

Experience the Future

2016
Annual Report



GeoTief



eTaxi Vienna



Upstream



Urban Mining



WienMobil



HausMaster



Tram-in-Takt II



Smart Campus



URBEM



Smarter Together



LeoMobil

**2016
ANNUAL REPORT**

FOREWORD	04
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INFRASTRUCTURE FOR THE CITY	06
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Experience the future	06
Shape the future	14
Think beyond the future	22

01

CONSOLIDATED MANAGEMENT REPORT	32
--------------------------------	----

1.1 Operations	33
1.2 Corporate strategy	34
1.3 Legal and business environment	35
1.4 Development of business, financial and non-financial KPIs	39
1.5 Employees	47
1.6 Environment	48
1.7 Research and development	50
1.8 Internal control and risk management system	52

02

CONSOLIDATED FINANCIAL STATEMENTS	58
-----------------------------------	----

2.1 Consolidated Balance Sheet	59
2.2 Consolidated Cash Flow Statement	61
2.3 Consolidated Profit and Loss Account	62
2.4 Consolidated Statement of Changes in Equity	63
2.5 Consolidated Schedule of Fixed Assets	64

Table of contents

03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS _____ 66

3.1	General information	_____	67
3.2	Corporate profile	_____	67
3.3	Accounting and valuation principles	_____	68
3.4	Scope of consolidation	_____	72
3.5	Consolidation principles	_____	73
3.6	Notes to the Consolidated Balance Sheet	_____	74
3.7	Notes to the Consolidated Profit and Loss Account	_____	85
3.8	Other information	_____	88
3.8	Other explanations	_____	89

04

UNQUALIFIED AUDIT OPINION _____ 90

05

LIST OF HOLDINGS _____ 94

06

GLOSSARY _____ 98

Imprint _____ 101



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

FOREWORD BY THE MANAGEMENT BOARD

Wiener Stadtwerke is Austria's largest infrastructure provider. The Group's various divisions are responsible for ensuring that the lifelines of the city function reliably. And it does so successfully. Around 16,000 employees work day in day out to ensure that Vienna's infrastructure functions properly, is continuously improved and that quality of life in the city remains as excellent as it is. This has also been confirmed by the latest Mercer study in which Vienna was, for the eighth time in succession, identified as the city with the highest standard of living. We are proud of this, but this can only be achieved with hard work and dedicated employees.

Wiener Stadtwerke was a major investor in the Greater Vienna metropolitan area during the 2016 financial year. The Group invested hundreds of millions of euros over the past year in the maintenance and expansion of Vienna's infrastructure. 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. Investments in Vienna's infrastructure contribute to the wellbeing of the entire population. At the same time, these investments also safeguard tens of thousands of jobs within the Group as well as at external partners and, as a result, also the future of subsequent generations.

The 2016 reporting period was characterised by challenging economic circumstances. The ultimately negative bottom-line result is attributable to extraordinary items, in particular the pension-related obligations of the Group. Recent years have seen many changes – the balancing act between security of supply, competitiveness, quality assurance and sustainable business is becoming increasingly challenging. In light of these ever-more demanding circumstances and a tense economic environment, efforts to improve efficiency and change existing structures have become necessary. These will be challenges, but the Wiener Stadtwerke Group is well aware of its responsibilities and will successfully master these through a combination of sound judgement and social responsibility.

The Group will continue on its path to improved efficiency in the future. In addition to innovative power, a high degree of efficiency in all areas and lean organisational structures are ultimately the prerequisites for enabling, Wiener Stadtwerke to continue actively and successfully shaping the future of the city. We are confident about the future.

Gabriele Domschitz
Member of the Board of Management

Martin Krajcsir
CEO

Peter Weinelt
Member of the Board of Management



Ulli Sima

Executive City Councillor for Environment and
Wiener Stadtwerke

A reliable infrastructure provider such as Wiener Stadtwerke is the key to ensuring that Vienna remains one of the world's most attractive cities and one which offers excellent standards of living. The important task of keeping the city running around the clock is achieved through a combination of numerous innovations and major investments. Wiener Stadtwerke invests hundreds of millions of euros every year in the extension of the Underground network, in the purchase of new buses and trams, and in greater exploitation of renewable energy sources. When it comes to renewables, Wiener Stadtwerke is taking new and innovative paths, such as the highly successful citizen solar power plants that already supply many households with solar power today.

As the City Councillor, I am therefore delighted to be able to shape a truly 'essential public services department.' The key areas of supplying drinkable water, waste and waste water disposal, energy supply and public transport are all combined in one local government department. This will therefore enable us to make better use of synergies for 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 to me that these areas of essential municipal public services need to remain under public ownership and not be privatised – a fact that also ties in with the wishes of Vienna's population. During the reporting period and in order to safeguard the success of the Group in future, I have launched instructions for a comprehensive efficiency programme to be implemented which aims to streamline the organisational structures within the entire Group.

On behalf of all of Vienna's inhabitants, I would like to express my gratitude to Wiener Stadtwerke for the important work the Group performs around the clock, day in, day out.



Erich Hechtner
Chief Executive Director

Chairman of the Supervisory Board
of Wiener Stadtwerke

Wiener Stadtwerke is Austria's most important municipal infrastructure provider. The past financial year made this more than evident. 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. As such, every single one of these individuals contributes to the city's globally renowned quality of life, which has recently been attested for the eighth time by coming top among 230 major cities.

Despite a challenging economic environment – particularly with regard to the key energy sector – the Group nonetheless managed to report higher revenues amounting to over 3.3 billion euros in 2016. A closer look at the key performance indicators of the operating result reveals grounds to be extremely satisfied with the bottom line.

Wiener Stadtwerke is also one of the driving forces behind the further development of Vienna to become a truly 'smart city'. The core competences of the Group, the areas of energy and mobility, are indispensable elements of any smart city strategy. 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. As Chairman of the Supervisory Board and on behalf of the City of Vienna, I would like to thank all of those involved for their excellent work.



U2/U5

An important gap in the Vienna Underground network will be closed in 2023 when the U5 enters into operation as a fully automated Underground line



Upstream

The Group's own start-up develops tailor-made mobility solutions based on the WienMobil app

967

million passengers transported by Wiener Linien and Wiener Lokalbahnen in 2016



eTaxi Vienna

Austria's largest eTaxi project, complete with an innovative fast-charging network, aims to get 120 e-taxis on to Vienna's streets by 2018

16,100

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

Experience the Future

Our society requires innovative solutions in order to protect the climate and reduce reliance on private motorised transport.

Technological developments play an important role here.



Smarter Together

The mobility point of the future is being developed in Vienna's Simmering district. A mobility hub will cover local requirements



URBEM

In conjunction with Wiener Stadtwerke, ten doctoral students at the Vienna University of Technology (TU Wien) are developing a prototype of a virtual Vienna and its networks



Upstream

The Wiener Stadtwerke subsidiaries Wiener Linien and Neue Urbane Mobilität Wien (NeuMo) joined forces in 2016 to establish an independent start-up in the mobility sector. Upstream – next level mobility GmbH (Upstream) provides tailor-made mobility solutions to business partners such as public transport providers, residential property developers and commercial mobility managers.

Upstream relies principally on the integration of the mobility offerings of various providers (public transport, taxis, car-sharing, bike-sharing, parking facilities and charging stations) and technologies by making access available via a central interface.

The tailor-made solutions for customers are based on experience gained during the development of the WienMobil app as well as the corporate mobility management tool 'JÖ'.

In the interests of providing essential public services and safeguarding mobility, all digital mobility services are being combined on a single platform and linked to customisable applications and tailor-made functions. The first customers were supplied during its first year in business. Upstream is currently evaluating collaborations with international partners.



eTaxi Vienna

"Electric" is the keyword when it comes to mobility in the years ahead. It was for this reason and in combination with an innovative concept and strong partners, such as the Vienna Chamber of Commerce and the Taxi 31300 and Taxi 40100 networks, that Wiener Stadtwerke initiated what is currently Austria's largest e-taxi project in May 2015.

Up to 120 e-taxis are expected to be on the road by the time this project ends in 2018. This project involves Wiener Stadtwerke and Wien Energie jointly creating an innovative charging network consisting of 11 rapid-charging points throughout Vienna exclusively for e-taxis. An empty battery unit is 50% charged after just 20 minutes, allowing the car to hit the roads again. Taxi operators also have access to attractive grants of up to EUR 8,000 per vehicle as well as free power for all e-taxis until the end of December 2017.



URBEM

What should our City look like in the future? How can we plan tomorrow's sustainable city with excellent quality of life today? Back in 2013, the Vienna University of Technology (TU Wien) and Wiener Stadtwerke launched a doctoral programme entitled URBEM (urban energy and mobility system) as a multi-disciplinary cooperation aimed at answering these questions from economic, technological, social and environmental perspectives.

A virtual city was developed based on Vienna as an example. Real data formed the basis for an interactive IT environment in which it is possible to analyse scenarios for creating a city offering sustainable security of supply, high quality and affordable standards of life. The model takes into account changes in social structure, buildings and mobility as well as the impact of these changes on the city's infrastructure and energy grids.

The results of the complex URBEM model have been prepared by ten doctoral students and are now available to Wiener Stadtwerke. These form an important element in today's planning for the city of the future.



Vienna's move to becoming a smart city is in the interest of everyone and safeguards our competitiveness as an infrastructure provider.

Smarter Together

As part of the Smarter Together initiative, social and technological innovations to ensure a high quality of life in city districts are being researched in Vienna, Lyon and Munich. The first mobility point of the future is being developed in Vienna's Simmering district. The aim of the urban renewal project is to provide impulses for positive social trends and sustainable urban development. Experiences and research results are exchanged at the local and European levels.

A so-called mobility point is a place that connects different mobility offerings in a small space. Such a location is being created in Vienna's Simmering district, as part of Smarter Together, with key support being provided by Wiener Stadtwerke. Work is under way field on a mobility station that meets the needs of the local people, taking into account the local circumstances.



ICT-based solutions are at the heart of this project, including multimodal information, booking and routing services, ticketing platforms, and services, such as the ones developed in the "smile" research project. Serving as a basis for this project is the multi-sensory info point (MUSIP) at the Vienna Main Railway Station, which provides location-relevant information about public transport using visual, acoustic and tactile aids, as well as sign language.

A new mobility point of the future will now be developed, based on experiences from past mobility point projects and existing ICT solutions, and implemented by the end of 2018. What is important here is a disciplinary approach that considers the needs of the residents and local customers, and takes into account newly created mobility offerings.

U2/U5

By 2030, over two million people will live and work in Vienna. In order to keep pace with this growth, the public transport offering also needs to be expanded and improved.

The U2/U5 intersection will close an important gap in the existing urban Underground network. The U5 will be Vienna's first fully automated Underground line. It will take over the U2 section between Rathaus and Karlsplatz from 2023 and operate to Frankplatz, next to Altes AKH. An extension of the line in the direction of Hernalis is planned as a later development phase. This Underground project is currently at the planning stage. Construction work is scheduled to start in 2019.



Wiener Stadtwerke – Infrastructure for the City

10

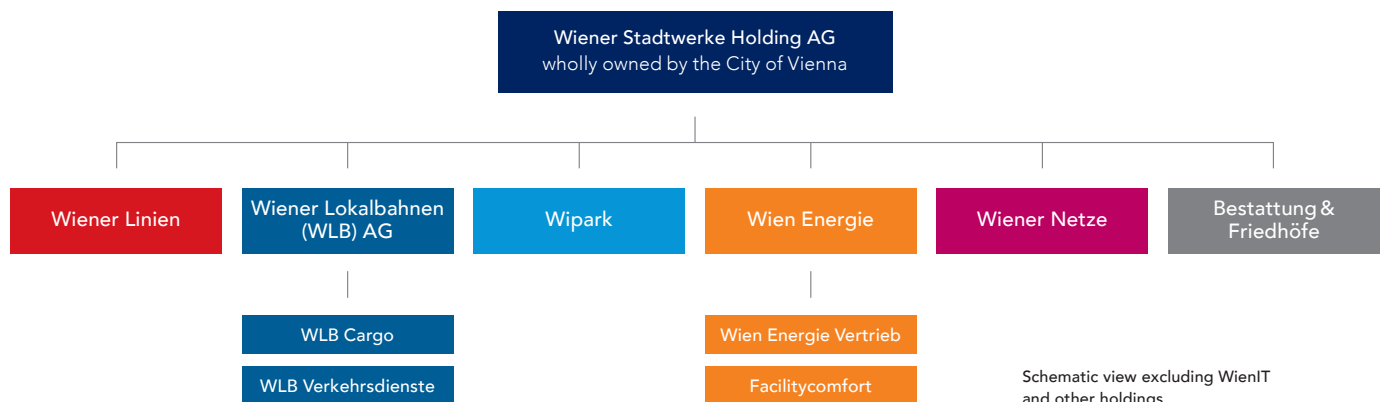


Increasing numbers of Viennese combine public transport with other forms of environmentally-friendly mobility.

Vienna's population grew by nearly thirty thousand in 2016. Our city is therefore one of the fastest-growing cities in Europe.

By 2030 at the latest, and probably earlier, over two million people will be living here. 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 key factor. Wiener Stadtwerke guarantees the supply of energy and mobility to Vienna.

More inhabitants mean higher energy requirements and a rising demand for mobility – and this accompanied by the EU's ambitious climate protection targets. Wiener Stadtwerke is searching for answers to the question of what a forward-looking, environmentally-friendly city should look like in which 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 prepared to manage this in the interests of Vienna's population.



The eTaxi project allows Wiener Stadtwerke to analyse the future of individual motorised transport.



Major tasks for a major player: The Wiener Stadtwerke Group makes an important contribution to the functioning of the City of Vienna.

Innovative solutions which benefit everyone

Major tasks for a major player: The Wiener Stadtwerke Group makes an important contribution to the functioning of the City of Vienna. In the 2016 business year, Vienna's largest infrastructure service provider generated a turnover of almost three billion euros. In order to make this possible, the Group employed an average of approximately 16,000 people during 2016. Wiener Stadtwerke Holding AG is wholly owned by the City of Vienna, acting as the strategic and organisational parent company of the Group.

What is Wiener Stadtwerke actually responsible for? 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 & 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 and 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 this is the only way 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 app-based mobility just as much as installing smart meters and building smart grids. Wiener Stadtwerke is working together closely with the



JÖ

Operational mobility management for the future: JÖ intelligently integrates commercial fleets with public transport, taxis and car-sharing

Shape the Future

In the Greater Vienna metropolitan area, Wiener Stadtwerke plays a major role in facilitating necessary research and development projects.

Making Vienna a smart city is in the interests of everyone and at the same time safeguards our competitiveness as an infrastructure provider.



WienMobil

The further development of the routing app qando combines public transport with various other forms of transport, including reservation and billing features

733,000

people travelled
with a Wiener Linien
annual pass in 2016



Beacons

BlueTooth mini-senders are connected with the Internet of Things; Wiener Stadtwerke is evaluating their practical application



Tram-in-Takt II

Incorrectly parked vehicles account for numerous delays and public transport service interruptions – early identification is the key

3.5

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



LeoMobil

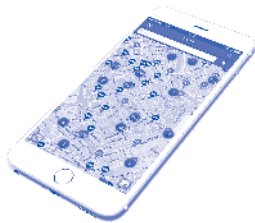
The 'smart district' of Floridsdorf is intended as a flagship project as part of Smart City Vienna and includes innovative energy and mobility concepts



Beacons

Beacons are mini-transmitters that send signals using BLE (Bluetooth Low Energy),

which can be used to connect devices within a radius of approximately ten metres. These BLE signals contain information about the identity of the respective beacon. Mobile devices can receive these signals and measure the distance to them, enabling conclusions to be drawn about the location. In contrast to the 'classic' Bluetooth, BLE uses much less energy and incurs lower costs. If, for example, beacon hardware is installed in Wiener Stadtwerke's infrastructure, such as at stops, in vehicles or at charging stations, this infrastructure will be connected to what is referred to as the Internet of Things. Implementing this technology in existing systems results in a variety of possible uses that ultimately offer added value to the people of Vienna in how they use mobility. Wiener Stadtwerke is testing such possible uses in the Beacon research project. Beacons, for example, substantially improve indoor navigation.

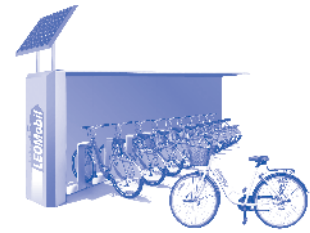


WienMobil

The Wiener Stadtwerke start-up Upstream developed the successor to the route navigation app "qando", which was based on the research projects 'smile' and 'beambeta'. WienMobil will replace qando from the middle of 2017, offering a range of new options. The smartphone application (for Android/iOS) enables access to the mobility of tomorrow.

WienMobil combines a wide range of different means of transport and mobility partners in one app, and also enables bookings and reservations to be made. This means that a journey using different means of transport can also be booked conveniently in the app. The mobility partner is able to charge the user directly for the service used via the payment method stored.

WienMobil always calculates the desired route using all means of transport at the same time, and also offers ways to combine these. Additional useful information is also provided such as price and the environmental impact of the selected route. Suitable filters help to quickly identify the best route for the user's specific needs.



LeoMobil

The smart district 'Neu Leopoldau' is being created on the site of the former Leopoldau gasworks in Vienna's Floridsdorf district, comprising 1,400 flats, a park, garage parking and local amenities. The new residential area is intended to be a flagship project for Smart City Vienna, including innovative mobility and energy concepts, supported by Wiener Stadtwerke.

The open spaces and streets in the new district are designed to be places where people meet, spend time, play, talk and much more, which is why, aside from the car parks, they are being designed as largely car-free zones. Access is to be given only to the emergency services and refuse collection vehicles.

The residents transport their goods themselves throughout the district using handcarts and delivery vans. In order to enable this to work, Wiener Stadtwerke's subsidiary, upstream – next level mobility, has developed a dedicated app which integrates all mobility requirements. The mobility concept is being organised by Wipark. The new district 'Neu Leopoldau' also aims to set new standards in the field of energy. A number of residential buildings will have photovoltaic installations on their roofs, while other roofs will be used for urban gardening, including solar power for irrigation pumps.



Wiener Stadtwerke drives innovation for the benefit of everyone in Vienna.



JÖ

JÖ is an IT infrastructure, developed and marketed by Upstream, which intelligently connects operating fleets with public transport, taxis and car-sharing. The service improves operating efficiency, cuts costs and reduces CO₂ emissions. And all of this without taking away the customary comfort of a company car for employees.

70 percent of all newly registered cars in Vienna belong to companies. A company car is often the only alternative to public transport. While company cars are used during office hours, they stand idle in the evenings. This is the other way around for car-sharing cars, which are heavily utilised in the evenings and at weekends. JÖ is harnessing the potential of these many parked cars and optimising company mobility management. A new feature of JÖ is the tailor-made combination and networking of the respective fleet with other forms of mobility in a single app. The service is attuned to the needs of the company and its employees: the company's own fleet is available, as are public transport, taxi and car-sharing.

All mobility forms can be compared, reserved, booked and centrally billed through the app. Employees can decide which means of transport is currently the most practical, cost-effective and environmentally-friendly. It is possible to influence the mobility behaviour of employees by awarding mobility points.

17



Tram-in-Takt II

Every year, countless illegally parked cars cause delays to and obstruct public transport services. The aim of the Tram-in-Takt II research project is to develop a marketable prototype to identify illegally parked cars.

It is necessary to identify parking violations with the way a car is parked as soon as these arise in order to avoid the hassle of having the obstructing vehicle towed away in the first place. Parking is separate from public transport so that an 'early warning system' must operate on a continuous and secure basis. To this end, flashing detectors are installed on signs at the respective section of road to show if the car is properly parked and public transport can operate without any disruptions. In the Tram-in-Takt II project, the results of the requirements analysis and of the on-site tests conducted during the first Tram-in-Takt project are being implemented in an experimental system and tested in practice.

Energy companies

The energy companies employ around 5,340 people, with approximately half of this number working at Wien Energie and Netze. The latter company is responsible for ensuring the smooth operation of the Group's electricity, gas, heating, cooling and telecommunications grids. Wien Energie and Wien Energie Vertrieb take care of energy production, energy-related services and sales.

Energy production

Wien Energie is the largest regional energy services provider in Austria, providing more than two million people, approximately 230,000 businesses, industrial facilities and public buildings, as well as around 4,500 farms in Vienna, Lower Austria and Burgenland with electricity, natural gas, heat, district cooling and innovative energy services. Wien Energie GmbH produces electricity and heat from renewable energy sources, through thermal waste recycling and by means of high-efficiency cogeneration power plants. Wien Energie GmbH is also active in the field of telecommunications.

Its broad portfolio of power plants, the construction of its own storage facilities, and long-term supply contracts enable, 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, it is also very important from an economic standpoint. Interruptions to the supply of energy would cause major 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 is purchased on national and international power markets. Careful attention is paid to where the electricity comes from. Wien Energie neither buys nor sells nuclear energy.



