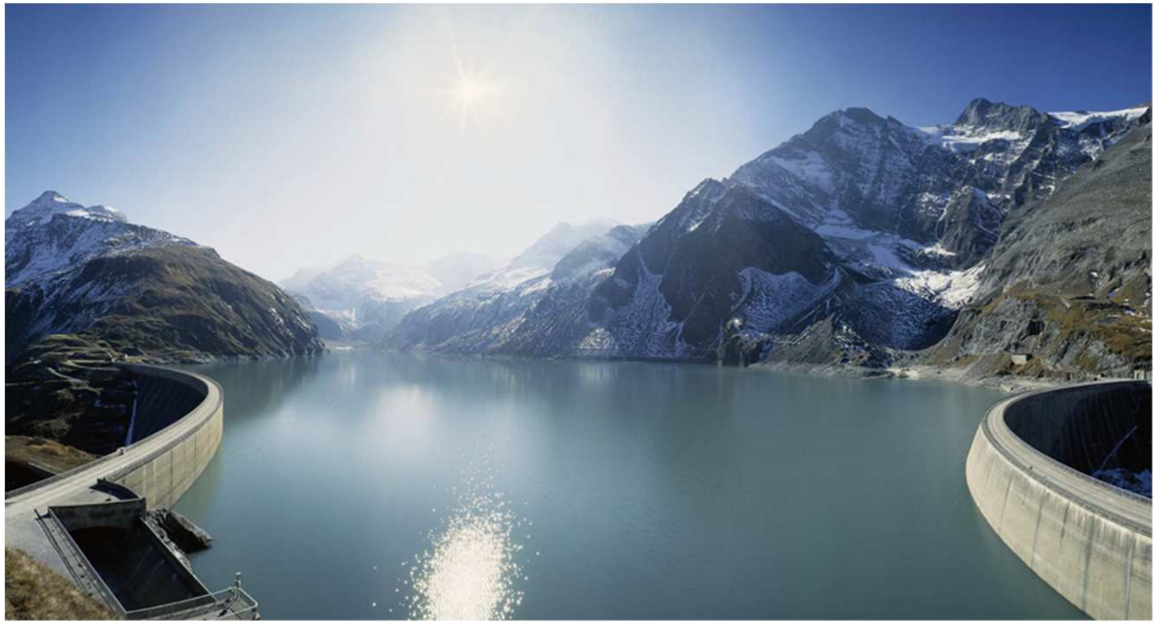

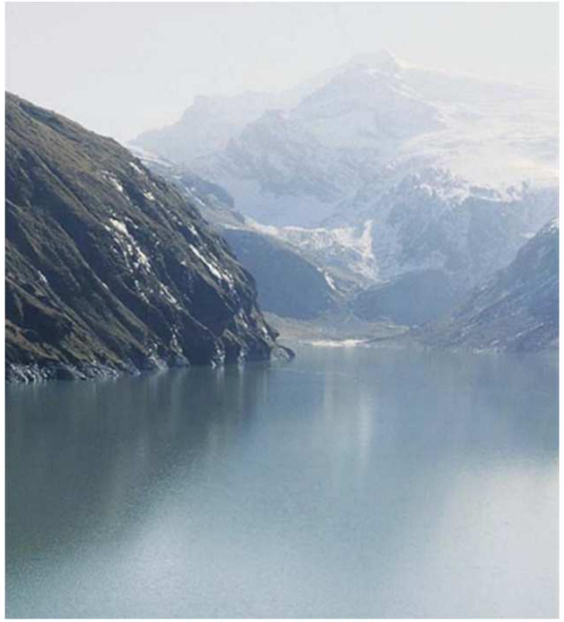

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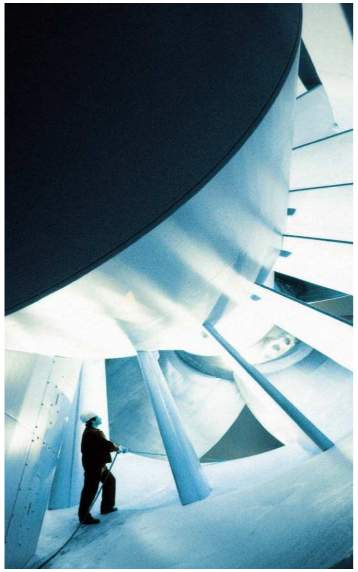
VERBUND
Results for quarters 1-3/2018



