.4	1,012.0	-487.6	-48.2	946.0
Currency translation reserve		-6.7	2.1	-8.8	-	1.1
Treasury shares		-8.0	-4.8	-3.3	-69.1	-
EVN AG shareholders		2,584.8	2,975.9	-391.2	-13.1	2,788.0
Minority interest		243.7	232.5	11.2	4.8	226.7
		2,828.4	3,208.5	-380.0	-11.8	3,014.7
Non-current liabilities						
Non-current loans and borrowings		1,560.9	1,358.9	202.0	14.9	1,172.6
Deferred tax liabilities		272.2	420.0	-147.9	-35.2	399.8
Non-current provisions		457.7	456.4	1.3	0.3	457.1
Deferred income from network subsidies		371.5	354.3	17.2	4.9	324.0
Other non-current liabilities		67.7	65.7	2.0	3.1	47.0
		2,730.0	2,655.3	74.7	2.8	2,400.6
Current liabilities						
Current loans and borrowings		265.7	153.9	111.8	72.6	247.2
Taxes payable		96.3	60.5	35.8	59.2	58.9
Trade payables		303.3	283.7	19.6	6.9	298.0
Current provisions		85.9	96.4	-10.5	-10.9	93.0
Other current liabilities		201.7	178.0	23.6	13.3	149.6
		953.0	772.5	180.4	23.4	846.6
Total equity and liabilities		6,511.4	6,636.3	-124.9	-1.9	6,261.9

Consolidated income statement

EUR m	2008/09 HY. 1	2007/08 HY. 1	Change in %	2008/09 Q. 2	2007/08 Q. 2	Change in %
Energy revenue	1.503.5	1,276.5	17.8	818.9	649.6	26.1
Environmental Services revenue	101.2	75.8	33.5	55.7	40.4	37.7
Strategic Investments and Other Business revenue	10.9	12.7	-14.4	4.9	7.3	-32.4
Total revenue	1,615.6	1,365.0	18.4	879.6	697.3	26.1
Change in work in progress and own work capitalised	9.2	10.5	-11.9	3.9	3.9	-
Other operating income	32.0	29.8	7.6	14.1	13.5	4.4
Electricity purchases and primary energy expenses	-1,016.2	-808.5	-25.7	-568.1	-415.2	-36.8
Other materials and expenses	-124.9	-116.0	-7.7	-60.8	-64.3	5.4
Personnel expenses	-159.5	-144.2	-10.6	-77.9	-73.3	-6.4
Depreciation and amortisation	-93.4	-91.4	-2.2	-47.7	-46.6	-2.5
Other operating expenses	-79.0	-74.5	-6.1	-46.9	-36.8	-27.4
Results from operating activities (EBIT)	184.0	170.6	7.8	96.1	78.6	22.2
Income from investments in associates	69.6	94.0	-25.9	61.9	70.6	-12.3
Interest income	25.4	25.8	-1.4	11.5	13.3	-13.7
Interest expense	-45.8	-42.2	-8.5	-19.8	-19.0	-4.2
Other financial result	-18.0	-15.6	-15.2	-8.4	-13.9	39.7
Financial results	31.3	61.9	-49.5	45.2	50.9	-11.1
Profit before income tax	215.2	232.5	-7.4	141.3	129.6	9.0
Income tax expense	-34.1	-23.7	-43.9	-17.9	-4.5	-
Net profit for the period	181.1	208.9	-13.3	123.4	125.1	-1.3
Thereof minority interest	12.4	21.4	-42.2	9.5	15.2	-37.7
Thereof EVN AG shareholders (Group net profit)	168.8	187.4	-10.0	113.9	109.9	3.7
Earnings per share¹⁾	1.03	1.15	-10.0	0.70	0.67	3.7

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

The previous year's figures have been adjusted to reflect the stock split effective April 17, 2008, by a ratio of 4 for 1.

