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2015

management report

Trianel GmbH

Summarised management report of Trianel GmbH for the 2015 financial year

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A. Company situation

1. Business model

1.1 Legal corporate structure

The shareholder structure of Trianel GmbH remained stable in the 2015 reporting year, as did the company's share capital, which totalled € 20,152,575 on the balance sheet date.

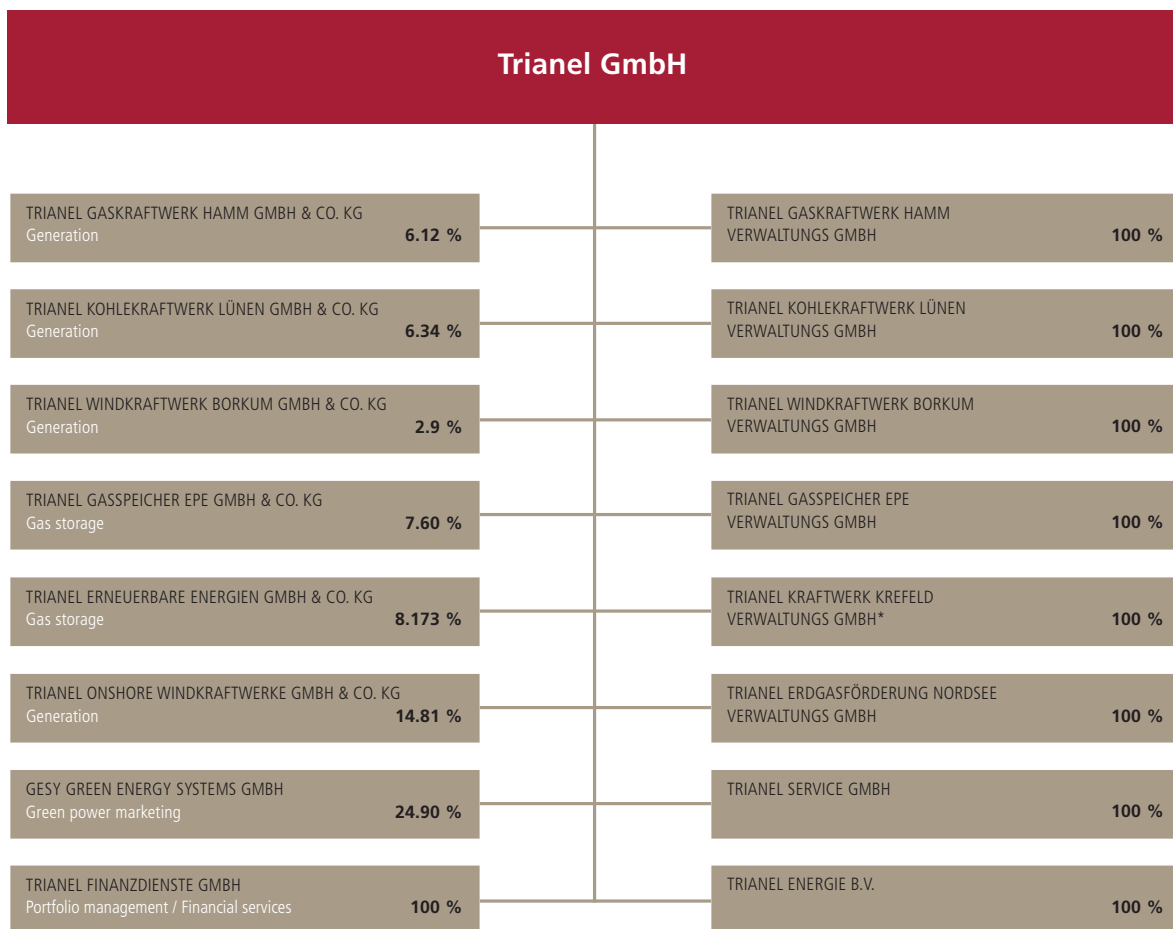
The following chart provides an overview of the shareholder structure of Trianel GmbH as of 31 December 2015.

