

Wiener Stadtwerke.

Our counters.

2014 ANNUAL REPORT



KEY PERFORMANCE INDICATORS

Differences as a result of rounding figures have not been eliminated

<i>Financial KPIs</i>		2014	2013	+/-	+/- %
Consolidated turnover	in EUR million	2,904.8	3,044.4	-139.6	-4.6
Turnover – Energy segment	in EUR million	2,271.6	2,430.4	-158.8	-6.5
Turnover – Wiener Linien segment	in EUR million	494.8	474.7	20.1	4.2
Turnover – WLB segment	in EUR million	91.3	96.1	-4.9	-5.1
Turnover – Funerals & cemeteries segment	in EUR million	70.0	70.4	-0.4	-0.6
Turnover – Car parks segment	in EUR million	17.8	17.1	0.7	3.8
Group EBT	in EUR million	20.1	-330.6	350.7	106.1
Consolidated balance sheet profit	in EUR million	101.7	0.0	101.7	
Return on average capital employed (ROACE)	%	5.2	5.5	-0.3	
Balance sheet total	in EUR million	13,607.0	13,428.3	178.7	1.3
Equity ratio	%	35.2	34.4	0.8	
TOTAL INVESTMENT	in EUR million	870.5	865.4	5.1	0.6
of which in tangible assets	in EUR million	791.8	813.9	-22.1	-2.7
CAPEX ratio	%	28.2	27.4	0.8	

<i>Key performance indicators</i>		2014	2013	+/-	+/- %
Production					
Electricity	GWh	4,349.9	3,974.2	375.7	9.5
Heat	GWh	4,855.0	5,606.9	-751.9	-13.4
Total production	GWh	9,204.9	9,581.1	-376.2	-3.9

Distribution					
Electricity	GWh	10,922.0	11,107.5	-185.5	-1.7
Natural gas*	GWh	16,909.6	19,607.1	-2,697.5	-13.8
Heating*	GWh	5,682.5	6,461.7	-779.2	-12.1
Total distribution	GWh	33,514.1	37,176.3	-3,662.2	-9.9

Sales					
Electricity	GWh	9,349.4	9,526.9	-177.5	-1.9
Natural gas	GWh	6,440.8	7,792.8	-1,352.0	-17.3
Heat	GWh	5,238.0	6,166.8	-928.8	-15.1
Total sales	GWh	21,028.1	23,486.5	-2,458.4	-10.5

* Method of data collection changed compared to the prior year

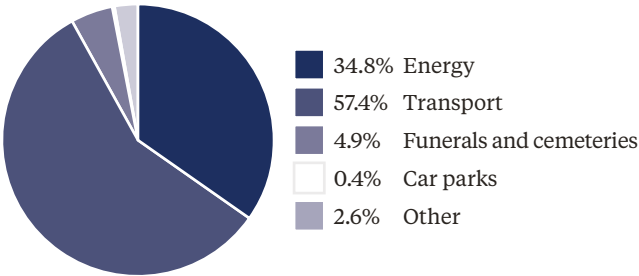
<i>Key performance indicators</i>		2014	2013	±	± %
Passengers					
Wiener Linien	Million	931.2	900.0	31.0	3.4
Wiener Lokalbahnen**	Million	14.6	13.8	0.8	5.8
Total number of passengers	Million	945.8	913.8	31.8	3.5

Parking spaces in garages					
Owned & leased		12,346	10,430	1,916	18.4
Operational management		6,892	6,134	758	12.4
Total number of parking spaces		19,238	16,564	2,674	16.1

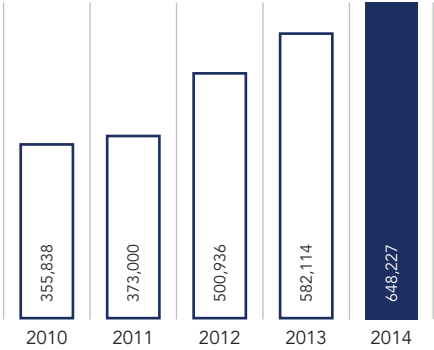
Funeral services		20,143	19,071	1,072	5.6
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<i>Average headcount in FTEs</i>	2014	2013	±	± %
Energy	5,474	5,510	-36	-0.6
Transport	9,019	8,935	84	0.9
Funerals and cemeteries	765	809	-44	-5.4
Car parks	65	62	3	4.7
Other	403	385	17	4.5
Apprentices	389	402	-13	-3.2
Total Wiener Stadtwerke Group***	16,114	16,102	12	0.1

Headcount per segment, excluding apprentices***



Growth in annual season tickets



** The calculation method was changed in 2014: Previously, extrapolations from VOR were used; now the figures are counted by the Company. The prior-year figures have been restated.

*** Excluding those on maternity leave and national service

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FOREWORD BY THE BOARD OF MANAGEMENT



Wiener Stadtwerke is Austria's largest provider of infrastructure services and thus one of the country's most important employers. Our 16,000 employees make a decisive contribution to the high quality of life in Vienna by providing infrastructure services which are recognised well beyond the region. Expressed in figures, Wiener Stadtwerke thereby contributes around six percent to Vienna's economic performance and five percent to Vienna's employment market via direct and subsequent value creation, as revealed in a recently published study on the macroeconomic benefits of Wiener Stadtwerke. The so-called 'Stadtwerke effect', i.e. the Company's contribution to overall economy, translates into added value of 5.7 billion euro and 64,300 secure jobs. Impressive numbers that underline the significance and the responsibility of Wiener Stadtwerke in the economic workings of the city.

The stable policy of investment in expanding and maintaining the infrastructure of Vienna depends heavily on the commercial orientation of Wiener Stadtwerke as a publicly owned company. The focus here is not just on criteria that generate income but also that promote the general well-being of society. The expansion of infrastructure in our city, from the extension of the underground network to the upgrading and maintenance of energy infrastructure, is based on this concept. As a result, Wiener Stadtwerke plans to invest four billion euro in quality of life in Vienna between 2015 and 2019.

The 2014 financial year was also characterised by mild weather and persistently difficult conditions in Europe's energy sector. The relatively high price of gas and the low price of electricity on spot markets meant that Wiener Stadtwerke continued to face major challenges. It was nevertheless possible for Wiener Netze and Wien Energie to achieve a satisfactory annual result as a result of savings and efficiency improvements. The Group will continue on its path to improve efficiency in the future.

We will optimise further in the coming year with one goal: to make optimum use of the Group's portfolio and to mobilise employment potential across the Group. Efficiency and lean structures are ultimately the prerequisite to enable us, Wiener Stadtwerke, to continue actively shaping the future of the city.

Martin Krajcsir
CEO

Robert Grüneis
Board Member

Gabriele Domschitz
Board Member

Marc H. Hall
Board Member

FOREWORD



BY
ERICH HECHTNER

Following two particularly difficult years, Wiener Stadtwerke was able to demonstrate in the 2014 financial year that it is a very commercially viable company. In 2014, over 800 million euro was invested to further develop the city's transport and energy infrastructure. These investments are key to the high quality of life enjoyed in Vienna, helping to boost the economy in the region and creating tens of thousands of jobs beyond Wiener Stadtwerke itself. The keys to the success of Wiener Stadtwerke include the high quality of its products and services, and responsibly-minded company management. Thinking and acting in a socially and environmentally-friendly manner does not conflict with commercial success at Wiener Stadtwerke.

As a company with more than 16,000 employees and three billion euro of turnover, Wiener Stadtwerke bears a great responsibility. In order to do justice to this, a range of structures and mechanisms were put in place early on to ensure transparency for the owners, auditing bodies and the general public, as well as to make sure that risks are handled appropriately and the focus remains on long-term success.

However, it is not just the management team that bears great responsibility, but the employees as well. Day in, day out, they work to ensure that the city keeps operating smoothly. On behalf of the City of Vienna, I would like to extend a special thanks to them for their hard work and dedication.

Erich Hechtner
Chairman of the Supervisory Board of Wiener Stadtwerke



BY
**VIENNA'S DEPUTY MAYOR,
RENAE BRAUNER**

Vienna is a beautiful city with a quality of life that is among the highest in the world. Many urban inhabitants within and beyond of Europe are envious of this high quality of life. The number one reason for this is Vienna's provider of infrastructure services – Wiener Stadtwerke. We are proud of this while at the same time not resting on our laurels. This would not work as occupying the top spot in comparisons with other cities is due above all to Wiener Stadtwerke's uninterrupted investment in Vienna's infrastructure.

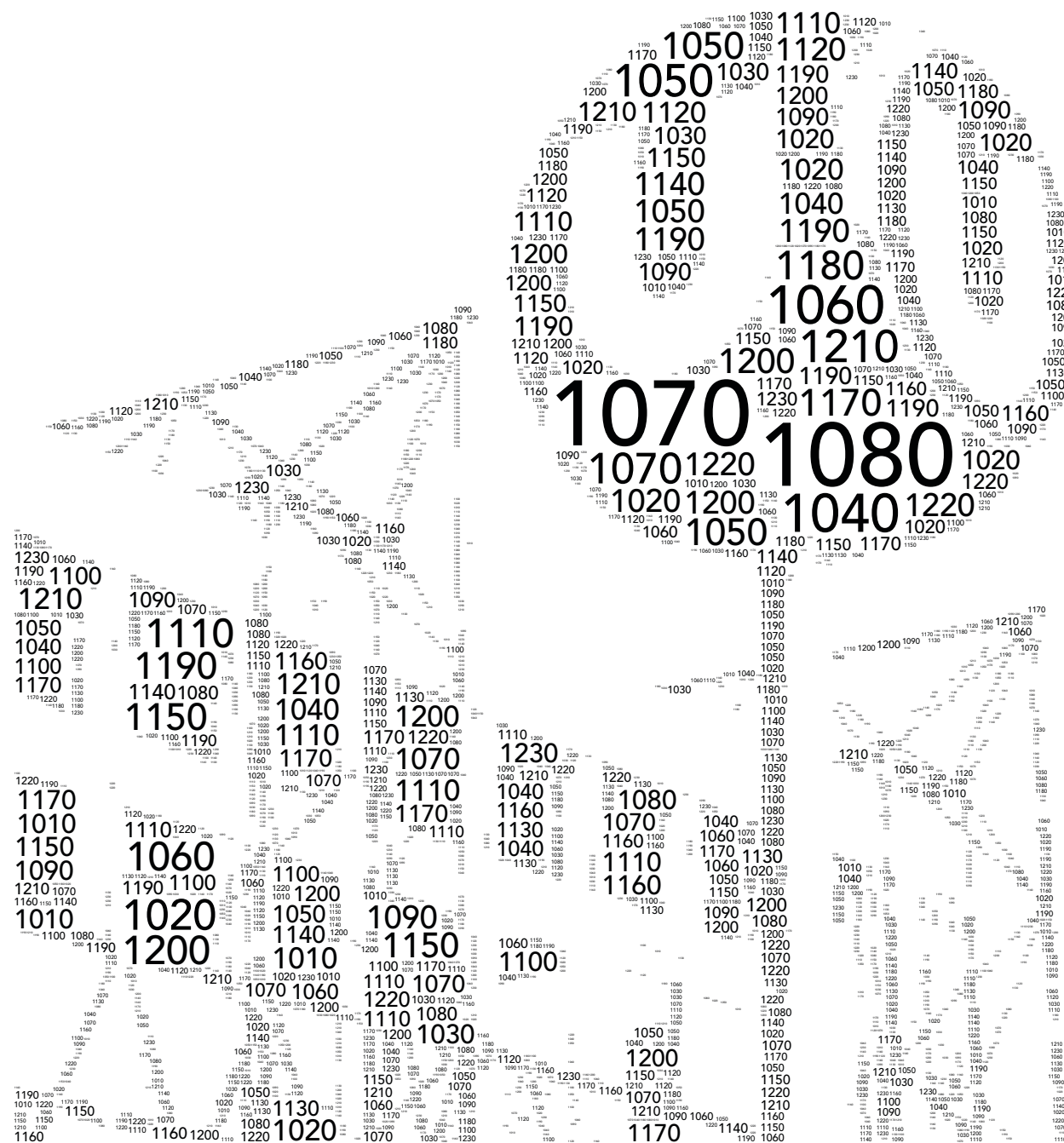
In the coming five years, there are plans to invest around four billion euro in the centre of economic activity which Vienna represents. Over 800 million euro was invested in the 2014 financial year alone. For instance, this included the extension of the U1 underground line to Oberlaa and the acquisition of new buses and trams. A major achievement in the 2014 financial year was the creation of the new 'Wien Mobil' card. Since April 2015, this card has been offering the population of Vienna the possibility to conveniently combine various modes of transport. In a growing city such as Vienna, issues relating to energy efficiency, the intelligent use of energy and investments in renewable energies have a high priority. This is why Wiener Stadtwerke is participating in ambitious research projects such as 'Living Labs' in Aspern and treading new and innovative paths with citizen solar power plants. Research, technology and development are therefore becoming increasingly important at the Company, as even projects such as the aforementioned mobility card or the mobility assistant 'Smile' help the City of Vienna to be fit to face the challenges of the future.

Vienna needs innovations such as these, together with committed employees, in order to remain the world's city offering the highest quality of life in the future. Wiener Stadtwerke will continue to accept this challenge in the years to come, and that despite the difficult economic environment which unfortunately continues to prevail. For this reason I would like to express my gratitude on behalf of all Vienna's inhabitants.

Vienna's Deputy Mayor, Renate Brauner
Executive City Councillor for Finances,
Economic Policy and Wiener Stadtwerke

[01]

CONSOLIDATED MANAGEMENT REPORT



[01.1]

BUSINESS 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 energy, transport, funerals and cemeteries, and car parks. The energy segment covers the areas of production, network operation and sales, whereby the main focus is on ensuring reliable supplies of electricity, gas, district heating and cooling.

Wiener Stadtwerke also provides a comprehensive range of services in the area of public transport (transport segment: Wiener Linien and Wiener Lokalbahnen), funerals and cemetery administration, as well as parking (car parks segment). The high quality, reliable and safe services offered by the Group make an important contribution to the very high quality of life enjoyed in the city; something which is recognised internationally and has also been attested by studies.

[01.2]

LEGAL ENVIRONMENT

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

SPECIFICS OF THE 2014 FINANCIAL YEAR

The energy and climate policy of the European Union

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

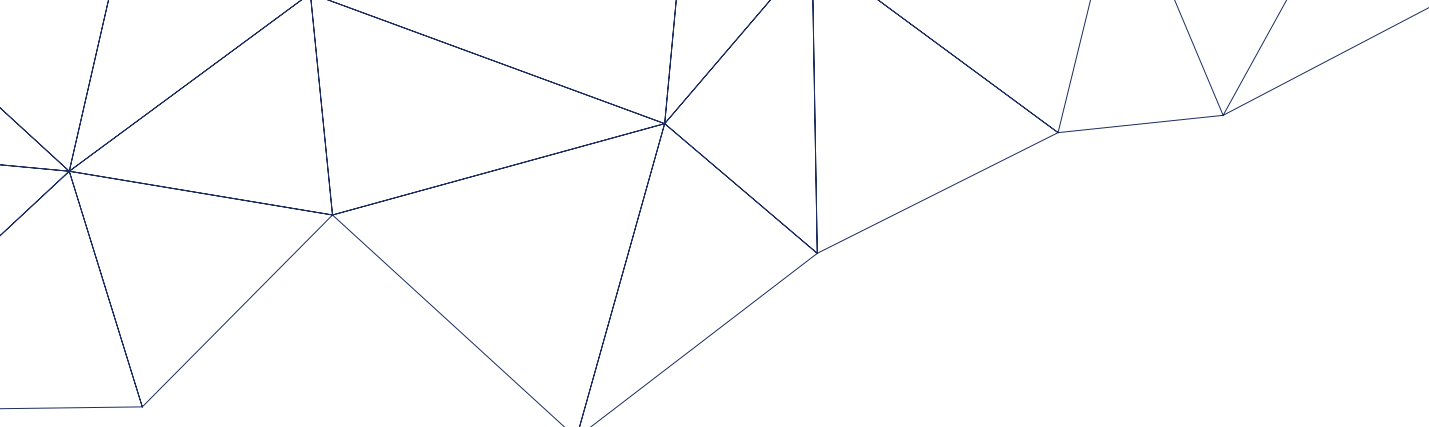
- Reducing greenhouse gas emissions by at least 40 percent below 1990 levels by 2030, which means that the previous target of achieving a 20 percent reduction by 2020 has been raised.
- Increasing the share of renewable energies to 27 percent of the total energy mix by 2030 (previous target: 20 percent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

Member States are allowed to freely decide on the required energy mix and set national targets that are higher. In 2015, the European Commission will put forward legislation that formalises these targets and sets forth how they are to be allocated among the Member States. The targets outlined may

be adjusted depending on the results of the global climate agreement in December 2015 in Paris (COP 21). As such, the extent to which this will affect national law remains unknown at present due to these two aspects.

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

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



The energy and environmental policy of Austria

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

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

Similarly, the so-called Cogeneration Points Act (*KWK-Punkte-Gesetz*, *KPG*) was passed as part of the energy efficiency package in July 2014 to support highly efficient cogeneration plants, thereby ensuring their continued operation to protect the environment and safeguard security of supply. It provides for annual subsidies amounting to around EUR 38 million for a period of four years. This must, however, first be approved or at least not overturned by the European Commission.

A final official decision has not yet been made. An amendment to Vienna's building regulations was passed in July 2014. Art. 118 (3b) stipulates that new buildings, with the exception of residential buildings and buildings that are only or primarily used for educational purposes, must be fitted with solar energy panels capable of nominal peak loads of least 1 kWp per 100 m² of gross land area.

Amendment to the Smart Meter Introduction Ordinance (IME-VO), IME-VO amendment 2014

In the previously valid version, it was stipulated that network operators must meet the following deadlines to equip metering points with smart meters as far as technically feasible:

- At least 10 % of metering points by the end of 2015
- At least 70 % by the end of 2017
- At least 95 % by the end of 2019

The obligation at the end of 2015 has been changed and now stipulates that a project plan to install smart meters on a step-by-step basis must be submitted, providing details about the path to achieve targets. The other steps (70 % by 2017 and 95 % by 2019) continue to apply.

Switching Ordinance 2014

The Switching Ordinance 2014 (*Wechselverordnung*) was passed by the board of Energy Control Austria (ECA) at the end of June. The main reasons for a new Switching Ordinance were the amendments to the Austrian Electricity Industry and Organisation Act (*EIWOG*) 2010 and the Austrian Natural Gas Act (*GWG*) 2011, according to which an online switch, i.e. an electronic declaration of intent. The two switching ordinances in the areas of electricity and gas were combined in the Switching Ordinance 2014. In order to give the companies concerned enough time to introduce implementation measures, the ordinance took partial effect in November 2014 and will take full effect in June 2015.

Austrian Consumer Rights Implementation Act (VRUG)

The VRUG came into force on 13 June 2014 and applies to contracts concluded on or after this date. The act amends the Austrian Consumer Protection Act (*KSchG*) and a new Austrian Act on Off-Premises and Distance Contracts act on non-face-to-face and foreign transactions (*Fern- und Auswärtsgeschäftegesetz* (*FAGG*)) was enacted. The amendments relate above all to online and mail order businesses and door-to-door business, as well as energy and network contracts that are concluded remotely or by telephone.

Comprehensive information obligations are required here in the future whereby the customer is not tied to the contractual obligations in the event of non-compliance or, for instance, can withdraw from a contract up to one year after signing it.

FOURTH RAILWAY PACKAGE

In January 2013, the European Commission announced amendments to the EU regulation on public passenger transport services by rail and by road (*REGULATION* (EC) No. 1370/2007) as part of the Fourth Railway Package and the Aid Package. The result of these amendments to many sections of the regulation will have a negative impact on Wiener Linien GmbH & Co KG. In the meantime, the European Parliament has made amendment proposals in its first reading. The Council of Transport Ministers is currently debating this dossier, inter alia, and is not expected to promulgate it before the end of 2015. Consequently, Wiener Linien GmbH & Co KG has delivered an opinion to the appropriate offices and institutions. The progress of the EU's Fourth Railway Package is being closely monitored and the interests of Wiener Linien GmbH & Co KG safeguarded.

[01.3] ECONOMIC ENVIRONMENT

According to estimates by the World Bank, the global economy was only able to achieve a moderate growth rate of 2.6 percent in 2014 as result of the difficult economic situation faced by a number of developed countries. While the wind returned to the sails of the US and UK economies, countries in the Eurozone in particular were unable to live up to earlier expectations with GDP growth of 0.8 percent. In contrast, China was able to continue the dynamic and almost uninterrupted pace of growth seen in previous years, with its economy expanding by 7.4 percent¹.

According to estimates by the European Commission, the Austrian economy grew at a rate of 0.7 percent in 2014 compared with 0.2 percent in the prior year, although the economic outlook darkened noticeably in the second half of

the year. Inflation eased from 2.1 percent to 1.5 percent in 2014, mainly as a result of lower costs for energy and fuel. The Austrian labour market saw a slight increase in the number of people employed during the reporting year. However, according to Eurostat, the rate of unemployment edged up from 4.9 percent in the prior year to 5.3 percent. Nevertheless, this is still one of the lowest rates in the European Union².

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

[01.4] CORPORATE STRATEGY

As a public-sector company, Wiener Stadtwerke continues to be aware of its particular responsibility and lives up to this as a comprehensive provider of essential public services to the population of Vienna. The Group is a major factor in the regional economy and an attractive employer for around 16,000 employees. In this way, the Wiener Stadtwerke Group makes a key contribution to quality of life, economic development and the general level of attractiveness of Vienna as an economic hub.

In order to address its social responsibility, however, Wiener Stadtwerke must also operate in a commercially viable way. Only an economically stable Group is able to safeguard the secure supply of high quality and environmentally sustainable products and services to the population of Vienna and make forward-looking

investments in developing the city's infrastructure.

As a highly diversified group, Wiener Stadtwerke is confronted by a range of different legal and economic framework conditions, thereby only enabling comparisons between individual segments to a very limited extent. For this reason, WIENER STADTWERKE Holding AG manages Group companies using individually agreed targets and KPIs. The aim here is to enable the Group to earn its cost of capital at the very least and to work in a way that creates value.

