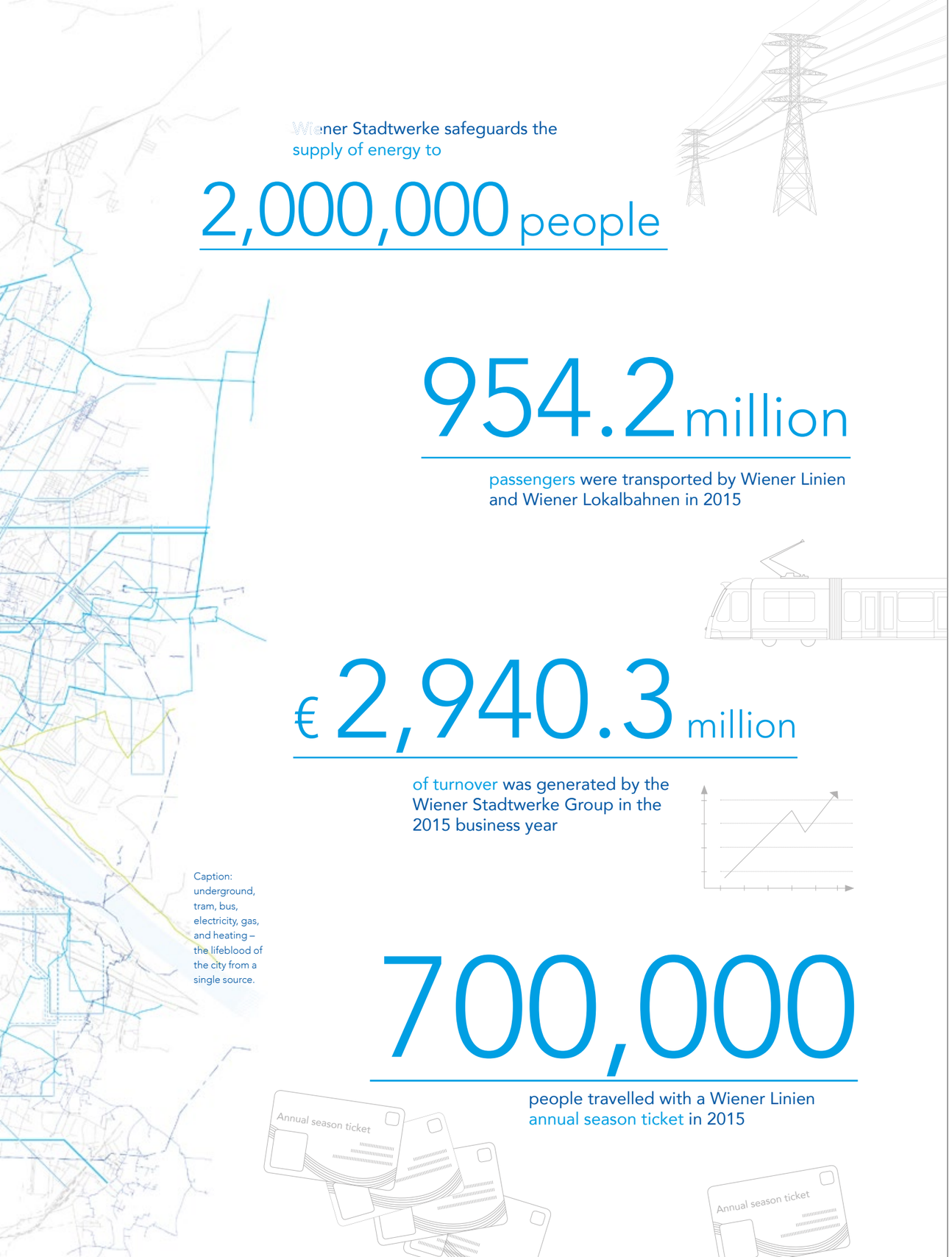

# Innovation and Responsibility

## 2015 Annual Report



Wiener Stadtwerke safeguards the supply of energy to

# 2,000,000 people

# 954.2 million

passengers were transported by Wiener Linien and Wiener Lokalbahnen in 2015

# € 2,940.3 million

of turnover was generated by the Wiener Stadtwerke Group in the 2015 business year

# 700,000

people travelled with a Wiener Linien annual season ticket in 2015

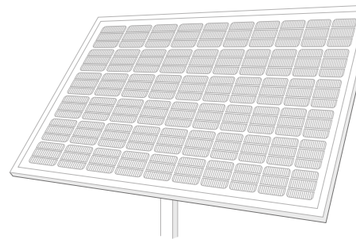
Caption: underground, tram, bus, electricity, gas, and heating – the lifeblood of the city from a single source.

Wiener Stadtwerke again enjoyed commercial success in 2015, achieving positive EBT of

# € 30.5 million

# 22

citizen solar power plants already existed in the Greater Vienna metropolitan area in 2015



## Turning 1 into 4


One job at Wiener Stadtwerke secures three additional jobs. 64,300 employees in total.

# € 711.6 million

was invested by Wiener Stadtwerke in 2015 in expanding the underground network, modernising the fleet of vehicles, in electricity, gas and heating networks as well as in the increased use of renewable energies.

# € 3.5 billion

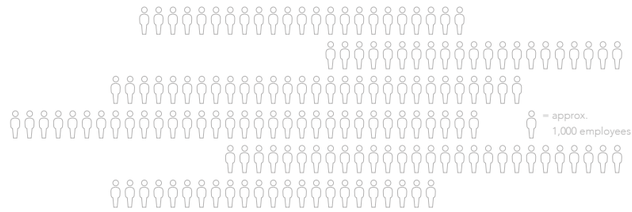
will be invested by Wiener Stadtwerke in tangible assets between 2016 and 2020

# 16,100

employees of Wiener Stadtwerke ensure that Vienna's infrastructure runs smoothly

# 400

apprentices and trainees are being trained in 15 different professions at Wiener Stadtwerke



# Key performance indicators

## Financial KPIs

in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Consolidated turnover | 2,940.3 | 2,904.8 | 35.5 | 1.2 |
| Turnover – Energy segment | 2,297.4 | 2,271.6 | 25.8 | 1.1 |
| Turnover – Wiener Linien | 503.1 | 494.8 | 8.3 | 1.7 |
| Turnover – WLB segment | 89.9 | 91.3 | –1.4 | –1.6 |
| Turnover – Funerals & cemeteries segment | 70.1 | 70.0 | 0.1 | 0.2 |
| Turnover – Car parks segment | 21.0 | 17.8 | 3.2 | 17.9 |
| Group EBT | 30.5 | 20.1 | 10.4 | 51.7 |
| Consolidated balance sheet total | 13,936.4 | 13,607.0 | 329.4 | 2.4 |
| Equity ratio (%) | 35.6 | 35.2 | 0.4 | 1.1 |
| Total investment | 912.5 | 870.5 | 42.0 | 4.8 |
| of which in tangible assets | 689.0 | 791.8 | –102.8 | –13.0 |
| CAPEX ratio (%) | 24.2 | 28.2 | –4.0 | –14.2 |

## Key performance indicators

Production in GWh (including investments)

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Electricity | 5,011.3 | 4,349.9 | 661.4 | 15.2 |
| Heat | 4,981.9 | 4,855.0 | 126.9 | 2.6 |
| **Total production** | **9,993.2** | **9,204.9** | **788.3** | **8.6** |

Network throughput in GWh

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Electricity | 11,027.6 | 10,922.0 | 105.6 | 1.0 |
| Natural gas | 18,678.7 | 16,909.6 | 1,769.1 | 10.5 |
| Heat | 6,205.1 | 5,682.5 | 522.5 | 9.2 |
| **Total throughput** | **35,911.3** | **33,514.1** | **2,397.2** | **7.2** |

Sales in GWh
(fully and proportionately consolidated subsidiaries)

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Electricity | 9,444.0 | 9,349.4 | 94.6 | 1.0 |
| Natural gas | 6,632.8 | 6,440.8 | 192.0 | 3.0 |
| Heat | 5,681.0 | 5,238.0 | 443.0 | 8.5 |
| **Total sales** | **21,757.8** | **21,028.1** | **729.7** | **3.5** |

Differences as a result of rounding figures have not been eliminated

## Key performance indicators

Passenger numbers (in millions)

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Wiener Linien | 939.1 | 931.2 | 7.9 | 0.8 |
| Wiener Lokalbahnen | 15.1 | 14.6 | 0.5 | 3.4 |
| **Total number of passengers** | **954.2** | **945.8** | **8.4** | **0.9** |

Parking spaces

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Owned & leased | 12,852 | 12,346 | 506 | 4.1 |
| Operational management | 7,212 | 6,892 | 320 | 4.6 |
| **Total number of parking spaces** | **20,064** | **19,238** | **826** | **4.3** |

Funeral services

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| **Funeral services** | **12,959** | **13,393** | **–434** | **–3.2** |

Differences as a result of rounding figures have not been eliminated

## Average headcount

Consolidated average headcount in FTEs

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Energy | 5,395.4 | 5,473.9 | –79 | –1.4 |
| Transport | 9,088.2 | 9,018.6 | 70 | 0.8 |
| Funerals and cemeteries | 745.4 | 765.1 | –20 | –2.6 |
| Parking facility management | 65.2 | 64.7 | 1 | 0.8 |
| Other areas | 412.8 | 402.6 | 10 | 2.5 |
| Apprentices/trainees | 390.2 | 389.2 | 1 | 0.3 |
| **Total Wiener Stadtwerke Group** | **16,097.1** | **16,114.0** | **–17** | **–0.1** |

Differences as a result of rounding figures have not been eliminated

# 2015
# ANNUAL REPORT

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from left to right:
Peter Weinelt, Martin Krajcsir, Gabriele Domschitz, Robert Grüneis

# FOREWORD BY THE MANAGEMENT BOARD

Wiener Stadtwerke makes a decisive contribution to the high quality of life in Vienna by providing infrastructure services which are recognised well beyond the region. As Austria's largest infrastructure provider and one of the country's most important employers, our Company has a particularly central role to play. 16,100 people are employed in our Group, contributing six percent to Vienna's economic performance and five percent to Vienna's employment market. Wiener Stadtwerke invested over EUR 700 million in the lifeblood of Vienna during the period under review. The responsibility of Wiener Stadtwerke for ensuring the economic workings of the city is extremely high and the employees of the Company are working hard to fulfil this responsibility.

The 2015 reporting year was characterised by difficult conditions in the energy sector and mild weather. However, we were able to achieve a very satisfactory annual result through optimisation work and measures to improve efficiency. Wiener Stadtwerke was again a stable investor in the Greater Vienna metropolitan area during 2015. Expanding and maintaining the infrastructure of Vienna depend heavily on the commercial orientation of Wiener Stadtwerke. The expansion of infrastructure in the city, from the extension of the underground network to the upgrading and maintenance of energy infrastructure, is also based on this concept of social responsibility.

Wiener Stadtwerke searches for answers to the question of what a forward-looking, environmentally-friendly city should look like in which a high quality of life continues to be guaranteed. The key is to provide the best infrastructure to everyone without having to compromise on convenience. To this end, new approaches and partnerships are needed in the areas of research, technology and innovation. Put another way: Today we are already working to create the smart city of the coming years and decades.

The Group will continue on its path to improved efficiency over the next few years. In addition to innovative power, a high degree of efficiency in all areas and lean structures are ultimately the prerequisites for enabling Wiener Stadtwerke to continue actively and successfully shaping the future of the city. This report contains a range of different activities signposting these developments.

**Martin Krajcsir**
CEO

**Peter Weinelt**
Member of the Management Board

**Gabriele Domschitz**
Member of the Management Board

**Robert Grüneis**
Member of the Management Board



**Ulli Sima**
City Councillor for Environment and Wiener Stadtwerke

**Erich Hechtner**
Chairman of the Supervisory Board of Wiener Stadtwerke

I have had responsibility within Vienna's regional government for Wiener Stadtwerke since 2015. I am therefore very pleased to be able to shape a truly 'essential public services department.' Key areas such as the supply of drinking water, waste disposal, wastewater treatment, the supply of energy and public transport have now been brought together under one roof. This will therefore enable us to make better use of synergies to the benefit of both Vienna's population and the environment. This is very important in consideration of the fact that the city is growing. It is also clear that these areas of essential municipal public services need to be kept in public ownership and not privatised – a fact that also ties in with the wishes of Vienna's population.

Vienna is a beautiful city with a quality of life that is among the highest in the world. Wiener Stadtwerke is one of the main contributors to this high quality of life. This top spot in comparison with other cities is due not least to Wiener Stadtwerke's uninterrupted investment in Vienna's infrastructure. In the 2015 reporting year, a total of EUR 700 million was invested. This includes financing the extension of the U1 underground line and the acquisition of new buses and trams. A particularly significant volume of funds is being invested in expanding the use of renewable energies, which will ultimately increase security of supply to the city. When it comes to renewables, Wiener Stadtwerke is taking new and innovative paths, such as with the highly successful citizen solar power plants that already supply many households with solar power today. Vienna needs innovations such as these, together with committed employees, in order to remain the global city offering the highest quality of life in the future. I would therefore like to express my gratitude on behalf of all of Vienna's inhabitants.

The Wiener Stadtwerke Group is not only the most important municipal infrastructure service provider in Austria but also a 'smart' economic driving force in Vienna. The Group again demonstrated this in the past business year. With a stable turnover of approximately three billion euro in 2015, Wiener Stadtwerke showed how to emerge stronger from economically difficult times. This is primarily thanks to the Group's 16,100 dedicated and well-trained employees, who work every day to operate, maintain and modernise Vienna's infrastructure. This way, every individual contributes to the quality of life in Vienna that has been recognised as being number one in the world on several occasions.

Wiener Stadtwerke thinks in terms of Vienna's future and continues to see itself as a dynamic factor in the development of Vienna to become a 'smart city', particularly with regard to energy and transportation, as two key elements of the smart city concept, belonging to the core competencies of the Group. Consequently, the companies of the Wiener Stadtwerke Group are developing their range of products and services on an ongoing basis, investing in the strategic expansion of their infrastructure and thereby cementing Vienna's position as an innovative and competitive city with a high quality of life. We are proud of this and, for this reason, I wish to express my gratitude to everyone on behalf of the City of Vienna.

# Wiener Stadtwerke – Vienna's provider of infrastructure services



Underground, tram, bus, electricity, gas and heating – the lifeblood of the city from a single source.



**The Wiener Stadtwerke Group makes an important contribution to the functioning of the City of Vienna. In the 2015 business year, Vienna's largest infrastructure service provider generated turnover of almost three billion euro.**

Approximately 16,100 people were employed by the Group on average in 2015 in order to make this possible. Wiener Stadtwerke Holding AG is wholly owned by the City of Vienna, acting as the strategic and organisational parent company of the Group.

Safeguarding a reliable and environmentally-sensitive supply of energy is as much the responsibility of the Group as is ensuring high quality public transport. Bestattung und Friedhöfe Wien, responsible for funeral services and cemeteries, forms another key area of the Group. The core tasks of the Wiener Stadtwerke Group have indeed remained unchanged for many years now – building and maintaining the electricity grid or operating the highly complex underground network, for instance. However, what may sound like the routine operation of the core infrastructure of a major city is only possible today with a whole host of innovations to ensure future operations.

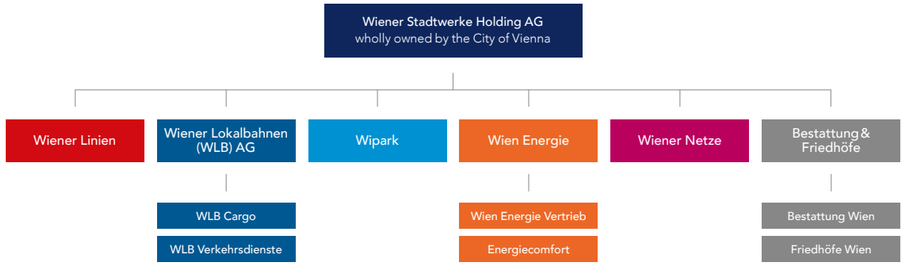
Wiener Stadtwerke has recognised that it must demonstrate an innovative spirit in all of its business areas so as to be able to safeguard and even raise the high quality of life enjoyed in the city. Considerable sums need to be invested here, for which both the City and Federal governments are ultimately responsible. Investments that will pay off for decades to come, from the extension of the underground network to connecting the energy grids to new parts of the city.

In the view of Wiener Stadtwerke, being fit for the 21st century also means leading the way in all areas that are associated with the term 'smart city.' This includes optimising the link between different forms of mobility via mobile apps just as much as installing smart meters and building smart grids. Wiener Stadtwerke is working together closely with the scientific community to make Vienna fit for the future.

## Major challenges and innovative solutions

Vienna's population grew by over 40,000 in 2015. This rate is much faster than the forecasts according to which over two million people will live by 2030 at the latest. Considerable efforts are needed in order to be able to maintain the high quality of life in the city. Investing in the expansion and maintenance of the city's infrastructure is a core element here. Wiener Stadtwerke guarantees the supply of energy and mobility for Vienna.

More inhabitants mean greater energy needs and a rising demand for mobility – and this accompanied by the EU's ambitious climate protection targets. Wiener Stadtwerke searches for answers to the question of what a forward-looking, environmentally-friendly city should look like in which a high quality of life continues to be guaranteed. The key is to provide the best infrastructure to everyone without having to compromise on convenience. A task that requires innovative solutions. Wiener Stadtwerke is well equipped to manage this in the interests of Vienna's population.




Schematic view excluding WienIT and other investments

**The energy companies employ around 5,400 people, split almost evenly between Wien Energie and Wiener Netze.**

## Energy companies

Wiener Netze ensures that the electricity, gas, heating and telecommunication networks function smoothly. Wien Energie and Wien Energie Vertrieb take care of energy production, energy-related services and sales.

Energy production: Wien Energie provides more than two million people, approximately 230,000 businesses, industrial facilities and public buildings, as well as around 4,500 farms in Vienna, Lower Austria and Burgenland with electricity, natural gas, heating, cooling and innovative energy services. To this end, Austria's largest regional energy provider sets store by the internationally renowned Vienna Model.

Electricity and heating are produced from waste recycling, highly efficient cogeneration technology and renewable energy sources such as wind power, hydropower, biomass and photovoltaics. Wien Energie also places particular emphasis on decentralised production and energy services. With its broad portfolio of power plants, work to build its own storage facilities, and long-term supply contracts, Wien Energie is able to guarantee






security of supply even in uncertain times. Not only is this a prerequisite for a high quality of life, but also very important from an economic standpoint. Interruptions to the supply of energy would generate high costs due to production stoppages, for instance.

Wien Energie has met around fifty percent of total electricity sales from its own production in recent years. The remainder was purchased on national and international electricity markets, with close attention being paid to the origin of the electricity. Wien Energie neither buys nor sells nuclear energy.

## Expanding renewables

In order to safeguard security of supply in the long term and to reduce dependency on fossil fuels, Wiener Stadtwerke puts emphasis on expanding the use of renewable energy sources. Highlights in 2015 include the commissioning of large wind farms such as Steinriegel 2 on the Rattener Alm in Styria or Wien Energie's largest wind farm in Pottendorf/Tattendorf. A total of EUR 100 million was invested in these two projects. 2015 also saw the continuation of the construction of so-called citizen solar power plants. For instance, Austria's largest open-space photovoltaic plant was built and taken into service in Guntramsdorf with the help of private investors. Wien Energie now operates a total of 60 photovoltaic projects.

Renewable energies are heavily dependent on the time of day (sunshine) and the environment (wind, water). The extremely short-term nature of markets is becoming an increasing challenge for energy companies: If you don't pay attention every minute the whole year round, you can lose a lot of money. For this reason, Wien Energie does everything it can to prepare forecasts that are as accurate as possible – how much will the sun shine and how much electricity, gas, and district heating will be used at the same time? It is then possible to take the corresponding action and make use of the intermittent nature of these new energies. In 2015, Wien Energie provided additional balancing energy over 150 times so as to safeguard the stability of the Austrian and German electricity grids. The number of times such energy has been used has increased more than tenfold in just two years due to the volatile nature of solar and wind power.

Three and a half years of general renovations; officially reopened in September 2015 – the recommissioning of the Spittelau waste incineration plant, after having had its energy efficiency optimised, has resulted in the plant producing three times as much electricity as before, while the production of district heating has remained unchanged at a high level. Wien Energie invested EUR 130 million in this overhaul.

## Energy services

Wiener Stadtwerke is not a mere energy supplier, instead offering its customers comprehensive energy solutions and advisory services from a single source. Customers in Vienna have had access to free expert advice for years at the Spittelau service centre. The plan is to convert this into the Wien Energie World by the end of 2016, making it a source of energy advice and experience. Using the latest didactic techniques, it will bring the abstract topic of energy to life. 110,000 consultations were held at the Spittelau service centre in 2015.

There are four other service centres in Vienna's surrounding communities for individual customer consultations. An in-house call centre is available to handle telephone enquiries, and the newly designed website www.wienenergie.at offers a comprehensive range of information and services. In addition, Wien Energie enables its customers to perform an online energy-saving check at www.energiesparcheck.at.

Wiener Stadtwerke offers energy management services for business customers. This involves experts from Wien Energie inspecting the existing equipment such as heating or control systems in order to improve their efficiency ratio or find hidden energy-saving options. In this way, they cut energy costs and help to raise awareness of how energy is used.

**Wien Energie has met around fifty percent of total electricity sales from its own production in recent years.**

**Lisa L. and David Sch. from the Wien Energie wind power team work to ensure clean electricity.**

Raphael M. – gas safety technician
Wiener Netze

# Vienna's gas network is a paragon of safety. We make use of the latest metering and control technology to ensure this.


**Over 23,000 km of electricity cables, 3,500 km of gas pipes, 45 substations and 10,000 transformers ensure energy reaches our customers.**



## Network expansion

Wiener Netze sets store by targeted expansion (see figures) and the constant renewal of the electricity, gas and district heating networks to ensure end-to-end security of supply. It is particularly important to service, maintain and modernise the energy networks in order to be able to supply electricity, gas and heating to customers with the fewest interruptions possible. Around 1.2 million customers in Vienna and parts of Lower Austria and Burgenland receive 24-hour support.

Over 23,000 km of electricity cables, 3,500 km of gas pipes, 45 substations and 10,000 transformers ensure that the energy reaches customers. Around 1.5 million electricity meters and almost 700,000 gas meters make sure that the energy can be correctly billed too. Moreover, Wiener Netze operates the 650-km-long district heating primary network and a 2,500-km-long fibre-optic network.

However, Wiener Netze is more than just a company that distributes energy. It helps to make Vienna one of the safest and most liveable cities in the world. To this end, Wiener Netze invests almost EUR 200 million a year in maintaining and expanding the grid infrastructure. Each and every customer – from one-person flats to large-scale industries – benefits from the excellent supply quality.

Markus Sch. – train driver
Wiener Lokalbahnen Cargo

# “When I leave the depot in the morning, I protect the environment with every kilometre travelled and every tonne of cargo transported.”





## Transport companies

Wiener Linien and Wiener Lokalbahnen form the Wiener Stadtwerke mobility cluster, together with the car park operator Wipark.

The two transport companies Wiener Linien and Wiener Lokalbahnen together employ around 9,000 people, with most of them working at Wiener Linien. Not only does Wiener Linien operate Vienna’s five underground lines, 29 tram lines and 109 bus lines but it also assumes responsibility for all transport management tasks such as planning operating times and journey intervals, or line and stop planning for all transport carriers. Wiener Linien operates Austria’s largest regional transport network: 78.5 kilometres of underground lines, the sixth largest tram network in the world, stretching around 172 kilometres, and bus lines with a total length of over 700 kilometres.

In 2015, more than 939 million passengers were transported on the Wiener Linien network – two and a half million journeys every day. Following the trend of past years, the company’s target of transporting one billion passengers is set to be met, as planned, in 2020. With a market share of 39 percent in Vienna, public transport is Vienna’s preferred method of travelling around the city (car: 27 %, bicycle: 7 %, walking: 26 %). The number of annual season tickets rose from approximately 650,000 to 700,000 in 2015. 2015 was therefore the first year in which there were more annual season tickets than registered cars.

There are a total of over 500 buses, some 500 trams and around 150 underground trains in service. Nearly 1,000 vehicles are in operation simultaneously at peak times. In addition to the tram and underground tracks and tunnels, Wiener Linien’s infrastructure also includes 104 underground stations, three bus garages, ten tram depots spread around the city, four underground train depots and the main workshops in Simmering.

Wiener Lokalbahnen operates the Badner Bahn, one of the most important commuter lines to the south of Vienna, connecting the Austrian capital to the spa town of Baden. Within the city limits, the infrastructure of Wiener Linien is also used. It also operates three of its own bus lines between Vienna and Baden as well as in the area surrounding Vienna. Wiener Lokalbahnen Verkehrsdienste offers services to transport people who suffer mobility constraints. Wiener Lokalbahnen Cargo operates goods transport services from the North Sea to the Black Sea.

12.4 million people used the Badner Bahn in 2015, half a million more than in the previous year. This translates into around 35,000 passengers being transported on a daily basis by this cross-regional line.

**Apprentices and trainees are trained to the highest level at Wiener Linien’s main workshops.**

Hasan Y. – gravedigger
Friedhöfe Wien

# "My work is part of the process of saying goodbye. I respect people."

## Wipark Garagen

Wiener Stadtwerke is not only responsible for the rolling stock of Vienna's most important service provider, but it also offers parking services. Underground car parks located close to the heart of the city help to preserve the integrity of the old city centre. They keep areas free for green spaces, playgrounds, pedestrian zones and revitalised historical squares. Car parks and Park & Ride facilities on the outskirts of the city enable commuters to reach the city centre quickly, conveniently and congestion-free. This helps to reduce the level of car traffic in the inner city.

However, not just the inner cities but also newly developed parts of the city are, from the very outset, relieved from cars parked above ground by Wipark. By way of example, four new garages were opened at Seestadt Aspern in 2015, where Wipark already operates over 1,000 parking spaces.

The core of the group of car parks is WIPARK Garagen GmbH. It was founded in 1960 and, in 2012, merged with the former STPM-Städtische Parkraum-management Gesellschaft mbH, which was founded in 1999. Wipark is one of the leading car park operators in Austria. It runs almost 50 company-owned car parks with around 13,000 parking spaces, and operates a further 20 or so third-party-owned car parks with over 7,000 additional parking spaces. The company employs over 60 people.

## Funerals and cemeteries

The subsidiaries Bestattung Wien GmbH and FRIEDHÖFE WIEN GmbH are held under the umbrella of B&F Wien – BESTATTUNG UND FRIEDHÖFE GmbH. Nearly 700 people were employed in this segment in 2015.

Bestattung Wien is the largest company of its kind in Austria and one of the largest in Europe. Since being founded, the company has performed over two million funerals and organised repatriations worldwide. In addition, Bestattung Wien also offers services in upstream (e.g. insurance / provision) and downstream areas (aftercare for relatives). By way of example, the company has been offering free seminars to help surviving relatives cope with their grief since 2005.

In 2015, Bestattung Wien performed 6,000 burials and 3,250 cremations. Friedhöfe Wien took care of around 9,350 coffin and over 4,000 urn interments, with the trend towards urn interment continuing to gather pace.

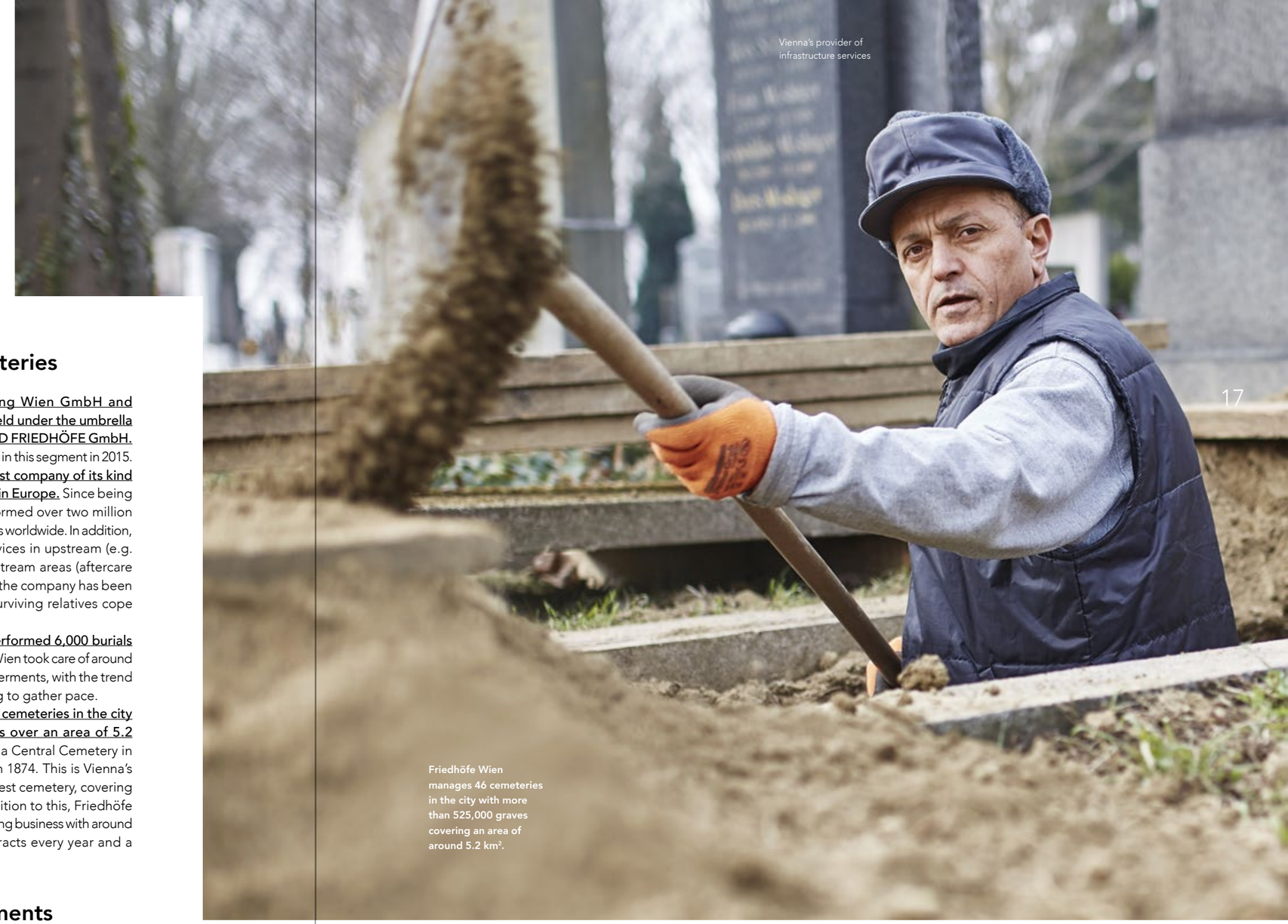
Friedhöfe Wien manages 46 cemeteries in the city with more than 525,000 graves over an area of 5.2 km². This also includes the Vienna Central Cemetery in Simmering, which was opened in 1874. This is Vienna's largest and Europe's second largest cemetery, covering an area of around 2.5 km². In addition to this, Friedhöfe Wien operates a cemetery gardening business with around 30,000 grave maintenance contracts every year and a stonemasonry workshop.

## WienIT and investments

Wiener Stadtwerke also owns a number of other smaller companies such as WienIT, WienCom and real estate investments. A stable and fully functional IT infrastructure, as well as optimum IT support, is essential to the commercial success of a large group such as Wiener Stadtwerke. For this reason, WienIT was founded in 2003. The some 240 employees ensure that the Group can rely on high-performance and cost-effective IT solutions. WienIT operates two data centres.

WienCom is the in-house media agency of the Wiener Stadtwerke Group. It is responsible for media planning and media purchasing for all Group companies, from Wiener Linien to Wien Energie.

Wiener Stadtwerke is involved in various development projects. These include IWS TownTown AG – Austria's largest high-rise PPP project, in which Wiener Stadtwerke holds a 44-percent stake. After a series of buildings was built over the underground train sidings in Erdberg in 2003, a new quarter has been created here: TownTown. In addition to numerous offices, shops and leisure facilities, Wiener Stadtwerke and a number of Group companies are headquartered here. The TownTown project has not yet been completed. The ground-breaking ceremony for the final tower at the eastern end of the area was held in summer 2015. The ORBI Tower is due to be completed by the beginning of 2017.



**Friedhöfe Wien manages 46 cemeteries in the city with more than 525,000 graves covering an area of around 5.2 km².**

# Innovations safeguard future opportunities



The Group divisions of Wiener Stadtwerke ensure that the basic needs of Vienna's population are met, in terms of public transport and the uninterrupted supply of electricity, gas and heating. Those who believe that you only need to maintain the status quo in these areas are making a huge mistake. Today's innovative ideas and projects are helping to plan tomorrow's smart city infrastructure.

The much-lauded Smart City Vienna is not something that will appear from one day to the next. It actually comprises a whole host of innovative projects. Wiener Stadtwerke is investing heavily, both materially and conceptually, in the areas of mobility and energy so as to make this claim a reality. And what is this ambitious claim? To tackle the digital transformation of our business in a swift and strategically deft way during one of the largest economic upheavals since the invention of the steam engine.

In the medium to long term, Wiener Stadtwerke can only continue enjoying success if it sees digitalisation and Industry 4.0 as an opportunity. This is why the conditions for this are being created. In the energy sector, for instance, this means shifting away from being a traditional supplier to being a company that offers smart solution packages and a great deal of service-related know-how. In the mobility sector, it means using mobility apps and related digital services – shifting away from being a mere public transport operator to being a complete mobility service provider.

CEO Martin Krajcsir "Digitalisation has made data the new oil. We hold a large amount of customer data and, most importantly, we enjoy our customers' trust. We have to build on this strength."

## Upstream – Wiener Stadtwerke's first start-up.

Integrating different means of transport and the trend to e-mobility will enable the creation of new mobility concepts and a range of new business models. By launching a start-up called Upstream – next level mobility GmbH in April 2016, Wiener Stadtwerke and Wiener Linien have launched themselves into this business area. Upstream will offer tailored mobility solutions for stakeholders such as public transport companies, property developers and company mobility managers. The team, comprising around 15 people, primarily focuses on connecting the mobility offerings of a wide range of providers and technologies, providing a central access point.

In the case of interested companies, this means being able to connect their own fleet of vehicles with other means of transport and offering employees several different ways of getting from A to B via an app. This optimises the use of the company's own vehicles, cuts costs and increases the flexibility of the employees.

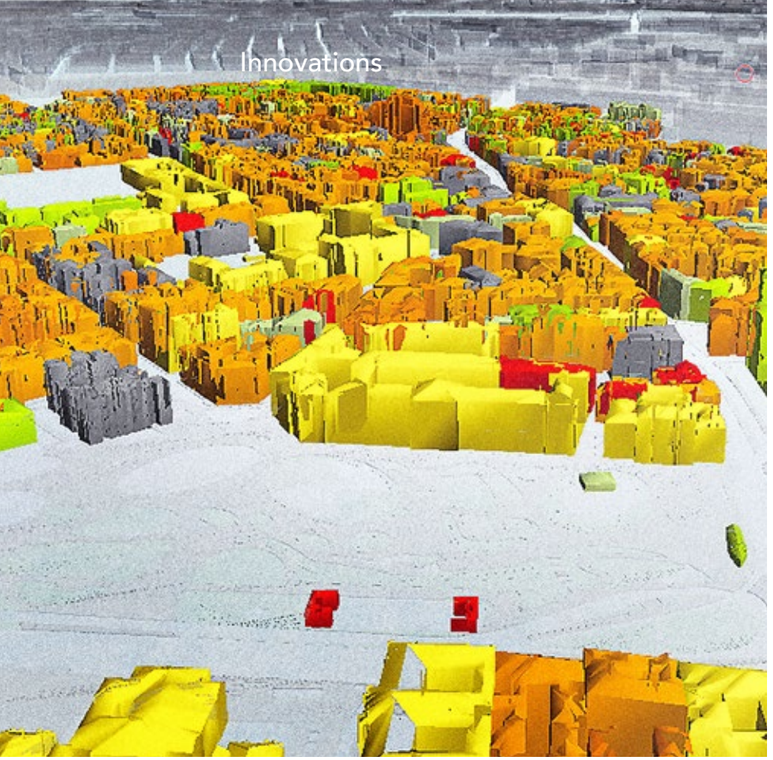
Upstream was developed on the basis of the results of the 'smile' research project, in which Wiener Stadtwerke, Wiener Linien and ÖBB jointly created a prototype of an integrated mobility platform with a smartphone app. They were able to use 'smile' to obtain information about a wide range of different means of transport, and then select, book, pay for and use the most appropriate one. Following intensive development work, the prototype was tested thoroughly by over 1,000 users during one year of pilot operation. The experience gathered by means of the 'smile' project was, in turn, used in Wiener Stadtwerke's 'BeamBeta' project. BeamBeta was subject to successive further development under laboratory conditions to ultimately become the urban mobility standard for everyone in Vienna. Wiener Stadtwerke is therefore a nationwide pioneer in the development of digital mobility assistants.