Condensed consolidated cash flow statement

EUR m	2008/09 HY. 1	2007/08 HY. 1	Nominal	Change %	2006/07 HY. 1
Profit before income tax	215.2	232.5	-17.3	-7.4	246.5
Non-cash items	25.8	46.4	-20.6	-44.4	22.3
Gross cash value	241.0	278.9	-37.9	-13.6	268.7
Net cash flow from operating activities	-82.2	177.5	-259.7	-	104.8
Net cash flow from investing activities	-145.5	-170.4	24.9	14.6	-94.7
Net cash flow from financing activities	214.8	-14.6	229.4	-	-15.4
Net change in cash and cash equivalents	-12.9	-7.5	-5.4	-71.9	-5.3
Cash and cash equivalents at the beginning of the period	94.1	54.4	39.7	73.0	76.8
Cash and cash equivalents at the end of the period	81.3	46.9	34.4	73.3	71.5

Changes in consolidated equity statement

	EUR m	EVN AG shareholders	Minority interest	Total
Balance on 30.9.2007		2,788.0	226.7	3,014.7
After-tax gains (+)/losses (-) recognised directly in equity				
Currency translation adjustments		-0.7	-	-0.7
Market valuation of securities		138.6	-	138.6
Cash flow hedges		3.6	-	3.6
Companies included at equity		-1.9	-	-1.9
Total after-tax gains (+)/losses (-) recognised directly in equity		139.6	-	139.6
Net profit for the period 2007/08		187.4	21.4	208.9
Total results for the period		327.1	21.4	348.5
Dividend 2006/07		-61.3	-1.6	-62.9
Balance on 31.3.2008		3,053.8	246.6	3,300.3
Balance on 30.9.2008		2,975.9	232.5	3,208.5
After-tax gains (+)/losses (-) recognised directly in equity				
Currency translation adjustments		-8.8	-	-8.8
Market valuation of securities		-438.1	-	-438.1
Cash flow hedges		-29.8	-	-29.8
Companies included at equity		-19.6	-	-19.6
Total after-tax gains (+)/losses (-) recognised directly in equity		-496.4	-	-496.4
Net profit for the period 2008/09		168.8	12.4	181.1
Total results for the period		-327.6	12.4	-315.2
Acquisition of shares of fully consolidated companies		-	-1.0	-1.0
Dividend 2007/08		-60.3	-1.7	-62.0
Buyback of treasury shares		-3.3	-	-3.3
Capital contributions of minority shareholders		-	1.5	1.5
Balance on 31.3.2009		2,584.8	243.7	2,828.4

Segment reporting by business area

	Energy		Environmental Services		Strategic Investments and Other Business		Consolidation		Total	
EUR m	2008/09 HY. 1	2007/08 HY. 1	2008/09 HY. 1	2007/08 HY. 1	2008/09 HY. 1	2007/08 HY. 1	2008/09 HY. 1	2007/08 HY. 1	2008/09 HY. 1	2007/08 HY. 1
External revenue	1,503.5	1,276.5	101.2	75.8	10.9	12.7	-	-	1,615.6	1,365.0
Intra-Group revenue	10.8	6.9	5.2	4.4	32.1	29.5	-48.0	-40.8	-	-
Operating expenses	-1,246.4	-1,027.6	-91.9	-71.3	-47.4	-44.6	47.5	40.5	-1,338.3	-1,103.0
EBITDA	267.9	255.8	14.5	8.9	-4.5	-2.3	-0.5	-0.3	277.3	262.0
Depreciation and amortisation	-85.9	-83.7	-7.1	-7.1	-0.9	-0.9	0.5	0.3	-93.4	-91.4
Results from operating activities (EBIT)	182.0	172.0	7.4	1.8	-5.4	-3.3	-	-	184.0	170.6
EBIT margin (%)	12.0	13.4	6.9	2.3	-12.6	-7.7	-	-	11.4	12.5
Financial results	-19.4	-14.5	3.5	6.1	49.0	75.7	-1.9	-5.3	31.3	61.9
Profit before income tax	162.6	157.5	10.9	7.9	43.6	72.5	-1.9	-5.3	215.2	232.5
Investments¹⁾	122.7	163.5	31.7	21.1	0.5	0.7	-	-	154.9	185.3

