


Annual Report 2014/15



Creating improved
living conditions

Benefiting the environment





The **WTE Group** plans, builds, finances and operates facilities for waste water disposal, drinking water supply and energy generation.

As one of **Europe's leading full-service suppliers**, we possess a unique set of know-how. We employ our knowledge to create **future-assured solutions** that set international standards in terms of energy efficiency, use of resources and investment costs.

Our objective of building facilities that operate efficiently, while at the same time being ecologically compatible, is attained by **effectively blending the elements of Water and Energy**. We assure the usability of the energy sources along the entire process chain. This enables the facilities to be operated in an **energy self-sufficient and energy-saving** way and even to feed energy into the **national grid system**.

We feel committed and bound to this sustainable approach, having already implemented it in **more than 100 projects in 18 countries**.

In the interests of our customers. In the interests of the environment.

Preface

Dear business partners of WTE,

Once again we can look back on a successful business year. Hardly ever before in our company history have we experienced a reporting period in which great personal dedication has enabled us to overcome such seemingly insurmountable hurdles in projects that originated in the most difficult of circumstances: For reasons beyond our control, the processing of a major project in Moscow and the commencement of a project in Prague had come to a standstill. In both cases, intensive discussions with the customers led to satisfactory solutions on all sides. One of the projects has now been completed; for the other one, a suitable way forward has been found.

We also regard the large number of bids in which we have participated as a major success. The plants for which we have submitted bids for construction are partially located in regions in which we have not previously been active. The interest in our know-how and our products as shown by the project initiators promises to provide opportunities for opening up new markets in the mid- and long term.

The specialised climatic and geographic conditions prevalent in distant regions raises the demands on the projects, whereby we see these with eager anticipation because we are well-prepared for them. Together with EVN's Future Lab, we are collating and analysing all the factors that have relevance for the development of our company, our products and our services.

There are various aspects that are attracting our attention and occupying our thoughts: The demands for more energy efficiency, implying an even higher economic added value for plant operators; the possibility of extracting regenerative energy by way of processing rubbish and waste water; utilising our plants to extract raw materials that benefit mankind and the environment.

Relevant studies and analyses continue to show how strongly our industry sector is involved in shaping mankind's living conditions. Such terms as climate change, over-population or water scarcity worry people throughout the world. We at the WTE Group find ways and solutions that benefit the environment and afford people lives that are worth living.

With this in mind, the WTE Group faces the future inquisitively and confidently.

With best wishes

A stylized, handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Franz Mittermayer

A handwritten signature in blue ink, featuring a prominent 'R' and 'S' with a small '4' above the 'S'.

Ralf Schröder

Essen, January 2016

We participate



Franz Mittermayer
Managing Director



Ralf Schröder
Managing Director

in a large
number of bids





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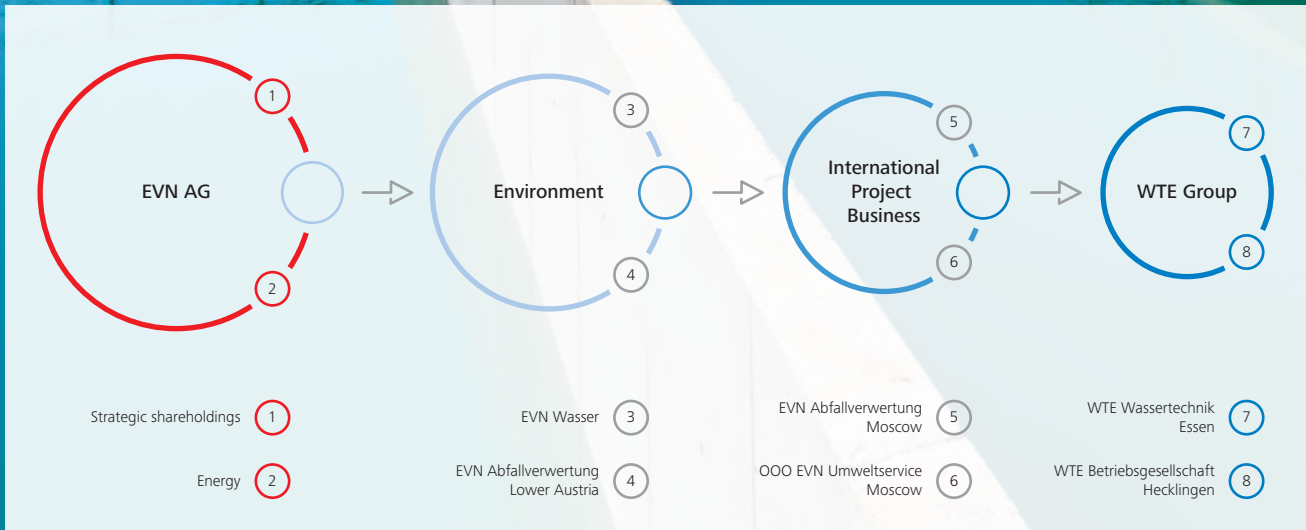
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Future Lab

As one of the market leaders in a sector that is constantly under pressure to innovate, the WTE Group concentrates its focus on the future, enabling us to continually align the development of our products to the market and to the environment.

Our customers' demands are becoming more complex. Expectations regarding technical feasibility are rising. Moreover, climate change and population growth are exacting their toll. Throughout the world, companies like WTE are facing strong demands: For best-quality drinking water, for environmentally compatible waste water and rubbish disposal, and for resource-saving plant operation with reduced energy usage.

Approaching the future

Our declared objective is to equate our customers' expectations regarding to commissioned environment projects with the possibilities offered by technical progress. With this aspiration in mind, we work together with the EVN Future Lab to develop concepts and products that will continue to live up to the requirements of mankind and the environment over several decades.

Energy efficiency in relation to ecology and economy

Our main priority is to achieve the highest possible energy efficiency. We therefore design our plants to be resource-saving and as nearly as possible energy self-sufficient. Ideally, excess energy not required for the plant itself can be fed into the electricity grid, so that the innovative products we offer our customers form a connection between ecology and economy.

Waste material and waste water: Visions become reality

What was once unthinkable is now implemented in our projects: We derive benefits for people and the environment from waste material, waste water or the earth's salt water. In numerous plants built by us, regenerative energy is obtained through the incineration of household or sewage waste or through the purification process of waste water. In regions suffering from water scarcity, we have constructed desalination plants that treat sea water so that it can be used at drinking water quality level for agricultural irrigation.

Business policy: Directed to the wellbeing of mankind and the environment

Our entire business policy is directed to furthering our technological innovation in the interests of mankind and to the demands of the environment. To achieve this with maximum efficiency and with the necessary 360-degree vision, we study a multitude of internal and external factors in our Future Lab that have an impact on our business activities. We take account of all stakeholders in our business processes – employees and management, customers and suppliers – and observe the activities along the entire value chain. We also integrate the trends in government energy policy and in the utilities industry as well as regulatory or internal quality standards.

Societal trends: Implications for environment projects

Societal trends are also an important factor in our deliberations around the Future Lab. The most significant element from our point of view is urbanisation, which is generating new mid- to long-term challenges for communities that in turn will impact the size and performance of our environment projects.

Information/communications technology: The control instrument for all processes

Last but not least, information/communications technology is involved in the Future Lab. Whether technical plant operation, customer dialogue or internal communications, all our processes are reviewed, newly aligned and linked to each other through the ICT technologies.

Market potential

Market potential of environmental protection projects relating to water and waste water technology

The trend to energy self-sufficient plants

There are signs in Europe of dynamic development in what is already a very extensive market for water and waste water technology. Plants which can be operated as self-sufficiently as possible are in great demand. These require environmentally friendly techniques such as the efficient use of biogas obtained through combined heat and power stations, or heat and energy generation using turbines. These processes help to reduce climate-damaging levels of carbon dioxide, which means for example that a sizeable sewage plant that is largely energy self-sufficient can avoid the production of about 1,200 tons of CO₂ per year.

Current key issues

Three key issues have been occupying our industry sector for some time: Phosphorus recovery from waste water with the objective of continuing to provide this dwindling natural resource as a valuable fertiliser in the future. Secondly, the use of treated waste water for agricultural irrigation can alleviate the consequences of droughts and water scarcity in rain-scarce regions of Europe and other continents. And finally, the complete rehabilitation of drinking water networks requires a reduction of 30 to 40 percent in current drinking water wastages to achieve an economic level.

Germany as forerunner for future models

Germany is traditionally recognised as the driver of growth regarding water and waste water technology, and will continue to play this role. Many other countries are now creating framework conditions in line with the German EEG (renewable energy legislation). These examples show how sensible this is: Twelve million tons of sewage sludge extracted per year from waste water plants enable the utilisation of sludge gas for the generation of 14,806 gigawatt hours per year in combined heat and power stations. The heat potential of waste water that could be passed through a heat exchanger amounts to 1,693 megawatts per day.

WTE – a competent provider of ecologically sound solutions

Europe possesses an exceptionally broad potential for constructing energy-efficient plants, avoiding water wastage and generating renewable energies. With financial support from the EU and the banks, considerable progress can be achieved regarding the water cycle, environmental protection and sustainability.

Despite the highly competitive market environment, WTE has been able to assert itself time and again with project bids. In view of the future ecological challenges surrounding water and waste water technologies, we will maintain our dedication to developing solutions that benefit both people and the environment.

Full-service models to fulfil EU directives

Whether consortium leader, cooperation partner or concessionaire, WTE offers project-specific full-service models encompassing planning, construction, financing and operation. We play a leading role in the fulfilment of EU regulations as well as in public services and health care. As process coordinator, we construct compact plants in all dimensions – as much for small communities or companies as for major cities and industrial concerns.

