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Trianel

Management Report 2014

Trianel GmbH

Management Report of Trianel GmbH

for the 2014 financial year

A. Basic information about the company

1. Business model

1.1. Legal corporate structure

Stadtwerke Solingen GmbH became a shareholder.

In the 2014 reporting year, the group of Trianel GmbH partners grew to 56 shareholders when Stadtwerke Solingen GmbH joined the group. In the course of joining the group, treasury shares held by Trianel GmbH in the amount of € 168 thousand were completely sold. In addition, Stadtwerke Solingen GmbH made a supplementary capital increase in the amount of € 32 thousand.

Overall, the share capital of Trianel GmbH increased during the 2014 reporting year by € 32 thousand from € 20,120,575 to € 20,152,575 on the balance sheet date.

The following chart shows the shareholder structure of Trianel GmbH as at 31 December 2014.

Trianel GmbH shareholder structure

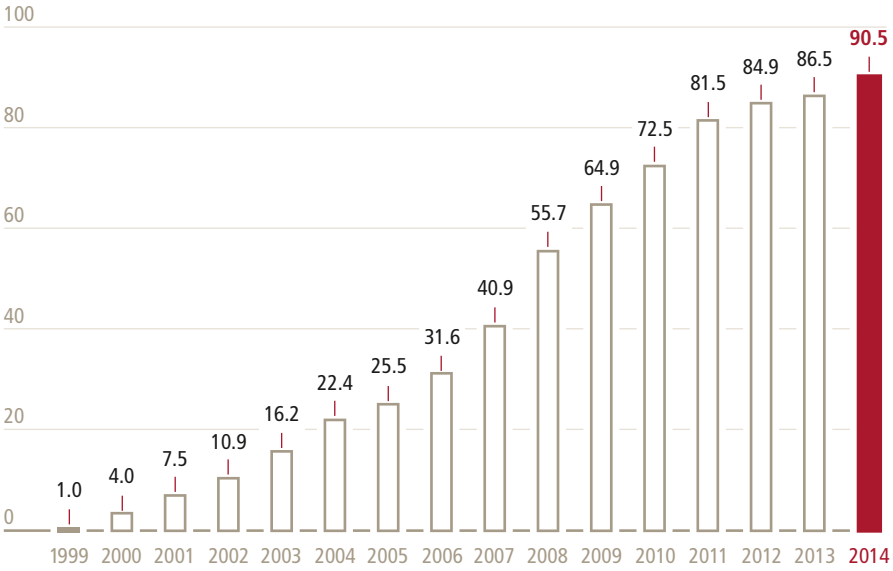
Energie- und Wasserversorgung Mittleres Ruhrgebiet GmbH, Bochum	24.69 %
Stadtwerke Aachen AG	11.97 %
RhönEnergie Fulda GmbH	7.44 %
Stadtwerke Bonn GmbH	5.81 %
Stadtwerke Lübeck Holding GmbH	5.12 %
SWU Energie GmbH, Ulm	4.78 %
Stadtwerke Energie Jena-Pößneck GmbH	2.99 %
NEW Viersen GmbH	2.87 %
N.V. HVC, Niederlande	2.48 %
enwor – energie & wasser vor ort GmbH, Herzogenrath	2.21 %
Salzburg AG für Energie. Verkehr und Telekommunikation, Austria	1.76 %
Allgäuer Überlandwerk GmbH	1.74 %
Stadtwerke Halle GmbH	1.57 %
SWT Stadtwerke Trier Versorgungs-GmbH	1.49 %
Stadtwerke Heidelberg GmbH	1.24 %
nvb Nordhorner Versorgungsbetriebe GmbH	1.19 %
Trianel Suisse AG, Schweiz	1.18 %
Stadtwerke Hamm GmbH	1.12 %
Stadtwerke Solingen GmbH	0.99 %
Stadtwerke Lindau (B) GmbH & Co. KG	0.97 %
GSW Gemeinschaftsstadtwerke GmbH Kamen Bönen Bergkamen	0.83 %
Stadtwerke Aalen GmbH	0.74 %
Stadtwerke Borken/Westf. GmbH	0.74 %
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 %
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 %

Date: 31 December 2014

Taking into account the annual net income of € 5,185 thousand for the 2014 financial year, Trianel GmbH has equity of € 90,545 thousand. The equity development is shown in the following chart.

Equity development of Trianel GmbH
(individual financial statements)

In millions of euros

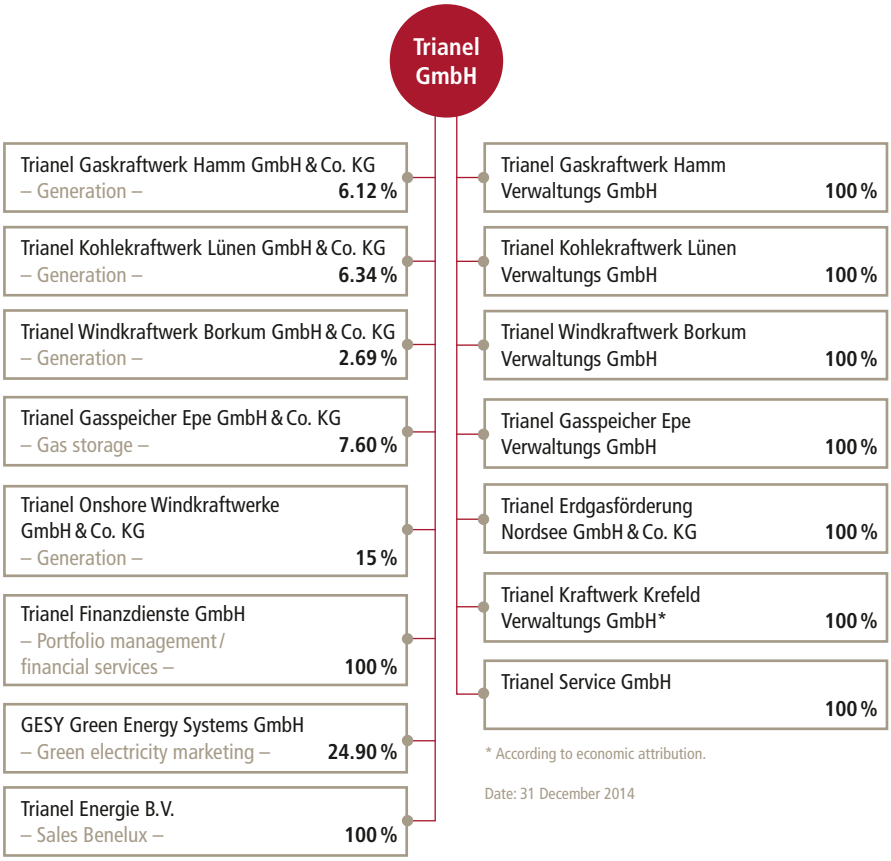


+4.6 %

Date: 31 December 2014

On the reporting date of 31 December 2014, Trianel GmbH directly held shares in fifteen subsidiaries and affiliated companies. These holdings are shown in the following chart:

Trianel GmbH holdings



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

Trianel Gaskraftwerk Hamm GmbH & Co. KG, based 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, based in Aachen, has operated a natural gas storage facility located at Epe in the district of Borken (North Rhine-Westphalia) since 2009/2010, and Trianel Kohlekraftwerk Lünen GmbH & Co. KG, based in Lünen, has operated a modern, highly efficient 750-megawatt coal-fired power station at Lünen (North Rhine-Westphalia) since December 2013. Trianel Windkraftwerk Borkum GmbH & Co. KG, based in Aachen, is building the Trianel Windpark Borkum (formerly Borkum-West II) offshore wind farm with a total capacity of 400 megawatts. A first development phase with a capacity of 200 megawatts was completed in mid-2014.

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 Kraftwerk Krefeld Verwaltungs GmbH manages Trianel Kraftwerk Krefeld GmbH & Co. KG. The company is developing a gas and steam turbine power plant at the CHEMPARK site in Krefeld-Uerdingen; from an economic perspective, it is allocated 100 % to Trianel GmbH. All companies are domiciled in Aachen.

Trianel Erdgasförderung Nordsee GmbH & Co. KG, based in Aachen, was established in mid-2010 and is to be used for further project activities of Trianel GmbH. To this end, the company was converted into a "Einheits-KG" (limited partnership which is the sole shareholder of the general partner GmbH).

Trianel Onshore Windkraftwerke GmbH & Co. KG, based in Aachen, is also a Einheits-KG. The object of the company is to plan, develop, construct and operate plants for generating electricity from renewable energy sources in Germany. Its purpose is also to acquire participating interests in companies and businesses domiciled in Germany which operate or intend to operate renewable energy power plants in Germany. In turn, Trianel Onshore Windkraftwerke GmbH & Co. KG holds a 100 % stake in Trianel Onshore Windkraftwerk Eisleben GmbH & Co. KG, domiciled in Lutherstadt Eisleben, which was also formed as a Einheits-KG. The purpose of the company is to construct and operate onshore wind farms in Polleben and Volkstedt (Saxony-Anhalt) with a capacity of roughly 27 megawatts. In July 2014, Trianel Onshore Windkraftwerke GmbH & Co. KG acquired all shares in the company operating the Wendorfer Berg wind farm in Saxony-Anhalt, now called Trianel Onshore Windkraftwerk Wendorfer Berg GmbH & Co. KG, as well as all shares in the company operating the Gerdshagen/Falkenhagen II wind farm in Brandenburg, now called Trianel Onshore Windkraftwerk Gerdshagen/Falkenhagen II GmbH & Co. KG. Both companies operate wind turbines with a total capacity of 17.6 megawatts. The personally liable shareholder of both companies is Trianel Onshore Nordost Verwaltungs GmbH, domiciled in Edemissen. This company was formed in July 2014 as a wholly owned subsidiary of Trianel Onshore Windkraftwerke GmbH & Co. KG.

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, which is 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.

Trianel GmbH holds a 24.9 % stake in GESY Green Energy Systems GmbH. Based in Berlin, the company had repeated success in direct marketing of renewable energy sources during the reporting year.

The purpose of Aachen-based Trianel Service GmbH is to develop and pool energy supply services. The strategic orientation of the company is currently under review, with business operations suspended.

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. Consistently working together towards shared goals allows barriers to market entry to be overcome, while also opening up business sectors which otherwise would not be profitably accessible to individual municipal utility companies.

Trianel's core business is the procurement and supply of energy for redistributors and municipal utilities.

Trianel GmbH operates in multiple sectors of the energy industry throughout the entire value chain. Its core business is the procurement and supply of energy. Our company buys energy on the wholesale markets for redistributors and municipal utilities. In doing so, it 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-management and commercial servicing and optimisation for these 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 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.

Trianel develops projects for the construction or purchase of facilities in the energy industry, and then provides management services for them.

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.

Trianel's service portfolio includes all services required to manage and operate energy 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 develop and assess potential future business fields that result from current energy industry topics, such as smart metering or decentralised generation. Our goal is to utilise new value-added opportunities in the energy market together with our customers.

Trianel helps municipal utilities develop new business areas.

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 a member of the most important exchanges. The market access for electricity includes the German, Dutch, Belgian, Swiss and French market areas. In the gas sector, we cover all German market areas for H-gas and L-gas as well as the liquid TTF market. Varied sales products in the supply sector are based on our activities in the market, which also provide our customers with a direct source for trade products.

Energy industry products and services:

Business activities again centred on portfolio management in 2014.

In 2014, portfolio management on the procurement and generation side again formed a main pillar of our activities in the energy industry sector. This essentially consists of electricity and gas procurement, marketing and guaranteeing electricity from own generation facilities, and managing storage percentages for our customers. In the 2014 financial year, the projected result was achieved via portfolio management.

The performance level of procurement portfolio management was enhanced by 1.2 percentage points.

The performance achieved with each individual customer in electricity procurement portfolio management was measured objectively against a quantitative benchmark again in 2014. Despite the low volatility of the electricity futures markets, the performance level of the prior year was increased from 2.2% to 3.4%. Trianel GmbH secured a procurement cost advantage in the two-digit million range overall for its customers in the electricity procurement portfolio management sector.

For the seventh time in succession, Trianel Finanzdienste secured first place for power station optimisation.

For generation portfolio management for shareholders of the Trianel gas power station in Hamm and the Trianel coal-fired power station in Lünen, Trianel Finanzdienste GmbH (TFD) retained first place among all companies involved in power station optimisation for the seventh time in succession. Compared with the average performance of the other virtual long-term energy supply segments, € 4.2 million more was earned for the total power station capacity used of 1,200 megawatts. TFD also continues to expand its role as a comprehensive service provider for optimised marketing of all kinds of generation systems – including waste-fired power stations and CHP systems – in Germany and neighbouring countries.