In order to be able to take account of these requirements, Wiener Stadtwerke focused heavily in 2014 on implementing the strategies developed in 2013 to realign the energy segment. The focus here was on harnessing Group-wide synergies, improving efficiency and making more effective use of available

competencies. It is of particular importance to Wiener Stadtwerke here to involve all the affected stakeholders from the very beginning and to formulate objectives in a constructive dialogue with a view to shaping a successful future for the Group.

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

¹ Source: World Bank, Global Economic Prospects, January 2015

² Source: http://ec.europa.eu/economy_finance/eu/countries/austria_en.htm

[01.5] TURNOVER AND EARNINGS POSITION

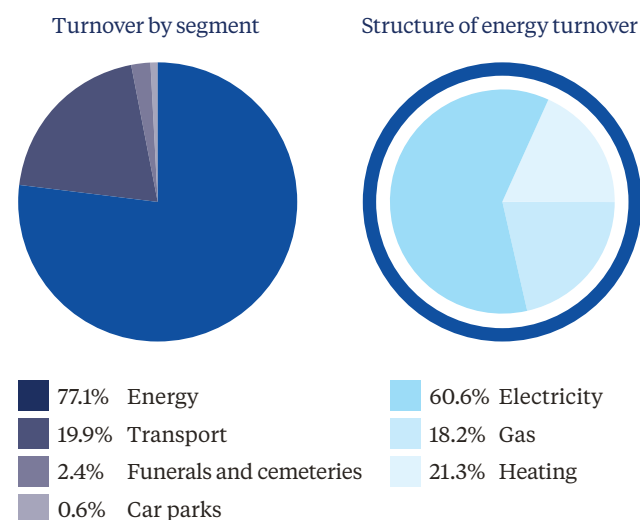
Abridged Profit and Loss Account

Financial results in EUR million	2014	2013	+/-	+/- %
Turnover	2,904.8	3,044.4	-139.6	-4.6
Changes in inventory and own work capitalised	62.2	81.7	-19.6	-23.9
Other operating income	692.6	696.6	-4.0	-0.6
Operating performance	3,659.6	3,822.7	-163.1	-4.3
Cost of materials	-1,430.8	-1,650.4	219.7	13.3
Personnel expenses	-1,165.4	-1,166.6	1.2	0.1
Depreciation and amortisation	-517.9	-787.4	269.5	34.2
Other operating expenses	-576.1	-603.9	27.8	4.6
Group EBIT	-30.6	-385.7	355.1	92.1
Consolidated financial result	50.8	55.1	-4.3	-7.9
Group EBT	20.1	-330.6	350.7	106.1
Consolidated profit/loss for the year after minority interests	20.0	-330.7	350.7	106.1
Consolidated balance sheet profit	101.7	0.0	101.7	-

Consolidated balance sheet profit

Development of results

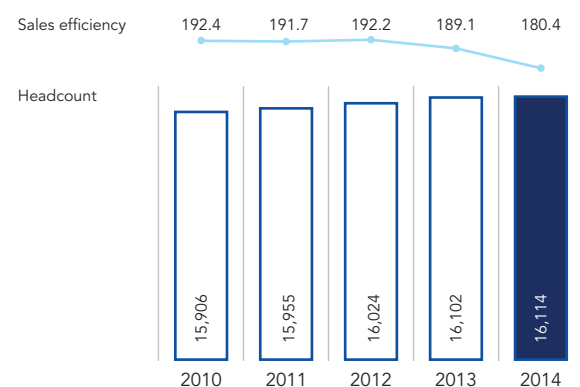
The energy segment was primarily responsible for the decline in turnover as it recorded lower revenue from electricity and gas sales. This development was somewhat offset by higher revenues generated by Wiener Linien.



Differences as a result of rounding figures have not been eliminated

The decline in own work capitalised is due to the change in the way Group-internal recharged investment projects are presented. Other operating income includes the non-cash reversal of obsolete consolidation entries from prior periods affecting net income.

Development of sales efficiency in TEUR

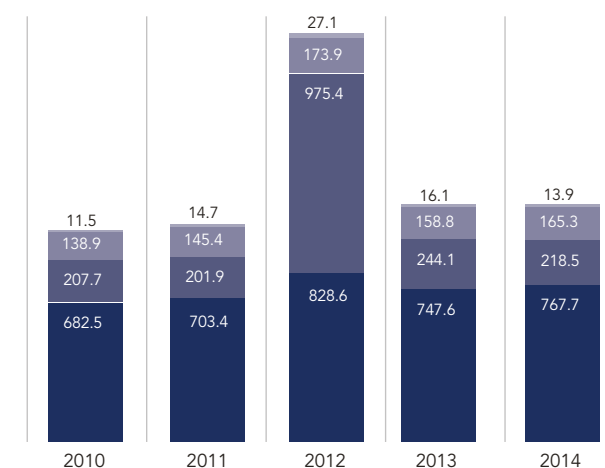


For more information on the revenue structure, please refer to the section entitled 'Segment reporting'.

As a result of the significant decline in turnover and slight increase in headcount, 2014 saw a drop in productivity.

As a result of the rising 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 whereas there was a clear decline in pension fund contributions due to the fact that, in 2013, a greater amount of pension provision shortfalls was reduced with an effect on profit or loss.

Development of personnel expenses in EUR million



Due to the change in the balance sheet date, the 2012 figures for the energy segment relate to five quarters

- Wages and salaries
- Pension fund contributions
- Statutory social costs (incl. salary-related charges and mandatory charges)
- Miscellaneous

The depreciation and amortisation of tangible and intangible assets during the financial year are well below the level of the prior year, as impairment charges relating to unscheduled write-downs of thermal power station assets were taken in 2013. These represented a non-recurring extraordinary item.

The position 'Other operating expenses' primarily records maintenance and third-party services as well as advertising, IT, legal and consultancy expenses, rental, lease and expenses for personnel training. The lower level of expenses in 2014 compared to the prior year are primarily attributable to the programme to increase savings and improve efficiency in the energy segment.

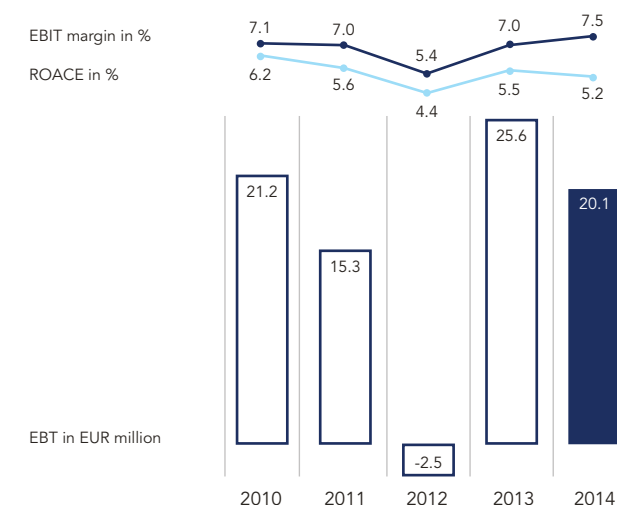
Earnings before interest and tax (EBIT) for 2014 improved to EUR -30.6 million from EUR -385.7 million in the prior year. This figure for the prior year included a number of impairment charges and additions to a provision for impending losses.

The EUR 4.3 million drop in the financial result is mainly due to the impairment charges taken against investments in the energy segment as a result of market conditions.

Earnings before tax (EBT) amounted to EUR 20.1 million for 2014.

Following the release of capital reserves, the profit/loss for the 2014 financial year amounted to a consolidated profit of EUR 101.7 million.

Profitability and earnings quality



EBIT margin = $\frac{\text{EBIT (restated)}}{\text{Turnover (restated)}}$

ROACE = $\frac{\text{EBIT (restated)}}{\text{Turnover (restated)}} \times \frac{\text{Turnover (restated)}}{(\text{capital employed in period} + \text{capital employed in prior period}) \times 0.5}$

(Return on Average Capital Employed)

Turnover (restated) = Turnover - Intra-Group revenues from electricity production from companies consolidated under the equity method

EBIT (restated) = EBIT + Interest-based components of provisions for pensions + Effects of grant-financed investments

Capital employed = (EBIT (restated) + Interest-bearing loans (incl. social capital) - Non-current financial assets - Securities held-for-sale - Cash and cash in bank)

The development of profitability across a five-year horizon reflects the difficult environment faced by the energy sector in recent years which has had a tangible impact on earnings despite the effectiveness of countermeasures and steps to increase efficiency. Adjustments were made in 2012 and 2013 to reflect extraordinary items and valuation measures. As a result of the increase in capital employed, the ROACE has gone down while turnover profitability has increased to 5.2 percent.

[01.6] ASSETS AND CAPITAL STRUCTURE

	31.12.2014		31.12.2013	
	<i>in EUR million</i>	<i>as % of the balance sheet total</i>	<i>in EUR million</i>	<i>as % of the balance sheet total</i>
Fixed assets	12,246.7	90.0	11,985.9	89.3
of which tangible assets	9,775.0	71.8	9,483.9	70.6
Current assets	1,000.5	7.4	1,079.1	8.0
Prepayments and accrued income	359.9	2.6	363.2	2.7
Total assets	13,607.0	100.0	13,428.3	100.0
Equity	4,786.6	35.2	4,618.3	34.4
Provisions	3,725.1	27.4	3,641.4	27.1
Liabilities	1,350.5	9.9	1,465.4	10.9
Accrued expenses and deferred income	3,744.8	27.5	3,703.1	27.6
Total equity and liabilities	13,607.0	100.0	13,428.3	100.0

Differences as a result of rounding figures have not been eliminated

The balance sheet total of the Wiener Stadtwerke Group rose in 2014 by approximately 1.3 percent to EUR 13,607.0 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. The recognised value of tangible assets on the balance sheet date 2014 stood at EUR 9,775.0 million or approx. 3.1 percent higher than a year earlier. As such, 71.8 percent of the balance sheet total is accounted for by tangible assets. Recognised current assets consist primarily of accounts receivable and other assets. Cash assets, consisting of cash held and positive bank balances, rose over the course of the financial year by around 7.3 percent to EUR 354.7 million.

The shareholder equity of the Wiener Stadtwerke Group, 100 percent of which is held by the City of Vienna, rose in terms of nominal value over the course of the 2014 financial year by 3.6 percent to around EUR 4,786.6 million. This significant change is primarily attributable to the balance-sheet profit reported in the amount of EUR 101.7 million as well as additions to revenue reserves.

Recognised provisions amount to EUR 3,725.1 million, equivalent to 27.4 percent of the balance sheet total and 2.3 percent above the level of the prior year. These relate primarily to the provision 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 an indirect pension obligation for the Group.

In 2014, the accounts payable, recognised at EUR 1,350.5 million, are slightly below the prior-year values, whereas the accrued expenses and deferred income are slightly higher at EUR 3,744.8 million. The recognised value of accrued expenses and deferred income consists primarily of investment and building grants (EUR 3,582.0 million in total) associated with fixed assets. These represent future revenues which are reversed to negate the depreciation expense over periods which parallel the scheduled depreciation of the relevant assets for which the grants were provided to some extent at least.

<i>Key performance indicators</i>	<i>2014</i>	<i>2013</i>	<i>±</i>	<i>± %</i>
Equity ratio in %	35.2	34.4	0.8	2.3
Equity-to-fixed-assets ratio in %	97.6	98.0	-0.4	-0.4
Capitalisation ratio in %	90.0	89.3	0.7	0.8
Notional debt repayment period in years	8.4	7.8	0.6	7.1

$$\text{Equity ratio} = \frac{\text{Total equity}}{\text{Balance sheet total}} \cdot 100$$

$$\text{Equity-to-fixed-assets ratio} = \frac{(\text{Equity} + \text{Social capital} + \text{Non-current borrowing} + \text{Deferred investment grants}) / \text{Fixed assets}}{\text{Fixed assets}} \cdot 100$$

$$\text{Asset utilisation} = \frac{\text{Fixed assets}}{\text{Total assets}} \cdot 100$$

$$\text{Notional debt repayment period} = \frac{\text{Total liabilities}}{\text{Net cash flow}}$$

The internal ratings of banks providing funding (assessments based on the Internal Ratings-Based Approach defined by Basel II) are drawn upon in order to assess the Group's creditworthiness. These regularly confirm the outstanding creditworthiness of Wiener Stadtwerke.

At the balance sheet date, the Group recognised contingent liabilities in the amount of TEUR 500,860 (PY: TEUR 485,932). These liabilities are offset by contingent assets in the amount of TEUR 256,438 (PY: TEUR 234,889).

The contingent liabilities include US cross-border lease transactions entered into by WIENER LINIEN GmbH & CO KG in the amount of TEUR 246,783 (prior year: TEUR 225,233). These liabilities are offset by means of rights of recourse in the same amount recognised as assets.

A number of restricted and unrestricted letters of comfort and guarantees have been issued on behalf of e&t Energie Handelsgesellschaft. Taking into account the contracts concluded by e&t Energie Handelsgesellschaft m. b. H. with its trading partners, the net liability position amounts to TEUR 49,064 (prior year: TEUR 82,430). In the event that the guarantees and or letters of comfort issued in favour of trading partners of e&t Energie Handelsgesellschaft m.b.H. are called in or exercised by the same, then Wien Energie GmbH may assert rights of recourse against the remaining shareholders in the amount of TEUR 17,610 (prior year: TEUR 21,280).

The remaining contingent liabilities relate predominantly to liability bonds issued in favour of EconGas GmbH and Verbund, and comfort letters and guarantees issued in favour of Oemag AG, AWISTA GmbH, Gate Terminal Rotterdam and for locomotives owned by Wiener Lokalbahnen Cargo GmbH.

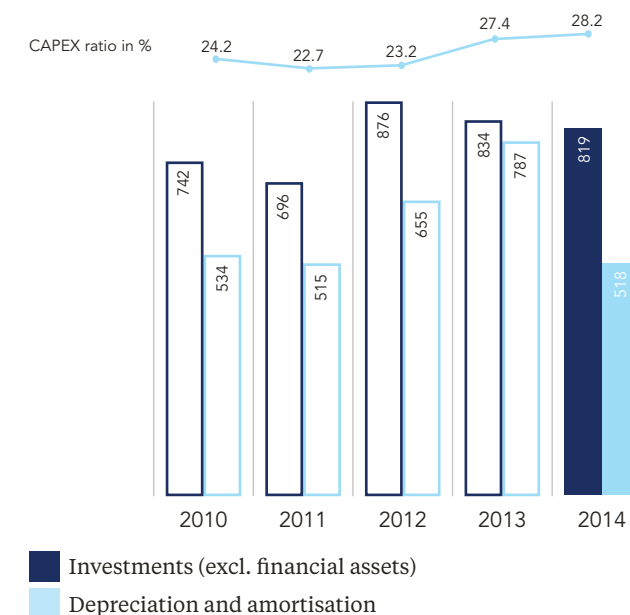
Investment and financial positions

<i>in EUR million</i>	<i>2014</i>	<i>2013</i>	<i>±</i>	<i>± %</i>
Investments in intangible assets	27.3	20.3	7.0	34.5
Investments in tangible assets	791.8	813.9	-22.1	-2.7
Investments in financial assets	51.5	31.2	20.2	64.7
Total investment	870.5	865.4	5.1	0.6

In 2014, the Wiener Stadtwerke Group undertook investments with a total volume of EUR 870.5 million, 0.6 percent above the level of the prior year. The major focuses of investment activity were in the transport segment (the expansion of the

underground network and the purchase of underground trains, trams and buses as well as investments in new buildings, stops and infrastructure for WLB), as well as in the energy sector (investments in electricity and gas networks as well as the increased use of renewable energies).

Investments and depreciation / amortisation (tangible and intangible assets) in EUR million



$$\text{CAPEX ratio} = \frac{(\text{Investments in intangible assets} + \text{tangible assets})}{\text{turnover}}$$

Due to the change in the balance sheet date, the 2012 figures for the energy segment relate to five quarters

The decline in expenses for depreciation in the 2014 financial year is mainly attributable to impairment charges taken against power plants in the prior year. Generally speaking, depreciation expenses have been increasing steadily for a number of years due to the Wiener Stadtwerke Group's intensive investment activity together with long depreciation periods, although the impairment charges taken in 2012 and 2013 on power plants slowed this trend.

Due to the higher level of investment in tangible assets, the CAPEX ratio rose in to 27.4 percent compared with 28.2 percent in the prior year, while turnover declined at the same time.

[01.7] SEGMENT REPORTING

Financing

<i>Abridged cash flow statement in EUR million</i>	2014	2013	+/-	+/- %
Cash flow from earnings	370.1	434.8	-64.7	-14.9
Change in working capital and operating cash flow (long-term)	47.8	-9.3	57.0	n.m.
Cash flow from operating activities	417.9	425.5	-7.6	-1.8
Cash flow from investment activities	-551.5	-512.3	-39.3	-7.7
Cash flow from financing activities	157.9	205.7	-47.8	-23.3
Change in cash and cash equivalents	24.2	118.9	-94.7	79.7
Balance of cash and cash equivalents* at 31.12.	354.7	330.5	24.2	7.3

* Cash and cash equivalents are the sum of the cash and bank balance positions.

The cash flow from earnings fell well short of the prior year's level as a result of its lower contribution through cash flow to the annual result. The cash inflow from changes in working capital are, on the one hand, due to a significant reduction in receivables and, on the other, a lesser reduction in non-current liabilities compared with the prior year. In long-term operating activities, however, a negative cash flow has been achieved through a reduction in liabilities and an increase in non-current receivables and accrued income and prepayments.

In total, the result is a positive operating cash flow of EUR 417.9 million, even if this is 1.8 percent below the value of the prior year.

The negative cash flow from investment activities reflects the high volume of investments by Wiener Stadtwerke, which is offset by cash inflows from investment and building grants.

Cash flow from financing activities shows the centralised take-up of borrowed capital. In 2013, the Group borrowed EUR 200 million by means of a bonded loan, whereas in 2014 just EUR 70 million was borrowed by means of an EIB loan.

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.

Segments

<i>Energy segment</i>	Production	Electricity, heat
	Distribution	Electricity, gas, heat
	Sales	Electricity, gas, heat
<i>Transport segment</i>	Local passenger services	
	Transport services for the disabled	
	Rail cargo	
<i>Funerals and cemeteries segment</i>	Funeral services	
	Cemeteries	
<i>Car parks segment</i>	Car parks owned (incl. leased)	
	Car parks managed	

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

ENERGY SEGMENT

<i>Energy segment</i>	Production	Electricity, Heat
	Distribution	Electricity, gas, heat
	Sales	Electricity, gas, heat

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

Legal framework conditions

The energy and climate policy of the European Union

As already mentioned in Chapter 2, EU Member States reached an agreement in October 2014 on new targets for their climate and energy policies. It is to be assumed that the incorporation of these targets into EU law and national legislation will have a direct impact on all energy suppliers active in the EU.

The energy and environmental policy of Austria

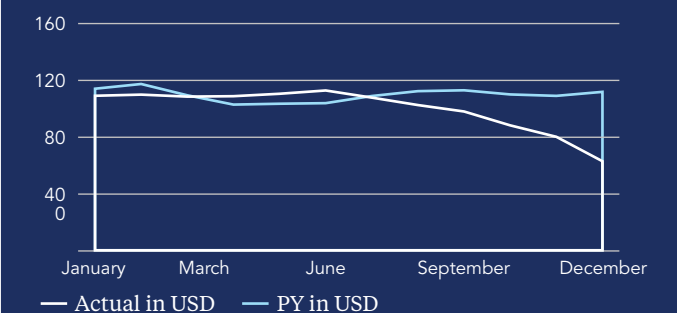
The law on energy efficiency (EEffG) mentioned in Chapter 2 and the amendment to Vienna's building regulations are also to be considered economically relevant factors influencing the Company's business activities.

Temperature developments

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

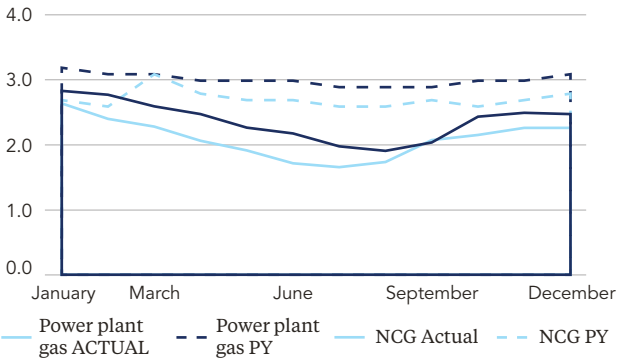
Demand-side and price developments

Oil price development in USD/bbl.