Vienna, 7/11/2018

At a glance – improved results despite historically weak hydro conditions in Q3/2018

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Influencing factors

- Hydro generation in Q1–3/2018 slightly higher than last year but lower than the long term average
- Hydro coefficient in Q3/2018 on a historic low level
- Better result contribution from the grid segment because of lower expenses for congestion management services
- Positive impact from cost cutting and efficiency improvement programs
- Lower contribution from flexibility products, but higher than planned

Development of results, cash flows and debt

- EBITDA €678.4m (+2.3%), adj. EBITDA €677.7m (+2.1%)
- Group result €282.8m (+4.9%), adj. Group result €277.6m (+10.1%)
- Operating cash flow €542.1m (+12.0%); Free cash flow before dividends €389.0m (+21.5%)
- Net Debt € 2,633.2m (–7.4%)

Outlook 2018 adjusted due to poor hydro conditions in Q3/2018

- EBITDA approx. €870m, Group result approx. €340m
- Pay-out ratio between 40% and 45% on adjusted Group result amounting to approx. €335m

Higher water supply but lower contract prices

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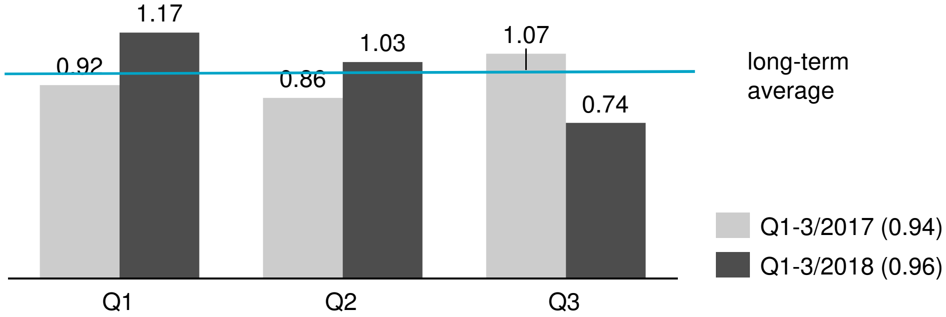
Hydro coefficient (run-of-river)

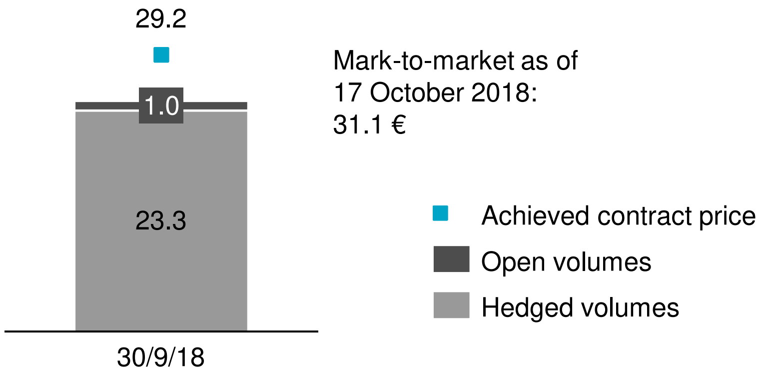


Electricity supply 48,065 GWh (+252 GWh, +0.5%)

- Hydropower: 22,893 GWh (+455 GWh, +2.0%)
  - Storage power: 3,455 GWh (+201 GWh)
- Thermal Power: 870 GWh (–796 GWh, –47.8%)
  - CCGT Mellach: 504 GWh (–717 GWh)
- Wind: 584 GWh (–96 GWh, –14.2%)
- Purchase from third parties: 23,718 (+690 GWh)