1) In intangible assets and property, plant and equipment

Segment reporting by region

	Austria		South East Europe		Central and Eastern Europe		Total	
EUR m	2008/09 HY. 1	2007/08 HY. 1	2008/09 HY. 1	2007/08 HY. 1	2008/09 HY. 1	2007/08 HY. 1	2008/09 HY. 1	2007/08 HY. 1
Revenue	1,050.3	914.3	494.5	404.7	70.8	46.0	1,615.6	1,365.0
Results from operating activities (EBIT)	178.6	174.7	4.6	0.7	0.8	-4.8	184.0	170.6
Investments ¹⁾	78.0	88.7	64.1	93.8	12.9	2.8	154.9	185.3

1) In intangible assets and property, plant and equipment

Selected notes to the Interim Group report

Reporting in accordance with International Financial Reporting Standards (IFRS)

Basis of preparation

The consolidated financial statements of EVN AG as at September 30, 2008, taking into consideration §245a Austrian Commercial Code, were prepared in accordance with the applicable guidelines set forth in the IFRSs as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU). Correspondingly, the Interim Group report of EVN AG for the interim reporting period ending March 31, 2009 was prepared in accordance with the guidelines contained in IAS 34.

The EVN Group has exercised the option as stipulated in IAS 34 to present condensed notes. Accordingly, the Interim Group report contains condensed reporting, 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 as at the last balance sheet date of September 30, 2008. In order to improve clarity and comparability, all amounts in the notes and tables are generally shown in thousands of euros (TEUR), 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 Interim Group report are prepared on the basis of unified accounting and valuation methods.

Accounting and valuation methods

The changes to IAS 39 and IFRS 7 published in October 2008, entitled "Reclassification of Financial Assets" enable, under limited circumstances, a reclassification of non-derivative financial assets from the category "Held for trading" to the category "Available for sale" inasmuch as there is no longer the short-term intention to sell or buyback these assets. In accordance with the ordinance (EG) Nr. 1004/2008 dated October 15, 2008, the current financial crisis may be considered as an example of such a limited circumstance.

In line with these changes, EVN reclassified current securities amounting to TEUR 23,367.5, which had previously been recognised as "Held for trading" to the category "Available for sale" at their current market value as at November 11, 2008.

Apart from this change, the accounting and valuation methods are essentially the same as those applied as at September 30, 2008.

Seasonally-related effects on business operations

In particular, the Energy segment is subject to weather-related fluctuations in power generation and sales. Due to this dependence of the energy business on prevailing weather conditions, lower revenue and earnings are generally achieved in the 2nd half of the financial year. The Environmental Services segment 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 normally generates lower revenues in the first two quarters of the financial year than in the 2nd half. Accordingly, business in the Environmental Services segment serves to principally counteract the seasonal nature of business in the Energy segment. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress being made in the particular projects.

Review

This Interim Group report has not been subject to an external review and is thus unaudited.

Consolidation

Consolidation methods

The consolidation range is established in accordance with the requirements contained in IAS 27. Accordingly, including the parent company EVN AG, a total of 27 domestic and 27 foreign subsidiaries (September 30, 2008: 25 domestic and 26 foreign subsidiaries). The consolidation of joint venture companies is carried out on a proportionate basis. Associated companies are included at equity. Subsidiaries, joint venture companies and associated companies are not consolidated if their influence on the assets, liabilities, financial position and profit and loss is considered to be immaterial, either individually or in total. A total of 30 associated companies (September 30, 2008: 28) were not consolidated on the basis of their immateriality.

Consolidation range

Changes in the consolidation range

	Full consolidation	Proportionate consolidation	Equity method	Total
30.9.2008	51	4	13	68
Start-ups and initial consolidation	1	1	2	4
Business combinations	2	–	–	2
31.3.2009	54	5	15	74
Thereof foreign companies	27	–	4	31

October 2008 marked the founding of "EVN Kavarna", in which evn naturkraft Erzeugungs- und Verteilungs GmbH, Maria Enzersdorf, has a 70.0% stake. The company is recognised as a fully consolidated company in the Interim Group report of EVN AG. Its purpose is to construct a wind park in the Bulgarian town of Kavarna with a total capacity of 25 wind power generating facilities, or 50 MW. Investments in the project total close to EUR 95.0m. Construction work began in October 2008. The wind park is expected to be put into operation at the end of 2009.