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

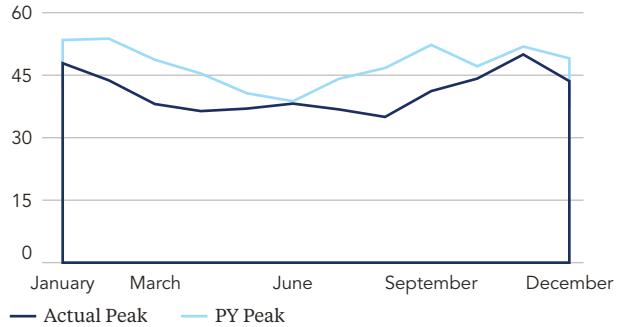
Development of natural gas prices



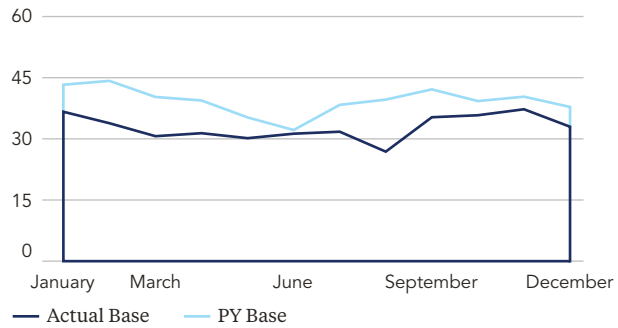
Import prices for natural gas were 17 percent lower than in the prior year on average in 2014. The price of HUB-indexed gas (NetConnect Germany, NCG) trended well below the price of imported gas at times, although the gap between the two stopped closing towards the end of the year. The general fall in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

Development of electricity prices

Development of prices for peak electricity in EUR/MWh

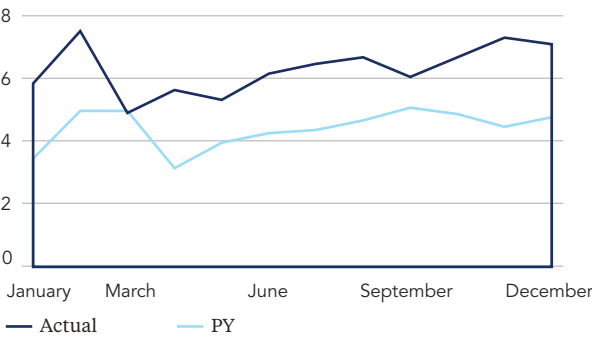


Development of prices for base electricity in EUR/MWh



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

Development of prices for CO₂ emission certificates in EUR/t



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

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

Key performance indicators

Production in GWh	2014	2013	±	± %
Electricity	4,349.9	3,974.2	375.7	9.5
Heat	4,855.0	5,606.9	-751.9	-13.4
Total production	9,204.9	9,581.1	-376.2	-3.9

Network throughput in GWh	2014	2013	±	± %
Electricity	10,922.0	11,107.5	-185.5	-1.7
Gas*	16,909.6	19,607.1	-2,697.5	-13.8
Heat*	5,682.5	6,461.7	-779.2	-12.1
Total throughput	33,514.1	37,176.3	-3,662.2	-9.9

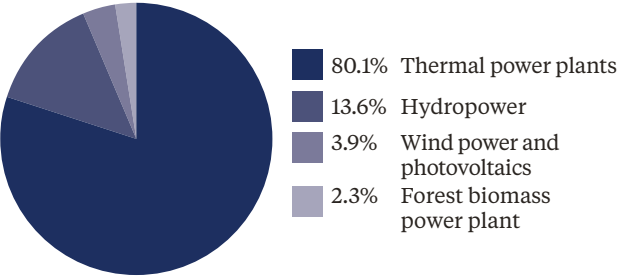
Sales in GWh	2014	2013	±	± %
Electricity	9,349.4	9,526.9	-177.5	-1.9
Gas	6,440.8	7,792.8	-1,352.0	-17.3
Heat	5,238.0	6,166.8	-928.8	-15.1
Total sales	21,028.1	23,486.5	-2,458.4	-10.5

Fully and proportionally consolidated subsidiaries
* Method of data collection changed compared with the prior year

Thermal power production rose in 2014 compared with the prior year, primarily due to stronger demand for electricity to stabilise the network and the larger volume procured through international power-drawing rights. A problem which occurred in 2014 with a boiler of WIEN ENERGIE Bundesforste Biomasse Kraftwerk GmbH & Co KG resulted in a drop of 21.7 percent in electricity produced from biomass.

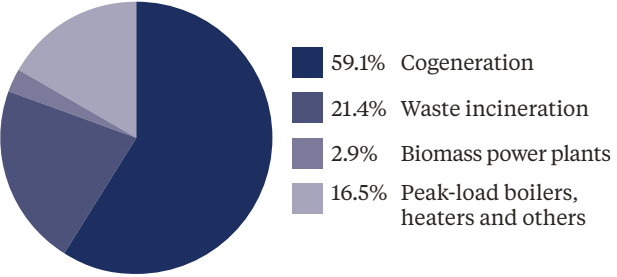
Production by hydropower fell by 11 percent year on year as a result of lower water levels in the Danube and Inn rivers and the planned modernisation of the Opponitz power plant. The volume of electricity produced by wind power rose by 6.5 percent year on year primarily due to the start of operations of the Steinriegel 2 wind farm. Electricity production by solar energy more than doubled in 2014 compared with the prior year thanks to the commissioning of numerous photovoltaic plants and citizen solar power plants.

Electricity production 2014 in %
(energy segment incl. investments)



District heating sales saw a year-on-year decline as a result of the mild temperatures. The opening of the Spittelau waste incineration plant after having had its energy efficiency optimised by means of upgrading led to a considerable increase in the heat produced here.

Heat production 2014 in %
(energy segment incl. investments)



Highlights

Switching Ordinance 2014

The Switching Ordinance 2014 (Wechselverordnung) was passed by the board of Energy Control Austria (ECA) at the end of June. The main reasons for a new Switching Ordinance were the amendments to the Austrian Electricity Industry and Organisation Act (EiWOG) 2010 and the Austrian Natural Gas Act (GWG) 2011, according to which an online switch, i.e. an electronic declaration of intent. The two switching ordinances in the areas of electricity and gas were combined in the Switching Ordinance 2014. In order to give the companies concerned enough time to introduce implementation measures, the ordinance took partial effect in November 2014 and will take full effect in June 2015.

National law on the promotion of the installation of district heating and cooling pipelines (WKLK)

This law was amended in 2014 and passed by the Austrian Parliament in the course of enacting the national law on energy efficiency. The law supports the construction of

pipelines to transport local and district heating as well as local and district cooling.

- Amendments:
- Inclusion of the use of geothermal sources and
 - Specifications relating to district cooling projects.

Network loss charges for producers (electricity)

With regard to the collection of network loss charges from producers between 2009 and 2011, the Supreme Court ruled in two test cases that, following the repeal of the SNT-VO (System Charges Order) by the Constitutional Court, the producers must pay reasonable charges (if these are provided for in corresponding provisions of the general terms and conditions of business). The issue of the appropriateness of the charges to be paid is / was to be clarified by the courts in subsequent proceedings. As the proceedings have so far highlighted, the appropriate network loss charges are to be determined on a case-by-case basis by means of an expert report. To this end, early rulings have already been made, according to which just 20 to 40 percent of the network loss charges billed for were appropriate in the cases under review.

Given that the actual appropriateness of the respective location of the producer and the technical standard of the connection to the distribution network would need to be established on a case-by-case basis by an expert, it is not possible to make precise, general statements that apply to the rest of industry on the basis of these test cases. There was therefore a risk that the proceedings of each and every producer (most of which have been suspended) would need to be completed and expensive expert reports prepared, although the approximate result could already largely be predicted.

Business development

Financial results in EUR million	2014	2013	+/-	+/- %
Turnover	2,271.6	2,430.4	-158.8	-6.5
Electricity sales	1,375.8	1,437.8	-62.0	-4.3
Gas sales	412.7	471.7	-59.0	-12.5
Earnings before interest and tax	80.7	-259.7	340.5	131.1
Financial result	6.7	26.3	-19.6	-74.5
EBT	87.5	-233.4	320.9	137.5
Consolidated profit/loss for the year	84.8	-236.9	321.6	-135.8
Investments in intangible assets	22.9	13.0	9.9	76.0
Investments in tangible assets	409.4	358.2	51.2	14.3
Investments in financial assets	12.8	17.0	-4.2	-24.5
Total investment	445.1	388.2	56.9	14.7

Differences as a result of rounding figures have not been eliminated

In a letter dated 18 December 2014, the board of the ECA held out the prospect that (after reviewing the respective case in question) network operator repayments will be recognised as network charges up to an amount equivalent to 50 percent of the required network loss charges (excluding interest and costs).

Turnover

By far the largest proportion of the turnover of the Wiener Stadtwerke Group is generated by the energy segment. Revenue from both electricity and gas sales fell short of the prior year’s level, which was due to the extremely warm weather conditions and the challenging market environment.

Result on ordinary activities

The much improved year-on-year result is primarily attributable to valuation measures performed in 2013 relating to the thermal power station plants as well as the creation of a provision for impending losses relating to power-drawing rights in the prior year.

The decline in the financial result is mainly attributable to a lower dividend from Verbund Innkraftwerke GmbH (VIK) and impairment charges taken by Energie Allianz Austria GmbH (EAA) and EPZ Energieprojekt Zurndorf GmbH (EPZ) due to the difficult market situation at present.

Investments

The energy division invested a total of EUR 445.1 million during the financial year. Investments in tangible assets rose by 14.3 percent, compared to the prior year, to EUR 409.4 million. Investments in tangible assets relate primarily to additions associated with the optimisation of energy production at the Spittelau waste incineration plant, the construction of the Arsenal heating plant, the revitalisation of the Göstling/Opponitz weir, the Pottendorf and Steinriegel 2 wind farms, and citizen solar and photovoltaic power plants. In addition, investment was made in Wiener Netze’s headquarters (Smart Campus), expanding the electricity and gas network and setting up district heating connections as well as refrigeration and heating centres. Investments in financial assets mainly relate to investments in the Hofmühle hydropower project and the Pottendorf wind farm. The latter was retroactively merged as per 30 September 2013 into WIEN ENERGIE GmbH in the 2014 financial year.

TRANSPORT SEGMENT

Transport segment	Local passenger services		
	Transport services for the disabled		
	Rail cargo		

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

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

Legal framework conditions

As indicated in Chapter 2, WIENER LINIEN GmbH & Co KG submitted a statement on the Fourth Railway Package to the European Commission. Other employee regulations for railway operations were also completed in 2013 and submitted to the authorities.

Development of the modal split

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

Key performance indicators

Passengers (in million)	2014	2013	+/-	+/- %
Wiener Linien	931.2	900.0	31.0	3.4
Wiener Lokalbahnen*	14.6	13.8	0.8	5.8
Total	945.8	913.8	31.8	3.5

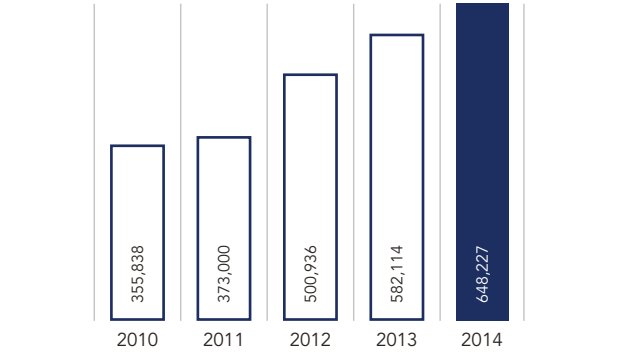
Passenger capacity in kilometres (in million)	2014	2013	+/-	+/- %
Wiener Linien	19,479.3	18,859.1	620.2	3.3
Wiener Lokalbahnen	527.3	524.7	2.6	0.5
Total	20,006.6	19,383.8	622.8	3.2

* The calculation method was changed in 2014: Previously, extrapolations from VOR were used; now the figures are counted by the Company. The prior-year figures have been restated.

Passengers

In 2014, Wiener Linien was able to increase passenger numbers by 3.4 percent compared to the prior year. This increase is due, among other factors, to the full-year effect of the additional services offered since autumn of the prior year (underground and tram line extensions as well as shorter intervals), as well as the continued rise in sales of annual season tickets.

Growth in annual season tickets



The number of annual season ticket holders rose compared to the prior year by approximately 66,000 (11.4 percent) to around 648,000. This figure includes around 146,000 annual season tickets for pensioners.

Passenger kilometres transported

Wiener Linien provided around 19,479.3 million passenger kilometres transported in 2014 (2013: 18,859.1 million). Of these, approximately 16,587.6 million related to rail-based means of transport (2013: 16,174.6 million).



The number of passenger kilometres transported by Wiener Lokalbahnen also increased slightly compared with the prior year (+0.5 percent).

Passenger transport fleet

Number	2014	2013	+/-	+/- %
Tramcars WL	519	525	-6	-1.1
of which ultra-low-floor	287	269	18	6.7
Tram trailer units WL	204	219	-15	-6.8
Total trams WL	723	744	-21	-2.8
Trams WLB Group	41	41	0	0.0
of which ultra-low-floor	14	14	0	0.0
Underground units for the U6 line	144	124	20	16.1
Underground units for the U1-U4 lines	738	734	4	0.5
Total rail-bound units	1,646	1,643	3	0.2
Buses (LF) WL	462	469	-7	-1.5
Buses WLB Group	22	24	-2	-8.3
of which low-floor	17	17	0	0.0
Minibuses (9-seater) WLB Group	88	93	-5	-5.4
Coaches WLB Group	0	5	-5	-100.0
Total vehicle fleet	572	591	-19	-3.2

A total of eleven ULF A1 trams were taken into service by Wiener Linien during the reporting year. In addition, 20 new T1 underground vehicles were purchased for the U6 underground line.

While work to install CCTV in ULF B trams was completed, this was still ongoing for ULF B1 and Type T underground trains. In addition to this, work continued to install electric door-mounted sensors on Type V underground trains.

In the reporting year, six diesel-powered hybrid Euro 6 low-floor buses (Type Volvo 9000), 34 diesel-powered low-floor articulated buses and 23 diesel-powered low-floor buses were commissioned for Wiener Linien’s bus services.

Wiener Lokalbahnen Verkehrsdienste GmbH, which provides transportation with cars and minibuses for disabled people on behalf of private and public-sector customers as part of its rental vehicle licence, sold its entire fleet of coaches so that it can focus on its core business in the future.

Freight traffic

There are currently 23 electric locomotives, five diesel locomotives and 217 container wagons in service for Wiener Lokalbahnen Cargo GmbH.

Highlights

Tariff adjustments

In order to continue to be able to offer the accustomed level of quality as passenger numbers and costs rise, some fares (single, monthly and weekly tickets, and travel cards) were increased slightly in line with automatic fare rises as per 1 July 2014. The prices for the most popular types of tickets (annual season tickets, senior citizen annual season tickets, student tickets and youth season tickets [Top-Jugendticket]) remained unchanged.

Construction and upgrading of the Simmering workshops

In order to be able to improve the conditions for the some 800 employees while also making workflows more efficient, the workshops have been undergoing phased upgrading work since October 2009 while remaining in service. All workstations have been redesigned in accordance with the latest guidelines regarding ergonomics, lighting and room ambience. An important part of the workshops, the apprentice workshop with a training centre, has been in service since 2012. Attention is paid here to ensuring that junior employees are given top-notch, practical training. 200 young people are trained here in vehicle mechanics, mechatronics, electrical engineering, and metal and communications engineering. After the main round of work was completed by the end of 2014, work then began on finishing the surfaces and outside areas, which is currently ongoing. In addition to this, outstanding and fault-correction work is due to continue until around the middle of 2015, as well as the final completion of building services and workshop facilities.

U1 southbound extension

Work on the U1 southbound extension was ongoing at full speed. With the tunnel link-up between the future stations of Troststraße and Altes Landgut, all of the tunnels of the U1 extension line were connected to each other in September, marking the official end of the tunnelling work. The U1 will dramatically improve the link between many parts of Favoriten with Vienna’s inner district.

Modernisation of the customer centre

The main service centre and sales point for travel tickets has been open now for 20 years and was given a make-over during the reporting year. A makeshift centre was set up in nearby premises to bridge the time between the renovation

work starting and ending. At the same time, the foyer was redesigned and modernised. The main focus here was on bringing the entrance area to the administrative offices in line with the latest security standards. The centre was re-opened in the middle of December 2014.

WIENER LINIEN against violence

The reporting year saw a rise in the number of attacks against Wiener Linien employees. Following a spate of incidents involving tram drivers, the “WIENER LINIEN GmbH & Co KG against violence” day was held on 13 June 2014 together with employee representatives. The purpose of this event was to position the company clearly against any form of violence and to raise awareness of this issue among the population.

Renovation of the Vienna Tram Museum

The former tram museum has been converted into Wiener Linien’s new transport museum, ‘Remise’. It was opened on 13 September 2014. A modern and exciting museum has been built in the halls of the protected depot (Remise in German) building. The exhibits span 150 years of public transport in Vienna. Theme islands are used to take visitors on a journey through the history of the city, highlighting the various aspects of public transport in Vienna. In doing so, particular emphasis is placed on the historical vehicles. Multimedia shows increase the level of excitement here. The museum had already seen 9,500 visitors by the end of 2014.

New depot for vehicles of the Badner Bahn in Inzersdorf

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

The depot building in Vienna is over 100 years old and currently used mainly for maintenance work. It has reached its limits in terms of capacity and will therefore not be able to meet future requirements. The advantages of building a new depot at Inzersdorf are not only creating sufficient track space on sidings for the traction units but also enough space for the planned purchase of longer and wider, modern and barrier-free units. The necessary building permissions have already been obtained and the detailed plans for the new depot at Inzersdorf already exist. The building of the depot is planned to be finished in 2017 and the handover for 2018. A similar schedule exists for the company building.

The planned construction of a depot and a company building in Inzersdorf means that the previous company building on

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

New stops for Wiener Lokalbahnen

The Badner Bahn stop Inzersdorf Lokalbahn was opened in May. By being relocated and made barrier-free, this new stop now offers more convenience to passengers using it. It also offers better connections to regional bus lines. The ‘Baden Landesklinikum’ stop was taken into service in December. This will, in future, enable passengers to travel to the new hospital via barrier-free public transport, offering them optimum lighting, infoscreens and covered bike stands, in addition to modern waiting areas. The car park opposite also makes the new stop a perfect place to switch from your car to public transport in order to enjoy a stress-free and environmentally friendly trip to Vienna.

Development of business – Wiener Linien

Financial results in EUR million	2014	2013	+/-	+/- %
Turnover	494.8	474.7	20.1	4.2
Earnings before interest and tax	-112.5	-120.3	7.8	-6.5
Financial result	3.9	4.0	-0.1	-3.1
EBT	-108.6	-116.3	7.6	-6.6
Annual losses	-108.6	-116.3	7.6	-6.6
Investments in intangible assets	2.5	5.6	-3.1	-54.8
Investments in tangible assets	347.7	414.0	-66.4	-16.0
Investments in financial assets	36.1	8.0	28.1	352.4
Total investment	386.3	427.6	-41.3	-9.7

Differences as a result of rounding figures have not been eliminated

Turnover

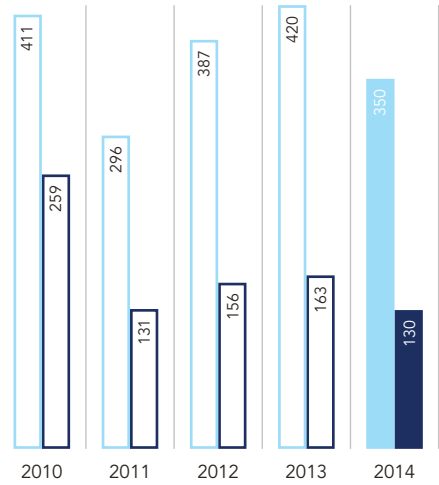
The increase of around 4.2 percent in turnover is primarily due to the increase in the number of annual season tickets and the changes in fares introduced in July 2014, whereby the attractiveness of the services on offer and the low fee charged for the annual season ticket were key factors driving this trend. Average revenue per passenger rose by 0.8 percent year-on-year (2014: 53.06 cents; 2013: 52.66 cents).



Result on ordinary activities

The slight decline in the financial result compared to the prior year is primarily the result of lower interest-based revenues from cash pooling as a result of lower interest rates. Taking into account the remaining revenues and expenses, earnings before tax (EBT) amounted to a loss of EUR 108.6 million.

Investments
(tangible and intangible assets)
2010 - 2014 in EUR million



Investments (excl. financial assets)
of which underground construction

Investments

Around 37 percent of total investment (excluding financial investments) related to the expansion of the underground network (EUR 130 million). Moreover, EUR 48 million was spent on the acquisition of Type V underground trains, EUR 22 million for Type T1 underground trains, EUR 32 million to upgrade the main workshops in Simmering and EUR 10 million to modernise the U4 underground line.

Development of business - Wiener Lokalbahnen Group

Financial results in EUR million	2014	2013	+/-	+/- %
Turnover	91.3	96.1	-4.9	-5.1
Earnings before interest and tax	5.5	1.3	4.2	319.3
Financial result	-0.1	-0.1	0.0	-24.8
EBT	5.4	1.2	4.2	334.9
Annual net result	5.3	1.2	4.1	337.1
Investments in intangible assets	0.2	0.4	-0.2	-59.5
Investments in tangible assets	11.6	10.3	1.3	12.9
Investments in financial assets	0.0	0.0	0.0	n.m
Total investment	11.8	10.7	1.1	10.3

Differences as a result of rounding figures have not been eliminated

Turnover

The decrease in turnover is mainly accounted for by lower revenues from freight services. Furthermore, the private transport sector (coach operations) of Wiener Lokalbahnen Verkehrsdienste was shut down.

Result on ordinary activities

The result on ordinary activities is above the level of the prior year as a result of follow-up entries for maintenance grants, lower other operating expenses for WLB AG and the proceeds from the disposal of the coaches owned by Verkehrsdienste GmbH.

Investments

Investments in intangible assets mainly related to software licences, particularly in connection with the introduction of SAP HCM. Investments in tangible assets included renovation and new construction projects relating to stops and track systems.

FUNERALS AND CEMETERIES SEGMENT

Funerals and cemeteries segment	Funeral services
	Cemeteries

This segment encompasses B&F Wien - Bestattung und Friedhöfe GmbH as well as the division companies Bestattung Wien GmbH and FRIEDHÖFE Wien GmbH. Bestattung Wien is the largest company of its kind in Austria and one of the largest in Europe. Since being founded in 1907, Bestattung Wien has performed over two million funerals and organised repatriations worldwide.

Friedhöfe Wien manages 46 cemeteries in the city with more than 525,000 graves. In addition to this, FRIEDHÖFE Wien GmbH operates a cemetery gardener business and a stonemason workshop. Vienna's largest and Europe's second largest cemetery, Vienna Central Cemetery (Wiener Zentralfriedhof) covers an area of around 2.5 million square metres.

External factors

The management of cemeteries and funerals is hardly affected by developments in a wider economic context. Business development is dependent on mortality rates and the number of competitors. The willingness to renew tenures for burials is also of significance in the cemeteries business.

One negative effect, however, is the long-term decline in the significance attached to dealing with death.

Customer strategy

The main focus here is on dependability with regard to the performance of services, optimally satisfying customer needs and reverent behaviour vis-a-vis customers.