The energy companies employ around 5,340 personnel

19

Expanding renewables

In order to safeguard security of supply in the long term and to reduce dependance on fossil fuels, Wiener Stadtwerke aims at expanding the use of renewable energy sources. The intention is to double the share of renewables by 2030, i.e. from 20 percent at present to around 40 percent. In the next five years alone, Wien Energie will be investing EUR 460 million in renewable energy technologies and increasing their use. 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.

Space for increasing renewable production is limited in a big city. Hydropower plants and wind farms are outside the city. What can be used in the city is solar energy, a field which is being substantially expanded. There are currently around 60 large installations in Vienna and the surrounding area. Wien Energie offers an attractive range of photovoltaic options and an attractive business model to encourage people to make their property or roofs available for photovoltaic installations.

Around half of the people living in Austria could imagine investing in a green electricity investment project. Wien Energie has been enjoying success with such projects in Vienna for more than four years. During this time, 28 citizen power plants have been set up in the Greater Vienna metropolitan area, 24 of which using photovoltaics and four using wind power. 10,000 people have participated so far, investing over EUR 30 million.

Wien Energie produces environmentally-friendly power at its Nussdorf power station.





Everyone can literally see the light in the energy themed exhibit "World of Experience", which opened in 2017.

Windgenerator mit Getriebe



Over 23,500 km of electricity cables, 4,670 km of gas pipes, 46 substations and 596 gas pressure regulating stations ensure energy reaches customers.

Energy grids

Wiener Stadtwerke's energy companies set store by coordinated expansion and the constant renewal of the electricity, gas and district heating networks to ensure constant security of supply. It is particularly important to service, maintain and modernise the energy grids 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 have access to 24-hour support.

Over 23,500 km of electricity cables, 4,670 km of gas pipes, 46 substations and 596 gas pressure regulating stations ensure energy reaches customers. Around 1.5 million electricity meters and almost 660,000 gas meters make sure that the energy can be correctly billed too. Moreover, Wiener Netze operates the 1,210-km district heating primary network and a 2,000-km fibre-optic network.

However, Wiener Netze is more than just a company that distributes energy. It helps 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 industrial customers – benefits from the excellent supply quality.

Energy services

Wiener Stadtwerke is not a mere energy supplier, instead offering its customers comprehensive energy solutions and advisory services from a single source. The upheaval in the energy market is gathering momentum. Increased competition, new providers and platforms, changing business models and, above all, the process of digitalisation currently under way are requiring energy companies to be more willing to change and get closer to their customers. There will be a further expansion of renewable energy production – solar power, wind power, hydropower and geothermal energy.

Wien Energie is bringing its business model firmly into line with these trends. As Austria's leading energy service provider, Wien Energie is actively involved in shaping this change process. The focus is on moving away from being a mere energy supplier to becoming a comprehensive service provider. Wien Energie places emphasis on a range of activities so as to be able to master this new path successfully.

Wien Energie makes customers self-sufficient. To do so, HausMaster, an all-in-one solution, has been developed – for the first time in Austria – that helps households to produce, store, and intelligently use electricity themselves. The product has been launched as a basic version for detached houses at the moment. The aim is to turn it into an all-in-one smart home solution for urban and rural users. HausMaster takes advantage of the trends towards decentralised production, renewable energy and digitalisation.





Smart Campus

The new head office of Wiener Netze is one of the largest low-energy passive buildings in the world and home to nearly 1,400 employees



Urban Mining

Which raw materials can be found in Vienna's buildings and how much of them can be recycled? The answer can be found in the new infrastructure catalogue for Vienna

400

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



Digital Estate

Bestattung Wien looks after all analogue and digital estates for relatives in the event of bereavement

2,000,000

people put their faith in the supply of energy from Wiener Stadtwerke



GeoTief

The GeoTief research project uses cutting-edge technology to search for reservoirs of hot water in the east of Vienna.

Think beyond the Future

23

The Group divisions of Wiener Stadtwerke have been involved in numerous research and development projects for a long time.

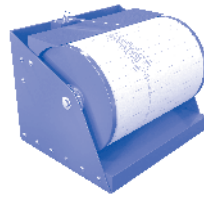
The range of innovations, initiatives and projects is as broad as the services of Wiener Stadtwerke.

See for yourself.



HausMaster

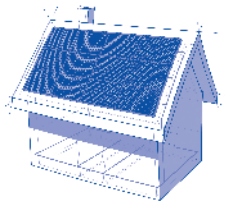
All-in-one solution for storing, producing and using energy at home, all from Wien Energie.



GeoTief

Large reservoirs of hot water are believed to be located deep below the surface in the east of Vienna. In order to find out whether this is the case, the GeoTief Vienna project is making a comprehensive exploration of the subsurface geological conditions for the first time.

At the heart of the project are seismic readings taken in February and March 2017, as well as during the winter of 2017/18. Seismology can be used in much the same way as echosounding to explore the subsurface. Vibrations are sent deep Underground below roads and pathways. The signal is reflected Underground and recorded by sensors that are fitted near the measuring vehicles. These seismic readings can be used to prepare an image of the subsurface, providing information about the location and the thickness of rock layers Underground that may potentially hold water. If such hot water reservoirs are found, they could be used for heating in the future.



HausMaster

With HausMaster, Wien Energie makes its customers self-sufficient. HausMaster has been developed as an all-in-one solution that helps households to self-produce, store and intelligently use electricity.

Wien Energie launched a basic version for detached houses in 2016. The aim is to turn it into an all-in-one smart home solution for urban and rural users. HausMaster takes advantage of the trends towards decentralised production, renewable energy and digitalisation. For Wien Energie, the focus is on moving away from being a mere energy supplier to becoming a comprehensive service provider.



Urban mining – raw materials in the city

It won't be long before the supply of raw materials will be a key factor defining the quality of a city, region or a country. Natural reserves of several raw materials – such as rare earths – will become noticeably more expensive in a few decades, maybe even in just a few years, or may even be exhausted.

The Urban Mining project is therefore developing a new infrastructure catalogue for Vienna, showing where valuable resources are hidden in buildings throughout the city. Wiener Stadtwerke's companies own a large number of transport structures, tracks, facilities to produce and supply energy, as well as buildings. These contain large quantities of copper, steel or even concrete – all of which are raw materials that can be recycled. At Wiener Linien alone, the number is around 1,500 buildings with some 1.5 million square metres of usable floor space. The Christian Doppler Laboratory for Anthropogenic Resources is developing a buildings database for the first time as part of the Urban Mining project.

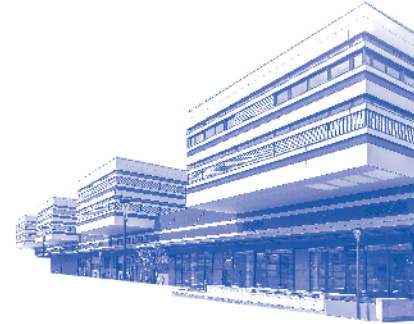
This is intended to serve as a basis for waste management concepts when tearing down Wiener Linien buildings and infrastructure, as well as when recycling raw materials.



Digital Estate

The Digital Estate service is an online tool that takes over the handling of formalities for authorities and organisations in the event of a death in a time-saving and cost-effective manner.

At the same time, the Digital Estate service handles the digital estates of the deceased in the event of bereavement – contracts concluded online, subscriptions to email services and memberships of social networks such as Facebook, Twitter or Xing. The Digital Estate service was initiated by Wiener Verein, a subsidiary of the Vienna Insurance Group. The service is offered by Bestattung Wien and functions as a central point for everything that needs to be done in the event of a death.



Smart Campus

Nearly 1,400 employees at Wiener Netze have been working at the company's new head office, Smart Campus, in Vienna's Simmering district since 2016.

The Smart Campus lives up to its name in many ways, not least due to its sustainable design. Particular emphasis was placed on using resources conservatively when planning and building the office block. The building is also smart in terms of its administrative and operational running costs, with a photovoltaic installation on the roof providing electricity and the groundwater being heated by means of solar thermal power. A sophisticated heating system using groundwater manages the temperature in the offices. The aim is for the Smart Campus, built in a similar way to passive houses, to meet the majority of its energy needs itself. The project's total budget came to around EUR 200 million. It is from here that, in future, the energy grid for the Vienna region will be monitored, controlled and managed using state-of-the-art technology. By bringing together all Wiener Netze departments under one roof at Campus Wiener Netze, journey times are shortened, communication made easier and processes simplified.



Vienna was crowned the most liveable city in the world for the eighth time in a row. This should and will remain so in the future.

Wiener Stadtwerke

In 2016, over 954 million passengers travelled on Wiener Linien's network.



An integral part of the city: Wiener Linien



Transport companies

Two transport companies belong to Wiener Stadtwerke: Wiener Linien and Wiener Lokalbahnen. They employ a total of around 9,115 people, most of them working at Wiener Linien. Not only does Wiener Linien operate the five Underground, 29 tram and 127 bus lines in Vienna, but it also takes charge of all traffic management services such as planning operating times and intervals, as well as the planning of lines and stops, for all transport operators. Wiener Linien operates Austria's largest transport network: This covers 78.5 kilometres of Underground lines, around 220 kilometres of tram services (the sixth largest tram network in the world) and bus lines with a total length of nearly 850 kilometres.

In 2016, more than 954 million passengers were transported on the Wiener Linien network – equivalent to two and a half million journeys every day. The population of Vienna chose public transport for around 39 percent of their journeys in 2016 – by far Vienna's most popular form of transport. This is followed, much further behind, by cars (27 percent), walking (27 percent) and bicycles (seven percent). At the end of 2015, the number of Wiener Linien annual passes (700,000) exceeded the number of cars registered in Vienna (685,000) for the first time. A year on, there are now 733,000 annual passes for Wiener Linien in circulation – proof of the ongoing and ever-growing popularity of Vienna's public transport.

Wiener Lokalbahnen (WLB) operates a twin-track, completely electrified railway line between Vienna and Baden. Within the city limits, the infrastructure of Wiener Linien is 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 transport services for people with mobility constraints. Wiener Lokalbahnen Cargo operates goods transport services from the North Sea to the Black Sea. 12.5 million passengers used the Badner Bahn in 2016. This translates into around 35,000 passengers being transported by this cross-regional line per day.

27

WIPARK garages

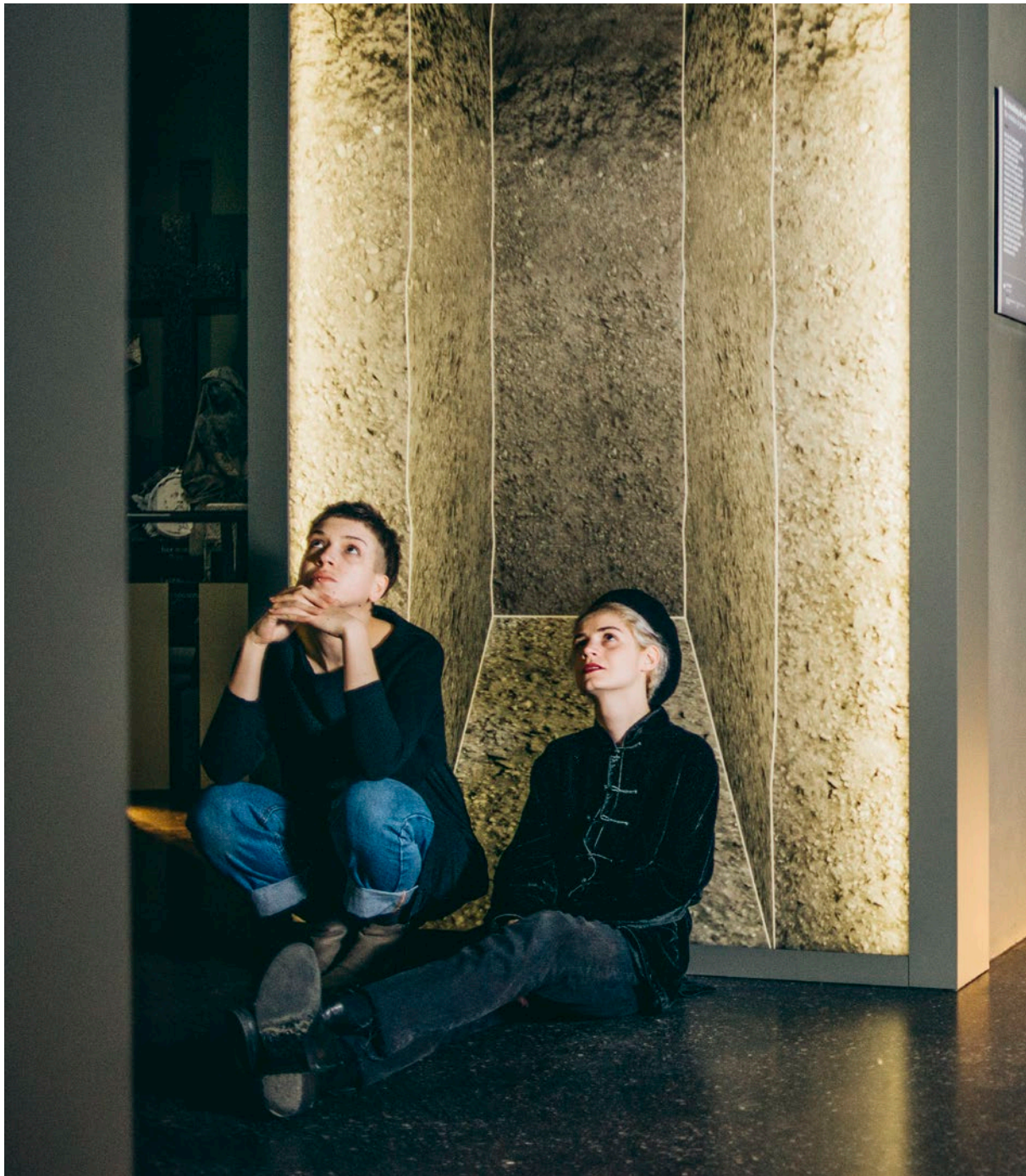
Wiener Stadtwerke is not only responsible for the rolling stock of Vienna's most important service provider, but it also offers parking services. Underground car parks located close to the heart of the city help to preserve the integrity of the old city centre. They keep areas free for green spaces, 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.

With 71 locations and 70 employees, WIPARK is one of the leading car park operators in Austria. Over 20,000 high-quality parking spaces are spread across the entire city of Vienna. From Auhof to Aspern, from Siebenhirten to Heiligenstadt.

A new car park project was launched in 2016 in the area of Neu Leopoldau. To this end, WIPARK has already purchased three plots of land from Wiener Netze on which three car parks with a total of around 900 parking spaces are to be built by 2018. The innovation project LEO Mobil has been launched there by WIPARK, together with property developers and other Wiener Stadtwerke Group companies, in the course of which a concept for integrated micromobility in the Neu Leopoldau district is to be developed.



Find out at the funeral museum about the special relationship between Vienna's inhabitants and death.





Bestattung Wien is the largest company of its kind in Austria and one of the largest throughout Europe.

29



Funerals and cemeteries

The division companies Bestattung Wien GmbH and Friedhöfe Wien GmbH are held under the umbrella of B&F Wien – Bestattung und Friedhöfe GmbH. Nearly 735 people were employed in this segment in 2016.

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).

In 2016, Bestattung Wien performed 5,294 burials and 3,012 cremations. Friedhöfe Wien took care of around 8,450 coffin and 3,736 urn internments, with the trend towards urn interment continuing to gather pace.

Friedhöfe Wien manages 550,000 graves in the city, spread across an area of around five square kilometres. 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, with an area of around 2.5 km². In addition to this, Friedhöfe Wien operates a cemetery gardening business with around 29,400 grave maintenance contracts every year and a stonemasonry workshop.

Wiener Stadtwerke also owns a number of other smaller companies such as WienIT, WienCom and real estate investments.



Wipark car parks integrate seamlessly into the city landscape.





Travel conveniently from Karlsplatz to Baden – with Wiener Lokalbahnen.

31



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. The 425 employees of WienIT ensure that the Group can rely on high-performance and cost-effective IT solutions. Wien IT operates two computer 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 property development projects. These include IWS TownTown AG – Austria's largest high-rise PPP project, in which Wiener Stadtwerke holds a 70-percent stake. After the Underground train sidings in Erdberg were fully paved over in 2003, a new quarter was 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. It will be possible to move into the office space in the ORBI tower from summer 2017.

01

CONSOLIDATED MANAGEMENT REPORT FOR THE 2016 FINANCIAL YEAR

1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
1.3	Legal and business environment	1.7	Research and development
1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

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 and sales as well as grid operation, whereby the main focus is on ensuring reliable supplies of electricity, gas, district heating and cooling. Furthermore, Wiener Stadtwerke provides comprehensive local public transport services (Wiener Linien and Wiener Lokalbahnen), funeral services, cemetery management and car parks. The high-quality, reliable and safe services offered by the Group make an important contribution to the excellent quality of life enjoyed in the city; something which is recognised internationally and has been attested by studies.

Energy

WIEN ENERGIE GmbH (Wien Energie) is the largest regional energy services provider in Austria, providing more than two million people, approximately 230,000 businesses, industrial facilities and public buildings, as well as around 4,500 farms in Vienna, Lower Austria and Burgenland with electricity, natural gas, heat, district cooling and innovative energy services. Wien Energie produces electricity and heat from renewable energy sources, thermal waste recycling and high-efficiency cogeneration power plants. Wien Energie GmbH is also active in the field of telecommunications and provides additional services.

Distribution

WIENER NETZE GmbH operates Austria's largest distribution network. It ensures that the grids for electricity, gas, district heating and telecommunications in the Greater Vienna metropolitan area work smoothly. They are the lifeblood of the city and, moreover, form the foundations for high quality of life and economic success. Wiener Netze will continue to build on its leading role of supplying energy in the future through sustainable measures and innovative ideas. As a modern combined grids operator, Wiener Netze works with maximum efficiency to ensure a high security of supply, continuously investing in the maintenance and expansion of its infrastructure. It is important to service, maintain and modernise the energy grids on an ongoing basis to ensure a supply of electricity, gas and district heating that is as reliable as possible. Around 1.2 million customers in Vienna and parts of Lower Austria and Burgenland have access to

24-hour support from Wiener Netze.

Transport

WIENER LINIEN GmbH & Co KG is the leading integrated 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 operating 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. Furthermore, Wiener Linien is also responsible for the operation of the necessary infrastructure and the vehicle fleet in addition to the maintenance of the same. These responsibilities enable the company to provide an integrated network of public transport services in Vienna, with particular attention paid to achieving the highest possible levels of efficiency and tapping potential synergies. At the same time, the aim is to offer excellent value for money while also maintaining and improving quality for passengers. Wiener Linien continues to provide information and coordination in a range of different areas so as to make modern, urban mobility as easy and as attractive to customers as possible. Wiener Linien thereby also helps to drive its own move towards becoming an integrated mobility service provider. The Wiener Lokalbahnen Group is the operator of a twin-track, completely electrified, railway line between Vienna and Baden. Within the city limits, the infrastructure of Wiener Linien is also partially used. In addition, this division 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. 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.

Funerals and cemeteries

BESTATTUNG 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 operates

15 customer service centres in Vienna. The specially trained employees provide comprehensive support, thereby laying the foundations for the respectful management of funeral services. The wealth of experience and high standard of customer care have been recognised with a ISO 9001 quality management certification. Friedhöfe Wien manages 46 cemeteries in the city with a total of more than 550,000 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 and houses around 330,000 graves.

Car parks

WIPARK is responsible for operating and managing car parks and car parking spaces of all kinds, as well as for planning and implementing construction projects relating to parking facility management or building and operating car parks.

Corporate strategy

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 fulfil 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 to develop the city's infrastructure.

As a highly-diversified group, Wiener Stadtwerke is confronted by a range of different legal and economic contexts conditions, as a result of which meaningful comparisons between the individual segments is possible only to a very limited extent. For this reason, WIENER STADTWERKE Holding AG manages Group companies using individually agreed targets and KPIs. The strategy of the Wiener Stadtwerke Group in the energy segment was subjected to a review in 2016 in order to properly assess these requirements. At the heart of this new Group strategy are two core objectives: securing a stable financial basis over the long term and helping the City of Vienna in its quest to become a smart city. This means, on the one hand, creating the basis for investments required in the future in the areas of energy, transport, funerals and cemeteries, and

car parks, and, on the other, making a major contribution to improving the – already very high – quality of life in Vienna. Specifically, Wiener Stadtwerke is taking measures in the field of infrastructure development, climate protection and the further promotion of innovation so as to implement the smart city framework strategy of the City of Vienna. The Group strategy puts additional emphasis on the needs of customers at the heart of all its undertakings. The companies of Wiener Stadtwerke all work together towards the objective of being the end-to-end provider of infrastructure services in Vienna. This function as a central point of contact is being developed through increased cooperation within the Group, improvements to internal processes and efficiency, and anchoring a focus on service in the corporate and leadership cultures, guaranteeing customers in the Greater Vienna metropolitan area services from a single source.