CEO Martin Krajcsir

**"Digitalisation has made data the new oil. We hold a large amount of customer data and, most importantly, we enjoy our customers' trust. We have to build on this strength."**


**From prototype to finished product: The 'smile' mobility app is being further developed by the start-up Upstream.**



## Living in energy-efficient, smart buildings

Wiener Stadtwerke's Group divisions are also leading the way when it comes to constructing modern buildings fit for the future; buildings that will really be 'smart' in how they interact with the environment. This future is currently becoming a reality in the buildings at Seestadt Aspern, which are being developed and researched by the research company Aspern Smart City Research (ASCR): a residential building, a student residence and a school campus. This project involving Wien Energie, Wiener Netze, Siemens and the Vienna Business Agency has been running since autumn 2013. The entire system is being researched in close coordination with the residents: buildings, electricity grid, information and communications technology as well as user behaviour are being pooled in a large energy research programme.

And what is the objective of the research? Put simply: The weather is set to change tomorrow. A smart, forward-looking building therefore uses the sunlight available at the moment and stores energy for use later. Some of this stored energy is also traded on the energy market. The network interacts with the buildings, distributes its output in different directions and also serves as a communication platform. The users are of course in no way negatively affected by this. Quite the contrary in fact. On the one hand, they receive valuable information about the building and, on the other, are able to control their flat remotely. What might sound like the distant future is in fact already being successfully implemented by ASCR.


**Executive City Councillor Ulli Sima giving the green light for Wiener Stadtwerke's eTaxi project.**



## URBEM – successful cooperation with the Vienna University of Technology

Wiener Stadtwerke is taking another, equally exciting, approach with the URBEM doctoral programme (urban energy and mobility system) run together with the Vienna University of Technology. Ten graduates were given a three-year contract at the Vienna University of Technology to complete their doctorate, with funding by Wiener Stadtwerke. This benefited everyone involved as the ten doctoral candidates researched and developed an interactive environment to analyse scenarios for an affordable city with long-term security of supply and a high quality of life, taking Vienna as an example. The presentation includes a model of Vienna's transport system, an analysis of the thermal properties of buildings, a simulation of the distribution networks, storage tanks and feed-in points for thermal energy, gas and electricity, as well as the necessary ICT requirements. All networks are visible in a geospatially simulated environment. Using this simulation, Wiener Stadtwerke is able to investigate where the best place is to invest in Vienna's energy system. The work of the ten doctoral candidates is due to be presented in summer 2016. Founding its own start-up in the field of mobility, increasingly intensive research together with partner companies, smart buildings of the future and collaboration with the scientific community to develop a simulation model for the city: three examples of the innovative power of Wiener Stadtwerke. Three steps into the future, which will be followed by many more.


**NeuMo General Manager Ilse Stockinger (centre) with partners in the URBEM project.**

# In demand around the world

**Around 1,400 international visitors came to Wiener Stadtwerke in 2015, the equivalent of around six guests every day from a whole host of different countries. Delegations came from the European Union, as well as from Asia, South America and Australia.**

Wien Energie General Manager Thomas Irschik at the ESMAP conference in June 2015.





Inaugural visit to Vienna: the new director of the Budapest Municipal Holding Company, Szabolcs Sidó, meets CEO Martin Krajcsir.

The focus of around half of the work meetings organised by the Group's management was on the subject of mobility. This was also the case in February 2015, when a high-ranking delegation from the Mongolian capital Ulaanbaatar visited Vienna. The focus of the exchange was on issues concerning demand planning, customer information and the ticketing system for Vienna's public transport network.

The newly appointed director of Budapest's utility companies visited his counterpart in Vienna, CEO Martin Krajcsir. During the high-level meeting, the two managers discussed issues regarding the respective organisations and ways to improve the exchange of information and experience between the two companies.

**Since 2015, Wiener Stadtwerke has had its own office at the heart of Europe, in Brussels. This means that key political decisions can always be followed in real time.**


Board Member Gabriele Domschitz (left) visits Wiener Stadtwerke's office in Brussels

## Wiener Stadtwerke and the United Nations

Around 1,500 international government representatives and experts met in Vienna in 2015 at the Vienna Energy Forum. The forum has its roots in a joint initiative of the Austrian federal government and UNIDO. Wien Energie presented its commercial fields along with the Vienna Model of supplying energy, highlighting its important role as part of an energy-efficient city. Wien Energie General Manager Thomas Irschik gave the opening speech for the VEF at the Hofburg Palace. Guided tours of the Simmering power plant and Spittelau waste incineration plant were the highlights of the programme.

## Wien Energie – the future of the energy system

Experts and planners from Asia, most notably Japan, as well as from the European Union and South-East Europe continued to show a high level of interest in the work of Wien Energie in 2015. Several delegations from Central and South America came to visit. One of the dominating issues was that of renewable energies. For instance, a delegation from Singapore Power visited Wien Energie not only to share experiences but also to familiarise themselves with the wide range of different production facilities using renewable energies.

## Significant international interest in the Vienna Model

The European Forum for Renewable Energy Sources (EUFORES) held its 15th inter-parliamentary meeting in Vienna in the middle of March 2015. Over 100 members of parliament from EU Member States as well as the European Parliament addressed the issues relating to renewable energies and energy efficiency together with experts from the energy industry. The presentation on the Vienna Model for supplying energy received a great deal of attention with its focus on the innovative and environmentally-friendly production of electricity and heating.

## Wiener Netze – smart grids

Wiener Netze co-organised the Smart Grids Week in May 2015. 350 national and international experts met in Vienna to discuss the latest findings in the area of smart electricity infrastructures. Not only did Wiener Netze organise an interactive expert dialogue but also a visit to one of the most impressive projects presented at the conference, Aspern Seestadt Vienna.


Above: The winners of the 2015 Tramway European Championship.
Centre and below: Board Member for HR Affairs Peter Weinelt and Board Member for Energy Affairs Robert Grüneis at the opening of Wiener Stadtwerke's office in Brussels.

## Wiener Linien brought the European Tram Driver Championship to Vienna

2015 was a special year for international tramway fans. As part of the 31st Tramway Day, the 4th European Tram Driver Championship was held at Wiener Linien's main workshops. Representatives from 23 local public transport companies from all over Europe faced off against each other in six different disciplines. The young team from Wiener Linien came in second place.

## Wiener Lokalbahnen

Wiener Lokalbahnen is internationally active in the transportation of goods by rail through the subsidiary Wiener Lokalbahnen Cargo GmbH (WLC). 2015 was a successful year. A total of 2.6 million kilometres were travelled outside Austria, making up approximately 75% of the total distance travelled by WLC. Wiener Lokalbahnen also received recognition at the European level. The general manager responsible for commercial affairs at Wiener Lokalbahnen, Franz Stöger, was appointed chairman of the Transport Task Force of the CEEP (European Centre of Employers and Enterprises providing Public Services).

## Wiener Stadtwerke – Brussels office

As a municipal energy and transport infrastructure service provider, Wiener Stadtwerke is increasingly affected by the policies of the European Union. The underlying political and economic conditions under which Wiener Stadtwerke works are being increasingly determined by the EU.

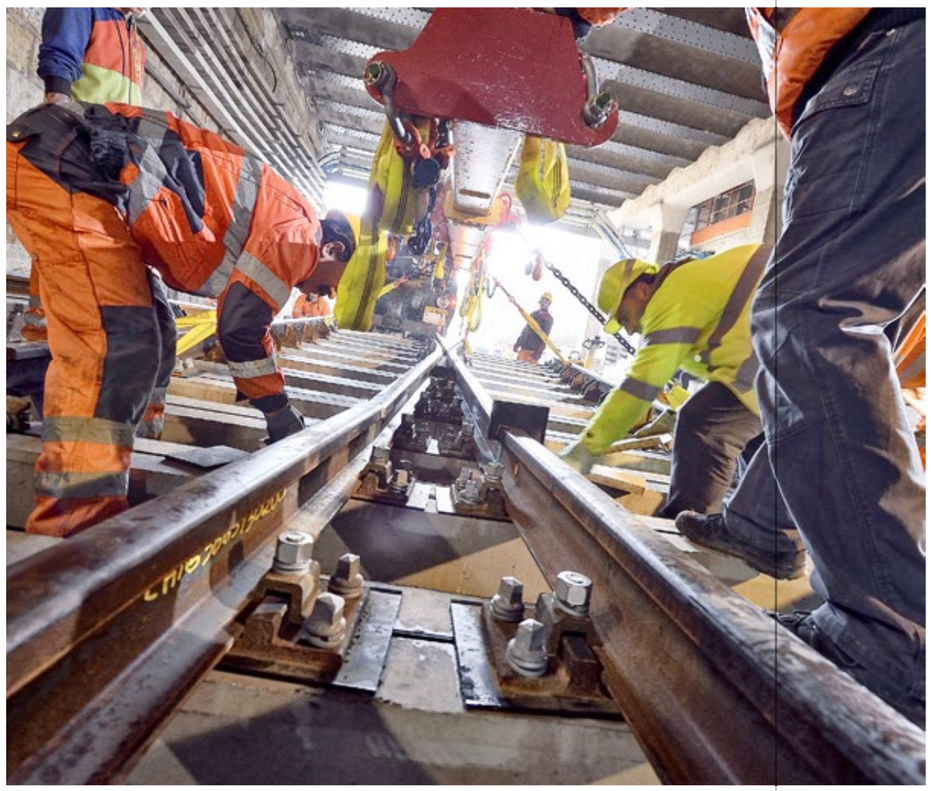
In view of the growing importance of the latter for Wiener Stadtwerke, an office was set up in Brussels at the start of 2015, in the 'Wien Haus', where the City of Vienna has its representative office in Brussels. A Wiener Stadtwerke employee has been leading the office in Brussels since 2015 in close coordination with Wiener Stadtwerke subsidaries that deliver key input for the work in Brussels, the Wien Haus and the Vienna Business Agency.

In addition to performing monitoring duties, i.e. closely monitoring and tracking relevant dossiers, and coordinating with colleagues in Vienna, the focus of the first year was on developing a network as well as active lobbying and representation work. To this end, a total of four high-profile public events were held in 2015 regarding the so-called Fourth Railway Package, the future of urban mobility and the role of municipal companies in the digital age. In addition to this, active representation in European and German associations was ensured and developed at the EU level so as to give Wiener Stadtwerke interests the broadest possible positioning.

Wiener Stadtwerke is investing heavily in the revitalisation of the U6.

# An important economic driving force





The U1 extension south-bound is due to be completed by 2017.



**As a large employer, Wiener Stadtwerke provides key impulses for Vienna and the surrounding area as an economic hub through considerable investment. The population of Vienna benefits from these investments in several ways. These are the findings of a study conducted by the business agency Agnes Streissler on the macro-economic driving force of Wiener Stadtwerke.**

## Investments in Vienna as a centre of economic activity

Vienna is one of the ten most economically robust cities in the world. This has been confirmed by a number of international city comparisons such as the Global Economic Power Index. The index compares the 25 most economically robust cities in the world using the following criteria: gross regional product, strength of the financial centre and global competitiveness as well as social equality and quality of life. Vienna regularly appears in the top ten, despite facing competition from cities such New York, London and Tokyo. Vienna is the city which offers the highest quality of life around the world, and has been for years, as confirmed by recent Mercer studies. The Austrian capital is also one of the top choices as the location for international companies looking to establish offices. Vienna is becoming ever more attractive for international companies. For the fourth time in a row, the number of international companies settling in the city rose to 175 in 2015, from 159 in the prior year.

## Record levels of investment: Hundreds of millions of euro for Vienna

At EUR 912.5 million, Wiener Stadtwerke invested more than ever before. Total investment increased by almost five percent over 2014, with three quarters of the amount (EUR 689 million) being invested in tangible assets. The major focuses here were on the expansion of the underground network and the renovation of existing underground lines, the purchase of underground trains, trams and buses, and investments in new depots and workshops as well as investments in buildings and stops for Wiener Lokalbahnen. Emphasis in the energy sector was primarily on the expansion and maintenance of the electricity and gas networks, the optimisation of the Spittelau waste incineration plant, the construction of wind farms and photovoltaic power plants, as well as the expansion of district heating, district cooling and heating centres.

# Wien Energie will invest over EUR 860 million over the next five years, of which EUR 460 million in renewable energies.



More energy, greater capacity: The Spittelau waste incineration plant was completely renovated at a cost of several hundred million euro.

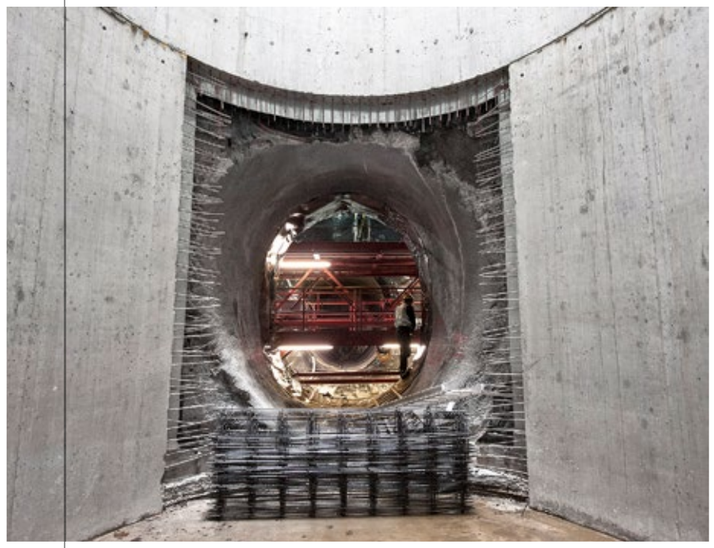




Wiener Stadtwerke's investment plan is based on longer term plans drawn up in close consultation with the City of Vienna to respond dynamically to demographic and other changes in the city. In the coming five years, Wiener Stadtwerke is set to invest around four billion euro in further developing Vienna's infrastructure. Specific examples include large-scale projects such as the U2/U5 intersection as well as comparatively small projects such as the construction of new Park & Ride facilities.

A number of lines in Vienna, such as the U6 and 43, are reaching their limits in terms of capacity – despite measures such as introducing shorter intervals or making structural improvements. As a result, the City of Vienna presented its public transport investment package for the coming decade in June 2014. This includes the new U2/U5 line intersection. The U2 underground line will be extended and a new southbound branch starting from the Rathaus station added. In 2018, work will begin on extending the U2 to the Matzleinsdorfer Platz railway station. The new U5 underground line will take over the section of track used by the U2 between Rathaus and Karlsplatz from 2023 and finish at Frankhplatz, near Altes AKH.

The largest round of modernisation work in the history of the Vienna underground began in spring 2014. By 2024, the City of Vienna and Wiener Linien will have invested a total of EUR 335 million in the so-called NEU4 project. The U4 is being fundamentally upgraded along its entire length. While this currently means annoying service interruptions at times, it will translate into much more reliable operations once the project has been concluded. Wiener Stadtwerke is also investing heavily in the revitalisation of the U6 and the acquisition of new vehicles. And, last but not least, the U1 extension southwards is drawing to a close. Extending as far as Oberlaa, the U1 will then offer the heavily populated urban areas in southern Vienna a quick and direct route to the city centre, as well as a connection to the primary network. Total project costs: EUR 600 million.



The situation in the energy sector is similar to that for mobility: Wien Energie will invest over EUR 860 million over the next five years, of which EUR 460 million in renewable energies. Specifically, this means more wind farms and the expansion of hydropower and photovoltaic plants. This will increase the proportion of energy produced from renewable sources. The aim is to produce at least 35 percent of electricity from renewable sources by 2030, and at least 40 percent of heating from renewable sources. According to forecasts, 200 megawatts of heating will be connected in Vienna every year. Wien Energie would like to acquire around half of this for itself and develop it with central and decentralised technologies such as heat pumps. Furthermore, Wien Energie will make increased use of new, local sources of heat (geothermal energy, solar energy or industrial waste heat) and integrate these into the existing network.

The large, somewhat abstract, sums invested conceal the direct added value for the population, be this in the form of new public transport lines or the secure supply of electricity, gas or heating. And it is just such investments in quality of life that create an additional benefit for the city, i.e. a significant part of the city's overall gross value added.

## Adding value – the Stadtwerke effect

Vienna is growing – because the city is so attractive, for both companies and people. In order to safeguard the position of Vienna, the city is adjusting to this development. Wiener Stadtwerke makes a key contribution to these services. One of the studies commissioned by Wiener Stadtwerke in 2014 comes to the conclusion that this contribution amounts to six percent of total gross value added and 5.6 percent of all jobs in the city – economic researchers at the Agnes Streissler agency speak of the so-called Stadtwerke effect.

The importance of Wiener Stadtwerke to the regional economy is underscored by the direct value added described above, as well as by the indirect value added, i.e. the output generated by suppliers. On top of this come other effects such as greater consumer demand as a direct result. Wiener Stadtwerke and its 16,100 employees generated a turnover of around three billion euro. This means that the Group generates an estimated EUR 1.627 billion of direct added value. The study reveals that, through the value added for suppliers (indirect effect) and greater consumer demand (induced effect), the economic impact of Wiener Stadtwerke increases by around EUR 3.2 billion or 35,000 jobs. This makes a total of around EUR 4.8 billion of value added and almost 51,000 secure jobs in Austria.

In addition to this, Wiener Stadtwerke invests on average more than EUR 767 million in Vienna's infrastructure every year. This triggers a further EUR 900 million of value added and safeguards around 13,600 additional jobs. In total, this translates into value added of EUR 5.724 billion and 64,300 secured jobs in Austria as result of Wiener Stadtwerke's ongoing operations in 2013 according to the economic researchers.

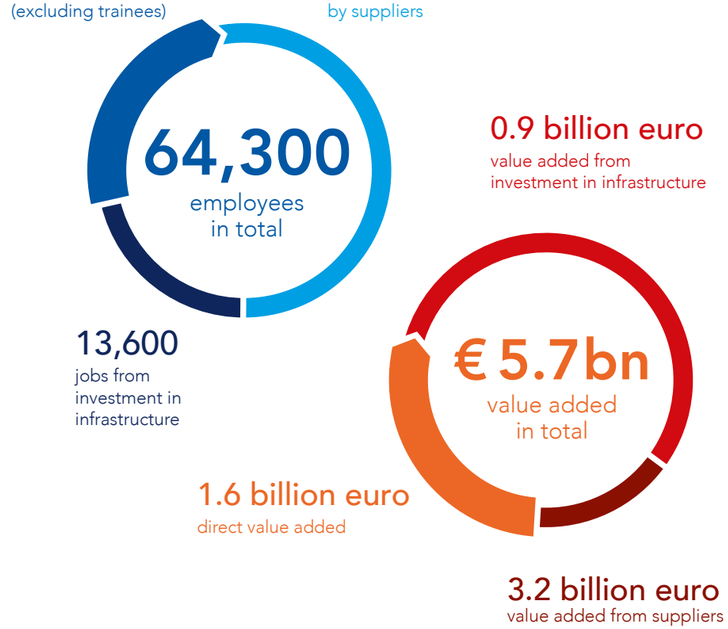
Vienna's population benefits in particular because Wiener Stadtwerke purchases regionally as far as possible. Consequently, 82 percent of the total value of all goods and services purchased comes from suppliers in Vienna. If you fully calculate the direct value added together with the indirect and induced effects according to the proportion of suppliers in Vienna, then six percent of gross value added and 5.6 percent of employees in Vienna are in some way linked to Wiener Stadtwerke.

Vienna's population benefits in several ways from the value added of Wiener Stadtwerke. Such benefits include attractive local jobs with fair pay, a secure supply of essential services at fair and affordable prices, and a great deal more that contributes to quality of life. They also benefit financially – even if this tends to be indirectly. This is demonstrated by the example of the comprehensive range of public mobility services. According to calculations by VCÖ, an average Viennese household spends around EUR 1,200 less a year on mobility than an average household in other provinces due to the high proportion of public transport and the shorter journeys to work and for shopping.


**A look into the future: This is what the stations of the self-driving U5 line will look like.**

**A study comes to the conclusion that Wiener Stadtwerke is responsible for six percent of total gross value added and 5.6 percent of all jobs in the city.**

### Powerful impulses



# Essential public services – guarantee for a high quality of life

**The people of Vienna want to protect core services from privatisation.**





As a publicly owned service provider, it places particular emphasis on general benefits, which are measured on the basis of criteria such as security of supply, coverage, accessibility, affordability, service quality and customer satisfaction, as well as adherence to environmental and social standards. In short: quality of life.

Providing essential public services means ensuring that every citizen has equal access to all services and facilities required for everyday life. These include water, energy, mobility, telecommunications and internet, radio and postal services as well as education, culture and medical services.

Not only do these essential public services satisfy basic needs but they also enable everyone to participate in community life. Providing essential public services also means ensuring that the services in question are affordable. They should be offered at a fair price. Even in cases where it actually does not make commercial sense, where no profits are to be made and where even subsidies may be required, such as is the case for public transport in Vienna. Providing essential public services is a prime example of solidarity.

In the past, many municipalities have privatised services such as the supply of energy or water. In return, they expected falling costs, lower prices and/or a better quality of service. Often these expectations went unfulfilled and even the opposite occurred.

The profits made by private operators evaporated, instead of flowing back into the community, in the form of investments and jobs. If investments were made, then these were not always in the interests of the municipality.

Vienna has always been different. The well-being of the community, and not short-term profits, has always been the focus in Vienna. This is why Wiener Stadtwerke has always been wholly owned by the City of Vienna. This is the only way the City of Vienna can have a direct influence on Wiener Stadtwerke to ensure it also fulfils its role when implementing all of the city's important strategies and programmes. Examples here include the KLiP II climate protection programme, the Transport Master Plan (MPV) or the STEP Urban Development Plan.

Municipal companies such as Wiener Stadtwerke are also singularly affected by decisions made at the EU level. The European Commission has wanted to liberalise (open to competition) the provision of essential public services for many years now. This often results in the privatisation of these services.

In the 2013 referendum, Vienna's population overwhelmingly voted to protect essential public services from privatisation. What this means is the continued and guaranteed security of supply as well as socially-minded and, above all, affordable fares. Wiener Stadtwerke remains an important employer and economic driving force for the population of Vienna.

The decision against the privatisation of municipal services was a good one for a number of reasons. After all, there are many examples of negative outcomes, for instance in the UK, where the costs of using public transport are significantly higher. In London, an annual season ticket costs EUR 1,526, whereas in Vienna it costs just EUR 365, i.e. one euro a day. A single ticket in London is particularly expensive at EUR 5.70.

Ensuring public transport is operated by municipal companies also means fewer shutdowns and disruptions, shorter intervals and a guarantee that significant sums are invested in the expansion and maintenance of public transport. This can only be afforded by municipal operations.

## Our success proves we are right – top quality of life for the people of Vienna.

Vienna has never let the management of key essential public services out of its hands. This has certainly played a crucial contributing role in ensuring that Vienna has such a renowned high quality of life. According to a study by the Institute for Sociology at the University of Vienna in 2013, 97 percent of people interviewed 'liked' or 'strongly liked' living in Vienna, one percent more than in the last survey conducted in 2008 – an achievement that is hard to improve on.

Vienna is also number one when viewed from an international perspective. In the so-called Mercer study, the world's largest cities are evaluated from the perspective of employees sent to live there by companies in other countries. The 39 evaluation criteria encompass personal safety and healthcare, water and energy supply, transport services and other public services. In 2015, Vienna occupied the top spot in this study for the sixth time in a row, with the services of Wiener Stadtwerke playing a major role here.

**Wiener Stadtwerke guarantees the supply of energy and mobility to the population of the Greater Vienna metropolitan area.**

# Mobile in Vienna

**Wiener Linien wants to break the one-billion-passenger mark by 2020.**




**In 2015, 939.1 million passengers used Wiener Linien and 12.4 million the Badner Bahn of Wiener Lokalbahnen.**

**Bicycle hire stations make the Badner Bahn even more attractive for trips into the surrounding area.**



The people of Vienna want to travel around their city easily, comfortably and cheaply. Wiener Linien is their first choice here according to current sales statistics. At the end of 2015, Wiener Linien surpassed the 700,000 mark for annual season tickets, a new record. Last year, there were 650,000 annual season tickets in circulation. In 2005, there were just 303,000 annual season tickets. Impressive numbers, although the real records can be found in the passenger numbers. In 2015, 939.1 million passengers used Wiener Linien and 12.4 million the Badner Bahn of Wiener Lokalbahnen.

Developments like these do not happen by themselves; they are the result of painstaking work by Wiener Stadtwerke's mobility companies to make public transport more attractive. Vienna's public transport system is by far the most popular method of travelling in the city, as the current modal split reveals: 39 percent of journeys are made using public transport, as opposed to 27 percent using cars. But he who stands still falls behind. This is why Wiener Linien invests millions of euros every year in the expansion and modernisation of the public transport network. The aim is to reach the one-billion-passenger mark by 2020 – an ambitious target but one Wiener Linien is well on track to reaching.

**Environmentally-friendly urban mobility with public transport is the key to a better future and meeting ambitious climate protection targets. People choosing public transport over cars cut their individual $CO_2$ emissions by 90 percent.**




Multimodal travel through the city – with apps from Wiener Stadtwerke

The key to achieving these targets lies in the possibility of getting from A to B using a variety of different modes in a transport system fit for the future.

## Quickly, easily and, above all, multi-modally

People in the city want to get from A to B in different ways, not just with the underground. They want to combine means of transport as they desire – easily, quickly and cheaply. For instance, by bike to the tram or scooter to the bus; people commuting from the outskirts leave their car at the edge of city and take the underground or the train; people living in the city who do not want to own their own car travel with one of many car-sharing vehicles. Modern technology makes it possible to combine all forms of transport in an optimum way. Practical apps show users the exact location of car-sharing vehicles. At the press of a button, you can see at which stations city bikes are still available, see the timetable of public transport, or simply use an eTaxi. People driving their own cars can even see where there are parking spaces available using their smartphone.

However, the backbone of multimodal mobility remains public transport. Railway stations and stops mutate into versatile traffic hubs with hire stations for bicycles and parking spaces for car-sharing. In order to make this multimodal offer more attractive, Wiener Linien looked for cooperation partners and developed the WienMobil card. A pocket-sized all-rounder that can be used for car-sharing, city bikes, car parks and public transport – everything is booked and billed via one card.

Wiener Linien is placing emphasis on promoting the concept of multimodal travel. As a result, collaborations with car-sharing providers and public city bikes are to be expanded. Work here is not just concentrating on new information media such the mobile apps mentioned above, but also on modern booking options.

The WienMobil card already functions as the annual season ticket as well as providing access to and discounts for city bikes, DriveNow car-sharing, Wipark garages or the CAT airport train. And this is precisely the objective in Vienna: to develop the right offer for every mobility need of the population.

However, the best app or multi-functional ticket is of no use if the hardware – i.e. the tracks, vehicles and stations – are not properly serviced and maintained. This is why Wiener Linien will invest EUR 515 million in 2016 alone in further improving public transport services. A particularly exciting project here is the modernisation of the U4 – known as NEU4.

## NEU4: The largest round of modernisation work in the history of the Vienna underground.

In the course of its NEU4 project, the City of Vienna and Wiener Linien are investing EUR 335 million in the modernisation of the U4 underground line. This modernisation work includes the replacement of signal boxes and the renovation of tracks, track foundations, stations and tunnel ceilings. Additional track connections will also make it possible to change tracks in the event of disruptions, helping to improve the reliability of the U4's operations.

The work has been in full swing since spring 2014 and will ultimately last until 2024. The extensive modernisation work began with the renovation of the supporting wall situated between the U4 line and the street. At the same time, Wiener Linien started to upgrade old relay signal boxes. This also needs to be done to be able to use the track connections that will be installed along the U4 as part of the modernisation work. After all, what is already possible on other underground lines – i.e. simply travelling around disruptions by changing tracks – has only been possible to a limited extent on the U4 between Hütteldorf and Hietzing up to now. As a result, even minor disruptions, such as passengers requiring medical attention, have a major impact on operations. This will change with the modernisation of the U4.

A particular challenge here is the work on historical U4 stations designed by Otto Wagner. These stations were opened nearly 120 years ago and continue to leave their mark on Vienna. The intention is to ensure that these listed stations bring future generations a little closer to history, which is why these stations are being renovated in close coordination with the Austrian Federal Monuments Office. The Hütteldorf station was modernised in 2015; work on the Stadtpark station began in November 2015 and will continue until the end of 2016.



However, it is not the challenging structural and renovation work on the listed stations that makes the modernisation of the U4 so special, but much more the partial shutdowns of the line between Hütteldorf and Schönbrunn – a first in the history of the U4, with services on the line being interrupted for several months from the end of April 2016 for the first time since being opened. The line shutdown is being used to modernise tracks and track foundations, to upgrade the electrics and conductor rails and, of course, to renovate parts of the historical station buildings. This is a lot of work, but passengers are being kept informed about every phase, and an extensive rail replacement service has been set up during this time.

People will still be able to travel when the U4 stops running between Hütteldorf and Hietzing or Schönbrunn thanks to a sophisticated rail replacement concept. The partial shutdown from the end of April 2016 will not be the end of the work. The line between Längenfeldgasse and Karlsplatz will then be renovated and made fit for the future. The final phases should be completed by 2024.

# An efficient future

Energy transition, fiercer competition, high market volatility, digitalisation – the energy industry has undergone a dramatic change in recent years. Wien Energie and Wiener Netze have recognised the signs of the time. In addition to an internal efficiency programme, a clear signal for growth has been set through ambitious innovation programmes, new product ideas and further development at all levels.

For Wien Energie, the continuous expansion of the production of electricity and heating from renewable energy sources is the number one priority. The aim is to double the proportion of electricity produced from renewable sources in the supply area by 2030 – to 35 percent for electricity and 40 percent for heating. Just a few years ago, the proportion of electricity produced by the company from renewable energy sources was less than ten percent. A range of measures has been implemented to this end. In the next five years alone, EUR 460 million will be invested in technologies for renewable energies and in expanding these. Wien Energie is currently able to supply around 800,000 people with green electricity. This will increase to over 1.5 million people by 2030.

**Perfectly serviced: Vienna is growing, and so is the infrastructure of Wiener Netze**

Heating when it is needed: a high-pressure heat storage facility in Vienna's Simmering district.

**Wien Energie primarily uses solar energy in the Vienna urban area, and is working hard to expand this. In the past few years, the number of photovoltaic installations in Vienna and the surrounding area has substantially increased: from just a few to around 60 large-scale installations.**

Now also possible with citizen participation: modern wind farms in the surrounding area.



Energy efficiency at all levels courtesy of new product ideas and further developments.

It is clear that, as the supplier of energy to a large city, the possibilities to develop this form of energy production are limited by the density of population in the city. For this reason, hydropower plants and wind farms are mainly built outside the city or responsibility for their construction is assumed by project partners, such as in the case of the Ybbs hydropower plant in 2015. However, considerable progress is being made in other areas in the city.

## Citizen participation in solar power

Wien Energie primarily uses solar energy in the Vienna urban area, and is working hard to expand this. In the past few years, the number of photovoltaic installations in Vienna and the surrounding area has substantially increased: from just a few to around 60 large-scale installations. The reason for this, among others, is an attractive business model to encourage people to make their land or roofs available for photovoltaic installations. Even more importantly, this model promotes citizen participation with added value. Wien Energie has implemented 24 citizen solar power plants in the Greater Vienna metropolitan area, 22 of which for photovoltaics and two for wind power, within the space of just a few years. 6,000 people have participated so far, investing over EUR 27 million.

Wien Energie offers different participation models. The one most commonly used involves acquiring individual solar panels, which are then leased back to Wien Energie. In return, an annual payment is made to the bank account of the investor, depending on the amount invested. Once the lifetime of the panels has been reached (after approximately 25 years), Wien Energie buys back the units at the original price. Participation in the wind power projects is based on a co-ownership model together with annual payments. In both models, Wien Energie refunds the purchase price after the project has finished. The offer has been enormously successful, with panels and units being sold out within minutes.

# Wien Energie has been offering environmentally-friendly district cooling since 2009 as an alternative to conventional air-conditioning units.

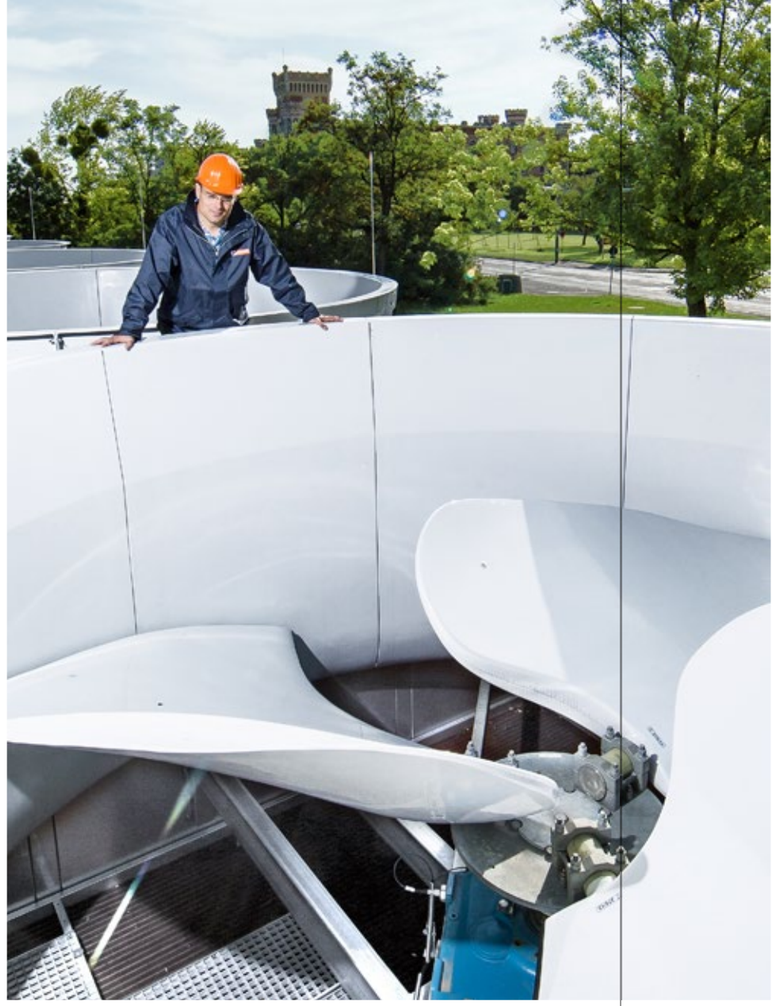


## Cooling as a business model of the future

As is the case for district heating, waste heat produced from the incineration of waste or power plants is used to generate cooling. This process cuts $CO_2$ emissions by 55 percent. Commercial interest in the district cooling product is continually rising. The connected load for customers using district cooling technology is currently 100 megawatts and is set to increase to nearly 200 megawatts by 2020.

District cooling also offers good value for money for key account customers such as shopping centres, hospitals, hotels or office buildings due to the greater levels of efficiency reached in contrast to conventional air-conditioning methods. There are currently no plans to make district cooling available to private households as these normally do not have their own ventilation system and thus would need to be retrofitted at considerable expense. District cooling is not only helpful in making office workers more productive despite the heat. Hardware, such as that of server farms, also needs to be cooled. Around 50 percent of the cooling needs of hospitals is attributable to x-ray and other equipment. A special feature of this process refrigeration is that it is needed all year round and not just on hot summer days.

The largest district cooling plant can currently be found at the Vienna Main Railway Station (*Hauptbahnhof*). Numerous business customers were connected to the respective network in 2015. Given the high level of demand, Wien Energie will increase the installed on-site cooling output to around 25 megawatts. The *Hauptbahnhof* urban development area is ideally suited for a refrigeration centre because many companies have settled in the immediate vicinity.



**State-of-the-art and resource-saving: Wien Energie district cooling**





## A larger Vienna needs more energy

Vienna is growing faster than any other city in the German-speaking world. Whereas the city only had a population of just under 1.5 million people at the end of 1980s, this had risen to 1.84 million in 2015, with no sign of stopping. According to forecasts, the Austrian capital will pass the two-million mark by 2023 at the latest, increasing to 2.22 million people in 2060.