Hedging volumes 2018[1]/ 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

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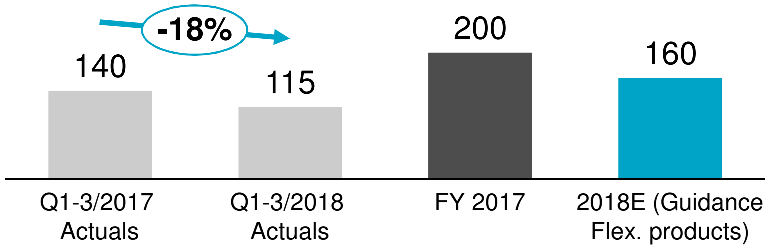
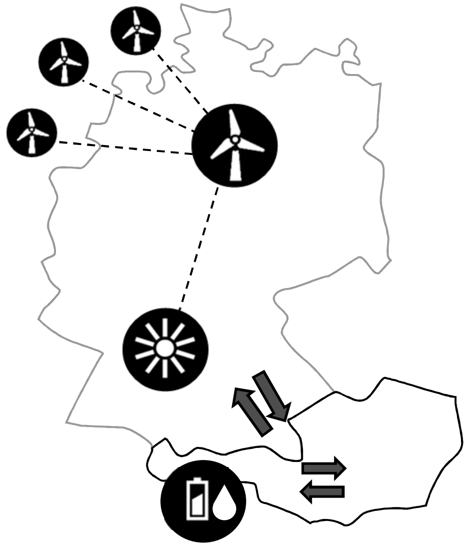
- Increasing system volatility in the European grid system due to rapid development of new renewables
- Demand for flexibility products depending on the following influencing factors:
  - Temperatures/weather in winter/summer
  - Revision of nuclear power plants
  - Hydro production
  - Installation 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

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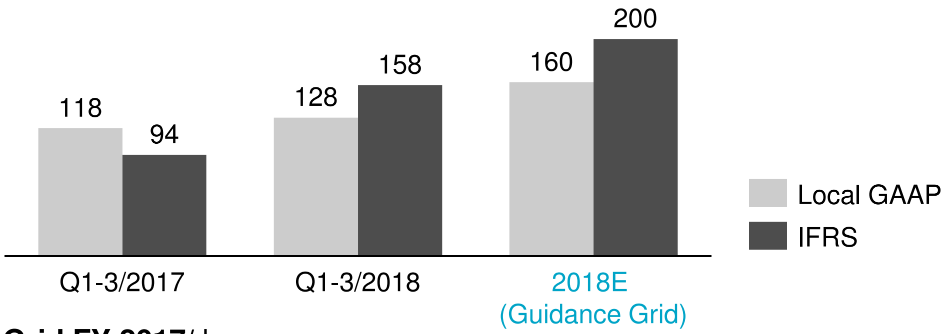
Grid EBITDA/ €m

RAB 2017: €1,189m
RAB 2018: €1,323m



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 Q1–3/2018 (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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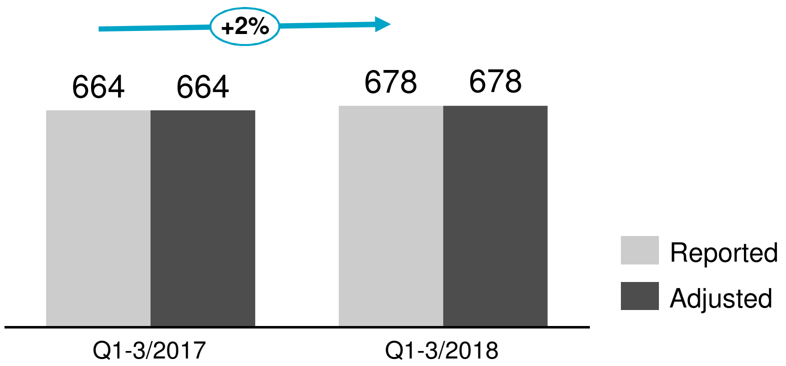
€m	Detail	Q1–3/2018	Q1–3/2017
Other operating expenses	Adjustment of provision for dismantling costs in connection with resolution of open issues with EVN	1	
EBITDA		**1**	0
Reversal of impairments	In connection with resolution of open issues with EVN (power plants Korneuburg, Dürnrohr)	6	
Operating result	**Total**	**7**	23
Financial result	**Total**	**0**	0
Taxes	Effects due to the non-recurring effects above	-2	
Group result	**Total**	**5**	17

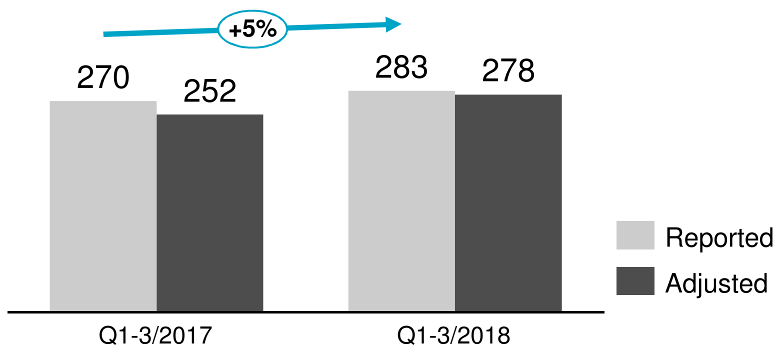
Key financial figures (1)