In the gas procurement and storage facility portfolio management sector, the result just missed the target. Here Trianel GmbH assists a total of 21 municipal companies with structured procurement and storage marketing via the wholesale market.

In 2014, portfolio management services were supplemented by developing and launching products for small and medium-sized enterprises.

These are aimed at municipal utilities with annual sales < 150 GWh in line with their service requirements.

Sales of flexible as well as standard electricity and gas products came in slightly above target. Advances in process automation and growing portfolio effects helped keep risk premiums constant in spite of the increase in individual market risks due to greater short-term price volatility in the spot, intraday and balancing energy markets.

Sales of flexible and standard products exceeded expectations in 2014.

Energy management optimisation and balancing energy marketing yielded proceeds of more than € 12 million in the commercial operation of Trianel's Hamm-Uentrop and Lünen power stations. Trianel benefited from this through profit sharing.

Trianel Finanzdienste GmbH (TFD) and Trianel GmbH successfully continued their internal project which launched in 2013 in preparation for stricter financial and energy market regulation under EMIR and REMIT. Trianel and TFD remain on target in both regulatory areas and will meet all regulatory requirements on time.

Trianel and TFD complied with EMIR and REMIT regulatory requirements on time.

For marketing renewable energy in 2014, we were able to rely on our successful experience from previous years. Together with GESY Green Energy Systems GmbH, Trianel GmbH marketed approx. 2,900 megawatts of renewable energy directly in the electricity market based on the market bonus model. The portfolio consisted primarily of wind energy. In 2014, Trianel GmbH had power purchase agreements with around 300 wind farm operators. The costs of balancing energy were reduced further compared with 2013.

Together with GESY, Trianel marketed around 2,900 MW of renewable energy in 2014.

Project development and projects:

The project development business of Trianel GmbH evolved in various ways during the 2014 financial year. Our experience from the construction of the Borkum offshore wind farm successfully created the basis for future expansion of the project development business in the field of wind power. In addition, several wind farm sites were developed and commissioned for Trianel Onshore Windkraftwerke company. Further sites are at an earlier planning stage. Thus we have extensive experience in both onshore and offshore wind projects relating to all aspects of the value chain, together with options to continue the project development business.

Several wind farm sites were developed and commissioned during the reporting year.

Retaining existing options was the priority in the conventional large-scale project sector. As a result, there were fewer related project development activities. In detail, our activities in the 2014 financial year included the following key projects:

Gas storage facility in Epe (status: in operation): The cavern storage facility in Epe has been in operation since 2008. Optimising and reducing operating costs remained the focus in 2014. A further reduction of storage facility usage fees is planned for 2015.

Gas power station in Hamm (status: in operation): Due to the ongoing effects of the energy transition, the gas and steam turbine power plant at Hamm-Uentrop, which went into operation in 2007 with an output capacity of around 850 megawatts, was used at a low level compared with the previous year. In view of a further deterioration in market expectations for the years ahead, a comprehensive restructuring programme was prepared together with shareholders in 2014, and will come into effect in 2015. This restructuring has enabled risks for TGH shareholders to be limited while at the same time securing access to the power station for the municipal partners.

Coal-fired power station in Lünen (status: in operation): Construction of the coal-fired power station block in Lünen with a net capacity of roughly 750 megawatts was completed in 2013 with an investment of roughly € 1.4 billion. The power station has been in regular operation since mid-2013.

Borkum offshore wind farm (status: first construction phase, partly in operation): The project comprises the construction of a total of 80 wind turbines with a combined capacity of up to 400 megawatts. In the first development phase, Trianel GmbH and the 33 municipal utility companies involved are implementing a total capacity of 200 megawatts. Construction of the first 40 wind turbines was completed at the end of May 2014. The transmission system operator provided the grid connection in December 2014, and commissioning began in January 2015.

Combined heat and power station (CHP) in Krefeld-Uerdingen (status: in planning): In view of the restructuring and modernisation of the conventional power station fleet in Germany, the Trianel network, together with Currenta, is developing a project for a gas and steam turbine power station at the CHEMPARK site in Krefeld-Uerdingen with an approved capacity of approx. 1,200 megawatts, and intensive and year-round combined heat and power for the provision of up to 500 t/h of process steam. Over the course of 2014, the groundwork was done to obtain the project option for commissioning by 2023, and hence maintain the value of this option.

Combined heat and power station (CHP) in Oberrhein (status: in planning): The Trianel network and Mineraloelraffinerie Oberrhein (MiRO) have created a project option at Karlsruhe which, like the Krefeld-Uerdingen gas and steam turbine power station, is based on combining an industrial energy supply with a flexible electricity supply. The project is at an early stage of development and has been kept as is since mid-2014. The timing of the project's further development will depend in particular on general conditions in the energy industry.

Pumped-storage hydroelectric plant (status: in planning): According to energy industry studies, the construction of new storage power stations as part of the expansion of renewable energy sources will be one of the keys to the energy generation transition over the coming decades. Two sites in North Rhine-Westphalia and Thuringia were retained or developed during the reporting year. The strategy of starting with two sites was aimed at finding the best site for an investment from the perspectives of profitability, acceptance and approvability. Given the lack of clarity with regard to long-term market conditions, the sites were contractually secured so that decisions can be taken at a later point in time and the options preserved until then.

Projects for municipal utility sales solutions: Marketing of the "EnergieDach" product began in 2014. "EnergieDach" is a contracting solution for the photovoltaics sector that can be marketed to both private and commercial customers through municipal utilities. "EnergieDach" was sold to around 20 municipal utilities in 2014. "EnergieBlock 2.0" was developed and marketed in parallel to "EnergieDach". "EnergieBlock 2.0" follows on from "EnergieBlock 1.0", a contracting solution for the gas condensing boiler market. Processes here are structured to ensure high scalability.

20 municipal utilities bought the "EnergieDach" contracting solution in 2014.

In the smart metering sector, we gained more municipal utility customers, with the result that 20 municipal utilities were using the Trianel GmbH platform at the end of 2014. Since there is no mandatory roll-out, large volumes have yet to materialise: only one municipal utility has installed more than 1,000 metering systems. All other projects comprise around 20 to 100 meters.

At the end of 2014, 20 municipal utilities were using Trianel's smart metering platform.

With the Trianel Akademie, Trianel has branched out into training. On the theme of energy efficiency, the current focus is on carrying out energy audits.

In 2014, Trianel established a new regional sales network to offer better support to the small and medium-sized municipal utility segment throughout Germany. This new positioning for Trianel GmbH in the SME municipal utility segment gained a very positive reception from the market. The aim with this sales structure is to develop the segment of around 600 small and medium-sized municipal utilities, which has received little attention to date.

The new regional network is geared to small and medium-sized municipal utilities.

1.4 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

Current orientation

Trianel is the energy service provider for municipal utilities. Its energy cooperation is geared towards the energy transition.

Trianel GmbH regards itself as an energy service provider, devising and providing services especially for municipal utilities along the entire value chain, which by delivering economies of scale and specialisation advantages allow barriers to market entry to be overcome which a municipal utility acting alone would otherwise face. Trianel GmbH is supported by municipal utilities. We are pursuing the goal of consolidating development that has successfully taken off in recent years, while focusing on and gearing future growth to the energy transition. We aim to establish ourselves as the most successful municipal energy cooperation in Germany and, in the long term, to become the most important value driver for municipal utilities in Germany.

We see 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.

Apart from energy industry services, Trianel opens up strategic options. These allow our shareholders to generate additional value creation potential quickly and promptly, especially in connection with the opportunities that result from the energy transition.

In generation, our development projects focus on renewable energy sources. Our activities range from large-scale offshore projects, to classical wind and photovoltaic projects, to decentralised solutions. For continued development of the thermal power station fleet, Trianel holds additional project options with a high level of heat extraction in its portfolio. For our customers in the trading and procurement segment, by actively managing procurement, generation and sales portfolios, we realise procurement and marketing advantages that are offered by liberalised markets. Our sales solutions for municipal utilities offer them marketable white-label solutions in the form of forward-looking, tried-and-tested products in smart metering, decentralised generation, energy efficiency and mobility, which they can quickly position in the market. These solutions increasingly have the character of a comprehensive energy service, and therefore provide municipal utilities with an opportunity to make up for margin losses in the conventional supply business based on tariff models.

Thanks to our energy industry 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 develop new products and services for our customers if the potential is there.

Products and services

For value-optimised consolidation and to grow with the planned focus, we update our product range and our services in the three market sectors on a continuous basis. The diversified product portfolio based on our market assessment and energy sector expertise firstly contributes to stabilising our business development, and secondly permits comprehensive service provision to our shareholders and customers.

Customers

Our typical customers are independent municipal utility companies and regional suppliers of various sizes. We offer our customers tailored and efficient solutions for their respective individual requirements. Through economies of scale and specialisation advantages, we are able to provide high-quality services at reasonable prices. As a result, we help to preserve the independence of municipal utilities and regional suppliers. With our innovation solutions that are jointly developed within the network, municipal utilities increasingly become partners to their end customers, who want an energy supply with a stronger emphasis on renewable energy sources.

Trianel's customers include municipal utilities and regional suppliers of various sizes.

Employees

Our expert, highly motivated and committed employees give 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. At Trianel GmbH, our employees are one of our most important success factors. This is why we invest specifically in our employees and particularly in employee development and advanced training.

Trianel GmbH had a staff of 325 employees on 31 December 2014, representing an overall increase of 14 employees (approx. 5 %) compared to the end of 2013. Around 34 % of employees are women, including eight second and third-level managers. At the end of the year, the average age of staff in Trianel GmbH was 37.

The pillars of personnel strategy consist of positioning Trianel as an attractive employer, developing and retaining talent, and optimising the organisational and operational structure.

Due to the reorientation of the organisation which began in 2013, organisational development was a continued focus for Trianel GmbH in 2014. In addition to streamlining the management organisation, measures were aimed at increasing efficiency. Enhanced market, customer and process orientation was a constant goal. At the same time, greater emphasis was placed on corporate and risk controlling.

The move to Trianel's new administrative building in May 2014 positively facilitated these organisational change processes. The new building allows Trianel to establish a deliberate link between architecture and culture. Moreover, there has been a noticeable increase in efficiency and effectiveness as a result of optimising circulation areas and routes in the building, the reflection of key interfaces in the spatial design and planning, and the systematic creation of communication spaces and meeting places.

Continued growth creates an ever greater need for good management and cooperation at Trianel GmbH. For this reason, management expertise and structures have been a focal point at Trianel GmbH since 2013. 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. For example, the new Trianel building offers gym facilities that are operated in conjunction with a local health centre. As a result, topics such as employee health and the prevention of accidents and illness have received greater attention.

In 2014, Trianel once again positioned itself as a fair, respectful and attractive company in Germany and was again awarded the "Fair Company" seal by "Junge Karriere" magazine.

Retaining and developing qualified employees is a focus of HR activities at Trianel. The starting point for 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 a 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 as an entrepreneurial opportunity. So we actively shape it together with our shareholders – also as a critical advocate of a consistent energy policy.

The goal of the energy cooperation is to ensure a decentralised, customer-oriented energy supply.

The implementation of the energy transition has supported our efforts in decentralised generation as well as with regard to energy efficiency and mobility. Forward-looking measurement systems offer us opportunities to fulfil, precisely and cost-effectively, the constantly growing requirements for matching power generation to demand. Our activities make a considerable contribution 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 for the company. The control system focuses on the development of the company's earnings and liquidity, and on monitoring risks. To represent these variables, 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 D3, page 81). Auditors commissioned by the shareholder companies confirm compliance with the risk guidelines on a quarterly basis.

Our product development strategy is marked by thorough observation of customer requirements and current market developments, as well as an evaluation of resulting potential future developments. 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.

Internal audits are implemented by a Trianel employee and by external service providers who in each case report directly to management.

2.2.1 Financial targets

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.

Trianel's business model helps to create value for its customers.

Trianel aims to increase the value of its shareholders' businesses.

Moreover, we want not only to increase the value of our company for our shareholders as measured by the balance sheet figures, but also – especially – to contribute to increasing the value of our shareholders' businesses.

2.2.2 Non-financial targets

Shareholder and customer satisfaction is a top priority for Trianel.