The aim of the one-stop-shop principle applied here is to relieve relatives of as many arduous tasks associated with a death as possible. The objective is also to meet the increasingly individual wishes of customers. This involves both more intensive advisory services and a wider range of offers.

The options offered by Bestattung Wien range from services before death (e.g. insurance / provisions) to those after death (after-care for surviving relatives). In this area, the company also offers mourning seminars for relatives.

The segment companies have always strived to improve the image of this profession. Appropriate campaigns and press conferences, which among other goals also aim to explain the range of services provided by the profession of undertakers, are a clear indication of this. The objective here is to present the undertaker as a general partner with the means to deal with all of the related issues.

Development of mortality statistics

According to the preliminary statistics released by Statistics Austria, the mortality rate in Vienna rose during 2014. Consequently, 2013 (I - IX) saw a total of 11,864 deaths reported. In 2014 (I - IX) the number was 3.04 percent lower at

11,503. The number of deaths across Austria fell from 58,148 (I - IX) to 56,183, i.e. by 3.38 percent.

Key performance indicators

	2014	2013	+/-	+/- %
Funeral services	20,143	19,071	1,072	5.6
of which burials*	6,272	6,975	-703	-10.1
of which cremations	3,029	3,155	-126	-4.0
of which repatriations	331	379	-48	-12.7
Cemetery services				
Coffin interments	9,289	9,641	-352	-3.7
Urn interments	3,664	3,633	31	0.9
Plot extensions	31,124	32,313	-1,189	-3.7

* Counting method changed from the prior year to represent more fairly cases relevant to turnover

Funeral services

In its main business, burials and cremations, Bestattung Wien saw a decline in the number of cases handled to 9,301 compared with 10,130 in the prior year. In contrast, the services for third-party undertakers increased by 447 or 9.59 percent to 5,110 cases (prior year: 4,663). Consequently, the mortality rate in the period under review fell by around 400 cases. Customers looking for particularly cheap services appear to have preferred third-party undertakers, whereas Bestattung Wien GmbH has positioned itself as a quality provider, a fact which is reflected in the rise in average revenue generated per case.

Cemetery services

There was a slight decrease in coffin interments and extensions of burial tenures in 2014, while urn interments edged up slightly.

Highlights

Building activities

The new building erected houses the offices of both the funerals and cemeteries subsidiaries as well as the central workshops. In operation since November 2011, the central workshops cover all technical areas associated with both funerals and the cemeteries. The company moved into its new offices in February 2012. In early 2013, another building was completed on the plot of land to the north of the new head offices. This has housed the operational teams of Bestattung



Wien GmbH, Sarglogistik Wien GmbH and offices of B&F Wien – Bestattung und Friedhöfe GmbH since the beginning of 2014.

The museum area was moved to the Vienna Central Cemetery by re-purposing an existing building under Mortuary 2. The museum was re-opened in October 2014.

FRIEDHÖFE Wien GmbH was able to optimise the energy efficiency of the new administrative and gardening building at the Südwest cemetery, which was taken into service in 2014.

Introduction of new products

Bestattung Wien GmbH has been offering so-called first-time restoration across all cemeteries since the summer. This involves removing floral tributes, forming the grave mound and then spreading a layer of bark mulch. The relatives are then left to decide on any further design aspects. Memorial urns, pendants and memorial candles were also included in the range of products and services offered.

Since the beginning of the year, it has been permissible to remove a small, symbolic quantity of ash from urns. This can then be put in pendants or small urns, so-called mini or memorial urns, to be given to the relatives to take away with them. This means that they can always carry a memory of their deceased loved ones with them.

On All Saint's Day, these memorial urns were presented during a press conference together with the porcelain maker Augarten, a product which has since been offered by Bestattung Wien GmbH.

Business development

<i>Financial results in EUR million</i>	2014	2013	+/-	+/- %
Turnover	70.0	70.4	-0.4	-0.6
Earnings before interest and tax	4.0	0.7	3.3	n.m
Financial result	2.5	2.7	-0.2	-8.1
EBT	6.5	3.4	3.1	91.2
Annual net result	6.3	3.4	2.9	-85.0
Investments in intangible assets	0.2	0.4	-0.2	-40.5
Investments in tangible assets	5.7	15.4	-9.7	-63.0
Investments in financial assets	0.0	15.5	-15.5	-100.0
Total investment	6.0	31.4	-25.4	-81.0

Differences as a result of rounding figures have not been eliminated

Turnover

The revenues of the funerals and cemeteries segment in 2014 remained largely unchanged compared with the prior year.

Result on ordinary activities

The rise in the result on ordinary activities is due primarily to the lower pension fund contributions in line with the current actuarial pension report.

The financial result was slightly below the level of the prior year.

Investments

2013 saw investments in the company's new head office as well as financial asset investments in shares in TownTown companies. In 2014, investment activities were limited to barrier systems, redesigning work in the cemeteries division and various vehicles.

CAR PARKS SEGMENT

<i>Car parks segment</i>	Car parks owned (incl. leased)
	Car parks managed

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

External factors

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

Key performance indicators

	2014	2013
Car parks owned (incl. leased)	48	40
Parking spaces owned (incl. leased)	12,346	10,430
Car parks managed	20	20
Parking spaces managed	6,892	6,134

The increase in the number of parking spaces in company-owned or leased car parks is due to opening of some new car parks.

Highlights

A number of car park projects were completed in 2014. The car parks at the Baumgarten Geriatric Centre, Karree Breitensee, Manner Geblergasse, Gerhard-Bronner-Strasse, the Vienna Main Railway Station and Seestadt Aspern area D5, with a total of 1,630 spaces, were opened for the first time. These were accompanied by new lease and management contracts covering around 500 parking spaces.

In contrast, the contract to manage the Spittelau P&R was prematurely terminated. WIPARK received compensation for the loss of earnings resulting from the termination of the contract.

Furthermore, the settlement amount due in connection with the premature termination of a service agreement fell due in January 2014, which had still been reported as a liability in the 2013 annual financial statements.

The control centre was also relocated to the Votivpark car park, laying the foundations for all WIPARK locations and third-party sites to be provided with quality service from a centralised control centre.

Business development

<i>Financial results in EUR million</i>	2014	2013	+/-	+/- %
Turnover	17.8	17.1	0.7	3.8
Earnings before interest and tax	2.5	2.8	-0.3	-10.6
Financial result	-1.1	-0.7	-0.4	-52.3
EBT	1.4	2.1	-0.7	-32.5
Annual net result	1.4	2.1	-0.7	-33.3
Investments in intangible assets	0.1	0.0	0.1	n.m
Investments in tangible assets	14.6	12.2	2.5	20.2
Investments in financial assets	0.0	0.7	-0.7	-98.0
Total investment	14.7	12.9	1.8	14.0

Differences as a result of rounding figures have not been eliminated

Result on ordinary activities

The increase in turnover compared to the prior year is due, on the one hand, to the increase in available parking spaces and, on the other, to additional turnover generated by the EKS Star 22, Westbahnhof and Windmühlgasse car parks.

EBT declined as a result of the lower overall performance, the rising cost of personnel and higher levels of depreciation (due to the new openings). The lower level of other operating expenses has a positive effect in view of the fact that the settlement amount payable in connection with the premature termination of a service agreement was reported in 2013.

The financial result was also lower than in the prior year as a result of the full-year impact of Group financing obtained.

In total, the result on ordinary activities fell by EUR -0.7 million.

Investments

Investments relate primarily to the expenses for building or purchasing the car parks at Gerhard-Bronner-Strasse, Manner Geblergasse, Karree Breitensee, the Baumgarten Geriatric Centre and Seestadt Aspern.

This item also includes investments in the 'control centre' and 'WienMobil Card' projects.



[01.8] EMPLOYEES

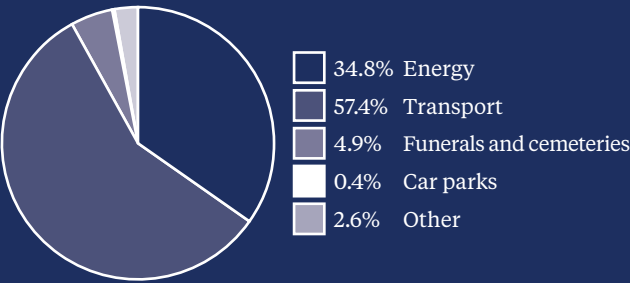
The Group headcount can be broken down as follows:

Average headcount in FTEs	2014	2013	+/-	+/- %
Energy	5,474	5,510	-36	-0.6
Transport	9,019	8,935	84	0.9
Funerals and cemeteries	765	809	-44	-5.4
Parking facility management	65	62	3	4.7
Other areas	403	385	17	4.5
Trainees / apprentices	389	402	-13	-3.2
Total Wiener Stadtwerke Group*	16,114	16,102	12	0.1

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

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

The increase in the average headcount compared to the prior year of 0.1 percent is largely explained by the additional services offered in the transport segment (particularly on the underground and tram network). This is compensated for, to a certain extent, by energy efficiency measures in the energy, funerals and cemeteries segments.



* excluding those on maternity leave and national service

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

Personnel development work focused on phases of professional life
The on-boarding phase applies to all new personnel and relates not only to ensuring a good start to their careers at Wiener Stadtwerke but also attracting the most suitable employees by means of excellent recruitment practices and appropriate personnel marketing programmes. The orientation and establishment phase is one in which employees are shown and offered specific career paths. This is followed by the family / career phase which focuses on family-friendly working conditions, equal opportunities and optimal development chances. The over 50s have valuable experience which it is important to retain and share.

On-boarding support for new employees
Wiener Stadtwerke offers a comprehensive programme to support employees starting out at the Company, who have moved to a different position or returned to work after a period of absence.

- Welcome Day event
- Mentoring programme
- Hop-on-hop-off tour

Employees learn more about the Group which surrounds their ‘own’ company from the outset, building or developing a personal network.

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

[01.9] ENVIRONMENT

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

Wiener Stadtwerke even trains more apprentices than needed in order to help combat youth unemployment. This relates to between 30 and 35 additional places every year. One aspect of the Group's corporate policy is to give young people the opportunity of a sound education in order to increase their chances in the job market. A major proportion of the trainees and apprentices subsequently secure employment with the Company.

To facilitate equal opportunities, Wiener Stadtwerke attaches considerable importance to encouraging female apprentices in manual skilled and technical professions. For example, every year Wiener Stadtwerke is involved in the Wiener Töchtertag event, which aims to interest young women and girls in professions traditionally dominated by men. These efforts are already starting to pay off.

Personnel development

The strategic personnel development of the Wiener Stadtwerke Group involves all steps relating to training, promotion and organisational development. These are carefully planned, implemented and evaluated by the Group and/or its subsidiaries and the employees involved.

The establishment of ideal circumstances enables personnel of all generations at the Wiener Stadtwerke Group to be offered a pleasant working environment ideally suited to their personal development. The work of strategic personnel development is aligned with the four phases of professional life through which employees typically pass.

Equality and anti-discrimination

One of the cornerstones of the corporate culture at Wiener Stadtwerke is the principle of equal rights for everyone. Every form of discrimination of people or groups within a community lacking a legal basis is rejected as being unacceptable. Wiener Stadtwerke actively and energetically tackles every form of discrimination.

People with the same professional and personal qualifications with regard to training and personal development, employment conditions and remuneration are treated equally.

Equal treatment of women and men

Wiener Stadtwerke regards the equal treatment of women and men as an indispensable element of its corporate culture. This means automatically and regularly taking into account the different situations and interests of women and men in order to entrench the principles of gender mainstreaming and, in particular, equal treatment in the daily working processes of Wiener Stadtwerke.

Tapping the experience of older employees

Wiener Stadtwerke regards older employees favourably due to their considerable experience. Various educational, working organisation and health programmes have been initiated in order to retain these employees in the Group.

Health and safety

One of Wiener Stadtwerke's core objectives is to ensure the health and safety of its employees. The wide range measures relating to health and safety at work often greatly exceed statutory requirements.

In the eyes of Wiener Stadtwerke, this forms part of its social responsibility. At the same time, Wiener Stadtwerke firmly believes that healthy and properly protected employees make a significant contribution to the commercial success of the Company.

Because every workplace accident is one too many, Wiener Stadtwerke has introduced a whole host of safety procedures. These include the deployment of safety experts in every Group company, suitability tests for working at heights and road safety training. One result of these efforts to improve safety that the number of work-related accidents has remained low for many years.

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

The key environmental aspects addressed by Wiener Stadtwerke are climate-relevant emissions attributable to the production of fossil-based sources of energy as well as the direct and indirect emissions associated with its own use of electricity, heat and fuels. During the implementation of steps to protect the environment, it is vital that the energy consumption and emissions of Vienna are regarded in their entirety. The Wiener Stadtwerke Group makes a significant contribution to energy efficiency efforts here both in terms of production as well as in terms of its own fuel usage and that of its customers (mobility and energy-related advisory services).

The environment is protected even more by the ongoing increase in the production of energy from renewable sources. Another relevant environmental aspect relates to direct emissions of primary air pollutants. Low-emission technologies (e.g. relating to calorific power stations, thermal power plants and waste incineration plants) as well as the services offered by Wiener Stadtwerke which aim to reduce emissions (including fine particulate

matter and nitrogen oxides (NO_x) associated with household heating systems and private motorised transport), play a role in improving air quality in Vienna.

The environmental impacts of dealing with waste materials, the remediation of contaminated sites, the 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. For detailed information on sustainability management at Wiener Stadtwerke, please refer to the Group's Sustainability Report (in German) www.nachhaltigkeit.wienerstadtwerke.at.

Energy segment

Wien Energie's work to protect the environment and the climate consists primarily in the conservative use of fossil fuels, the increased use of renewable energies and the associated reduction of greenhouse gas emissions and air pollutants. Using co-generation technology to produce electricity and heat at the same time requires much less primary energy than if these energy sources are provided separately. The aim is to achieve additional savings through the ongoing expansion of the use of renewable energy sources and further increases in energy efficiency in Vienna's energy system. For instance, the optimisation of energy production at the Spittelau waste incineration plant ensures that heating and electricity can be produced even more efficiently for Vienna. In the course of the modernisation work, the refuse-fired boilers 1 and 2 were upgraded, the denox facility (catalytic converter for nitrous oxide) exchanged and all old electrostatic filters replaced by fabric filters, thereby further improving emission levels.

In addition to this, a new converter substation was installed to produce district heating, the old turbine replaced by a new one and a generator, a new ash removal system fitted and a new upstream water container installed together with a new water vapour system.

Wien Energie has set itself the objective of increasing the share of electricity and heat generated from renewable energy sources to between 30 and 50 percent in the long term. Several wind, water and photovoltaic power plant projects are currently at the planning phase or have been taken into service. The new business and financing models developed in 2012 were expanded 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. In 2012 and 2013, Wien Energie built a total of 13 citizen solar power plants in (eight) and around Vienna (five). Three further citizen solar power plants were taken into service in Vienna in 2014: BSKW Liesing II with 494 kilowatt peak (kWp), BSKW HTL Wien 10 (255 kWp) and BSKW Siebenhirten (132 kWp) on the WIPARK Park & Ride garage. The eleven plants in Vienna are capable of supplying electricity to over 1,500 households. Wien Energie also invests in the energy of the future with municipalities in Lower Austria, as well as in Vienna. Participation in the citizen solar power plants in Perchtoldsdorf, Trumau, Oberwaltersdorf, Bisamberg and the waste water association Trumau-Schönau was also such that the projects were sold out in a short space of time.

Additional citizen solar power plants are planned (www.buergersolkraftwerk.at).

Wien Energie has developed another business model to encourage the use of solar energy. Owners of suitable plots of land and roof areas are able to lease or buy a photovoltaic plant from Wien Energie or to lease this area to Wien Energie. The electricity produced by the installations can either then be used by the customers themselves or fed into the grid. In this way, Wien Energie intends to achieve a photovoltaic capacity of 70 MWp by 2020.

With its umbrella brand Grüne Wärme, Wien Energie offers a decentralised supply of heating and cooling with renewable energies – including planning, financing, building and running the plant, as well as billing. In the case of ‘ErdWärme’, the benefits of photovoltaic technology to generate electricity are combined with those of heat pumps to produce indoor heating, cooling and hot water. In the case of ‘solar heat’, heat is generated locally through the combined use of solar energy and gas-fired condensing boilers. In both cases, customers benefit from low investment costs, short installation periods, as well as an efficient and environmentally source of energy.

The increased use of district cooling, which makes it possible to provide energy-efficient cooling to buildings is another way that Wien Energie helps to protect the climate. Environmental management systems have been and are being introduced to protect the environment during operations. According to the sustainability programme, work to introduce certified quality, safety and environmental management systems is due to be completed at all of the company’s plants and offices that these systems are relevant for during 2015. The entire power plant facility in Simmering was successfully certified according to ISO 14001 and OHSAS 18001 in March 2013. This was followed by

certification in line with EMAS III (EU environmental management system) in 2014. At Wiener Netze, work to expand the integrated management system to include certification pursuant to EN 1090 (fabricating and assembling steel structures and aluminium structures) and ISO 3834 (quality requirements for fusion welding of metallic materials) for the gas division was successfully completed in October 2013. In contrast, the introduction of a certified technical safety management system in the electricity division is currently undergoing a cost/benefit analysis and has been postponed for the foreseeable future.

Transport segment

Wiener Linien is the leading provider of local public transport services in Vienna and, in conjunction with the City of Vienna, is pursuing ambitious targets including those defined in Climate Protection Programmes (KLIP I and II) as well as in the Transport Master Plan (2003/2008) and in the City’s urban development plan. Due to the high proportion of journeys relying on local public transport in Vienna’s modal split (39 percent), Wiener Linien plays an important role in climate protection and safeguarding the city’s good air quality. By continuously expanding the range of public transport options available and through further 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 by the Vienna University of Technology, around 130 million more passengers will need

to be transported in 2030 compared with 2012. Wiener Linien’s response to this is to increase its range of services and to introduce energy efficiency measures for vehicles and buildings. The expectation is that almost four million kWh can be saved every year through recuperation, ECO upgrades, ECO trams and switching to LED lighting. Moreover, additional potential could be harnessed by continuing to accelerate and give priority to (public) surface-level transport. This is also the aim behind replacing Wiener Linien’s annual season tickets with convenient, credit-card-sized plastic cards (without a chip), planned for 2015, and the launch of the new WienMobil Card (with a chip). The latter includes the annual season ticket for Wiener Linien and Wiener Lokalbahnen, including lower rates for using WIPARK car parks, charging stations for e-bikes and e-cars, as well as for the bike-hiring system, Citybike Vienna.

Through its services, Wiener Lokalbahnen ensures that many commuters are able to leave their cars outside Vienna and thereby also helps to protect the environment in the city. The company is investing EUR 40 million as part of an ongoing five-year programme to modernise and enable barrier-free access to Badner Bahn stops. It was possible to complete the renovation work relating to the Vösendorf-SCS stop and the construction of the Inzersdorf passenger station on time in 2013. In the middle of December 2014, the new, additional Badner Bahn stop ‘Baden Landeskrankenhaus’ entered service. This 36th stop is barrier-free and convenient for passengers. Entrances that enable access by wheelchair, signposting for blind people on the platform, large waiting areas that protect passengers against the elements, display cabinets containing passenger information, covered bike stands and modern LED

lighting make switching from your car to public transport attractive.

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

Through its management of 68 car parking facilities with around 19,000 parking spaces, WIPARK plays an important role in relieving the pressure on public parking in Vienna. The car parks help to keep areas free for green spaces, playgrounds, pedestrian zones or revitalised historical squares, for instance. The new control room for all

WIPARK car parks was opened at the Votivpark car park in May 2014. This will be able to handle the 50,000 or so customer enquiries without any delay.

Funerals and cemeteries segment

Compared with companies in the energy and transport segment, the impact of companies in the funerals and cemeteries segment on the environment is much lower. Nevertheless, contributions to protecting the environment are 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 wide range of species including badgers, hamsters, owls and bats. A range of landscape-related measures were carried out at the model environmental Neustift cemetery to create additional habitats for animals. For instance, there are dedicated areas tailored specifically to the needs of bats, reptiles, songbirds, butterflies and the giant emperor moth.

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

Electrical hearses have been in use for many years so as not to disturb the peace of cemeteries. These are also energy efficient and produce zero emissions. LED technology has been gradually introduced to mortuaries since 2012, whereby the amount of electricity consumed for lighting is being reduced. In addition to this, a photovoltaic system has been installed at the Hietzing cemetery with an output of 5 kWp. The new administrative building recovers heat from the crematorium and uses a free cooling system in the summer. B&F Wien GmbH and Bestattung Wien GmbH have been certified according to ISO 14001 since 2010.

[01.10] RESEARCH AND DEVELOPMENT

Wiener Stadtwerke’s innovation fund (FTI fund) was endowed with EUR 1.5 million in its third year in 2014. The fund has been used again this year by Group division companies for innovative and trendsetting projects. The subsidised projects range from innovative undertakings in the area of energy efficiency to developing new mobility services.

By actively involving the FTI coordination office while drawing up the City of Vienna’s framework strategy for making Vienna a ‘smart city’, along with numerous stakeholder dialogues and a permanent presence at FTI events, Wiener Stadtwerke was again able to cement its position as a research-intensive and innovation-friendly company in 2014.

The URBEM doctoral programme (urban energy and mobility system), run by Wiener Stadtwerke together with the Vienna University of Technology and which aims to develop energy and mobility strategies until 2016, can look back at a productive first year. Practically speaking, the finished model can be compared to the computer game 'Sim City', but using real data from Vienna. The success of this format was confirmed in May 2014 with the Sustainability Award in the category 'Research', bestowed by the Austrian Federal Ministry of Science, Research and Economy and the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management. The doctoral candidates will present a round of exciting approaches and visions at a get-together in autumn.

Another important milestone in 2014 was the development and signing of a joint confidentiality agreement between the Vienna University of Technology and the Group companies involved, which enables the doctoral candidates to create models using real data. A key (research) focus of Wiener Stadtwerke since the establishment of the mobility cluster in 2012 has been the issue of integrated mobility. Neue Urbane Mobilität Wien GmbH has established itself here in this area as a key stakeholder and a recognised test laboratory for developing the mobility solutions of tomorrow.