Energie- und Wasserversorgung Mittleres Ruhrgebiet GmbH, Bochum	24.69 %	BBSW Energie GmbH, Steinheim	0.50 %
Stadtwerke Aachen AG	11.97 %	ENNI Energie & Umwelt Niederrhein GmbH	0.50 %
RhönEnergie Fulda GmbH	7.44 %	Gemeindewerke Steinhagen GmbH	0.50 %
Stadtwerke Bonn GmbH	5.81 %	GWS Stadtwerke Hameln GmbH	0.50 %
Stadtwerke Lübeck Holding GmbH	5.12 %	Osterholzer Stadtwerke GmbH & Co. KG	0.50 %
SWU Energie GmbH, Ulm	4.78 %	Schleswiger Stadtwerke GmbH	0.50 %
Stadtwerke Energie Jena-Pößneck GmbH	2.99 %	Stadtwerke Bad Salzuflen GmbH	0.50 %
NEW AG	2.87 %	Stadtwerke Dachau	0.50 %
N.V. HVC, Niederlande	2.48 %	Stadtwerke Elmshorn	0.50 %
enwor - energie & wasser vor ort GmbH, Herzogenrath	2.21 %	Stadtwerke Gronau GmbH	0.50 %
Salzburg AG für Energie, Verkehr und Telekommunikation, Österreich	1.76 %	Stadtwerke Mosbach GmbH	0.50 %
Allgäuer Überlandwerk GmbH	1.74 %	Stadtwerke Rüsselsheim GmbH	0.50 %
Stadtwerke Halle GmbH	1.57 %	Stadtwerke Sindelfingen GmbH	0.50 %
SWT Stadtwerke Trier Versorgungsbetriebe GmbH	1.49 %	Stadtwerke Tuttlingen GmbH	0.50 %
Stadtwerke Heidelberg GmbH	1.24 %	Stadtwerke Wedel GmbH	0.50 %
nvb Nordhomer Versorgungsbetriebe GmbH	1.19 %	T.W.O. Technische Werke Osning GmbH	0.50 %
Trianel Suisse AG, Schweiz	1.18 %	Stadtwerke Bad Pyrmont Beteiligungs und Bäder GmbH	0.37 %
Stadtwerke Hamm GmbH	1.12 %	Stadtwerke Uelzen GmbH	0.37 %
Stadtwerke Solingen GmbH	0.99 %	Stadtwerke Detmold GmbH	0.36 %
Stadtwerke Lindau (B) GmbH & Co.KG	0.97 %	Stadtwerke Unna GmbH	0.33 %
GSW Gemeinschaftsstadtwerke GmbH Kamen, Bönen, Bergkamen	0.83 %	Stadtwerke EVB Huntetal GmbH	0.30 %
Stadtwerke Aalen GmbH	0.74 %	Regio Energie Solothurn, Schweiz	0.30 %
Stadtwerke Borken/Westf. GmbH	0.74 %	Stadtwerke Soest GmbH	0.29 %
Stadtwerke Lünen GmbH	0.66 %	Stadtwerke Schwäbisch Hall GmbH	0.26 %
Energie- und Wasserversorgung Rheine GmbH	0.57 %	Stadtwerke Georgsmarienhütte GmbH	0.25 %
Hertener Energiehandels-gesellschaft mbH	0.54 %	Stadtwerke Herford GmbH	0.25 %
Stadtwerke Fröndenberg GmbH	0.53 %	Stadtwerke Lengerich GmbH	0.25 %
		Stadtwerke Verden GmbH	0.25 %
		Teutoburger Energie Netzwerk e.G., Hagen a.T.W.	0.25 %

Trianel GmbH

Taking into account the annual net income of € 124 thousand for the 2015 financial year, Trianel GmbH has equity of € 88,077 thousand on the balance sheet date.

On the reporting date of 31 December 2015, Trianel GmbH had direct participating interests in sixteen subsidiaries and affiliated companies.