Shareholder and customer satisfaction is our main non-financial target. We aim to accurately anticipate our customers' needs as they arise, at an early stage. We continuously and intensively observe market and industry developments together with our shareholders. With rapid development of potential business fields and products to market maturity, we want to give our shareholders a time advantage over the competition. We try to support and shape the relevant energy policy topics to benefit our independent municipal energy supply.

We aim, wherever possible, to reach all shareholders with our product and service offering, and we likewise strive for very high customer satisfaction. Both goals require generally high process quality and reliability; these are fundamental to our service delivery.

In addition to this, we pursue and promote reliable power generation in accordance with accepted sustainability standards. Here we intend to continue on the path of implementing the energy transition for business success.

Our employees are a major reason for our success; it is their dedication and skills which make this success possible. We have made it our goal to create conditions which optimally promote the performance and motivation of our employees while ensuring high employee satisfaction. Accordingly, we choose and train our personnel to meet our demanding quality standards.

3. Innovation management

With innovative products and solutions, Trianel creates trust and actively shapes the energy transition.

The energy industry is facing disruptive changes. As an innovative service company, Trianel GmbH views the changes resulting from 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. We constantly 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. Last year, we further stepped up innovation management by increasing the dialogue in the network across various management levels. We also integrated brainstorming from the network and within Trianel more closely with our product development and market launch processes. 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 identification systematically assesses market-relevant developments. For this purpose, our innovation experts initiate 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. Through its Berlin office, Trianel GmbH can identify, become involved in and shape topical debates and developments in the relevant political committees at an early stage.

At regular intervals, a decision-making committee discusses the compiled trends and evaluates their importance. Our shareholders too are more closely involved than before in this discussion and in brainstorming. The key consideration is 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. The results of the potential study can then be seamlessly transferred into the product development and market launch processes.

3.2 Product, project and business sector development

If a trend exhibits sufficient potential, it is transferred into the established development process. 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 entire organisation.

Project development starts where potential analysis leaves off, drawing up pilot and feasibility studies and implementing specific projects. The individual corporate divisions are responsible for product development – coordinated by the Company Development department – and it is implemented in close cooperation with the specialised marketing departments and the technical specialists. Our product developments are regularly critically assessed by product groups. That ensures that products meet the needs of the market based on reliable costing, and rapidly reach high process maturity in implementation. The market launch process seamlessly follows on from successful product development, and is coordinated in a similar way.

B. Business report

1. General conditions

1.1 General macroeconomic and industry-specific conditions

On average over the year 2014 as a whole, the German economy proved to be stable. Price-adjusted gross domestic product (GDP) was 1.6 % higher than in the previous year, and therefore, according to calculations by the German Federal Statistical Office, was above the 1.2 % average of the last ten years. The German economy performed well in a difficult global economic environment, benefiting in particular from strong domestic demand and a stable export sector. The number of people in employment reached a new record high of 42.7 million, while gross wages and salaries also increased appreciably.

Despite economic growth, energy consumption in Germany has stagnated since the early 1990s. In 2014, it fell to its lowest level since German reunification. Reasons for this, apart from mild weather during the winter and spring of 2014, include technological advances in the energy industry and greater energy efficiency.

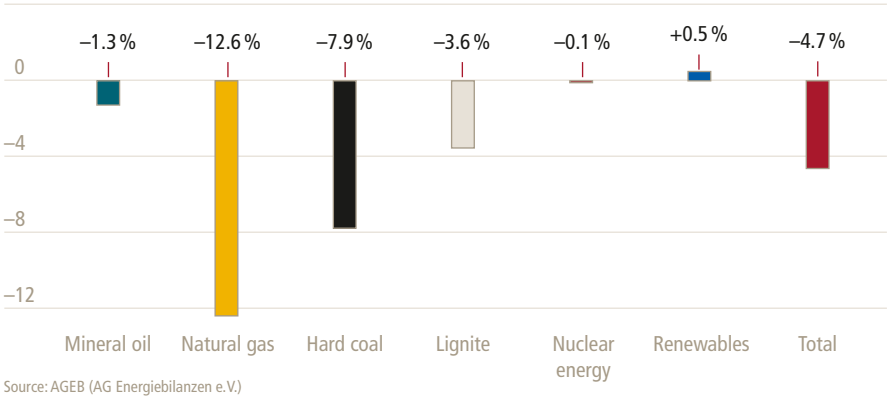
To cover its energy requirements, Germany is highly reliant on imports of primary energy sources. Not only that, but the use of domestic primary energy sources is in decline. In contrast, German net electricity exports reached a record level of nearly 34 terawatt-hours. The proportion of renewable energy sources in the energy mix is growing continuously in Germany, and rose again in 2014. It now stands at 26.2% of gross electricity generation. Therefore, for the first time, renewables together are the principal energy source.

At 8.9%, wind energy took the largest share among the renewables, followed by biomass at 7.0% and photovoltaics at 5.7%.

At 4,577 petajoules (PJ) or 156.2 million metric tons of coal equivalent (tce) in 2014, consumption of mineral oil was 1.3% lower than in the previous year. Sharp falls in heating oil were nearly offset by increased consumption of petroleum and motor fuels. Natural gas consumption also fell, by around 14%, to 2,674 PJ or 91.2 million tce. This was due to significantly warmer weather compared to 2013. Consumption of natural gas fell for both heating and cogeneration. Consumption of hard coal, which is primarily used for electricity generation, fell by 8% in 2014 (1,647 PJ or 56.2 million tce).

Owing to multiple power plant overhauls, electricity production from lignite also fell, by around 3.6% (1,572 PJ or 53.6 million tce). Nuclear power's contribution to energy consumption fell by 0.4% (1.058 PJ or 36.1 million tce).

Primary energy consumption (January to December 2014) — Changes in %



Source: AGEB (AG Energiebilanzen e.V.)

Primary energy consumption fell in Germany by almost 5% in 2014 to 13,077 PJ or 446.2 million tce.

Average annual electricity prices on the spot market fell further. On average for the year, one kilowatt-hour of baseload electricity cost 3.28 ct on the spot market, 13.2 % less than in the previous year (2013: 3.78 ct/kWh). Meanwhile spot market prices rose in neighbouring countries France and Switzerland. The futures market also showed a falling trend: here baseload electricity for delivery in 2016 cost 3.3 ct/kWh on the last day of trading in December 2014. The price for delivery in the following years was a little over 3 ct/kWh (2017: 3.25 ct/kWh, 2018: 3.22 ct/kWh).

Discussions about introducing back-loading and a market stability reserve (MSR) were a key factor influencing the CO_2 price trend during the 2014 calendar year. Having traded at around € 5 per metric ton at the start of 2014, and following an interim high of € 7.50/t and subsequent low of around € 4/t, the price of EUA Dec15 (European emission allowances) rose during the second and third quarters to € 6/t. The possible introduction of a market stability reserve then caused EUA Dec15 to rise into a range of € 6 to € 7.50 per metric ton through to the end of the year.

In light of current energy policy objectives, the present and future design of the energy market has shifted back into focus recently. Prevailing conditions in the energy industry continued to weigh heavily on the economic situation for fossil-fuel – i.e. conventional – power plants in 2014. This forced many power station operators to fundamentally reconsider their involvement in the electricity generation market. At the present time, decommissioning plans for around fifty power station units have been filed with the German Federal Network Agency. This upheaval has resulted in particular from the more than 80,000 megawatts of installed capacity from renewable energy sources, and its financing outside of the market via the EEG levy. On top of this, there is excess capacity in generation, and reduced demand in southern Europe due to the state of the economy.

Of particular importance to Trianel GmbH's project development business is the situation on the financial markets. Within the legal framework that has existed to date, there has been a wide range of options for renewable energy financing. However, the next EEG amendment is set to introduce a bidding model. As a result, changes can be expected, which we will be watching closely. Reliable framework conditions currently exist for offshore wind projects that are connected to the public grid by the end of 2019. Historically low interest rates are supporting our investments in renewable generation systems.

1.2 Industry-specific legal conditions

The main legislative initiative in 2014 was the reform of the German Renewable Energy Sources Act (Erneuerbare Energien Gesetz, EEG). In January, the German cabinet approved the key points of the 2014 EEG, clearing the way for a speedy amendment. As in force since 1 August 2014, the EEG implements a flexible cap to pursue the goals of reducing subsidies that are not in line with market needs, lowering feed-in tariffs, and eliminating other incentives and bonuses. The amendment as a whole aims to foster greater competition by relying more on volume management instead of guaranteed fixed payments, and linking the pace of expansion of renewables to advances in energy grid expansion. At the same time, it prepared the way for a pilot project to test the competitive bidding process for promoting the expansion of renewable energy sources, which will be an EU requirement from 2017. The first auctions for photovoltaic systems will start in February 2015.

Following the EEG legislative process, it was planned to amend the German Combined Heat and Power Generation Act (Kraft-Wärme-Kopplungsgesetz, KWKG) in line with the current and predicted future market situation. The amendment has been synchronised with the Green Paper process – a public consultation process on the future design of the electricity market – and therefore postponed until at least the second quarter of 2015.

The second half of the year was marked by the debate over the future development of the electricity market design. Industry associations VKU (the German association for local public utilities) and BDEW (the German Association of Energy and Water Industries) were particularly critical of the definition of an energy-only market 2.0 (EOM 2.0) before the conclusion of the consultation process. They complained that the associated measures were insufficient for necessary investments and with regard to the high level of supply security in Germany.

At the end of the year, the German cabinet adopted a number of decisions that will have a considerable impact on energy policy. The dominant theme was and is the closure of the primary energy and CO_2 gap to meet the German CO_2 target and implement the EU Energy Efficiency Directive. According to current forecasts, Germany will only achieve a 33 % reduction in its CO_2 emissions by 2020 compared with the reference year 1990, whereas the official target is 40 %.

The Climate Protection Action Programme (Aktionsprogramm Klimaschutz) and the National Energy Efficiency Action Plan (Nationaler Aktionsplan Energieeffizienz, NAPE) are the key instruments for achieving the reduction targets. To meet the national climate protection target, the electricity sector needs to save an additional 22 million metric tons of CO_2. An initial regulation proposal from the German Federal Ministry for Economic Affairs and Energy suggests introducing a CO_2 emission limit for fossil power stations that are more than 20 years old. According to preliminary estimates, this would accelerate the withdrawal of older lignite and hard-coal power stations from the market.

The legal framework for the "smart grids" regulation package remained similarly unclear in 2014. This package is supposed to include provisions relating to the protection profile issued by the German Federal Office for Information Security (BSI), as well as the mandatory installation, roll-out and certification procedure for smart meters. These ordinances, which have been announced on several occasions already, are now not expected before the summer of 2015. By contrast, at the end of December 2014, the legal framework securing the continued use of existing smart meter solutions was adopted by ordinance.

2. Business development

From an operating perspective, 2014 was a successful year for Trianel GmbH. Trading activities performed particularly well.

At the end of 2014, Trianel GmbH can look back on a very successful year from an operating perspective, having largely achieved its operating targets. Trading activities performed particularly well compared with projected estimates (partly due to an increase in short-term trading and the establishment of 24/7 trading). Negative deviations from forecasts occurred in particular as a result of the significant decline in conventional project development activities, since the energy industry framework currently offers no incentives for further expansion of conventional generation capacities. Opportunities for further development of high-yield onshore wind projects are characterised by stiff competition. The pre-tax result of € 5.4 million slightly exceeded the previous year's result, by € 0.3 million. Net income for the year was slightly above target.

The asset situation continued to stabilise in the reporting year. In the financial year, Trianel GmbH welcomed one new shareholder and carried out a further increase in capital. This development clearly shows the continued high esteem in which Trianel GmbH is held in the supply industry.

Trianel increased its equity ratio by 0.7 percentage points compared with the previous year.

Our equity ratio increased 0.7 percentage points compared with the previous year, to 29.4 %. 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 the energy wholesale trade of invoicing and paying for energy accounts on a monthly basis. This means that the end of year financial statements always show the accounts receivable and payable from deliveries in December – one of the months with the highest turnover. 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 company's liquidity situation remained at a consistently high level during 2014. New business relationships with banks and credit insurers demonstrate financial markets' confidence in the company. The significant increase in the financial result is due mainly to the loan granted to Trianel Windkraftwerk Borkum GmbH & Co. KG.

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 at 31 December 2014 rose by 14 compared to the previous year, to 325.

3. Company's economic position

3.1 Earnings situation

The result from ordinary activities increased in 2014 to € 5,430 thousand.