The aim of the two projects SMILE and WienMobil Card is to help meet the need of users to have barrier-free access to all publicly available mobility services from a single source. Public transport represents the backbone of a modern urban

mobility infrastructure and the intention is to make it even more attractive.

Furthermore, a promising project entitled 'Operational Mobility Management' (Betriebliches Mobilitätsmanagement) was given financial support in 2014 by Wiener Stadtwerke's innovation fund (FTI fund). The aim of this research project is to optimise utilisation on both sides by combining company vehicle pools with services in the area of car sharing, public transport and taxis.

In the so-called 'eTaxi exploration' project supported by the Climate and Energy Fund, the use of wholly electric e-taxis was prepared in 2014. Up to now, a range of open questions regarding legal, organisational, technical and commercial matters have been addressed. A sustainable business model was developed for the some 80 e-taxis due to be used at the beginning, both for taxi companies and the charging point operators. This meant that it was possible to meet the requirements to apply for financial support for the implementation project (phase 2, start 2015) on the basis of these results.

Running parallel to this is the 'e-mobility on demand' – Vienna model region project, which is also subsidised by the Climate and Energy Fund. This involves e-vehicles and e-charging stations being deployed where they replace journeys powered by fossil fuels and ensure mobility where making journeys on foot, by bike or using public transport will still not offer reasonable alternatives to citizens in the future.

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 Board of Management. The risk management system of the entire Group was subjected to an external audit in 2013 by the auditors and tax advisor 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 management system and asset management

This risk class includes, in particular, those risks associated with short and long-term investments. These risks are monitored and controlled as part of the standardised Group-wide treasury management system and effective asset management. Corresponding risk analysis concepts such as value-at-risk, are regularly employed to be able to take action if required. Risks associated with US cross-border lease transactions are kept under close observation at all times.

Technical risks: Mitigation by means of regular maintenance and investment programmes

The absolute reliability of its technical infrastructure is a major factor for the success of the Wiener Stadtwerke Group. For this reason, close attention is paid to compliance with high technical standards and carefully defined maintenance and quality checks. The reliable IT-based support of business processes is ensured by taking steps to reach an extremely high level of IT system availability. In addition, risks are minimised by means of appropriate insurance policies.

Price-related risks in terms of primary energy and electricity: Risk mitigation via hedge transactions

This category of risks covers fluctuations in the prices of oil, gas and sourced electricity supplies. In the interests of professional risk management, Wien Energie mitigates these price risks by engaging in appropriate hedge transactions, such as derivative financial instruments covering its source and distribution markets. Forwards, futures and swaps are used for these purposes. The development of financial instruments over time is largely dependent on developments in the relevant commodities markets.

Market risk: Risk mitigation through the development of new products and services

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

Environmental risks: Risk mitigation by means of permanent market monitoring

The relevant political and legal environments are the main areas in which Wiener Stadtwerke monitors environmental risks. These are regularly reviewed in order to be able to identify risks as early as possible and to react accordingly.

Organisational and personnel risks: IPD as risk mitigation

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

Internal control system (ICS)

At Wiener Stadtwerke, ICS refers to all action and processes implemented which are aimed at monitoring and controlling the efficacy and efficiency of commercial operations, the reliability of financial reporting, and compliance with the legal requirements relevant to the Group.

Wiener Stadtwerke maintains extensive documentation of rules and processes relevant to the ICS which have been evaluated by the consultancy firm Ernst&Young. In its findings report, Ernst & Young established that Wiener Stadtwerke documents its ICS in a way which is appropriate for a company of its size and complexity. In addition, a follow-up project was launched with EY in 2014 with the aim of optimising workflows relating to the ICS. The results of this project will be presented in 2015.

At 31 December 2014, 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.

[01.11] INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

At the Wiener Stadtwerke Group, a comprehensive risk management system has been introduced which enables opportunities and risks to be identified at an early stage. Risks and opportunities are defined as the possibility of negative and positive deviations from expected outcomes.

The risk management process follows the internationally recognised standards of coso (Committee of Sponsoring Organizations of the Treadway Commission). The ongoing identification, recording and assessment of the risks faced by all Group companies form the basis for the regular risk reports. In order to enable closer consideration of the most important issues in the risk management system, a risk and opportunities

review is also carried out on a yearly basis. In the course of this, the original assessment of risks and opportunities in recent years are compared with the actual outcomes.

The findings are subsequently used to further develop the risk management system. The discussion and coordination of the most important opportunities and risks is also included in the annual business planning meeting of every Group subsidiary. The aim is to discuss, based on a holistic view, which opportunities and risks can be anticipated in the coming years. Appropriate mitigation steps are subsequently identified and monitoring intensified in this area.

[01.12] OUTLOOK

The Wiener Stadtwerke Group will continue to operate in an extremely dynamic business environment in the future. The challenges associated with this are being actively tackled by means of a clear corporate strategy. On the grounds of the persistently difficult circumstances prevailing in the energy sector, the Wiener Stadtwerke Group is intensifying its efforts relating to increases in efficiency in order to ensure that the Group continues to stand on a firm financial footing. By means of the clear prioritisation assigned to its plans, the intention is to further pursue important growth and innovation-oriented projects.

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

Energy segment

Production

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

The largest investment projects in the area of production involve optimising the energy efficiency of the Spittelau

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

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

Electricity network

In the area of electricity networks, existing measures will be prolonged and, on the other hand, legal and regulatory requirements will determine the future path of the energy market, together with innovative developments.

Projects which are already up and running such as the modernisation work on old high and medium-voltage substations at the Simmering and south-west transformer stations, the long-term project to build a 380 kV power line between these two transformer stations, the network strengthening project and the project to replace electrical substations with

wooden operator protection. The susceptibility to faults in the 10 kV medium-voltage network should be drastically cut in the medium-to-long term. To this end, a number of specific measures were undertaken in a dedicated project. It was possible to raise awareness of this susceptibility and improve the installation quality of 10 kV connectors.

In order to continue ensuring a high security of supply, increasing value is being placed on network monitoring (observable network nodes), whereby the requirements with regard to the regulator's metering point concept are being implemented, e.g. for power quality statements, and the associated mitigation and handling of failures accelerated considerably. In addition to this, optimisation measures were introduced in accordance with the target network plan, which set out the future structure and set-up of the network.

The growing focus of energy policymakers on energy efficiency, energy saving and the increased use of renewable energy sources to cut greenhouse gas emissions will change the production landscape and the forms of energy. The need for action is more acute as a result of the dependency on primary energy sources and the associated price volatility. Wind power, solar power and biomass will play an increasingly important role in the production of electricity in the future. Production is moving closer to the consumer, making it necessary to realign supply networks. It is for this reason that the top priority must be on setting up smart grids that satisfy the requirements described above. Not only is the network structure key here, but also the associated ICT infrastructure needs to be included and optimised. The rising complexity of managing these energy systems presents a new set of technical challenges for the current transmission

and distribution network in respect of network stability, energy compensation and storage, as well as information and communication technology. End customers must be actively involved in load management to ensure an efficient, sustainable energy system with low losses and a high degree of supply quality and security. This requires intelligent measuring systems (e.g. smart metering).

Key elements of intelligent networks include measuring supplies and the possibility to have a controlling effect over such supplies. These investments, along with the implementation or installation of the required metering and control infrastructure represent a major challenge for the future.

Gas network

Given the growth processes in the city of Vienna, which are set to continue in the future, urban development areas are arising that give rise to the need to expand the network. In line with this, an increasing number of areas need to be connected, a fact which is taken into account in the multi-year plan.

In order to maintain the condition and value of the distribution network in the future, not only does the distribution network need to be extended, but the existing network needs to receive investment in the form of preventative maintenance work depending on the respective age of the materials.

The primary focus here is on strategic, condition-oriented maintenance, whereby the findings of regular network inspections (data on defects) are taken as basis for the asset management, together with the existing data from the GIS. The resulting forecast of future defect trends determined by simulation analysis and the associated prioritisation of the renovation work required are taken into account, as well as requirements of the project 'Pressure relief and pressure increase' in

the low-pressure distribution network. When it comes to modernising gas pressure regulation equipment, priority is given to facilities that are related to relieving and increasing pressure in the low-pressure distribution network. Before increasing the pressure of the respective region, the control units are to be inspected in a pressure increase sector to ensure they are suitable and to adapt these if necessary so as to ensure that the security of operation and supply of the distribution network remains guaranteed.

The criteria for this maintenance work include legal regulations, safety considerations and commercial aspects, as well as the condition of the equipment (e.g. inspection and defect data).

Heating primary network

Wiener Netze is responsible for constructing and maintaining the primary district heating network in Vienna. An increase in network length is expected due to the ongoing construction work. However, this is forecast to be less than in the prior year due to the difficult conditions prevailing in the energy sector.

There are a few small changes due as part of the maintenance plan that are on a similar scale, financially, with previous years, thereby continuing to safeguard the high security of supply. The service intervals are determined through risk-oriented asset management, whereby legal framework conditions are naturally observed.

Applications for grants for smaller network densification projects are submitted in close coordination with Wien Energie pursuant to the laws on extending heating and cooling pipelines, although Wiener Netze GmbH is responsible for submitting the project costs associated with the primary network.

Transport segment

Development of turnover, earnings and investment activity

In view of rising costs for material, personnel and depreciation, due in part to the full-year effects of increasing the range of services offered, earnings are expected to be lower than in 2014.

Wiener Linien plans to make investments of around EUR 371 million for 2015, of which approximately EUR 172 million are associated with the expansion of the underground network. Additional focuses of investment activity include the modernisation of the U4, the replacement of various tram units, and the procurement of buses and underground trains (Type V).

U4 modernisation

Work began on the Vienna's green underground line in the reporting year, the largest round of modernisation work in the history of the Vienna underground. In addition to the replacement of signal boxes, the track foundations are also being renovated. The tracks and points will be completely replaced in many areas, and stations and tunnel ceilings renovated. This means that partial closures of the U4 can still be expected. The aim of this work is to improve the reliability of U4 operations in the future.

Complete renovation of U6 stations

This project, started in 2011, to renovate the 115 year-old Otto Wagner stations on the U6 underground line made headway in 2014 and will continue in the next few years. Following the complete renovation of the Josefstädter Strasse station and the modernisation of the Burggasse station (2013), work on renovating the Alser Strasse station began in 2014. The renovation work on the listed building included, inter alia, the platforms, the façades, the brickwork, floors, ceilings and walls, the stairwells, roof and the building's entire technical systems. The ultimate aim here



is to make the stations fit for the coming decades and to bring them into line with the latest technological standards. There are plans to completely renovate the Währinger Strasse and Nussdorfer Strasse stations in 2016/17 and 2018/19. Furthermore, the Company also intends to modernise the outer façade of the Gumpendorfer Strasse station. The platform at the Michelbeuern station will be renovated and equipped with a guidance system for blind people. The Thaliastrasse station will be the subject of a number of revitalisation measures (particularly its roof).

U1 – southbound extension

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

U5 – Vienna is getting a new underground line

The new U5 underground line will connect Hernals with the city centre. The initial focus of the line will be on part of the current U2 line (between Rathaus and Karlsplatz). In the first phase, the U2 will be extended to Matzleinsdorfer Platz and the U5 will run to Altes AKH. In any future extension phase, which still needs to be negotiated with the Federal Government, the U2 could then run Wienerberg and the U5 to Elterleinplatz via the Gürtel ring road. A major advantage here is that the construction of the U5 will provide relief to the rest of the underground network. The U6 in particular is expected to see a reduction of one third in passenger numbers. It would also have the effect of spreading the passenger load more evenly in the tram and bus networks, while highly

frequented stations (e.g. Meidling, Schottentor) would also see benefits.

New annual season ticket and the WienMobil Card

From 1 January 2015, customers of Wiener Linien can get their annual season ticket in a credit-card format with a new design. In addition to the extra protection against forgery, it also offers the convenience of additional online functions. Existing annual season ticket holders automatically receive the new annual season ticket when it is due for renewal after uploading a photo of themselves.

The WienMobil Card will be available from 1 March 2015, which gives the holder access to a range of different transport-related services. With the new WienMobil Card, which can only be obtained via Wiener Linien's online ticket shop, it is possible to combine various transport service offers (car parks, public transport, taxis and city bikes – all with one card); in some cases more cheaply than would be the case without the WienMobil Card. Additional services are set to be included in the coming years, in particular car-sharing schemes. The WienMobil Card will cost EUR 377 (or EUR 236 for senior citizens) per year – one euro a month more than the annual season ticket.

Improved service disruption management with new IT software

Wiener Linien works tirelessly to improve the processes behind handling disruptions to underground, tram and bus operations. A key role here will be played by a new, modern IT software landscape, which on the one hand connects existing systems while, on the other, replacing obsolete systems (control centre ledgers, IBE). By switching to the new operations management system (OMS), this will not only improve the cooperation of our two control centres, but also the involvement with all internal and external forces involved, as well as passenger information across the network.

Procurement of new trams

Wiener Linien searched for the best trams available for the next generation of its fleet. The tender was made across Europe. Following a Europe-wide tendering process, the decision was made to take the 'Flexity' model from Bombardier, which will deliver 156 low-floor trams between 2018 and 2026. This model is manufactured by Bombardier in Vienna's Donaustadt District. The new vehicles will replace the old high-floor trams (type E2) with a swing step, which will be withdrawn from service at the same time. The most important requirements in the tender were: floor-level doors and accessibility, flexibly designable interiors, a modern passenger information concept, optimum working conditions for drivers (ergonomics), cutting-edge technology, commercial viability, sustainability and energy efficiency.

Vehicle fleet

The modernisation of the Wiener Linien fleet is continuing on schedule in 2015. Deliveries of four new underground trains (Type V) are expected.

The last remaining 15 ULF A1 and a further six ULF B1 units are to be delivered as part of the ongoing replacement of old tram units with modern ultra-low-floor trams. Work continued to install electric door-mounted sensors on Type V underground trains. Moreover, the order includes an additional 55 diesel-powered articulated buses and 20 normal diesel-powered buses, which will replace the generation of CNG buses. All of the new vehicles will be fitted with air-conditioning units.

Funerals and cemeteries segment

It can be assumed the scope of the business activities of this Group division (i.e. the number of interments, burial extensions) will remain fairly constant on the basis of the planning and forecast data available and in view of the principles of commercial prudence.

Furthermore, measures currently being implemented in the organisational and operational areas of the Group division will be continued and moved forward in the 2015 financial year in line with the applicable strategic alignment.

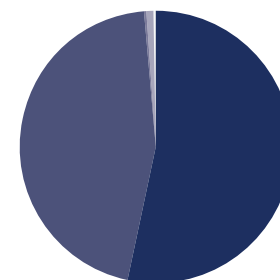
Car parks segment

The Company's shares in the Hungarian company Konzumparkoló Kft. were sold in January 2015. In addition, the remaining car park projects at Seestadt Aspern (area D5b, D10 and D12) with a total of some 980 parking spaces are due to be opened in 2015. Another project that is due for completion in 2015 is the WienMobil card, which will offer cheaper parking in WIPARK car parks to its holders in addition to enabling them to use Wiener Linien's public transport offerings.

Investment programme of the Wiener Stadtwerke Group

In the 2015 financial year, the Wiener Stadtwerke Group plans to invest a total of approximately EUR 941.0 million, of which around 842.1 million will be in tangible assets.

Investments in tangible assets in %



53.5%	Energy
45.3%	Transport
0.3%	Funerals and cemeteries
0.7%	Car parks
0.2%	Others

The largest investment projects include, among others:

Energy segment: Smart metering and the Smart Campus, investments in the electricity and gas networks, the expansion of the district heating network and additions to the electricity generation portfolio in the area of renewable energy sources.

Transport segment: Tramway services (procurement of ULF units) and underground services (procurement of new underground trains (Type V),

underground network extension work (U1 and U2), U4 modernisation, U6 station renovation, procurement of buses and upgrading the main workshops in Simmering, constructing a new head office for Wiener Lokalbahnen.

Funding for the planned investments is secured, on the one hand, mainly by the consistently positive operational cash flows in the energy sector and, on the other, by ticket sales and public grants in the transport segment. Furthermore, the ability of the Wiener Stadtwerke Group to raise external funding on the capital market demonstrated that the Group has been able to position itself as a borrower with a high credit rating and credibility. Overall, the financial position of the Wiener Stadtwerke Group can be considered to be stable.

Based on the abovementioned strategic objectives of the various segments, the Wiener Stadtwerke Group will further consolidate its position as one of the most important infrastructure providers in Austria. The top priority here is to actively exploit growth opportunities in all of the Group's business areas and to ensure a steady increase in enterprise value as the means of safeguarding the high quality of the services provided in future in the interests of customers.

[01.13] 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.

Vienna, 23 March 2015

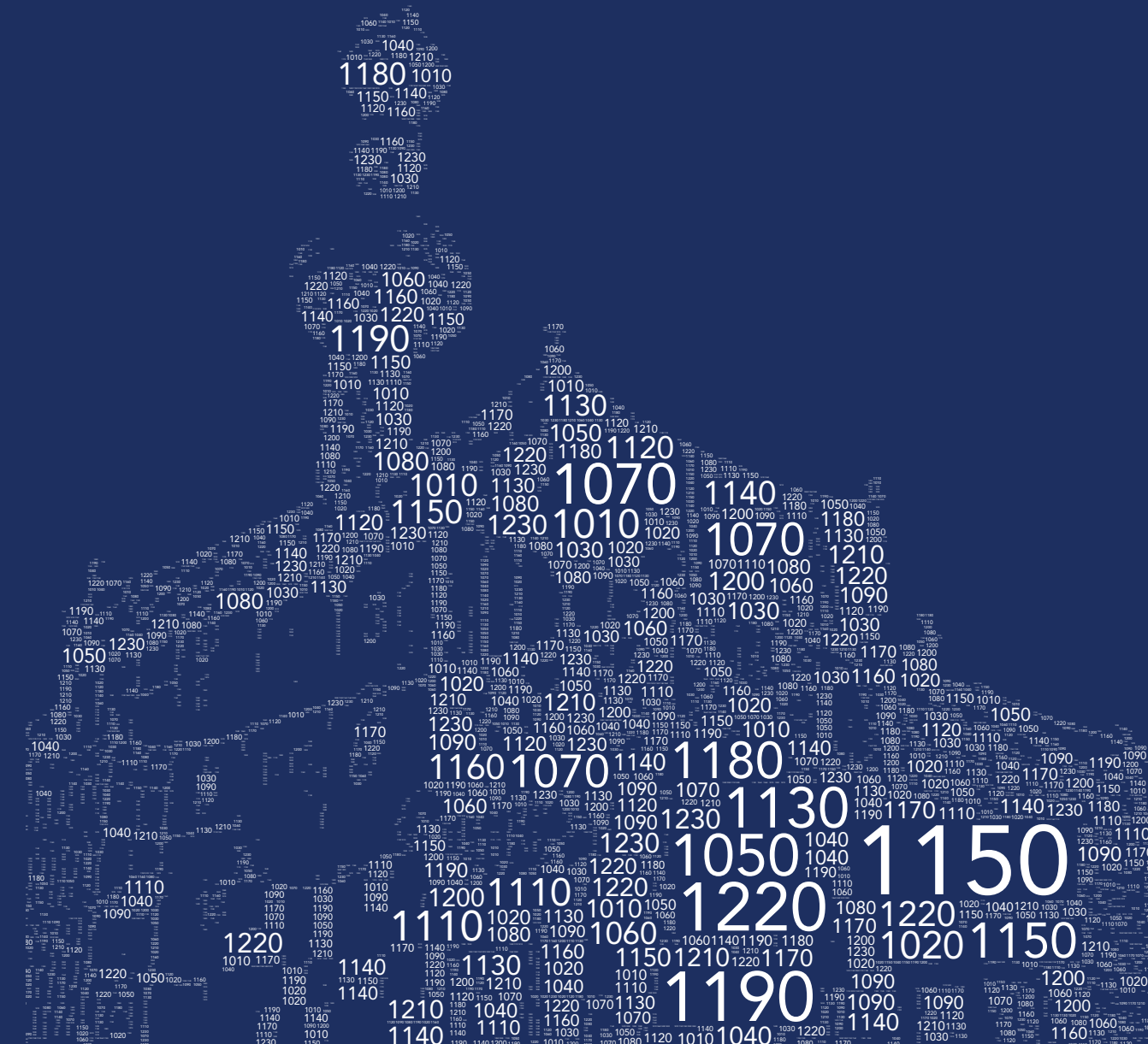
THE BOARD OF MANAGEMENT

Martin Krajcsir
Robert Grüneis
Gabriele Domschitz
Marc H. Hall



[02]

CONSOLIDATED FINANCIAL STATEMENTS



[02.1] CONSOLIDATED BALANCE SHEET

due 31 Dec 2014, in EUR

<i>Assets</i>	<i>Notes</i>	<i>31.12.2014</i>	<i>31.12.2013</i>
A. FIXED ASSETS	(1)		
I. Intangible assets	(2)	161,585,490	156,892,227
II. Tangible assets	(3)	9,775,034,201	9,483,900,100
III. financial assets	(4)	2,310,064,140	2,345,101,753
Total fixed assets		12,246,683,830	11,985,894,079
B. CURRENT ASSETS	(5)		
I. Inventories	(6)	113,355,313	131,196,460
II. Receivables and other assets	(7)	532,391,920	617,413,296
III. Cash on hand, cheques, bank balances		354,729,767	330,535,019
Total current assets		1,000,477,000	1,079,144,775
C. PREPAYMENTS AND ACCRUED INCOME	(8)	359,853,830	363,233,104
TOTAL ASSETS		13,607,014,661	13,428,271,958
Contingent accounts receivable		256,438,439	234,888,596