Date: 31 December 2015

* according to financial attribution

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

Gaskraftwerk Hamm GmbH & Co. KG, based in Aachen, is a company which has operated a 840 megawatt municipal gas and steam turbine power plant in Hamm-Uentrop since 2008. Trianel Gasspeicher Epe GmbH & Co. KG, domiciled in Aachen, has been operating a natural gas storage facility located in Epe in the district of Borken (North Rhine-Westphalia) since 2009/2010 and Trianel

Kohlekraftwerk Lünen GmbH & Co. KG, domiciled in Lünen, has been operating a modern, highly efficient 750 megawatt hard coal-fired power station in Lünen (North Rhine-Westphalia) since 2013. Trianel Windkraftwerk Borkum GmbH & Co. KG, domiciled in Aachen, is building the Trianel offshore wind farm Borkum (formerly Borkum-West II), with a total capacity of 400 megawatts, whereby the first expansion stage with a capacity of 200 megawatts commenced regular commercial operation in 2015.

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 as the general partners. Trianel Kraftwerk Krefeld Verwaltungs GmbH manages Trianel Kraftwerk Krefeld GmbH & Co. KG for the development of a gas and steam turbine power plant at the CHEMPARK site in Krefeld-Uerdingen; it is wholly commercially attributed to Trianel GmbH. All companies are domiciled in Aachen.

Established in 2013 as a standard limited partnership (Einheits-KG), Trianel Onshore Windkraftwerke GmbH & Co. KG (TOW) plans and develops, builds and operates systems for generating electricity from renewable sources and invests in companies domiciled in Germany that operate systems for generating electricity from renewable sources. Trianel Erneuerbare Energien GmbH & Co. KG was founded in the 2015 calendar year, also as a standard limited partnership (Einheits-KG) domiciled in Aachen, with the same business purpose.

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 was forced to apply for insolvency at the end of 2012 due to customer default. The insolvency proceedings are still ongoing.

GESY Green Energy Systems GmbH is domiciled in Berlin, and was once again successful in direct marketing of renewable energy sources.

The strategic orientation of Trianel Service GmbH domiciled in Aachen is currently under review, as a result of which business operations have been suspended.

Since the originally planned business activities of Trianel Erdgasförderung Nordsee GmbH & Co. KG domiciled in Aachen were abandoned, the company was wound up in December 2015. General partner Trianel Erdgasförderung Nordsee Verwaltungs GmbH merged with Trianel GmbH in February 2016.

1.2 Business fields

Trianel GmbH's business activities aim to enhance the competitiveness and therefore independence of municipal utilities. For this purpose, Trianel GmbH utilises the potential of liberalised energy markets by pooling shared interests from the municipal environment as the largest European cooperation of municipal utilities. This allows business fields to be tapped which are not economically viable for individual municipal utilities to access.

Trianel GmbH operates in multiple business fields of the energy industry throughout the entire value chain. Its core business is the procurement and supply of energy. Our company procures energy for redistributors and municipal utilities on wholesale markets. By doing so, it helps them ensure the supply of energy to end customers. A second focal point of Trianel GmbH is the development of large-scale energy sector electricity generation and gas storage facilities, whereby we also take on the energy industry and commercial management and optimisation of the plants for existing projects. Our third pillar is the planning and support of business activities for the municipal utilities at end customer levels, such as smart metering, improving energy efficiency and expanding of electromobility.

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

1.3 Important products and services, business processes and projects

Trianel GmbH is active in all trading markets for electricity and gas products, not only as a trading partner for bilateral transactions (OTC market) but also as member of the most important exchanges. Market access for electricity includes the German, Dutch, Belgian, Swiss and French market areas. In the gas sector, we cover the German market areas, both for H-gas and L-gas, as well as the liquid TTF market. Diverse sales products in the supply sector are based on our activities on the market, while also giving our customers a direct source for trade products.

Energy business products and services:

In 2015, the portfolio management on the procurement and generation side again formed a main pillar of our activities in the energy business sector. It primarily consists of electricity and gas procurement, marketing and securing electricity from own generation plants and management of storage facilities for our customers. However, the transfer of Trianel's Hamm gas-fired power station to the warm power reserve in the reporting year eliminated the basis for services related to managing the individual customer segments.

The performance achieved for each individual customer in procurement portfolio management electricity was measured objectively against a quantitative benchmark again in 2015. In spite of the low volatility of the long-term electricity future markets, the performance remained roughly the same as the previous year (3.4%), at 3.6%. As a result, Trianel GmbH secured an eight-figure procurement cost advantage overall for its customers in the electricity procurement portfolio management sector.