The result from ordinary activities at Trianel GmbH rose slightly by € 300 thousand to € 5,430 thousand. The result from ordinary activities is derived in the economic analysis from an adjusted operating result of € –465 thousand (2013: € 15,454 thousand), the adjusted financial result of € 3,263 thousand (2013: € 1,055 thousand) and a positive non-operating result not relating to the reporting period of € 2,630 thousand (2013: € –11,381 thousand). The negative operating result in 2014 is due mainly to high losses resulting from power purchase agreements with the Hamm gas power station and the Lünen coal-fired power station, and the storage facility utilisation agreement with the Epe gas storage facility, totalling around € 8.9 million (2013: € –2.2 million). These are matched by corresponding provisions, the use of which is reflected in the non-operating result. In addition, the operating result in 2014 was impacted by positive one-off effects of around € 11.9 million resulting from the sale of a wind farm and the commissioning of the coal-fired power station in Lünen. Adjusting the operating result for the effects resulting from the power purchase agreements with the Hamm gas power station, the Lünen coal-fired power station and the storage facility utilisation agreement with the Epe gas storage facility produces an adjusted operating result of € 8.5 million (2013: € 5.7 million).

Taxes on income totalled € 243 thousand (2013: € 3,025 thousand), and other taxes totalled € 3 thousand (2013: € 3 thousand), resulting in a significantly higher annual net income compared with the previous year of € 5,185 thousand (2013: € 2,103 thousand). Expenditure on taxes includes € 817 thousand for corporation tax and the solidarity surcharge. Furthermore, income arose for previous years from corporation tax in the amount of € 206 thousand and from trade tax in the amount of € 369 thousand.

The development in 2014 is attributable to several effects which are reflected in different items of the income statement. Of these, the main effects are the further advances in the successful expansion of trading and portfolio management activities, and the decline in project development activities, which were at a lower level than expected. Conventional project activities in particular were scaled back owing to the currently insufficient energy policy framework conditions. Moreover, in part due to intense competition for renewable projects, the planned marketing volume was not achieved.

In addition, a further increase in risk provisions was necessary for Trianel GmbH's virtual long-term energy supply segment of the Trianel Lünen coal-fired power station (TKL) and for our storage pooling shares in the Trianel Epe natural gas storage facility (TGE). This was offset by a substantial reduction in provisions for potential losses thanks to the restructuring of the Trianel Hamm gas power station (TGH).

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 for the purpose of 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 absolute turnover total and the associated total material expenditures do not allow any significant conclusions to be drawn on the economic success of the company.

Sales proceeds amounted to € 1,780 million in the 2014 financial year (2013: € 2,026 million) and thus fell by 12.2 % compared with the previous year. In order to increase the information content of our data, the revenues from our own trading activities were balanced against associated material expenditures in the reporting year, totalling € 1,101 million (2013: € 991 million).

Other operating income rose by € 4,047 thousand to € 9,926 thousand. This mainly consists of income from the reversal of provisions (€ 4,872 thousand; 2013: € 1,493 thousand) and income from on-charging of project costs (€ 3,400 thousand, 2013: € 2,607 thousand). The income from the reversal of provisions relates in particular to provisions for potential losses of € 2,109 thousand (2013: € 864 thousand) and provisions for outstanding invoices totalling € 2,178 thousand (2013: € 252 thousand) and bonus payments totalling € 568 thousand (2013: € 350 thousand).

At 97.7 %, the cost of materials ratio increased slightly compared to the previous year.

Personnel expenses rose from € 24,665 thousand to € 26,381 thousand due to the greater number of employees.

Other operating expenses totalled € 18,031 thousand, down from € 19,804 thousand in the previous year. This decrease was due in particular to reductions in consulting and auditing costs, and in rents and leases, and lower damages payments.

The non-adjusted financial result amounted to € 1,807 thousand (2013: € –1,002 thousand). Adjusted for the non-operating effects resulting from the discounting of accounts

receivable and addition of accrued interest to provisions in the amount of € –1,437 thousand (2013: € –2,057 thousand), the resulting adjusted financial result is € 3,263 thousand (2013: € 1,055 thousand). At € 2,374 thousand (2013: € 1,646 thousand), the result from participating interests also followed a positive trend compared with the previous year.

Changes in net interest income are due to various effects. Key factors here were loans to Trianel Windkraftwerk Borkum GmbH & Co. KG with income totalling € 3,782 thousand (2013: € 1,688 thousand). In addition, interest expenses decreased by € 874 thousand to € 893 thousand mainly because of the elimination of financing for the Eisleben onshore wind farm, which was sold in 2013.

During the first months of 2015, the results of operations showed a positive trend particularly as a result of the restructuring of the Trianel Hamm gas power station (TGH).

3.2 Financial situation

Trianel generated positive cash flow of € 31,798 during the reporting year.

Trianel GmbH's operating cash flow in the reporting year was € 31,798 thousand, down from € 34,213 thousand in the previous year. This positive cash flow resulted mainly from a decrease in accounts receivable and other assets, and an increase in liabilities. While interest-bearing liabilities to banks were reduced, the increase results from a rise in trade accounts payable and cash collateral received for trading transactions under other liabilities.

Cash flow from investing activities of € –17,912 thousand (previous year: € –9,767 thousand) is due in part to payments in relation to the construction of the new administrative building of Trianel GmbH. Furthermore, cash payments relating to the supplementary financing of Trianel Windkraftwerk Borkum GmbH & Co. KG exceeded the receipts from a loan granted to this company for prefinancing an EU subsidy.

Cash flow from financing activities totalling € –10,695 thousand (previous year: € –31,032 thousand) was mainly influenced by the reduction in loan obligations for refinancing a loan granted to Trianel Windkraftwerk Borkum GmbH & Co. KG to prefinance an EU subsidy. Moreover, the cash flow was characterised by cash inflows from equity additions and contrasting dividend payments and the repayment of other loans.

The financial situation was within the range of values forecast in the planning for 2014. Overall, the total financial resources increased to € 57,643 thousand (previous year: € 54,417 thousand) as at the balance sheet date.

3.3 Asset situation

As at 31 December 2014, the balance sheet total of Trianel GmbH was € 307,930 thousand and therefore increased compared with the previous year by € 5,523 thousand or 1.8 %.

On the asset side, the increase is due to various, in part contrary effects: while fixed assets increased by € 18,846 thousand, liquid funds by € 3,226 thousand and inventories by € 627 thousand, other assets and prepaid expenses decreased by € 15,343 thousand, and trade accounts receivable by € 9,873 thousand.

The increase in fixed assets during the 2014 financial year was due in particular to an increase of € 10,984 thousand in loans to Trianel Windkraftwerk Borkum GmbH & Co. KG, and investments in tangible fixed assets (€ 8,799 thousand) due mainly to the construction of the new Trianel administrative building.

The inventories of Trianel GmbH increased slightly in 2014 by € 627 thousand to € 4,169 thousand. 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.

Accounts receivable and other assets totalling € 156,093 thousand (31 December 2013: € 173,965 thousand) remain the largest item on the assets side at 50.7 % (31 December 2013: 57.5 %) of the balance sheet total, even though they have decreased significantly. This change was due mostly to the reduction in other assets by € 16,027 thousand to € 27,712 thousand. In addition, accounts receivable from companies with which the company is linked by virtue of participating interests also decreased significantly by € 13,370 thousand to € 12,034 thousand. As in the previous year, trade receivables were balanced against similar trade payables from the same business partners. On 31 December 2014, trade receivables and trade payables were balanced to the value of € 209,422 thousand, following an offset of € 160,805 thousand on the previous balance sheet date. Trade receivables increased by € 9,873 thousand to € 76,833 thousand, which was largely due to the expansion of trading activities.

Liquid funds increased by € 3,226 thousand to € 57,643 thousand.

On the liabilities side, the increase in the balance sheet total is mainly due to the increase in trade accounts payable because of the expansion of trading activities and cash collateral received for trading transactions under other liabilities.

The equity ratio of Trianel GmbH increased in the financial year to 29.4% (31 December 2013: 28.6%). In absolute figures, equity increased by € 4,082 thousand to € 90,545 thousand. This change results from the full distribution of the annual net income for 2013 totalling € 2,103 thousand, the annual net income for 2014 totalling € 5,185 thousand, and the equity increase of € 1,000 thousand when Stadtwerke Solingen GmbH joined the group.

Provisions fell by € 3,101 thousand overall to € 44,049 thousand. Other provisions increased by € 3,101 thousand to € 43,989 thousand (31 December 2013: € 46,999 thousand) and primarily contain provisions for potential losses from pending transactions of € 36,228 thousand (31 December 2013: € 37,085 thousand) and for outstanding invoices (€ 2,225 thousand; 31 December 2013: € 4,909 thousand).

The development of the balance sheet structure and the key balance sheet figures was largely in line with business planning.

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. Forecast

1.1 Orientation of Trianel GmbH in the next two financial years

As part of its growth strategy, Trianel will increasingly focus on small and medium-sized municipal utilities.

Trianel GmbH will continue the strategy of the preceding years. In the years to come, Trianel's growth strategy will focus on appealing to small and medium-sized municipal utilities to an increasing extent. The new SME portfolio management department that was created in 2013 will concentrate specifically on these customers' needs across all commodities.

In its core business, Trianel GmbH will step up efforts to win new customers based on its product range for procurement and supply services in the electricity and gas sectors, which was revised in 2014. In addition to small and medium-sized municipal utilities, there will be an emphasis on collaboration with other cooperations. Trianel will provide wholesale services for these partnerships based on cooperative task-sharing.

Trianel anticipates that the expansion of energy data management services will stimulate further growth.

Trianel GmbH expects growth stimuli from the expansion of its 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 aim to support distribution grid operators efficiently in managing increasing deviations in 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. At the same time, the large number of data streams and communication channels are to be combined in future via a standardised Integrated Energy Industry Service Platform (IES). This will also realise additional efficiency potentials for Trianel and its customers, as well as enhancing service quality.

In the gas sector too, the aim is to exploit additional potentials in the management of storage facility segments and procurement portfolios for Trianel GmbH and its customers. Here we are making use of new markets, e.g. intraday trading, as part of our now comprehensive 24/7 trading system.

Opportunities for a new business area result from the utilisation of existing load and generation flexibilities.

Managing and optimising flexibilities in the course of demand response management will become a key task in shaping the energy transition. The further increase in weather-dependent energy feeds and accompanying price pressure on the electricity exchanges will lead to persistent crowding-out of older baseload power stations, which previously provided large portions of the necessary balancing energy. Utilisation of existing load and generation flexibilities in the industrial environment in conjunction with a 24/7 market access service product will become a new business area for Trianel GmbH.

Trianel GmbH intends to continue to position itself as the leading provider in the municipal environment – but increasingly also in the industrial 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 around 2,900 megawatts of renewable energy, Trianel GmbH will start marketing electricity from the Borkum offshore wind farm in 2015, and continue to grow in the small and medium-sized CHP plant sector.

As in previous years, the consolidation of the price level for direct marketing based on the market premium model continued in 2014. In spite of the great competitive pressure, we succeeded in securing a joint marketing portfolio of roughly 3,200 megawatts for 2015. With our affiliated company GESY Green Energy Systems GmbH – a marketing

platform for medium-sized operators of renewable generation plants – we are currently developing a concept which will enable us to continue the successful operation of this business field in the years ahead. Obligatory direct marketing has created good conditions for this. To diversify our direct marketing portfolio, we have further increased the generation share of both photovoltaic systems and continuous systems as well as offshore wind facilities for marketing in 2015. In this way, we are building on our experience as a direct marketer in new fields as well. Following a successful start to balancing energy marketing, we plan to continue this service in the coming years with a sharp increase in marketed volumes. At the same time, we are increasingly looking to industrial potentials in 2015.

Development of renewable generation systems will be stepped up in future.

We anticipate greater demand in future from municipal utilities for renewable generation capacities. Trianel GmbH will therefore focus to a greater extent on the development of renewable generation systems. The Trianel Borkum wind farm (formerly Borkum-West II) was completed in mid-2014. Project development of a second construction stage with an expected investment volume of approx. € 800 million is due to commence in 2015. The first onshore wind farm project developed by Trianel GmbH was connected to the public grid at the end of 2013. In 2014, Trianel Onshore Windkraftwerke GmbH & Co. KG (TOW) acquired two more onshore wind farms. One focus in project development will be on the further development and acquisition of more onshore wind projects. These will be offered to Trianel GmbH shareholders via TOW.