<i>Liabilities</i>	<i>Notes</i>	<i>31.12.2014</i>	<i>31.12.2013</i>
A. EQUITY	(9)		
I. Capital stock		500,000,000	500,000,000
II. Capital reserves		3,701,213,204	3,661,084,840
III. Revenue reserves		471,887,255	445,374,605
VI. Minority interests		11,823,376	11,884,999
V. Consolidated profit / loss for the year		101,664,541	0
Total equity		4,786,588,375	4,618,344,444
B. PROVISIONS	(10)	3,725,142,158	3,641,430,514
C. LIABILITIES	(11)	1,350,482,831	1,465,393,787
Total borrowed capital		5,075,624,989	5,106,824,300
D. ACCRUED EXPENSES AND DEFERRED INCOME	(12)	3,744,801,296	3,703,103,213
TOTAL EQUITY AND LIABILITIES		13,607,014,661	13,428,271,958
Other contingent liabilities	(13)	451,796,093	403,502,739
Other liabilities		49,063,566	82,429,754

[02.2] CONSOLIDATED PROFIT AND LOSS ACCOUNT

from 1 January 2014 to 31 December 2014 in EUR

	Notes	2014	2013
1. Turnover	(14)	2,904,778,045	3,044,381,949
2. Change in inventory of finished and unfinished goods and accrued income		1,224	3,077,173
3. Other own work capitalised		62,149,847	78,636,467
4. Other operating income	(15)	692,628,387	696,579,138
5. Cost of materials and other manufacturing services	(16)	-1,430,765,695	-1,650,430,230
6. Personnel expenses	(17)	-1,165,441,594	-1,166,641,436
7. Depreciation and amortisation of tangible and intangible assets	(18)	-517,918,380	-787,408,565
8. Other operating expenses	(19)	-576,079,192	-603,915,784
9. Earnings before interest and tax (EBIT)		-30,647,358	-385,721,288
10. Income from shareholdings	(20)	58,774,628	52,421,444
11. Income from other securities and lendings of non-current financial assets	(21)	11,273,947	12,301,496
12. Income from other securities and lendings of non-current financial assets	(22)	6,267,424	6,763,060
13. Income from the disposal and write-up of financial assets		6,837,019	880,179
14. Income / expenses from investments in associated companies	(23)	864,310	1,313,942
15. Expenses associated with financial assets and available-for-sale securities	(24)	-12,243,072	-1,074,165
16. Interest and similar expenses		-20,979,615	-17,466,894
17. Financial result		50,794,641	55,139,062
18. RESULT ON ORDINARY ACTIVITIES (EBT)		20,147,284	-330,582,226
19. Taxes on income and earnings	(25)	-42,560	29,932
20. PROFIT / LOSS FOR THE YEAR		20,104,724	-330,552,294
21. Minority interests		-69,244	-131,495
22. CONSOLIDATED PROFIT / LOSS FOR THE YEAR		20,035,480	-330,683,789
23. Release of capital reserves	(26)	108,618,442	116,255,787
24. Release of retained earnings	(26)	0	1,003,027,205
25. Allocations to retained earnings	(26)	-26,989,381	0
26. Loss carryforward		0	-788,599,203
27. CONSOLIDATED PROFIT / LOSS FOR THE YEAR		101,664,541	0

[02.3] CONSOLIDATED CASH FLOW STATEMENT

from 1 January 2014 to 31 December 2014 in EUR

	2014	2013
1. Profit / loss for the period	20,104,723	-330,552,294
2. Expenses and income not recognised in income	349,962,561	765,320,107
3. Reclassifications	16,822	0
4. Operating cash flow before change in working capital	370,084,107	434,767,813
5. Change in working capital	170,928,622	-67,267,683
6.. Change in non-current operational cash flow	-123,150,732	58,008,961
7. Cash flow from operating activities (1)	417,861,997	425,509,091
8. Cash flow from investment activities (2)	-551,538,303	-512,279,056
9. Cash flow from financing activities (3)	157,871,055	205,713,215
10. Change in cash and cash equivalents	24,194,748	118,943,250
Balance at start of period	330,535,019	211,591,769
Balance at close of period	354,729,767	330,535,019

[02.4] CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

from 1 January 2014 to 31 December 2014 in EUR

	Capital stock	Capital reserves	Retained earnings	Consolidated profit / loss for the year	Subtotal	Minority interests	Total equity
Balance at 1.1.2013	500,000,000	3,571,392,826	1,448,691,526	-788,599,203	4,731,485,150	13,629,365	4,745,114,515
Carried forward					0		0
Profit/loss for the period				-330,683,789	-330,683,789	131,495	-330,552,294
Dividends paid				0	0	-1,238,568	-1,238,568
Changes in the scope of consolidation			-140,112		-140,112	-637,293	-777,406
Translation of foreign currencies			-149,604		-149,604		-149,604
Changes in reserves		89,692,014	-1,003,027,205	1,119,282,992	205,947,800		205,947,800
Balance at 31.12.2013	500,000,000	3,661,084,840	445,374,605	0	4,606,459,445	11,884,998	4,618,344,444

Balance at 1.1.2014	500,000,000	3,661,084,840	445,374,605	0	4,606,459,445	11,884,998	4,618,344,444
Carried forward					0		0
Profit/loss for the period				20,035,480	20,035,480	69,244	20,104,724
Dividends paid					0	-130,867	-130,867
Changes in the scope of consolidation			103,808		103,808		103,808
Translation of foreign currencies			-580,539		-580,539		-580,539
Changes in reserves		40,128,364	26,989,381	81,629,061	148,746,806		148,746,806
Balance at 31.12.2014	500,000,000	3,701,213,204	471,887,255	101,664,541	4,774,765,000	11,823,375	4,786,588,375

[02.5] CONSOLIDATED SCHEDULE OF FIXED ASSETS

for the 2014 financial year, in EUR

	<i>Cost of acquisition (CoA) 31.12.2013</i>	<i>CoA foreign currency translation 1.01.2013</i>	<i>Additions 2014</i>	<i>CoA additions to the scope of consolidation 2014</i>	<i>Disposals 2014</i>	
I. Intangible assets						
1. Licenses, industrial property rights and similar rights including associated licenses	585,415,459	0	11,679,117	499,972	60,267	
2. Goodwill	10,156,500	0	10,716,730	0	0	
3. Prepayments	11,870,730	0	4,858,234	0	138,992	
Total intangible assets	607,442,690	0	27,254,080	499,972	199,259	
II. Tangible assets						
1. Developed plots of land	8,171,268,906	-473,764	92,860,284	1,150,123	8,174,843	
2. Undeveloped plots of land	6,344,602	0	389	0	1,372,078	
3. Plant and equipment	11,655,422,742	-1,039,512	288,434,820	0	79,618,700	
4. Other equipment, furniture and fixtures	812,174,413	-75	29,458,994	6,984	16,551,155	
5. Prepayments and plant under construction	658,851,050	0	381,003,007	0	468,613	
Total tangible assets	21,304,061,712	-1,513,351	791,757,494	1,157,107	106,185,388	
III. Financial assets						
1. Shares in affiliated companies (not consolidated)	92,381,530	0	35,000	0	0	
2. Prepayments on shares in affiliated companies	0	0	5,058,500	0	0	
3. Lendings to affiliated companies (not consolidated)	31,730,344	0	190,462	0	769,710	
4. Shares in associated companies	47,815,204	0	864,310	0	4,594,399	
5. Shareholdings	831,655,949	0	8,979,530	0	7,181,603	
6. Lendings to companies in which shares are held	26,501,527	0	89,701	0	4,287,869	
7. Non-current financial assets	1,427,946,819	0	35,444,189	0	45,535,407	
8. Other lendings	75,051,025	0	804,922	0	20,478,281	
Total financial assets	2,533,082,399	0	51,466,614	0	82,847,268	
Total assets	24,444,586,800	-1,513,351	870,478,187	1,657,079	189,231,916	

	<i>Reclassifications 2014</i>	<i>Cost of acquisition (CoA) 31.12.2014</i>	<i>Depreciation 31.12.2014</i>	<i>Book value 31.12.2014</i>	<i>Book value 31.12.2013</i>	<i>Additions to the scope of consolidation 2014</i>	<i>Additions 2014</i>	<i>Depreciation 2014</i>
	11,850,774	609,385,055	466,820,299	142,564,756	142,057,134	396,818	0	22,641,726
	0	20,873,230	8,474,625	12,398,605	2,964,363	0	0	1,282,488
	-9,967,843	6,622,129	0	6,622,129	11,870,730	0	0	0
	1,882,931	636,880,414	475,294,924	161,585,490	156,892,227	396,818	0	23,924,214
	90,130,144	8,346,760,850	3,530,336,413	4,816,424,437	4,791,324,708	99,156	0	156,396,931
	-1,300,000	3,672,912	0	3,672,912	6,344,602	0	0	0
	255,845,777	12,119,045,127	8,026,183,791	4,092,861,336	3,843,983,099	0	0	294,896,406
	16,008,908	841,098,069	651,925,243	189,172,827	187,311,636	6,984	0	42,700,830
	-362,567,760	676,817,683	3,914,994	672,902,690	654,936,056	0	0	0
	-1,882,931	21,987,394,642	12,212,360,441	9,775,034,201	9,483,900,100	106,140	0	493,994,166
	0	92,416,530	20,968,723	71,447,808	71,437,806	0	0	24,998
	0	5,058,500	0	5,058,500	0	0	0	0
	0	31,151,096	13,059,855	18,091,241	25,862,359	0	223,390	7,415,259
	0	44,085,115	36,447,441	7,637,674	7,170,585	0	0	0
	0	833,453,876	36,306,562	797,147,313	795,985,765	0	0	4,782,706
	0	22,303,359	688,600	21,614,759	25,812,927	0	0	0
	0	1,417,855,602	78,247,918	1,339,607,683	1,349,699,791	0	806	1,696
	0	55,377,667	5,918,505	49,459,162	69,132,521	0	0	0
	0	2,501,701,744	191,637,605	2,310,064,140	2,345,101,753	0	224,196	12,224,659
	0	25,125,976,800	12,879,292,970	12,246,683,830	11,985,894,079	502,957	224,196	530,143,039

[03]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



[03.1] CORPORATE PROFILE

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

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

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

[03.2] 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 2014 financial year.

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 1.1.1999 – 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 establishment.

The uniform accounting and valuation methods used in preparing these financial statements are documented in a Group Accounting Guideline and a Group Accounting Manual.

Pursuant to Article 252 of the Austrian Commercial Code, the balance sheet date of the consolidated financial statements is that of the parent company. 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 2014), prepared on the balance sheet date of the parent company (31 December 2014).

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

Zwischen dem Abschlussstichtag dieser Unternehmen und dem Konzernabschlussstichtag sind keine Vorgänge von besonderer Bedeutung für die Vermögens-, Finanz- und Ertragslage des Konzerns zu nennen.

No transactions of material importance to the asset, financial and earnings positions of the Group took place in the period between the balance sheet date of these companies and the Group balance sheet date. WIEN ENERGIE Vertrieb GmbH & Co KG (balance sheet date 30.09) is consolidated on the basis of interim financial statements prepared on the basis of a balance sheet date and period not concurrent with that of the consolidated financial statements.

[03.3] 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.

The consolidated financial statements have been prepared applying generally accepted principles of good accounting practice and with the aim of providing a true and fair picture of the asset, financial and earnings positions of the Group. The consolidated profit and loss account has been prepared on the basis of the nature-of-expense method.

These consolidated financial statements have been prepared in accordance with the principle of completeness. The assets and liabilities of consolidated subsidiaries recognised in the Group financial statements have been uniformly valued, in line with Article 260 of the Austrian Commercial Code, on the basis of the valuation methods applied to the consolidated financial statements of the parent company. Assets and liabilities have been recognised in accordance with the principle of single-asset valuation and according to the going-concern principle.

These consolidated financial statements comply with the principle of prudence in that only profits realised on or before the balance sheet date have been recognised. All identifiable risks and impending losses existing or incurred either during the 2014 financial year or in earlier periods have been taken into account.

FIXED ASSETS

Intangible and tangible assets

Intangible and tangible assets are recognised at their cost of acquisition or manufacture and, where subject to depreciation or amortisation, are depreciated or amortised applying the straight line method based on standard commercial useful lives. Low-value items with acquisition costs below EUR 400.00 are depreciated fully in the year of their acquisition.

The amortisation of goodwill applies the straight-line method and is based on the commercial useful life of the associated assets.

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

Additions in the first half of any given financial period are generally subject to full-year depreciation in the year of their acquisition, while those acquired in the second half of any given financial period are subject to half-year depreciation in the first year.

Unscheduled write downs in asset value not of a purely temporary nature are taken into account by means of impairment charges.

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

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

Financial assets

Shares in affiliated companies, in as far as these are not consolidated, in addition to other investments, are carried at their cost of acquisition less any impairment charges.

Shares in associated companies are recognised at valuations based on the equity method. This applies the same valuation methods as are applied to fully consolidated companies.

Lendings are carried at the lower of their acquisition costs or cash value on the balance sheet date.

Non-current financial assets are recognised applying the moderate lower of cost or market principle. Impairment charges are 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). The new strategy entails two mixed investment funds; one of which also includes shares. The remaining three funds are maintained as bond funds (including money market assets), whereby two of the three funds are managed according to the buy-and-hold principle.

Since being restructured, this portfolio is characterised by a significantly lower degree of volatility. During the course of this restructuring process, the shares in these funds were exchanged applying the principle of continuance of book values.

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 overheads based on the assumption of operation at full capacity, plus expenses for voluntary social and occupational pension contributions. Expenses incurred through general administrative work and interest on loans may not be capitalised.

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

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

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.

UNTAXED RESERVES

Pursuant to Article 205 of the Austrian Commercial Code (UGB), **untaxed reserves** are recognised in the consolidated financial statements in accordance with Article 253, para. 3 UGB.

PROVISIONS

Provisions for severance payments and provisions for similar obligations

Since the 2012 financial year, the provisions for severance payments have been calculated using actuarial principles on the basis of the entry-age normal method with an interest rate of 2.5 percent (real interest rate) as a result of the current situation regarding interest rates. As in the prior year, no discount for employee turnover was taken into account, a retirement age of 65 for both male and female employees was assumed and the mortality table "AVÖ 2008-P Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler" was used.

	31.12.2014	31.12.2013
Assumed interest rate	2.50%	2.50%

The provisions for similar severance payment obligations are calculated using the same parameters as applied to the provisions for severance payments, albeit applying actuarial principles based on the entry-age normal method in future.

Provisions for pensions

The Vienna Public Enterprises Allocation Act (Wiener Stadtwerke-Zuweisungsgesetz), published in the State Law Gazette (LGBI 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. Pursuant to Article 211 (2) of the Austrian Commercial Code (UGB), the Group recognises these direct pension liabilities applying the rules relating to the correct accounting of pension liabilities based on the Austrian Financial Reporting Act (RLG) as defined in an expert report prepared by the Fachsenat für Handelsrecht und Revision of the Institut für Betriebswirtschaft, Steuerrecht und Organisation (part of the Austrian Chamber of Tax Consultants and Certified Accountants — Document No. 80, KFS-RL 2) as amended and supplemented at a sitting of this committee on 5 May 2004.

The use of the different accounting principles, in particular due to the adjustment of the parameters and revised calculation methods, gave rise to a due back payment in the 2005 financial year compared to 31 December 2004 in the amount of TEUR 453,488. An agreement was reached between WIENER STADTWERKE Holding AG and the City of Vienna on this issue on 26 July 2005. 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. In line with this agreement, the back payments due will be spread over a longer period (expected to be 25 years). Other Group companies acceded to this agreement on 26 July 2005 and have recorded the pension obligations taking this agreement into account. 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.

The provisions for pension obligations have been recognised as at 31 December 2014 applying actuarial principles on the basis of the entry-age normal method, as in the prior year. The

calculation applied an assumed interest rate of 2.5 percent (real interest rate) due to the current interest-related environment. As in the prior year, no discount for employee turnover was taken into account, a retirement age of 65 for both male and female employees was assumed and the mortality table “AVÖ 2008-P Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler” was used.

	31.12.2014	31.12.2013
Assumed interest rate	2.50%	2.50%
Pension increase beneficiary	1.50%	1.50%

The effects of the different provisions were voluntarily accounted for ahead of time in the 2012 financial year. Due to the revision of IAS 19 decided upon by the International Accounting Standards Board (IASB) on 16 June 2011 and subsequently adopted by the EU on 5 June 2012, the corridor method for reporting pension obligations applying the projected unit credit method is no longer applicable to financial years starting on or after 1 January 2013.

The impact of the revision of IAS 19 on the presentation of the assets, financial and earnings positions of the Group represent, in the opinion of the Fachsenat für Handelsrecht und Revision, a well-founded exceptional case as defined by Article 201, para. 2, of the Austrian Commercial Code (UGB) for a deviation from the principle of valuation consistency as laid down by Article 201, para. 2 (1), UGB.

Other provisions

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

FOREIGN CURRENCY RECEIVABLES

AND LIABILITIES

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.

[03.4] 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:

	Fully consolidated	Proportionally consolidated	Consolidated using the equity method
Balance at 31.12.2013	30	3	7
First consolidated during the financial year	0	0	0
No longer consolidated	-2	0	0
Balance at 31.12.2014	28	3	7

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

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

Due to the framework agreement concluded between the shareholders of EconGas GmbH, WIEN ENERGIE GmbH exercises considerable influence over the commercial and

corporate policies of EconGas GmbH. EconGas GmbH is therefore consolidated in these financial statements, applying the equity method, as an associated company. A total of 25 subsidiaries (prior year: 26) were not fully consolidated. Similarly, 20 companies (prior year: 24) 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 UGB, the company Gemeinnützige Wohnungs- und Siedlungsgesellschaft of Wiener Stadtwerke GmbH was not consolidated.

Since 2012, the scope of consolidation for the Group’s financial statements has included a company which reports in a foreign currency. This means that, since this time, it has been necessary to perform a foreign currency translation.

A list of the Group’s holdings may be obtained directly from the offices of the parent company.

Changes in the scope of consolidation during the financial year

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

POWERWINGS Windkraftanlagen Errichtungs- und Betriebs GmbH was fully acquired as at 25 February 2014 and retroactively merged into WIEN ENERGIE GmbH as at 30 September 2013.

Windnet Windkraftanlagenbetriebs-GmbH and Windnet Windkraftanlagenbetriebs-GmbH & Co KG, which were fully consolidated in the prior year, were retroactively merged as at 31 December 2013 with the acquiring company WIEN ENERGIE GmbH by means of a merger agreement dated 21 July 2014.

[03.5] CONSOLIDATION PRINCIPLES

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

Shares in subsidiaries not held by the Group are recognised under the position ‘Minority interests’.

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 (1) of the Austrian Commercial Code (UGB). In the event of Group-internal construction work, the associated revenues are reclassified as own work capitalised.

Intercompany results within the Group are eliminated in accordance with the principal of materiality. No elimination of temporary effects has been applied to companies valued under

the equity method given that their influence on the overall standing of the Group is immaterial.

Deferred tax assets based on intercompany results, and resulting from the different accounting options available during the preparation of the consolidated financial statements as opposed to the financial statements of the individual subsidiaries, are no longer recognised following a Group-internal consolidated tax agreement effective since 2005. The untaxed reserves (with the exception of investment allowances) recognised in the financial statements of the subsidiaries are, therefore, carried under the position retained earnings without any corresponding deferral of taxes.

The differential amounts resulting from the capital accounting of **companies accounted for under the equity method** 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 details of revenues and expenses during the period under review. The actual figures and amounts may deviate from these estimations.

[03.6] NOTES TO THE VARIOUS CONSOLIDATED FINANCIAL STATEMENTS

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 2014 financial year, please refer to the Consolidated Statement of Changes in Tangible and Intangible Assets.

The land value element of developed plots of land amounts to TEUR 191,480 (PY: TEUR 213,793).

(2) Intangible assets

	31.12.2014 EUR	31.12.2013 EUR
1. Licenses, industrial property rights and similar rights including associated licenses	142,564,756	142,057,134
2. Goodwill	12,398,605	2,964,363
3. Prepayments	6,622,129	11,870,730
Intangible assets	161,585,490	156,892,227

(3) Tangible assets

	31.12.2014 EUR	31.12.2013 EUR
1. Land, land rights and buildings, including buildings on third-party land	4,820,097,349	4,797,669,310
2. Plant and equipment	4,092,861,336	3,843,983,099
3. Other equipment, operational and office equipment	189,172,827	187,311,636
4. Prepayments and plant under construction	672,902,690	654,936,056
Tangible assets	9,775,034,201	9,483,900,100

(4) Financial assets

	31.12.2014 EUR	31.12.2013 EUR
1. Shares in affiliated companies	71,447,808	71,437,806
2. Prepayments on shares in affiliated companies	5,058,500	0
3. Lendings to affiliated companies	18,091,241	25,862,359
4. Shares in associated companies	7,637,674	7,170,585
5. Shareholdings	797,147,313	795,985,765
6. Lendings to companies in which shares are held	21,614,759	25,812,927
7. Long-term financial investments and rights	1,339,607,683	1,349,699,791
8. Other lendings	49,459,162	69,132,521
Financial assets	2,310,064,140	2,345,101,753

US cross-border lease transactions

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

Lendings

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

in EUR	Total 31.12.2014	of which term to maturity <1year	of which term to maturity >1year
Lendings to affiliated companies	25,862,359	486,243	25,376,116
Lendings to companies in which shares are held	25,812,927	1016,777	24,796,150
Other lendings	69,132,521	23,400	69,109,121
Total	120,807,806	1,526,420	119,281,386

Securities held as non-current financial assets

The book and market values of securities at 31 December 2014 are set out in the following table in accordance with Article 237a of the UGB:

in EUR	Book value 31.12.2014	Market value 31.12.2014	Difference in %
WSTW I-V	1,175,264,558	1,357,363,953	15.5%
Shares and investments	193,207	258,396	33.7%
Securities account US lease	159,621,802	159,621,802	0.0%
Pension reinsurance	4,528,117	4,528,117	0.0%
Total securities	1,339,607,683	1,521,772,267	13.6%

Overall, the calculated values are higher than the book values as a result of the undisclosed reserves. The capital-weighted performance of the WSTW Fund YTD (1.1. - 31.12.2014) is positive at +4.35 percent despite the conservative investment strategy and the challenging environment in financial markets.