European funds as well as local authorities, committees of experts and engineering offices are closely involved in the projects. WTE acts as coordinator and communicator for all participants.

Integrated management system guarantees sound decisions

The international environment project business requires far-reaching decisions. WTE uses an integrated management system across the Group to assure plannable and controllable projects that result in sound, targeted decisions. Quality and environmental management are included as well as elements of risk management. The DIN EN ISO 9001:2008 and DIN EN ISO 14001:2004 norms stand for conformance to all rules, regulations and legislation.

On the basis of these norms, WTE already started introducing its process-oriented quality management system in the year 1996. This applies to all processes ranging from acquisition to offer formulation, planning, construction and operation. WTE's process conformance with the norms is verified through regular checks and certifications by external auditors.

Clearly defined processes for information, communication and documentation

All relevant environmental aspects were determined and legal obligations identified for the development of the management system. WTE examines the environmental programme and the achievement of environmental objectives in annual reviews. All subsidiaries and operative locations are integrated in the management system. This has led to an international standard that has been continuously further developed in Austria, Poland, Russia, Croatia and other countries.

The paperless WTE system is available online to all staff worldwide. International Group-internal collaboration between WTE teams has been considerably simplified through the common processes and interfaces. The transparency of the system and its continuous improvement provide targeted process flows through clear information, communication and documentation procedures.



Scope of offer

The WTE Wassertechnik GmbH scope of offer

In every project, our customers' requirements are multi-faceted; in addition to current norms and rules, often many different aspects need to be taken into consideration. These are mainly the regional geographical peculiarities and climatic conditions of the region in which a plant is to be erected. Water scarcity, droughts and negative environmental influences can affect planning just as much as the possibility of large quantities of industrial waste water or seasonal tourism, resulting in large fluctuations in water and waste water disposal requirements.

Our broad scope of offer ensures that WTE Wassertechnik GmbH can live up to these diverse requirements, whether they emanate from customers, communities or companies.

Waste water purification

WTE constructs completely new waste water purification plants, or rebuilds or extends existing non-conformant plants, in strict accordance with current regulations. The customer can rest assured that WTE's operational management will ensure long-term compliance with the applicable rules and regulations.

Provision of drinking water

For many communities, the provision of clean drinking water in the required quantities is a challenge they have difficulties in meeting. The reasons for this can be very diverse: In some cases the ground water may be contaminated, in other cases industrial companies are feeding waste water into rivers, and yet other regions suffer from persistent water scarcity. WTE's plants support the inhabitants by providing them with sufficient high-quality drinking water.

Seawater desalination

Water scarcity adversely affects people's lives in many countries around the world. This can be due to differing reasons: Either there is not sufficient fresh water available, or the quality of the available water does not correspond to current regulations. For a long time, such countries relied on the costly delivery of drinking water by ship, but now WTE's seawater desalination plants offer seaboard states an ecologically and economically relevant alternative to this practice.

Membrane-bioreactor technology

The application of membrane-bioreactor technology in waste water purification plants is a viable alternative for regions suffering from water scarcity. This technique offers communities a resource-saving method of producing water for agricultural irrigation from waste water. The available drinking water can then be kept back for the use of the inhabitants.

Combined heat and power stations

Obtaining regenerative energy in the course of the water purification process is one of WTE's core capabilities. We enable the provision of renewable energy sources through the integration of combined heat and power stations in waste water purification plants. Biogas is extracted following the purification process and the sludge treatment. By incinerating the biogas, the power stations convert it either to electricity for the operation of the plant, or to heat which is then used to dry the sewage sludge. By this means we enable almost energy self-sufficient operation of waste water plants that normally require a large amount of energy.

Waste water treatment

Waste water purification offers another opportunity to convert the resulting heat into usable energy. A special technique is applied to extract the heat from the waste water. Using heat exchangers, it is then converted into energy and is either used to operate the plant or fed into the public grid.

Thermal waste recycling

The thermal recycling of waste has proved to be an ecologically relevant solution for energy recovery, whereby district heat is produced for home heating or for the provision of hot water. Additionally, hot water is produced for steam to drive turbines.

Incineration of sewage sludge

WTE recycles the sludge produced during biological purification of waste water. Following the drying process, the sludge is incinerated to produce heat for use in energy self-sufficient plant operation, or to produce hot water for steam to drive the turbines, or for district heat.





Countries

For the WTE Group, the financial year 2014/2015 was shaped by our increasingly strong position in eastern and southern Europe. Moreover, first steps were taken into new markets, including such countries as Bahrain and Kuwait.

Russia

Handover of the sodium hypochlorite production plant following settlement of political hurdles. In the financial year 2013/2014, circumstances over which the WTE Group had absolutely no influence had led to a standstill in the handling of the completed sodium hypochlorite production plant. However, it proved possible to overcome the political hurdles with the local authorities in the course of the reporting year. The city of Moscow has now taken over the plant.

Czech Republic

Progress made following compensatory measures regarding flood protection. As a member of the SMP/Hochtief/Suez consortium, WTE Wassertechnik GmbH was commissioned about three years ago to erect a sewage plant for 1.2 million PE. However, the approval process was delayed due to the planned works on the outlet cross-section of the Vltava river. The city of Prague first of all needed to implement compensatory measures to guard against flooding. Building permission for the sewage plant was subsequently granted and construction has commenced.

Poland

Trouble-free completion of two sewage plants within time plan. Measures to modernise and extend the Kujawy sewage plant in Krakow continued as planned. A follow-on commission was integrated into the project during the reporting year.

In Pruszkow, the WTE Group is extending the existing sewage plant. Orders were also placed for the construction of two of each activation basins and secondary clarifiers, a pumping station and a blower unit. All works are running on time.

Romania

Four sewage plants close to completion. In the town of Silvaniei, the WTE Group is building three sewage plants with an order value of 11 million Euros for a total of around 30,000 PE. The financing is being handled by the European Cohesion Fund. Work on the basin construction and the administration buildings was completed and the machine- and electro-technical components were assembled in the reporting year. Tests and commissioning of the plant were successful.

In the town of Zalau, we started the construction and commissioning in the first quarter of 2015 of a sewage plant as well as the construction of the biogas line including a combined heat and power station. These works were also largely completed during the reporting year.

Cyprus

Turnkey completion of sewage plant for around 100,000 PE.

One of the WTE Group's most impressive projects has been completed in Cyprus: The construction of the bi-communal Mia Milia/Haspolat sewage plant for the capital, Nicosia and serving both Northern and Southern Cyprus. The "New Nicosia Waste Water Treatment Plant" was officially unveiled in April 2014 with numerous political guests in attendance. The plant possesses one of Europe's biggest MBR facilities, enabling the irrigation of agricultural land with treated waste water.

WTE Wassertechnik GmbH has also technically completed a further project in Larnaca. The turnkey sewage plant with a capacity of about 100,000 PE was commissioned during the reporting year.

Montenegro

Water supply and waste water disposal with significance for the economic development of the region. The Adriatic republic of Montenegro, an EU accession candidate since December 2012, was confronted with the task of fulfilling EU environment standards. The country with its roughly 620,000 inhabitants also has to annually manage the water supply and waste water disposal for around 1.4 million summer visitors.

In response to these demands, WTE Wassertechnik GmbH was commissioned with the planning and building of the Tivat-Kotor sewage plant. The foundation stone was laid in February 2015 and the project is progressing according to plan. After completion, it will promote the environmentally compatible, economic growth of this UNESCO award-winning region.

As an up-and-coming tourist region, the town of Budva equally has the objective to fulfil the EU environment standards. Following the commissioning of a water supply system in May 2014, initial works for the construction of a second sewage plant commenced during the reporting year.

Near East

Market entry with initial participations in bidding processes.

A growing recognition of the significance of environment projects can be detected in Near East countries, including Bahrain and Kuwait. The WTE Group is watching the market with interest and has participated in initial bidding processes.

Projects

In the financial year 2014/2015, the WTE Group has once again implemented new projects with a significant investment volume totalling 186 million Euros.

Silvaniei

In this Romanian town, the WTE Group is building three sewage plants designed for 5,400, 11,400 and 13,200 PE. The investment volume amounts to more than 11 million Euros and is financed by the European Cohesion Fund. The project comprises the construction of two-lane sludge activation plants with mechanical pre-cleansing. Sludge stabilisation and drainage take place using a decanter and sludge drying beds. The basin constructions and the administration buildings have been completed, as has the assembly of all machine- and electro-technical components. Measures relating to the commissioning have been carried out.

Tivat-Kotor

In February 2015, the official laying of the foundation stone for the Tivat-Kotor sewage plant on the Montenegro coast was celebrated in the presence of the two mayors and the German ambassador. The project is progressing to plan and fully in line with the customer's expectations. The plant will not only dispose of the waste water for the community's roughly 72,000 PE; it is also designed to cope with peak loads resulting from tourism in the main summer vacation period. The project with a total value of 10.2 million Euros will significantly improve the region's water quality. It will also enable the communities to fulfil the EU environment standards, which in turn will promote tourism as one of the region's main sources of income.

Prague

The project in the Czech Republic's capital was suspended for almost three years to accommodate the implementation of all the measures necessary to clear the way for the already commissioned construction of a sewage plant for 1.2 million PE. In the reporting year, the city followed up with comprehensive compensatory measures to reduce the high water discharge. In unison with the SMP-Hochtief-Suez-WTE consortium, these measures have been integrated into the overall plan, after which the building approval was given and the construction officially commenced.