The restructuring of Trianel Gaskraftwerk Hamm GmbH & Co. KG (TGH) which was prepared together with the other shareholders in the power station company in 2014 and in the first quarter of 2015 will allow greater scope for the management of the power station. At the same time, it limits the risks.

The Krefeld-Uerdingen and Oberrhein gas and steam turbine projects, which are based on cogeneration, will be kept as is during 2015. Although these options cannot be implemented in the short term, significant value is attached to them because of their focus on future requirements for conventional generation systems and their high relative competitiveness.

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 as Trianel GmbH, and contribute to further diversification. Given the current revenue situation and anticipated market trend, we currently assume that the plants will be profitable at their earliest potential commissioning time between 2022 and 2025. This own project development, with its very long-term approach, offers the opportunity of creating options for action and implementing these at the suitable time.

To compensate for declining earnings in their traditional energy business, SMEs will need to position themselves in future highly diversified business segments. To succeed in these newly developed business segments and markets, which are increasingly attracting the interest of companies outside the sector, municipal utilities and regional suppliers will need to rely more heavily on cooperations and external service providers. Trianel GmbH sees an opportunity here to gain new customers. To pool sales activities and ensure the necessary market penetration in this segment, Trianel GmbH established a regional sales network in 2014.

1.2 General economic conditions in the next two financial years

According to its annual economic report published in January 2015, the German federal government anticipates growth of 1.5 % for the current year. This growth will be driven primarily by rising incomes and a further increase in employment accompanied by a slight decrease in unemployment.

According to the German economics ministry's assessment, the foreign trade environment remains difficult on account of current international crises and a continuing weak economy in the eurozone. The low oil price is expected to stimulate growth, and – along with the current weak euro – bring about a moderate increase in exports.

Consumer prices are set to rise by 0.8 % in 2015. According to the German government, the core inflation rate – i.e. the rate of inflation excluding the volatile price trends of energy and food – will amount to 1.4 %. Germany shows no sign of deflationary tendencies.

Overall, the German government anticipates a nearly balanced budget in 2015, and even a slight structural surplus.

The decision by the Swiss National Bank in January 2015 to abandon the Swiss franc's minimum exchange rate peg to the euro is expected to have a direct impact on Trianel GmbH's business activities. Trianel's products have become much more competitive in the Swiss market as a result of the sustained fall in the euro exchange rate following this decision.

Economic research institutes are consistently optimistic about 2016 as well. Both the Kiel Institute for the World Economy (IfW) and the Halle Institute for Economic Research (IWH) predict a 2.0 % rise in gross domestic product.

The energy policy framework will undergo far-reaching changes in 2015 and most likely in 2016 also. Key plans for this legislative period are packaged in a ten-point energy agenda, and coordinated in both timing and content in such a way as to tactically advance the energy transition from the government's point of view.

To secure the energy supply, the German economics ministry is planning to roll out a reformed energy-only market, referred to as EOM 2.0. This is meant to ensure that scarcity on the electricity exchange produces undistorted price signals. At the same time, balancing group responsibility is to be increased. EOM 2.0 is to be safeguarded by a capacity reserve that is organised in line with market requirements.

The 2020 Climate Protection Action Programme will have significant impacts on the profitability of modern conventional power stations. According to plans announced in March 2015, the German federal government intends to assign an emission budget to each power station unit, which if exceeded will result in heavy additional burdens for power plant operators. According to preliminary studies, this will lead to the accelerated closure of older coal-fired power stations in particular. The German economics ministry anticipates that the action programme will have a price effect on the electricity exchange of € 2/MWh.

Adjustments to the German Combined Heat and Power Generation Act (KWKG) are also expected. Here the government plans to increase the current € 750 million annual limit on subsidies, and furthermore to provide fewer subsidies for coal-fired power stations than for gas power stations.

Legislation to speed up grid expansion and for the national demand plan sets out the framework for transmission network expansion. The first formal processes for the expansion of the transmission networks are already underway. Conditions for investment in the distribution grids are also set to improve.

In February 2015, the German economics ministry presented seven key points for the "smart grids" regulation package. This package of regulations, which is due to be presented to the German cabinet before the summer break in 2015, will contain regulations on metering systems as a technical basis, data communication regulations, and roll-out regulations. The latter should cover all questions relating to the roll-out and its financing.

According to current plans proposed by German economics ministry, the lower limit for mandatory installation will be an annual electricity consumption of 6,000 kWh. Systems are to be installed in stages from 2017. The government wants to put suitable transitional arrangements in place for metering and communication technology that has already been installed, to avoid stranded investments.

The bill partially implementing the Energy Efficiency Directive is set to come into force in the spring of 2015. This bill is part of the National Energy Efficiency Action Plan. The legislation requires larger companies to conduct energy audits for the first time in 2015 and every four years thereafter.

The first key elements of the next EEG amendment are due to be discussed in 2015. After the 2014 EEG exceeded the policy target of slowing down expansion in the photovoltaic sector, installation of new capacity in the onshore wind segment reached a record level of around 4,400 megawatts (net). According to industry estimates, this high rate of expansion will continue in 2015 with the addition of 3,500 to 4,000 megawatts. New installations are not likely to slow down until 2016. This year, for the first time, a subsidy reduction similar to the feed-in tariff reduction for photovoltaics is planned for the onshore wind sector based on exceeding or undershooting the expansion corridor.

The offshore industry seems unperturbed by the German government's reduction in its expansion target from 10,000 megawatts to 6,500 megawatts: it is noticeably picking up speed in 2015. The extension of the "compression model" gives the industry sufficient security to proceed with the next expansion steps.

1.3 Anticipated earnings situation

Trianel expects the "energy industry" business area to make the highest absolute profit contributions once again.

For 2015 and the subsequent years, we expect that all divisions will contribute to the operational development with positive profit contributions. In our planning, we are focusing on further expansion of our trading business, energy industry services and activities relating to our supporting services for municipal utilities. In 2015, we again expect the highest absolute profit contributions to come from the "energy industry" business area. This will also benefit from positive effects in connection with our successful support for the restructuring of the Hamm gas power station. We anticipate relatively strong growth impulses in the "trading & origination" and "sales solutions for municipal utilities" business areas. The "trading & origination" segment is set to further strengthen its position as our second main pillar, particularly through the expansion and further professionalisation of the short-term optimisation of trading positions and market access services. The "sales

solutions for municipal utilities" business area is expected to grow in 2015 compared with 2014, particularly through the development of smart meter solutions and – to a somewhat reduced extent – products for decentralised generation solutions and energy efficiency themes. Due to inadequate market price signals, the projects concentrated in the "project development" business area for the development of conventional power station flexibility options will be largely preserved in their current state, and the available personnel resources will be transferred to renewable projects in particular. Compared to previous years, lower profit contributions are expected in this business area.

Overall, the operating result is forecast to show a positive trend in 2015, partly because of special effects resulting from the restructuring of the gas power station. The marketing of our assets (virtual long-term energy supply segments and gas storage pooling) will continue to have a substantial negative impact on results. Risks from TGH have been limited by the restructuring.

Trianel expects earnings to start rising again in 2016 as a result of its strategic reorientation.

Taking into account the net income from holdings and financing, which continues to consist mainly of interest income from loans to Trianel Windkraftwerk Borkum GmbH & Co. KG, we anticipate a positive pre-tax result of around € 2 million despite the current difficult overall situation in the energy industry. We expect that Trianel's earnings trend will bottom out in 2015, and that the strategic reorientation that was initiated in 2013/14 will start to produce rising earnings from 2016.

Uncertainties result mainly from the changes we have called for in the framework conditions for the design of the generation market, and in the speed of reducing existing excess capacity in the conventional power station fleet. Irrespective of the success of our trading activities at the start of 2015, volatile price movements mean that by their nature greater risks attach to their outcome than to that of our service activities. To manage the increase in deal and turnover volumes that results in particular from the expansion of our trading and market access activities, processes and systems will again be reviewed in respect of potential improvements during the current year, and projects initiated with a focus on costs, quality and the speed of implementation of measures.

Plans for 2016 include the expansion of trading activities and market access services.

With a view to the 2016 financial year, we aim to lay the foundations for further increases in operating results, particularly through the expansion of trading activities and market access services, portfolio management offerings, and product developments relating to the increasingly relevant themes of smart meters and decentralised generation.

1.4 Anticipated financial situation

The total financial resources of Trianel GmbH are slightly higher in comparison to the previous year. This is due in particular to reduced utilisation in connection with margin payments relating to trading activities, and postponement of some investments in renewable energy generation projects until later years. In summary, the resulting overall development of liquidity was therefore above the planned level.

We do not anticipate any major investments in tangible fixed assets in 2015. Nevertheless, we tend to expect a reduction in total financial resources owing to investments particularly in our holdings to enable investment in further renewable generation systems, the granting of a loan to Trianel Gaskraftwerk Hamm GmbH & Co. KG as part of the forthcoming restructuring, and – depending on market developments – possibly increased margin payments. With regard to the debt and equity ratio, particularly on account of the planned increase in our trading volume and the associated rise in trade payables shown on the balance sheet on the balance sheet date, we anticipate a slight reduction in the equity ratio.

Current financing of business operations is flexibly secured.

Financing requirements will continue to be met via bank loans and our own cash flow. Given the good credit rating of Trianel GmbH, most recently confirmed in September 2014 by an external rating agency with reference to a high liquidity level, a low debt ratio and a continuing sound basis for internal financing, we see no bottlenecks as regards the financing of our planned business activities. We also believe that our relationship with 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 regulatory developments – is secured flexibly through credit lines.

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

1.5 General statement on the business outlook and development forecast of Trianel GmbH by corporate management

The reorganisation of Trianel's activities in four large business areas has streamlined decision-making and responsibility structures and significantly increased the focus on the market's requirements. Furthermore, resources from conventional power station development projects were transferred to renewable development projects. We regard the next necessary organisational development step as being the optimisation of our main processes. These will be optimised with a view to cost reduction, quality enhancement

and increasing process speeds, and brought in line with future growth plans. Even if the situation in the industry has meant some drastic cutbacks for many market participants, we believe, based on the current and planned future course that has been set within the company, that Trianel GmbH together with its shareholders and dedicated employees is excellently equipped for the challenges of the future. The focus on opportunities that is deeply embedded in our organisation makes us optimistic that Trianel GmbH will prove to be a highly active and important partner to our municipal utility shareholders in handling the energy transition.

Also with regard to the challenging and difficult general conditions which are likely to persist over the next two years, we remain highly confident that we will be able to build on our position as a value-creating provider of energy industry solutions.

2. Opportunity report

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. Given the undesirable developments triggered by the "uncontrolled" energy transition, we still have high expectations of a regulatory correction of the market design. To keep flexible, low-CO_2 and efficient conventional capacity reserves in the market, there is a need for appropriate incentives as part of an energy policy that corresponds to the expansion of renewables. Irrespective of this, we expect a further market-driven correction in the existing power plant fleet, and, in the medium term, an improvement in the relevant price spreads.

Opportunities result for Trianel in renewable energy project development from the favourable trend in system prices and financing costs.

With regard to projects in the renewable energy sector, there are opportunities as a result of a favourable development 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, decentralised generation and flexibility marketing. 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.

Increasing margin pressure for the majority of municipal utilities is putting even greater pressure on these companies to become more efficient. This will reinforce the trend

towards 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.

Trianel plans to exploit previously untapped potential in the gas procurement sector.

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 make market opportunities for natural gas within the context of the energy transition accessible to our customers via corresponding business models.

Continuing strong competition in electricity and gas is leading to falling margins. We assume that multiple new products will be needed to make up for the margin loss. This implies increasing fragmentation that will increase the number of processes needing to be controlled. In our opinion, municipal utilities will have no choice but to outsource parts of these processes to suitable service providers. The Trianel Platform for Energy Services (T-PED) is a tool developed by Trianel GmbH which enables municipal utilities to model the necessary processes including outsourcing to third parties. Apart from the classical product sale, T-PED marks entry into the systems business and the start of a long-term placement with the customer. Since T-PED is an open system, it is possible to integrate other products, including those from customers. With sufficient product frequency, T-PED can develop into an innovation platform with sales components, so becoming a tool for the future.

Our new T-PED tool – an innovation platform for sales – was developed in 2014.

Trianel is reaching new potential shareholders with topics such as smart metering.

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. 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.

Projects in the renewable energies field present opportunities. Here projects are offered to our shareholders and other municipal utilities via the project companies. The necessary services for further project development also create earnings potential.