For the generation portfolio management of shareholders in the Trianel coal-fired power station in Lünen, Trianel Finanzdienste GmbH (TFD) once

again topped the charts when comparing all companies involved in power station optimisation, generating a seven-figure revenue surplus for its customers. In addition to this, TFD is expanding its role as a comprehensive service provider for optimised marketing of generation plants of all types.

In addition to switching the marketing processes from individual to central marketing, independent gas procurement and logistics were established successfully in the second quarter, which will render the Hamm gas power station independent of an individual supplier and give it significant procurement price advantages. For 2016, one block of the power station was successfully leased to a market partner to reduce the risk position for all shareholders.

For sales of flexible and standard products for electricity and gas, the introduction of the ¼-hour EPEX spot auction was used positively to minimise structural risks from the first day on.

In 2015, we relied on our successful experiences of the previous years for marketing of renewable energy sources. Together with GESY Green Energy Systems GmbH (GESY), Trianel GmbH succeeded in expanding its green electricity portfolio by the end of 2015 to almost 4,000 megawatts. The portfolio consisted primarily of wind energy. The costs of balancing energy were reduced further compared with previous year.

15 further partners were attracted in 2015 for marketing the "Energy Roof", a contracting solution for the photovoltaic sector. Thanks to the legal requirement for non-SME companies to perform an initial energy audit by 05/12/2015, energy efficiency has become far more dynamic. In 2015, Trianel GmbH succeeded in implementing approx. 50 audits and positioning itself successfully in this segment. By contrast, smart metering has not become as dynamic as expected due to repeated delays in the definition of legal foundations.

Trianel Finanzdienste GmbH and Trianel GmbH have successfully continued the project to prepare for the heightened requirements of the financial and energy market regulation under EMIR and REMIT. In both regulatory areas, Trianel GmbH and TFD remain on schedule and will fulfil all regulatory requirements on time.

Project development and projects:

The project development business of Trianel GmbH now focuses almost entirely on renewable energy projects. For example, the second expansion stage of the Borkum offshore wind farm was launched successfully in 2015. Together with 23 municipal utilities from the Trianel Group and EWE Oldenburg, Trianel GmbH will develop the next 200 megawatts for the shareholders and project partners. The decision to build the offshore wind farm is planned for March 2017.

For Trianel Onshore Windkraftwerke GmbH & Co. KG (TOW), multiple wind farm locations were developed and commissioned in the reporting year. As of the reporting date, TOW operates wind farms with a total capacity of 75 megawatts and is developing projects with a further capacity of 41 megawatts. After the major success of TOW, Trianel Erneuerbare Energien GmbH & Co. KG (TEE) was established in 2015 to enable another 40 municipal shareholders to invest in onshore wind and photovoltaics in the coming years. TEE is to develop a corresponding portfolio with a capacity of 275 megawatts in the years to come.

Retaining the existing options was the priority in the conventional large-scale project sectors. This reduces the corresponding project development activities significantly.

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. Strategy and management of the company

2.1 Corporate strategy

Current orientation

Trianel GmbH sees itself as an energy service provider that develops and provides services along the entire value chain in particular for municipal utilities, which enable individual municipal utilities to overcome market entry barriers with size and specialisation advantages and by pooling expertise. Trianel GmbH is supported by municipal utilities. We want to establish ourselves as the most successful municipal energy cooperation in Germany and become the most important value driver for municipal utilities in Germany in the long term. After an extended phase of high growth, Trianel is pursuing a strategy of consolidation and selective growth. Management of flexibilities, project development and market integration of renewable energy sources and energy services standardised in platforms are currently the areas for selective growth. They result from the new opportunities in the dynamic energy business.

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

Thanks to our energy business 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, to develop new products and services for our customers given the right potential.

Products and services

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

Customers

Our typical customers are independent municipal utilities and regional suppliers of various sizes. We offer our customers tailored and efficient solutions for their respective individual requirements. We can implement high quality services at reasonable prices thanks to our size and specialisation advantages. Our innovative solutions developed jointly in a network make municipal utilities increasingly partners for their end customers, who want an energy supply focused on renewable energy sources to a greater extent.

Employees

In a highly-competitive environment, we develop advantages over our competitors through our expert and committed colleagues with innovation, product depth and maturity, as well as market penetration. The employees are one of the most important assets at Trianel GmbH.

