Ideen.
Gemeinsam.
Umsetzen.

Trianel

Management Report 2013

Trianel GmbH

Summarised management report of Trianel GmbH

for the 2013 financial year

A. Company situation

1. Business model

Legal corporate structure

Stadtwerke Rüsselsheim GmbH and Stadtwerke Mosbach GmbH become shareholders of Trianel GmbH.

In the 2013 reporting year, the group of Trianel GmbH partners grew to a total of 55 shareholders listed in the Commercial Register, when Stadtwerke Rüsselsheim GmbH and Stadtwerke Mosbach GmbH joined the group. At the Shareholders' meeting in July 2013, the inclusion of Stadtwerke Solingen GmbH as another shareholder was decided. However, they were not added to the Commercial Register until January 2014. In addition to this, a capital increase was decided by shareholder Trianel Suisse AG at a nominal value of € 24 thousand and entered in the Commercial Register. Trianel Suisse AG pools municipal utilities in Switzerland. Furthermore, the Swiss shareholder Regio Energie Solothurn transferred a partial company share with a nominal value of € 16 thousand to Trianel Suisse AG.

One shareholder left Trianel with retrospective effect as of 1 January 2013. Trianel GmbH bought back its participating interests at the nominal value of € 100 thousand and held it as its own share in the reporting period. Own shares of Trianel GmbH with a total nominal value of € 168 thousand were resold in January 2014 when Stadtwerke Solingen GmbH joined the group.

Overall, the share capital of Trianel GmbH increased during the 2013 reporting year by € 224 thousand from € 19,896,575 to € 20,120,575 on the balance sheet date.

The following chart provides an overview of the shareholder structure of Trianel GmbH as of 31 December 2013.

4

Shareholder structure of Trianel GmbH

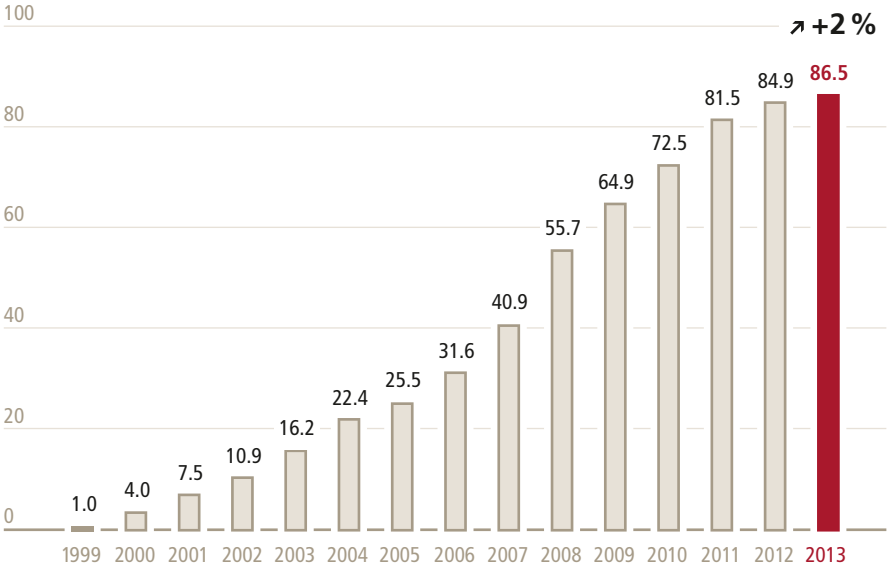
Shareholder	in %
Energie- und Wasserversorgung Mittleres Ruhrgebiet GmbH, Bochum	24.73 %
Stadtwerke Aachen AG	11.99 %
RhönEnergie Fulda GmbH	7.46 %
Stadtwerke Bonn GmbH	5.81 %
Stadtwerke Lübeck Holding GmbH	5.13 %
SWU Energie GmbH, Ulm	4.79 %
Stadtwerke Energie Jena-Pößneck GmbH	2.99 %
NEW Viersen GmbH	2.88 %
N.V. HVC, Netherlands	2.49 %
enwor – energie & wasser vor ort GmbH, Herzogenrath	2.21 %
Salzburg AG für Energie, Verkehr und Telekommunikation, Österreich	1.76 %
Allgäuer Überlandwerk GmbH	1.74 %
Stadtwerke Halle GmbH	1.58 %
SWT Stadtwerke Trier Versorgungs GmbH	1.49 %
Stadtwerke Heidelberg GmbH	1.24 %
nvb Nordhorner Versorgungsbetriebe GmbH	1.19 %
Trianel Suisse AG, Switzerland	1.18 %
Stadtwerke Hamm GmbH	1.12 %
Stadtwerke Lindau (B) GmbH & Co. KG	0.97 %
GSW Gemeinschaftsstadtwerke GmbH Kamen Bönen Bergkamen	0.83 %
Stadtwerke Aalen GmbH	0.75 %
Stadtwerke Borken/Westf. GmbH	0.75 %
Stadtwerke Lünen GmbH	0.66 %
Energie- und Wasserversorgung Rheine GmbH	0.57 %
Hertener Energiehandelsgesellschaft mbH	0.54 %
Stadtwerke Fröndenberg GmbH	0.53 %
BBSW Energie GmbH, Steinheim	0.50 %
ENNI Energie & Umwelt Niederrhein GmbH	0.50 %
Gemeindewerke Steinhagen GmbH	0.50 %
GWS Stadtwerke Hameln GmbH	0.50 %
Osterholzer Stadtwerke GmbH & Co. KG	0.50 %
Schleswiger Stadtwerke GmbH	0.50 %
Stadtwerke Bad Salzuflen GmbH	0.50 %
Stadtwerke Dachau	0.50 %
Stadtwerke Elmshorn	0.50 %
Stadtwerke Gronau GmbH	0.50 %
Stadtwerke Mosbach GmbH	0.50 %
Stadtwerke Rüsselsheim GmbH	0.50 %
Stadtwerke Sindelfingen GmbH	0.50 %
Stadtwerke Tuttlingen GmbH	0.50 %
Stadtwerke Wedel GmbH	0.50 %
T.W.O Technische Werke Osning GmbH	0.50 %
Stadtwerke Bad Pyrmont Beteiligungs und Bäder GmbH	0.37 %
Stadtwerke Uelzen GmbH	0.37 %

Shareholder	in %
Stadtwerke Detmold GmbH	0.36 %
Stadtwerke Unna GmbH	0.33 %
Stadtwerke EVB Huntetal GmbH	0.30 %
Regio Energie Solothurn, Switzerland	0.30 %
Stadtwerke Soest GmbH	0.29 %
Stadtwerke Schwäbisch Hall GmbH	0.26 %
Stadtwerke Georgsmarienhütte GmbH	0.25 %
Stadtwerke Herford GmbH	0.25 %
Stadtwerke Lengerich GmbH	0.25 %
Stadtwerke Verden GmbH	0.25 %
Teutoburger Energie Netzwerk e.G., Hagen a.T.W.	0.25 %

Status: 31 December 2013

Taking into account the annual net income of € 2,103 thousand for the 2013 financial year, Trianel GmbH has equity of € 86,463 thousand. The equity development is shown in the following chart.

Equity development of Trianel GmbH (individual financial statements), in € million



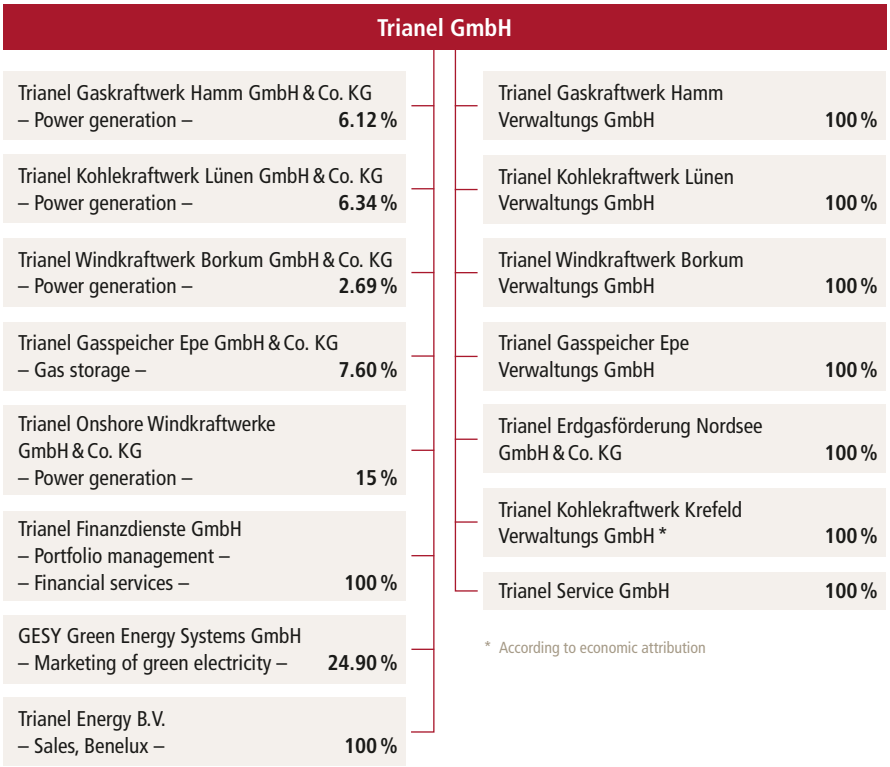
Trianel GmbH's equity increases by roughly 2 %.

Status: 31 December 2013

On the reporting date of 31 December 2013, Trianel GmbH was invested in 15 subsidiaries and affiliated companies. The participation structure is shown in the following chart:

6

Participation structure of Trianel GmbH



Status: 31 December 2013

According to the overview above, Trianel GmbH holds shares in the following companies:

Gaskraftwerk Hamm GmbH & Co. KG, domiciled in Aachen, is a company that has operated an 850-megawatt municipal gas and steam turbine power plant in Hamm-Uentrop since 2008.

Trianel Gasspeicher Epe GmbH & Co. KG, domiciled in Aachen, operates a natural gas storage facility located in Epe in the district of Borken (North Rhine-Westphalia) since 2009/2010.

Trianel Kohlekraftwerk Lünen GmbH & Co. KG, domiciled in Lünen, has been building a modern, highly efficient 750-megawatt hard coal-fired power station in Lünen (North Rhine-Westphalia) since mid-2008. Commercial commissioning took place in July 2013.

Trianel Windkraftwerk Borkum GmbH & Co. KG, domiciled in Aachen, is building the Borkum West II offshore wind farm with a total capacity of 400 megawatts. In a first expansion state, a capacity of 200 megawatts was commissioned. If progress is according to schedule, the turbines will begin to generate electricity in mid-2014.

Trianel Erdgasförderung Nordsee GmbH & Co. KG, domiciled in Aachen, was established in mid-2010. Following discontinuation of the examination of possible activities in the field of natural gas production within the European Economic Area (EAA) in 2011, the company is to be used for future project project activities of Trianel GmbH. In the 2013 reporting year, the company was converted into a standard limited partnership (Einheits-KG), with Trianel Erdgasförderung Nordsee Verwaltungs GmbH as its personally liable shareholder.

In July 2013, Trianel Onshore Windkraftwerke GmbH & Co. KG was founded as a standard limited partnership (Einheits-KG) domiciled in Aachen. Trianel Onshore Windkraftwerke GmbH & Co. KG plans, develops, builds and operates renewable energy power plants in Germany. The company also searches for and develops opportunities for participating interests in companies, which operate plants for generating electricity from renewable energy sources, or intend to operate them. On the balance sheet date, Trianel GmbH holds 15 % of the company.

In July 2013, Trianel Onshore Windkraftwerke GmbH & Co. KG founded Trianel Onshore Windkraftwerk Eisleben GmbH & Co. KG domiciled in Lutherstadt Eisleben as a wholly owned subsidiary. Trianel Onshore Windkraftwerk Eisleben GmbH & Co. KG was also founded as a standard limited partnership (Einheits-KG), and holds the participating interest in the general partner company, Trianel Onshore Windkraftwerk Eisleben Verwaltungs GmbH domiciled in Lutherstadt Eisleben. The fields of activity of the Trianel Onshore Windkraftwerk Eisleben GmbH & Co. KG are the construction and operation of onshore wind farms in Polleben and Volkstedt (Lutherstadt Eisleben) with a capacity of roughly 27 megawatts.

In July 2013, Trianel Onshore Windkraftwerk GmbH & Co. KG also founded Trianel Onshore Projektgesellschaft Süddeutschland GmbH & Co. KG and its general partner company Trianel Onshore Projektgesellschaft Süddeutschland Verwaltungs GmbH, both domiciled in Aachen. This company still has not yet started operating, but is intended to take over another onshore project in due course. Trianel GmbH also indirectly holds 15 % in these companies via Trianel Onshore Windkraftwerke GmbH & Co. KG.

As general partners, the personally liable companies Trianel Gaskraftwerk Hamm Verwaltungs GmbH, Trianel Gasspeicher Epe Verwaltungs GmbH, Trianel Kohlekraftwerk Lünen Verwaltungs GmbH, as well as Trianel Windkraftwerk Borkum Verwaltungs GmbH assume the management for the above limited partnerships. Trianel Kohlekraftwerk Krefeld Verwaltungs GmbH assumes the management for the corresponding company Trianel Kraftwerk Krefeld GmbH & Co. KG for the development of a gas and steam-turbine power station at the CHEMPARK site in Krefeld-Uerdingen. From an economic perspective, it is fully attributed to Trianel GmbH. All companies are domiciled in Aachen.

Trianel Finanzdienste GmbH, domiciled in Aachen, is a wholly owned subsidiary of Trianel GmbH. The activities of the Trianel Group which require authorisation for the provision of financial services pursuant to Section 32, para. 1 of the German Banking Act (Kreditwesengesetz, KWG) are pooled in this company.

The Dutch sales and distribution company Trianel Energie B.V. domiciled in Maastricht, also a wholly owned subsidiary of Trianel GmbH, was forced to apply for insolvency at the end of 2012 due to customer default. The conclusion of the insolvency proceedings which have been underway since then is not yet foreseeable. The losses incurred by Trianel GmbH from these insolvency proceedings were reported in the annual financial statements for the 2012 financial year.

Since the 2011 financial year, Trianel GmbH has had a 24.9% in GESY Green Energy Systems GmbH (GESY) domiciled in Berlin. In the reporting year, GESY had repeated success in direct marketing of renewable energy sources. In addition to this, the company is also directly involved in the continuing discussion on the integration of electricity from renewable energy sources in the energy markets, while also being peripherally involved in entering new business fields.

The area of activity of the Cologne-based Trianel Service GmbH is the development and pooling of technical services for energy supply. The strategic orientation of the company is currently under review, with business operations suspended.

In the reporting period, Trianel GmbH sold and transferred all of its 100,000 shares in European Energy Exchange AG (EEX) – equivalent to a holding of 0.25% – with economic effect from 1 January 2013 to a fellow shareholder.

1.2 Business fields

As the largest European cooperation of municipal utilities, Trianel GmbH utilises the potential of liberalised energy markets by pooling shared interests from the municipal environment. Its declared goal is to enhance the competitiveness and therefore independence of municipal utilities. By pursuing shared goals purposefully with common action, more than market entry barriers can be overcome. Moreover, it is also possible to open up business sectors whose use would not be possible for individual municipal utilities. Trianel GmbH operates in multiple sectors of the energy industry throughout the entire value chain.

The activities focus on procurement and supply of energy for redistributors and municipal utilities.

Trianel GmbH's core business is the procurement and supply of energy. By procuring energy on the wholesale markets for onward distributors and municipal utilities, our company supports them in guaranteeing the supply of energy to end customers. The second focal point of Trianel GmbH is the development of large-scale electricity

generation and gas storage systems for the energy industry. In recent years, our company has considerably expanded both the energy-industry and the commercial servicing and optimisation of the systems. Our third pillar is the planning and support of business activities for the municipal utilities at end customer levels, such as smart metering, improving energy efficiency and expanding of electromobility.

All activities of Trianel GmbH are developed in close coordination with the business aims of the shareholder companies and tailored for their needs and circumstances.

In our role as energy service providers for municipal utilities, we currently operate in the following individual areas of the value chain:

1. Power generation

In this area, we develop projects for the construction or purchase of facilities in the energy industry. This enables municipal utilities to expand their value creation in the energy industry by adding the energy generation and storage sectors. We continue to monitor these projects after commissioning with our commercial and energy management services. By purchasing minor shares in the project companies, we, as a service provider, ensure that our interests are the same as those of the other owners of the facilities, and we participate in their results.

Municipal utility companies can supplement their value chain with power generation and storage.

2. Trading and procurement

This includes all services required to manage and operate an energy portfolio – whether for procurement or for generation marketing. Trianel GmbH assumes some risk in this context for its customers, such as forecast risks. We offer suitable solutions tailored for the individual risk propensity of the customer: from full-service packages to active management of own portfolios and the necessary risk management. Our access to the OTC markets and energy exchanges means that we can procure or market the energy quantities required by our customers at any time. Where necessary, we avail of the services of Trianel Finanzdienste GmbH (TFD), which is authorised to provide financial services. Proprietary energy trading is also part of this category.

Comprehensive range: from a full-service package to active management of own portfolios.

3. Sales solutions for municipal utilities

With our expertise and the services developed on this basis, we support municipal utilities in their sales tasks. Together with interested municipal utilities, we also develop and assess potential future business fields that result from current energy business topics, such as smart metering or decentralised generation. We pursue the goal of utilising new value-added opportunities in the energy market together with our customers.

Together with the municipal utilities, new business fields are opened up in management of sales tasks.

