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Audi Hungaria: Energy efficiency with geothermal heat supply

- A new geothermal system covers 60 percent of the heat energy used by the company
- At least 82,000 MWh heat energy annually
- Thomas Faustmann, managing director: "Energy efficiency as the determining element of the corporate strategy"

Győr, 10 July 2014 - By the end of next year, AUDI HUNGARIA MOTOR Kft. will have utilized heat energy generated by a geothermal system anticipating future technologies. Today, Thomas Faustmann, managing director of Audi Hungaria, and Péter Tóth, PannErgy Plc's chief executive officer and member of the Board of Directors have visited the drilling base in Pér, near the site of the factory in the company of Hungarian journalists. After commissioning, the system will supply at least 82,000 MWh heat energy annually to Audi Hungaria. Environmentally sparing and efficient energy consumption, as well as energy saving are fundamental constituents of the strategy drawn up by the engine and automobile manufacturing company: until 2018, energy consumption is intended to be cut by 25 percent.

"The commissioning of the geothermal system is just another milestone on our way to accomplish our environmental objectives" – emphasized Thomas Faustmann, Audi Hungaria's managing director during the site visit. "The application of energy-efficient and environmentally sparing technologies is a crucial element of our corporate strategy. Even today, our company is among the most efficient energy consumers in Central and Eastern Europe."

The planned drilling depth of the well is approx. 2400 meters, which can be covered in a drilling time of two months. The commencement of the drilling operation at the same time indicates the launch of the Geothermal Project of Győr, targeting the utilization of the geothermal endowments of the region for industrial purposes.

"In addition to drilling the production and reinjection wells, the investment of Győr encompasses the construction of the entire geothermal heating system" – claimed Péter Tóth, PannErgy Plc's chief executive officer, member of the Board of Directors. "The foundation engineering works for the planned, 11-12 km long pipeline system will be started after the successful drilling operations, in the autumn of 2014. PannErgy will implement the Geothermal Project of Győr with the use of its own resources, and partly from European Union funds."

With the utilization of at least 82,000 MWh geothermal heat energy p.a., in the future 60 percent of Audi Hungaria's heat demand can be covered in a carbon-neutral way, and therefore the annual volume of carbon dioxide emission can be additionally reduced by 19,800 tons. This project is only one of the 380 measures that the company has taken in the past four years in order to enhance energy efficiency. With these actions, Audi Hungaria has saved altogether 57.6 GWh energy. Within the framework of the new project, the company

has entered into a heat energy supply agreement for 17+15 years with PannErgy Plc's subsidiary, DD Energy Ltd. The project to be realized by the PannErgy Group is in possession of all the permits that are necessary in the current phase, and with progress the additionally required authorizations will also be secured.

Sustainability and the efficient use of energy are deeply embedded in Audi Hungaria's corporate strategy. The premium automobile manufacturer has a systemic concept. One of the key duties of energy management integrated in the system of environmental management is the long-term accomplishment of energy targets together with the production and design divisions, within the framework of the certified management system. Beside efficient and sustainable energy production, the focal points are the efficient recovery of the resources that have already been used – here the keyword is energy recovery –, as well as the reduction of energy consumption in the fields of manufacturing and building service engineering to an optimal level.

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The Győr-based AUDI HUNGARIA MOTOR Kft. is an entity of the AUDI Group, the key engine supplier of the Audi and Volkswagen Group. The Győr site manufactures the Audi TT Coupé and TT Roadster sports cars, as well as the Audi A3 Limousine and A3 Cabriolet models. Since 2006, Audi Hungaria has been delivering a number of aluminum car body elements for the Audi R8. In 2013, the company made 1,925,636 engines and 42,851 automobiles. For years, Audi Hungaria has been Hungary's top-ranking company in terms of sales revenues, and is one of the country's largest exporters.

2013 witnessed the expansion of the engine-manufacturing and vehicle assembly workshop in Győr into an automobile factory embracing the entire manufacturing process: moulding plant, bodywork plant, polishing plant, vehicle assembly workshop. The company has expended more than EUR 900 million on the expansion of the factory, and created 2100 new jobs.

PannErgy Plc is a company listed at the Budapest Stock Exchange, included in the BUX basket, and is a premium share issuer. As the legal successor of Pannonplast founded in 1922 and known for its world-class plastics manufacturing operations, the company announced a new strategy in 2007. The Company follows the mission to rise to a leading role in the region of the Carpathian Basin in the utilization of geothermal energy in order to create value for the future generations. In May 2013, the Company opened a system in Miskolc featuring the largest operating geothermal energy capacity in Hungary to provide the city with environmentally friendly heating services. The Geothermal Project of Miskolc has been recognized with GeoPower Market's international prize "Best Heating Project 2013". In its operations, beside household-oriented heat utilization the Company is involved in industrial, innovative investments creating new jobs, or the introduction of two-phased heat sales for secondary heat utilization in order to supply secondary heat to the foil greenhouse erected by Miskolci Agrokultúra Kft.