With the official signing of the asset deal agreement on February 25, 2009, the Burgenland-based cable network operator "B.net" as well as "Dataservice" were fully taken over by Kabelsignal AG, Maria Enzersdorf, at a purchase price of TEUR 22,014.6. As a consequence, both of these companies are included in the consolidated income statement of the EVN Group for one month of the 2nd quarter of the 2008/09 financial year.

The valuation of property, plant and equipment had not yet been concluded at the end of the 1st half-year, on March 31, 2009. The following preliminary effects on the consolidated balance sheet were calculated at fair value as a result of the business combinations and the accompanying initial consolidations:

Impact of business combinations

	TEUR	2008/09	2007/08 ¹⁾
Property, plant and equipment		61,152.0	35,259.5
Current assets		4,598.7	6,258.1
		65,750.7	41,517.6
Equity		20,801.4	25,552.8
Non-current liabilities		32,438.7	5,769.2
Current liabilities		12,510.6	10,195.6
		65,750.7	41,517.6

1) Includes the acquisition of "TEZ Plovdiv" effective December 14, 2007.

EAA Erdgas Mobil GmbH, Vienna, ("EAA-EGM"), which was already founded in August 2008 and in which EVN has a 45.0% stake via Energieallianz Austria GmbH, Vienna, ("EAA"), was consolidated in the Interim Group report of EVN AG on a proportionate basis for the first time in the 1st quarter 2008/09 due to its materiality as a part of the "EAA" sub-group. The activities of "EAA-EGM" as a 100% subsidiary of "EAA"

focus on the construction, delivery and subsequently the expansion of natural gas filling stations, as well as their service and maintenance, particularly in Vienna, Lower Austria and Burgenland.

AUL Abfallumladelogistik Austria GmbH, Maria Enzersdorf, ("AUL"), established in December 2008 as a joint venture between AVN Abfallverwertung Niederösterreich GmbH, Maria Enzersdorf, and Entsorgungslogistik Austria GmbH, Vienna, serves the purpose of constructing and operating waste transfer stations and providing services in the fields of waste collection, transport and waste transfer logistics. EVN has a 50% shareholding in "AUL". The company is consolidated in the Interim Group report at equity.

The joint venture company "Devoll Hydropower", set up between EVN and Statkraft AS, Oslo, Norway, in which both companies have a 50.0% shareholding, focuses on the joint planning, construction and operation of three hydroelectric power plants on the Devoll River. With a total capacity of 340 MW, an average production of 1,000 GWh and total investments of EUR 950.0m, this project represents the biggest of its kind in Europe. The joint venture company is consolidated at equity.

Selected notes

Other financial assets include shares in subsidiaries and associated companies, which are not consolidated due to immateriality, as well as investments in which EVN owns a stake of less than 20.0%, if these investments are not included at equity. The transfers in the 1st half-year 2008/09 refer to the reclassification of current securities valued at TEUR 23,367.5 from "Held for trading" to "Available for sale", in line with the changes made to IAS 39 and IFRS 7 in the 1st quarter of 2007/08. As at March 31, 2008, other investments include shares in listed companies with a market value of TEUR 1,146,779.2 (September 30, 2008: TEUR 1,707,661.3). Other investments included in this position amount to TEUR 16,589.9 (September 30, 2008: TEUR 15,842.9) and represent stakes in non-listed companies.

Notes to the consolidated balance sheet

Development of other financial assets	TEUR	Investments in subsidiaries	Other investments	Total
Gross value on 30.9.2008		12,284.6	376,446.6	388,731.2
Additions		192.6	116.0	308.6
Additions through acquisitions		455.9	–	455.9
Disposals		–	–3.5	–3.5
Transfers		–17.5	23,367.5	23,350.0
Gross value on 31.3.2009		12,915.6	399,926.6	412,842.2
Accumulated value adjustments on 30.9.2008		–5,431.5	1,340,204.5	1,334,772.9
Write-ups		3.5	–	3.5
Impairment losses		–	–584,249.6	–584,249.6
Accumulated value adjustments on 31.3.2009		–5,428.0	755,954.9	750,526.9
Net value on 30.9.2008		6,853.1	1,716,651.1	1,723,504.2
Net value on 31.3.2009		7,487.6	1,155,881.5	1,163,369.1