The demographic trend represents a major opportunity for Wiener Stadtwerke and Wien Energie in particular. More people need more energy – in flats, offices and industry. The need for energy is rising, despite increasing energy efficiency, better insulation in new buildings and global warming. Demand for electricity is expected to grow by 0.7 percent every year. Similarly, demand for cooling will rise as a result of a greater need for comfort.

At the same time, fewer resources should be used to produce this energy. Greenhouse gas emissions per head should be cut by 80 percent below 1980 levels by 2050. Wien Energie is providing considerable support in efforts to restructure the energy system. Ultimately a win/win situation – more convenience for people, more protection for the environment.

## Everything is smart at Wiener Netze

If there is one division of Wiener Stadtwerke that is implementing its most important forward-looking projects under the 'smart' motto, then it is Wiener Netze. Coordinating renewable energies, smart meters and smart grids with each other requires a great deal of preliminary work. Wiener Netze is in the process of creating the conditions for the smart city of tomorrow – including wind and solar power. Extensive changes to the energy networks are needed so that Wiener Netze can remain one of the safest and most reliable distribution network operators in Europe. This is how the smart electricity grid of the future is successively being created, offering the flexibility needed to integrate renewable energies in the best way possible. A lot of energy from decentralised sources, such as solar installations at home, is being fed into the grid today. This requires flexible, smart grids that can deal with this situation and distribute electricity through a stable network.

The most visible change from the point of the view of the population in the coming years will certainly be the future energy meters. So-called smart meters will replace the traditional electricity meters that have been in use for a hundred years now. Smart meters are digital meters used to record energy consumption at short intervals, with the consumption data being sent automatically to the network operator. In the medium term, this means saying goodbye to the familiar ritual of reading meters. The advantage is that you can monitor your electricity consumption at any time and at short notice. The launch of the smart meter is the result of an EU requirement which states that 80 percent of all electricity customers should have such modern meters installed by 2020. While pilot projects are still running in test areas, comprehensive retrofitting work is due to begin in earnest from 2016.

Wiener Netze is currently building its new company headquarters, 'Smart Campus', on the site of the former Simmering gasworks. Six locations, the long-term hub of the electricity grid at Mariannengasse and the Simmering works building will be abandoned and then combined to form the Smart Campus. Around 1,400 employees are due to be working at the new site by the end of 2016. Focusing on intelligent building automation and management, the building is designed to follow the principles of smart technology: the building meets passive house standards, all primary energy requirements are met using alternative energy sources, while heating and cooling is provided through the use of groundwater and solar power.

# 01

# CONSOLIDATED MANAGEMENT REPORT FOR THE 2015 FINANCIAL YEAR





## Operations

The Wiener Stadtwerke Group is a modern infrastructure provider and one of the largest conglomerates, investors and employers in Austria.

Its commercial activities can be broken down into the segments of energy, transport, funerals and cemeteries, and car parks. The energy segment covers the areas of production, network operation and sales, whereby the main focus is on ensuring reliable supplies of electricity, gas, district heating and cooling. Wiener Stadtwerke also provides a comprehensive range of services in the area of public transport (transport segment: Wiener Linien and Wiener Lokalbahnen), funerals and cemetery administration (funerals and cemeteries segment), as well as parking (car parks segment). The high quality, reliable and safe services offered by the Group make an important contribution to the very high quality of life enjoyed in the city; something which is recognised internationally and has been attested by studies.

## Legal environment

The companies of the Wiener Stadtwerke Group largely have to operate in both deregulated or regulated environments. While, for instance, the sales markets of WIEN ENERGIE GmbH and its subsidiary WIEN ENERGIE Vertrieb GmbH & Co KG have been fully deregulated, the setting of tariffs for the electricity and gas networks continues to be decided upon by the public-sector regulator, Energie-Control Austria (ECA). The funerals market in Austria was deregulated as early as 2002. The transport segment has been able to benefit from the deregulation of the freight transport market but remains subject to several special provisions pertaining to local public transportation.

### Specifics of the 2015 financial year

**The energy and climate policy of the European Union**
On 25 February 2015, the European Union announced its plans and objectives concerning the Energy Union. In order to be able to achieve the three objectives of the EU's energy policy – security of supply, sustainability and competitiveness – the Commission is focussing on five pillars:

- Security of supply, solidarity and trust: boosting energy efficiency as well as harnessing renewable and regional resources;
- A fully integrated European energy market: expanding infrastructure and supporting the demand-side participation of the end energy user in the energy market;
- Energy efficiency as a way to reduce demand: energy efficiency as a top priority as well as increased concentration on the transport and construction sectors;
- Reduction of $CO_2$ emissions in the economy: increasing trading with emission certificates, involving the agricultural and forestry sectors as well as mobility concepts;
- Research, innovation, and competitiveness: expansion of the EU's leading position focusing on smart grids, technology for smart homes, energy efficiency, energy storage systems and transport systems.

**New emissions trading system by 2017**
The Energy Union is being implemented through measures as part of a comprehensive package of communications and draft legislation, which was presented to the European Commission on 15 July 2015. The core elements of this package are:

- Proposed legislation to revise the EU's emissions trading system: The aim here is to cut emissions by 40 percent by 2030 by increasing the annual linear reduction factor and through carbon leakage measures, among others. The European Parliament and Member States must reach a compromise on the regulations proposed by the Commission through an ordinary legislative procedure, which should be presented no later than the second half of 2017.

- Notification to create new possibilities for energy consumers: The aim is to actively involve end customers in the energy transition by giving them the power to act, implementing smart-home and smart-grid solutions, as well as through data management. There are no plans to set or amend legal acts to achieve these objectives; Member States and national governments have been called upon to become more proactive here.
- Consultative communication on the restructuring of the European electricity market: The focus here is on improving energy markets (completing the internal energy market and removing regulatory barriers), improved regional cooperation and security of supply. Legislative steps will be taken from 2016 as part of the amendment to existing European legislation.
- Proposed legislation to revise energy labelling: A specific directive on energy labelling is intended to define a system of labelling for the consumption of energy and other resources by certain products. The European Parliament and Member States must now reach a compromise on the regulations proposed by the Commission through an ordinary legislative procedure. This process is expected to take a year.

**The energy and environmental policy of Austria**

The Energy Efficiency Act *(EEffG)*, which was promulgated by the Austrian parliament in July 2014, took effect in January 2015. This law obliges energy suppliers of a certain size to take action to improve end-user energy efficiency and to demonstrate that these savings amount to 0.6 percent of their entire energy sales in the preceding year. If this requirement is not met, a compensation payment amounting to 20 cents for every kWh of the shortfall must be paid. In addition to the obligation placed on suppliers, the Energy Efficiency Act requires large companies to introduce an energy management system or to carry out an energy audit every four years.

In April 2015, the Austrian Energy Agency (AEA) was awarded the contract to set up a national energy efficiency monitoring office, as required by the Energy Efficiency Act. Since this time, the AEA has been the central government point of contact and information regarding the Energy Efficiency Act, responsible for handling and monitoring the Energy Efficiency Act. The role of the AEA as the national energy efficiency monitoring office is to be performed in accordance with the Energy Efficiency Guidelines Ordinance *(Richtlinienverordnung)* which was published on 30 November 2015 and has been in force since 1 January 2016. The provisions of the Energy Efficiency Guidelines Ordinance include:

- Regulations on the evaluation and attribution of energy efficiency measures as well as principles of measurement methods and evaluation.
- Documentation requirements for energy efficiency measures.
- Regulations on the collection of documented measures by the monitoring office and its supervisory rights.

**Fourth Railway Package**

In January 2013, the European Commission announced amendments to the EU regulation on public passenger transport services by rail and by road (Regulation (EC) No. 1370 / 2007) as part of the Fourth Railway Package and the State Aid Package. The result of these amendments to many sections of the regulation will have a negative impact on WIENER LINIEN GmbH & Co KG. The European Parliament made amendment proposals in its first reading. The Council of Transport Ministers also passed the dossier in October 2015 with its proposed amendments. A number of provisions with a negative impact on WIENER LINIEN GmbH & Co KG have been eased as result of the amendments made by the European Parliament and the Council of Transport Ministers. The dossier is currently being debated by the European Commission, European Parliament and the Council. It remains to be seen how these talks will conclude and what impact this will ultimately have on WIENER LINIEN GmbH & Co KG. Consequently, WIENER LINIEN GmbH & Co KG has delivered an opinion to the appropriate offices and institutions, notably through Wiener Stadtwerke's office in Brussels. The progress of the negotiations surrounding the EU's Fourth Railway Package is being closely monitored and the interests of WIENER LINIEN GmbH & Co KG safeguarded.



# Economic environment

Economic growth in Austria remained sluggish in 2015. Gross domestic product expanded by just 0.9 percent year on year. This means that the pace of growth was below one percent for the fourth year in succession. Investment activity only began to pick up in the course of the year, whereas private consumption increased only marginally over the prior year given the high rate of unemployment and weak growth in income. In contrast, Austrian exports saw an uptick in activity, increasing by 1.8 percent despite unfavourable conditions in the global economy. [1]

As a result of even lower energy and fuel costs, the average rate of inflation in 2015 was just 0.9 percent, despite a significant rise in rental prices. [2] The unemployment rate in Austria in 2015 rose from 5.6 percent to 5.8 percent despite an increase in employment figures (according to the international definition). [3]

While the US Federal Reserve raised interest rates for the first time after seven years of cuts, the European Central Bank (ECB) continued to pursue a highly expansive monetary policy aimed at boosting inflation and achieving its price stability target of two percent. In order to achieve this, key interest rates were kept at 0.05 percent, while at the same time extending and expanding programmes to buy government-issued bonds. [4]

1 Source: WIFO, http://www.wifo.ac.at/jart/prj3/wifo/resources/person_dokument/person_dokument.jart?publikationsid=58661&mime_type=application/pdf

2 Source: Statistics Austria, http://www.statistik.at/web_de/statistiken/wirtschaft/preise/verbraucherpreisindex_vpi_hvpi/022832.html

3 Source: Statistics Austria, http://www.statistik.at/web_de/statistiken/menschen_und_gesellschaft/arbeitsmarkt/arbeitslose_arbeitssuchende/arbeitslose_int_definitionen_ms/055370.html

4 Source: WIFO, http://www.wifo.ac.at/jart/prj3/wifo/resources/person_dokument/person_dokument.jart?publikationsid=58647&mime_type=application/pdf

# Corporate strategy

## As a public-sector company, Wiener Stadtwerke continues to be aware of its particular responsibility and lives up to this as a comprehensive provider of essential public services to the population of Vienna.

The Group is a major factor in the regional economy and an attractive employer for around 16,000 employees. In this way, the Wiener Stadtwerke Group makes a key contribution to quality of life, economic development and the general level of attractiveness of Vienna as an economic hub. In order to address its social responsibility, however, Wiener Stadtwerke must also operate in a commercially viable way. Only an economically stable Group is able to safeguard the secure supply of high quality and environmentally sustainable products and services to the population of Vienna and make forward-looking investments in developing the city's infrastructure.

As a highly diversified group, Wiener Stadtwerke is confronted by a range of different legal and economic framework conditions, thereby only enabling comparisons between individual segments to a very limited extent. For this reason, WIENER STADTWERKE Holding AG manages Group companies using individually agreed targets and KPIs. The Company's strategies in the Energy segment were subjected to a review in 2015 to properly assess these requirements. The Group strategy of the Wiener Stadtwerke Group is currently being overhauled.

The focus here is on harnessing Group-wide synergies, improving efficiency, promoting a focus on customers in all Company divisions and making more effective use of available expertise. It is of particular importance to Wiener Stadtwerke here to involve all the affected stakeholders from the very beginning and to formulate objectives in a constructive dialogue with a view to shaping a successful future for the Group.

Wiener Stadtwerke thinks in terms of Vienna's future and continues to see itself as a central player in the development of Vienna to become a 'smart city', particularly with energy and transportation, as two key elements of the smart city concept, belonging to the core competencies of the Group. Consequently, companies of the Wiener Stadtwerke Group develop their ranges of products and services on an ongoing basis, invest in the strategic expansion of their infrastructure and help to cement Vienna's position as an attractive, competitive city with a high quality of life.

# Turnover and earnings position

## Abridged Profit and Loss Account

Financial results in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Turnover | 2,940.3 | 2,904.8 | 35.5 | 1.2 |
| Change in inventory and own work capitalised | 55.9 | 62.2 | –6.2 | –10.0 |
| Other operating income | 710.6 | 692.6 | 18.0 | 2.6 |
| Operating performance | 3,706.8 | 3,659.6 | 47.3 | 1.3 |
| Cost of materials and services | –1,356.2 | –1,430.8 | 74.6 | 5.2 |
| Personnel expenses | –1,071.4 | –1,165.4 | 94.1 | 8.1 |
| Depreciation and amortisation | –533.0 | –517.9 | –15.1 | –2.9 |
| Other operating expenses | –613.1 | –576.1 | –37.0 | –6.4 |
| Group EBIT | 133.2 | –30.6 | 163.8 | n.c. |
| Consolidated financial result | –102.7 | 50.8 | –153.5 | –302.2 |
| Result on ordinary activities (EBT) | 30.5 | 20.1 | 10.4 | 51.7 |
| Consolidated profit for the year after minority interests | 29.8 | 20.0 | 9.8 | 48.9 |
| **Consolidated balance sheet profit** | **128.4** | **101.7** | **26.7** | **26.3** |

Differences as a result of rounding figures have not been eliminated

## Development of results

The energy segment was primarily responsible for the increase in turnover as lower revenue from electricity sales was more than offset by higher revenue from the sale of gas and heating. Group turnover was also boosted by higher revenue in the transport and car parks segments.

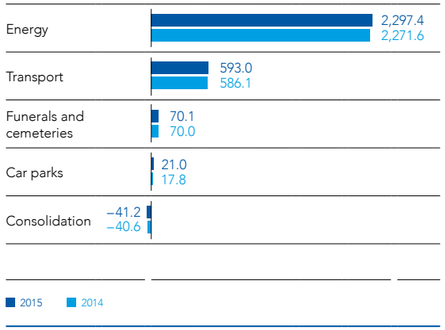
For more information on the revenue structure, please refer to the section entitled 'Segment reporting'.

The reduction in own work capitalised is due to lower volumes of investment in the energy segment. Other operating income contains the supplement to the employer contribution for the tenured and contracted employees allocated to serve the Company as per the Wiener Stadtwerke Allocation Act *(Zuweisungsgesetz)* for the years 1999 to 2014 (EUR 20.9 million), which can be recovered following a decision reached by the Federal Fiscal Court.

As a result of the virtually unchanged headcount, general wage and salary increases and individual progressions, expenses for wages and salaries increased.

## Turnover by segment

in EUR million

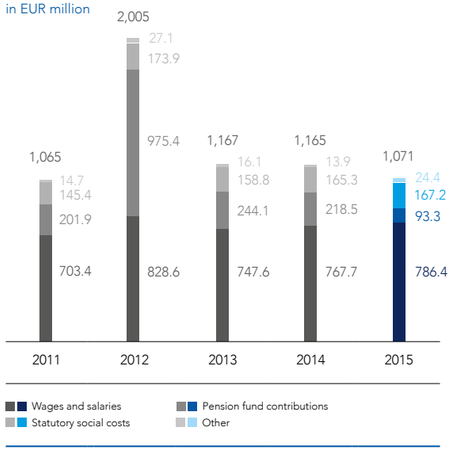



At the same time, expenses for statutory social expenses also increased. Pension fund contributions and other personnel-related provisions were dominated by three effects in 2015:

On the one hand, provisions for pension obligations up to 31 December 2014 were recognised with a real discount rate of 2.5 percent on the basis of the entry-age normal method. However, the calculation as at 31 December 2015 was made using a nominal discount rate of 4.3 percent applying the Projected Unit Credit Method, in early application of the Austrian Financial Reporting and Auditing Committee (AFRAC) statement on personnel provisions. The discount rate was calculated in consideration of recent developments in Germany (bill dated 27 January 2016 to amend Article 253 of the German Commercial Code *[HGB]*, which came into effect on 17 March 2016), which assumes an average observation period of ten years. Furthermore, the percentage for surviving relatives (widows / orphans) was changed from 55.26 percent to 51.26 percent on the basis of current calculations, along with the statutory retirement age of 65 years (including transitional provisions) being considered with the probability of early retirement.

## Personnel expenses

in EUR million




On the other hand, as of 2015, the interest-bearing portions of the additions to personnel-related provisions are no longer presented in the EBIT but rather in the financial result, which means a significant reduction in pension-related expenses over the prior year.

In addition to this and following a finding by the Federal Fiscal Court dated 15 October 2015, there is no obligation to pay the supplement to the employer contribution for the tenured and contracted employees allocated to serve the Company as per the Wiener Stadtwerke Allocation Act *(Zuweisungsgesetz)*.

This translates into a EUR 1.1 million reduction in current expenses as well as entitling Wiener Stadtwerke to claim back contributions paid since 1999 which were booked as other operating income.

The depreciation and amortisation of tangible and intangible assets during the financial year are slightly above the level of the prior year due to the high level of investment.

The position 'Other operating expenses' primarily records maintenance and third-party services as well as advertising, IT, legal and consultancy expenses, rental, lease and expenses for personnel training. The year-on-year increase in expenses in 2015 is mainly attributable to provisions for expenses relating to the Energy Efficiency Act *(EEffG)* and maintenance costs in the transport segment.

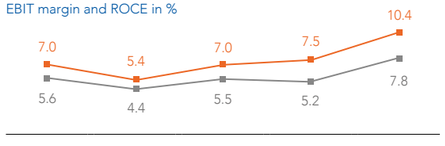
Group earnings before interest and tax (EBIT) totalled EUR 133.2 million, compared with EUR -30.6 million in the prior year, although this figure still contained the interest-bearing portions of the inflow of funds for personnel-related provisions. If the personnel-related provisions recognised in profit or loss had been broken down into personnel expenses and the interest-bearing portions in the prior year (2014 financial year), the interest expense (in the financial result) in the 2014 financial year would have been approximately EUR 81 million higher and thus personnel costs would have been correspondingly lower.

The EUR 153.5 million decline in the financial result is mainly due to the reclassification of the interest-bearing portions of the additions to the personnel-related provisions in the financial result, as well as to write-downs on investments, lower dividends and additions to provisions for the withdrawal from investments in the energy segment.

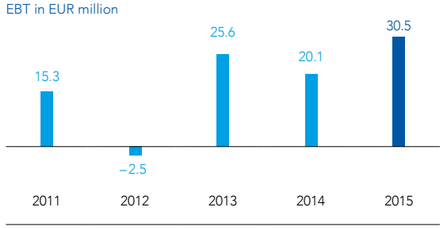
Group EBT amounted to EUR 30.5 million for 2015. This corresponds to an increase of 51.7 percent over the prior year (2014: EUR 20.1 million). Following the release of capital reserves, the profit for the 2015 financial year amounted to a consolidated profit of EUR 128.4 million, which equates to an increase of 26.3 percent over the consolidated profit of EUR 101.7 million reported in 2014. The development of profitability across a five-year horizon reflects the difficult conditions faced by the energy sector in recent years. Adjustments were made in 2012 and 2013 to reflect extraordinary items and valuation measures. Despite the increase in capital employed, the ROCE has also risen to 7.8 percent as a result of the higher EBIT, with the return on sales also significantly increasing.

## Profitability and earnings quality

EBIT margin and ROCE in %




EBT in EUR million




- EBIT margin = EBIT (restated) / Turnover (restated)
- ROCE (Return on Average Capital Employed) = EBIT (adjusted) / (Capital employed current period + Capital employed prior period)/2
- Turnover (restated) = Turnover - Intra-Group revenues from electricity production from companies consolidated under the equity method
- EBIT (restated) = EBIT + Interest-based components of provisions for pensions (up to 2014) + Effects of grant-financed investments
- EBIT (adjusted) = EBIT (restated) + Minority interests in associated companies
- Capital employed = (EBIT (adjusted) + Interest-bearing loans (incl. social capital) - Non-current financial assets - Securities held-for-sale - Cash and cash in bank)





# Asset and capital structure

## Summary of asset and capital structure

| | 31.12.2015 | | 31.12.2014 | |
|---|---|---|---|---|
| | in EUR million | as % of balance sheet total | in EUR million | as % of balance sheet total |
| Fixed assets | 12,547.7 | 90.0 | 12,246.7 | 90.0 |
| of which tangible assets | 9,964.2 | 71.5 | 9,775.0 | 71.8 |
| Current assets | 1,126.3 | 8.1 | 1,000.5 | 7.4 |
| Prepayments and accrued income | 262.4 | 1.9 | 359.9 | 2.6 |
| **Total assets** | **13,936.4** | **100.0** | **13,607.0** | **100.0** |
| Shareholder's equity | 4,957.9 | 35.6 | 4,786.6 | 35.2 |
| Provisions | 3,737.5 | 26.8 | 3,725.1 | 27.4 |
| Liabilities | 1,434.8 | 10.3 | 1,350.5 | 9.9 |
| Accrued expenses and deferred income | 3,806.2 | 27.3 | 3,744.8 | 27.5 |
| **Total equity and liabilities** | **13,936.4** | **100.0** | **13,607.0** | **100.0** |

Differences as a result of rounding figures have not been eliminated

The balance sheet total of the Wiener Stadtwerke Group rose in 2015 by approximately 2.4 percent to EUR 13,936.4 million. As is to be expected in the case of an infrastructure service provider such as Wiener Stadtwerke, fixed assets represent by far the most significant asset position and, at EUR 9,964.2 million, was approximately 1.9 percent up on the prior year's value as at the 2015 balance sheet date. As such, 71.5 percent of the balance sheet total is accounted for by tangible assets. Recognised current assets consist primarily of accounts receivable and other assets. Cash assets, consisting of cash held and positive bank balances, rose over the course of the financial year by around 20.5 percent to EUR 427.3 million.

The shareholder equity of the Wiener Stadtwerke Group, 100 percent of which is held by the City of Vienna, rose in terms of nominal value over the course of the 2015 financial year by 3.6 percent to around EUR 4,957.9 million. This significant change is primarily attributable to the net profit for the year and the capital contribution made to Wiener Linien by the City of Vienna.

Recognised provisions amount to EUR 3,737.5 million, equivalent to 26.8 percent of the balance sheet total and 0.3 percent above the level of the prior year. These relate primarily to provisions for pension obligations. On the grounds of the so-called Wiener Stadtwerke - Allocation Act *(Zuweisungsgesetz)*, the Wiener Stadtwerke Group is required to fully reimburse the City of Vienna the pension-related expenses of the employees assigned to it, with the exception of those at Wiener Linien. This results in a direct pension obligation for the Group.

In 2015, the accounts payable, recognised at EUR 1,434.8 million, are above the prior-year values, as are the accrued expenses and deferred income at EUR 3,806.2 million.

The recognised value of accrued expenses and deferred income consists primarily of investment and building grants (EUR 3,638.4 million in total) associated with fixed assets. These represent future revenues which are reversed to negate the depreciation expense over periods which parallel the scheduled depreciation of the relevant assets for which the grants were provided, to some extent at least.

## Key performance indicators

in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Equity ratio in % | 36 | 35 | 0 | 1 |
| Capitalisation ratio in % | 90 | 90 | 0 | 0 |
| Notional debt repayment period in years | 7 | 8 | –1 | –10 |

Equity ratio = (Total equity / Balance sheet total) * 100
Asset utilisation = (Fixed assets / Total assets) * 100
Notional debt repayment period = Total liabilities / Net cash flow

At the balance sheet date, the Group recognised contingent liabilities in the amount of TEUR 344,346 (prior year: TEUR 500,860). These liabilities are offset by contingent assets in the amount of TEUR 172,460 (prior year: TEUR 256,438).

The contingent liabilities stated also include US cross-border lease transactions entered into by WIENER LINIEN GmbH & CO KG in the amount of TEUR 172,460 (prior year: TEUR 246,783). These liabilities are offset by means of rights of recourse in the same amount recognised as assets.

In the 2015 financial year, there was a change in contingent liabilities / assets as a result of the US cross-border lease transactions (see the Notes). Including the US cross-border lease transactions in the balance sheet (around EUR 90 million) cancels out the previous contingent liability and contingent asset of the same amount.

The remaining contingent liabilities relate predominantly to liability bonds issued in favour of EconGas GmbH and Verbund, and comfort letters and guarantees issued in favour of Oemag Abwicklungsstelle für Ökostrom AG, AWISTA GmbH, Gate Terminal Rotterdam, Town Town Immobiliendevelopment GmbH & Co, ORBI Tower KG and for locomotives owned by Wiener Lokalbahnen Cargo GmbH.

A number of restricted and unrestricted letters of comfort and guarantees have been issued on behalf of e&t Energie Handelsgesellschaft (merged with ENERGIEALLIANZ Austria GmbH since 1 October 2015). Taking into account the contracts concluded by ENERGIEALLIANZ Austria GmbH with its trading partners, the net liability position amounts to TEUR 52,966 (prior year: TEUR 49,064). In the event that the guarantees and or letters of comfort issued in favour of trading partners of e&t Energie Handelsgesellschaft m.b.H. are called in or exercised by the same, then WIEN ENERGIE GmbH may assert rights of recourse against the remaining shareholders in the amount of TEUR 19,814 (prior year: TEUR 17,610).

Guarantees to credit institutions have been issued to Finanzierungs-Services GmbH amounting to TEUR 870,000 (prior year: TEUR 870,000). Given that no credit lines secured by guarantees had been utilised as at 31 December 2015, these guarantees do not appear on the balance sheet or as contingent liabilities.

## Investment and financial positions

in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Investments in intangible assets | 22.6 | 27.3 | –4.6 | –17.0 |
| Investments in tangible assets | 689.0 | 791.8 | –102.8 | –13.0 |
| Investments in financial assets | 200.9 | 51.5 | 149.4 | 290.3 |
| **Total investments** | **912.5** | **870.5** | **42.0** | **4.8** |

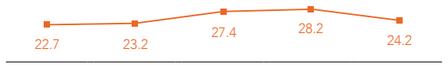
Differences as a result of rounding figures have not been eliminated

In 2015, the Wiener Stadtwerke Group undertook investments with a total volume of EUR 912.5 million, 4.8 percent above the level of the prior year.
At EUR 689.0 million, 75.5 percent of this investment volume was for tangible assets.

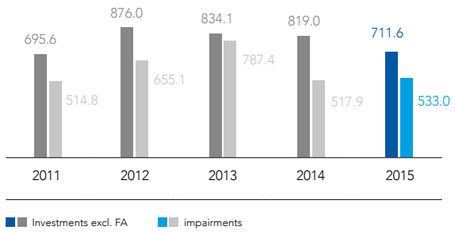
The major focuses of investment activity were in the transport segment (the expansion and modernisation of the underground network, the purchase of underground trains, trams and buses, investments in depots, workshops, and in new buildings, stops and infrastructure for WLB), as well as in the energy sector (investments in electricity and gas networks, the optimisation of energy production at the Spittelau waste incineration plant, the construction of the Pottendorf wind farm, the expansion of district heating connections, refrigeration and heating centres, as well as photovoltaic power plants).

## Investments and depreciation/amortisation (tangible and intangible assets)

CAPEX ratio in %




Investments and depreciation / amortisation in EUR million




CAPEX ratio = Investments in intangible assets + Tangible assets/turnover. Due to the changes in the balance sheet date, the 2012 figures for the energy segment relate to five quarters



The increase in depreciation expenses in the 2015 financial year is due to the Wiener Stadtwerke Group's consistently high level of investment activity together with long depreciation periods. Although this slight increase in depreciation was slowed by the write-downs made to power plants in 2012 and 2013, the absence of these effects in 2014 and 2015 will mark a return to the upward trend.

Due to the lower level of investment in tangible and intangible assets, the CAPEX ratio shrank to 24.2 percent compared with 28.2 percent in the prior year, while turnover increased slightly.

## Financing

Abridged cash flow statement in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Cash flow from earnings | 495.1 | 370.1 | 125.0 | 33.8 |
| Change in working capital and operating cash flow (long-term) | 5.9 | 48.0 | –42.2 | –87.8 |
| Cash flow from operating activities | 500.9 | 418.1 | 82.8 | 19.8 |
| Cash flow from investment activities | –493.2 | –551.5 | 58.4 | 10.6 |
| Cash flow from financing activities | 62.4 | 157.9 | –95.5 | –60.5 |
| **Change in cash and cash equivalents** | **70.2** | **24.4** | **45.7** | **187.1** |
| Balance of cash and cash equivalents* at 31.12. | 420.6 | 350.4 | 70.2 | 20.0 |

* Cash and cash equivalents are the sum of the cash and bank balance positions as well as cash pooling receivables from and payables to non-consolidated affiliated companies
Differences as a result of rounding figures have not been eliminated

It should be noted that cash pooling receivables from and payables to non-consolidated affiliated companies were previously presented in working capital. These are now treated as cash and cash equivalents. The prior year has also been correspondingly restated to ensure comparability.

The cash flow from operating activities was well above the prior year's level as a result of its higher contribution through cash flow to the annual result. Cash inflows and outflows from changes in working capital, as well as in the long-term operating area, virtually offset each other in 2015. The cash inflow from changes in working capital is primarily due to an increase in current receivables.

In the area of long-term operating activities, however, a positive cash flow has been achieved through an increase in liabilities and a decrease in non-current receivables and accrued income and prepayments.

In total, this resulted in positive operating cash flow of EUR 500.9 million, representing a 19.8 percent increase over the prior year.

The negative cash flow from investment activities reflects the high volume of investments made by Wiener Stadtwerke, which is offset by cash inflows from investment and building grants. The year-on-year decline is mainly due to lower levels of investment in tangible fixed assets.

Cash flow from financing activities recognises above all the cash inflow from investment grants from the owner. Cash outflows in this area are largely attributable to the repayment of a loan in the energy sector and dividend payments. The change over the prior year is due to the cash inflow from the centralised take-up of borrowed capital (EIB loan) in 2014.

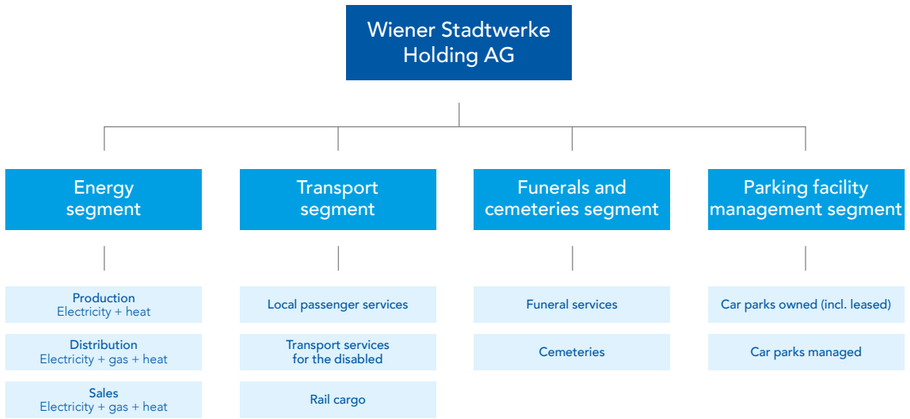
The Wiener Stadtwerke Group funds its investments by means of operational cash flows and the taking out of medium and long-term loans, as well as through investment grants obtained from the public sector, with the latter mainly benefiting the transport segment. In as far as these are not received from the shareholder, the investment grants are recognised and reported as accrued expenses and are reversed in line with the depreciation period based on the useful life of the corresponding assets acquired. Investment grants received from the shareholder, on the other hand, are recognised as capital increases in equity.

# Segment report

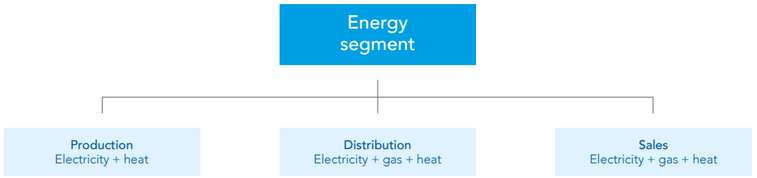
In line with the management approach, the segments reported here form the basis for the intra-Group structure of financial reporting, with the Group divisions Wiener Netze and Wien Energie being consolidated in the energy segment, and the Group divisions Wiener Linien and Wiener Lokalbahnen Group combined to form the transport segment.



## Segments




## Energy segment




The energy segment consists of the operational areas of production, networks and sales. Around two million people, 230,000 businesses and industrial facilities and public buildings, as well as 4,500 agricultural customers, in Vienna and parts of Lower Austria and Burgenland, are supplied with electricity, gas and district heating. Besides production and sales, the top priority is end-to-end security of supply, an objective which is pursued by means of targeted expansion and the constant renewal of the electricity, gas and district heating networks.

### Legal framework conditions

In addition to the points regarding energy and climate policy stated in Chapter 2, the following aspects are of particular importance to the energy segment:

**Austrian Weights and Measures Act**
*(Maß- und Eichgesetz)*
There have been some amendments here, for instance:
- Inclusion of provisions enabling an update in the event of faulty software for electricity, gas, thermal energy and water meters;
- Inclusion of provisions to open meters at short notice;
- Inclusion of provisions for the affixing of calibration stickers to meters for electricity, gas, thermal energy and water consumption.

**System utilisation charges – appeal procedure against cost verification decisions**
The appeal against the electricity cost verification decision issued by the ECA in 2013 is still pending, and complaints were lodged with the Federal Administrative Court (*BVwG*) in 2014 and 2015 for the same reasons. This has had no suspensive effect regarding the passing of the electricity system utilisation charges ordinance.

No decision has yet been made by the Federal Administrative Court. As things currently stand, the Federal Administrative Court is awaiting a decision by the Administrative Court on the conformity of the ECA with European Union law. The ECA is required to report to the Federal Ministry of Science, Research and Economy, and it is therefore questionable if it can be considered an independent authority. This decision is expected in 2016.

A decision by the Federal Administrative Court should then follow. The court's decision can go in one of two ways:
- The Administrative Court may decide that the ECA is in compliance with European Union law. In this case, the Federal Administrative Court will make a content-based decision on the appeal against the costs.
- The Administrative Court may decide that the ECA is not in compliance with European Union law. In this case, the Federal Administrative Court will suspend the cost decisions on formal grounds. This would then be followed by an amendment to the law so that the ECA is in compliance with European Union law. The ECA would then issue a new decision (probably without changing its contents), against which another appeal would be lodged with the Federal Administrative Court.

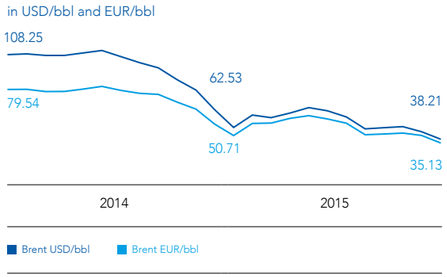
Wiener Stadtwerke has so far refrained from applying to the Federal Administrative Court for a deadline to be set for a decision on the pending appeals.

**Temperature developments**
2015 was the second warmest year on record at the Central Institute for Meteorology and Geodynamics (ZAMG), based on records which go back almost 250 years. A particular feature of this year was the consistently warm, dry and sunny weather. The months of June, July, August, November and December were among the ten warmest months in their respective series, making the largest contribution here. 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 6.9 percent higher than the comparable value of recent years, and 6.7 percent lower than in the prior year.[5]

5 **Source:** ZAMG

**Demand-side and price developments**
Since the Organisation of the Petroleum Exporting Countries (OPEC) did not agree to cut supply levels, the price of Brent crude oil dipped below the psychologically important barrier of USD 50 per barrel in January 2015.

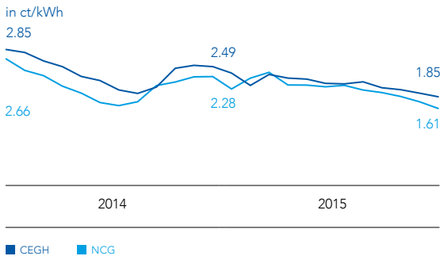
## Development of crude oil prices




Source: Thomson Reuters (ICE). 26.01.2016

This was the lowest level seen since May 2009. At the end of the first quarter, the price began to rise again, a trend that continued into the second quarter. However, the price remained sensitive to any negative reports, particularly those relating to the problems with Greece and the nuclear talks with Iran. The third quarter was again characterised by a decline in the oil price. This downward trend continued in the fourth quarter. At the end of the year, oil was almost as cheap as at the time of the financial crisis in December 2008. Fundamentally speaking, few factors currently support higher oil prices. Global supply continues to outstrip demand. High stock levels have a negative effect and there continues to be no indication from OPEC that members intend to cut production. The lifting of sanctions against Iran was also a factor weighing on prices.

