THE ROAD TO RENEWABLE ENERGY

Wien Energie Annual Review 2011/12
## Key performance indicators

### Key Financial Performance Indicators

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<tr>
<th></th>
<th>2011/12</th>
<th>2010/11</th>
<th>±%</th>
<th>2009/10</th>
<th>2008/09</th>
<th>2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>2,049.5</td>
<td>2,040.1</td>
<td>0.5</td>
<td>2,496.6</td>
<td>2,488.3</td>
<td>2,258.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>-221.2</td>
<td>61.5</td>
<td>-</td>
<td>60.1</td>
<td>73.5</td>
<td>55.7</td>
</tr>
<tr>
<td>Financial result</td>
<td>-36.8</td>
<td>20.8</td>
<td>-</td>
<td>19.7</td>
<td>14.0</td>
<td>23.3</td>
</tr>
<tr>
<td>Result on ordinary activities (EBT)</td>
<td>-258.0</td>
<td>82.3</td>
<td>-</td>
<td>79.7</td>
<td>87.6</td>
<td>79.1</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>-259.4</td>
<td>80.1</td>
<td>-</td>
<td>78.6</td>
<td>86.3</td>
<td>78.0</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>2,559.6</td>
<td>2,486.2</td>
<td>3.0</td>
<td>4,781.0</td>
<td>4,842.6</td>
<td>4,834.4</td>
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<tr>
<td>Shareholder’s equity</td>
<td>558.5</td>
<td>821.0</td>
<td>-32.0</td>
<td>1,405.6</td>
<td>1,340.8</td>
<td>1,264.5</td>
</tr>
<tr>
<td>Equity ratio (in %)</td>
<td>21.8</td>
<td>33.0</td>
<td>-33.9</td>
<td>29.4</td>
<td>27.7</td>
<td>26.2</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,241.4</td>
<td>1,053.7</td>
<td>17.8</td>
<td>2,806.4</td>
<td>2,826.2</td>
<td>2,848.0</td>
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<tr>
<td>Current liabilities</td>
<td>759.7</td>
<td>611.5</td>
<td>24.2</td>
<td>569.0</td>
<td>675.6</td>
<td>721.9</td>
</tr>
<tr>
<td>Investments in tangible assets</td>
<td>172.4</td>
<td>135.2</td>
<td>27.6</td>
<td>299.0</td>
<td>319.1</td>
<td>300.9</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>191.8</td>
<td>126.0</td>
<td>52.2</td>
<td>262.1</td>
<td>236.8</td>
<td>220.7</td>
</tr>
<tr>
<td>Capex ratio</td>
<td>8.4</td>
<td>6.6</td>
<td>27.0</td>
<td>12.0</td>
<td>12.8</td>
<td>13.3</td>
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</tbody>
</table>

### Key Operational Figures

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<th>2008/09</th>
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<tr>
<td>Electricity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>4,996.9</td>
<td>6,772.2</td>
<td>-26.2</td>
<td>7,201.1</td>
<td>6,058.7</td>
<td>5,241.5</td>
</tr>
<tr>
<td>Sales</td>
<td>9,511.1</td>
<td>9,338.9</td>
<td>1.8</td>
<td>9,456.3</td>
<td>9,425.8</td>
<td>9,304.2</td>
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<tr>
<td>Natural gas</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>7,971.6</td>
<td>8,434.0</td>
<td>-5.5</td>
<td>8,703.5</td>
<td>8,186.9</td>
<td>8,639.4</td>
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<tr>
<td>Heat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>5,303.8</td>
<td>5,449.6</td>
<td>-2.7</td>
<td>5,439.4</td>
<td>5,292.8</td>
<td>5,423.0</td>
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<tr>
<td>Sales</td>
<td>5,742.0</td>
<td>5,706.0</td>
<td>0.6</td>
<td>5,759.9</td>
<td>5,386.7</td>
<td>5,435.2</td>
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<tr>
<td>Average headcount</td>
<td>2,779</td>
<td>2,738</td>
<td>1.5</td>
<td>5,493</td>
<td>5,443</td>
<td>5,477</td>
</tr>
</tbody>
</table>

1) Due to the corporate restructuring during the 2010/11 financial year, a comparison of the key financial performance indicators with those of prior periods is only meaningful to a limited extent.

2) Fully and proportionally consolidated companies.
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At a Glance

PROMOTION OF PHOTOVOLTAIC

Through its first citizen solar power plants, Wien Energie is offering the option of participating in power plants that tap renewable sources of energy.

THE GROWTH OF DISTRICT COOLING

The demand for air conditioning is rising in Austria and, in 20 years, will match today’s demand for heating. In response to this trend, Wien Energie has built a new district cooling centre at Schottenring, in Vienna’s 1st District.
**FIRST-HAND ADVICE**

In order to make it even easier for our customers to contact us, Wien Energie opened its new customer service centre, with space for 18 simultaneous one-to-one consultations, at Spittelau in March 2012 after just one year of building work.

**EXPANSION OF WIND POWER**

Wien Energie continues to promote the use of renewable energy sources, with an increasing amount of electricity being generated from wind power. In 2012, a new wind farm in Glinzendorf came online, saving approximately 28,000 tonnes of CO₂.

**MOTIVATED EMPLOYEES**

The cumulative potential of Wien Energie’s 2,779 employees forms the cornerstone of the Company’s success: Personnel development, training and continuous professional development activities are actively pursued in order to take full advantage of the talent we have.
More than Energy

Wien Energie is expanding its business model in the interests of its customers.

The management team of Wien Energie GmbH, Susanna Zapreva and Robert Grüneis, talk about the current situation in the energy market, the Company’s strategic alignment and future challenges.

Wien Energie reported a net loss of EUR 259.4 million for the 2011/12 financial year. Why was this?

GRÜNEIS: There were many factors which contributed to this in very different ways. From a commercial perspective, we were battling with very difficult underlying conditions both in the energy market itself and the wider economy. However, these conditions were largely expected and therefore were accounted for in our planning. We were able to cushion part of these effects, meaning that we were still able to post an impressive operating result of EUR 70.4 million. The negative special effects were, however, significant. As a result of the current situation in the energy market, we had to incur writedowns at our power plants totalling EUR 71.6 million and make valuation adjustments of EUR 54.3 million to several of our investments. In addition, EUR 202.6 million were expended for higher employee pension benefits due to the change in the calculation method for pension-related provisions. In total, this resulted in a net loss for the year of EUR 259.4 million.

ZAPREVA: In addition, it should also be noted that the main reason for the writedowns was not company-internal but attributable to the massive changes in the energy market. The current situation in wholesale energy markets is one in which the term market no longer actually applies – it is far more a hybrid of market and subsidies. The policy on subsidies for renewable energies basically constitutes a form of regulation; prices are no longer set purely according to supply and demand. Therefore, conventional forms of energy generation are not really able to prove themselves in this setting. In German-speaking countries, the system has a flaw which must be solved quickly. In 2015, the generation capacity of wind and photovoltaic systems in Germany will meet the highest level of demand in winter; this will serve to push other types of production methods, which are not subsidised, even further towards the margins of the market. Moreover, Germany has grants for cogeneration, which is not the case in Austria. This is a major disadvantage for us.

What is Wien Energie’s strategy with regards to renewable energies?

ZAPREVA: We have a very clear strategy here in aiming to increase the share of electricity produced from renewable energy sources to 50 percent by 2030. At the moment, the level is 16.5 percent in electricity production and 20 percent in the heating segment. During the period under review, we launched important future-oriented projects which will soon be implemented. At the same time, we also successfully completed other projects, such as the wind farm at Glinzendorf, and have been very effective at establishing ourselves in the solar power sector.

GRÜNEIS: I would like to take this opportunity to draw attention to the citizen solar power plants scheme that we successfully implemented in 2012. Interested private individuals are able to participate within the context of four projects and purchase solar panels that Wien Energie then rents back. Not only is this an interesting opportunity for them in view of the returns, but participants can also make an active contribution to protecting
SUSANNA ZAPREVA:
“Not only do we supply energy, but we also consider ourselves as being a service provider who helps its customers to benefit from the most appropriate and environmentally friendly energy solution available to them.”

ROBERT GRÜNEIS:
“We have introduced far-reaching changes both in the production and distribution areas, thereby facing up to the challenges of our markets actively and vigorously.”
the environment. In total, we will set up 8,000 panels with an installed output of around 2,000 kWp. Furthermore, we have also embarked on large-scale cooperative projects with building companies, such as Wiener Wohnen, with a view to making fuller use of roof areas in Vienna for photovoltaic energy, and we have prepared additional models in a variety of forms.

Energy efficiency is also one of the demands of our time. What is Wien Energie doing here?

ZAPREVA: A distinction has to be made here between energy efficiency in our own sphere of activity and that of our customers. As far as our sphere of activity is concerned, we already operate highly efficient production facilities which have some of the highest efficiency ratios in the world; higher than 80 percent. For instance, the Spittelau waste recycling plant is currently being revamped at great expense.

GRÜNEIS: When it comes to our customers, Wien Energie has been leading the way in our industry with a wide range of advisory services for decades. Our highly skilled employees are on hand to provide our customers with help and advice at the Wien Energie Haus, as well as at a further six customer service centres, covering everything from our Energiesparcheck and renovation issues for older buildings to simple energy-saving advice. These advisory services form part of our business model. Not only do they help us to develop a closer bond with our customers, but they also demonstrate that we take our responsibility to our customers and the environment seriously. And this is how we ultimately set ourselves apart from our competitors.

ZAPREVA: This point is absolutely crucial. Not only do we supply energy, but we also consider ourselves as being a service provider who helps its customers to benefit from the most appropriate and environmentally friendly energy solution available to them.

There is currently a lot of talk about an energy transition in Europe. What is your position here?

ZAPREVA: Europe needs to reduce its dependency on fossil-based primary energy sources. Several countries are abandoning nuclear power. This requires systematic changes in energy supply concepts, as well as the development of a new perception of energy on the part of our customers. Several decades from now, we will consume considerably less energy. Demand for electrical power will, however, continue to rise. The majority of the energy will be renewable and produced decentrally. And the business models will also be broader than simply those of energy providers. Cities such as Vienna in particular will be centres of the energy-driven future. Today, we are already working to develop tomorrow’s solutions.

GRÜNEIS: With our Vienna Model, which enables electricity and heat to be produced together in a highly efficient way by means of cogeneration technology, we have a very good starting point. Now, what has to be done is to integrate decentralised forms of generation into this business model, such as the citizen solar power plants mentioned earlier which are still in their infancy. At the same time, we have also instigated a number of changes in the area of sales, which will make it possible to do even more justice to the different needs and demands of our customers.

Robert Grüneis (born 1968) has been involved in a number of large strategic projects since he joined the Wiener Stadtwerke Group as a lawyer in 1995. These included the founding of EnergieAllianz Austria GmbH and Wien Energie GmbH in 2001. In 2003, Mr Grüneis assumed responsibility for PR at Wien Energie and became an authorised signatory one year later. Since 1 February 2008, he has been General Manager of Wien Energie GmbH, responsible for the areas of commercial affairs, communication and marketing, sales, controlling and risk management, as well as IT and internal infrastructure.
What are the current trends in the district heating division?

ZAPREVA: Sales have been declining in this segment as a result of the renovation of customer buildings. However, we believe this development to be right and proper in view of our commitment to the environment. In addition, there is also a potential increase as a result of new customer connections to our extensive district heating network.

GRÜNEIS: Vienna is growing and this presents us with new revenue opportunities in the centralised and decentralised supply of heating; opportunities which we intend to exploit. Furthermore, the district cooling segment is only just getting started, which works in the same way as district heating. We see considerable potential for growth here. For instance, a district cooling centre is currently being built at Schottenring which will provide air conditioning to a number of large building blocks. The plan is to increase district cooling output from around 28 MW today to 200 MW by 2020. We have earmarked approximately EUR 50 million for investment here.

In the previous year, the Wien Energie division was subject to restructuring. How successful was this?

GRÜNEIS: The restructuring of the Company did have far-reaching consequences for many of our employees in particular. We moved several of our offices to TownTown, where around 900 Wien Energie employees currently work. We have since been able to enhance our processes and work flows considerably, as well as making intra-company cooperation more efficient as a result. The feedback we have received from our staff has been very positive and we are happy about that.

ZAPREVA: We would like to take this opportunity to express our thanks to our staff. Not only because they actively helped to shape these changes, but also for their daily work for the good and in the interests of our customers.

What do you think are the greatest challenges or targets for the coming years?

GRÜNEIS: As far as customers are concerned, competition is set to become even fiercer; we will counter this with the services we have mentioned and our singular understanding of customer care. From politicians and the regulatory body, I expect the functionality of market mechanisms to be preserved so that the current difficulties can be overcome. The end customer would also ultimately benefit from this and that is what the aim of a liberalised energy market in Europe should be.

ZAPREVA: We will forge ahead on the path we have already taken. The issue of energy efficiency will play a central role for our customers. In the area of energy sourcing, we will pursue the objective of significantly increasing the proportion of energy from renewable resources and continually develop in the direction away from centralised to decentralised energy production. Innovations and future-oriented business models as well as a clear focus on the needs of our customers are the keys to successfully safeguarding our commercial success.
Company Profile

As Austria’s largest energy service company, Wien Energie safeguards the uninterrupted supply of energy to the city of Vienna and the surrounding area.

VISION
- We are Austria’s leading energy supplier. We impress our customers through our environmentally minded action, innovations and team spirit.

MISSION
- We create the basis for the quality of life and success of our customers every day with intelligent energy and infrastructure-related services, reliability and security of supply. We build on our traditional objective to supply electricity, gas and district heating in an environmentally friendly way. We concentrate our efforts on the Vienna Model and promote both the use of renewable energy and energy efficiency.

VALUES
- **Customer orientation** Our customers are the centre of our business.
- **Dedication** We believe in motivation, dedication and confidence.
- **Quality** We achieve commercially impressive and sustainable results.
- **Responsibility** Together we assume responsibility for our environment and resources.
- **Trust** Trust is the cornerstone of everything we do.

EXCERPTS FROM THE COMPANY’S HISTORY

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>1899</td>
<td>Company founded with the name 'Elektrizitätswerke'.</td>
</tr>
<tr>
<td>1902</td>
<td>Simmering steam-powered power plant enters service, providing electricity to Vienna’s tramway network for the first time.</td>
</tr>
<tr>
<td>1924</td>
<td>Hydropower plant at Opponitz an der Ybbs, Lower Austria, commissioned.</td>
</tr>
<tr>
<td>1934</td>
<td>Natural gas used to fire boilers at the Simmering power plant for the first time.</td>
</tr>
<tr>
<td>1944/45</td>
<td>Heavy damage sustained by all plants; however, at the end of 1945, 75 percent of all plants were operational again.</td>
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</tbody>
</table>
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. Activities performed by the Company include energy production, waste recycling, providing energy-related advice and services, facility management and telecommunications.

With a turnover of around EUR 2,050 million in the 2011/12 financial year, Wien Energie is one of the top

KEY FINANCIAL FIGURES

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<td>821.0</td>
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<tr>
<td>Equity ratio in %</td>
<td>21.8</td>
<td>33.0</td>
</tr>
<tr>
<td>Total investment in EUR millions</td>
<td>248.6</td>
<td>373.2</td>
</tr>
<tr>
<td>Average headcount</td>
<td>2,779</td>
<td>2,738</td>
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Wien Energie subsidiary ‘Fernwärme Wien’ founded.

The first CHP power station, Simmering 1/2, enters service.

Wien Energie subsidiary ‘Energiecomfort’ founded; now active in four countries.

Wiener Stadtwerke Holding AG
100% owned by the City of Vienna

Please refer to page 66 for a detailed list of all subsidiaries and investments.
Please refer to www.wienerstadtwerke.at for a full overview of the Wiener Stadtwerke Group

1969
- Wien Energie subsidiary ‘Fernwärme Wien’ founded.

1978
- Wien Energie customer service centre opens on Spitalgasse in Vienna’s 9th District (picture left)
30 companies in Austria in terms of sales revenues and one of the largest employers in Vienna, with an average of 2,779 employees. Moreover, Wien Energie has been active in a number of projects at a European level for several years.

Wien Energie GmbH is a wholly owned subsidiary of Wiener Stadtwerke Holding AG, which restructured the entire Group energy division with effect from spring 2011. Since then, the Group has been divided into a regulated division with the grid companies Wien Energie Stromnetz GmbH and Wien Energie Gasnetz GmbH, and the competition-oriented division with Wien Energie GmbH. This restructuring resulted in further improvements to the unbundling of the Group, i.e. the separation of the competition-oriented division from the grid divisions.

**Wien Energie GmbH – Austria’s largest energy service provider**

Wien Energie GmbH is responsible for producing electricity and heating, which occurs primarily at the calorific power plants located in Simmering, Donaustadt and Leopoldau. In addition, the company operates a number of hydropower plants, wind farms and photovoltaic plants, as well as Austria’s largest forest biomass power plant, located in Vienna’s Simmering district. Wien Energie is developing new and innovative products in the area of decentralised production.

Installed electrical output amounts to 2,072 MW. The proportion of energy produced from renewable energy sources amounted to 16.5 percent in the 2011/12 financial year, the previous year’s share was 10.1 percent. The aim is to increase this to 50 percent by 2030.

The subsidiary Wien Energie Vertrieb GmbH & Co KG serves as the link to customers in the electricity and gas segments. EnergieAllianz GmbH, in which Wien Energie holds a 45 percent stake and which is also very successful in its foreign operations, is responsible for its management. 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. Heating customers in Vienna are looked after by the subsidiary Wien Energie Fernwärme. Wien Energie’s subsidiary Energiecomfort is responsible for servicing the heating and refrigeration networks of customers, which are largely decentralised.