Structure of the WSTW fund portfolio at 31.12.2014:

38.8%	Money market, 100% fixed-term deposits held by Austrian banks
57.0%	Bonds, Average rating AA-
3.8%	Shares
0.4%	Miscellaneous
100.0%	

(5) Current assets

(6) Inventories

	31.12.2014 EUR	31.12.2013 EUR
1. Raw materials and supplies	109,516,313	127,043,858
2. Finished products and goods	187,326	633,877
3. Uninvoiced services	3,585,968	3,493,153
4. Prepayments	65,706	25,572
Inventory	113,355,313	131,196,460

(7) Receivables and other assets

<i>in EUR</i>	<i>Total 31.12.2014</i>	<i>of which term to maturity < 1 year</i>	<i>of which term to maturity > 1 year</i>
Accounts receivable – trade	222,728,498	218,616,913	4,111,585
Receivables from affiliated companies	4,040,891	4,014,128	26,763
of which trade	986,759	959,995	26,763
Receivables from companies in which shares are held	43,857,911	43,857,911	0
of which trade	43,780,561	43,780,561	0
Other accounts receivable and assets	261,764,620	187,829,557	73,935,064
Total	532,391,920	454,318,509	78,073,411

<i>in EUR</i>	<i>Total 31.12.2013</i>	<i>of which term to maturity < 1 year</i>	<i>of which term to maturity > 1 year</i>
Accounts receivable – trade	281,890,337	278,523,723	3,366,614
Receivables from affiliated companies	4,158,915	4,158,915	0
of which trade	395,473	395,473	0
Receivables from companies in which shares are held	49,702,800	49,283,426	419,374
of which trade	1,833,284	1,413,910	419,374
Other accounts receivable and assets	281,661,245	219,355,456	62,305,789
Total	617,413,296	551,321,519	66,091,777

The position ‘Other assets’ in the 2014 financial year mainly recognises receivables due from the financial authorities as well as investment grants from the Federal Ministry for Transport, Innovation and Technology, the Lower Austrian Provincial Government and the City of Vienna.

General valuation adjustments have been made in the amount of TEUR 437 (prior year: TEUR 58). Specific valuation adjustments for accounts receivable – trade and for other receivables made during the course of the 2014 financial year amounted to TEUR 73,216 (prior year: TEUR 70,266).

(8) Prepayments and accrued income

This position largely recognises additional amounts transferred to provisions for pension fund obligations (dating back to 2005) in the amount of TEUR 181,124 (prior year: TEUR 202,078) in addition to prepayments for deliveries of natural gas.

(9) Group equity

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

The capital reserves include restricted capital reserves in the amount of TEUR 94,798 (prior year: TEUR 94,798). Of the revenue reserves, TEUR 52,875 (prior year: 25,885) are statutory revenue reserves the company is legally required to hold.

The retained earnings also include positive and negative differential amounts arising out of the first-time and subsequent consolidation of Group companies, in addition to untaxed reserves and foreign exchange-related differential amounts.

The differential amounts of fully consolidated companies recognised in equity at 31 December 2014 are made up as follows:

<i>Affiliated companies</i>	<i>in EUR</i>	<i>31.12.2014</i>	<i>31.12.2013</i>
WIENER NETZE GmbH		-243,387	-243,387
WIEN ENERGIE GmbH (incl. Windnet GmbH)		87,321,458	87,450,072
ENERGIECOMFORT Energie- und Gebäudemanagement GmbH		6,868,082	6,868,082
Wien IT GmbH		-23	-23
WIENER LINIEN GmbH & Co KG		126,380,113	126,380,113
WIENER LINIEN GmbH		-875	-875
AG der Wiener Lokalbahnen		-676,500	-676,500
Wiener Lokalbahnen Verkehrsdienste GmbH		1,275,833	1,275,833
B&F Wien - Bestattung und Friedhöfe GmbH		350,968	350,968
WIENER STADTWERKE Vermögensverwaltung GmbH		-100,793	-100,793
Wiener Erdgasspeicher GmbH (formerly WIEN ENERGIE Speicher GmbH)		2,458,756	2,458,756
WIPARK Garagen GmbH		-127,109	-127,109
Windnet GmbH		0	-232,422
Parkraum Wien Management GmbH		163,515	163,515
Total		223,670,037	223,566,229

A consolidated statement of changes in equity can be found in the annex.

(10) Provisions

The development of provisions within the Group over the period is set out below:

<i>in EUR Provisions for</i>	<i>Balance at 31.12.2013</i>	<i>Consumed / reversed</i>	<i>Additions</i>	<i>Balance at 31.12.2014</i>
Pensions	3,072,209,893	1,226,944	43,924,384	3,114,907,333
Severance	65,542,332	1,660,370	4,249,802	68,131,764
Payments	707,394	48,586	152,680	811,488
Taxes	502,970,895	188,210,672	226,531,350	541,291,573
Total	3,641,430,514	191,146,572	274,858,216	3,725,142,158

Provisions for pensions

For details of the valuation method applied, please refer to the point ‘Accounting and Valuation Principles’ above.

A breakdown of pension obligations, taking the mortality tables into account (AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler) is provided below:

	31.12.2014 EUR	31.12.2013 EUR
NPV / cash value of pension obligations	3,114,907,333	3,072,209,893
Less unrealised actuarial losses	0	0
Provisions for pension obligations	3,114,907,333	3,072,209,893
Less differential amounts not recognised in income (carried as accrued income)	-181,124,044	-202,078,007
Net pension obligations	2,933,783,289	2,870,131,886

Provisions for taxes

Provisions for taxes in the amount of TEUR 41 (prior year: TEUR 5).

Other provisions

The other provisions take into account obligations relating to environmental aspects, claims for restitution assert by customers and invoices received.

Moreover, a contingent liability was set up in connection with the marketing of electricity from supply rights in the amount of TEUR 93,296 (prior year: TEUR 113,248). Provisions in the amount of TEUR 61,205 exist for restoration obligations for real estate (prior year: TEUR 53,071).

(11) Liabilities

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

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 from the European Investment Bank (EIB). The funds were subsequently passed on to Wien Energie GmbH for the project to optimise the energy efficiency of the Spittelau waste incineration plant by means of a back-to-back contract.

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 2014 financial year, no mutual securitisations were issued.



<i>in EUR</i>	<i>Total 31.12.2014</i>	<i>of which term to maturity <1 year</i>	<i>of which term to maturity 1-5 year</i>	<i>of which term to maturity > 5 year</i>
Bonds	0	0	0	0
Liabilities due to banks	155,973,671	67,837,603	16,866,308	71,269,760
Bonds	200,000,000	0	30,000,000	170,000,000
Prepayments received	11,136,564	11,136,564	0	0
of which from affiliated companies	0	0	0	0
Accounts payable – trade	358,379,194	356,470,877	1,732,499	175,818
Liabilities due to affiliated companies	7,367,345	7,367,345	0	0
of which trade	2,334,905	2,334,905	0	0
Accounts payable, companies of which	18,473,796	17,618,394	855,403	0
of which trade	16,878,933	16,878,933	0	0
Other liabilities	468,565,739	308,900,906	65,268,372	94,396,461
Other liabilities – tax	119,139,706	119,139,706	0	0
Other liabilities – social security	11,446,816	11,446,816	0	0
Total	1,350,482,831	899,918,210	114,722,582	335,842,040

<i>in EUR</i>	<i>Total 31.12.2014</i>	<i>of which term to maturity <1 year</i>	<i>of which term to maturity 1-5 year</i>	<i>of which term to maturity > 5 year</i>
Bonds	0	0	0	0
Liabilities due to banks	154,488,536	21,708,677	76,529,505	56,250,354
Bonds	200,000,000	0	30,000,000	170,000,000
Prepayments received	9,928,786	9,928,786	0	0
of which from affiliated companies	0	0	0	0
Accounts payable – trade	503,513,266	501,117,548	2,161,294	234,424
Liabilities due to affiliated companies	8,286,486	8,286,486	0	0
of which trade	2,917,350	2,917,350	0	0
Accounts payable, companies of which	30,217,873	28,793,175	1,424,698	0
of which trade	28,220,409	28,220,409	0	0
Other liabilities	459,968,157	284,250,859	66,468,594	109,248,704
Other liabilities – tax	92,394,487	92,394,487	0	0
Other liabilities – social security	6,596,197	6,596,197	0	0
Total	1,465,393,787	953,076,214	176,584,091	335,733,481

Physical collateral

The financing of additional shares in Verbund acquired in the course of a capital increase was based in part on the raising of a Lombard loan on the part of WEEV Beteiligungs GmbH. This loan is secured by a pledge relating to the Verbund shares acquired. Due to the increase in the Verbund share price in the 2014 financial year, it was possible to reduce the number of pledged shares to 499,971 as at 26 September 2014.

At 31 December 2014, WIENER STADTWERKE Holding AG had pledged 1,499,915 shares (prior year: 1,999,886) in Verbund.

The rights to dividend payments are also covered by the pledges.

(12) Accrued expenses and deferred income

The position ‘Accrued expenses and deferred income’ mainly relates to investment grants of TEUR 3,113,791 (prior year: EUR 3,078,618) and grants for construction projects of TEUR 468,221 (prior year: TEUR 465,896) relating to fixed assets. These represent future revenues which are reversed to negate, to a certain extent, the depreciation expense over periods which parallel the scheduled depreciation of the relevant assets for which the grants were provided.

(13) Contingent liabilities

At the balance sheet date, the Group recognised contingent liabilities in the amount of TEUR 500,860 (PY: TEUR 485,932). These liabilities are offset by contingent assets in the amount of TEUR 256,438 (PY: TEUR 234,889).

The contingent liabilities include US cross-border lease transactions entered into by WIENER LINIEN GmbH & CO KG in the amount of TEUR 246,783 (prior year: TEUR 225,233). These liabilities are offset by means of rights of recourse in the same amount recognised as assets.

A number of restricted and unrestricted letters of comfort and guarantees have been issued on behalf of e&t Energie

Handelsgesellschaft. Taking into account the contracts concluded by e&t Energie Handelsgesellschaft m. b. H. with its trading partners, the net liability position amounts to TEUR 49,064 (prior year: TEUR 82,430). In the event that the guarantees and or letters of comfort issued in favour of trading partners of e&t Energie Handelsgesellschaft m.b.H. are called in or exercised by the same, then Wien Energie GmbH may assert rights of recourse against the remaining shareholders in the amount of TEUR 17,610 (prior year: TEUR 21,280).

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

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(14) Turnover

Turnover by segment:

<i>in EUR</i>	<i>2014</i>		<i>2013</i>	
	<i>External revenues</i>	<i>Intra-segment revenues</i>	<i>External revenues</i>	<i>Intra-segment revenues</i>
Electricity	1,375,801,430	264,102,119	1,437,768,333	234,155,099
Gas	412,735,795	12,295,679	471,689,821	11,173,461
Heat	483,063,799	807,543	520,945,016	714,389
Energy	2,271,601,023	277,205,341	2,430,403,170	246,042,949
Transport	586,017,008	1,236,405	570,787,726	1,348,730
Funerals	69,960,621	15,315,177	70,381,673	14,292,332
Car parks	17,769,884	180,744	17,113,427	194,616
Other	88,679,657	0	90,646,922	0
Intra-segment revenues*	-129,250,148	129,250,148	-134,950,969	134,950,969
Total	2,904,778,045	423,187,816	3,044,381,949	396,829,596

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



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

The other operating income was allocated to the relevant commercial divisions of the energy segment.

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

(15) Other operating income

	2014 EUR	2013 EUR
1. Income from the disposal of and additions to non-current assets, excluding financial assets	4,820,197	35,900,164
2. Income from the reversal of provisions	21,867,587	33,690,894
3. Remaining	665,940,604	626,988,080
Other operating income	692,628,387	696,579,138

The position 'Other operating income' includes income from the reversal of investment grants in the amount of TEUR 132,713 (prior year: TEUR 125,637), building grants in the amount of TEUR 60,164 (prior year: TEUR 50,662) as well as subsidies received from the City of Vienna relating to the operation of Wiener Linien & Co KG. All income generated by non-core business activities (e.g. IT services, renting of advertising space, etc.) is also recognised under this position.

(16) Cost of materials and other manufacturing services

	2014 EUR	2013 EUR
1. Cost of materials and services	690,347,429	664,455,605
2. Expenses for purchased services	740,418,267	985,974,625
Cost of materials and manufacturing services	1,430,765,695	1,650,430,230

(17) Personnel expenses

	2014 EUR	2013 EUR
1. Wages	413,146,161	404,362,449
2. Salaries	354,506,061	343,276,950
3. Expenses for severance payments and occupational pension fund contributions	9,571,693	10,467,027
4. Pension fund contributions	218,482,623	244,128,623
5. Expenses for statutory social security contributions and for pay-related taxes and mandatory contributions	165,289,160	158,804,512
6. Other social expenditure	4,445,895	5,601,875
Personnel expenses	1,165,441,594	1,166,641,436

The total remuneration received by members of the Board of Management amounted to TEUR 1,054 (prior year: TEUR 1,573). A total of TEUR 52 (prior year: TEUR 52) was paid to members of the Supervisory Board in the 2014 financial year.

The average headcount during the period was made up as follows:

Average headcount in FTEs	2014	2013
Wage earners	9,638	9,726
Salaried employees	6,087	5,974
Trainees / apprentices	389	402
Total*	16,114	16,102

* Excluding those on parental leave, military and civilian service

During the reporting period, a total of 51 (prior year: 51) personnel were employed by ENERGIEALLIANZ Austria GmbH, a company consolidated on a pro rata basis, and presented on a proportional basis in the headcount.

WIEN ENERGIE Vertriebs GmbH & Co KG does not have any direct employees.

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

	2014 EUR	2013 EUR
Board members and senior managers	-41,804	318,030
Other employees	9,613,497	10,148,997
Severance payments	9,571,693	10,467,027

	2014 EUR	2013 EUR
Board members and senior managers	1,318,299	5,741,031
Other employees	217,164,324	238,387,592
Pension fund contributions	218,482,623	244,128,623

The expenses for severance payments and pension fund contributions also include adjustments in addition to the severance and pension expenses actually settled. The expenses for severance payments also include contributions in the amount of TEUR 3,804 (prior year: TEUR 3,542) made to occupational pension funds.

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

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

	2014 EUR	2013 EUR
1. Depreciation and amortisation of tangible and intangible assets	517,918,380	787,408,565
of which impairment charges relating to fixed assets pursuant to Art. 204 (2) UGB	0	275,702,283

(19) Other operating expenses

The remaining operating expenses relate mainly to expenses for maintenance, transport, rent, cleaning and advertising.

	2014 EUR	2013 EUR
1. Taxes in as far as these are not incl. under 'Taxes on income and earnings'	59,257,566	58,895,001
2. Remaining	516,821,626	545,020,783
Other operating expenses	576,079,192	603,915,784

The remaining operating expenses amount to TEUR 40,746 (prior year: TEUR 60,098) and consequently represent approximately seven percent of the total of other operating expenses.

Auditing expenses (Article 266 (11) of the Austrian Commercial Code)

During the 2014 financial year, a total of TEUR 752 (prior year: TEUR 912) was expended for audits performed by the Group's auditor. These expenses are made up as follows:

	2014 EUR	2013 EUR
Audit expenses	33,700	32,800
Expenses for other audit-like services	364,200	401,200
Expenses for other services	354,179	478,131
Total	752,079	912,131

(20) Income from investments

	2014 EUR	2013 EUR
Income from investments	58,774,628	52,421,444
of which from affiliated companies	2,732,936	1,698,679

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

	2014 EUR	2013 EUR
Income from other securities and lendings of non-current financial assets	11,273,947	12,301,496
of which from affiliated companies	335,831	888,040

(22) Other interest and similar income

	2014 EUR	2013 EUR
Other interest and similar income	6,267,424	6,763,060
of which from affiliated companies	28,492	31,281

(23) Expenses / income from associated companies

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

<i>in EUR</i>	<i>Balance at 1.1.2014</i>	<i>Additions / pro-rata result</i>	<i>Impairments</i>	<i>Dividends paid</i>	<i>Balance at 31.12.2014</i>
Total	7,170,585	864,310	0	-397,221	7,637,674

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

	<i>2014 EUR</i>	<i>2013 EUR</i>
Expenses associated with financial assets and available-for-sale assets	12,243,072	1,074,165
of which writedowns	12,224,659	533,406
of which expenses relating to affiliated companies	0	361,266

(25) Taxes on income and earnings

The Group incurred net tax expenses in the financial year amounting to TEUR 43 (prior year: TEUR -30). This figures includes reallocations of tax assets and liabilities between Group companies (Gruppensteuerumlage) in an amount of TEUR 134 (prior year: TEUR 465).

Deferred tax assets in the amount of TEUR 38,823 (prior year: TEUR 34,023) were not recognised under Article 258 of the Austrian Commercial Code (UGB) due to their immateriality in respect of the consolidated financial statements.

(26) Changes in reserves

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

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

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

	<i>2014 EUR</i>	<i>2013 EUR</i>
of which relating to next year	27,517,205	36,346,589
of which relating to the next five years	136,582,821	177,700,824

(28) US cross-border lease transactions

In 1990, Wiener Linien GmbH & CO KG entered into **US LILO (lease in / lease out) transactions** relating to underground trains and trams. This involved leasing the vehicles to a US trust under a so-called head lease. At the same time, Wiener Linien leased the vehicles back from the trust under a sub-lease. The US trust made a leasing prepayment to Wiener Linien, the amount of which was such that two securities deposit accounts (a debt and an equity securities deposit account) could be funded to meet the sub-leasing obligations. The inflow of funds in excess of that required by the securities deposit accounts (net cash value advantage) is recognised as an accrual and is reversed over the term of the leasing agreements under the position other interest and similar income.

As a result of Bank Austria Leasing taking over the payment obligations for the borrowed portion of the sub-lease instalments (payment undertaking agreement), the debt securities deposit account is balanced in the same amount against the US trust and is therefore not recognised on the balance sheet. However, given that the Company remains liable for the as yet unredeemed portion of the sub-lease obligations, this amount is reported under the position contingent liabilities.

The securities held in the equity securities deposit account serve to collateralise the remaining sub-lease payments to be made by the Company.

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

These financial transactions were denominated in USD. Their translation into EUR was based on historical exchange rates. The remaining receivables and payables in USD on the balance sheet date are maturity congruent and may be regarded as closed out positions.

Given that the payment obligations transferred to the contractual partners by means of the PUAs entail residual performance risk borne by Wiener Linien in the event of the

contractual partners defaulting, this is taken into account in the annual financial statements as follows:

- With regard to the contractual partner the performance by whom is also covered by a public guarantee obligation, the risk of default may be considered to be extremely low, as a result of which, and based on the assessment of the Company, no need exists to take any impairment charges in the annual accounts.
- A provision has been set up for the contractual partner AIG which has a rating of under AA, issued by Standard & Poor's, and for which none of the abovementioned forms of collateral exist. The amount of the provision is determined on the basis of the historical probability of default measured using the rating of the contractual partner and the residual term to maturity of the transactions. As at 31 December 2014, transferred obligations (discounted future payment obligations) exist in an amount of approximately TEUR 49,226 (prior year: TEUR 46,399) for which provisions in the annual financial statements as at 31 December 2014 amounting to TEUR 637) have been set up (i.e. TEUR 30 have been added and recognised in income).

Specifics / events after the conclusion of the contract:

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

In 2008, a rating downgrade of the collateral provider AIG necessitated additional collateral in the form of US treasury bonds being tendered. These securities are pledged to the investor, Bank of America. In February 2009, a valuation unit for accounting purposes was established by means of a foreign currency loan. The effective date for assessing the intrinsic value of the collateral is always on 15 January of every year. The securities and associated foreign currency loan expired in the past financial year. As of 2014, Wiener Linien has been purchasing rolling, one-year US government bonds in an amount that exactly reflects the difference to be made up between the termination value and the equity securities deposit account. This difference fluctuates every year, with the tendency to decline as the transaction matures. At the same time, a foreign currency exchange forward contract is concluded every year, which enables US dollars to be available in a year to be converted without any exchange rate risk.

- By means of this approach, it is possible to terminate the arrangement annually (e.g. if the underlying CBL transaction no longer exists) with the same low level of risk as the annual adjustment made to the respective securitisation requirement.
- On the initiative of the investor, in 2006, the Trusts Fleetbank 1998-1 and -2 associated with the **first US lease transaction** were terminated prematurely and the relevant liabilities vis-à-vis the investor were settled through the assignment of the US treasury bonds held.
 - In January 2009, the **second tranche of the third US cross-border lease transaction** was terminated prematurely. However, one component of the transaction (B-Kreditseite), with Bank Austria UniCredit Group as the lender, including the associated PUA (securities account 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 cross-border lease transaction** was also terminated prematurely. The remaining component of the transaction (B-Kreditseite), with Kommunalkredit Austria AG as the lender and Portigon as the securities deposit account holder, has been recorded on the balance sheet in the same manner as the second tranche of the third US cross-border lease transaction. Given that this transaction involved the inclusion of 20 vehicles owned by Wiener Lokalbahnen AG by means of a power of attorney issued by Wiener Linien acting in its own name but on the account of a third party, these include receivables and payables relating to the transactions (B-Kredit / B-PUA and pro rata WLB shares) irrespective of a later transfer of risks and costs on the part of Wiener Lokalbahnen AG. For commercial reasons, components of the payment undertaking agreements relating to equity remained effective, with the repayment in USD, however, being in favour of Wiener Linien and completed by the end of 2013. At the end of 2014, the public guarantee obligation of the German state of North Rhine-Westphalia, and hence the prepayment instrument (B-PUA) with WestLB (now Portigon), expired while the outstanding loan would still have been outstanding until 2026. In December 2014, it was possible to terminate both the borrowed capital prepayment instrument and the associated loan definitively following negotiations with the contract partners.
 - In June 2009 and at the request of the investor, the remaining components of the **second US cross-border lease transaction** (Trusts FA 1998-1 and 2) were terminated prematurely and the relevant liability due to the investor was settled by means of the assignment of the US treasury

bonds held. The payment undertaking agreement and the loan were also terminated (resulting in the elimination of the contingent liability).