1.3 Important products and services, business processes and projects

Trianel GmbH is active in all trading markets for electricity and gas products, not only as a trading partner for bilateral transactions (OTC market) but also as member of the most important exchanges. The market access for electricity includes the German, Dutch, Belgian and Swiss market areas. In the gas sector, all German market areas for H-gas and L-gas as well as the liquid TTF market are covered. Our activities on the market are the basis for varied sales products in the supply sector and provide our customers with a direct source for trade products.

Energy business products and services:

In 2013, the portfolio management on the procurement and generation side again formed a main pillar of our activities in the energy business sector. Portfolio management primarily comprises the procurement of electricity and gas as well as the generation marketing for our customers. In the 2013 financial year, a net income slightly above the forecast was earned via portfolio management, i.e. electricity and gas procurement, management of storage facilities and generation marketing in the Trianel Group. In procurement portfolio management electricity, the growth was largely driven by success-based remuneration models. New generation portfolio management services were primarily positioned in the municipal environment of joint power stations and for optimising CHP systems. The number of portfolio management contracts concluded in the gas sector was increased.

Portfolio management formed a main pillar of the energy business sector. The net income was slightly above budget.

The performance achieved with each individual customer in procurement portfolio management electricity was measured objectively against a quantitative benchmark again in 2013. The low volatility of the electricity future markets meant that the high performance level of the previous year totalling 3.34 % could not be maintained. In spite of this, and even with a politically-influenced CO_2 price, a positive performance of 2.2 % was achieved. Accordingly, Trianel GmbH secured a procurement cost advantage in the two-digit million range overall for its customers in the electricity procurement portfolio management sector.

The procurement cost advantage for electricity procurement portfolio management totalled tens of millions.

For generation portfolio management of the total of 17 shareholders of the Trianel gas power station in Hamm, Trianel Finanzdienste GmbH (TFD) retained first place among all companies involved in power station optimisation for the fifth time in succession. Compared with the average performance of the other virtual long-term energy supply

Trianel Finanzdienste GmbH (TFD) placed first in generation portfolio management for the fifth consecutive year.

segments, € 1.6 million more was earned fro the total power station capacity used of 612.3 megawatts. TFD also considers itself to be well equipped for the forthcoming marketing of the Trianel coal-fired power station in Lünen. TFD also positioned itself as a service provider for the optimised marketing of additional joint power stations in the municipal environment, of waste-fired power stations in other European countries as well as in the optimisation of CHP systems.

A notably positive result was earned with flexible supply of municipal utilities.

A significant positive result was achieved in the flexible supply that involves the assumption of quantity and price risks with an insurance character for municipal utilities. Efficiency increases in processing and growing portfolio effects helped keep risk premiums constant in spite of the increase in individual market risks due to an increase in the short-term price volatility in the spot, intraday and balancing energy market. Supplementary products, such as the supply with differing qualities of green electricity, round off the product range in this business field.

Activities in the gas-industry sector were further expanded in the year under review.

Activities in the gas industry sector were further expanded in the reporting year. The focus was on portfolio management, balancing group management, balancing group cooperation and market access. In the gas procurement and storage facility management sector, TFD succeeded in supporting a total of 21 municipal companies in availing of the opportunities of the wholesale market. In 2013, the gas volume traded via Trianel GmbH as part of the portfolio management service was roughly 5.6 TWh. The trend towards customer segmented and structured gas procurement accelerated further in all German H and L gas market segments in 2013, with the result that risk management instruments were used to an increasing extent. Besides sales-oriented and strategic future procurements, the procurement strategies include an increasing number of short-term products up to daily management of the procurement portfolio. The extension of the automatic daily portfolio and risk report takes this development into account.

For five shareholders, TFD marketed storage shares in Trianel's cavern storage facility in Epe based on tailored sales or market-oriented management strategies. In particular after the introduction of a new target model, TFD was able to use 24/7 trading for nocturnal intraday marketing. In 2013, the process and system stability was further increased for the gas portfolio management.

The commercial management for the Hamm-Uentrop power station, in combination with energy business optimisation and balancing energy marketing, earned seven-figure additional revenue; Trianel GmbH benefits from this through appropriate profit sharing. The result from the previous year was exceeded by roughly 50%. The scheduled development of analogous marketing processes and systems for commercial management of the Trianel joint power station in Lünen led to trouble-free initiation of regular operation of the power station.

In early 2013, Trianel Finanzdienste GmbH and Trianel GmbH established an internal project to fulfil the requirements of the far stricter regulations of the financial and energy market regulation in accordance with EMIR and REMIT from day one. In the two areas, TFD supports its customers in transaction reporting and other consulting services.

Together with GESY, Trianel GmbH marketed over 2,800 megawatts of renewable energy directly in the electricity market based on the market bonus model.

For marketing renewable energy in 2013, we were able to rely on our experience from previous years. Together with Green Energy Systems GmbH (GESY), Trianel GmbH marketed over 2,800 megawatts of renewable energy directly in the electricity market based on the market bonus model. The portfolio consisted primarily of wind energy. In 2013, Trianel GmbH had power purchase agreements with around 300 wind farm operators via GESY. In addition to the marketing of electricity quantities from renewable energy sources, extensive efforts were also made to further improve the quality of forecasts. The costs of balancing energy were reduced further compared with 2012. New systems and processes for the real-time monitoring of the current actual production as well as for the active control of the renewable energy systems, for example in the event of negative prices, were also installed.

Project development and projects:

Conventional large-scale projects focused on maintaining options.

The project development business of Trianel GmbH developed differently during the 2013 financial year. Our experience from the construction of the offshore wind farm Borkum West II successfully created the basis for future expansion of the project development business in the field of wind power – both onshore and offshore. Retaining options was the priority in the conventional large-scale project sectors. That reduces the project development activities. Trianel GmbH provides the management as well as all technical expertise required, from the development through to the construction and operation of generation systems. The parties involved in managing the projects, besides Trianel GmbH, include municipal utilities which are looking for an independent and cost-effective way to participate in activities at all levels of the value chain. In detail, our activities in the 2013 financial year included the following key projects:

Gas storage facility in Epe (Status: in operation): Activities concerning the cavern storage facility in Epe, in operation since 2008, focused on further optimisation. This benefited the users of the storage facility in the form of even lower charges. Revenues were also improved thanks to the expansion of our product range.

Gas power station in Hamm (Status: in operation): The gas and steam turbine power station, commissioned in 2007 in Hamm-Uentrop, with an output capacity of around 850 megawatts, continued to be used at a low level in the reporting year. The reason lay

in the ongoing effects of the energy transition. Use of the power station was mainly due to the decreasing electricity prices on the market which, among other things, are directly related to the energy-policy changes in Germany and Europe.

Hard coal-fired power station in Lünen (Status: in operation): Construction of the hard coal-fired power station block with a net capacity of roughly 750 megawatts, was completed with an investment of roughly € 1.4 billion in the reporting period. After the Higher Administrative Court Münster (OVG) revoked the preliminary emission prevention decision for the coal-fired power station, all approvals and permits applied for were granted on time in the third quarter of 2012, so that the commissioning phase could be completed and regular operation could start in mid-2013.

Offshore wind farm Borkum-West II (Status: under construction): The project comprises the construction of a total of 80 wind turbines with a total capacity of up to 400 megawatts. In the first development phase, Trianel GmbH and the 33 municipal utilities companies involved are implementing a total capacity of 200 megawatts. After the decision to build was made in December 2010, the schedule had to be adjusted by a total of over 18 months due to multiple delays in establishing the grid connection. Construction of the wind turbines started in July 2013, and completion and start of electricity feed-in are scheduled for mid-2014.

Onshore wind farm Eisleben (Status: under construction): The onshore wind farm in Eisleben was connected to the grid in 2013 with an electrical capacity of approx. 15 megawatts, while a further 12 megawatts are expected in the first quarter of 2014. As a result, the total capacity of the wind farm will be 27 megawatts. In the long-term, additional onshore wind farms are to be developed or purchased by Trianel GmbH, to make them available to municipal utilities via Trianel Onshore Windkraftwerke GmbH & Co. KG founded in 2013.

Combined heat and power station (CHP) in Krefeld-Uerdingen (Status: in planning): In view of the restructuring and modernisation of the conventional power station park in Germany, Trianel Netzwerk, together with Currenta, is developing a project for a gas and steam-turbine power station at the CHEMPARK site in Krefeld-Uerdingen with a capacity of approx. 1,000 megawatts, and intensive and year-round combined heat and power for the provision of up to 500 t/h of process steam. Combining electricity and process steam generation achieves an energy utilisation level of more than 70 %. On 18 February 2013, the preliminary decision and the initial partial construction approval were granted. Commissioning is planned by 2020. The combination of electricity generation and the provision of heat/electricity makes the project unique in terms of potential efficiency, and gives it very high relative competitiveness compared to other newly built power stations.

Combined heat and power station (CHP) in Oberrhein (Status: in planning): Like the project in Krefeld-Uerdingen, Trianel Netzwerk and Oberrhein mineral oil refinery (MiRO) are developing a project for a gas and steam turbine power station in Karlsruhe which is also to have a capacity of approx. 1,000 megawatts and an intensive and year-round combination of heat and power to provide up to 500 t/h of process steam. The project is in an early phase of development. Commissioning is planned by 2020.

Pumped-storage hydroelectric plant (Status: in planning): According to energy industry studies, the construction of new storage power stations will be one of the key factors in the transition of energy generation to expand renewable energy sources in the decades to come. In the reporting year, three sites – two in North Rhine-Westphalia, one in Thuringia – were assessed in terms of their approvability and to take initial steps in the necessary approval process, such as the land use planning process. Communication with local politicians and the public was another priority. The strategy of starting with three sites was aimed at finding the best site for this investment from the perspectives of acceptance and approvability. Since mid-2013, one site in North Rhine-Westphalia has no longer been developed. On the basis of the current revenue situation and the expected market development, the other two sites are expected to be economically viable at the potential time of commissioning of the plants (2022 to 2025).

The newly founded "New Technologies" network developed positively.

Projects for municipal utility sales solutions: The new network, "New Technologies", founded in light of expected future margin losses by municipal utilities in classical supply sectors, exhibited extremely positive development. By the end of 2013, 36 companies had already decided to participate in the overall network. Via the network, Trianel is establishing a modular system of options for municipal utility sales solutions.

Together with the participants in the corresponding technical networks, Trianel GmbH has access to roughly 120 participating municipal utilities. The mini/micro CHP product "Energieblock" (Energy block) was the main driver of decentralised generation this year. Roughly 50 municipal utilities were using the "Energieblock" at the end of 2013. In 2013, further development resources were invested in a solution for an energy roof in the decentralised generation sector. Since the end of 2013, the product development has been completed, and allows municipal utilities to build customer loyalty with photovoltaics.

Smart metering will become a mega-trend. Trianel GmbH is taking a holistic approach in this area.

In spite of legislative delays, the smart metering sector continues to take shape and, in our opinion, will become a megatrend in the years to come. The holistic approach taken by Trianel GmbH to this topic goes far above and beyond the technological aspect of smart metering. We see this technology as the basis for a wide range of other business

fields, and thus for new sources of revenue for municipal utilities. In order to develop the existing status further, Trianel GmbH significantly increased the human resources dedicated to this area.

1.4 General economic and legal influencing factors

The EEG allocation increased from 3.5 ct/kWh to 5.3 ct/kWh at the end of 2012/start of 2013.

The allocation under the German Renewable Energy Sources Act (EEG) increased from 3.5 ct/kWh to 5.3 ct/kWh at the end of 2012/start of 2013. In spring 2013, the Federal Minister of the Environment at the time, Peter Altmaier's proposed "electricity price brake" led to intense debate on subsidies for renewable energy. Altmaier's draft included freezing the EEG allocation and eliminating industry privileges. The particularly hotly disputed points, where no agreement was reached, included elimination of the management bonus. No consensus appeared likely on regulations on intervention in existing plants and the planned reductions for new renewable energy systems, either.

Change of sentiment in the debate on the costs of the energy transition.

At the same time, there was a change in sentiment on the costs of the energy transition. After the feed-in tariffs for electricity from PV systems were reduced continuously based on the flexible cap principle, the focus is now on offshore wind energy. In order to speed up grid connection and resolve legal uncertainty, the German Federal Government introduced a mandatory contribution, which has also formed part of the electricity price for end consumers since the start of 2013.

Since May, the costs of the energy transition have increasingly been the subject of debate at a European level. The preparations of an EU State Aid Investigation against the Federal Republic of Germany also provoked some discussions. The EU Commission expressed a suspicion that the option of exempting industrial companies from the EEG allocation was a violation, as it was a subsidy which led to distorted competition. On 18 December 2013, the responsible EU Competition Commissioner, Joaquin Almunia, finally officially opened the proceedings, which could end with the annulment of the privileges for German companies.

In mid-June, the German Federal Consumption Plan Act (Bundesbedarfsplangesetz) was passed in the Upper House of the German Parliament (Bundesrat); its goal is to significantly increase the speed of grid expansion. The powers of approval were allocated to the German Federal Network Agency in Bonn, adding planning certainty for the parties involved.

The drop in wholesale prices led to upheaval on the energy market.

The drop in wholesale prices to a level between € 35 and € 40/MWh caused upheaval on the energy market. The subsidised expansion of renewable energy sources, existing excess capacities and the drop in CO_2 prices are reasons why modern gas and hard coal-fired power stations in particular are no longer economically viable. Backloading is intended to stop the dramatic fall in prices of CO_2 certificates. As a result, the EU Commission therefore plans to withdraw 900 million certificates from the market temporarily, to reduce the supply and increase the price. A similar proposal by the Commission

was rejected in a parliamentary vote in mid-April 2013. The second attempt and its announcement have already failed to achieve the intended effect at the beginning. Before the start of 2014, the prices for CO_2 certificates were constantly below € 5/t. The price levels have now improved slightly and have been roughly € 6.50/t since mid-February.

Supply security is the key goal of energy policy.

In this light, the discussion on the provision of guaranteed power station capacity became even more relevant. Besides cost efficiency, the policy makers declared supply security a central goal of energy policy in implementing the energy transition. Many stakeholders, including VKU, BDEW, BMWi and WWF, presented different visions of a capacity market. With the support of intensive committee and association work, much of the energy industry prefers the VKU model of a decentralised capacity market developed by the BDEW, where guaranteed capacities of power stations are to be traded as supply security certificates. Besides possible capacity markets, the introduction of a strategic reserve is also conceivable. In this, the German Federal Network Agency is only to commission transmission system operators with regulatory policies to tender reserve power stations based on demand. In a report, the scientific advisory board stated to the Federal Ministry of Economics and Energy that the strategic reserve is insufficient and recommended a capacity market instead.

The grand coalition which has been in power since the end of 2013 agreed on cornerstones of the energy policy for the next four years of government under the heading "Making the energy transition a success". While the coalition agreement did not specify any deadlines in the "New market design and capacity mechanisms" area, an European-law-compliant draft German Renewable Energy Sources Act ready for a decision is to be submitted to the Federal Cabinet by mid-April 2014.

In autumn 2013, the EEG allocation was increased again for 2014 from 5.3 ct/kWh to 6.24 ct/kWh. The German Renewable Energy Sources Act (EEG) amendment therefore focuses on cost efficiency by reducing excess subsidies, decreasing feed-in tariffs, concentrating the special compensation regulation and a balanced regulation for production of electricity for own use. In the short term, a continuous decrease is prescribed for all technologies in the EEG, bonus regulations are being reviewed and eliminated to a significant extent, and the green electricity privilege annulled. In order to become legally effective in autumn 2014, the amended law must be passed before the summer break.

The further expansion of renewable energy sources is to be implemented in a legally stipulated corridor: In 2015, the percentage of renewable energy sources is to be 40 to 45 %, and 55 to 60 % in 2025.

1.5 Management and control

In addition to the Management Board with the two managing directors, Sven Becker, management spokesman, and Dr. Jörg Vogt, Trianel GmbH's governance bodies include the Shareholders' Meeting and the fifteen-member Supervisory Board.

2. Corporate management, goals and strategy

2.1 Corporate strategy

Planned orientation

Trianel GmbH regards itself as a comprehensive service provider for municipal utilities which is supported by municipal utilities. Our goal is to provide municipal utilities with those services along the entire value chain where economies of scale or specialisation are of particular importance. In the long term, we strive to become the most important value driver for municipal utilities in Germany. Trianel GmbH's goal is to consolidate the successful development of recent years and continue to grow with a commercial focus on the energy transition. In this way, we want to establish ourselves as the most important municipal energy cooperation in Germany.

We want to become the most important value driver for municipal utilities in Germany.

We view ourselves as an independent company which supports the interests of municipal utilities, which are also independent. Our business model relies on our shareholders and aims to achieve joint success. The advantages developed by Trianel GmbH are to be passed on to the shareholders as customers.

We view strategic options for the future created by Trianel GmbH as the second important value driver for our shareholders. This allows our shareholders to benefit commercially through additional value contributions from chances arising from changes quickly and early.

In the generation sector, we are involved both in the renewable energy sources sector and in conventional power stations. We are also gradually expanding our range of services for decentralised solutions. In the trade and procurement sector, we take advantage of the procurement and marketing advantages offered by liberalised markets with active management of procurement, generation and sales portfolios. In the sector sales solutions for municipal utilities, we enable municipal utilities to position forward-looking products in smart metering, decentralised generation, energy efficiency and mobility on the market quickly with marketable white label solutions. Thanks to our trend scouting, we and our shareholders are in a position to identify possible business opportunities resulting from the changing general conditions at an early stage and to prepare for these challenges together.

Products and services

For value-optimised consolidation and to grow with the planned focus, we update our product range and our services in these market sectors on a continuous basis in accordance with the dynamic requirements. The diversified product portfolio based on our market assessment and energy sector expertise contributes to stabilising our business development and permits comprehensive service provision to our shareholders and customers. Only the diversity of our services enables us to use synergies between the various business fields. Our excellent process efficiency and the consistent utilisation of economies of scale form the basis for competitive quality and prices. We optimise the service processes behind our products on an ongoing basis.