Together with its employees, Wiener Stadtwerke aims to play a key role in the future of Smart City Vienna as an attractive employer, providing everyone in Vienna with urban infrastructure and services as an innovative and stable partner.

Legal and business environment

In 2016, Austria's gross domestic product (GDP) expanded by 1.5 percent over the prior year. Growth was driven by both consumer and investor demand, while the contribution of the export industry to GDP growth was negative. This means that growth in Austria is just below the OECD and EU averages.

Private consumer spending (including that of private not-for-profit organisations) increased by 0.4 percent, while public spending only saw a 0.3 percent increase. Gross fixed capital formation also rose despite losing momentum in the course of the year. Domestic companies again invested more in equipment, while the demand for buildings fell.¹

As a result of even lower energy and fuel costs, the average rate of inflation in 2016 was just 0.9 percent,² despite a significant rise in rental prices.

The supply-driven rise in employment since 2012 waned somewhat in 2016. The unemployment rate in Austria in 2016 fell from 6.0 to 5.7 percent due to an increase in employment figures (according to the Eurostat definition). This means that Austria is in eighth place in Europe. The unemployment rate in the EU-28 was 8.2 percent.³

While the US Federal Reserve raised interest rates again for the first time in December 2015 and made a further adjustment in December 2016 (to a range between 0.5 and 0.75 percent), 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, the base lending rate was cut to zero percent in March 2016 and the programmes to buy government-issued bonds were extended and expanded.⁴

These underlying economic conditions, new providers and producers in the liberalised energy market and ambitious climate and energy targets present major challenges for Wiener Stadtwerke, which can only be addressed by working hard on new innovative services and products, looking after existing customers in the best possible way and continuously improving efficiency. 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 grids continues to be decided upon by the public-sector regulator, Energie-Control Austria (ECA).

Energy

The energy and climate policy of the European Union
In July 2016, the European Commission published a Summer Energy Package and for implementing the 2030 Climate and Energy Framework. This includes:

- A proposal for a regulation to set binding national annual targets for Member States to reduce greenhouse gas emissions between 2021 and 2030 (effort sharing) in the non-ETS sector
- A proposal for a regulation on the inclusion of emissions and the reduction of greenhouse gases from land use, land use change and forestry (LULUCF sector)
- An announcement by the European Commission concerning a strategy for low-emission mobility

The energy and environmental policy of Austria

In line with the European energy and climate targets set as part of the Energy Union to be achieved by 2030, an Austrian energy and climate strategy for 2030 is being drawn up. The new Energy and Climate Strategy 2030 will be part of the national energy and climate plans. The new national green book for an integrated energy and climate strategy was published in June 2016. This is intended to form the basis of an informed and fact-based discussion on an integrated energy and climate strategy in Austria, and was divided into four parts:

- Status quo
- Developments and consequences for the Austrian energy and climate strategy
- A comparison of different scenarios and studies concerning the development of the Austrian energy system and greenhouse gas emissions in Austria

1 Source: WIFO, http://www.wifo.ac.at/jart/prj3/wifo/resources/person_dokument/person_dokument.jart?publikationsid=59271&mime_type=application/pdf

2 Source: Inflation.eu, <http://de.inflation.eu/inflationsraten/osterreich/historische-inflation/vpi-inflation-osterreich-2016.aspx>

3 Source: ec.europa.eu, <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=de&pcode=teilm020&plugin=1>

4 Source: <http://www.finanzen.net/leitzens/>

- A mission statement about the future energy and climate policy focusing on sustainability, security of supply, competitiveness and affordability

A consultation was ongoing on this matter until September 2016. With the government's law on energy efficiency (EEffG), Austria meets its obligations under the Energy Efficiency Directive (2012/27/EU – EED). The aim of the law on energy efficiency, which came into effect in 2014, is to stabilise end energy consumption at 1,050 petajoules by 2020 through a range of energy efficiency measures. As part of implementing the law on energy efficiency, the energy efficiency monitoring office reviews the energy savings achieved within the scope of this federal law every year, to the extent that these were achieved as a result of energy services or other energy efficiency measures, and summarises the respective results in a report. According to information provided by the monitoring office, 156.9 petajoules of cumulative energy savings (notwithstanding possible corrections) were achieved in the first reporting periods, corresponding to around 51 percent of Austria's overall target of 310 petajoules. Companies deemed to be 'large' under the law on energy efficiency (EEffG), including Wien Energie, were required, under Art. 9 EEffG, to introduce a recognised management system including an internal or external energy audit, or conduct an external energy audit, by 1 December 2015.

The Federal Ministry of Agriculture, Forestry, Environment and Water Management, as well as the Federal Ministry for Transport, Innovation and Technology, have put together a package of measures totalling EUR 72 million, in cooperation with car importers, to accelerate the launch of e-mobility on the market in Austria. The focal points of the e-mobility package include a subsidy when buying e-vehicles and incentives to develop a comprehensive network of charging stations (condition: electricity entirely from renewable energy sources).

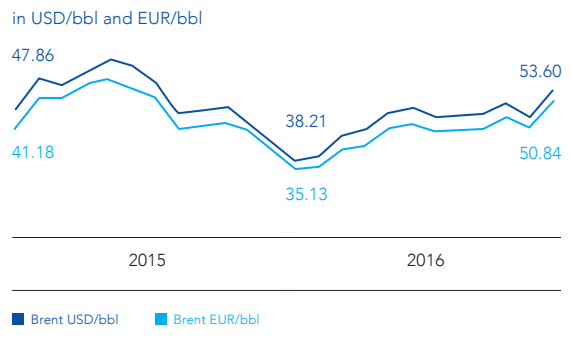
Temperature developments

2016 was the fourth warmest year on record at the Central Institute for Meteorology and Geodynamics (ZAMG), records that go back almost 250 years. Despite many months with high levels of precipitation, 2016 saw four percent more sunshine than an average year. A particularly noteworthy fact is that there were virtually no extended periods of very cool or cold weather. Ten months with above-average temperatures stood in contrast to just two cold months. Measured in terms of the total heating degree days, the standard parameter for temperature-related energy requirements, the tem-

peratures prevailing in the supply area of Wien Energie during the reporting period were 0.1 percent higher than the comparable value of recent years, and 5.5 percent higher than in the prior year. These temperatures also had a positive impact on the business development of WIEN ENERGIE GmbH compared to the prior year – which was the second warmest year on record at the ZAMG.

Demand-side and price developments

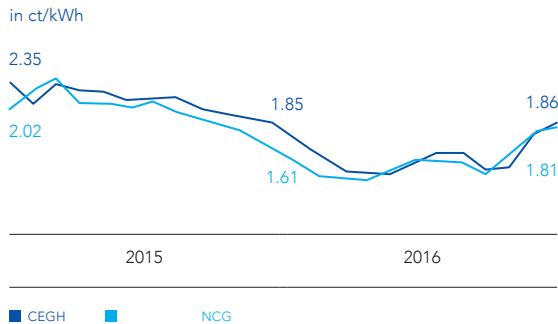
Development of crude oil prices



Source: Thomson Reuters (ICE). 10.01.2017

The price of Brent crude oil fell to its lowest level in twelve years in January 2016. It has since recovered considerably however, and, at the end of the financial year, was at around USD 55 per barrel. This is approximately reflected in the level of the marginal production costs. The main reason behind the recovery of the oil price may be the decisions made by the Organisation of Petroleum-exporting Countries (OPEC). After extensive talks, the 13 member countries agreed in December 2016 on the first cut in production since 2008. According to the agreement, a maximum of 32.5 million barrels will be produced per day – 1.1 million fewer barrels than in October. In addition, Russia has also announced its intention to cut production levels.

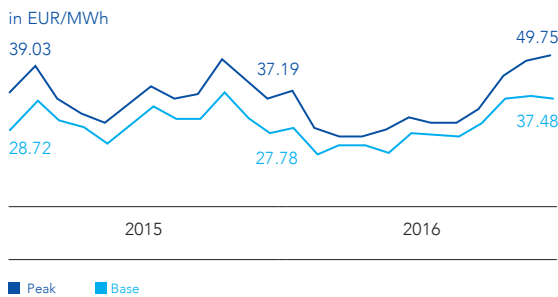
Development of natural gas prices



Source: Thomson Reuters (EEX NCG) or Wien Energie Energiewirtschaft, 10.01.2017

Gas prices fell to their lowest level in six years in April 2016. Since this time, they have gradually risen to a little over two cents per kilowatt hour, although the stable situation in Ukraine and the well-filled gas storage facility in Europe led to a comfortable supply-side situation. Prices were boosted primarily as a result of the demand for power plant gas. 16.5 terawatt hours of additional electricity was generated by gas-fired generation plants last year in Germany alone compared to 2015.

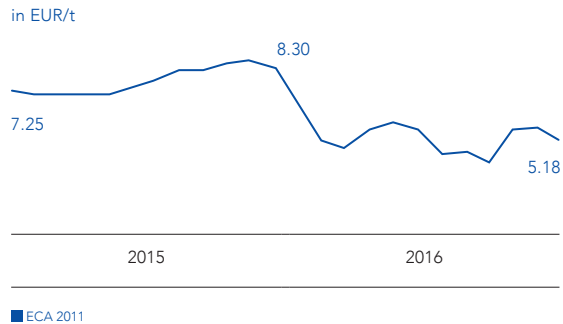
Development of electricity prices



Source: Base/Peak (EEX market prices, monthly average), e&t 10.01.2017

January and February 2016 saw electricity spot market prices fall sharply, driven by falling prices on commodities markets, the high energy yield from wind power and the relatively mild weather last winter. New lows for forward prices not seen since the beginning of the liberalisation of the electricity market were the result. However, the drop in prices was offset by higher commodity prices, above all for coal, in the first half of 2016. Prices rose further at the beginning of the fourth quarter, after the French state-owned company Électricité de France (EDF) had to take 21 of its 58 French nuclear reactors off the grid for safety inspections.

Development of prices for CO₂ emission certificates



Source: Thomson Reuters (ICE), 10.01.2017

As was the case in the electricity market, the CO₂ certificate price fell sharply at the start of the year. Additional pressure was put on prices as a result of the Brexit vote. The result was prices of little more than four euro per tonne. Since then, pollution rights have been fluctuating between four and six euro per tonne. Such a low price for CO₂ emissions does not have the desired impact from an environmental standpoint. Consequently, emissions targets are expected to be tightened by the political decision-makers in the fourth phase of the European Emissions Trading System (EU ETS).

Distribution

System utilisation charges – appeal procedure against cost verification decisions

The appeal against the electricity cost verification decision in 2013 is still pending, and complaints were also lodged with the Federal Administrative Court (BVwG) in 2014, 2015 and 2016 for the same reasons. The adoption of the electricity system utilisation charges ordinance was not suspended as a result. The Federal Administrative Court has, up to now, not ruled on the appeals against the decisions of Energy Control Austria (ECA) as there are doubts regarding the conformity of the ECA with Union law. ECA is required to report to the Federal Ministry of Science, Research and Economy (BMWFV), and it was therefore unclear whether it could be considered an independent authority. The Federal Administrative Court suspended a decision by the ECA as a result of the alleged lack of conformity with Union law, and a further appeal was lodged against this decision. The Higher Administrative Court (VwGH) confirmed the conformity of the ECA with Union law at the end of 2016.

This means that the formal reason for awaiting the decision of the Federal Administrative Court in the pending proceedings concerning WIENER NETZE GmbH no longer exists. A decision regarding the substance of the cost appeals now needs to be made.

The Federal Administrative Court has indicated that the case will continue in the near future. So far no application has been made to the Federal Administrative Court for a deadline to be set for a decision on the pending appeals.

Transfer of pension obligations to WIENER STADTWERKE Holding AG

As of 31 December 2016, Wiener Stadtwerke Holding AG took over the pension obligations (pension provisions) of WIENER NETZE GmbH at their market value by way of private debt assumption. This means that WIENER STADTWERKE Holding AG is now responsible to the City of Vienna for these pension obligations instead of WIENER NETZE GmbH. The transfer at market value has been funded through a loan. Furthermore, WIENER STADTWERKE Holding AG provided a capital contribution in the form of a debt waiver, which reduces the corresponding liability and is recorded under capital reserves.

Transport

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. It remains the target of Wiener Linien to increase the modal split share of public transport to 40 percent and to reach the one-billion-passenger mark.

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 [PSO-VO]) as part of the Fourth Railway Regulation and State Aid Packages.

The proposed amendments to many parts of the regulation would have had a negative impact on Wiener Linien. The European Parliament made amendment

proposals in its first reading. The Council of Transport Ministers also passed the dossier in October 2015 with its amendments. A number of provisions with a negative impact on Wiener Linien have been initiated as a result 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 these will ultimately have on Wiener Linien. Consequently, Wiener Linien has submitted statements to the appropriate offices and institutions, notably through Wiener Stadtwerke's office in Brussels. The progress of negotiations on the Fourth Railway Package is being closely monitored and the interests of Wiener Linien safeguarded.

Funerals and cemeteries

The funerals market in Austria was deregulated as early as 2002 and is largely unaffected by trends in the general economic environment. Business development in the funerals and cemeteries segment is dependent on mortality rates and the number of competitors. The willingness to renew tenure for graves is of significance in the cemeteries business. One negative effect, however, is the long-term decline in the significance attached to dealing with death and hence the funeral and cemetery-related services. There are currently over 20 competitors active in Vienna in the funerals segment outside the B & F Wien division.

Car parks

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

Development of business, financial and non-financial KPIs

The Accounting Amendment Act (RÄG 2014) has been applicable since the 2016 financial year. In order to ensure an appropriate level of comparability with prior-year amounts, the values for 2015 were also calculated at the Group level. In doing so, items were reclassified from other operating income to turnover.

Abridged Profit and Loss Account

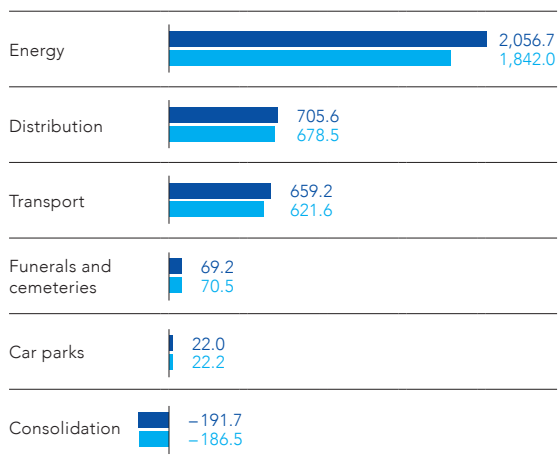
in EUR million

	2016	2015	+/-	+/-%
Turnover	3,321.0	3,048.4	272.6	8.9
Change in inventory and own work capitalised	54.0	55.9	-2.0	-3.5
Other operating income	591.5	602.5	-11.0	-1.8
Operating performance	3,966.5	3,706.8	259.6	7.0
Cost of materials and services	-1,590.8	-1,356.2	-234.6	-17.3
Personnel expenses	-1,396.0	-1,071.4	-324.6	-30.3
Depreciation and amortisation	-550.7	-533.0	-17.7	-3.3
Other operating expenses	-650.6	-613.1	-37.5	-6.1
Group EBIT	-221.6	133.2	-354.8	-266.4
Consolidated financial result	-181.2	-102.7	-78.5	76.5
Group earnings before tax (EBT)	-402.8	30.5	-433.3	n.c.
Consolidated profit for the year after minority interests	-403.9	29.8	-433.8	n.c.
Consolidated profit/loss for the year	-279.3	128.4	-407.7	-317.6

Differences as a result of rounding figures have not been eliminated

Turnover structure

in EUR million



Turnover

Energy

The largest share of turnover in the Wiener Stadtwerke Group is attributable to the energy business. The increase here is primarily due to the merger of e&t Energiehandels-gesellschaft mbH with Energie Allianz Austria GmbH.

Transport

The increase in turnover is partially due to the increase in the number of annual passes, with the attractiveness of the services on offer and the low fee charged for the pass being key factors driving this trend. Turnover from Wiener Lokalbahnen's freight services also increased. Average revenue per passenger rose by 2.6 percent year-on-year (2016: 54.88 cents; 2015: 53.48 cents).

Funerals and cemeteries

The drop in turnover is due to the decline in funeral and cemetery-related services. According to experts for demographic population trends, this is due to the so-called cohort effect, which means that years with low birth rates from the time before and during the Second World War, as well as premature deaths, are having a short-term effect.

Car parks

The year-on-year decrease in turnover generated by car parks is attributable to a one-off compensation payment in 2015 for the premature termination of a long-term rental contract in the Votivpark car park.

Cost of materials and services

As is the case with the turnover, the largest share of cost of materials and services in the Wiener Stadtwerke Group is attributable to the energy business. The increase is primarily due to the merger of e&t Energiehandels-gesellschaft mbH with Energie Allianz Austria GmbH.

Personnel expenses

As a result of the stable headcount, general wage and salary increases and individual progressions, expenses for wages and salaries increased. At the same time, expenses for statutory social expenses also increased.

Pension fund contributions and other personnel-related provisions were dominated by several factors in 2016:

- Provisions for pension obligations were calculated using an average observation period of ten years pursuant to Article 253 of the German Commercial Code (HGB) and a nominal discount rate of 4.30 percent as per 31 December 2015. The discount rate fell to 4.01 percent as per 31 December 2016, which meant that a further addition was made.
- As part of transferring the pension obligations of Wiener Netze to Wiener Stadtwerke, the differential amounts remaining at Wiener Netze were recognised in income.
- Due to the difficult overall context in the energy sector, a decision was made in summer 2016 to bring forward planned retirements in 2017 and 2018. This meant that an addition to provisions for pensions had to be made in 2016.

Depreciation and amortisation

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, on the one hand, and impairment charges in the energy segment, on the other.

Other operating expenses

The position 'Other operating expenses' primarily records maintenance and third-party services as well as advertising, IT, legal and consultancy expenses, rentals, leases and expenses for personnel training. The year-on-year increase in expenses in 2016 is the result of maintenance expenses incurred by Wiener Linien in the course of modernising the U4 Underground line.

Group EBIT

Group EBIT of EUR -221.6 million has been reported for 2016 following EUR 133.2 million in the prior year. The significant drop is largely due to the non-cash effects shown for pension obligations.

Consolidated financial result

Write-downs had to be made to investments in the energy division as a result of the difficult overall situation in the energy sector, resulting in a EUR 78.5 million decrease in the financial result.

Group earnings before tax (EBT)

Group EBT amounted to EUR 402.8 million for 2016.

Consolidated result for the period

Following the release of capital reserves, the profit/loss for the 2016 financial year amounted to a consolidated loss of EUR 279.3 million.

1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
1.3	Legal and business environment	1.7	Research and development
1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

Balance Sheet

in EUR million

	31.12.2016		31.12.2015	
	in EUR million	as % of balance sheet total	in EUR million	as % of balance sheet total
Fixed assets	12,615.8	89.2	12,547.7	90.0
of which tangible assets	10,033.3	70.9	9,964.2	71.5
Current assets	1,396.6	9.9	1,126.3	8.1
Prepayments and accrued income	132.7	0.9	262.4	1.9
Deferred tax assets	0.1	0.0	0.0	0.0
Total assets	14,145.2	100.0	13,936.4	100.0
Shareholder's equity	4,692.1	33.2	4,957.9	35.6
Provisions	4,126.9	29.2	3,737.5	26.8
Liabilities	1,393.1	9.8	1,434.8	10.3
Accrued expenses and deferred income	3,933.0	27.8	3,806.2	27.3
Total equity and liabilities	14,145.2	100.0	13,936.4	100.0

Differences as a result of rounding figures have not been eliminated

The balance sheet total of the Wiener Stadtwerke Group rose in 2016 by approximately 1.5 percent to EUR 14,145.2 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 which, at EUR 10,033.3 million, was approximately 0.7 percent higher than the prior year's value as at the 2016 balance sheet date. As such, 70.9 percent of the balance sheet total is accounted for by tangible assets. Recognised current assets consist primarily of accounts receivable and other assets.

The shareholder equity of the Wiener Stadtwerke Group, 100 percent of which is held by the City of Vienna, fell in terms of nominal value over the course of the 2016 financial year by 35.4 percent to around EUR 4,692.1 million. This significant change is primarily attributable to the net loss for the year, partially compensated by the capital contribution made to Wiener Linien by the City of Vienna.

Recognised provisions amount to EUR 4,126.9 million, equivalent to 29.2 percent of the balance sheet total, and 10.4 percent above the level of the prior year. These relate primarily to provisions for pension obligations. On the grounds of the so-called Vienna Public Enterprises - 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. At EUR 1,393.1 million, liabilities in 2016 are slightly below the level of the prior year. The accrued expenses and deferred income position rose to EUR 3,933.0 million compared to the prior year. This refers mainly to investment and building grants (totalling EUR 3,708.3 million) for fixed assets and represents future income. These provisions are reversed in step with the scheduled depreciation of the assets for which the grants were provided. In the first place and thus neutralise the depreciation expense to some extent.