Within the context of the share buyback programme approved by the 79th Annual General Meeting, a total of 534,864 treasury shares had been bought back (representing 0.33% of the share capital; September 30, 2008: 278,035 treasury shares, or 0.17% of the share capital) at an acquisition price of TEUR 8,037.8 and with a market value of TEUR 5,802.3 on the balance sheet date of March 31, 2009 (September 30, 2008: acquisition price of TEUR 4,753.9, market value of TEUR 4,167.7). This share buyback programme was terminated ahead of schedule on the basis of the resolution passed on January 15, 2008 by the 80th

Annual General Meeting of EVN AG authorising a new share buyback programme. Up until now, the Executive Board has not exercised this option to buy back own shares in the company in accordance with the newly-passed resolution.

The number of outstanding shares developed as follows:

Development of the number of outstanding shares	Zero par value shares	Treasury shares	Outstanding shares
1.10.2007	40,881,455	–	40,881,455
Stock split by a ratio of 4 for 1	122,644,365	–	122,644,365
Buyback of treasury shares	–	–278,035	–278,035
30.9.2008	163,525,820	–278,035	163,247,785
Buyback of treasury shares	–	–256,829	–256,829
31.3.2009	163,525,820	–534,864	162,990,956

The weighted average number of outstanding shares, which is used as the basis for calculating the earnings per share, amounted to 163,027,646 as at March 31, 2009 (September 30, 2008: 163,488,927 shares). EVN AG is not entitled to any rights arising from the ownership of treasury shares. In particular, these shares are not entitled to dividends.

The 80th Annual General Meeting of EVN AG on January 15, 2009 approved the proposal of the Executive Board and Supervisory Board to distribute a dividend totalling TEUR 60,306.6, or EUR 0.37 per share for the 2007/08 financial year to the shareholders of EVN AG. The ex-dividend day was January 20, 2009. The dividend was paid to the shareholders of EVN AG on January 27, 2009.

As at the quarterly balance sheet date of March 31, 2009, non-current loans and borrowings were comprised of the following:

Non-current loans and borrowings

	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 31.3.2009 (TEUR)	Carrying amount 30.9.2008 (TEUR)	Fair Value 31.3.2009 (TEUR)
JPY bond	5.20	1994–2014	JPY 8.0bn	60,455.5	50,440.0	70,485.6
EUR bond	5.25	2001–2011	EUR 300.0m	266,124.5	251,973.8	272,154.9
CHF bond	3.63	2009–2014	CHF 250.0m	163,119.9	–	169,119.6
EUR bond	5.00	2009–2016	EUR 28.5m	28,200.4	–	28,155.2
EUR bond	5.25	2009–2019	EUR 30.0m	29,254.1	–	29,058.0
JPY bond	3.13	2009–2024	JPY 12.0bn	80,754.9	–	83,497.8
Total bonds	–	–	–	627,909.3	302,413.8	652,471.1
Non-current bank loans	1.00–8.77	bis 2031	–	932,978.1	1,056,474.3	932,978.1
Total	–	–	–	1,560,887.4	1,358,888.1	1,585,449.2

In the current 2008/09 financial year, EVN has successfully issued four corporate bonds. In addition to the redemption of financial liabilities falling due, the corporate bonds are primarily designed to finance planned future investment projects as well as ensure sufficient liquidity on a medium-term and long-term basis.

The non-current bank loans included the ongoing, scheduled redemption of credit facilities, in particular for the financing of the capacity expansion at the waste incineration plant in Dürnrohr. A further increase in non-current bank loans can be attributed to the consolidation of “B.net” and “Dataservice”.

The CHF obligation with a nominal interest rate of 2.43% and a volume of CHF 200.0m, which will be redeemed on June 10, 2009, as well as part of the syndicated revolving credit facility amounting to EUR 101.9m, which had been drawn upon for interim financing purposes, are reported as current loans and borrowings.

