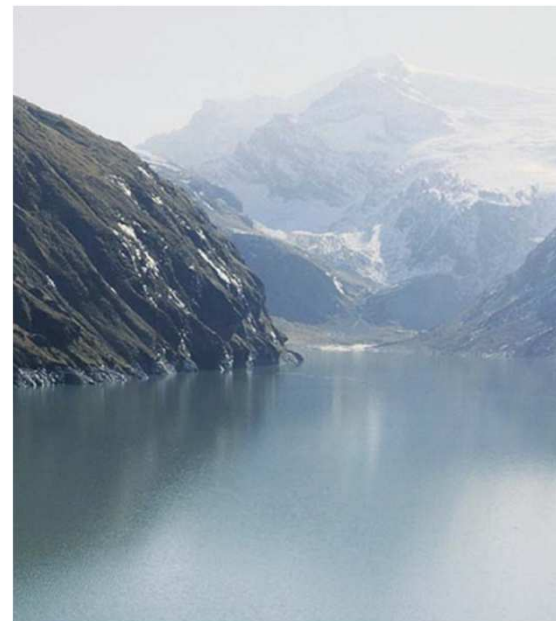
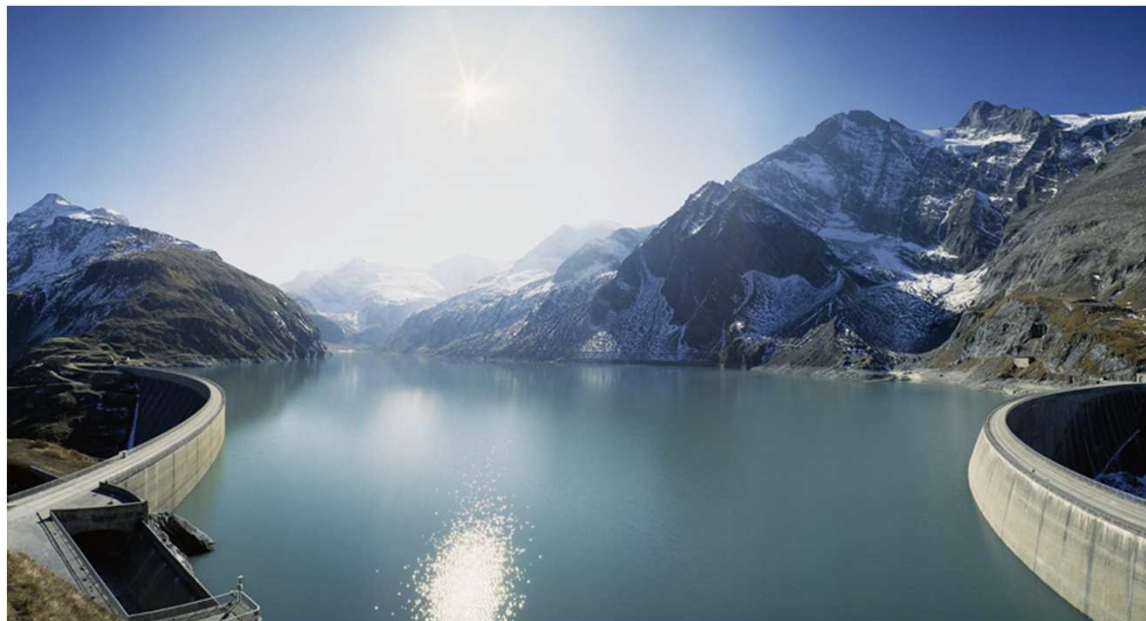


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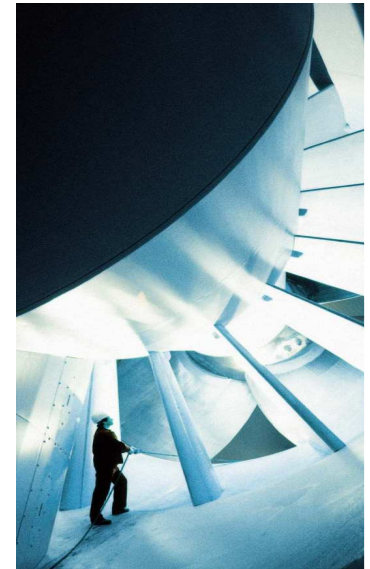
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VERBUND

