YOU CAN RELY ON WIEN ENERGIE
KEY FINANCIAL AND PERSONNEL INDICATORS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013(^3)</th>
<th>Change in %</th>
<th>FY 2012(^2)</th>
<th>2011/12</th>
<th>2010/11(^1)</th>
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<tbody>
<tr>
<td>Turnover</td>
<td>1,794.3</td>
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<td>-7.7</td>
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<tr>
<td>EBIT</td>
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<td>-4.3</td>
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<td>-74.2</td>
<td>-12.3</td>
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<td>Result on ordinary activities</td>
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<td>-8.0</td>
<td>-258.0</td>
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<td>Profit/loss for the period</td>
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<td>-8.0</td>
<td>-259.4</td>
<td>80.1</td>
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<td>Headcount (annual average in full-time equivalents)</td>
<td>2,730</td>
<td>2,767</td>
<td>-1.3</td>
<td>2,731</td>
<td>2,779</td>
<td>2,738</td>
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KEY OPERATIONAL FIGURES

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<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Change in %</th>
<th>2012</th>
<th>2011/12</th>
<th>2010/11</th>
</tr>
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<tbody>
<tr>
<td><strong>Electricity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Production(^4)</td>
<td>4,349.9</td>
<td>3,974.2</td>
<td>9.5</td>
<td>4,793.2</td>
<td>4,996.9</td>
<td>6,772.2</td>
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<tr>
<td>Sales</td>
<td>9,349.4</td>
<td>9,526.9</td>
<td>-1.9</td>
<td>9,586.6</td>
<td>9,511.1</td>
<td>9,338.9</td>
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<td><strong>Natural gas</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>6,440.8</td>
<td>7,782.8</td>
<td>-17.3</td>
<td>7,920.4</td>
<td>7,971.6</td>
<td>8,434.0</td>
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<tr>
<td><strong>Heat</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production(^4)</td>
<td>4,855.0</td>
<td>5,604.9</td>
<td>-13.4</td>
<td>5,206.6</td>
<td>5,303.8</td>
<td>5,449.8</td>
</tr>
<tr>
<td>Sales</td>
<td>5,238.0</td>
<td>6,166.8</td>
<td>-15.1</td>
<td>5,758.6</td>
<td>5,742.0</td>
<td>5,708.0</td>
</tr>
</tbody>
</table>

\(^1\) In the 2010/11 financial year, electricity and gas network companies were unbundled.
\(^2\) Short financial year (1 October – 31 December 2012)
\(^3\) In the 2013 financial year, the primary district heating network and part of the telecommunications division were unbundled.
\(^4\) Fully and proportionally consolidated subsidiaries
As Austria’s largest energy service company, Wien Energie safeguards the reliable, uninterrupted supply of energy and all of the associated services to the city of Vienna and the surrounding area around the clock.
Europe’s energy industry is currently undergoing a fundamental transition, which can also be felt in Austria. We are actively and vigorously facing up to the associated challenges with our 2,730 employees.

Our most important objective here is to ensure the satisfaction of our customers. We were able to achieve a major milestone here with the opening of the Spittelau Wien Energie World. Wien Energie sets itself apart by offering competent advice, innovative comprehensive energy solutions and transparent communication. These topics were of particular importance to us when designing this 2014 Annual Review. We would also like to show you the wide range of measures there are in place and how we are responding to current challenges in the energy industry with insights into the world of Wien Energie. For instance, from page 40 you can find out about the projects we have in place to increase the use of renewable energies. We would also like present to you innovative commercial fields such as district cooling and the associated benefits (from page 36), ultimately demonstrating that you will be able to continue relying on Wien Energie in the future.

In the section ‘Analysis of the course of business’, we set out the influencing factors and most important developments in the 2014 financial year. We also see this as being an important contribution to a transparent and open communication policy with our various stakeholders.

We hope you enjoy reading this Annual Review.

YOU CAN RELY ON WIEN ENERGIE WHEN IT COMES TO ANY MATTER RELATED TO THE SUPPLY OF ENERGY
CUSTOMER PROXIMITY

Wien Energie has positioned itself as more than a mere energy supplier, offering its customers comprehensive energy solutions advisory services from a single source. Its customers have access to a modern advice centre with the Spittelau Wien Energie World. In addition to this, competent employees are on hand to provide support and advice in the company’s in-house call centre. Comprehensive online information at wienenergie.at round off the services on offer.

SUSTAINABILITY FOR SOCIETY

Wien Energie lives up to its corporate responsibility in a variety of different ways. It has been supporting sporting facilities and events for decades now and it also has long-standing partnerships with art and cultural institutions. Wien Energie is also an important customer for the economy in the Greater Vienna metropolitan area and one the largest employers in the region.

SAFEGUARDING SHAREHOLDER VALUE

Wien Energie has implemented a range of different measures in recent years to safeguard profitability and earning power. Internal synergies have been harnessed with the consolidation of business units, while processes and areas of responsibility have been redefined. The future success of the company is also being secured with investment in the training and further education of its employees.

AMBITIOUS STRATEGY WITH CLEAR OBJECTIVES

ANNUAL REVIEW 2014  WIEEN ENERGIE
INCREASED USE OF RENEWABLE ENERGIES
Thanks to significant investment in prior years, Wien Energie has been able to increase the total amount of electricity produced from renewable energies continuously (2014: 20.5 percent). The highlights in 2014 included the commissioning of more wind turbines (Steinriegel 2), the recommissioning of the Opponitz hydropower plant in Lower Austria, and the commissioning of several photovoltaic installations.

Wien Energie will continue to focus on wind power, hydropower, photovoltaics and biomass in the future. The aim is to increase the proportion of electricity produced from renewable energy sources to 50 percent and the proportion of heating so produced to 42 percent by 2030. This means that decentralised and combined forms of production involving the population will continue to grow in importance.

MAINTAINING ABILITY TO COMPETE
For many years now, Wien Energie has positioned itself as a reliable partner for its customers in all matters related to the supply of energy. In addition to having a transparent pricing policy together with a comprehensive range of advice and services, another objective is to secure the company’s ability to compete by implementing further measures to boost operational efficiency and harness internal synergies.

SO THAT WIEN ENERGIE CONTINUES TO BE RELIABLE.
RENEWABLE ENERGY SOURCES

Wien Energie aims to increase the proportion of electricity produced from renewable energy sources to 50 percent by 2030 and has implemented a range of measures to this end.

For more details, see page 39

E-MOBILITY GATHERING PACE

How Wien Energie is helping to drive this trend by building and operating charging stations.

See page 64

SOLAR POWER FOR VIENNA

Vienna’s new building regulations are boosting demand for photovoltaic installations – Wien Energie has developed customised products here.

See page 46
**INTERVIEW**

The management team of Wien Energie, Susanna Zapreva, Thomas Irschik and Peter Gönitzer, talk about the current challenges, the course of business in 2014 and strategic objectives. 

*For more details, see page 8*

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**SPITTELAU WIEN ENERGIE WORLD**

Bringing together all advisory and other services under one roof creates advantages for customers. 

*See page 48*

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**EXPANSION OF WIND POWER**

Wien Energie is investing in the construction of additional wind farms, and currently operates 62 such farms. 

*See page 40*
WIEN ENERGIE FORGES AHEAD WITH REFORMS

The management team of Wien Energie GmbH, Susanna Zapreva, Thomas Irschik and Peter Göntizer talk about the current challenges facing the energy industry, the course of business in 2014 and strategic objectives.

The European energy market has been under pressure for a number of years now. Did the pressure ease in 2014?

ZAPREVA: No, the conditions in the energy market remained very tense or even volatile on the whole during 2014. The price of electricity on spot markets trended at a low level, which was partly due to the fall in prices of primary energy sources such as natural gas and crude oil in addition to the subsidised increase in use of renewable energies. These underlying conditions present the European energy industry with economic challenges and call into question the current market model. We need to hold our own in a globally oriented market. However, political decisions regarding subsidies for renewable energy sources or security of supply continue to be made at a regional, i.e. state, level. The resulting gap requires us to be more flexible, develop new business models and be creative. Wien Energie is tackling this transition head on and making good progress.

IRSCHIK: At a European level, opinions are divided as to whether we are currently experiencing an evolution or revolution in energy markets. What is certain, however, is that traditional business models are no longer profitable in the current environment in many cases. There is a need for innovative solutions and new approaches. Our customers are becoming increasingly demanding and competition will only get fiercer. We are actively tackling these trends by working to develop and improve our range of services. We will continue to set ourselves apart in the future through these efforts, including successfully opening up new commercial fields such as district cooling or combined energy solutions using a range of different technologies.

How did the current environment affect business activities?

GÖNITZER: I would first like to say that I have only been a member of the management team of Wien Energie since 1 February 2015. However, in the course of my previous duties in the controlling and accounting departments of the
parent company Wiener Stadtwerke Holding AG. I have had in-depth insights into the performance of Wien Energie for a number of years now. But to answer your question, the aforementioned factors have a very noticeable impact on the company’s profitability, generally speaking. Wien Energie also had to take major impairment charges against thermal production plants in past years. By way of contrast, only minor negative extraordinary items needed to be recognised in 2014. The decline in turnover was primarily attributable to the milder weather conditions, causing sales of heating and gas to fall by 7.7 percent to EUR 1,794.3 million. We will report a result of ordinary business activities of around EUR 40 million for 2014 despite a lower financial result due to a reduction in expenditures. The measures implemented to increase operating efficiency in prior years are taking effect. However, in view of the current environment, they need to be prolonged and even ramped up in a number of areas.

IRSCHIK: Knowing about these difficult underlying conditions, we planned 2014 accordingly and never took our eye off of these during the year, and ultimately performed much better than anticipated. The success achieved is due to the efforts and dedication of each and every one of our employees, as well as the discipline of our team of managers, and we would like to take this opportunity to express our thanks and recognition here.
INTERVIEW

Which sales or services specifically affected business activities in 2014?

IRSCHIK: The extremely warm weather conditions are to be highlighted here. Average temperatures during the year were almost 17 percent above those of the prior year. This resulted in a drop in heating sales of 15.1 percent and in gas sales of 17.3 percent. At the same time, we were able to increase the amount of energy produced ourselves — particularly as a result of the continued increase in the use of renewable energies. Thermal power production was also well above the level of the prior year due to stronger demand for electricity to stabilise the network and the larger amount procured through international power-drawing rights.

Can you give us some details about Wien Energies’s strategy for renewable energies?

ZAPREVA: We have set ourselves the target of increasing the proportion of electricity produced from renewable energy sources to as much as 50 percent by 2030 as far as the underlying conditions permit. We are currently at a level of around 20.5 percent — in 2012 it was just 18.5 percent. We are therefore making good progress here too. A particular highlight in this area in 2014 was the commissioning of the Steinriegel 2 wind farm in Styria with an installed power of 25.3 megawatts. We have invested approximately EUR 35 million in this additional capacity, which is enough to supply 17,700 households with green electricity. The Pottendorf wind farm, which is due to enter service in autumn 2015, is on an even larger scale. 15 wind turbines are being erected here with a total installed power of almost 43 megawatts, enough to supply electricity to nearly 37,800 households.

IRSCHIK: However, we do not just focus on large projects. We have also been concentrating more on smaller, decentralised forms of production for several years. The citizen solar power plant projects are an example of a real success story here. A total of 18 plants with around 23,000 modules are currently being operated in Vienna and Lower Austria. Since spring 2014, we have also been offering new, sustainable and decentralised energy products as a supplement to classic district heating under the name ‘Green heating — SonnenWärme and ErdWärme’ (solar heat and geothermal energy). In the case of ‘SonnenWärme’, heat is generated locally through the combined use of solar energy and natural gas. In the case of ‘ErdWärme’, the benefits of photovoltaic technology to generate electricity are combined with those of heat pumps to produce indoor heating, cooling and hot water. In both cases, customers benefit from low investment costs, short construction periods, as well as an efficient and environmentally source of energy. In our view, such comprehensive energy solutions are simply the order of the day.
GÖNITZER: With regard to the citizen solar power plants, I would also like to add that they represent an attractive investment opportunity for citizens. Given the current environment of very low interest rates, investors benefit from an annual payment that is well above the current rates available on savings accounts. However, a much more important point in my opinion is that the population is able to actively participate in efforts to increase the use of renewable energies.

Is there a need to rethink the so-called Vienna Model in view of the challenges outlined earlier?

ZAPREVA: In our dynamic environment, we are continually required to assess, update and adjust our Vienna Model. We are still firmly committed to the fundamental aspects, i.e. increasing the use of renewable energies, producing electricity and heating on a sustainable basis, improving energy efficiency, promoting decentralised production and extending the range of advisory services. We are encouraging decentralised and combined forms of production. We are also working hard to increase our range of advice and services offers. In my opinion, this is where Wien Energie has a key unique selling proposition that we should develop to the advantage of our customers.

What other action has Wien Energie taken to tie customers to the company?

IRSCHIK: I do not like the term ‘tie customers to the company’. We do not want to tie any customers to us. We want to convince them that Wien Energie is a reliable partner for them in all energy-related matters. This also includes the fact that we have developed different tariff models in recent years. Examples here are the Float tariffs for electricity and natural gas, which are linked to the Austrian Electricity Price Index or the European Gas Price Index and calculated on a monthly basis. Over 60,000 customers have already opted for these flexible tariff models.

The Energy Efficiency Act was passed in Austria in 2014. How will this affect Wien Energie?

IRSCHIK: The Energy Efficiency Act was passed in July 2014 and will take effect on 1 January 2015. Among other things, it obliges energy suppliers of a certain size to take action to improve end-user energy efficiency and to demonstrate that these savings amount 0.6 percent of sales in the prior year. If this target is not met, a compensatory payment has to be made. This will be a challenge for us in the coming years.

To what extent must you expect turnover to decline as a result of the Energy Efficiency Act?

GÖNITZER: When taken in isolation, the obligation to ensure energy efficiency will result in a drop in turnover. However, our strategy is to not just sell more energy but rather to offer worthwhile comprehensive energy solutions. To this end, advisory services to improve energy efficiency have been part of Wien Energie’s scope of services for many years now – in the absence of any legal obligation. A lot will happen here in the future. Just as people draw on the services of a healthcare or fitness expert today, the importance of energy advisers will grow significantly. Wien Energie already occupies a leading position in this area today.

IRSCHIK: And it is our intention to further consolidate this leading position. For instance, we are expanding the Spittelau customer service centre and turning it into a Wien Energie World. This will be a modern service centre for all matters related to the supply of energy and handled by well trained and competent employees.

ZAPREVA: With regard to the company’s turnover potential, it must not be forgotten that, in terms of its population, Vienna is growing fast. Back in 2000,
it had almost 1.6 million inhabitants. Today, this number has swollen to more than 1.8 million. This means that the population of Vienna has risen by 200,000 in just 14 years, approximately equivalent to the number of people living in Linz. Forecasts predict that this trend will continue until 2030, at which time Vienna will have a population of around 2.1 million people. As a responsibly minded energy supplier, it cannot be our aim to maintain current per-head energy consumption levels. It is our job to ensure a sustainable, innovative and reliable supply of energy to the Greater Vienna metropolitan area.

What will an innovative supply of energy in the future look like?

IRSCHK: This is a very broad subject area with highly complex issues. Wien Energie is addressing these future-oriented questions in different ways, one of which being the Aspern Smart City Research project. Together with partners from business and science, we are assessing the extent to which energy efficiency can be improved by taking an interconnected, intelligent look at energy production, consumption, storage options and spreading loads across networks in a flexible way. What is special about this project is that real-world data can be obtained with the involvement of several buildings with varying energy supply needs, which can then be used for simulations and modelling. We will also take these findings into consideration when designing or reviewing our business models.

What is the situation regarding operational efficiency at Wien Energie?

GÖNITZER: Seen from within, Wien Energie has undergone major changes in recent years, having repositioned itself in many areas and thereby improving efficiency. Unnecessary parallel structures were eliminated, for instance, during the merger of Fernwärme Wien with Wien Energie. Employee motivation and performance have come more into focus, and ultimately customer orientation as well. It is clear that we will need to take further action to increase both profitability and efficiency.

ZAPREVA: When you commit to a course of reforms, as Wien Energie has done, this requires tough action as well as new growth impulses. The key to success is having the courage to reverse decisions and to change things that are not working; and to correct mistakes. It is the responsibility of us and the entire management team of Wien Energie to communicate this course with all its measures and cuts transparently, particularly to our employees. For this reason, I would like to take this opportunity to make an appeal to our team: We have achieved a great deal in recent

Susanna Zapreva
(Born in 1973) studied electrical engineering at the Vienna University of Technology and business administration at the Vienna University of Economics, and was a university assistant at the Institute for Electrical Systems at the Vienna University of Technology, where she also earned her doctorate. After completing her studies, she worked as a consultant in the energy industry. She began her career at Wienstrom GmbH, a subsidiary of Wien Energie at that time, where she worked as a project leader before becoming a head of department, head of division and authorised signatory of the company. In March 2009, Susanna Zapreva became General Manager of Wienstrom GmbH. In April 2010, she was appointed General Manager of Wien Energie GmbH and, in addition to this, General Manager of Fernwärme Wien GmbH in February 2013. Since the merger of the two companies in August 2013, Ms Zapreva has been General Manager of Wien Energie and is responsible for the areas of energy production, energy planning and procurement, energy trading, regenerative production and investment management, as well as corporate development, research and innovation.
years. However, we continue to be faced with many challenges and major tasks that we can only master if we pull together. Together we can make it. I am sure about that.

Finally, let’s take a look into the future. What specific targets do you have?

GÖNITZER: We have a comprehensive investment programme ahead of us. Over the next five years, Wien Energie will make investments totalling between EUR 700 million and EUR 800 million. A key area of focus will be on expanding the use of renewable energies as well as enlarging the district heating network as required and developing new commercial fields such as district cooling. The aim here is to implement this programme efficiently and with commercially minded foresight.

ZAPREVA: My aim continues to be to keep Wien Energie in its leading position, not just one but several steps ahead of its competitors. This applies to every step along our value-added chain, as well as to our focus on the needs of customers in particular. New products and services that add innovative components to complement our tradition of supplying energy are the key to success, making this the most important area to focus on in the future.

IRSCHIK: In addition to what has already been said, I believe that it is also important to dedicate ourselves fully to the core questions regarding the future of the energy industry. This applies in particular to research and development projects that have already been started, as well as to our collaborations with universities and vocational higher education institutions. And given that it is our customers upon whom our success is ultimately dependent, we must continue to do everything we can to ensure that we are their number one choice in all matters related to the supply of energy.■

Thomas Irschik
(Born in 1955) started his career in sales at IBM Austria until becoming the head of Marketing, Sales and Public Affairs at Fernwärme Wien GmbH in 1995, and then an authorised signatory in 1996. In 2002, Thomas Irschik was appointed Regional General Manager of Wien Energie Vertrieb GmbH & Co KG and, one year later, went on to become General Manager of EnergieAllianz Austria GmbH. From 2009 until its integration into Wien Energie GmbH on 1 August 2013, he was General Manager of Fernwärme Wien GmbH. Since 1 February 2013, he has been General Manager of Wien Energie GmbH, responsible for the areas of communication and marketing, sales, public affairs and telecommunications as well as decentralised production and energy services. He was appointed CEO of Wien Energie with effect from 1 February 2015.

Peter Gönitzer
(Born in 1974) started his professional career in the controlling department of Wiener Linien in 2001 after completing his studies in business at the Vienna University of Economics and Business. From 2005 to 2014, Peter Gönitzer was Head of Group Controlling and Accounting of Wiener Stadtwerke Holding AG and an authorised signatory from 2009. He also exercised supervisory board functions at several companies of the Wiener Stadtwerke Group. Since 1 February 2015, Mr Gönitzer has been General Manager of Wien Energie GmbH, where he is responsible for commercial affairs, controlling, human resources, organisation management, legal affairs, infrastructure and IT.
As Austria’s largest energy service company, Wien Energie safeguards the reliable, uninterrupted supply of energy and all of the associated services to the city of Vienna and the surrounding area around the clock.

VISION – This is what we want to achieve.
We are Austria’s leader energy company and impress our customers through our environmentally minded action, innovations and service.

MISSION – Why we are here.
We are building on our traditional objective to supply electricity, gas and district heating reliably in an environmentally friendly way. We rely on innovations in the supply of energy, increase the use of renewable energy sources and improve energy efficiency in all areas.

VALUES – This is important to us.
Customer orientation: Our customers are at the core of our business activities.

Sense of responsibility: Together, we assume responsibility for our environment and resources.

Quality: We achieve commercially impressive and sustainable results and actively contribute to the success of the company.

Dedication: We believe in motivation, dedication and confidence.

Trust: Our collaboration is based on trust, respect and appreciation.

In this way, we create the basis for the quality of life and ensure the success of our customers and of Wien Energie every day.

EXCERPTS FROM THE COMPANY’S HISTORY

1899

• Company founded with the name ‘Elektrizitätswerke’

1902

• Simmering steam powered power plant entered service

1934

• Natural gas used to fire boilers at the Simmering power plant for the first time

1944/45

• Heavy damage sustained by all plants; however, at the end of 1945, 75 percent of all plants were operational again

1973

• Block power plant 1 at Donaustadt came online

1997

• The service centre Wien Energie Haus opened on the Mariahilfer Strasse
Wien Energie is responsible for ensuring the reliable supply of electricity, natural gas and heating to around two million people, 230,000 businesses and industrial facilities, as well as 4,500 farms in the Greater Vienna metropolitan area. The associated portfolio of services ranges from the production of energy and recycling waste to providing energy advice, helping to improve energy efficiency and energy services, as well as facility management and telecommunications.

Wien Energie offers heating, cooling and decentralised services such as citizen investment models directly. Electricity and gas are sold via the subsidiary Wien Energie Vertrieb GmbH & Co KG. EnergieAllianz Austria GmbH is tasked with the management of this business unit in which Wien Energie holds 45 percent of the shares and which also operates successfully abroad, primarily in Germany.

EnergieAllianz looks after key accounts supplied with electricity while EconGas, a joint venture in which Wien Energie has a 16.51 percent stake, looks after those supplied with gas.

With a turnover of around EUR 1,794 million in the 2014 financial year, Wien Energie is one of the top 50 companies in Austria in terms of sales revenues and also one of the largest employers in the Greater Vienna metropolitan area, with an average of 2,730 employees. Wien Energie GmbH is a wholly owned subsidiary of Wiener Stadtwerke Holding AG. Fernwärme Wien was merged with Wien Energie GmbH with effect from 1 August 2013 and now combines all of the business areas relating to competition in the Energy division of Wiener Stadtwerke.
In order to fulfil legal requirements, the electricity and gas networks, as well as the
district heating primary network, were transferred to the newly founded Wiener Netze
GmbH in 2013. Although this company is wholly owned by Wiener Stadtwerke, it may not
favour Wien Energie over other market participants in keeping with the principles of
equal opportunity. In addition to the electricity and gas networks, the infrastructure
company Wiener Netze covers large parts of the district heating network and an
optical fibre network to enable technical communication for the energy networks.
As a distribution network operator, Wiener Netze is responsible for the infrastructure
required to transport electricity and gas. Approximately 1.4 million electricity custom-
ers and around 669,000 gas customers in Vienna and parts of Lower Austria and
Burgenland enjoy excellent supply quality and favourable prices.

A SUMMARY OF PRODUCTION CAPACITIES
Wien Energie maintains a comprehensive portfolio of power plants to ensure the
reliable supply of electricity, heat and district cooling (see map on page 18). In
addition to calorific cogeneration power plants in the Vienna districts of Simmering
and Donaustadt, hydropower plants, wind farms and photovoltaic installations are
also operated. Besides these facilities, Wien Energie holds power drawing rights to
the Freudenau and Greifenstein Danube power plants, as well as international thermal
power drawing rights.

The power plant portfolio also includes Austria’s largest forest biomass power plant,
which was opened in Simmering around ten years ago. In addition to these large-scale
power plants, Wien Energie has been increasingly turning its attention to decentral-
ised and combined forms of production in recent years. In particular, new ways to
generate energy are being used in highly developed urban areas.