The income from companies included at equity as well as dividend payments from affiliated companies that are not consolidated developed as follows:

Notes to the consolidated income statement

	TEUR	2008/09 HY. 1	2007/08 HY. 1
Income from investments in associates			
"RAG" ¹⁾		21,922.3	40,511.0
"EconGas"		6,256.2	7,495.9
"ZOV"; Zagrebacke otpadne vode – upravljanje i pogon d.o.o., Zagreb		1,698.1	2,675.2
"BEWAG"; BEGAS – Burgenländische Erdgasversorgungs-Aktiengesellschaft, Eisenstadt, ("BEGAS") ²⁾		-5,876.0	3,352.9
Other		-5.5	5.3
Income from companies included at equity		23,995.2	54,040.3
Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbund), Vienna		42,116.8	35,617.5
Other		3,489.0	4,301.9
Income from other investments		45,605.8	39,919.4
Income from investments in associates		69,601.0	93,959.7

1) 75% of "RAG" is held indirectly via the fully consolidated company RAG-Beteiligungs-Aktiengesellschaft, Vienna, (EVN share: 50.05%), the remaining 25% by EESU Holding GmbH, Vienna (EVN share: 49.95%), included at equity in the Interim Group report of EVN.

2) 49% each of "BEWAG" and "BEGAS" are held indirectly via Burgenland Holding Aktiengesellschaft, Eisenstadt, (EVN share: 73.63%).

Earnings per share are calculated by dividing Group net profit (= Net profit for the period attributable to EVN AG shareholders) by the weighted average number of ordinary shares outstanding, i.e. 163,027,646 shares (March 31, 2008: 163,525,820 shares). This figure may generally be diluted by the existence of so-called potential shares arising from share options or convertible bonds. However, EVN has no such potential shares. Subsequently, there is no difference between basic earnings per share and diluted earnings per share. Group net profit amounted to TEUR 168,772.5 (March 31, 2008: TEUR 187,450.7). Calculated on this basis, earnings per share for the 1st half of 2008/09 totalled EUR 1.03 (March 31, 2008: EUR 1.15). The previous year's figures have been adjusted as the result of the stock split carried out on April 17, 2008 by a ratio of 4 for 1.

Dividends received, interest income and interest expense are allocated to current business activities. In the 1st half of 2008/09, interest received totalled TEUR 22,819.3 (previous year: TEUR 25,774.2), whereas interest paid amounted to TEUR 44,165.4 (previous year: TEUR 42,186.1). The effects of business combinations totalling TEUR 20,827.0 (previous year: TEUR 35,021.8) are reported as part of the net cash flow from investing activities.

Notes to the consolidated cash flow statement

The dividend payment to shareholders of EVN AG amounting to TEUR 60,306.6 (previous year: TEUR 61,322.2) is reported as part of the net cash flow from financing activities.

Transactions with related companies and individuals

Related companies and individuals include the main shareholders, NÖ Landes-Beteiligungsholding GmbH, St. Pölten, and EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, ("EnBW"), the members of the EVN Executive Board and Supervisory Board and their close relatives as well as all companies included at equity. In the 1st half-year 2008/09, the consolidation range was expanded by "AUL" and "Devoll Hydropower", which are included at equity. Except for these changes, the range of related companies and individuals has remained the same as listed in the previous consolidated financial statements.

Other information

Within the context of its everyday business operations, EVN has concluded supply and service contracts with numerous companies, which also include associated companies consolidated at equity in the Interim Group report. Long-term transactions were concluded with e&t Energie Handelsgesellschaft m.b.H, Vienna, ("e&t"), for the sale and sourcing of electricity, and with "EconGas" in connection with the sourcing of natural gas. Furthermore, a cooperation agreement exists with "BEGAS" for gas-related services, as well as a long-term agreement with NÖKOM NÖ Telekom Service Gesellschaft m.b.H., Maria Enzersdorf, for the provision of optical fibre cables. The transactions concluded with companies included at equity are as follows:

Transactions with companies included at equity	TEUR	2008/09 HY. 1	2007/08 HY. 1
Revenue		193,533.5	165,633.8
Cost of services		484,611.7	375,381.2
Trade accounts receivable		112,032.6	123,402.3 ¹⁾
Trade accounts payable		37,263.3	59,686.3 ¹⁾