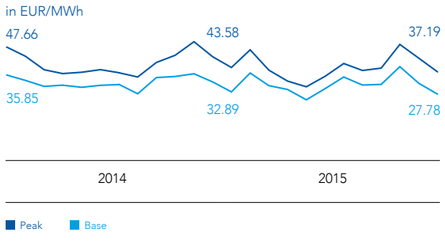
## Development of natural gas prices




Source: Thomson Reuters (EEX NCG) or Wien Energie Energiewirtschaft, 26.01.2016

January was very mild for the time of year and thus natural gas was a good ten percent cheaper than in the prior year. In line with the delayed demand for heating, gas prices rose particularly sharply in February. Demand for heating remained fairly constant in March because, although temperatures during the day began to increase, night-time temperatures remained very low. The downward trend began again in April. The price of natural gas subsequently remained stable and trended sideways. The situation in the Ukraine had stabilised. Even though confrontations erupted time and again, this had no effect on the price. Given that natural gas prices vary seasonally, the low price in the second quarter was essentially understandable. People do not heat during the summer months, although storage facilities are filled with natural gas. Given that the supply of gas from Russia remained steady via all routes as usual and storage levels in Europe reached a secure level, the pricing situation relaxed and tracked the general downward trend seen in the rest of the energy market. At the end of the year, this downward trend gathered pace, a fact which was due to the general decline in prices for energy sources, the well-filled storage facilities, and the warm weather in November and December.

## Development of electricity prices

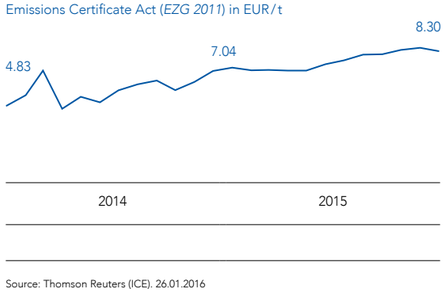



Source: Base / Peak (EEX market prices, monthly average), e&t 26.01.2016



The electricity market was very tense in 2015. Electricity being fed into the grid from renewable sources meant very low prices in January, despite these being correspondingly higher in February. Prices flattened noticeably again in March. The electricity market remained under pressure in the second quarter. Prices continued falling steadily on the futures market, while spot market prices were very volatile. Little wind and rising temperatures served to drive up prices at times in the third quarter. Prices on the futures market fell again as a result of the ever-increasing tapping of renewable energies and the drop in the prices of primary energy sources, reaching a low of below EUR 29 per megawatt hour in the third and fourth quarters. Prices on the spot market are highly volatile due to the growing proportion of unpredictable production facilities.

## Development of prices for $CO_2$ emission certificates




Source: Thomson Reuters (ICE). 26.01.2016

The price of $CO_2$ emission certificates rose slightly in January following a debate in the European Parliament on the introduction of a market stability reserve. The aim now is to introduce this in 2019, i.e. two years earlier than originally planned. However, the $CO_2$ price remained stable at around EUR 7 per tonne in the first quarter. It began to rise gently from the middle of the second quarter, a trend that continued without any major leaps into the third quarter. Factors underpinning this were high-emission coal-fired generation and the EU's withdrawal of certificates from the market. The $CO_2$ price reached its high for the year in the fourth quarter at just over EUR 8.60 per tonne, but proved unable to maintain its upward trend, returning to a value of just over EUR 8 per tonne in December.

## Key performance indicators

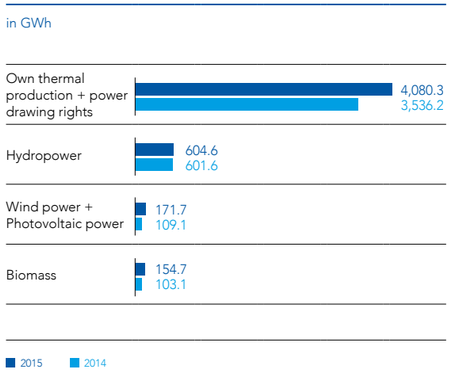
| Production in GWh (including investments) | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Electricity | 5,011.3 | 4,349.9 | 661.4 | 15.2 |
| Heat | 4,981.9 | 4,855.0 | 126.9 | 2.6 |
| **Total production** | **9,993.2** | **9,204.9** | **788.3** | **8.6** |

| Network throughput in GWh | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Electricity | 11,027.6 | 10,922.0 | 105.6 | 1.0 |
| Natural gas | 18,678.7 | 16,909.6 | 1,769.1 | 10.5 |
| Heat | 6,205.1 | 5,682.5 | 522.5 | 9.2 |
| **Total throughput** | **35,911.3** | **33,514.1** | **2,397.2** | **7.2** |

| Sales in GWh (fully and proportionately consolidated subsidiaries) | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Electricity | 9,444.0 | 9,349.4 | 94.6 | 1.0 |
| Natural gas | 6,632.8 | 6,440.8 | 192.0 | 3.0 |
| Heat | 5,681.0 | 5,238.0 | 443.0 | 8.5 |
| **Total sales** | **21,757.8** | **21,028.1** | **729.7** | **3.5** |

Differences as a result of rounding figures have not been eliminated

## Year-on-year comparison of electricity production

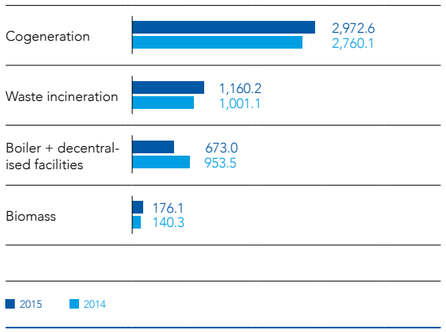



Thermal power production rose in 2015 compared to the prior year as a result of the increased amount of heat extracted from cogeneration plants and more output to manage shortages.

The amount of electricity produced from biomass exceeded the previous year's amount by 50 percent due to the fact that the plant was operating the whole year round (last year it was shut down for four months due to boiler damage). The volume of electricity produced by hydropower was marginally above that of the prior year. Electricity produced from wind power increased by 57.5 percent year-on-year due to the fact that the Steinriegel 2 wind farm saw its first full year of operations and the Pottendorf wind farm came online. Electricity production by solar energy rose by 55.7 percent in 2015 compared to the prior year thanks to the commissioning of numerous photovoltaic plants and citizen solar power plants.

## Year-on-year comparison of heat production

in GWh




District heating sales saw a year-on-year increase as a result of the lower temperatures. The amount of heat produced from waste incineration increased by 15.9 percent as a result of the return of the Spittelau waste incineration plant to full service after being shut down for renovation work in the first quarter of the prior year. The increased production from cogeneration and waste incineration resulted in less production from boilers and decentralised means. The 25.5 percent increase in production from the biomass power plant is due to the fact that the plant experienced a shutdown in the prior year due to damage.

## Highlights

**2017 programme to improve energy efficiency (E17 and N17)**
E17 is the comprehensive project of Wien Energie GmbH to improve earnings which was launched after the merger and carving-out process of Wien Energie GmbH and Fernwärme Wien GmbH. The aim is to use a more efficient structure to tap the identified potential to improve earnings and thus to boost competitiveness by 2017. Through its N17 project, Wiener Netze GmbH has set itself the objective of sustainably improving its result through a range of measures to improve efficiency and in-sourcing activities. A greater level of willingness to change is being required of all employees. Aside from implementing more than one third of all measures planned by the end of 2017, it has been possible to achieve almost half of the anticipated potential savings so far. Furthermore, a number of measures and projects that were not originally planned have been identified during this project to improve efficiency.

**Company mergers**
The merger of the decentralised production sub-division of ENERGIECOMFORT Energie- und Gebäudemanagement GmbH took place in 2015, retrospectively effective from 1 January 2015. This was followed by the merger of Kraftwerke Hofmühle Beteiligungs GmbH & Co KG and WIEN ENERGIE Hausmening Beteiligungs GmbH into WIEN ENERGIE GmbH as of 30 September 2015.

**'SMART CAMPUS' – Construction**
Construction phase 2 – work is on schedule and within budget. The contractually penalised deadlines for completing work on the roof and the building were met by the contractor, ARGE Porr / Elin. The topping out ceremony was held on 25 June 2015. As many as 550 personnel were working on the construction site at the same time during certain phases. The work inside is progressing as planned. Flooring, partitions, light fixtures and other elements have already been installed in many areas following the plumbing and cabling work. Numerous cranes required for operations have also already been assembled. The work to ensure the supply of electricity has been completed. The photovoltaic, solar thermal and heat pump systems are currently being installed. The decision to use the Smart Campus News as a means of communication has proven to be a successful one. There was not a single complaint or enquiry made by local residents about the project in 2015. It is also pleasing to note that there have been no serious accidents, due to the fact that particular emphasis was placed on observing safety regulations.



**Network tariffs – electricity**
The system utilisation charges, valid from 1 January 2015, were the result of the application of the regulation formula. The network utilisation tariffs in Vienna were increased by an average of six percent, while network loss charges fell by around 20 percent (due to considerably lower purchase prices compared with 2014). This translates into an increase in annual network costs of EUR 4.90 or 3.5 percent for household customers with an electricity consumption of 2,500 kWh.

**Network tariffs – gas**
An amendment to the Gas System Use Charges Ordinance *(Gas-Systemnutzungsentgelte-Verordnung)* came into effect on 1 January 2015. Network tariffs at Network Level 2 remained constant, while tariffs at Network Level 3 were slightly reduced. This translates into a decrease in annual network costs of EUR 0.70 or 0.25 percent for household customers with a gas consumption of 15,000 kWh.

**General distribution network conditions for electricity and gas**
Following decisions by the management board of Energie Control Austria (ECA) dated 26 January 2015, the general terms and conditions for access to the electricity and gas distribution networks were approved once again. These came into immediate effect for new customers and from 1 June 2015 for existing customers.

This means that, in the electricity segment, the amendment to the Austrian Electricity Industry and Organisation Act *(EIWOG)* 2010 and the subsequent amendments to the regional implementation laws as well as the ECA ordinance on network service quality have largely been implemented. There were minor adjustments to what have now become legal amendments in the gas segment.

**Wiener Netze metering**
Wiener Netze GmbH has been preparing intensively for the rollout for six years now on the basis of the EU internal market directive and Austrian implementation legislation. Four years of groundwork were first laid in the 'Smart Meter (SM) Preparation' programme in which strategic, technological, process-related and organisational preparations were determined. This work subsequently led to corresponding field tests for the gas segment and pilot trials for the electricity segment. A range of different technology tests was carried out here in several regions of the network area, not only addressing technological issues, but also process-related, organisational, legal and customer communication issues. On the basis of these trials, a team of internal and external experts put together the 1,000 pages of tendering documents for the rollout in 2015 as part of the programme now called 'Wiener Netze Metering 2016' (WNM16). This means that the contract can be awarded by the end of 2016 and thus the start date for the rollout set.

After the contract has been awarded, the service and planning activities required for the rollout with the contractors can be transferred to a 'general SM rollout programme' and the system preparations finalised in the existing IT systems as well as the LuT ICT infrastructure integrated in the Smart Meter Service Enabling (SMSE) project. The current rollout plan anticipates a rollout rate of ten percent by the end of 2017 and 80 percent by the end of 2020. This rollout plan was also based on a business case prepared by a renowned consultancy firm. This business case confirms the strategic approach of WIENER NETZE GmbH. The implementation is characterised by a high degree of technical and organisational complexity. Integrating many new systems, changing existing systems and replacing old systems means delving deeply into the process and organisational structure. Consequently, many areas of the WIENER NETZE GmbH organisation are to be included and prepared from the very beginning, in addition to the entire meter organisation (Meter Management Department). This department is therefore currently undergoing extensive reorganisation to prepare for a mass rollout. It is the declared technological objective of WIENER NETZE GmbH to make use of technology that is based on EU standards. What this means is that, first of all, considerable emphasis is placed on sustainable quality and, once this has been achieved, on the mass rollout using standardised equipment obtainable on the market to establish a competitive advantage for WIENER NETZE GmbH, and subsequently acquired for its customers. The prequalification stage has already been completed and a number of large consortia have been approved as bidders. The associated preparatory work for the IT systems, processes and organisation is under way in the Meter Management Department, as well as in other departments.

**Consolidation of metering points**
Historically, metering points at around 100 customer facilities with several meters were mathematically consolidated and charged via virtual metering points. As a result of a change in the legal definitions of metering points, the ECA required billing to be broken down for each actual individual metering point.

Following clarification of major preliminary issues, work on implementing this requirement began on 1 August 2015 and will progress gradually at a pace of around eight to ten customers per month.

## Development of business – Energy segment

Financial results in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Turnover | 2,297.4 | 2,271.6 | 25.8 | 1.1 |
| Electricity sales | 1,217.3 | 1,375.8 | –158.5 | –11.5 |
| Gas sales | 576.3 | 412.7 | 163.6 | 39.6 |
| Heat sales | 503.8 | 483.1 | 20.7 | 4.3 |
| EBIT | 236.8 | 80.7 | 156.0 | 193.2 |
| Financial result | –126.0 | 6.7 | –132.8 | n.c. |
| Result on ordinary activities (EBT) | 110.7 | 87.5 | 23.3 | 26.6 |
| **Profit for the year after minority interests** | **107.5** | **84.7** | **22.8** | **26.9** |
| Investments in intangible assets | 17.6 | 22.9 | –5.3 | –23.2 |
| Investments in tangible assets | 344.1 | 409.4 | –65.4 | –16.0 |
| Investments in financial assets | 7.5 | 12.8 | –5.3 | –41.5 |
| **Total investments** | **369.1** | **445.1** | **–76.0** | **–17.1** |

Differences as a result of rounding figures have not been eliminated

### Turnover

By far the largest proportion of the turnover of the Wiener Stadtwerke Group is generated by the energy segment. While revenue from electricity sales was lower than in the prior year, the revenue from the sale of gas and heating rose considerably despite the extremely high temperatures, as the weather was even warmer in 2014. Turnover also increased slightly in the network division.

### Result on ordinary activities (EBT)

The much improved year-on-year result is due to the reclassification of the interest-bearing portions of the additions to the personnel-related provisions and a greater profit contribution from the energy business. The adjustment to provisions along with contracts for power drawing rights, the reversal of two twenty-fifths of the differential amount to the pension provisions of WIEN ENERGIE GmbH, 2.75 twenty-fifths of the differential amount to the pension provisions of WIENER NETZE GmbH and higher depreciation as a result of more investment activity offset these effects.

The decrease in the financial result is mainly due to the reclassification of the interest-bearing portions of the additions to the personnel-related provisions, the write-down of non-consolidated investments and the creation of a provision for the withdrawal from investments.

### Investments

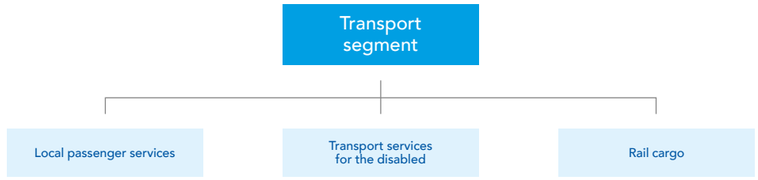
The energy segment invested a total of EUR 369.1 million during the financial year. Investments in tangible assets fell by 16.0 percent, compared with the prior year, to EUR 344.1 million. Investments in intangible assets relate to rights to use telecommunications networks, as well as capitalisations for software developments. The increase is mainly the result of greater investment in IT.

Investments in tangible assets relate primarily to additions associated with the optimisation of energy production at the Spittelau waste incineration plant, the construction of the Pottendorf wind farm, the expansion of district heating connections, refrigeration and heating centres, as well as photovoltaic power plants and the headquarters of WIENER NETZE GmbH. The year-on-year decline is mainly the result of higher levels of investment in the Spittelau waste incineration plant and the Arsenal heating plant in 2014, as well as less investment in expanding the heating and refrigeration networks.

Financial investments relate primarily to the investments in Aspern Smart City Research GmbH and the Hofmühle hydropower project. The project company was merged with WIEN ENERGIE GmbH in 2015. The decline in financial investments is largely due to the investment in Pottendorf in the prior year.



## Transport segment




The transport segment consists of the Wiener Linien and the Wiener Lokalbahnen Group divisions. Due to their relative scales, the development of the business of these two divisions is presented here separately.

WIENER LINIEN GmbH & Co KG is the leading universal provider of mobility services in and for Vienna, and acts as a direct point of contact for the City of Vienna in all local public transportation matters. In addition to the operation of underground, tram and bus lines, Wiener Linien undertakes all tasks associated with traffic management such as the planning of operating times and intervals, route and stop planning for all transport carriers as well as marketing, sales and public transport controlling. The Wiener Lokalbahnen Group is the operator of a twin-track, fully electrified railway line between Vienna and Baden. Within the city limits, the infrastructure of Wiener Linien is also used. This division also operates three of its own bus lines, whereby the licenses of the Verkehrsverbund Ost Region (VOR) have been made available and a corresponding kilometre-based fee is paid to VOR. When these licenses expired, these transport services were extended by VOR in line with the requirements of European law until a new tendering process takes place. The company is participating in VOR's ongoing tendering processes to acquire additional bus licenses. The company also operates three city bus lines for the town of Baden on behalf of VOR.

Furthermore, the Wiener Lokalbahnen Group is active as a Europe-wide operator of rail cargo and a provider of transport services for the disabled.

## Legal framework conditions

### Fourth Railway Package

As indicated in Chapter 2, WIENER LINIEN GmbH & Co KG submitted a statement on the Fourth Railway Package to the European Commission.

### Development of the modal split

The share of public transport in the modal split remained unchanged on the prior year at 39 percent. This means that the city continues to occupy a leading position compared with other large European cities. The current urban development plan of the City of Vienna contains the target to 'increase the share of the environmental alliance' to 80 percent and 'reduce the share of individual motorised transport' to 20 percent.

### Passengers

In 2015, WIENER LINIEN GmbH & Co KG was able to increase passenger numbers by 0.8 percent compared to the prior year. A total of around 939 million passengers were transported (transport association fares). This increase is due, among other factors, to the continued rise in sales of annual season tickets and additional services offered.

## Key performance indicators

Passenger numbers (in million)

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Wiener Linien | 939.1 | 931.2 | 7.9 | 0.8 |
| Wiener Lokalbahnen | 15.1 | 14.6 | 0.5 | 3.4 |
| **Total** | **954.2** | **945.8** | **8.4** | **0.9** |

Passenger kilometres in millions

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Wiener Linien | 19,765.7 | 19,479.3 | 286.4 | 1.5 |
| Wiener Lokalbahnen | 526.3 | 527.3 | –1.0 | –0.2 |
| **Total** | **20,292.0** | **20,006.6** | **285.4** | **1.4** |

Differences as a result of rounding figures have not been eliminated

WLB saw a significant increase in the number of passengers transported by rail. As regards the total number of passengers, it should be noted that this also includes passengers transported by bus, a figure which is only estimated and not determined by counting actual passengers.

The number of annual season ticket holders rose compared with the prior year by approximately 51,000 (7.8 percent) to around 699,000. This figure includes around 152,000 annual season tickets for pensioners.

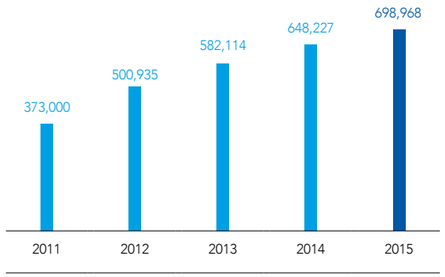
### Passenger kilometres transported

Wiener Linien provided around 19,765.7 million passenger kilometres transported in 2015 (2014: 19,479.3 million). Of these, approximately 16,677.7 million related to rail-based means of transport (2014: 16,587.6 million). In contrast, the number of passenger kilometres transported by Wiener Lokalbahnen decreased slightly compared with the prior year (–0.2 percent).

A total of 15 Type ULF A1 and 4 Type ULF B1 trams were taken into service during the financial year. While the number of vehicles on the U6 underground line remained unchanged, three new Type V trains were acquired for the other underground operations (U1 to U4). In the reporting year, 55 diesel-powered low-floor articulated buses and 20 diesel-powered low-floor buses were commissioned for bus services.

## Growth in annual season tickets

Number of annual season ticket holders




## Passenger transport fleet

Number

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Tramcars WL | 513 | 519 | –6 | –1.2 |
| of which ultra-low-floor | 306 | 287 | 19 | 6.6 |
| Tram trailer units WL | 186 | 204 | –18 | –8.8 |
| Total trams | 699 | 723 | –24 | –3.3 |
| Rail-bound units WLB group (excluding historical and external passenger transport) | 38 | 38 | 0 | 0.0 |
| of which ultra-low-floor | 14 | 14 | 0 | 0.0 |
| Underground units for the U6 line | 144 | 144 | 0 | 0.0 |
| Underground units for the U1-U4 lines | 736 | 738 | –2 | –0.3 |
| **Total rail-bound units** | **1,617** | **1,643** | **–26** | **–1.6** |
| Ultra-low-floor buses | 451 | 462 | –11 | –2.4 |
| Buses WLB Group | 23 | 22 | 1 | 4.5 |
| of which ultra-low-floor | 19 | 17 | 2 | 11.8 |
| Minibuses (9-seater) WLB Group | 87 | 88 | –1 | –1.1 |
| **Total vehicle fleet** | **561** | **572** | **–11** | **–1.9** |

Offers were obtained for the next generation of trams for WIENER LINIEN GmbH & Co KG in the course of a pan-European tender in 2015. Following a Europe-wide tendering process, the decision was made to take the 'Flexity' model from Bombardier, which will deliver up to 156 low-floor trams between 2018 and 2026. Assembly will take place in Vienna's Donaustadt district. The new vehicles will replace the old high-floor trams (type E2) with a swing step, which will be withdrawn from service at the same time. The most important requirements in the tender were: floor-level doors and accessibility, flexibly designable interiors, a modern passenger information concept, optimum working conditions for drivers (ergonomics), cutting-edge technology, commercial viability, sustainability and energy efficiency.

### Freight traffic

On the balance sheet date, there were 24 electric locomotives (2014: 23), four diesel locomotives (2014: 5) and 217 container wagons (2014: 217) in service.

## Highlights

### U1 southbound extension

After having finished the tunnelling work, the next step was to complete the inner shell of the approximately 2.4 km-long stretch of tunnel. Work also began on laying the tracks, as well as on the future stations, which progressed at full speed. Elevator and escalator shafts were constructed and scaffolding erected that was needed to install the lifts. Further work inside the station buildings and on the platform areas was also started in 2015. The area above the future Neulaa and Oberlaa stations is also being developed, with work being performed on the station buildings, operating rooms, maintenance sheds and depots. WIENER LINIEN GmbH & Co KG is currently on schedule and within budget, which means that it is realistic to expect the line extension to open on time in 2017.

### U4 – completed modernisation steps

The work ongoing since 2014 on Vienna's green underground line represents the largest round of modernisation work in the history of the Vienna underground network. In addition to the replacement of signal boxes, the track foundations are also being renovated. The tracks and points will be completely replaced in many areas, and stations and tunnel ceilings renovated. In 2015, the track connections between Schönbrunn and Meidling Hauptstraße were renewed. The structural renovation work on the 'old' Hütteldorf station building (external and interior façades, roof structure, etc.) was largely completed. Similarly, the renovation work on the supporting wall between Schönbrunner Schlossbrücke and the Schönbrunn station was brought to a conclusion.

### U6 – completed modernisation steps

This project, started in 2011, to renovate the 115-year-old Otto Wagner stations on the U6 underground line made headway in 2015 and will continue in the next few years. The work to renovate the Thaliastraße station, ongoing since spring 2014, was completed in 2015. The platforms, glass façades, lighting and roof structure were renovated or modernised without interrupting normal operations. New sliding doors installed to replace revolving doors at ramp entrances make the station more accessible. Not only were the platform and the stairs to the platform at the Alser Straße station renovated in 2015, but also the station roof. In addition, the historical tiling was relaid and a guidance system for blind people installed. Similarly, the doors, windows and wiring in the listed station building were modernised, as well as CCTV cameras installed. Following the general renovation work, the station was declared a listed transport building. The Michelbeuern – AKH station was also modernised and equipped with a tactile guidance system for blind people on the central platform and in the passageway.

### New annual season ticket and the WienMobil card

The annual season tickets for WIENER LINIEN GmbH & Co KG have been successively issued in a new credit-card shaped format and design since 1 January 2015. By the end of the year, 81 percent of existing annual season ticket holders had been issued a new card. Nearly half of the customers used the online ticket shop to switch to the new annual season ticket, closely followed by the information and ticket office network. Despite a two or three-fold increase in enquiries, it was possible to handle all customer enquiries with the usual level of quality. By the same token, the WienMobil card was introduced in the middle of March 2015 in response to the trend towards multimodal mobility. With the new WienMobil card, which can only be obtained via the online ticket shop of WIENER LINIEN GmbH & Co KG, it is possible to combine various transport service offers (car parks, public transport, taxis and city bikes – all with one card); in some cases more cheaply. This is coupled with additional discounts for car-hire companies and other mobility service providers. Over 2,000 WienMobil cards have so far been sold.

### New depot for vehicles of the Badner Bahn in Inzersdorf

Wiener Lokalbahnen plans to make a comprehensive round of investment between now and 2020. An early project funded directly from the investment programme is the construction of a depot and a new company building in Inzersdorf.

The depot building in Vienna is over 100 years old and currently used mainly for maintenance work. It has reached its limits in terms of capacity and will therefore not be able to meet future requirements. The advantages of building a new depot at Inzersdorf are not only creating sufficient track space on sidings for the traction units but also enough space for the planned purchase of modern and barrier-free units for the first time. The building of the depot began in the middle of 2015. It is due for completion in 2017 and the handover scheduled in 2018. A similar schedule exists for the company building.

The construction of a depot and a company building in Inzersdorf means that the previous company building on Wolfganggasse / Eichenstrasse in Vienna's 12th district will be vacated and the area sold (land and property). Certain areas on the south side of Eichenstrasse no longer required were returned to the owner, Eichenstraße 1 Entwicklung GmbH, at the end of 2014, and the remainder of the existing land and property to the north of Eichenstrasse was completely sold off at the beginning of 2015, with the handover of some land planned for 2016. The relocation of the company's offices is tied to the completion of the new depot and company building in Inzersdorf.

**Fit for the future: New organisational structure for Wiener Lokalbahnen**

As part of its 'FitZ – Fit for the future' programme, Wiener Lokalbahnen has developed concepts to ensure that the company is in the best position possible to face the challenges of the future. The associated organisational change will be implemented from 1 January 2016. Particular focus here is on the restructuring of the company into four main departments: Finance, Operations, Infrastructure and Vehicle Engineering. Supporting organisational units such as Vehicle Planning, Construction Management or Facility Services are included in these main departments. New staff departments reporting directly to the board include the Project Management Office, Legal Affairs, Purchasing, Material Management, Customer Service and Passenger Information. The plan is to stabilise and evaluate FitZ in 2016.

## Development of business – Wiener Linien

| Financial results in EUR million | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Turnover | 503.1 | 494.8 | 8.3 | 1.7 |
| EBIT | –108.2 | –112.5 | 4.3 | 3.8 |
| Financial result | 0.7 | 3.9 | –3.2 | –80.9 |
| Result on ordinary activities (EBT) | –107.4 | –108.6 | 1.2 | 1.1 |
| **Annual losses** | **–107.4** | **–108.6** | **1.2** | **1.1** |
| Investments in intangible assets | 3.6 | 2.5 | 1.1 | 44.0 |
| Investments in tangible assets | 314.8 | 347.7 | –32.9 | –9.5 |
| Investments in financial assets | 172.0 | 36.1 | 135.9 | 376.6 |
| **Total investments** | **490.5** | **386.3** | **104.2** | **27.0** |

Differences as a result of rounding figures have not been eliminated

**Turnover**

The increase of around 1.7 percent in turnover is primarily due to the increase in the number of annual season tickets, with the attractiveness of the services on offer and the low fee charged for the annual season ticket being key factors driving this trend. Average revenue per passenger rose by 0.8 percent year-on-year (2015: 53.48 cents; 2014: 53.06 cents).

**Result on ordinary activities (EBT)**

The decline in the financial result compared with the previous year is primarily the result of the first-time recognition of the interest-bearing portion of personnel-related provisions as a financial expense as well as lower interest-based revenues from cash pooling as a result of lower interest rates. Taking into account the remaining revenues and expenses, earnings before tax (EBT) amount to a loss of approximately EUR 107.4 million.

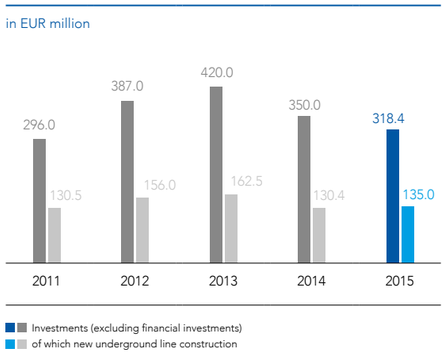


**Capital investments**

The currently applicable financing form is based on the city council resolution from 19 November 1979, which was carried over to the new legal form of WIENER LINIEN GmbH & Co KG through the city council resolutions of 24 June and 17 December 1998, as well as the local public transport contract concluded between the City of Vienna and WIENER LINIEN GmbH & Co KG on 25 October 2001. This states that investment is to be financed by means of capital paid in, with the remaining funding for operations being provided by a financial settlement for public service obligations made by the City of Vienna to the company. The capital paid in comprises amounts that the City of Vienna in turn receives from the Republic of Austria as a grant for the new construction of underground lines and as a financial allocation for investments in local passenger transport (Art. 20 FAG *[Act on redistribution of income between the Federal State, the provinces and the municipalities of Austria])* Furthermore, income from the employer's levy to construct underground lines in the form of capital paid in is forwarded to the company.

Around 42 percent of total investment (excluding financial investments) relates to the expansion of the underground network (EUR 135 million). Moreover, EUR 43 million was spent on the acquisition of Type V underground trains, EUR 26 million on replacing old buses, EUR 24 million on modernising the U4 underground line and EUR 11 million on upgrading the main workshops in Simmering.

## Investments (tangible and intangible assets) 2011 to 2015




## Development of business – Wiener Lokalbahnen Group

| Financial results in EUR million | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Turnover | 89.9 | 91.3 | –1.4 | –1.6 |
| Earnings before interest and tax (EBIT) | 3.7 | 5.5 | –1.8 | –33.0 |
| Financial result | –0.2 | –0.1 | –0.1 | –243.8 |
| Result on ordinary activities (EBT) | 3.5 | 5.4 | –1.9 | –35.1 |
| **Annual net result** | **3.5** | **5.3** | **–1.8** | **–33.9** |
| Investments in intangible assets | 0.4 | 0.2 | 0.2 | 146.4 |
| Investments in tangible assets | 13.6 | 11.6 | 2.0 | 17.2 |
| Investments in financial assets | 1.2 | 0.0 | 1.2 | n.c. |
| **Total investments** | **15.2** | **11.8** | **3.4** | **29.1** |

Differences as a result of rounding figures have not been eliminated

The increase in financial assets during the 2015 financial year is due to the exchange of the E-PUA (Equity Payment Undertaking Agreement) with US government bonds relating to the US cross-border lease transaction IIIa so as to comply with contractual provisions (EUR 50 million). Including the US cross-border lease transactions in the balance sheet (around EUR 90 million) also cancels out the previous contingent liability and contingent asset of the same amount. This translates into the need to report an addition to the financial assets.

**Turnover**

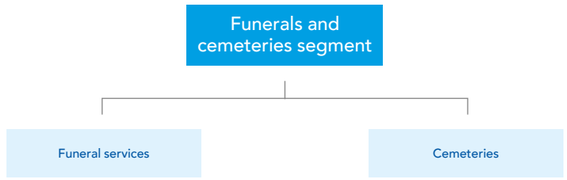
The decrease in turnover is mainly accounted for by lower revenues from freight services (EUR – 2.6 million). Wiener Lokalbahnen was, however, able to increase its turnover year-on-year (EUR +1.4 million).

**Result on ordinary activities (EBT)**
The result on ordinary activities (EBT) in 2014 contained follow-up entries for maintenance grants and the proceeds from the disposal of the coaches owned by Wiener Lokalbahnen Verkehrsdienste GmbH. In the absence of these effects and lower turnover overall, the result on ordinary activities (EBT) is EUR 1.8 million lower.

**Capital investments**
Investments in intangible assets related primarily to software licences, in particular for the operational purposes of scheduling, locomotive and personnel planning of Wiener Lokalbahnen Cargo GmbH. Investments in tangible assets included renovation and new construction projects relating to stops and track systems, as well as in operational buildings and depots belonging to Wiener Lokalbahnen. In addition, a Siemens Vectron goods locomotive and ETCS train control systems were acquired for freight transport.



## Funerals and cemeteries segment




This segment encompasses B&F Wien – Bestattung und Friedhöfe GmbH as well as the subsidiaries BESTATTUNG WIEN GmbH and FRIEDHÖFE WIEN GmbH. Bestattung Wien is the largest company of its kind in Austria and one of the largest in Europe.

Since being founded in 1907, Bestattung Wien has performed over two million funerals and organised repatriations worldwide. BESTATTUNG WIEN GmbH operates thirteen customer service points in Vienna, with branch 11 occupying a special position. This branch is located at the company's head office and is open 365 days a year. The specially trained employees provide comprehensive support, thereby laying the foundations for the respectful management of the funeral service. The wealth of experience and high standard of customer service have been recognised with a ISO 9001 quality management certification. Friedhöfe Wien manages 46 cemeteries in the city with more than 525,000 graves. In addition to this, FRIEDHÖFE WIEN GmbH operates a cemetery gardener business and a stonemasonry workshop. Vienna's largest and Europe's second largest cemetery, Vienna Central Cemetery *(Wiener Zentralfriedhof)* covers an area of around 2.5 million square metres.

### External factors

The management of cemeteries and funerals is hardly affected by developments in a wider economic context. Business development is dependent on mortality rates and the number of competitors. The willingness to renew tenures for graves is also of significance in the cemeteries business. One negative effect, however, is the long-term decline in the significance attached to dealing with death. This means that the importance attached to funeral and cemetery-related services is declining. There is a slight rise in the number of cremations and other forms of interment, although such services have lower contribution margins. Funeral services are becoming increasingly individualised, which presents an opportunity to sell other additional services. There are currently over 20 competitors active in Vienna in the funerals segment which do not belong to the B & F Wien Group division. A further nine new competitors opened for business in the prior year.

**Customer strategy**
The main focus here is on dependability with regard to the performance of services, optimally satisfying customer needs andrespectful behaviour vis-a-vis customers. The aim of the one-stop-shop principle applied here is to relieve relatives of as many arduous tasks associated with a death as possible. The objective is also to meet the increasingly individual wishes of customers. This involves both more intensive advisory services and a wider range of offers. The options offered by Bestattung Wien range from services before death (e.g. insurance/provisions) to those after death (after-care for surviving relatives). In this area, the company also offers grief support seminars for relatives. The segment companies have always strived to improve the image of this profession. Appropriate campaigns and press conferences, which among other goals also aim to explain the range of services provided by the profession of undertakers, are a clear indication of this. The objective here is to present the undertaker as a general partner with the means to deal with all of the related issues. B & F Wien – Bestattung und Friedhöfe GmbH is home to the EFFS (European Federation of Funeral Services) and is a member of the FIAT/IFTA associations, which aims to pool and provide a focus for the national funeral associations and their activities in Europe. Current challenges include the new regulation regarding international repatriation agreements and the development of action plans in case of epidemics. FRIEDHÖFE WIEN GmbH is a member of ASCE (Association of Significant Cemeteries in Europe).

**Development of mortality statistics**
Given the change in the way data are supplied from the central civil registry (*Zentrales Personenstandsregister*) to Statistics Austria, it was only possible to include figures up to June 2015 at the time the Management Report was prepared. According to the preliminary statistics released by Statistics Austria, the mortality rate in Vienna in the first half of 2015 rose slightly in a year-on-year comparison. The extended period of a slight decline in mortality will last a number of years yet before experiencing an eventual turnaround.