Top KPIs of the Group

in %	2016	2015	+/-	+/-%
Equity ratio	33.2	35.6	-2.4	-6.7
Capitalisation ratio	89.2	90	-0.8	-0.9

Equity ratio = (shareholder equity / total capital less investment grants from public funds and advance payments received on orders) x 100

Capitalisation ratio = (fixed assets / total assets) * 100

Investments, depreciation and amortisation

in EUR million

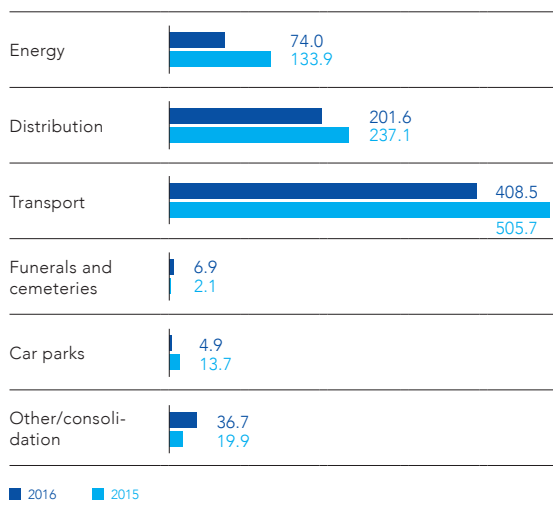
	2016	2015	+/-	+/-%
Investments in intangible assets	21.4	22.6	-1.2	-5.3
Investments in tangible assets	603.7	689.0	-85.3	-12.4
Investments in financial assets	104.3	200.9	-96.5	-48.1
Total investments	729.5	912.5	-183.0	-20.1
Investments, excluding investments in financial assets	625.1	711.6	-86.5	-12.2
Depreciation and amortisation	-550.7	-533.0	-17.7	3.3
CAPEX ratio in %	18.8	23.3	-4.5	-19.4

Differences as a result of rounding figures have not been eliminated
 CAPEX ratio = (intangible assets + tangible assets)/turnover x 100

In 2016, the Wiener Stadtwerke Group undertook investments with a total volume of EUR 729.5 million, of which EUR 603.7 million or 82.8 percent related to tangible assets. The increase in depreciation expenses in the 2016 financial year is due to the Wiener Stadtwerke Group's consistently high level of investment activity together with long depreciation periods. Due to the considerably lower level of investment in tangible assets and the rise in turnover, the CAPEX ratio fell to 18.8 percent compared to 23.3 percent in the prior year.

Investments

in EUR million



Energy

EUR 74 million was invested in the energy sector during the financial year. Investments in intangible assets relate to rights to use telecommunications networks, as well as capitalisations for software developments. Investments in tangible assets relate primarily to additions associated with the construction of the Andlersdorf wind farm, the Leopoldau e-heater, the expansion of district heating connections, refrigeration and heating centres, as well as photovoltaic power plants and operationally necessary expansions in thermal production. The year-on-year decline is mainly the result of the completion of large projects such as the Pottendorf wind farm and the Spittelau waste incineration refurbishment. Investments in financial assets stemmed from the participation in Aspern Smart City Research GmbH, as well as the Oberwaltersdorf and Glinzendorf wind power projects.

Distribution

Investments in tangible assets relate to the head office of WIENER NETZE GmbH, Smart Campus, which was officially opened on 13 September 2016.

Transport

The currently applicable financing form is based on the city council resolution of 19 November 1979, which was carried over to the new legal form of Wiener Linien 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 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

1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
1.3	Legal and business environment	1.7	Research and development
1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

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 47 percent of total investments made by Wiener Linien (excluding financial investments) relate to the expansion of the Underground network (EUR 164 million). In addition, EUR 104 million was spent on the extension of the U1 Underground line to Oberlaa, EUR 53 million on replacing old trams (ULF), EUR 38 million on purchasing Type V Underground trains and EUR 24 million on modernising the U4 Underground line. At Wiener Lokalbahnen, renovation and new construction projects involving tangible assets were launched in respect of stops and tracks, as well as the operational buildings and depots belonging to Wiener Lokalbahnen.

Five Mercedes Citaro buses were also acquired in May 2016, which are to be used between Vienna and Baden, as well as in the town of Baden itself.

Funerals and cemeteries

FRIEDHÖFE WIEN GmbH invested EUR 4.9 million in WSTW funds in 2016.

Car parks

Investments in tangible assets refer mainly to modernisation work in various existing car parks, such as the modernisation of the lighting concept at the Freyung, Votivparkgarage, Stiftgasse and Windmühlgasse locations, as well as acquiring three plots of land in connection with the car park project at Neu Leopoldau. The total level of investment in 2016 was considerably below that of the prior year.

Cash Flow Statement (Abridged)

in EUR million

	2016	2015	+/-	+/-%
Pre-tax cash flow from operating activities	465.3	495.3	-30.0	-6.1
Change in working capital and operating cash flow (long-term)	-64.8	-24.1	-40.8	169.6
Change in cash due to taxes on income and earnings	15.6	29.7	-14.1	-47.5
Cash flow from operating activities	416.1	500.9	-84.9	-16.9
Cash flow from investment activities	-303.5	-493.2	-189.7	-38.5
Cash flow from financing activities	127.5	62.4	-65.1	104.3
Total cash flow	240.1	70.2	169.9	242.1
Balance of cash and cash equivalents* at 31.12.	660.7	420.6	240.1	57.1

Differences as a result of rounding figures have not been eliminated

* 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.

It should be noted that the presentation of cash flow compared to the prior year has been adjusted and, from 2016, is now calculated on the basis of EBT and not of the annual net result in accordance with the classification regulation of the expert opinion issued by the Chamber of Public Accountants. The prior year has also been correspondingly restated to ensure comparability. Incoming and outgoing payments in connection with taxes on income are now reported separately. Cash flow from operating activities gives rise to the same value as when using the previous method of presentation. The cash flow from earnings fell short of the prior year's level as a result of its lower contribution through cash flow to the annual result. Developments in working capital

as well as in the long-term operating activities led to a cash outflow in 2016, which is attributable primarily to a decline in current liabilities. In the area of long-term operating activities, however, positive cash flow was achieved through a decrease in non-current receivables. Cash inflow from taxes refers mainly to the refunding by the tax office of capital gains tax paid for 2013 and 2014. In total, this resulted in positive operating cash flow of EUR 416.1 million, representing a decrease compared to the prior year of approx. 16.9 percent. 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 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 loans in the energy sector and dividend payments. 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.

Non-financial KPIs

Energy – production and sales

Production in GWh

	2016	2015	+/-	+/- %
Electricity	5,872.2	5,011.3	860.9	17.2
Heat	5,374.2	4,981.9	392.3	7.9
Total production	11,246.4	9,993.2	1,253.2	12.5

incl. investments

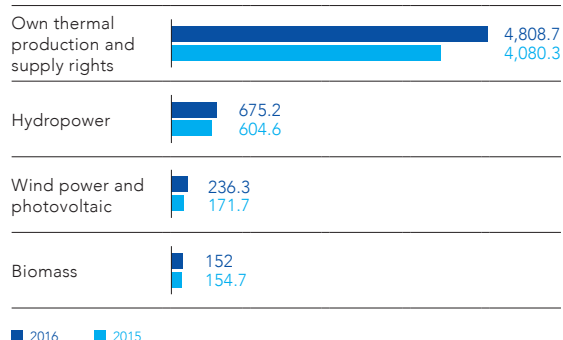
Sales in GWh

	2016	2015	+/-	+/- %
Electricity	9,280.8	9,444.0	-163.2	-1.7
Natural gas	6,627.9	6,632.8	-4.9	-0.1
Heat	5,992.7	5,681.0	311.7	5.5
Total sales	21,901.4	21,757.8	143.6	0.7

Fully and proportionally consolidated subsidiaries

Power generation

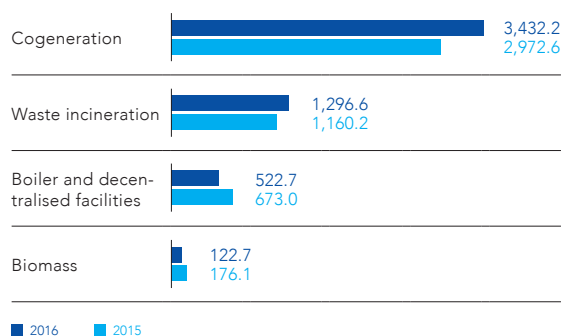
in GWh



Thermal power production rose in 2016 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 volume of electricity produced by hydropower was also above that of the prior year. Following conversion work in 2015, the Ybbstal facility was able to increase its number of operating hours. The amount of electricity produced from wind power also rose substantially compared to the prior year as a result of the full year of operations at the Pottendorf wind farm, which came online in 2015. Electricity production by means of solar energy also rose compared to the prior year thanks to the commissioning of numerous photovoltaic plants and two further citizen solar power plants. Only the amount of electricity from biomass was down compared to the prior year as a result of fewer operating hours due to a scheduled inspection.

Heat production

in GWh



1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
1.3	Legal and business environment	1.7	Research and development
1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

District heating sales saw a year-on-year increase as a result of the lower temperatures. Heat from waste incineration rose due to the return to full operations of the Spittelau waste incineration plant in mid-2015. Production from hot-water boilers fell considerably as a result of the increased level of heat being extracted from cogeneration plants. Significantly lower heat extraction from the biomass power plant is due, on the one hand, to fewer operating hours caused by a prolonged inspection and, on the other, to the increased use for condensation operations.

Distribution

Wheeling, regulated area in GWh

	2016	2015	+/-	+/- %
Electricity	11,127.1	11,027.6	99.5	0.9
Natural gas	19,244.8	18,679.4	565.4	3.0
Total wheeling	30,371.9	29,707.0	664.9	2.2

Wheeling (electricity)

The distributed load in 2016 was up slightly compared to the prior year. The increase in the amount of electrical throughput (wheeling) was the result of an increase related to household customers and small businesses.

Wheeling (gas)

The amount of gas distributed was up on the prior-year's level, due primarily to an increase in wheeling to electricity power plants.

Transport

Passenger numbers (in millions)

	2016	2015	+/-	+/- %
Wiener Linien	954.2	939.1	15.1	1.6
Wiener Lokalbahnen (rail services)	12.5	12.4	0.1	0.8
Total	966.7	951.5	15.2	1.6

Passenger kilometres in millions

	2016	2015	+/-	+/- %
Wiener Linien	19,797.3	19,765.8	31.5	0.2
Wiener Lokalbahnen	538.3	526.3	12.0	2.3
Total	20,335.6	20,292.1	43.5	0.2

Differences as a result of rounding figures have not been eliminated

Passengers

In 2016, Wiener Linien was able to increase passenger numbers by 1.6 percent compared to the prior year. A total of around 954 million passengers were transported (transport association tariff). This increase is due, among other factors, to the continued rise in sales of annual passes and additional services offered. The number of passengers using Wiener Lokalbahnen in 2016 remained slightly above the number in 2015. As regards the total number of passengers, it should be noted that this only refers to passengers using rail-based transport, as the number for bus operations is only based on rough estimates. The number of annual pass holders rose compared to the prior year by approximately 34,000 (4.9 percent) to around 733,000. This figure includes around 151,000 annual passes for senior citizens.

Passenger kilometres transported

Wiener Linien provided around 19,797.3 million passenger kilometres in 2016 (2015: 19,765.8 million). Of these, approximately 16,584.7 million related to rail-based means of transport (2015: 16,677.7 million).

Funerals and cemeteries

Number of funeral services

	2016	2015	+/-	+/- %
Burials	5,294	6,014	-720	-12.0
Cremations	3,012	3,250	-238	-7.3
Interments held by order of the health authorities	827	844	-17	-2.0
Services provided for other undertakers	2,771	2,851	-80	-2.8

Cemetery services

	2016	2015	+/-	+/- %
Coffin interments	8,450	9,343	-893	-9.6
Urn interments	3,736	4,076	-340	-8.3
Plot renewals	32,509	32,204	305	-0.9

Services performed by the cemetery gardeners

	2016	2015	+/-	+/- %
Grave maintenance contracts	29,443	30,244	-801	-2.6
Flowers and wreaths	3,466	3,901	-435	-11.2

Funeral services

In terms of its main business services, burials and cremations, BESTATTUNG WIEN GmbH (Bestattung Wien) saw a marked decline in the number of cases handled to 8,306 compared with 9,264 in the prior year. The services for third-party undertakers also decreased to 2,771 cases (prior year: 2,851). According to experts for demographic population trends, this trend is due to a so-called cohort effect, which means that years with low birth rates from the time before and during the Second World War, as well as premature deaths, are having a short-term effect. This is in no way indicative of a long-term development.

Cemetery services

The effect described above can also be seen for coffin and urn interments. This is in contrast to an increase in the number of grave tenures being renewed. A decrease in gardening services is also evident, in line with the lower number of interments. There were also fewer orders for wreaths and flowers as a result.

Car parks

Number

	2016	2015	+/-	+/- %
Car parks owned (incl. leased)	49	48	1	2.1
Parking spaces owned (incl. leased)	12,917	12,852	65	0.5
Car parks managed	26	19	7	36.8
Parking spaces managed	8,218	7,212	1,006	13.9

Car parks

There were no material changes to the number of parking spaces managed in car parks owned and leased during the past year. The slight increase is due to a rental contract for the Theodor-Kramer-Straße car park, which was concluded at the beginning of 2016 and then terminated as of 31 December 2016.

A new car park project was launched in 2016 in the area of Neu Leopoldau. To this end, Wipark purchased three plots of land from Wiener Netze on which three car parks with a total of around 900 parking spaces are to be built by 2018. Wipark's investment costs for the three new locations are being funded to a large extent by the proceeds from the sale of obligatory parking spaces, some of which Wipark already received in 2016. Moreover, Wipark launched the innovation project LEO Mobil together with the property developers and other Wiener Stadtwerke Group companies, in the course of which a concept for integrated micromobility in the Neu Leopoldau district is to be developed.

Aside from the new in-house car park projects, new management contracts for a total of around 3,900 parking spaces were also concluded. Particularly noteworthy here is the management of the Vienna General Hospital (AKH) car park with around 2,600 parking spaces, which will begin from 1 July 2017.

Employees

Every single day, the just over 16,000 personnel of the Wiener Stadtwerke Group make a considerable contribution to maintaining the high quality of life enjoyed in Vienna.

Headcount

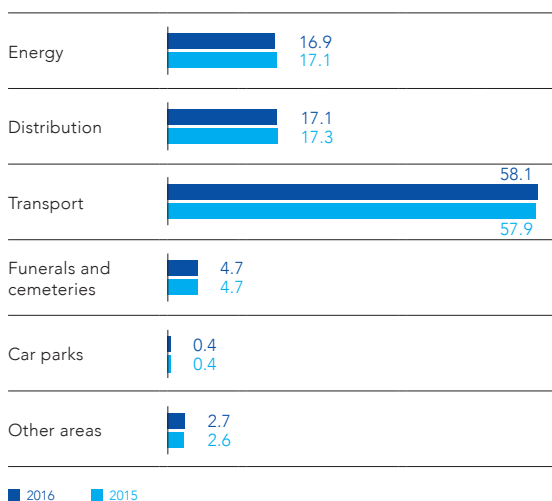
Average FTEs

	2016	2015	+/-	+/-%
Civil servants of the City (officials and civil servants)	7,523.6	7,833.2	-309.6	-4.0
Company employees (CBA)	8,161.8	7,873.8	288.1	3.7
Apprentices / trainees	386.0	390.2	-4.2	-1.1
Total Wiener Stadtwerke Group*	16,071.4	16,097.1	-25.7	-0.2
Proportion of female employees (%)	17.3	17.2	0.1	0.8
Turnover in %	3.9	4.5	-0.6	-13.6
Accident rate (accidents / 1,000 employees)	18.6	19.4	-0.8	-4.1
Days in training, total (excl. trainees)	52,986	56,215	-3,229	-5.7

Differences as a result of rounding figures have not been eliminated
* excluding those on maternity leave and national service

Headcount

in %



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 Group.

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 Töchertag event, which aims to interest young women and girls in professions traditionally dominated by men.

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.

Training apprentices

The Group has just under 400 trainees and apprentices pursuing qualifications in 13 different professions, making the Wiener Stadtwerke Group one of the largest providers of traineeships and apprenticeships in Vienna.

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 Group.

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 the related 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 CO₂ emissions are produced by Wiener Stadtwerke when electricity and district heating are produced in gas-fired (and to a much lesser extent, oil-fired) power plants operated by Wien Energie. On the other hand, the CO₂ 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. Expanding the use of renewable energies to provide electricity and heat, however, helps to reduce CO₂ emissions produced directly by Wiener Stadtwerke.

In addition to the energy sector, the transport business also contributes to Wiener Stadtwerke's CO₂ emissions, albeit to a much lesser extent. 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 both in terms of production as well as in terms of its own fuel usage and that of its customers. Another relevant environmental aspect relates to direct emissions of primary air pollutants. Both low-emission

technologies (e.g. relating to thermal power plants, combined heat-and-power cogeneration (CHP) and waste incineration plants) as well as ending the use of heavy heating oil have helped reduce the amount of harmful emissions in the energy sector. By means of continuously expanding the provision of services which reduce emissions emitted by other sources (in particular fine particulate matter and nitrogen oxides (NOx) associated with household heating systems and private motorised transport), Wiener Stadtwerke plays a role in improving air quality in Vienna.

The environmental impacts of dealing with waste materials, the remediation of contaminated sites, the drawing 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

Wien Energie's efforts to protect the environment and the climate consist primarily in the conservative use of fossil fuels, the increased use of renewable energies and the associated reduction in 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 supplies were provided separately. Wien Energie aims to increase the proportion of electricity produced from

1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
1.3	Legal and business environment	1.7	Research and development
1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

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. 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. An innovative and comprehensive concept for the supply of district heating and cooling using heat pump technology is intended to ensure the highest possible levels of energy efficiency.

Distribution

WIENER NETZE GmbH is making a clear contribution to sustainability by using highly efficient techniques to expand the energy infrastructure, such as trenchless procedures (relining and floating cable installation), as well as by integrating sustainable actions into the company's values. This commitment to treat people, resources and the environment in a responsible manner is reflected in decisions such as combining offices to reduce journey times and emissions, building a head office that complies with passive house standards, and even including forward-looking planning and preparing the energy grid for the energy transition.

Transport

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 for the period until 2025. 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 challenge 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. Half of the company's fleet was modernised in 2016. It has already been possible to reduce current annual energy requirements by a fifth thanks to the new buses introduced in the first phase. This represents savings of around 40 gigawatt hours compared to 2012, which is equivalent to the energy consumption of around 5,000 cars.

Moreover, in 2016, work began on a pilot facility in the U2 station at Hardeggasse to test the recovering of braking energy in the Underground's medium-voltage network (Braking Energy research project). In the pilot facility, the Underground's direct current is converted into alternating current. The energy obtained can then be used to supply the stations, e.g. to operate escalators, lifts and lighting.

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. Around 35,000 passengers use the Badner Bahn every day, which is powered by electricity and does not produce any emissions. In order to improve the attractiveness of the cross-province connection between Vienna and Baden, Wiener Lokalbahnen is investing EUR 40 million as part of a five-year programme of measures to modernise the infrastructure and improve the accessibility of its stops and stations. New stops were fitted, for example, with LED lights that provide better lighting for passengers and are energy-efficient thanks to their optimised electricity consumption.

Similarly, Wiener Lokalbahnen's fleet of buses is placing emphasis on increased comfort and accessibility. Five new buses that meet the EURO VI emission standard have been in use since 2016 between Vienna and Baden, as well as in the town of Baden itself. Wiener Lokalbahnen invested a total of over EUR 2.5 million in the modernisation of its bus fleet in 2015/2016.

Funerals and cemeteries

Compared to the energy and transport segments, the impact of companies in the funerals and cemeteries segment on the environment is considerably 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 deer, badgers, wild hamsters, owls and bats as well as many bee populations. A range of landscape-related measures was 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. Electrical hearses have been in use for many years so as not to disturb the peace of the cemeteries. These are also energy efficient and produce zero emissions.

LED technology has been gradually introduced to mortuaries since 2012, as a result of which the amount of electricity consumed for lighting is reduced.

This work is due to be completed in 2017. A photovoltaic system has already been installed at the Hietzing cemetery, with another one planned for the roof of the service building at Vienna Central Cemetery. The new administrative building recovers heat from the crematorium and uses a free-cooling system in the summer.

Car parks

Through its management of over 20,000 parking spaces at 71 car parks, 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.

Research and development

WIENER STADTWERKE Holding AG laid the cornerstone for a comprehensive innovation management concept in the second half of 2015 with the Group-wide "synovation – harnessing synergies and promoting innovation" projects.