1) Value at September 30, 2008

Other obligations and risks

Other obligations and risks declined by TEUR 326,725.4 compared to September 30, 2008, to TEUR 589,895.7. This decrease primarily relates to a reduction in the guarantees for subsidiaries in respect to energy-related transactions. In contrast, the change in guarantees granted in connection with the operation or construction of power plants and the change in order obligations for investments in intangible assets and property, plant and equipment raised the level of other obligations and risks. The reduction in the guarantees for subsidiaries in connection with energy transactions resulted from a conversion of the calculation system to the benefit of "e&t" for guarantees. From now on, contingencies will no longer be recognised at their nominal values, but to the amount of the actual risk. This risk is measured by the changes in the agreed-upon price and the actual market price, in which case procurement transactions represent a risk only in the event of declining market prices, and sales transactions only comprise a risk in the event of increased market prices. Accordingly, the risk can change on the basis of the market price changes as the balance sheet date. The nominal values of the guarantees underlying the valuation amounted to TEUR 413,827.7 as at March 31, 2009.

Significant events after the balance sheet date

The following significant events took place between the quarterly balance sheet date on March 31, 2009 and the publication of the Interim Group report on May 28, 2009:

On May 8, 2009, EVN AG initiated arbitration proceedings against the Republic of Macedonia to protect its investments, in accordance with the "Treaty between the Republic of Austria and the Republic of Macedonia on the Promotion and Protection of Investments" as well as the "Energy Charter". The underlying reason for this announcement is the continuing discriminatory measures being undertaken by the Republic of Macedonia and various state-owned companies against EVN in the Republic of Macedonia. In particular, this relates to claims for unpaid electricity supplies during the time prior to the privatization (1995–2004) amounting up to approximately EUR 93.0m including interest, for which court proceedings have been initiated against EVN Macedonia AD, Skopje, Macedonia, ("EVN MKD"). The court of first instance ordered "EVN MKD" to pay this amount including interest. Subsequently, "EVN MKD" filed an appeal on May 13, 2009.

On April 27, 2009, a total of EUR 100.0m of the syndicated revolving credit facility drawn upon for interim financing purposes was redeemed.

Statement by the Executive Board pursuant to § 87 Sect 1 Z 3 Austrian Stock Corporation Act

The Executive Board of EVN AG certifies, to the best of its knowledge, that these unaudited condensed interim financial statements for the 1st half of the 2008/09 financial year have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and present a true and fair view of the assets, liabilities, financial position and profit or loss of the EVN Group and give a fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year to be disclosed.

Maria Enzersdorf

May 28, 2009

EVN AG

The Executive Board

Burkhard Hofer

Spokesman of the Executive Board

Peter Layr

Member of the Executive Board

Herbert Pötschacher

Member of the Executive Board

The EVN share

The financial and economic crisis had a negative impact on the most important share indices during the period under review (October 2008-March 2009). The Euro Stoxx 50 and the German DAX share index massively declined in value, by 31.8% and 30.0% respectively. This disproportionately severe decline continues to be justified due to the business involvement in Central and Eastern Europe on the part of many companies listed on the Vienna Stock Exchange. The Dow Jones Euro Stoxx Utilities index, which is relevant to EVN, registered a decline of 31.7% in the same period.

As of March 23, 2009, the EVN share was once again listed in the Vienna Stock Exchange benchmark index ATX. Following a loss of 27.6%, the EVN share was traded at EUR 10.85 at the end of the 1st half-year 2008/09. Accordingly, its share price performance was better than that of the ATX and the relevant sector index. At the end of March 2009, the market capitalisation of EVN was close to EUR 1.8 bn. Total trading in EVN shares was recently at a lower level compared to the previous year, stabilising at an average daily turnover of 61,552 shares (counted once). Total trading volume of EVN shares on the Vienna Stock Exchange during the 1st half of 2008/09 was EUR 90m (counted once), which corresponds to 0.52% of total Vienna Stock Exchange trading volume. The weighting of the EVN share on the ATX index was 1.86% as of the end of March 2009.