Trianel GmbH had a staff of 341 employees on 31 December 2015, representing an overall increase of 16 employees or approx. 5% compared to the end of 2014. Around 31% of the staff are female,

and six of these are second and third-level managers. At the end of 2015, the average age of staff in Trianel GmbH was 39.

The pillars of personnel strategy are positioning of Trianel as an attractive employer, developing and binding talent and optimisation of the structural and process organisation.

In 2015, Trianel GmbH positioned itself again as a fair, respectful and attractive company in Germany, once again earning the “Fair Company” label from trade journal “Junge Karriere” (Young Career) as so often before.

Binding and developing qualified staff remain a main focus of human resources at Trianel. Regular status evaluations in terms of success-critical skills for all employees allow targeted and systematic derivation of personnel training requirements.

Society and the environment

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

2.2 Internal corporate control system

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

contributions, structure costs and result figures are calculated.

The company's liquidity is monitored via a rolling daily liquidity forecast. By allocating risk capital for the risk types relevant in our sector and continuous measurement of the respective utilisation, we ensure that risks and opportunities are dealt with appropriately. Extreme value considerations provide findings on events not covered by standard processes (see also Risk report, section D 3). Auditors commissioned by the shareholder companies confirm compliance with the risk guideline on a quarterly basis.

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

The internal audit tasks are performed by an employee of Trianel GmbH and external service providers who each report directly to the management board.

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.

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

2.2.2 Non-financial targets

Shareholder and customer satisfaction is our main non-financial target. For this purpose, we want to anticipate the arising demand of our customers as early and well as possible. We continuously and intensively observe market and industry developments together with our shareholders. With a rapid development of potential business fields and products to market maturity, we also want to give our shareholders a time and advantage in competition. We try to support and shape the relevant energy policy topics to benefit our independent municipal energy supply.

We want to reach as many shareholders as possible with our products and services, and also aim to maximise customer satisfaction. Both goals require a high process quality and security; these are the foundations of our services.

In addition to this, we pursue and promote a sustainable, socially acceptable and reliable power generation. We want to continue the path we have taken in this area and implement the energy transition entrepreneurially.

Our employees are a key foundation for our success, they make it possible in the first place with their commitment and qualification. We have made it our goal to create conditions to optimally promote the capability and capacity of our employees while maintaining high employee satisfaction.

2.3 Innovation management

The changes in the energy business have now reached an almost disruptive level. As an innovative service company, Trianel GmbH views the changes as a result of the implementation of the energy

transition and the development of the energy markets as an opportunity. It is important for us to continually earn the trust of our shareholders and customers with new, innovative products and services. The good relationship between Trianel GmbH and its customers is also based on close cooperation in a very early phase of product development. 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. 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. In the past year, we have intensified innovation management further through closer interaction of trend scouting, product development and market introduction via pilot projects.

B. Business report

1. General conditions

In 2015, the economy of the Federal Republic of Germany was robust and succeeded in asserting itself in spite of an ongoing difficult economic environment. For example, the price adjusted GDP increased 1.7% in 2015 compared with 2014. According to the Federal Statistics Office, both imports and exports increased significantly in 2015 by 5.4% and 5.7% respectively. At almost 43 million, the number of persons in employment reached the highest level since reunification.

Compared with the previous year, the primary energy consumption increased by 1.3% compared with the previous year, after the lowest value since the reunification was measured in 2014. According to AGEBA, the increase was due to the colder weather overall. Without the weather effect, the energy consumption would have decreased by 1.5% to 2%. The gross domestic power consumption in Germany increased by 0.8% to 597.0 billion kWh compared with the previous year. According to AGEBA, the gross power generation increased from 627.8 billion kWh to 647.1 billion kWh. The balance of international power trade was – 50.1 billion kWh, with record exports of 83.1 billion kWh.

Renewable energy sources increased to roughly 30% German gross power generation, at 194.1 billion kWh, becoming the most important energy source. Of the renewables, wind energy accounted for the highest percentage of gross power generation at 13.3% and 86 billion kWh. This was followed by biomass with a slight decline to 6.8% and photovoltaics with a slight increase to 5.9%.