**Wien Energie Vertrieb**

Wien Energie unbundled its grid and sales operations as early as 2002 in order to meet the requirements set out by the European Union. Part of EnergieAllianz Austria, Wien Energie Vertrieb has since been responsible for the sale of electricity and gas, the development of new products and pricing. Wien Energie Vertrieb therefore has around 1.2 million energy supply contracts with residential customers in Vienna as well as in parts of Lower Austria and Burgenland, while also supplying around 230,000 businesses and 4,500 farms. As part of its association with EnergieAllianz, Wien Energie Vertrieb supplies both electricity and natural gas. Aside from providing comprehensive services and advice, Wien Energie Vertrieb has developed a range of products that is ideally tailored to meet different customer needs. For details, see page 31.

**Wien Energie Fernwärme**

With nearly 330,000 residential customers and 6,400 business customers, Wien Energie Fernwärme is one of the largest district heating companies in Europe. Around a third of all households and businesses in Vienna are supplied with heating for buildings and hot water.

The so-called district heating network, which is an extensive closed circuit of pipes, supplies residential flats, schools, hospitals and other public buildings with district heating. Water heated to as high as 150 degrees Celsius is transported via supply pipes to converter substations in the buildings to be supplied. The cooled water flows back via return pipes. The heat required for this system is produced in the waste recycling plants and power plants of Wien Energie, in which power and heat are produced simultaneously with a fuel utilisation ratio of over 80 percent (for more details on the Vienna Model, see from page 31).

**EXCERPTS FROM THE COMPANY’S HISTORY**

<table>
<thead>
<tr>
<th>1985</th>
<th>1997</th>
<th>2001</th>
<th>2005</th>
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</thead>
<tbody>
<tr>
<td>Work begins to fit calorific power plants with modern filtration systems to reduce pollution.</td>
<td>The service centre Wien Energie Haus opens on Mariahilfer Strasse.</td>
<td>Wien Energie subsidiary ‘Wien Energie Vertrieb GmbH &amp; Co KG’ founded.</td>
<td>Hydropower plant in Vienna’s Nussdorf district at the start of the Danube canal commissioned (picture left).</td>
</tr>
</tbody>
</table>

*First wind turbine on the Donauinsel.*
Not only does this intelligent combination conserve valuable resources, but also the environment and the climate. Wien Energie Fernwärme reduces the level of CO₂ emissions by around 1.5 million tonnes per year compared to conventional forms of heating. The total quantity of heat produced during the 2011/12 financial year amounted to 6,035.7 gigawatt hours, compared to 6,192 gigawatt hours in the preceding year. Aside from the development of the number of connections to customers, weather conditions have a material impact on the course of business of Fernwärme Wien.

Established in 1978, the Wien Energie subsidiary Energiecomfort is a solutions-oriented service provider with a comprehensive product portfolio covering consulting, planning, construction and optimisation activities in the field of energy and facility management. The focus here is on solutions that are aimed at achieving the highest level of energy efficiency to the benefit of customers. Aside from Austria, the company has also been active in Germany, Hungary and Slovakia for many years.
Energiecomfort can point to CO₂ savings in the amount of 70,000 tonnes as evidence of its successful positioning in the market – savings that are made every year thanks to its facilities. The focus here is on modern local heating plants. In Austria alone, Energiecomfort operates over 400 community and local heating networks.

Energiecomfort is active in Slovakia with four subsidiaries and affiliated companies.

The first foreign market, however, was Hungary, where Energiecomfort has been present since 2001 as part of a district heating project. In Bavaria, Energiecomfort operates a biomass communal heating plant with cogeneration technology through a partnership. As an energy efficiency specialist, Energiecomfort was ultimately awarded this contract based on its range of services for optimising biomass plants – following a detailed analysis of the plant, this includes restructuring the control systems, which makes it possible to boost energy yields by up to a quarter.

The company is among the top three facility management providers in the Austrian market and has been able to gain a prominent position in the segment hospitals and nursing homes over the past few years.

**Affiliated companies**

**Wien Energie Stromnetz GmbH**

The distribution company Wien Energie Stromnetz GmbH was founded in 2005. In its supply area, covering around 2,000 km², this company is responsible for maintaining a network consisting of around 22,500 km of power lines, over 40 transformer stations and around 10,500 transformer substations. The network provides around 11 terawatt hours of electricity per year.

**Wien Energie Gasnetz GmbH**

Wien Energie Gasnetz GmbH, which has existed since 1899, is the largest gas network operator in Austria, measured according to the number of customers and the volume of third-party utilisation. Around 678,000 customers in the Greater Vienna metropolitan area are
supplied by a gas network extending over around 3,500 kilometres. The annual throughput of natural gas amounts to around 2.3 billion Nm³ (more than 25,000 gigawatt hours).

**Strategic investments**

Wien Energie is committed to liberalisation in European energy markets and also focuses on strategic partnerships and cooperations in order to secure its ability to compete; such partnerships have been created both for procurement and sales activities.

**EnergieAllianz Austria (EAA)**

EnergieAllianz Austria is an alliance between Wien Energie (45 percent), EVN (45 percent) and Energie Burgenland AG (10 percent) 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. During the period under review it was possible to increase the volumes of electricity and natural gas sold in Germany.

→ [www.energieallianz.at](http://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. The company has significantly expanded its international operations over the past few years. Currently, e&t is also particularly active in Germany in addition to Austria, and the company is also permitted to trade in electricity in Bulgaria, Czech Republic, Hungary, Italy, Slovakia and Slovenia. Electricity can also be sold in the Romanian and Serbian markets through a branch office in Romania and a subsidiary in Serbia.

→ [www.eundt.at](http://www.eundt.at)

**EconGas**

Founded as a joint venture between OMV Gas & Power (50 percent), Wien Energie (16.51 percent), EVN (16.51 percent), EBGV (14.25 percent) and Energie Burgenland AG (2.73 percent), EconGas is responsible for direct sales and the distribution of natural gas to its owners. The company bundles the trading and sales activities of the companies involved in order to be able to survive nationally and internationally in the competitive market of local distributors and business customers. The core business is providing natural gas to local distributors and customers with an annual consumption of at least 500,000 cubic metres and trading natural gas on international markets. EconGas also has operations in Germany, Italy and Hungary.

→ [www.econgas.at](http://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. The company operates the Austrian interregional 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](http://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 Erdgasversorgungs AG (BEGAS) and Burgenländische Elektrizitätswirtschafts AG (BEWAG) in 2012.

→ [www.burgenlandholding.at](http://www.burgenlandholding.at)
District cooling as a trailblazing commercial field

Report. The venerable Vienna Ringstrasse, lined with historical buildings, is a world-renowned cultural heritage site, stimulating many associations. Not many people, however, will think of absorption and compression refrigerating machines in this context. But it is exactly here, next to Palais Hansen, that Wien Energie finished building work on a high-tech district cooling centre in 2012.

Providing buildings and office blocks with air conditioning is becoming increasingly important; the demand for such air conditioning is also on the rise in Austria. According to current estimates, the demand for air conditioning in offices will match today’s demand for heating within just 20 years. With the completion of the new district cooling centre at Schottenring, Wien Energie has responded to this development and also made environmentally friendly district cooling available to Vienna’s city centre. The refrigeration centre was built under the road on Zelinkagasse. It is located in a garage with an added shaft, and has the same scope as the existing facility at Spittelau with a total output of 15 MW.

The cooling machines are powered by district cooling (absorber) or electricity (compressor), which provides cold water for air conditioning. The warmed water then flows back to the cooling centre, where it is re-cooled.
Efficient production of cold air
As is the case with district heating, district cooling makes it possible to supply cold air for air conditioning to several buildings from a central facility. At the same time, the demand for primary energy drops as district heating is largely used when producing cold air, and amounts to no more than one tenth compared to conventional cold air production. In this way, conventional cooling units can be done away with and, moreover, producing cold air centrally is normally much more efficient than relying on a variety of small, stand-alone solutions. The Schottenring project alone will make it possible to save 1,447 tonnes of CO₂ emissions per year.

Potential district cooling customers include hotels, office buildings, hospitals or commercial properties with a high demand for cold air. The refrigeration centre at Schottenring will provide cold air to Hotel Kempinski in Palais Hansen, the ‘Uni Wien Rossau’, which is currently undergoing renovation, and the Austrian National Bank, for instance.

Cold air from three sources
On the one hand, district cooling requires a central plant in which cold air is produced and, on the other, a refrigeration network to transport this air to customers.

The cold air is produced in three ways: Some of the cold air is produced via absorption machines, which are powered by waste heat. The way this system works resembles an oversized refrigerator. The heat produced from waste incineration is transported via the district heating network to the absorbers and is then converted into cold air. This method of production is very environmentally friendly due to the fact that it uses waste heat and avoids coolants containing HFCs.

Compression refrigeration machines produce some of the cold air and are powered by electricity. These are much more efficient that smaller, decentralised building refrigeration systems as they are grouped together in the cooling centre and make use of cutting-edge technology. The third method used in the district cooling centres is free cooling. This involves using water from the Danube to produce cold air in the winter.

In all three variants, the coolant is transported to the end customer via insulated pipelines and fed into their air conditioning systems. In the process of cooling a building, the temperature of the water used reaches as high as 17 degrees before being fed back to the refrigeration control centre, where it is cooled to six or seven degrees again and fed back into the district cooling network. This creates a closed circuit between the district cooling centre and customers.

Wien Energie offers district cooling to selected areas in Vienna that have particularly high air conditioning needs.

The aim is to achieve a cooling output of 200 MW by 2020 with an investment of around EUR 50 million. Building on the current total output of 28.1 MW, there are plans to erect additional district cooling centres at the main train station (Hauptbahnhof) (20 MW), Renngasse/Signa (6 MW), Rudolfstiftung (7.6 MW) and Modegrosscenter (2.3 MW) in addition to the Schottenring district cooling centre.
Value-added chain and supply area

Following the restructuring measures implemented last year, Wien Energie is responsible for producing electricity, heating and cooling, as well as for supplying energy to residential and business customers as part of EnergieAllianz Austria. Heating and cooling continues to be distributed by Wien Energie Fernwärme, a wholly owned subsidiary of Wien Energie GmbH. The Wien Energie subsidiary Energiecomfort is positioned with a comprehensive product portfolio in energy and facility management.

The distribution networks, along with the associated infrastructure, are operated by Wien Energie Stromnetz GmbH and Wien Energie Gasnetz GmbH, both of which are wholly owned by Wiener Stadtwerke Holding AG, as is Wien Energie. The way in which production, networks and sales interact is strictly regulated by the provisions of Electricity Industry and Organisation Act (EIWOG), as well as regional laws, market regulations and the general distribution network conditions. These provisions ensure that the distribution network operators enable unrestricted access to their networks for competing energy providers.

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 17 illustrates.

An overview of external influences

The business activities of Wien Energie are affected by a number of external factors. Electricity sales depend primarily on customer consumption and therefore, in the case of business customers, on the general economic situation. Sales in the heating division were impacted by the weather conditions and the increasing number of buildings being renovated. Price trends for third-party energy procurements and for primary energy sources play a central role from the point of view of costs. The emphasis here is on striking a balance between long-term procurement contracts to safeguard security of supply and exploiting price fluctuations. By the same token, the aim is to reduce dependency on fossil fuels, which is why Wien Energie will invest heavily in increasing the proportion of energy produced from renewable sources in the future.

In the 2011/12 financial year, Wien Energie was able to produce 53 percent of total electricity sales itself, with the remainder being purchased on the national and international electricity markets. This entails careful monitoring of the sources of electrical power: Wien Energie is 100 percent independent of nuclear power. Aside from the general level of demand, pricing trends in these markets depend on the current price of primary energy sources such as crude oil, natural gas or hard coal. For instance, the average price of Brent crude oil in euro rose by nearly seven percent and that of natural gas by 14.6 percent in a year-on-year comparison. In contrast, the average price for hard coal fell considerably.

In view of the orientation of Wien Energie’s calorific production plants, which primarily use natural gas to generate electricity and heat, production was scaled back significantly during the year under review due to the ratio of production costs to third-party electricity purchases. For further information on how a gas-fired power plant works, please refer to page 41.

In order to safeguard security of supply, Wien Energie purchases so-called forward contracts for primary energy sources, in which future price expectations are anticipated. The obvious result of such actions is the risk of not being able to balance interim pricing trends...
on the purchasing side with developments on the sales side in sufficient time. As a result of purchasing electricity and primary energy sources, as well as other materials and services, total expenses in the 2011/12 financial year amounted to EUR 1,446.9 million, which represents over 70 percent of turnover. Correspondingly high is the importance of active portfolio and procurement management, which is performed by a team of experts in close consultation with power plant planning departments and subject to ongoing improvements.

**Negative special effects in 2011/12 financial year**

The development of Wien Energie’s results was impacted by a number of negative special effects during the reporting year. On the one hand, the change in the calculation method applied to provisions for pension entitlements led to an increase in expenditures for pension-related obligations of EUR 202.6 million. On the other, investments and fixed assets were subject to writedowns to the tune of EUR 125.9 million as a result of the current situation in the energy market. Please consult the section entitled “Analysis of business development” from page 52 for a detailed explanation of these effects.

**The Vienna Model**

The influences shown in the diagram demand a responsible energy supply model that addresses these factors optimally and, at the same time, lives up to customer demands as far as possible. 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 also safeguarding excellent security of supply in the interests of customers. The key aspects of this model include producing electricity and heat together in a process known as cogeneration, harnessing energy from thermal waste disposal, using renewable energy sources and providing comprehensive energy advice on improving efficiency. Decentralised forms of production, such as the citizen solar power plants initiative promoted during the reporting year (see page 27), are growing in importance.

The cogeneration technology used by Wien Energie in its thermal power plants increases the utilisation ratio of the fuels used from around 50 percent, which is the case for electricity produced in conventional plants, to up to 86 percent. Today, around 900,000 tonnes of waste (including around 170,000 tonnes of sewage sludge) are used to generate energy in the thermal waste treatment plants at Spittelau, Flötzersteig, Simmeringer Haide and Pfaffenau. These intelligent solutions ensure that only around three to four percentage points of the entire heat produced comes from fossil fuel-fired peak load boilers. Nearly 29.7 percent of heat generated in the 2011/12 financial year came from waste and biomass, and around 60 percent from cogeneration. Such usage is aided by the fact that the generation facilities are located directly in Vienna, thereby avoiding long distribution networks for the energy extracted to supply district heating.

**Guaranteeing security of supply**

In addition to the high network infrastructure reliability that has to be ensured by the affiliated companies Wien Energie Stromnetz GmbH and Wien Energie Gasnetz GmbH, Wien Energie guarantees security of supply by comprehensively expanding and diversifying its production capacities, as well as by 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 domestic supply of energy continues to be heavily dependent on fossil fuels. Approximately 40 percent of gross domestic fuel consumption is attributable to crude oil, a little more than 20 percent to natural gas, and nine percent to coal. The remainder comes from renewable energy sources.

Given the low level of natural gas and crude oil production in Austria, imports of these commodities are necessary in order to meet demand. According to the energy balance (Energiebilanz) compiled by Statistics Austria, almost 90 percent of total gross domestic consumption was covered by imports during the 2011 calendar year.

Wien Energie purchases the required natural gas through the joint venture EconGas, which maintains long-term supply contracts with Norway and Russia. Austria is able to cover around 50 percent of its annual consumption of natural gas with its storage capacity. Wien Energie Gasnetz is currently operating a storage pipe system at its site in Leopoldau with a capacity of 500,000 cubic metres. Storage capacity is also available from EconGas and OMV.

Improving energy efficiency

An analysis of energy consumption in Austria clearly illustrates in which application areas there is the greatest potential to make savings. A third of total energy consumption in 2011 was attributable to transport and another third to industrial applications, including steam generation. Nearly 31 percent was for heating, air conditioning for buildings and hot water, i.e. Wien Energie’s commercial fields. In view of this importance, Wien Energie offers its customers a comprehensive range of services to help them to reduce their energy consumption and, ultimately, to cut both costs and CO₂ emissions. (For details, see page 32).

As far as its sphere of activity is concerned, Wien Energie makes use of the latest technology to improve efficiency ratios and, by extension, power plant energy output on a continuous basis. New approaches are also being taken here accompanied by impressive levels of investment, as the following report on the high-pressure thermal energy storage facility illustrates.
Environmentally friendly heat storage

Report. Wien Energie has often demonstrated its innovative spirit in the past; and it is doing it again, building the world’s first high-pressure thermal storage facility at its plant in Vienna’s Simmering district. This storage tank will ensure that demand fluctuations are handled efficiently – heat that is not immediately required is stored for future spikes in demand. The facility will meet the annual heating needs of around 20,000 households and reduce annual CO₂ emissions by 11,000 tonnes.

Wien Energie produces heat at a total of 17 production plants located at twelve sites. Around two-thirds of the heat comes from Wien Energie’s thermal power plants, in which cogeneration technology is used, together with an OMV plant, with a further third being produced from thermally recycling waste and the remaining amount coming from peak load boilers which only are used to cover peak demand. It will be possible in the future to cover at least part of this peak demand using energy from the thermal storage facility currently under construction at the Simmering power plant. “The thermal storage facility will enable
us to cut CO\textsubscript{2} emissions by 11,000 tonnes; this is equivalent to the amount produced by 4,200 VW Golf cars in an entire year,” explains Wolfgang Daschütz, Head of the Power Plant Technology Department and project leader of this unique storage concept. “The energy is fed from the thermal storage facility into the district heating network, with current demand being calculated by a load optimisation programme,” he continues. Not only does the optimisation programme take into account up-to-date data coming from all production plants, but it also factors in other relevant conditions such as ambient temperature and commodity prices.