Half year results 2018

Vienna, 26/7/2018

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At a glance – strong results development confirms Verbund course **Verbund**

Influencing factors

- Hydro generation considerably higher than last year and the long term average
- Lower contribution from flexibility products
- Better result contribution from the grid segment
- Positive impact from cost cutting and efficiency improvement programs
- Slightly positive non-recurring effects due to the resolution of outstanding issues related to the thermal power plants Dürnrohr and Korneuburg

Development of results, cash flows and debt

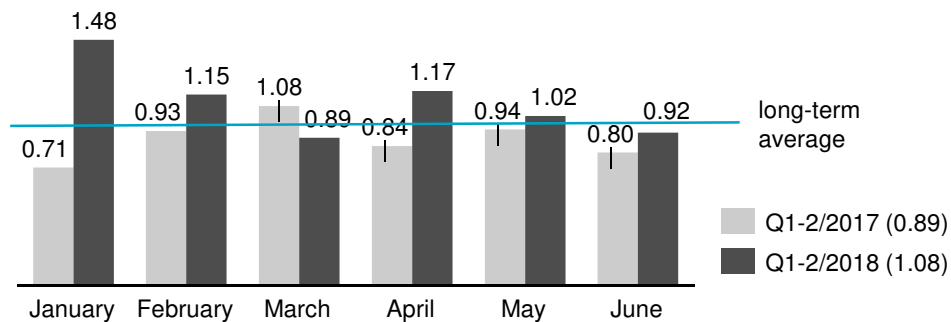
- EBITDA €503.7m (+21.1%), adj. EBITDA €502.9m (+20.9%)
- Group result €227.5m (+47.3%), adj. Group result €222.3m (+43.9%)
- Operating cash flow €480.0m (+24.7%); Free cash flow before dividends €355.9m (+30.1%)
- Net Debt € 2,650.8m (–6.8%)

Outlook 2018

- EBITDA approx. €950m, Group result approx. €370m
- Pay-out ratio between 40% and 45% on adjusted Group result amounting to approx. €365m

Higher water supply but lower contract prices

Hydro coefficient (run-of-river)

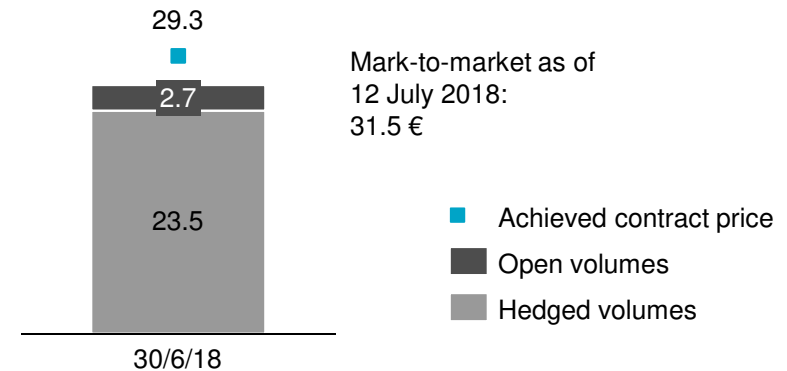


Electricity supply 32,320 GWh (+1,288 GWh, +4.2%)

- Hydropower: 16,457 GWh (+3,088 GWh, +23.1%)
 - Storage power: 2,435 GWh (+477 GWh)
- Thermal Power: 609 GWh (−671 GWh, −52.4%)
 - CCGT Mellach: 243 GWh (−613 GWh)
- Wind: 452 GWh (−32 GWh, −6.6%)
- Purchase from third parties: 14,802 (−1,098 GWh)