Verbund

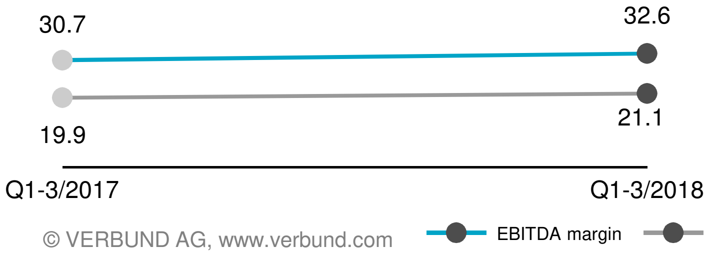
EBITDA/ €m



Group result/ €m

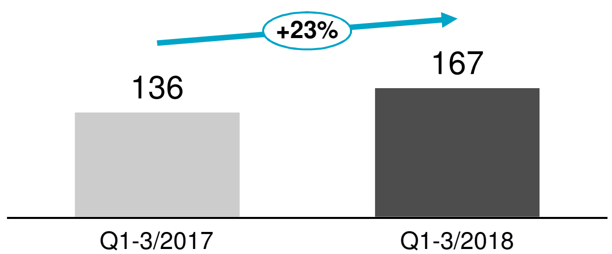


Margins/ %



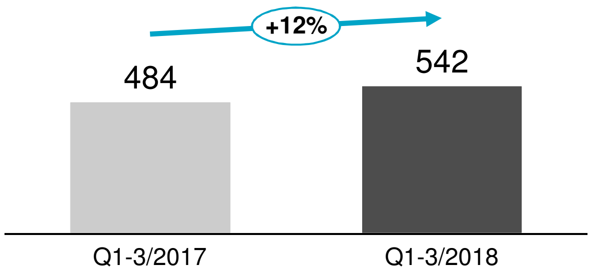
Additions/ €m

to tangible assets (without business combination)

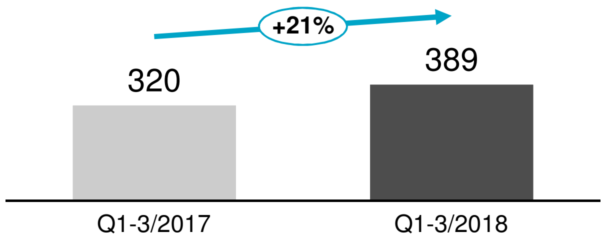


Key financial figures (2)