Moscow

In Moscow, intensive discussions enabled the WTE Group to overcome the political hurdles holding up the implementation of the project to construct a sodium hypochlorite production plant. The commissioning of the plant ran smoothly. The selling price amounting to 250 million Euros was remitted to the WTE Group. In the third quarter of the reporting year, WTE was commissioned to exchange all the membranes at the WTE-built Southwest Waterworks.

Budva

Similarly to Tivat-Kotor, the town of Budva in Montenegro is keen to fulfil the EU environment standards and promote tourism. WTE's complex water disposal system, completed in May 2014, is initially dimensioned for 130,000 PE, but is in the long term intended to be extended to 215,000 PE. Work on the river regulation and land levelling for the construction of the second sewage plant for about 16,000 PE has started. Official building permission for the required area is still pending.

Krakow

Measures to modernise and extend the Kujawy sewage plant in Krakow continued in the reporting year. The fully biological waste water purification plant was extended step-by-step while in operation to a capacity of 370,000 PE. All four waste water lines were commissioned, the installations in the biogas network completed and the road-building and landscaping finished. A follow-on commission with implementation lasting into the next financial year was subsequently integrated into the project.

Pruszkow

The sewage plant, co-financed by the EU, is currently being extended to a capacity of 265,000 PE. All renovation and assembly works in the existing parts of the plant, as well as the extension of the sludge lane, including the biogas container and the combined heat and power station, are running on time. Orders were also placed for the construction of two of each activation basins and secondary clarifiers, a pumping station and a blower unit.

Zalau

The Romanian town of Zalau commissioned an order with the WTE Group for the completion and commissioning of a sewage plant with sludge fermentation, as well as the construction of a biogas line including a combined heat and power station. Building activities began in February 2015 and completion is expected before the end of 2015.

Larnaca

In Larnaca, Cyprus, WTE Wassertechnik GmbH is building a turnkey sewage plant with a capacity of around 100,000 PE. The plant was commissioned during the reporting year, following the completion of all construction, mechanical and electro-technical works as well as road-building and landscaping.



Locations and projects

Status December 2014

WTE Group project business		
WTE Group projects ¹⁾		107
Projects under construction		12
Completed projects		95
Total performance of waste water projects	in PE	18,155,735
Performance of projects under construction	in PE	1,973,500
Total performance of drinking water projects	in PE	1,183,500
Of which: Projects under operational control of WTE Group	in PE	3,147,250
German projects under operational control of WTE Group	in PE	246,650
International projects under operational control of WTE Group	in PE	2,900,600

Major international projects of the WTE Group

	Country	Scope classes in PE
Czajka-Warsaw ^{2) 4)}	Poland	> 2,000,000
Istanbul-Ataköy ^{2) 4)}	Turkey	> 2,000,000
Kaunas ^{2) 4)}	Lithuania	> 350,000
Kielce ^{2) 4)}	Poland	> 250,000
Klaipeda ⁴⁾	Lithuania	> 250,000
Kohtla-Järve ^{2) 4)}	Estonia	> 200,000
Lublin ²⁾	Poland	> 300,000
Moscow South Butowo ^{2) 4)}	Russia	> 250,000
Moscow Southwest ³⁾	Russia	> 1,000,000
Moscow Zelenograd ²⁾	Russia	> 500,000
Opole ^{2) 4)}	Poland	> 150,000
Prague ²⁾	Czech Republic	> 1,500,000
Szczecin Pomorzany ^{2) 4) 5)}	Poland	> 400,000
Szczecin Zdroje ^{2) 4)}	Poland	> 150,000
Vilnius ⁴⁾	Lithuania	> 500,000
Vienna ²⁾	Austria	> 4,000,000
Zagreb ^{2) 4)}	Croatia	> 1,500,000

WTE Group national projects

	Operational
Altenburg	until 2013
Dietzenbach	since 1999
Hecklingen	since 1992
Langnese (Heppenheim)	since 2004
Holzdorf	since 1998
Buckow ⁶⁾	since 1992
Straupitz	since 1998
Teupitz	since 1997
Walkenried	since 1998
Windeck ⁶⁾	since 2003

Thermal waste recycling

	Tons/year
MSZ 3 Moscow	360,000
Zwentendorf/Dürnrohr	500,000

1) Projects in 18 countries: Germany, Austria, Russia, Lithuania, Estonia, Latvia, Poland, Serbia, Croatia, Turkey, Cyprus, Montenegro, Slovenia, Denmark, Slovakia, Romania, Czech Republic, Bahrain 2) Waste water 3) Drinking water 4) Sludge treatment 5) Sludge incineration 6) Including drinking water supply





Management report

Management report for the financial year 2014/15

1. Corporate principles

1.1 Business model and corporate strategy

WTE Wassertechnik GmbH, Essen (WTE) is one of the leading companies in European water and environment technology. Either directly or through affiliated/associated companies, WTE is sustainably active as an investor and/or operator in drinking water/waste water treatment plants and in sludge drying, incineration and energy-generating plants. WTE also offers individual financing models and the management of plants and networks over longer periods. 100 % of WTE shares are held by EVN Beteiligung 52 GmbH, Maria Enzersdorf/Austria (previous year: EVN Umweltholding und Betriebs-GmbH, Maria Enzersdorf/Austria), an EVN AG Group company. With its water/sewage business segment and the incineration segment, WTE is part of the core area of EVN's environment division. WTE's value chain comprises activities ranging from project development to planning, construction, financing and plant management. Completed plants as well as water supply and waste water disposal systems are managed by the Company's independent subsidiary, WTE Betriebsgesellschaft mbH, Hecklingen (WTEB). Communal and commercial functions, such as fee and contribution management, are organised from the Hecklingen site. In certain cases, WTE also charges for operational management services.

The WTE Group plans, constructs, finances and operates plants for waste water disposal, drinking water supply and energy generation.

So far, WTE has implemented over 100 projects in 18 countries. In 11 of these countries, WTE has built operational facilities.

The company's main target markets are the countries of mid-, eastern and southern Europe. WTE is supportive of new EU member states as well as candidates for membership in terms of fulfilling the requirements of EU regulations concerning water supply and waste water disposal plants.

WTE sets the highest demands on ecology and a secure future. Customers can rest assured that the completed plants conform to current legislation and quality standards, support environmental protection and can be operated economically.

Whether consortium leader, cooperation partner or concessionaire, WTE plays a leading role in the fulfilment of EU regulations, public services and health care through the application of project-specific full-service models (planning, construction, financing and operation).

Our customers are cities, towns and communities. As the process owner, WTE implements compact plants for smaller, remote locations and businesses as well as projects for Europe's big cities and their major industries.

Our contacts are the communal water/waste water authorities as well as committees of experts that are specifically convened for one or more projects. The Europe-wide bid processes are usually supervised by engineering offices that monitor planning and execution in accordance with international rules as well as maintaining regular dialogue with WTE.

Furthermore, the European funds (cohesion fund, ISPA) are closely involved in the projects, as many of the environmental protection measures could not be implemented without their subsidies.

Additional project partners are banks and international financial organisations such as EBRD and the World Bank, who accompany entire projects, as well as German federal states or the Federal Republic of Germany, who provide financial guarantees for foreign investments.

WTE assumes the interface management between individual project participants and addresses not just the customer who commissions the order, but also all accompanying organisations without which a project implementation would be more or less impossible.

Environmental protection

WTE already established a comprehensive environmental management system at an early stage in order to be able to take account of the aspect of environmental protection in all management decisions.

Research and development

As in the previous year, WTE carried out no significant research and development activities.

1.2 Control systems

The underlying control principle at WTE Wassertechnik GmbH is a strategy process that takes place on an annual basis. In this process target markets are identified, and sales strategies and in particular financial indicators are determined. The strategy process planning period includes the budget year (i. e. the next financial year) plus three further planning years – four years in total.

Control through financial indicators is of special significance; here we include in particular the order intake or order balance, the overall performance (revenue plus inventory changes) and EBIT (operative earnings before interest and tax).

Additionally, risk management is an integral element of the company governance.

2. Business review

2.1 Economic and sector-specific framework conditions

According to the “2015 political memorandum” published by DWA (German association for water management, waste water and waste disposal), the following facts are also relevant for WTE:

The German water management sector employs about 250,000 people. Around 4.5 billion Euros are invested per year in the waste water area; almost a third in waste water treatment and over two thirds in waste water canalisation. The almost 10,000 sewage plants have a total capacity of 152 million population equivalents served by a canalisation length of 562,000 km. Energy generated from sewage gas makes up 1 % of the electricity produced from renewable energies. The accumulation of sewage sludge amounts to 1.8 million tons per year, 42 % of which is utilised in agriculture and landscaping while 58 % is incinerated.

Water and waste water management is facing major challenges on account of changes in natural and structural framework conditions such as climate change or demographic shifts. Environment-related political directives from the European Union, the Federal Republic of Germany as well as the German federal states also play a significant role. In Germany, the Energiewende (energy transition) also demands considerable efforts with regard to water management.

Actions in the water management sector focus on:

- Raising efficiency plus the implementation of new, additional measures for energy generation in water management plants.
- Integration of water management plant locations in an intelligent, decentrally organised energy system.

Internationally there are grave problems relating to water and waste water management:

- Access to clean drinking water is not assured for a large proportion of the world population, especially in developing countries.
- Billions of people lack basic sanitary facilities.
- Waste water treatment to improve natural bodies of water is urgently required in many regions of the world.
- Water re-use is not practised sufficiently or correctly.
- Ground water is often not used sustainably, for example in the case of overuse.
- The disorderly disposal of waste material, especially in developing countries, has a serious effect on land, water and climate.