Use of synergies between the various business segments is made possible by the variety of our services.

Customers

Our typical customers are independent municipal utilities and regional suppliers of various sizes. We offer our customers tailored and efficient solutions for their respective individual requirements. By offering them services and assuming tasks for them in which we can achieve economies of scale or specialisation, we contribute towards enabling public utilities and regional suppliers to remain independent.

We offer our customers tailored and efficient solutions for their individual requirements.

Employees

Our expert, highly motivated and committed staff gives us advantages over our competitors in a tough competitive environment. That creates the foundation for innovation, product depth and maturity as well as market penetration. The employees are one of the most important success factors at Trianel GmbH. This is why we invest specifically in our employees and particularly in employee development and advanced training.

Trianel GmbH had a staff of 311 employees on 31 December 2013, representing an overall increase of 24 employees or approx. 8 % compared to the end of 2012. On 31 December 2013, the Trianel Group had a total staff of 312 employees, of whom 19 are part-time employees. The company's staff level also increased approximately 8 % over the previous year. Around 34 per cent of Trianel's staff are female, and six of these are second and third-level managers. At the end of the year, the average age of staff in the Trianel Group was 37.

The pillars of personnel strategy are personnel marketing (positioning of Trianel as an attractive employer), recruitment (attracting talent), talent management (developing and binding talent) and organisation development (optimisation of the company and workflow organisation).

Due to the reorientation of the market areas, Trianel GmbH focused on organisational development, among other aspects, in 2013. As part of a comprehensive reorganisation, the structure was thoroughly optimised. In addition to slimming down the management organisation, the measure aimed to increase efficiency, for better market and customer orientation, among other reasons. In the interdisciplinary functions, the importance of risk controlling was highlighted by creating a dedicated department. The Compliance, Financing and Auditing functions were expanded.

The continued growth makes higher and higher demands of management and cooperation at Trianel GmbH. For this reason, the "Lead!" project was introduced in 2013 for the systematic extension of management expertise and structures at Trianel GmbH. One important management instrument is our remuneration model. This reflects the performance-oriented corporate culture and underlines the entrepreneurial responsibility of each individual. Furthermore, existing social benefits have been expanded gradually in recent years – in particular with a view to improving the work-life balance.

The activities in personnel marketing and recruitment were another focal point in 2013. This included the "Fair Company" seal from the "Junge Karriere" (Young Career) magazine and the "Germany's Best Employers" quality mark from the "Great Place to Work" campaign. In 2013, Trianel once again positioned itself as a fair, respectful and attractive company among the 100 best employers in Germany.

In addition to attracting talents, building loyalty and developing qualified employees were further focal points. The starting point for identifying and developing talents is the Trianel-specific skill model, which maps success-critical basic, specialised and leadership skills. Regular status evaluations for all employees allow targeted and systematic derivation of personnel training requirements.

Society and the environment

Trianel GmbH was established as a result of the liberalisation of the energy markets and is therefore not only wholly dedicated to competition, but also strives to promote it through its activities. We and our shareholders pursue the common goal of ensuring decentralised customer-oriented energy supply. Strong municipal utilities and regional suppliers now characterise the competition on the energy markets. We also view the energy transition started in 2011 as an entrepreneurial opportunity. Accordingly, we and our shareholders are actively shaping the energy transition – also as a critical dialogue for an urgently needed consistent energy policy.

We see the energy transition as an opportunity and actively influence it with our shareholders.

The implementation of the energy transition supported our efforts in the decentralised generation both with relation to energy efficiency and mobility. Forward-looking measurement systems offer us opportunities to fulfil the constantly growing requirements for balancing power generation and demand precisely and cost-effectively. With our commitment, we contribute notably to protecting the environment and climate.

2.2 Internal corporate control system

The management uses a variety of systems and processes to control and monitor the company and to analyse and document risks and opportunities of the company. The control system focuses on the development of profit and liquidity of the company and monitoring risks. To map this system, profit contributions, structure costs and result figures are calculated.

The company's liquidity is monitored via a rolling daily liquidity forecast. By allocating risk capital for the risk types relevant in our sector and continuous measurement of the respective utilisation, we ensure that risks and opportunities are dealt with appropriately. Extreme value considerations provide findings on events not covered by standard processes (see also Risk report, section 4). Auditors commissioned by the shareholder companies confirm compliance with the risk guideline on a quarterly basis.

The product development strategy is marked by thorough observation of future market developments and customer requirements. Important investment decisions are made using discounted cashflow models. The Management Board regularly checks the progress of the main projects and monitors compliance with project plans and targets. The management and control mechanisms are adapted to the growing company structures on an ongoing basis. The Supervisory Board is regularly informed of all major economic developments at Trianel GmbH.

The internal audit is performed by an external service provider and, since October 2013, also by a Trianel employee. Both report directly to the Management Board.

2.2.1 Financial targets

We strive to earn a profit level as an appropriate return on our equity.

Trianel GmbH's business model is primarily aimed at contributing to creating value for our customers with our services. At the same time, we strive to earn pre-tax profits which are an appropriate return on our equity. Boosting our equity basis is another important financial target, in order to finance the investments required to implement the energy transition, and put our development goals into practice.

Moreover, we want to increase the value of the company for our shareholders, not just by balance sheet figures, but also contribute in particular to increasing the company value for shareholders.

We want to contribute to increasing the company value for the shareholders.

2.2.2 Non-financial targets

Shareholder and customer satisfaction is our main non-financial target. Therefore, we strive to optimise quality and tailor the products we offer for our customers. This includes anticipating the requirements of our customers optimally and at an early stage. We continuously and intensively observe market and industry developments together with our shareholders within the scope of the trend-scouting. We try to support and, where possible, shape the relevant energy policy topics to benefit our independent municipal energy supply with contributions to the debate. With a rapid development of potential business fields and products to market maturity, we also want to give our shareholders a time-related advantage in the competition.

Shareholder and customer satisfaction is our main non-financial target.

Closely associated with customer satisfaction is the aim of reaching as many of our shareholders as possible with our product range. These goals require utmost process quality and reliability as the foundation for our service creation.

In addition to this, we pursue and promote a sustainable, accepted and reliable power generation. In this area, we want to continue the path taken: highly-efficient, flexibly controllable conventional generation capacities with comprehensive heat use contribute to preserving the high supply security in Germany. Together with the shareholders, we want to expand our portfolio of renewable and decentralised plants in particular in the years to come.

With our shareholders, we want to expand our portfolio of renewable and decentralised systems in particular in the years to come.

Our employees are a major reason for our success, as they make it possible with their commitment and qualification. Our goal is to create conditions which optimally promote the performance capacity and willingness of our employees with high employee satisfaction. Accordingly, we choose and train our personnel to meet our demanding quality standards.

3. Innovation management

As an innovative service company, Trianel GmbH views the changes as a result of the implementation of the energy transition and the development of the energy markets as an opportunity. It is important for us to continually earn the trust of our shareholders and customers with new, innovative products and services. The good relationship between Trianel GmbH and its customers is also based on close cooperation in a very early phase of product development. Our relationship is eye-to-eye and trust-based. We constantly

Once again, Trianel wins the "TOP 100" innovation prize.

strive to be a step ahead of the market with the market-oriented and customised solutions developed by us. The success of innovation management at Trianel GmbH is revealed in particular in repeated wins of the "TOP 100" innovation award.

Innovation management is embedded in our trend-scouting. In a multi-phase process, we systematically identify new trends and evaluate the resulting potential for the future development of product, project or business fields.

3.1 Trend identification

Trend investigation systematically assesses market-relevant developments. For this purpose, our innovation experts employ a three-phase process, consisting of a trend radar, trend analysis and potential analysis.

The trend radar systematically observes the developments in the energy market. Social, technological and energy policy trends are on an equal footing in this process. With its Berlin office, Trianel GmbH can identify, become involved in and shape topical debates and developments from the relevant political committees at an early stage.

At regular intervals, a decision-making committee discusses the compiled trends and evaluates them for relevance. Our shareholders are also intensively involved in this discussion. This focuses on whether a trend is sufficiently relevant and offers us and our shareholders sufficient depth.

If a trend proves sufficiently relevant and feasible, a comprehensive potential analysis is performed. This detailed study assesses the trend's technical and economic opportunities and its operative feasibility. The potential analysis includes a business case for a model municipal utility. Based on this, specifically implementable business models can be developed rapidly from significant trends.

3.2 Product, project and business sector development.

After successful completion of the identification process, promising trends are transferred to the established development process. A distinction is made here between product, project or business field developments, depending on the characteristics of the trend. The development process is coordinated centrally from the Company Development department.

The business field development embedded in our corporate strategy is implemented in close coordination with the Management Board and the operative market departments.

Project development starts where potential analysis leaves off, draws up pilot and feasibility studies and develops specific projects.

The individual corporate divisions are responsible for product development – coordinated by the Corporate Development department – and it is implemented in close cooperation between the specialised marketing departments and the technical specialists. Our product developments are regularly critically assessed by product groups. That ensures that the products meet the needs of the market based on reliable costing, and reach a high process maturity rapidly in service provision.

B. Business report

1. General macroeconomic and industry specific conditions

After gross domestic product (GDP) growth of 0.7% in 2012, initial calculations reveal that GDP grew again in the Federal Republic of Germany in 2013. However, adjusted for inflation, the GDP growth of 0.4% was lower than in 2012. Economists painted a slightly more optimistic picture of the economic situation in Germany for 2013. The brighter economic outlook for most of the European Union was one of the main reasons for this.

A primary energy consumption increase of 3.6% overall is expected for 2013. This was due to the long winter and resulting higher heat demand. The demand for natural gas also increased by 11% over the previous year's level in the first nine months of 2013, also because of the long winter and cold spring.

Compared with the previous year, the percentage of the primary energy consumption accounted for by renewable energy sources increased by 6.1%. Biomass and hydroelectric power (excluding pumped storage power stations) increased by 8% and 6% respectively. The level of photovoltaics also increased compared with the previous year, rising by 5%. By contrast, wind energy decreased by 5.5%. The contribution of nuclear energy to the energy balance decreased by 3% last year.

Deliveries of hard coal for the steel and iron industries exhibited a downward trend. The 7 % drop was largely due to poor economic developments. By contrast, demand for hard coal for generating electricity and heat increased by 8 % compared with the previous year. Accordingly, the overall hard coal consumption in Germany increased by 3 % in 2013. The efficiency of lignite use was increased: While consumption decreased by 1 %, generation increased by the same amount.

In summary, the changes in primary energy consumption are as follows:

Energy source	Percentage change
Mineral oil	+2.3
Natural gas	+11.5
Hard coal	+3.0
Lignite	–1.1
Nuclear energy	–3.0
Renewables	+6.1
Others	–1.7
Total	**+3.6**

As in the previous year, 2013 was characterised by constantly decreasing prices on the electricity futures market. The continued strong construction rates for photovoltaic systems also decreased the spot prices significantly in 2013. At the same time, the number of days with negative prices continued to increase. The base and peak prices also converged further.

In total, the installed capacity of all German renewable energy systems is now equivalent to 80 % of the maximum total load in Germany. Accordingly, renewables are the dominating factor for the electricity price on the spot and futures markets. In December 2013, which was characterised by mild temperatures and good conditions for wind production, renewable energy sources produced more energy overall than all conventional systems for the first time.

The trend towards lower prices continued on the coal market; in 2013, global demand remained low. Reasons for this were the continued low growth in emerging countries, and well-stocked coal warehouses thanks to the global expansion of renewable energy generation technologies. Even strikes like those in South America did not affect the continuing decreases in price with the exception of short term corrections.

Due to the long winter period, the gas market reached record price highs in the first quarter. In Great Britain certain loads had to be deactivated at specific times to prevent the supply of natural gas collapsing during the extraordinarily long winter. Interruptions to delivery of gas from Norway were a significant factor for price fluctuations. In the further course of the year, the gas market prices remained largely constant.

The legal changes as part of the energy transition will result in major demands on energy suppliers in the coming years. These requirements will require investments in new areas in particular, such as smart metering, which must often be made in spite of decreasing margins in energy sales and energy generation. As a result of these challenges, many municipal utilities are increasingly interested in services provided in cooperation.

The introduction of significantly stricter rules for regulation of financial and energy markets in accordance with EMIR (European Market Infrastructure Regulation) and REMIT (Regulation on wholesale Energy Market Integrity and Transparency) from next year will make new requirements of all participants in the trading markets, and in particular of wholesale service providers. All market participants had to expand their existing risk management and reporting processes to prepare for them.

The general energy industry conditions heightened the crisis of fossil-fuel power stations further. In this environment and with a view to the existing insecurities regarding the future legal framework, investment decisions for large-scale projects are currently being postponed. Trianel GmbH's project development business currently focuses on creating or maintaining options for future investments. In particular, decentralised conventional and renewable energy generation projects are priorities. In the conventional technology sector, Trianel GmbH only implements new projects if sufficient CHP use is possible.

The situation on the financial market is extremely important for Trianel GmbH's project development business, as to date projects have been implemented via project financing. Since the financial crisis, this type of financing is difficult to obtain and generally only offered in smaller financing tranches with higher risk margins. In spite of this, project-financing banks are still interested in power station projects with proven technology, municipal investors and project companies exempt from energy market risks. Even in the current market environment, there are still sufficient partners available – including some willing to finance large-scale projects.

The situation for the procurement of equity for conventional large-scale projects is different. The current general conditions and the financial situation of many municipal utilities, affected by losses in the generation sector, currently result in an unfavourable investment climate.

The interest level, which is still relatively low, counteracts the higher risk margins of the financing banks due to increased refinancing costs. There is a wide range of options for renewable energy financing within the current legal framework; however, changes are expected as part of the pending EEG reform, and must be tracked intensively.

2. Business development

Trianel GmbH has both a holding function in the Trianel Group and performs essential operative tasks. The business situation of the Trianel Group is largely determined by Trianel GmbH.

The annual financial statements as of 31 December 2013 of the companies belonging to the Trianel Group were audited by independent auditors and all were issued with an unrestricted auditor's certificate.

At the end of 2013, Trianel GmbH can look back on a successful year from an operating perspective, having met the overall operating budget figures.

At the end of 2013, Trianel GmbH can look back on a very successful year from an operating perspective, having reached all operating budget figures. The higher provisions for anticipated losses from marketing virtual long-term energy supply segments and use of our natural gas storage segment and a value adjustment for the rights to a planned gas and steam turbine power station due to further spread deteriorations had a negative effect on the budget figures. The pre-tax results of € 5.1 million represented a slight decrease of € 0.2 million on the previous year with an overall result that was roughly 50 % below budget.

The shareholders again left a share of the 2012 results in the company, in order to strengthen the continued growth and financial soundness of Trianel GmbH.

The asset situation continued to stabilise in the reporting year. In the financial year, Trianel GmbH welcomed two further new shareholders and carried out a further increase in capital. The development clearly shows the continued high esteem in which Trianel GmbH is held in the supply industry. Once again, the shareholders also left a share of the 2012 results in the company, in order to further strengthen the continued growth course and financial soundness at Trianel GmbH. We succeeded in expanding the customer base by adding shareholders as well as with successful acquisition work. As well as the expansion of business activities and further professionalisation, an increase in personnel was required, with the result that the number of employees as of 31 December 2013 rose by 24 compared to the previous year to 311.

The equity ratio was further increased.

The equity ratio of 28.6 % (Group: 28.6 %) was increased by 4.2 per cent compared to the previous year largely due to the lower balance sheet total. As in previous years, the balance sheet total is also characterised by the high level of accounts receivable with simultaneously high accounts payable. Both reflect the established process in energy wholesale trade of invoicing and paying for energy accounts on a monthly basis. This means that at the end of the year, the accounts receivable and payable from deliveries in December – one of the months with the highest turnover – must be stated regularly. However, the introduction of reverse charge taxation in domestic trade in 2013 slightly decreased the items named and contributed to the balance sheet total. Since our customers are mainly municipal utilities with a good credit rating and/or their subsidiaries, both with very low default risks, we regard the equity level as stable and conservative.

The liquidity situation was further improved.

The company's liquidity situation was again further improved in 2013 with a continuous extension of our bank lines, which proves the continued high level of trust of the financial markets in our company. The decreasing financial result is largely due to the further repayment of the loan granted to Trianel Windkraftwerk Borkum GmbH & Co. KG and the weak interest environment. For 2014, we expect a pre-tax result of approx. € 6 million.

As in the previous year, the consolidation of the price level for services as part of direct marketing was continued in 2013 based on the market bonus model. In conjunction with this, revenue in this segment decreased significantly. Together with our holding company Green Energy Systems GmbH (GESY), in 2013 we marketed over 2,900 megawatts of renewable energy capacity.

By selling the Eisleben onshore wind project to the new company Trianel Onshore Windkraftwerke GmbH & Co. KG (TOW), Trianel GmbH earned a positive income in the reporting year.

As in the previous year, the still unfavourable market developments for conventional power stations continued to have a negative impact on our result. In particular, the risk precautions for the virtual long-term energy supply segment of Trianel GmbH at the Lünen coal-fired power station, which was connected to the grid in 2013, had to be increased. The virtual long-term energy supply segment of Trianel GmbH at the Hamm gas power station was also affected by the continued decrease in the generation spreads. Only forward-looking futures marketing and active participation in the balancing energy markets enabled us to achieve a just positive result with our gas power station segment in the 2013 financial year.

The price of flexibility decreased significantly in 2013. That adversely affects the attractiveness of structured procurement and thus the range of services of Trianel GmbH and has a negative effect on the value of gas storage facilities. In spite of entering 24/7 management and use of new markets such as intraday trading on the European Energy Exchange (EEX), the projected result was not reached overall for our gas storage segment. The operative reorientation of the trading activities which followed in the reporting year, and strong focus on the short-term sector led to initial success in this area.