### Key performance indicators

Funeral services

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Burials | 6,014 | 6,272 | –258 | –4.1 |
| Cremations | 3,250 | 3,029 | 221 | 7.3 |
| Interments held by order of the health authorities | 844 | 828 | 16 | 1.9 |
| Services provided for other undertakers | 2,851 | 3,264 | –413 | –12.7 |

Cemetery services

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Coffin interments | 9,343 | 9,289 | 54 | 0.6 |
| Urn interments | 4,076 | 3,664 | 412 | 11.2 |
| Plot renewals | 32,204 | 31,124 | 1,080 | 3.5 |

Services performed by the cemetery gardeners

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Grave maintenance contracts | 30,224 | 30,571 | –327 | –1.1 |
| Flowers and wreaths | 3,901 | 4,061 | –160 | –3.9 |

**Funeral services**
In its main business, burials and cremations, Bestattung Wien saw a decline in the number of cases handled to 9,264 compared with 9,301 in the prior year. The services for third-party undertakers decreased by 413 or 12.70 percent to 2,851 cases (prior year: 3,264).
This does not necessarily mean that the mortality rate during the period under review fell by around 400 cases, as the number of micro-orders and/or funeral hall lettings, which are recorded by Bestattung Wien, rose compared with the same period last year.

**Cemetery services**
There was a slight increase in coffin interments and extensions of burial tenures in 2015, while urn interments saw an even sharper rise.

## Highlights

**Communication measures**
The communicative focus was on further boosting the service offerings and quality of BESTATTUNG WIEN GmbH in the eyes of the general public. BESTATTUNG WIEN GmbH therefore participated in both the spring and autumn fair for senior citizens. Interest in *Nachklang*, the concert at the Vienna Central Cemetery, was considerable, a fact that is reflected in the number of visitors, which has risen every year. *Nachklang* 2015 is believed to have attracted over 2,500 visitors. The issue of death was addressed for the first time in autumn 2015 through an image campaign. This campaign, which was to be seen on over 500 city lights throughout Vienna was no ordinary advertising campaign. The aim was not to promote products or services but to confront the people of Vienna with the issue of death. The campaign was accompanied by a collaboration with ORF Vienna and the Vienna Regional Association for Psychotherapy (WLP) under the title *Tod und Reden* (Talking about Death).

Bestattung Wien organised an open day at its head office on All Saints' Day. Visitors were able to obtain a range of information from Bestattung Wien or other participating institutions (Caritas, Bank Austria, public notaries and Vienna Regional Association for Psychotherapy). In the project 'Accessoire Funeraire – Kunst der Bestattung', Bestattung Wien gave young artists from the *Roter Teppich* association the opportunity to deal with the subject of death artistically. The result was 13 pieces of art from domestic workshops over the two years of project planning and implementation. The pieces of art were first put on display in St. Stephen's cathedral accompanied by funeral music, black horses and burning torches, before being moved to the Künstlerhaus. The first 'Long Night of Museums' at the new funeral museum at Vienna's Central Cemetery welcomed nearly 1,200 visitors with a focus on Falco and many requests to try out a coffin.

**Mourning portal**
Death announcements are digitally published on the www.trauerportal.at website, and people are able to offer their condolences online. The online offering is to be expanded to include additional functions in the future.

**Cooperation with the authorities**
With regard to the refugee drama in Parndorf (71 refugees found dead in a lorry), BESTATTUNG WIEN took charge of moving the bodies to Vienna and helped forensic scientists and the police with the identification process. The subsequent steps were coordinated with the Parndorf local authority and foreign embassies.

## Development of business – Funerals and cemeteries segment

Financial results in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Turnover | 70.1 | 70.0 | 0.1 | 0.2 |
| EBIT | 8.8 | 4.0 | 4.8 | 119.8 |
| Financial result | –2.6 | 2.5 | –5.1 | –203.2 |
| Result on ordinary activities (EBT) | 6.2 | 6.5 | –0.3 | –4.2 |
| **Annual net result** | **6.1** | **6.3** | **–0.2** | **–3.5** |
| Investments in intangible assets | 0.2 | 0.2 | 0.0 | 5.1 |
| Investments in tangible assets | 1.9 | 5.7 | –3.9 | –67.3 |
| Investments in financial assets | 0.0 | 0.0 | 0.0 | n.c. |
| **Total investments** | **2.1** | **6.0** | **–3.8** | **–64.5** |

Differences as a result of rounding figures have not been eliminated

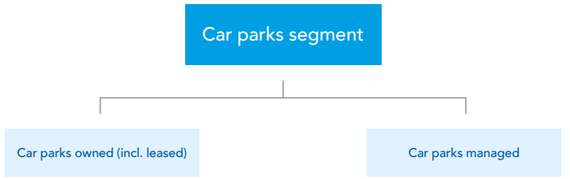
**Turnover**
The revenues of the funerals and cemeteries segment in 2015 were up slightly compared with the prior year.

**Result on ordinary activities (EBT)**
The increase in the result on ordinary activities (EBT) is primarily attributable to the reclassification of the interest-bearing portions of additions to personnel-related provisions to the financial result in 2015, which consequently worsened.

**Capital investments**
Investments were also made in construction projects for BFW Gebäudeerrichtungs- und Vermietungs GmbH & Co KG in 2014. In 2015, investment activities were limited to fence, barrier and gate systems, as well as various vehicles and work machinery.



## Car parks segment




The parking segment includes all of the Group's activities in the car parks segment. The core of the group is WIPARK Garagen GmbH. This subsidiary operates the car parks owned by the Group and also car parks owned by third parties.

## External factors

Besides general economic development factors, the parking habits of customers are also influenced by broader environmental factors relating to parking facility management and the tariffs for local public transport charges.

## Key performance indicators

Number

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Car parks owned (incl. leased) | 48 | 48 | 0 | 0.0 |
| Parking spaces owned (incl. leased) | 12,852 | 12,346 | 506 | 4.1 |
| Car parks managed | 19 | 20 | –1 | –5.0 |
| Parking spaces managed | 7,212 | 6,892 | 320 | 4.6 |

The increase in the number of parking spaces in company-owned or leased car parks is due to the opening of some new car parks in Seestadt Aspern. At the same, a provisional car park was closed and two lease agreements terminated. A number of contractual relationships were terminated or newly concluded in respect of car park operations. In total, the result is the loss of one operated car park. However, given that the newly concluded agreements have a higher number of parking spaces, the total number of parking spaces available in operated car parks increased by 4.6 percent compared with the prior year.

## Highlights

Four new garages were opened at Seestadt Aspern in 2015, where Wipark now operates over 1,100 parking spaces. The holding in the Hungarian company Konzumparkolo was sold in January 2015, thereby no longer being included in the financial assets of Wipark. Furthermore, a long-term rental agreement for long-term parking spaces in the Votivpark garage was terminated prematurely. Wipark received a compensatory payment here, which is fully included in the company's revenues for 2015. However, the amount will be paid out in instalments over four years. Furthermore, a contract to sell the garage at the Franz Josef railway station was concluded at the end of 2015. A down payment on the purchase price was made at the end of 2015, with the transfer of ownership and payment of the remaining amount being due at the beginning of 2016. Wipark was also given five-year usufructuary rights, which is why the garage will continue to be operated by Wipark until the end of 2020.

**Result on ordinary activities (EBT)**
The increase in turnover compared with the prior year is due to an increase in the number of short-term and long-term parkers. Wipark also received compensation for the premature termination of a long-term rental agreement in the Votivpark garage. Consequently, the result on ordinary activities (EBT) increased due to the higher turnover and income from the sale of obligatory parking spaces.

Rising personnel costs and higher rental costs for garages, as well as marketing costs for an art project, had a somewhat compensatory effect.

The financial result improved as a result of the proceeds from the sale of the holding in the Hungarian company Konzumparkolo.

In total, the result on ordinary activities (EBT) improved by EUR 4.1 million.

**Capital investments**
Investments relate primarily to the expenses for car park projects at Seestadt Aspern. They also include residual payments for the Manner Geblergasse, Hauptbahnhof Pacht and Gerhard-Bronner-Straße car park projects, as well as investments in the WienMobil card project. The total level of investment was below that of the prior year.

## Development of business – Car parks segment

Financial results in EUR million

| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Turnover | 21.0 | 17.8 | 3.2 | 17.9 |
| EBIT | 6.2 | 2.5 | 3.7 | 146.9 |
| Financial result | –0.6 | –1.1 | 0.5 | 41.3 |
| Result on ordinary activities (EBT) | 5.5 | 1.4 | 4.1 | 295.2 |
| **Annual net result** | **4.9** | **1.4** | **3.6** | **259.1** |
| Investments in intangible assets | 0.0 | 0.1 | –0.1 | –91.4 |
| Investments in tangible assets | 13.7 | 14.6 | –0.9 | –6.0 |
| Investments in financial assets | 0.0 | 0.0 | 0.0 | –100.0 |
| **Total investments** | **13.7** | **14.7** | **–1.0** | **–6.6** |

Differences as a result of rounding figures have not been eliminated

# Employees

Every single day, the over 16,100 personnel of the Wiener Stadtwerke Group make a considerable contribution to maintaining the high quality of life enjoyed in Vienna.

## Average headcount

The Group headcount can be broken down as follows (average FTE):

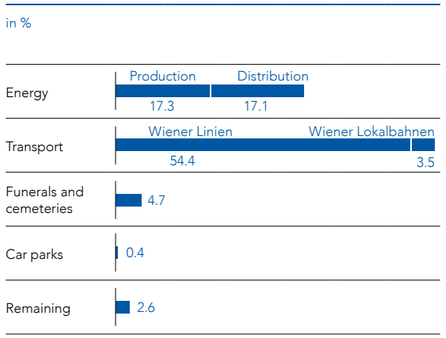
| | 2015 | 2014 | +/– | +/–% |
|---|---|---|---|---|
| Energy | 5,395.4 | 5,473.9 | –79 | –1.4 |
| Transport | 9,088.2 | 9,018.6 | 70 | 0.8 |
| Funerals and cemeteries | 745.4 | 765.1 | –20 | –2.6 |
| Parking facility management | 65.2 | 64.7 | 1 | 0.8 |
| Other areas | 412.8 | 402.6 | 10 | 2.5 |
| Trainees | 390.2 | 389.2 | 1 | 0.3 |
| **Total Wiener Stadtwerke Group*** | **16,097.1** | **16,114.0** | **–17** | **–0.1** |

Differences as a result of rounding figures have not been eliminated

**Human resources motto: 'Working together – a Wiener Stadtwerke life long'**
With 'Working together – a Wiener Stadtwerke life long', Wiener Stadtwerke is pursuing an approach to HR work revolving around life phases. Working together means looking ahead together and creating products that address the different phases in the professional lives of employees and linking these to operational requirements in an optimum way.

**Personnel development work focused on phases of professional life**
The on-boarding phase applies to all new personnel and relates not only to ensuring a good start to their careers at Wiener Stadtwerke but also to attracting the most suitable employees by means of excellent recruitment practices and appropriate personnel marketing programmes. The orientation and establishment phase is one in which employees are shown and offered specific career paths. This is followed by the family / career phase which focuses on family-friendly working conditions, equal opportunities and optimal development chances. The best agers have valuable experience which is important to retain and share.

## Headcount per segment




**On-boarding support for new employees**
Wiener Stadtwerke offers a comprehensive programme to support employees starting out at the Company and for those who have moved to a different position or returned to work after a period of absence.
- Welcome Day event
- Mentoring programme
- Hop-on, hop-off tour

Employees learn more about the Group of which their own company is a part. Each and every employee makes a valuable contribution to the Group's success through their work, knowledge and expertise. For this reason, it is a wish of Wiener Stadtwerke to integrate them successfully into the Company and to provide them with all the information they need to make their start as successful as possible.

**Training apprentices**
The Group has around 400 trainees and apprentices pursuing qualifications in twelve different professions, making the Wiener Stadtwerke Group one of the largest providers of traineeships and apprenticeships in Vienna. Wiener Stadtwerke even trains more apprentices than needed in order to help combat youth unemployment. This relates to between 30 and 35 additional places every year. One aspect of the Group's corporate policy is to give young people the opportunity of a sound education in order to increase their chances in the job market. A major proportion of the trainees and apprentices subsequently secure employment with the Company. Additional apprenticeship positions were created in the Group for recognised refugees so as to give young people professional prospects in Austria. To facilitate equal opportunities, Wiener Stadtwerke attaches considerable importance to encouraging female apprentices in manual skilled and technical professions. For example, every year Wiener Stadtwerke is involved in the Wiener Töchtertag event, which aims to interest young women and girls in professions traditionally dominated by men. These efforts are already starting to pay off.

**Personnel development**
The strategic personnel development of the Wiener Stadtwerke Group involves all steps relating to training, promotion and organisational development. These are carefully planned, implemented and evaluated by the Group and/or its subsidiaries and the employees involved. The establishment of ideal circumstances enables personnel of all generations at the Wiener Stadtwerke Group to be offered a pleasant working environment ideally suited to their personal development. The work of strategic personnel development is aligned with the four phases of professional life through which employees typically pass.

**Diversity and equal opportunities**
Wiener Stadtwerke is a model of the diversity of life and professional experience, of views and values. This diversity is something that enriches Wiener Stadtwerke as it improves the Company's abilities in areas such as how to deal with customers. At the same time, tolerance and equal opportunities are key ethical values for Wiener Stadtwerke. The Group takes decisive action against any form of discrimination – be this because of gender, origin, religion, age or disability. Wiener Stadtwerke also actively works to ensure the integration and equal treatment of men and women. Wiener Stadtwerke values older employees for their considerable experience. In 2015, a knowledge management project was launched with the strategic aim of 'safeguarding and harnessing employee knowledge as a valued resource for Wiener Stadtwerke.'

**Health and safety**
One of Wiener Stadtwerke's core objectives is to ensure the health and safety of its employees. The wide range of measures relating to health and safety at work often greatly exceed statutory requirements. In the eyes of Wiener Stadtwerke, this forms part of its social responsibility. At the same time, Wiener Stadtwerke firmly believes that healthy and properly protected employees make a significant contribution to the commercial success of the Company.

# Environment

The principles of sustainability are integrated into, and taken into account in, the development of the corporate strategy of the Wiener Stadtwerke Group and its subsidiaries. A key element here is represented by the Group's five guiding principles on sustainability in which the underlying objectives are defined in detail.

The sustainability programme, which is updated annually and approved by the Management Board, documents the objectives and action to be taken by the entire Group. Clearly structured sustainability management ensures that all Group entities are involved in the sustainability process. The progress made in terms of specific action points is evaluated and published every year.

Fossil-based $CO_2$ emissions are produced by Wiener Stadtwerke when electricity and district heating are produced in gas-fired (and to a much lesser extent, heating oil-fired) power plants operated by Wien Energie. On the other hand, the $CO_2$ emissions stem from other (largely) fossil-fuelled power plants and waste incineration plants, as well as from national and international power drawing rights from other power plants. Aside from the use of primary energy sources to produce energy, the transport segment of Wiener Stadtwerke is also responsible for $CO_2$ emissions. During the implementation of steps to protect the environment, it is vital that the energy consumption and emissions of Vienna are regarded in their entirety. The Wiener Stadtwerke Group makes a significant contribution to energy efficiency efforts here both in terms of production as well as in terms of its own fuel usage and that of its customers (mobility and energy-related advisory services). Further environmental benefits are achieved by means of continuously expanding the use of renewable sources of energy.

Another relevant environmental aspect relates to direct emissions of primary air pollutants. Low-emission technologies (e.g. relating to thermal power stations, district heating plants and waste incineration plants) as well as the services offered by Wiener Stadtwerke which aim to reduce emissions (particularly fine particulate matter and nitrogen oxides ($NO_x$) associated with household heating systems and private motorised transport), play a role in improving air quality in Vienna. The environmental impacts of dealing with waste materials, the remediation of contaminated sites, the abstraction of water and the discharge and disposal of coolant and waste water are also relevant. The activities of the Group's subsidiaries aimed at reducing the impact on the environment vary depending on the business areas in which they operate.

## Energy segment

Wien Energie's work to protect the environment and the climate consists primarily of the conservative use of fossil fuels, the increased use of renewable energies and the associated reduction of greenhouse gas emissions and air pollutants. Using cogeneration technology to produce electricity and heat at the same time requires considerably less primary energy than if these energy sources were provided separately. The aim is to achieve additional savings through the ongoing expansion of the use of renewable energy sources and further increases in energy efficiency in Vienna's energy system. For instance, the optimisation of energy production at the Spittelau waste incineration plant between 2013 and 2015 ensures that heating and electricity can be produced even more efficiently for Vienna. This resulted in electricity production being doubled to 13 MWel, among other things. Furthermore, the previous unit at the Arsenal district heating plant was replaced in 2014. Wien Energie aims to increase the proportion of electricity produced from renewable energy sources to at least 35 percent by 2030. In the case of heating, the aim is to achieve a proportion of around 40 percent from renewable sources. The new business and financing models developed in 2012 were extended to increase the use of photovoltaic energy in the supply area, as this was very well received by the population. The so-called citizen solar power plants are financed by citizens themselves acting as investors. By the end of 2015, Wien Energie had built a total of 19 citizen solar power plants in Vienna (twelve) and the area around Vienna (seven). The plants in Vienna are capable of supplying electricity to over 1,500 households. The newest photovoltaic plant – the second one of its kind on the roofs of the LGV-Frischgemüse gardeners' cooperative in Vienna's Simmering district – came online in May 2015 with an output of 555 KWp. This installation will make it possible to save 212 tonnes of $CO_2$ emissions every year.



Wien Energie has developed another business model to encourage the use of solar energy. Owners of suitable plots of land and roof areas are able to lease or buy a photovoltaic plant from Wien Energie or to lease this area to Wien Energie. The electricity produced by the installations can either then be used by the customers themselves or fed into the grid. In this way, Wien Energie intends to achieve a photovoltaic capacity of 70 MWp by 2020. Wien Energie has also now adapted the successful citizen solar power plant model for the Pottendorf / Tattendorf wind farm. This wind farm consists of 15 wind turbines with a total installed output of 42.9 megawatts and was built on the borders of the municipalities of Pottendorf, Tattendorf and Ebreichsdorf between July 2014 and autumn 2015. Total investment came to EUR 66 million. The Pottendorf wind farm produces 94,400 megawatt hours of electricity every year, enough to supply around 28,600 households with environmentally-friendly electricity and save 52,800 tonnes of $CO_2$ annually. Interested citizens were able to register to participate in the Pottendorf / Tattendorf wind farm at the beginning of June 2015 and secure shares in advance. The power plant was sold out in just seven minutes. Shares were again up for sale in September 2015. These were sold out in just four minutes.

Wien Energie offers a decentralised supply of heating and cooling with renewable energies under the umbrella brand *Grüne Wärme* – with planning, financing, construction and operation of the facility, including billing. In the case of 'ErdWärme' (geothermal heat), the benefits of photovoltaic technology to generate electricity are combined with those of heat pumps to produce indoor heating, cooling and hot water. In the case of 'Sonnenwärme' (solar heat), heat is generated locally through the combined use of solar energy and gas-fired condensing boilers. In both cases, customers benefit from low investment costs, short installation periods, as well as an efficient and environmentally-friendly source of energy. The increased use of district cooling, which makes it possible to provide energy-efficient cooling to buildings is another way that Wien Energie helps to protect the climate. The district cooling project for the Main Railway Station is currently the most significant one of Wien Energie using this technology. It consists of the refrigeration centre with the cooling machines under the tracks of the new Main Railway Station, the cooling towers for re-cooling in the Schweizergarten and the district cooling network via which the refrigeration energy is transported to the customers through pipes. The refrigeration centre has a cold air output of 20 megawatts in the first stage of development; a second stage of development to 25 megawatts is planned. Customers that have already signed up include Erste Campus, ÖBB (transport depot and Group headquarters), the Sonnwendcenter and Hotel Five; these customers will use 17 of the 20 installed megawatts. The district cooling centre at the Vienna North Hospital was completed at the end of 2014 with an output of ten megawatts. By being supplied with environmentally-friendly district heating, the Vienna North Hospital will save around 6,300 tonnes of $CO_2$ every year from 2015.

Environmental management systems have been and are being introduced in order to facilitate operational environmental protection. According to the sustainability programme, work to introduce certified quality, safety and environmental management systems is due to be completed at all of the Company's plants and offices that these systems are relevant for during 2016 (previously: 2015). The entire power plant facility in Simmering was successfully certified according to ISO 14001 and OHSAS 18001 in March 2013. This was followed by certification in line with EMAS III (EU environmental management system) in 2014. Wien Energie's environmental management system was extended in 2015 to include the departments for servicing customer equipment and material management. Energiecomfort has largely implemented an integrated quality and environmental management system. The project was put on hold in 2015 due to the restructuring of Energiecomfort. An energy management system was instead implemented according to ISO 50001|2011 and certified in 2015. The now fully integrated company that is Wiener Netze (district heating, gas and electricity) has been certified according to ISO 9001 and 14001 since 2015. Moreover, work to expand the integrated management system to include certification pursuant to EN 1090 (fabricating and assembling steel structures and aluminium structures) and ISO 3834 (quality requirements for fusion welding of metallic materials) for the gas division was successfully completed back in October 2013.

## Transport segment

Wiener Linien is the leading provider of local public transport services in Vienna and, in conjunction with the City of Vienna, is pursuing ambitious targets including those defined in climate protection programmes (KLiP I and II) as well as in the Transport Master Plan (2003 / 2008) and in the City's urban development plan. Due to the high proportion of journeys relying on local public transport in Vienna's modal split (39 percent), Wiener Linien plays an important role in climate protection and in safeguarding the city's good air quality. By continuously expanding the range of public transport options available and through additional increases in quality and comfort, the goal is to increase passenger numbers even further. The aim is to increase the share of local public transport in Vienna's modal split to 40 percent by 2020. The anticipated growth in Vienna's population, as well as in the surrounding areas, represents a major challenge. Increasing the share of public transport in the modal split by one percent represents a major task as, according to a study conducted by the Vienna University of Technology, around 130 million more passengers will need to be transported in 2030 compared with 2012. Wiener Linien's response to this is to increase its range of services and to introduce energy-efficiency measures for vehicles and buildings. The expectation is that almost four million kWh can be saved every year through recuperation, ECO upgrades, ECO trams and switching to LED lighting. Moreover, additional potential could be harnessed by continuing to accelerate and give priority to (public) surface-level transport.

Making the offering more attractive is also the aim behind replacing Wiener Linien's annual season tickets with convenient, credit-card-sized plastic cards (without a chip), introduced in 2015, and the launch of the new WienMobil card (with a chip). The latter includes the annual season ticket for Wiener Linien and Wiener Lokalbahnen, including lower rates for using Wipark car parks, charging stations for e-bikes and e-cars, as well as for the bike-hiring system, Citybike. It costs EUR 377 (or EUR 236 for senior citizens) per year (if debited once a year) and can be obtained at www.wienerlinien.at. In addition to this, mobility services were significantly improved as of 1 January 2015 through the extension of operating times and shortening of intervals on the bus lines 44A (Hernals), 45A, 46A and 46B (Ottakring), 53A, 54A, 54B, 55A (Hietzing), 80A (Landstraße) and 84A (Donaustadt) and the extension of bus line 80A from the former last stop at Schlachthausgasse (U3) to the Neu Marx urban development area. It is possible to reduce the number of spare vehicles by increasing capacity (increasing the intervals and using large, articulated buses), thereby making even more efficient use of the available fleet.

Through its services, Wiener Lokalbahnen ensures that many commuters are able to leave their cars outside Vienna and thereby also help to protect the environment in the city. This company is investing EUR 40 million as part of an ongoing five-year programme to modernise and enable barrier-free access to Badner Bahn stops. In the middle of December 2014, the new, additional Badner Bahn stop 'Baden Landesklinikum' entered service. This 36th stop is barrier-free and convenient for passengers. Work began on the construction of a new operations building and a new depot for the Badner Bahn in Vienna in July 2015. Over a construction period of 26 months, a state-of-the-art workplace for over 200 people will be built over 6,500 m² at the new site in Inzersdorf, Vienna. The new depot and operations building will form the operational heart of the Badner Bahn, together with the existing workshops.

Due to the high proportion of electric-powered transportation (above all electrified rail-based vehicles) and the use of low-emission drive technologies in buses, local public transportation in Vienna is characterised by an excellent environmental balance in terms of energy efficiency and air pollution control, particularly with regard to fine particulate matter and $NO_x$. Wiener Linien and Wiener Lokalbahnen have set up fully integrated management systems for the environment, quality and occupational safety. These management systems are certified according to ISO 14001 (environmental management systems), EN 13816 (service in public passenger transport), OHSAS 18001 (occupational safety management systems) and Article 39 of the Austrian Railways Act (safety management systems).

Through its management of 67 car parking facilities with over 20,000 parking spaces, Wipark plays an important role in relieving the pressure on public parking in Vienna. The car parks help to keep areas free for green spaces, playgrounds, pedestrian zones or revitalised historical squares, for instance. The fourth car park was opened at Seestadt Aspern in July 2015. With the Seestadt Aspern P2 car park and its 170 parking spaces, residents of and visitors to Seestadt now have access to over 1,100 high-quality Wipark parking spaces.



## Funerals and cemeteries segment

Compared with companies in the energy and transport segment, the impact of companies in the funerals and cemeteries segment on the environment is much lower. Nevertheless, contributions to protecting the environment need to be made here too.

The most important environmental aspects relate to biodiversity (cemeteries) and climate protection (microclimate). As fresh air corridors and areas where cold air can develop, not only do cemeteries make an important contribution to the urban microclimate, but they also offer a refuge for flora and fauna in urban areas. Vienna's Central Cemetery is home to a wide range of species including badgers, wild hamsters, owls and bats. A range of landscape-related measures were carried out at the model environmental Neustift cemetery to create additional habitats for animals. For instance, there are dedicated areas tailored specifically to the needs of bats, reptiles, songbirds, butterflies and the giant emperor moth.

Water-saving measures have been in place at the Südwest cemetery since 2011. For instance, ball valves were fitted in the sprinklers belonging to the company's nursery. It was possible to cut annual water consumption by 3,300 m³ in 2013 (–8.5 percent compared with 2011) with the water-saving measures introduced. In 2014, all sprinklers at the company's nursery were fitted with ball valves to cut water consumption by between 10 and 20 percent.

Electrical hearses have been in use for many years so as not to disturb the peace of cemeteries. These are also energy efficient and produce zero emissions.

LED technology has been gradually introduced to mortuaries since 2012, whereby the amount of electricity consumed for lighting is being reduced. This work is due to be completed in 2017. A photovoltaic system with an output of 5 KWp has already been installed at the Hietzing cemetery, with another one planned for the roof of the service building at the Vienna Central Cemetery (by 2017). The new administrative building recovers heat from the crematorium and uses a free cooling system in the summer. B&F Wien – Bestattung und Friedhöfe GmbH and BESTATTUNG WIEN GmbH have been certified according to ISO 14001 since 2010. The Vienna crematorium introduced a management system in accordance with EN ISO 14001:2009 on 29 April 2015. During the TÜV AUSTRIA CERT certification procedure, evidence was presented showing that the management system is applied in compliance with regulations.

# Research and development

WIENER STADTWERKE Holding AG has had a department for research, technology and innovation since 2011. This serves as the central coordination point for cross-divisional research and innovation topics.

The task of this coordination point is to manage the innovation fund of Wiener Stadtwerke. In addition to this, there are specific R&D departments or R&D officers in the various Group divisions.

Wiener Stadtwerke's innovation fund (FTI fund) was endowed with EUR 1.3 million in its fourth year in 2015. The fund has been used again this year by Group companies for innovative and trendsetting projects. Subsidised projects range from product developments in the Smart Home segment of Wien Energie to making Wipark car parks more attractive.

## Wiener Stadtwerke's innovation fund

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| Budget of the FTI fund (EUR million) | 1.3 | 1.5 | 1.2 |
| Number of approved FTI projects | 6 | 7 | 8 |

In addition, WIENER STADTWERKE Holding AG's coordination office for research, technology and innovation (FTI department) was subjected to an external impact assessment. The external evaluation team found that the FTI department performs 'excellent work.' The positive assessment relates not only to its activities ('what'), but also to how these are implemented ('how'). The level of skills and capabilities required for a coordination office, and which can be found here, is very high. At the same time, the FTI fund has developed into an important instrument. The need to continue with this fund is in no doubt as it has created tangible added value over the past few years, developing new research fields and enabling new collaborations together with interdisciplinary research approaches."[6]

Furthermore, WIENER STADTWERKE Holding AG has set itself the target of promoting the issue of innovation to an even greater extent in the future, thereby further boosting the innovative power of the Group. In order to achieve this goal, a Group-wide project entitled 'synovation – Synergien nutzen & Innovationen fördern' (*harness synergies and promote innovation*) was launched in the second half of 2015; its findings will serve as an important basis for the development of a Group-wide innovation management system.

**Numerous research projects again led to interesting findings**

The URBEM doctoral programme (urban energy and mobility system), run by Wiener Stadtwerke together with the Vienna University of Technology and intended to develop energy and mobility strategies by the end of 2016, can look back on a productive second year. An important milestone in 2015 was the handover of energy and mobility data from Wiener Stadtwerke to the URBEM doctoral candidates, enabling them to create models using actual data from Vienna for the first time. Another highlight was the Midterm Event, during which the entire URBEM team (doctoral candidates, supervisors from the Vienna University of Technology and Wiener Stadtwerke supervisors) decided together on the key direction for the second half of the doctoral programme. In addition to this, prototype 3-D visualisations of Wiener Stadtwerke and its infrastructure were created for the first time.

An important milestone in 2015 was also the end of the three-year research project SMILE – simply mobile (subsidised by the Climate and Energy Fund). The focus of the SMILE project was to develop the key to mobility of the future: the prototype of an integrated mobility platform with a smartphone app. The SMILE project was initiated by Wiener Stadtwerke. The cooperation between Austria's two largest mobility providers, Wiener Linien and Austrian Federal Railways (ÖBB), formed the core of the project team. Together with highly skilled and experienced companies from all relevant fields, experience, knowledge and expertise were pooled to form a strong a project consortium: mobility in all its facets, software development and engineering, usability, service and system design, environmental protection and sustainable development, research and project management. Around 140 people worked with dedication for three years to make SMILE a reality, not only enabling people to obtain comprehensive information about all types of transport for the first time, but also allowing these to be selected, booked, paid for and used.

**A range of new and exciting projects entered the starting phase**

The results of the SMILE project have since been used to lay the foundations for the creation of Upstream – next level mobility GmbH. This company, which was founded at the start of 2016, will now implement the research results on a broad scale. When talking about mobility over the coming years, a keyword – in addition to multimodal mobility – is 'electric'. Wiener Stadtwerke has put together an innovative concept together with partners such as the Vienna Economic Chamber, the taxi companies Taxi 31300 and Taxi 40100 and experts from the Vienna taxi sector: eTaxi Vienna. Following the 'eTaxi exploration' project (supported by the Climate and Energy Fund), which was successfully completed in 2014, the promising research findings were used to initiate the world's largest eTaxi project in 2015 (supported by the Austrian Federal Ministry for Transport, Innovation and Technology), which will see as many as 120 electric taxis come on to the roads of the city in the coming years.

Wiener Stadtwerke achieved further success with the subsidy approval from the European Commission for the EU lighthouse project 'Smarter together', in which Wiener Stadtwerke, along with the Group division companies WIEN ENERGIE GmbH, WIENER LINIEN GmbH & Co KG, Neue Urbane Mobilität Wien GmbH, the City of Vienna, the partner cities of Munich and Lyon, and other technological and research partners, will work together. This EU project is already considered a key milestone in efforts to implement the Smart City Vienna framework strategy. 'Smarter Together' will begin in February 2016 and last three years, followed by a two-year evaluation phase.



# Internal control and risk management system

At the Wiener Stadtwerke Group, a comprehensive risk management system has been introduced which enables opportunities and risks to be identified at an early stage. Risks and opportunities are defined as the possibility of negative and positive deviations from expected outcomes. The risk management process follows the internationally recognised standards of coso (Committee of Sponsoring Organizations of the Treadway Commission). The ongoing identification, recording and assessment of the risks faced by all Group companies form the basis for the regular risk reports. A risk and opportunity review is performed every year, which involves a comparison of the original assessment of risks and opportunities in the past year with the actual outcomes. The findings are subsequently used to further develop the risk management system.

The discussion and coordination of the most important opportunities and risks is also included in the annual business planning meeting of every Group subsidiary. The aim is to identify, based on a holistic view, which opportunities and risks can be anticipated in the coming years so as to be able to take these into account in corporate planning. Appropriate measures are subsequently identified and monitoring intensified in the relevant planning areas.

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

The risk management system of the entire Group was subjected to an external audit in 2013 by the auditors and tax advisory firm BDO Austria GmbH. The aim of the audit was to determine the appropriacy and functionality of the risk management system in place. The result of the audit is that it is fully functional and the manner in which processes, activities and checks are carried out corresponds to an appropriate risk management system. The risk landscape of Wiener Stadtwerke is broken down into seven risk groups, with the main risks in the various risk groups being the following:

**Financial risks: considered as part of the treasury system and longer-term financial investments**

This risk class includes, in particular, those risks associated with short and long-term investments. Short-term working capital is managed and optimised by a Group-wide cash pooling scheme. Long-term financial investment is conservative and based on the regulations for pension

6 convelop cooperative knowledge design GmbH, IMPROVEO Beratungs-GmbH (2015)

funds; the underlying business process is subjected to an external audit every year by an auditor. Corresponding risk analysis concepts are regularly employed and limits set up to ensure that timely action can be taken if required. The risk of default of banks that is determined on the basis of their rating is mitigated through diversification controlled by limits. Risks associated with US cross-border lease transactions are kept under close observation at all times.

**Technical risks: Mitigation by means of regular maintenance and investment programmes**
The very high reliability level of its technical infrastructure is a major and critical success factor for Wiener Stadtwerke. For this reason, close attention is paid to compliance with high technical standards and carefully defined maintenance and quality checks. Redundant data are held in critical areas. In addition, risks are mitigated by means of appropriate insurance policies. The reliable IT-based support of business processes is ensured by taking steps to reach an extremely high level of IT system availability (alternate data processing centre).

**Price-related risks in terms of primary energy and electricity: Risk mitigation via hedge transactions**
This category of risks covers fluctuations in the prices of oil, gas, coal, $CO_2$ and sourced electricity supplies. In the interests of professional risk management, Wien Energie mitigates these price risks by engaging in appropriate hedge transactions, such as derivative financial instruments, covering its source and distribution markets. Forwards, futures, options and swaps are used for these purposes, for instance.

**Market risk: Risk mitigation through the development of new products and services**
Market risks include price and competition-based risks in the area of sales. The Wiener Stadtwerke Group mitigates these risks by developing new products and services, through a pro-active, customer-oriented sales policy, and through a series of partnerships and cooperations.

**Environmental risks: Risk mitigation by means of permanent market monitoring**
The relevant political and legal environments are the main areas in which Wiener Stadtwerke monitors environmental risks. These are regularly reviewed in order to be able to identify risks as early as possible and to react accordingly.

**Organisational and personnel risks: IPD as risk mitigation**
As a responsible employer, the monitoring of personnel risks is particularly important for Wiener Stadtwerke. Therefore, defined personnel risks are evaluated on a regular basis and compared with a benchmark. Within the scope of the Group's integrated personnel development (IPD) concept, various methods are used such as, for example, employee orientation meetings, which are intended to mitigate and/or avoid these risks.

**Internal control system (ICS)**
Wiener Stadtwerke's ICS refers to all of the measures implemented at the Company to safeguard the efficiency and effectiveness of business processes, to identify major risks and errors, to protect the Company's assets, and to effectively secure the transparent and proper management of the Company. The ICS ensures that all relevant business processes and their material risks are recorded and minimised through corresponding controls, and that important documentation and responsibilities are transparently recorded and stored. Compliance with all of the legal requirements relevant to the Group is monitored and checked. The reliability of financial reporting is ensured. The ICS is developed in an organisational structure defined by a Group guideline and through a periodic reporting obligation to the general management teams. The roles and responsibilities within the ICS control process are clearly defined in this Group guideline. Ongoing risk identification and recognising errors occupy a key role.

**Summary**
At 31 December 2015, the Wiener Stadtwerke Group 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 Wiener Stadtwerke Group.



# Outlook

## The Wiener Stadtwerke Group will continue to operate in an extremely dynamic business environment in the future. The challenges associated with this are being actively tackled by means of a clear corporate strategy.



On the grounds of the persistently difficult circumstances prevailing in the energy sector, the Wiener Stadtwerke Group is intensifying its efforts relating to increases in efficiency in order to ensure that the Group continues to stand on a firm financial footing. By means of the clear prioritisation assigned to its plans, the intention is to further pursue important growth and innovation-oriented projects.

An increase in turnover is forecast for the 2016 financial year. However, a considerably lower consolidated profit for the year is to be expected, primarily due to the high additions to pension provisions as a result of the falling discount rate. Nevertheless, Wiener Stadtwerke will continue with its long-term programme of investment in Vienna's infrastructure.