**Unique process**

Integrating the most diverse range of production plants – including the cogeneration plants in Simmering, Donaustadt and Leopoldau, the thermal waste treatment plants and the Simmering forest biomass power plant – is just as unique as the process using high pressure. In Vienna, the hot water is transported under high pressure and at temperatures of between 95 and 150 degrees Celsius due to the height differences of up to 150 metres in the district heating network. “It was also possible to design a pressure storage tank with a water temperature of up to 150 degrees Celsius for the thermal storage facility as a result of the topology of Vienna, making it possible to supply higher parts of the city with district heating,” says Daschütz.

Two identical storage tanks with a total capacity of around 11,000 cubic metres form the centrepiece of the facility. They function according to the stratified thermal energy storage principle: The storage tank is always filled with water. The upper part of the tank holds hot water and the lower part cold water. A so-called dividing layer develops between the two water layers as a result of the difference in density. At times of increased demand for heating, district heating water is taken from the storage tank, without being heated again, and fed directly into the network. The outflowing water is simultaneously replaced by cold water. The temperature difference in the storage tank when it is being filled or emptied results in a change in volume. The compensation tank (approx. 800 cubic metres) ensures that the flow of water in the district heating network remains constant when the tanks are discharging or being filled. The amount of heat stored and removed every year will amount to around 145,000 megawatt hours; this is equivalent to the average annual heating requirements of 20,000 households. The level of investment in this thermal storage facility is EUR 20 million. Construction work began in July 2012 and the facility is due to enter service at the end of 2013.
Corporate Strategy

Wien Energie meets the challenges of the liberalised energy market with a clearly defined corporate strategy, which was developed in consultation with every company division. The following is a summary of the key strategic objectives and the associated measures.

### Strategic Objectives and Measures at a Glance

<table>
<thead>
<tr>
<th>Objective</th>
<th>Measures</th>
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<tbody>
<tr>
<td>Safeguarding a competitive edge</td>
<td>Setting ourselves apart from the competition through competent advice and a focus on service</td>
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<td></td>
<td>Accessing new markets and customer groups</td>
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<td></td>
<td>Pricing in line with market conditions</td>
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<td></td>
<td>Securing our leading position in advisory services to improve energy efficiency</td>
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<td></td>
<td>Developing a role-model strategy for energy efficiency and the use of renewable energies when planning, erecting and operating buildings</td>
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<td></td>
<td>Commitment to strategic partnerships and cooperations</td>
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<td>Continuing to increase customer satisfaction levels</td>
<td>Attractive portfolio of services</td>
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<td></td>
<td>Active communication using all available channels of information including social media</td>
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<td></td>
<td>Competitive products</td>
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<td></td>
<td>Taking the recommendations of the Customer Advisory Board into account</td>
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<tr>
<td>Defending market shares of natural gas and electricity</td>
<td>Making the most of domestic growth opportunities and a selective commitment at a European level</td>
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<td></td>
<td>Managing existing customers in the best possible way</td>
</tr>
<tr>
<td>Expanding the use of renewable sources of energy</td>
<td>Increasing the proportion of energy produced from renewables to 50 percent by 2030</td>
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<td></td>
<td>Building storage capacities</td>
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<tr>
<td>Expanding local and district heating as well as district cooling networks</td>
<td>Building several district cooling centres in order to achieve an installed output of 200 MW</td>
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<td></td>
<td>Servicing and modernising district heating power plants</td>
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<td></td>
<td>Acquiring new customers</td>
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<tr>
<td>Safeguarding profitability</td>
<td>Active portfolio and procurement management</td>
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<td></td>
<td>Further improving internal efficiency by means of process optimisation</td>
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<td></td>
<td>Effective risk management</td>
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<tr>
<td></td>
<td>Continued implementation of the economic viability programme to reduce costs</td>
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<tr>
<td>Competent, motivated employees</td>
<td>Positioning ourselves as an attractive employer</td>
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<tr>
<td></td>
<td>Providing a comprehensive, needs-oriented further education and training programme</td>
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<td></td>
<td>Supporting talent and junior employees</td>
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<td></td>
<td>Performance-oriented pay</td>
</tr>
<tr>
<td>Recognising social responsibility</td>
<td>Targeted continuation of promotional and sponsoring activities with a focus on sport and culture</td>
</tr>
<tr>
<td></td>
<td>Measures to sensitive people further to energy-related issues</td>
</tr>
</tbody>
</table>
Sustainably-minded company policy

Due to the area of business the Company operates in and its clear commitment to future and value-oriented management, the central aspects of sustainability are an integral part of Wien Energie’s strategy (see list of objectives on page 22). Furthermore, a detailed sustainability programme is implemented in consultation with the parent company Wiener Stadtwerke Holding AG; a programme which is pursued every year and published at www.nachhaltigkeit.wienerstadtwerke.at. The overriding objective here is to strike a balance between the demands of different stakeholders and between environmental, economic and social aspects.

Focus on customer needs

In addition to an attractive and transparent pricing policy, particular importance is attached to providing extremely competent advice and focussing on service in order to preserve and improve customer satisfaction. Consequently, not only is Wien Energie continually expanding its online services, but it also continues to set store by serving its customers on an individual basis provided by experienced Wien Energie employees. Additional milestones were achieved during the reporting year with the new customer service centre at Spittelau and the setting up of a Customer Advisory Board.

Expanding the use of renewable sources of energy

In order to achieve its objective of increasing the proportion of energy from renewable sources used in energy production from 16.5 percent today to 50 percent by 2030, Wien Energie is taking a number of different approaches. In addition to constructing more wind farms in Austria, the focus is squarely on hydropower and photovoltaic installations (see also Citizen Solar Power Plants, page 27).

PROPORTION OF ENERGY PRODUCED FROM RENEWABLE SOURCES in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
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<tbody>
<tr>
<td>2009/10</td>
<td>10.4</td>
</tr>
<tr>
<td>2010/11</td>
<td>10.1</td>
</tr>
<tr>
<td>2011/12</td>
<td>16.5</td>
</tr>
<tr>
<td>Target</td>
<td>50</td>
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</table>
Expanding local and district heating as well as district cooling

Wien Energie is actively exploiting the growth opportunities arising from urban development and the consolidation of the existing network. In general, the heating market will however experience a downturn due to the increasing number of buildings undergoing thermal renovation. Therefore, this makes it all the more important for Wien Energie to attract new customers and to develop new commercial fields such as district cooling. One focal area for investment over the coming years will also be on servicing and modernising production facilities.

The local heating commercial field continues to be handled by the Wien Energie subsidiary Energiecomfort, both domestically and in neighbouring countries.

Pursuing growth

Recent forecasts by Statistics Austria indicate that the population of the Greater Vienna metropolitan area will continue to grow in the coming years. Vienna currently has more than 1.7 million inhabitants, a number which is expected to increase to 1.9 million by 2030. New city districts are appearing, such as Seestadt Aspern, which need to be properly supplied with infrastructure and energy. Through EnergieAllianz Austria, there are continued efforts to increase energy sales abroad, with a particular focus on Germany.

Sport is energy

Wien Energie pursues two fundamental objectives when promoting sport: On the one hand, it specifically supports large, individual projects 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. In addition, numerous small sports clubs and initiatives are also separately supported. The Wien Energie sports weeks (Sportwochen) are an annual highlight, offering various sporting opportunities and prize draws. There is also the possibility to watch a top game being played by SK Rapid, the Vienna Capital ice hockey team or the Fivers handball club. The Wien Energie Sportwochen event reaches 1.4 million people every year.
Safeguarding profitability

In the 2011/12 financial year, Wien Energie’s earnings position was impacted by a number of external and internal factors, leading to a net loss for the year in the amount of EUR 259.4 million. A company-wide commercial viability programme was set up in order to put a stop to this trend. It achieved considerable savings in operating expenses and cast a critical eye over the investment programme. It remains the primary objective of Wien Energie to achieve a level of profitability that enables an attractive return on the capital employed and that provides financial leeway to make investments that spur growth and create value. In doing so, it is of particular importance in times of economic instability to pursue a pricing policy that strikes a balance between competitiveness, commercial viability and fairness towards the customer.

Social commitment

Wien Energie’s approach to sustainability is based on a well-developed awareness of its social responsibility. By way of example, Wien Energie believes it is important to teach children how to use energy responsibly through events and the children’s magazine ‘Energie Express’. Young adults in the ‘Power Generation’ programme are given access to events, activities and services on issues such as innovation, activity and environmental awareness.

Supporting art and culture

Supporting art and culture has a very special place at Wien Energie. The company has given its support, either financially or by means of services in kind, to many events over the years. The most famous of these include Vienna’s Donauinselfest (an annual music festival), the Wiener Eistraum (ice skating), the Kriminacht (Crime Night), the Jazz Fest Wien, Eine STADT. Ein BUCH (one city, one book) or the Viennale (Vienna Film Festival).

Night of the Light was organised for the third time in 2012 – an initiative in which filmmakers can submit ideas on the topic of energy. As part of the renowned international short-film festival VIS (Vienna Independent Shorts), the best ideas are chosen and supported with a production budget of EUR 3,000. Find out more details about this initiative at www.nightofthelight.at.

As part of the initiative ‘Night of the Light’, filmmakers create pieces on the topic of energy.
Corporate Governance

Risk management at Wien Energie is based clearly on the Company’s sustainability strategy. The economic, environmental and social structure, together with the alignment of the Company should be preserved on a sustainable basis by the various auditing mechanisms and bodies established. The risk management system ensures that Wien Energie fulfils its supply commitment to the best of its ability. Furthermore, the system makes sure that risks are identified at an early stage and that emerging opportunities are seized.

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 rapidly and appropriately 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 further information on Wien Energie’s risk management system, please refer to page 63 of this report.

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 compliance with Art. 29 of the Austrian Companies Act (GmbH-Gesetz), Wien Energie has set up a Supervisory Board for internal auditing purposes. A list of all Supervisory Board members can be found on page 69.

Four ordinary and two extraordinary Supervisory Board meetings were held during the 2011/12 financial year. The General Management fulfilled its obligation to provide information as stipulated in Art. 28 of the Austrian Companies Act, obtaining the statutory or legally required consent of the Supervisory Board in cases where this approval is needed or for fundamental decisions.

Other controlling bodies

In compliance with the Austrian Stock Corporation Act (Aktiengesetz), Wiener Stadtwerke Holding AG has an internal audit department. In the course of internal audits, all divisions are audited, including subsidiaries and majority shareholdings. The Internal Audit Division concentrates on commercial viability, appropriacy, safety and compliance of work processes at Wien Energie, in which the auditors have access to all documents as a result of their passive and active right to be informed. Furthermore, they are entitled to 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, one 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 efficiency, appropriacy and commercial viability.
Innovative investment model:
Citizen solar power plants

Report. Wien Energie promotes renewable energy sources and offers interested citizens the chance to become involved in ‘power plants’ to generate green energy. Citizen solar power plants were offered for the first time in 2012. These decentralised photovoltaic installations enable people to make an unbureaucratic contribution to the production of green energy.

During the first phase of the citizen solar power plant scheme, 8,000 panels at four photovoltaic installations were put up for sale. Any natural person could buy up to ten panels provided they were resident in Austria and had an Austrian bank account. The panels were installed at suitable locations. The first installation is therefore in an industrial area on the grounds of the Donaustadt power plant. It was commissioned in May 2012. An installation has been built in Leopoldau and further power plants are planned at the beginning of 2013 on the grounds of the Central Cemetery and on land belonging to Wien Energie in Vienna’s 23rd District.

Photovoltaics for everyone
The model works as follows: Wien Energie constructs and runs turnkey photovoltaic installations, and therefore also bears the commercial risk. Citizens can purchase entire panels for EUR 950 or half panels for EUR 475. Wien Energie rents the panels owned by the citizens and pays a rent which corresponds to a fixed annual return on the respective investment of 3.1 percent. The owners are able to return their panels to Wien Energie and have the full price refunded at any time. At the end of the installation’s lifespan, the original investment is reimbursed to the investors by Wien Energie.

This can all be done easily and conveniently via the website www.buergersolarkraftwerk.at or via Wien Energie’s customer hotline (0810 610 803).

Demand for the panels offered during the first phase was very high. The first 2,000 panels were sold within 26 hours following a press conference and the subsequent announcement of the model at the end of February 2012. In view of the strong demand, Wien Energie responded quickly and made panels for the
three power plants planned in 2012 available for sale. The remaining 6,000 panels were sold within a very short period of time before the first power plant entered service in Donaustadt in May 2012. As a result of such positive feedback, Wien Energie will continue to promote and develop the citizen solar power plant scheme both in and around Vienna. In 2012, preliminary work for the first wave of projects outside Vienna was completed with several communities connected to Wien Energie’s network.

**Numerous benefits**

Wien Energie’s citizen solar power plants offer a range of attractive benefits. On the one hand, people can actively participate in encouraging regenerative, i.e. green, production technology in the city. A power plant produces around 500 MWh every year, corresponding to the energy consumption of 200 households in Vienna and thereby reducing CO₂ emission by 207 tonnes a year. At the same time, the rent paid by Wien Energie represents a secure and steady yield, together constituting two valuable

By purchasing solar panels set up by Wien Energie, Vienna’s population is able to invest in a decentralised, green and commercially viable source of energy.
aspects: protecting the environment and providing an attractive investment. At the end of the term, every citizen receives the full amount invested back from Wien Energie.

**Part of a vision**

Citizen solar power plant schemes are to be seen as part of a wider vision of Wien Energie. The company intends to increase the proportion of energy produced from renewable sources to 50 percent by 2030. Aside from other green energy sources such as hydropower, biomass or wind, Wien Energie is also concentrating more of its efforts on photovoltaics.

With the SolarKraft brand, Wien Energie has a whole portfolio of new photovoltaic offers for its customers, partners and local authorities. Owners of large areas of land and roofs can lease photovoltaic installations, let free space to Wien Energie or buy their own installation. The customer uses the green electricity to cover their own consumption needs, feeds it into the grid or enables Wien Energie to generate and feed in photovoltaic electricity. Wien Energie takes over planning and constructing, and guarantees its long-term and safe operation in its role as a partner. Wiener Neudorf is the first community in Wien Energie’s supply area to implement such a photovoltaic project.
The Energiesparcheck exposes secret energy guzzlers at home. Using the free online tool, household appliances, lighting, small appliances and consumer electronics are inspected and inappropriate user habits identified. Furthermore, registered customers can compare actual consumption levels with average levels, store any data entered and access these at any time.
Competent Advice

As an innovative and reliable service provider, Wien Energie has the interests and needs of customers at the heart of all its strategic decisions. This underlying attitude is reflected in the range of different pricing models and products, as well as in its diverse range of advisory and information services.

In order to complement the customer surveys carried out on a regular basis, Wien Energie set up a Customer Advisory Board in the reporting year, functioning as a link between Wien Energie and residential customers to improve dialogue. The advisory board consists of 20 customers. Board members are selected according to a wide range of criteria in order to represent the broadest possible cross-section of residential customers. Members perform their duties on a voluntary basis for a period of two years.

The board deals with a variety of issues and proposals that are relevant from the customer’s perspective. The competent departments at Wien Energie evaluate these recommendations to determine their feasibility. In this way, the Customer Advisory Board assumes a key advisory function in the continuous development and improvement of products and services.
Opening of the Spittelau customer service centre

Aside from the Wien Energie Haus, Wien Energie operates a further six customer service centres in the Greater Vienna metropolitan area. One of these is the new customer service centre in Spittelau, which opened in March 2012 after just one year of construction work. Covering an area of 600 m², Wien Energie has created a modern centre which provides advisory services for electricity, gas and district heating. The building was designed to be bright and spacious, making it possible to hold 18 separate consultations simultaneously at shielded island desks while at the same time maintaining the discretion required for such consultations. Considerable importance was attached to ensuring energy efficiency when erecting the building. The photovoltaic panels installed on the roof fully cover the building’s electricity needs, saving 7.8 tonnes of CO₂ emissions every year. Furthermore, maximum energy efficiency has been achieved in the areas of heat and cold insulation, as well as noise and sun protection. As a result of these measures, the Spittelau customer service centre sets an important example of how to construct energy efficiency buildings in Vienna. Total investment amounted to EUR 8 million.

Online customer service

In addition to the range of individual advisory services provided at the Wien Energie Haus and in our customer service centres, Wien Energie customers can also access such advisory services online. For instance, all you need to do is register 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, opening and closing accounts and arranging e-billing.

It is also possible to calculate your individual energy consumption and any potential energy savings that can be made. With www.energieleben.at, Wien Energie has created an information platform which enables customers to perform assessments and receive advice from the comfort of their own homes. The website also provides information about government subsidies, advice on saving energy or about your own carbon footprint.

Social media communication

Over the past few years, social media channels have become a fixed and valuable part of Wien Energie’s customer communication strategy. Using Facebook, Twitter, company blogs and YouTube, customers and other interested parties are informed about issues such as energy, sport, culture, e-mobility and the focus of various campaigns. In addition, Wien Energie also uses these channels to deliver important energy advice or information to its customers. This means that social media are also used as a service tool as well as being an instrument for feedback and communication. Wien Energie and the ‘Power Generation’ initiative targeting young customers already have more than 20,000 fans on Facebook. More than 1,000 people follow Wien Energie’s posts on Twitter.