Among municipal utilities, the market developments and marginal losses in classical supply responsibilities led to increased demand for new business fields and models. As a result, Trianel GmbH is building a modular system of options based on the new "New Technologies" network established in 2013. It is intended to offer interested municipal utilities products, and thus courses of action. In 2013, we added new products and services to our range and developed and expanded existing products.

While the profit contributions of the operative business overall were almost at the planned level in the reporting year, in particular the significantly negative deviations of the provisions for marketing virtual long-term energy supply segments from the original assumptions, and partial value depreciations for the rights to a planned gas and steam turbine power station roughly halved the forecast pre-tax result of € 10 million.

Against the background of the still low generation spread, we continued to build risk precautions for our sourcing contracts from conventional generation plants, which resulted in significant deviations from the levels assumed in the business plan. The existing risk provisions were increased for future marketing of our virtual long-term energy supply segment of the Lünen hard coal-fired power station by roughly € 12.2 million to € 24.6 million, and for marketing our virtual long-term energy supply segment of the Hamm gas power station by roughly € 2.0 million to roughly € 3.0 million. We also had to increase the accounting provision in connection with the storage facility use contract for the gas storage facility in Epe by around € 1.4 million to approx. € 3.8 million. Furthermore, as in the previous year, in extension and for precautionary reasons, we did not create valuation units in the balance sheet in selected cases; this has resulted in a provision for anticipated losses of around € 4.3 million. The non-period subsequent profits associated with the energy sector from the previous years totalled € 564 thousand in 2013. For precautionary reasons, an unplanned partial value depreciation of roughly € 0.6 million on the book value of the rights to a participating interest in a gas and steam turbine power station was made.

See section A 1.3 for details on the progress achieved in the large-scale projects during the reporting year.

Even if the planned result could not be achieved in particular due to the higher provisions formed, we are optimistic that the restructuring and focusing of business development on the new areas "Trading & Origination" and "Sales Solutions for Municipal Utilities" create a solid foundation for offering appropriate services for our shareholders and customers as well as not only compensating the negative effects of the current energy market design in the medium-term, but also exceeding them.

3. Company's situation

3.1 Earnings situation

Compared with the previous year, Trianel GmbH's result of the ordinary business operations decreased slightly.

Compared to the previous year, the result from ordinary business operations of Trianel GmbH fell slightly by € 53 thousand to € 5,130 thousand, thus falling below the projected pre-tax result by € 4.6 million. The result of the ordinary business operations is derived in the economic analysis from an adjusted operating result of € 15,454 thousand (2012: € 19,307 thousand), the adjusted financial result of € 1,055 thousand (2012: € 2,240 thousand) and a negative neutral non-period result of € 11,381 thousand (2012: € 16,365 thousand).

Taxes on income totalled € 3,025 thousand (2012: € 2,892 thousand), and other taxes totalled € 3 thousand (2009: € 3 thousand), resulting in an annual net income of € 2,103 thousand (2009: € 2,290 thousand).

The analysis of the Group result breaks down as follows:

A result of ordinary business operations of € 5,218 thousand (2012: € 4,555 thousand) is offset by a neutral and non-period related result of € −11,302 thousand (2012: € 16,997 thousand). Taking into account the financial result of € −2,372 thousand (2012: € 83 thousand) and the taxes on income of € 3,035 thousand (2012: € 3,032 thousand), the Group annual net income amounted to € 2,180 thousand (2012: € 1,521 thousand).

The development in 2013 is attributable to several effects which are reflected in different items of the profit and loss statement. Major effects are the commissioning of the Lünen coal-fired power station, and the sale of the Eisleben onshore wind project. In contrast to this, the income from green electricity marketing decreased significantly in the 2013 financial year. The risk provisions of Trianel GmbH's virtual long-term energy supply segment also had to be increased due to the negative market development. The following comments concern the individual financial statements of Trianel GmbH unless they make specific reference to the Group.

Trianel GmbH's turnover largely reflects our function as providers of market access for our customers. It is largely made up of the activities for third parties in procuring and marketing energy, which in turn are associated with corresponding back-to-back transactions on the wholesale market. The resulting energy purchases are represented in the material expenditures of the profit and loss statement of Trianel GmbH. There were hardly any effects on the result. Fundamentally, the turnover total and the associated total material expenditures do not allow any significant conclusions to be drawn on the economic success of the company.

The sales proceeds increased slightly compared with the previous year.

The sales proceeds amounted to € 2,026 million in the 2013 financial year (2012: € 2,006 million) and thus increased by 1.0% compared with the previous year. In order to increase the clarity, the proprietary turnover was balanced with the corresponding material expenditures in the reporting year, totalling € 991 million (2012: € 1,571 million).

Other operating income decreased by € 8,558 thousand to € 5,879 thousand. They essentially include income from the reversal of provisions (€ 1,493 thousand; 2012: € 5,844 thousand) and income from cost transfer from project costs (€ 2,607 thousand, 2011: € 4,161 thousand). The income from the reversing provisions relates in particular to provisions for anticipated losses of € 864 thousand (2102: € 3,814 thousand) and provisions for outstanding invoices totalling € 252 thousand (2012: € 1,850 thousand) and bonus payments totalling € 350 thousand (2012: € 132 thousand).

At 97.0%, the cost of materials ratio share fell slightly compared to the previous year.

Personnel expenses rose from € 20,524 thousand to € 24,665 thousand as a result of the increase in the number of employees.

Other operating expenditures totalled € 19,804 thousand, up from € 35,888 thousand in the previous year. The decrease was in particular due to the special effects in the previous year from the insolvency of Trianel Energie B.V. totalling € 17,239 thousand. Besides this, the changes primarily resulted from the increased expenditures on IT costs, rental and occupancy costs, information services and exchange rate differences. By contrast with this, expenditure for consulting and auditing costs, marketing and advertising expenditures, insurance and office materials fell.

The non-adjusted financial result amounted to € –1,002 thousand (2012: € 1,763 thousand). Adjusted for the neutral effects from the deduction of accounts receivable and addition of provisions (€ –2,057 thousand; 2012 € –44 thousand), the resulting adjusted financial result is € 1,055 thousand (2012: € 2,240 thousand). The neutral interest effects thus had a significant negative effect on the interest result. By contrast with this, the result from participating interests at € 1,646 thousand (2012: € 910 thousand) developed significantly positively compared to the previous year.

The other changes in the net interest income are based on various effects. Income from other securities and lending of financial assets again fell notably from € 2,589 thousand to € 1,307 thousand in the context of the scheduled partial repayment of the loan to Trianel Windkraftwerk Borkum GmbH & Co. KG for the pre-financing of an EU subsidy of € 9,362 thousand. The decrease in other interest and similar income is primarily the result of the security assets no longer continued in 2013 (2012: € 4,011 thousand). These revenues were offset by expenditures under the interest and similar expenditure totalling € 4,000 thousand in 2012. Besides this, the long-term loan interest for financing the Eisleben onshore wind farm and the new administrative building for Trianel GmbH increased by € 765 thousand to € 1,768.

The earnings situation has been positive in the first months of 2014.

3.2 Financial situation

Trianel GmbH's operating cashflow increased significantly.

Trianel GmbH's operating cashflow in the reporting year was € 34,213 thousand, up from € –20,939 thousand in the previous year. This change was largely due to the decrease in accounts payable and accounts receivable and other assets. The main determining factor for this development, besides the introduction of the reverse charge method for domestic energy trading, was the sale of the Eisleben onshore wind farm. Besides this, due to the changed invoicing system, the accounts payable to GESY Green Energy Systems GmbH decreased significantly. The sale of the Eisleben onshore wind farm as part of an asset deal led to a purchase price payment of € 15,000 thousand after deduction of the project financing. The cashflow from current business operations for the Group was € 34,424 thousand following € –20,053 thousand in the previous year.

The cashflow from investment activities of € –9,767 thousand (prev. year: € 8,427 thousand) is due in particular to payments in relation to the construction of the new administrative building of Trianel GmbH. This was offset with cash inflow and cash outflow in conjunction with Trianel Windkraftwerk Borkum GmbH & Co. KG. The repayments from a loan granted to prefinance an EU subsidy exceeded the cash outflow for supplementary financing of this company. The cashflow from investment activities in the Group was € –10,044 thousand following € 7,294 thousand in the previous year.

The cashflow from financing activities totalling € –31,032 is largely due to the divestiture of accounts payable for loans to finance the Eisleben onshore wind farm. This was offset by the addition of a loan to finance the investment for the new main administrative building of Trianel GmbH. Moreover, the cashflow was characterised by cash inflows from equity additions and contrasting dividend payments and the repayment of other loans. The cashflow from investment activities in the Group was € –31,032 thousand following € 31,426 thousand in the previous year.

Taking the revenue-side deviations from the budget into consideration, the financial situation was within range of the values forecast in the 2013 budget. Overall, the total financial resources decreased to € 54,417 thousand (prev. year: € 61,002 thousand) as of the balance sheet date. The Group had total financial resources of € 58,592 (prev. year: € 65,244 thousand). There were sufficient funds available to meet all financial obligations at all times.

3.3 Asset situation

The balance sheet total of Trianel GmbH was € 302,407 thousand on 31 December 2013 (balance sheet total of the Group: € 303,372 thousand) and has thus decreased compared with the previous year by € 45,516 thousand or 13.1 % (Group: € –45,662 thousand).

On the asset side, the decrease is due to various effects, some of these offset each other: On the one hand, fixed assets fell by € 8,804 thousand (Group € 8,768 thousand) and the trade receivables fell by € 13,601 thousand (Group: € –10,432 thousand). On the other hand, inventories decreased by € 21,246 thousand (Group € –21,246 thousand), the other assets and accruals and deferrals by € 40,090 thousand (Group: € –40,098 thousand) and liquid assets by € 6,585 thousand (Group: € –6,651 thousand).

The increase in fixed assets in the 2013 financial year is based in particular on the investment in tangible fixed assets (€ 10,597 thousand), primarily caused by the construction of the new Trianel main administrative building. By contrast to this, the financial assets decreased by € 1,894 thousand.

The reduction in financial assets is related in particular to the change in the loans to Trianel Windkraftwerk Borkum GmbH & Co. KG. On balance, these fell by € 4,156 thousand to € 21,215 thousand.

Moreover, the participation book values increased by € 2,450 thousand, primarily due to the participating interest in Trianel Onshore Windkraftwerke GmbH & Co. KG. By contrast, the capital repayment by Trianel Gaskraftwerk Hamm GmbH & Co. KG decreased the participation book values.

Further effects on the financial assets result from the sale of shares in EEX AG.

The inventories of Trianel GmbH decreased significantly by € 21,246 thousand to € 3,542 thousand due to the sale of the Eisleben onshore wind farm. Accordingly, the

inventories primarily comprise Trianel GmbH's share of working gas which was fed to the caverns of Trianel Gasspeicher Epe GmbH & Co. KG.

The accounts receivable and other assets totalling € 173,965 thousand (31 December 2012: € 200,009 thousand) remained unchanged at 57.5 % (31 December 2012: 57.5 %) of the balance sheet total are the largest item on the assets side, and thus decreased proportionally to the balance sheet total. The other assets make up the majority of this development. The increase from € 39,646 thousand to € 43,739 thousand is largely due to two effects. Besides the expired time deposit in connection with the financing of the Eisleben onshore wind farm (€ 19,500 thousand), in particular the accounts receivable from VAT decreased by € 24,501 thousand due to the introduction of the reverse charge procedure. As in the previous year, trade receivables were balanced against similar trade payables from the same business partners. On 31 December 2013, trade receivables and trade payables were balanced to the value of € 160,805 thousand, following an offset of € 188,034 thousand on the previous balance sheet date. The trade receivables decreased by € 10,502 thousand to € 66,961 thousand, which is also largely due to the net reporting as part of the reverse charge introduction. This contrasts with accounts receivable from companies in which a participating interest exists, which increased significantly from € 20,025 thousand to € 25,405 thousand. That is largely due to the commissioning of TKL.

The liquid funds decreased by € 6,585 thousand to € 54,417 thousand.

On the liabilities side, the decrease in the balance sheet total is due mainly to lower accounts payable to banks for financing Eisleben onshore wind farm transferred as part of the asset deal, as well as to the accounts payable to GESY Green Energy Systems GmbH from the marketing of green electricity.

As part of the significant decrease in the balance sheet total, the equity ratio increased to 28.6 % (31 December 2012: 24.4 %). The equity ratio for the Group rose to 28.6 % (31 December 2012: 24.4 %). In absolute figures, equity rose by € 1,541 thousand to € 86,464 thousand, of which € 2,103 thousand was derived from the annual net income for 2013 (Group annual net income for 2013: € 2,180 thousand).

The provisions rose by a total of € 2,556 thousand to € 47,150 thousand. The other provisions increased by € 9,166 thousand to € 46,999 thousand (31 December 2012: € 37,833 thousand), and primarily comprise provisions for anticipated losses from pending transactions (€ 37,085 thousand; 31 December 2012: € 25,971 thousand) and for

outstanding invoices (€ 4,909 thousand; 31 December 2012: € 7,363 thousand). By contrast, the tax provisions decreased by € 6,666 thousand to € 0 thousand due to the use of provisions for 2011. As a result of high advance tax payments, there are accounts receivable for the 2012 and 2013 financial years, which are reported under the other assets.

The development of the balance sheet structure and the key balance sheet figures was largely equivalent to the budget taking the revenue-side deviations from the budget into consideration.

C. Supplementary report

Report on significant events since the reporting date

We are not aware of any events of particular significance.

D. Report on forecast, opportunities and risks

1. Risk report

The business activity of Trianel GmbH demands that risks are consciously entered into in order to take advantage of opportunities. In particular the constant growth rate in conjunction with the development of new business sectors mean that the resulting risks and opportunities must be integrated into a comprehensive risk and opportunity management system.

Since an event can lead to both opportunities and risks, depending on its nature, the term "risk" will be used below to describe both opportunities and risks.

1.1 Risk management system

Trianel GmbH's risk-bearing capacity forms the framework for the risk management system. This is aligned with the equity capital and liquid funds available, and derived from the company's risk strategy.

Risk management organisation

The Management Board appoints risk officers for every organisational unit. The risk officers are responsible for the control and development tasks assigned to them within the risk management system. The central risk management department is responsible, among other things, for developing and implementing guidelines, methods and processes for risk measurement and control, as well as reporting risk items. The central risk management department also monitors compliance with risk guidelines.

The Trianel GmbH Risk Committee regularly meets to discuss the implementation and need for changes to the risk management system. The Committee is authorised to make decisions on approving business partners as part of the "Know Your Customer" process and approving limits for trading partners. The Risk Committee is also involved in specific issues such as market and product clearance and the distribution of risk capital to risk types. In new risk related matters, the Risk Committee draws up proposals for solutions and decisions for the Management Board.

The risk management system fulfils the legal requirements. Since Trianel GmbH acts as a service provider for Trianel Finanzdienste GmbH, the standards and ordinances which apply to financial service providers also apply to the Trianel GmbH risk management system. Internal auditing monitors the appropriateness and functionality of the risk management system. This was also supported in 2013 by two examination service providers and external auditors commissioned by the shareholders.

The Compliance and Market Regulation department is also part of the Risk Controlling division. It ensures that compliance risks are identified in good time and rule violations are prevented. The central compliance body is supported in these functions by compliance field delegates in various organisational units. A Compliance Committee has been set up for regular exchanges of all compliance service providers.

Risk management process

The risk management process at Trianel GmbH comprises the standardised identification, evaluation, aggregation, control and monitoring of risks and internal and external reporting.

In order to guarantee systematic risk identification, various risk areas and fields are defined. They are areas for monitoring which could result in risks for Trianel GmbH. Risk detection also includes identifying interdependences between risks.

Trianel has a comprehensive risk management system.

Risk control comprises all measures and tools used for avoiding, reducing or shifting detected risks, as well as consciously entering into certain (residual) risks. The control period is determined by the underlying risks. Trianel GmbH's risk-bearing capacity and the provision of risk capital derived from this form the framework for risk management. The amount of risk capital released is determined by the Shareholder's Meeting at the proposal of the Management Board. The internal allocation of risk capital and its distribution to the risk areas which are defined in this context – market, credit, operational and other risks – is approved by the Management Board. In order to evaluate the effectiveness of the risk control measures which have been put in place, the target and actual risk situations are continuously compared as part of risk monitoring. In this context, the amount and distribution of the approved risk capital are regularly assessed for appropriateness.

Internal and external addressees are informed on a regular basis of the current results, liquidity and risk situation as well as concerning the accounting precautions taken. The frequency, type and scope of the reporting vary according to the type and the significance of the risk. The Supervisory Board and Shareholders' Meeting were informed of the current results, liquidity and risk situation on a quarterly basis during the reporting year.

The specific design of the phases of the risk management process is documented per risk area and regularly checked for a need to update.

1.2 Risk areas and individual risks

The following risk areas summarise the main risks for Trianel GmbH.

Market risks

Market risks can significantly influence the results situation at Trianel GmbH in the form of market price fluctuations, market liquidity changes and quantity deviations.

Market risks as a result of price fluctuations result from open items, for example. These arise when the volume of purchasing transactions is greater or less than the sales transactions of similar products. The related market risk is determined by the extent of the discrepancy, and by the course the price fluctuation takes. Due to the sales and trading activities of the company, together with its holdings in power stations and the gas storage facility in Epe, market price developments and open items in the commodities electricity, gas, coal and CO_2 are particularly relevant to the company's success.