Hedging volumes 2018¹/ TWh

FY 2017: €30.4/MWh

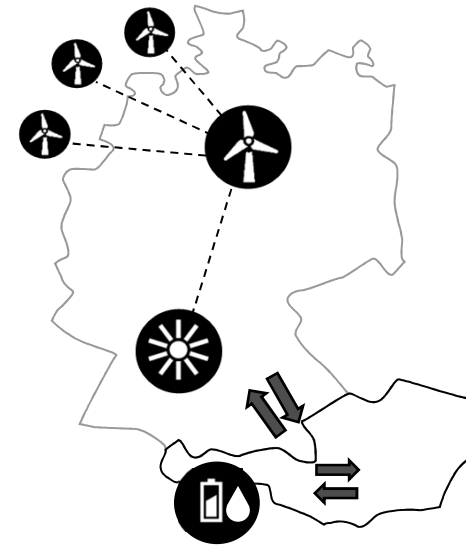
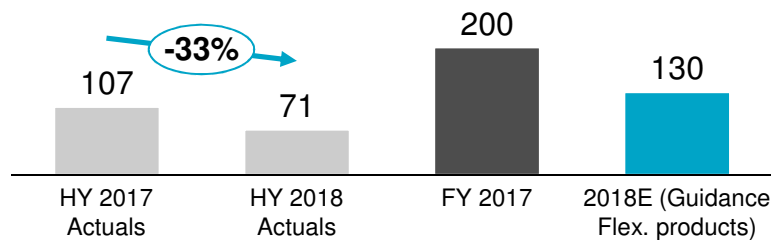


¹ Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

Flexibility products – lower compared to the record year 2017

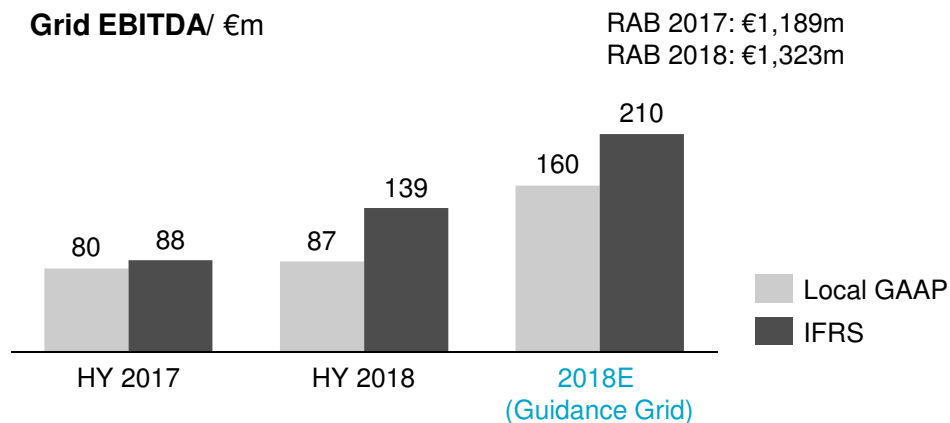
- Increasing system volatility in the European grid system due to rapid development of new renewables
- Demand for flexibility products depending on the following influencing factors:
 - Temperatures/weather in winter/summer
 - Revision of nuclear power plants
 - Hydro production
 - Installation of phase shifters
 - Congestion management within Austria (in addition to DE/AT)
- Flexibility products include control energy, congestion management, grid system services, intraday trading, capacity/cold reserve and pumping/reverse operations

Flexibility products/ €m



Higher result contribution from high voltage grid

Grid EBITDA/ €m



Grid FY 2017/ km

Voltage Level	Route length	System length
380-kV	1,153	2,577
220-kV	1,615	3,212
110-kV	660	1,175
110-kV (cable)	3	6
Total	3,431	6,970

Local GAAP: stable earnings and cash flows

- Differences between revenues and planned revenues compensated by a regulatory account

IFRS: volatile earnings

- Revenue surpluses or shortfalls are not utilised/compensated via the regulatory account

⇒ Volatility in IFRS from: control energy, auctioning off of cross-border grid capacities, congestion management services

Increase in grid EBITDA Q1–2/2018 (IFRS)

- Lower expenses for congestion management

WACC for new regulatory period (2018-2022)

- Approximately 5% (4.88% pre tax for existing assets, 5.20% pre tax incl. investment-markup for new assets)