Different pricing models for residential customers

Wien Energie’s commitment to customer orientation is also reflected in the range of tariffs available. There are a number of different types of tariffs to choose from in order to meet the differing needs of our customers. Existing tariff models are reviewed and improved on an ongoing basis as a result of the findings arising from consultations with customers and the newly created Customer Advisory Board.
Wien Energie’s standard tariff is OPTIMA – both for natural gas and electricity. Additional tariff options are available according to individual needs. For customers who would like to have a particularly transparent view of pricing trends and the performance of electricity markets, OPTIMA Float has been developed. In this flexible tariff, which is based on the Austrian electricity price index (ÖSPI), market and price-setting mechanisms are particularly easy to see. OPTIMA Garant is the right choice for customers looking for long-term planning security who do not want to be at the mercy of market price fluctuations. In the case of OPTIMA Garant, the energy consumption price valid at the time of signing the contract applies and remains unchanged for 24 months. Any spot price changes will not be taken into account. OPTIMA Garant is available for natural gas and for electricity. Environmentally minded customers can also benefit directly from Wien Energie’s range of ‘green’ offers. For instance, owners of photovoltaic installations are able to sell any electricity they produce which exceeds their own consumption needs to Wien Energie at an attractive feed-in price. Moreover, several citizen solar power plants were set up during the reporting year (for details, see page 27). By the same token, heat pump owners also make a contribution to protecting the environment and benefit from a lower-cost electricity tariff from Wien Energie by using emission-free geothermal energy.

A reliable partner for business customers

Energy needs also vary according to the size, industry and structure of a company. As a result, Wien Energie has developed specialised tariffs for different customer groups in the business customer segment. There are different tariffs for small and medium-sized companies, large customers, local authorities and agricultural customers. Particular consideration is given to changes in the company’s energy needs in the course of a day or a year. Wien Energie also helps companies to exploit internal sources of energy – such as industrial waste heat. In a similar way to the residential customer segment, several floating-price models exist in the business segment which enable prices to be fixed or index-linked.
Leading the way in energy advice

Report. Valuable advice on using energy efficiently saves money and forms part of Wien Energie’s commitment to sustainability. Wien Energie helps to avoid long transmission routes by producing electricity regionally and is on hand to provide its customers with competent advice on any energy-related matter.

15 years ago, it was cooking and food storage that consumed the most electricity in Vienna’s households. Today, it is consumer electronics and home office applications that are increasingly consuming more energy. While classic household appliances have become ever more efficient as a result of the declaration obligations of the EU energy label and technological advances, the number of entertainment devices has steadily grown – and with it their share of total energy consumption. At the same time, demand for heating is falling as a result of new buildings with better heat insulation, while the energy required for hot water has levelled off and household electricity consumption has slightly increased on the whole.

Since Wien Energie began offering energy advice in 1985, the needs and interests of customers when obtaining advice have shifted in line with the changing technological environment. “The issues are more complex and providing advice has become more intensive. This means that we, as customer advisors, need to be well trained in order to stay abreast of the current situation,” explains Andreas Hudecek, deputy manager of the Wien Energie Haus on Mariahilfer Strasse. Top issues for customers currently include the statutory energy pass (Energieausweis) required when selling or letting living space, or renewable forms of energy such as solar energy, wind, water and biomass. “There has been renewed emphasis on this issue since the nuclear disaster in Fukushima: Demand has risen and start-up costs have fallen accordingly. Solar installations have almost become commoditised,” says Mr Hudecek who, together with his colleagues, provides information to those looking for it via e-mail, telephone or in face-to-face meetings.

Competent, first-hand advice

Most questions are related to building a house. Wien Energie customer advisors help to keep the level of investment required as low as possible by researching subsidy options together with the customer, evaluating plans for building permission applications and drawing attention to all the relevant factors such as building location, construction materials and lighting. In the Wien Energie Haus, the differences between various options are visualised with models of walls, windows and even a small model house. Aside from homebuilders and renovators, so-called ‘lump sum investors’ also take advantage of Wien Energie’s advisory services – this term refers to people aged 50 or over who renovate houses or flats for themselves and their children and often have a fear of modern technology. “As far as this customer group is concerned, it is important to dispel their fears and to give them accurate information,” says Hudecek.

Tracking down hidden energy guzzlers

Wien Energie’s customer advisors are also tasked with raising awareness on the subject of how to use energy. Various exhibitions on energy-related matters attract passers-by to the Wien Energie Haus; schoolchildren and young adults are told about common misconceptions and taught how to use energy properly during special tours. For instance, older mobile phone chargers often continue using electricity even when they are not connected to a mobile. Alarm systems and standby equipment may also be consuming electricity secretly, these include washing machines with electronic door openers, TVs in standby mode and cooling appliances.
Wien Energie’s team of advisors provides free consultations to help choose new household appliances and show that it is possible for anyone living in a flat to save energy by means of the type of energy supply and appliances. Anyone wanting to discover hidden energy guzzlers in their home can do so quickly and easily using the Energiesparcheck at www.wienenergie.at. Energy consumption is analysed here online for free. The results are stored and compared to personal consumption levels in preceding years, as well as with average levels. By clicking on a link, you are then taken to a page with recommendations for new appliances or to make an appointment online with a customer advisor. According to Andreas Hudecek, “competence and skill” are needed to help customers save energy. Wien Energie’s expertise here has started to enjoy recognition abroad, not least because the Wien Energie Haus has been included in the UN’s Best Practice list – international delegations of political and business decision makers pay regular visits to the Mariahilfer Strasse in Vienna to see the excellent advice centre for themselves.
A growing share of Wien Energie’s electricity is generated by wind farms. The current installed wind power output is 60 megawatts.
Production

The Production Division is responsible for the facilities generating electricity and heat: the cogeneration power plants producing combined heat and power, as well as facilities producing energy from renewable sources. The waste heat generated during the production of electricity can be used to supply district heating. Heat is also produced from waste incineration and peak load boilers, as well as communal heating systems and renewable energy sources.

As part of the Vienna Model (see also page 19), Wien Energie is also pursuing an internationally renowned strategy to optimise the energy output of its power plants. Modern 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. Cogeneration technology, however, enables Wien Energie’s plants to achieve a fuel utilisation ratio of up to 86 percent. For details, see the report on page 41.

PRODUCTION PLANTS – ELECTRICITY

Thermal power stations

Wien Energie operates thermal power plants at three sites, which were responsible for generating around 83.5 percent of electricity produced during the 2011/12 financial year. Natural gas is generally used as the primary energy source.

Simmering 1 has an installed electric output of 710 megawatts and a district heating output of 450 megawatts, making it the highest performing power plant owned by Wien Energie. It was commissioned in 2009 following an investment of around EUR 300 million and is one of the most modern and environmentally friendly plants of its kind. The Simmering 2 and 3 power plants are located at the same site.

The Donaustadt 3 power plant came online in 2001 and is equipped with one of the largest gas turbines in the world, resulting in an installed output of 347 megawatts of electricity and 250 megawatts of district heating. While an efficiency ratio of 58 percent would be achieved when producing electricity alone, this ratio increases to an impressive 86 percent when district heating is produced at the same time. It is one of the most efficient plants in Europe and consumes around 150 million cubic metres of natural gas less than conventional power plants of this kind every year.

### INSTALLED ELECTRICITY OUTPUT

<table>
<thead>
<tr>
<th>Source</th>
<th>Installed Output (megawatts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cogeneration power plants</td>
<td></td>
</tr>
<tr>
<td>Condensation operation</td>
<td>1,808.0</td>
</tr>
<tr>
<td>Cogeneration operation</td>
<td>1,625.0</td>
</tr>
<tr>
<td>Spittelau waste incineration plant</td>
<td>6.0</td>
</tr>
<tr>
<td>Forest biomass power plant at Simmering</td>
<td></td>
</tr>
<tr>
<td>Condensation operation</td>
<td>24.5</td>
</tr>
<tr>
<td>Cogeneration operation</td>
<td>16.2</td>
</tr>
<tr>
<td>Total condensation operation</td>
<td>1,838.5</td>
</tr>
<tr>
<td>Total cogeneration operation</td>
<td>1,647.2</td>
</tr>
<tr>
<td>Hydropower plants including partnerships</td>
<td>133.5</td>
</tr>
<tr>
<td>Wind farms including partnerships</td>
<td>59.7</td>
</tr>
<tr>
<td>Photovoltaic plants</td>
<td>0.6</td>
</tr>
<tr>
<td>Total output for hydropower, wind power and photovoltaics</td>
<td>193.8</td>
</tr>
<tr>
<td>Total renewable energy sources*</td>
<td>222.1</td>
</tr>
<tr>
<td>Total installed output</td>
<td>2,072.3</td>
</tr>
</tbody>
</table>

* Total of renewables incl. biomass and share of thermal waste recycling
Originally designed as a gas turbine power plant, the Leopoldau site has been operated as a gas and steam power plant since 1988 and is used to produce the base load of electricity required together with a district heating extraction unit during the winter months. During the summer months, it is employed as a gas turbine power plant to cover peak demand and as a reserve power plant. This plant is capable of an output of 140 megawatts of electrical power and 170 megawatts of district heating thermal energy.

**Hydropower**

Wien Energie operates hydropower plants in Opponitz, Gaming and Trumau, with a total output of 18.3 megawatts. Wien Energie has a one-third stake in the Nussdorf hydropower plant, with a total power output of 4.8 megawatts. In addition to this, Wien Energie holds 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 with a total installed output of over 310 megawatts. As a result of this investment, Wien Energie acquired proportional power drawing rights at market prices, which means that the entire electricity production from hydropower could be increased by 45 percent.

In view of the limited scope for constructing additional hydropower plants in the Greater Vienna metropolitan area, Wien Energie is pursuing related projects in Austria. Wien Energie also runs 26 small-scale hydropower plants, with an installed output of 17 megawatts, in Romania, which are currently being modernised.

**Wind power**

Wien Energie has been setting store by wind power since 1997 and today owns or has a stake in wind farms with a total installed output of 60 megawatts (2010/11: 51 MW). In addition to sites in Vienna, Lower Austria, Styria and Burgenland, Wien Energie has been operating a wind farm at Lével in Hungary since 2008, with twelve wind turbines and an installed output of 24 megawatts. In the last several years, a number of wind farms have been operational in the gas network and are expected to increase the output of electricity generation by 10 percent.

**ELECTRICITY PRODUCTION**

<table>
<thead>
<tr>
<th>Group Division Energy incl. investments</th>
<th>2011/12</th>
<th>2010/11</th>
<th>+/-%</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal power plants</td>
<td>4,207,986</td>
<td>6,199,237</td>
<td>-32.1</td>
<td>6,587,005</td>
</tr>
<tr>
<td>Hydropower stations</td>
<td>626,349</td>
<td>441,332</td>
<td>41.9</td>
<td>490,238</td>
</tr>
<tr>
<td>Wind farms and photovoltaic systems</td>
<td>102,734</td>
<td>106,635</td>
<td>-3.7</td>
<td>111,434</td>
</tr>
<tr>
<td>Forest biomass power station</td>
<td>100,063</td>
<td>144,225</td>
<td>-30.6</td>
<td>162,049</td>
</tr>
<tr>
<td>Waste incineration</td>
<td>1,820</td>
<td>7,711</td>
<td>-76.4</td>
<td>4,513</td>
</tr>
<tr>
<td>Total electricity production</td>
<td>5,038,952</td>
<td>6,899,141</td>
<td>-27.0</td>
<td>7,355,240</td>
</tr>
<tr>
<td>Share of production from renewable energy sources in %</td>
<td>16.5</td>
<td>10.1</td>
<td>62.4</td>
<td>10.4</td>
</tr>
</tbody>
</table>
cooperation with EVN, the Glinzendorf wind farm was built during the reporting year and entered service in October 2012 with nine wind turbines and an installed output of 18 megawatts.

**Biomass**

In view of the abundance of domestic resources and the well-developed technology in place to convert biomass into electricity, biomass power plants are considered as being an environmentally friendly form of production with great potential. Wien Energie harnesses this potential in Simmering, where it operates Austria’s largest forest biomass power plant in cooperation with the Austrian Forestry Commission. When generating heat and electricity together, the plant has an installed electrical output of 16.2 megawatts, capable of supplying 48,000 households with electricity and 12,000 households with district heating. By using biomass, around 144,000 tonnes of CO\(_2\) emissions are saved every year compared to fossil fuels.

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).

At 5,038,952 megawatt hours, Wien Energie’s total electricity production, including proportional investments, was 27.0 percent below the level of the previous year. The output of calorific power plants fell by nearly 32 percent as a result of the current conditions prevailing in the energy sector. The increase in hydropower-generated energy is primarily attributable to the first-time full consolidation of 13 power plants on the river Inn acquired in the previous year. The amount of energy generated from biomass declined in the reporting year due to unscheduled technical repairs having to be made at the forest biomass power plant in Simmering. Wind-generated electricity was lower than in the previous year because of service and optimisation work which had to be carried out. The proportion of power generated from renewable energy sources lies, at 16.5 percent, considerably above the level of the prior year. Seen in absolute terms, the production of electricity from renewables rose by around 123 gigawatt-hours or 19.3 percent.

**Expanding electricity generation**

In the 2011/12 financial year, around 53 percent (prior year: 73%) of electricity sold by Wien Energie was generated by its own production facilities. Wien Energie’s strategy is to increase this proportion over the next few years with a clear focus on renewable energies. The aim is to increase its proportion of total energy produced from 16.5 percent to around 50 percent by 2030. Aside from the Glinzendorf wind farm, which entered service shortly after the period under review, preliminary work is currently underway to construct 20 wind turbines in Ebreichsdorf. In the area of photovoltaics, further citizen solar power plants are planned following the successful launch of such installations in the reporting year. In addition, Wien Energie now also offers various other solar business models and cooperations with residential property developers have been initiated.

Work on constructing the hard coal-fired power plant in Duisburg-Walsum, Germany, has been delayed due to construction defects in the power plant boiler and is now due to be completed in autumn 2013. Wien Energie has secured a production share of 150 megawatts from this power plant via supply rights. This is one of the most efficient hard coal-fired power plants in Europe, with a planned fuel utilisation ratio of 46 percent.

**HEAT PRODUCTION FACILITIES**

Wien Energie Fernwärme supplies approximately 330,000 households and more than 6,400 business customers with indoor heating and hot water, making it one of the largest district heating companies in Europe.

A total of 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 waste heat

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**HEAT PRODUCTION**

<table>
<thead>
<tr>
<th>Group Division Energy incl. investments in MWh</th>
<th>2011/12</th>
<th>2010/11</th>
<th>+/- %</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cogeneration</td>
<td>3,488,289</td>
<td>3,760,956</td>
<td>-7.2</td>
<td>3,881,365</td>
</tr>
<tr>
<td>Waste incineration (incl. Pfaffenauf)</td>
<td>1,474,161</td>
<td>1,595,000</td>
<td>-7.6</td>
<td>1,452,740</td>
</tr>
<tr>
<td>Biomass</td>
<td>316,839</td>
<td>258,170</td>
<td>22.7</td>
<td>191,229</td>
</tr>
<tr>
<td>Other</td>
<td>756,444</td>
<td>578,174</td>
<td>30.8</td>
<td>675,283</td>
</tr>
<tr>
<td><strong>Total heat generation incl. investments</strong></td>
<td>6,035,733</td>
<td>6,192,300</td>
<td>-2.5</td>
<td>6,200,617</td>
</tr>
<tr>
<td>Share of production from waste and biomass in %</td>
<td>29.7</td>
<td>29.9</td>
<td>-1.0</td>
<td>26.5</td>
</tr>
<tr>
<td>Share of production from renewable energy in %</td>
<td>20.0</td>
<td>19.5</td>
<td>2.6</td>
<td>17.2</td>
</tr>
</tbody>
</table>
from thermal waste recycling at Spittelau, which is currently being modernised, Flötzersteig, Simmeringer Haide and Pfaffengau is used as the base load here. All four sites process around 900,000 tonnes of waste, special waste and sewage sludge in normal operations every year, producing around 1,500,000 megawatt hours of heat.

Average demand is met by drawing on the cogeneration capacities of the power plants at Donaustadt, Simmering and Leopoldau, as well as 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, as well as the facility at Wilhelminenspital, are only used to meet peak demand. A high-pressure thermal storage facility currently under construction will be used to cover peaks in demand. For more details, see page 20.

In the 2011/12 financial year, the total amount of heat produced declined by 2.5 percent to 6,035.7 gigawatt hours. A considerable negative trend has been reported here as a result of the work on modernising the waste recycling plant at Spittelau. This is in stark contrast to the increase in heat generated from biomass and other facilities such as peak load boilers.

### Optimising energy efficiency at the Spittelau waste incineration plant

In the coming years, Wien Energie plans to modernise and upgrade production facilities on a gradual basis. Energy efficiency at the Spittelau thermal waste recycling plant will be optimised by 2015. The aim of these and other measures is to treble electrical output to around 13 megawatts without having to increase its current waste recycling capacity of 250,000 tonnes per year. Such an improvement in efficiency equates to an annual saving of around five million cubic metres of natural gas. Aside from the Spittelau facility, the district heating plant located at Arsenal in Vienna’s 3rd District and the Kagran district heating plant are set to be modernised, by way of example.

### District heating network

Wien Energie operates a district heating network with a total length of nearly 1,170 kilometres, which is divided into a primary and secondary network. The primary network is used to transport significant quantities of heat at high temperatures and pressure throughout Vienna. It feeds into the secondary network, which branches out and ultimately connects to the individual buildings. The actual heat exchange takes place in converter substations which heat the water in customers’ buildings. The cooled water then flows back to where it started via return pipes.