If the supply of certain products or the demand for them fall, their tradability decreases and the market liquidity drops. This creates the risk for Trianel GmbH that items which are still open can only be closed to a limited degree, or closed at less favourable conditions. To minimise risks, volume limitations are used for certain products and time periods; adherence to these is monitored each working day.

If physical delivery transactions are concluded on the basis of forecast generation or consumption quantities, deviations between the actual physical fulfilment and the planned quantity may occur, leading to open items. Deviations from the forecast must be offset, and thus incur additional costs. Further changes in quantity can occur due to failed or restricted physical deliveries, for example as a result of generation, transportation or storage capacity shortfalls. Measures such as regular updates of forecast load curves, agreement of tolerance ranges in combination with a transfer of the risk to third parties when the tolerances are exceeded, as well as optimisations on the basis of the latest forecast can reduce this type of risk.

For example, the risk of open forward transactions is assessed and limited by calculating the value-at-risk figure each working day, with a confidence level of 99 %, and a defined holding period. This means that the loss due to an open item within the holding period will not exceed the calculated value to a degree of probability of 99 %. The value-at-risk is calculated both assignment-specifically for individual assets as well as the trading items, and is also shown and monitored as an overall key figure to map assignment-spanning portfolio effects.

The risk reporting is supplemented by "stress values". Stress tests are used to examine the effects of external market situations on the portfolio values. The result specified is the assumed worst case loss that can expected within the holding period. In addition, the profit-at-risk is calculated with a confidence level of 99 % to evaluate open spot and balancing energy positions. This means that the loss is calculated, to a degree of probability of 99 %, which will not be exceeded in the respective period studied.

Possible cashflow fluctuations due to market price changes and associated margin payments are limited via position management, monitored each working day and taken into account as part of liquidity control. For example, in order to measure risk, the liquidity-at-risk is calculated at a confidence level of 99 %, and with defined holding periods. This means that the maximum liquidity change due to market price fluctuations within the

holding periods does not exceed the calculated value to a degree of probability of 99 %. Stress tests are used to simulate the effects of extreme market price fluctuation on the forecast cashflow. In order to guarantee the liquidity requirements, the necessary liquid funds and possible fluctuation ranges are also forecast continuously in the medium to long-term horizon and compensated if necessary via liquidity reserves.

Trianel GmbH also restricts the potential risks via binding market and product release processes. In addition to this, product, portfolio and portfolio group-specific loss limits are defined.

Limit systems, measuring methods and the limits of individual portfolios and products are documented in the appendix of the risk manual.

The current portfolio values and anticipated results and cashflow are regularly calculated and reported, if necessary every working day. The methods and assumptions used are checked regularly during the clean back-up testing, among other times, and are modified as necessary.

Credit risks

By contrast to stock exchange transactions, as part of bilateral OTC transactions, Trianel GmbH is exposed to the risk that the contract partners do not fulfil, or are delayed in fulfilling their contractual obligations regarding agreed delivery prices or quantities and the agreed delivery and payment periods. For transactions which have not yet been completed, a risk arises from the difference between the contractual price and the current market price. For transactions which have already been completed, or completed by Trianel, the risk is composed of the advance performances minus payments which have already been received. The current credit risk and the credit risk to be expected in future given specific assumptions concerning changes to the market price, are determined daily for all contract partners.

To restrict this risk, Trianel GmbH uses a multi-phase rating system to classify the creditworthiness of their trading partners. Some business partners also provide collateral in some cases. The credit limit per business partner depends among other things on the rating, the collateral provided and the risk capital held for the credit risk.

The current credit risk and the expected future credit risk per business partner are compared to the respective credit limit on a daily basis. This is then used as the basis for determining the permissible trading volume per business partner and the remaining room for manoeuvre per product.

The risk from the overall loan portfolio is also simulated regularly. Based on the default and price change scenarios, the quantiles of the resulting distribution provide information on the expected credit risk in the respective period studied.

Adherence to the limits is regularly monitored and reported within the scope of the standard risk reporting.

Operational and other risks

Risks arising from the legal, personnel, process and systems areas are generally referred to as operational risks.

Legal risks are defined as the risk that a contract or a group of contracts may not include the legal items required by Trianel GmbH. Furthermore, the uncertainty must be taken into account that (unforeseeable) changes of a legal nature may have negative effects on the achievement of planned corporate goals, and that damage may occur as a result. Trianel GmbH counteracts these risks for example by involving its own legal department in all relevant procedures, through the mandatory product approval process described above and by the use of largely standardised contracts wherever possible.

The company's success is also determined to a large extent by the expertise, commitment and contacts of its employees. Thanks to flat hierarchies, interdepartmental work and a high degree of personal responsibility, employees are able to use their qualifications in the most effective way. The ongoing development of all employees, together with support for potential managers from an early stage, is aimed at facilitating the sustainable achievement of corporate goals.

In order to enable effective risk management, there is a functional separation between those areas, posts and functions that enter into risks in the course of their activities and those that monitor the risks entered into and limit and report them where necessary. The specific design of the risk management system, particularly in relation to the content, responsibilities, processes, reporting obligations and documentation requirements is documented in the company's Risk Manual. Trianel GmbH also handles further organisational and process risks with binding regulations and process descriptions which are documented for example in the Organisation Manual and in the Compliance Guideline. Compliance with these regulations is ensured via independent auditing and reporting, and by adherence to the dual-control principle.

Communication and information systems are of key importance for the business processes at Trianel GmbH. In particular the IT security, data security and data protection aspects have to be taken into account in this respect. Alongside the general security of applications and data in the IT network, framework contracts and service level agreements oblige IT service providers to guarantee that the required standards are met. All Trianel GmbH employees are instructed with regard to data protection according to Section 5 of the German Federal Data Protection Act (BDSG), and are obliged to observe data privacy. Employees are made aware of IT security topics regularly via training measures and the Intranet. Regulations on this issue are also an integral part of the corporate guidelines. Trianel GmbH has also appointed an IT security officer and a data protection officer.

Other risks arise in particular as a result of possible deviations from the budget for affiliated companies and/or the development of asset projects. In order to be able to manage possible risks, corresponding (risk) controlling and audit processes have been set up that are continuously further developed. The projects provide options for the parties involved in the planning phase. The option of not exercising these by foregoing the transition to the implementation phase and the potential associated need for depreciation, are part of Trianel GmbH's business strategy. This is taken into consideration in the risk calculation. It is used to comply with and monitor the risk capital requirements by the shareholders. Also, the key individual risk positions (e.g. granting loans to companies in which a participating interest exists) are only entered into after a case-specific decision by the Shareholders' Meeting of Trianel GmbH.

Other risks exist from changes to general regulatory conditions. In addition to the uncertainties concerning the energy transition, possible changing requirements from the regulation of the financial and energy markets must be mentioned in particular. Since August 2012, the "European Market Infrastructure Regulation" (EMIR) has been in force. Its goal is to minimise credit risks on the over-the-counter (OTC) derivative markets. In order to monitor derivative trading, the regulation requires comprehensive reporting of all transaction data, and obliges market participants to perform various risk minimisation techniques up to financial collateralisation of OTC derivative contracts. Key parts of EMIR are defined by the financial market directive MiFID (Markets in Financial Instruments Directive), which is currently being comprehensively revised (MiFID II). Even though an agreement was reached on MiFID II as part of the tripartite negotiations in January 2014, key definitions for energy trading require specification. For this reason, the effects on Trianel GmbH and the energy derivative market as a whole still cannot be estimated reliably.

Besides EMIR, the "Regulation on wholesale Energy Market Integrity and Transparency" (REMIT), which has already been in force since December 2011 has resulted in significant expenditures for energy market participants. REMIT is intended to prevent market abuse (insider trading and market manipulation) on electricity and gas markets. For this purpose, REMIT introduced a comprehensive market monitoring regime which requires energy market participants to report all transaction and fundamental data in full. The establishment of the REMIT reporting processes requires significant resource allocations. The implementation of the regulatory requirements is also rendered more difficult by the fact that the technical implementation standards substantiating REMIT have not been passed yet.

In 2013, monitoring and management of regulatory uncertainties were expanded further. Trianel GmbH is countering the increasing regulatory requirements with a dedicated organisational unit (Compliance and Market Regulation), established in 2013, among other measures. The composition of the risk portfolios and funding requirements are repeatedly checked and adjusted; products and processes are adapted in accordance with the regulatory requirements via project teams created for this purpose. In addition to this, trend-scouting intensively analyses political, social, economic and regulatory developments to identify opportunities and risks of these developments at an early stage and react to them. Active and purposeful participation in the political debate is supported to a decisive extent through the presence of our Berlin office.

Use of financial instruments

The financial instruments include original and derivative financial instruments. The original financial instruments on the assets side fundamentally include accounts receivable, liquid funds and financial assets. On the liabilities side, the original financial instruments fundamentally include the accounts payable valued at the amount repayable. The level of the financial assets in the balance sheet indicates the maximum default risk for the items mentioned. When default risks exist, they are taken into account by value adjustments.

Trianel GmbH uses derivative financial instruments to hedge against market risks. These include financial swaps, futures and options on energy or emission certificates. In addition, financial instruments in the form of interest swap agreements are used to secure bank loans. Transactions with financial instruments are subject to risk guidelines in accordance with the risk management system described above.

1.3 General statement on the risk situation

Neither individual risks nor the overall risk endangered the company's status as a going concern.

In 2013, neither individual risks nor the overall risk endangered the company's status as a going concern. Instead, the equity basis and risk cover were further expanded via equity capital, and liquidity flexibility increased. Precautions were taken in the balance sheet for risks that are likely to take place.

The key to the business and risk strategy is profitable growth while ensuring risk-bearing capacity. Accordingly, the market risks will increase moderately in the following years in parallel with the expansion of the business activities, according to current assessments.

Regarding the credit risks, the assessment is that Trianel GmbH's business model, which focusses on municipal utilities as customers, currently still involves only a restricted risk of insolvency. However, in the medium to long-term, a slight increase of the counterparty default risk is expected. The assumed increases in quantities and prices also give rise to expectations of an increase in the medium term as regards the credit risk on the wholesale side. Expectations of increasing marketing of volumes generated have an attenuating effect. A decision made by the Federal Supreme Court (BGH) on 15 November 2012 on insolvency-dependent release clauses could result in higher demand for credit risk capital, collateral or liquidity for Trianel GmbH in future. As the situation is currently portrayed, this will only affect part of the portfolio.

The risk category of operational and other risks will likely also be dominated by risks from asset projects and participating interests, as well as risks from general regulatory and legal conditions in the future. Due to the expansion of business activities, and existing and potentially increasing political uncertainties, an increase in the risk is expected in subsequent years.

2. Opportunities

The future market design for power stations, the extent of closures of power station capacities and the further development of energy and raw material prices determine the profitability of our fuel-based asset items to a significant extent. With regard to projects in the renewable energy sector, there are opportunities as a result of a favourable devel opment of system prices and financing costs. The energy transition requires municipal utilities to expand and adapt existing procurement strategies. They currently have to work on areas such as direct marketing, generation from renewable energy sources, smart metering and decentralised generation. We see good opportunities to offer municipal utilities increased support in these new challenges over the coming years with innovative services and products.

We see good opportunities for being able to offer municipal utilities increased support in these new challenges over the coming years with innovative services and products.

Further increasing margin pressure and a continuously deteriorating economic situation for most of the municipal utilities lead to further growth in pressure on efficiency in companies. This will further enhance the trend to more cooperation and optimisation in procurement of electricity and gas. In future, municipal utilities will be forced to utilise as yet unused own generation potential via professional optimisation. As a result, Trianel GmbH expects constant expansion of its range for wholesale-type value added services.

The introduction of significantly stricter rules for regulation of financial and energy markets in accordance with EMIR (European Market Infrastructure Regulation) and REMIT (Regulation on wholesale Energy Market Integrity and Transparency) makes new requirements of all participants in the trading markets, and in particular of wholesale service providers. Trianel Finanzdienste GmbH (TFD) performs transaction reporting for its customers and supports them with consulting in this context. This will also enable Trianel to distinguish itself further from other procurement service providers, creating additional opportunities to expand our services for our customers.

Trianel Finanzdienste GmbH (TFD) performs the transaction reporting for its customers and provides them with consulting support in this context.

The service business in the field of gas procurement continues to offer great and as yet far from exhausted potential as a result of the market upheaval. In addition, we shall also place greater emphasis on market opportunities for natural gas within the context of the energy transition and make these accessible to our customers via corresponding business models.

The gas procurement service business offers potential which is still far from fully exploited.

The topics of smart metering, decentralised generation, energy efficiency and electromobility, developed in the sales solution sector in recent years, will be made more accessible for further cooperation when studied in greater depth. The cooperative development of the topics will inevitably lead to higher added value. The goal is to combine the topics connected here with additional topics from the field of the classic supply business on both the electricity and the gas sides, to create superordinate products. As has already been seen, these topics can also enable us to appeal to municipal utilities for which we have not had any points of contact previously.

Cooperation in smart metering, decentralised generation, energy efficiency and electromobility will be expanded further.

Many projects we are pursuing result in opportunities, in particular in the asset field. Where implementation of these projects remain feasible in 2014 and 2015, we will offer them to our shareholders and other municipal utilities. The necessary services for further project development also create earnings potential.

The new Trading & Origination division already created initial positive effects in the last quarter of 2013 by focussing on short-term trading. For 2014 and 2015, we will expand the expertise and the trading focus in the short-term sector, which is expected to add

We will continue to expand the expertise and the trading focus in short-term trading and expect this to result in significant added value.

significant value. Marketing generation plants will also result in earnings opportunities. In this segment, we use our expertise to develop new products and business models, such as the secondary balancing capacity pool, and to access new customer groups and additional value creation options. The likely obligatory direct marketing of electricity from EEG plants will also support the growth in this area.

Good opportunities to earn future profit generally result from our trend-scouting, with which we constantly analyse the current market developments for possible potential for joint development with our shareholder companies.

3. Forecast

3.1 Orientation of Trianel GmbH in the next two financial years

In the years to come, we will focus on appealing to small and medium-sized municipal utilities to an increasing extent.

Trianel GmbH will continue the strategy of the preceding years. In the years to come, Trianel's growth strategy will focus on appealing increasingly to small and medium-sized municipal utilities outside the current network. In future, a new department, SME Portfolio Management, will concentrate on the needs of these customers for all commodities.

Tailor-made solutions based on existing energy industry functions and existing infrastructure.

In its core business, Trianel GmbH will continue to consistently develop its product range for procurement and supply services in the electricity and gas sectors in the years to come, and also attempt to further expand its market share outside the shareholder group. To this end and in addition to a differentiated product range, there will be increased emphasis on customised solutions based on existing basic energy-industry functions and infrastructure. Portfolio management, balancing group management and flexible supply are supplemented by services with green electricity certificates, as well as risk management and reporting services. Trianel GmbH's own fundamental understanding of itself as an expert premium provider is the foundation of its range. We also want to benchmark ourselves increasingly on our performance and the added value for customers, including variable remuneration models.

New services in energy data management for suppliers and distribution grid operators are expected to drive growth.

Trianel GmbH expects growth stimuli from new services in energy data management for suppliers and distribution grid operators. In initial reference projects, the entire energy industry processing chain from contract conclusion, to system mapping, load forecasting, market communication, procurement and balancing group management was performed for established and new municipal utilities. We were able to support distribution grid operators efficiently in managing increasing deviations of the individual consumption behaviour from the standard load profile and the growing decentralised feed-in of

renewable energy. In this way, they can comply with the recent significantly stricter requirements for balancing group management and forecasting obligations of the German Federal Network Agency.

In the gas sector in particular, further potential in management of storage facility segments and procurement portfolios are to be used for Trianel GmbH and its customers, e.g. by using new markets, such as intraday trading, as part of the now comprehensive 24/7 trading system.

24/7 trading will benefit power station marketing in particular. Trianel GmbH intends to continue to position itself as the leading provider in the municipal environment for optimised marketing and the use of all forms of physical and virtual generation units. In addition to managing a conventional generation portfolio of 1,500 megawatts, and direct marketing of 2,550 megawatts of renewable energy, Trianel GmbH will start marketing the electricity from the Borkum West II offshore wind farm in 2014, bringing it to a total of 2,750 megawatts of renewable energy, and continue to grow in the small and medium-sized CHP plant sector.

We position ourselves as the leading address for marketing and use of generation units.

As in the previous year, the consolidation of the price level for direct marketing based on the market premium model continued in 2013. In spite of the great competitive pressure, we succeeded in securing a joint marketing portfolio of roughly 2,750 megawatts for 2014. With our holding company, GESY Green Energy Systems GmbH (GESY), a marketing platform for medium-sized operators of renewable generation plants, we are currently developing a concept which will enable us to also secure this business field sustainably for 2015. In order to diversify the direct marketing portfolio, we integrated roughly 10% generation from PV systems for the 2014 marketing year, and are thus building our experience as a direct marketer of electricity generated by solar energy systems, too. In addition to this, other business opportunities based on generation are to be developed, including decentralised concepts in particular.

In order to meet the expected demand by municipal utilities for renewable generation capacities, Trianel GmbH will focus to a greater extent on the development of renewable generation systems. The Borkum West II offshore wind farm is to be completed in mid-2014. Trianel's first onshore wind farm project was connected to the public grid at the end of 2013. Among other areas, project development will focus on further development and acquisition of other onshore wind projects, which are to be made accessible to the shareholders of Trianel GmbH. For this purpose, Trianel Onshore Windkraftwerke GmbH & Co. KG was founded in 2013; it is intended to pool many small and medium-sized onshore projects.

Trianel GmbH focuses to a greater extent on the development of renewable generation systems.