Our trading strategy will see greater internationalisation.

An expansion of gas trading activities to the United Kingdom and France is planned for 2015. In the electricity segment, we will focus on extending our cross-border trading strategies into Switzerland and other neighbouring countries. We expect this to add significant value. Having got off to a successful start in 2014, the operating reserve pool is set to undergo significant expansion in the years ahead. In addition to optimising

generation systems and storage facilities, controllable loads – especially in the industrial environment – will be increasingly integrated over the next few years. Intensive planning is taking place to extend the operating reserve pool to neighbouring countries. Introduced in 2014, obligatory direct marketing of electricity from EEG plants will further support growth in this field, although tough competition can be expected. In the coming years, direct marketing of renewable energy will also be offered in neighbouring countries to generate extra growth potential.

Good opportunities for future earnings generally result from our trend-scouting, where we constantly analyse current market developments for potentials for joint developments with our shareholder companies.

3. Risk report

The business activity of Trianel GmbH demands that risks are consciously entered into in order to take advantage of opportunities. Particularly because of our consistent growth trajectory accompanied by the development of new business sectors and markets, the resulting risks and opportunities need to be continuously 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.

3.1 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 Risk Controlling division has central responsibility for risk management, which includes producing, updating and implementing guidelines, methods and processes for measuring and controlling risks, as well as reporting on the risk situation. Central risk management also monitors compliance with risk guidelines and defined risk limits. The Management Board appoints risk officers for every organisational unit to support the central department. These risk officers are responsible for the control and development tasks assigned to them within the risk management system.

Central risk management at Trianel GmbH also covers compliance functions in addition to the original risk management tasks. To ensure that compliance risks are identified in good time and prevent rule violations, a compliance management system has been designed and developed at Trianel. The central compliance body is supported in its tasks by compliance field delegates in various organisational units. A Compliance Committee has been set up for regular communication between all compliance service providers.

The Trianel GmbH Risk Committee regularly meets to discuss the implementation and need for changes to the risk management system. The Risk Committee is also involved in specific matters such as drawing up proposals for solutions and decisions if new risk-relevant issues arise, market and product clearance, business partner clearance as part of know-your-customer processes, limit specifications for trade partners and the allocation of risk capital to risk areas.

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. The suitability and functionality of the risk management system are monitored by the internal revision, which is supported by two revision service providers as needed, and by external auditors commissioned by the shareholders.

Risk management process

The professionally implemented risk management process at Trianel GmbH comprises the systematic identification, evaluation, aggregation, control and monitoring of risks as well as 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.

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 Shareholders' Meeting at the proposal of the Management Board. Internal risk capital allocation and its distribution to the risk areas which are defined in this context – market, credit, operational and other risks – are 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.

3.2 Risikobereiche und Einzelrisiken

The key risks for Trianel GmbH are grouped into the risk areas listed below as part of the risk management process.

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 positions, 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 positions 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 positions 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 positions. Deviations from the forecast must be offset, and thus incur additional costs. Further changes in quantity can occur due to physical delivery defaults or curtailments, e.g. 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 trading position within the holding period does not exceed the calculated value to a degree of probability of 99 %. The value-at-risk is calculated and monitored both on a client-specific basis for individual assets and for the trading positions.

The risk reporting is supplemented by "stress values". Stress tests are used to examine the effects of extreme market situations on the portfolio values. The result specified is the assumed worst case loss that can be 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. Here the possible deterioration in value is calculated which to a degree of probability of 99 % will not be exceeded within the period under consideration.

In the wholesale business, margin payments triggered by market price changes cause fluctuations in the company's cash flow. At Trianel GmbH, the associated liquidity risk is 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 cash flow. 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 cash flow are regularly calculated and reported, if necessary every working day. The methods and assumptions used are checked regularly during clean backtesting, among other times, and are modified as necessary.

Credit risks

With over-the-counter (OTC) energy trading transactions, unlike exchange transactions, Trianel GmbH is exposed to the risk that contract partners will not fulfil, or will be late in fulfilling, their contractual obligations with regard to delivery of or payment for a commodity.

To limit these risks, every potential business partner needs to pass a due diligence check (know-your-customer process). Trianel GmbH also uses a multi-stage rating system to assess the creditworthiness of its trading partners. This also takes available external information into account, e.g. rating agency assessments. The individually granted trading limit is assigned depending on this credit rating and the total risk capital held for the counterparty risk.

In addition, business partners provide securities which increase the scope to carry out transactions and can be used to reduce losses in the event of a default by one of the company's business partners.

To ensure that business partners remain within agreed credit limits, credit risks are calculated every working day and each business partner's remaining scope for action is monitored and reported in the standard risk report.

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.

Operational and other risks

Risks arising from the legal, personnel, process and systems areas are generally referred to as operational and other 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. These include, for example, the contractual implementation of suitable payment terms from a liquidity point of view. Furthermore, the uncertainty must be taken into account that (unforeseeable) changes to the legal or regulatory framework 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 market and product approval processes described above and by the use of standardised contracts wherever possible.

In addition, we continuously monitor developments in legal and regulatory framework conditions that are relevant to the business and, if appropriate and possible, we shape these developments via our involvement in the relevant associations. We placed greater emphasis on the evaluation and management of these risks in 2014. Trianel GmbH is countering the increasing regulatory requirements with a dedicated Compliance and Market Regulation organisational unit, which received increased staffing in 2014. Moreover, as part of Trianel GmbH's trend scouting activities, political, social, economic and also regulatory trends are extensively analysed to identify and enable a response to emerging opportunities and risks at an early stage; active and targeted participation in political debate is significantly aided by the presence of Trianel GmbH's Berlin office.

Risks in this connection result for Trianel GmbH particularly from the EU-wide tightening of regulations in the energy trading business. The European Market Infrastructure Regulation (EMIR) and the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) together with the revised EU Markets in Financial Instruments Directive (MiFID) constitute a changed legal framework, which led in 2014 and will lead in subsequent years to far-reaching requirements and obligations with regard to organisation, processes and systems, as well as necessary resources. For example, the EU's REMIT Regulation, issued in 2011, aims to prevent abuses of market power (insider trading and market manipulation) on the energy markets. To this end, REMIT introduces a comprehensive market monitoring regime which requires energy market participants to report all transaction and fundamental data in full and disclose insider information.

In this context, the composition of the 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.

The company's success is determined to a large extent by the specialist 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 an organisational 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. Trianel GmbH has appointed an IT security and data protection officer. 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.

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 possibility of not exercising these options by foregoing the transition to the realisation phase and the need for write-downs that may be associated with this, 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.

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 and futures relating to 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.

3.3 General statement on the risk situation

In 2014, 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.

Despite declining credit ratings compared with previous years, including among public companies, with regard to the counterparty risk we are of the opinion that the business model of Trianel GmbH, which focusses on municipal utilities as customers, even at the present time involves only a low insolvency risk.

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.

E. Reporting pursuant to Section 108 Para. 3 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. Trading in

a. Energy (electricity, gas, oil, coal)
b. Energy derivatives and energy-related financial derivatives (pursuant to the German Banking Act [KWG]: proprietary transactions)
c. Financial products relating to energy supply, such as weather derivatives and emission certificates (pursuant to the German Banking Act [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, 31 March 2015

Trianel GmbH

Sven Becker Dr. Jörg Vogt

Management Board of Trianel GmbH

Annual Financial Statements of Trianel GmbH


AnalyseSekundärr
obilitätDez

Balance sheet

as at 31 December 2014

Assets

in €	31.12.2014	31.12.2013
A. FIXED ASSETS		
I. Intangible assets		
1. Acquired rights of use and similar rights	1,790,517.50	2,503,893.50
2. Down payments made	577,200.00	353,900.00
	2,367,717.50	**2,857,793.50**
II. Tangible assets		
1. Real property, rights equivalent to real property and buildings, including buildings on third-party land	19,421,397.00	107,745.00
2. Technical equipment and machinery	24,775.00	0.00
3. Furniture and fixtures	1,576,203.00	944,904.00
4. Down payments made and plant under construction	0.00	12,472,489.05
	21,022,375.00	**13,525,138.05**
III. Financial assets		
1. Shares in affiliated companies	2,852,027.57	2,852,027.57
2. Participating interests	26,574,058.69	25,713,744.33
3. Loans to companies with which a participating interest exists	32,198,794.39	21,214,871.94
4. Other loans	25,472.16	30,748.90
	61,650,352.81	**49,811,392.74**
	85,040,445.31	**66,194,324.29**
B. CURRENT ASSETS		
I. Inventories		
Merchandise	4,168,982.98	3,542,090.30
	4,168,982.98	**3,542,090.30**
II. Accounts receivable and other assets		
1. Trade receivables	76,833,357.05	66,960,656.52
2. Accounts receivable from affiliated companies	2,845,148.87	2,720,079.09
3. Accounts receivable from shareholders	36,668,331.71	35,140,488.68
4. Accounts receivable from companies with which a participating interest exists	12,034,205.21	25,404,681.85
5. Other assets	27,711,731.36	43,738,767.43
	156,092,774.20	**173,964,673.57**
III. Cash in hand, cash at bank		
	57,643,025.76	**54,416,621.06**
C. PREPAID EXPENSES	**4,984,873.28**	**4,289,004.96**
	307,930,101.53	**302,406,714.18**

Liabilities

in €	31.12.2014	31.12.2013
A. EQUITY		
I. Capital stock	20,152,575.00	20,120,575.00
Nominal value of own shares	0.00	–168,000.00
Issued capital	20,152,575.00	19,952,575.00
II. Capital reserves	26,129,469.24	25,808,469.24
III. Reserve for own shares	0.00	168,000.00
IV. Earnings reserves, other earnings reserves	39,078,543.01	38,431,543.01
V. Annual net income	5,184,500.77	2,102,800.15
	90,545,088.02	**86,463,387.40**
B. PROVISIONS		
1. Provisions for pensions	59,710.00	150,789.00
2. Other provisions	43,988,790.50	46,999,197.68
	44,048,500.50	**47,149,986.68**
C. LIABILITIES		
1. Accounts payable to credit institutions	24,501,001.09	34,074,864.56
2. Down payments received for orders	495,611.34	495,611.34
3. Trade accounts payable	96,077,877.38	91,443,958.76
4. Accounts payable to affiliated companies	80,574.27	62,756.72
5. Accounts payable to shareholders	18,370,547.63	21,563,400.61
6. Accounts payable to companies with which a participating interest exists	11,656,761.78	11,917,622.13
7. Other accounts payable	19,330,146.72	7,002,127.63
	170,512,520.21	**166,560,341.75**
D. DEFERRED INCOME	**2,823,992.80**	**2,232,998.35**
	307,930,101.53	**302,406,714.18**

Profit and loss statement

for the financial year from 1 January 2014 to 31 December 2014

in €		2014	2013
1.	Sales proceeds	**1,779,577,324.81**	**2,026,274,584.94**
2.	Increase or reduction in inventory of finished and semi-finished products	0.00	–19,918,372.28
3.	Other internally produced and capitalised assets	106,486.82	149,575.42
4.	Other operating income	9,926,264.99	5,879,690.52
5.	Cost of materials		
	Expenditure on goods purchased	1,738,061,906.62	1,959,541,744.80
		1,738,061,906.62	**1,959,541,744.80**
6.	Personnel expenses		
	a) Wages and salaries	22,929,149.16	21,233,815.60
	b) Social contributions and expenditure on pensions and support	3,452,348.90	3,431,124.42
		26,381,498.06	**24,664,940.02**
7.	Depreciation		
	a) On intangible fixed assets and tangible fixed assets	2,511,983.99	1,622,113.13
	b) On current assets where they exceed the usual depreciation in the corporation	1,000,000.00	620,000.00
		3,511,983.99	**2,242,113.13**
8.	Other operating expenditure	18,031,024.23	19,804,225.67
		3,623,663.72	**6,132,454.98**
9.	Revenues from participating interests	709,987.37	289,170.32
10.	Revenues from profit and loss transfer agreements	1,663,822.15	1,356,628.62
11.	Revenues from other securities and loans of financial assets	601,287.05	1,325,410.01
12.	Other interest and similar revenues	3,838,331.48	901,624.36
13.	Depreciation on financial assets and securities held as current assets	0.00	0.00
14.	Interest and similar expenditure	5,006,801.17	4,874,852.34
		1,806,626.88	**–1,002,019.03**
15.	Result on ordinary business operations	5,430,290.60	5,130,435.95
16.	Tax on income and revenue	242,547.83	3,024,944.80
17.	Other taxes	3,242.00	2,691.00
18.	**Annual net income**	**5,184,500.77**	**2,102,800.15**

Notes

for the 2014 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.