2.2 Development of the business

WTE has completed or successfully progressed numerous projects in the financial year 2014/2015. The company was able to further extend its position in eastern and south-eastern Europe.

Additions to the order books amounted to a total of 30.3 mill. EUR. The order balance as at 30. 09. 2015 amounted to 97.2 mill. EUR.

The order balance recorded at the balance sheet date included the following significant projects:

During the third quarter of 2014/2015, WTE Wassertechnik GmbH received an additional commission in the Moscow area valued at 15.4 mill. EUR. The main project requirement is the exchange of all the membranes for the Waterworks Southwest built and operated by WTE.

The WTE Group signed the contracts for the planning and construction of the Tivat-Kotor sewage plant on the Montenegro coast in February 2014. Designed for waste water purification for the nearly 72,500 PE relating to the two communities, the plant also takes into account peak load requirements due to tourism in the main summer season. The project with a total value of 10.2 mill. EUR will significantly improve the region's water quality. It will also support the Republic of Montenegro in fulfilling the EU environment standards and consequently in promoting tourism. The official laying of the foundation stone took place in February in the presence of the minister responsible, both mayors and the German ambassador. Initial machine-technical assembly work has already been carried out. The project is progressing in full accordance with the expectations of the customer's technical management.

The town of Budva, an upcoming tourist region in Montenegro, is also working to fulfil the EU's environment standards. WTE was commissioned to carry out the planning, construction, financing and 30 years' operation of a complex water disposal system for the community. The project was originally designed for a maximum of 130,000 PE, but is to be extended in the long term to 215,000 PE. Following partial trial operation, the waste water treatment system consisting of a sewage plant, pumping stations and transport systems has been in full operation since the beginning of May 2014. In the town's district of Buljarica, which also belongs to the project, work has started on regulating the river and levelling the ground to accommodate the second sewage plant for around 16,000 PE. The process planning has been completed but the official building permission for the surroundings is still pending.

The sewage plant, co-financed by the EU, is currently being extended to a capacity of 265,000 PE. The renovation and assembly works in the existing plant areas for biology/post-treatment as well as the extension of the sludge lane including the biogas container and the combined heat and power station are running on time. Two of each activation basins and secondary clarifiers, a pumping station and a blower unit have also been newly constructed. The plant will be handed over in December 2015.

In the Romanian town of Silvaniei, the WTE Group is building three sewage plants designed for 5,400, 11,400 and 13,200 PE. The investment volume of more than 11 mill. EUR is being financed by the European Cohesion Fund. The two-lane sludge activation plants are being equipped with mechanical pre-cleansing as well as sludge stabilisation and drainage using a decanter and sludge drying beds. The basin constructions and the administration buildings were completed during the reporting year, as was the assembly of all mechanical and electro-technical components. In April 2015, cold-water and pure-water tests as well as other measures relating to the commissioning were carried out. After receiving the Taking Over Certificate (TOC), the plants were handed over in October 2015.

The Romanian town of Zalau commissioned an order with the WTE Group for the completion and commissioning of a sewage plant with sludge fermentation, as well as the construction of a biogas line including a combined heat and power station. Building activities began in February 2015 and completion is expected before the end of 2015.

In Larnaca, Cyprus, WTE Wassertechnik GmbH is building a turnkey sewage plant with a capacity of around 100,000 PE. Building has been more or less completed with respect to construction, mechanical and electro-technical works. The plant has been commissioned, road-building and landscaping completed. Intensive processing trials are currently being undertaken to raise the cleansing performance of the membranes and the dry substance content of the sewage sludge.

WTE's project in Prague has taken a decisive step forward almost three years after the initial commission: The city had subsequently undertaken comprehensive compensatory measures to reduce the discharge of floodwater, integrating these measures jointly with the SMP-Hochtief-Degremont-WTE consortium into the overall planning. Building permission was then forthcoming so that nothing any longer stood in the way of the construction of a sewage plant for 1.2 million PE.

In the Serbian town of Zrenjanin, WTE Wassertechnik GmbH has erected a pilot plant for the removal of arsenic from drinking water. This was the precondition for the construction of a drinking water plant, for which WTE Wassertechnik GmbH had been commissioned in the Spring of 2013. However, after WTE had fulfilled its agreed part of the financing, the customer pulled out of the contract on account of a financing clause which in their view had not been fulfilled. The WTE Group is still interested in the implementation of the project and remains in contact with the customer. It has not yet been possible to reach an agreement in the reporting year.

In Moscow, numerous discussions have been held with the local authorities to overcome the political hurdles concerning the financial handling of the project to construct a sodium hypochlorite production plant. In October 2014, WTE reached a supplementary agreement with Moscow's city government regarding share sale and investment contracts. The selling price amounting to 250 mill. EUR was remitted to the WTE Group on 31 October 2014. The commissioning of the plant ran smoothly.

Building permission has still not been granted by the city of Moscow for the MPZ 1 waste incineration plant, leading to considerable doubts as to whether the project can be realised. WTE Wassertechnik GmbH is in discussion with the Moscow city government and will try to achieve a mutually satisfactory solution during the financial year 2015/16.

The total operating performance (revenue plus changes in inventory) amounted to 30.5 mill. EUR (compared to 35.4 mill. EUR in the previous year), but due to project delays did not quite reach the forecasted level in the mid-double digit millions.

The operating result (EBIT) showed an improvement of 4.1 mill. EUR compared to the previous year. Overall, EBIT as expected remained negative at 6.7 mill. EUR, confirming the previous year's forecast.

The rise in orders in hand from 89.2 mill. EUR to 97.2 mill. EUR is in line with planning.

2.3 Results

Operating performance

As per contract of 20 March 2015, effective 30 September 2014, WTE Wassertechnik GmbH conveyed all assets of its Austrian affiliate in Maria Enzersdorf by way of a spin-off and transfer to a simultaneously newly formed company named WTE Wasserver- und -entsorgung Planungs-GmbH. The new company was subsequently merged into EVN Abfallverwertung Niederösterreich GmbH, Maria Enzersdorf/Austria.

As a consequence of this, revenues and expenditures of the Austrian affiliate are missing from the income statement so that comparisons with previous year figures are only partially possible.

WTE's total operating performance (revenues plus changes in inventory) declined in the financial year. Whereas the operating performance amounted to 35.4 mill. EUR in the previous year, it fell to 30.5 mill. EUR in the reporting year. Revenues of 23.9 mill. EUR in the previous year were followed by reporting year revenues of 22.3 mill. EUR. The amount of services not yet chargeable amounted to 8.1 mill. EUR. The overall decline in operating performance is due on the one hand to missing revenues from the Austrian affiliate and on the other hand to payment postponements relating to project revenues.

Revenues include operational management services amounting to 5.1 mill. EUR (previous year: 8.9 mill. EUR).

In consequence of the lower turnover, WTE's gross profit (operating performance minus cost of materials) fell to 4.6 mill. EUR in comparison to 5.1 mill. EUR in the previous year.

Other operational profits amounting to 4.8 mill. EUR (previous year: 9.9 mill. EUR) particularly include proceeds from the reversal of provisions.

Personnel costs amounted to 9.4 mill. EUR in the current financial year. The decrease of 2.7 mill. EUR is explained mainly by the transition of employees of the Austrian affiliate to EVN Abfallverwertung Niederösterreich GmbH by way of a spin-off and transfer/merger.

Other operational expenditures amounted to 6.3 mill. EUR compared to 12.1 mill. EUR in the previous year. They consist mainly of consulting fees, rents and travel expenses. The decrease is mainly due to exceptional charges arising from value adjustments for outstanding accounts from the previous year.

While the EBIT (earnings before shareholdings, interest and taxes) improved by 4.1 mill. EUR to –6.7 mill. EUR (whereby the assumed negative EBIT in the budget planning was more or less achieved), the shareholder earnings decreased, particularly in connection with the joint venture with Zagrebacke otpadne vode d. o. o., Zagreb/Croatia, from 12.4 mill. EUR by 7.5 mill. EUR to a total of 4.9 mill. EUR.

Overall, the financial result (interest plus income from lending minus write-downs on financial investments) was positive at 2.0 mill. EUR, following a negative result in the previous year in connection with write-downs on financial investments.

Due to the continued low level of operative earnings, there was a slight decrease in tax liability in comparison to the previous year.

Overall, WTE just managed to achieve positive earnings at 0.08 mill. EUR versus 0.05 mill. EUR in the previous year.

Net assets position

Besides the spin-off of the Austrian affiliate, the reduction of the balance sheet total from 260.5 mill. EUR by 37.3 mill. EUR to 223.2 mill. EUR is in particular explained by changes in the receivables area. The reduction of 10.1 mill. EUR in tangible fixed assets is set against a rise of 4.1 mill. EUR in financial assets. Regarding inventories, a rise in not yet chargeable services coupled with a simultaneous decrease in advance payments led to an adjustment of 6.9 mill. EUR. In-payments of receivables, especially from affiliated companies, resulted in a reduction of 28.0 mill. EUR in receivables and other assets. Liquid assets decreased by 10.3 mill. EUR.

WTE has established various project companies in connection with the implementation of projects. Besides the amounts paid into share capital, payments were also made into these companies' capital reserves. This related chiefly to the drinking water treatment project in Moscow Southwest and the waste water disposal projects in Zagreb/Croatia. These shares are shown in the financial assets under shares in affiliated companies and/or the shareholdings.