Non-recurring effects

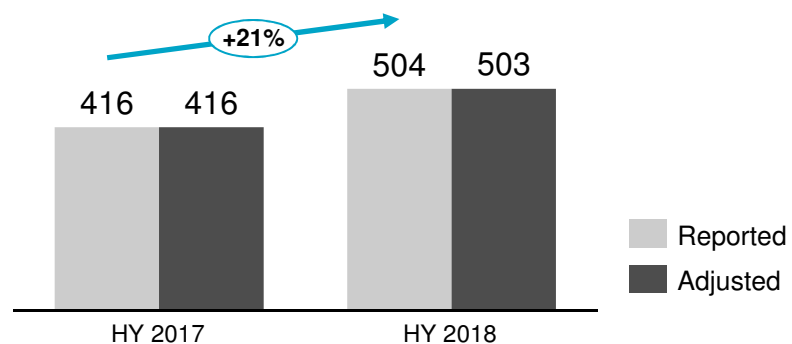
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€m	Detail	HY 2018	HY 2017
Other operating expenses	Adjustment of provision for dismantling costs in connection with resolution of open issues with EVN	1	
EBITDA		1	0
Reversal of impairments	In connection with resolution of open issues with EVN (power plants Korneuburg, Dürnrohr)	6	
Operating result	Total	7	0
Financial result	Total	0	0
Taxes	Effects due to the non-recurring effects above	-2	
Group result	Total	5	0

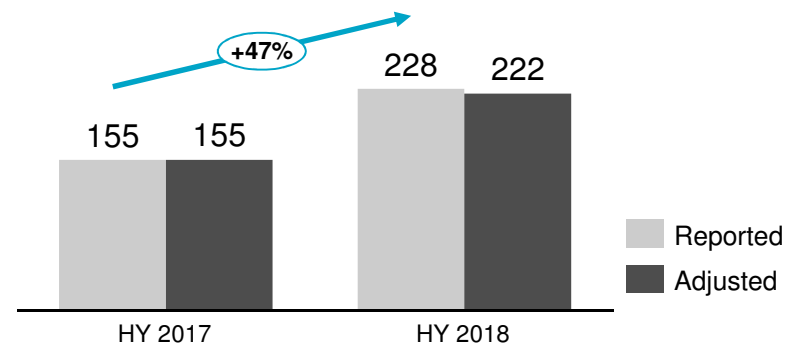
Key financial figures (1)

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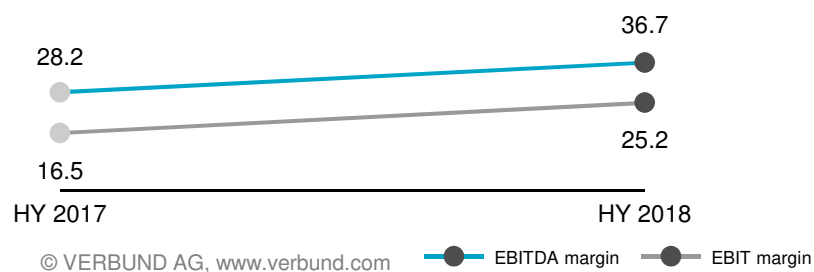
EBITDA/ €m



Group result/ €m

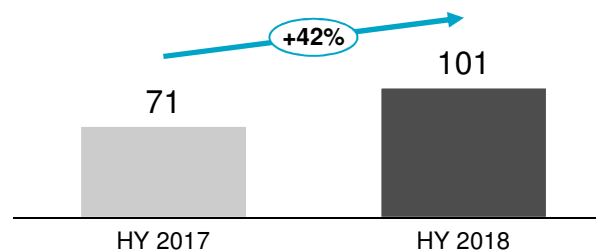


Margins/ %



Additions/ €m

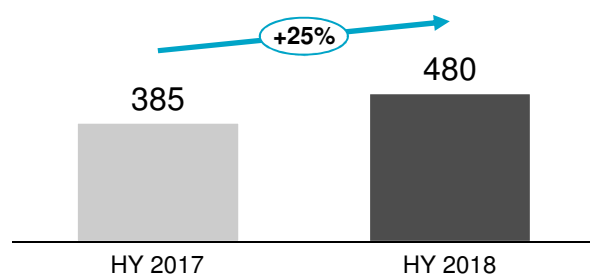
to tangible assets (without business combination)