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 carried out 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 2014 financial year, own shares to a nominal value of € 168 thousand were sold. That increased the earnings reserves by € 647 thousand.

Per the profit use decision dated 4 July 2014, the full annual net income for 2013 amounting to € 2,103 thousand was distributed as dividends.

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 provisions. The "Guide Tables 2005 G" by Klaus Heubeck are used as a biometric calculation basis. The mathematical interest rate is 4.62 %, which is equal to the average market interest rate for an assumed residual term of the obligations of 15 years (as at 31 October 2014). The pension trend was also incorporated at 1 %. For contractual reasons, the wage trend was not incorporated. The option per Section 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 financial transactions corresponding 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	37,679	2,064
Trianel Gasspeicher Epe Verwaltungs GmbH	Aachen	100	25,000	214,026	23,615
Trianel Kraftwerk Krefeld Verwaltungs GmbH	Aachen	100**	25,000	113,039	12,650
Trianel Kohlekraftwerk Lünen Verwaltungs GmbH	Aachen	100	25,000	34,070	1,062
Trianel Windkraftwerk Borkum Verwaltungs GmbH	Aachen	100	25,000	114,915	12,654
Trianel Service GmbH	Aachen	100	194,031.57	152,710	–9,424
Trianel Erdgasförderung Nordsee GmbH & Co. KG	Aachen	100	32,996	61,978	–20,045

* A profit and loss transfer agreement exists between Trianel Finanzdienste GmbH and Trianel GmbH.
** 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	2,089,255 *	73,652 *
Trianel Energie B.V. **	Maastricht, NL	100	1	— **	— **

* As at: 31 December 2013.
** Trianel Energie B.V. applied for insolvency on 27 December 2012 and therefore did not prepare annual financial statements as at 31 December 2012. Accordingly, the participation book value was depreciated to a reminder value of € 1.

3.1.1 Current assets

The stock assets mainly comprise stored gas quantities and CO_2 certificates.

Trade accounts receivable mainly consist of outstanding payments for electricity and gas supplies, which were offset against similar accounts payable to the value of € 209,422 thousand (previous year: € 160,805 thousand).

Of the accounts receivable from affiliated companies, € 551 thousand (previous year: € 1,037 thousand) are trade accounts receivable. Other than this, the accounts receivable include mainly cost allocations. Of the accounts receivable from shareholders, € 36,307 thousand (previous year: € 34,783 thousand) are trade accounts receivable. Similar accounts payable totalling € 13,258 thousand (previous year: € 5,281 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 € 0 thousand (previous year: € 915 thousand) were offset against accounts receivable.

Other assets mainly consist of collateral security relating to energy trading, including non-accessible bank credits totalling € 4,839 thousand, € 4,658 thousand in input tax, which is not deductible until the following year, and margin payments of € 1,413 thousand. In addition to this, the other assets include accounts receivable from tax reimbursement claims totalling € 6,345 thousand. These are mainly attributable to income tax reimbursement claims for the 2013 and 2014 assessment periods, and trade tax reimbursement claims for the 2010 assessment period.

All accounts receivable and other assets are due within one year, with the exception of accounts receivable from the smart metering business totalling € 42 thousand and other assets totalling € 1 thousand.

3.2 Provisions

Other provisions totalling € 43,989 thousand (previous year: € 46,999 thousand) include provisions for uncertain accounts payable totalling € 7,761 thousand (previous year: € 9,911 thousand), mainly pertaining to outstanding invoices for energy procurement and personnel costs.

Provisions are also included for anticipated losses from pending transactions totalling € 36,228 thousand (previous year: € 37,085 thousand). Provisions for anticipated losses totalling € 35,541 thousand (previous year: € 31,423 thousand) were included on the liabilities side for our asset positions as at the balance sheet date. Provisions for anticipated losses from pending procurement transactions totalling € 679 thousand still exist for open positions arising from the market access business, due to the insolvency of Trianel Energie B.V.

3.3 Liabilities

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 payroll and church taxes totalling € 388 thousand (previous year: € 374 thousand) and from social security totalling € 300 thousand (previous year € 121 thousand).

Liabilities movement schedule

in €	31.12.14 Total	31.12.14 Residual terms			31.12.13 Residual terms
		Up to 1 year	1 year to 5 years	More than 5 years	Previous year up to 1 year
Accounts payable to credit institutions	24,501,001.09	1,939,001.14	7,628,133.36	14,933,866.59	9,606,831.27
Down payments received for orders	495,611.34	495,611.34	0.00	0.00	495,611.34
Trade accounts payable	96,589,546.43	96,589,546.43	0.00	0.00	91,443,958.76
Accounts payable to affiliated companies	80,574.27	80,574.27	0.00	0.00	62,756.72
Accounts payable to shareholders	18,370,547.63	18,370,547.63	0.00	0.00	21,563,400.61
Accounts payable to associated companies	11,656,761.78	11,656,761.78	0.00	0.00	11,917,622.13
Other accounts payable	19,330,146.72	15,742,512.72	234,667.00	3,352,967.00	3,423,577.63
Total accounts payable	**171,024,189.26**	**144,874,555.31**	**7,862,800.36**	**18,286,833.59**	**138,513,758.46**

3.4 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 resolution 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 for accounting purposes according to the classic rules. Provisions for anticipated 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 trading positions are restricted appropriately at all times.

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

3.4.1 Valuation unit: Asset electricity mandate

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 2015 VU contains base transactions to a value of € 21,875 thousand and hedge transactions to a value of € 9,377 thousand. The VU hedges risks from an individual transaction perspective to a total of € 6,011 thousand for 2015. In addition, a provision for anticipated losses from pending transactions totalling € 8,873 thousand was formed for 2015. The 2016 VU contains base transactions to a value of € 22,208 thousand and hedge transactions to a value of € 3,268 thousand. The VU hedges risks from an individual transaction perspective to a total of € 4,432 thousand for 2016. In addition, a provision for anticipated losses from pending transactions totalling € 8,163 thousand was formed for 2016. The 2017 VU contains base transactions to a value of € 22,260 thousand and hedge transactions to a value of € 869 thousand. The VU hedges risks from an individual transaction perspective to a total of € 4,524 thousand for 2017. In addition, a provision for anticipated losses from pending transactions totalling € 8,052 thousand was formed for 2017.

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

3.4.2 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 2015 VU contains base transactions to a value of € 1,371,614 thousand and hedge transactions to a value of € 1,399,746 thousand. The VU hedges risks from an individual transaction perspective to a total of € 162,083 thousand for 2015. The 2016 VU contains base transactions to a value of € 260,917 thousand and hedge transactions to a value of € 261,183 thousand. The VU hedges risks from an individual transaction perspective to

a total of € 18,914 thousand for 2016. The 2017 VU contains base transactions to a value of € 42,317 thousand and hedge transactions to a value of € 42,478 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,342 thousand for 2017.

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

3.4.3 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 2015 VU contains base transactions to a value of € 653,766 thousand and hedge transactions to a value of € 649,104 thousand. The VU hedges risks from an individual transaction perspective to a total of € 95,288 thousand for 2015. The 2016 VU contains base transactions to a value of € 189,975 thousand and hedge transactions to a value of € 189,464 thousand. The VU hedges risks from an individual transaction perspective to a total of € 15,210 thousand for 2016. The 2017 VU contains base transactions to a value of € 33,242 thousand and hedge transactions to a value of € 32,150 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,132 thousand for 2017.

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

3.4.4 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 2015 VU contains base transactions to a value of € 26,964 thousand and hedge transactions to a value of € 25,893 thousand. The VU hedges risks from an individual transaction perspective to a total of € 4,881 thousand for 2015. The 2016 VU contains base transactions to a value of € 3,030 thousand and hedge transactions to a value of € 2,843 thousand. The VU hedges risks from an individual transaction perspective to a

total of € 437 thousand for 2016. The 2017 VU contains base transactions to a value of € 437 thousand and hedge transactions to a value of € 394 thousand. The VU hedges risks from an individual transaction perspective to a total of € 56 thousand for 2017.

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

3.4.5 Valuation unit: Individual hedge portfolio mandate

The individual hedge portfolio contains opposing purchase and sales transactions for the 2015 delivery year, which are presented in pairs. The corresponding transactions are combined to VUs. The base transactions and the hedge transactions of the delivery contracts treated as VUs each total € 117,948 thousand. The VU hedges risks from an individual transaction perspective to a total of € 7,823 thousand.

3.4.6 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 at 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 € 5,219 thousand (previous year: € 6,310 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 (€ 186 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 € –3 thousand as at 31 December 2014.

- Interest rate swap (€ 336 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 € –17 thousand as at 31 December 2014.

- Interest rate swap (€ 3,400 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 € –678 thousand as at 31 December 2014.

- Interest rate swap (€ 1,297 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 € –271 thousand as at 31 December 2014.

The market values were determined using the present 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 calculated based on forward interest rates 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.

3.5 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 lead to a deferred tax asset. A tax rate of 32.45 % is applied when determining the tax asset.

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

	31.12.2014		31.12.2013	
Business field	**Sales in € thousand**	**Sales in %**	Sales in € thousand	Sales in %
Electricity (unbalanced)	2,277,063	79.0 %	2,456,787	81.4 %
Balancing	–903,634	82.0 %	–817,120	82.4 %
Electricity	**1,373,429**	**77.2 %**	**1,639,667**	**84,8 %**
Gas (unbalanced)	463,264	16.1 %	431,392	14.3 %
Balancing	–177,391	16.1 %	–169,901	17.1 %
Gas	**285,873**	**16.1 %**	**261,491**	**12.9 %**
Certificates trading (unbalanced)	29,520	1.0 %	17,881	0.6 %
Balancing	–20,319	1.8 %	–4,431	0.5 %
Emissions trading	**9,201**	**0.5 %**	**13,450**	**0.6 %**
Coal (unbalanced)	73,824	2.6 %	27,644	0.9 %
Balancing	0		0	
Coal	**73,824**	**4.1 %**	**27,644**	**1.4 %**
Services (unbalanced)	37,376	1.3 %	84,200	2.8 %
Balancing	0		0	
Services	**37,376**	**2.1 %**	**84,200**	**4.2 %**
Total (unbalanced)	**2,881,047**	**100.0 %**	**3,017,904**	**100.0 %**
Total (balancing)	**–1,101,344**	**100.0 %**	**–991,452**	**100.0 %**
Total (balanced)	**1,779,703**	**100.0 %**	**2,026,452**	**100.0 %**

In the financial year, customer discounts of € 125 thousand (previous year: € 177 thousand) were granted. These have not been taken into account in the list.

Sales not relating to the reporting period totalled € 5,255 thousand (previous year: € 2,225 thousand).

4.2. Other operating income

The other operating income contains revenue of € 4,869 thousand (previous year: € 1,568 thousand) not relating to the reporting period mainly due to the reversal of provisions, and revenue from currency translation totalling € 1,265 thousand (previous year: € 679 thousand).

4.3 Cost of materials

The cost of materials not relating to the reporting period totalled € 5,155 thousand (previous year: € 1,661 thousand).

4.4 Personnel expenses

Personnel expenses were incurred for an average of 324 employees (previous year: 304 employees). Personnel expenses include costs for pensions totalling € 127 thousand (previous year: € 242 thousand) and expenses not relating to the reporting period totalling € 20 thousand (previous year: € 4 thousand).

4.5 Depreciation

Of the depreciation totalling € 3,512 thousand, € 1,000 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 expenditure not relating to the reporting period totalling € 79 thousand (previous year: € 183 thousand) and currency translation costs totalling € 1,066 thousand (previous year: € 397 thousand).

4.7 Revenues from other securities as financial assets

The revenues from other securities as financial assets totalling € 601 thousand (previous year: € 1,325 thousand) include income from affiliated companies of € 0 thousand (previous year: € 0 thousand).

4.8 Interest expenses

The interest expenses totalling € 5,007 thousand (previous year: € 4,875 thousand) include expenses relating to compounding provisions and discounting accounts receivable totalling € 2,257 thousand (previous year: € 2,057 thousand).

4.9 Tax on income and revenue

Expenditure on taxes in the reporting year includes € 817 thousand (previous year: € 2,790 thousand) for corporation tax and the solidarity surcharge. Furthermore, income arose from previous years from corporation tax in the amount of € 206 thousand (previous year: € 49 thousand) and from trade tax in the amount of € 369 thousand (previous year: € 186 thousand).