### KEY ENERGY FIGURES AT A GLANCE

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<tr>
<td><strong>Total sales</strong></td>
<td><strong>21,028.1</strong></td>
<td><strong>23,486.6</strong></td>
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<td><strong>23,147.5</strong></td>
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<td>of which from renewable energy sources</td>
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</tr>
<tr>
<td>of which from renewable energy sources</td>
<td>21.4%</td>
<td>19.3%</td>
<td>10.9</td>
<td>20.3%</td>
</tr>
</tbody>
</table>

1) incl. share of production from investments and Pfaffnau site

### EXCERPTS FROM THE COMPANY’S HISTORY CONTINUATION

**2010**
- New Simmering 1 cogeneration power plant brought online

**2011**
- Restructuring and separation in competitive area and grid companies

**2012**
- New customer service centre at Spittelau opened
- The first citizen solar power plant commissioned in Vienna’s Donaustadt District
Wien Energie was able to increase the installed power of plants to harness renewable energies in 2014 from 231 to 264.5 megawatts.

As at the end of 2014, the installed power of electricity produced by condensation operations (without producing heating) amounts to around 2,070 megawatts. Around 265 megawatts can be attributed to renewable energy sources such as wind, hydropower and solar power, as well as biomass and the share of waste recycling.

The volume of electricity produced (including investments) amounted to approximately 4,450 gigawatt hours in the 2014 financial year, 9.6 percent up on the prior year’s level. As a result, the proportion of electricity sold from own production grew from 42.6 percent in the prior year to 47.6 percent. The installed power of plants to harness renewable energy sources was increased in 2014 from 231.0 megawatts to 264.5 megawatts (including biomass and proportional waste recycling). The proportion of electricity produced by renewable energy sources shrank from 25.0 percent in the prior year to 20.5 percent. On the one hand, there was an increase in thermal production compared to the prior year. On the other, there was a decline in biomass due to a breakdown, and production by hydropower fell as a result of lower water levels in the Danube and Inn rivers (please see page 39 for further details).

Around a third of Vienna’s households and large customers are supplied with district heating from Wien Energie. District heating is produced in thermal waste recycling plants, the Simmering forest biomass power plant and cogeneration power plants, where electricity and heat are produced simultaneously with a fuel utilisation ratio of more than 80 percent (details on the Vienna Model from page 23). Sales of district heating in 2014 fell by around 15 percent compared to the prior year as a result of the milder weather.

In addition to supply electricity and heating, Wien Energie has been building up the trendsetting commercial field of district cooling for a number of years (see page 36).

**SUPPLY AREA AND POWER PLANT SITES**

The supply area of Wien Energie extends beyond the city limits of Vienna for historical reasons to parts of Lower Austria and Burgenland, as the map on page 18 illustrates.

** Mayor of Ebreichsdorf Wolfgang Kocer, Mayor of Tattendorf, Dietrich Reinfrank, Wien Energie General Manager Susanna Zapreva, Third President of the Provincial Parliament Franz Gartner and Mayor of Pottendorf Thomas Sabbata-Valteiner at the ground-breaking ceremony for the Pottendorf wind farm (from the left) **
STRATEGIC INVESTMENTS
Wien Energie focuses on strategic partnerships and cooperations in order to bundle strengths and to make use of both synergies and economies of scale; such partnerships have been created both for procurement and sales activities.

EnergieAllianz Austria (EAA)
EnergieAllianz Austria is an alliance between Wien Energie (45%), EVN (45%) and Energie Burgenland AG (10%) to bundle the sale of electricity and gas. EAA is one of the leading energy distribution companies for electricity and gas in central Europe with more than 3.2 million residential households and 41,000 businesses and industrial facilities.

→ www.energieallianz.at

E&t Energiehandel
While EAA acts as a sales and distribution organisation, E&t Energiehandel is responsible for trading electricity and all associated products in the domestic market, as well as in Central and South-East Europe — with the same ownership structure. Currently, E&t is also particularly active in Germany in addition to Austria, and the company is also permitted to trade with electricity in Czech Republic, Hungary, Italy, Slovakia and Slovenia. E&t is actively promoting its services in the Serbian, Romanian, Bulgarian and Macedonian markets.

→ www.eundt.at

EconGas
Founded as a joint venture between OMV Gas & Power (64.25%), Wien Energie (16.51%), EVN (16.51%) and Energie Burgenland AG (2.73%), EconGas is responsible for direct sales and the distribution of natural gas from its owners. The company bundles the trading and sales activities of the companies involved. Its core business is providing natural gas to local distributors and customers with an annual consumption of at least 500,000 cubic metres, as well as trading natural gas on international markets. EconGas also has activities in Germany, Italy, Croatia and Hungary.

→ www.econgas.at

Verbund
Together with its parent company Wiener Stadtwerke Holding, Wien Energie owns a 12.87 percent stake in Austria’s largest electricity producer, Verbund AG. This company, which is listed on the Vienna Stock Exchange, operates the Austrian inter-regional high-voltage grid and is capable of meeting around 40 percent of domestic electricity demand with more than 100 power plants in Austria.

→ www.verbund.at

Burgenland Holding
Wien Energie holds a 6.59 percent stake in the listed company Burgenland Holding AG, which in turn has a stake in Energie Burgenland AG, which was the result of a merger between Burgenländische Erdgasversorgung AG (BEGAS) and Burgenländische Elektrizitätswirtschaft AG (BEWAG) in 2012.

→ www.burgenlandholding.at
BUSINESS MODEL AND FACTORS OF INFLUENCE

Wien Energie covers the entire energy value-added chain and has positioned itself successfully on the liberalised energy market.

VALUE-ADDED CHAIN
Wien Energie’s value-added chain ranges from the procurement of primary energy sources, which are used in the power plants to produce electricity, heat and cooling, to managing these power plants to supplying, looking after its customers and providing energy efficiency services.

The distribution networks, along with the associated infrastructure, are operated by the sister company Wiener Netze GmbH. The way in which production, networks and sales interact is strictly regulated by the Austrian Electricity Industry and Organisation Act (EIWOG), the Austrian Natural Gas Act (GWG) as well as regional laws, market regulations and the general distribution network conditions. These provisions ensure that the distribution network operator enable unrestricted access to their networks for competing energy providers.

Various primary energy sources are used to produce electricity in Wien Energie’s power plants. The use of renewable energy sources has been and will continue to be developed further. The diversification and flexibility of the power plant park is a key factor of success for Wien Energie in view of the volatile economic conditions.

District heating is produced from different sources – cogeneration power plants, waste incineration plants and peak-load boilers. A third-party primary network transports heat at high temperatures and pressures in large-diameter pipes.

Aside from the business divisions described above, Wien Energie is investing in the further expansion of trendsetting commercial fields such as district cooling (see page 36) or e-mobility (see page 64) as well as energy efficiency services.

### STRUCTURE OF ELECTRICITY GENERATED BY WIEN ENERGIE
incl. investments, in GWh

- **Cogeneration power plants**
- **Wind farms + photovoltaics**
- **Hydropower plants**
- **Waste incineration plants**
- **Forest biomass power plant**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cogeneration</th>
<th>Wind &amp; PV</th>
<th>Hydropower</th>
<th>Waste incineration</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>132</td>
<td>3,046</td>
<td>0</td>
<td>0</td>
<td>3,278</td>
</tr>
<tr>
<td>2014</td>
<td>139</td>
<td>3,533</td>
<td>3</td>
<td>103</td>
<td>4,775</td>
</tr>
</tbody>
</table>
### Wien Energie’s Value-Added Chain at a Glance

<table>
<thead>
<tr>
<th>Primary Energy Used</th>
<th>Energy Conversion (production)</th>
<th>Energy Trading</th>
<th>Sales to end customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydropower</td>
<td>• Own power plants (see map on page 18)</td>
<td>• Trading with electricity on international spot markets in different trade segments</td>
<td>• Supplying two million people, 230,000 businesses and industrial facilities as well as 4,500 farms in the Greater Vienna metropolitan area with electricity and gas as part of EnergieAllianz Austria as well as with heating and district cooling</td>
</tr>
<tr>
<td>Wind power</td>
<td>• National and international power-drawing rights</td>
<td>• Authorised to trade in electricity in Austria and, via its investment in e&amp;t, in Germany, Czech Republic, Slovakia, Slovenia, Hungary and Italy</td>
<td>• Call centre and service centres</td>
</tr>
<tr>
<td>Solar power</td>
<td><strong>Structure of Installed Electrical Power in 2014</strong> in MW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forest biomass and biomass</td>
<td>2 1.603.0 Cogeneration power plants 2 264.5 Renewable energies incl. biomass and waste recycling</td>
<td>• Trading in natural gas on international spot markets to meet demand in cogeneration plants and to supply end customers</td>
<td></td>
</tr>
<tr>
<td>Other renewables incl. waste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural gas</td>
<td><strong>Structure of Installed Heat Power in 2014</strong> in MW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storage facilities to ensure security of supply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural gas</td>
<td><strong>SALES IN 2014</strong> in GWh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>District heating</td>
<td>• Own power plants (see map on page 18)</td>
<td>• Meet the heating and district cooling sales volumes by means of own production and waste heat from customers</td>
<td></td>
</tr>
<tr>
<td>Waste</td>
<td>• Thermal solar power</td>
<td></td>
<td>• Call centre and service centres</td>
</tr>
<tr>
<td>Biomass</td>
<td>• High-pressure heat storage</td>
<td></td>
<td>• Energy consultation services (see page 48)</td>
</tr>
<tr>
<td>Natural gas</td>
<td><strong>Other commercial fields of Wien Energie:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td><strong>District heating plants</strong></td>
<td></td>
<td>• Services for energy efficiency</td>
</tr>
<tr>
<td></td>
<td><strong>Waste recycling</strong></td>
<td></td>
<td>• Different tariff models (see page 50)</td>
</tr>
<tr>
<td></td>
<td><strong>Forest biomass power plant</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Electricity and gas are transported to end customers via the network infrastructure of Wiener Netze; heat is also transported via the primary network. Wien Energie’s secondary network takes heat to the converter substations in the buildings.
The course of business is affected by a number of external factors. Electricity sales depend primarily on customer consumption. In the case of business and industrial customers, the development of the wider economy and, by extension, demand for their own products and services also have an indirect impact on their energy consumption. For residential customers, it is the increased use of electrical devices, particular those relating to entertainment and media. The extensive action taken in recent years to improve energy efficiency, combined with decentralised and privately managed production facilities, has led to a modest downward trend in electricity sales. Sales in the heating division are affected by the weather conditions and the increasing number of buildings and heating systems being renovated. The effects of efficiency improvements and greater levels of competition in all segments are partially offset by rising population levels in the Greater Vienna metropolitan area.

Price trends for third-party energy purchases and for primary energy sources have a direct effect on the course of business. For this reason, it is important to cushion the effects of price fluctuations with a prudent procurement policy without thereby jeopardising security of supply.

Total expenses for purchasing electricity and primary energy sources, as well as other material and services, amounted to EUR 1,289 million (71.8 percent of turnover) in the 2014 financial year. Correspondingly high is the importance attached to active portfolio and procurement management, which is performed by a team of experts in close consultation with power plant planning departments.

In the 2014 financial year, Wien Energie was able to produce almost 48 percent of total electricity sales itself, with the remainder being purchased on national and international electricity markets, with close attention being paid to the origin of the electricity. Wien Energie does not procure nor sell nuclear energy, which is demonstrated in the certificate of origin on page 62.

**PRICING TRENDS FOR PRIMARY ENERGY SOURCES AND ELECTRICITY**

Pricing trends on electricity procurement markets depend on the general level of demand, supply and price for crude oil, natural gas or hard coal. The price of Brent crude oil fell sharply towards the end of 2014, from approximately EUR 80 per barrel to just above EUR 50 per barrel. The average price of imported gas dropped by 17 percent in the reporting year. These two factors also had an effect on the prices of peak-load electricity and base-load electricity, which decreased in 2014 by 16 percent and 13 percent respectively.

Wien Energie works actively to cope with volatile and unpredictable pricing trends in order that it can safeguard security of supply. The company purchases so-called forward contracts for primary energy sources, in which future price expectations are anticipated for the desired volumes. The obvious result of such actions is the risk of not being able to balance interim pricing trends on the purchasing side with the sales

<table>
<thead>
<tr>
<th>External Influences</th>
<th>Electricity</th>
<th>Gas</th>
<th>Heat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of sales volumes (demand) and prices</td>
<td>Procurement price for primary energy</td>
<td>Subsidy policy and legal environment</td>
<td></td>
</tr>
<tr>
<td>Storage options</td>
<td>Scope of building renovation work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weather conditions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity of competition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population trend in the Greater Vienna area</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
side in sufficient time. In the face of such conditions, Wien Energie strives to achieve a balance between prices for customers which are as constant as possible and the profitability of its own energy production. Given the focus of Wien Energie’s thermal production plants, which are based primarily on natural gas, production here was increased by 16 percent in 2014 as a result of the lower cost of procurement.

POLITICAL AND LEGAL ENVIRONMENT

The energy and environmental policies of the European Union in general and of Austria in particular have a major impact on the strategy and course of business of Wien Energie. In October 2014, EU Member States reached an agreement on new targets for their climate and energy policies up to 2030. In total, greenhouse gas emissions should be cut by at least 40 percent and the proportion of total energy produced from renewable energy sources increased to 27 percent. Energy efficiency should also be improved by 27 percent by 2030 compared to 2007. A clear plan of how these targets should be achieved, together with how these should be divided among individual Member States, is expected in 2015.

The Austrian Energy Efficiency Act (Energieeffizienzgesetz), which came into effect in Austria on 1 January 2015, obligates energy suppliers of a certain size to take action to improve end-user energy efficiency and to demonstrate that these savings amount to 0.6 percent of their total energy sales in the prior year. Please refer to the section ‘Analysis of the course of business’ from page 73 for further information about the legal environment.

Aside from the factors described above, the subsidy policy in place to promote the use of renewable energy sources is having a growing effect on European electricity spot market price trends. The so-called feed-in model has been adopted by the majority of EU Member States, in which electricity from regenerative energies is fed into the grid for a fixed price. In order to promote these renewable energy sources, a price is normally set that is above the market level. In Austria, this additional expense is funded by a flat-rate renewables charge and the renewables contribution (Ökostrompauschale and Ökostromförderbetrag) which must be borne by the end consumer. This subsidy policy, which varies considerable across Europe, skews market forces and leads to massive distortions on the European energy spot markets (please also refer to page 26).

THE VIENNA MODEL

The influences set out above demand a responsible energy supply model. With the so-called Vienna model, Wien Energie chose a path many years ago that enjoys considerable international renown. The Vienna model represents an innovative, and by extension environmentally friendly, approach to producing electricity and heating, offering fair prices while safeguarding excellent security of supply in the interests of customers.

The key aspects of the Vienna model include producing electricity and heating together in a process known as cogeneration, harnessing energy from waste incineration, using renewable energy sources and providing comprehensive energy advice on improving efficiency. Due to the current conditions prevailing on the market, decentralised forms of production are growing in importance. As a result, Wien Energie set up additional citizen solar power plants in 2014, introducing new combined products for residential and business customers. The range of services and advisory services available to customers to improve energy efficiency is being enlarged on a continuous basis. By carrying out such comprehensive investment activities, Wien Energie aims to increase the proportion of electricity produced from renewable energy sources to 50 percent and the proportion of heating so produced to 42 percent by 2030, if permitted by the prevailing conditions.
The cogeneration technology used in the thermal power plants increases the utilisation ratio of the primary energy sources used from around 50 percent, which is the case for electricity produced in conventional plants, to up to 86 percent.

However, current electricity price developments mean that this efficient production combination is being put under increased pressure. This makes the subsidy for highly efficient cogeneration power plants, which expired in Austria in 2010, all the more important.
BUSINESS MODEL

GUARANTEEING SECURITY OF SUPPLY

In addition to the high network infrastructure reliability that has to be ensured by the sister company Wiener Netze, Wien Energie guarantees security of supply by comprehensively expanding and diversifying its production capacities, as well as pursuing a forward-looking procurement policy in respect of primary energy sources.

Although the importance of renewable energies has grown considerably in Austria over the past few years, not least as a result of the policy on subsidies, the supply of domestic energy continues to be heavily reliant on fossil fuels. A little more than 70 percent of gross domestic consumption is met by fossil fuels. Crude oil makes up around 38 percent, gas 24 percent and coal 10 percent. Around 26 percent of electricity consumed can be traced back to renewable energy sources, with the remainder coming from waste and electricity imports.

Gross domestic consumption in Austria has risen by more than 35 percent since 1990, amounting to 1,425 petajoules in 2013.

Given the low level of natural gas and crude oil reserves in Austria, imports of these commodities are necessary in order to meet demand. According to the energy balance compiled by Statistics Austria, approximately 93 percent of total gross domestic consumption was covered by imports of crude oil and around 83 percent by imports of natural gas during the 2013 calendar year. Wien Energie purchases the required natural gas through the joint venture EconGas, which maintains long-term supply contracts with Norway and Russia in addition to its domestic sources. Furthermore, own-account trading with natural gas has recently been increased.

In Austria, there are gas storage facilities with a total capacity of 8.1 billion m³, which is more than enough to be able to cover the total consumption in 2013 of 7.8 billion m³.
ENERGY MARKET IN UPHEAVAL

Global energy consumption is rising. Renewable energies continue to grow in importance and pose new challenges for the energy industry. European policies on energy and environment have set ambitious targets.

GLOBAL ENERGY MIX AND CONSUMPTION

The global thirst for energy is growing. According to recent forecasts by the International Energy Agency (IEA), global demand for primary energy sources will rise by around a third over the next 20 years. While this demand is expected to stagnate in OECD countries during this period, it is expected to continue growing in China, albeit at a slower rate. In contrast, demand for energy is forecast to explode in other countries around the world. This is primarily due to the current situation regarding energy supply. For instance, two out of three people living in sub-Saharan Africa do not have access to electricity.

The composition of the energy mix is set to shift further in the coming years. Demand for oil and coal is expected to have reached its peak by 2040, whereas the consumption of natural gas will rise significantly. Renewable energies will continue to grow in importance, with their use increasing at its fastest pace so far in 2013. Currently, the proportion of renewable energies used in the global energy mix amounts to almost 22 percent. Six years ago, this proportion was just 18 percent.

Globally speaking, the volume of electricity produced from renewable energies is now at the same level as that produced from natural gas. This required considerable investment in the past few years. Investment in the use of renewable energies came to around USD 250 billion in 2013 alone, and is set to remain a similarly high level. According to forecasts, almost half of the increase in total electricity production will be traceable back to renewable energy by 2040, replacing coal as the leading primary energy source in the production of electricity. Wind farms will make the largest contribution to this development, followed by hydropower plants and solar power.

Integrating these energy sources into existing supply systems presents the energy industry with new challenges. The situation is also being exacerbated by political unrest and threats at the moment. The conflict between Russia and the Ukraine highlights Europe’s dependency on commodities from this region in a particularly dramatic way. Similarly, recurring new and old conflicts in the Middle East are shaping developments on the international energy market.
DECLINE IN ENERGY CONSUMPTION IN EUROPE
The measures introduced to improve energy efficiency in Europe are starting to bear fruit. Over the past ten years, gross end energy consumption in the European Union has shrunk by a total of eight percent – this is also attributable in part to the poor economic performance. This reduction is equivalent to nearly five times Austria’s annual consumption level. However, there are significant regional differences. The sharpest fall was observed in Greece, Lithuania, Portugal and Italy, where the economies are currently weak. In contrast, energy consumption in Germany and Denmark was cut despite robust economic growth. However, energy consumption has risen in three EU Member States over the past ten years. Austria is one of these countries, with a slight increase of one percent, followed by Poland with seven percent and Estonia with 18 percent. It is worth noting here that almost half of the European Union’s energy consumption is attributable to Germany, France and the United Kingdom.

PROPORTION OF GROSS END ENERGY CONSUMPTION FROM RENEWABLE ENERGIES
according to selected EU countries, in %

Source: European Commission

EXPLANATION OF TERMS
Gross domestic energy consumption is calculated as follows: Primary production + recovered energy products + total imports + changes in inventories – total exports – bunker inventories. This corresponds to the total of end consumption, losses incurred during distribution and conversion losses as well as statistical deviations.
RENEWABLE ENERGIES ON THE UP

Even when falling energy consumption levels are taken into account, the increase in the use of renewable energies is remarkable. The proportion of gross end energy consumption from renewable energies amounted to 15 percent in 2013. From today’s perspective, the target of achieving a share of 20 percent by 2020 appears to be realistic. National requirements differ greatly. The Nordic countries such as Finland or Sweden are particularly ambitious, but Austria is as well with a target of 34 percent. An important course was set for the European Union’s future energy policy at the end of 2014 and the beginning of 2015.

THE ENERGY AND CLIMATE POLICY OF THE EUROPEAN UNION

After extensive negotiations, EU Member States reached an agreement in October 2014 on new targets for their climate and energy policies. The key aspects of these so-called 2030 targets are:

- Reducing greenhouse gas emissions by 40 percent below the 1990 level by 2030, which means that the previous target of achieving a 20 percent reduction by 2020 has been doubled.
- Increasing the share of renewable energy to 27 percent of the total energy mix by 2030 (previous target: 20 percent by 2020).
- Improving energy efficiency by 27 percent compared to 2007 (previous target: 20 percent by 2020 compared to 2005).

These targets are expected to be further substantiated in 2015, in particular as part of the global climate agreement in December 2015 in Paris. The extent to which these objectives and resolutions will effect individual Member States is currently unknown.

EUROPEAN ENERGY UNION

Just a few months before the resolutions outlined above were made, the European Union attempted a far-reaching venture in the area of energy policy. At the beginning of March 2015, the European Commission presented a widely acclaimed – and subsequently heavily debated – 15-point plan to establish an energy union. The focus here was on reinforcing the security of energy supplies and improving coordination between Member States, as well as lower prices for consumers.

An integrated, Europe-wide energy system is the vision of the energy union, in which energy flows freely across borders, open to competition and ensuring best possible use of resources, as well as being regulated effectively at an EU level where necessary. The aim is to establish a “sustainable, low-carbon and environmentally friendly economy”, whereby the “most important objective is to involve EU citizens so that they benefit from the new technologies to be able to pay their energy bills, actively participate on the market and protect the poorest consumers,” stated Maros Sefcovic, Vice-President of the European Commission.

Strengthening alliances

The EU seeks strategic energy partnerships with production and transit countries such as Algeria and Turkey, Azerbaijan and Turkmenistan, the Middle East, Africa and other potential suppliers. The aim is to establish such a partnership with Norway, as well as with the USA and Canada. In view of the conflict between Russia and Ukraine, the energy partnership with Moscow should be reviewed.

Energy islands in the EU such as the Iberian peninsula or in the Baltics should become a thing of the past. To this end, the intention is to significantly increase cross-border connections between neighbouring countries by 2030. Infrastructure projects should be supported in the course of an investment plan in the interests of all EU members. As a result, the Commission announced the creation of a dedicated infrastructure forum, which is due to meet for the first time at the end of the year.
Furthermore, state subsidies for the energy market need to be fundamentally overhauled. The damaging effects of poorly planned, fragmented and uncooperative state intervention needs to be ‘limited’.

Another key aspect will be to diversify gas supplies, increasing the union’s ability to cope with supply disruptions. The current legislative package for the supply of gas is due to be reworked in 2015 and 2016. There are also plans to develop a comprehensive strategy for liquefied gas supplies and the storage thereof. Alternative supply routes should be developed, including the southern gas corridor.

Given the lack of coordinated development up to now and varying capacities for renewable energies in EU states, a new European electricity market design is to be proposed in 2015. This would need to see regional cooperation strengthened. Greater emphasis will also be placed on energy efficiency. For instance, the ‘smart financing for smart buildings’ initiative is to be launched with a view to sustainably reducing heating costs and air-conditioning.

Reducing dependency on energy imports
In view of the 27 percent target for renewable energies by 2030, a new package for 2016-2017 is also to be presented. This package will contain revised targets for sustainable biomass and biofuels. The ultimate aim is to have a forward-looking strategy for research and industry so that Europe can assume the technological leadership and make use of export possibilities. In its draft, the EU points out that 53 percent of total energy consumption needs were met by imports in 2014, generating costs of around EUR 400 billion and making the EU the world’s largest importer of energy.

CONCLUSION
It remains to be seen in the coming years how it will actually reduce dependency on imports and implement the 15 points to establish an energy union. There are already a number of critical voices from industry players and individual countries that worry about the loss of their sovereignty. Regardless of this discussion, Europe’s energy market will (have to) undergo a fundamental shift. You can find out what Wien Energie’s strategy is here by turning to page 31ff.
Modernization of the district heating plant at Arsenal
CORPORATE STRATEGY

Wien Energie pursues an ambitious corporate strategy with clear targets with regard to customer orientation, security of supply, economic efficiency, and environmental and climate protection.