During the project, it emerged that innovation (management) is not an end in itself, but instead serves as an effective tool for achieving corporate targets, developing new sources of income and further developing as a trustworthy and forward-looking company that recognises the challenges of the future and offers customer-oriented solutions.

Together with all of its Group companies and on the basis of the project in 2016, Wiener Stadtwerke Holding AG developed, defined and implemented a Group-wide innovation process, an innovation strategy and the necessary organisational context.

Innovation Management department

The department known as the Coordination Office for Research, Technology and Innovation, which has existed at the holding company since the beginning of 2016, was further developed, renamed Innovation Management and assigned additional strategic tasks. The core tasks of the department are, as a driving force together with all innovative departments of Group subsidiaries, to actively shape the future of the Wiener Stadtwerke Group, create new impetus and promote innovation in a very tangible way. The department sets out conditions that promote innovation, support networking, boost innovation skills and manage Wiener Stadtwerke's innovation fund to provide financial assistance to research or innovation projects at the Group. Wiener Stadtwerke's innovation fund (FTI fund) was furnished with a total of

1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
1.3	Legal and business environment	1.7	Research and development
1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

EUR 1.2 million in 2016. The Group and Group division companies submitted a particularly large number of trendsetting projects during the year. The number of projects receiving funding was more than double the number of the prior year, meaning that the FTI fund was fully utilised again, as was the case in 2015.

Wiener Stadtwerke's innovation fund

	2016	2015	+/-	+/-%
Budget of the FTI fund in EUR million	1.2	1.3	-0.1	-7.7
Number of approved FTI projects	15	6	9.0	150.0

Further highlights

The Goldene Staffelholz prize for innovative ideas and projects developed by departments and companies of the City of Vienna was awarded at Vienna's city hall in September, under the motto Innovative Vienna 2020. Wiener Stadtwerke and its Group companies submitted a total of 14 projects – three of which were awarded the Goldene Staffelholz prize. Wiener Stadtwerke and Upstream – next level mobility GmbH received the Goldene Staffelholz for the projects entitled 'From a successful research project to establishing an innovative company – Upstream – next level mobility GmbH' and 'JÖ – company-based mobility management'. Wiener Linien developed an alarm system for illegally parked cars. The trainee programme moveON, submitted by Wiener Wohnen Kundenservice GmbH, WIENER STADTWERKE Holding AG and the Municipal Directorate – Personnel and Auditing division, also won an award.

Institutions for research and development purposes

The Wiener Stadtwerke Group has two institutions for research and development purposes. On the one hand, Wiener Stadtwerke, along with its subsidiaries Wien Energie and Wiener Netze, is part of the research company Aspern Smart City Research GmbH & Co KG (ASCR), which has been active since October 2013. The aim of this joint venture, together with Siemens, wien3420 and the Vienna Business Agency, is to develop some of the energy technology solutions of the future, with the involvement of real end customers at Seestadt Aspern. Neue Urbane Mobilität Wien GmbH, or NeuMo for short, analyses changes in mobility behaviour, as well as developments in the mobility sector. It initiates and leads innovation projects, while trendsetting business

models for urban mobility are tested and evaluated in the virtual NeuMo lab. The aim is to help Wiener Stadtwerke companies to prepare for changes in the mobility market.

Numerous research projects again led to interesting findings.

After three years of collaborative work, Wiener Stadtwerke and the Vienna University of Technology took stock of the very successful doctoral programme entitled URBEM (urban energy and mobility systems). At the closing event held at the end of September, the findings of the doctoral candidates were presented to a wide audience. The findings condensed from different specialist areas led to a prototype. The URBEM prototype can be used to analyse future mobility behaviour, as well as energy consumption and supply, in scenarios and to highlight interactions.

Wiener Stadtwerke's two subsidiaries Wiener Linien and Neue Urbane Mobilität Wien (NeuMo) founded a start-up together in the mobility sector at the beginning of 2016 so as to be prepared for the requirements of the digitalised mobility world of the future. Upstream – next level mobility GmbH connects all publicly available transport services, along with any company-owned fleets, with customised digital services (e.g. routing, real-time data, reservation, etc.). Thereby, new opportunities for innovative business models on the basis of the existing range of mobility forms are created.

Numerous new and exciting projects launched

An increasing number of people are using different means of transport when travelling through the city. Which combinations do they use? Which means of transport do they prefer? Which offerings are accepted? The MultiMo study is looking for answers to these questions by analysing the mobility behaviour of users of the WienMobil Lab app. WienMobil Lab combines a wide range of different means of transport and mobility partners in one app, and also enables bookings, reservations and payments to be made. The app was the test product in 2016.

As part of the Smarter Together initiative (<http://smartertogether.at>), social and technological innovations to ensure a high quality of life in city districts are being researched in the cities of Vienna, Lyon and Munich. Vienna's Smarter Together urban renewal area is located between Simmeringer Hauptstrasse and Ostbahn (Geiselberg, Enkplatz). A total of 21,000 people in Vienna will benefit from smart solutions being implemented in the areas of renovation, energy, mobility and information and communications technology. Wiener Stadtwerke has a substantial involvement in the projects of Neue Urbane Mobilität Wien GmbH (NeuMo) and WIEN ENERGIE GmbH. In the LeoMobil research project, Wipark is developing

a prototype for integrated micromobility in the new district of Neu Leopoldau, together with Wien Energie, Wiener Netze, Upstream and Wiener Linien. The Neu Leopoldau urban development area is to be brought to life, with open spaces and streets to be harnessed as places to meet and spend leisure time. The aim of

the LeoMobil project is to create a mobility concept in this new district, together with the property developers and the companies of Wiener Stadtwerke, which will be developing a prototype for innovative and integrated neighbourhood micromobility.

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 internal control system (ICS) comprises all measures to ensure the reliability, effectiveness and efficiency of material processes, as well as compliance with external regulations. The Internal Audit Division concentrates on how business processes are handled, as well as on the internal control and risk management system, in accordance with an annual audit programme approved by the Management Board.

Fundamentals of the risk management process

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 Group companies form the basis for the regular risk reporting. Generally speaking, a distinction is made between qualitative and quantitative risks.

Quantitative risks are included in the financial reporting prepared by Controlling (integrated reporting). As regards the key financial performance indicators of the Group companies, ranges are derived from risk management in the form of confidence intervals defining their future development, and presented in CO reports. A key objective is ensuring the ability of individual Group companies to bear risk. A risk and opportunity review is performed every year, i.e. a comparison is performed of the original assessment of risks and opportunities in the past year, which is also based on business planning, with the actual outcomes. The resulting findings are then used to bring the risk catalogue into line with new conditions. The updated risk catalogue constitutes a basis for future business planning.

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 funds; the underlying business process is subjected to an external audit every year by an auditor. Corresponding

1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
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1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

risk KPIs are regularly employed. Limits have been set up that ensure that countermeasures can be promptly taken. The risk of banks defaulting, which 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: Minimisation through 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, CO₂ and sourced electricity supplies. In the interests of professional risk management, the Wiener Stadtwerke Group mitigates these price risks by engaging in appropriate hedge transactions, such as derivative financial instruments, relating to its source and distribution markets. This includes contracting forwards, futures, options and swaps, for example.

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 collaborations.

Investment risks; Minimisation through continuous monitoring of intrinsic values

This includes all risks stemming from investments held, e.g. the risk of a lower-than-expected dividend, the risk of a devaluation of the investment, etc. Continuous monitoring helps to avoid unpleasant surprises.

External risks: Risk mitigation by means of permanent market monitoring

The relevant political and legal environments are the main areas in which Wiener Stadtwerke monitors external 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.

Principles of the internal control system (ICS)

Wiener Stadtwerke's ICS refers to all of the measures implemented at the Company to identify material risks and errors associated with business processes, to safeguard the efficiency and effectiveness of these processes, to protect the Company's assets, and to effectively secure the transparent and proper management of the Company.

The ICS ensures that all material risks associated with all relevant business processes are systematically recorded and mitigated by means of regular 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. Wiener Stadtwerke's accounting process is regulated by Group-wide policies and regulations. The ICS is further developed by means of an organisational structure defined by a Group guideline and through obligatory periodic reporting to the general management teams. The roles and responsibilities within the ICS control process are clearly defined in this Group guideline.

Summary

At 31 December 2016, 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.

54

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. With a keen focus on priorities, the intention is to further pursue important growth and innovation-oriented projects.

With turnover remaining unchanged, lower personnel expenses are expected for the 2017 financial year, contributing to an improvement in earnings. This is primarily attributable to a lower addition to provisions for pensions. 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

Clear course of growth

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 neighbouring communities, investing over EUR 800 million over the next five years, of which EUR 400 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 will 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.

New, local sources of heat

According to forecasts, annual heating requirements in Vienna will increase by 200 megawatts. Wien Energie aims to capture around half of this growth for itself. The expansion plan sets out the objective to develop around 100 megawatts both centrally and with decentralised means, such as heat pumps. The existing, well-developed

district heating network offers the Company the opportunity to concentrate supply. This makes it possible to connect new customers with a reasonable investment. 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. By the same token, the supply of cooling will also be increased. Wien Energie will double its total installed output to 200 megawatts by 2020.

From a utility company to an innovative service provider

Wien Energie will continue to evolve from a traditional utility company to become a service provider leveraging the opportunities offered by digitalisation. The company will also bring innovative products and services to the market in the coming year. To this end, partnerships will be intensified with start-ups and industry newcomers from the fields of mobility, retail, telecommunications and IT. In the area of telecommunications, Wien Energie will further expand 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 coming years. The company will also launch a brand-new market image in 2017.

E-mobility

E-mobility is an obvious 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. Wien Energie had set up 440 publicly accessible charging stations in the Greater Vienna metropolitan area by the end of 2016. This expansion programme will be continued at full speed in 2017. Furthermore, Wien Energie will manage the setting up of a basic public network of charging stations as a cooperation partner of the City of Vienna.

Distribution

Electricity grid

In the area of electricity grids, long-term projects such as the modernisation of old high and medium-voltage substations at the Simmering and south-west

1.1	Operations	1.5	Employees
1.2	Corporate strategy	1.6	Environment
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1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

transformer stations, the long-term project to build a 380-kV power line between these two transformer stations, the grid strengthening project, the project to replace electrical substations and the project to implement optimisation measures in accordance with the target network plan will be 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. Grid monitoring is to be continued so as to satisfy statutory and regulatory requirements. By using industry-standard substations with switchgears and signalling units (observable network nodes), it has been possible to substantially reduce the amount of maintenance required, as well as the costs.

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 detection equipment is to be used.

The top priority must be 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. Key elements of intelligent networks include measuring power supplies and the possibility to have a controlling effect over these. 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 towards developing access to new areas will continue in Vienna. With regard to the gas network, efforts to integrate options taking into account renewable energy sources, such as in combination with environmentally-friendly solar thermal installations. This particularly applies to growth areas that cannot be supplied with district heating due to their location.

Heating network

WIENER NETZE GmbH has been responsible for building and maintaining the district heating network since 2013. The further expansion of the heating network is being determined to a large extent by Vienna's growing population. As a result, work is under way to expand into new areas and increase the number of connected

units in existing strategic areas. By way of example, the residential area around the Vienna Main Railway Station is being connected to the district heating network.

Transport

Conclusion of a new financing agreement

The economic basis of Wiener Linien 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 transport and financing contract (ÖPNV-Vertrag) with Wiener Linien. This has already been published in the EU's official gazette. With a term extending 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 for transport services, as well as the capital contributions for investments. This also ensures that the requirements of EU Regulation No 1370/2007 can be met.

Fare reform

The development of Wiener Lokalbahnen's market share in the rail passenger and bus transport segments will remain unchanged, taking into account the regional situation. The comprehensive reform of VOR fares was implemented with effect from 6 July 2016. However, the full effects of this fare reform will only be felt in subsequent years. Attention will have to be paid to preserving Wiener Lokalbahnen's its piece of the fare pie.

External passenger transportation

The external passenger transportation business field is developing encouragingly at Wiener Lokalbahnen AG, and the aim is to both secure and build on the level achieved. Growing demand means that an expansion can be expected. Individual railway services are increasingly offered as add-on services to existing transport offerings, in addition to nostalgic train journeys, transfers and special trains.

Funerals and cemeteries

It can be assumed that the scope of the business activities of Bestattung Wien will remain fairly constant on the basis of the planning and forecast data available and applying the principles of commercial prudence.

The business activities of the cemeteries division are dependent on the number of deaths as well as the general willingness to maintain graves.

The mortality rate will decline slightly in the medium term, meaning that the development of business is largely predetermined.

Due to rising population numbers and the demographic trend in Vienna, a rise in the number of deaths is expected from 2025, and thus an increase in turnover due to volume.

Car parks

Over the next few years, turnover is expected to increase particularly in connection with the car park projects in Neu Leopoldau (opening planned at the end of 2018/ start of 2019) and the newly concluded management contracts in 2016. 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.

As a result of the newly concluded management contracts in 2016, Wipark was able to take over the position of the market leader among car park operators in Vienna. Wipark is committed to maintaining its market share in the future and, where possible, to further expand it.

Aside from the projects already started in Neu Leopoldau, further growth is also conceivable in the coming years through in-house development of car park projects, provided that internal requirements, such as the minimum hurdle rate and adherence to the debt limit towards the Group, are met. In this context, Wipark is working hard in particular to acquire the Park & Ride facilities due to be created alongside the newly built stations of the extended U1 Underground line.

1.1	Operations	1.5	Employees
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1.4	Development of business, financial and non-financial KPIs	1.8	Internal control and risk management system
		1.9	Outlook

The Management Board

Vienna, 28 March 2017

Martin Krajcsir

Gabriele Domschitz

Peter Weinelt

02

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

Assets

as at 31 December 2016, in EUR

	31.12.2016	31.12.2015
A. Fixed assets		
I. Intangible assets	179,889,437	161,740,956
Licenses, industrial property rights and similar rights including associated licenses	157,785,484	143,386,666
Goodwill	11,462,978	12,866,452
Prepayments	10,640,975	5,487,839
II. Tangible assets	10,033,265,725	9,964,185,018
Land, land rights and buildings, including buildings on non-owned land	4,848,504,681	4,778,713,904
Plant and equipment	4,202,770,026	4,135,436,216
Other equipment, operational and office equipment	194,033,219	182,526,504
Prepayments and plant under construction	787,957,799	867,508,393
III. Financial assets	2,402,693,397	2,421,743,529
Shares in affiliated companies	35,495,147	62,201,958
Lendings to affiliated companies	35,579,667	28,130,253
Shares in associated companies	3,413,201	8,521,772
Shareholdings	784,907,429	786,259,250
Loans to companies in which shares are held	9,606,566	16,312,171
Long-term financial investments and rights	1,420,749,089	1,410,125,709
Other lendings	112,942,299	110,192,415
Total fixed assets	12,615,848,559	12,547,669,503
B. Current assets		
I. Inventories	131,698,490	93,870,155
Raw materials and supplies	102,076,958	88,987,758
Finished products and goods	24,757,686	170,038
Uninvoiced services	4,806,742	4,335,663
Prepayments	57,105	376,696
II. Receivables and other assets	597,186,158	605,144,973
Trade accounts receivable	339,511,780	264,936,463
of which falling due after more than 1 year	3,664,628	3,555,486
Receivables from affiliated companies	11,374,646	4,166,518
of which falling due after more than 1 year	3,575,031	0
Receivables from companies in which shares are held	309,243	37,942,136
of which falling due after more than 1 year	0	0
Other receivables and assets	245,990,489	298,099,856
of which falling due after more than 1 year	32,878,377	79,288,762
III. Cash in hand, cheques and cash in bank	667,681,284	427,298,603
Total current assets	1,396,565,933	1,126,313,731
C. Prepayments and accrued income	132,664,297	262,391,919
thereof shortfall of provisions for pensions	66,693,953	139,062,568
D. Deferred tax assets	133,612	0
Total assets	14,145,212,401	13,936,375,153

Liabilities

as at 31 December 2016, in EUR

	31.12.2016	31.12.2015
A. Equity		
I. Requested and paid-up capital stock	500,000,000	500,000,000
Additional paid-in capital	500,000,000	500,000,000
II. Capital reserves	3,769,593,247	3,741,258,368
III. Retained earnings	692,470,437	577,052,798
VI. Minority interests	9,386,914	11,211,822
V. Net profit/loss for the year	-279,315,257	128,378,763
Total equity	4,692,135,341	4,957,901,752
B. Provisions	4,126,924,065	3,737,530,284
Provisions for severance payments	95,445,204	82,131,186
Provisions for pensions	3,368,022,116	3,097,083,789
Provisions for taxes	2,019,774	1,103,868
Other provisions	661,436,970	557,211,440
C. Liabilities	1,393,114,748	1,434,770,491
of which falling due within 1 year	885,106,752	873,654,516
of which falling due after more than 1 year	508,007,996	561,115,975
Liabilities due to banks	78,520,062	88,960,661
of which falling due within 1 year	4,741,461	10,508,769
of which falling due after more than 1 year	73,778,601	78,451,893
Bonds	200,000,000	200,000,000
of which falling due within 1 year	0	0
of which falling due after more than 1 year	200,000,000	200,000,000
Advance payments received on orders	21,836,549	20,232,290
of which falling due within 1 year	13,291,239	20,232,290
of which falling due after more than 1 year	8,545,309	0
Trade accounts payable	366,208,311	312,286,115
of which falling due within 1 year	362,326,467	310,134,931
of which falling due after more than 1 year	3,881,844	2,151,184
Liabilities due to affiliated companies	12,711,939	10,965,284
of which falling due within 1 year	12,711,939	10,965,284
of which falling due after more than 1 year	0	0
Accounts payable – companies in which shares are held	128,465	43,471,563
of which falling due within 1 year	128,465	43,185,456
of which falling due after more than 1 year	0	286,108
Other liabilities	713,709,424	758,854,577
of which falling due within 1 year	491,907,182	478,627,787
of which falling due after more than 1 year	221,802,242	280,226,790
of which taxes		
of which falling due within 1 year	178,198,956	134,358,434
of which falling due after more than 1 year	0	0
of which relating to social security		
of which falling due within 1 year	13,016,415	12,517,460
of which falling due after more than 1 year	0	0
Total borrowed capital	5,520,038,813	5,172,300,775
D. Accrued expenses and deferred income	3,933,038,247	3,806,172,627
Total equity and liabilities	14,145,212,401	13,936,375,153

Consolidated Cash Flow Statement

from 1 January to 31 December 2016, in TEUR

	2016	2015
Earnings before tax	-402,823	30,508
Depreciation / write-ups of assets held as investments	618,706	561,077
Gains/losses from the disposal of assets held as investments	-29,015	-9,676
Other non-cash expenses/income not covered by Positions 7 to 9	-185,806	-178,915
Change in non-current provisions	464,263	92,306
Cash flow from earnings	465,326	495,300
Change in current inventories, receivables and accrued income and prepayments	7,371	20,801
Change in current provisions	-5,821	-38,149
Change in current accounts payable, other liabilities and accrued liabilities	-101,954	-50,839
Change in working capital	-100,404	-68,188
Change in non-current receivables and accrued income and prepayments	40,534	-48,093
Change in non-current liabilities and accrued liabilities	-4,968	92,226
Change in non-current operational cash flow	35,566	44,134
Pre-tax cash flow from operating activities	400,488	471,246
Cash inflow/outflow for taxes on income	15,586	29,689
Net cash flow from operating activities	416,074	500,935
Cash inflow from the sale assets (not including financial assets)	41,650	16,274
Cash inflow from the sale of financial assets and other financial investments	26,690	58,162
Cash outflow for the acquisition of assets (not including financial assets)	-543,401	-702,411
Cash outflow for the acquisition of financial assets and other financial investments.	-91,001	-97,775
Cash inflow/outflow for available-for-sale securities	0	0
Building and investment grants received	246,678	232,573
Inflow of cash and cash equivalents from first-time consolidation	15,881	9
Net cash flow from investment activities	-303,503	-493,168
Payment/repayment of equity	137,970	141,009
Cash inflow/outflow from the raising/redemption of loans	-10,447	-78,588
Net cash flow from financing activities	127,523	62,421
Net change in cash and cash equivalents	240,093	70,187
Balance at start of period	420,591	350,403
Balance at close of period	660,684	420,591
Change in cash and cash equivalents	240,093	70,187