With a view to cost-effectiveness and risk profiles, the demand for conventional generation projects will be restricted to locations with a high continuous demand for heating. These include above all (industrial) central and decentralised CHP projects as well as the capacities of the pumped-storage hydroelectric plants. We believe the chances to set new focal points with our market position based on expertise in financing and project organisation and experience in pooling are good. The aim is to develop feasible options in light of the dynamic development of the general conditions.

The Krefeld combined heat and power project and the Oberrhein combined heat and power project will be extended as a gas and steam turbine project. Against the background of current market estimations, the next steps will be checked at regular intervals during the course of 2014.

The portfolio of the planned pumped-storage hydroelectric plants at the two sites in North Rhine-Westphalia and in Thuringia can and should strengthen the generation position of the municipal utilities involved as well of Trianel GmbH, and contribute to diversification. Given the current revenue situation and the anticipated market development, we assume that the plants will be profitable at their potential commissioning time between 2022 and 2025. This in-house project development, with its very long-term approach, offers the opportunity of creating options for actions and implementing these at the suitable time.

In future, small and medium-sized energy suppliers' (SME) reliance on cooperation will be greater.

The market development and associated commercial challenges for municipal utilities and the ever shorter innovation cycles will mean that small and medium-sized energy suppliers (SMEs) will rely on cooperation to a far greater extent in future. Thanks to the already large number of municipal utilities with which products and business models are developed jointly, Trianel GmbH can achieve significant economies of scale, which in turn allow Trianel GmbH to enter the SME segment even outside the existing network.

Regional sales will be developed to ensure the necessary market penetration in the SME sector.

To implement and pool the sales activities, Trianel GmbH decided to establish a regional sales network which will ensure the required market penetration in the SME sector. The corresponding personnel is to be added in the first six months of 2014. We are optimistic that the sales activities will bear initial fruit for us from 2015 on.

Besides offering and selling Trianel products, entering the SME sector is also intended to promote the services area. We see significant growth potential here.

3.2 General economic conditions in the next two financial years

An average economic growth rate of 1.6 % is forecast for 2014 in the Federal Republic of Germany. Notwithstanding the banking and financial crisis which is not over yet, there is a slight economic recovery in the Euro zone. In particular, the increasing export will accelerate the economic growth significantly. A growth of approximately 6.3 % is expected for imports.

The increase in exports should offer an incentive for investments, not least thanks to the recovering global economy. This trend is supported by a continued favourable financing environment. However the investment in equipment will remain weak in proportion to the economic capacity. The Federal Statistical Office forecasts a growth of 6 %.

Private consumption is the driving force of the economy. The consumer prices will increase slightly, but inflation will remain limited, which will likely lead to a growth rate of 1.6 % in 2014, and 1.7 % in 2015. The expected increasing labour force should lead to higher tax revenue.

In 2014, the energy policy framework will be characterised by significant changes.

The energy policy framework will be characterised by some significant changes in 2014. Sigmar Gabriel, the Federal Minister of Economics and Energy, announced a reform of the German Renewable Energy Sources Act (EEG) as of 1 August 2014. In March, initial hearings of the associations and coordination with the Federal States took place. The parliamentary proceedings are scheduled to start in the second quarter of 2014.

It is apparent that the EEG amendment will limit subsidies for renewable energy and synchronise the speed of their expansion with that of the grid expansion. As part of the reform, people who generate electricity themselves will also be expected to pay the EEG allocation. The special compensation regulation for electricity-intensive companies is also being reviewed and will be adapted to comply with European law. It can be assumed the electricity-intensive, currently privileged industrial companies will have to contribute appropriately to the costs of the energy transition, however without jeopardising their competitiveness and thus jobs.

For 2014, the German Federal Government has further points on its agenda for the energy sector besides the EEG reform. For example, the German Federal Ministry of Economics and Energy plans to present proposals for the development of the electricity market design by the end of 2014 to guarantee supply security in the long term. In the medium term, a capacity mechanism could ensure the maintenance of the necessary generation capacity.

Grid expansion will also be advanced based on the National Demand Forecast. Draft discussions are expected in the first and second halves of the year on the "Intelligent distribution grids regulation package". The package of regulations is to create general conditions which contain a specification of technical minimum standards to guarantee data protection among other things.

By the end of 2014, the Federal Ministry of Economics and Energy will also draw up a national energy efficiency action plan. As this will involve the heating market to a greater extent, the discussions on the Energy Savings Act (EnEV) and the Renewable Energy Heating Act (EEWärmeG) will heat up. The Federal Ministry's agenda also includes implementing the EU Energy Efficiency Directive by the end of the implementation period on 15 June 2014.

In the climate protection area, emissions trading is to be reformed and a framework is to be defined for European energy and climate policy until 2030 in 2014; the aim is an agreement on European targets for the period after 2020. Germany continues to support an ambitious reduction of greenhouse gas emissions after 2020.

However, with an eye to the European elections in May 2014, no major changes are expected in European energy policy until after the election.

3.3 Anticipated earnings situation

The Group's forecast earnings situation only deviates slightly from the earnings situation of the individual financial statements due to the marginal business activities of the incorporated subsidiaries, so that the following explanations refer to the individual and consolidated financial statements.

For 2014 and the following years, we expect positive contribution margins for all business divisions.

In 2014, smart metering services are to deliver one third of the contribution margins planned for this segment.

For 2014 and the subsequent years, we expect that all divisions will contribute to the operative development with positive profit contributions. In our plans, we assume further development of energy industry services, with the largest growth coming in sales solutions for municipal utilities. In 2014, smart metering are to provide one third of the profit contributions planned for this segment. Other significant profit contributions are expected from energy efficiency and decentralised generation products. In energy trading, the decreasing profit contributions caused by changing subsidy conditions for green electricity marketing will increasingly be compensated by more short-term transactions, optimised proprietary trading and secondary balancing capacity. Due to the market framework, our project development is characterised by reduced budgets for conventional power station projects and a shift in activities to renewable power station projects.

The development of the net income is highly influenced by the development of the accounting precautions for our virtual long-term energy supply segments.

Against the background of the slowed growth and income expectations in the next two years, the cost development was also adapted and a project was also initiated to optimise structural costs. The cost increases for 2014, which are largely due to the personnel growth in 2013, will slow significantly in the current year and the years to come.

The net income from holdings and financing is characterised by interest income from the loans to Trianel Windkraftwerk Borkum GmbH & Co. KG. The interest expenditure from the loan taken to finance the new administrative building only slightly offsets this.

The regulatory framework conditions remain highly uncertain.

Uncertainties regarding the general regulatory conditions remain high. In our opinion, they result from an unsuitable energy market design, both economically and in terms of the energy industry, and from unclear statements on announced changes in subsidies for renewable energy and energy efficiency. In addition to this, we see economic risks in particular in a continued detrimental development of generation spreads and in construction delays and cost increases for our offshore wind farm which is currently under construction. The power station projects currently under development also face high uncertainty in the future as a result of the general regulatory conditions. This concerns the pumped-storage hydroelectric and gas/steam turbine power-station activities as well as our project development activities in onshore and offshore wind projects.

The development of turnover at Trianel GmbH largely depends on the trade business and the extent to which we can provide our customers access to energy markets. For this reason, turnover development is difficult to foresee, but also largely irrelevant for the economic success of the company. In order to increase the information content of our business figures, especially for business partners, we balance the sales proceeds for certain energy transactions with the corresponding cost of materials.

We currently expect a positive pre-tax result of approx. € 6 million for 2014.

We currently expect a positive pre-tax result of approx. € 6 million for 2014. We expect further positive business development for 2015. The expansion of the smart metering product activities started in the reporting year, and energy efficiency matters, as well as the expansion and development of trading activities will be particularly important.

3.4 Anticipated financial situation

The anticipated financial situation of the Group is characterised almost exclusively by the individual financial statements of Trianel GmbH, so that the following explanations largely concern both the individual and consolidated financial statements.

Compared with the previous year, Trianel GmbH's level of financial assets is slightly lower – in particular due to the sale of Eisleben onshore wind farm, the change in the invoicing system with GESY Green Energy Systems GmbH and some other effects which were largely compensated by the incoming liquidity as part of the introduction of the reverse charge procedure. Overall, we therefore met our planned liquidity development. For next year, we expect a further reduction in financial assets due to the investment disbursements as part of the completion of the new administrative building for Trianel GmbH and the provision of a shareholder loan to Trianel Windkraftwerk Borkum GmbH & Co. KG. We expect the borrowed capital and equity ratios to develop stably at the current level.

Our business development continues to focus on the service sector, which means that the only major investments in tangible assets expected in 2014 involve the new administrative building. Investments in financial assets comprise our shareholdings in the power station companies. These continue to be financed via bank loans and own cashflow. For 2014, as part of the completion of the Borkum West II offshore wind farm, we expect further funds to be provided to Trianel Windkraftwerk Borkum GmbH & Co. KG in the form of the shareholder loan already approved.

Trianel GmbH's good credit rating was confirmed by an external rating agency.

Given the good credit rating of Trianel GmbH, most recently confirmed in November 2012 by an external rating agency on the basis of a high liquidity level and a sound basis for internal financing, we see no bottlenecks as regards the financing of our planned business activities. We also believe that our relationship to our key banks remains good. Accordingly, the current financing of operative business – for which we expect a high liquidity requirement in future, among other things due to current market-price and regulatory developments – is secured flexibly through credit lines.

In summary, we see no restrictions whatsoever as regards servicing our debts.

3.5 General statement on the development forecast of Trianel GmbH and the Group by corporate management

A major consequence of the widespread, unregulated expansion of generation systems under the EEG is the asset crisis, i.e. the economic devaluation of the energy business assets developed in recent years. Without a fundamental change of the energy market design, including in particular the EEG reform and introduction of capacity markets, the modernisation of power station infrastructure, which is essential both ecologically and economically in light of the nuclear phaseout, is impossible. The current German Federal Government is expected to focus on a suitable framework including gradual introduction of capacity mechanisms. This would have a corresponding positive effect on the marketing success of our virtual long-term energy supply segments and our project development activities. The positive impetus for the electricity market associated with this expectation is also supported by our fundamental, long-term market analyses as part of corresponding scenarios.

Regardless of the expected changes, we expect Trianel GmbH's service business to develop positively in the years to come. We have particularly high expectations of sales services for municipal utilities, as well as energy trading, direct marketing of renewable energy and optimisation of existing energy industry plants, as well as those pooled by us. Considering the last few years and the many areas and projects in development, we are optimistic that Trianel GmbH will be able to develop as a highly active and important partner for our municipal utility shareholders in overcoming the energy transition and the increasing regulatory demands. We can use the resulting opportunities together to the benefit of the entire Trianel Group. We therefore continue to look into the future with an overall sense of optimism, despite the demanding general conditions.

Irrespective of the expected changes, we assume that Trianel GmbH's service business will continue to develop positively in the years to come.

E. Reporting pursuant to Section 108 Para. 2 No. 2 of the North Rhine-Westphalian Local Government Ordinance (GO NRW)

The purpose of the company is national and international energy trading, with the objective of improving local energy supply. The company may undertake the following tasks to implement this objective:

1 Trade in

a. Energy (electricity, gas, oil, coal),
b. Energy derivatives and energy-related financial derivatives (as defined in the German Banking Act [Kreditwesengesetz, KWG]; proprietary transactions),
c. Financial products relating to energy supply, such as weather derivatives and emission certificates (pursuant to the KWG: proprietary transactions)

2 Energy sales

3 Provision of consulting and other fee-based services directly related to energy supply.

The company is entitled to conduct all measures and business transactions through which the purpose of the company can directly or indirectly be promoted. It may, in order to fulfil its tasks, operate other companies, participate in them or establish, acquire and lease such companies as well as auxiliary and ancillary companies, furthermore it may enter into joint ventures and establish subsidiary branches.

The comments and data in the Notes and the Management Report illustrate that we have conformed fully with the public purpose based on our terms of reference as per the Shareholders' Agreement.

Aachen, Germany, 12 May 2014

Trianel GmbH

Sven Becker

Dr. Jörg Vogt

Management Board of Trianel GmbH

Annual financial statements of Trianel GmbH

Balance sheet

as of 31 December 2013

Assets

in €	31.12.2013	31.12.2012
A. FIXED ASSETS		
I. Intangible assets		
1. Acquired rights of use and similar rights	2,503,893.50	2,472,913.50
2. Down payments made	353,900.00	284,117.41
	2,857,793.50	**2,757,030.91**
II. Tangible assets		
1. Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	107,745.00	81,752.00
2. Furniture and fixtures	944,904.00	1,097,090.00
3. Down payments made and plant under construction	12,472,489.05	1,748,687.61
	13,525,138.05	**2,927,529.61**
III. Financial assets		
1. Shares in affiliated companies	2,852,027.57	2,815,232.08
2. Participating interests	25,713,744.33	23,263,958.14
3. Loans to companies with which a participating interest exists	21,214,871.94	25,370,443.71
4. Securities held as fixed assets	0.00	220,000.00
5. Other loans	30,748.90	35,485.40
	49,811,392.74	**51,705,119.33**
	66,194,324.29	**57,389,679.85**
B. CURRENT ASSETS		
I. Inventories		
1. Unfinished buildings	0.00	19,918,372.28
2. Merchandise	3,542,090.30	4,869,806.41
	3,542,090.30	**24,788,178.69**
II. Accounts receivable and other assets		
1. Trade receivables	66,960,656.52	77,462,615.30
2. Accounts receivable from affiliated companies	2,720,079.09	2,591,069.23
3. Account receivable from shareholders	35,140,488.68	31,190,950.67
4. Accounts receivable from companies with which a participating interest exists	25,404,681.85	5,380,143.35
5. Other assets	43,738,767.43	83,384,544.59
	173,964,673.57	**200,009,323.14**
III. Cash in hand, cash at bank	**54,416,621.06**	**61,001,907.63**
C. ACCRUALS AND DEFERRALS	**4,289,004.96**	**4,733,389.52**
	302,406,714.18	**347,922,478.83**

Liabilities

in €	31.12.2013	31.12.2012
A. EQUITY		
I. Capital stock	20,120,575.00	19,896,575.00
Nominal value of own shares	–168,000.00	–68,000.00
Issued capital	19,952,575.00	19,828,575.00
II. Capital reserves	25,808,469.24	25,024,469.24
III. Reserve for own shares	168,000.00	68,000.00
IV. Earnings reserves, Other earnings reserves	38,431,543.01	37,711,635.41
V. Annual net income	2,102,800.15	2,289,815.21
	86,463,387.40	**84,922,494.86**
B. PROVISIONS		
1. Provisions for pensions	150,789.00	94,650.00
2. Provisions for taxes	0.00	6,666,030.36
3. Other provisions	46,999,197.68	37,832,837.80
	47,149,986.68	**44,593,518.16**
C. LIABILITIES		
1. Accounts payable to credit institutions	34,074,864.56	64,697,303.77
2. Down payments received for orders	495,611.34	506,999.83
3. Trade accounts payable	91,443,958.76	88,627,081.85
4. Accounts payable to affiliated companies	62,756.72	310,611.56
5. Accounts payable to shareholders	21,563,400.61	25,581,661.67
6. Payables to companies in which the company has a participating interest	11,917,622.13	22,201,879.00
7. Other accounts payable	7,002,127.63	15,638,048.13
	166,560,341.75	**217,563,585.81**
D. ACCRUALS AND DEFERRALS	**2,232,998.35**	**842,880.00**
	302,406,714.18	**347,922,478.83**

Profit and loss statement

for the financial year from 1 January 2013 to 31 December 2013

in €	31.12.2013	31.12.2012
1. Sales proceeds		
a) Gross sales proceeds	2,026,274,584.94	2,008,264,675.84
b) Electricity tax	0.00	–2,717,730.94
	2,026,274,584.94	**2,005,546,944.90**
2. Increase or decrease of finished and semi-finished products	–19,918,372.28	609,091.34
3. Other internally produced and capitalised assets	149,575.42	107,529.79
4. Other operating income	5,879,690.52	14,437,397.85
5. Cost of materials		
a) Expenditure on goods purchased	1,959,541,744.80	1,958,391,468.93
	1,959,541,744.80	**1,958,391,468.93**
6. Personnel expenses		
a) Wages and salaries	21,233,815.60	17,751,943.44
b) Social contributions and expenditure on pensions and support	3,431,124.42	2,772,344.49
	24,664,940.02	**20,524,287.93**
7. Depreciation		
a) On intangible assets and tangible fixed assets	1,622,113.13	1,435,833.74
b) On current assets where they exceed the usual depreciation in the corporation	620,000.00	1,041,483.17
	2,242,113.13	**2,477,316.91**
8. Other operating expenditure	19,804,225.67	35,887,993.58
	6,132,454.98	**3,419,896.53**
9. Revenues from participating interests	289,170.32	158,354.49
10. Revenues from profit and loss transfer agreements	1,356,628.62	1,001,555.27
11. Revenues from other securities and loans of financial assets	1,325,410.01	**2,589,343.87**
12. Other interest and similar income	901,624.36	4,569,988.84
13. Depreciation on financial assets and securities held as current assets	0.00	249,999.00
14. Interest and similar expenditure	4,874,852.34	6,305,802.81
	–1,002,019.03	**1,763,440.66**
15. Result on ordinary business operations	5,130,435.95	5,183,337.19
16. Tax on income and revenue	3,024,944.80	2,891,882.98
17. Other taxes	2,691.00	1,639.00
18. Annual net income	**2,102,800.15**	**2,289,815.21**

Notes

for the 2013 financial year

1 Form and presentation of the annual financial statements

The financial statements have been prepared in accordance with the regulations of the German Commercial Code (HGB) for large incorporated companies in conjunction with the supplementary provisions of the GmbH-Gesetz (German Limited Liability Company Law).

To improve the clarity of the presentation we have positioned details on affiliations to other items in the balance sheet.

The profit and loss statement is structured according to the expenditure format.