As a responsible energy supply company, Wien Energie thinks in terms of generations. Investments in expanding energy production capacities in particular are made with entrepreneurial forethought. The current transition under way in European energy markets is making it difficult to plan and visualise such investments. Wien Energie takes account of these factors when devising and updating its corporate strategy. In close consultation with the supervisory board, key strategic directions (orange fields in the image below) have been defined that are intended to ensure that the most important overriding objectives (white fields) are achieved.

CUSTOMER PROXIMITY

Wien Energie has deliberately positioned itself not as a mere energy supplier, and instead offers its customers comprehensive energy solutions and advisory services from a single source. The entire range of services are combined at the Spittelau Wien Energie World for customers in Vienna, where competent employees are on hand to answer questions relating to the supply of energy. There are four other service centres in Vienna’s surrounding communities for individual customer consultations. An in-house call centre is available to handle telephone enquiries, and the newly designed website www.wienenergie.at offers a comprehensive range of information and services.

Regular surveys are conducted to assess how satisfied customers are with these services. The results are taken into consideration when designing products and tariffs, as well as when deciding how to use communication tools. In order to better address varying customer requirements, these are divided into groups, which reduces losses in communication. Wien Energie defends its market share in the Greater Vienna metropolitan area by ensuring a high degree of

STRAategic CORPORate TARGeTS AT A GLANCE

Adjacent you can see the key strategic priorities of Wien Energie

- Customer proximity
- Sustainability for the company
- Safeguarding value for the owners
- Continuous improvement in customer orientation
- Increased use of renewable energy sources
- Maintaining our ability to compete
- Maintain the volume of energy produced for own needs with greater diversification
- Increase the use of renewable energies in the production of electricity to around 50 percent by 2030
- Boost profitability
- Defend market shares
- Increase the use of renewable energies in the production of heat
- Leading position for decentralised production facilities
customer satisfaction. Particular importance is attached to increasing the range of energy and advisory services provided on a regular basis. This is also reflected in the comprehensive range of training and further education courses offered to its employees.

**RENEWABLE ENERGIES AND DECENTRALISED PRODUCTION**

With view to pursuing an active climate and environmental protection strategy, Wien Energie uses finite resources such as fossil fuels as efficiently as possible and puts emphasis on the use of renewable energy sources. Wien Energie see this as an important competitive advantage and aims to increase the proportion of electricity produced from renewable energy sources to 50 percent and the proportion of heating so produced to 42 percent by 2030, if permitted by the prevailing conditions. The rising awareness of producing energy in an environmentally sensitive way has also been confirmed in the most recent customer survey. This aspect is very or quite important for 75 percent of survey respondents with regard to electricity and for 78 percent with regard to district heating. Wien Energie is encouraging this demand trend with special tariffs such as the Wasser.Plus electricity tariff, which guarantees the supply of 100 percent green electricity. It has also been possible since 2012 to participate in so-called citizen solar power plants, thereby making an active contribution to protecting the climate and environment (see page 44).

Since spring 2014, Wien Energie has been also been offering decentralised heating products with renewable energies as a supplement to classic district heating under the name ‘Green heating – Sonnenwärme and ErdWärme’ (solar heat and geothermal energy). In the case of ‘solar heat’, heat is generated locally through the combined use of solar energy and natural gas. In the case of ‘geothermal energy’, the benefits of photovoltaic technology to generate electricity are combined with those of heat pumps to produce indoor heating, cooling and hot water.

It will, however, continue to be necessary to invest in large-scale projects, such as the Steinriegel 2 wind farm in Styria that was taken into service in 2014, in order to achieve the planned increase in renewable energies. Please refer to page 40ff for an overview of all wind farms and projects.

In short, these and other investments are aimed at further diversifying the structure of production in the years to come, with the focus being squarely on renewable energies and decentralised forms of production. An investment programme with a total volume of EUR 700 million has been approved for the next five years, with the majority being used for the outlined production projects.

**EXPANDING LOCAL AND DISTRICT HEATING AS WELL AS DISTRICT COOLING**

Wien Energie is actively exploiting the growth opportunities in these commercial fields arising from urban development and the fleshing out of the existing network. Heating sales will fall, relatively speaking, as build-
Buildings are progressively renovated to improve thermal insulation. This makes it all the more important to attract new customers and to develop new commercial fields such as district cooling (see page 36). One focal area for investment over the coming years is also on servicing and modernising heat production facilities. Work to optimise the energy efficiency of the waste incineration plant at Spittelau will be completed in the course of 2015. The Arsenal district heating plant is also due to be completed in 2015 and will serve primarily to cover peaks in demand.

**BOOSTING PROFITABILITY**

The result of ordinary business activities for 2014, in the amount of approximately EUR 40.4 million, represents an improvement on prior years, which were affected by high negative one-off factors. However, Wien Energie will continue with the programme introduced to boost and safeguard its earning power in subsequent years. The aim is to achieve a level of profitability that enables the capital employed to benefit from attractive minimum interest rates and the investment programme to be financed.

A particular challenge is the relatively high ratio of personnel expenses, which came to 14.5 percent of turnover in 2014. The structure of the personnel expenses is significantly shaped by the high proportion of pension-related expenses incurred as a result of taking over personnel previously employed by the City of Vienna. In order to rein in the associated costs, an extensive range of measures will be taken in the future to improve operating efficiency on a continual basis across all corporate divisions.

**IMPROVED ENERGY EFFICIENCY**

Wien Energie enjoys a high degree of energy efficiency with efficiency ratios of up to 86 percent for cogeneration plants and 96 percent for peak-load boilers as a result of continual investment in the modernisation of its production facilities.

Wien Energie has been helping its customers to lower their energy consumption for many decades now – by providing energy consulting services and through regular information campaigns. In course of a broad-based energy efficiency offensive, private customers were given financial support when purchasing energy-efficient household appliances or taking advantage of Wien Energie services between autumn 2013 and the beginning of 2015. This support took the form of vouchers and discounts. In total, around EUR 7 million was earmarked for this promotion.

Detailed information about Wien Energie’s energy efficiency strategy can be found at [www.wienenergie.at](http://www.wienenergie.at) under the item ‘Responsibility’.

**SUSTAINABLY-MINDED COMPANY POLICY**

Wien Energie has been committed to the fundamentals of sustainable, forward-looking management policy for many years. The goals and objectives here are defined in consultation with the parent company Wiener Stadtwerke Holding AG and published as part of its sustainability reporting. You can find more information about this on the sustainability portal [www.nachhaltigkeit.wienerstadtwerke.at](http://www.nachhaltigkeit.wienerstadtwerke.at).
Cities have always been seen as the engine of social changes and technical innovations, but they are also currently responsible for around 75 percent of global CO₂ emissions. In recent decades, Vienna seems to have found a balance between economic drive and high quality of life. In 2014 and for the fifth time in succession, Vienna came out on top of the renowned ‘Quality of living ranking’ published by the Mercer Consulting group, in which over 200 cities around the world are compared. It is surely this high quality of life that has been behind the continual rise in inhabitants in recent years. While around 1,548,000 people lived in Vienna in 2000, this number had risen by more than 200,000 14 years later. This increase is equivalent to the total number of people living in Linz, Austria’s third largest city. Current forecasts expect this trend to continue. In a growth scenario put forward by Statistics Austria, the population of Vienna is expected to increase to around 2.1 million people by 2030. This corresponds to an increase of 300,000 people compared to the end of 2014.

This massive influx of people poses significant challenges for the city’s administrators and the supply of energy; but it also presents opportunities that demand new supply models and concepts. Vienna focuses here on the holistic concept known as ‘Smart City’: the intelligent, sustainable and opportunity-focused city. Clear targets and measures have been defined as part of a broadly based framework strategy. For instance, greenhouse gas emission per head should be cut by 80 percent below 1990 levels by 2050 and end energy consumption by 40 percent.

ASPERN SMART CITY RESEARCH
New approaches also need to be found to supply energy to the city in order to achieve these ambitious targets. As a result, Wien Energie co-founded the research company Aspern Smart City Research (ASCR) together with partners in 2013. One of the main objectives of
The massive influx of people poses significant challenges for the city and the supply of energy.

This company is to develop and test innovative and sustainable energy supply solutions on the basis of real data collected and analysed in selected areas of Seestadt Aspern. The basis for this comprises an integrated analysis of building data, data from the low-voltage network and external information such as weather data.

It will be possible to begin research work with real data as of early summer 2015 when the first inhabitants of Seestadt Aspern move in. The required infrastructure will have been installed by then, including intelligent building management, heat pumps, solar installations and thermal and electrical storage facilities.

At the same time, work will continue on the underlying architecture for the information and communication technology.

ASCR is responsible for collecting and handling all the data with the aim of identifying specific action that can be taken to optimise energy needs and to utilise cost-efficient energy solutions. Ensuring data protection is of paramount importance throughout the entire research project. Data are only collected and analysed with the written consent of the tenants. The image below provides a summary of the key research priorities.
AnnuAl Review 2014  Wien energie

The time had come in August 2014. The district cooling supply facility at Vienna’s new Main Railway Station was taken into service after several years of work, just in time for the hot summer months. A new urban district has been created over the past few years on and around the site of the former south railway station (Südbahnhof) with office and residential buildings, as well as the structure and tracks of the railway station itself.

The supply of cooling to these buildings was designed with an output of around 20 megawatts in the first stage of development, which is enough to provide air-conditioning for around 400,000 m². Customers include ÖBB, Erste Campus, the Sonnwendcenter and Hotel Five.

HOW IT WORKS AT A GLANCE
District cooling is produced in two ways. On the one hand, highly efficient electric refrigeration units located under the tracks of the Main Railway Station are used (see picture). On the other, so-called absorption cooling machines are also used, which convert heat left over from waste incineration or Wien Energie’s cogeneration plants into district cooling, particularly during the summer months.

The buildings are actually cooled by means of the water cooled by these refrigeration units, which is pumped via a system of pipes (district cooling network) to buildings at a temperature of between five and six degrees Celsius. In the buildings themselves, this cold water gradually warms as it is used to cool the rooms, until it has reached a temperature of approximately 16 degrees Celsius. It is then pumped back to the refrigeration units in the district cooling centre, where it is cooled again.

Physically speaking, heat is removed in the processing of district cooling. This
energy is then released to the surroundings. This happens in the cooling towers that have been built in the adjacent Schweizergarten.

Using district cooling in the connected buildings is not just worthwhile during the summer months. The data centres and servers installed in company buildings need to be cooled the whole year round. Compared to conventional cooling in the form of air-conditioning units, Wien Energie’s district cooling produces 74 percent fewer CO₂ emissions.

**DISTRICT COOLING AS AN INNOVATIVE COMMERCIAL FIELD**

Wien Energie has been investing in the development of this innovative and environmentally friendly commercial field since 2006. The first refrigeration centre came online in 2009 at the Spittelau waste incineration plant, which has since been supplying a number of customers including the Vienna General Hospital (AKH). Since this time, refrigeration centres have been opened across Vienna and which have a total installed power of around 100 megawatts. This figure is set to rise to 200 megawatts by 2020. In total, around EUR 50 million has been earmarked for this development.

Wien Energie is pursuing two different concepts with district cooling. In its decentralised approach, a high-efficiency refrigeration unit is installed directly in the customer’s building. Absorption refrigeration units are also installed if desired, which are operated with environmentally friendly district heating. This form is offered particularly in parts of the city where no district cooling is available or planned. The second concept uses a large refrigeration centre, which is built for its centralised approach. The cold water is transported to the building’s transfer station via a district cooling network. Below you can find a selection of Wien Energie’s district cooling projects.
RENNASSE – SIGNA

In 2013, a refrigeration centre with an installed power of six megawatts was built in Vienna’s 1st District to supply cooling to several buildings in the area near Tuchlauben, Am Hof and Rennasçe.

SMZ OST HOSPITAL

Since June 2010, the SMZ Ost hospital in Vienna’s 22nd District has been supplied with district cooling from a decentralised district cooling centre.

TOWNTOWN

The office buildings at TownTown in Vienna’s 3rd District are heated and cooled using district heating and district cooling. A dedicated refrigeration centre has been providing air-conditioning to the buildings since 2006.

SCHWARZENBERGPLATZ

A decentralised refrigeration centre with an output of 1.2 megawatts has been in operating at Vienna’s Schwarzenbergplatz since 2007; 0.8 megawatts of its output is generated from an absorption refrigeration machine and 0.4 megawatts from an electrical refrigeration machine.

SCHOTTENRING DISTRICT COOLING CENTRE

The Schottenring district cooling centre was officially taken into service in April 2013 and is designed to generate a total output of 15 megawatts, of which 10 megawatts is already available. The cold air produced is transported along a network of pipes, which will be successively extended to a total length of 2.4 kilometres, to customers in the nearby office, hotel and university buildings.

RUDOLFSTIFTUNG AND JUCHGASSE 22 PROJECT

The district cooling centres were taken into service at the end of 2012 and, following a two-step expansion phase, will have a total cooling output of 7.6 megawatts by 2018.

VIENNA NORTH HOSPITAL

The Vienna North Hospital (Krankenhaus Nord), which is currently under construction in Floridsdorf, will open in 2015, where it will be one of the largest and most modern hospitals in Europe. As part of this innovative concept, air-conditioning will be provided with district cooling using the absorption process; the plan is to have a cooling output of 10 megawatts.

CARBON FOOTPRINT OF DISTRICT COOLING

Annual CO₂ emissions for cooling from a district cooling centre compared with conventional facilities

CO₂ savings of up to 74 percent are possible compared to conventional district cooling facilities.
MODERNISING THE OPPONITZ HYDROPOWER PLANT

REPORT Wien Energie has invested EUR 30 million in this historical hydropower plant, thereby helping to improve security of supply and protect the environment.

The Opponitz hydropower plant has been harnessing the water of the river Ybbs, a tributary of the river Danube, to produce electricity for more than 90 years. Along a stretch of more than 34 km, the river Ybbs meanders its way between the towns of Göstling and Opponitz, which are separated by just 11 kilometres as the crow flies. With a change in elevation of more than 120 metres between these two towns, the conditions are optimal to make use of hydropower. The power plant was renovated and technically upgraded for the first time in the middle of the 1990s. The distribution pipeline, turbines and generators were renovated and it was possible to leave the listed building in its original form. Now it was time for the plant to undergo a major overhaul to improve its viability and its impact on the environment. Work began in September 2013 with the construction of the Göstling weir, which was completed in autumn 2014. The existing tunnels at Opponitz were renovated between February and June 2014, followed by the tunnel between Haselreith and the Opponitz power plant with a length of three kilometres. Trial operations were already possible in summer 2014.

By building the new weir and renovating the tunnels, more water will be directed to the power plant and, in turn, used to generate electricity. A residual water turbine also harnesses the water from the newly built fish ladder. This way, it has been possible to increase the power plant’s output by around 30 percent. The second important focus was on improving the environmental impact of the passing of fish, as well as on increasing the residual water amount in river Ybbs, which is important from a hydrobiological standpoint. This was increased almost five-fold from 0.25 cubic metres per second – equivalent to 250 litres – to between 1.2 and 2.2 kilometres per second. Wien Energie invested a total of around EUR 30 million in the modernisation work. Over 25,000 households can be supplied with clean hydroelectricity as a result of the increased output. And a clear improvement was achieved from an environmental perspective.

Opponitz supplies green electricity to 25,000 households.
The use of wind power is being promoted across Europe.

**SIMPLE PRINCIPLE – GREAT EFFECT**

The power of wind has been used for a variety of different applications for hundreds of years. The first windmills were built in Persia, Tibet and China. Windmills have been found in Europe since the 12th Century. By comparison, producing electricity from wind power is a relatively new phenomenon. However it has become well established and developed in recent years. The way a modern wind turbine works is very simple. The rotor of the turbine turns in the wind, extracting its energy. A generator inside the turbine converts this rotational energy into electricity. The amount of electricity produced depends heavily on the speed of the wind; the optimum speed is between 40 and 50 kilometres per hour. If the wind is weak, the rotor does not turn. If it is too strong, the turbine shuts down to prevent technical damage. Producing

**BREEZING AHEAD!**

**REPORT** Wind energy is overtaking nuclear power in Europe. Wien Energie has been emphasising this form of energy production for more than ten years, supplying more than 112,000 households with green electricity.
electricity from wind power is one of the cleanest ways to generate energy. The amount of energy produced depends on the amount of wind available, which means that the choice of location is key to the success of any wind turbine. As is the case for all other renewable energies, gaps in production with wind power as a result of natural climatic conditions need to be bridged by other independent forms of production. Wien Energie ensures an uninterrupted supply with thermal co-generation power plants, as well as with hydropower plants.

WIND POWER IN AUSTRIA AND EUROPE

Exactly 1,016 wind turbines were turning in Austria at the end of 2014, with a total output of 2,095 megawatts. This means that it was possible to provide more than seven percent of Austria’s total electricity consumption. In 2014 alone, a total of 144 wind turbines were built, with a total output of 411 megawatts. In the past three years, Austria’s wind power output has doubled and received more than EUR 1.7 billion in investment.

In a comparison of Austrian provinces, Lower Austria and Burgenland each have a share of around 45 percent of the total output. Styria is well behind with a share of almost six percent. The remainder is spread across Vienna, Upper Austria and Carinthia. The reason for this regional imbalance is simply the result of topological conditions that ensure favourable wind conditions in the east of the country.

A pan-European comparison shows Germany to be the leading country with a total output of more than 39 gigawatts, followed by Spain with...
almost 23 gigawatts. Wind power is also growing in importance in eastern European countries such as Poland and Romania. In total, all EU Member States combined had an installed wind power capacity of almost 129 gigawatts at the end of 2014. This meant that, for the first time, wind power exceeded the output from nuclear power. This is enough to meet ten percent of the EU’s electricity needs, and output is set to increase.

Wien Energie built its first wind turbine back in 1997 on the Donauinsel, which continues to provide electricity for around 140 households today. It would take several more years until another suitable location in Vienna could be found: Unterlaa. In 2005, four wind turbines entered service here with a total installed power of four megawatts. In the same year, Europe’s highest Alpine wind turbine was built as part of the Steinriegel 1 wind farm. Since this time, ten wind turbines with an installed power of 13 megawatts have been producing electricity for around 13,600 households at an altitude of around 1,600 metres on the ridge of the Rattener Alm. In October 2014, eleven new wind turbines were taken into service at this location, enabling a further 17,700 households to be supplied with electricity.

In 2007, Wien Energie took its first steps into neighbouring countries. Close to the Austrian border, in the Hungarian town of Levél, twelve wind turbines were built on a site with excellent wind conditions and which entered service in February 2008.

After just six months of construction work, Wien Energie reached another milestone in its efforts to expand the use of renewable energies in the Lower Austrian community of Glinzendorf in autumn 2012. A wind farm was built there, just ten kilometres from the city limits of Vienna, with an installed power of more than 18 megawatts and in which Wien Energie holds a 50 percent stake. The next highlight will follow in autumn 2015, when the Pottendorf wind farm enters service. The Pottendorf municipality is located in Lower Austria’s industrial district, bordering on Burgenland in the east. Construction work began in July 2014 and 15 wind turbines will be built with a total output of around 43 megawatts. As the largest wind farm in Wien Energie’s portfolio, this wind farm will produce electricity for around 37,760 households. The total investment needed for this project is around EUR 66 million. As was the case for prior large-scale projects, it was particularly important to Wien Energie to keep the population of Pottendorf informed about the project and its progress regularly and in a transparent way.

With its two newest wind farms, Steinriegel 2 and Pottendorf, Wien Energie will double its total installed wind power capacities to around 131 megawatts. This would statistically be enough to supply the entire district of Floridsdorf in Vienna (21st District) with electricity from wind power, with an average household occupancy of two. Wien Energie is currently evaluating other possible locations in Austria so as to continue the positive trend of recent years. Consequently, wind power will occupy a fixed and ever-growing position in Wien Energie’s production mix in the future.

In just two years, Wien Energie has doubled its installed wind capacities to 131 megawatts.
One wind turbine produces enough energy in one hour to ...

- supply an average household in Vienna with enough energy for one year.
- be able to watch TV for one hour every day for 165 years.
- boil more than 28,500 litres of water.
- be able to play on a PlayStation 24 hours a day for almost three years.

A modern wind turbine ...

- meets the electricity needs of 1,800 households with an output of three megawatts.
- Wien Energie supplies around 112,000 households with green electricity with its current and future installed power of 131 megawatts.

Why does the height of a wind turbine play a role?

- The higher the turbine is, the steadier the wind blows.
- The electricity yield increases by one percent for every metre of height.
- Doubling the length of the blades increases electricity production four-fold.
Demand among Vienna’s population was enormous when the first citizen solar power plant, which was built on the site of Wien Energie’s Donaustadt power plant, was advertised in February 2012. All 2,100 of the photovoltaic modules on offer were gone within 26 hours. Since then, a total of 18 plants with around 23,000 modules have been built in Vienna and Lower Austria. The total power achieved is enough to supply more than 2,000 households with electricity. The model is a win/win situation for every party involved. One module costs EUR 950.00. It is constructed and operated by Wien Energie. The investor receives an attractive interest rate and can return the module to Wien Energie at any time. The initial investment is also repaid at the end of the useful life.

The adjacent map shows the locations of all Wien Energie’s citizen solar power plants. For more details, please visit the website www.buergerkraftwerke.at.

In May 2014, the citizen power plant on the roof of the Höhere Technische...
Wien Energie citizen solar power plants in Vienna and Lower Austria

18 installations with around 23,000 photovoltaic modules have been built since 2012.

Bundeslehranstalt (a technical college) in Vienna’s 10th District was opened. A total of 1,021 photovoltaic modules with a total output of around 255 kilowatt peak were installed in cooperation with the school and the buildings’ owner, Bundesimmobiliengesellschaft. This is enough to supply approximately 100 households with electricity. Part of the photovoltaic plant is used for testing and analysis purposes in lessons, which can thus be designed in a more practical way, while at the same time raising awareness of pupils for climate and environmental protection issues.

Another citizen solar power plant on the roof of the WIPARK park & ride car park in Siebenhirten entered service in 2014. Since this time, 528 modules have been producing electricity for around 55 households.

CITIZEN SOLAR POWER PLANTS – FACTS AT A GLANCE
One photovoltaic module costs EUR 950.00. The contract with Wien Energie comes into force when the amount is paid. Wien Energie erects the photovoltaic module. • The modules are owned by the respective citizen, who rents them back to Wien Energie, receiving an annual interest payment on the amount invested. • The term of the investment is a minimum of five years. It is possible to terminate the contract early upon payment of an administrative fee. • At the end of the useful of the modules (approximately 25 years), Wien Energie buys back the modules and the full amount invested is returned to the original investor.

AWARD-WINNING
In December 2013, Wien Energie launched an innovative cooperation model for its business customers. Wien Energie builds photovoltaic installations on the top of buildings owned by the partner companies, which customers of these companies can then invest in. In return, they receive vouchers for the company’s services or products. The first such cooperation partner was the retail chain SPAR.

In recognition of this innovative participation model, Wien Energie was awarded third place at the 18th EUROFORM annual conference. This was the first time in the history of the international public utilities award that a company from Austria received special recognition.
At the end of June 2014, Vienna’s provincial government passed a far-reaching amendment to Vienna’s building regulations. These stipulate that solar energy production facilities must be installed on all new buildings that are not designated residential or educational buildings. A maximum output of at least one kilowatt peak is to be installed per 100 m² of gross land area.

Wien Energie reacted quickly to these new regulations and has expanded its range of services. The ‘Solarkraft einfachNutzen’ service package offers customers a high degree of comfort and security. Wien Energie plans, funds, builds and operates the photovoltaic installation on the roof or land of the customer, who will then use the electricity produced themselves and be able to feed any unused electricity into the grid. Wien Energie receives a regular lease payment for the installation.

‘Solarkraft FreiRaum’ follows the same principles but with different aspects. The owner of a property lets unused roof or land space to Wien Energie for a defined period of time and receives a lease payment.

Wien Energie helps landlords, architects or planning officers who would prefer to erect their photovoltaic plant themselves with the innovative SolarKraft planning tool. It comprises various planning elements and standard components for the AutoCAD planning software, and can be requested by writing to solartools@wienenergie.at.

Wien Energie extends its market leadership in photovoltaics with innovative concepts.