Consolidated Profit and Loss Account

from 1 January to 31 December 2016, in EUR

	2016	2015
1. Turnover	3,321,001,583	3,048,378,718
2. Change in inventory of finished and unfinished goods and accrued income	361,899	81,720
3. Other own work capitalised	53,624,744	55,865,349
4. Other operating income	591,491,202	602,521,408
Income from the disposal and write-up of fixed assets, with the exception of financial assets	29,592,325	8,079,137
Income from the reversal of provisions	8,379,789	29,005,061
Remaining	553,519,088	565,437,210
5. Cost of materials and other manufacturing services	-1,590,820,318	-1,356,207,748
Cost of materials and services	-730,119,157	-674,208,818
Expenses for purchased services	-860,701,162	-681,998,930
6. Personnel expenses	-1,395,985,001	-1,071,355,798
Wages	-425,673,714	-418,821,145
Salaries	-376,722,155	-367,596,478
Other expenses	-593,589,132	-284,938,175
of which pension fund contributions	-391,654,321	-93,273,365
of which expenses for severance payments and contributions to occupational pension funds	-24,379,474	-19,989,265
of which expenses for legally prescribed social expenses and salary-related charges and mandatory contributions	-172,033,679	-167,241,990
7. Depreciation and amortisation of tangible and intangible assets	-550,657,381	-532,987,661
of which impairment charges relating to fixed assets pursuant to Art. 204 (2) UGB	-6,329,837	-920,164
8. Other operating expenses	-650,626,093	-613,101,008
Taxes that do not constitute taxes on income	-58,043,502	-58,526,230
Remaining	-592,582,591	-554,574,778
9. Earnings before interest and tax (EBIT)	-221,609,365	133,194,980
10. Income from shareholdings	25,363,959	26,659,160
of which from affiliated companies	2,274,436	2,120,436
11. Income from other securities and lendings of non-current financial assets	11,542,679	9,335,947
of which from affiliated companies	599,808	278,093
12. Other interest and similar income	8,851,037	5,693,143
of which from affiliated companies	27,090	27,064
13. Income from the disposal and write-up of financial assets	6,757,904	3,356,548
14. Income/expenses from investments in associated companies	2,640,636	1,050,994
15. Expenses associated with financial assets and available-for-sale securities	-74,801,642	-45,313,745
of which write-downs	-74,767,742	-28,321,876
of which expenses relating to affiliated companies	-24,145,319	-15,300,233
16. Interest and similar expenses	-161,567,949	-103,469,359
of which related to affiliated companies	-16,934	-20,947
17. Financial result	-181,213,375	-102,687,312

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from 1 January to 31 December 2016, in EUR

	2016	2015
18. Earnings before tax	-402,822,740	30,507,688
19. Taxes on income and earnings	-964,168	-216,563
of which deferred taxes	470,079	-259,735
20. Earnings after tax	-403,786,908	30,291,106
21. Profit/loss for the period	-403,786,908	30,291,106
22. Minority interests	-131,208	-456,740
23. Consolidated profit/loss for the year	-403,918,116	29,834,366
24. Release of capital reserves	116,590,876	107,431,686
25. Release of retained earnings	13,049,747	0
26. Allocations to retained earnings	-5,037,764	-8,887,289
27. Net consolidated profit/loss for the year	-279,315,257	128,378,763

63

Consolidated Statement of Changes in Equity

from 1.1.2015 to 31.12.2015, in EUR

	Capital stock	Capital reserves	Retained earnings	Consolidated balance sheet profit/loss	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	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

from 1.1.2016 to 31.12.2016, in EUR

	Capital stock	Capital reserves	Retained earnings	Consolidated balance sheet profit/loss	Subtotal	Minority interests	Total equity
Balance at 1.1.2016	500,000,000	3,741,258,368	577,052,798	128,378,763	4,946,689,929	11,211,822	4,957,901,751
Carried forward	0	0	123,378,763	-123,378,763	0	0	0
Profit/loss for the period	0	0	0	-403,918,116	-403,918,116	131,208	-403,786,908
Dividends paid	0	0	0	-5,000,000	-5,000,000	-1,956,116	-6,956,116
Changes in the scope of consolidation	0	0	0	0	0	0	0
Translation of foreign currencies	0	0	50,859	0	50,859	0	50,859
Capital paid in by the City of Vienna	0	144,925,755	0	0	144,925,755	0	144,925,755
Amount covering the annual net loss of Wiener Linien	0	-116,590,876	0	116,590,876	0	0	0
Changes in reserves	0	0	-8,011,983	8,011,983	0	0	0
Balance at 31.12.2016	500,000,000	3,769,593,247	692,470,437	-279,315,257	4,682,748,426	9,386,914	4,692,135,340

Consolidated Schedule of Fixed Assets

for the 2016 financial year, in EUR

	Cost of acquisition or manufacture						Cost of acquisition 31.12.2016
	Cost of acquisition (CoA) 1.1.2016	Translation of foreign currencies 2016	Additions 2016	Additions to the scope of consolidation 2016	Disposals 2016	Reclassifications 2016	
I. Intangible assets							
1. Licenses, industrial property rights and similar rights including associated licenses	625,451,125	0	13,539,010	141,933	10,922,739	2,663,901	630,873,230
2. Goodwill	22,723,790	0	0	0	0	0	22,723,790
3. Prepayments	5,487,839	0	7,877,323	0	48,953	-2,675,234	10,640,975
Total intangible assets	653,662,754	0	21,416,334	141,933	10,971,692	-11,333	664,237,995
II. Tangible assets							
1. Land, land rights and buildings, including buildings on third-party land	8,462,522,381	53,122	79,735,296	0	16,883,935	164,627,456	8,690,054,321
2. Plant and equipment	12,371,500,799	116,558	176,490,312	0	76,554,886	209,536,596	12,681,089,380
3. Other equipment, furniture and fixtures	836,503,770	8	34,135,359	22,785	28,686,365	18,694,632	860,670,190
4. Prepayments and plant under construction	871,423,224	0	313,359,625	0	3,978,056	-392,847,350	787,957,443
Total tangible assets	22,541,950,175	169,689	603,720,593	22,785	126,103,242	11,333	23,019,771,334
III. Financial assets							
1. Shares in affiliated companies (not consolidated)	107,812,689	0	1,650,293	3,423,410	9,329,031	500,686	104,058,047
2. Lendings to affiliated companies (not consolidated)	35,089,798	0	1,452,530	5,814,153	1,249,347	12,939,293	54,046,427
3. Shares in associated companies*	44,969,213	0	2,640,636	0	7,749,207	0	39,860,642
4. Shareholdings	825,440,131	0	39,555,278	7,864	1,681,413	-500,686	862,821,174
5. Lendings to companies in which shares are held	22,919,276	0	1,200,000	0	884,817	-12,939,293	10,295,166
6. Long-term securities (stock rights)	1,431,679,266	0	55,066,772	0	65,285,626	0	1,421,460,412
7. Other lendings	110,192,415	0	2,773,284	0	23,400	0	112,942,299
Total financial assets	2,578,102,789	0	104,338,793	9,245,426	86,202,841	0	2,605,484,167
Total assets	25,773,715,717	169,689	729,475,720	9,410,144	223,277,774	0	26,289,493,496

Accumulated depreciation								Carrying value	
Accumulated depreciation 01.01.2016	Translation of foreign currencies 2016	Additions/ impairments 2016	Additions to the scope of consolidation 2016	Additions 2016	Disposals 2016	Reclassifications 2016	Accumulated depreciation 31.12.2016	Carrying value 31.12.2015	Carrying value 31.12.2016
482,064,459	0	27,530,646	0	25,122,073	10,949,906	435,380	473,087,746	143,386,666	157,785,484
9,857,338	0	1,403,474	0	0	0	0	11,260,813	12,866,452	11,462,978
0	0	0	0	0	0	0	0	5,487,839	10,640,975
491,921,798	0	28,934,120	0	25,122,073	10,949,906	435,380	484,348,559	161,740,956	179,889,437
3,683,808,477	-21,116	164,180,743	0	0	7,666,512	-1,205,815	3,841,549,639	4,778,713,904	4,848,504,681
8,236,064,583	-46,336	315,605,319	0	0	73,797,836	-400,953	8,478,319,355	4,135,436,216	4,202,770,026
653,977,266	-8	41,937,199	0	0	28,106,471	1,171,031	666,636,971	182,526,504	194,033,219
3,914,831	0	0	0	0	3,914,831	356	-356	867,508,393	787,957,799
12,577,765,156	-67,461	521,723,261	0	0	113,485,649	-435,380	12,986,505,609	9,964,185,018	10,033,265,725
45,610,732	0	23,886,016	3,418,910	0	4,853,442	-500,685	68,562,900	62,201,958	35,495,147
6,959,545	0	7,120,618	1,131,153	2,663,060	0	-5,918,505	18,466,760	28,130,253	35,579,667
36,447,441	0	0	0	0	0	0	36,447,441	8,521,772	3,413,201
39,180,881	0	43,761,108	0	4,054,559	473,000	500,685	77,913,745	786,259,250	784,907,429
6,607,105	0	0	0	0	0	5,918,505	688,600	16,312,171	9,606,566
21,553,557	0	0	0	20,842,234	0	0	711,323	1,410,125,709	1,420,749,089
0	0	0	0	0	0	0	0	110,192,415	112,942,299
156,359,260	0	74,767,742	4,550,062	27,559,853	5,326,442	0	202,790,770	2,421,743,529	2,402,693,397
13,226,046,214	-67,461	625,425,124	4,550,062	52,681,926	129,761,998	0	13,673,644,937	12,547,669,503	12,615,848,559

03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2016 FINANCIAL YEAR

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

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 2016 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 December).

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 2016), prepared on the balance sheet date of the parent company (31 December 2016).

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

WIEN ENERGIE Vertrieb GmbH & Co KG (balance sheet date 30 September) 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 December). Companies recorded applying the equity method are consolidated on a delayed basis to coincide with their statements as per 30 September 2015 or 31 December 2015.

67

Corporate profile

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

- Electricity generation, sales and grid operation
- Gas sales and network operation
- District heating and cooling generation, sales and grid 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.

The Accounting Amendment Act (RÄG 2014) has been applicable since the 2016 financial year. This affects many different changes to accounting and valuation methods, which are detailed in the individual sections. In order to improve comparability, when applying the Accounting Amendment Act (RÄG 2014) for the first time, prior-year values must be restated as if the new accounting standard had already been applied in 2015 (said restatements only relate to reclassifications of certain positions – not revaluations – and are explained in more detail in the individual sections that refer to the restated 2015 values).

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 2016 financial year or in earlier periods have been taken into account.

Fixed assets

The new Accounting Amendment Act 2014 completely revoked Article 208 para. 2 of the Austrian Commercial Code (UGB). This is associated with a general obligation to reverse write-downs. This means that, if the basis for making a write-down no longer exists, then all fixed and current assets must be subject to an impairment reversal. Write-downs on goodwill are excluded from this impairment reversal obligation.

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.

Intangible 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
Networks, power lines, 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

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

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. Write-downs are made to the lower fair value as of the balance sheet if the impairments are expected to be permanent.

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.

The modified principle of the lower of cost or market applies to the valuation of non-current financial assets. Impairment charges are taken when it appears likely that the impairment in the value of the investment is not 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 restated in 2015 to reflect their fair values at the exact time of the restructuring in 2011.

The general obligation to reverse write-downs has been applicable since the 2016 financial year, according to which if the basis for making a write-down no longer exists, then financial assets must also be subject to an impairment reversal. With the coming into effect of the Accounting Amendment Act (RÄG 2014) (applicable to all business years commencing after 31 December 2015), any write-ups not made under the old legal situation must also be made, in addition to the current write-ups. These 'old write-ups' (those until 31 December 2015) may, however, be made as accrued expenses under company law if a write-up is also made to a tax reserve for write-ups. This is then to be offset against any partial write-downs under company and tax law or to be reversed at the latest when the asset is disposed of. This transitional rule for write-ups was applied to the Wiener Stadtwerke fund and resulted in an accrued expense of TEUR 20,840 in the 2016 financial year. The development of this position is now presented in the form of a schedule as follows:

Deferred income and accrued expenses

in EUR	Cost of acquisition 31.12.2015	Carrying amount 31.12.2015	Addition to accrued expenses	Accrued expenses 31.12.2016
WSTW I	147,029,608	142,935,738	4,093,870	4,093,870
WSTW II	194,858,923	182,916,723	11,942,200	11,942,200
WSTW III	375,023,737	374,638,585	385,152	385,152
WSTW IV	312,430,212	308,011,051	4,419,161	4,419,161
WSTW V	184,880,846	184,880,846	0	0
Total	1,214,223,326	1,193,382,943	20,840,382	20,840,382

Write-ups previously not recognised and the associated write-up (here: addition to an accrued expense) were, in 2016, recognised in the cost of acquisition and carrying amounts as of 31 December 2015 for illustration purposes.

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).

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. The option now exists to capitalise the interest on loans under the Accounting Amendment Act (RÄG 2014). Capitalisation is not permitted in the case of expenses for general administration and sales. 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.

Accounts receivable and other assets are valued at their respective costs of acquisition. 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 integrated 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) EIWOG 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 CO₂ 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 recognised 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.

Deferred tax assets

Previously, it was only required to recognise deferred tax liabilities, while the recognition of deferred tax assets was optional. Article 198 para. 8 and 10 of the Austrian Commercial Code (UGB) now stipulates that deferred tax assets need to be recognised.

Provisions

Provisions for severance payments and provisions for similar obligations

The provisions for severance pay, anniversary pay and loyalty bonuses are calculated applying actuarial principles, as in prior years. Since the 2016 financial year, a nominal interest rate has been used to calculate the discount rate, which is based – as is the case with the pension provisions – on a ten-year average and amounts to 4.01 percent. When calculating these provisions, a real interest rate was derived from the nominal interest in the 2015 financial year to simplify matters, taking into account pay rises.

in %

	31.12.2016	31.12.2015
Actuarial interest rate (nominal)	4.01	3.89*
Salary increase	2.80	3.00

* 7-year average

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

As in prior years, no discount for employee turnover is taken into account, while a retirement age of 65 for male and 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. This represents a direct obligation in respect of pension contributions.

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. In the 2016 financial year, this method, along with the ten-year average, was continued and now gives rise to an interest rate of 4.01 percent. 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 115i 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 (widow(er)s / orphans) are entitled to a defined percentage of the most recent pension payment. Wiener Stadtwerke anticipates a percentage of 51.26 percent here, as in the prior year. 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 2016 was increased by 2.8 percent or 0.8 percent (prior year: 2.8 percent and 1.2 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 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.

During the 2016 financial year, all remaining one twenty-fifths at WIENER NETZE GmbH were fully reversed during a Group-internal transfer of pension provisions from WIENER NETZE GmbH to WIENER STADTWERKE Holding AG.

Other provisions

Taking into account the principle of prudence, other provisions consider all the risks identifiable at the time of preparing the financial statements, as well as uncertain liabilities, using amounts required when applying sound business judgement.

6. 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.

7. Foreign currency 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 at equity
Balance at 31 December 2015	28	3	7
First consolidated during the financial year	0	0	0
First deconsolidated during financial year	1	0	3
Balance at 31 December 2016	27	3	4

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). A total of 27 subsidiaries (prior year: 24) were not fully consolidated. Similarly, 12 companies (prior year: 15) 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

In the 2016 financial year, the Wiener Stadtwerke Group acquired a [majority stake in IWS Town Town AG](#) (previously consolidated at equity) and thus also decisive economic power over the ORBI Tower still currently under construction.

At the time of the acquisition of IWS Town Town AG, however, there was already the intention to promptly sell the ORBI Tower. Consequently, the process of selling the ORBI Tower started while it was still at the development phase. The aim is to complete the sale in 2017, or 2018 at the latest. Article 249, para. 1 (2) of the Austrian Commercial Code (UGB), which was modified by the Accounting Amendment Act (RÄG 2014), provides the option of waiving consolidation if the shares in the subsidiary are only being held for sale. This means that the company will no longer be consolidated as an affiliated company and not included in the consolidated financial statements from the 2016 financial year.

In addition to this, a [side-stream merger of Parkraum Wien Management GmbH with WIPARK Garagen GmbH](#) took place in the year under review. This means that no new companies were included in the scope of consolidation of the consolidated financial statements in the year under review, however the number of fully consolidated companies is lower as a result of the merger.

The following changes occurred in respect of companies consolidated applying the equity method: [ECONGAS](#) was completely sold and is now no longer included as a company consolidated applying the equity method.

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

ENERGIE ALLIANZ AUSTRIA GmbH (EAA) acquired, in the form of an asset deal, the operating business of the sister company e&t Energie Handelsgesellschaft m.b.H. (e&t) with effect from 1 October 2015. This transaction had not yet taken effect in the prior reporting year as

EAA is included in the consolidated financial statements of Wiener Stadtwerke with a different business year (1 October to 30 September). e&t merged with the EAA subsidiary Naturkraft Energievertriebsgesellschaft as of 30 September 2015.

Consolidation principles

Capital consolidation has previously applied the book value method. Only the revaluation method may be applied from 1 January 2016 as a result of the Accounting Amendment Act (RÄG 2014). 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'.

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. Pursuant to Article 261, para. 6 of the Austrian Commercial Code (UGB), negative differential amounts, for which it is clear that, on the balance sheet, these correspond to a realised gain, will also be released through profit and loss. It is no longer possible to allocate these directly to the 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 principle 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.

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 2016 financial year, please refer to the Consolidated Statement of Changes in Tangible and Intangible Assets. The land-value component of developed plots of land amounts to TEUR 210,809 (prior year: TEUR 53,645). TEUR 207,604).

Intangible assets

in EUR

	31.12.2016	31.12.2015
1. Licenses, industrial property rights and similar rights including associated licenses	157,785,484	143,386,666
2. Goodwill	11,462,978	12,866,452
3. Prepayments	10,640,975	5,487,839
Intangible assets	179,889,437	161,740,956

Tangible assets

in EUR

	31.12.2016	31.12.2015
1. Land, land rights and buildings, including buildings on non-owned land	4,848,504,681	4,778,713,904
2. Plant and equipment	4,202,770,026	4,135,436,216
3. Other equipment, operational and office equipment	194,033,219	182,526,504
4. Prepayments and plant under construction	787,957,799	867,508,393
Tangible assets	10,033,265,725	9,964,185,018

Financial assets

in EUR

	31.12.2016	31.12.2015
1. Shares in affiliated companies (not consolidated)*	35,495,147	62,201,958
2. Lendings to affiliated companies (not consolidated)	35,579,667	28,130,253
3. Shares in associated companies*	3,413,201	8,521,772
4. Shareholdings*	784,907,429	786,259,250
5. Lendings to companies in which shares are held	9,606,566	16,312,171
6. Long-term financial investments and rights	1,420,749,089	1,410,125,709
7. Other lendings	112,942,299	110,192,415
Financial assets	2,402,693,397	2,421,743,529

* See the list of holdings for details

Lendings 2016

in EUR

	Total 31.12.2016	of which falling due in < 1 year	of which falling due in > 1 year
Lendings to affiliated companies (not consolidated)	35,579,667	12,478,206	23,101,460
Lendings to companies in which shares are held	9,606,566	930,971	8,675,595
Other lendings	112,942,299	23,400	112,918,899
Total	158,128,531	13,432,577	144,695,954

Other lendings comprise in particular US cross-border lease transactions. Further explanations here may be found under 8) Contingent liabilities/ assets.

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

Lendings 2015

in EUR	Total 31.12.2015	of which falling due in < 1 year	of which falling due in > 1 year
Lendings to affiliated companies	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

The book and market values of securities at 31 December 2016 are set out in the following table:

Securities held as non-current financial assets

in EUR	Carrying value 31.12.2016	Fair value 31.12.2016	Difference in %
WSTW I-V	1,240,329,367	1,442,571,416	16.3%
Shares and investments	195,058	274,310	40.6%
Depot US lease	176,010,539	176,010,539	0.0%
Pension reinsurance	4,214,124	4,214,124	0.0%
Total securities	1,420,749,089	1,623,070,389	14.2%

Overall, the calculated values are higher than the carrying amounts as a result of the undisclosed reserves. These correspond to the costs of acquisition due to the write-up made in the year under review. The capital-weighted performance of the WSTW fund YTD (1.1. – month-end) remains positive, despite persistently difficult conditions on financial markets, and amounts to 2.23 percent.

Structure of the WSTW fund portfolio at 31.12.2016

in %	
	Money market, sight deposits at Austrian and European system-relevant banks
31.94 %	
	Bonds
57.59 %	
	Shares
10.13 %	
	Miscellaneous
0.34 %	
100.00 %	Total

2. Current assets

Inventory

in EUR	31.12.2016	31.12.2015
1. Raw materials and supplies	102,076,958	88,987,758
2. Finished products and goods	24,757,686	170,038
3. Uninvoiced services	4,806,742	4,335,663
4. Prepayments	57,105	376,696
Inventory	131,698,490	93,870,155

Receivables and other assets

in EUR	Total 31.12.2016	of which falling due in < 1 year	of which falling due in > 1 year	Total* 31.12.2015
Accounts receivable – trade	339,511,780	335,847,152	3,664,628	264,936,463
Accounts receivable – affiliated companies (not consolidated)	11,374,646	7,799,616	3,575,031	4,166,518
Receivables from companies in which shares are held	309,243	309,243	0	37,942,136
Other receivables and assets	245,990,489	213,112,112	32,878,377	298,099,856
Total	597,186,158	557,068,123	40,118,036	605,144,973

* Pursuant to the Accounting Amendment Act (RÄG)

The position 'Other receivables' in the 2016 financial year mainly recognises receivables due from the financial authorities, the Lower Austrian Provincial Government and the City of Vienna, as well as the adjustment account pursuant to EIWOG 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 35,267 (prior year: TEUR 69,571) which will only be recognised in income after the balance sheet date.