In the 2011/12 financial year, the existing network was largely subject to consolidation in addition to ongoing maintenance work. The key investment activity was the completion of work on constructing the five kilometre-long Danube district heating mains, which connects the Simmering power plant to the north of the city. In total, around EUR 48 million was invested in this project.

### Local heating

Compared to district heating, local heating is transported over relatively short distances and supplies mainly municipalities and businesses. Wien Energie’s local heating network is divided into two sub-networks: communal heating networks over one kilometre in length which connect biomass power plants to customers, and local heating networks less than one kilometre in length which are used in local heating centres. In the 2011/12 financial year, a total of 521,950 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 setting up 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. For further information on current projects, please refer to page 14.
Cogeneration gas-fired power plants safeguard excellent security of supply

Report. Vienna’s energy system relies primarily on gas-fired power plants with cogeneration technology. There are good reasons for this. Thanks to cutting-edge technology and efficiency, gas-fired power stations are attractive because of their high efficiency ratios and their environmental compatibility – natural gas is the most environmentally friendly fossil fuel. A visit to the Simmering power plant highlights the importance of Wien Energie’s gas-fired power plants to the city.

Simmering is a place steeped in history. Electricity has been generated here since 1902. Three gas-fired power plants, a biomass power plant, a small hydro-power plant and an innovative photovoltaic installation are currently operated in Simmering. The area used is correspondingly large at over 300,000 square metres, through which Wien Energie’s Stefan Otzasek leads the way. As an employee in the Thermal Production division, he knows precisely how important gas-fired power plants are to the Greater Vienna metropolitan area. In his view, many factors come together to make gas-fired power plants indispensable for Vienna: “Gas-fired power plants are attractive as a result of their excellent electrical efficiency ratio, they are ideally suited to regulating peaks in demand, enjoy an advantage over other fuels due to the chemical composition of natural gas and are the cleanest power plants that run on fossil fuels.”

High efficiency ratio thanks to cogeneration
The high electrical efficiency ratio of gas-fired power plants is the result of a number of factors. On the one hand, the gas turbines of today are very efficient and achieve an electrical efficiency ratio of almost 40 percent by themselves. Making additional use of gas turbines’ waste heat by generating steam and processing this steam in the steam-powered turbine increases this efficiency ratio by around 20 percent. When producing only electricity, Wien Energie achieves an overall electrical efficiency ratio of nearly 60 percent, which is nothing for the company to be ashamed about in an international comparison with state-of-the-art facilities.

In addition, Wien Energie’s gas-fired power plants enjoy a particularly high fuel utilisation ratio as a result of the district heating extracted during the production of electricity. The term fuel utilisation ratio is used here rather than electrical efficiency ratio because only part of the energy is used for electricity, with another part being used for heat. In the course of this so-called power heat extraction, water coming from the district heating circuit is heated to between 95°C and 150°C and fed into the district heating system.

Such district heating extraction is only possible because of the technical characteristics of Wien Energie’s gas and steam-powered turbine power plants. In this type of power plant, a gas turbine and
a waste heat boiler are combined with each other. Natural gas is mixed with compressed air in the turbine and then ignited. The resulting flue gas is channelled into the waste heat boiler at a temperature of approximately 600°C. Here, the heat is extracted from the flue gas at different temperature levels, which is the reason for the high efficiency ratio. The extracted heat is used at the different levels to heat circulating water, which evaporates and is then used to generate electricity in a steam-powered turbine. The water circulating in the district heating system is heated in two ways in Wien Energie’s gas combination power plants: in the waste heat boiler and, at times of greater demand, by some of the steam originally intended for use in the steam-powered turbine to generate electricity.

**Flexibility and speed**

In general, gas turbines in gas-fired power plants can be started very quickly and are fully operational in a matter of minutes. In contrast, the waste heat boiler, with its thick-walled components, needs somewhat longer, depending on how long it has been inactive. Power plants are often taken offline during the night because of low demand. If the power plant is brought back online the next morning, the boiler is still warm. In such cases, the start-up time is around two hours. In the event of prolonged periods of inactivity – for instance as a result of maintenance work – it takes around four hours before the waste heat boiler is fully operational. In the event of an emergency situation, such as a general system collapse, individual power plants, e.g. Simmering 3, are equipped with a bypass chimney. This additional chimney makes it possible to start the gas turbines in just a few minutes without the need for the boiler. Although operating the turbines via the bypass chimney ultimately results in a lower output and electrical efficiency ratio, the advantage is that the plant is able to be connected to the grid more quickly with this lower output.

Wien Energie is able to react swiftly to unexpected peaks in demand thanks to the flexibility and speed of gas-fired power plants, thereby being able to prevent the grid from overloading, for instance. Nuclear and coal-fired power plants are much slower as a rule and must remain in operation all the time in order to be commercially viable. Their efficiency ratio is also comparatively low. Nuclear power plants have an electrical efficiency ratio of around 35 percent, and newer coal-fired power plants around 45 percent. By way of comparison, Wien Energie’s gas-fired power plants achieve efficiency ratios of up to 86 percent thanks to the district heating extraction.

However, Stefan Otzasek points out that the role of Wien Energie’s gas-fired power plants cannot be said to be limited to just covering peaks in demand, as they are also of key importance to the production of district heating. This means that their use does not just depend on electricity prices but also on the demand for district heating. Producing 60 percent of the Company’s district heating output, gas-fired power plants constitute an essential part of Wien Energie’s energy concept. This is why they are more or less fully operational in winter, whereas the situation in summer 2012 was the opposite due to developments in the energy sector.

**Fuel purity**

The third key benefit of gas-fired power plants in comparison to other calorific power plants is the purity of natural gas. Methane’s chemical formula is CH₄. This means that the fuel is made up of one carbon atom and four hydrogen atoms. The upshot is that, in gas-fired power plants, more hydrogen is burned than carbon. And it is precisely this high proportion of hydrogen that gives rise to a large part of the energy contained in natural gas. Gas-fired power plants also give off fewer CO₂ emissions than other calorific power plants due to the chemical composition of methane. In Germany, one kilowatt hour of electricity generated in a gas-fired power plant produces less than half as much CO₂ as a kilowatt hour of electricity generated in a coal-fired power plant.

Moreover, methane with a composition of CH₄ does not contain any additional impurities. In contrast, coal contains impurities such as heavy metals or sulphur, which make it necessary to put the flue gas through a complicated filtering system that is still unable to remove all traces of these impurities. The waste gas given off by gas-fired power plants is therefore cleaner. This feature makes gas-fired power plants particularly suitable for operations in cities as they do not produce any fine particulate matter either. Furthermore, the method used to deliver the fuel produces little CO₂, making it particularly environmentally friendly, as the fuel is transported via underground pipes and not with vehicles.

**Gas-fired power plants will remain essential**

Gas-fired power plants will continue to be essential for Vienna’s electricity and heating supply for the foreseeable future in view of their high efficiency ratio, importance for district heating through cogeneration, their suitability to manage demand and the comparatively low level of CO₂ emissions given off by the fuel. This importance is also underpinned by the availability of space, which offers only limited possibilities to make use of wind, sun or water. Furthermore, Wien Energie will continue to make use of all technical options and innovations to improve the efficiency ratio on an ongoing basis and, by extension, the total energy output.
Wien Energie can react very quickly to demand peaks thanks to its flexibility.
Sales

Wien Energie maintains a clear focus on the interests of customers when procuring electrical power and primary energy as well as on customer care.

No nuclear power

Residential and business customers supplied by Wien Energie receive electricity originating entirely from regional sources; this does not contain any nuclear power. The power purchased on international electricity exchanges is also free of nuclear power. In Austria, the law stipulates that the electricity bill must provide a detailed breakdown of the respective primary energy sources in the electricity supplied. If an energy supplier is unable to provide such evidence as required by law, an average UCTE mix (Union for the Coordination of the Transmission of Energy, UCTE-ix) is presumed, which contains around 30 percent nuclear energy. However, as was confirmed by the regulator E-Control in its 2010 electricity labelling report, Wien Energie is able to provide full evidence of its nuclear-free energy sources. Electricity from Wien Energie is therefore guaranteed to be free of atomic energy.

In 2002, Wien Energie established the subsidiary Wien Energie Vertrieb GmbH & Co KG, thereby fulfilling the unbundling requirements of the European Union ahead of schedule. At the same time, the gas and electricity sales activities were concentrated within EnergieAllianz Austria (EAA), an alliance of several Austrian energy companies, so as to benefit from economies of scale. 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 continues to be responsible for looking after customers, maintaining energy supply contracts with the approximately 1.2 million private customers, and supplying around 230,000 businesses and 4,500 farms in the Greater Vienna metropolitan area with electricity and natural gas. The associated range of services offered is explained in detail on page 10 of this report.

EnergieAllianz directly manages key accounts supplied with electricity, while EconGas looks after those supplied with natural gas. For more details on EnergieAllianz Austria and EconGas, see page 13.

Energy prices and sales volumes

Wien Energie pursues a responsible and sustainable policy when purchasing electricity and primary energy sources – mainly natural gas. These procurement processes relate primarily to 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 purchase price – there is a time delay – and therefore take time to affect pricing for customers.

The average price for imported natural gas rose during the reporting period by nearly 15 percent. This was associated with a reduction in the use of gas-fired power stations which, in turn, had a negative impact on the volumes of gas sold. Moreover, the weather conditions were also somewhat milder than in the preceding
year. Quoted in euro, the average price of Brent crude, the benchmark price in Europe, during the reporting period was 13.9 percent higher than in the prior year. This was mainly due to the continuing high level of demand from Asia as well as the ongoing conflict between Iran and western industrialised nations.

European electricity markets were characterised by a high degree of volatility during the 2011/12 financial year. Following a peak towards the end of January 2012, the level of prices continued to slide during the remainder of the period. On average, the base and peak prices fell by 13 percent and 11 percent respectively.

Given that Wien Energie, acting within the EEA, had reduced its prices for natural gas in February and December 2009, it became necessary to increase these by 9.4 percent with effect from 1 October 2011. The savings achieved by means of the successful renegotiation of gas prices between EconGas and Gazprom was passed on to customers in the form of a credit on their bills. Generally, however, Wien Energie has very limited room for manoeuvre when setting tariffs. For an average household, just 48.1 percent of the overall cost of natural gas is for the actual commodity, and only 40.0 percent in the case of electricity. The remainder is levied for taxes, duties and network charges, which are set by the regulator.

Between 1 October 2011 and 30 June 2012, power consumption in Austria amounted to 53 TWh, 0.6 percent more than in the prior period. This increase is mainly attributable to the modest economic recovery during the first two quarters of 2012. Gas consumption, on the other hand, fell by 4.1 percent to 81.5 TWh. This development is explained by the warmer weather conditions, particularly between October and December 2012.

Electricity and natural gas sales
Including the proportion of direct sales generated by the EEA, sales of electrical power by Wien Energie during the reporting period amounted to 9,511.1 GWh, equivalent to 1.8 percent more than in the prior year. The development of gas sales was in the opposite direction, falling 5.5 percent to 7,971.6 GWh. It was, however, possible to increase the volume of electricity and natural gas sales in Germany.

### Local and district heating
Despite the somewhat milder weather conditions, the total volume of district heating sales achieved by Wien Energie rose by 0.6 percent to 5,742.0 GWh. This increase is accounted for by around 10,000 new customers at Wien Energie Fernwärme and the successful development of heating sales at Energiecomfort.

### Table: Sales Volumes

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2010/11</th>
<th>+/- %</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>9,511,056</td>
<td>9,338,904</td>
<td>1.8</td>
<td>9,456,342</td>
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<tr>
<td>Natural gas</td>
<td>7,971,628</td>
<td>8,433,996</td>
<td>-5.5</td>
<td>8,703,485</td>
</tr>
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<td>Heat</td>
<td>5,742,042</td>
<td>5,706,015</td>
<td>0.6</td>
<td>5,759,917</td>
</tr>
<tr>
<td>Total sales</td>
<td>23,224,726</td>
<td>23,478,915</td>
<td>-1.1</td>
<td>23,919,744</td>
</tr>
</tbody>
</table>

**SALES VOLUMES**

**in MWh**

**BREAKDOWN OF COSTS FOR A NATURAL GAS CUSTOMER (OPTIMA TARIFF)**
in Vienna with an annual consumption of 10,700 kWh

1. 48.1% Energy price
2. 23.6% Network charges
3. 28.3% Taxes and duties

**BREAKDOWN OF COSTS FOR AN ELECTRICITY CUSTOMER (OPTIMA TARIFF)**
in Vienna with an annual consumption of 2,500 kWh

1. 40% Energy price
2. 26% Network charges
3. 34% Taxes and duties
Clean mobility

**Report.** Motorised transportation is responsible for a significant proportion of CO$_2$ emissions. As a partner in the Vienna Model Region and Vibrate projects, both coordinated by Wiener Stadtwerke, Wien Energie is a key player in the promotion of e-mobility. The network of e-charging stations and the cooperation with carmaker Renault are making a significant contribution towards sustainable mobility, with ambitious goals for the near future.

Motorised transport accounts for around 40 percent of CO$_2$ emissions in Vienna – and 25 percent throughout Austria. Intelligent mobility concepts are aimed at reducing the burden on the climate. Among other projects, Wien Energie is actively involved in the project ‘e-mobility on demand’ as part of the Vienna Model Region. The combination of public transportation and new private mobility services offers considerable potential for electric cars. “We are developing marketable models and concentrating on the interfaces at which e-mobility effectively supplements public transport. Wien Energie is responsible for the complete e-charging infrastructure. We are developing compatible systems, implementing and maintaining these, as well as dealing with issues relating to sustainable power supplies and management,” explains Jurgen Halasz, Head of Energy Efficiency Solutions at Wien Energie.

In 2012, more than 100 new charging stations were set up, mainly in garages, such as the Park&Ride facility in Siebenhirten. Within the so-called model region which is being supported by Wiener Stadtwerke, there will be a total of 440 charging station for e-cars and e-bikes by November 2014. Most of these will be located in and on semi-public and private premises, for example in garages and residential estates as well as on the parking areas of partner companies such as the supermarket chain Spar. This project also investigates the opportunities for e-car sharing with reserved parking spaces in underground car parks. The use of the charging stations is simple: the battery unit is charged while the e-vehicle is parked. Austria’s most modern e-charging station, a cooperation between the partner companies involved, opened in the Beethovengarage parking facility in Central Vienna in summer 2011. Using this fast-charging station, the battery unit of a car is 80 percent charged within only 20 minutes. The garage and the integrated e-charging station are supplied with electricity from small-scale hydropower stations and other green energy, the production of which leads neither to CO$_2$ emissions nor radioactive waste.

**Travelling sustainably between Vienna and Bratislava**

The first cross-border model region for e-mobility is being developed in the course of the pilot project Vibrate – Vienna Bratislava e-Mobility. Several Austrian and Slovakian companies are establishing the infrastructure in the Twin-City Region Vienna Bratislava, consisting of standardised charging stations located at public and semi-public sites so as to facilitate barrier-free, cross-border use. A special roaming solution is the key to making the billing of electrical power used possible across national borders.

A further incentive to increase the use of electric-powered cars is the cooperation agreement reached in spring 2012 between Wien Energie and Renault, the carmaker with the world’s largest range of e-vehicles. Since the launch of this project, it has been easier for buyers of Renault electric-powered vehicles to charge their cars with reliable, safe and environmentally sensitive electricity. Wien Energie performs a safety check in the buyer’s garage and deals with the required infrastructure. The installation of the necessary, technically proven, charging stations, the so-called wall boxes, is performed by certified partners, and customers can also opt to charge their vehicles with 100% green electricity.

Besides the expansion of the charging infrastructure, the next steps are the integration of e-vehicles into the Company’s own fleet and the development of a e-charging and payment card for cross-border usage and, in future, even an intermodal mobility card. As
Sustainable mobility means integrating several components: switching to e-vehicles reduces CO₂ emissions since 70 percent of electricity in Austria is produced from renewable sources and intelligent power networks are being interwoven with e-mobility. Charging e-vehicles is possible in private garages and at interfaces with the public transportation network. By 2020, the aim is for 250,000 e-vehicles to be on Austria’s roads, reducing CO₂ emissions by 430,000 tonnes per year.

Jürgen Halasz confirms, the future potential of e-mobility is enormous: “The roaming models already provide incentives which extend beyond the Vienna model region – the solutions therefore exist and internationalisation will allow us to reach exploit considerable customer potential.” Numerous research cooperations and projects are also being pursued with partners in order to further promote sustainable mobility. The success of all these projects being implemented by Wiener Stadtwerke, however, is ultimately also dependent on further technical developments and acceptance on the part of the population.
In order to concentrate its resources and increase the efficiency of working processes, various divisions of Wien Energie have been relocating step-by-step over the last two years to the new corporate head offices at TownTown in Vienna’s Third District. At present, 925 employees work in these modern offices. Architecturally, TownTown serves as a role model for innovative spirit and energy efficiency, and, not least due to its height of 100 metres, is now a guiding light on the Vienna skyline.

Another important and easily visible site of Wien Energie is located in the Vienna’s Ninth District, at Spittelauer Lände 45, where highly skilled Wien Energie employees have been working in the Wien Energie Customer Service Centre since March 2012. This new centre bundles the numerous advisory services relating to electricity, natural gas and district heating, and yields important synergy effects both for customers and for employees.

Comprehensive training and further education

Wien Energie endeavours to tap the full potential of its employees as far as possible, and therefore invests extensively in promoting their individual talents and
opportunities. This potential is identified in the course of regular staff appraisals. These meetings then serve as a basis for specific development steps agreed in order to fine-tune and enhance these skills. The personnel departments of the operational subsidiaries of Wien Energie then accompany and provide support during the relevant training programmes.