**SOLAR POWER FOR VIENNA**

**REPORT** Vienna’s new building regulations are boosting demand for photovoltaic installations. To this end, Wien Energie has developed a range of customised products.
innovative and customer-friendly range of services and products as well as successful collaborations. Below you can find a selection of examples that demonstrate this expertise.

Ketzergasse – Wiener Wohnen
The roof of a residential building in Vienna's 23rd District has been used to produce environmentally sensitive electricity since October 2013. In cooperation with Wiener Wohnen, Wien Energie erected a 1,092 photovoltaic modules with a total area of 1,700 m². The average annual production volume of approximately 220 megawatt hours is statistically enough to cover 65 percent of the electricity consumption of this residential complex. The total costs of EUR 700,000 will be recovered during the first half of the total useful life of around 25 years.

Traiskirchen industrial estate
Towards the end of 2013, the largest installation of its kind in Austria entered service on the tops of the buildings in this industrial estate. 8,000 photovoltaic modules with a total area of 16,500 m² were erected, supplying electricity to around 800 households and saving more than 800 tonnes of CO₂ every year. Wien Energie was responsible for the construction and also ensures its operation.

The ‘Solarkraft EinfachNutzen’ service package offers customers a high degree of comfort and security.

THE POTENTIAL OF SOLAR POWER
The sun emits 970 trillion kilowatt hours of energy every day, enough to meet global energy consumption levels 18,000 times over. Put another way – the amount of solar energy produced within three hours is enough to meet the world’s annual demand for energy. A study has calculated that Austria’s potential annual energy yield from photovoltaic technology comes to more than 70,000 GWh, which is equivalent to the electricity needs of almost 15 million average households. It was also determined that of the almost 52 km² of roof-top space available in Vienna, more than half is suitable for the use of photovoltaic or solar thermal energy systems. This translates into a theoretical potential of 4,300 GWh a year for photovoltaic installations and 27,300 GWh for solar thermal energy.

Simmering power plant
Wien Energie has demonstrated that even calorific power plants are capable of supplying green electricity with a photovoltaic installation erected on the south side of the Simmering 1 power plant in 2009. With a total surface area of more than 300 m², the modules supply around 22 megawatts of electricity annually.

CONTACT
Your personal contact partner at Wien Energie is on hand to answer any queries you have about citizen participation models and photovoltaic offers. For further information, please contact:

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CUSTOMER BENEFITS THANKS TO COMPETENT ADVICE

In addition to ensuring a reliable supply of energy in the Greater Vienna metropolitan area, Wien Energie also builds on its leading position in customer services on an ongoing basis with competent advice, needs-based tariffs and innovative services.

WIENERGIEBÜNDEL – Wien Energie’s new marketing and branding campaign

Social trends and customer needs are moving increasingly in the direction of personalisation and customisation. Customers expect to be addressed individually and to have their needs taken seriously. In its new marketing and branding campaign, Wien Energie has focused its attention on the lives of its customers. It highlights the benefits of always having access to sufficient amounts of energy and shows that nothing works without energy. The services provided by the company for its customers have been packed into a single word in German: WIENERGIEBÜNDEL, the Wien Energie package.

SPITTELAU WIENERGIE WORLD

For more than 17 years, the Wien Energie Haus on Mariahilfer Straße has been a centrally located point of contact for energy consultations, exhibitions and information events. Statistically, almost every person living in Vienna has visited at least once. In order to fulfil the wish of many customers to have an all-in solution at one location, a new comprehensive concept was sought and quickly found to follow on from the highly successful Wien Energie Haus. The Spittelau customer service centre, opened around two years ago, was enlarged and turned into Wien Energie World; since 2014 it has also been home to the advisory services previously offered at the Wien Energie Haus. Wien Energie is setting new standards in customer advisory services at the convenient location in Vienna’s 9th District, close to the world-renowned Spittelau waste incineration plant.

Centre of information
Address: Spittlauer Lände 45, 1090 Vienna
Opening hours: Mon. to Wed.: 8:00–15:00
Thu.: 8:00–17:30
Fri.: 8:00–15:00
How to reach us: U4, U6 (Spittelau station), bus lines 35A and 37A and the tramline D
Tel.: (0)1 582 00
E-mail: energieberatung@wienenergie.at

With 600 m² of floor space, Wien Energie has created a modern centre of information which offers energy advice on electricity, natural gas and district heating. The building has been designed to be well lit and spacious, providing a total of around 20 consultancy areas in the form of isolated islands which guarantee the necessary degree of discretion during customer consultations. Since this time, competent employees have been supporting between 400 and 500 customers every day with their energy issues in individual meetings.
ONLINE CUSTOMER SERVICE
In addition to the range of individual advisory services provided at the Spittelau Wien Energie World and in the four customer service centres in Lower Austria, Wien Energie customers can also access such advisory services online. For instance, all you need to do is register for online services at www.wienenergie.at to select or change your tariff. What’s more, the two tariffs Strom OPTIMA Online and Erdgas OPTIMA Online make it possible to manage everything online – such as reporting meter levels, registering and cancelling accounts and e-billing. It is also possible to calculate your individual energy consumption and any potential energy savings that can be made using the website www.energiesparcheck.at.

The new online service videos (in German) entitled ‘explained in 60 seconds’ also adhere to the motto of ‘Service with love’, which can be accessed on the YouTube channel and on Wien Energie’s website. In ten videos, the stand-up comedian Gery Seidl charmingly explains electricity and gas tariffs, how to register and change address, use the online services and much more. These videos have already been watched almost 12,000 times.

DIGITAL COMMUNICATION
Social media has become an important tool in customer communication. Digitalisation covers every area of life, making communication with customers quicker and more direct. Wien Energie tries to create enthusiasm for the issue of energy via Facebook, Twitter, blogs (blog.wienenergie.at, energieleben.at), YouTube and Instagram. Interesting stories, exciting developments from the industry and clear benefits are on offer, as well as entertaining items from Wien Energie’s sport and culture collaborations. In addition to this, Wien Energie also uses these channels to give customers important tips and information on the subject of energy and energy efficiency, and to actively involved them, e.g. via e-bike tests, product tests or participation projects. Wien Energie and the Power Generation initiative targeting young people already have more than 40,000 fans on Facebook. More than 2,200 people follow the company’s posts on Twitter.

A COMPETENT PARTNER FOR BUSINESS CUSTOMERS
A reliable and affordable supply of energy represents a key location factor for companies in many industries. Energy needs also vary according to the size, industry and structure of a company. For this reason, Wien Energie has also different tariffs on offer for business customers. Particular consideration is shown for changes in the company’s energy needs in the course of a day or a year. Wien Energie also helps its business customers to exploit internal sources of energy – such as industrial waste heat. In a similar way to the residential customer segment, several float models exist in the business segment which enable prices to be fixed or index-linked.

Wien Energie actively helps companies to cut their energy consumption on a lasting basis. An in-depth energy analysis highlights potential areas for optimisation and appropriate measures that can be taken. Following a free first-time consultation, the specific energy consumption all of the major facilities are inspected in the course of a technology check. Building on this, Wien Energie experts develop a comprehensive package of measures to optimise the facilities. Wien Energie receives part of the actual savings made as a fee for these services. This means that companies are not faced with cost risks; they generally benefit from savings ranging between 15 and 20 percent of their previous energy costs.

DIFFERENT TARIFFS FOR DIFFERENT NEEDS
Energy is not just energy. Wien Energie customers are able to choose the right electricity or gas tariff for them from a range of different tariffs. The standard tariff is OPTIMA – both for natural gas and electricity.
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Optima Float was developed to cater to customers looking to benefit from general price fluctuations on the market. This flexible tariff, which is based on the Austrian Electricity Price Index (ÖSPI) or the European Gas Price Index (EGIX), is calculated on a monthly basis. In contrast, Optima Grant is the right choice for customers looking for long-term planning security as the tariff is only adjusted to the current conditions prevailing on the market every two years. Optima Float Cap combines the advantages of the tariffs mentioned above. It is also based on market prices but, at the same time, the price is capped to prevent it from rising too sharply. The electricity tariff Optima Wasser.Plus was introduced in 2014 for environmentally-minded customers. 80 percent of the electricity produced for this tariff comes from hydropower, with the remaining amount coming from wind power, solar power and biomass.

**OVERVIEW OF STROM OPTIMA TARIFFS**

<table>
<thead>
<tr>
<th>Example for Vienna 1)</th>
<th>Float The flexible tariff 2)</th>
<th>Online The internet tariff</th>
<th>Float Cap Flexible and secure 2)</th>
<th>Garant The fixed price</th>
<th>Optima The standard tariff</th>
<th>Wasser.Plus The sustainable tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer price (cent/kWh)</td>
<td>5.4534</td>
<td>7.8482</td>
<td>5.9998</td>
<td>7.4455</td>
<td>8.2807</td>
<td>8.5351</td>
</tr>
<tr>
<td>Base price (euro/year)</td>
<td>38.16</td>
<td>13.36</td>
<td>36.16</td>
<td>34.34</td>
<td>19.08</td>
<td>19.08</td>
</tr>
<tr>
<td>Minimum term</td>
<td>12 months</td>
<td>12 months</td>
<td>12 months</td>
<td>12 months</td>
<td>–</td>
<td>12 months</td>
</tr>
<tr>
<td>Price stability / interval of price adjustment</td>
<td>monthly</td>
<td>various</td>
<td>monthly with cap</td>
<td>24 months</td>
<td>irregular</td>
<td>irregular</td>
</tr>
</tbody>
</table>

1) Prices valid from 1.10.2014. All listed prices refer to just the energy price including a six percent use-or-system charge for Vienna and 20 percent VAT, not network charges and other fees.

2) As of 1.3.2015

In order to make the choice easier, Wien Energie developed a tariff recommendation tool in 2014. In just a few clicks on the website www.wienenergie.at, customers can find out their optimum electricity or gas tariff.

**BLIZZNET BY WIEN ENERGIE**

Wien Energie offers the largest fibre-optic network in the Greater Vienna metropolitan area under the name blizznet, with a total length of more than 100,000 kilometres. As an open-access platform, blizznet enables access to the internet, telephone services, data networks and storage solutions. Varying bandwidths are offered in a range of different products. For instance, bandwidths in blizznetBusinessInternet are between 10 mbps and 1 gbps per second – for uploads and downloads, blizznetSDH, blizznetVLL or blizznetVPLS are suitable for exchanging data between different company sites, whereby different technologies are used that are able to address customer needs in the best possible way. High transfer speeds, reliability, cost transparency and security are some of the most important advantages here.

If you would like to find out more about Wien Energie’s blizznet products, please use the following contact information:

Wien Energie GmbH
Wien Energie-Welt Spittelau
Spittelauer Lände 45
1090 Vienna
Tel.: +43 (0)1 4004-82222
Fax: +43 (0)1 4004-99-82222
E-mail: telekommunikation@wienenergie.at
In order to complement the customer surveys carried out on a regular basis, Wien Energie set up a customer advisory board at the beginning of 2012, functioning as a link between Wien Energie and residential customers to improve dialogue. The advisory board consists of around 25 customers. Its members are selected according to a wide range of criteria in order to represent the broadest cross-section of residential customers as possible. Members perform their duties on a voluntary basis for a period of two years. In January 2014, the new members of the board were selected for the functional period from 2014 to 2015.

The board meets regularly to discuss different subject areas and comes up with proposals which are evaluated by the competent departments at Wien Energie to determine their feasibility. In addition to this, members are given interesting insights into the world of Wien Energie with visits to places such as the forest biomass power plant in Simmering or the Spittelau waste incineration plant.

What motivated you to get involved with the Wien Energie customer advisory board?

LISCHKA: My general interest in energy matters such as saving energy, energy efficiency and environmentally friendly energy production, as well as the opportunity to talk to other people about this. It is also important to me to make an active contribution to improvements. Anyone can criticise, but it is more difficult to make constructive proposals.

In your opinion, what general objectives should the customer advisory board pursue?

LISCHKA: The advisory boards are made up of customers like you and I. We can participate impartially as a mouthpiece and link to Wien Energie. We perform this task on an honorary basis and are therefore independent.

This means we are also able to make any suggestions for improvement openly in the customer communication or with regard to how invoices are designed. Finally, the customer advisory board helps bring the company closer to its customers and foster mutual understanding.

Which issues were the focus of the advisory board in 2014?

LISCHKA: The issues of tariff setting and communication were of particular importance in 2014. There was a very lively exchange of opinions during our meetings, in which the various facets of this area were discussed and approaches for improvement highlighted.

How do you perceive the cooperation with Wien Energie?

LISCHKA: In my view, proposals and discussion points are addressed and taken seriously. Excursions were organised in addition to the meetings, and I visited exhibitions that enabled the advisory board to meeting informally and have spontaneous discussions. Here you get to know Wien Energie from a very different, existing side.
COMMITMENT TO SOCIETY

Wien Energie has a long tradition of promoting sport and culture. It is very selective in what it chooses to support and funds are employed sparingly. The focus is on long-standing collaborations that have a long-term effect for people in the Greater Vienna metropolitan area.

Wien Energie supports numerous sporting facilities and events.

WIEN ENERGIE GETS THINGS MOVING

When supporting sporting facilities or events, Wien Energie pursues two objectives: On the one hand, it specially supports large, individual projects and organisations such as the Vienna City Marathon, the Wien Energie Business Run and its cooperation with the SK Rapid Wien football club, in order to reach a large number of people. Furthermore, a whole host of small sporting clubs and initiatives in the areas of football, basketball, American football and handball are individually supported.

The Wien Energie sports weeks, which were held for the eleventh time in 2014, are an annual highlight. During these four weeks, Wien Energie aims to create enthusiasm for physical activity. The aim of the campaign is to help improve the quality of life and health of customers. Sporting awards and prize draws are organised at the various sporting events and in public areas (e.g. the Football Freestyle Rookie Cup 2014).

Wien Energie has also been supporting the Vienna City Marathon for many years, an event that has been held every year since 1984. With more than 40,000 runners from around the world, it is Austria’s largest regular sporting event.

ART AND CULTURE

Vienna has an international reputation for being a centre of art and culture. Wien Energie contributes here by supporting several renowned cultural institutions as well as young artists, pursuing a number of its own initiatives. Since 1997, the exhibition series known today as ‘Hot and Cold’ offers artists a highly publicised platform to present their work. The name of the exhibition series, ‘Hot and Cold’, represents the importance of Wien Energie’s district heating and district cooling products. In 2014, the focus of the Spittelau Wien Energie World was on works by the Vienna-based artist
Johannes Mücke. ‘From cold sketch to hot launch’ tells visitors about the story of how digital art comes about, from the first rough ideas to a finished film or computer game.

The 50th issue of the district heating customer magazine ‘Stadtvorteile’ was published in 2014. With a circulation of 235,000, it informs customers about all the current benefits offered by the Servicecard.

In 2009, Wien Energie launched an energy-based short-film competition under the name ‘Night of the Light’, which has been held every year since. The focus is on directing the attention of filmmakers towards the broad subject of energy. On the basis of a concept or a short film script, a jury of experts decides which film projects will be supported. Afterwards, the participants have the opportunity to show their film during the Night of the Light. Wien Energie also supports the Viennale Film Festival, the Theater am Alsergrund, Kabarett Niedermair and the Vienna Donainselfest, one of Europe’s largest open air festivals.

PROGRAMMES FOR CHILDREN AND YOUNG PEOPLE

Wien Energie believes it is important to teach children and young people how to use energy responsibly. A number of approaches are taken here. Children aged between six and twelve are challenged on our child-friendly website www.captainenergy.at to actively deepen their knowledge about the subjects of energy and environmental protection. This website also provides information about other things that are on offer for children and young people. In addition to this, there is the magazine entitled ‘Energie Express’, which is published four times a year and is specially designed for children. In order to make complex energy issues easy to understand, Wien Energie has published six Pixi books focusing on different aspects of energy from sun, wind and water to e-mobility (310,000 copies in total), which are also available to take free of charge at the Spittelau Wien Energie World. The German-language Pixi books ‘Was die Sonne alles kann’ and ‘Stark wie der Wind’ have also been available as apps since 2014. This means that Wien Energie now has four Pixi book apps, that have been downloaded a total of 101,555 times so far.

The Wien Energie school box is used in all of Vienna’s primary schools, teaching children about energy with activities such as reading exercises, games, riddles and other exercises. Around 2,400 children took part in Wien Energie’s summer Ferienspiel event (focus on renewable energies) and 523 children in the half-term Ferienspiel in 2014. Wien Energie also began offering solar power tours for children at the Donaustadt citizen solar power plant in 2014. 75 school classes have already taken advantage of this offer.

As part of its annual Christmas campaign, Wien Energie supported the Wiener Lerntafel initiative in 2014. This charitable organisation runs the largest centre of learning in Vienna for up to 400 schoolchildren aged between six and fourteen years from socially disadvantaged families. They are given free learning support and training, and receive help with their homework.

POWER GENERATION

With this youth initiative, Wien Energie aims to sensitise young people in the Greater Vienna metropolitan area for the issues of energy efficiency and environmental protection. Wien Energie provides information about youth promotions at www.powergeneration.at and on Facebook. In addition to the ‘Schreiben unter Strom’ initiative, the ‘Stromspar-WG’ competition enjoys a great deal of popularity. The shared apartments participating in this competition must solve challenging tasks over the course of several weeks, the aim of which is to raise awareness of how to use energy more efficiently. The winners receive attractive prizes and vouchers worth EUR 10,000.
TOWER OF POWER
In order to be able to bring young people closer to new technologies during their education as well, Wien Energie launched a collaboration with the vocational training centre Bfi Wien. An energy-autonomous e-learning charging point will be built over the next two years in Vienna’s 20th District. Bfi course participants will build this facility over an area of around 350 m², which will be able to charge e-vehicles and e-bikes in less than 15 minutes. A special feature of this new e-charging station is that it is supplied by renewable energy sources. Two photovoltaic installations on the roof of the adjacent building and the charging station itself, together with a small-scale test wind turbine, provide the required energy. Bfi trainees are already involved in the construction, with the majority of the 4,000 components being produced in the lessons themselves. The future operation of the station will form part of the lesson.

SOCIAL RESPONSIBILITY
In order to secure the supply of energy to people living in precarious situations as well, Wien Energie set up a social ombudsman office in February 2011. Since this time, several employees have been committed to taking care of cases of social hardship, serving as an interface with social services in Vienna such as the Municipal Department 40, Caritas or Volkshilfe. These organisations work together to develop feasible solutions to ensure the continued or renewed supply of energy to the people concerned.

Wien Energie’s social ombudsman office is also responsible for the long-standing social project NEVK to support people at risk of poverty. The focus of the project is 500 free energy consultations on site for the target group, carried out by employees from the cooperation partner ‘die umweltberatung’ Vienna. A key part of these consultations is highlighting potential energy savings and tips to reduce energy costs. Energy efficiency measures and energy saving measures recommended as a result of the consultation are implemented using funds from the Federal Ministry of Labour, Social Affairs and Consumer Protection, the Green Electricity Fund (Ökostromfond) and in cooperation with the Municipal Department 40. The aim of the project is to provide people concerned with support in respect of energy-related matters and to improve their living situation by implementing energy-efficient measures.
TEN YEARS OF THE FOREST BIOMASS POWER PLANT IN VIENNA SIMMERING

REPORT Back in 2004, no-one had yet heard of an energy transition. However, Wien Energie sent a clear, visible message for how to make good use of renewable energies with the construction of the forest biomass power plant in Vienna’s Simmering district.

The Simmering forest biomass power plant has been supplying 48,000 households with electricity and 12,000 households with heating for around ten years. This means that around 144,000 tonnes of CO₂ can be saved every year.

The power plant, built in cooperation with the Austrian Forestry Commission, entered service in 2006. As a highly-efficient cogeneration plant, it achieves an efficiency ratio of up to 80 percent when producing electricity and heat at the same time. Using biomass as a fuel is considered to be particularly green on the following two conditions: Firstly, producing the raw material should not be at the expense of sacrificing space for foodstuffs, which is the case for corn, for instance. Secondly, the distances travelled to supply the fuel should not be too great. The Simmering forest biomass power plant optimally meets these two requirements. It uses primarily wood chips from the forests of the Forestry Commission, obtained from damaged timber. Between 70 and 80 cubic metres of biomass are burned every hour.

Biomass is considered as being CO₂ neutral. Burning wood releases the same amount of CO₂ that was absorbed by the tree while it was growing. It makes no difference to the carbon footprint if the tree now rots in the forest or is burned to make electricity and heat.

The plant consists of a fuel bunker and a downstream silo from where the wood chips are taken to be burned. The furnace consists of a steam boiler with a circulating fluidised bed (CFB) and an output of 66 megawatts. The steam produced here is used in an extraction condensing turbine to produce electricity and district heating. Pollutants such as sulphur dioxide, hydrogen chloride and hydrogen fluoride are removed with a fabric filter, enabling the plant to achieve an exemplary level of environmental quality and be well below all stipulated emission thresholds.

Vienna’s Simmering forest power plant saves around 144,000 tonnes of CO₂ compared to conventional power plants. A total of around 48,000 households in Vienna are supplied with electricity and 12,000 with district heating.
Dismantling of a revolving crane at the Spittelau waste incineration plant.
PRODUCTION

Wien Energie places emphasis on different forms of production when deciding on the alignment of its portfolio of power plants. Renewable energies and decentralised energy production plants are becoming increasingly important here.

Wien Energie’s production strategy is based on the proven and internationally recognised Vienna Model (see also page 23). Alongside producing energy efficiently in the cogeneration power plants, as well as district heating by means of waste incineration, Wien Energie is using this model to promote the use of renewable energies and decentralised production facilities. Another key pillar comprises advisory services that benefit the customer.

Cogeneration technology, however, enables Wien Energie plants to achieve a fuel utilisation ratio of up to 86 percent. Conventional combined gas and steam power plants only achieve an efficiency ratio of between 50 and 60 percent, while conventional thermal power plants attain just 40 percent when producing electricity.

THERMAL POWER PLANTS
Wien Energie’s thermal power plants were responsible for generating around 79 percent of total energy produced in the 2014 financial year. These power plants are primarily fuelled by natural gas.

Simmering 1 is the highest performing power plant owned by Wien Energie. It was commissioned in 2009 following an investment of around EUR 300 million by Wien Energie and is one of the most modern and environmentally friendly plants of its kind. The Simmering 2 power plant serves to cover peaks in demand and was also modernised in 2009. The Simmering 3 power plant block has been in service since 1992.

The Donaustadt power plant has one of the world’s largest gas turbine facilities, achieving an efficiency ratio of up to 86 percent when producing electricity and heat at the same time. It is also one of the most modern and efficient plants of its kind, using around 150 million m³ of natural gas less than conventional power plants every year and reducing CO₂ emissions by around 330,000 tonnes.

<table>
<thead>
<tr>
<th>INSTALLED ELECTRICAL POWER</th>
<th>2014</th>
<th>2013</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal power plants, condensation operation</td>
<td>1,834.0</td>
<td>1,927.5</td>
<td>-4.9</td>
</tr>
<tr>
<td>Thermal power plants, cogeneration operation</td>
<td>1,602.7</td>
<td>1,736.2</td>
<td>-7.7</td>
</tr>
<tr>
<td>Hydropower, wind power and photovoltaics</td>
<td>235.7</td>
<td>206.5</td>
<td>14.1</td>
</tr>
<tr>
<td>Total renewable energy sources including biomass and proportional waste recycling</td>
<td>264.5</td>
<td>231.0</td>
<td>14.5</td>
</tr>
<tr>
<td>Total installed electrical power, condensation operation</td>
<td>2,069.7</td>
<td>2,174.0</td>
<td>-4.8</td>
</tr>
</tbody>
</table>

HYDROPOWER
Wien Energie operates hydropower plants in the Lower Austrian communities of Opponitz, Gaming and Trumau, with a total power of 18.3 megawatts. Wien Energie has a one-third stake in the Nussdorf hydropower plant located on the Danube at the edge of Vienna and which has a total output of 4.8 megawatts. Wien Energie also holds own hydropower plants and power-drawing rights.
power drawing rights to the Freudenau and Greifenstein Danube power plants (22 and 37 megawatts respectively). In 2011, Wien Energie acquired a share of 13 percent in Verbund Innkraftwerke GmbH in Germany, which operates 13 hydropower plants along the river Inn in Bavaria (310 megawatts). This investment provides Wien Energie with power-drawing rights based on market prices.