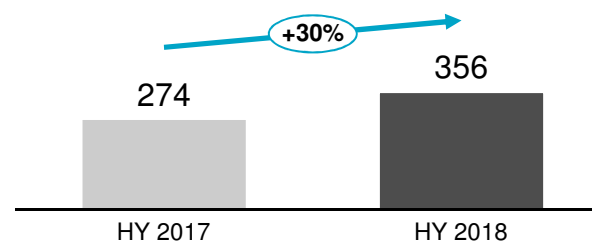
Key financial figures (2)

Verbund

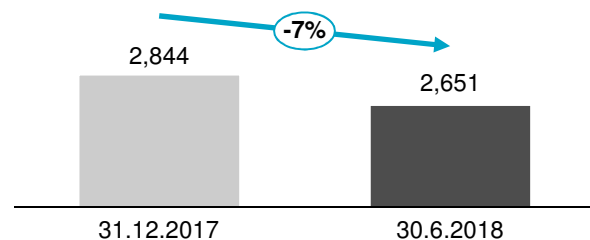
Operating cash flow/ €m



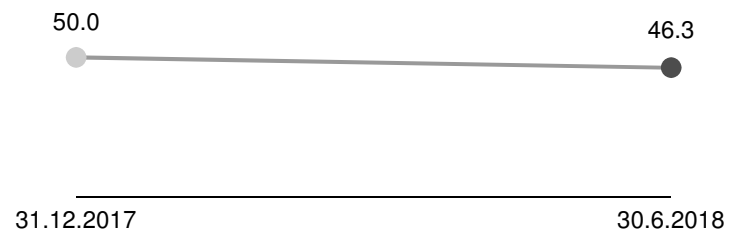
Free cash flow before dividends/ €m



Net debt/ €m

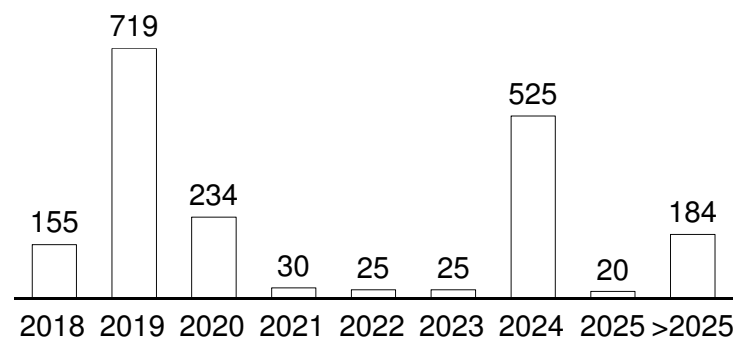


Gearing/ %

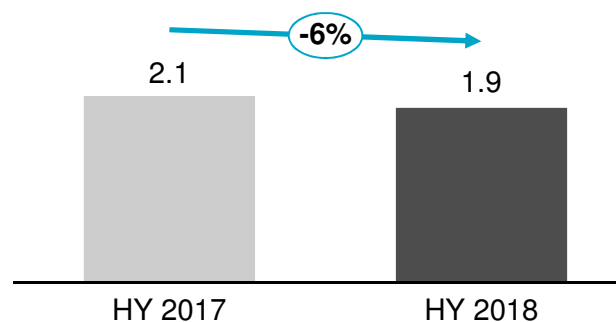


Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €bn



Financial liabilities

- Book value Financial liabilities: €1,949m

Financial ratios

- Duration: 3.5 years
- Effective interest rate: 3.7% p.a.
- Uncommitted lines of credit: approx. €658m*
- Syndicated loan: €500m