Besides agreements and training programmes, there is also Wiener Stadtwerke’s main education and training centre which offers numerous further training options. 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. Depending on the existing level of education and employees’ willingness to learn, Wien Energie also supports employees who wish to complete an apprenticeship, their high school graduation or a degree programme.

Furthermore, Wien Energie encourages dissertation and thesis-based research in relevant business areas conducted by students and, thereby, creates a bridge between academic research and the world of work. Trainees also can participate in a comprehensive educational programme in order to find out about Wien Energie’s various business areas and discover where their career interests lie. Pupils and students are also offered interesting summer jobs, internships and job experience.
options. One of the main focuses in the area of human resources at Wien Energie is the training and support of apprentices and trainees. Towards the end of the period under review, Wien Energie and its subsidiaries employed a total of 88 trainees and apprentices.

During the 2011/12 financial year, the so-called Welcome Day events of Wiener Stadtwerke continued. These were aimed at all subsidiaries and gave participants an insight into the various business divisions.

**Health and safety**

Due to the area of business the company operates in, the employees of Wien Energie are exposed to a number of different hazards, particularly in the area of production. Wien Energie undertakes numerous steps to prevent accidents and promote health. Campaigns to raise awareness and safety training courses are regularly organised in order to minimise risks. As a result of standardised safety clothing and frequent emergency and fire drills, it has been possible to continuously reduce the number of accidents in recent years.
In the interests of their health, Wien Energie employees can take advantage of a wide-ranging programme covering sport, anti-smoking seminars and nutritional advice.

The Wien Energie Business Run forms an annual highlight, with more than 21,000 runners taking part in the 2012 event. A new energy centre also opened in 2012, a project initiated by the Wien Energie work’s council. This centre offers personnel a wide range of health-related facilities and options. The existing programme in the area of safety and health was expanded in 2012 to include occupational psychology, work-related mobbing and burnout seminars.

Communication and motivation

Wien Energie attaches considerable importance to transparent and regular communication with its personnel. This relies on a variety of different information channels. Since 1999, the staff magazine “24 Stunden Teamgeist”, published six times a year, has been informing employees about internal developments and issues. A regular flow of information is also communicated via the intranet and topic-specific newsletters.

By means of company-wide employee surveys, team and orientation meetings, the employees and management of Wien Energie maintain a regular flow of information with Human Resources and receive in-depth feedback.

Wien Energie 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 their identification with the company and its objectives. In May 2012, a market-oriented salary system was introduced which ensures fair and performance-based remuneration while at the same time allowing for a high degree of transparency for career-planning purposes. Personnel also have the option of finding out about other positions within the Group by means of a job rotation scheme. Development options and promotion prospects are regularly defined in meetings with the relevant managers.

Promoting equal opportunities

The energy sector is generally characterised by a relatively low proportion of female employees. Wien Energie is striving to support change in this area and is therefore focussing on ensuring equal opportunities for 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 in technical professions through a series of programmes such as participation in the so-called Vienna Daughter’s Day event. On the reporting date 30 September 2012, the proportion of female employees in the Wien Energie division amounted to an average of 24.8 percent.

Wien Energie has also set up employment models in order to meet the requirements of employees with special needs. For instance, two visually impaired people have already been working on the switchboard for a number of years. The number of employees at Wien Energie with special needs stood at 67 on the reporting date 30 September 2012.
Analysis of business development

in the financial year from 1 October 2011 to 30 September 2012 – Wien Energie GmbH

The following analysis of business development during 2011/12 represents a voluntary overview of the financial management of Wien Energie GmbH and its subsidiaries (see List of Holdings on page 66).

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.

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ANALYSIS OF BUSINESS DEVELOPMENT

1. Operations

Wien Energie supplies two million people in the Greater Vienna Metropolitan Area with electricity, gas, district heating and top quality energy-related services. Wien Energie is a wholly owned subsidiary of Wiener Stadtwerke AG.

2. Legislative environment

The so-called Switching Ordinance (Wechselverordnung 2012) was enacted by Energie Control Austria (ECA) in June 2012 and comes into effect on 2 January 2013. Exercising the power to issue statutory instruments set out in Article 76, paras. 1 and 3 thereof, the ECA has clearly defined the procedure for a change of supplier as well as the re-registration and de-registration processes.

The so-called Green Electricity Act 2012 (ÖSG 2012) came into force on 1 July 2012 with the aim of increasing the proportion of renewable energy in electricity consumption in Austria and, as a result, eliminating the country’s dependence on imported atomic power by 2015. The following additional objectives have been defined for the period to 2020: 1,000 MW of hydroelectric power, 2,000 MW of wind power, 200 MW from biomass and 1,200 MW from photovoltaic generation. The annual incentives for these energy sources, available in the form of subsidised feed-in tariffs and investment grants for new green electricity projects, were increased from EUR 21.0 million to EUR 50.0 million. This amount will decline in each of the first ten years after introduction by one million euros per calendar year. This scheme is being financed by two forms of tax-like charges: the so-called flat-rate renewables charge and the renewables contribution (Ökostrompauschale and Ökostromförderbeitrag), which are to be collected from end consumers by network operators. This new financing model is intended to ensure that the Austria is not unduly disadvantaged in terms of its commercial viability and attractiveness to manufacturers.

The amendment to the Vienna Electricity Act (Wiener Elektrizitätswirtschaftsgesetz), published in the Federal Law Gazette (LGBl, No. 44/2012), was introduced to bring the legislation into line with the underlying principles of the Electricity (Industry and Organisation) Act 2012 (EIWOG). This included clear rules to consolidate and safeguard consumer rights, to effectively unbundle network operators, to stabilise the supply of electricity by means of network development plans and network expansion, as well as to establish control zones and introduce additional monitoring tasks for the provincial government.

On 8 December 2011, the EU Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) was published in the Official Gazette of the European Union. The most important aspects of REMIT are the establishment of a European register for trading transactions as well as rules to prevent market manipulation and insider dealing. In particular, information regarding the capacity and use of production and storage facilities, the use or transmission of electricity or natural gas, as well as information regarding the capacity and use of liquid gas facilities, including the scheduled or unscheduled non-availability of these facilities, now has to be published. The exact requirements for implementation are currently being defined.

In June 2012, the EU Member States reached agreement on new, binding regulations to increase energy efficiency, with the aim being to reduce energy consumption by 20 percent by 2020. With the aid of this directive, Member States are required to achieve energy savings of at least 1.5 percent per annum. The directive also commits Member States to define national energy-saving targets. The agreement of the European Council is necessary in order for the Energy Efficiency Directive to come into force by the end of 2012. It appears likely that the Member States will have 18 months in which to adopt the requirements of the directive in their national legislation.

The Austrian Act on Emissions Allowance Trading (EZG 2011), which passed into Austrian law in December 2011, implemented the amendments to the EU Emissions Trading Directive in national legislation. Free-of-charge CO₂ certificates were distributed under the Second National Allocation Plan (NAP II – 2008 to 2012) on the basis of historical emission levels. From 2013, the underlying principle for distributing these certificates will become auctions; electricity producers in particular will no longer receive free allocations from this point in time. Instead, they will have to acquire all of the certificates necessary to cover their emissions either in the market or on a common auctioning platform according to the rules of the EU auction regulation (1031/2010). There will be no free allocation of certificates from the so-called national reserve for facilities approved for the emission of greenhouse gases prior to 30 June 2011 which are first commissioned after 2013. Similarly, new market players – including major expansions to existing facilities – will also no longer receive certificates. They only have the option of applying for emissions certificates from an EU-wide reserve managed by the European Commission. The volume of this reserve was restricted by the Regulation...
to five percent of the EU-wide volume of certificates. The EZG legislation also requires that the conditions applicable to the current trading period between 2008 and 2012 will, with the exception of minor technical adjustments, be retained in their current form. The duration of the trading period from 2013 will be extended to eight years.

On 19 October 2011, the Austrian Climate Change Act (KSG) was promulgated and duly published on 21 November of the same year. The intention of this legislation is to improve coordination in terms of the definition of climate protection action and to more clearly define responsibilities. This entails breaking down the permissible emissions of greenhouse gases throughout Austria for the years 2008 through 2012 on the basis of various industrial sectors (heating, waste management, transport, agriculture, etc.). The act defines a roadmap for the recording of greenhouse gas emissions in the period 2013 to 2020 for those activities which are not covered by greenhouse gas emissions trading. A national Climate Change Committee and a national Climate Change Council have also been established. These bodies, in which the so-called social partners are also represented, support the Environment Minister in the planning of climate protection measures.

The national legislation supporting the expansion of district heating and cooling infrastructure networks (WKLG 2008) has generated new opportunities for supplying district heating. Up to EUR 60 million per year of federal funds will be made available for heating and cooling pipes. However, the federal budget for 2009 included no grants; with only EUR 10 million and EUR 20 million being budgeted for 2010 and 2011 respectively. In 2012, grants of EUR 45 million were allocated; EUR 20 million from the federal budget and EUR 25 million from CHP (KWK) grants. At the end of the financial year, however, these funds had still not been released by the competent federal ministry. The draft of the Austrian Energy Efficiency Act (Energieeffizienzgesetz), which partially implements the European Energy Efficiency Directive, currently foresees a budget of EUR 20 million per year for the WKLG legislation. The competent Climate Change Council for the WKLG legislation, which issues a recommendation to the Federal Minister regarding the projects submitted, issued a favourable recommendation with regard to the first five projects submitted by Wien Energie. The first grant authorisation (for the Spittelau District Cooling Plant) was issued in August 2012. The release of the budgetary funds from the year 2012 is still necessary in order for the grant authorisations to be issued for the four other projects approved by the Climate Change Council. Wien Energie also expects to receive grants for the thermal energy storage facility from this budget.

The European Commission has put forward a proposal for an amended Energy Taxation Directive (COM 2011/169). The intention is to align energy taxation with the energy and climate policy objectives of the European Union by 2020 by means of linking taxation with CO₂ and energy content. The CO₂-related tax components are intended to create advantages for low-CO₂ emitting fuels and to cover all users of fuels not encompassed by the EU emissions trading scheme.

The decision reached by the Austrian Constitutional Court on 21 June 2011 found that significant regulations relating to the use of system charges of the EIWG legislation were incompatible with the Austrian constitution and, among other findings, that the System Charges Orders 2009-2011 (Systemnutzungstarifverordnungen) based on this legislation were to be repealed. The Constitutional Court was reacting to the complaints issued by energy producers vis-à-vis energy suppliers relating to the billing of network loss charges. The civil law proceedings relating to the reimbursement of system charges paid by energy producers are still pending.

### 3. Economic environment, demand and price developments

**Economic factors**

Following a brief recovery at the beginning of the year, the global economy slowed tangibly in spring 2012. The majority of large industrial and emerging markets felt the impact of this development to different extents. After GDP growth of 0.5 percent in the first quarter, a marked slowdown in economic development began in Austria in the middle of the year. The possibility of economic stagnation in the second half of the year cannot be excluded. The Institute for Advanced Studies (IHS) forecasts GDP growth of 0.8 percent for the full year 2012 following growth of 2.7 percent in the prior year.

Due in particular to high international energy and (food) commodity prices, the average inflation rate in 2012 is projected to be 2.3 percent. The unemployment rate, calculated on the basis of the Eurostat method, is forecast to rise slightly from 4.2 percent in the prior year to 4.4 percent in 2012, indicating that the Austrian labour market remains more robust than the EU average.

The situation in terms of domestic finances continues to be dominated by the weak economy and the package of budgetary austerity measures introduced by the federal government. The IHS forecasts budgetary deficits of 2.9 percent and 2.3 percent in 2012 and 2013 respectively.

Following its decision to leave the base lending rate unchanged at 1.0 percent in the first quarter of 2012, the European Central Bank cut the base rate to 0.75 percent in July 2012 in response to increased downward...
risks to the economy and the low inflationary risks. This 
low interest rate has a positive effect on the financing 
costs of Wien Energie.

Temperature developments 
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 
around 2.4 percent higher than in the prior year and 
around 0.6 percent above the trend value of recent years. 
The warmer temperatures in the 2011/12 financial year 
tended to have a negative impact on sales of gas and 
heat.

Development of crude oil prices 
The past financial year of Wien Energie was largely char-
acterised by stable crude oil prices. The only exceptions 
were the months February, March and June. The develop-
ment of the crude oil price during the period under 
review was significantly influenced by geopolitical fac-
tors and international conflicts. On the demand side, the 
situation varied. While there was a rise in demand in 
Asia, the situation in Europe was more subdued due to 
the overall economic environment. The peak in terms of 
the price of Brent crude, the reference grade in Europe, 
was seen in early 2012 at around USD 120/bbl. A marked 
decline in prices was seen in the period to June, with 
higher stockpiles in the USA widely regarded as the 
cause of this trend. In the following months, prices 
recovered marginally to a level above USD 110/bbl.

Development of natural gas prices 
The price of natural gas generally develops in line with 
that of crude oil, subject to a delay of three to six 
months. Compared to the prior year, the average price 
for imported natural gas rose by approximately 14.6 per-
cent. The development of prices based on the hub refer-
ence prices (NetConnect Germany, NCG) was signifi-
cantly below the oil-indexed gas price. In the period from 
1 October 2011 to 30 September 2012, the difference 
ranged between 0.08 ct/kWh in February 2012 and 0.56 
ct/kWh in January 2012.

Development of electricity prices 
The late, yet severe, onset of winter in Europe led to a 
sharp increase in spot prices in February 2012 and put an 
end to the downward trend seen on energy markets that 
had started in November 2011. After the cold spell had 
passed, futures also returned to their earlier levels such 
that, in March 2012, they again stood at prices compara-
ble with those in January. During the reporting period, 
the difference between the peak price and the base price 
closed in daily trading. The spot price difference between 
the most and the least expensive hour of a day during the 
course of the 2011/12 financial year was at times very 
high and, in February 2012, peaked at EUR 167.52 per 
MWh. During the financial year 2010/11, the highest 
 intra-day difference (also recorded in February) was only 
EUR 94.80 per MWh, indicating an increase in market 
volatility.
Renewable energies, particularly wind and photovoltaic, are a key driver behind the steadily declining spot price. The downward trend continues unabated. One influencing factor was also the re-commissioning of the Phillipsburg atomic power station in July 2012. Although the spot prices rose again slightly in autumn, it was not possible to attain the pricing level seen in the prior year. Seen on average across the financial year, base prices fell by 3 percent and peak prices by 1 percent compared to the prior year.

Development of prices for CO₂ emission certificates

A downward trend in terms of the prices of CO₂ certificates began in July 2011, as a result of which, in December 2011, the Environment Committee of the European Parliament proposed setting aside 1.4 billion certificates from the beginning of the third trading period. It remains to be clarified whether these certificates will be set aside permanently or only temporarily (backloading). The purpose behind this step is to push up certificate prices, at least temporarily. After the rise in prices at the start of 2012, prices subsequently displayed increasing volatility at a level significantly lower than in the prior year. A year-on-year comparison reveals nearly a 50-percent decline in certificate prices.

Due to its highly efficient CHP power stations, Wien Energie has been allocated sufficient free certificates for the Second Trading Period of the EU ETS (2008 – 2012). The Third Trading Period, due to start in 2013, will only involve a lower allocation of free certificates for CHP generating facilities. The remaining requirements will have to be met by means of auctions or in the market.

Development of energy supplies

Due to the unfavourable conditions prevailing in the energy sector, the overall energy production level of Wien Energie in the reporting period fell year-on-year by 15.7 percent to 10,300.8 GWh. The production of electricity was scaled back in the thermal power stations in particular, falling by 26.2 percent or 1,775.2 GWh. Heat generation also fell by 2.7 percent compared to the prior year. Due to an increase in external supplies, heat sales rose by 0.6 percent year-on-year. As a result of the mild weather conditions, however, gas sales developed negatively.

4. Factors influencing financial results

The development of results in the past financial year is largely a reflection of the change in the calculation of provisions for employee benefits, the writedown of thermal power station assets due to the current situation in the energy sector, and impairments taken against domestic investments.

The subsidiaries Windnet KG and Vienna Energy Természet Erő Kft. were fully consolidated within Wien Energie for the first time in the 2011/12 financial year.

5. Turnover and earnings positions
first time in the 2011/12 financial year and, consequently, reclassified to be reported under the position ‘Power generation (consolidated)’. Electricity production based on investments in which Wien Energie exercises significant influence remained essentially unchanged year-on-year. The proportion of power generated from renewable energy sources lies, at 16.5 percent, considerably above the level of the prior year. Seen in absolute terms, the production of electricity from renewables rose by 19.2 percent to 830.2 GWh.