In view of the limited scope for constructing additional hydropower plants in the Greater Vienna metropolitan area, Wien Energie is pursuing corresponding projects in Austria and on a very selective basis in Europe too. Wien Energie runs 28 power plants in Romania, and a further nine across South-East Europe.

WIND POWER

Wien Energie has been relying on wind power since 1997 and, combining its own wind farms and its investments, has a current installed power totalling around 88 megawatts. In addition to sites in Vienna, Lower Austria, Styria and Burgenland, Wien Energie has operated a wind farm at Levél in Hungary since 2008 with twelve wind turbines and an installed power of 24 megawatts.

The Glinzendorf wind farm was built in 2012 in cooperation with EVN. Its nine wind turbines are capable of producing 18 megawatts. The Steinriegel 2 wind farm entered service in October 2014 with eleven wind turbines and an installed power of 25.3 megawatts. A wind farm consisting of 15 wind turbines with a total output of 42.9 megawatts is currently being built in the Lower Austrian community of Pottendorf and which is due to start supplying electricity in autumn 2015. Wien Energie will thereby increase its total wind power capacities to around 131 megawatts (please also refer to page 40).

BIOMASS

Thanks to the extensive availability and the mature electricity generating technology now existing, biomass power stations are seen as an environmentally friendly (climate neutral) form of production with considerable potential. Austria’s largest biomass power plant, a joint project of Wien Energie and the Austrian Forestry Commission, is located in Simmering (see page 55). The Wien Energie subsidiary Energiecomfort operates additional biomass communal heating projects in Austria such as in Purkersdorf, Trumau, Seefeld, Tannheim and Grän as well as in Oberstaufen (Bavaria) and Prešov (Slovakia).

### ELECTRICITY PRODUCTION, GROUP DIVISION WIEN ENERGIE (INCL. PARTNERSHIPS)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/-%</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal power plants</td>
<td>3,533,218</td>
<td>3,045,626</td>
<td>16.0</td>
<td>3,945,913</td>
</tr>
<tr>
<td>Hydropower plants</td>
<td>669,965</td>
<td>752,820</td>
<td>-11.0</td>
<td>669,229</td>
</tr>
<tr>
<td>Wind turbines + photovoltaic systems</td>
<td>138,972</td>
<td>129,200</td>
<td>7.6</td>
<td>110,859</td>
</tr>
<tr>
<td>Forest biomass power plant</td>
<td>103,115</td>
<td>131,676</td>
<td>-21.7</td>
<td>114,576</td>
</tr>
<tr>
<td>Waste incineration</td>
<td>2,935</td>
<td>0</td>
<td></td>
<td>766</td>
</tr>
<tr>
<td><strong>Total electricity production</strong></td>
<td><strong>4,448,205</strong></td>
<td><strong>4,059,322</strong></td>
<td>9.6</td>
<td><strong>4,841,344</strong></td>
</tr>
<tr>
<td>Share of production from renewable energy sources</td>
<td>20.5%</td>
<td>25.0%</td>
<td>-18.0</td>
<td>18.5%</td>
</tr>
</tbody>
</table>

### PRODUCTION VOLUMES IN 2014

The volume of electricity produced by thermal power plants including international power-drawing rights in 2014 was up 16 percent on the previous year’s level. Production by hydropower fell by 11 percent as a result of lower water levels in the Danube and Inn rivers. With the commissioning of the Steinriegel 2 wind farm and additional citizen solar power plants, the resulting electricity produced increased by 7.6 percent year on year. On the other hand, production at the Simmering forest biomass power plant abroad are only pursued on a very selective basis.
plant was held back by problems with a boiler. The share of electricity produced from renewable energy sources shrank from 25.0 percent in the previous year to 20.5 percent as a result of the greater volume produced overall. Wien Energie intends to increase this share to 50 percent by 2030.

Heat production facilities

Wien Energie supplies almost 350,000 households and more than 6,400 business customers with indoor heating and hot water, making it one of the largest providers in Europe.

<table>
<thead>
<tr>
<th>HEAT PRODUCTION, GROUP DIVISION WIEN ENERGIE (INCL. PARTNERSHIPS)</th>
<th>2014</th>
<th>2013</th>
<th>+/-%</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cogeneration</td>
<td>2,760,136</td>
<td>3,087,384</td>
<td>-10.6%</td>
<td>3,294,067</td>
</tr>
<tr>
<td>Waste incineration (incl. Pfaffenhau)</td>
<td>1,435,907</td>
<td>1,359,890</td>
<td>5.6%</td>
<td>1,435,994</td>
</tr>
<tr>
<td>Biomass</td>
<td>309,627</td>
<td>405,634</td>
<td>-23.7%</td>
<td>344,603</td>
</tr>
<tr>
<td>Other</td>
<td>1,053,930</td>
<td>1,486,073</td>
<td>-29.1%</td>
<td>872,568</td>
</tr>
<tr>
<td>Total heat production incl. partnerships</td>
<td>5,559,600</td>
<td>6,338,981</td>
<td>-12.3%</td>
<td>5,947,232</td>
</tr>
<tr>
<td>Share of production from waste and biomass</td>
<td>31.4%</td>
<td>27.9%</td>
<td>12.5%</td>
<td>29.9%</td>
</tr>
<tr>
<td>Share of production from renewable energy sources</td>
<td>21.4%</td>
<td>19.3%</td>
<td>10.9%</td>
<td>20.3%</td>
</tr>
</tbody>
</table>

17 production facilities at twelve sites feed hot water into the district heating network. Depending on the ambient air temperature, the variable inlet temperature ranges between 95°C and 150°C. The base load requirements are sourced from the thermal waste incineration plants at Spittelau, which currently being modernised, Flötzersteig, Simmeringer Haide and Pfaffenhau. In total, these four plants process around 900,000 tonnes of household waste, special waste and sewage sludge every year. Average demand is met by drawing on the cogeneration capacities of the power plants at Donaustadt, Simmering and the forest biomass power plant at Simmering and the OMV oil refinery in Schwechat. The district heating plants at Arsenal, Kagran, Leopoldau, Spittelau and Inzersdorf Süd are only used to meet peak demand. Heat production (including partnerships) declined by 12.3 percent in 2014 due to the milder weather. While the share of heat produced from renewable energy sources was increased, production from cogeneration declined as a result of the lower demand.
13 megawatts thanks to the scope of this investment, enough to supply electricity to 50,000 households. Annual gas consumption will be reduced by five million m³. In contrast, annual heat production will remain unchanged at 450 gigawatt hours. Approximately 250,000 tonnes of waste will be thermally recycled in the plant every year, enabling the supply of heat to more than 60,000 households.

MODERNISATION OF THE DISTRICT HEATING PLANT AT ARSENAL
Wien Energie’s district heating plants serve to meet peak-load demand, i.e. when the capacities of cogeneration power plants and waste incineration plants are full. The Arsenal district heating plant is currently under construction in Vienna’s Landstrasse district to replace a 40 year-old district heating plant. Normal operations are due to begin in the course of 2015 with a thermal output of 340 megawatts.

DISTRICT HEATING NETWORK
District heating is transported via a primary and secondary network. In the course of the integration of Wien Energie Fernwärme GmbH into Wien Energie GmbH in 2013, the primary network was transferred to Wiener Netze GmbH, also a wholly owned subsidiary of Wiener Stadtwerke Holding AG. The secondary network connects to the individual buildings, where the actual heat exchange takes place in converter substations and provides heat to the building. This is now the responsibility of Wien Energie. In addition to ongoing maintenance work, the existing secondary network was further enlarged in the 2014 financial year to supply new customers.

LOCAL HEATING
Compared to district heating, local heating is transported over relatively short distances and supplies mainly municipalities and traders. The local heating network of Wien Energie distinguishes between two types of networks. Communal heating networks, which are usually more than one kilometre in length, connect biomass power plants to customers. Local heating networks are shorter and are used in local heating centres. In the 2014 financial year, a total of 542,283 megawatt hours of local heating was produced by Wien Energie in local heating plants.

DISTRICT COOLING
Over the past few years, Wien Energie has been successively building and expanding the commercial field of district cooling. District cooling is a cost-effective and environmentally sensitive alternative to air conditioning, reducing CO₂ emissions by around 70 percent compared to conventional air conditioning units. See page 36ff for a summary of Wien Energie’s district cooling projects.
SALES

Wien Energie supplies some two million people and 230,000 businesses and industrial facilities in the Greater Vienna metropolitan area with electricity, natural gas, district heating and district cooling. The focus here is on providing optimum, all-in solutions and modern energy services.

In 2002, Wien Energie completed the legal separation of its grid and sales operations, thereby meeting the requirements set out by the European Union ahead of schedule. To this end, Wien Energie Vertrieb GmbH & CO KG was also established, and the gas and electricity sales activities were combined in EnergieAllianz Austria (EAA), an alliance of several Austrian energy companies. The operational core competencies of this company include the general management of energy sales, the development of attractive products and pricing. As a general partner, EnergieAllianz Austria also manages the regional sales organisations of its shareholders, including Wien Energie Vertrieb.

Wien Energie Vertrieb maintains the energy supply contracts with customers, while Wien Energie is responsible for looking after the customers. EnergieAllianz Austria looks after key accounts supplied with electricity, while EconGas, in which Wien Energie has a 16.5 percent stake, looks after those supplied with gas. Wien Energie is directly responsible for all sales activities relating to district heating and district cooling.

See page 48ff for more details of Wien Energie’s portfolio of services.

PRICING POLICY AND DEVELOPMENT OF SALES

Wien Energie pursues a responsible and sustainable policy when purchasing electricity and primary energy sources, such as natural gas, from third parties so as to safeguard excellent security of supply. This happens primarily on so-called futures markets, and therefore take place well ahead of actual deliveries to customers. This means that market price fluctuations do not have an immediate impact on the actual purchasing price and, in turn, on the prices paid by end customers.

After holding steady in the previous year, the import prices for natural gas fell by 17 percent in 2014. Total gas sold went down by 17.3 percent to 6,440.8 gigawatt hours due to the extremely mild weather conditions experienced in Wien Energie’s supply area.

Pricing trends on European electricity spot markets were middling and volatile in 2014. The price for peak-load electricity declined by an average of 16 percent and for base-load by 13 percent over the year. Including the proportion of direct sales generated by the EAA, sales of electrical power by Wien Energie in 2014 amounted to 9,349.4 gigawatt hours, equivalent to 1.9 percent less than in the prior year.
Following a tariff reduction in October 2013, Wien Energie Vertrieb cut the energy price for electricity by an average of 10 percent, as part of EnergieAllianz Austria, with effect from 1 October 2014. There is very limited room for manoeuvre in Austria to set tariffs. Approximately 34 percent of the total price paid by the end customer is attributable to the energy price and 28 percent to the network charge, which is set by the regulator. Taxes and fees make up around 38 percent of the total price. Over the past 20 years, the taxes and fees payable on electricity in Austria have more than doubled. In contrast, actual electricity prices and network charges have decreased in real terms, once inflation has been taken into account. Over the past six years alone, Wien Energie has cut the price of electricity by 20 percent.

**TRANSPARENT ELECTRICITY LABELLING**

EU energy providers are legally obliged to prove the origin of the electricity they supply to end consumers. The following is a breakdown of how Wien Energie Vertrieb’s power was produced in the period from 1 October 2013 to 30 September 2014:

According to proof of origin certificates, energy coming from Austria amounts to 71.48 percent, 19.41 percent from Norway, 3.97 percent from the Netherlands, almost 3.37 percent from Sweden and 1.78 percent from Finland. The impact on the environment calculated on the basis of the outlined structure amounts to 136.48 g/kWh of CO₂ emissions. Electricity supplied by Wien Energie does not contain any nuclear power.
LOCAL AND DISTRICT HEATING

The mild temperatures in 2014 led to a noticeable decline in heating sales, which amounted to 5,238.0 gigawatt hours, the equivalent of a 15.1 percent year-on-year drop. With effect from 1 September 2014, Wien Energie increased the price of district heating by approximately nine percent on the basis of a new official price notification for residential customers billed individually. Despite this price adjustment, which was necessary in view of the difficult situation faced by gas-fired power plants, Wien Energie remains one of the most affordable providers in Austria.

The company acquired numerous new customers in 2014, the most renowned of which include the Chinese Embassy to the UN, the Herz Jesu hospital and new residential construction projects such as those on Rappachgasse or Lorenz-Reiter-Strasse.

In 2014, Wien Energie expanded its range of heating services to include alternative and combined energy concepts. The geothermal energy product ‘ErdfWärme’ combines the benefits of photovoltaic technology and a heat pump. This serves to supply a building with heating and/or cooling energy and hot water. The product makes use of the heat located near the surface of the ground. Electricity from the photovoltaic system is used locally to power the heat pump.

The ‘SonnenWärme’ product involves combining thermal solar energy and a gas-fired condensing boiler. It serves to supply a building with heating and hot water. During the summer months, the product harnesses the power of the sun in a highly efficient way using thermal solar energy. In the winter, Wien Energie ensures the supply of heating and hot water with gas-fired condensing boilers.

SALES VOLUMES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/-  %</th>
<th>2012</th>
</tr>
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<td>9,349.4</td>
<td>9,526.9</td>
<td>-1.9</td>
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<tr>
<td>Natural gas</td>
<td>6,440.8</td>
<td>7,792.8</td>
<td>-17.3</td>
<td>7,802.4</td>
</tr>
<tr>
<td>Heat</td>
<td>5,238.0</td>
<td>6,166.8</td>
<td>-15.1</td>
<td>5,758.5</td>
</tr>
<tr>
<td>Total sales</td>
<td>21,028.1</td>
<td>23,486.6</td>
<td>-10.5</td>
<td>23,147.5</td>
</tr>
</tbody>
</table>

1) The values for 2012 were restated as a result of the business year being brought in line with the calendar year.

BREAKDOWN OF COSTS

FOR AN ELECTRICITY CUSTOMER (OPTIMA TARIFF)
in Vienna with an annual consumption of 2,500 kWh (from 1.10.2014)

1  34% Energy price
2  28% Network charge
3  38% Taxes and fees

BREAKDOWN OF COSTS

FOR A NATURAL GAS CUSTOMER (OPTIMA TARIFF)
in Vienna with an annual consumption of 10,700 kWh (from 1.10.2014)

1  46% Energy price
2  26% Network charge
3  28% Taxes and fees
E-MOBILITY GATHERING PACE

REPORT Alternative forms of propulsion are growing in importance in Austria. Wien Energie is helping to drive this environmentally friendly trend by building and operating charging stations and with a number of collaborations.

CURRENT SITUATION
Current studies by Statistics Austria regarding the number of cars in Austria show a clear trend. Cars with alternative forms of propulsion such as electricity, natural gas or hybrid variants are growing in importance. The share of total vehicles (4.7 million) powered in such ways was relatively small at the end of the year at just 1.5 percent. However, recent growth rates are astounding. For instance, the number of e-vehicles registered in 2014 rocketed by more than 60 percent to almost 3,400 vehicles. Furthermore, there were some 13,000 hybrid cars (petrol or diesel in combination with electricity) across Austria.

This trend will become more pronounced in the future due to strict regulations. Pursuant to an EU regulation, from 2021 newly manufactured cars may not produce more than 95 grams of CO₂ per kilometre. The current average amount in Austria is 129 grams. It will not be possible to achieve such a reduction with conventional diesel or petrol engines.

Austria has set its sights on some very ambitious targets with the federal government’s e-mobility initiative: around 250,000 e-vehicles should be on Austria’s roads by 2020, a figure which would correspond to approximately five percent of the total number of vehicles.

Approximately 250,000 e-vehicles should be on Austria’s roads by 2020; this requires a comprehensive network of charging stations.
E-CAR OWNERS ARE SITTING PRETTY

COST-EFFECTIVE
• The cost of filling up a car, viewed over 100 km, is much lower than for vehicles with a combustion engine.
• The running and service costs are much lower than for vehicles with a combustion engine.

ATTRACTIVE SUBSIDIES
• Up to 30 percent subsidy for companies, municipalities and private customers in the Vienna model region (up to 30 November 2015).

FEWER CHARGES
• E-cars are currently exempt from the NoVA, a duty on fuel consumption, and the engine-related insurance tax (as of July 2014).

SUSTAINABLE
• E-mobility represents an active contribution to protecting the climate and the environment.

EASY AND CONVENIENT
• Cashless charging with the Tanke card.
• Cars can be filled up at any time at freely accessible charging stations or during opening times in the case of car parks and Spar supermarkets.

CLEAR BILLING
• A bill is prepared once a quarter for all chargings made in this period.

COMFORT
• Low noise level – the e-car is barely audible.

SPORTY
• E-engine generates full torque from a standstill.

SECURE
• E-mobility is not dependent on fossil fuels such as crude oil or natural gas.

CHARGING STATIONS AS A KEY TO SUCCESS

The average range of e-vehicles has increased significantly in recent years. The latest models are now capable of travelling distances in excess of 200 kilometres. Nevertheless, another important factor of success is ensuring a comprehensive network of charging stations. For this reason, Wien Energie is helping to increase the number available. At the end of 2014, it operated some 300 charging stations for e-vehicles together with cooperation partners. Most of these have been built in and on semi-public and private premises, such as in garages and residential estates as well as on the parking areas of partner companies such as the supermarket chain Spar. A highlight in 2014 was the opening of the first tax e-charging station in cooperation with Taxi 40100 and a technology partner. Since June it has supplied around 350 vehicles with green electricity, mostly plug-in hybrid vehicles.

Wien Energie builds and runs charging stations under the brand name ‘Tanke’. Particular emphasis is placed here on a simple-to-use system, which is explained in the image on the next page.

Cars with alternative forms of propulsion in 1,000; as of 31.12. in Austria

- Bivalent petrol with liquefied or natural gas
- Natural gas
- Electricity
- Hybrid – petrol or diesel with electricity

Source: Statistik Austria
WIEN ENERGIE’S COMMITMENT TO E-MOBILITY

Wien Energie has been committed to this trendsetting issue for many years now through various collaborations and initiatives. Wiener Stadtwerke’s research project ‘e-mobility in demand’ has been running in the Vienna model region since July 2011, in which Wien Energie is actively involved. The aim of the project is the gradual shift to an integrated comprehensive traffic system in which e-mobility and e-car sharing complements public transport in a meaningful way. Wien Energie is responsible for building and running the charging stations. (For more details, see www.wienermodell-region.at)

In January 2015, Wien Energie founded the Austrian Association for E-Mobility (BEÖ) together with ten other energy providers. The purpose of this association is to promote a cost-effective, comprehensive and compatible supply of e-mobility offers using renewable energies. It also serves as an interface to public authorities and ministries. The BEÖ has been invited by the Austrian Federal Ministry for Transport, Innovation and Technology (BMVIT) to take an active role in shaping the implementation of the EU’s directive to set up an alternative infrastructure of charging stations. (For more details, see also http://morgen.io/beoe/).

Filling up made easy – in just six steps

WIEN ENERGIE USERS ARE PROUD TO FILL UP WITH ELECTRICITY. AND THIS IS HOW IT WORKS:

1. Simply order your personal Tanke card by calling 0800 510 820 or online at www.tanke-wienenergie.at/services/tanke-karte/.

2. As soon as you have received your Tanke card, you can use all charging stations.

3. Plug in the charging cable to get started.

4. Place the Tanke card over the sensor at the charging station.

5. Follow the instructions and start charging.

6. Once charging is complete, first remove the charging cable from the e-vehicle and then from the socket.

You can find out the locations of individual charging stations using a simple search function at www.tanke-wienenergie.at. The Tanke Wien Energie app has been developed for mobile users, which can be used to find a suitable charging station nearby quickly and easily.
The European energy market is undergoing fundamental changes, presenting Wien Energie with new challenges. Wien Energie supports its employees in this dynamic environment with a professional HR management policy.

**CUSTOMER-ORIENTED, HIGH-PERFORMANCE, DEDICATED**

In 2014, Wien Energie employed an average of 2,730 employees across the various different company divisions. With the integration of the former Fernwärme Wien GmbH into Wien Energie GmbH in the previous year, all market-oriented tasks were pooled into a single entity, improving efficiency notably in administrative areas. Despite the successes and improvements already achieved, further measures are required to boost productivity and profitability in view of the dynamic and highly competitive environment.

HR management was enhanced and given additional, modern instruments in the reporting year so that all employees have the required expertise and capabilities. The objectives being pursued here can be summarised in the following strategy:

- Continuous improvement to customer orientation
- Identifying and promoting talents and capabilities
- Highlighting internal career opportunities
- Positioning ourselves as an attractive and reliable employer
- Increasing operating efficiency
- Comprehensive training and further education
- Performance-based pay
- Promoting identification with the company and motivation

The central HR department is responsible for implementing this strategy, which is coordinated closely with the parent company, Wiener Stadtwerke, particularly with regard to training and further education.

**COMPREHENSIVE TRAINING AND FURTHER EDUCATION**

One of the main tasks of Wien Energie's HR management is to identify individual capabilities and talents and to develop these by means of training and further education. Wien Energie uses instruments such as employee orientation meetings or electronic training platforms to support employees efficiently yet individually with their professional careers and further development. The wide range of training possibilities include specialised courses, safety training and seminars for team building or personality development. The electronic training system was expanded in 2014 to include recurring training courses on subjects such as data protection, safety at work and the code of conduct, ensuring that these issues are dealt with in an uncomplicated and flexible manner.
Wien Energie relies on comprehensive education for trainees and apprentices.
In addition to this, Wien Energie’s employees also have access to the wide range of training and qualification courses offered by the Wiener Stadtwerke Group. These range from management and specialist training courses to subject-specific training events, safety courses, coaching, specialist lectures and seminars in the areas of personal development, team building and working methods.

**SUPPORTING JUNIOR EMPLOYEES**
Wien Energie regularly supports students with dissertations and theses relating to the energy industry, thereby combining academic research with practice. Collaborations with the University of Vienna, the Vienna University of Technology, the Vienna University of Economics and Business and a number of vocational universities have been in place for many years.

Wien Energie offers young people and students the chance to gain some practical experience with interesting summer jobs, work placements and taster opportunities. Participation in career days and job fairs also helps to ensure that contact is made to young prospective employees. A similar aim is being pursued with participation in the City of Vienna’s trainee programme, which offers university graduates the chance to work for the City of Vienna and its companies for 16 months.

The education of trainees and apprentices is a top priority at Wien Energie. At the end of 2014, a total of 70 apprentices and trainees receiving training in various commercial and technical positions. In addition to learning on the job at Wien Energie, the apprentices attend a vocational school, as well as receiving special internal training. The majority of apprentices and trainees are offered regular employment after successfully completing the final exam. This is how Wien Energie meets some of the ever-growing need for well-qualified specialists from its own ranks.

Wien Energie’s high training standards received special recognition in 2014 by being awarded Vienna’s seal of quality for top training companies, ‘Top-Lehrbetrieb’.

**SUMMER ACADEMY**
In July 2014, a two-week summer academy was organised at Wien Energie’s TownTown offices in cooperation with the Vienna University of Technology and the energy technology course. Supervised by Wien Energie experts and lecturers from the University of Technology, students dealt with a number of energy-related areas as part of an interdisciplinary programme. Students were also given the chance to train to become a project manager, including certification. The link between theory and practice was made with excursions to Wien Energie sites, as well as talks with experts and managers from different divisions of the company. As a result of the positive feedback received, the summer academy will be offered again in July 2015.

**HEALTH AND SAFETY**
Employees in Wien Energie’s production division in particular are exposed to a variety of different dangers. Wien Energie is working tirelessly to reduce these risks by means of effective measures and regular training. Employees concerned are sensitised to this important issue in the course of regular safety training courses and information campaigns. It has also been possible to significantly reduce the number of work-related accidents over the past few years thanks to modern safety clothing, protective measures and the regular performance of emergency and fire drills.

Wien Energie provides its employees with a range of sporting facilities and regular seminars on healthy eating and exercise to promote awareness of personal health. Health days are organised on a regular basis, during which employees are given information on healthcare and tips to ensure safe and healthy working conditions. Wien Energie also takes action against psychological stress at work.
COMMUNICATION AND MOTIVATION

Wien Energie attaches great value to informing all employees about current company developments and strategic decisions promptly and transparently. A number of information channels have been developed to this end. Wien Energie took a pioneering role with the employee magazine ‘24 Stunden Teamgeist’, which has been published six times a year for more than 15 years. It provides information about a range of different issues including internal developments, current industry topics and company projects. A regular flow of information is also communicated via the intranet and topic-specific newsletters. Infoscreens are also on hand at every location providing up-to-date information and developments relating to the company. Information events are also organised spontaneously on a case-by-case basis, during which Wien Energie’s management or executives explain important issues or strategic questions, as well as being available to answer any questions.