The most important plans and objectives of the various Group segments are set out below.

### Energy segment

**Production**
The number of people living in Vienna is set to rise by a number equivalent to the population of Graz by 2030. Wien Energie will take advantage of the opportunities afforded by a growing city and surrounding population, investing over EUR 860 million over the next five years, of which EUR 460 million in technologies for renewable energies. In addition to constructing more wind farms and expanding the use of hydropower, the focus is squarely on the expansion of photovoltaic installations. In doing so, not only will Wien Energie safeguard security of supply in a growing city, but also increase the proportion of energy produced from renewable sources. The aim is to produce at least 35 percent of electricity from renewable sources by 2030, and at least 40 percent of heating from renewable sources. According to forecasts, annual heating requirements in Vienna will increase by 200 megawatts. Wien Energie would like to capture around half of this growth for itself. The expansion plan sets out our objective to develop around 100 megawatts both centrally and with decentralised means, such as heat pumps. The existing, well-developed district heating network offers us the opportunity to concentrate supply. This makes it possible to access new customers with manageable means. Furthermore, we will make increased use of new, local sources of heat – such as geothermal energy, solar energy or industrial waste heat – and integrate these into the existing network. For instance, the Manner chocolate plant in Vienna's Hernals district will feed waste heat into the local district heating network from autumn 2016. By the same token, the supply of cooling will be increased. Wien Energie will double its total installed output to 200 megawatts by 2020.

**Services**
Wien Energie will evolve from a traditional supplier to become a service provider. In 2016, new energy-related products and services, both for private and business customers, will be launched. E-mobility is a clear area where Wien Energie can grow in the future. This company sees itself as a pioneer here by setting up the necessary infrastructure of e-charging stations. In the area of telecommunications, Wien Energie will further enlarge its fibre-optic network as part of its broadband offensive. In addition to this, Wien Energie will offer new services in the area of information and communication technology for business customers over the next few years.

**Customer orientation**
A clear focus on the needs of customers and safeguarding the high level of customer satisfaction are core factors for the sustainable and successful development of Wien Energie. The Spittelau service centre will be turned into the Wien Energie World in 2016. A world of energy advice and experience will impart knowledge using the latest didactic techniques, and bring the abstract topic of energy to life.Merely selling kilowatt hours belongs to the past. Wien Energie is evolving and growing. As Austria's largest energy service provider, this company will continue to focus its activities on the customer in the future, winning people over with its expertise and meeting the challenges of the new market with the necessary commercial prudence.

**Electricity network**
In the area of electricity networks, long-term projects such as the modernisation work on old high and medium-voltage substations at the Simmering and south-west transformer stations, the long-term project to build a 380 kV power line between these two transformer stations, the network strengthening project, the project to replace electrical substations with wooden operator protection and the project to implement optimisation measures in accordance with the target network plan were continued. This helps to reduce the susceptibility of the 10 kV medium-voltage network to breakdowns, as well as safeguarding the high security and quality of supply to the population. Network monitoring is to be continued so as to satisfy statutory and regulatory requirements. Particular value is attached to the increased monitoring of observable network nodes, whereby the requirements with regard to the regulator's metering point concept are being implemented, e.g. for power quality statements. Thus the associated mitigation and handling of failures has been accelerated considerably. The low-voltage network is to be strengthened and automated as far as possible by promoting renewable energy production, in particular PV installations with storage units. In order to further reduce negative impacts on quality relating to the supply of electricity to customers, better protection and recognition equipment are to be used.
Top priority must be on setting up smart grids that satisfy the requirements described above. Not only is the network structure key here, but also the associated ICT infrastructure needs to be included and optimised. The rising complexity of managing these energy systems presents a new set of technical challenges for the current transmission and distribution network in respect of network stability, energy compensation and storage, as well as information and communication technology. End customers must be actively involved in load management to ensure an efficient, sustainable energy system with low losses and a high degree of supply quality and security. To this end, smart measuring systems, e.g. measuring sensors in the distribution network and smart meters, are needed. Key elements of intelligent networks include measuring supplies and the possibility to have a controlling effect over such supplies. These investments, along with the implementation or installation of the required metering and control infrastructure, represent a major challenge for the future.

**Gas network**
The trend in the gas network of the past few years to develop other areas to be connected and the associated need to expand the network will continue. Consequently, intended expansion areas such as 'In der Wiesen Süd' are included in the multi-year plan. In order to maintain the quality of the existing distribution network in the future, not only does the distribution network need to be extended to access new areas, but the existing network needs to receive investment in the form of preventative maintenance work depending on the respective age of the materials. The primary focus here is on the strategic, condition-related maintenance of the distribution network. Forecasts of future breakdown development and the order of necessary renovation projects in this connection, calculated using simulation methods, are taken into consideration, along with the requirements of the project to safeguard and increase gas pressure.

The general maintenance plan is based on statutory requirements and internal regulations. Needs-appropriate service intervals are defined, taking into account the commercial feasibility and the respective condition of the equipment or parts thereof.

**Primary heating network**
There are plans to further expand the primary network as a result of the continuous population increase in recent years. In future, the circular mains for the main transportation pipeline line at Gudrunstrasse will help improve security of supply. The corresponding budget for the construction work has already been included in the multi-year plan. In addition to this, a subsidy contract has been concluded in connection with the extension of the Ottakring transportation pipeline as per the legislation on expanding the heating and cooling mains network. There are plans to expand to other areas and improve the network in residential areas in addition to these projects.

Maintenance of the district heating network is determined though a risk-oriented asset management approach so as to be able to continue ensuring a high quality of supply. Given the existing age structure of several sections of the network, the rate of replacement is due to be increased over the course of the coming years.



## Transport segment

**Conclusion of a new financing agreement**
The economic basis of WIENER LINIEN GmbH & Co KG has been secured by a financing agreement with the City of Vienna since 2001. In April 2015, the city council gave its approval to conclude a new local public transportation and financing contract with WIENER LINIEN GmbH & Co KG. This has already been published in the EU's official gazette. With a term from 1 January 2017 to 31 December 2031, the financing agreement continues to govern the payments made by the City of Vienna to WIENER LINIEN GmbH & Co KG for transport services, as well as the capital paid for investments. This also ensures that the requirements of EU Regulation no. 1370/2007 can be met.

**U4 modernisation**
The general renovation of the U4 will continue until 2024, reaching its peak in 2016 and 2017. The work cannot be performed while the line is in service, which is why the stretch of line between Hietzing/Schönbrunn and Hütteldorf will be closed for four months in 2016. The next stretch, between Längenfeldgasse and Karlsplatz, will be renovated in 2017, making it necessary to close the line here too. In order to significantly improve the operating quality of the U4, the City of Vienna and WIENER LINIEN GmbH & Co KG is investing a total of EUR 335 million in the modernisation of this underground line.

**U1 – southbound extension**
In the Alaudagasse area, the U1 is being built in such a way that would make it technically possible to branch out to Rothneusiedl in several years. Tram line 67 has been re-routed accordingly to accommodate the work and the new U1 extension once it has been finished. After completion of the extension work, the U1 will cover an additional 4.6 km and include five new stations (Troststrasse – Altes Landgut – Alaudagasse – Neulaa – Oberlaa). In 2017, the U1 will then become Vienna's longest underground at 19.2 km.

**Complete renovation of U6 stations**
Following the work at the Alser Straße station, the refurbishment of the historical Otto Wagner U6 stations will continue. There are plans to completely renovate the Währinger Strasse and Nussdorfer Strasse stations in the coming years. The ultimate aim here is to make the stations fit for the coming decades and to bring them into line with the latest technological standards. These stations will also remain open to passengers during the renovation work, with one platform always being available. The required historical survey work has already been completed and the detailed planning phase begun. The contracts to lay tiles, perform building work and steel construction work to replace the supports have been awarded. The tenders for joiners, locksmiths and metal restorers are currently being prepared.

**U5 – Vienna is getting a new underground line**
The planning for the new U5 underground line is well under way. Vienna is ushering in a new underground age with the U5. 2018 will not only see the start of construction work for the new U5, but also the extension of the U2 line. The U2/U5 intersection will provide relief to heavily frequented lines such as the U6 and tram 43. The U5 line, Vienna's first fully automated underground line, is due to being operations in 2023. The advantages of fully automated operations include improved fault management, better customer service, closer adherence to timetables in normal operations and particularly in case of disruption, as well as greater levels of safety by means of platform doors.

**Wiener Linien's fleet of vehicles**
The modernisation of the WIENER LINIEN GmbH & Co KG fleet is continuing on schedule in 2016. Deliveries of four new underground trains (Type V) are expected. A further 17 ULF B1 units are also to be delivered as part of the ongoing replacement of old tram units by modern ultra-low-floor trams. Work to install CCTV in ULF A, A1 and B1 trams will be continued.

Moreover, the procurement includes an additional 30 diesel-powered articulated buses and 32 normal diesel-powered buses, which will replace the generation of CNG buses. All of the new vehicles will be fitted with air-conditioning units.

**Sale of Wiener Lokalbahnen Verkehrsdienste GmbH**
The strategic focus on the core business of Wiener Lokalbahnen to ensure the best possible positioning for the future means that Wiener Lokalbahnen Verkehrsdienste GmbH should leave the transport segment in 2016. This company was able to achieve a very positive annual result again in 2015. Sound performance and consistent market leadership in the area of minibus services for people with reduced mobility means that this is a good time for the planned sale.

**Freight traffic**
The plan for the 2016 financial year and following years is to expand the existing volume of goods transported and to increase the existing value creation in the German and Austrian markets by expanding the company's own transport services, as well as gaining additional market share in these countries. There are also plans to diversify the portfolio of freight transportation services and customers. This can be achieved above all by further expanding sales, developing differentiated products and services, and permanently optimising the logistics chain together with our customers. The aim of increased sales activities is to intensify existing rail connections (more train services) and to open up new destinations. The number of train services provided, the number of customers and, consequently, the turnover are to be continuously increased between 2016 and 2020.

In order to be able to achieve these targets with the appropriate degree of quality, the number of employees at Wiener Lokalbahnen Cargo GmbH is being increased and personnel development activities pursued so as to increase the level of qualification. The aim is also to increase the volume of investment in technical resources in the coming years. Wiener Lokalbahnen Cargo GmbH will also employ additional sales personnel so as to drive its growth in sales. The implementation of the IT structure project for the Operations division, started in 2013, will be continued in 2016.

**Funerals and cemeteries segment**
It can be assumed that the scope of the business activities of this Group division (i.e. the number of interments, plot renewals) will decline slightly and turnover development will remain fairly constant on the basis of the planning and forecast data available and in view of the principles of commercial prudence. In the 2016 business year, measures to improve efficiency and quality, as well as to expand the range of services offered will be continued in line with the applicable strategic alignment of the Group division.

**Car parks segment**
An increase in turnover is to be expected in the coming year, as a number of locations are still in the process of starting up and, as experience has shown, will only reach their maximum potential after several years of operation. A relatively constant level of utilisation is anticipated for the remaining car parks, along with a slight increase in turnover due to annual index-linked tariff increases. The medium-term plan contains no provisions for investments in new car park projects at the moment. There are only plans to maintain the current portfolio of car parks. Wipark will in future refrain from building new car parks itself. However, the acquisition of new car park locations is not ruled out as long as the market generates opportunities that meet the internal requirements for an investment by Wipark. Generally speaking, Wipark endeavours to maintain its market share in Vienna and build on it where possible. Aside from purchasing new car parks, this can also be achieved by concluding new operating or lease agreements.

Furthermore, the car parks Group division is currently being restructured, starting with the purchase of shares in Wipark by WSTW Holding from Parkraum Wien Management GmbH at the end of 2015. There are plans to merge Wipark with Parkraum Wien Management GmbH in the first half of 2016 with retrospective effect from 1 January, thereby combining the entire business activities of the car park Group division in Wipark.



# Events after the balance sheet date

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



## The Management Board
Vienna, 30 March 2016

**Martin Krajcsir**
(CEO)

**Gabriele Domschitz**

**Robert Grüneis**

**Peter Weinelt**

# 02

# CONSOLIDATED FINANCIAL STATEMENTS





## Consolidated Balance Sheet

### Assets

as at 31 December 2015, in EUR

| | Notes | 31.12.2015 | 31.12.2014 |
|---|---|---|---|
| **A. Fixed assets** | (1) | | |
| I. Intangible assets | (2) | 161,740,956 | 161,585,490 |
| II. Tangible assets | (3) | 9,964,185,018 | 9,775,034,201 |
| III. Financial assets | (4) | 2,421,743,529 | 2,310,064,140 |
| **Total fixed assets** | | **12,547,669,503** | **12,246,683,830** |
| **B. Current assets** | (5) | | |
| I. Inventories | (6) | 93,870,155 | 113,355,313 |
| II. Receivables and other assets | (7) | 605,144,973 | 532,391,920 |
| III. Cash on hand, cheques, bank balances | | 427,298,603 | 354,729,767 |
| **Total current assets** | | **1,126,313,731** | **1,000,477,000** |
| **C. Prepayments and accrued income** | (8) | **262,391,919** | **359,853,830** |
| Total assets | | 13,936,375,153 | 13,607,014,661 |
| Contingent assets | (13) | 172,459,612 | 256,438,439 |

### Liabilities

as at 31 December 2015, in EUR

| | Notes | 31.12.2015 | 31.12.2014 |
|---|---|---|---|
| **A. Equity** | (9) | | |
| I. Capital stock | | 500,000,000 | 500,000,000 |
| II. Capital reserves | | 3,741,258,368 | 3,701,213,204 |
| III. Retained earnings | | 577,052,798 | 471,887,255 |
| VI. Minority interests | | 11,211,822 | 11,823,376 |
| V. Consolidated profit / loss for the year | | 128,378,763 | 101,664,541 |
| **Total equity** | | **4,957,901,752** | **4,786,588,375** |
| **B. Provisions** | (10) | **3,737,530,284** | **3,725,142,158** |
| **C. Liabilities** | (11) | **1,434,770,491** | **1,350,482,831** |
| **Total borrowed capital** | | **5,172,300,775** | **5,075,624,989** |
| **D. Accrued expenses and deferred income** | (12) | **3,806,172,627** | **3,744,801,296** |
| Total equity and liabilities | | 13,936,375,153 | 13,607,014,661 |
| Contingent liabilities | (13) | 344,345,584 | 500,859,658 |

# Consolidated Profit and Loss Account

from 1 January to 31 December 2015, in EUR

| | Notes | 2015 | 2014 |
|---|---|---|---|
| 1. Turnover | (14) | 2,940,293,970 | 2,904,778,045 |
| 2. Change in inventory of finished and unfinished goods and accrued income | | 81,720 | 1,224 |
| 3. Other own work capitalised | | 55,865,349 | 62,149,847 |
| 4. Other operating income | (15) | 710,606,156 | 692,628,387 |
| 5. Cost of materials and other manufacturing services | (16) | –1,356,207,748 | –1,430,765,695 |
| 6. Personnel expenses | (17) | –1,071,355,798 | –1,165,441,594 |
| 7. Depreciation and amortisation of tangible and intangible assets | (18) | –532,987,661 | –517,918,380 |
| 8. Other operating expenses | (19) | –613,101,008 | –576,079,192 |
| **9. EBIT** | | **133,194,980** | **–30,647,358** |
| 10. Income from shareholdings | (20) | 26,659,160 | 58,774,628 |
| 11. Income from other securities and lendings of non-current financial assets | (21) | 9,335,947 | 11,273,947 |
| 12. Other interest and similar income | (22) | 5,693,143 | 6,267,424 |
| 13. Income from the disposal and write-up of financial assets | | 3,356,548 | 6,837,019 |
| 14. Income / expenses from investments in associated companies | (23) | 1,050,994 | 864,310 |
| 15. Expenses associated with financial assets and available-for-sale securities | (24) | –45,313,745 | –12,243,072 |
| 16. Interest and similar expenses | | –103,469,359 | –20,979,615 |
| **17. Financial result** | | **–102,687,312** | **50,794,641** |
| **18. Result on ordinary activities (EBT)** | | **30,507,668** | **20,147,284** |
| 19. Taxes on income and earnings | (25) | –216,563 | –42,560 |
| **20. Annual net result** | | **30,291,106** | **20,104,724** |
| 21. Minority interests | | –456,740 | –69,244 |
| **22. Profit / loss for the year** | | **29,834,366** | **20,035,480** |
| 23. Release of capital reserves | (26) | 107,431,686 | 108,618,442 |
| 24. Allocations to retained earnings | (26) | –8,887,289 | –26,989,381 |
| **25. Consolidated profit / loss for the year** | | **128,378,763** | **101,664,541** |



# Consolidated Cash Flow Statement

from 1 January to 31 December 2015, in EUR

| | 2015 | 2014 |
|---|---|---|
| Profit/loss for the period | 30,291,106 | 20,104,723 |
| Expenses and income not recognised in income | 464,792,257 | 349,962,561 |
| Reclassifications | 0 | 16,822 |
| **Operating cash flow** | **495,083,363** | **370,084,107** |
| Change in working capital | –38,282,052 | 171,178,235 |
| Change in non-current operational cash flow | 44,133,507 | –123,150,732 |
| **Cash flow from operating activities (1)** | **500,934,818** | **418,111,610** |
| **Cash flow from investment activities (2)** | **–493,168,168** | **–551,538,303** |
| **Cash flow from financing activities (3)** | **62,420,547** | **157,871,055** |
| **Change in cash and cash equivalents** | **70,187,197** | **24,444,362** |
| **Balance at start of period** | **350,403,417** | **325,959,056** |
| **Balance at close of period** | **420,590,615** | **350,403,417** |

Cash and cash equivalents are the sum of the cash and bank balance positions as well as cash pooling receivables from and payables to non-consolidated affiliated companies.

# Consolidated Statement of Changes in Equity

from 1 January 2014 to 31 December 2014, in EUR

| | Capital stock | Capital reserves | Retained earnings | Consolidated balance sheet profit | Subtotal | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|
| **Balance at 1.1.2014** | **500,000,000** | **3,661,084,840** | **445,374,605** | **0** | **4,606,459,445** | **11,884,998** | **4,618,344,443** |
| Carried forward | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit/loss for the period | 0 | 0 | 0 | 20,035,480 | 20,035,480 | 69,244 | 20,104,724 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | –130,867 | –130,867 |
| Changes in the scope of consolidation | 0 | 0 | 103,808 | 0 | 103,808 | 0 | 103,808 |
| Translation of foreign currencies | 0 | 0 | –580,539 | 0 | –580,539 | 0 | –580,539 |
| Changes in reserves | 0 | 40,128,364 | 26,989,381 | 81,629,061 | 148,746,806 | 0 | 148,746,806 |
| Balance at 31.12.2014 | 500,000,000 | 3,701,213,204 | 471,887,255 | 101,664,540 | 4,774,764,999 | 11,823,375 | 4,786,588,375 |

from 1 January 2015 to 31 December 2015, in EUR

| | Capital stock | Capital reserves | Retained earnings | Consolidated balance sheet profit | Subtotal | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|
| **Balance at 1.1.2015** | **500,000,000** | **3,701,213,204** | **471,887,255** | **101,664,540** | **4,774,764,999** | **11,823,375** | **4,786,588,375** |
| Carried forward | 0 | 0 | 96,264,540 | –96,264,540 | 0 | 0 | 0 |
| Profit/loss for the period | 0 | 0 | 0 | 29,834,366 | 29,834,366 | 456,740 | 30,291,106 |
| Dividends paid | 0 | 0 | 0 | –5,400,000 | –5,400,000 | –1,068,293 | –6,468,293 |
| Changes in the scope of consolidation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Translation of foreign currencies | 0 | 0 | 13,714 | 0 | 13,714 | 0 | 13,714 |
| Capital paid in by the City of Vienna | 0 | 147,476,850 | 0 | 0 | 147,476,850 | 0 | 147,476,850 |
| Amount covering the annual net loss of Wiener Linien | 0 | –107,431,686 | 0 | 107,431,686 | 0 | 0 | 0 |
| Changes in reserves | 0 | | 8,887,289 | –8,887,289 | 0 | 0 | 0 |
| Balance at 31.12.2015 | 500,000,000 | 3,741,258,368 | 577,052,798 | 128,378,763 | 4,946,689,929 | 11,211,822 | 4,957,901,751 |

# Consolidated Schedule of Fixed Assets

for the 2015 financial year, in EUR

| | Cost of acquisition (CoA) 1.1.2015 | CoA foreign currency translation 01.01.2015 | Additions 2015 | CoA additions to the scope of consolidation 2015 | Disposals 2015 | Reclassifications 2015 | Cost of acquisition 31.12.2015 | Accumulated depreciation 31.12.2015 | Carrying value 31.12.2015 | Carrying value 31.12.2014 | Depreciation additions to the scope of consolidation 2015 | Additions 2015 | Depreciation and amortisation 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **I. Intangible assets** | | | | | | | | | | | | | |
| 1. Licenses, industrial property rights and similar rights including associated licenses | 609,385,055 | 0 | 20,025,004 | 1,593,149 | 11,653,745 | 6,101,662 | 625,451,125 | 482,064,459 | 143,386,666 | 142,564,756 | 331,936 | 0 | 24,138,105 |
| 2. Goodwill | 20,873,230 | 0 | 0 | 1,850,560 | 0 | 0 | 22,723,790 | 9,857,338 | 12,866,452 | 12,398,605 | 0 | 0 | 1,382,713 |
| 3. Prepayments | 6,622,129 | 0 | 2,587,877 | 0 | 595,020 | –3,127,147 | 5,487,839 | 0 | 5,487,839 | 6,622,129 | 0 | 0 | 0 |
| **Total intangible assets** | **636,880,414** | **0** | **22,612,881** | **3,443,709** | **12,248,765** | **2,974,515** | **653,662,754** | **491,921,798** | **161,740,956** | **161,585,490** | **331,936** | **0** | **25,520,818** |
| **II. Tangible assets** | | | | | | | | | | | | | |
| 1. Land, land-based rights and buildings, including buildings on non-owned land | 8,350,433,762 | 44,224 | 48,069,946 | 15,609,846 | 6,248,074 | 54,612,677 | 8,462,522,381 | 3,683,808,477 | 4,778,713,904 | 4,820,097,349 | 782,636 | 0 | 157,367,099 |
| 2. Plant and equipment | 12,119,045,127 | 97,035 | 193,473,472 | 3,562,255 | 102,355,996 | 157,678,907 | 12,371,500,799 | 8,236,064,583 | 4,135,436,216 | 4,092,861,336 | 1,235,838 | 0 | 307,653,848 |
| 3. Other equipment, furniture and fixtures | 841,098,069 | 7 | 27,614,773 | 0 | 41,860,242 | 9,651,163 | 836,503,770 | 653,977,266 | 182,526,504 | 189,172,827 | 0 | 0 | 42,445,895 |
| 4. Prepayments and plant under construction | 676,817,683 | 0 | 419,838,126 | 0 | 315,323 | –224,917,262 | 871,423,224 | 3,914,831 | 867,508,393 | 672,902,690 | 0 | 0 | 0 |
| **Total tangible assets** | **21,987,394,642** | **141,266** | **688,996,317** | **19,172,100** | **150,779,635** | **-2,974,515** | **22,541,950,175** | **12,577,765,156** | **9,964,185,018** | **9,775,034,201** | **2,018,474** | **0** | **507,466,842** |
| **III. Financial assets** | | | | | | | | | | | | | |
| 1. Shares in affiliated companies (not consolidated) | 92,416,530 | 0 | 1,024,483 | 0 | 801,855 | 15,173,531 | 107,812,689 | 45,610,732 | 62,201,958 | 71,447,808 | 0 | 0 | 22,581,426 |
| 2. Prepayments on shares in affiliated companies | 5,058,500 | 0 | 1,013,374 | –6,071,874 | 0 | 0 | 0 | 0 | 0 | 5,058,500 | 0 | 0 | 0 |
| 3. Lendings to affiliated companies (not consolidated) | 31,151,096 | 0 | 178,340 | 0 | 7,145,273 | 10,905,636 | 35,089,798 | 6,959,545 | 28,130,253 | 18,091,241 | 0 | 232,325 | 0 |
| 4. Shares in associated companies | 44,085,115 | 0 | 1,050,994 | 0 | 166,896 | 0 | 44,969,213 | 36,447,441 | 8,521,772 | 7,637,674 | 0 | 0 | 0 |
| 5. Shareholdings | 833,453,876 | 0 | 4,189,467 | 0 | 3,539,193 | –8,664,018 | 825,440,131 | 39,180,881 | 786,259,250 | 797,147,313 | 0 | 0 | 5,740,451 |
| 6. Lendings to companies in which shares are held | 22,303,359 | 0 | 67,076 | 0 | 19,254,759 | 19,803,599 | 22,919,276 | 6,607,105 | 16,312,171 | 21,614,759 | 0 | 0 | 0 |
| 7. Long-term financial investments and rights | 1,417,855,602 | 0 | 101,302,905 | 0 | 87,479,240 | 0 | 1,431,679,266 | 21,553,557 | 1,410,125,709 | 1,339,607,683 | 0 | 0 | 0 |
| 8. Other lendings | 55,377,667 | 0 | 92,056,896 | 0 | 23,400 | –37,218,748 | 110,192,415 | 0 | 110,192,415 | 49,459,162 | 0 | 0 | 0 |
| Total financial assets | 2,501,701,744 | 0 | 200,883,535 | –6,071,874 | 118,410,616 | 0 | 2,578,102,789 | 156,359,260 | 2,421,743,529 | 2,310,064,140 | 0 | 232,325 | 28,321,876 |
| Total assets | 25,125,976,800 | 141,266 | 912,492,732 | 16,543,936 | 281,439,017 | 0 | 25,773,715,717 | 13,226,046,214 | 12,547,669,503 | 12,246,683,830 | 2,350,410 | 232,325 | 561,309,537 |

# 03

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR





## General information

Pursuant to Article 244 of the Austrian Commercial Code (*UGB*), WIENER STADTWERKE Holding AG is obligated to prepare consolidated financial statements for the 2015 financial year (hereinafter Wiener Stadtwerke Holding AG and its subsidiaries shall be referred to as [the] Wiener Stadtwerke Group).

These consolidated financial statements have been prepared in accordance with the requirements of the Austrian Commercial Code (*UGB*). The first-time consolidation took place on 1 January 1999, on which date the affiliated and associated companies of the Group were first consolidated. All companies acquired or founded since this point in time have been consolidated at the point in time of their respective acquisition or founding.

Pursuant to Article 252 of the Austrian Commercial Code, the balance sheet date of the consolidated financial statements is that of the parent company (31.12). The financial statements of Group companies either fully consolidated or consolidated on a pro rata basis were all, with the exception of the following companies (balance sheet date: 30 September 2015), prepared on the balance sheet date of the parent company (31 December 2015).

- ENERGIEALLIANZ Austria GmbH
- PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG.

WIEN ENERGIE Vertrieb GmbH & Co KG (balance sheet date 30.09) is consolidated on the basis of interim financial statements prepared on the basis of a balance sheet date and period not concurrent with that of the consolidated financial statements (31.12). Companies recorded using the equity method are consolidated on a delayed basis to coincide with their statements as per 30 September 2014 or 31 December 2014.

No transactions of material importance to the asset, financial and earnings positions of the Group took place in the period between the balance sheet date of these companies and the Group balance sheet date.

## Corporate profile

The Wiener Stadtwerke Group is essentially engaged in the following business activities:

- Electricity generation, sales and network operation
- Gas sales and network operation
- District heating and cooling generation, sales and network operation
- Energy management
- Facility management
- Waste management and incineration
- Telecommunications
- Underground, tram and bus service operations
- Transport services for the disabled
- Freight traffic
- Funeral services
- Cemetery maintenance including cemetery nursery and masonry workshops
- Parking facility management
- Investment management
- Property management and development

All of the above activities relate primarily to the metropolitan area of Vienna and its immediate surroundings.

# Accounting and valuation principles

## General principles

The financial statements of all consolidated companies have been prepared on the basis of uniform accounting and valuation principles, which are documented in a Group Accounting Guideline and a Group Accounting Manual. The consolidated financial statements have been prepared applying generally accepted principles of good accounting practice and with the aim of providing a true and fair picture of the asset, financial and earnings positions of the Group. The consolidated profit and loss account has been prepared on the basis of the nature-of-expense method. These consolidated financial statements have been prepared in accordance with the principle of completeness. The assets and liabilities of consolidated subsidiaries recognised in the Group financial statements have been uniformly valued, in line with Article 260 of the Austrian Commercial Code, on the basis of the valuation methods applied to the consolidated financial statements of the parent company. Assets and liabilities have been recognised in accordance with the principle of single-asset valuation and according to the going-concern principle.

These consolidated financial statements comply with the principle of prudence in that only profits realised on or before the balance sheet date have been recognised. All identifiable risks and impending losses existing or incurred either during the 2015 financial year or in earlier periods have been taken into account.

## Fixed assets

**Intangible and tangible assets**
Intangible and tangible assets are recognised at their cost of acquisition or manufacture and, where subject to depreciation or amortisation, are depreciated or amortised applying the straight line method based on standard commercial useful lives. Low-value items with acquisition costs below EUR 400.00 are depreciated fully in the year of their acquisition. Additions in the first half of any given financial period are generally subject to full-year depreciation in the year of their acquisition, while those acquired in the second half of any given financial period are subject to half-year depreciation in the first year. Unscheduled write downs in asset value not of a purely temporary nature are taken into account by means of impairment charges.

## Intangible and tangible assets

in years

| | Useful life |
|---|---|
| **Intangible assets** | |
| Licenses, industrial property rights, etc. | 2 – 40 or contractual term |
| Electricity supply rights, energy use rights | 30 – 50 |
| Goodwill | 5 – 30 |
| Software | 3 – 5 |
| **Division-specific tangible assets** | |
| Major construction projects (e.g. tunnels, concrete channels, etc.) | 40 – 80 |
| Energy supply equipment | 15 – 25 |
| Supply networks (e.g. power lines, mains etc.) | 5 – 50 |
| Telecommunication networks | 10 – 30 |
| Vehicles (e.g. trams, buses, etc.) | 6 – 30 |
| **Other tangible assets** | |
| Production and office buildings | 10 – 100 |
| Other technical equipment | 2 – 35 |
| Fixtures, furniture and office furniture | 2 – 30 |

Own work capitalised is recognised at the cost of manufacture in addition to an appropriate proportion of manufacture-related material and manufacturing overheads plus a similar proportion of occupational pension and voluntary social costs incurred by the Company. Interest on loans raised to finance the manufacture of assets is not generally capitalised.

**Financial assets**
Shares in non-consolidated affiliated companies, along with other shareholdings, are carried at their cost of acquisition less any impairment charges.
Shares in associated companies are recognised at valuations based on the equity method. This applies the same valuation methods as are applied to fully consolidated companies.



Lendings are carried at the lower of their acquisition costs or cash value on the balance sheet date.
Non-current financial assets are recognised applying the moderate lower of cost or market principle. Impairment charges are recognised when these are assumed not to be temporary in nature.

The revised opinion issued in June 2010 by the Austrian Financial Reporting and Auditing Committee (AFRAC) entails significant changes to the valuation of investment funds in the form of a fund of funds and recognised as non-current financial assets. In accordance with the resulting deviation from the modified lower of cost or market principle and the valuation of these financial assets more closely on the basis of fair values (strict lower of cost or market principle), there followed, during the course of the 2010/2011 financial year, a far-reaching restructuring of the Wiener Stadtwerke investment fund in the interests of establishing an even more conservative portfolio structure. Following this realignment, there continue to exist five funds (special funds) with the aim of covering the pension-related obligations and for long-term accumulation purposes (e.g. for investments). Since being restructured, this portfolio is characterised by a significantly lower degree of volatility. During the course of this restructuring process in 2011, the shares in these funds were exchanged applying the principle of continuance of book values.

Regarding the acquisition costs, the recent ruling of the Administrative Court indicates that this switch under civil law led to new acquisition costs. To amend this situation, the historical costs of acquisition were corrected in the 2015 financial year to reflect the fair values in 2011 at the exact time of the restructuring (if these fair values were higher than the historical acquisition costs, no correction was made; if the carrying amounts were higher than the 2011 fair values, the acquisitions costs were adjusted in line with the carrying amounts); a write-up must be made to this amount in case of future reversals. Any potential corrections are presented in the schedule of fixed assets as a disposal of securities held as assets and lead to a reduction of cumulative depreciation by this amount.

The current strategy continues to entail five mixed investment funds; four of which also include shares. One fund is maintained as a bond fund (including money market assets).

**Additions**
Additions to fixed assets are made if the reasons for a write-down no longer exist, unless the lower value can be retained when determining profit for tax purposes and on the condition that it remains unchanged in the annual financial statements.

Deferred additions pursuant to Article 208 (2) of the Austrian Commercial Code (*UGB*) to WSTW funds amounting to EUR 20,840 existed as at 31 December 2015.

## Current assets

Inventories are valued at the respective costs of acquisition or manufacture. in as far as the underlying values of these assets are not lower on the balance sheet date, e.g. due to lower stock exchange or market prices, in which case these are applied.

Manufacturing costs relate solely to direct costs (of materials and wages) and the corresponding proportion of material and manufacturing-related overheads based on the assumption of operation at full capacity, plus expenses for voluntary social expenses and occupational pension fund contributions. Expenses incurred through general administration work and interest on loans are not capitalised.

The calculation of costs of acquisition and manufacture for the same classes of assets applies the weighted average cost method or similar methods. Appropriate impairment charges are recognised for inventories subject to risks or of reduced utility.

Receivables and other assets are valued at their respective acquisition costs. Recognisable risks are taken into account by means of appropriate valuation adjustments.

Receivables also include the adjustment account for WIENER NETZE GmbH. A new ex-post revenue cap regulation was anchored in the Austrian Electricity Industry and Organisation Act 2010 (*EIWOG 2010*) and the Austrian Natural Gas Act 2011 (*GWG 2011*) with the introduction of the adjustment account. It is the intention of lawmakers that the adjustment account takes account of circumstances that could not be considered using previous cost and fee calculation methods. This means that primarily volume-related higher or lower revenues as well as extraordinary expenses and revenues in a period are taken into account in future tariff-setting processes. The corresponding amounts – spread over several years – will result in higher or lower tariffs. While revenue surpluses and shortfalls must be recognised, there is only one option to take account of exceptional expenses and income in the regulation account.

Legislators have created the following provision for costs that can be claimed with a time delay in the tariff-setting process: Pursuant to Article 59 (8) ElWOG 2010 and Article 79 (8) GWG 2011, any differential amounts arising from the fact that the regulation system applied to one or more regulation periods (pursuant to paragraphs 1 to 6) causes a delay in the settlement through the system utilisation charges, are capitalised in the annual financial statements or to be recorded as provisions therein. Items are valued in accordance with the applicable accounting regulations. The adjustment account is recognised as an asset under other receivables.

Purchased $CO_2$ emission certificates are carried under the position 'Other assets' and are recognised strictly applying the lower of cost or market principle. Certificates obtained free of charge are not carried in the financial statements.

Available-for-sale securities are carried at the lower of their cost of acquisition or market value on the balance sheet date.

## Untaxed reserves

Pursuant to Article 205 of the Austrian Commercial Code (UGB), untaxed reserves are recognised in the consolidated financial statements in accordance with Article 253, para. 3 UGB. As in the prior year, this was not relevant for the Wiener Stadtwerke Group in the 2015 financial year as there are no untaxed reserves.

## Provisions

**Provisions for severance payments and provisions for similar obligations**
In the 2012 to 2014 financial years, the provisions for severance payments were calculated using actuarial principles with an interest rate of 2.5 percent (real interest rate) as a result of the current situation regarding interest rates. The switch to a nominal interest rate began in the 2015 financial year, which is calculated by taking the average interest rate of the past seven years in line with the AFRAC statement 'Provisions for pensions, severance pay, anniversary pay and other non-current obligations in accordance with the provisions of the Austrian Commercial Code.' When calculating the provision for severance pay, anniversary pay and loyalty bonuses, a real interest rate is used, by way of simplification, which is derived from the nominal interest rate taking into account salary increases of three percent. As in prior years, no discount for employee turnover is taken into account, while a retirement age of 65 for male employees and 60 for female employees is assumed. The provisions for severance payment-like obligations are calculated using the same parameters as applied to the provisions for severance payments, also applying actuarial principles.