The loans granted to affiliated companies relate primarily to WTE Otpadne vode Budva d. o. o., Podgorica/Montenegro. Further loans amounting to 3.7 mill. EUR relating to the construction of waste water treatment plants in the town of Budva were newly granted in the financial year. This was offset by the scheduled repayment of the 0.2 mill. EUR loan relating to OAO WTE Süd-West.

Due to inventory changes of 8.1 mill. EUR and increased prepayments amounting to 1.2 mill. EUR, the inventory valuation stands at a total of 39.5 mill. EUR.

Besides the financing of WTE Group companies, receivables from affiliates and shareholdings also take into account settlements arising from supply and service arrangements within the WTE Group. Changes in receivables result chiefly from payments made by WTE Projekt-gesellschaft Natriumhypochlorit mbH and WTE Otpadne vode Budva d. o. o. In particular, accounts receivable from EVN Finanzservice related to the EVN Group cash-pooling have risen by 22.5 mill. EUR to 30.5 mill. EUR. WTE Wassertechnik GmbH's ability to pay was assured at all times.

Other assets mainly relate to receivables from tax authorities.

Financial situation

As at the balance sheet date, the company's equity capital amounts to 88.4 mill. EUR (previous year: 89.3 mill. EUR). The change is chiefly accounted for by the spin-off of the Austrian affiliate.

Taking into account the offsetting of deposit payments received against inventory assets, an equity ratio of 47.5 % (previous year 38.3 %) was achieved.

Other provisions are mainly made up of provisions for outstanding invoices from subcontractors.

The 40.0 mill. EUR bank loan taken up to provide interim financing for the Budva project was repaid in full during the financial year.

Bank liabilities amounting to 10.9 mill. EUR were settled in the course of the spin-off. Short-term liabilities of 66.6 mill. EUR vis-à-vis affiliates resulted from financial dealings with WTE Projektgesellschaft Süd-West Wasser mbH. Following the project handover to the Moscow city government on 31. 12. 2016, these liabilities will be resolved with the project company's claim on the profit distribution.

Financial resources of 116.1 mill. EUR that are bound up in assets are set against equity and funds arising from financial transactions totalling 155.0 mill. EUR.

Inventory assets are predominantly financed through prepayments received.

Financial and non-financial performance indicators

Regarding the development of financial performance indicators, readers are referred to the explanations relating to the position on assets, finances and revenue.

Compliance with statutory regulations and environmental norms in those countries, in which WTE is active, plays a major role with regard to non-financial performance indicators. We have complied with all regulations and norms.

Overall statement

While the previous year was occupied with procuring solutions in the projects relating to the sodium hypochlorite and to the waste incineration plant Nr.1, negotiations for the former were successfully completed at the beginning of the current financial year.

WTE Wassertechnik GmbH succeeded in reaching the pre-qualification stage in numerous bidding processes for several major projects. Despite delays arising in certain projects, both revenues and the corresponding operative results were in line with expectations, leading to an overall positive financial result.

No solution has yet been found for the waste incineration plant Nr.1 project; here WTE Wassertechnik GmbH is in discussions with the Moscow city government to find a solution.

A follow-on commission for the Southwest Waterworks project was signed in Moscow.

3. Follow-up report

As from the balance sheet date, there have been no subsequent issues that affected the results.

4. Forecast, opportunities and risk report

WTE Wassertechnik GmbH repeatedly asserts itself as best bidder in international bidding processes. This has encouraged WTE to utilise its know-how also in regions that are currently politically difficult, in order to plan and successfully implement environmentally protective projects. At the same time, WTE is extending its geographical spectrum to regions other than its present core markets, for example beyond the European continent.

4.1 Future development opportunities

The WTE Wassertechnik GmbH scope of offer is very comprehensive. It encompasses the construction of plants for waste water purification, drinking water supply, seawater desalination, membrane-reactor technology, combined heat and power stations, thermal waste recycling and sewage sludge incineration. Furthermore, the scope is not restricted to the implementation of the investment but can also include the financing and subsequent operation of the plants.

This gives WTE great flexibility and avoids overdependence on just one product. WTE has the capability to construct and operate plants that utilise the newest technologies and comply with the highest environmental standards.

4.2 Risks attached to future developments

Risk management

As an internationally operating provider of environmental services, WTE is exposed to a number of business, operational, financial and event-related risks. Consequently and with a view to the future, this allows WTE to actively utilise risks that also harbour opportunities. WTE is integrated into the EVN AG risk management system.

The expansion of the market to eastern and south-eastern Europe continues to be WTE's main focus. In the past, the political and economic risks associated with this development (default risk relating to receivables) were covered by direct financing commitments given by the EU as well as through guarantees provided by the Federal Republic of Germany and by its states, and in the form of direct commitments entered into by the major banks involved. WTE will continue to resort to these instruments in the future. WTE will also continue to pursue its goal of ensuring that special risks are kept under control by way of strategic risk management relating to individual projects, to maintain and further increase profitability. Default and liquidity risks relating to completed projects will also be responded to through prepayment financing on behalf of customers.

Risk policy

WTE risk policy is designed to make use of the possibilities existing in the market in all cases in which the related opportunities are stronger than the risks. Moreover, suitable security measures are in place to react to actual risks in so far as economically reasonable and technically feasible. WTE risk policy also includes establishing a form of risk management that adequately meets the requirements of a changing risk profile.

Risk organisation

The WTE risk organisation has a multi-stage structure. The operative risk management function is performed by the organisational unit to which the risk involved can be attributed. The operational units act in accordance with risk policy principles based on transparency and risk awareness, laid down in binding directives in the WTE manual as stipulated by quality and environment management.

In the interests of long-term strengthening of Company value, WTE uses a multi-stage, integrated planning and monitoring system to regularly control economic success and to compare the targets achieved to those planned. This enables risks to be identified promptly and suitable counter-measures to be taken.

Management is supported in its decisions on risk policy by operative and strategic risk controlling in collaboration with the operational units.

Risk profile

The local risks of the eastern and south-eastern European subsidiaries and affiliates affect WTE's total risk as an internationally operating Company.

Measures

To take account of the risk profile, the systematic concentration on financial liabilities of the project company involved, without right of recourse to WTE/EVN AG, serves the purpose of an active risk control/limitation. A further measure that can be taken in connection with political and economic risks is the use of credit risk insurances from governmental authorities or international banks.

Risk categories

WTE takes a number of specific preventive measures to react to material risks to which the Company is exposed in its project business activities.

Operative risks WTE operates the most state-of-the-art plants, whose long term dependability forms the basis for its business activities. For this reason, operational risks must be minimised as far as possible. Based on this concept, the Company counters plant and default risks through strict maintenance and quality controls as well as through regular observation and upkeep. Insurance coverage enables WTE to limit possible consequences arising from damages.

WTE reacts to the risk associated with the planning and implementation of installations by permanently extending the project risk management, in which project controlling assumes an important function and risk analysis is of paramount importance. The positive cooperation with authorities, associations and interest groups at local, national and international level provides the basis to enable the Company to avoid legal risks.

Financial risks WTE uses the central Treasury Management of EVN AG to limit currency, interest, price and liquidity risks. Detailed group directives and limits also permit the use of derivative financial instruments primarily applied to hedging financial risks. To minimise partner risk, such transactions are carried out only in cooperation with banks with first-class credit ratings.

The following are also risks of a significant nature.

Business risks In view of its steady growth which is also due to the expansion of the project business in Germany and abroad, WTE focuses its attention on project risk. Especial importance is therefore attached to project controlling in the risk management organisation.

Event risks For WTE, such risks result mainly from natural catastrophes. In most cases these are due to force majeure and are transferred to insurance companies, where possible and economically reasonable.

4.3 Outlook

In the domestic market, the privatisation of the water/waste water sector continues to stagnate due to lack of finances. In the German market, we expect that considerably more water supply and disposal services will be privatised in the long term. WTE will therefore continue to participate regularly in competitive tenders based on its well-established existing references.

The review of the risk situation during the financial year revealed that there are no existing risks that jeopardise the continuity of the company and that no dangerous risks are identifiable regarding the future.

The privatisation projects implemented by WTE (10 domestic projects) coupled with the operational management projects relating to the international water sector (12 projects) form the basis for the expansion of these comprehensive financing and operational management models. Especially in eastern Europe, there is a strong requirement for water/waste water technology for the infrastructure sector. The combination of western technology, long-term financing and responsible operational management represents the area of competence unreservedly occupied by WTE on account of its many reference projects.

It is planned to expand WTE's core areas of mid- and eastern Europe as well as its activities in the Gulf region in the financial year 2015/2016 and subsequent years. Due to steady acquisition activities, numerous projects are underway that will be up for decision shortly. WTE has pre-qualified itself for two major projects and is confident of acquiring these commissions. A further addition to the order books is hoped for from WTE Wassertechnik GmbH's participation in project bids in Turkey.

WTE has performed well in its markets and opened up additional development potential. Based on what has been achieved to date and its inherent financial strength, the Company is confident that it can expand its position in 2015/2016 and the following years. Based on its market and project development activities as well as expected performance levels from existing and future general contractor and operative projects, WTE is confident that it will attain sustainable and continuous improvement of its results in the coming years.

WTE expects a total operating performance in the coming financial year around the mid-double digit millions, slightly above the current year. This estimate results from the current order level. With this year's increasingly improved and overall mildly positive operational result (EBIT), a positive net profit in the advanced single-digit millions is expected. In connection with the participation in ongoing tenders, we expect a slightly increased order intake compared to 2014/2015 with a corresponding mild increase in the order balance.

Significant changes in the company's asset and finance situation are not expected.

Essen, 19 November 2015

WTE Wassertechnik GmbH

Executive Board

We give protection to mankind and the environment. For the good of mankind, for the good of nature. We actively promote the health of both: Healthy people and a sound environment.