Gross power generation from natural gas declined from 61.1 billion kWh to roughly 57 billion kWh and 8.8%. Power generation from hard coal and lignite decreased slightly to 273 billion kWh. However, at 42.2% of the total electricity mix, it remains an important part. Due to power station closures, the gross power generation from nuclear energy decreased by 5.6 billion kWh to roughly 155 billion kWh and 14.1%.

In 2015, the electricity prices on the exchanges reached an eleven year low. On average, the mean day ahead prices was 3.163 cent per kWh. The situation in France was similar, while the electricity exchange prices in Switzerland rose in 2015 due to insufficient output capacities. The price of European Emission Allowances (EUA) at the EEX increased during the year and reached a high of € 8.59/tCO₂ at the end of October and in early December, however the price decreased sharply to € 7.25/tCO₂ by the end of the year. The minimum price was reached as early as March at € 6.26/tCO₂.

The primary energy consumption of petroleum decreased marginally by 0.1% to 4,511 PJ or 153.9 million tonnes of coal equivalent (CE) in 2015. Compared with 2014, consumption of natural gas increased 5% to 2,804 PJ or 95.7 million tonnes of CE. This was largely due to the colder weather conditions. Domestic production of natural gas decreased by 15.6% to a total of 82.7 billion kWh. In 2015, 57.7 million tonnes of hard coal was consumed, a consumption reduction of 0.7%. By contrast, electrification of lignite increased

roughly 0.9% to 54.1 million tonnes of CE through the year. The contribution of nuclear power to German primary energy consumption was subject to a significant decline of 5.8%, largely due to decommissioning of capacities.

With regard to the general legal conditions, the conclusion of the legislation procedure to reform the Emissions Trading Directive at a European level was the key to setting the course for the energy business. The introduction of a market stability reserve (MSR) was passed on 18 September 2015 by formal confirmation of the Council. MSR is now to commence in 2019.

The German energy policy was characterised by the implementation of the comprehensive legislation initiatives for the energy business by the German Federal Ministry of Economics. The implementation of the 2014 German Renewable Energy Sources Act (EEG 2014), that calls for extensive transition of the production of renewable energy based on competitive tenders by 2017, began with the first auctions for ground-mounted photovoltaic systems. The discussion on the future electricity market design reached a preliminary conclusion on the publication of the White Paper and passing of the Electricity Market Act in the cabinet on 4 November 2015. The German Federal Government rejects the use of power markets, that compensate the provision of secure power, as called for by the energy industry and Trianel. Instead, it relies on price peaks in the energy only market 2.0 (EOM 2.0) to incentivise investments in conventional generation capacities. However, the legal goals are thwarted in part by the high levels of reserves offered by power stations. Trianel rejects in particular the provision of security by lignite power stations. Through Trianel Gaskraft-

werk Hamm GmbH & Co. KG, Trianel is involved in the EU Commission's review procedure on the provision of security.

Trianel also views critically the insufficient compensation under the Electricity Market Act for plants which must be used for grid stabilisation (redispatch) at the request of the transmission system operator.

The amendment of the Combined Heat and Power Act (KWKG) was passed by the German Parliament (Bundestag) in late autumn and entered into force on 1 January 2016. The annual CHP subsidy cap will be raised from the previous € 750 million to € 1.5 billion in future. Plants with capacities greater than 100 kW will be subject to compulsory direct marketing. This creates new business fields for Trianel. In addition to this, the introduction of a preliminary decision procedure in the Act could have a positive effect on the implementation of the gas power station project in Krefeld Uerdingen.

The Act on the Digitisation of the Energy Transition, passed by the Cabinet on 4 November 2015 like the Electricity Market Act, and to be passed by the German Bundestag in the first half of 2016 is of great significance to the development of the smart metering business model. The Act includes the smart meter rollout path and refinancing thereof. Installation will be mandatory from consumptions of 6,000 kWh/a and/or for renewable energy or CHP plants with capacities of > 7 kW. Nationwide digitisation is to be completed by 2032.