Wien Energie encourages its employees to think in a corporate-minded way by means of a number of different measures: A multi-step bonus system and payments for exceptional performance provide a particular incentive to perform well. Specific targets are agreed on an annual basis with most employees, which also have an effect on their performance-based pay.

INTERNAL CAREER OPPORTUNITIES

There are many different and exciting career opportunities in the various company divisions of Wien Energie. Vacancies are published via the Internet on a newly devised jobs and career platform. All of the current vacancies are summarised twice a month in the ‘Vorsprung’ newsletter.

Employees can get to know a new working area within the company for a defined period of time as part of a job rotation programme. Not only does this sharpen their understanding of the duties of their colleagues, but it also shows possibilities for change within the company. Similar possibilities are also available at Wiener Stadtwerke. Furthermore, personal development options and promotion prospects are regularly defined in meetings with the relevant managers.

SUPPORT FOR NEW EMPLOYEES

Experienced colleagues accompany new employees during their first three months as part of a mentoring programme to enable them to settle in quickly. This also promotes the internal transfer of knowledge and company-wide networking. New employees are given the most important information about Wien Energie during a newcomer day.

PROMOTING EQUAL OPPORTUNITIES

The energy sector is generally characterised by a relatively low proportion of female employees. Wien Energie aims to change this in its own sphere of influence, setting targeted measures to promote women. For example, flexible working-time and flexi-time models are aimed at allowing employees to more easily combine their professional and family roles as well as to integrate back into the company after being on parental leave. Moreover, Wien Energie is also attempting to stimulate the interest of women girls in technical professions through a series of programmes such as participation in the so-called Vienna Daughter’s Day event. During this promotion, interested girls are given the opportunity to familiarise themselves with technical professions in practice.
At the end of 2014, the share of women working in the Wien Energie Group division came to 27.2 percent compared to 24.8 percent in the prior year.

Wien Energie makes special arrangements for employees with special needs to make it possible to include them in the working world. For instance, a fully blind and partially blind employee have already been working on the switchboard for a number of years with technical support. The number of employees at Wien Energie with special needs stood at 31 at the end of 2014.

**Tanja Kienegger, Head of the Plant Development department**

“What I value in my job at Wien Energie is that I can put my theoretical knowledge directly into practice. For instance, if there is a plant malfunction, we must resolve this quickly after analysing the source of the malfunction. My duties also include planning overhauls and modernisation work for the gas turbines. To this end, we analyse plant data on an ongoing basis so that we can avoid plant disruptions in the first place. This means that no two days are the same – and I like that.”

**Hartmuth Hofstätter, Head of Forecasting & Optimisation**

“Wein Energie must hold its own in a highly dynamic environment. Particular emphasis is placed on energy planning and procurement. My duties essentially mean ensuring that the capacities of our power plants are optimally utilised, that energy is procured as required via the spot markets and that this is reconciled with the actual quantity sold. Different calculation models are used to address these complex issues, as well as the experiences of a very competent team. We at Wien Energie can achieve a lot thanks to the size of the company – but the responsibility we bear is just as big.”

**Kristina Ivanovic, customer care centre telephone operator**

“We in Wien Energie’s customer care centre are the first point of contact for the many different questions our customers may have, making us a kind of flagship for the company. Politeness, competence and a focus on solutions are extremely important in my work, particular with customers who are not satisfied with Wien Energie for whatever reason. Being able to then find a satisfactory solution together with them is something that makes me very happy. And my handicap of being blind has no bearing here at all, and that is very nice.”
When full, the Wien Energie high pressure heat storage facility can supply 145 megawatts of thermal output for six hours.
ANALYSIS OF BUSINESS DEVELOPMENT

FOR THE FINANCIAL YEAR
FROM 1 JANUARY 2014 TO 31 DECEMBER 2014

The following analysis of business development during 2014 represents a voluntary overview of the financial management of the Wien Energie Group division, which comprises Wien Energie GmbH, its subsidiaries and investments (see List of Holdings on page 91). An audit was conducted by an auditor in the course of the preparation of the financial statements of Wiener Stadtwerke. The underlying audited financial statements of the individual companies have been submitted to the register of companies. To improve the informative value and transparency of this Review, the profit and loss account and balance sheet from the audited management report of Wien Energie GmbH are presented in Chapter 8.

1. BUSINESS OPERATIONS

Wien Energie is the largest regional energy services provider in Austria, providing more than two million people, approximately 230,000 businesses, industrial facilities and public buildings, as well as around 4,500 farms in Vienna, Lower Austria and Burgenland with electricity, natural gas, heat, district cooling and innovative energy services. Wien Energie GmbH produces electricity and heat from renewable energy sources, thermal waste recycling and highly efficient cogeneration power plants. Wien Energie GmbH is also active in the field of telecommunications, where it provides additional services. Wien Energie GmbH is a wholly owned subsidiary of Wiener Stadtwerke Holding AG.
2. LEGAL ENVIRONMENT

The energy and climate policy of the European Union

EU Member States were able to reach an agreement in October 2014 on new targets for their climate and energy policy. The key aspects of these so-called 2030 targets were defined as follows:

- Reducing greenhouse gas emissions by at least 40 percent below 1990 levels by 2030, which means that the previous target of achieving a 20 percent reduction by 2020 has been raised.
- Increasing the share of renewable energies to 27 percent of the total energy mix by 2030 (previous target: 20 percent by 2020).
- Improving energy efficiency by 27 percent compared to 2007 (previous target: 20 percent by 2020 compared to 2005).

Member States are allowed to freely decide on the required energy mix and set national targets that are higher. In 2015, the European Commission will put forward legislation that formalises these targets and sets forth how they are to be allocated among the Member States. The targets outlined may be adjusted depending on the results of the global climate agreement in December 2015 in Paris (COP 21). As such, the extent to which this will affect national law remains unknown at present due to these two aspects.

In addition, the European Union is pursuing the target of cutting greenhouse gas emissions produced in the transport sector by 60 percent compared to 1990 levels by 2050. Environmentally compatible, alternative fuels must be used on a much wider scale, and the associated infrastructure expanded, in order to be able to meet this target. The EU directive issued in October 2014 on the development of the infrastructure for alternative fuels sets out minimum requirements and technical specifications, among other points, which must be adopted by Member States into national law by November 2016.

The European Guidelines on Environmental and Energy Aid, which were updated in April 2014, represent an important basis for the energy industry. Compared with previous provisions, the scope of application was enlarged to encompass the entire energy sector. These guidelines also now record CO₂ emissions and storage (CCS), energy infrastructure, capacity mechanisms and the reduction of subsidies for renewable energies. New national subsidy systems must satisfy these requirements by 1 January 2016. A gradual transition to market-oriented mechanisms is intended for subsidies for renewable energies.

The energy and environmental policy of Austria

The Energy Efficiency Act (EEffG) was passed by the Austrian parliament in July 2014. This law obliges energy suppliers of a certain size to take action to improve end-user energy efficiency and to demonstrate that these savings amount to 0.6 percent of their entire energy sales in the preceding year. If this requirement is not met, a compensation payment amounting to 20 cent for every kWh of the shortfall must be paid. The regulator will be able to change this amount from 2016. This obligation will come into force as of 1 January 2015 and initially remain in effect until 2020.

In addition to the obligation placed on suppliers, the Energy Efficiency Act requires large companies to introduce an energy management system or to carry out an energy audit every four years.

Similarly, the so-called Cogeneration Points Act (KWK-Punkte-Gesetz, KPG) was passed as part of the energy efficiency package in July 2014 to ensure that highly efficiency cogeneration plants are operated in an economically viable way. It provides for
annual subsidies amounting to around EUR 38 million. This law will only take effect once it has been approved or not overturned by the European Commission. The government is currently waiting for the European Commission to make a corresponding statement.

An amendment to Vienna’s building regulations was passed in July 2014. Art. 118 (3b) stipulates that new buildings, with the exception of residential buildings and buildings that are only or primarily used for educational purposes, must be fitted with solar energy panels capable of nominal peak loads of least 1 kWp per 100 m² of gross land area.

3. ECONOMIC ENVIRONMENT, DEMAND AND PRICE TRENDS

Economic factors
According to estimates by the World Bank, the global economy was only able to achieve a moderate growth rate of 2.6 percent in 2014 as result of the difficult economic situation faced by a number of developed countries. While the wind returned to the sails of the US and UK economies, countries in the Eurozone in particular were unable to live up to earlier expectations with GDP growth of 0.8 percent. In contrast, China was able to continue the dynamic and almost uninterrupted pace of growth seen in previous years, with its economy expanding by 7.4 percent.

According to estimates by the European Commission, the Austrian economy grew at a rate of 0.7 percent in 2014 compared with 0.2 percent in the prior year, although the economic outlook darkened noticeably in the second half of the year. Inflation eased from 2.1 percent to 1.5 percent in 2014, mainly as a result of lower costs for energy and fuel. The Austrian labour market saw a slight increase in the number of people employed during the reporting year. According to Eurostat, the rate of unemployment edged up from 4.9 percent in the prior year to 5.3 percent. Nevertheless, this is still one of the lowest rates in the European Union.

In addition to the need to consolidate state budgets and the ongoing crisis in Greece, Europe’s economic situation continued to be influenced by a very expansionary monetary policy being pursued by the ECB. The latter cut the base lending rate in several stages to a record low of 0.05 percent in September 2014. Furthermore, far-reaching measures were agreed on to support financial markets, which were prolonged in January 2015.

Temperature developments
2014 was the warmest year on record at the Central Institute for Meteorology and Geodynamics (ZAMG), records which go back almost 250 years. With the exception of the months of May and August, temperatures were at times well above the long-term average. Measured in terms of the total heating degree days, the standard parameter for temperature-related energy requirements, the temperatures prevailing in the supply area of Wien Energie during the reporting period were 13.0 percent higher than the comparable value of recent years, and 16.9 percent higher than in the prior year. The impact of these weather conditions on the business activities of Wien Energie GmbH was particularly apparent in the form of lower revenues from heating sales.

Development of crude oil prices
Despite political unrest in Iraq, Libya and Ukraine, the price of Brent crude oil, measured in US dollars per barrel, trended sideways up to summer 2014, experiencing only short-lived periods of upward growth. Prices began falling noticeably in the third quarter of the year, dipping below the USD 100 threshold in September. This downward trend continued for the remainder of the year. The prices of both American WTI and North Sea Brent were well below USD 60 per barrel at the end of the year. The existing
surplus of oil is the cause of this drop in price. The reserves of industrialised countries are high, while economic growth in Europe remains sluggish. The Organisation of the Petroleum Exporting Countries (OPEC) did not meet market expectations by deciding not to cut production levels in November 2014. Prices fell further as a result. International oil traders are now increasing their use of large oil tankers to store oil to take advantage of current prices via forward contracts to make a profit.

**Development of natural gas prices**

Import prices for natural gas were 17 percent lower than in the prior year on average in 2014. The price of HUB-indexed gas (NetConnect Germany, NCG) trended well below the price of imported gas at times, although the gap between the two stopped closing towards the end of the year. The general fall in prices began at the start of the year and continued on into the summer. A four-year low was recorded in the NCG market area. In autumn, the political conflict between Russia and Ukraine, coupled with the associated uncertainty among market players, triggered a rise in prices that tailed off again towards the end of the year.

**Development of electricity prices**

The downward trend of electricity prices, which continued in the final months of 2013 after having recovered during the summer, gathered pace up to April 2014. Prices then largely stabilised until August, when lower-than-expected wind energy yields being fed into the grid resulted in electricity prices starting to rise again in the third quarter. In contrast, the electricity market was affected by a greater volume of wind power being fed into the grid in Germany and by mild temperatures in the final quarter of 2014. Together with lower primary energy prices, these effects put significant downward pressure on electricity market prices. The rising prices of CO₂ emission certificates recently helped to counter this decline in prices. The base price fell by 13 percent year on year and the peak price by 16 percent year on year on average in 2014.

**Development of prices for CO₂ emission certificates**

The decision by the European Commission to reduce significantly the quantity of CO₂ emissions certificates in 2014 (backloading) caused prices to jump by as much as 15 percent in the spring. Prices began to fall again in March, but this downward trend did not last very long. Prices settled around the EUR 6 per tonne mark in the middle of the year. They rose to EUR 7 per tonne towards the end of the year, a trend which was primarily attributable to the new climate and environmental policy targets set by the EU in October.

### DEVELOPMENT OF OIL PRICES

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<th>2014</th>
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<td>Brent EUR/bbl.</td>
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**Development of gas prices**

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<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imported gas</td>
<td>3.04</td>
<td>2.77</td>
</tr>
<tr>
<td>NCG</td>
<td>2.71</td>
<td>2.36</td>
</tr>
</tbody>
</table>

The Third Trading Period, which started in 2013 (EZG 2011), only involves a lower free allocation of certificates for CHP generating facilities. The remaining requirements have to be met by means of auctions or in the market.

4. FACTORS INFLUENCING FINANCIAL RESULTS

While the course of business in 2013 was significantly affected by impairment charges taken against tangible assets in the area of thermal production, mild weather in 2014 was responsible for a decline in sales.

5. TURNOVER AND EARNINGS POSITIONS

DEVELOPMENT OF ENERGY SUPPLIES

<table>
<thead>
<tr>
<th>Energy supplies in GWh(^{1})</th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>4,349.9</td>
<td>3,974.2</td>
<td>375.8</td>
<td>9.5%</td>
</tr>
<tr>
<td>Heat</td>
<td>4,855.0</td>
<td>5,606.9</td>
<td>-751.9</td>
<td>-13.4%</td>
</tr>
<tr>
<td>Total</td>
<td>9,204.9</td>
<td>9,581.1</td>
<td>-376.1</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>9,349.4</td>
<td>9,526.9</td>
<td>-177.5</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Gas</td>
<td>6,440.8</td>
<td>7,792.8</td>
<td>-1,352.0</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Heat</td>
<td>5,238.0</td>
<td>6,166.8</td>
<td>-928.9</td>
<td>-15.1%</td>
</tr>
<tr>
<td>Total</td>
<td>21,028.1</td>
<td>23,486.6</td>
<td>-2,458.4</td>
<td>-10.5%</td>
</tr>
</tbody>
</table>

\(^{1}\) Fully and proportionally consolidated subsidiaries

Due to the unfavourable conditions prevailing in the energy sector, the overall energy production level of the Group division in the reporting period fell year-on-year by 3.9 percent to 9,204.9 GWh. Total sales were 10.5 percent lower than in the prior year, with the sharpest fall being recorded in gas sales to residential customers.

The electricity production of all fully and proportionally consolidated subsidiaries in the Wien Energie division amounted to 4,349.9 GWh during the period under review, equivalent to 9.5 percent more than in the prior period. This increase is mainly the result of stronger demand for electricity to stabilise the network and the larger amount procured through international power-drawing rights. Taking into account the shares in few CO\(_2\) emissions certificates allocated to cogeneration plants for free

Warm weather causes major drop in sales

20.5 percent of electricity produced from renewable energies

DEVELOPMENT OF ELECTRICITY PRICES
in USD/bbl. and EUR/bbl.

| Source: Base/Peak (EEX market price, monthly average), e&t |

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>43.9</td>
</tr>
<tr>
<td>Peak</td>
<td>55.7</td>
</tr>
</tbody>
</table>

DEVELOPMENT OF PRICES FOR CO\(_2\) EMISSION CERTIFICATES
in EUR/t

| Source: Thomson Reuters (ICE) |

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EZG 2011</td>
<td>4.4</td>
</tr>
</tbody>
</table>
power generated by affiliated but non-consolidated investments and those in which Wien Energie can exercise a significant influence, electricity production amounted to 4,448.2 GWh (prior year: 4,059.3 GWh). The proportion of power generated from renewable energy sources lies, at 20.5 percent, below the level of the prior year. In absolute terms, total electricity produced from renewable energies decreased by 9.8 percent to 914.0 GWh as a result of lower levels of production from hydropower and biomass.

**OVERVIEW OF SHARE OF ELECTRICITY PRODUCED FROM RENEWABLE ENERGIES**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/--%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power generation (consolidated)</td>
<td>4,349.9</td>
<td>3,974.2</td>
<td>375.8</td>
<td>9.5</td>
</tr>
<tr>
<td>+ Power generation by non-consolidated affiliated companies</td>
<td>52.3</td>
<td>43.1</td>
<td>9.2</td>
<td>21.2</td>
</tr>
<tr>
<td>+ Power generation via investments entailing significant influence</td>
<td>46.0</td>
<td>42.0</td>
<td>4.0</td>
<td>9.4</td>
</tr>
<tr>
<td>= Total power generation (Group) incl. investments (1)</td>
<td>4,448.2</td>
<td>4,059.3</td>
<td>388.9</td>
<td>9.6</td>
</tr>
<tr>
<td>of which power generation from renewable energy sources (2)</td>
<td>914.0</td>
<td>1,013.7</td>
<td>-99.7</td>
<td>-9.8</td>
</tr>
<tr>
<td>Proportion of renewables in total power generation (Group), incl. investments [(2)/(1)]</td>
<td>20.5%</td>
<td>25.0%</td>
<td>-4.4</td>
<td>-17.7</td>
</tr>
</tbody>
</table>

The production of district heating by all subsidiaries consolidated within the Wien Energie division amounted to 4,855.0 GWh during the reporting period, 13.4 percent lower than in the prior period. Including the proportional amounts from investments, total production amounts to 5,124.8 GWh, which is 13.5 percent less than in the prior year. At 1,310.6 GWH, the amount of heat produced from waste and biomass was 2.8 percent lower than in the prior year. The proportion of total heat produced from these sources increased from 22.8 percent to 25.6 percent. The heat extracted from the Simmering forest biomass power plant decreased by 38.9 percent due to an extended plant shutdown. The 16.6 percent reduction in heat production using fossil fuels is almost exactly in line with the weather-related decline in sales.

**OVERVIEW OF SHARE OF TOTAL HEAT PRODUCTION FROM WASTE AND BIOMASS**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/--%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat production (consolidated)</td>
<td>4,855.0</td>
<td>5,606.9</td>
<td>-751.9</td>
<td>-13.4</td>
</tr>
<tr>
<td>+ Heat generation by non-consolidated affiliated companies</td>
<td>186.6</td>
<td>216.4</td>
<td>-29.9</td>
<td>-13.8</td>
</tr>
<tr>
<td>+ Heat generation via investments</td>
<td>83.2</td>
<td>98.1</td>
<td>-14.9</td>
<td>-15.2</td>
</tr>
<tr>
<td>= Total heat generation (Group) incl. investments (1)</td>
<td>5,124.8</td>
<td>5,921.5</td>
<td>-796.7</td>
<td>-13.5</td>
</tr>
<tr>
<td>of which heat generation from waste and biomass</td>
<td>1,310.6</td>
<td>1,348.0</td>
<td>-37.4</td>
<td>-2.8</td>
</tr>
<tr>
<td>Proportion of waste and biomass in total heat production (Group), incl. investments [(2)/(1)]</td>
<td>25.6%</td>
<td>22.8%</td>
<td>2.8</td>
<td>12.3</td>
</tr>
</tbody>
</table>
NOTES TO THE PROFIT AND LOSS ACCOUNT OF WIEN ENERGIE

The profit and loss account of the Wien Energie Group division contains a summary of the results of Wien Energie GmbH and its investments according to the current list of holdings.

<table>
<thead>
<tr>
<th>ABRIDGED PROFIT AND LOSS ACCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
</tr>
<tr>
<td>2014: 1,794.3</td>
</tr>
<tr>
<td>2013: 1,944.0</td>
</tr>
<tr>
<td>+/-: -149.6</td>
</tr>
<tr>
<td>+/-%: -7.7</td>
</tr>
<tr>
<td>Own work capitalised</td>
</tr>
<tr>
<td>2014: 3.8</td>
</tr>
<tr>
<td>2013: 4.5</td>
</tr>
<tr>
<td>+/-: -0.7</td>
</tr>
<tr>
<td>+/-%: -15.3</td>
</tr>
<tr>
<td>Other operating income</td>
</tr>
<tr>
<td>2014: 81.4</td>
</tr>
<tr>
<td>2013: 81.1</td>
</tr>
<tr>
<td>+/-: 0.3</td>
</tr>
<tr>
<td>+/-%: 0.4</td>
</tr>
<tr>
<td>Cost of materials and services</td>
</tr>
<tr>
<td>2014: -1,288.5</td>
</tr>
<tr>
<td>2013: -1,477.7</td>
</tr>
<tr>
<td>+/-: 189.2</td>
</tr>
<tr>
<td>+/-%: 12.8</td>
</tr>
<tr>
<td>Personnel expenses</td>
</tr>
<tr>
<td>2014: -260.3</td>
</tr>
<tr>
<td>2013: -248.4</td>
</tr>
<tr>
<td>+/-: -12.0</td>
</tr>
<tr>
<td>+/-%: -4.8</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>2014: -70.9</td>
</tr>
<tr>
<td>2013: -355.2</td>
</tr>
<tr>
<td>+/-: 284.3</td>
</tr>
<tr>
<td>+/-%: 80.0</td>
</tr>
<tr>
<td>Other operating expenses</td>
</tr>
<tr>
<td>2014: -225.9</td>
</tr>
<tr>
<td>2013: -241.3</td>
</tr>
<tr>
<td>+/-: 15.4</td>
</tr>
<tr>
<td>+/-%: 6.4</td>
</tr>
<tr>
<td>Earnings before interest and tax (EBIT)</td>
</tr>
<tr>
<td>2014: 33.9</td>
</tr>
<tr>
<td>2013: -293.0</td>
</tr>
<tr>
<td>+/-: 326.9</td>
</tr>
<tr>
<td>+/-%: n.a.</td>
</tr>
<tr>
<td>Financial result</td>
</tr>
<tr>
<td>2014: 6.4</td>
</tr>
<tr>
<td>2013: 25.0</td>
</tr>
<tr>
<td>+/-: -18.6</td>
</tr>
<tr>
<td>+/-%: -74.2</td>
</tr>
<tr>
<td>Result of ordinary activities (EBT)</td>
</tr>
<tr>
<td>2014: 40.4</td>
</tr>
<tr>
<td>2013: -268.0</td>
</tr>
<tr>
<td>+/-: 308.3</td>
</tr>
<tr>
<td>+/-%: n.a.</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
</tr>
<tr>
<td>2014: 40.1</td>
</tr>
<tr>
<td>2013: -268.3</td>
</tr>
<tr>
<td>+/-: 308.5</td>
</tr>
<tr>
<td>+/-%: n.a.</td>
</tr>
</tbody>
</table>

Turnover

Turnover of the Wien Energie Group division amounted to EUR 1,794.3 in the 2014 financial year, representing a year-on-year drop of EUR 149.6 million. This is primarily attributable to the decline in revenues from heating and gas sales as a result of the warm weather. Falling prices for forward contracts on European electricity spot markets, lower water levels in the Danube and Inn rivers compared with the prior year and the shutdown of the Opponitz power plant for renovation work led to lower revenues from electricity production. The electricity and gas price reductions for end customers, which took effect on 1 October 2013, followed by another electricity price cut for end customers as per 1 October 2014 also had a negative impact on turnover. In addition to this, accrued revenue from previous years incurred in the sales division had a negative impact in 2014, whereas their effect was positive in 2013.

Other own work capitalised

Own work capitalised was on a par with the prior-year level and relates mainly to the modernisation of the Spittelau waste incineration plant and capitalisations in the telecommunications division, as in the prior year.

Other operating income

At EUR 81.4 million, other operating income in 2014 remained essentially unchanged from the level of the prior year. This position includes revenues from the provision of personnel and income from the reversal of provisions for building and investment grants in particular. Proceeds from the sale of CO2 certificates and from the refunding of network loss charges in 2014 roughly amounted to the proceeds from the sale of the Company’s offices on Mariannengasse reported in the prior year.

Cost of materials and services

The cost of materials and services is mainly composed of the costs of gas used to produce electricity, heat and cooling, as well as of procuring energy from third parties and of procuring electricity, gas and heat for resale. EUR 189.2 million or 12.8 percent less was spent on materials compared with the prior year. This decline is primarily the result of lower costs in connection with the procurement of electricity and gas due to...
the fall in sales. This position was also negatively impacted by provisions being made for onerous contracts here in connection with power-drawing rights.