General valuation adjustments have been made in the amount of TEUR 242 (prior year: TEUR 342). Specific valuation adjustments for accounts receivable – trade and for other receivables made during the course of the 2016 financial year amounted to TEUR 71,328 (prior year: TEUR 61,639).

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 Vienna Public Enterprises Allocation Act (Zuweisungsgesetz) paid since 1999. These were recognised as a receivable due from the tax authorities in the amount of TEUR 22,056 in 2015.

The receivable continued to exist in full during the 2016 financial year, and has not been impaired under current laws as payment is definitely expected to be received.

3. Prepayments and accrued income

This position largely recognises additional amounts transferred to provisions for pension fund obligations in the amount of TEUR 66,694 (prior year: TEUR 139,063) in addition to prepayments for deliveries of natural gas.

During the 2016 financial year, all remaining one twenty-fifths at WIENER NETZE GmbH were fully reversed during a Group-internal transfer of pension provisions from WIENER NETZE GmbH to WIENER STADTWERKE Holding AG. This one-off effect from the reversal of accrued income amounting to TEUR 72,369 is recognised under personnel expenses with an effect on earnings.

4. Group equity

The capital stock in the amount of TEUR 500,000 (prior year: TEUR 500,000) is divided into 6,880,150 shares held by the City of Vienna. As with the parent company (WIENER STADTWERKE Holding AG), shareholder equity includes restricted capital reserves totalling TEUR 394 and statutory retained earnings of TEUR 49,606. 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. TEUR 5,000 was distributed as a dividend to the sole shareholder (City of Vienna) from the prior-year's profit of TEUR 128,379. The remaining amount was added to the retained earnings.

The differential amounts recognised in equity at 31 December 2016 are made up as follows:

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

Fully consolidated companies

in EUR

	31.12.2016	31.12.2015
WIENER NETZE GmbH	-243,387	-243,387
WIEN ENERGIE GmbH	90,435,610	90,435,610
FACILITYCOMFORT Energie- und Gebäudemanagement GmbH	3,753,930	3,753,930
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	36,406	36,406
Total	223,670,037	223,670,037

77

Proportionately consolidated companies

in EUR

	31.12.2016	31.12.2015
ENERGIEALLIANZ Austria GmbH	-29,726	140,624
PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG	-8,745	-8,745
Total	-38,472	131,878

Subsidiaries consolidated under the equity method

in EUR

	31.12.2016	31.12.2015
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.	0	-66,189
IWS TownTown AG	0	-350
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG	188,969	188,969
TELEREAL Telekommunikationsanlagen GmbH	-7	-7
Total	-2,720,861	-2,787,400

5. Provisions

Provisions for

in EUR		
	31.12.2016	31.12.2015
Pensions	3,368,022,116	3,097,083,789
Severance payments	95,445,204	82,131,187
Taxes	2,019,774	1,103,868
Miscellaneous	661,436,970	557,211,440
Total	4,126,924,065	3,737,530,284

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		
	31.12.2016	31.12.2015
Provision for pension obligations	3,368,022,116	3,097,083,789
Less differential amounts not recognised in income (carried as accrued income)	-66,693,953	-139,062,568
Net pension obligations	3,301,328,163	2,958,021,220

The substantial change in pension provisions is primarily the result of the lower interest rate (4.01 percent) compared to the prior year (4.30 percent). During the 2016 financial year, all remaining one twenty-fifths (amounting to TEUR 72,369) at WIENER NETZE GmbH were also fully reversed during a Group-internal transfer of pension provisions from WIENER NETZE GmbH to WIENER STADTWERKE Holding AG. This explains the sharp fall in accrued income and prepayments to TEUR 66,694.

Other provisions

The position 'Other provisions' mainly recognise liabilities associated with personnel in the amount of TEUR 208,855 (prior year: TEUR 193,703) and a provision set up in connection with the marketing of electricity from supply rights in the amount of TEUR 236,177 (prior year: TEUR 136,027).

Other provisions stem from environmental aspects, claims for restitution asserted by customers and provisions for restoration obligations in connection with real estate.

6. Liabilities

There follows a breakdown of Group liabilities by due date:

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

Liabilities as at 31 December 2016

in EUR	Total 31.12.2016	of which falling due in < 1 year	of which falling due in 1 to 5 years	of which falling due in > 5 years
Liabilities due to banks	78,520,062	4,741,461	3,428,933	70,349,668
Bonds	200,000,000	0	33,000,000	167,000,000
Advance payments received on orders	21,836,549	13,291,239	8,545,309	0
Accounts payable – trade	366,208,311	362,326,467	1,373,915	2,507,929
Accounts payable – affiliated companies (not consolidated)	12,711,939	12,711,939	0	0
Accounts payable – companies in which shares are held	128,465	128,465	0	0
Other liabilities	522,494,052	300,691,810	74,321,596	147,480,646
Other liabilities – tax	178,198,956	178,198,956	0	0
Other liabilities – social security	13,016,415	13,016,415	0	0
Total	1,393,114,748	885,106,752	120,669,753	387,338,243

79

Liabilities as at 31 December 2015

in EUR	Total 31.12.2015	of which falling due in < 1 year	of which falling due in 1 to 5 years	of which falling due in > 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
Accounts payable – companies in which shares are held	43,471,563	43,185,456	286,108	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

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.

The other liabilities are largely made up of obligations arising out of US cross-border lease transactions entered into by Wiener Linien, 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 2016 financial year, no mutual securitisations were issued. The position 'Other liabilities' recognises expenses in the amount of TEUR 36,906 (prior year: TEUR 34,827) which will only be recognised in income after the balance sheet date.

Physical collateral

There are liabilities due to the City of Vienna (MA 5) amounting to TEUR 3,188 (prior year: TEUR 0) which have been secured by a pledge relating to a building right. Furthermore, 499,972 Verbund shares (prior year: 2,599,852) were pledged as of 31 December 2016 to secure a Lombard loan. The rights to dividend payments are also covered by the pledges.

7. Accrued expenses and deferred income

The accrued expenses and deferred income position mainly recognises liabilities associated with personnel in the amount of TEUR 3,215,890 (prior year: TEUR 3,155,661) and building grants received in the amount of TEUR 492,373 (prior year: TEUR 482.741) in connection with 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		
	31.12.2016	31.12.2015
Licences, including rights	14,083,076	13,213,255
Advance payments Intangible assets	7,102	622,842
Total intangible assets	14,090,178	13,836,097
Land and premises	1,974,663,369	2,015,993,832
Plant and equipment	690,388,487	719,874,149
Other equipment, operational and office equipment	27,308,640	27,470,439
Prepayments and plant under construction	509,008,463	378,486,530
Total tangible assets	3,201,368,959	3,141,824,951
Investment grants from public funds	3,215,459,138	3,155,661,048

Write-ups recognised as accrued expenses

in EUR				
	Cost of acquisition 31.12.2015	Carrying value 31.12.2015	Addition to accrued expenses	Accrued expenses 31.12.2016
Non-current financial assets	1,214,223,326	1,193,382,943	20,840,382	20,840,382
Intangible assets	98,877,499	53,464,363	25,122,073	25,122,073
Total	1,313,100,824	1,246,847,306	45,962,455	45,962,455

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

8. Liabilities and obligations not reported on the balance sheet

Contingent liabilities/assets

At the balance sheet date, the Group recognised contingent liabilities in the amount of TEUR 288,456 (prior year: TEUR 344,346). These liabilities are offset by contingent assets in the amount of TEUR 151,251 (prior year: TEUR 172,460). The contingent liabilities stated include US cross-border lease transactions entered into by WIENER LINIEN GmbH & CO KG in the amount of TEUR 151,251 (prior year: TEUR 172,460). These liabilities are offset by means of rights of recourse in the same amount recognised as assets.

In 1998, Wiener Linien entered into US LILLO (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 payment undertakings agreements were originally reported as contingent liabilities. The 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.
- In connection with the contractual partner AIG, the contingent assets of around TEUR 44,605 have been recognised under other lendings and the corresponding amounts recognised as liabilities to US trusts due to the potential default risk (current Standard and Poor's rating below AA (A-) and no collateral as detailed above. A provision has been created as a valuation adjustment. 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 maturity date of the transactions. As at 31 December 2016, transferred obligations (discounted future payment obligations) exist in an amount of approximately TEUR 52,565 (prior year: TEUR 47,971) for which provisions in the annual financial statements as at 31 December 2016 amounting to around TEUR 608 (prior year: TEUR 663) have been set up (i.e. TEUR 55 have been 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 LILLO 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 2014. Since this point in time, 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 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 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 lease transaction was terminated prematurely. The remaining component of the transaction (B-Kreditseite), with Kommunalkredit Austria AG as the lender and Portigon as the PUA securities account holder, is recognised 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.

- On the initiative of the investor, in June 2009, the remaining tranches 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 and in connection with the fifth US lease transaction (Trusts FT 2003-1 and 2), an exchange of the equity PUA for US treasury bonds was implemented with SwissRE Financial Products Corp. As a result of the contractual arrangements, 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. Following an offer from the investor, it was possible to completely settle this transaction in August 2016.
- In July 2015 and in connection with the third US cross-border lease transaction (Trusts FB 1999-1 and 2), an exchange of the equity PUA for US treasury bonds was implemented with UniCredit Bank Austria. 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 sheet 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.
- In 2016, the first tranche of the first US lease transaction (Trust SS 1998-1) was closed out by means of an EBO.

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

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

US cross-border lease transactions

in TEUR

	31.12.2016	31.12.2015
Non-current financial assets		
Depots for US lease I and R	101,751	120,819
Depot to recollateralise US lease R	22,352	21,016
Depot for US lease IIIa	51,908	51,447
Depot for US lease V	0	17,814
Total	176,011	211,096
Other lendings		
Prepayment instruments		
at BACA (US lease IIIa) and	50,014	50,014
at AIG (US lease R)	44,605	42,043
Total	94,619	92,057
Positive balances at banks		
(associated with the PUA for US lease IV (Bank Austria UniCredit Group) State Street, Trust SS1998-2)	1,788	352
Provisions	608	663
Other US trust obligations	200,052	232,474
Accrued expenses and deferred income		
Deferred fair value of US lease transactions	4,133	9,471
Contingent liabilities = contingent assets	151,251	172,460

The remaining contingent liabilities relate predominantly to liability bonds issued in favour of Verbund, and comfort letters and guarantees issued in favour of OeMAG Abwicklungsstelle für Ökostrom AG, the Glinzendorf wind farm, Town Town Immobiliendevlopment 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 ENERGIEALLIANZ Austria GmbH. Taking into account the contracts concluded by ENERGIEALLIANZ Austria GmbH with its trading partners, the net liability position amounts to TEUR 37,729 (prior year: TEUR 52,966). In the event that the guarantees and/or letters of comfort issued in favour of trading partners of ENERGIEALLIANZ Austria GmbH 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 36,647 (prior year: TEUR 19,814). 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 2016, these guarantees do not appear on the balance sheet or as contingent liabilities.

Other financial obligations as defined by Article 238, para. 1 (14) of the Austrian Commercial Code (UGB)
Future obligations arising out of the use of tangible assets not reported in the consolidated financial statements are as follows:

Obligations

in EUR

	2016	2015
of which relating to next year	37,029,783	37,889,090
of which relating to the next five years	171,546,535	189,307,035

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, WIEN ENERGIE Vertrieb GmbH & Co KG and ENERGIEALLIANZ) are comprised as follows as at the balance sheet date (adjusted for intra-Group relationships).

Financial instruments

in TEUR	Nominal value* 2016	Fair value** 2016	Nominal value* 2015	Fair value** 2015
Electricity forward contracts purchased	547,209	30,781	386,605	-44,266
Electricity forward contracts sold	261,889	-9,635	340,346	18,043
Electricity fin. swaps or futures				
I. Purchased	204,372	9,603	119,101	-18,228
II. Sold	125,321	-581	6,753	410
Oil swaps purchased	4,926	2,305	4,784	-1,695
Gas forward contracts purchased	104,201	12,104	86,592	-14,497
Gas forward contracts sold	45,108	-13,260	7,138	526
Gas swaps purchased	0	0	14,286	-4,454
Gas options purchased	756	-108	7,362	-2,876
CO ₂ purchases	13,776	-3,911	2,578	48
CO ₂ sales	23,677	6,728	0	0
Coal swaps	7,785	34	5,537	-609

* 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 with ENERGIEALLIANZ Austria GmbH. Oil and coal swaps were concluded to limit the costs of primary energy sources in the 2016 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 18,253 (prior year: TEUR 2,790) recognised under other receivables and unrealised gains (positive variation margins) from contracts in the amount of TEUR 13,612 (prior year: losses/negative variation margins of TEUR 18.227) recognised as accruals. In order to fix the variable cost of producing electricity in thermal power plants, valuations were therefore undertaken for forward electricity-based and gas-based transactions which led to provisions for negative fair

values in the amount of TEUR 682 (prior year: TEUR 1,350) 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 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 2015.

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

Notes to the Consolidated Profit and Loss Account

1. Turnover

The exact definition of turnover has been redefined in accordance with Article 189a (5) of the Austrian Commercial Code (UGB) and extended through the Accounting Amendment Act (RÄG 2014). This means that it is no longer possible, under the new law, to refer to ordinary business activities. It is now the case that all amounts stemming from the sale of products and services are to be recorded as turnover. Due to the close link between turnover and trade accounts receivable, corresponding reclassifications were made from other receivables on the balance sheet. In order to ensure a proper comparison with prior-year values, said prior-year values must be restated when applying the new recognition method for the first time, i.e. the prior-year amounts also need to be calculated in accordance with the provisions of the new law pursuant to the Accounting Amendment Act (RÄG 2014). On the one hand, reclassifications were made from other operating income totalling TEUR 108,085 to turnover and, on the other, corresponding adjustments were made to trade accounts receivable and other receivables amounting to TEUR 3,824.

Breakdown of turnover

in EUR		
	2016	2015*
Energy	3,189,493,393	2,747,380,906
Transport	662,123,899	629,171,974
Funeral services	82,608,929	91,455,914
Car parks group	21,974,475	22,661,884
Miscellaneous	104,096,663	104,257,444
Intra-group revenues	-739,295,775	-546,549,403
Total	3,321,001,583	3,048,378,719

* Pursuant to the Accounting Amendment Act (RÄG)

The Wiener Stadtwerke Group generated turnover abroad of TEUR 101,035 (prior year: TEUR 100,072).

Other operating income

in EUR		
	2016	2015*
1. Income from the disposal of and additions to non-current assets, excluding financial assets	29,592,325	8,079,137
2. Income from the reversal of provisions	8,379,789	29,005,061
3. Remaining	553,519,088	565,437,210
Total	591,491,202	602,521,408

* Pursuant to the Accounting Amendment Act (RÄG)

The position 'Other operating income' includes income from the reversal of investment grants in the amount of TEUR 130,824 (prior year: TEUR 131,725), building grants in the amount of TEUR 44,923 (prior year: TEUR 44,633) as well as subsidies received from the City of Vienna relating to the operation of Wiener Linien GmbH & Co KG. Furthermore, the income from prior periods for DU receivables from the tax authorities is also recognised here.

2. Cost of materials and other

Expenses

in EUR		
	2016	2015
1. Cost of materials and services	730,119,157	674,208,818
2. Expenses for purchased services	860,701,162	681,998,930
Cost of materials and manufacturing services	1,590,820,318	1,356,207,748

Cost of services purchased mainly relate to energy purchases.

3. Personnel expenses

In order to present a clear picture on the profit and loss 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; being instead recognised in the financial result as an interest expense.

in EUR		
	2016	2015
1. Wages	425,673,714	418,821,145
2. Salaries	376,722,155	367,596,478
3. Expenses for severance payments and contributions to occupational pension funds	24,379,474	19,989,265
4. Pension fund contributions	391,654,321	93,273,365
5. Expenses for legally prescribed social expenses and salary-related charges and mandatory contributions	172,033,679	167,241,990
6. Other social expenditure	5,521,658	4,433,555
Personnel expenses	1,395,985,001	1,071,355,798

The sharp increase in expenses for severance payments and pensions relates primarily to the change in the nominal discount rate for pensions from 4.30 to 4.01 percent.

Furthermore, the premature reversal of the one twenty-fifth of Wiener Netze amounting to TEUR 72,369 had a negative impact on personnel expenses and may be considered as being a one-off effect.

More additions needed to be made to the provisions for pensions as a result of retirements being brought forward. The positions 'Wages' and 'Salaries' include additions for anniversary pay and loyalty bonuses totalling TEUR 759 (prior year: TEUR 9,095).

Given the current findings of the Higher Administrative Court, the current system of crediting prior years of pensionable service for officials and civil servants needs to be newly regulated. In order to prepare for any potential repayments, a provision of TEUR 13,650 was created, which is recognised under personnel expenses affecting earnings and constitutes a non-periodic expense of TEUR 10,920.

The workforce is made up as follows:

Average headcount in FTEs

Average FTEs		
	2016	2015
Wage earners	9,438	9,551
Salaried employees	6,248	6,156
Apprentices / trainees	386	390
Total*	16,071	16,097

* Excluding those on parental leave, military and civilian service

The employees of the proportionately consolidated ENERGIEALLIANZ Austria GmbH are included in the Group's headcount on a proportional basis. WIEN ENERGIE Vertrieb GmbH & Co KG and PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG do not have any dedicated employees.

The expenses for severance payments and pensions can be broken down as follows:

Severance payments

in EUR		
	2016	2015
Management Board and general managers	96,751	127,784
Senior managers	234,520	61,416
Other employees	24,048,203	19,800,064
Severance payments	24,379,474	19,989,265

Pension fund contributions

in EUR		
	2016	2015
Management Board and general managers	433,903	661,148
Senior managers	1,547,038	1,339,079
Other employees	389,673,379	91,273,138
Pension fund contributions	391,654,321	93,273,365

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

The expenses for severance payments and pension fund contributions also include adjustments (additions and reversals) in addition to the severance and pension expenses actually settled. The expenses for severance payments include contributions in the amount of TEUR 4,490 (prior year: TEUR 4,261) paid into occupational pension funds.

4. Depreciation and amortisation of tangible and 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		
	2016	2015
1. Depreciation and amortisation of tangible and intangible assets	550,657,381	532,987,661
of which impairment charges relating to fixed assets pursuant to Article 204 (2) UGB	6,329,837	920,164

5. Other operating expenses

in EUR		
	2016	2015
1. Taxes in as far as these are not included under 'Taxes on income and earnings'	58,043,502	58,526,230
2. Remaining	592,582,591	554,574,778
Other operating expenses	650,626,093	613,101,008

The remaining operating expenses relate mainly to expenses for maintenance in the amount of TEUR 248,239 (prior year: TEUR 215,538), for transport in the amount of TEUR 63,592 (prior year: TEUR 65,736), for rental payments in the amount of TEUR 48,217 (prior year: TEUR 39,124), for cleaning in the amount of TEUR 32,566 (prior year: TEUR 31,457), for other advertising expenses in the amount of TEUR 15,076 (prior year: TEUR 23,926) and expenses associated with legal and consultancy services in the amount of TEUR 21,232 (prior year: TEUR 22,047).

Auditing expenses

During the 2016 financial year, expenses in the amount of TEUR 900 were incurred in connection with the auditing of the Group. These expenses are broken down as follows:

Auditing expenses

in EUR		2016
Audit expenses		28,500
Expenses for other audit-like services		366,000
Expenses for tax consulting services		0
Expenses for other services		505,206
Total		899,706

6. Income/expenses from associated companies

The shares in the results of investments in associated companies consolidated in the financial statements of the Group developed as follows over the course of the financial year:

in EUR					
	Balance at 1 January 2016	Additions	Disposals	Eliminations	Balance at 31.12.2016
Total	8,521,772	2,640,636	-287,550	-7,461,657	3,413,201

7. Expenses associated with financial assets

in EUR		
	2016	2015
Expenses associated with financial assets and available-for-sale securities	74,801,642	45,313,745
of which write-downs	74,767,742	28,321,876

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

8. Taxes on income and earnings

Taxes on income and earnings amounted to TEUR 964 (prior year: TEUR 217) in the 2016 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 99 (prior year: TEUR 223).

There is an asset-side surplus of deferred taxes at the Wiener Stadtwerke Group. However, these deferred tax assets are not recognised for the companies participating in the tax group as the deferred taxes are not recoverable due to future negative tax results. The deferred taxes recognised nonetheless relate to companies that are not in the tax group of WIENER STADTWERKE Holding AG or are subject to another tax authority. Deferred tax

assets relate to the Energieallianz Austria division (tax rate 25 percent) and amount to TEUR 134 (prior year: TEUR 0). Deferred tax liabilities stem from the Hungarian company Vienna Energy Természeti Erő KFT (tax rate 9 percent) and amount to TEUR 701 (prior year: TEUR 1,031).