Annual financial statements

Balance sheet

as at 30 September 2015

Assets		
Data in EUR		
	30.09.2015	30.09.2014
A Fixed assets		
I. Intangible assets		
Purchased industrial rights and similar rights and assets	160,567.00	189,813.00
	160,567.00	189,813.00
II. Tangible assets		
1. Land and buildings	66,930.73	684,620.73
2. Technical machinery and equipment	125,968.00	9,483,225.00
3. Other equipment, operating and office equipment	578,649.00	668,993.00
	771,547.73	10,836,838.73
III. Financial assets		
1. Shares in affiliated companies	51,783,502.21	51,218,502.21
2. Loans to affiliated companies	51,456,557.76	47,977,084.88
3. Investments	11,951,185.96	11,866,365.23
	115,191,245.93	111,061,952.32
	116,123,360.66	122,088,604.05
B Current assets		
I. Inventories		
1. Services not yet chargeable	39,249,421.36	31,107,747.44
2. Payments on account	249,720.92	1,466,639.81
	39,499,142.28	32,574,387.25
II. Receivables and other assets		
1. Trade receivables	7,541,071.69	9,948,164.12
2. Receivables from affiliated companies	47,289,221.33	70,974,873.91
3. Receivables from companies in which participating interests are held	362,032.44	424,690.40
4. Other assets	4,093,499.47	5,931,496.74
	59,285,824.93	87,279,225.17
III. Cash in hand, bank balances	8,122,628.81	18,421,611.54
	106,907,596.02	138,275,223.96
C Prepaid expenses	211,142.61	166,457.43
	223,242,099.29	260,530,285.44

Equity and liabilities

Data in EUR

	30.09.2015	30.09.2014
A Equity		
I. Subscribed capital	6,033,244.20	6,033,244.20
II. Capital reserves	50,886,000.00	50,886,000.00
III. Retained profits brought forward	31,419,218.24	32,373,053.86
IV. Net income from the financial year	78,080.33	45,888.81
	88,416,542.77	89,338,186.87
B Provisions		
1. Provisions for pensions and similar obligations	1,609,942.00	2,036,111.60
2. Provisions for taxes	11,144.81	0.00
3. Other provisions	22,027,789.59	34,031,108.03
	23,648,876.40	36,067,219.63
C Liabilities		
1. Liabilities to banks	10,083.81	50,947,427.10
2. Payments received on account of orders	37,084,556.89	27,080,188.55
3. Trade payables	4,796,655.93	8,977,274.32
4. Liabilities to affiliated companies	68,184,306.99	46,665,125.14
5. Liabilities to affiliated companies in which participating interests are held	186,069.60	0.00
6. Other liabilities	915,006.90	1,170,080.95
– of which taxes EUR 767,614.40 (previous year EUR 806,448.76)		
– of which relating to social security EUR 8,172.80 (previous year EUR 61,774.56)		
	111,176,680.12	134,840,096.06
D Deferred income	0.00	284,782.88
	223,242,099.29	260,530,285.44



Income statement

for the period of 1 October 2014 to 30 September 2015

Data in EUR	2014/2015	2013/2014
1. Sales	22,328,749.52	23,922,367.05
2. Increase in services not yet chargeable	8,141,673.92	11,514,881.88
3. Other operating income	4,840,401.36	9,876,267.08
4. Cost of materials		
a) Cost of raw materials, consumables and supplies	20,899,870.16	23,409,438.91
b) Cost of purchased services	4,992,854.05	6,923,755.92
	25,892,724.21	30,333,194.83
5. Personnel expenses		
a) Wages and salaries	8,300,252.92	10,313,411.43
b) Social security, post-employment costs		
– of which relating to old age pensions EUR –10,831.21 (previous year EUR 133,407.08)	1,117,987.67	1,793,255.77
	9,418,240.59	12,106,667.20
6. Amortisation and write-downs of intangible assets, depreciation and write-downs of tangible assets	418,830.77	1,537,049.02
7. Other operating expenses	6,318,777.91	12,127,258.92
8. Income from investments		
– of which from affiliated companies EUR 250.00 (previous year EUR 250.00)	4,534,238.64	12,103,327.82
9. Income from profit/loss transfer agreements		
– from affiliated companies	604,190.51	318,779.41
10. Income from long-term loans		
– from affiliated companies	1,578,688.67	1,210,839.64
11. Other interest and similar income		
– of which from affiliated companies EUR 850,882.82 (previous year EUR 1,406,714.18)	864,661.71	1,411,977.28
12. Amortisation on financial assets		
– of which on affiliated companies EUR 0.00 (previous year EUR 1,985,909.62)	0.00	2,505,812.52
13. Expenses from loss absorption	186,069.60	0.00
14. Interest and similar expenses		
– of which to affiliated companies EUR 18,405.81 (previous year EUR 288,137.76)	439,213.47	1,571,505.37
15. Result from ordinary activities	218,747.78	176,952.30
16. Taxes on income	116,593.61	120,303.29
17. Other taxes	24,073.84	10,760.20
18. Net income for the financial year	78,080.33	45,888.81

Fixed asset movements table

	Acquisition costs				
Data in EUR	01. 10. 2014	Additions	Disposals	Disposals due to spin-off	30. 09. 2015
I. Intangible assets					
Purchased industrial rights and similar rights and assets	5,204,572.94	57,132.16	29,080.06	30,900.00	5,201,725.04
II. Tangible assets					
1. Land and buildings	1,275,868.70	0.00	0.00	935,885.14	339,983.56
2. Technical equipment and machinery	16,295,451.42	0.00	0.00	14,601,104.69	1,694,346.73
3. Other equipment, operating and office equipment	1,962,105.22	172,676.61	172,135.52	143,772.75	1,818,873.56
	19,533,425.34	172,676.61	172,135.52	15,680,762.58	3,853,203.85
III. Financial assets					
1. Shares in affiliated companies	51,243,502.21	600,000.00	35,000.00	0.00	51,808,502.21
2. Loans to affiliated companies	47,977,084.88	3,735,831.42	256,358.54	0.00	51,456,557.76
3. Investments	11,866,365.23	94,443.26	0.00	9,622.53	11,951,185.96
	111,086,952.32	4,430,274.68	291,358.54	9,622.53	115,216,245.93
	135,824,950.60	4,660,083.45	492,574.12	15,721,285.11	124,271,174.82

Accumulated depreciation/amortisation				Carrying amount		
01. 10. 2014	Charged during the financial year	Disposals	Disposals due to spin-off	30. 09. 2015	30. 09. 2015	30. 09. 2014
5,014,759.94	86,378.16	29,080.06	30,900.00	5,041,158.04	160,567.00	189,813.00
591,247.97	0.00	0.00	318,195.14	273,052.83	66,930.73	684,620.73
6,812,226.42	122,543.00	0.00	5,366,390.69	1,568,378.73	125,968.00	9,483,225.00
1,293,112.22	209,909.61	130,031.52	132,765.75	1,240,224.56	578,649.00	668,993.00
8,696,586.61	332,452.61	130,031.52	5,817,351.58	3,081,656.12	771,547.73	10,836,838.73
25,000.00	0.00	0.00	0.00	25,000.00	51,783,502.21	51,218,502.21
0.00	0.00	0.00	0.00	0.00	51,456,557.76	47,977,084.88
0.00	0.00	0.00	0.00	0.00	11,951,185.96	11,866,365.23
25,000.00	0.00	0.00	0.00	25,000.00	115,191,245.93	111,061,952.32
13,736,346.55	418,830.77	159,111.58	5,848,251.58	8,147,814.16	116,123,360.66	122,088,604.05