**Personnel expenses**

Personnel expenses increased by EUR 12.0 million to EUR 260.3 million compared to the prior year. This is primarily due to increasing the differential amount for pensions. The amount lacking from the pension provisions, which was not made up for in the prior year due to the development of earnings, was made up in 2014, in addition to the annual provision for 2014. Furthermore, collective bargaining agreement salary increases and automatic progressions added to expenses. These effects were mitigated by a 1.3 percent reduction in the average headcount.

**Depreciation**

Depreciation in the 2014 financial year amounted to EUR 70.9 million, which represents a year-on-year decrease of EUR 284.3 million. The majority of this difference is the result of impairment charges taken on thermal power plants in the prior year. This extraordinary item also had a dampening effect on scheduled depreciation in 2014.

**Other operating expenses**

Other operating expenses were reduced by EUR 15.4 million to EUR 225.9 million compared with the 2013 financial year. The decline in material expenditure was attributable to a lower use-of-system charge following a weather-related decline in heating sales. It was also possible to make savings in various areas of material expenditure.

In total, EBIT of the Wien Energie Group division in 2014 amounted to EUR 33.9 million, EUR 326.9 million more than in the prior year, which was marked by impairment charges.

**Financial result**

The financial result fell by EUR 18.6 million to EUR 6.4 million compared to the prior year. In addition to lower income from investments (the prior year’s EBIT contained a special distribution from Verbund Innkraftwerke), this was mainly caused by interest-related expenses as result of the increased utilisation of Group financing provided by the parent company, Wiener Stadtwerke Holding AG.

**EBT**

Taking the financial result into account, the Company recorded an EBT of EUR 40.4 million for the 2014 financial year, an increase of EUR 308.3 million over the prior year, which was affected by extraordinary items.

### HEADCOUNT-RELATED KPIs

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/- %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover per employee</td>
<td>657.2</td>
<td>702.5</td>
<td>-45.3</td>
<td>-6.5</td>
</tr>
<tr>
<td>EBITDA per employee</td>
<td>38.4</td>
<td>22.5</td>
<td>15.9</td>
<td>70.9</td>
</tr>
</tbody>
</table>

In the 2014 financial year, turnover per employee was TEUR 657.2 on average, TEUR 45.3 less than in the prior year. The decrease of 1.3 percent in the average headcount was not enough to compensate for the lower turnover. Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by a total of EUR 42.7 million. As a result of this and the downward trend in the average headcount of the Wien Energie Group division, the cash-flow-oriented KPI EBITDA per employee came to TEUR 38.4 (+ TEUR 15.9 y-o-y).
6. INVESTMENTS

Wien Energie made investments totalling EUR 219.4 million in the 2014 financial year, representing a year-on-year increase of 44.3 percent.

<table>
<thead>
<tr>
<th>INVESTMENTS in EUR million</th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/--%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>18.3</td>
<td>8.2</td>
<td>10.1</td>
<td>124</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>191.0</td>
<td>127.8</td>
<td>63.1</td>
<td>49.4</td>
</tr>
<tr>
<td>Financial assets</td>
<td>10.2</td>
<td>16.0</td>
<td>-5.9</td>
<td>-36.5</td>
</tr>
<tr>
<td>Total</td>
<td>219.4</td>
<td>152.0</td>
<td>67.4</td>
<td>44.3</td>
</tr>
</tbody>
</table>

The significant year-on-year increase in additions to intangible assets is almost entirely due to capitalisations in connection with the Pottendorf wind power project.

Investments in tangible assets rose by EUR 63.1 million compared to the prior year. This was largely attributable to an increase in additions in the area of wind and hydropower generation and in own heat production facilities (in particular the optimisation of energy production at the Spittelau waste incineration plant and the construction of the Arsenal heating plant), as well as more investment in citizen solar power plants.

Investments in financial assets recognised in 2014 were largely composed of investments in an Austrian hydropower project and in the research company Aspern Smart City Research GmbH & Co KG.

7. PERSONNEL

The Wien Energie Group division employed an average of 2,730 employees (full-time equivalents) in the 2014 financial year. The training of a total of 70 apprentices and trainees (at 31 December 2014) will safeguard the Company’s future needs for specialists. In addition to on-the-job training, trainees and apprentices also receive theoretical input at occupational colleges as well as in-house specialist training courses.

<table>
<thead>
<tr>
<th>AVERAGE HEADCOUNT(1)</th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/--%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage earners</td>
<td>790</td>
<td>816</td>
<td>-26</td>
<td>-3.1</td>
</tr>
<tr>
<td>Salaried employees</td>
<td>1,940</td>
<td>1,951</td>
<td>-11</td>
<td>-0.6</td>
</tr>
<tr>
<td>Total</td>
<td>2,730</td>
<td>2,767</td>
<td>-37</td>
<td>-1.3</td>
</tr>
</tbody>
</table>

1) The headcount corresponds to the number of employees of all fully and proportionately consolidated companies, expressed as average full-time equivalents. Apprentices and trainees are not included.

The personnel policy of Wien Energie GmbH pursues the overriding aim of safeguarding the competitiveness and, therefore, the commercial success of the Company. A key element of personnel management is a development concept which offers all personnel a challenging working environment while at the same enabling them to enhance their professional skills through a practical training programme. The extensive range of specialist courses, safety training and seminars in the areas of personal development, team building and improving working practices was taken advantage of by nearly every employee in the Company during the reporting period. A new electronic training system was introduced in 2014 to include recurring training courses on subjects such as data protection, safety at work and the code of conduct, ensuring that these issues are dealt with in an uncomplicated and flexible manner. In addition to these courses offered, internal communication was expanded and optimised in the reporting year by...
redesigning the newsletter and a careers platform. The aim here is to promote internal career and cross-divisional development possibilities in a targeted fashion.

A mentoring programme was launched to make it easier for new employees to settle into their new duties at the Company. Experienced employees are on hand to provide support to their new colleagues over an extended period of time.

Wien Energie GmbH has set up a performance-based remuneration system based on agreed targets and bonuses for exceptional performance as the key to motivating employees and increasing the focus on performance in the Company. A market-oriented salary system ensures fair and performance-based remuneration while at the same time allowing for a high degree of transparency for career-planning purposes. The job-rotation programme enables employees to become familiar with new areas of work within the group of companies, fostering mutual and interdepartmental understanding as well.

The quality of Wien Energie’s personnel management was affirmed by several awards in 2014. Wien Energie GmbH received the renowned AmaZone Award for its particular commitment to supporting women. Wien Energie GmbH was also awarded the ‘Top-Lehrbetrieb’ seal of quality for top training companies and the ‘Praktikum’ seal of quality.

8. COURSE OF BUSINESS IN 2014 AND FINANCIAL POSITION OF WIEN ENERGIE GMBH

The key financial indicators of Wien Energie GmbH for the 2014 financial year are presented below to complement the information provided about the developments of the Wien Energie Group division described above.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT OF WIEN ENERGIE GMBH

<table>
<thead>
<tr>
<th>ABRIDGED PROFIT AND LOSS ACCOUNT</th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/--%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>944.4</td>
<td>921.7</td>
<td>22.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Other own work capitalised</td>
<td>3.5</td>
<td>3.7</td>
<td>-0.2</td>
<td>-4.6</td>
</tr>
<tr>
<td>Other operating income</td>
<td>71.2</td>
<td>73.4</td>
<td>-2.2</td>
<td>-3.0</td>
</tr>
<tr>
<td>Cost of materials and other manufacturing services</td>
<td>-569.4</td>
<td>-607.8</td>
<td>38.4</td>
<td>6.3</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-238.1</td>
<td>-226.6</td>
<td>-11.5</td>
<td>-5.1</td>
</tr>
<tr>
<td>Depreciation and amortisation of tangible and intangible assets</td>
<td>-66.5</td>
<td>-330.0</td>
<td>263.5</td>
<td>79.8</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-189.6</td>
<td>-192.9</td>
<td>3.3</td>
<td>1.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>-44.5</td>
<td>-358.5</td>
<td>314.1</td>
<td>n.a.</td>
</tr>
<tr>
<td>Financial result</td>
<td>69.7</td>
<td>98.0</td>
<td>-28.3</td>
<td>-28.9</td>
</tr>
<tr>
<td>Result of ordinary activities (EBT)</td>
<td>25.2</td>
<td>-260.6</td>
<td>285.7</td>
<td>n.a.</td>
</tr>
</tbody>
</table>
**Turnover**
The increase in turnover was mainly due to the considerable rise in gas sales, notably within the Wien Energie Group division, which was more than sufficient to compensate for the weather-related decline in heating revenues.

**Other own work capitalised**
Own work capitalised was on a par with the prior-year level and related mainly to the modernisation of the Spittelau waste incineration plant as in the prior year.

**Other operating income**
This position amounts to EUR 71.2 million for the 2014 financial year and includes in particular revenues from the provision of personnel, income from the reversal of provisions for building grants, proceeds from the sale of CO₂ certificates and from the refunding of network loss charges.

**DEVELOPMENT OF EXPENDITURE**

**Cost of materials and services**
The drop in the cost of materials and services is primarily attributable to the provisions made under this position in the prior year for onerous contracts related to power-drawing rights. This was partially offset by expenses incurred in 2014 for gas sales made within the Group, which have already been mentioned in connection with turnover.

**Personnel expenses**
The rise in personnel expenses is primarily due to the reversal of the differential amount for pensions. The amount by which the pension provisions were underfunded, which was not made up for in the prior year due to the development of earnings, was recognised in 2014, in addition to the annual provision for 2014. Furthermore, collective bargaining agreement salary increases and automatic progressions added to expenses.

**Depreciation**
Prior-year depreciation of EUR -330 million included an unscheduled write-down of thermal power plant assets amounting to EUR 249.5 million. Depreciation in the 2014 financial year totalled EUR 66.5 million.

**Other operating expenses**
The decline in material expenditure reported in this position is the result of a lower use-of-system charge due to the drop in heating revenues as well as savings with regard to various items of material expenditure achieved as a result of cost-cutting action being taken.

**Financial result**
The lower financial result is mainly due to lower dividend payments made by Wien Energie Vertrieb GmbH & Co KG and Verbund Innkraftwerke GmbH.

**EBT**
In the 2014 financial year, Wien Energie GmbH recorded a total result of ordinary activities (EBT) of EUR 25.2 million compared to EUR -260.6 million in the previous reporting period.
NOTES TO THE ASSET AND CAPITAL STRUCTURE
OF WIEN ENERGIE GMBH
Abridged balance sheet in EUR million

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/--%</th>
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<tbody>
<tr>
<td>Fixed assets</td>
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<td>286.6</td>
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<tr>
<td>Prepayments and accrued income</td>
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<td>124.8</td>
<td>6.2</td>
<td>5.0</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>2,160.4</td>
<td>2,040.7</td>
<td>119.7</td>
<td>5.9</td>
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<tr>
<td>Equity including investment grants</td>
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<td>383.7</td>
<td>20.4</td>
<td>5.3</td>
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<tr>
<td>Provisions</td>
<td>1,049.8</td>
<td>987.9</td>
<td>61.9</td>
<td>6.3</td>
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<tr>
<td>Liabilities</td>
<td>644.1</td>
<td>616.8</td>
<td>27.3</td>
<td>4.4</td>
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<tr>
<td>Accrued expenses and deferred income</td>
<td>62.3</td>
<td>52.3</td>
<td>10.1</td>
<td>19.3</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>2,160.4</td>
<td>2,040.7</td>
<td>119.7</td>
<td>5.9</td>
</tr>
</tbody>
</table>

Key balance sheet figures in %

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>+/-</th>
<th>+/--%</th>
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</thead>
<tbody>
<tr>
<td>Equity ratio including investment grants</td>
<td>18.7</td>
<td>18.8</td>
<td>-0.1</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

Equity ratio = \( \frac{\text{Effective equity}}{\text{Balance sheet total}} \times 100 \)

**Fixed assets**
The EUR 130.8 million rise in the value of fixed assets is attributable to the additions from investments described in the section ‘Investments and financial position’, less annual depreciation and asset write-downs.

**Current assets**
The decline in current assets is largely the result of a fall in the volume and value of gas stored by the Company (secondary gas storage facility). In contrast, the amount of stored gas owned by EconGas GmbH reported under the item ‘Accrued income and pre-payments’, which is accounted for using the part-payment model, increased by almost the same amount.

**Accrued income and prepayments**
Accrued income and prepayments primarily consist of differential amounts not recognised in income related to provisions for pensions as well as various current accrued income and prepayments. This differential amount was reduced during the 2014 financial year by reversing two 25ths. On the other hand, other accrued income and prepayments, which mainly comprise prepayments for gas supplies by EconGas GmbH, increased considerably. This increase was primarily due to higher stored gas levels caused by the warm weather.

**Equity including investment grants**
Shareholder’s equity, in its strictest sense, is made up of the capital stock (EUR 230 million), capital reserves (EUR 135.1 million) and revenue reserves (EUR 1.2 million) as well as the balance-sheet profit (EUR 23.9 million). Investment grants, which are also to be included in the economic equity, amount to around EUR 14 million. Taking these grants into account, the Company reported an equity ratio of 18.7 percent as at 31 December 2014, compared with 18.8 percent in the prior year.

**Provisions**
Around three quarters of the provisions reported on the balance sheet date of 31 December 2014 are attributable to provisions for pensions. These indirect pension obligations exist as a result of the Vienna Public Enterprises Allocation Act (Wiener Stadtwerke-Zuweisungsgesetz), published in the State Law Gazette (LGBl 17/1999).
which requires that the Company reimburse the City of Vienna for the pension-related
expenses of municipal employees assigned to work for it. The rise in provisions is due
to the fact that accruals in connection with investments were recognised under other
provisions for the first time in 2014. Last year, these were reported under ‘trade
accounts payable’. In addition, liabilities due to EconGas for gas supplies in 2014 were
reported under ‘Other provisions’, in contrast to 2013, where they were reported under
‘Trade accounts payable’.

Liabilities
The rise in liabilities is due to an increase in the utilisation of borrowed capital from
the Group cash pool of Wiener Stadtwerke compared with the prior year, as well as to
long-term Group financing. This was offset by the effect described in the section on
provisions, according to which accruals in connection with investments were reported
under ‘Trade accounts payable’ in 2013.

Accrued expenses and deferred income
Accrued expenses and deferred income refers mainly to building grants received by
heating and cooling customers, as well as the deferral of an insurance payment
received for damage to fluidised-bed furnace 4 at Simmeringer Haide. Higher building
grants and deferred turnover are the main reason for the increase in accrued expenses
and deferred income.

9. ENVIRONMENT, QUALITY AND SAFETY

The principles of sustainability are integrated into, and taken into account in, the
alignment of the corporate strategy of the Wiener Stadtwerke Group and its subsidiar-
ies. The Group’s five guiding principles on sustainability define the underlying objec-
tives of sustainability. The sustainability programme, which is updated annually and
approved by the Management Board, documents the objectives, the action to be taken
and the subsequent implementation of these actions. Clearly structured sustainability
management ensures that all Group entities are involved in the sustainability process.
The progress made in terms of specific action points is evaluated and published every
year in the sustainability report.

The sustainability agenda of Wien Energie GmbH focuses mainly on increasing the use
of renewable energy sources, reducing greenhouse gas emissions and improving
energy efficiency. A broad-based energy efficiency offensive was launched in autumn
2013 which aimed to motivate private customers to buy energy-efficient devices and to
take advantage of energy consultation services. In its own sphere of influence, the
Company carries out modernisation work on an ongoing basis on facilities, such as the
Spittelau waste incineration plant, in order to reduce the energy input required or
greenhouse gas emissions. Developing innovative commercial fields such as district
cooling or e-mobility also help to establish environmentally sensitive technologies.

Wien Energy GmbH aims to increase the proportion of electricity produced from renew-
able energy sources to at least 30 percent by 2030, and to 50 percent if this is finan-
cially feasible. For instance, the Steinriegel 2 wind farm, with eleven wind turbines,
was taken into service in the reporting year. The installed power is sufficient to supply
electricity to 17,700 households, saving around 13,500 tonnes of CO₂ emissions every
year. The Company aims to increase the share of heat produced from renewable ener-
gies to 42 percent.

Encouraged by the success enjoyed so far, Wien Energie GmbH also continued with the
expansion of its citizen solar power plant project in 2014. An example here is an instal-
lation on the roof of the Höhere Technische Bundeslehranstalt (a technical college) in
Vienna’s 10th District, which entered service in May 2014. It has an output of 225 kWp,
making it the largest rooftop plant in Vienna. Part of the photovoltaic plant is used for testing and analysis purposes in lessons.

Wien Energie GmbH is acutely aware of its responsibility to the people living in the Greater Vienna metropolitan area. In addition to supporting numerous cultural and sporting institutions, this awareness of responsibility also extends to customers in precarious situations. Together with social institutions, the team at Wien Energie’s ombudsman office has for several years been looking after customers who do not have a supply of energy due to their financial situation. An important step to further improve the Company’s focus on customers was taken with the setting up of a customer advisory board, which takes an active role in addressing key energy supply issues.

10. RESEARCH, TECHNOLOGY AND INNOVATION

In order to be in the best position possible to meet the challenges associated with the fundamental transition taking place in European energy markets, Wien Energie GmbH is involved in a range of different research and development projects. Among other goals, these activities serve to safeguard competitiveness, establish new commercial fields and continually optimise the use of resources. Some of the research and development projects are part-funded by Wiener Stadtwerke Holding AG’s FTI fund, which was set up in 2011.

Under the leadership of Wiener Stadtwerke Holding AG, the URBEM doctoral programme (urban energy and mobility system) was launched in the winter semester 2013/14 as part of its cooperation with the Vienna University of Technology. Ten doctoral candidates are being supported who, by 2016, will develop energy and mobility strategies for a Smart City Vienna.

A key (research) focus of the Wiener Stadtwerke Group since the establishment of the mobility cluster in 2012 has been the issue of integrated mobility. A major research project that enjoys considerable international renown is ‘smile’, which aims to develop a prototype for an open multimodal information, booking and ticketing platform (between March 2012 and March 2015). The underlying organisational, legal and technical conditions for this are being created in close cooperation with more than twenty mobility partners. Testing of the ‘smile’ mobility platform and the ‘smile’ app began in November 2014 and will end in spring 2015. These will be evaluated by means of a broad-based online survey conducted among all participants in March 2015.

Another focus of Wien Energie GmbH’s innovative work is on aspects of e-mobility. 2014 was characterised by the founding of a new interest group for e-mobility, the Austrian Association for E-Mobility (BEÖ). Eleven regional energy supply companies have come together here under the stewardship of Jürgen Halasz in order to work together to support the expansion of an open, standardised and interoperable network of charging stations across Austria in particular and, more generally, to promote e-mobility. For this reason, the association is also in contact with the ministries and authorities that are connected to this issue. In an early, positive response to this drive, the BEÖ was invited by the Austrian Federal Ministry for Transport, Innovation and Technology (BMVIT) to take an active role in shaping the implementation of the EU’s directive to set up an alternative infrastructure of charging stations and to help work on developing Austria’s national framework strategy.

Wien Energie GmbH is also conducting research into various close-to-market solutions in the areas of energy supply, energy efficiency and services in addition to the projects set out above. The research company Aspern Smart City Research GmbH & Co KG (ASCR) was founded in July 2013, in which Wien Energie GmbH has a stake of almost 30 percent, to conduct focused and practical research on these issues. Other
investees include Siemens AG Österreich, Wiener Netze GmbH and the Vienna Business Agency. Under this research programme, the only one of its kind in Europe, the issues of energy efficiency and reducing CO₂ emissions will be examined using real buildings in the urban development area (Seestadt Aspern) over the next few years. The aim is to optimise the use of energy, and to achieve a high degree of coordination between production, distribution, storage and consumption. A total of EUR 40 million will be invested here between now and 2018. As of early summer 2015, it will be possible to test sustainable and innovative energy supply systems on the basis of the real data captured using intelligent building management, heat pumps, solar installations or energy storage facilities.

When it comes to the supply of heating and cooling, Wien Energie places considerable emphasis on the use of renewable energies, in addition to continually enhancing the technologies used in its power plants, converter substations and refrigeration centres, in order to improve efficiency and cut emissions. For instance, the Company is evaluating the extent to which innovative high-temperature heat pumps in connection with district heating return pipes can be used as a source of heat so that additional customers can be added in areas with restricted access to the district heating mains network. In 2014, as part of the ‘District Boost’ research project (FTI fund), a pilot district heating converter substation was built, which for the first time used previously unavailable high-temperature heat pumps with district heating return pipes to source heat.

Wien Energie is also actively participating in discussion processes and projects on the issue of ‘energy systems of the future’ such as ‘urban energies’, ‘smart cities’, ‘optimised system integration for the provision of decentralised energy’ and ‘storage’. Wien Energie is also an active member of the European technology platform ‘district heating and cooling DHC+’, which in turn is involved in the European platform ‘renewable district heating RHC’. In addition to these collaborations, Wien Energie also sets store by a company-internal improvement and development model. This enables employees to get actively involved. This commitment also brings financial rewards.

Wien Energie GmbH received a special award at the 18th EUROFORUM convention ‘Stadtwerke 2014’ for one of its new business models. This was the fifth time that municipal utility companies and energy suppliers were given awards for innovative concepts. Under the 2014 motto ‘new business models for the energy transition’, Wien Energie was the first energy supplier from Austria to win an award in the history of the international Stadtwerke awards. Wien Energie also achieved third place for the SPAR citizen solar power plant initiative.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In coordination with the Wiener Stadtwerke Group, Wien Energie has implemented a comprehensive system of risk management which makes it possible to identify opportunities and risks at an early stage. Risks and opportunities are defined as the possibility of negative and positive deviations from the expected course of business.

The risk management process follows the internationally recognised standards of COSO (Committee of Sponsoring Organizations of the Treadway Commission). The ongoing identification, recording and assessment of the risks faced by all Group companies form the basis for the regular risk reports. In order to enable closer consideration of the most important aspects of the risk management system, a risk and opportunities review is also carried out on a yearly basis. In the course of this analysis, the original assessment of risks and opportunities in the prior year are compared with actual developments. The findings are subsequently used to further develop the risk management system.
The discussion and coordination of the most important opportunities and risks is also included in the annual business planning meeting of every Group subsidiary. The aim is to discuss, based on a holistic view, which opportunities and risks can be anticipated in the coming years. Appropriate measures are subsequently identified and monitoring intensified in the relevant areas.

A risk controller function, established at every Group subsidiary, is responsible for ensuring compliance with the defined risk management process. This position reports regularly and directly to the relevant general manager.

The risk management system of the entire Group was subjected to an external audit in 2013 by the auditing and tax consultancy firm BDO Austria GmbH. The aim of the audit was to determine the appropriacy and functionality of the risk management system in place. The result of the audit is that this system is fully functional and the manner in which processes, activities and checks are carried out is appropriate.

The risk landscape of Wien Energie is divided into the following seven risk groups:

**A summary of technical risks**

**Technical risks:**

**Mitigation by means of regular maintenance and investment programmes**
The reliability of its technical infrastructure is a major factor for the success of Wien Energie GmbH. For this reason, particularly close attention is paid to compliance with high technical standards and carefully defined maintenance and quality inspections. The reliable IT-based support of business processes is ensured by taking steps to reach an extremely high level of IT system availability. In addition, risks are minimised by means of appropriate insurance policies.

**Price-related risks in terms of primary energy and electricity:**

**Risk mitigation via hedge transactions**
The impacts of volatility in oil, gas and electricity prices are countered by Wien Energie, in the interests of professional risk management, by means of effective hedging transactions such as derivative financial instruments traded on buying and sales markets. Forward, future and swap instruments are also used here. The development of these financial instruments over time is largely dependent on actual developments in the relevant commodities markets.

**Environmental risks:**

**Risk mitigation by means of constant market monitoring**
Underlying political and legal conditions can have a considerable impact on the commercial success of Wien Energie. These factors are regularly reviewed in order to be able to identify risks as early as possible and to react accordingly. Weather risks are also included in this risk class. These are caused by temperatures that deviate from the long-term average. Temperature deviations cause a rise or drop in heating sales, thereby having an impact on the development of earnings.

**Default risk of receivables:**

**Minimisation by means of monitoring and dunning**
The risks of customers defaulting on amounts owed are mitigated by means of constantly monitoring outstanding amounts and associated dunning procedures.