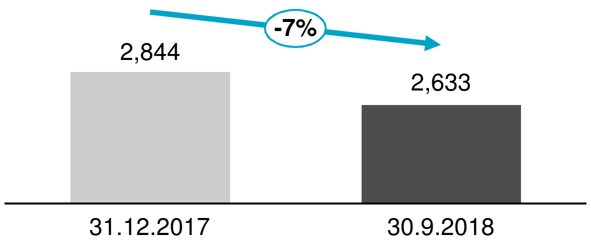
Operating cash flow/ €m



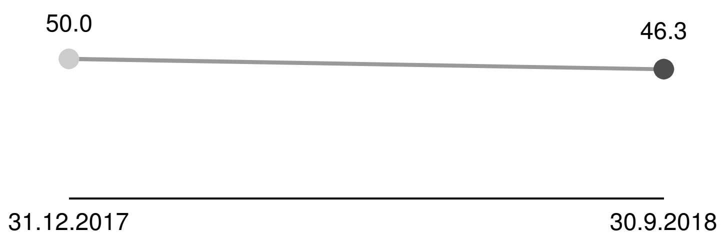
Free cash flow before dividends/ €m



Net debt/ €m



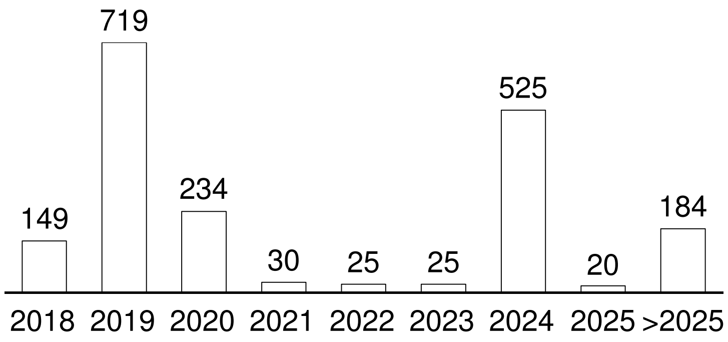
Gearing/ %



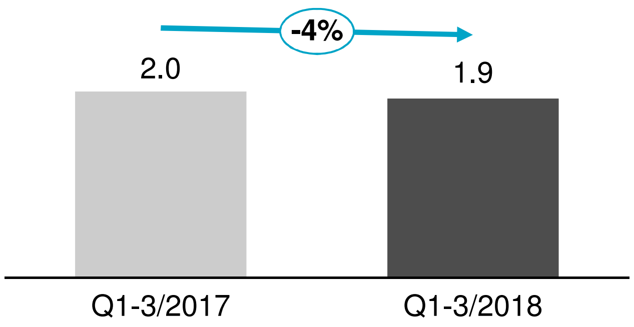
Financial liabilities

Verbund

Debt maturity profile/ €m



Financial liabilities/ €bn



Financial liabilities
- Book value Financial liabilities: €1,925m

Financial ratios
- Duration: 3.2 years
- Effective interest rate: 3.7% p.a.

- Uncommitted lines of credit: approx. €568m*
- Syndicated loan: €500m

Interest mix
- 98% fixed interest rate
- 2% floating interest rate

Currency
- 100% EUR

Rating

S&P Global Ratings	A-/stable outlook
Moody's Investors Service	Baa1/positive outlook

* thereof used: €0m

Outlook

Verbund

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:

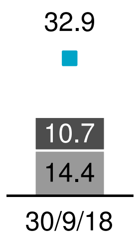
- Greater or less generation from hydropower: +/– €2.2m
- Greater or less generation from windpower: +/– €0.1m
- Wholesale prices (renewable generation): +/– €0.7m

Earnings outlook 2018 adjusted

EBITDA of around €870m and Group result of around €340m based on an average generation from hydropower and windpower in quarter 4/2018.

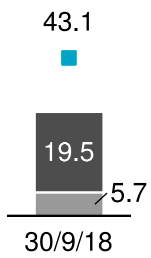
For financial year 2018, VERBUND plans to pay out between 40 and 45% of the Group result after adjustment for non-recurring effects amounting to around €335m.

Hedging 2019[1]/ TWh



Mark-to-market as of 17 October 2018: 43.4 €

Hedging 2020 excl. options[1]/ TWh



Mark-to-market as of 17 October 2018: 51.5 €

Additional downside protection by options amounting to 5.3 TWh @ an average price of €28.0/MWh

■ 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

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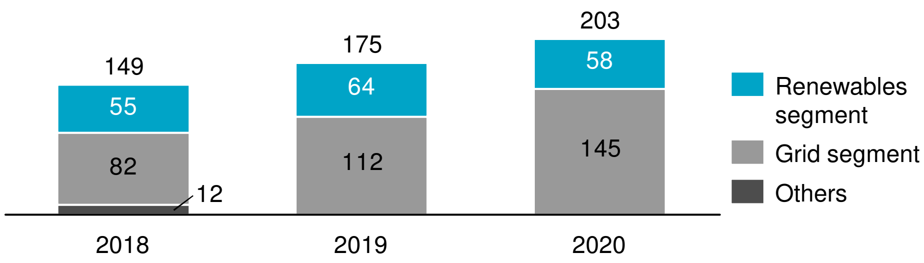
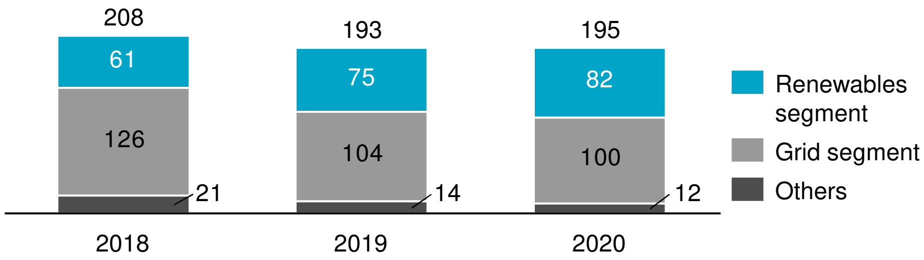
Growth CAPEX/ €m (total of €528m)