Interest mix

- 97% fixed interest rate
- 3% floating interest rate

Currency

- 100% EUR

Rating

S&P Global
Ratings

BBB+/stable outlook

MOODY'S
INVESTORS SERVICE

Baa2/positive outlook

Outlook

Sensitivities 2018

A change of 1% (generation from hydropower/ windpower) or €1/MWh (wholesale price) either way would be reflected as follows in the group result for 2018, other things being equal:

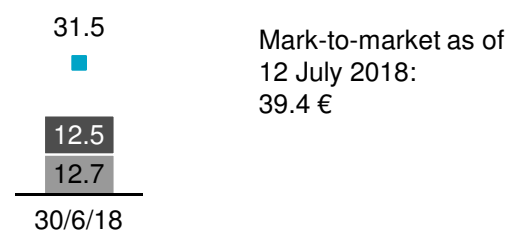
- Greater or less generation from hydropower: +/- €4.0m
- Greater or less generation from windpower: +/- €0.2m
- Wholesale prices (renewable generation): +/- €1.9m

Earnings outlook 2018

EBITDA of around €950m and Group result of around €370m based on an average generation from hydropower and windpower in the second HY2018.

For financial year 2018, VERBUND plans to pay out between 40 and 45% of the Group result after adjustment for non-recurring effects amounting to around €365m.

Hedging 2019¹/ TWh



Hedging 2020 excl. options¹/ TWh



■ Achieved contract price ■ Open volumes ■ Hedged volumes

¹ Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

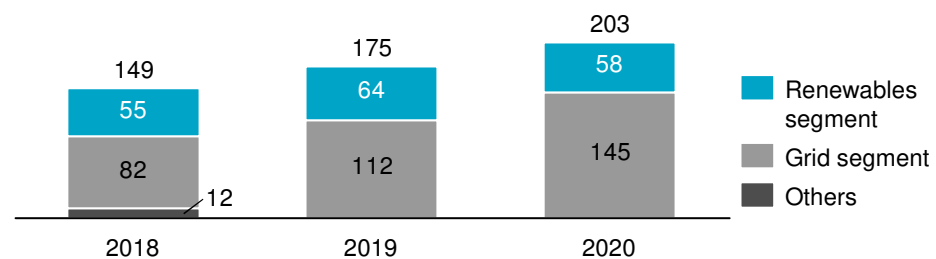
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Appendix

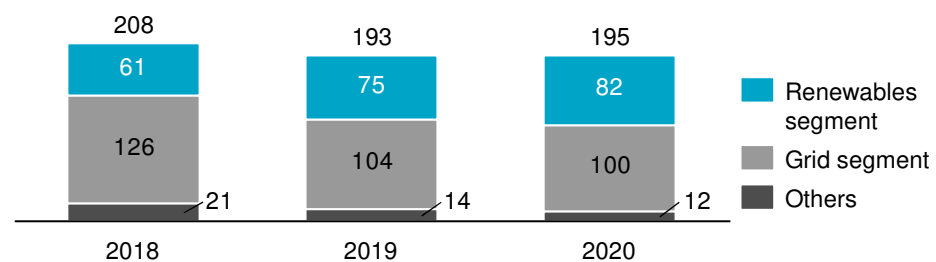


CAPEX plan 2018–2020

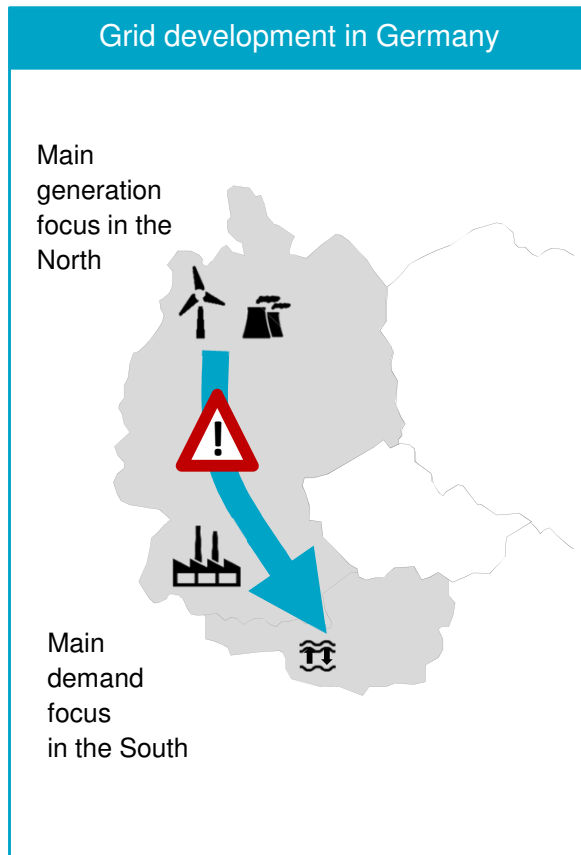
Growth CAPEX/ €m (total of €528m)