Deterioration of the investment climate, massive share price losses on international stock markets

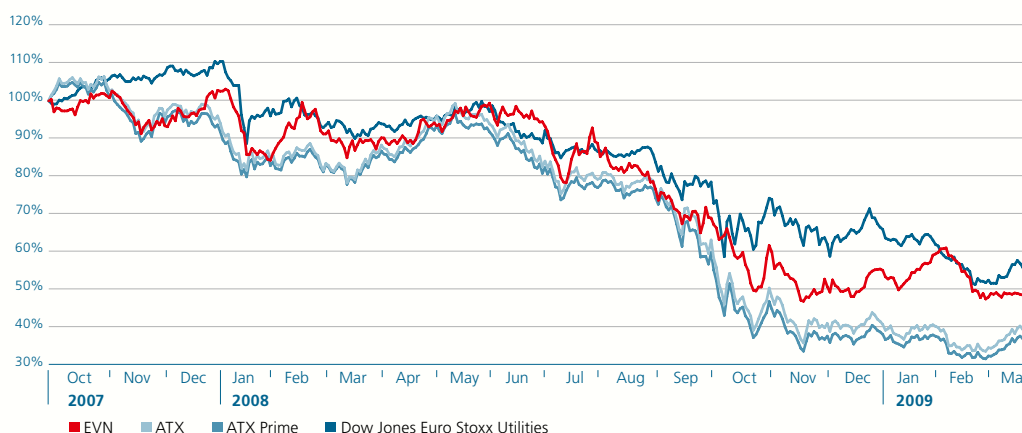
EVN share – index weighting March 31, 2009

ATX Prime _____ 1.86%

WBI (Vienna Stock

Exchange Index) _____ 3.40%

EVN share price – relative development



The Annual General Meeting of EVN AG held on January 15, 2009 passed a resolution authorising the Executive Board to acquire its own non-par value bearer shares amounting in total to 10% of the share capital of EVN AG, for a period of 30 months beginning on the day the resolution is approved, and to withdraw these treasury shares without a further resolution of the Annual General Meeting (see page 20).

In the 1st half-year 2008/09, there was no change in the shareholder structure of EVN AG. 51% of the shares continue to be owned by NÖ Landes-Beteiligungsholding GmbH, St. Pölten. The second largest shareholder is EnBW Energie Baden-Württemberg AG with a stake of >35%. The remaining <14% are in free float.

Approval of the 80th Annual General Meeting for share buyback programme

Unchanged shareholder structure

Financial calendar¹⁾

Results Q. 1–3 2008/09

August 27, 2009

Annual results 2008/09

December 10, 2009

1) preliminary

		2008/09 HY. 1	2007/08 HY. 1	2006/07 HY. 1
EVN share – performance				
Share price at the end of March ¹⁾	EUR	10.85	20.12	21.19
Highest price ¹⁾	EUR	16.00	23.38	22.87
Lowest price ¹⁾	EUR	10.11	18.85	20.38
Value of shares traded ²⁾	EUR m	90	218	238
Average daily turnover ^{1) 2)}	Shares	61,552	80,240	87,600
Share of total turnover ²⁾	%	0.52	0.49	0.62
Market capitalisation at the end of March	EUR m	1,774	3,290	3,464

1) The previous year's figures were adjusted to reflect the stock split effective April 17, 2008, at a ratio of 4 for 1.

2) Vienna Stock Exchange, counted once

EVN share – Basic information

Share capital	EUR 300,000,000.00
Denomination	163,525,820 zero par value shares
ISIN security code number	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); AT; EVN (Dow Jones); EVNVY (ADR)
Stock exchange listing	Vienna
ADR-Programm; Depositary	Sponsored Level I ADR programme (5 ADR = 1 Aktie); The Bank of New York Mellon
Ratings	A1, stable (Moody's); A-, negative (Standard & Poor's)

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Online letter to shareholders:

<http://financialreports.evn.at/2008-09/ir/2>

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This annual report was printed on environmentally-friendly paper. It contains at least 50% FSC-certified cellulose. The production was made possible with electricity from renewable energy sources in accordance with strict ecological guidelines of greenprint*. The CO₂ emissions arising from the paper and printing production processes were offset by means of acquiring the Gold Standard certificates. The contribution made by EVN will be invested in a climate protection project in India coordinated by the World Wildlife Fund. Gugler Cross Media was responsible for the printing and binding of the report in Austria.