Separate explanatory notes have been provided in respect of the main items in the balance sheet and the profit and loss statement.

For better presentation of the earnings situation, the sales proceeds and costs of materials for proprietary business transactions are balanced against one another for reporting. In addition to this, fees directly related to trading were restructured from the other operating expenditures to the cost of materials. The figures from the previous year were adapted accordingly.

2 Accounting and valuation principles

The accounting and valuation were performed based on the assumption that company activities would be continued.

The intangible assets and tangible fixed assets were valued at acquisition cost less depreciation.

Depreciation was scheduled on a straight-line basis and/or using the declining balance method based on the normal useful life of the capital assets.

The financial assets are evaluated at acquisition cost, taking account of repayment, depreciation and write-ups. Interest receivables which have not been subjected to interest with a residual term of more than one year are discounted using a market interest rate adequate for the residual term. The evaluation of the value retention of the participation book value and the shareholder loans of Trianel Windkraftwerk Borkum GmbH & Co. KG was presented in summary form due to the close contractual link of the participating interests and the loan.

Inventories are valued at acquisition cost using the lower of cost or market principle for depreciation.

Accounts receivable and other assets are shown in the balance sheet at their nominal value; necessary value adjustments were taken into account.

Accounts receivable and payable in foreign currencies are converted at the applicable exchange rate on the posting date unless a fixed exchange rate for the Euro exists. Profits and losses incurred due to exchange rate movements up to the balance sheet date are taken into account per Section 256a of the German Commercial Code (HGB).

Liquid funds are stated at nominal value in the balance sheet.

The subscribed capital is included at nominal value.

In the 2013 financial year, own shares to a nominal value of € 100 thousand were purchased. That reduced the earnings reserves by € 425 thousand.

Per the profit use decision dated 5 July 2013, € 1,145 thousand from the annual net income for 2012 was distributed as dividends. The remaining annual net income of € 1,145 thousand was transferred to the earnings reserves.

Pension obligations are calculated according to actuarial principles using the Projected Unit Credit Method (PUC Method). In the PUC Method, the provision amount is defined as the actuarial cash value of the pension obligations earned by the employees until this time based on work performed in the past in accordance with the pension formula and vesting regulation. The "Guide Tables 2005 G" by Klaus Heubeck are used as a biometric calculation basis. The mathematical interest rate is 5.14 % or 4.88 %, which is equal to the average market interest rate for an assumed residual term of the obligations of 15 years. The pension trend was also incorporated at 1 %. Appropriately, the wage trend was not incorporated. The addition to the pension provision as a result of the changes of the calculation method in relation to evaluation per the requirements of the German Reporting Modernisation Act (BilMoG) was reported in full in the unscheduled expenditures in the 2010 financial year. The option per § 67 para. 1 no. 1 of the Introductory Act for the German Commercial Code (EGHGB) was not exercised.

Provisions are valued on the basis of reasonable commercial assessment and adequately take into account all identifiable risks and contingent liabilities. Provisions are carried as liabilities up to the envisaged settlement value. Provisions with a residual term of more than one year are discounted using a market interest rate adequate for the residual term.

The option of capitalising deferred taxes was not exercised.

Accounts payable are stated at the settlement value.

In order to evaluate the physical trade transactions, the posted and pending transactions and gas inventories are always combined in an annual consideration with the corresponding financial transactions to the Asset Electricity, Trade, Electricity Sales and Gas Sales portfolios, i.e. in the event of the use of the option to form an accounting valuation unit.

Derivative financial instruments were used to secure bank loans and foreign currency transactions, which each form a valuation unit together with the debt items.

3 Balance sheet notes

3.1 Fixed assets

The development of fixed assets and depreciation during the financial year under review is shown in the fixed-asset movement schedule, which is enclosed as a separate document with the Notes.

Shares to the amount of € 2,852,028.57 are held in the following affiliated companies:

Company	Registered office	Participation in %	Participation book value in €	Equity in €	Annual result in €
Trianel Finanzdienste GmbH	Aachen	100	2,500,000	2,500,000	0 *
Trianel Gaskraftwerk Hamm Verwaltungs GmbH	Aachen	100	25,000	35,615	–2,120
Trianel Gasspeicher Epe Verwaltungs GmbH	Aachen	100	25,000	190,411	23,510
Trianel Kohlekraftwerk Krefeld Verwaltungs GmbH	Aachen	100 **	25,000	100,389	12,629
Trianel Kohlekraftwerk Lünen Verwaltungs GmbH	Aachen	100	25,000	33,008	1,053
Trianel Windkraftwerk Borkum Verwaltungs GmbH	Aachen	100	25,000	102,262	12,630
Trianel Service GmbH	Aachen	100	194,031.57	162,135	–12,306
Trianel Erdgasförderung Nordsee GmbH & Co. KG	Aachen	100	32,996	82,023	47,708

* Trianel Finanzdienste GmbH and Trianel GmbH have concluded a profit and loss transfer agreement.
** The shares are wholly commercially attributed to Trianel GmbH.

Holdings in which Trianel GmbH maintains at least one fifth of the shares:

Company	Registered office	Participation in %	Participation book value in €	Equity in €	Annual net income/deficit in €
GESY Green Energy Systems GmbH	Berlin	24.9	378,480	2,015,603 *	938,319 *
Trianel Energie B.V. **	Maastricht, NL	100	1	— **	— **

* Status: 31 December 2012.
** Trianel Energie B.V. applied for insolvency on 27 December 2012 and therefore did not prepare annual financial statements for 31 December 2012. Accordingly, the participation book value was depreciated to a token value of € 1 and restructured to participating interests in the financial year.

3.2 Current assets

The stock assets comprise stored gas quantities and CO_2 certificates. The onshore wind farm presented under the stock assets which was under construction at the time, was sold on schedule in the 2013 financial year.

Trade accounts receivables mainly consist of outstanding payments for electricity and gas supplies, which were offset against similar accounts payable to the value of € 160,805 thousand (prev. year: € 188,034 thousand).

Of the accounts receivable from affiliated companies, € 1,037 thousand (prev. year: € 1,034 thousand) are trade accounts receivable. Other than this, the accounts receivable include mainly cost allocations. Of the accounts receivable from shareholders, € 34,783 thousand (prev. year: € 30,971 thousand) are trade accounts receivable. Similar accounts payable totalling € 5,281 thousand (prev. year: € 14,932 thousand) were offset against accounts receivable.

The accounts receivable from affiliated companies are mainly trade receivables resulting from energy supply and the provision of services. Similar accounts payable totalling € 915 thousand (prev. year: € 0 thousand) were offset against accounts receivable.

The other assets primarily comprise collateral security relating to energy trading, including non-accessible bank credit balances of € 9,914 thousand, accounts receivable from tax reimbursement claims for advance payments in 2012 and 2013 totalling € 9,662 thousand, margin payments of € 6,698 thousand and € 5,146 thousand in input tax, which is not deductible until the following year. In addition to this, the other assets included accounts receivable from companies with which a participating interest exists to a total value of € 1,310 thousand.

As in the previous year, all accounts receivable and other assets with the exception of € 1 thousand are due within one year.

3.3 Provisions

Other provisions totalling € 46,999 thousand (prev. year: € 37,833 thousand) include provisions for uncertain accounts payable totalling € 9,914 thousand (prev. year: € 11,862 thousand), mainly pertaining to outstanding invoices for energy procurement and personnel costs.

Provisions are also included for anticipated losses from pending transactions totalling € 37,085 thousand (prev. year € 25,970 thousand), of which € 4,300 thousand (prev. year € 5,807 thousand) results from foregoing the option to form balance sheet valuation units. In addition, provisions for anticipated losses totalling € 31,423 thousand (prev. year: € 16,198 thousand) were included on the liabilities side for our asset positions as of the balance sheet date. Provisions for anticipated losses from pending procurement transactions totalling € 1,288 thousand had to be formed for outstanding items due to the insolvency of Trianel Energie B.V.

3.4 Accounts payable

The amounts due to banks include long-term bank loans and accrued interest.

The down payments received for orders included are instalments from B2B customers.

Trade accounts payable predominantly result from energy procurement and consulting services.

Accounts payable to shareholders mainly relate to trade accounts payable resulting from energy supplies.

Accounts payable to companies with which a participating interest exists are exclusively trade accounts payable.

Other accounts payable include accounts payable from taxes totalling € 374 thousand (prev. year: € 2,008 thousand) and from social security totalling € 121 thousand (prev. year € 89 thousand).

Liabilities movement schedule

in €	31.12.2013 Total	31.12.2013 Residual terms			31.12.2012 Residual terms
		Up to 1 year	1 year to 5 years	More than 5 years	previous year up to 1 years
Accounts payables to credit institutions	34,074,864.56	9,606,831.27	7,981,633.36	16,486,399.93	15,081,737.14
Down payments received for orders	495,611.34	495,611.34	0.00	0.00	506,999.83
Trade payables	91,443,958.76	91,443,958.76	0.00	0.00	88,627,081.85
Accounts payable to affiliated companies	62,756.72	62,756.72	0.00	0.00	310,611.56
Accounts payable to shareholders	21,563,400.61	21,563,400.61	0.00	0.00	25,581,661.67
Accounts payable to associated companies	11,917,622.13	11,917,622.13	0.00	0.00	22,201,879.00
Other accounts payable	7,002,127.63	3,423,577.63	119,391.00	3,459,159.00	12,123,444.13
Total accounts payable	**166,560,341.75**	**138,513,758.46**	**8,101,024.36**	**19,945,558.93**	**164,433,415.18**

3.5 Valuation units/derivative financial instruments

The option of forming balance sheet valuation units per Section 254 of the German Commercial Code (HGB) was utilised to the extent stated below. The effectiveness is documented by measuring the physical delivery equivalents or compliance with specified rules, such as VaR limits as part of the existing risk management system.

Trianel GmbH's operative business is managed and controlled in mandates. Control via mandates does not exclude the possibility of individual contract groups being shown and valued separately in partial portfolios within the mandates, to enable higher dissolution as well as the delegation of partial tasks if necessary. The items in the electricity asset mandate which cannot be grouped in a valuation unit must be evaluated according to classic rules under balance sheet aspects. Provisions for potential losses were formed for negative valuation balances for the year.

The figures specified on the risks secured via valuation units and losses reported limited via balancing are theoretical, as all individual transactions were evaluated here, while mandate-specific controlling means that open trade items are restricted appropriately at all times.

Individually, the following valuation units existed on the balance sheet date:

3.5.1 Valuation unit: Electricity sales asset

This valuation unit (VU) combines the shares of existing contracts in relation to our holdings in power station companies with corresponding hedging transactions as portfolio hedges. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2014 VU contains base transactions to a value of € 30,559 thousand. The VU hedges risks from an individual transaction perspective to a total of € 11,102 thousand. The 2015 VU contains base transactions to a value of € 29,689 thousand. The VU hedges risks from an individual transaction perspective to a total of € 10,991 thousand. The 2016 VU contains base transactions to a value of € 30,896 thousand. The VU hedges risks from an individual transaction perspective to a total of € 11,504 thousand.

The opposing value changes compensate one another as a result of the existing spread hedging in the respective years in question.

3.5.2 Valuation unit: Trade mandate

This VU combines the existing wholesale energy transactions with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2014 VU contains base transactions to a value of € 1,176,356 thousand. The VU hedges risks from an individual transaction perspective to a total of € 188,025 thousand for 2014. The 2015 VU contains base transactions to a value of € 463,078 thousand. The VU hedges risks from an individual transaction perspective to a total of € 56,508 thousand for 2015. The 2016 VU contains base transactions to a value of € 73,296 thousand. The VU hedges risks from an individual transaction perspective to a total of € 4,879 thousand for 2016.

The opposing value changes compensate one another as a result of the existing hedging relationships in the respective years in question.

3.5.3 Valuation unit: Electricity sales mandate

This VU combines the existing electricity contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2014 VU contains base transactions to a value of € 749,560 thousand. The VU hedges risks from an individual transaction perspective to a total of € 129,375 thousand for 2014. The 2015 VU contains base transactions to a value of € 351,985 thousand. The VU hedges risks from an individual transaction perspective to a total of € 44,071 thousand for 2015. The 2016 VU contains base transactions to a value of € 59,393 thousand. The VU hedges risks from an individual transaction perspective to a total of € 4,690 thousand for 2016.

The opposing value changes compensate one another as a result of the existing hedging relationships in the respective years in question.

3.5.4 Valuation unit: Gas sales mandate

This VU combines the existing gas contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2014 VU contains base transactions to a value of € 40,721 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,287 thousand for 2014. The 2015 VU contains base transactions to a value of € 17,269 thousand. The VU hedges risks from an individual transaction perspective to a total of € 585 thousand for 2015.

The opposing value changes compensate one another as a result of the existing hedging relationships in the respective years in question.

3.5.5 Valuation unit: Individual hedge portfolio mandate

The individual hedge portfolio contains opposing purchase and sales transactions for the 2014 delivery year, which are presented in pairs. Some of the corresponding transactions are combined to VUs. The base transactions of the delivery contracts treated as VUs totalled € 52,977 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,810 thousand.

3.5.6 Interest rate swaps

The option of forming valuation units was utilised in full. The freezing method was used to depict the effective parts of the valuation units formed in the accounts.

Individually, as of the balance sheet date, there are four micro-hedges, consisting of one base transaction and one hedge transaction each. The four base transactions are reported as accounts payable for bank loans of € 6,310 thousand (prev. year: € 7,401 thousand), while the four hedge transactions are not reported as derivative financial instruments (interest rate swaps) as they are pending transactions. The accounts payable for loans are subject to interest at the 6 month EURIBOR plus 75, 90 or 100 base points. The interest rate swaps exchange an interest received at the 6 month EURIBOR for a fixed interest rate to be paid of 3.26 %, 4.35 %, 4.88 % and 5.09 %. The risk of interest rate changes from interest rate fluctuation is hedged.

Trianel GmbH has concluded the following unreported derivative financial instruments:

- Interest rate swap (€ 557 thousand)
  In this transaction, starting from 4 May 2005, a variable interest rate account payable with an initial total of € 3,710 thousand is exchanged for a fixed interest rate account payable, thus hedging against market fluctuations. This agreement matures in May 2015. The fair value according to the lending bank's internal risk models is € −16 thousand as of 30 December 2013.

- Interest rate swap (€ 504 thousand)
  In this transaction, starting from 13 July 2006, a variable interest rate account payable with an initial total of € 1,680 thousand is exchanged for a fixed interest rate account payable, thus hedging against market fluctuations. This agreement matures in July 2016. The fair value according to the lending bank's internal risk models is € −34 thousand as of 30 December 2013.

- Interest rate swap (€ 3,800 thousand)
  In this transaction, starting from 27 May 2008, a variable interest rate account payable with an initial total of € 6,000 thousand is exchanged for a fixed interest rate account payable, thus hedging against market fluctuations. This agreement matures in June 2023. The fair value according to the lending bank's internal risk models is € −620 thousand as of 30 December 2013.

- Interest rate swap (€ 1,449 thousand)
  In this transaction, starting from 17 July 2008, a variable interest rate account payable with an initial total of € 2,288 thousand is exchanged for a fixed interest rate account payable, thus hedging against market fluctuations. This agreement matures in June 2023. The fair value according to the lending bank's internal risk models is € –251 thousand as of 30 December 2013.

The market values were determined using the cash value method. According to this, all future payments, on both the fixed and variable side of the interest rate swap, are discounted on the valuation date. Payments on the variable side are determined on the basis of additional due dates which result from the current interest rate structure curve.

The market value changes of the derivatives are offset by opposing market value changes of the base transactions.

3.6 Deferred taxes

The trade and tax law value assessments of the financial assets and other provisions result in differences, which are compensated in subsequent financial years. These differences led to a latent tax accrual. A tax rate of 31.4% is applied when determining the tax accrual.

The option under Section 274 para. 1 no. 2 of the German Commercial Code (HGB) is not used, and thus no latent tax accrual is formed.

4 Notes on the profit and loss statement

4.1 Sales proceeds

The gross sales less electricity tax can be broken down into the following areas of activity:

	31.12.2013		31.12.2012	
Business field	**Sales in € thousand**	**Sales in %**	Sales in € thousand	Sales in %
Electricity (unbalanced)	2,456,787	81.4 %	3,034,454	84.8 %
Balancing	–817,120	82.4 %	–1,332,697	84.8 %
Electricity	**1,639,677**	**84,8 %**	**1,701,757**	**84,8 %**
Gas (unbalanced)	431,392	14.3 %	466,679	13.0 %
Balancing	–169,901	17.1 %	–226,116	14.4 %
Gas	**261,491**	**12.9 %**	**240,563**	**12.0 %**
Certificates trading (unbalanced)	17,881	0.6 %	37,913	1.1 %
Balancing	–4,431	0.5 %	–12,179	0.8 %
Emissions trading	**13,450**	**0.6 %**	**25,734**	**1.3 %**
Coal (unbalanced)	27,644	0.9 %	6,674	0.2 %
Balancing	0		0	
Coal	**27,644**	**1.4 %**	**6,674**	**0.3 %**
Services (unbalanced)	84,200	2.8 %	31,020	0.9 %
Balancing	0		0	
Services	**84,200**	**4.2 %**	**31,020**	**1.6 %**
Total (unbalanced)	**3,017,904**	**100.0 %**	**3,576,740**	**100.0 %**
Total (balancing)	**–991,452**	**100.0 %**	**–1,570,992**	**100.0 %**
Total (balanced)	**2,026,452**	**100.0 %**	**2,005,748**	**100.0 %**

In the financial year, customer discounts of € 177 thousand (prev. year: € 200 thousand) were granted. These have not been taken into account in the list.

Non-period turnover totalled € 2,225 thousand (prev. year: € 5,062 thousand).