Maintenance CAPEX/ €m (total of €596m)



Price zone Germany/Austria



- Electricity surplus from north cannot fully be transported to south due to missing grid capacities
- Discussions on separation of the common price zone Germany/Austria
- Consequences of a separation:
 - Higher power price in Austria
 - Increasing total costs
 - Less market liquidity
 - Higher transaction costs
 - Impediment to renewables- and market integration (EU-objectives)
 - Higher market entry barriers
- Bilateral agreement between BNetzA and E-Control to introduce market separation as of 1 October 2018
 - NTC agreed at 4.9 GW
 - Additional capacities in short-term trading (day-ahead) possible
- New products (electricity futures for Germany & Austria) at EEX introduced
- Bidding zone review published by ENTSO-E (public consultation ended in March). Key findings:
 - "... evaluation does not provide sufficient evidence for a modification or for a maintenance of the current bidding zone (i.e. common GE/AT zone)..."
 - "...and therefore recommend to maintain the current bidding zone delimitation."
 - "The recommendation should in no way be interpreted as an endorsement or an objection against the planned split of the German/Austrian bidding zone."
- Next steps:
 - Member states are obliged to reach an agreement within 6 months on maintaining or amending the bidding zone configuration
 - Assessment of current bidding zone configuration every three years

Income statement

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€m	Q1-2/2017	Q1-2/2018
	Total	Total
Revenue	1,476.4	1,373.2
Electricity revenue	1,200.2	1,052.0
Grid revenue	210.7	248.1
Other revenue	65.5	73.1
Other operating income	26.2	26.9
Expenses for electricity purchases & use of fuels	-836.1	-631.8
Other operating & personnel expenses	-250.6	-264.6
EBITDA	415.9	503.7
Depreciation & amortisation	-172.6	-163.2
Effects from impairment tests	0.0	6.2
EBIT	243.3	346.7
Result from equity interests & oth. interests	23.1	25.3
Interest income/expense	-50.5	-47.4
Other financial result	-1.2	0.1
Effects from impairment tests	0.0	0.0
Financial result	-28.6	-22.0
Taxes	-47.0	-72.1
Group result	154.5	227.5
Minorities	13.2	25.1
Earnings per share (€)	0.44	0.65

Balance sheet (short version)

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€m	31.12.2017	30.6.2018	Change
Non-current assets	10.662	10.582	-1%
Current assets	622	847	36%
Non-current assets held for sale	0	0	—
Total assets	11.284	11.429	1%
Equity	5.691	5.729	1%
Non-current liabilities	4.585	4.623	1%
Current liabilities	1.008	1.077	7%
Total liabilities	11.284	11.429	1%



Cash flow statement (short version)

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€m	Q1-2/2017	Q1-2/2018	Change
Cash flow from operating activities	385	480	25%
Cash flow from investing activities	-109	-311	185%
Cash flow from financing activities	-287	-175	-39%
Change in cash and cash equivalents	-11	-6	-48%
Cash and cash equivalents at the end of the period	16	23	45%

Capital market calendar 2018

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	26/7/2018	Result and interim report quarters 1–2/2018
	7/11/2018	Result and interim report quarters 1–3/2018

Management

Verbund



Wolfgang Anzengruber
CEO, Chairman of the Managing Board



Johann Sereinig
Deputy Chairman of the Managing Board



Peter Kollmann
CFO, Member of the Managing Board



Günther Rabensteiner
Member of the Managing Board

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