2. Business development

For the 2015 financial year, the planned pre-tax result of € 2 million was not reached. The result of € 0.2 million represents a shortfall of € 1.8 million. The result was largely due to the continuing asset crisis, which meant that significant losses from marketing our virtual long-term energy supply segment in the Lünen coal-fired power station and the stored bundle of Epe natural gas storage facility had to be absorbed. Failure to reach targets for intraday, proprietary trading and market access business also had a significant influence on the annual result. The effects of the successful restructuring of the Hamm gas-fired power station and from the bonus payments in conjunction with the successful development and marketing of onshore and offshore renewable power station projects compensated for this. In addition, direct marketing of renewable electricity and other energy products (full supply and roadmap products) exceeded the targets set due to risk surcharges which were not fully required.

The equity ratio of 28% only decreased slightly compared with the previous year (29%). As in previous years, the balance sheet total is also characterised by the high level of accounts receivable with simultaneously high accounts payable. Both reflect the established process in energy wholesale trade of invoicing and paying for energy accounts on a monthly basis. This means that at the end of the year, the accounts receivable and payable from deliveries in December – one of the months with the highest turnover – must be stated regularly. 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.

While the company's liquidity situation deteriorated significantly during the course of the year, it remained adequate at all times. The reason for the decrease in cash in hand were investments in renewable power station projects on one hand, and loans granted and interest deferrals vis-à-vis our holding companies, and effects in conjunction with trading activities. The planned investments (incl. loans) of € 12 million were exceeded by roughly € 4 million in the 2015 financial year, with a volume of roughly € 16 million. The deviation was largely due to the effects of the restructuring of the Hamm gas-fired power station, which had not yet been specified at the time of planning. Roughly € 4.2 million of loans and interest deferrals were made available there for equipment financing. The deviation compared with the planned cash in hand was also due to the fact that planned loans were not taken in 2015, as the existing credit lines offered sufficient coverage for operative business.

In parallel with the development and selective expansion of business activities and further professionalisation, staff increases were necessary, raising the number of employees by 16 to 341 on 31 December 2015 for the reporting date compared with the previous year.

3. Company's situation

3.1 Earnings situation

The adjusted result of the ordinary business operations of Trianel GmbH decreased significantly by € 5,216 thousand compared with the previous year to € 214 thousand. The adjusted result of the ordinary business operations is derived in economic analysis from an adjusted operating result totalling € 1,475 thousand (2014: –€ 465 thousand), the adjusted financial result and result from participating interests of € 2,873 thousand (2014: € 3,263 thousand) and a negative overall neutral and non-period result of –€ 4,134 thousand (2014: € 2,630 thousand). The positive operating results for 2015 is due among other things to a bonus as part of the successful dissolution of the gas procurement contract of Hamm gas-fired power station (TGH) and successful project development services, which also compensated for losses from electricity purchase obligations of Lünen coal-fired power station and the storage use contract with Epe natural gas storage facility.

Taxes on income accrued to the amount of € 85 thousand (2014: € 243 thousand) and other taxes totalled € 5 thousand (2014: € 3 thousand), leading to a far lower annual net income than the previous year, € 124 thousand (2014: € 5,185 thousand). € 38 thousand of the tax expenditures were incurred for corporation tax and the solidarity surcharge. In addition to this, corporation tax expenditures for previous years of € 46 thousand were incurred.

The analysis of the Group result breaks down as follows:

A result of ordinary business operations of € 274 thousand (2014: € 5,149 thousand) is offset by a neutral and non-period related result of –€ 4,041 thousand (2014: € 2,630 thousand).

Taking into account the adjusted financial result of € 1,781 thousand (2014: –€ 174 thousand) and the taxes on income of € 95 thousand (2014: € 252 thousand), the Group annual net income amounted to € 174 thousand (2014: € 4,894 thousand).

The annual results were largely influenced by the failure to reach the targets in intraday, proprietary trading and market access business, which, however, were compensated among other things by the successful restructuring of the Hamm gas-fired power station and from bonus payments in relation to the successful development and marketing of renewable onshore and offshore power station projects. In addition to this, profit contributions higher than those of the previous year were achieved through direct marketing of renewable energy sources based on quantity profits and optimised management of this portfolio, as well as from other energy products (full supply and roadmap products).