4.2 Other operating revenue

The other operating revenue contains revenue of € 1,568 thousand (prev. year: € 5,859 thousand) from other periods due to the reversal of provisions and revenue from currency exchange totalling € 679 thousand (prev. year: € 205 thousand).

4.3 Cost of materials

The non-period cost of materials totalled € 1,661 thousand (prev. year: € 2,404 thousand). The material expenditures include unscheduled depreciation on the gas inventories totalling € 52 thousand (prev. year: € 0 thousand).

4.4 Personnel expenses

Personnel expenses were incurred for an average of 304 employees (prev. year 265 employees). Personnel expenses include costs for pension provision totalling € 242 thousand (prev. year: € 191 thousand) and non-period expenditures of € 4 thousand (prev. year € 4 thousand).

4.5 Depreciation

Of the depreciation totalling € 2,242 thousand, € 620 thousand was unscheduled depreciation on the option to participate in the planned gas and steam turbine power station in Krefeld.

4.6 Other operating expenditure

Other operating expenditure includes non-period expenditure totalling € 183 thousand (prev. year: € 802 thousand) and expenditure from currency exchange totalling € 397 thousand (prev. year € 166 thousand).

4.7 Revenues from other securities as financial assets

The income from other securities as financial assets totalling € 1,325 thousand (prev. year: € 2,589 thousand) includes income from affiliated companies of € 0 thousand (prev. year: € 89 thousand).

4.8 Interest revenues

The interest revenues to the amount of € 4,875 thousand (prev. year: € 6,306 thousand) include compounding provisions or discounting provisions on accounts receivable totalling € 2,057 thousand (prev. year: € 49 thousand).

4.9 Tax on income

Expenditure on taxes in the reporting year includes € 2,790 thousand (prev. year: € 1,807 thousand) for corporation tax and € 0 thousand (prev. year: € 1,055 thousand) for trade tax. Income from previous years arising from corporation tax to a total of € 49 thousand (prev. year: € 174 thousand) and trade tax of € 186 thousand (prev. year: € 144 thousand) were incurred.

5 Other information

5.1 Other financial obligations

	€ thousand	
Obligations from power purchase agreements	1,948,821	(1,338,288)
Of which to shareholders	338,346	(207,280)
Obligations from gas supply agreements	142,450	(109,676)
Of which to shareholders	13,974	(1,863)
Obligations from emissions certificates	17,815	(11,894)
Of which to shareholders	1,227	(1,174)
Obligations from coal swaps	1,617	(1,044)
Obligations from lease and rental contracts	1,147	(679)
Obligations from certificates	38	(14)
Obligations from currency trading	11	(11)
Obligations from investments	7,143	(7,143)

( ) = of which due in 2014

Trianel GmbH concluded a loan agreement with Trianel Windkraftwerk Borkum GmbH & Co. KG (TWB), Aachen, to pre-finance EU funding totalling € 29,773 thousand. The loan was drawn down in full in January 2011. Full repayment by TWB is scheduled on receipt of the funding from the EU by mid-2014. As of 31 December 2013 the outstanding amount of the loan was € 8,542 thousand.

5.2 Contingencies

As collateral for bank loans to Trianel Gaskraftwerk Hamm GmbH & Co. KG, Trianel Kohlekraftwerk Lünen GmbH & Co. KG, Trianel Gasspeicher Epe GmbH & Co. KG and Trianel Windkraftwerk Borkum GmbH & Co. KG, Trianel GmbH has pledged its shares in these companies, including dividends, as well as in Trianel Kohlekraftwerk Lünen Verwaltungs GmbH to the banks concerned.

5.3 Auditor's fees

In accordance with Section 285 no. 17 of the German Commercial Code (HGB), this information is provided in the consolidated financial statements of Trianel GmbH.

5.4 Supervisory Board

In the 2013 financial year, the Supervisory Board was composed of the following members:

- Bernhard Wilmert, Bochum, Spokesman for the Management Board of Energie- und Wasserversorgung Mittleres Ruhrgebiet GmbH (Chairman),
- Waldemar Opalla, Diepholz, Managing Director of Stadtwerke EVB Huntetal GmbH (Vice Chairman),
- Dr. Christian Becker, Aachen, Member of the Management Board of Stadtwerke Aachen Aktiengesellschaft,
- Stefan Fritz, Kaufbeuren, Managing Director of Stadtwerke Lübeck Holding GmbH,
- Günter Bury, Fulda, Chairman of the Management Board of Überlandwerk Fulda Aktiengesellschaft,
- Marco Westphal, Bonn, Managing Director of Stadtwerke Bonn GmbH,
- Matthias Berz, Ulm, Managing Director of Stadtwerke Ulm/Neu-Ulm GmbH
- Dr. Achim Grunenberg, Lünen, Managing Director of Stadtwerke Lünen GmbH,
- Dr. Leonhard Schitter, Salzburg, Member of the Management Board of Salzburg AG für Energie, Verkehr und Telekommunikation
- Christoph Hüls, Detmold, Managing Director of Stadtwerke Detmold GmbH
- Michael Lucke, Kempten, Managing Director of Allgäuer Überlandwerk GmbH
- Thomas Zaremba, Jena, Managing Director of Stadtwerke Energie Jena-Pößneck GmbH
- Michael Hegel, Cologne, Banker (elected Expert Member of the Supervisory Board),

- Dr. Ulf Böge, Meckenheim, retired President of the Federal Cartel Office (elected Expert Member of the Supervisory Board)

- Prof Dr. Marc Oliver Bettzüge, Cologne, Director of the Institute of Energy at the University of Cologne, (elected Expert Member of the Supervisory Board).

As in the previous year, Trianel GmbH reimbursed a total of € 35 thousand as expenses in the 2013 financial year.

5.5 Management board

The Managing Directors of the company on the balance sheet date were Dipl.-Volkswirt Sven Becker, certified economist (Spokesman) and Dr. Jörg Vogt (Dipl.-Verwaltungswissenschaftler; certified public administrator).

The company has opted not to disclose the emoluments paid to the Managing Directors in the financial year under review in accordance with Section 286, para. 4 of the German Commercial Code (HGB).

5.6 Annual financial statements

The annual financial statements are published in the Electronic Federal Bulletin under number HRB 7729.

Aachen, Germany, 12 May 2014

Trianel GmbH

Sven Becker Dr. Jörg Vogt

Management Board of Trianel GmbH

Development of fixed assets

in the financial year 2013

in €	Acquisition costs				
	Status 1.1.2013	Additions	Divestitures	Cross entries	Status 31.12.2013
A. FIXED ASSETS					
I. Fixed assets					
1. Acquired rights of use and similar rights	6,444,251.77	1,045,934.92	0.00	265,517.41	7,755,704.10
2. Down payments made	284,117.41	335,300.00	0.00	–265,517.41	353,900.00
Total intangible assets	6,728,369.18	1,381,234.92	0.00	0.00	8,109,604.10
II. Tangible assets					
1. Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	83,242.56	29,513.50	0.00	0.00	112,756.06
2. Furniture and fixtures	3,771,560.18	167,171.29	283,836.20	19,200.00	3,674,095.27
3. Down payments made and plant under construction	1,748,687.61	10,743,001.44	0.00	–19,200.00	12,472,489.05
Total tangible assets	**5,603,490.35**	**10,939,686.23**	**283,836.20**	**0.00**	**16,259,340.38**
III. Financial assets					
1. Shares in affiliated companies	3,125,231.08	61,796.49	25,000.00	–1.00	3,162,026.57
2. Participating interests	23,263,958.14	2,862,434.98	412,649.79	1.00	25,713,744.33
3. Loans to affiliated companies	25,370,443.71	5,206,426.02	9,361,997.79	0.00	21,214,871.94
4. Securities held as fixed assets	220,000.00	0.00	220,000.00	0.00	0.00
5. Other loans	35,485.40	0.00	4,736.50	0.00	30,748.90
Total financial assets	**52,015,118.33**	**8,130,657.49**	**10,024,384.08**	**0.00**	**50,121,391.74**
Total financial assets	**64,346,977.86**	**20,451,578.64**	**10,308,220.28**	**0.00**	**74,490,336.22**

	Depreciation					Book values	
	Status 1.1.2013	Additions	Divestitures	Cross entries	Status 31.12.2013	**Status 31.12.2013**	Status 31.12.2012
	3,971,338.27	1,280,472.33	0.00	0.00	5,251,810.60	2,503,893.50	2,472,913.50
	0.00	0.00	0.00	0.00	0.00	353,900.00	284,117.41
	3,971,338.27	1,280,472.33	0.00	0.00	5,251,810.60	2,857,793.50	2,757,030.91
	1,490.56	3,520.50	0.00	0.00	5,011.06	107,745.00	81,752.00
	2,674,470.18	338,120.30	283,399.21	0.00	2,729,191.27	944,904.00	1,097,090.00
	0.00	0.00	0.00	0.00	0.00	12,472,489.05	1,748,687.61
	2,675,960.74	**341,640.80**	**283,399.21**	**0.00**	**2,734,202.33**	**13,525,138.05**	**2,927,529.61**
	309,999.00	0.00	0.00	0.00	309,999.00	2,852,027.57	2,815,232.08
	0.00	0.00	0.00	0.00	0.00	25,713,744.33	23,263,958.14
	0.00	0.00	0.00	0.00	0.00	21,214,871.94	25,370,443.71
	0.00	0.00	0.00	0.00	0.00	0.00	220,000.00
	0.00	0.00	0.00	0.00	0.00	30,748.90	35,485.40
	309,999.00	**0.00**	**0.00**	**0.00**	**309,999.00**	**49,811,392.74**	**51,705,119.33**
	6,957,298.01	**1,622,113.13**	**283,399.21**	**0.00**	**8,296,011.93**	**66,194,324.29**	**57,389,679.85**

Auditor's certificate

We have issued the following unrestricted auditor's certificate:

„We audited the annual financial statements – comprising the balance sheet, profit and loss statement and notes – taking the accounts and management report of Trianel GmbH, Aachen, Germany, for the financial year from 1 January to 31 December 2013. The company's management is responsible for the accounts and compiling the annual financial statements and management report in accordance with the German Commercial Code. Our responsibility is to express an opinion, based on our audit, on the annual financial statements, the company's accounts and the management report.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB) and observing the auditing principles generally accepted in Germany as stipulated by the Institute of German Certified Public Accountants (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 and the management report in accordance with principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to 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 accounts, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit also examines the accounting and valuation methods that the company uses, the significant estimates made by the management, as well as evaluating the overall presentation of the financial statements and the management report. We believe that our audit provides a reasonable basis for our evaluation.

Our audit did not result in any objections.

In our opinion, based on the information gained in the audit, the annual financial statements comply with statutory requirements and, in accordance with the generally accepted accounting principles, they give a true and fair view of the net assets, financial situation and profit situation of the company. The management report is consistent with the annual financial statements, provides an accurate representation of the company's situation and presents the opportunities and risks of future development accurately."

Cologne, Germany, 12 May 2014

KPMG Prüfungs- und Beratungsgesellschaft für den Öffentlichen Sektor (KPMG Auditors and Consultants to the Public Sector) Aktiengesellschaft (PLC) Wirtschaftsprüfungsgesellschaft (Auditing Firm)

zur Mühlen
Certified Public Accountant

Kopp
Certified Public Accountant

Consolidated Annual Financial Statements

Consolidated balance sheet

as of 31 December 2013

Assets

in €	31.12.2013	31.12.2012
A. FIXED ASSETS		
I. Intangible assets		
1. Purchased licenses, commercial industrial property and similar rights and values as well as as well as licences to such rights and values	2,503,893.50	2,472,913.50
2. Down payments made	353,900.00	284,117.41
	2,857,793.50	**2,757,030.91**
II. Tangible assets		
1. Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	107,745.00	81,752.00
2. Other assets, furniture and fixtures	944,904.00	1,097,090.00
3. Down payments made and plant under construction	12,472,489.05	1,748,687.61
	13,525,138.05	**2,927,529.61**
III. Financial assets		
1. Participating interests in affiliated companies	378,480.00	378,480.00
2. Participating interests	25,335,264.33	22,885,479.14
3. Loans to companies with which a participating interest exists	21,214,871.94	25,370,443.71
4. Securities held as fixed assets	0.00	220,000.00
5. Other loans	30,748.90	35,485.40
	46,959,365.17	**48,889,888.25**
	63,342,296.72	**54,574,448.77**
B. CURRENT ASSETS		
I. Inventories		
1. Unfinished buildings	0.00	19,918,372.28
2. Merchandise	3,542,090.30	4,869,806.41
	3,542,090.30	**24,788,178.69**
II. Accounts receivable and other assets		
1. Trade receivables	67,352,286.38	77,783,797.51
2. Accounts receivable from shareholders	36,879,681.33	32,823,221.21
3. Accounts receivable from affiliated companies	221,998.36	360,276.71
4. Accounts receivable from companies with which a participating interest exists	25,398,921.03	5,320,454.82
5. Other assets	43,753,387.59	83,407,172.12
	173,606,274.69	**199,694,922.37**
III. Cash in hand and cash at bank	**58,591,989.30**	**65,243,080.12**
C. ACCRUALS AND DEFERRALS	**4,289,096.96**	**4,733,389.52**
	303,371,747.97	**349,034,019.47**

Liabilities

in €	31.12.2013	31.12.2012
A. EQUITY		
I. Capital stock	20,120,575.00	19,896,575.00
Nominal amount of own shares	–168,000.00	–68,000.00
Issued capital	19,952,575.00	19,828,575.00
II. Capital reserves	25,808,469.24	25,024,469.24
III. Reserve for own shares	168,000.00	68,000.00
IV. Earnings reserves	38,679,092.93	38,730,169.86
V. Group annual net income	2,180,486.02	1,520,614.77
VI. Shares of other shareholders in the capital	0.00	37,169.95
	86,788,623.19	85,208,998.82
B. DIFFERENCE FROM CAPITAL CONSOLIDATION	**32,533.90**	30,252.03
C. PROVISIONS		
1. Provisions for pensions	150,789.00	94,650.00
2. Provisions for taxes	375.03	6,666,446.20
3. Other provisions	47,193,963.22	38,080,174.58
	47,345,127.25	44,841,270.78
D. ACCOUNTS PAYABLE		
1. Accounts payable to credit institutions	34,074,864.56	64,697,303.77
2. Down payments received for orders	495,611.34	506,999.83
3. Trade accounts payable	91,899,234.66	89,190,242.38
4. Accounts payable to shareholders	21,563,400.61	25,581,661.67
5. Accounts payable to affiliated companies	1,396,716.26	15,098,730.08
6. Accounts payable to companies in which the company has a participating interest	10,520,905.87	7,135,182.85
7. Other accounts payable	7,021,731.98	15,900,497.26
Of which from taxes: € 401,361.37 (prev. year: € 2,046,674.97)		
Of which for social security: € 120,986.75 (prev. year: € 88,646.70)		
	166,972,465.28	218,110,617.84
E. ACCRUALS AND DEFERRALS	**2,232,998.35**	842,880.00
	303,371,747.97	349,034,019.47

Consolidated profit and loss statement

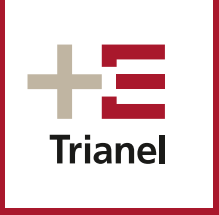
for the financial year from 1 January 2013 to 31 December 2013

in €	31.12.2013	31.12.2012
1. Sales proceeds		
a) Gross sales proceeds	2,059,728,728.58	2,016,669,033.04
b) Electricity tax	0.00	–2,717,730.94
	2,059,728,728.58	**2,013,951,302.10**
2. Increase or decrease in finished and semi-finished products	–19,918,372.28	609,091.34
3. Other internally produced and capitalised assets	149,575.42	107,529.79
4. Other operating income	5,950,581.21	14,459,636.62
5. Cost of materials		
Expenses associated with raw materials and supplies and for purchased goods	–1,991,293,260.30	–1,964,954,300.60
6. Personnel expenses		
a) Wages and salaries	–21,433,483.87	–17,972,999.77
b) Social contributions and expenditure on pensions and support	–3,444,671.88	–2,790,589.70
	–24,878,155.75	**–20,763,589.47**
7. Depreciation		
a) on intangible assets and tangible fixed assets	–1,622,113.13	–1,435,930.74
b) on current assets, where they exceed the usual depreciation in the corporation	–620,000.00	–1,041,483.17
	–2,242,113.13	**–2,477,413.91**
8. Other operating expenditure	–19,906,520.72	–36,460,152.57
9. Revenues from participating interests	276,172.48	158,354.49
10. Revenues from other securities	1,325,410.01	2,589,343.87
11. Other interest and similar revenues	901,807.34	4,575,337.82
12. Depreciation on financial assets	0.00	–249,999.00
13. Interest and similar expenditure	–4,875,367.10	–6,306,843.22
14. Losses from final consolidation	0.00	–683,414.82
	–2,371,977.27	**82,779.14**
15. Result on ordinary business operations	5,218,485.76	4,554,882.44
16. Tax on income and revenue		
a) Actual tax expenditure	–3,035,166.74	–2,902,374.81
b) Deferred taxes	0.00	–130,253.86
	–3,035,166.74	**–3,032,628.67**
17. Other taxes	–2,833.00	–1,639.00
18. Consolidated annual net income before minority interests	2,180,486.02	1,520,614.77
19. Annual net income accrued by shareholders Annual deficit	0.00	1,908.41
20. Consolidated annual net income after minority interests	**2,180,486.02**	**1,522,523.18**

Imprint

Trianel GmbH
Krefelder Straße 203
52070 Aachen
Germany
E-Mail: info@trianel.com
Tel.: +49 241 413 20-0
www.trianel.com

Concept & design
IR-One AG & Co., Hamburg
www.ir-1.com



Trianel GmbH
Krefelder Straße 203
52070 Aachen
Germany

www.trianel.com