Shares in affiliated companies and investments

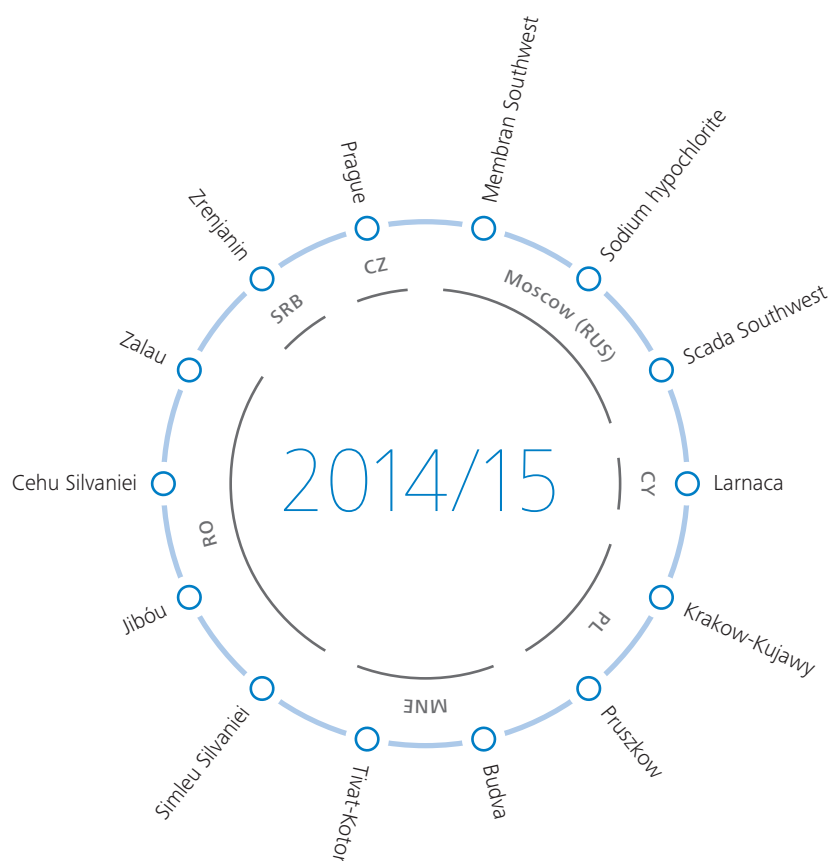
Data in 000s local currency	Currency	Equity	Share in %	Profit/Loss
Affiliated companies				
Čista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora/Slovenia	EUR	910	100.0	170 ³⁾
EVN Projektgesellschaft KSV Ljuberzy mbH, Essen	EUR	23	100.0	0 ³⁾
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH, Essen	EUR	-220,372	100.0	-10,831 ¹⁾
OAo „WTE Süd-West“, Moscow/Russia	RR	6,148,567	100.0	3,270 ²⁾
OAo Budapro Werk Nr. 1, Moscow/Russia	RR	324,545	100.0	-573,965 ²⁾
OAo EVN Ljuberzy, Moscow/Russia	RR	63	100.0	-6 ⁴⁾
OAo WTE Kurjanovo, Moscow/Russia	RR	89	100.0	-4 ⁴⁾
OOO Wasserwerk Süd West, Moscow/Russia	RR	151,279	70.0	52,831 ²⁾
OOO Nordwasserwerk, Moscow/Russia	RR	96	100.0	0 ⁴⁾
OOO WTE Wassertechnik West, Moscow/Russia	RR	140	100.0	31 ⁴⁾
Saarberg Hölter Projektgesellschaft Süd Butowo mbH, Essen	EUR	86	100.0	-1 ³⁾
SHW Hölter Projektgesellschaft Zelenograd mbH, Essen	EUR	17	100.0	-28 ³⁾
Storitveno podjetje Lasko d.o.o., Lasko/Slovenia	EUR	454	100.0	-110 ³⁾
WTE Baltic UAB, Kaunas/Lithuania	LTL	682	100.0	51 ³⁾
WTE Betriebsgesellschaft mbH, Hecklingen	EUR	511	100.0	0 ¹⁾
WTE desalinizacija morske vode Budva d.o.o., Budva/Montenegro	EUR	-732	100.0	603 ⁴⁾
WTE Otpadne vode Budva d.o.o., Podgorica/Montenegro	EUR	169	100.0	158 ⁴⁾
WTE Projektgesellschaft Kurjanovo mbH, Essen	EUR	21	100.0	-1 ³⁾
WTE Projektgesellschaft Natriumhypochlorit mbH, Essen	EUR	25	1.0	0 ³⁾
WTE Projektgesellschaft Nevawasser mbH, Essen	EUR	23	100.0	-1 ³⁾
WTE Projektgesellschaft Süd-West Wasser mbH, Essen	EUR	2,374	100.0	-457 ¹⁾
WTE Projektgesellschaft Trinkwasseranlage d.o.o., Belgrade/Serbia	RSD	36,952	100.0	-481 ⁴⁾
WTE Projektmanagement GmbH i. L., Essen	EUR	18	100.0	0 ³⁾
WTE Projektna družba Bled d.o.o., Bled/Slovenia	EUR	-28	100.0	1 ³⁾
WTE Projektna družba Kranjska Gora d.o.o., Kranjska Gora/Slovenia	EUR	28	100.0	2 ³⁾
WTE Wassertechnik (Polska) Sp. z o.o., Warsaw/Poland	PLN	8,253	100.0	787 ¹⁾
ZAO „STAER“, Moscow/Russia	RR	-18,882	70.0	-22,357 ²⁾
ZAO „STAER-ZWK“, Moscow/Russia	RR	1,343	70.0	-19,279 ²⁾
Associated companies				
ABeG Abwasserbetriebsgesellschaft mbH, Offenbach am Main	EUR	579	49.0	-1 ¹⁾
DEGREMONT WTE WASSERTECHNIK PRAHA v.o.s., Prague/Czech Republik	CZK	40,000	35.0	0 ²⁾
SHW/RWE Umwelt Aqua Vodogradnja d.o.o., Zagreb/Croatia	HRK	3,168	50.0	-352 ²⁾
sludge2energy GmbH, Berching	EUR	20	50.0	-2 ²⁾
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbH, Buckow	EUR	540	49.0	4 ²⁾
Zagrebacke otpadne vode – upravljanje i pogon d.o.o., Zagreb/Croatia	HRK	16,669	31.0	24,649 ²⁾
Zagrebacke Otpadne Vode d.o.o., Zagreb/Croatia	HRK	1,283,652	48.5	175,243 ²⁾

1) Audited financial statements for the financial year 2014/2015 2) Audited financial statements for the financial year 2014

3) Unaudited financial statements for the financial year 2014/2015 4) Unaudited financial statements for the financial year 2014

Order balance

As at 30 September 2015, WTE had an order balance of 97.2 mill. EUR.
12 projects are currently underway.



Balance sheet: Spin-off of Maria Enzersdorf operative unit

as at 30 September 2014

Assets	
Data in EUR	30.09.2014
A Fixed assets	
I. Tangible assets	
1. Land and buildings	617,690.00
2. Technical machinery and equipment	9,234,714.00
3. Other equipment, operating and office equipment	11,007.00
	9,863,411.00
II. Financial assets	
1. Investments	9,622.53
	9,873,033.53
B Current assets	
I. Receivables and other assets	
1. Trade receivables	338,647.83
2. Receivables from affiliated companies	2,441,419.13
3. Other assets	1,565,727.38
	4,345,794.34
II. Cash in hand, bank balances	360,034.38
	4,705,828.72
C Prepaid expenses	6,407.77
	14,585,270.02

Equity and liabilities

Data in EUR

30.09.2014

A Equity

I. Endowment capital	1,751,857.18
II Change in endowment capital	-752,132.75
	999,724.43

B Provisions

1. Provisions for pensions and similar obligations	398,455.60
2. Provisions for taxes	675.78
3. Other provisions	603,001.74
	1,002,133.12

C Liabilities

1. Liabilities to banks	10,917,715.38
2. Trade payables	151,107.74
3. Liabilities to affiliated companies	918,088.75
4. Other liabilities	311,717.72
	12,298,629.59

D Deferred income

	284,782.88
	14,585,270.02

Notes

Notes relating to financial statements 2014/2015

General information

The financial statements have been prepared in accordance with the HGB (German Commercial Code) and the related rules of GmbH law. The nature of expense method has been applied to the income statement.

WTE Wassertechnik GmbH (WTE) is a mid-sized corporation (Kapitalgesellschaft) as defined in § 267 (3) HGB. EVN Beteiligung 52 GmbH (EVN52), Maria Enzersdorf/Austria, holds a 100% share in the Company. Through EVN52, WTE's financial statements are included in the consolidated financial statements of EVN AG, Maria Enzersdorf/Austria.

EVN AG prepares its consolidated financial statements in accordance with International Financial Reporting Standards. The consolidated financial statements are published at the Wiener Neustadt/Austria Civil Court (Landesgericht).

WTE's financial year runs from 1 October of a year to 30 September of the following year.

The WTE Wassertechnik GmbH extraordinary shareholders' meeting of 20 March 2015 approved the notarially certified spin-off plan of the same date for the Austrian operative unit in Maria Enzersdorf, whereby WTE Wassertechnik GmbH as of 1 October 2014 conveyed all assets and debts of its Austrian operative unit in Maria Enzersdorf by way of a spin-off and simultaneous transfer to a company newly-formed by EVN52, namely WTE Wasserver- und -entsorgung Planungs-GmbH. The new company was subsequently merged with EVN Abfallverwertung Niederösterreich GmbH, Maria Enzersdorf/Austria. Consequently, only a limited comparison with previous year figures is possible. The spin-off balance sheet is shown in appendix 3 to these notes.

With regard to an improved representation of the financial performance, as of 30 September 2015 we will for the first time offset the proceeds out of a direct claim on provisions (balancing item for the utilisation of provisions for which the primary cost was recorded as such) with the material costs. The previous year's figures were adjusted by 1,361,680.00 EUR.

1 Accounting policies

Intangible assets are accounted for at acquisition cost, less scheduled amortisation.

Tangible assets are valued at acquisition or manufacturing cost, less scheduled depreciation. Such assets are depreciated over their useful lives using the straight-line method. Additions are depreciated on a pro-rata basis. Low-value assets, i.e. assets with a purchase price or manufacturing cost of up to and including 410,00 EUR, are fully written off in the year of their acquisition.

Financial assets are stated at acquisition cost. Lower values are recorded where impairment is expected to be permanent. If such impairment ceases to exist, the related impairment losses are reversed, as set out in § 253 Abs. 5 HGB.

Interest-free or low-interest lending is discounted at cash value; remaining lending is accounted for at nominal value.

Within the inventories, items not yet chargeable are valued at manufacturing cost. This manufacturing cost is calculated on the basis of personnel expenses, cost of materials and other direct costs attributable to the contracts as well as pro-rata personnel expenses and administration overheads. Outside capital is not allocated to assets. Where the expected revenue value less costs still to be incurred is lower, this value will be stated.

Regarding long-term contract manufacturing, profit realisation depends on the stage of completion reached, i.e. according to the contractually agreed part-performance.

Receivables and other assets are measured at nominal value. Specific allowances were recognised to take account of special risks. The general credit risk is covered by a general allowance.