9. Changes in reserves

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

Other information

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.

The presentation of cash flow has been adjusted and, from the 2016 financial year, presentation is in accordance with the classification regulation of the expert opinion issued by the Chamber of Public Accountants.

Cash flow from earnings is no longer calculated on the basis of the annual net result but instead on earnings before tax. The prior year has also been correspondingly restated to ensure comparability. Incoming and outgoing payments for taxes on income are now reported separately. Cash flow from operating activities has the same value as when using the previous method of presentation.

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.

Appropriation of earnings

WIENER STADTWERKE Holding AG plans to distribute a dividend of TEUR 8,000 to its sole shareholder (City of Vienna).

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, a related 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.

3.1	General information	3.6	Notes to the Consolidated Balance Sheet
3.2	Corporate profile	3.7	Notes to the Consolidated Profit and Loss Account
3.3	Accounting and valuation principles	3.8	Other details
3.4	Scope of consolidation	3.9	Other explanations
3.5	Consolidation principles		

Executive bodies

The Management Board was made up of the following members during the financial year:

- Martin Krajcsir (CEO)
- Gabriele Domschitz
- Robert Grüneis (until 28 February 2017)
- Peter Weinelt

Remuneration of the members of the Management Board amounted to TEUR 1,230 (prior year: TEUR 1,278).

During the reporting period, the following individuals served as Supervisory Board members:

- Erich Hechtner (Chairman)
- Dietmar Griebler (First Deputy Chairman)
- Andrea Faast (Second Vice Chairwoman)

- Andreas Bauer
- Michael Bauer
- Michael Holoubek
- Kurt Januschke
- Brigitte Jilka
- Günther Koch
- Maria Kubitschek
- Karin Rest
- Sigrid Oblak (until 11 April 2016)
- Günther Schmalzer (from 11 April 2016)
- Stefan Freytag (from 21 October 2016)
- Andreas Staribacher (from 21 October 2016)
- Roland Boigner (from 15 December 2016)

A total of TEUR 55 (prior year: TEUR 52) was paid to members of the Supervisory Board in the 2016 financial year.

Other explanations

Associated companies and individuals

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, 28 March 2017

Martin Krajcsir
(CEO)

Gabriele Domschitz

Peter Weinelt

04

AUDITOR'S REPORT ¹

¹ The publication or dissemination of the consolidated financial statements attested by our audit report is only permissible in the form in which these were audited. This audit report relates exclusively to the full financial statements, including the Management Report, prepared in the German language. Reference is made here to the requirements set out in Article 281, para. 2, of the Austrian Commercial Code (UGB) with regard to any other versions hereof.

Report on the consolidated financial statements Opinion

We have audited the consolidated financial statements of WIENER STADTWERKE Holding AG, Vienna, and its subsidiaries (Group) comprising the Consolidated Balance Sheet as at 31 December 2016, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, as well as the Notes to the Consolidated Financial Statements. In our opinion, the consolidated financial statements comply with the legal provisions and present fairly in all material respects the assets and financial position of the Group as at 31 December 2016 as well as the result of operations and cash flows for the financial year ended on this closing date in accordance with Austrian company law.

Basis for opinion

We conducted our audit of the financial statements in accordance with the accounting standards in force in Austria. These standards require the application of International Standards on Auditing (ISA). Our responsibilities under these rules and standards are described in more detail under 'Responsibility of the auditor for the audit of the consolidated financial statements' in our audit certificate. We are independent of the Group as stipulated by Austrian company law and statutory professional standards, and have complied with our other professional duties in accordance with these requirements. We believe that we have obtained sufficient and suitable audit evidence so that our audit provides an adequately reliable basis for our audit opinion.

Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements

The Group's legal representatives are responsible for the preparation of the 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). Furthermore, the legal representatives are responsible for any internal controls they believe are necessary to prepare consolidated financial statements such that these statements are free from material misstatement – whether due to fraud or error. When preparing the consolidated financial statements, the legal representatives are responsible for evaluating the ability of the Group to continue with its business activities, for disclosing facts – where relevant – related to the continuation of business activities, as well as for applying the going concern principle unless the legal representatives intend to dissolve the Group, cease business activities or have no other realistic alternatives. The Supervisory Board is responsible for monitoring the Group's accounting processes.

Auditors' responsibilities in respect of the audit of the consolidated financial statements

Our objective is to obtain sufficient certainty with respect to whether the consolidated financial statements as a whole are free from material – intentional or unintentional – misrepresentations and to award an audit certificate that states this audit opinion.

Sufficient certainty is a high degree of certainty, but not a guarantee, that the audit will always reveal material misrepresentations, if any, by auditing the financial statements prepared in accordance with accounting standards applicable in Austria that stipulate the application of ISA. Misrepresentations may result from fraudulent acts or from mistakes and are considered material if it can be reasonably assumed that these, in each case or together, have an influence on the economic decisions users reach on the basis on these consolidated financial statements.

As part of the audit of the financial statements prepared in accordance with the accounting standards applicable in Austria that require the application of International Standards on Auditing (ISA), we exercise our professional judgment and maintain professional scepticism throughout the entire audit.

The following also applies:

- We identify and assess the risks of material – intentional or unintentional – misrepresentations in the financial statements, we plan audit activities in response to these risks, execute them and obtain audit evidence that is sufficient and suitable to serve as a reliable basis for our audit opinion. The risk that misrepresentations resulting from fraudulent actions will not be discovered is higher than in the case of misrepresentations resulting from mistakes, because fraudulent actions may include collusion, falsifications, intentionally incomplete data, misleading presentations or the overriding of internal controls.
- We obtain an understanding of the internal control system to the extent that this is of relevance for the audit of the financial statements in order to plan the suitable audit activities under the given circumstances, but not to express an audit opinion on the effectiveness of the Group's internal control system.
- We assess the suitability of the accounting policies used by the legal representatives of the Group as well as the reasonableness of the estimated values presented by the Group's legal representatives in the financial statements and the related information.
- On the basis of the audit evidence obtained, we draw conclusions on the appropriateness of applying the going concern principle by the Group's legal representatives as well as if there is any material uncertainty in connection with the events or circumstances that may raise serious doubts as to the capacity of the Group to continue as a going concern. Should we reach the conclusion that there is material uncertainty, we are under the obligation to point out the relevant information in the consolidated financial statements in our audit certificate, or, if giving this information is not reasonable, we must modify our audit certificate. We draw our conclusions on the basis of the audit evidence obtained up until the date of our audit certificate. However, future events or circumstances may cause the Group to leave the path of a going concern.
- We assess the overall presentation, the structure and the contents of the consolidated financial statements including the data and also whether the consolidated financial statements reflect the underlying transactions and events in such a manner so as to present a true and fair view of the Group.
- We obtain sufficient audit evidence on the financial information of the entities or business activities within the Group so as to be able to reach an audit opinion on the consolidated financial statements. We are responsible for the management, monitoring and execution of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

We exchange views with the Supervisory Board regarding, among other things, the planned scope and the planned schedule of the audit of the financial statements as well as regarding major audit findings including any significant deficiencies in the internal control system we have discovered during our audit.

We also give the Supervisory Board a statement declaring that we have complied with the relevant professional code of conduct on the independence of the auditor and discuss with the Supervisory Board all relationships or other matters that may reasonably be assumed to have an influence on our independence and – if applicable – on related protection measures.

Report on the consolidated management report

According to the legislative provisions in force in Austria, the consolidated management report must be audited to ascertain whether it is consistent with the consolidated financial statements and to ensure that it has been drafted in accordance with the requirements of applicable law.

The Group's legal representatives are responsible for preparing the consolidated financial statements in accordance with accounting standards applicable to companies in Austria. We have conducted our audit in accordance with the principles of professional conduct applicable to the audit of the consolidated management report.

Opinion

In our opinion, the consolidated management report has been drafted in accordance with the requirements of applicable law in Austria and is consistent with the consolidated financial statements.

Declaration

Based on our findings from the audit of the consolidated financial statements and the understanding gained of the Group and its environment, we did not find any material misstatements in the consolidated management report.

Vienna, 28 March 2017

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

05

LIST OF HOLDINGS

List of holdings

Fully consolidated companies

Interest in %

	2016		2015	
	WSTW Holding AG	WSTW Holding Group	WSTW Holding AG	WSTW Holding Group
1. WIENER STADTWERKE Holding AG, Thomas-Klestil-Platz 14, 1030 Vienna	100.00	100.00	100.00	100.00
2. WIEN ENERGIE GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100.00	100.00	100.00	100.00
3. WIENER NETZE GmbH, Erdbergstraße 236, 1110 Vienna	100.00	100.00	100.00	100.00
4. FACILITYCOMFORT Energie- und Gebäudemanagement GmbH, Spittelauer Lände 45, 1090 Vienna	0.00	100.00	0.00	100.00
5. WIENER LINIEN GmbH, Erdbergstraße 202, 1030 Vienna	100.00	100.00	100.00	100.00
6. WIENER LINIEN GmbH & Co KG, Erdbergstraße 202, 1030 Vienna	100.00	100.00	100.00	100.00
7. B&F Wien - Bestattung und Friedhöfe GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	100.00	100.00	100.00	100.00
8. FRIEDHÖFE WIEN GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	100.00	0.00	100.00
9. WienIT EDV Dienstleistungsgesellschaft mbH, Thomas-Klestil-Platz 6, 1030 Vienna	100.00	100.00	100.00	100.00
10. WienIT EDV Dienstleistungsgesellschaft mbH & Co KG, Thomas-Klestil-Platz 6, 1030 Vienna	100.00	100.00	100.00	100.00
11. WIPARK Garagen GmbH, Würtzlerstraße 3/4, 1030 Vienna	99.37	100.00	99.37	100.00
12. Aktiengesellschaft der Wiener Lokalbahnen, Eichenstraße 1, 1121 Vienna	99.94	100.00	99.94	100.00
13. Wiener Lokalbahnen Verkehrsdienste GmbH, Eichenstraße 1a, 1120 Vienna	0.00	100.00	0.00	100.00
14. Wiener Lokalbahnen Cargo GmbH, Freudenauer Hafestraße 8-10, 1020 Vienna	0.00	100.00	0.00	100.00
15. WIENER STADTWERKE Vermögensverwaltung GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100.00	100.00	100.00	100.00
16. WIENER STADTWERKE Finanzierungs-Services GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00	0.00	100.00
17. WSTW TownTown GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00	0.00	100.00
18. WSTW TownTown GmbH & Co Residenz KG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00	0.00	100.00
19. WSTW TownTown GmbH & Co Stationsturm KG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00	0.00	100.00
20. BESTATTUNG Wien GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	100.00	0.00	100.00
21. BFW Gebäudeerrichtungs- u. Vermietungs GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	100.00	0.00	100.00
22. BFW Gebäudeerrichtungs- u. Vermietungs GmbH & Co KG, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	100.00	0.00	100.00
23. WIEN ENERGIE Bundesforste Biomasse Kraftwerk GmbH, 1. Haidequerstraße 1, 1110 Vienna	0.00	66.67	0.00	66.67
24. WIEN ENERGIE Bundesforste Biomasse Kraftwerk GmbH & Co KG, 1. Haidequerstraße 1, 1110 Vienna	0.00	66.67	0.00	66.67
25. Wiener Erdgasspeicher GmbH, Erdbergstraße 236, 1110 Vienna	0.00	100.00	0.00	100.00
26. Beteiligungsmanagement IWS Verwaltungs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00	0.00	100.00
27. Vienna Energy Természeti Erő KFT, Aradi utca 16, HU-1062 Budapest, Hungary	0.00	100.00	0.00	100.00
28. Parkraum Wien Management GmbH, Würtzlerstraße 3/4, 1030 Vienna	0.00	0.00	100.00	100.00

Subsidiaries consolidated under the equity method

Interest in %	2016		2015	
	WSTW Holding AG	WSTW Holding Group	WSTW Holding AG	WSTW Holding Group
1. e&i EDV Dienstleistungsgesellschaft m.b.H., Thomas-Klestil-Platz 6, 1030 Vienna	0.00	50.00	0.00	50.00
2. EPZ Energieprojekt Zurndorf GmbH & Co KG, Kasernenstrasse 9, 7000 Eisenstadt	0.00	42.40	0.00	42.40
3. TELEREALE Telekommunikationsanlagen GmbH, Mollardgasse 8/19, 1060 Vienna	0.00	25.00	0.00	25.00
4. Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Am Hof 6a, 1010 Vienna	0.00	33.33	0.00	33.33
5. e&t Energie Handelsgesellschaft m.b.H., Wienerbergstraße 11, 1100 Vienna	0.00	0.00	0.00	45.00
6. EconGas GmbH, Donau-City-Strasse 11, 1220 Vienna	0.00	0.00	0.00	16.51

Proportionally consolidated subsidiaries

Interest in %	¹⁾ 100% subsidiary of ENERGIEALLIANZ Austria GmbH	2016		2015	
		WSTW Holding AG	WSTW Holding Group	WSTW Holding AG	WSTW Holding Group
1. WIEN ENERGIE Vertrieb GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna		0.00	100.00	0.00	100.00
2. ENERGIEALLIANZ Austria GmbH, Wienerbergstraße 11, 1100 Vienna		0.00	45.00	0.00	45.00
Naturkraft Energievertriebsgesellschaft m.b.H., Wienerbergstraße 11, 1100 Vienna		0.00	45.00 ¹⁾	0.00	45.00
SWITCH Energievertriebsgesellschaft m.b.H., Wienerbergstraße 11, 1100 Vienna		0.00	45.00 ¹⁾	0.00	45.00
EAA 24x7 GmbH, Wienerbergstraße 11, 1100 Vienna		0.00	45.00 ¹⁾	0.00	0.00
EMC Energy Consulting Trading GmbH, Wienerbergstraße 11, 1100 Vienna		0.00	0.00	0.00	45.00 ¹⁾
3. PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG, Kasernenstraße 9, 7000 Eisenstadt		0.00	50.00	0.00	50.00

Companies not consolidated under the equity method***

Interest in %	2016		2015	
	WSTW Holding AG	WSTW Holding Group	WSTW Holding AG	WSTW Holding Group
*** Not consolidated on the grounds of Article 263 (2) Austrian Commercial Code (UGB)				
1. PAMA-GOLS Windkraftanlagenbetriebs GmbH, Kasernenstraße 9, 7000 Eisenstadt	0.00	50.00	0.00	50.00
2. Bytkomfort s.r.o., SNP 9, SK-94060 Nové Zámky, Slovakia	0.00	49.00	0.00	49.00
3. TownTown Tiefgaragen GmbH, Würtzlerstraße 3/8, 1030 Vienna	0.00	44.00	0.00	44.00
4. TownTown Tiefgaragen GmbH & Co. KG, Würtzlerstraße 3/8, 1030 Vienna	0.00	44.00	0.00	44.00
5. Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Am Hof 6a, 1010 Vienna	0.00	33.33	0.00	33.33
6. EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	50.00	0.00	50.00
7. EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	50.00	0.00	50.00
8. Aspern Smart City Research GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	49.95	0.00	49.95
9. Aspern Smart City Research GmbH & Co KG, Seestadtstrasse 27, 1220 Vienna	0.00	49.95	0.00	49.95
10. Bestatterakademie GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	49.00	0.00	49.00
11. WEEV Beteiligungs GmbH, EVN Platz, 2344 Maria Enzersdorf	0.00	49.99	0.00	49.99
12. EP Zurndorf GmbH, Kasernenstrasse 9, 7000 Eisenstadt	0.00	42.40	0.00	42.40
13. Polska Sila Wiatru SPz.o.o., ul. Sienna 73, 00-833 Warsaw, Poland	0.00	0.00	0.00	50.00
14. Ortswärme Oberstufen Verwaltungs GmbH, Schloßstrasse 8, D-87534 Oberstufen, Germany	0.00	0.00	0.00	50.00
15. Ortswärme Oberstufen GmbH & Co KG, Schloßstrasse 8, D-87534 Oberstufen, Germany	0.00	0.00	0.00	50.00

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

Interest in %

	2016		2015	
	WSTW Holding AG	WSTW Holding Group	WSTW Holding AG	WSTW Holding Group
1. WIENSTROM Naturkraft GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00	0.00	100.00
2. WIENSTROM Naturkraft GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00	0.00	100.00
3. SERVISKOMFORT s.r.o., Volgogradská 88, SK-08001 Prešov, Slovakia	0.00	100.00	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	0.00	100.00
5. HAUSCOMFORT GmbH, Thomas-Klestil-Platz 15, 1030 Vienna	0.00	100.00	0.00	100.00
6. Energiecomfort Hungary Energetik, Régi Várház tér 12, HU-9200 Mosonmagyaróvár, Hungary	0.00	100.00	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	100.00	100.00
8. R.H. pro domo Servicegesellschaft m.b.H., Nelkengasse 6/6, 1060 Vienna	0.00	100.00	0.00	100.00
9. WIENCOM Werbeberatungs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100.00	100.00	100.00	100.00
10. Sarglogistik Wien GmbH, Anton-Mayer-Gasse 3, 1110 Vienna	0.00	100.00	0.00	100.00
11. pax diebestattung GmbH, Landstraßer Hauptstraße 39, 1030 Vienna	0.00	100.00	0.00	100.00
12. KREMATORIUM WIEN GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	100.00	0.00	100.00
13. Neue Urbane Mobilität Wien GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100.00	100.00	100.00	100.00
14. Tierfriedhof Wien GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	70.00	0.00	70.00
15. Druckerei Lischkar & Co. Gesellschaft m.b.H., Migazziplatz 4, 1120 Vienna	0.00	100.00	0.00	100.00
16. Spravbytkomfort a.s., Volgogradská 88, SK-08001 Prešov, Slovakia	0.00	55.00	0.00	55.00
17. Neu Leopoldau Entwicklungs GmbH, Messeplatz 1, 1021 Vienna	0.00	51.00	0.00	51.00
18. MHC Calinesti Rau S.R.L., Street Sfanta Vineri, no.29, Bectro-Center, RO-030203 Bucharest, Romania	0.00	100.00	0.00	100.00
19. WIEN ENERGIE Bernegger Wasserverspeicherkraftwerk Pfaffenboden GmbH, Gradau 15, 4591 Molln	0.00	100.00	0.00	100.00
20. PTGwsg GmbH, Nelkengasse 6/6, 1060 Vienna	0.00	100.00	0.00	100.00
21. Energy Eastern Europe Hydro Power GmbH, Hans-Klöpfer-Strasse 28-30, 8750 Judenburg	0.00	100.00	0.00	100.00
22. Upstream – next level mobility GmbH, Würtzlerstraße 3, 1030 Vienna	0.00	100.00	0.00	0.00
23. Wiener Linien Sicherheits- und Bewachungsdienst GmbH, Erdbergstraße 202, 1030 Vienna	0.00	100.00	0.00	100.00
24. IWS TownTown AG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	70.00	0.00	44.00 ²⁾
25. TownTown Immobiliendevlopment GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	70.00	0.00	44.00
26. TownTown Immobiliendevlopment GmbH & Co ORBI Tower KG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	70.00	0.00	44.00
27. IWS TownTown AG & Co OG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	70.00	0.00	44.00
28. WIENER STADTWERKE Vermögensverwaltung Alpha GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	0.00	0.00	100.00
29. Ortswärme Grän GmbH, Dorfstrasse 1, 6673 Grän	0.00	0.00	0.00	100.00

²⁾ A company consolidated using the equity method in 2015

* 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

06

GLOSSARY

Technical and industry-specific terms

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 regarded as 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.

Capitalisation ratio

$(\text{Fixed assets} / \text{total assets}) \times 100$

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.

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.

CO₂ certificate prices

These permit the holder to emit a defined quantity of CO₂. 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.

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.)

Equity ratio

$(\text{shareholder equity} / \text{total capital less investment grants from public funds and advance payments received on orders}) \times 100$

Funeral services

The term funeral services relates to all of the billable services provided by Bestattung Wien. Primarily entire burials and cremations, but also comparatively smaller services.

Local public transport

Local passenger services

Modal split

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

NO_x

NO_x is the abbreviation for all forms of nitrogen oxides

Passenger kilometres transported

Passenger kilometres transported is a unit of measurement for public transport. 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 or biomass.

PUC

The projected unit credit method is an actuarial valuation method for occupational pension obligations.

RÄG 2014

The Accounting Amendment Act (Rechnungslegungsänderungsgesetz 2014) is to be applied to all financial years starting after 31 December 2015. The changes that have come into effect with RÄG 2014 are extensive, not only concerning changes to accounting and valuation methods, but also changes to classifications on the balance sheet and in the profit and loss account, as well as disclosure requirements in the notes and the management report.

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.

Smart Campus

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.

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

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'.

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THE STRONG BRANDS OF WIENER STADTWERKE