**OVERVIEW OF SHARE OF POWER GENERATION FROM RENEWABLE SOURCES**

<table>
<thead>
<tr>
<th>in GWh</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power generation (consolidated)</td>
<td>4,996.9</td>
<td>6,772.2</td>
<td>-1,775.2</td>
<td>-26.2</td>
</tr>
<tr>
<td>+ Power generation by non-consolidated affiliated companies</td>
<td>20.7</td>
<td>109.8</td>
<td>-89.1</td>
<td>-81.2</td>
</tr>
<tr>
<td>+ Power generation via investments entailing significant influence</td>
<td>21.3</td>
<td>17.2</td>
<td>4.1</td>
<td>24.0</td>
</tr>
<tr>
<td>= Total power generation (Group) incl. investments (1)</td>
<td>5,038.9</td>
<td>6,899.1</td>
<td>-1,860.2</td>
<td>-27.0</td>
</tr>
<tr>
<td>of which power generation from renewable energy sources (2)</td>
<td>830.2</td>
<td>696.8</td>
<td>133.4</td>
<td>19.2</td>
</tr>
<tr>
<td>Proportion of renewables in total power generation (Group), incl. investments (2)/(1)</td>
<td>16.5 %</td>
<td>10.1 %</td>
<td>6.4</td>
<td>63.1</td>
</tr>
</tbody>
</table>

The production of district heating by all subsidiaries consolidated within the Wien Energie division amounted to 5,303.8 GWh during the reporting period, 2.7 percent lower than in the prior period. Including proportions of energy generated by investments, the total volume of energy produced amounted to 5,630.0 GWh, equivalent to a reduction of 2.6 percent year-on-year. The proportion of heat generated from waste and biomass remained essentially unchanged compared to the prior year at 24.6 percent. While heat production using peak-load boilers increased by 185 percent, the production of heat using waste and special waste incineration plants fell by 9.8 percent due to the upgrade project involving the Spittelau waste incineration plant. On the other hand, heat production on the part of the forest biomass power plant at the Simmering site rose by 3.3 percent.

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

<table>
<thead>
<tr>
<th>in GWh</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat production (consolidated)</td>
<td>5,303.8</td>
<td>5,449.6</td>
<td>-145.8</td>
<td>-2.7</td>
</tr>
<tr>
<td>+ Heat generation by non-consolidated affiliated companies</td>
<td>229.9</td>
<td>237.9</td>
<td>-8.0</td>
<td>-3.4</td>
</tr>
<tr>
<td>+ Heat generation via investments</td>
<td>96.3</td>
<td>94.5</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>= Total heat generation (Group) incl. investments (1)</td>
<td>5,630.0</td>
<td>5,782.0</td>
<td>-151.9</td>
<td>-2.6</td>
</tr>
<tr>
<td>of which from waste and biomass (2)</td>
<td>1,385.3</td>
<td>1,442.9</td>
<td>-57.6</td>
<td>-4.0</td>
</tr>
<tr>
<td>Proportion of waste and biomass in total heat production (Group), incl. investments (2)/(1)</td>
<td>26.6 %</td>
<td>25.0 %</td>
<td>-0.3</td>
<td>-1.4</td>
</tr>
</tbody>
</table>

**Notes to the Consolidated Profit and Loss Account**

**ABRIDGED PROFIT AND LOSS ACCOUNT**

<table>
<thead>
<tr>
<th>in EUR m</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>2,049.5</td>
<td>2,040.1</td>
<td>9.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Other own work capitalised</td>
<td>4.6</td>
<td>6.0</td>
<td>-1.4</td>
<td>-23.1</td>
</tr>
<tr>
<td>Other operating income</td>
<td>51.1</td>
<td>38.4</td>
<td>12.7</td>
<td>33.0</td>
</tr>
<tr>
<td>Cost of materials and services</td>
<td>-1,446.9</td>
<td>-1,447.9</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-446.4</td>
<td>-225.0</td>
<td>-221.5</td>
<td>-98.4</td>
</tr>
<tr>
<td>Depreciation and amortisation of tangible and intangible assets</td>
<td>-191.8</td>
<td>-126.0</td>
<td>-65.9</td>
<td>-52.3</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-241.2</td>
<td>-224.1</td>
<td>-17.1</td>
<td>-7.6</td>
</tr>
<tr>
<td>EBIT</td>
<td>-221.2</td>
<td>-224.1</td>
<td>-282.7</td>
<td>-52.3</td>
</tr>
<tr>
<td>Financial result</td>
<td>-36.8</td>
<td>20.8</td>
<td>-57.6</td>
<td>-277.1</td>
</tr>
<tr>
<td>Result on ordinary activities (EBT)</td>
<td>-258.0</td>
<td>82.3</td>
<td>-340.4</td>
<td>-413.4</td>
</tr>
<tr>
<td>Profit/loss for the period</td>
<td>-259.4</td>
<td>80.1</td>
<td>-339.5</td>
<td>-423.8</td>
</tr>
</tbody>
</table>

Differences as a result of rounding figures have not been eliminated

**Development of turnover**

During the period under review, Wien Energie was able to increase turnover by EUR 9.4 million or 0.5 percent to EUR 2,049.5 million. Higher turnover generated by the districting heating segment and through the sale of electricity and gas were offset by a 26.2 percent decline in revenues from the production of electricity as a result of the current commercial environment in the energy sector. Please see the sections above for details of the development of power generation and sales volumes.
Other operating income
This position amounted to EUR 51.1 million in the year under review and also includes, among others, revenues from the provision of personnel, income from the reversal of provisions for building grants, district heating grants and other provisions. This position also takes into account electricity-related additional business and income from energy-based services. A significant portion of the increase, namely EUR 8.4 million, is accounted for by an extraordinary item in the prior year. Due to changes in the legal position of the EU regulatory authority, in the 2010/11 financial year it was necessary to recognise in income a restate-ment of the CHP grants for the period January to September 2010.

Development of expenditure
Cost of materials and services
The costs of materials and other services remained, at EUR 1,446.9 million, essentially unchanged from the level of the prior year. The reduction in the production of district heating led to a quantity-based decline in the costs of gas for fuel of 24 percent. Given the higher level of gas prices compared to the prior year, this led to a disproportionate reduction in the corresponding expense position. Due to the higher price level, however, additional costs were incurred for gas supplies compared to the prior period despite the decline in terms of volumes of gas sold to end customers. The increase in volumes as a result of the expansion of business by EnergieAllianz Austria GmbH led to higher supply-side costs associated with electricity sales.

Personnel expenses
Personnel expenses rose in the 2011/12 period by EUR 221.5 million compared to the prior year. This is mainly attributable to a EUR 202.6 million increase in expenditures for pension benefits which is primarily accounted for by the change in the valuation principles to adopt the so-called entry-age normal method (Teilwertverfahren), pursuant to the Austrian Commercial Code (UGB), as well as the discontinued application of the corridor method and the resulting extraordinary items.

Depreciation and amortisation
Depreciation and amortisation, amounting to EUR 191.8 million, was EUR 65.9 million higher than in the prior year. This development is mainly accounted for by an unscheduled writedown in the valuation of power plant assets in the amount of EUR 71.6 million which became necessary as a result of the unfavourable conditions prevailing in the energy sector. This extraordinary item to a large extent offset an extension of the useful life of long-distance district heating pipes.

Financial result
The financial result of minus EUR 36.8 million was EUR 57.6 million lower than that in the prior year. This is predominantly attributable to mark-to-market writedowns of domestic investments totalling EUR 54.3 million.

EBT
The Wien Energie division reports earnings before tax (EBT) for the reporting period in the amount of EUR -258 million. The decline in comparison with the prior year is largely accounted for by the three extraordinary items set out in the table below:

OVERVIEW OF ADJUSTED EBT
<table>
<thead>
<tr>
<th>in EUR m</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBT (financial statements)</td>
<td>-258.0</td>
<td>82.3</td>
<td>-340.4</td>
<td>-413.4</td>
</tr>
<tr>
<td>Higher expenditures for employee benefits</td>
<td>202.6</td>
<td>0.0</td>
<td>202.6</td>
<td>n.e.</td>
</tr>
<tr>
<td>Impairment charge – thermal power stations</td>
<td>71.6</td>
<td>0.0</td>
<td>71.6</td>
<td>n.e.</td>
</tr>
<tr>
<td>Impairment charge – domestic investments</td>
<td>54.3</td>
<td>0.0</td>
<td>54.3</td>
<td>n.e.</td>
</tr>
<tr>
<td>Adjusted EBT</td>
<td>70.4</td>
<td>82.3</td>
<td>-11.9</td>
<td>-14.4</td>
</tr>
</tbody>
</table>

Profit/loss for the period
Following the deduction of taxes on income and earnings, and taking into account minority interests, the consolidated profit/loss for the 2011/12 financial year period amounted to a loss of EUR -259.4 million.

HEADCOUNT-RELATED KPIs
<table>
<thead>
<tr>
<th>in TEUR</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover per employee</td>
<td>737.5</td>
<td>745.0</td>
<td>-7.5</td>
<td>-1.0</td>
</tr>
<tr>
<td>EBITDA per employee</td>
<td>-10.6</td>
<td>68.5</td>
<td>-79.0</td>
<td>-115.4</td>
</tr>
</tbody>
</table>

Following a rise in turnover of 0.5 percent and an increase in the average headcount (FTE) of 1.3 percent, the KPI productivity per employee declined by EUR 7,500. The cashflow-oriented KPI EBITDA per employee also declined markedly due foremostly to the one-off effects recorded under personnel expenses.
6. Asset and capital structure

ABRIDGED BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>in EUR m</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td>1,957.9</td>
<td>1,950.7</td>
<td>7.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td>384.7</td>
<td>298.2</td>
<td>86.5</td>
<td>29.0</td>
</tr>
<tr>
<td>Accrued income</td>
<td>217.1</td>
<td>237.2</td>
<td>-20.2</td>
<td>-8.5</td>
<td></td>
</tr>
<tr>
<td>and prepayments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>2,559.6</td>
<td>2,486.2</td>
<td>73.4</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Shareholder’s equity</td>
<td>558.5</td>
<td>821.0</td>
<td>-262.5</td>
<td>-32.0</td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,241.4</td>
<td>1,053.7</td>
<td>187.7</td>
<td>17.8</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>759.7</td>
<td>611.5</td>
<td>148.2</td>
<td>24.2</td>
<td></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>2,559.6</td>
<td>2,486.2</td>
<td>73.4</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

Fixed assets
At EUR 1,957.9 million, the recognised value of fixed assets is EUR 7.1 million higher than the figure a year earlier. New investments in the amount of EUR 248.6 million were largely offset by the amortisation of intangible assets and the depreciation of tangible assets (including the impairment charges taken against thermal power plants) in the amount of EUR 191.8 million, and the writedown of financial assets in the amount of EUR 54.3 million.

Current assets
The marked increase in the recognised value of current assets of 29.0 percent to EUR 384.7 million is primarily attributable to higher oil and gas inventories as well as an increase in receivables.

Accrued income and prepayments
The accrued income and prepayments primarily consist of differential amounts not recognised in income relating to provisions for pensions in the amount of EUR 86.9 million as well as lower, compared to the prior year, accruals for natural gas consumption.

Shareholder’s equity
The shareholder’s equity amounts to EUR 558.5 million and is therefore EUR 262.5 million lower than a year earlier as a result of the development of results in the 2011/12 financial year. This has resulted in the equity ratio declining from 33.0 percent to 21.8 percent.

Non-current liabilities
The increase in non-current liabilities is mainly attributable to higher provisions for employee pensions.

Current liabilities
The rise in the recognised value of current liabilities is largely accounted for by higher cash-pooling liabilities associated with earnings and investments.
7. Investment and financial positions

<table>
<thead>
<tr>
<th>INVESTMENTS</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>10.0</td>
<td>13.7</td>
<td>-3.7</td>
<td>-27.1</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>162.5</td>
<td>121.5</td>
<td>40.9</td>
<td>33.7</td>
</tr>
<tr>
<td>Financial assets</td>
<td>76.2</td>
<td>238.0</td>
<td>-161.9</td>
<td>-68.0</td>
</tr>
<tr>
<td>Total</td>
<td>248.6</td>
<td>373.2</td>
<td>-124.6</td>
<td>-33.4</td>
</tr>
</tbody>
</table>

Over the course of the 2011/12 financial year, Wien Energie invested a total of EUR 248.6 million. Investments in tangible assets of EUR 162.5 million were 34 percent higher than in the preceding year, which is mainly due to investments relating to Wien Energie Fernwärme (district heating) as well as in the network and production segments. In the prior period, investments in financial assets were dominated by the acquisition of shares in Verbund Innkraftwerken. During the period under review, investments in financial assets related predominantly to shares acquired in the holding companies Residenz KG and Stationsturm KG, as well as investments in renewable energy projects in Austria.

<table>
<thead>
<tr>
<th>INVESTMENTS</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>10.0</td>
<td>13.7</td>
<td>-3.7</td>
<td>-27.1</td>
</tr>
<tr>
<td>Tangible assets</td>
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<td>121.5</td>
<td>40.9</td>
<td>33.7</td>
</tr>
<tr>
<td>Financial assets</td>
<td>76.2</td>
<td>238.0</td>
<td>-161.9</td>
<td>-68.0</td>
</tr>
<tr>
<td>Total</td>
<td>248.6</td>
<td>373.2</td>
<td>-124.6</td>
<td>-33.4</td>
</tr>
</tbody>
</table>

The CAPEX ratio of 8.4 percent reported for the 2011/12 financial year is an expression of the inclination of Wien Energie to invest in itself. The rise in the level of internal investments compared to the prior year was the result of investments in fixed assets increasing faster than turnover.

8. Personnel

The average headcount of Wien Energie during the 2011/12 financial year amounted to 2,779 full-time equivalents (FTE). The training of a total of 77 apprentices and trainees (at 30 September 2012) will safeguard Wien Energie’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 inhouse specialist training courses.

<table>
<thead>
<tr>
<th>AVERAGE HEADCOUNT</th>
<th>2011/12</th>
<th>2010/11</th>
<th>±</th>
<th>±%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage earners</td>
<td>806</td>
<td>883</td>
<td>-23</td>
<td>-2.6</td>
</tr>
<tr>
<td>Salaried employees</td>
<td>1,919</td>
<td>1,856</td>
<td>63</td>
<td>3.4</td>
</tr>
<tr>
<td>Total</td>
<td>2,779</td>
<td>2,738</td>
<td>41</td>
<td>1.5</td>
</tr>
</tbody>
</table>

The personnel policy of Wien Energie is based on several tenets which, combined, aim at 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 time enhancing their professional skills. For this purpose, the internal personnel development departments of the operational subsidiaries of Wien Energie, as well as the central training and education centre of the Wiener Stadtwerke Group, also offer employees a wide range of practical and customer-oriented training courses.

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 Group during the reporting period.

In the course of the collective bargaining agreement negotiations 2010/11, the social partners decided upon a revision of the salary scheme of the Wiener Stadtwerke collective bargaining agreement which came into force on 1 May 2012. The salary scheme is now based on a new structure and reduces the strong influence of years of service and education.

From 1 May 2012, the new position-specific salary allowance, which will replace the previously complex system of extra pay for civil servants transferred from the City of Vienna to work for Wien Energie GmbH, was introduced step-by-step in the various departments. This reclassification process was completed on 1 October 2012. In mutual agreement with the social partners, it has been possible to create a pay allowance structure which,
taking into account flexibility and performance-related aspects as well as in combination with modern working-time models, offers considerable advantages in administrative terms in the areas of record-keeping and payroll workflows. This implemented reform of pay allowances is a major step in the direction of future-oriented, flexible and modern personnel management requirements.

9. Environment, quality and safety

In the area of environment protection, the activities of Wien Energie are focussed on the efficient use of resources, the reduction of greenhouse gases, and on safeguarding security of supply.

The use of cogeneration technology to produce electricity and heat at the same time results in a significant reduction in primary energy requirements. Overall, this cogeneration technology and the use of the waste heat from waste incineration plants yield annual savings of around 1.9 million tonnes of CO\(_2\). The aim is to tap further potential savings my means of concerted action in the areas of renewable energy sources, energy efficiency and district heating.

In the area of renewable energy, Wien Energie aims to increase the proportion of energy from renewable sources used in energy production to 50 percent by the year 2030. Wind, solar and hydropower, as well as biomass, are the means through which Wien Energie aims to reach this ambitious target. Over the course of the year, innovative business models have been developed and launched, particularly in the area of photovoltaic energy. Integrated overall concepts supplement the extended product portfolio of Wien Energie which also focuses closely on facilitating the future-oriented issue of decentralised energy production.

Wien Energie also makes an important contribution to reducing CO\(_2\) emissions by supporting development projects for natural gas-powered vehicles and electromobility. As an example of this, Wien Energie and its subsidiaries have access to a fleet of 150 natural gas-powered vehicles. Furthermore, Wien Energie is also involved in the EU project VIBRATE (Vienna/Bratislava) the aim of which is to pilot a functional overall system for electromobility in cross-border transportation. This entails the project partners assigning electric-powered cars to defined users and ensuring the availability of the appropriate infrastructure for electromobility in both states (particularly charging stations). The project was launched on 1 January 2012 and the pilot phase will last for a total of two years. The results will then be published.

In addition, so-called citizen solar power plant schemes are also allowing the citizens of Vienna to participate in and profit from the more ecologically sensitive generation of electricity. An innovative model enables those interested to purchase the solar panels of photovoltaic projects which are installed and serviced by Wien Energie and, in return for the provision of which, they receive a regular return on their investment.

In order to ensure and improve the existing high standards in terms of quality vis-à-vis its customers, Wien Energie has established a dedicated ombudsman office (e.g. for cases of hardship relating to the supply of electricity and gas) and also set up a customer advisory board which, similar to the passenger advisory board of the municipal transport provider Wiener Linien, is intended to improve flows of information between Wien Energie and its customers. The intention is to take the recommendations of the advisory board into account in the development of services, as well as operational and communication efforts, as a means of achieving long-term increases in customer orientation and satisfaction. A further milestone in terms of improving service quality was the completion of the new customer centre at the Spittelau site in March 2012. This centre is now a single point of contact for all customer issues relating to district heating, electricity and natural gas.