**Investment risk:**

**Minimisation by means of monitoring and standardised guidelines**
Wien Energie is involved in both domestic and international projects (in selected energy segments). Appropriate internal guidelines have been put into place which, in combination with an effective commitment to good corporate governance, ensure that the associated risks are regularly monitored. Any possible currency-related effects are countered by means of the close monitoring of foreign exchange and financial markets.
Financial risks: actively controlled by means of treasury and asset management
This risk class includes, in particular, those risks associated with short and long-term investments. These risks are monitored and controlled as part of the standardised Group-wide treasury system and effective asset management. Corresponding risk analysis concepts such as value-at-risk, are regularly employed to be able to take action against any undesirable developments in a timely fashion.

Organisational and personnel risks: IPD as risk mitigation
Potential personnel risks are regularly evaluated by the Wiener Stadtwerke Group, compared with a benchmark and made available to Wien Energie GmbH. Within the scope of the Group’s integrated personnel development (IPD) concept, various methods are used such as, for example, orientation meetings, which are intended to mitigate and/or avoid these risks.

Internal control system (ICS)
At Wiener Stadtwerke and Wien Energie, ICS refers to all action and processes implemented at all Group companies aimed at monitoring and controlling the efficacy and efficiency of commercial operations, the reliability of financial reporting and compliance with the legal requirements relevant to the Group.

Wiener Stadtwerke maintains extensive documentation of rules and processes relevant to the ICS which have been evaluated by the consultancy firm Ernst&Young. In its final report, Ernst&Young determined that Wien Energie possesses ICS documentation which is consistent with the scale and complexity of the Company. Moreover, a project to further optimise associated processes was launched in 2014.

At 31 December 2014, Wien Energie GmbH is not aware of any risks which, either independently or in combination with other factors, could represent a risk or risks to the future existence of the Company.

12. OUTLOOK

The modest pace of growth in the global economy will continue to put downward pressure on the prices of primary energy sources such as crude oil, gas and coal from today’s perspective. Electricity price developments are currently being heavily influenced by surplus capacity in Germany, among other factors, which will continue to be increased as a result of the new Energy Efficiency Act (EEG) and also have an effect on the pricing situation in Austria. An increase in electricity prices cannot be expected in 2015 due to the current transition under way in Europe’s energy markets. Despite lower electricity prices, falling primary energy prices could at least help to improve slightly the economic viability of highly efficient cogeneration power plants in 2015.

In response to these challenges, the Wiener Stadtwerke Group launched the ‘Megawatt’ programme in addition to an economic viability programme, which began back in May 2012. During the course of this programme, the Wiener Stadtwerke Group’s entire energy division was reorganised, including measures such as integrating the subsidiary Fernwärme Wien GmbH into Wien Energie GmbH with effect from 1 January 2013, thereby creating a key competitive company. In its E17 project, which is based on the Company’s strategy, Wien Energie analysed critical core and support processes, assessing efficiency and synergy potentials for their economic viability. The findings are now being incorporated into implementation projects that aim to optimise processes and boost efficiency.

Investments in production facilities and infrastructure are continuing in order to ensure the existing high level of security of supply. The main focus here in the 2015
financial year will be on the further expansion of production capacity in the area of renewable energies, such as citizen solar power plants and additional photovoltaic projects, wind farms and hydropower plants. In matters relating to decentralised forms of energy production, Wien Energie has demonstrated its ability to find solutions through the development of innovative combined products such as Grüne Wärme SonnenWärme (solar thermal power combined with gas-fired condensing boilers) and Grüne Wärme ErdWärme (heat pumps and photovoltaics). The Company aims to achieve significant growth in this area following the successful product launch in 2014.

The largest investment projects in the area of production involve optimising the energy efficiency of the Spittelau waste incineration plant and the new construction of the Arsenal district heating plant, both of which will be completed in the 2015 financial year. District heating sales are expected to increase further by means of new customers and a stronger market position. However, a new set of circumstances in the energy sector, combined with an already dense market coverage, means that growth will not achieve the same dimensions as in recent years. The work to extend the infrastructure for electromobility and telecommunications will continue, where the focus of investment will be on telephones, the Wiener Bildungsnetz (a network available to schools and educational facilities) and dark fibre networks.

In addition to these strategic objectives, it will continue to be essential for Wien Energie to ensure a high degree of customer satisfaction and maintain a diverse customer base in order for the Company to be assured of sustained growth. To this end, the Company will continue to foster its talent for innovation. The focus will continue to be on bringing creative and trendsetting projects and products to the market to the benefit of customers and the environment.

13. EVENTS AFTER THE BALANCE SHEET DATE

No events of any note are known to have occurred since the balance sheet date of 31 December 2014 which would have had a material impact on the asset, financial or earnings positions detailed in these consolidated financial statements.

Vienna, 27 March 2015

General Management
Susanna Zapreva
Peter Göünitzer
Thomas Irschik
OVERVIEW OF SCOPE OF CONSOLIDATION

FULLY CONSOLIDATED COMPANIES

<table>
<thead>
<tr>
<th>Interest in %</th>
<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wien Energie GmbH, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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</tr>
<tr>
<td>2. Energiecomfort Energie- und Gebäudemanagement GmbH, Thomas-Klestil-Platz 15, 1030 Vienna</td>
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<td>3. Wien Energie Bundesforste Biomasse Kraftwerk GmbH, 1. Haidequerstrasse 1, 1110 Vienna</td>
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<tr>
<td>5. Vienna Energy Természet Elektrizitás Kft, Aradi utca 16, HU-1062 Budapest</td>
<td>100.00</td>
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</tbody>
</table>

COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD

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<tr>
<th>Interest in %</th>
<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
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</thead>
<tbody>
<tr>
<td>1. e&amp;i EDV Dienstleistungsgesellschaft m.b.H., Thomas-Klestil-Platz 6, 1030 Vienna</td>
<td>50.00</td>
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<tr>
<td>2. e&amp;I Energie Handelsgesellschaft m.b.H., Wienerbergstrasse 11, 1100 Vienna</td>
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<tr>
<td>3. EPZ Energieprojekt Zurndorf GmbH, Kasernenstrasse 9, 7000 Eisenstadt</td>
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<tr>
<td>4. Kraftwerk Nussdorf Errichtungs- und Betriebs GmbH &amp; Co KG, Am Hof 6a, 1010 Vienna</td>
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<tr>
<td>5. EconGas GmbH, Donau-City-Strasse 11, 1220 Vienna</td>
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PROPORTIONALLY CONSOLIDATED COMPANIES

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<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
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<tr>
<td>1. WIEN ENERGIE Vertrieb GmbH &amp; Co KG, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<tr>
<td>2. ENERGIEALLIANZ Austria GmbH, Wienerbergstrasse 11, 1100 Vienna</td>
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<tr>
<td>3. PAMA-GOLS Windkraftanlagenbetriebs GmbH &amp; Co KG, Kasernenstrasse 9, 7000 Eisenstadt</td>
<td>50.00</td>
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</table>

COMPANIES NOT INCLUDED IN THE SCOPE OF FULL CONSOLIDATION

1) Not taken into account pursuant to Article 249 (2) of the Austrian Corporate Code
2) No details of the equity and the annual result are provided on the grounds of immateriality with regard to providing a true and fair picture of the asset, financial and earnings position

<table>
<thead>
<tr>
<th>Interest in %</th>
<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
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</thead>
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<tr>
<td>1. Wienstrom Naturkraft GmbH, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<tr>
<td>2. Wienstrom Naturkraft GmbH &amp; Co KG, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<tr>
<td>3. SERVISKOMFORT a.s., Volgogradská 88, SK-08001 Prešov</td>
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<tr>
<td>4. MHC Calinesti Rau S.R.L., Street Sfanta Vineri, no.29, Vechio-Centru, RO-030203 Bucharest</td>
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<tr>
<td>5. Hauscomfort GmbH, Thomas-Klestil-Platz 15, 1030 Vienna</td>
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<tr>
<td>6. Energiecomfort Hungary Energetik, Régi Vámház tér 12, HU-9200 Mosonmagyarovar</td>
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<tr>
<td>7. Vienna Energy forta natura S.R.L., Street Sfanta Vineri, no.29, Vechio-Centru, RO-030203 Bucharest</td>
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<td>8. Spravytromfort a.s., Volgogradská 88, SK-08001 Prešov</td>
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<tr>
<td>9. WIEN ENERGIE Bernegger Wasserspeicher kraftwerk Pfaffenthal GmbH, Gradau 15, 4591 Molln</td>
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<tr>
<td>10. Ortswärme Tannheim GmbH, Unterhöfen 18, 6675 Tannheim</td>
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### COMPANIES NOT CONSOLIDATED UNDER THE EQUITY METHOD

<table>
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<tr>
<th>Interest in %</th>
<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
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<tbody>
<tr>
<td><strong>1.</strong> Ortswärme Seefeld GmbH, Rosshütte 865, 6100 Seefeld in Tirol</td>
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<tr>
<td><strong>2.</strong> Polska Sila Wiatru Sp. z o.o., ul. Sienna 73, 00-833 Warszawa</td>
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<td>50.00</td>
</tr>
<tr>
<td><strong>3.</strong> PAMA-GOLS Windkraftanlagenbetriebs GmbH, Kasernenstrasse 9, 7000 Eisenstadt</td>
<td>50.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>4.</strong> TT Komfort s.r.o., Frantiskanska 16, SK-917 32 Trnava</td>
<td>0.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>5.</strong> Ortswärme Oberstaufen Verwaltungs GmbH, Schlossstrasse 8, D-87534 Oberstaufen</td>
<td>0.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>6.</strong> Ortswärme Oberstaufen GmbH &amp; Co KG, Schlossstrasse 8, D-87534 Oberstaufen</td>
<td>0.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>7.</strong> Energy Eastern Europe Hydro Power GmbH, Hans-Klöpfer-Strasse 28-30, 8750 Judenburg</td>
<td>49.00</td>
<td>49.00</td>
</tr>
<tr>
<td><strong>8.</strong> Bytkomfort s.r.o., SNP 9, SK-94060 Nové Zamky</td>
<td>0.00</td>
<td>49.00</td>
</tr>
<tr>
<td><strong>9.</strong> Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Am Hof 6a, 1010 Vienna</td>
<td>33.33</td>
<td>33.33</td>
</tr>
<tr>
<td><strong>10.</strong> Ortswärme Grän GmbH, Dorfstrasse 1, 6673 Grän</td>
<td>0.00</td>
<td>24.86</td>
</tr>
<tr>
<td><strong>11.</strong> Procomfort GmbH, Salurner Strasse 11, 6020 Innsbruck</td>
<td>0.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>12.</strong> EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna</td>
<td>50.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>13.</strong> EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH &amp; Co KG, Thomas-Klestil-Platz 14, 1030 Vienna</td>
<td>50.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>14.</strong> Aspern Smart City Research GmbH, Thomas-Klestil-Platz 14, 1030 Vienna</td>
<td>29.95</td>
<td>29.95</td>
</tr>
<tr>
<td><strong>15.</strong> Aspern Smart City Research GmbH &amp; Co KG, Seestadtstrasse 27, 1220 Vienna</td>
<td>29.95</td>
<td>29.95</td>
</tr>
</tbody>
</table>

1) Not taken into account pursuant to Article 263 (2) of the Austrian Corporate Code
CORPORATE GOVERNANCE

The risk and control instruments employed by Wien Energie serve to implement the Company’s strategy, taking into account all statutory and Group-internal requirements. The economic, environmental and social alignment of the Company should be preserved on a sustainable basis with the auditing mechanisms and bodies in place.

Wien Energie’s risk management system is based on the internationally recognised standards of COSO (Committee of Sponsoring Organizations of the Treadway Commission). The Company can react to unforeseen events in a quick and appropriate way using standardised processes based on risk assessment questionnaires or a risk database. Results from ongoing risk evaluation are regularly forwarded to the management team. There are risk controllers at every corporate division who check the smooth running of risk management processes. In addition to this, they monitor the work of the various issue-specific risk controllers who are employed in the areas of finance, IT, investments and personnel, thereby ensuring an effective link between the different audit bodies. For details about risk management, please refer to the analysis of the course of business from page 87.

INTERNAL CONTROL SYSTEM (ICS)
ICS refers to a control system aimed at monitoring and controlling the efficacy and efficiency of commercial operations, the reliability of financial reporting and compliance with the legal requirements relevant to the Group. The ICS documentation system then serves as a basis for ICS internal auditing activities.

SUPERVISORY BOARD
In accordance with Art. 29 of the Austrian Companies Act (GmbH-Gesetz), Wien Energie has set up a supervisory board that fulfils its duties as defined by law and plays a key role in determining the strategic alignment of the Company. A list of its members is provided on page 95.

Four ordinary Supervisory Board meetings were held during the 2014 financial year. The General Management fulfilled its obligation to provide information as stipulated in Art. 28 of the Austrian Companies Act (GmbH-Gesetz), obtaining the statutory or legally required consent of the Supervisory Board in cases where this approval is needed or for major decisions.

OTHER CONTROLLING BODIES
In compliance with the Austrian Stock Corporations Act (Aktiengesetz), Wiener Stadtwerke Holding AG has an internal audit department. In the course of internal auditing, all divisions are audited, including subsidiaries and majority shareholdings. The IAD concentrates on commercial viability, appropriacy, safety and the correctness of work processes at Wien Energie, in which the auditors have access to all documents and receipts as a result of their passive and active right to be informed. Furthermore, they are must be granted full access to all company facilities.

Vienna’s city constitution stipulates that all companies in which the City of Vienna holds a majority stake must be audited by the Audit Division of the City of Vienna. They regularly inspect a whole host of corporate aspects and processes at Wien Energie, ranging from monitoring the technical functionality of facilities to auditing commercial proceedings.

The Court of Audit is another external controlling body which is responsible for evaluating the performance of Wien Energie. In addition to the accounting audit, the use of funds is also audited to ensure economy, appropriacy and commercial viability.

CODE OF CONDUCT AND COMPLIANCE
Both Wiener Stadtwerke and its subsidiaries have a particular obligation to ensure a high level of service quality as well as to the values of integrity, reliability, transparency and accountability. In order to raise awareness for these obligations, the most important fundamentals relating to conduct were compiled to create a Code of Conduct.

Wiener Stadtwerke’s Code of Conduct serves as a guide for each and every employee in the Wiener Stadtwerke Group. It can be accessed at www.wienerstadtwerke.at/Verhaltenskodex.

A compliance management system has been established at Wiener Stadtwerke Holding AG to ensure compliance with all the relevant guidelines and legal requirements. Compliance officers at each of the Group companies are responsible for coordinating action in this area. Ongoing training courses for employees are held to raise awareness of critical issues, notably in the areas of procurement and divestments.
MANAGEMENT AND EXECUTIVE BODIES

Wien Energie

THOMAS IRSCHIK
CEO
Thomas-Klestil-Platz 14,
1030 Vienna, Austria
Telephone: +43 (0)1 4004-0

SUSANNA ZAPREVA
General Manager

PETER GÖNITZER
General Manager

Wien Energie Vertrieb

WOLFGANG ALTMANN
General Manager

CHRISTIAN WOJTA
General Manager

Wien Energie Energiecomfort

MANFRED BLÖCH
General Manager

MARTINA JOCHMANN
General Manager
Members of the General Management of Wien Energie GmbH

THOMAS IRSCHIK, CHAIRMAN
SUSANNA ZAPREVA
PETER GÖNITZER

Information about the professional careers and areas of responsibility of the general managers can be found on page 12ff.

Members of the Supervisory Board

Chairman
ROBERT GRÜNEIS
General Manager Wiener Stadtwerke Holding AG

1st Deputy Chairman
MARTIN KRAJCSIR
General Manager Wiener Stadtwerke Holding AG

2nd Deputy Chairman
ROBERT LASSHOFER
General Manager Wiener Städtische Allgemeine Versicherung AG, Vienna Insurance Group

Members

STEPHAN AUER-STÜGER
City of Vienna

HEIDRUN MAIER-DE KRUIJFF
VÖWG

ALENA SIRKA-BRED
Municipal Department 26 – Data Protection, Information Law and Civil Status

Employee representatives

KURT JANUSCHKE
Wien Energie GmbH

MARTIN KINK
Wien Energie GmbH

ROLAND BOIGNER
Wien Energie GmbH

Shareholder structure
Wien Energie GmbH is a wholly owned subsidiary of Wiener Stadtwerke Holding AG, and is therefore indirectly owned by the City of Vienna.

Management of Wien Energie Vertrieb

WOLFGANG ALTMANN
Regional General Manager of Wien Energie Vertrieb GmbH & Co KG and authorised signatory of EnergieAllianz Austria GmbH

CHRISTIAN WOJTA
Regional General Manager of Wien Energie Vertrieb GmbH & Co KG and General Manager of EnergieAllianz Austria GmbH

Management of Wien Energie Energiecomfort

MANFRED BLÖCH

MARTINA JOCHMANN
GLOSSARY

Barrel (abbr. bbl.)
Term for a measure of capacity used in the oil industry. It corresponds to around 159 litres.

Base load
This term describes the minimum load of an electricity grid or other supply network (natural gas, district heating, communal heating) during the day. If the base load is exceeded, additional power plant output is required to meet the increased electricity needs.

Biomass
All carbon-based substances present in an ecosystem, consisting of living, dead or decayed organisms and their excrement.

CO₂ (carbon dioxide)
CO₂ emissions caused by humans are generally released when fuels such as coal, oil and natural gas, as well as renewable sources of energy such as biogas, wood or rapeseed, are burned. CO₂ from non-renewable resources is harmful to the environment, as it increases the concentration of CO₂ in the atmosphere and thus contributes to the greenhouse effect. CO₂ is a greenhouse gas.

CHP (cogeneration, combined heat and power)
By producing electricity and heat at the same time – cogeneration – fuels can be used as efficiently as possible (fuel utilisation). This is because only a limited proportion of primary energy used can be converted into electricity when this is produced in power plants using gas, coal or oil (and nuclear power plants). The remaining amount turns into so-called waste heat. This waste heat is used in cogeneration plants to produce district heating.

Condensation operation
An operating state of a power plant in which solely electricity is generated – no heat is extracted.

District cooling
Description for supplying refrigeration to buildings. This involves generating the required cold are in a refrigeration centre and supplying this to consumers via a heat-insulated refrigeration network.

District heating
Description for supplying heat to buildings for heating and hot water. The thermal energy is transported via a system of heat-insulated pipes.

EBIT
Earnings before interest and tax.

Electrical efficiency ratio
This ratio expresses the electrical energy (power) generated from the energy latent in the primary energy source used (e.g. natural gas). It is therefore an indicator of the efficiency of power plants.

Emission certificates
Instruments introduced as part of the Kyoto targets that globally regulate emissions of greenhouse gases in defined volumes. On the basis of this system, companies receive (approved) limits for the emission of specified amounts of greenhouse gases. In the event that they fail to remain within these limits, the companies in question can purchase additional emission rights (certificates).

E-mobility
This is the term used to describe the use of electrically powered vehicles to transport people and goods.

Energy measurements
Energy (watt hour, Wh) = output x time
Kilowatt hour (kWh): 1 watt hour (Wh) x 103
Megawatt hour (MWh): 1 watt hour (Wh) x 106
Gigawatt hour (GWh): 1 watt hour (Wh) x 109

Equity ratio
The ratio of shareholders’ equity to total assets.

Fibre-optic network
This is a means of transmitting data by connecting several fibre-optic cable systems to a network.

Fuel utilisation ratio
This ratio defines the percentage of the fuel burned which is actually converted into electricity, process heat and district heating. The fuel efficiency ratio is therefore always equal to or higher than the electrical efficiency ratio and serves as a benchmark for the efficiency of power plants which also generate heat through cogeneration.

Gas and steam turbine plant (CCGT)
A type of power plant that combines gas and steam turbine processes to produce energy.

Geothermal energy
Geothermal energy refers to heat stored in the earth’s crust. It can be used directly to provide heating and refrigeration in the heating market (heat pump heating), as well as to produce electricity or in cogeneration (combined heat and power) production.

Kilowatt peak (kWp)
This unit measures the maximum output of a photovoltaic module or a solar power plant.

Peak load
This describes a short-term spike in demand in the electricity grid or other supply networks (natural gas, district heating, communal heating). Peak-load power plants that can be activated quickly are used here to meet such demand spikes.

Photovoltaic power
This is the direct conversion of light energy, normally sunlight, into electrical energy using solar cells.

Power-drawing rights
Energy supply rights entitle the holder access to an agreed quantity of electrical energy.

Primary energy
Energy that is sourced from naturally occurring forms of energy and which, unlike secondary forms of energy, can be released without the need for conversion. In addition to fossil fuels such as natural gas, mineral oil, lignite and hard coal, these also include renewable sources of energy such as solar, wind and hydropower or biomass, as well as nuclear fuels (uranium and thorium).

Refrigeration centre
The required cold for district heating is generated in a refrigeration centre and is then supplied to consumers via a heat-insulated refrigeration network. In absorption refrigeration machines, heat is used instead of electricity to produce cold air.

Renewable energy sources
Contrary to fossil and nuclear fuels, renewable energy sources are inexhaustible sources of energy that are regarded as climate and environmentally sustainable since their utilisation is associated with low environmental burdens.

Spot market
Markets for trading in the short term and in which delivery, receipt and payment are performed immediately after transactions are concluded.

Steam-fired power plant
A power plant that relies on energy in the form of steam to generate electricity.

Total heating degree days
The total heating degree days in a specific period of time. A heating degree day is calculated by taking the temperature difference between the average daily outside temperature of a heating day and a specific indoor temperature.

Thermal (calorific) power plant
A thermal power plant converts heat – thermal energy – into electrical energy. The heat is created by burning natural gas, for example, and is first turned into useful kinetic energy before being converted into electrical energy by a generator.
### Key Performance Indicators

#### Key Financial and Personnel Indicators

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013(3)</th>
<th>Change in %</th>
<th>FY 2012(2)</th>
<th>2011/12</th>
<th>2010/11(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>1,794.3</td>
<td>1,944.0</td>
<td>-7.7</td>
<td>547.6</td>
<td>2,049.5</td>
<td>2,040.1</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>33.9</td>
<td>-293.0</td>
<td></td>
<td>-4.3</td>
<td>-221.2</td>
<td>61.5</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>6.4</td>
<td>25.0</td>
<td>-74.2</td>
<td>-12.3</td>
<td>-36.8</td>
<td>20.8</td>
</tr>
<tr>
<td><strong>Result on ordinary activities</strong></td>
<td>40.4</td>
<td>-268.0</td>
<td>-8.0</td>
<td>-258.0</td>
<td>82.3</td>
<td></td>
</tr>
<tr>
<td><strong>Profit/loss for the period</strong></td>
<td>40.1</td>
<td>-268.3</td>
<td>-8.0</td>
<td>-259.4</td>
<td>80.1</td>
<td></td>
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<tr>
<td><strong>Headcount (annual average in full-time equivalents)</strong></td>
<td>2,730</td>
<td>2,767</td>
<td>-1.3</td>
<td>2,731</td>
<td>2,779</td>
<td>2,738</td>
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#### Key Operational Figures

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Change in %</th>
<th>2012</th>
<th>2011/12</th>
<th>2010/11</th>
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<tbody>
<tr>
<td><strong>Electricity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Production(4)</td>
<td>4,349.9</td>
<td>3,974.2</td>
<td>9.5</td>
<td>4,793.2</td>
<td>4,996.9</td>
<td>6,772.2</td>
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<tr>
<td>Sales</td>
<td>9,349.4</td>
<td>9,526.9</td>
<td>-1.9</td>
<td>9,586.8</td>
<td>9,511.1</td>
<td>9,338.9</td>
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<tr>
<td><strong>Natural gas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sales</td>
<td>6,440.8</td>
<td>7,792.8</td>
<td>-17.3</td>
<td>7,802.4</td>
<td>7,971.6</td>
<td>8,434.0</td>
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<tr>
<td><strong>Heat</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Production(4)</td>
<td>4,855.0</td>
<td>5,606.9</td>
<td>-13.4</td>
<td>5,205.6</td>
<td>5,303.8</td>
<td>5,449.8</td>
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<tr>
<td>Sales</td>
<td>5,238.0</td>
<td>6,166.8</td>
<td>-15.1</td>
<td>5,758.5</td>
<td>5,742.0</td>
<td>5,706.0</td>
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</tbody>
</table>

(1) In the 2010/11 financial year, electricity and gas network companies were unbundled.
(2) Short financial year (1 October – 31 December 2012)
(3) In the 2013 financial year, the primary district heating network and part of the telecommunications division were unbundled.
(4) Fully and proportionally consolidated subsidiaries.
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