5. Other information

5.1 Other financial obligations

	In € thousand	In € thousand
Obligations from power purchase agreements	1,863,713	(1,529,275)
of which to shareholders	299,432	(236,776)
Obligations from gas supply agreements	140,953	(125,271)
of which to shareholders	27,094	(21,092)
Obligations from emissions certificates	21,999	(16,834)
of which to shareholders	315	(315)
Obligations from coal swaps	7,188	(7,021)
Obligations from lease and rental contracts	2,187	(279)
Obligations from certificates	126	(20)
Obligations from currency transactions	524	(524)

( ) = of which due in 2015

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 2014 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,
- Matthias Berz, Ulm, Managing Director of SWU Energie GmbH,
- Prof. Dr. Marc Oliver Bettzüge, Cologne, Director of the Institute of Energy Economics at the University of Cologne, (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),
- Günter Bury, Fulda, Managing Director of RhönEnergie Fulda GmbH,
- Stefan Fritz, Kaufbeuren, Managing Director of Stadtwerke Lübeck Holding GmbH, until 30 June 2014,
- Dr. Achim Grunenberg, Lünen, Managing Director of Stadtwerke Lünen GmbH,
- Michael Hegel, Cologne, Banker (elected Expert Member of the Supervisory Board),
- Christoph Hüls, Detmold, Managing Director of Stadtwerke Detmold GmbH,
- Michael Lucke, Wiggensbach/Ermengerst, Managing Director of Allgäuer Überlandwerk GmbH,

- Jürgen Schäffner, Lübeck, Managing Director of Stadtwerke Lübeck Holding GmbH, since 1 July 2014,
- Dr. Leonhard Schitter, Salzburg, Member of the Management Board of Salzburg AG für Energie, Verkehr und Telekommunikation,
- Marco Westphal, Bonn, Managing Director of Stadtwerke Bonn GmbH,
- Thomas Zaremba, Jena, Managing Director of Stadtwerke Energie Jena-Pößneck GmbH.

As in the previous year, Trianel GmbH reimbursed a total of € 33 thousand as expenses in the 2014 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 Gazette under number HRB 7729.

Aachen, Germany, 31 March 2015

Trianel GmbH

Sven Becker Dr. Jörg Vogt

Management Board of Trianel GmbH

Development of fixed assets

in the 2014 financial year

in €	Acquisition costs						
	As at 1.1.2014	Additions	Write-ups	Disposals	Cross entries	As at 31.12.2014	
A. FIXED ASSETS							
I. Intangible assets							
1. Acquired rights of use and similar rights	7,755,704.10	645,267.47	0.00	11,060.40	120,900.00	8,510,811.17	
2. Down payments made	353,900.00	350,100.00	0.00	5,900.00	–120,900.00	577,200.00	
Total intangible assets	8,109,604.10	995,367.47	0.00	16,960.40	0.00	9,088,011.17	
II. Tangible assets							
1. Real property, rights equivalent to real property and buildings, including buildings on third-party land	112,756.06	7,425,667.98	0.00	0.00	12,302,580.85	19,841,004.89	
2. Technical equipment and machinery	0.00	26,639.53	0.00	0.00	0.00	26,639.53	
3. Other assets, furniture and fixtures	3,674,095.27	1,346,374.75	0.00	2,067,837.52	169,908.20	3,122,540.70	
4. Down payments made and plant under construction	12,472,489.05	0.00	0.00	0.00	–12,472,489.05	0.00	
Total tangible assets	**16,259,340.38**	**8,798,682.26**	**0.00**	**2,067,837.52**	**0.00**	**22,990,185.12**	
III. Financial assets							
1. Shares in affiliated companies	3,162,026.57	0.00	0.00	0.00	0.00	3,162,026.57	
2. Participating interests	25,713,744.33	1,621,784.76	0.00	761,470.40	0.00	26,574,058.69	
3. Loans to associated companies	21,214,871.94	19,128,190.05	438,000.96	8,582,268.56	0.00	32,198,794.39	
4. Securities held as fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	
5. Other loans	30,748.90	43.01	0.00	5,319.75	0.00	25,472.16	
Total financial assets	**50,121,391.74**	**20,750,017.82**	**438,000.96**	**9,349,058.71**	**0.00**	**61,960,351.81**	
Total fixed assets	**74,490,336.22**	**30,544,067.55**	**438,000.96**	**11,433,856.63**	**0.00**	**94,038,548.10**	

	Depreciation					Book values	
	As at 1.1.2014	Additions	Disposals	Cross entries	As at 31.12.2014	**As at 31.12.2014**	As at 31.12.2013
	5,251,810.60	1,479,543.47	11,060.40	0.00	6,720,293.67	1,790,517.50	2,503,893.50
	0.00	0.00	0.00	0.00	0.00	577,200.00	353,900.00
	5,251,810.60	1,479,543.47	11,060.40	0.00	6,720,293.67	2,367,717.50	2,857,793.50
	5,011.06	414,596.83	0.00	0.00	419,607.89	19,421,397.00	107,745.00
	0.00	1,864.53	0.00	0.00	1,864.53	24,775.00	0.00
	2,729,191.27	615,979.16	1,798,832.73	0.00	1,546,337.70	1,576,203.00	944,904.00
	0.00	0.00	0.00	0.00	0.00	0.00	12,472,489.05
	2,734,202.33	**1,032,440.52**	**1,798,832.73**	**0.00**	**1,967,810.12**	**21,022,375.00**	**13,525,138.05**
	309,999.00	0.00	0.00	0.00	309,999.00	2,852,027.57	2,852,027.57
	0.00	0.00	0.00	0.00	0.00	26,574,058.69	25,713,744.33
	0.00	0.00	0.00	0.00	0.00	32,198,794.39	21,214,871.94
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	25,472.16	30,748.90
	309,999.00	**0.00**	**0.00**	**0.00**	**309,999.00**	**61,650,352.81**	**49,811,392.74**
	8,296,011.93	**2,511,983.99**	**1,809,893.13**	**0.00**	**8,998,102.79**	**85,040,445.31**	**66,194,324.29**

Auditor's report

We audited the annual financial statements – comprising the balance sheet, profit and loss statement and notes – including the accounts and management report of Trianel GmbH, Aachen, Germany, for the financial year from 1 January to 31 December 2014. 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 Public Auditors in Germany (IDW). Those principles require that we plan and perform the audit to obtain reasonable assurance regarding the detection of any errors or irregularities with respect to the impression given of the company's net worth, financial and profit situation, as reported through its annual financial statements, set up in accordance with the generally accepted accounting principles, its company accounts, and its management report. When determining audit procedures, knowledge of the company's business operations, as well as its economic and legal environment, and anticipation of possible errors are taken into consideration. The audit includes examining, mainly on a test basis, the effectiveness of accounting-related internal control systems and evidence supporting the amounts and disclosures in the company accounts, annual financial statements and the management report. 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, 28 April 2015

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

zur Mühlen
Auditor

Kopp
Auditor

Consolidated Annual Financial Statements

Consolidated balance sheet

as at 31 December 2014

Assets

in €	31.12.2014	31.12.2013
A. FIXED ASSETS		
I. Intangible assets		
1. Licences purchased, industrial property rights and similar rights and values, as well as licenses to such rights and values	1,790,517.50	2,503,893.50
2. Down payments made	577,200.00	353,900.00
	2,367,717.50	**2,857,793.50**
II. Tangible assets		
1. Real property, rights equivalent to real property and buildings, including buildings on third-party land	19,421,397.00	107,745.00
2. Technical equipment and machinery	24,775.00	0.00
3. Other assets, furniture and fixtures	1,576,203.00	944,904.00
4. Down payments made and plant under construction	0.00	12,472,489.05
	21,022,375.00	**13,525,138.05**
III. Financial assets		
1. Participating interests in affiliated companies	378,480.00	378,480.00
2. Participating interests	26,195,578.69	25,335,264.33
3. Loans to companies with which a participating interest exists	32,198,794.39	21,214,871.94
4. Other loans	25,472.16	30,748.90
	58,798,325.24	**46,959,365.17**
	82,188,417.74	**63,342,296.72**
B. CURRENT ASSETS		
I. Inventories		
Merchandise	4,168,982.98	3,542,090.30
II. Accounts receivable and other assets		
1. Trade receivables	77,368,628.07	67,352,286.38
2. Accounts receivable from shareholders	38,380,558.04	36,879,681.33
3. Accounts receivable from affiliated companies	221,584.32	221,998.36
4. Accounts receivable from companies with which a participating interest exists	12,054,117.98	25,398,921.03
5. Other assets	27,650,687.77	43,753,387.59
	155,675,576.18	**173,606,274.69**
III. Cash in hand and cash at bank	61,975,230.65	58,591,989.30
C. PREPAID EXPENSES	**4,984,965.28**	**4,289,096.96**
	308,993,172.83	**303,371,747.97**

Liabilities

in €	31.12.2014	31.12.2013
A. EQUITY		
I. Capital stock	20,152,575.00	20,120,575.00
Nominal value of own shares	0.00	–168,000.00
Issued capital	20,152,575.00	19,952,575.00
II. Capital reserves	26,129,469.24	25,808,469.24
III. Reserve for own shares	0.00	168,000.00
IV. Earnings reserves	39,403,778.80	38,679,092.93
V. Group annual net income	4,893,936.69	2,180,486.02
	90,579,759.73	**86,788,623.19**
B. DIFFERENCE FROM CAPITAL CONSOLIDATION	**32,533.90**	**32,533.90**
C. PROVISIONS		
1. Provisions for pensions	59,710.00	150,789.00
2. Provisions for taxes	361.27	375.03
3. Other provisions	44,175,646.70	47,193,963.22
	44,235,717.97	**47,345,127.25**
D. LIABILITIES		
1. Accounts payable to credit institutions	24,501,001.09	34,074,864.56
2. Down payments received for orders	495,611.34	495,611.34
3. Trade accounts payable	96,910,797.53	91,899,234.66
4. Accounts payable to shareholders	18,399,813.54	21,563,400.61
5. Accounts payable to affiliated companies	0.00	1,396,716.26
6. Accounts payable to companies with which a participating interest exists	11,656,761.78	10,520,905.87
7. Other accounts payable	19,357,183.15	7,021,731.98
of which from taxes: € 412,791.59 (prev. year: € 401,361.37)		
of which for social security: € 299,593.25 (prev. year: € 120,986.75)		
	171,321,168.43	**166,972,465.28**
E. DEFERRED INCOME	**2,823,992.80**	**2,232,998.35**
	308,993,172.83	**303,371,747.97**

Consolidated profit and loss statement

for the financial year from 1 January 2014 to 31 December 2014

in €	2014	2013
1. Sales proceeds	1,836,941,192.50	2,059,728,728.58
2. Increase or reduction in inventory of finished and semi-finished products	0.00	–19,918,372.28
3. Other internally produced and capitalised assets	106,486.82	149,575.42
4. Other operating income	9,950,731.42	5,950,581.21
5. Cost of materials		
Expenses associated with raw materials and supplies and for purchased goods	–1,793,400,451.86	–1,991,293,260.30
6. Personnel expenses		
a) Wages and salaries	–23,122,225.48	–21,433,483.87
b) Social contributions and expenditure on pensions and support	–3,468,040.88	–3,444,671.88
	–26,590,266.36	**–24,878,155.75**
7. Depreciation		
a) On intangible fixed assets and tangible fixed assets	–2,511,983.99	–1,622,113.13
b) On current assets where they exceed the usual depreciation in the corporation	–1,000,000.00	–620,000.00
	–3,511,983.99	**–2,242,113.13**
8. Other operating expenditure	–18,172,126.23	–19,906,520.72
9. Revenues from participating interests	391,925.30	276,172.48
10. Revenues from other securities	601,287.05	1,325,410.01
11. Other interest and similar revenues	3,839,643.27	901,807.34
12. Interest and similar expenditure	–5,007,082.23	–4,875,367.10
	–174,226.61	**–2,371,977.27**
13. Result on ordinary business operations	5,149,355.69	5,218,485.76
14. Tax on income and revenue		
a) Actual tax expenditure	–251,943.00	–2,904,912.88
b) Deferred taxes	0.00	–130,253.86
	–251,943.00	**–3,035,166.74**
15. Other taxes	–3,476.00	–2,833.00
16. Group annual net income	**4,893,936.69**	**2,180,486.02**

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