10. Research, technology and innovation

The primary focus of the research activities undertaken by Wien Energie is on the development of close-to-market solutions in the areas of energy supply, efficiency and services. The expansion of renewable energy production, particularly wind, photovoltaic and hydropower, is a key focal point of these efforts. New and innovative photovoltaic business models have been developed and introduced over the course of the past financial year. The successful launch of the citizen solar power plants – the first such investment models to be offered in Vienna, was followed by the introduction of special products in this segment (‘Solarkraft EinfachNutzen’, ‘Solarkraft Freiraum’ and ‘Solarkraft Kaufen’). These products allow owners of large plots of land and roof areas to immediately participate in the expansion of solar power promoted by Wien Energie and to make their contribution to sustainable energy supplies.

Besides projects to increase the production of power from renewable energy sources, Wien Energie is also investigating options to increase the efficiency of the existing power station park.

Work began on the construction of the world’s first high-pressure thermal energy storage facility at the Simmering site in May. This thermal energy storage facil-
ity will make it possible to decouple the production from the consumption of district heating. This will minimise the reliance on peak-load boilers at times of high demand for district heating. This facility will optimise the use of the cogeneration power plants and the thermal recycling of waste materials. This optimisation of thermal production and storage through the use of a thermal heat storage facility will reduce CO₂ emissions by around 11,000 tonnes per year. The facility is set to be commissioned at the end of 2013.

A further focal point of Wien Energie’s strategy lies in the area of electromobility. As a member of the Austrian Mobile Power association, Wien Energie is working alongside other Austrian energy utilities and leading Austrian technology providers from the fields of vehicle and system development, infrastructure and research, on the overall concept of electromobility. The declared objective of this association is to make electromobility as user-friendly as possible.

Wien Energie is gaining valuable experience in the construction and operation of electric charging stations as well as the operation of electric-powered vehicles through a series of pilot projects. The projects ‘E-mobility on Demand’ and ‘E-Pendler in Niederösterreich’, in which Wien Energie is involved, both focus on integrating electromobility into public transport networks. In addition, Wien Energie is making an important contribution to promoting environmentally friendly mobility by setting up numerous e-bike charging stations.

Company-internal improvements and development options are identified systematically. The personnel of Wien Energie are actively involved in this process and their efforts are also rewarded.

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 expected outcomes.

In accordance with the internationally recognised principles of COSO (Committee of Sponsoring Organizations of the Treadway Commission), the implemented risk management process covers the identification, recording and assessment of the risks faced by all Group companies. This process ensures that appropriate risk mitigation steps can be taken in good time.

A series of steps were introduced during the period under review in order to establish a more in-depth understanding of the key issues covered by the risk management system. For example, a risk and opportunity review was performed for the first time, which involved a comparison of the original assessment of risks and opportunities in recent years with the actual outcomes. The findings of this process are now being integrated into the further development of the risk management system.

A discussion and coordination of the most important opportunities and risks has now also been included in the annual business planning meeting of every Group subsidiary. This makes it possible to gain a holistic view of and discuss which opportunities and risks are expected in the coming years, and serves as a basis for detailed risk monitoring.

A risk controller, who reports directly to the respective general manager, has been defined at every subsidiary and is responsible for compliance with the risk management process.

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

Technical risks

Technical risks include damage to all plant and equipment forming part of the power generation and distribution infrastructure. These operational and system failure risks are addressed by Wien Energie by means of detailed schedules for maintenance and quality-control testing, in addition to regular maintenance and investment programmes. Furthermore, risks are also mitigated by means of appropriate insurance policies.
Price-related risks in terms of primary energy and electricity
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 appropriate hedging transactions such as derivative financial instruments traded on buying and sales markets. Forwards, futures and swaps are used for these purposes. The development of financial instruments over time is largely dependent on developments in the relevant commodities markets.

Weather risk
Weather risk management assesses the financial impact of lower district heating sales due to unseasonably warm weather. The Group does not enter into hedging transactions in the form of weather derivatives.

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

Market risks
Market risks include price and competition-based risks in the area of sales. The development of new products and services and a pro-active, customer-oriented, sales policy as well as partnerships and cooperations are the means through which Wien Energie minimises market risks.

Country risk
Wien Energie is involved in several foreign projects (in selected energy segments). Appropriate internal guidelines have been put into place which, in combination with a firm 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.

Investment risk
A Group-wide treasury management system is in place to monitor the development of short and long-term financial investments and this relies on appropriate risk analysis concepts, such as value-at-risk, allowing suitable action to be taken in good time, and also provides a basis for regular reports to Management.

Internal Control System (ICS)
At Wiener Stadtwerke and Wien Energie, ICS refers to all action and processes implemented in 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 has extensive documentation of the ICS-relevant rules and processes 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. The potential improvements identified in the report have been implemented.

The entire ICS documentation system now serves as a basis for ICS internal auditing activities. The aims here are to ensure that the ICS remains effective and to continuously develop the instruments used on the basis of the audit results.

During the past financial year, the main focus in this area lay on aligning the ICS documentation with the rules of functional segregation in SAP. In cases in which an SAP functional segregation is not possible for various reasons, other ICS measures will act to ensure that the required risk management standards are complied with.

At 30 September 2012, Wien Energie 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 Wien Energie Group.

12. Outlook

Besides the sales prices and volumes achievable, the development of Wien Energie’s business operations also depends in particular on the electricity trading prices on Europe’s spot and futures markets, as well as the prices of primary energy supplies, most notably natural gas. Low and negative spreads between primary energy prices and electricity trading prices are also expected to persist during the 2013 financial year. In addition, the development of prevailing temperatures also has an impact on district heating and gas sales. In comparison to the 2011/12 financial year, which was characterised by the negative effects of recalculating provisions for employee benefits and certain impairment charges relating to thermal energy production facilities and domestic investments, it is assumed that the current period will yield marked improvements in earnings.

Independent of these negative one-off factors, an efficiency programme spanning the entire Wiener Stadtwerke Group was decided upon and launched in May 2012. Numerous steps have been defined in order to increase commercial efficiency without making employees redundant. The focus here is on the optimisation of processes and internal business procedures as well as on general savings in terms of the cost of materials.
The high level of investment in production facilities and infrastructure will, however, remain unaffected in order to ensure security of supply. The main focus of investment activities in the 2013 financial year will be on the further expansion of capacity in the area of renewable energy, such as citizen solar power plants and additional photovoltaic projects, wind farms and hydropower plants. In the area of thermal energy production, the focus will be on the construction of a thermal energy storage facility with a capacity of 150 MW, which will make an important contribution to boosting energy efficiency. The thermal power station park of Wien Energie will not change during the course of the 2013 financial year and will continue to consist of highly efficient and modernised gas-powered facilities employing cogeneration technology. The area of district heating is expected to generate further significant gains by means of new customers and market shares, although this growth is forecast to slow in response to unfavourable developments in the overall energy sector. Efforts to establish the infrastructure for e-mobility will also continue, as will the expansion of the telecommunications network.

The main focuses during the 2013 financial year in the area of energy sales will be on the development and implementation of innovative and, in particular, target-group-oriented products and services in order to further differentiate Wien Energie from its competitors. The range of online services will continue to be expanded and improved in order to consolidate Wien Energie’s position as a leading energy service provider and to attract service-oriented customers and those willing to change provider.

13. Events after the balance sheet date

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

Vienna, 21 December 2012

General Management
Susanna Zapreva
Robert Grüneis
### List of Holdings

#### FULLY CONSOLIDATED COMPANIES

<table>
<thead>
<tr>
<th>Interest held by, 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>
<td>100.00</td>
<td>100.00</td>
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<tr>
<td>2. Fernwärme Wien GmbH, Spittelauer Lände 45, 1090 Vienna</td>
<td>100.00</td>
<td>100.00</td>
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<tr>
<td>3. Energiecomfort Energie- und Gebäudemanagement GmbH, Thomas-Klestil-Platz 15, 1030 Vienna</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>4. Wien Energie Bundesforste Biomasse Kraftwerk GmbH, 1. Haidequerstrasse 1, 1110 Vienna</td>
<td>33.33</td>
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<tr>
<td>5. Wien Energie Bundesforste Biomasse Kraftwerk GmbH &amp; Co KG, 1. Haidequerstrasse 1, 1110 Vienna</td>
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<td>66.66</td>
</tr>
<tr>
<td>6. Windnet Windkraftanlagenbetriebs-GmbH, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<tr>
<td>7. Windnet Windkraftanlagenbetriebs-GmbH &amp; Co KG, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<td>8. Vienna Energy Természeti Erő KFT, Andrásdy út. 100, 1062 Budapest, Hungary</td>
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#### COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD

<table>
<thead>
<tr>
<th>Interest held by, in %</th>
<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. e&amp;i EDV Dienstleistungsgesellschaft m.b.H., Thomas-Klestil-Platz 6, 1030 Vienna</td>
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<td>2. e&amp;t Energie Handelsgesellschaft m.b.H., Wienerbergstrasse 11, 1100 Vienna</td>
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<td>3. EPZ Energieprojekt Zurndorf GmbH, Kasernenstrasse 9, 7000 Eisenstadt</td>
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<td>4. EconGas GmbH, Donau-City-Strasse 11, 1220 Vienna</td>
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#### PROPORTIONALLY CONSOLIDATED COMPANIES

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<th>Wien Energie Division</th>
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</thead>
<tbody>
<tr>
<td>1. WIEN ENERGIE Vertrieb GmbH &amp; Co KG, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<tr>
<td>2. ENERGIEALLIANCE 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>
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</table>

#### COMPANIES NOT INCLUDED IN THE SCOPE OF FULL CONSOLIDATION

<table>
<thead>
<tr>
<th>Interest held by, in %</th>
<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
</tr>
</thead>
<tbody>
<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 s.r.o., Volgogradská 88, Presóv 080 01, Slovakia</td>
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<tr>
<td>4. MHC Calinesti Rau S.R.L., Sf. Vineri Street no. 29th, 3rd County, Bucharest, Romania</td>
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<td>100.00</td>
</tr>
<tr>
<td>5. Hauscomfort GmbH, Thomas-Klestil-Platz 15, 1030 Vienna</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>6. Energiecomfort Hungry Energetik, Régi Vámház tér 12, 9200 Mosonmagyarovar, Hungary</td>
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<tr>
<td>7. Vienna Energy Forta Naturala S.R.L., Str. Ion Campineanu 11, Sectorul 1, Bucharest, Romania</td>
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<tr>
<td>8. Geothermiezentrum Aspern GmbH, Spittelauer Lände 45, 1090 Vienna</td>
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<td>9. Spravbytkomfort a.s., Volgogradská 88, Prešov 080 01, Slovakia</td>
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<td>10. WIEN ENERGIE Bernegger Wasserspeicherkraftwerk Pfaffenboden GmbH, Gradau 15, 4591 Mölln</td>
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</tbody>
</table>

1) Not consolidated on the grounds of Art. 249 (2) of the Austrian Commercial Code (UGB)
2) Not taken into account in equity and earnings on the grounds of immateriality relative to providing a true and fair picture of the assets, financial and earnings positions.
**COMPANIES NOT CONSOLIDATED UNDER THE EQUITY METHOD**  
Interest held by, in %

<table>
<thead>
<tr>
<th>No.</th>
<th>Company Name</th>
<th>Address</th>
<th>Wien Energie GmbH</th>
<th>Wien Energie Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Köszegi Távhőzolgáltató Korlátolt Felelősségű Társaság</td>
<td>9730 Köszeg, Deak Ferenc u.2., Hungary</td>
<td>0.00</td>
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<tr>
<td>2.</td>
<td>Ortswärme Seefeld GmbH</td>
<td>Rosshütte 865, 6100 Seefeld</td>
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<td>3.</td>
<td>Polska Sila Wiatru Sp.z.o.o., Aleje Ujazdowskie 22/4, 00-478 Warsaw, Poland</td>
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<td>4.</td>
<td>PAMA-GOLS Windkraftanlagenbetriebs GmbH, Kasernenstrasse 9, 7000 Eisenstadt</td>
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<td>5.</td>
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<td>7.</td>
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<td>9.</td>
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<td>10.</td>
<td>Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Am Hof 6a, 1010 Vienna</td>
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<td>11.</td>
<td>Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH &amp; Co KG, Am Hof 6a, 1010 Vienna</td>
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<td>13.</td>
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<td>14.</td>
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<td>15.</td>
<td>EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<td>16.</td>
<td>EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH &amp; Co KG, Thomas-Klestil-Platz 14, 1030 Vienna</td>
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<td>50.00</td>
</tr>
</tbody>
</table>

1) Not consolidated on the grounds of Art. 263 (2) of the Austrian Commercial Code (UGB)
Management and Executive Bodies

**Wien Energie**

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

**SUSANNA ZAPREVA**
General Manager

**ROBERT GRÜNEIS**
General Manager

**Wien Energie Fernwärme**

**GERHARD FIDA**
General Manager

**THOMAS IRSCHIK**
General Manager
General Manager Wien Energie GmbH until 2 August 2011
Spitteler Lände 45
1090 Vienna, Austria
Telephone: +43 (0)1 313 26-0

**Wien Energie Vertrieb**

**CHRISTIAN WOJTA**
General Manager

**WOLFGANG ALTMANN**
General Manager

**Wien Energie Energiecomfort**

**MARTINA JOCHMANN**
General Manager

**MANFRED BLÖCH**
General Manager

Thomas-Klestil-Platz 15
1030 Vienna, Austria
Telephone: +43 (0)1 313 170
Executive bodies

Members of the General Management of Wien Energie GmbH

ROBERT GRÜNEIS
SUSANNA ZAPREVA

Members of the Supervisory Board

GABRIELE PAYR
(Chairwoman)
General Director Wiener Stadtwerke Holding AG

HELmut MIKsITS
(1st Deputy Chairman)
Member of the Board of Management Wiener Stadtwerke Holding AG
until 22 June 2012

MARC C. HALL
(1st Deputy Chairman)
Member of the Board of Management Wiener Stadtwerke Holding AG
from 25 September 2012

ROBERT LASSHOFER
(2nd Deputy Chairman)
General Manager Wiener Städtische
Versicherung AG Vienna Insurance Group

DIETMAR GRIEBLER
City of Vienna

MARTIN KRAJCSIR
Deputy General Director Wiener Stadtwerke Holding AG

STEPHAN AUER-STÜGER
City of Vienna

GEORG BUCHNER
Employee representative Wien Energie Fernwärme

HEINZ KOLLINGER
Employee representative Wien Energie GmbH

HERBERT KOCHER
Employee representative 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.
Furthermore, Wien Energie is subject to audits performed by the Group’s
Internal Audit Department, the Audit Division of the City of Vienna and
by the Court of Audit.
Glossary

Technical and industry-specific terminology

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

Biogas
Combustible biogas is produced in biogas plants by fermenting every kind of biomass. Biogas is used to generate electrical energy, as well as being used as heating gas when purified or to run vehicles.

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.

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

Combined heat and power (CHP, cogeneration)
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.

Culvert
A culvert refers to a pipe used to allow matter to pass under a road, tunnel or river.

District cooling
Description for supplying refrigeration to buildings. This involves generating the required cold 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.

Efficiency ratio
The ratio between the output and input of a facility, thereby indicating its level of efficiency.

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).

Energy Control Commission (ECG)
The Austrian E-Control Commission is an independent panel of three members and three substitute members responsible primarily for setting the framework conditions and tariffs for the non-liberalised parts of the Austrian energy market, i.e. the electricity and natural gas networks. Established on the basis of the Austrian Energy Liberalisation Act (ELG), this body has been charged with overseeing the deregulation of the Austrian electricity and gas markets and intervening as required since 1 March 2001.

Energy drawing rights
Energy drawing rights entitle the holder access to an agreed volume of electrical energy.

Energy efficiency
Energy efficiency is the ratio between the yield of output, services, goods or energy and the energy input (Austrian Energy Agency 2007). There are a number of different types of energy efficiency that are suitable for comparing units to a greater or lesser extent. In the case of household appliances, for example, the end energy efficiency (usually electricity) is taken. To compare the use of heat pumps or district heating for indoor heating, the primary energy efficiency, i.e. accounting for the energy used in the power plants, is used. The energy efficiency of a country can be ascertained, for example, by taking the ratio between energy consumption and gross national product.

Fibre-optic cable network
A network to transfer data consisting of fibre-optic cables. Fibre optics are long, thin fibres that are produced from melted glass. They are resistant to ageing and weather, chemically resistant and incombustible.

Fuel efficiency 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 stations 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.

Photovoltaic power
The direct conversion of radiation energy, foremostly solar energy, into electrical energy.

Pipe storage facility
A system of storage pipes consists of many parallel underground steel pipes in which gas is stored under pressure, being extracted as and when demand dictates.
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.

Smart grid
An intelligent electricity grid that covers communicative networking and regulating of electricity producers, storage, electrical consumers and network operation equipment in energy transfer and distribution grids required to supply electricity.

Substations
Part of the electrical supply network of an energy supplier. In order to transfer electrical energy with as little loss as possible from the power plant to the consumer, the electrical energy is transported through a number of voltage levels. The optimum voltage level is selected according to the output to be transported and the distance. The electrical energy is transformed between two or more voltage levels in the substation.

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.

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.

Key financial performance indicators

CAPEX Ratio
The CAPEX (capital expenditure) ratio, as an indicator of the tendency of a company to invest, indicates what percentage of its turnover a company invests in intangible and tangible assets.

Cash flow
The term cash flow is used to indicate the ability of a company to meet its commitments, in terms of dividend payments, debt repayment and investment financing, without resorting to third-party sources of funds.

EBIT
Earnings before interest and tax.

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

Equity-to-fixed-assets ratio
Long-term capital in relation to fixed assets, and therefore an indicator of the percentage to which the fixed assets can be covered in the long term by the available capital.

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.
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