**Provisions for pensions**
The Vienna Public Enterprises Allocation Act *(Wiener Stadtwerke-Zuweisungsgesetz)*, published in the State Law Gazette (LGBl 17/1999), requires that the Company reimburse the City of Vienna for the pension-related expenses of municipal employees assigned to work for it.

for severance payments and provisions

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Actuarial interest rate (nominal) | 3.89% | – |
| Derived actuarial interest rate (real) | 0.86% | 2.50% |

This represents a direct obligation in respect of pension contributions. In order to recognise these indirect pension obligations, Wiener Stadtwerke applies a ten-year average to calculate the interest rate for pension provisions in its consolidated financial statements in line with the general trend towards increasing acceptance of long-term interest calculation periods and in view of recent developments in Germany (bill dated 27 January 2016 on the amendment of Article 263 of the German Commercial Code [*HGB*], which came into force on 17 March 2016).
This law stipulates application to financial statements from 31 December 2016 but can be voluntarily applied earlier, i.e. from 31 December 2015. Provisions for pension obligations up to 31 December 2014 were recognised with a real discount rate of 2.5 percent according to actuarial principles on the basis of the entry-age normal method. However, the calculation as at 31 December 2015 was made with a nominal discount rate of 4.3 percent using the Projected Unit Credit Method, in early application of the Austrian Financial Reporting and Auditing Committee (AFRAC) statement on personnel provisions, which produces the result above due to the application of a ten-year average. As in prior years, no discount for employee turnover is applied. A retirement age of 65 for women and for men was assumed in consideration of the transitional provisions pursuant to Article 115 of the 1994 Service Regulation *(Dienstordnung)*; a probability of early retirement was also recognised here.



Furthermore, the mortality table 'AVÖ 2008-P Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler' was applied. It is also taken into account that, in case of the death of a pension beneficiary, the surviving relatives (widows / orphans) are entitled to a defined percentage of the most recent pension payment. Wiener Stadtwerke calculates a percentage of 51.26 percent here (2014: 55.26 percent). The updated percentage for surviving relatives is based on current calculations. The annual increase assumptions are considered separately on the basis of the PUC method, which uses a nominal interest rate, and were recognised in the qualifying phase with three percent for salaries and 1.5 percent for current pension benefits. The pensionable annual payment or current pension as of 31 December 2015 was increased by 2.8 percent or 1.2 percent (prior year: 3.5 percent and 1.5 percent).

Applying the provisions of the law on accounting and in view of the amendments and supplements of the KFS-RL2 expert report, additional entitlements were agreed upon on 26 July 2005 between the Vienna City Council and WIENER STADTWERKE Holding AG. On the basis of this agreement, the entitlements accrued by the City of Vienna with regard to the reimbursement of pension-related expenses only need to be fulfilled to the extent that it is possible to charge these obligations exclusively against the net result for the period reported in the consolidated financial statements, pursuant to Article 231, para. 2 (22) of the Austrian Commercial Code (UGB), up to a maximum of four percent (1/25) of the amount to be reimbursed. Other reversals are however possible with the explicit permission of the City of Vienna. In the 2015 financial year, additional one twenty-fifths were reversed for WIENER NETZE GmbH and WIEN ENERGIE GmbH and presented under personnel expenses. In line with this agreement, the back payment due will be spread over a longer period. The differential amount not yet recognised in income as a result of this agreement will be carried as a separate position under prepayments and accrued income.

**Other provisions**
The position 'Other provisions' recognises other provisions set up in appropriate amounts applying the principle of accounting prudence.

## Deferred income and accrued expenses

Investment grants are carried as accrued liabilities and reversed over the useful life of the associated assets, for which the respective grant was received.

## Foreign exchange receivables and payables

Accounts receivable and accounts payable in other currencies are recognised at the exchange rate at which such accounts arose. In the event that the applicable exchange rates on the balance sheet date are lower (in the case of receivables) or higher (in the case of payables), then these positions are to be recognised at the exchange rates prevailing on the balance sheet date unless these positions have been hedged to eliminate currency-based risks.

# Scope of consolidation

## Consolidated companies

The consolidated financial statements of WIENER STADTWERKE Holding AG encompass all of those companies necessary to represent a true and fair picture of the asset, financial and earnings positions of the Group. The scope of consolidation is determined in accordance with Article 247, para. 1, Austrian Commercial Code (*UGB*). The following table provides an overview of the number of companies fully and proportionally consolidated, and those accounted for under the equity method:

## Companies

| Number of companies | Fully consolidated | Proportionally consolidated | Consolidated using the equity method |
|---|---|---|---|
| Balance at 31 December 2014 | 28 | 3 | 7 |
| First consolidated during the financial year | 0 | 0 | 0 |
| First deconsolidated during financial year | 0 | 0 | 0 |
| Balance at 31 December 2015 | 28 | 3 | 7 |

For an overview of companies consolidated fully, pro rata and based on the equity method, please refer to the list of holdings in the Notes.

WIEN ENERGIE GmbH, as a limited partner, holds a 100-percent interest in the assets and results of WIEN ENERGIE Vertrieb GmbH & Co KG. ENERGIEALLIANZ Austria GmbH acts as the general partner without an asset contribution. WIEN ENERGIE Vertrieb GmbH & Co KG is managed jointly in accordance with the agreements reached relating to ENERGIEALLIANZ Austria GmbH. Pursuant to Article 262, para. 1, of the Austrian Commercial Code (*UGB*), WIEN ENERGIE Vertrieb GmbH & Co KG is therefore fully consolidated in the financial statements of Wiener Stadtwerke on a pro rata basis in accordance with its share in equity (assets).

Due to the framework agreement concluded between the shareholders of EconGas GmbH, WIEN ENERGIE GmbH exercises considerable influence over the commercial and corporate policies of EconGas GmbH. EconGas GmbH is therefore consolidated in these financial statements, applying the equity method, as an associated company. A total of 24 subsidiaries (prior year: 25) were not fully consolidated. Similarly, 15 companies (prior year: 20) were also not consolidated applying the equity method. The consolidation of these companies is immaterial to providing a true and fair picture of the assets, financial and earnings positions of the Group (Article 249, para. 2, and Article 263, para. 2, UGB). Those subsidiaries not fully consolidated are generally characterised by low turnover. The total assets of these subsidiaries represent less than two percent of the consolidated balance sheet total. Pursuant to Article 249, para 1, of the Austrian Commercial Code *(UGB)*, the company Gemeinnützige Wohnungs- und Siedlungsgesellschaft of Wiener Stadtwerke GmbH was not consolidated. Since 2012, the scope of consolidation for the Group's financial statements has included a company which reports in a foreign currency. This means that, since this time, it has been necessary to perform a foreign currency translation. A list of the Group's holdings may be obtained directly from the offices of the parent company.

## Changes in the scope of consolidation during the financial year

There were no new companies fully consolidated in the Group's financial statements in the year under review.

The upstream spin-off of the decentralised energy supply sub-division of ENERGIECOMFORT Energie- und Gebäudemanagement GmbH was performed on 1 July 2015, with retrospective effect from 1 January 2015, and integrated into WIEN ENERGIE GmbH.

e&t Handelsgesellschaft m.b.H. was consolidated as an associated company under the equity method as of 31 December 2015 and merged with its sister company ENERGIEALLIANZ Austria GmbH (which is proportionately consolidated) as of 1 October 2015. However, this merger has not yet been included in the consolidated financial statements (31 December 2015) due to the delayed consolidation of ENERGIEALLIANZ Austria (30 September 2015). Consequently, the amounts (receivables and payables / expenses and income) recognised by WIEN ENERGIE GmbH and WIEN ENERGIE Vertrieb GmbH & Co KG for ENERGIEALLIANZ Austria GmbH that relate to the former e&t Handelsgesellschaft m.b.H. from the point in time of the merger (1 October 2015) were reclassified from proportionally consolidated companies to associated companies.

Furthermore, as per the purchase and assignment agreement dated 19 December 2013 and the closing protocol dated 7 October 2015, the shares in Kraftwerk Hofmühle Beteiligungs GmbH & Co KG were acquired in the 2015 financial year and, together with the general partner WIEN ENERGIE Hausmening Beteiligungs GmbH, merged with WIEN ENERGIE GmbH with retrospective effect from 30 September 2015.



# Consolidation principles

Capital consolidation applied the book value method. Differential amounts arising in the periods up to and including the 2008 financial year between the valuations of equity investments and the proportional share of equity in subsidiaries were recognised under the position 'Capital reserves' in accordance with Article 261, para. 1, of the Austrian Commercial Code (*UGB*).

Netting is performed as of the date of the first-time consolidation of the subsidiary in the consolidated financial statements. Shares in subsidiaries not held by the Group are recognised under the position 'Minority interests'. After 2008, positive differential amounts were recognised as goodwill, while negative differential amounts were netted with the Group's reserves.

During the consolidation of liabilities, licences, prepayments made, lendings, accounts receivable – trade, other receivables and accrued income are offset against the corresponding liabilities and provisions. All Group-internal expenses and income are offset in the course of the expenses and income consolidation of the Group subsidiaries in accordance with Article 257, para. 1, of the Austrian Commercial Code (*UGB*). In the event of Group-internal construction work, the associated revenues are reclassified as own work capitalised, provided that is actually is own work. Otherwise, the original expenses are reduced.

Intercompany results within the Group are eliminated in accordance with the principal of materiality. No elimination of temporary effects has been applied to companies valued under the equity method given that their influence on the overall standing of the Group is immaterial.

Deferred tax assets are not recognised in the consolidated financial statements as per the right to exercise this option.

The differential amounts resulting from the capital accounting of companies recognised applying the equity method and proportionately consolidated companies are determined according to the same principles applied to fully consolidated companies. Wherever possible and material, these valuations are adjusted to correspond to Group-wide valuation methods.

These consolidated financial statements are based to a certain extent on estimations and assumptions which have an influence on the values of assets and liabilities, the representation of other obligations on the balance sheet date, and on reporting of revenues and expenses during the period under review. The actual figures and amounts may deviate from these estimations.

# Notes to the Consolidated Balance Sheet

The numbering of the following explanations (notes) relates to that provided in the Consolidated Balance Sheet and the Consolidated Profit and Loss Account. The numbering is sequential and is without other relevance.



## (1) Fixed assets

For details of developments in specific fixed asset positions and a breakdown of depreciation and amortisation by asset type for the 2015 financial year, please refer to the Consolidated Statement of Changes in Tangible and Intangible Assets. The land value element of developed plots of land amounts to TEUR 207,604 (prior year: TEUR 191,480).

## (2) Intangible assets

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| 1. Licenses, industrial property rights and similar rights including associated licenses | 143,386,666 | 142,564,756 |
| 2. Goodwill | 12,866,452 | 12,398,605 |
| 3. Prepayments | 5,487,839 | 6,622,129 |
| **Intangible assets** | **161,740,956** | **161,585,490** |

## (3) Tangible assets

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| 1. Land, land rights and buildings, including buildings on non-owned land | 4,778,713,904 | 4,820,097,349 |
| 2. Plant and equipment | 4,135,436,216 | 4,092,861,336 |
| 3. Other equipment, operational and office equipment | 182,526,504 | 189,172,827 |
| 4. Prepayments and plant under construction | 867,508,393 | 672,902,690 |
| **Tangible assets** | **9,964,185,018** | **9,775,034,201** |

## (4) Financial assets

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| 1. Shares in affiliated companies (not consolidated)* | 62,201,958 | 71,447,808 |
| 2. Prepayments on shares in affiliated companies | 0 | 5,058,500 |
| 3. Lendings to affiliated companies (not consolidated) | 28,130,253 | 18,091,241 |
| 4. Shares in associated companies* | 8,521,772 | 7,637,674 |
| 5. Shareholdings* | 786,259,250 | 797,147,313 |
| 6. Lendings to companies in which shares are held | 16,312,171 | 21,614,759 |
| 7. Long-term financial investments and rights | 1,410,125,709 | 1,339,607,683 |
| 8. Other lendings | 110,192,415 | 49,459,162 |
| **Financial assets** | **2,421,743,529** | **2,310,064,140** |

* See the list of holdings for details

## Lendings 2015

in EUR

| | Total 31.12.2015 | of which term to maturity < 1 year | of which term to maturity > 1 year |
|---|---|---|---|
| Lendings to affiliated companies (not consolidated) | 28,130,253 | 255,472 | 27,874,782 |
| Lendings to companies in which shares are held | 16,312,171 | 6,993,817 | 9,318,354 |
| Other lendings | 110,192,415 | 23,400 | 110,169,015 |
| **Total** | **154,634,840** | **7,272,689** | **147,362,151** |

For details of the US CBLs contained in 'Other lendings', please refer to '(28) US cross-border lease transactions' in the Notes to the Consolidated Profit and Loss Account.



## Lendings 2014

in EUR

| | Total 31.12.2014 | of which term to maturity < 1 year | of which term to maturity > 1 year |
|---|---|---|---|
| Lendings to affiliated companies | 18,091,241 | 241,674 | 17,849,567 |
| Lendings to companies in which shares are held | 21,614,759 | 884,817 | 20,729,942 |
| Other lendings | 49,459,162 | 23,400 | 49,435,762 |
| **Total** | **89,165,162** | **1,149,891** | **88,015,271** |

## Securities held as non-current financial assets

in EUR

| | Carrying value 31.12.2015 | Fair value 31.12.2015 | Difference in EUR |
|---|---|---|---|
| WSTW I–V | 1,194,481,501 | 1,386,523,291 | 16.1% |
| Shares and investments | 193,207 | 264,695 | 37.0% |
| Depot US lease | 211,096,730 | 211,096,730 | 0.0% |
| Pension reinsurance | 4,354,272 | 4,354,272 | 0.0% |
| **Total** | **1,410,125,709** | **1,602,238,988** | **13.6%** |

Overall, the calculated values of the WSTW funds are higher than the carrying values as a result of the undisclosed reserves. The capital-weighted performance of the WSTW Fund YTD (1.1. – 31.12.2015) is positive, at + 0.73 percent, despite the conservative investment strategy and the challenging environment in financial markets.

## Structure of the WSTW fund portfolio at 31.12.2015

in percent

| | Difference in EUR |
|---|---|
| Money market, sight deposits at Austrian and European system-relevant banks | 38.93% |
| Bonds | 51.89% |
| Shares | 8.64% |
| Miscellaneous | 0.54% |
| **Total** | **100.00%** |

## (5) Current assets

## (6) Inventories

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| 1. Raw materials and supplies | 88,987,758 | 109,516,313 |
| 2. Finished products and goods | 170,038 | 187,326 |
| 3. Uninvoiced services | 4,335,663 | 3,585,968 |
| 4. Prepayments | 376,696 | 65,706 |
| **Inventory** | **93,870,155** | **113,355,313** |

## (7) Receivables and other assets

| in EUR | Total 31.12.2015 | of which term to maturity < 1 year | of which term to maturity > 1 year |
|---|---|---|---|
| Accounts receivable – trade | 261,112,539 | 257,557,053 | 3,555,486 |
| Accounts receivable – affiliated companies (not consolidated) | 4,166,518 | 4,166,518 | 0 |
| of which trade | 1,646,319 | 1,646,319 | 0 |
| Receivables from companies in which shares are held | 37,942,136 | 37,942,136 | 0 |
| of which trade | 31,780,840 | 31,780,840 | 0 |
| Other receivables and assets | 301,923,780 | 222,635,019 | 79,288,762 |
| **Total** | **605,144,973** | **522,300,726** | **82,844,247** |

## Receivables and other assets

| in EUR | Total 31.12.2014 | of which term to maturity < 1 year | of which term to maturity > 1 year |
|---|---|---|---|
| Accounts receivable – trade | 222,728,498 | 218,616,913 | 4,111,585 |
| Accounts receivable – affiliated companies (not consolidated) | 4,040,891 | 4,014,128 | 26,763 |
| of which trade | 986,759 | 959,995 | 26,763 |
| Receivables from companies in which shares are held | 43,857,911 | 43,857,911 | 0 |
| of which trade | 43,780,561 | 43,780,561 | 0 |
| Other receivables and assets | 261,764,620 | 187,829,557 | 73,935,064 |
| **Total** | **532,391,920** | **454,318,509** | **78,073,411** |

The position 'Other assets' in the 2015 financial year mainly recognises receivables due from the financial authorities as well as investment grants from the Federal Ministry for Transport, Innovation and Technology, the Lower Austrian Provincial Government and the City of Vienna, as well as the adjustment account pursuant to ElWOG 2010 and GWG 2011 (please refer to '3. Current assets' of the accounting and valuation principles). The position 'Other receivables and assets' recognises income in the amount of TEUR 69,571 (prior year: TEUR 67,034) which will only be recognised in income after the balance sheet date. Following the ruling of the Federal Fiscal Court dated 15 October 2015, Wiener Stadtwerke is entitled to claim back supplements to the employer contribution for the tenured and contracted employees allocated to serve the Company as per the Wiener Stadtwerke Allocation Act (*Zuweisungsgesetz*) paid since 1999. This has been recognised as a receivable from the tax authorities in the amount of TEUR 22,056. General valuation adjustments have been made in the amount of TEUR 342 (prior year: TEUR 437).

Specific valuation adjustments for accounts receivable – trade and for other receivables made during the course of the 2015 financial year amounted to TEUR 61,639 (prior year: TEUR 73,216).

## (8) Prepayments and accrued income

This position largely recognises additional amounts transferred to provisions for pension fund obligations in the amount of TEUR 139,063 (prior year: TEUR 181,124) in addition to prepayments for deliveries of natural gas.



## (9) Group equity

The capital stock in the amount of TEUR 500,000 (previous year: TEUR 500,000) is divided into 6,880,150 shares held by the City of Vienna. The capital reserves include restricted capital reserves in the amount of TEUR 94,798 (prior year: TEUR 94,798).

Of the retained earnings, TEUR 52,875 (prior year: 52,875) are statutory retained earnings the Company is legally required to hold. The retained earnings also include positive and negative differential amounts arising out of the first-time and subsequent consolidation of Group companies, in addition to foreign exchange-related differential amounts. The differential amounts recognised in equity at 31 December 2015 are made up as follows:

### Fully consolidated companies

| in EUR | 31.12.2015 | 31.12.2014 |
|---|---|---|
| WIENER NETZE GmbH | –243,387 | –243,387 |
| WIEN ENERGIE GmbH | 90,435,610 | 87,321,458 |
| ENERGIECOMFORT Energie- und Gebäudemanagement GmbH | 3,753,930 | 6,868,082 |
| Wien IT GmbH | –23 | –23 |
| WIENER LINIEN GmbH & Co KG | 126,380,113 | 126,380,113 |
| WIENER LINIEN GmbH | –875 | –875 |
| AG der Wiener Lokalbahnen | –676,500 | –676,500 |
| Wiener Lokalbahnen Verkehrsdienste GmbH | 1,275,833 | 1,275,833 |
| B&F Wien – Bestattung und Friedhöfe GmbH | 350,968 | 350,968 |
| WIENER STADTWERKE Vermögensverwaltung GmbH | –100,793 | –100,793 |
| Wiener Erdgasspeicher GmbH | 2,458,756 | 2,458,756 |
| WIPARK Garagen GmbH | –127,109 | –127,109 |
| Parkraum Wien Management GmbH | 163,515 | 163,515 |
| **Total** | **223,670,037** | **223,670,037** |

A differential amount of TEUR 3,114 restated between WIEN ENERGIE GmbH and ENERGIECOMFORT Energie- und Gebäudemanagement GmbH in the 2015 financial year as a result of the spin-off of the decentralised energy supply sub-division.

### Proportionately consolidated companies

| in EUR | 31.12.2015 | 31.12.2014 |
|---|---|---|
| ENERGIEALLIANZ Austria GmbH | 140,624 | 140,624 |
| PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG | –8,745 | –8,745 |
| **Total** | **131,878** | **131,878** |

## Subsidiaries consolidated under the equity method

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| e&i EDV Dienstleistungsgesellschaft m.b.H. | 103,529 | 103,529 |
| EPZ Energieprojekt Zurndorf GmbH & Co KG | –3,013,352 | –3,013,352 |
| e&t Energie Handelsgesellschaft m.b.H. | –66,189 | –66,189 |
| IWS TownTown AG | –350 | –350 |
| Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG | 188,969 | 188,969 |
| TELEREAL Telekommunikationsanlagen GmbH | –7 | –7 |
| **Total** | **–2,787,400** | **–2,787,400** |

Please refer to the Statement of Changes in Equity for more details.

## (10) Provisions

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Pensions | 3,097,083,789 | 3,114,907,333 |
| Severance payments | 82,131,187 | 68,131,764 |
| Taxes | 1,103,868 | 811,488 |
| Miscellaneous | 557,211,440 | 541,291,573 |
| **Total** | **3,737,530,284** | **3,725,142,158** |

For details of the valuation method applied to the provisions for pensions, please refer to the point 'Accounting and valuation principles' above.

There follows a breakdown of provisions for pension payments:

## Provision for pension obligations

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Provision for pension obligations | 3,097,083,789 | 3,114,907,333 |
| Less differential amounts not recognised in income (carried as accrued income) | –139,062,568 | –181,124,044 |
| **Net pension obligations** | **2,958,021,220** | **2,933,783,289** |

### Other provisions

The other provisions take into account obligations relating to environmental aspects, claims for restitution asserted by customers and invoices received. There also exists a provision relating to the sale of electricity from drawing rights and a provision relating to the withdrawal from a shareholding. Provisions exist for restoration obligations for real estate.



## (11) Liabilities

There follows a breakdown of Group liabilities by term to maturity:

## Liabilities 2015

in EUR

| | Total 31.12.2015 | of which term to maturity < 1 year | of which term to maturity 1 to 5 years | of which term to maturity > 5 years |
|---|---|---|---|---|
| Liabilities due to banks | 88,960,661 | 10,508,769 | 7,654,013 | 70,797,880 |
| Bonds | 200,000,000 | 0 | 30,000,000 | 170,000,000 |
| Advance payments received on orders | 20,232,290 | 20,232,290 | 0 | 0 |
| Accounts payable – trade | 312,286,115 | 310,134,931 | 1,978,349 | 172,835 |
| Accounts payable – affiliated companies (not consolidated) | 10,965,284 | 10,965,284 | 0 | 0 |
| thereof trade | 3,738,128 | 3,738,128 | 0 | 0 |
| Accounts payable – companies in which shares are held | 43,471,563 | 43,185,456 | 286,108 | 0 |
| thereof trade | 42,614,551 | 42,614,551 | 0 | 0 |
| Other liabilities | 611,978,683 | 331,751,893 | 116,849,278 | 163,377,512 |
| Other liabilities – tax | 134,358,434 | 134,358,434 | 0 | 0 |
| Other liabilities – social security | 12,517,460 | 12,517,460 | 0 | 0 |
| **Total** | **1,434,770,491** | **873,654,516** | **156,767,747** | **404,348,227** |

## Liabilities 2014

in EUR

| | Total 31.12.2014 | of which term to maturity < 1 year | of which term to maturity 1 to 5 years | of which term to maturity > 5 years |
|---|---|---|---|---|
| Liabilities due to banks | 155,973,671 | 67,837,603 | 16,866,308 | 71,269,760 |
| Bonds | 200,000,000 | 0 | 30,000,000 | 170,000,000 |
| Advance payments received on orders | 11,136,564 | 11,136,564 | 0 | 0 |
| Accounts payable – trade | 358,379,194 | 356,470,877 | 1,732,499 | 175,818 |
| Accounts payable – affiliated companies (not consolidated) | 7,367,345 | 7,367,345 | 0 | 0 |
| thereof trade | 2,334,905 | 2,334,905 | 0 | 0 |
| Accounts payable – companies in which shares are held | 18,473,796 | 17,618,394 | 855,403 | 0 |
| thereof trade | 16,878,933 | 16,878,933 | 0 | 0 |
| Other liabilities | 468,565,739 | 308,900,906 | 65,268,372 | 94,396,461 |
| Other liabilities – tax | 119,139,706 | 119,139,706 | 0 | 0 |
| Other liabilities – social security | 11,446,816 | 11,446,816 | 0 | 0 |
| **Total** | **1,350,482,831** | **899,918,210** | **114,722,582** | **335,842,040** |

In June 2013, WIENER STADTWERKE Holding AG borrowed EUR 200 million on the capital market by means of bonded loans and registered bonds. In January 2014, a bullet loan in the amount of EUR 70 million with a fixed interest rate and a term of 12 years was taken out with the European Investment Bank (EIB). A portion of the bonded loan from 2013 was refinanced in June 2015 (EUR 40 million). In the course of this transaction, the interest rate was changed from variable to fixed and the term adjusted.

Loans payable to the European Investment Bank (CHF 60 million) were hedged to eliminate currency-based risks in 2012 (fixed repayment amount of TEUR 49,562) and fully repaid in the 2015 financial year. The other liabilities are largely made up of obligations arising out of US cross-border lease transactions entered into by Wiener Linien (see point 28), liabilities due to the financial authorities, liabilities due to the City of Vienna and liabilities in connection with citizen solar power projects. In the course of the 2015 financial year, no mutual securitisations were issued. The position 'Other liabilities' recognises expenses in the amount of TEUR 34,827 (prior year: TEUR 19,647) which will only be recognised in income after the balance sheet date.

**Physical collateral**
The financing of additional shares in Verbund acquired in the course of a capital increase was based in part on the raising of a Lombard loan on the part of WEEV Beteiligungs GmbH. This loan is secured by a pledge relating to the Verbund shares acquired. Due to the decrease in the Verbund share price in 2015, it was necessary to increase the number of pledged shares to 499,971 as of 13 August 2015 and by a further 599,966 as of 15 September 2015. At 31 December 2015, WIENER STADTWERKE Holding AG had pledged 2,599,852 shares (prior year: 1,499,915) in Verbund. The rights to dividend payments are also covered by the pledges.

## (12) Accrued expenses and deferred income

The position 'Accrued expenses and deferred income' mainly relates to investment grants of TEUR 3,155,661 (prior year: TEUR 3,113,791) and grants for construction projects of TEUR 482,741 (prior year: TEUR 468,221) relating to fixed assets. These represent future revenues which are reversed to negate, to a certain extent, the depreciation expense over periods which parallel the scheduled depreciation of the relevant assets for which the grants were provided.

Investment grants from public funds in 2015 financial year were broken down as follows:

### Investment grants from public funds

in EUR

| | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Licences, including rights | 13,213,255 | 12,957,310 |
| Advance payments Intangible assets | 622,842 | 653,057 |
| **Total intangible assets** | **13,836,097** | **13,610,367** |
| Land and premises | 2,015,993,832 | 2,059,161,339 |
| Plant and equipment | 719,874,149 | 741,619,252 |
| Other equipment, operational and office equipment | 27,470,439 | 20,445,882 |
| Prepayments and plant under construction | 378,486,530 | 278,954,156 |
| **Total tangible assets** | **3,141,824,951** | **3,100,180,628** |
| **Investment grants from public funds** | **3,155,661,048** | **3,113,790,995** |

## (13) Contingent liabilities/assets

At the balance sheet date, the Group recognised contingent liabilities in the amount of TEUR 344,346 (prior year: TEUR 500,860). These liabilities are offset by contingent assets in the amount of TEUR 172,460 (prior year: TEUR 256,438). The contingent liabilities stated include US cross-border lease transactions entered into by WIENER LINIEN GmbH & CO KG in the amount of TEUR 172,460 (prior year: TEUR 246,783). These liabilities are offset by means of rights of recourse in the same amount recognised as assets.

In the 2015 financial year, there was a change in contingent liabilities / assets as a result of the US cross-border lease transactions (see the table under point 28).

Including the US cross-border lease transactions in the balance sheet (around EUR 90 million) cancels out the previous contingent liability and contingent asset of the same amount.

The remaining contingent liabilities relate predominantly to liability bonds issued in favour of EconGas GmbH and Verbund, and comfort letters and guarantees issued in favour of Oemag Abwicklungsstelle für Ökostrom AG, AWISTA GmbH, Gate Terminal Rotterdam, Town Town Immobiliendevelopment GmbH & Co, ORBI Tower KG and for locomotives owned by Wiener Lokalbahnen Cargo GmbH. A number of restricted and unrestricted letters of comfort and guarantees have been issued on behalf of e&t Energie Handelsgesellschaft (merged with ENERGIEALLIANZ Austria GmbH since 1 October 2015). Taking into account the contracts concluded by ENERGIEALLIANZ Austria GmbH with its trading partners, the net liability position amounts to TEUR 52,966 (prior year: TEUR 49,064). In the event that the guarantees and or letters of comfort issued in favour of trading partners of e&t Energie Handelsgesellschaft m.b.H. are called in or exercised by the same, then WIEN ENERGIE GmbH may assert rights of recourse against the remaining shareholders in the amount of TEUR 19,814 (prior year: TEUR 17,610).

Guarantees to credit institutions have been issued to Finanzierungs-Services GmbH amounting to TEUR 870,000 (prior year: TEUR 870,000). Given that no credit lines secured by guarantees had been utilised as at 31 December 2015, these guarantees do not appear on the balance sheet or as contingent liabilities.



# Notes to the Consolidated Profit and Loss Account

## (14) Turnover

By segment in EUR

| | External revenues 2015 | Intra-segment revenues 2015 | External revenues in 2014 | Intra-segment revenues 2014 |
|---|---|---|---|---|
| Energy | 2,297,441,976 | 327,037,447 | 2,271,601,023 | 277,205,341 |
| Transport | 592,907,336 | 1,353,260 | 586,017,008 | 1,236,405 |
| Funeral services | 70,098,286 | 15,966,501 | 69,960,621 | 15,315,177 |
| Parking facility management | 20,953,994 | 186,938 | 17,769,884 | 180,744 |
| Miscellaneous | 91,701,391 | 0 | 88,679,657 | 0 |
| Intra-segment revenues* | –132,809,013 | 132,809,013 | –129,250,148 | 129,250,148 |
| **Total** | **2,940,293,970** | **477,353,159** | **2,904,778,045** | **423,187,816** |

* The line intra-segment revenues relates to revenues generated between business segments.

For details of the Group's various segments, please refer to the Group Management Report in the section on segment reporting.

Revenues generated abroad represent an insignificant proportion of the revenues of the Wiener Stadtwerke Group.

## (15) Other operating income

in EUR

| | 2015 | 2014 |
|---|---|---|
| Income from the disposal of and additions to non-current assets, excluding financial assets | 8,079,137 | 4,820,197 |
| Income from the reversal of provisions | 29,005,061 | 21,867,587 |
| Remaining | 673,521,958 | 665,940,604 |
| **Other operating income** | **710,606,156** | **692,628,387** |

The position 'Other operating income' includes income from the reversal of investment grants in the amount of TEUR 131,725 (prior year: TEUR 132,713), building grants in the amount of TEUR 44,633 (prior year: TEUR 60,164) as well as subsidies received from the City of Vienna relating to the operations of Wiener Linien & Co KG. Furthermore, the income from prior periods for DU receivables from the tax authorities is also shown here.

All income generated by non-core business activities (e.g. IT services, renting of advertising space, etc.) is also recognised under this position.

## (16) Cost of materials and other manufacturing services

in EUR

| | 2015 | 2014 |
|---|---|---|
| Cost of materials and services | 674,208,818 | 690,347,429 |
| Cost of services purchased | 681,998,930 | 740,418,267 |
| **Cost of materials and other manufacturing services** | **1,356,207,748** | **1,430,765,695** |

## (17) Personnel expenses

In order to present a clear picture in the profit and losses account, the interest-bearing portions of the provisions relating to pensions / severance pay / anniversary pay and loyalty bonuses are no longer included in personnel expenses from the 2015 financial year but instead in the financial result as an interest expense (see item 16 'Interest and similar expenses' in the profit and loss account). If the personnel-related provisions recognised in profit or loss had been broken down into personnel expenses and the interest-bearing portions in the prior year (2014 financial year), the interest expense (in the financial result) in the 2014 financial year would have been approximately EUR 81 million higher and thus personnel expenses would have been correspondingly lower.

in EUR

| | 2015 | 2014 |
|---|---|---|
| 1. Wages | 418,821,145 | 413,146,161 |
| 2. Salaries | 367,596,478 | 354,506,061 |
| 3. Expenses for severance payments and contributions to occupational pension funds | 19,989,265 | 9,571,693 |
| 4. Pension fund contributions | 93,273,365 | 218,482,623 |
| 5. Expenses for legally prescribed social expenses and salary-related charges and mandatory contributions | 167,241,990 | 165,289,160 |
| 6. Other social expenditure | 4,433,555 | 4,445,895 |
| **Personnel expenses** | **1,071,355,798** | **1,165,441,594** |

The total remuneration received by members of the Management Board amounted to TEUR 1,278 (prior year: TEUR 1,054). The difference compared with the prior year is primarily due to the fact that the Management Board comprised four members again from 1 December 2014. A total of TEUR 52 (prior year: TEUR 55) was paid to members of the Supervisory Board in the 2015 financial year.

The workforce is made up as follows:

## Average headcount in FTEs

Average FTEs

| | 2015 | 2014 |
|---|---|---|
| Wage earners | 9,551 | 9,638 |
| Salaried employees | 6,156 | 6,087 |
| Apprentices / trainees | 390 | 389 |
| **Total*** | **16,097** | **16,114** |

* Excluding those on parental leave, military and civilian service

## Severance payments

in EUR

| | 2015 | 2014 |
|---|---|---|
| Board members and senior managers | 189,201 | –41,804 |
| Other employees | 19,800,064 | 9,613,497 |
| **Severance payments** | **19,989,265** | **9,571,693** |

## Pension fund contributions

in EUR

| | 2015 | 2014 |
|---|---|---|
| Board members and senior managers | 2,000,227 | 1,318,299 |
| Other employees | 91,273,138 | 217,164,324 |
| **Pension fund contributions** | **93,273,365** | **218,482,623** |

The expenses for severance payments and pension fund contributions also include adjustments in addition to the severance and pension expenses actually settled. The expenses for severance payments also include contributions in the amount of TEUR 4,261 (prior year: TEUR 3,804) made to occupational pension funds.

## (18) Depreciation of tangible assets and amortisation of intangible assets

For details regarding the depreciation of tangible assets and amortisation of intangible assets by asset type, please refer to the Consolidated Statement of Changes in Tangible and Intangible Assets.

in EUR

| | 2015 | 2014 |
|---|---|---|
| 1. Depreciation and amortisation of tangible and intangible assets | 532,987,661 | 517,918,380 |
| of which impairment charges relating to fixed assets pursuant to Article 204 (2) UGB | 920,164 | 0 |

## (19) Other operating expenses

in EUR

| | 2015 | 2014 |
|---|---|---|
| Taxes in as far as these are not included under 'Taxes on income and earnings' | 58,526,230 | 59,257,566 |
| Remaining | 554,574,778 | 516,821,626 |
| **Other operating expenses** | **613,101,008** | **576,079,192** |

The remaining operating expenses relate mainly to expenses for maintenance amounting to TEUR 215,538 (prior year: TEUR 202,039), transport amounting to TEUR 65,736 (prior year: TEUR 63,947), rent amounting to TEUR 39,124 (prior year: TEUR 38,231), cleaning amounting to TEUR 31,457 (prior year: TEUR 32,173), advertising amounting to TEUR 23,926 (prior year: TEUR 22,648) and legal and consulting fees amounting to TEUR 22,047 (prior year: TEUR 24,197).

Auditing expenses (Article 266 (11) of the Austrian Commercial Code [*UGB*]) A total of TEUR 1,065 was expended for audits performed by the Group's auditor in the 2015 financial year (including network companies). These expenses are broken down as follows:

## Auditing expenses (Article 266 (11) of the Austrian Commercial Code [*UGB*])

in EUR

| | 2015 |
|---|---|
| Audit expenses | 28,500 |
| Expenses for other audit-like services | 466,700 |
| Expenses for tax consulting services | 68,339 |
| Expenses for other services | 501,704 |
| **Total** | **1,065,243** |

## (20) Income from investments

in EUR

| | 2015 | 2014 |
|---|---|---|
| Income from shareholdings | 26,659,160 | 58,774,628 |
| of which from affiliated companies (not consolidated) | 2,120,436 | 2,732,936 |

## (21) Income from other securities and lendings of non-current financial assets

in EUR

| | 2015 | 2014 |
|---|---|---|
| Income from other securities and lendings of non-current financial assets | 9,335,947 | 11,273,947 |
| of which from affiliated companies (not consolidated) | 278,093 | 335,831 |

## (22) Other interest and similar income

in EUR

| | 2015 | 2014 |
|---|---|---|
| Other interest and similar income | 5,693,143 | 6,267,424 |
| of which from affiliated companies (not consolidated) | 27,064 | 28,492 |

## (23) Income/expenses from associated companies

in EUR

| | Balance at 01.01.2015 | Additions/ pro-rata result | Impair-ments | Dividends paid | Balance at 31.12.2015 |
|---|---|---|---|---|---|
| Total | 7,637,674 | 1,050,994 | 0 | –166,896 | 8,521,772 |

## (24) Expenses associated with financial assets and available-for-sale securities

in EUR

| | 2015 | 2014 |
|---|---|---|
| Expenses associated with financial assets and available-for-sale securities | 45,313,745 | 12,243,072 |
| of which writedowns | 28,321,876 | 12,224,659 |
| of which expenses relating to affiliated companies | 0 | 0 |

Depreciation relates primarily to write-downs on investments in the energy sector.