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



Price zone Germany/Austria

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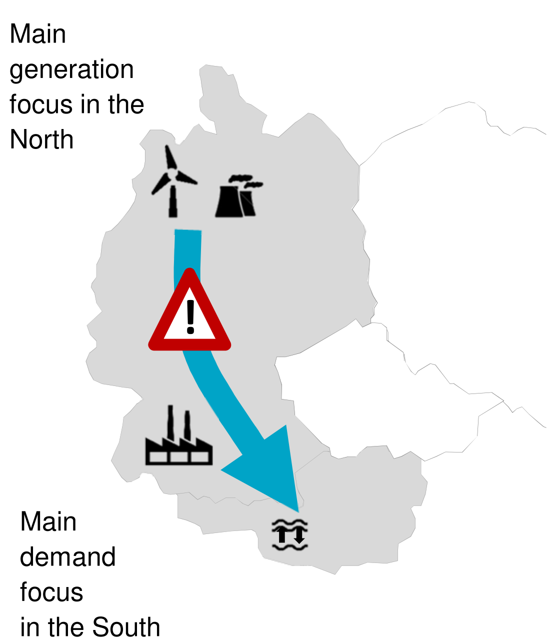
Grid development in Germany



- Electricity surplus from north cannot fully be transported to south due to missing grid capacities
    - Implementation of a split of the common prize zone between Germany/Austria on 1 October 2018 following a bilateral agreement between BNetzA and E-Control and approval procedures at relevant governing bodies
        - NTC agreed at 4.9 GW
- Consequences of the 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
- New products (electricity futures for Germany & Austria) at EEX introduced
- Assessment of current bidding zone configuration every three years

Income statement

Verbund

€m	Q1-3/2017	Q1-3/2018
	Total	Total
Revenue	**2,161.6**	**2,080.7**
Electricity revenue	1,779.7	1,613.8
Grid revenue	297.0	371.7
Other revenue	84.9	95.2
Other operating income	43.7	44.6
Expenses for electricity purchases & use of fuels	-1,175.3	-1,058.6
Other operating & personnel expenses	-366.5	-388.3
EBITDA	**663.5**	**678.4**
Depreciation & amortisation	-257.2	-244.7
Effects from impairment tests	23.2	6.2
EBIT	**429.5**	**439.9**
Result from equity interests & oth. interests	30.4	32.0
Interest income/expense	-74.7	-71.1
Other financial result	-0.4	2.3
Effects from impairment tests	0.0	0.0
Financial result	**-44.6**	**-36.8**
Taxes	-86.7	-88.3
Group result	**269.5**	**282.8**
Minorities	**28.6**	**32.1**
Earnings per share (€)	**0.78**	**0.81**

Balance sheet (short version)

Verbund

€m	31.12.2017	30.9.2018	Change
Non-current assets	10.662	10.538	-1%
Current assets	622	1.141	83%
Non-current assets held for sale	0	0	–
Total assets	**11.284**	**11.679**	**4%**
Equity	5.691	5.693	0%
Non-current liabilities	4.585	3.969	-13%
Current liabilities	1.008	2.017	100%
Total liabilities	**11.284**	**11.679**	**4%**

Cash flow statement (short version)

Verbund

€m	Q1-3/2017	Q1-3/2018	Change
Cash flow from operating activities	484	542	12%
Cash flow from investing activities	-157	-339	–
Cash flow from financing activities	-342	-181	-47%
Change in cash and cash equivalents	**-15**	**22**	–
Cash and cash equivalents at the end of the period	**13**	**50**	286%

Capital market calendar 2019

Verbund

	13/3/2019	Annual result and publication of annual report 2018
	20/4/2019	Record date for Annual General Meeting
	30/4/2019	Annual General Meeting
	7/5/2019	Ex-dividend date
	8/5/2019	Record date for dividends
	20/5/2019	Dividend payment date
	8/5/2019	Result and interim report quarter 1/2019
	1/8/2019	Result and interim report quarters 1–2/2019
	6/11/2019	Result and interim report quarters 1–3/2019

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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