- In July 2011, an exchange of the equity PUA for US treasury bonds was implemented with SwissRE Financial Products Corp. relating to the **fifth US cross-border lease transaction** (Trusts FT 2003-1 and 2). Due to the change in the contract, the relevant amounts were recognised in identical volumes as liabilities vis-a-vis US trusts and recognised on the balance sheet as non-current financial assets rather than as contingent liabilities.

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

	31.12.2014 TEUR	31.12.2013 TEUR
Non-current financial assets		
US Lease I and R securities account	114,429	108,061
Securities account to recollateralise US lease R	28,164	45,252
Securities account for US lease V	17,029	16,279
	159,622	169,592
Other lendings		
Prepayment instruments at BAWAG-PSK (US lease III/2) and at WestLB (US lease IV)	0	10,765
Positive balances at banks		
(associated with the PUA for US lease IV (Bank Austria UniCredit Group) State Street, Trust SS1998-2)	1	747
Provisions	667	959
Liabilities due to banks		
Securities account obligations arising out of US lease III/2 und IV (Bank Austria UniCredit Group and Kommunalkredit Austria AG)	0	10,765
USD loan granted by Kommunalkredit Austria AG	0	46,235
	0	57,000
Other US trust obligations	131,457	125,087
Accrued expenses and deferred income		
Deferred fair value of US lease transactions	10,976	12,481
Contingent liabilities = contingent assets	246,783	225,233

(29) Financial instruments

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

There follows a breakdown of the derivative-based financial instruments held on the balance sheet date:

	2014	
	Nominal value* TEUR	Fair value** TEUR
Electricity forward contracts purchased	383,381	-42,263
Electricity forward contracts sold	206,318	8,113
Fin. swaps, phys. Forwards with collateral		
Purchased	151,443	-23,676
Sold	16,012	943
Oil swaps	0	0
Gas forward contracts purchased	106,741	-9,836
Gas forward contracts sold	40,703	3,513
Gas swaps purchased	37,372	-3,771
Gas swaps sold	18,536	1,833
Gas options purchased	10,228	-2,267
Gas options sold	10,228	2,267
CO ₂ purchased	1,980	288
CO ₂ sold	0	0
Coal swaps	6,868	-360
CHF swaps	49,900	337

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

** The current value is equivalent to the market value (fair value + gain / loss).

	2013	
	Nominal value* TEUR	Fair value** TEUR
Electricity forward contracts purchased	850,845	-99,365
Electricity forward contracts sold	369,402	15,625
Fin. swaps, phys. Forwards with collateral		
Purchased	149,033	-19,306
Sold	1,506	312
Oil swaps	8,732	21
Gas forward contracts purchased	0	0
Gas forward contracts sold	0	0
Gas swaps purchased	4,491	-108
Gas swaps sold	0	0
Gas options purchased	0	0
Gas options sold	0	0
CO ₂ purchased	786	-660
CO ₂ sold	2,979	1,239
Coal swaps	0	0
CHF swaps	48,876	-686

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

** The current value is equivalent to the market value (fair value + gain / loss)

Group-internal derivatives 2014	Nominal TEUR	Fair value TEUR
Gas forwards purchased	39,117	-3,208
Gas forwards sold	40,703	3,512
Gas swaps purchased	18,836	-1,938
Gas swaps sold	18,535	1,832
Gas options purchased	10,223	-2,267
Gas options sold	10,223	2,267

The contracts or forwards refer to electricity supply deals concluded by e&t Energie Handelsgesellschaft m.b.H.

Oil swaps were concluded to limit the costs of primary energy sources in the prior year.

Due to adjustments relating to a major gas supply contract, since the balance sheet date of 31 December 2012, no valuation unit exists with regard to actual electricity sales at fixed prices and derivative-based transactions, which were entered into in order to hedge variable production costs associated with the generation of electricity in thermal power stations. Valuations were therefore made for forward electricity-based transactions and oil-based swaps which have led to provisions for negative fair values in the amount of TEUR 2,507 (prior year: TEUR 411) in the case of gas forward rate agreements and TEUR 338 (prior year: TEUR 140) in the case of electricity forward rate agreements.

WIEN ENERGIE GmbH has been handling some of the gas purchases for WIEN ENERGIE Vertriebs GmbH & Co KG since the 2014 financial year. To this end, the company also makes use of derivative financial instruments for forward purchases. These forward purchases largely go hand-in-hand with similar sales contracts with WIEN ENERGIE Vertriebs GmbH & Co KG. This intra-Group gas trading meets the criteria of a portfolio trade hedge as defined by the AFRAC statement on recognising derivatives and securitisation instruments in accordance with the Austrian Commercial Code, meaning that the portfolio of all transactions can be treated as a single item for valuation purposes.

As at the balance sheet date, the portfolio has a positive fair value of TEUR 101. The total of the positive fair values amounts to TEUR 7,535, while the negative fair values add up to TEUR 7,434. Given that the trade portfolio has a positive fair value overall, there was no need to set up a provision as at the balance sheet date of 31 December 2014. A cash generating unit was created for the first time in connection with the power-drawing rights from the Walsum coal-fired power plant as at the balance sheet date of 31 December 2014, through which coal and CO₂ allocations are hedged by means of derivatives are offset against electricity sales transactions. In total, these derivatives have a positive fair value of TEUR 340 as at the balance sheet date. The total of the positive fair values amounts to EUR 704, while the negative fair values add up to TEUR 364. As a result of the positive fair value, there is no need to set up a provision. The fair values were determined on the basis of market parameters (quantity, price, maturity).

The loan due to the European Investment Bank with a nominal value of CHF 60 million was carried at its now-fixed

repayment amount of TEUR 49,562 (prior year: TEUR 49,562). A cross currency swap was concluded to hedge the exchange rate. The preconditions exist for creating a cash generating unit.

OTHER INFORMATION

Cash Pooling

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

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

Executive bodies

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

Martin Krajcsir
(since 1 January 2014 Spokesman of the Board of Management;
since 27 June 2014 Chief Executive Officer)

Marc Hall

Gabriele Domschitz

Robert Grüneis (since 1 December 2014)

The Supervisory Board was made up of the following **members** during the financial year

Erich Hechtner (Chairman)

Dietmar Griebler (since 25 February 2014; since 10 March 2014,
First Vice-Chairman)

Meinhard Eckl (Second Vice-Chairman)

Brigitte Jilka

Michael Holoubek

Stephan Koren

Werner Muhm

Sigrid Oblak

Heinz Kollinger (up to 23.1.2014)

Kurt Januschke (since 23.1.2014)

Günther Koch

Michael Bauer

Andreas Bauer

No material transactions took place during the period under review involving related entities and individuals applying conditions other than those usually obtainable in the market (at arm's length).

Vienna, 23 March 2015

THE BOARD OF MANAGEMENT

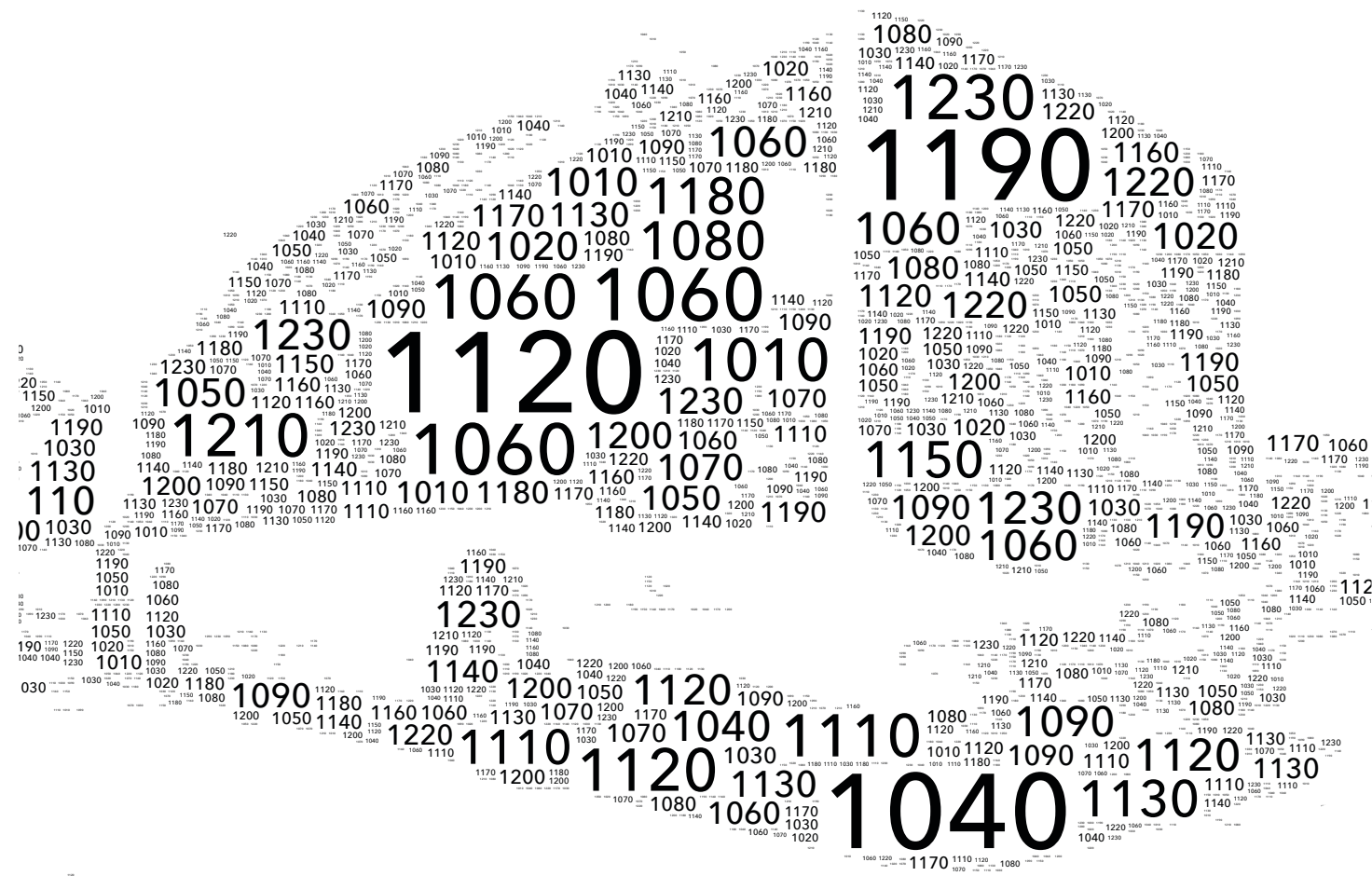
Martin Krajcsir (CEO)

Gabriele Domschitz
Robert Grüneis
Marc Hall



[04]

UNQUALIFIED AUDIT OPINION



REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of

WIENER STADTWERKE Holding AG
Vienna

for the financial year from 1 January 2014 to 31 December 2014. These statements comprise the Consolidated Balance Sheet as at 31 December 2014, the Consolidated Profit and Loss Account, The Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year to 31 December 2014, as well as the Notes to the Consolidated Financial Statements.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES OF THE COMPANY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP'S ACCOUNTING

Our responsibility consists of issuing an auditing opinion about these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian statutory requirements and generally accepted accounting principles. These principles require that we comply with the relevant codes of professional conduct, and plan and perform the audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. An audit involves the performance of audit procedures to obtain evidence about the amounts and other disclosures in the consolidated financial statements. The selection of these procedures is at the due discretion of the auditors, taking into account their assessment of the risk of material misstatement due to fraud or error.

In making this risk assessment, the auditors consider the internal control system, to the extent relevant to the preparation of the consolidated financial statements and the presentation of a true and fair view of the Group's assets, finances and earnings, in order to arrive at audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls. An audit also includes assessing the appropriacy of the accounting methods applied and of significant estimates made by the Company's legal representatives, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained is sufficient and appropriate to provide a sound basis for our audit opinion.

OPINION

Our audit gave rise to no objections. Based on the results of our audit, in our opinion the consolidated financial statements to the maximum possible extent conform to the legal regulations, and present a true and fair view of the Group's assets and finances as at 31 December 2014, as well as its earnings and cash flows for the financial year from 1 January 2014 to 31 December 2014, in accordance with Austrian statutory requirements.

OPINION ON THE MANAGEMENT REPORT

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

In our opinion, the Group Management Report is consistent with the consolidated financial statements.

Vienna, 31 March 2015

BDO Austria GmbH
Auditors and Tax Advisors

Christoph Achzet
Auditor

Helfried Schodl
Auditor

LIST OF HOLDINGS

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

<i>Subsidiaries consolidated under the equity method</i>	<i>Interest in % WSTW Holding AG</i>	<i>Interest in % WSTW Holding Group</i>
1. e&i EDV Dienstleistungsgesellschaft m.b.H., Thomas-Klestil-Platz 6, 1030 Vienna	0.00	50.00
2. e&t Energie Handelsgesellschaft m.b.H., Wienerbergstraße 11, 1100 Vienna	0.00	45.00
3. IWS TownTown AG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	44.00
4. EPZ Energieprojekt Zurndorf GmbH, Kasernenstraße 9, 7000 Eisenstadt	0.00	42.40
5. TELERREAL Telekommunikationsanlagen GmbH, Mollardgasse 8/Top 19, 1060 Vienna	0.00	25.00
6. EconGas GmbH, Donau-City-Straße 11, 1220 Vienna	0.00	16.51
7. Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Am Hof 6a, 1010 Vienna	0.00	33.33

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

<i>Companies not included in the full scope of consolidation: * **</i>	<i>Interest in % WSTW Holding AG</i>	<i>Interest in % WSTW Holding Group</i>
1. WIENSTROM Naturkraft GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00
2. WIENSTROM Naturkraft GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00
3. SERVISKOMFORT s.r.o., Volgogradská 88, SK-08001 Prešov, Slovakia	0.00	100.00
4. Vienna Energy forta naturala S.R.L., Street Sfanta Vineri, no.29, Bectro-Center, RO-030203 Bukarest, Romania	0.00	100.00
5. HAUSCOMFORT GmbH, Thomas-Klestil-Platz 15, 1030 Vienna	0.00	100.00
6. Energiecomfort Hungary Energetik, Régi Vármház tér 12, HU-9200 Mosonmagyarovar, Hungary	0.00	100.00
7. Gemeinnützige Wohnungs- und Siedlungsgesellschaft der Wiener Stadtwerke Gesellschaft m.b.H. Nelkengasse 6/6, 1060 Vienna	100.00	100.00
8. R.H. pro domo Servicegesellschaft m.b.H., Nelkengasse 6/6, 1060 Vienna	0.00	100.00
9. WIENCOM Werbeberatungs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100.00	100.00
10. WIENER STADTWERKE Vermögensverwaltung Alpha GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	100.00
11. WIENER LINIEN Verkehrsprojekte GmbH, Erdbergstraße 202, 1030 Vienna	0.00	100.00
12. Sarglogistik Wien GmbH, Anton-Mayer-Gasse 3, 1110 Vienna	0.00	100.00
13. pax diebestattung GmbH, Landstraßer Hauptstraße 39, 1030 Vienna	0.00	100.00
14. KREMATORIUM WIEN GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	100.00
15. Neue Urbane Mobilität Wien GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	100.00	100.00
16. Tierfriedhof Wien GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	70.00
17. WIPARK KONZUMPARKOLO Kft., Irgalmasok u. 5, 7621 Pécs, Hungary	0.00	90.00
18. Druckerei Lischkar & Co. Gesellschaft m.b.H., Migazziplatz 4, 1120 Vienna	0.00	100.00
19. Spravbytkomfort a.s., Volgogradská 88, SK-08001 Prešov, Slovakia	0.00	55.00
20. WIENER STADTWERKE Management Beta Beteiligungs GmbH (in liquidation), Thomas-Klestil-Platz 14, 1030 Vienna	0.00	52.63
21. Neu Leopoldau Entwicklungs GmbH, Messeplatz 1, 1021 Vienna	0.00	51.00
22. MHC Calinesti Rau S.R.L., Street Sfanta Vineri, no.29, Bectro-Center, RO-030203 Bukarest, Romania	0.00	100.00
23. WIEN ENERGIE Bernegger Wasserspeicherkraftwerk Pfaffenboden GmbH, Gradau 15, 4591 Molln	0.00	100.00
24. PTGwsg GmbH, Nelkengasse 6/6, 1060 Vienna	0.00	100.00
25. Ortswärme Tannheim GmbH, Unterhöfen 18, 6675 Tannheim	0.00	100.00



[06]

GLOSSARY

TECHNICAL AND INDUSTRY-SPECIFIC TERMINOLOGY

Equity to fixed assets ratio

[(Shareholder’s equity + social capital + non-current borrowed capital + deferred investment grants) / fixed assets] x 100

Asset utilisation

(fixed assets / total assets) x 100

Funeral services

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

Biodiversity

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

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.

CAPEX ratio

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

Capital employed

Equity + interest-bearing loans + pension provisions - securities coverage for pension provisions - cash and cash equivalents

Cash flow

Used to indicate the ability of a company to meet its commitments, in terms of dividend payments, debt repayment and investment financing, without resorting to third-party sources of funds.

CO₂ emission certificates

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.

Essential services

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

EBIT margin

EBIT (restated) / Turnover (restated)

EBT

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

Equity ratio

(Shareholder’s equity / total equity and liabilities) x 100

eMobility on demand

The pilot project ‘e-mobility on demand’ is paving the way for an area-wide and use-oriented e-mobility concept for the Greater Vienna metropolitan area. The objective is to test important new components of a use-oriented and complex range of e-mobility services. The overriding aim, however, is to increase the share of public transport in the modal split and to establish electromobility not as an alternative but as a supplement to public transport.

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.)

<i>Companies not consolidated under the equity method:***</i>	<i>Interest in % WSTW Holding AG</i>	<i>Interest in % WSTW Holding Group</i>
1. Ortswärme Seefeld GmbH, Rosshütte 865, 6100 Seefeld in Tirol	0.00	50.00
2. Polska Sila Wiatru SP.z.o.o., ul. Sienna 73, 00-833 Warsaw, Poland	0.00	50.00
3. PAMA-GOLS Windkraftanlagenbetriebs GmbH, Kasernenstraße 9, 7000 Eisenstadt	0.00	50.00
4. TT - KOMFORT s.r.o., Frantiskanska 16, SK-917 32 Tmava, Slovakia	0.00	50.00
5. Ortswärme Oberstausen Verwaltungs GmbH, Schloßstraße 8, D-87534 Oberstausen, Germany	0.00	50.00
6. Ortswärme Oberstausen GmbH & Co KG, Schloßstraße 8, D-87534 Oberstausen, Germany	0.00	50.00
7. Energy Eastern Europe Hydro Power GmbH, Hans-Klöpfer-Straße 28-30, 8750 Judenburg	0.00	49.00
8. Bytkomfort s.r.o., SNP 9, SK-94060 Nové Zámky, Slovakia	0.00	49.00
9. TownTown Tiefgaragen GmbH, Würtzlerstraße 3/8, 1030 Vienna	0.00	44.00
10. TownTown Tiefgaragen GmbH & Co. KG, Würtzlerstraße 3/8, 1030 Vienna	0.00	44.00
11. WIENER STADTWERKE Management Alpha Beteiligungs GmbH in Liqu., Thomas-Klestil-Platz 14, 1030 Vienna	0.00	69.10
12. Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Am Hof 6a, 1010 Vienna	0.00	33.33
13. Ortswärme Grän GmbH, Dorfstraße 1, 6673 Grän	0.00	24.86
14. PROCOMFORT GmbH, Salurner Straße 11, 6020 Innsbruck	0.00	50.00
15. EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	50.00
16. EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	50.00
17. Aspern Smart City Research GmbH, Thomas-Klestil-Platz 14, 1030 Vienna	0.00	49.95
18. Aspern Smart City Research GmbH & Co KG, Seestadtstraße 27, 1220 Vienna	0.00	49.95
19. Bestatterakademie GmbH, Simmeringer Hauptstraße 339, 1110 Vienna	0.00	49.00
20. WEEV Beteiligungs GmbH, EVN Platz, 2344 Maria Enzersdorf	0.00	49.99

* Not consolidated on the grounds of Article 249 (2) 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
*** Not consolidated on the grounds of Article 263 (2) UGB





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.

Notional debt repayment period

Total debt / net cash flow

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.

IPD

Integrated Personnel Development

ISO 14001

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

Calorific power plant

Also known as a thermal power plant. Many power stations rely on steam; some on gas turbines. The waste heat

generated when producing energy should also be used (see Cogeneration / CHP).

Cogeneration technology (CHP, combined heat and power)

By producing electricity and heat at the same time – cogeneration – fuels can be used most efficiently.

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.

OHSAS 18001

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

ÖPNV

Local passenger services

Photovoltaic plants

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

Passenger kilometres transported

Passenger kilometres transported is a unit of measurement for public transportation. It refers to the total of all passenger carrying capacity offered by a transport provider on a particular route travelled using a specific means

of transport. No account is taken of whether these services are used or not.

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.

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.

ROACE

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

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.

Smart Campus

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

Smart City

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

Smart grid

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

Smart metering

Smart metering combines modern metering technology with IT and communication technologies as the keys

to providing up-to-date information on energy use by consumers, electronically transmitting consumption data to network operators, pricing dependent on current levels of availability of electricity and the connection of devices to the meter.

SMILE

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

ULF (Ultra-low-floor)

The type of low-floor trams used by Wiener Linien.

Productivity

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

Environmental management system

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

WienMobil Card

The WienMobil Card is a multi-purpose card developed by Wiener Stadtwerke’s mobility cluster for a number of combinable transport services. The aim is to improve convenience for the customer, to facilitate access to

additional services and to open up the possibility to try out new services. The card, which was launched in April 2015, enables the holder to use public transport, e-charging points, city bikes and taxis. There are also plans to include car-sharing schemes.

Certification

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



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DISCLAIMER

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WIENER LINIEN | WIPARK | WIENER LOKALBAHNEN | WIEN ENERGIE | WIENER NETZE | BESTATTUNG & FRIEDHÖFE WIEN
THE STRENGTH OF WIENER STADTWERKE'S BRANDS