## (25) Taxes on income and earnings

Taxes on income and earnings amounted to TEUR 217 (prior year: TEUR 43) in the 2015 financial year. This figure includes income from the reallocation of tax assets and liabilities between non-consolidated affiliated companies (*Gruppensteuerumlage*) in an amount of TEUR 223 (prior year: TEUR 134).

Deferred tax assets amount to TEUR 38,882 (prior year: 38.823 TEUR) and were not recognised under Article 258 of the Austrian Commercial Code (*UGB*).

## (26) Changes in reserves

Please refer to the table 'Consolidated Statement of Changes in Equity' for an overview of changes in reserves.



## (27) Other financial obligations as defined by Article 266 (2) of the Austrian Commercial Code

Future obligations arising out of the use of tangible assets not reported in the consolidated financial statements are as follows:

in EUR

| | 2015 |
|---|---|
| of which relating to next year | 37,889,090 |
| of which relating to the next five years | 189,307,035 |

## (28) US cross-border lease transactions

In 1990, Wiener Linien entered into US LILO (lease in / lease out) transactions relating to underground trains and trams. This involved leasing the vehicles to a US trust under a so-called head lease. At the same time, Wiener Linien leased the vehicles back from the trust under a sub-lease. The US trust made a leasing prepayment to Wiener Linien, the amount of which was such that two securities deposit accounts (a debt and an equity securities deposit account) could be funded to meet the sub-leasing obligations. The inflow of funds in excess of that required by the securities deposit accounts (net cash value advantage) is recognised as an accrual and is reversed over the term of the leasing agreements under the position other interest and similar income. As a result of Bank Austria Leasing taking over the payment obligations for the borrowed portion of the sub-lease instalments (payment undertaking agreement), the debt securities deposit account is balanced in the same amount against the US trust and is therefore not recognised on the balance sheet. However, given that the Company remains liable for the as yet unredeemed portion of the sub-lease obligations, this amount is reported under the position contingent liabilities. The securities held in the equity securities deposit account serve to collateralise the remaining sub-lease payments to be made by the Company.

In the financial years 1999, 2001 and 2003, further US lease transactions were concluded in the form of a service contract structure. Given that it was possible to entirely transfer the payment obligations to financial institutions (payment undertakers), the balance sheet only recognises the net inflow of cash as an accrual. As in the case of the earlier transactions, the amount recorded as an accrual is being reversed in line with the term of the lease agreement under the position other interest and similar income. The payment obligations transferred to the contractual partners by means of the payment undertakings agreements are reported as contingent liabilities.

These financial transactions were entered into in USD. Their translation into EUR was based on historical exchange rates. The remaining receivables and payables in USD on the balance sheet date are maturity congruent and may be regarded as closed out positions. Given that the payment obligations transferred to the contractual partners by means of the PUAs entail residual performance risk borne by Wiener Linien in the event of the contractual partners defaulting, this is taken into account in the annual financial statements as follows:

- With regard to the contractual partner the performance by whom is also covered by a public guarantee obligation, the risk of default may be considered to be extremely low, as a result of which, and based on the assessment of the Company, no need exists to take any impairment charges in the annual accounts.
- A provision has been set up for the contractual partner AIG (American International Group) which has a rating of under AA, issued by Standard & Poor's, and for which none of the abovementioned forms of collateral exist. The amount of the provision is determined on the basis of the historical probability of default measured using the rating of the contractual partner and the residual term to maturity of the transactions. As at 31 December 2015, transferred obligations (discounted future payment obligations) exist in an amount of TEUR 47,971 (prior year: TEUR 40,546) for which provisions in the annual financial statements as at 31 December 2015 amounting to TEUR 663 (prior year: TEUR 667) have been set up (i.e. TEUR 4 have been added and recognised in income).

**Specifics/events after the conclusion of the contract:**

- The transactions concluded in 1998 were subsequently restructured in December 2003. This involved restructuring those portions concluded with the investor Bank of America (then NationsBank) relating to underground and tram vehicles from a LILO to a service contract structure, whereby an additional net cash value advantage was generated for Wiener Linien.

In 2008, a rating downgrade of the collateral provider AIG necessitated additional collateral in the form of US treasury bonds being tendered. These securities are pledged to the investor, Bank of America. In February 2009, a valuation unit for accounting purposes was established by means of a foreign currency loan.

The effective date for assessing the intrinsic value of the collateral is always on 15 January of every year. The securities and associated foreign currency loan expired in the past financial year. As of 2014, Wiener Linien has been purchasing rolling, one-year US government bonds in an amount that exactly reflects the difference to be made up between the termination value and the equity securities deposit account. This difference fluctuates every year, with the tendency to decline as the transaction matures. At the same time, a foreign currency exchange forward contract is concluded every year, which enables US dollars to be available in a year to be converted without any exchange rate risk. By means of this approach, it is possible to terminate the arrangement annually (e.g. if the underlying CBL transaction no longer exists) with the same low level of risk as the annual adjustment made to the respective securitisation requirement.

- On the initiative of the investor, in 2006 the Trusts Fleetbank 1998-1 and -2 associated with the first US lease transaction were terminated prematurely and the relevant liabilities vis-à-vis the investor were settled through the assignment of the US treasury bonds held. In January 2009, the second tranche of the third US cross-border lease transaction was terminated prematurely. However, one component of the transaction (*B-Kreditseite*), with Bank Austria UniCredit Group as the lender, including the associated PUA (PUA depot holder: BAWAG-PSK), remains in effect. Due to the elimination of the underlying transaction, the relevant amounts were de-recognised as contingent liabilities and contingent assets and recognised on the balance sheet as amounts with identical volumes carried as liabilities due to banks and receivables arising out of non-current financial assets respectively. This PUA expired at the end of 2013 and is no longer recognised on the balance sheet.
- In May 2009, the fourth US cross-border lease transaction was also terminated prematurely. The remaining component of the transaction *(B-Kreditseite)*, with Kommunalkredit Austria AG as the lender and Portigon as the securities deposit account holder, has been recorded on the balance sheet in the same manner as the second tranche of the third US cross-border lease transaction. Given that this transaction involved the inclusion of 20 vehicles owned by Wiener Lokalbahnen AG by means of a power of attorney issued by Wiener Linien acting in its own name but on the account of a third party, these include receivables and payables relating to the transactions (*B-Kredit* / B-PUA and pro rata WLB shares) irrespective of a later transfer of risks and costs on the part of Wiener Lokalbahnen AG. For commercial reasons, components of the payment undertaking agreements relating to equity remained effective, with the repayment in USD, however, being in favour of Wiener Linien and completed by the end of 2013. At the end of 2014, the public guarantee obligation of the German state of North Rhine-Westphalia, and hence the prepayment instrument (B-PUA) with WestLB (now Portigon), expired, while the outstanding loan would still have been outstanding until 2026. In December 2014, it was possible to terminate both the borrowed capital prepayment instrument and the associated loan definitively following negotiations with the contract partners.
- In June 2009 and at the request of the investor, the remaining components of the second US cross-border lease transaction (Trusts FA 1998-1 and 2) were terminated prematurely and the relevant liability due to the investor was settled by means of the assignment of the US treasury bonds held. The payment undertaking agreement and the loan were also terminated (resulting in the elimination of the contingent liability).
- In July 2011, an exchange of the equity PUA for US treasury bonds was implemented with SwissRE Financial Products Corp. relating to the fifth US cross-border lease transaction (Trusts FT 2003-1 and 2). Due to the amendment of the contract, the relevant amounts were recognised in identical volumes as liabilities vis-a-vis US trusts and recognised on the balance sheet as non-current financial assets rather than as contingent liabilities.
- In March 2015, an exchange of the equity PUA for US treasury bonds was implemented with UniCredit Bank Austria relating to the third US cross-border lease transaction (Trusts FB1999-1 and 2). Due to the circumstances regulated in the contract, the relevant amounts were recognised in identical volumes as liabilities vis-a-vis US trusts and recognised as non-current financial assets. The existing payment obligation vis-a-vis UniCredit Bank Austria under contingent assets was recognised as an additional item on the balance under 'Other lendings'. The contractually agreed payments were hedged by foreign exchange futures to mitigate foreign exchange risk. These enable US dollars to be available at a particular point in time to be converted without any exchange rate risk.

The following positions associated with US lease transaction are reported in the balance sheet:



## US cross-border lease transactions

| in TEUR | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Non-current financial assets** | | |
| Depots for US lease I and R | 120,819 | 114,429 |
| Depot to recollateralise US lease R | 21,016 | 28,164 |
| Depot for US lease IIIa | 51,447 | 0 |
| Depot for US lease V | 17,814 | 17,029 |
| **Total** | **211,096** | **159,622** |
| **Other lendings** | | |
| Prepayment instruments | 0 | 0 |
| at BACA (US lease IIIa) and | 50,014 | 0 |
| at AIG (US lease R) | 42,043 | 0 |
| **Total** | **92,057** | **0** |
| **Positive balances at banks** | | |
| (associated with the PUA for US lease IV (Bank Austria UniCredit Group) State Street, Trust SS1998-2) | 352 | 1 |
| **Provisions** | **663** | **667** |
| **Other US trust obligations** | **232,474** | **131,457** |
| **Accrued expenses and deferred income** | | |
| Deferred fair value of US lease transactions | 9,471 | 10,976 |
| **Contingent liabilities = contingent assets** | **172,460** | **246,783** |

## (29) Financial instruments

The derivative-based financial instruments serve to hedge energy sector exposures and exchange rate risks. These are treated as anticipatory hedges and offset underlying operational business in the future.

The derivative financial instruments of the companies concerned (WIEN ENERGIE GmbH and WIEN ENERGIE Vertrieb GmbH & Co KG) are comprised as follows as at the balance sheet date (adjusted for intra-Group relationships).

## Financial instruments

| in TEUR | Nominal value* 2015 | Fair value** 2015 | Nominal value* 2014 | Fair value** 2014 |
|---|---|---|---|---|
| Electricity forward contracts purchased | 386,605 | –44,266 | 383,381 | –42,263 |
| Electricity forward contracts sold | 340,346 | 18,043 | 206,318 | 8,113 |
| Electricity fin. swaps or futures | | | | |
| I. Purchased | 119,101 | –18,228 | 151,443 | –23,676 |
| II. Sold | 6,753 | 410 | 16,012 | 943 |
| Oil swaps purchased | 4,784 | –1,695 | 0 | 0 |
| Gas forward contracts purchased | 86,592 | –14,497 | 66,038 | –6,324 |
| Gas forward contracts sold | 7,138 | 526 | 0 | 0 |
| Gas swaps purchased | 14,286 | –4,454 | 18,836 | –1,938 |
| Gas options purchased | 7,362 | –2,876 | 10,228 | –2,267 |
| $CO_2$ certificates purchased | 2,578 | 48 | 1,980 | 288 |
| Coal swaps | 5,537 | –609 | 6,868 | –360 |
| CHF swaps | 0 | 0 | 49,900 | 337 |

* The nominal value is equivalent to the contractual volume (agreed volume x agreed price). ** The fair value is equivalent to the market value.

The fair values were determined on the basis of market parameters (quantity, price, maturity). The contracts or forwards refer to electricity supply deals concluded by e&t Energie Handelsgesellschaft m.b.H. (merged with ENERGIEALLIANZ Austria GmbH since 1 October 2015).

Oil swaps were concluded to limit the costs of primary energy sources in the 2015 financial year. Electricity futures were either physically satisfied or financially settled. Swaps in the gas segment relate to forwards that are fulfilled by means of a financial settlement.

The financial swaps or futures held on the balance sheet date are balanced by asset-backed securities in the amount of TEUR 2,790 (prior year: TEUR 2,907) recognised under other receivables and unrealised losses (negative variation margins) from contracts in the amount of TEUR 18,227 (prior year: TEUR 18.411) under the position 'Accrued income and prepayments'.

In order to fix the variable cost of producing electricity in thermal power plants, valuations were therefore made for forward electricity-based and gas-based transactions which have led to provisions for negative fair values in the amount of TEUR 1,150 (prior year: TEUR 2,507) in the case of gas forward rate agreements and TEUR 200 (prior year: TEUR 338) in the case of electricity forward rate agreements.

At WIEN ENERGIE GmbH and WIEN ENERGIE Vertrieb GmbH & Co KG, derivative transactions were concluded to physically and, in particular, financially hedge procurement in line with supply obligations to the customer. The procurement-related hedging transactions are offset by highly probable sales transactions on the customer's side (clearly identifiable link between hedging and underlying transaction or the change in value of hedging transactions and future quasi-secure underlying transactions). This results in the possibility to create a cash-generating unit between forward transactions concluded before the balance sheet date and electricity sales becoming effective after the balance sheet date. These accounting principles are supported by the AFRAC statement 'Accounting for derivatives and hedging transactions under company law' from 2014.

Moreover, a valuation unit was created in the 2014 financial year in connection with power-drawing rights through which coal and $CO_2$ allocations hedged by means of derivatives are offset against electricity sales transactions.

## (30) Consolidated Cash Flow Statement

Cash and cash equivalents are the sum of the cash and bank balance positions as well as cash pooling receivables from and payables to non-consolidated affiliated companies. In contrast to prior years, cash pooling receivables from and payables to non-consolidated affiliated companies are presented under cash and cash equivalents instead of under working capital.

The prior year has also been correspondingly restated in the Consolidated Cash Flow Statement to ensure comparability.



# Other information

**Cash pooling**
In order to achieve efficient working capital management and optimise interest-based revenues and expenses, the Wiener Stadtwerke Group introduced a Group-wide cash pooling scheme with effect from 1 July 2010.

A related framework agreement was concluded between Wiener Stadtwerke Finanzierungs-Services GmbH, as the pool leader (master company) and the group subsidiaries (pool companies) participating in the cash pooling scheme. Furthermore, an agreement was also concluded between the cash pool members (including Wiener Stadtwerke Finanzierungs-Services GmbH) and the bank managing the cash pool. A Group policy document was also introduced. This contract and the Group-level guideline document define the rules for exchanging information, billing charges and interest, the inclusion of new cash pool members as well as the options to terminate cash pooling.

**Executive bodies**
The Management Board was made up of the following members during the financial year:
- Martin Krajcsir (CEO)
- Gabriele Domschitz
- Robert Grüneis
- Marc Hall (until 31.12.2015)

Peter Weinelt became a member of the Management Board from 1 January 2016.

During the reporting period, the following individuals served as Supervisory Board members:
- Erich Hechtner (Chairman)
- Dietmar Griebler (First Vice-Chairman until 16.04.2015, Vice-Chairman from 16.04.2015, First Vice-Chairman from 19.10.2015)
- Meinhard Eckl (Second Vice-Chairman until 16.04.2015)
- Andrea Faast (member from 16.04.2015, Second Vice-Chairwoman from 19.10.2015)
- Andreas Bauer
- Michael Bauer
- Michael Holoubek
- Kurt Januschke
- Brigitte Jilka
- Günther Koch
- Stephan Koren (until 16.04.2015)
- Maria Kubitschek (from 16.04.2015)
- Werner Muhm (until 16.04.2015)
- Sigrid Oblak
- Karin Rest (from 16.04.2015)

During the past financial year, no material transactions other than those applying arm's-length conditions were entered into with any companies or individuals associated with the Group.

## The Management Board
Vienna, 30 March 2016

**Martin Krajcsir**
(CEO)

**Gabriele Domschitz**

**Robert Grüneis**

**Peter Weinelt**

# 04

# AUDITOR'S REPORT

## Report on the consolidated financial statements

We have audited the consolidated financial statements of WIENER STADTWERKE Holding AG Vienna for the financial year from 1 January 2015 to 31 December 2015. These statements comprise the Consolidated Balance Sheet as at 31 December 2015, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year to 31 December 2015, as well as the Notes to the Consolidated Financial Statements.

## Responsibility of the legal representatives of the Company for the Consolidated Financial Statements in conjunction with the accounting records.

The Company's legal representatives are responsible for its accounting and for the preparation of consolidated annual financial statements which, to the maximum extent possible, present a true and fair view of the Group's assets, finances and earnings in accordance with the Austrian Commercial Code *(UGB)*. This responsibility includes: designing, implementing and maintaining an internal control system, to the extent that this is relevant to the preparation of consolidated annual financial statements and to the presentation of a true and fair view of the Group's assets, finances and earnings, such that these statements are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting and valuation methods; and making estimates which are reasonable under the circumstances.

## Auditors' responsibilities, and description of the nature and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated annual financial statements based on our audit. We conducted our audit in accordance with Austrian statutory requirements and generally accepted accounting principles. These principles require that we comply with the relevant codes of professional conduct, and plan and perform the audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. An audit involves the performance of audit procedures to obtain evidence about the amounts and other disclosures in the consolidated financial statements. The selection of these procedures is at the due discretion of the auditors, taking into account their assessment of the risk of material misstatement due to fraud or error. In making this risk assessment, the auditors consider the internal control system, to the extent relevant to the preparation of the consolidated financial statements and the presentation of a true and fair view of the Group's assets, finances and earnings, in order to arrive at audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls. Furthermore, the audit also includes the assessment of the appropriateness of the accounting principles applied and material estimates made by the legal representatives of the Company, as well as the evaluation of the overall financial statement presentation. We believe that the audit evidence obtained is sufficient and appropriate to provide a sound basis for our audit opinion.



## Opinion

Our audit gave rise to no objections. Based on the results of our audit, in our opinion the consolidated financial statements to the maximum possible extent conform to the legal regulations, and present a true and fair view of the Group's assets and finances as at 31 December 2015, as well as its earnings and cash flows for the financial year from 1 January 2015 to 31 December 2015, in accordance with Austrian statutory requirements and generally accepted accounting principles.

## Opinion on the Consolidated Management Report

The legal regulations require us to audit the Consolidated Group Management Report to determine whether it is consistent with the consolidated financial statements and whether the other disclosures made in the Management Report do not present a false view of the Group's position. The auditor's report must also contain a statement as to whether the Group Management Report is consistent with the consolidated financial statements. In our opinion the Group Management Report is consistent with the consolidated financial statements.

Vienna, 30 March 2016

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.
Elfriede Baumann, Certified Public Auditor
Stefan Uher, Certified Public Auditor

# 05

# OVERVIEW OF SCOPE OF CONSOLIDATION



## List of holdings

### Fully consolidated companies

| Interest in % | WSTW Holding AG | WSTW Holding Group |
|---|---|---|
| 1. WIENER STADTWERKE Holding AG, Thomas-Klestil-Platz 14, 1030 Vienna | 100.00 | 100.00 |
| 2. WIEN ENERGIE GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 100.00 | 100.00 |
| 3. WIENER NETZE GmbH, Erdbergstraße 236, 1110 Vienna | 100.00 | 100.00 |
| 4. ENERGIECOMFORT Energie- und Gebäudemanagement GmbH, Thomas-Klestil-Platz 15, 1030 Vienna | 0.00 | 100.00 |
| 5. WIENER LINIEN GmbH, Erdbergstraße 202, 1030 Vienna | 100.00 | 100.00 |
| 6. WIENER LINIEN GmbH & Co KG, Erdbergstraße 202, 1030 Vienna | 100.00 | 100.00 |
| 7. B&F Wien - Bestattung und Friedhöfe GmbH, Simmeringer Hauptstraße 339, 1110 Vienna | 100.00 | 100.00 |
| 8. FRIEDHÖFE WIEN GmbH, Simmeringer Hauptstraße 339, 1110 Vienna | 0.00 | 100.00 |
| 9. WienIT EDV Dienstleistungsgesellschaft mbH, Thomas-Klestil-Platz 6, 1030 Vienna | 100.00 | 100.00 |
| 10. WienIT EDV Dienstleistungsgesellschaft mbH & Co KG, Thomas-Klestil-Platz 6, 1030 Vienna | 100.00 | 100.00 |
| 11. Parkraum Wien Management GmbH, Würtzlerstraße 3/4, 1030 Vienna | 100.00 | 100.00 |
| 12. WIPARK Garagen GmbH, Würtzlerstraße 3/4, 1030 Vienna | 99.37 | 100.00 |
| 13. Aktiengesellschaft der Wiener Lokalbahnen, Eichenstraße 1, 1121 Vienna | 99.94 | 100.00 |
| 14. Wiener Lokalbahnen Verkehrsdienste GmbH, Eichenstraße 1a, 1120 Vienna | 0.00 | 100.00 |
| 15. Wiener Lokalbahnen Cargo GmbH, Freudenauer Hafenstraße 8-10, 1020 Vienna | 0.00 | 100.00 |
| 16. WIENER STADTWERKE Vermögensverwaltung GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 100.00 | 100.00 |
| 17. WIENER STADTWERKE Finanzierungs-Services GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 18. WSTW TownTown GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 19. WSTW TownTown GmbH & Co Residenz KG, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 20. WSTW TownTown GmbH & Co Stationsturm KG, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 21. BESTATTUNG Wien GmbH, Simmeringer Hauptstraße 339, 1110 Vienna | 0.00 | 100.00 |
| 22. BFW Gebäudeerrichtungs- u. Vermietungs GmbH, Simmeringer Hauptstraße 339, 1110 Vienna | 0.00 | 100.00 |
| 23. BFW Gebäudeerichtungs- u. Vermietungs GmbH & Co KG, Simmeringer Hauptstraße 339, 1110 Vienna | 0.00 | 100.00 |
| 24. WIEN ENERGIE Bundesforste Biomasse Kraftwerk GmbH, 1. Haidequerstraße 1, 1110 Vienna | 0.00 | 66.67 |
| 25. Wien Energie Bundesforste Biomasse Kraftwerk GmbH & Co KG, 1. Haidequerstraße 1, 1110 Vienna | 0.00 | 66.67 |
| 26. Wiener Erdgasspeicher GmbH, Erdbergstraße 236, 1110 Vienna | 0.00 | 100.00 |
| 27. Beteiligungsmanagement IWS Verwaltungs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 28. Vienna Energy Természeti Erö KFT, Aradi utca 16, HU-1062 Budapest, Hungary | 0.00 | 100.00 |

### Proportionally consolidated subsidiaries

| Interest in % | WSTW Holding AG | WSTW Holding Group |
|---|---|---|
| 1. WIEN ENERGIE Vertrieb GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 2. ENERGIEALLIANZ Austria GmbH, Wienerbergstraße 11, 1100 Vienna | 0.00 | 45.00 |
| 3. PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG, Kasernenstraße 9, 7000 Eisenstadt | 0.00 | 50.00 |

# Overview of scope of consolidation

## Subsidiaries consolidated under the equity method

Interest in %

| | WSTW Holding AG | WSTW Holding Group |
|---|---|---|
| 1. e&i EDV Dienstleistungsgesellschaft m.b.H., Thomas-Klestil-Platz 6, 1030 Vienna | 0.00 | 50.00 |
| 2. e&t Energie Handelsgesellschaft m.b.H., Wienerbergstrasse 11, 1100 Vienna (merged with ENERGIE ALLIANZ Austria GmbH from 01.10.2015; e&T in the Group as at 30.09.2015) | 0.00 | 45.00 |
| 3. IWS TownTown AG, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 44.00 |
| 4. EPZ Energieprojekt Zurndorf GmbH & Co KG, Kasernenstrasse 9, 7000 Eisenstadt | 0.00 | 42.40 |
| 5. TELEREAL Telekommunikationsanlagen GmbH, Mollardgasse 8/19, 1060 Vienna | 0.00 | 25.00 |
| 6. EconGas GmbH, Donau-City-Strasse 11, 1220 Vienna | 0.00 | 16.51 |
| 7. Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Am Hof 6a, 1010 Vienna | 0.00 | 33.33 |

## Companies not included in the full scope of consolidation */**

Interest in %

| | WSTW Holding AG | WSTW Holding Group |
|---|---|---|
| 1. WIENSTROM Naturkraft GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 2. WIENSTROM Naturkraft GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 3. SERVISKOMFORT s.r.o.,Volgogradská 88, SK-08001 Prešov, Slovakia | 0.00 | 100.00 |
| 4. Vienna Energy forta naturala S.R.L., Street Sfanta Vineri, no.29, Bectro-Center, RO-030203 Bucharest, Romania | 0.00 | 100.00 |
| 5. HAUSCOMFORT GmbH, Thomas-Klestil-Platz 15, 1030 Vienna | 0.00 | 100.00 |
| 6. Energiecomfort Hungary Energetik, Régi Vámház tér 12, HU-9200 Mosonmagyarovar, Hungary | 0.00 | 100.00 |
| 7. Gemeinnützige Wohnungs- und Siedlungsgesellschaft der Wiener Stadtwerke Gesellschaft m.b.H. Nelkengasse 6/6, 1060 Vienna | 100.00 | 100.00 |
| 8. R.H. pro domo Servicegesellschaft m.b.H., Nelkengasse 6/6, 1060 Vienna | 0.00 | 100.00 |
| 9. WIENCOM Werbeberatungs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 100.00 | 100.00 |
| 10. WIENER STADTWERKE Vermögensverwaltung Alpha GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 100.00 |
| 11. WIENER LINIEN Verkehrsprojekte GmbH, Erdbergstraße 202, 1030 Vienna | 0.00 | 100.00 |
| 12. Sarglogistik Wien GmbH, Anton-Mayer-Gasse 3, 1110 Vienna | 0.00 | 100.00 |
| 13. pax diebestattung GmbH, Landstraßer Hauptstraße 39, 1030 Vienna | 0.00 | 100.00 |
| 14. KREMATORIUM WIEN GmbH, Simmeringer Hauptstraße 339, 1110 Vienna | 0.00 | 100.00 |
| 15. Neue Urbane Mobilität Wien GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 100.00 | 100.00 |
| 16. Tierfriedhof Wien GmbH, Simmeringer Hauptstraße 339, 1110 Vienna | 0.00 | 70.00 |
| 17. Druckerei Lischkar & Co. Gesellschaft m.b.H., Migazziplatz 4, 1120 Vienna | 0.00 | 100.00 |
| 18. Spravbytkomfort a.s., Volgogradská 88, SK-08001 Prešov, Slovakia | 0.00 | 55.00 |
| 19. Neu Leopoldau Entwicklungs GmbH, Messeplatz 1, 1021 Vienna | 0.00 | 51.00 |
| 20. MHC Calinesti Rau S.R.L., Street Sfanta Vineri, no.29, Bectro-Center, RO-030203 Bucharest, Romania | 0.00 | 100.00 |
| 21. WIEN ENERGIE Bernegger Wasserspeicherkraftwerk Pfaffenboden GmbH, Gradau 15, 4591 Molln | 0.00 | 100.00 |
| 22. PTGwsg GmbH, Nelkengasse 6/6, 1060 Vienna | 0.00 | 100.00 |
| 23. Ortswärme Grän GmbH, Dorfstrasse 1, 6673 Grän | 0.00 | 100.00 |
| 24. Energy Eastern Europe Hydro Power GmbH, Hans-Klöpfer-Strasse 28-30, 8750 Judenburg | 0.00 | 100.00 |

* Not consolidated on the grounds of Article 249 (2) Austrian Commercial Code (*UGB*)
** On the grounds of immateriality in terms of providing a true and fair picture of the assets, financial and earnings positions, no details of equity or annual result are provided

## Companies not consolidated at equity***

Interest in %

| | WSTW Holding AG | WSTW Holding Group |
|---|---|---|
| 1. Polska Sila Wiatru SP.z.o.o., ul. Sienna 73, 00-833 Warsaw, Poland | 0.00 | 50.00 |
| 2. PAMA-GOLS Windkraftanlagenbetriebs GmbH, Kasernenstraße 9, 7000 Eisenstadt | 0.00 | 50.00 |
| 3. Ortswärme Oberstaufen Verwaltungs GmbH, Schloßstrasse 8, D-87534 Oberstaufen, Germany | 0.00 | 50.00 |
| 4. Ortswärme Oberstaufen GmbH & Co KG, Schloßstrasse 8, D-87534 Oberstaufen, Germany | 0.00 | 50.00 |
| 5. Bytkomfort s.r.o., SNP 9, SK-94060 Nové Zamky, Slovakia | 0.00 | 49.00 |
| 6. TownTown Tiefgaragen GmbH, Würtzlerstraße 3/8, 1030 Vienna | 0.00 | 44.00 |
| 7. TownTown Tiefgaragen GmbH & Co. KG, Würtzlerstraße 3/8, 1030 Vienna | 0.00 | 44.00 |
| 8. Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Am Hof 6a, 1010 Vienna | 0.00 | 33.33 |
| 9. EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 50.00 |
| 10. EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 50.00 |
| 11. Aspern Smart City Research GmbH, Thomas-Klestil-Platz 14, 1030 Vienna | 0.00 | 49.95 |
| 12. Aspern Smart City Research GmbH & Co KG, Seestadtstrasse 27, 1220 Vienna | 0.00 | 49.95 |
| 13. Bestatterakademie GmbH, Simmeringer Hauptstraße 339, 1110 Vienna | 0.00 | 49.00 |
| 14. WEEV Beteiligungs GmbH, EVN Platz, 2344 Maria Enzersdorf | 0.00 | 49.99 |
| 15. EP Zurndorf GmbH, Kasernenstrasse 9, 7000 Eisenstadt | 0.00 | 42.40 |

*** Not consolidated on the grounds of Article 263 (2) Austrian Commercial Code (*UGB*)

# 06

# GLOSSARY

## Technical and industry-specific terms

**Asset utilisation**
(Fixed assets / total assets) x 100

**Biodiversity**
Biodiversity, or biological diversity, refers to the variability among living organisms of any origin, including, among others, land, marine and other aquatic ecosystems and the ecological complexes they belong to. Maintaining and making sustainable use of biological diversity are important foundations for the well-being of humans.

**Bonded loan**
Bonded loans represent a way for companies to obtain long-term, third-party financing. A loan is arranged for a borrower by large institutional buyers without the need to involve the organised capital market. This financing instrument is only available to companies with an excellent credit rating

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

**Capital employed**
Equity + interest-bearing loans + pension provisions – securities coverage for pension provisions – cash and cash equivalents

**Cash flow**
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.

**Certification**
Certification refers to successfully withstanding an audit of products or services, operational processes or entire companies performed by an independent and accredited certification company relating to compliance with criteria, mostly defined in standards, which is acknowledged by means of the awarding of a certificate (e.g. seal of approval or standard).

**Citizen solar power plant**
Wien Energie offers citizens the opportunity to support the increased use of regenerative electricity production plants by investing in new photovoltaic plants, while at the same time earning an attractive dividend.

**Cogeneration technology (CHP, combined heat and power)**
By producing electricity and heat at the same time – cogeneration-fuels can be used most efficiently.

**$CO_2$ certificate prices**
These permit the holder to emit a defined quantity of $CO_2$. Certificates can be traded without restriction; their price being determined by the principle of supply and demand.

**District cooling**
This refers to supplying buildings with refrigerated air for air conditioning purposes. The necessary refrigeration (cold) is either generated at a refrigeration centre and then delivered to consumers via well insulated district cooling networks, or the refrigeration is generated on-site by the consumer by means of heat absorption machines relying on the hot water supplied by the district heating network.

**EBIT margin**
EBIT (restated) / Turnover (restated)

**EBT**
EBT is the abbreviation for earnings before tax (also referred to as the result of or on ordinary activities). It is calculated as follows:
EBIT ± financial result = EBT

**Equity ratio**
(Shareholder's equity / total equity and liabilities) x 100

**Energy efficiency**
Energy efficiency is the ratio between energy input and energy output. (When producing electricity in power stations, a considerable proportion of the primary energy employed is converted into heat. Relying on cogeneration technology, this heat is used in combined heat and power plants to produce district heating.)

**Entry-age normal method**
The entry-age normal method is an actuarial valuation method for occupational pension obligations. The expense for creating a pension provision is spread evenly over the service period of the beneficiary by means of a notional contribution (entry-age contribution).

**Environmental management system**
An environmental management system, e.g. EMAS or ISO 14001, includes a clear organisational structure, planning activities, responsibilities, codes of conduct and standard operating procedures in order to ensure compliance with environmental legislation as well as with voluntary additional targets in terms of environmental protection.

# Glossary



**Essential services**
Providing essential services means ensuring that every citizen has equal access to all necessary services and facilities which are considered essential to the smooth running of a modern society, and thus are associated with a particular responsibility for public welfare.

**Funeral services**
The term funeral services relates to all of the billable services provided by Bestattung Wien, which mainly include entire burial and cremation services, as well as other less comprehensive services.

**ISO 14001**
ISO 14001 is the ISO standard for eco-management systems.

**Local public transport**
Local passenger services

**Modal split**
The share of each individual type of transport compared to the total traffic volume.

**Notional debt repayment period**
Total debt / net cash flow

**$NO_X$**
$NO_X$ is the abbreviation for all forms of nitrogen oxides.

**OHSAS 18001**
OHSAS stands for Occupational Health and Safety Assessment Series. Much like ISO 14001, this is also management system, albeit relating to the occupational safety of employees.

**Passenger kilometres transported**
Passenger kilometres transported is a unit of measurement for public transportation. It refers to the total of all passenger carrying capacity offered by a transport provider on a particular route travelled using a specific means of transport. No account is taken of whether these services are used or not.

**Photovoltaic plants**
Plants which use sunlight to generate electricity. If heat is produced, then one refers to solar thermal plants.

**Primary energy**
Energy that is sourced from naturally occurring forms of energy which, unlike secondary forms of energy, can be released without the need for conversion. Besides fossil fuels such as natural gas, oil, brown and hard coal, these also include renewable sources of energy such as solar energy, geothermal energy, wind and hydro power as well as biomass.

**Productivity**
Consolidated turnover / [(headcount prior year + headcount current year) / 2]

**Risk management**
Risk management refers to the systematic reporting and assessment of risks as well as the management of responses to identified risks. This procedure is applied in numerous areas such as in the management of corporate risks, credit risks, financial investment risks, environmental risks, insurance risks and technical risks.

**ROCE**
Return on Average Capital Employed = EBIT restated to exclude the interest-bearing components of provisions for pension obligations as well as the effects of grant-funded investments / [ (capital employed in period + capital employed in prior period) ] / 2

**Smart Campus**
The project entitled 'Smart Campus' refers to the construction of the new corporate headquarters of Wiener Netze which are being built on the former gas network site in Simmering.

**Smart City**
The term 'Smart City' refers to a city in which systematic information and communication technologies, as well as resource-saving technologies, are used to pave the way toward a fossil-free society, to reduce the use of resources, to sustainably improve both quality of life for citizens and the competitiveness of local industry – i.e. to improve the future prospects of the city. This includes considering at least those aspects relating to energy, mobility, urban planning and governance.



**Smart grid**
A smart grid is an intelligent electricity network. This encompasses the communication-based management of electricity producers, storage facilities, consumers and infrastructure in the transmission and distribution networks relevant to supplying electricity. The aim is to integrate decentralised electricity production facilities and those with variable outputs, e.g. from renewable sources such as photovoltaic plants, wind turbines and biogas facilities, into the network and yet to ensure that network stability remains optimal. The intention is to achieve efficient and reliable system operations and safeguard security of supply.

**Smart metering**
Smart metering combines modern metering technology with IT and communication technologies as the keys to providing up-to-date information on energy use by consumers, electronically transmitting consumption data to network operators, pricing dependent on current levels of availability of electricity and the connection of devices to the meter.

**SMILE**
The SMILE project (Smart Mobility Info and Ticketing System Leading the Way to Effective E-mobility Services) involves developing a prototype for an Austria-wide, multi-modal, mobility platform which provides access to various public and private mobility services.

**Total heating degree days**
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 (measured in degrees Celsius). Adding up the heating degree days in a year produces a heating degree total. This is a key indicator for determining heating needs during a year and thus for the business performance of the respective energy supplier.

**ULF (ultra-low-floor)**
The type of low-floor trams used by Wiener Linien.

**URBEM doctoral programme**
Joint research project between Wiener Stadtwerke and the Vienna University of Technology. Ten doctoral candidates are developing and visualising innovative energy and mobility scenarios for Vienna's infrastructure – like a real-life version of the computer game 'SimCity'.

**WienMobil card**
The WienMobil card is a multi-purpose card developed by Wiener Stadtwerke's mobility cluster for a number of combinable transport services. The aim is to improve convenience for the customer, to facilitate access to additional services and to open up the possibility to try out new services. The card, which was launched in April 2015, enables the holder to use public transport, e-charging points, city bikes and taxis. There are also plans to include car-sharing schemes.

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