Deferred taxes are determined for timing discrepancies between the commercial and tax-based values of assets and liabilities. An arising total tax burden would be stated as a deferred tax liability in the balance sheet. In the case of tax relief, the corresponding right of choice of capitalisation will not be applied. The valuation of deferred taxes takes place on the basis of current business tax rates. These taxes plus the solidarity surcharge amounted to a rate of 30.25 %, which was applied to the calculation of deferred taxes in the reporting year.

Provisions take into account all discernible risks and contingent liabilities. Provisions for pensions and similar liabilities are determined using actuarial methods (projected unit credit method) on the basis of the Heubeck 2005 G reference tables, whereby an expected pension trend of 2.0 % (previous year: 2.5 %) was assumed. In accordance with RückAbzinsV and § 253 Abs. 2 S. 2 HGB, the calculatory interest rate used to discount pension liabilities was applied at the average interest rate of 4.12 % (previous year: 4.70 %), as determined and published by the German Bundesbank, for an assumed residual term of 15 years.

All identifiable accounting risks and uncertain liabilities are taken into account in evaluating the remaining provisions. The evaluation is equal to the repayment amount that is required on the basis of sensible commercial assessment to cover future payment obligations. Provisions with a residual period of more than one year are discounted at the average market interest rate that applied over the previous seven years. Provisions are established on the basis of trading law principles for risks in the personnel area, such as anniversary payments and holiday entitlements.

Liabilities are stated at their repayment amounts.

Contingent liabilities from loan guarantees and warranty contracts are evaluated according to the primary debt position.

2 Foreign currency conversion

Foreign currency receivables and liabilities with a residual period of more than one year are measured at their purchase price or at the less favourable rate applying at the balance sheet date. Income/expenses realised/incurred on concluding foreign currency transactions with a residual period of one year or less are valued at the median exchange rate applying at the transaction date. Earnings and costs resulting from foreign currency transactions are converted at the daily rate applying at the date when they arise. Where foreign currency items are hedged, they are measured at the applicable hedging rate.

Comments relating to the balance sheet

3 Intangible assets

The development of the gross values and of depreciation/amortisation is shown in the fixed assets movements table (appendix 1 to these notes).

4 Financial assets

The development of the gross values and of amortisation is shown in the fixed assets movements table (appendix 1 to these notes). The list of percentage holdings is shown in appendix 2 to these notes.

5 Receivables and other assets

The receivables have an expected residual period of up to one year. Receivables from affiliated companies, in which participating interests are held, result mainly from supplies/services and financial transactions.

In consequence of the spin-off, the anticipatory sum of 1.393 mill. EUR shown in the previous year's other assets referred to the Austrian operative unit and no longer exists. The anticipatory sum included write-downs and interest on investments not yet chargeable at the balance sheet date and relating to operating projects.

6 Active deferred taxes

With respect to the right of choice stipulated in § 274 Abs. 1 S. 2 HGB, active deferred taxes that are not stated result mainly from evaluation variances relating to pension provisions.

7 Profit brought forward

Profit brought forward has decreased by 1 mill. EUR in connection with the spin-off of the Austrian operative unit.

8 Provisions

Other provisions have been established mainly for outstanding purchase invoices for services already rendered by subcontractors and for personnel-related obligations.

9 Liabilities

Due dates of liabilities:

Data in mill. EUR	30.09.2015	Within 1 year	After more than 5 years
Liabilities to banks	10	10	0
Payments received on account of orders	37.085	37.085	0
Trade payables	4.797	4.797	0
Liabilities to affiliated companies	68.184	68.184	0
Liabilities to companies representing a shareholding	186	186	0
Other liabilities	915	915	0
	111.177	111.177	0

The previous year's liabilities to banks included 40.608 mill. EUR due within one year and 7.642 mill. EUR due after more than five years.

10 Contingent liabilities

Both WTE and WTE Betriebsgesellschaft mbH, Hecklingen (WTEB) are parties liable under a loan contract with Sparkasse Essen. The corresponding liability is valued at 0.889 mill. EUR as at 30 September 2015.

WTE has pledged its shares to Zagrebacke Otpadne Vode d. o. o., Zagreb/Croatia in favour of the banks granting the loans relating to the respective projects at the subsidiaries involved.

WTE Wassertechnik GmbH only enters contingent liabilities after careful risk assessment. Based on continuous evaluation of the risk situation in respect of arising contingent liabilities, and taking into account insights gained prior to entering such commitments, WTE Wassertechnik GmbH expects that the obligations arising from such contingent liabilities can be met by the respective principal debtors. The Company therefore judges that there is unlikely to be any risk of recourse with respect to notified contingent liabilities.

11 Other financial commitments

Other financial commitments as defined in § 285, no. 3 HGB are as follows:

Data in mill. EUR		Of which relating to affiliate companies
Purchase commitments resulting from the construction of sewage plants and networks plus other plants	11.390	0
Obligations arising from rental and lease agreements		
2015/2016	679	0
2016/2017	692	0
2017/2018	705	0
2018/2019	682	0
2019/2020	696	0
	3.454	0

Comments regarding the income statement

Sales comprise 2.728 mill. EUR (previous year: 4.971 mill. EUR) and 14.550 mill. EUR (previous year: 10.013 mill. EUR) referring to the billing of construction and engineering services rendered under operating contracts, and for the billing of other plant contracts. Sales of 5.051 mill. EUR (previous year: 8.938 mill. EUR) were realised in connection with plant management contracts and the performance of service management contracts. These sales revenues were generated abroad in the following countries:

Country	
Data in mill. EUR	
Northern Cyprus	10.283
Bahrain	6.323
Russia	2.151
Republic of Cyprus	1.371
Croatia	700
Slovenia	488
Others	1.013
	22.329

Previous period income allocable to other financial years is 3.472 mill. EUR (previous year: 8.437 mill. EUR). This results mainly from the reversal of provisions. Previous period expenditures arose to the amount of 5,000 EUR (previous year: 3,000 EUR). These arise from losses due to asset disposals.

Currency exchanges have led to gains of 0.284 mill. EUR (previous year: 0.390 mill. EUR) and exchange losses of 0.720 mill. EUR (previous year: 2.182 mill. EUR), which are stated under other operative income and expenditures.

The income from profit/loss transfer agreements includes an amount of 0.604 mill. EUR (previous year: 0.319 mill. EUR) transferred by WTE Betriebsgesellschaft mbH, Hecklingen.

Interest and similar expenditures include costs for compounding provisions amounting to a total of 75,000 EUR (previous year: 83,000 EUR). These apply to the compounding of pension obligations.

Taxes relating to income and revenue result mainly from the payment of tax arrears for previous years.

Other information

12 Audit fee

Information in respect of the total fee charged by the auditor in accordance with § 285 Nr. 17 HGB is provided in the consolidated financial statements of EVN AG as at 30 September 2015.

13 Headcount

The average number of persons employed by the Company is 130 (previous year: 162).

	2014/2015	2013/2014
Engineers/technicians	70	89
Staff	43	53
Workers	17	20
	130	162

14 Members of the Executive Board and of the Committee of Shareholders

Members of the Executive Board:

Franz Mittermayer Graduated engineer, Vienna/Austria

Ralf Schröder Graduated industrial engineer, Essen

Members of the Committee of Shareholders:

Peter Layr – Chairman – Graduated engineer, Maria Enzersdorf/Austria

Stefan Szyszkowitz Master's degree, MBA, Maria Enzersdorf/Austria

Robert Dick Master's degree, Maria Enzersdorf/Austria (until 31 December 2014)

Felix Sawerthal Jurist, Maria Enzersdorf/Austria

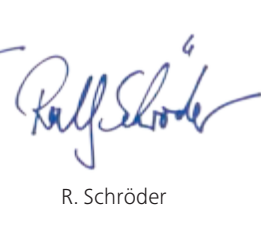
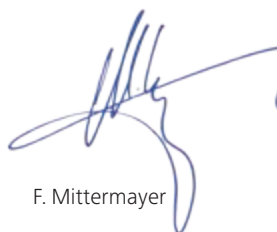
Johannes Lang Master's degree, Maria Enzersdorf/Austria (from 1 January 2015)

Gerald Reidinger Master's degree, Maria Enzersdorf/Austria (from 1 January 2015)

As set out in § 286 (4) HGB, no information is provided in respect of the remuneration paid to the members of the Executive Board and to former members of the Executive Board. For the latter, there are pension provisions amounting to 1.610 mill. EUR.

The members of the Committee of Shareholders did not receive any remuneration for their activities.

Essen, 19 November 2015



F. Mittermayer R. Schröder

Auditor's report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of WTE Wassertechnik GmbH, Essen, for the financial year from 1 October 2014 to 30 September 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ["Handelsgesetzbuch: German Commercial Code"] and the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer ("Institut of Public Auditors in Germany; IDW"). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of WTE Wassertechnik GmbH, Essen, in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 19 November 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft



Velder
Wirtschaftsprüfer
[German Public Auditor]



Kaufmann
Wirtschaftsprüfer
[German Public Auditor]



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Member of
**German Water
Partnership**



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We have put together this annual report with the greatest possible diligence, and have checked the data. Nevertheless, rounding off, compositor's or printing errors cannot be excluded. In the summing up of rounded amounts and percentages, the application of automatic calculation devices could result in rounding-off differences. This annual report also contains forward-looking statements, estimates and assumptions which are based on all the information available to us at the time when this document was completed. Such statements are typically made in connection with terms as "expect", "estimate", "plan", "anticipate" etc. We would like to point out that, due to a variety of different factors, the performance and results achieved by the company may differ from the expectations and forward-looking statements contained in this report. This annual report is also available in German. In case of doubt, the definitive version is the German one. Editorial deadline: 15 January 2016