The risk provisions for Trianel GmbH's virtual long-term energy supply segment in the Trianel Lünen coal-fired power station (TKL) and our stored bundle shares in the Trianel Epe natural gas storage facility (TGE) had to be increased. On the contrary, the restructuring of Trianel's Hamm gas-fired power station (TGH) meant that its provisions for potential losses could be reversed.

Trianel GmbH's turnover largely reflects our function as providers of market access for our customers, short-term optimisation transactions and proprietary trading activities. Added to this are the activities for third parties in procuring and marketing energy, which in turn are associated with corresponding back-to-back transactions on the wholesale market. The resulting energy purchases are represented in the material expenditures of the profit and loss

statement of Trianel GmbH. There were hardly any effects on the result. Fundamentally, the 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.

The sales proceeds amounted to € 2,127 million in the 2015 financial year (2014: € 1,800 million) and thus increased by 18.2% compared with the previous year. In order to increase the clarity, the proprietary turnover was balanced with the corresponding material expenditures in the reporting year, totalling € 2,357 million (2014: € 1,081 million).

Other operating income rose by € 1,410 thousand to € 11,336 thousand. It includes mainly income from onward debiting concerning project costs (€ 3,792 thousand; 2014: € 3,400 thousand) and income from exchange rate differences (€ 2,257 thousand; 2014: € 1,265 thousand).

The material expenditure ratio adjusted for non-period effects is virtually unchanged compared to the previous year, at 97.6%.

Personnel expenses rose from € 26,381 thousand to € 27,635 thousand as a result of the increase in the number of employees.

Other operating expenditures totalled € 23,060 thousand, up from € 18,031 thousand in the previous year. The increase resulted in particular from increased consulting and audit costs.

The non-adjusted financial result amounted to € 2,022 thousand (2014: € 1,807 thousand). Adjusted for the neutral effects from the deduction of accounts receivable and addition of provisions

totalling € 852 thousand (2014: € 1,457 thousand), the resulting adjusted financial result is € 2,873 thousand (2014: € 3,263 thousand). The result from participating interests, at € 2,124 thousand (2014: € 2,374 thousand), decreased slightly compared to the previous year.

The change in the interest result is largely due to the increase in income from loans to Trianel Windkraftwerk Borkum GmbH & Co. KG by € 663 thousand to € 4,282 thousand.

Based on the developments in the first months of 2016, the enduring asset crisis and a difficult market environment for our portfolio management activities, we expect a similar earnings situation as in the past financial year.

3.2 Financial situation

Trianel GmbH's operating cash flow in the reporting year was –€ 19,227 thousand, down from € 32,620 thousand in the previous year. The negative cash flow was primarily due to an increase in accounts receivable and other assets, whereby the highest growth was in the accounts receivable from affiliated companies, at € 20,842 thousand. The cash flow from investment activities totalling –€ 11,579 thousand (previous year: –€ 17,733 thousand largely involved the ongoing investments in participating interests in Trianel Onshore Windkraft GmbH & Co. KG and Trianel Erneuerbare Energien GmbH & Co. KG, and investments in intangible assets. The cash flow from financing activities totalling –€ 3,748 thousand (previous year –€ 11,696 thousand) contains dividends to shareholders of € 2,592 thousand and loan repayments. Overall, the total financial resources decreased significantly to € 23,021 thousand

(previous year: € 57,643 thousand) as of the balance sheet date, and failed to reach the planned figures. In addition to balance sheet date effects, this is due to the above-mentioned expenditures for investments which did not require direct refinancing, higher accounts receivable from affiliated companies, tax receivables and market price-related margin outflows from operative trading. The Group reported total financial resources of € 27,152 (previous year: € 61,975 thousand). The investments planned for the years to come should be refinanced suitably in 2016 with matching maturities. Overall, the financial situation in the 2015 financial year was adequate at all times.

3.3 Asset situation

The balance sheet total of Trianel GmbH was € 317,682 thousand on 31/12/2015 (balance sheet total of the Group: € 319,013 thousand) and has thus increased on the previous year by € 9,752 thousand or 3.2% (Group: € 10,020 thousand).

On the asset side, the increase is due to various, in part contrary effects: On the one hand, fixed assets increased by € 13,627 thousand (Group: € 13,635 thousand), and accounts receivable and other assets increased by € 33,956 thousand (Group: € 34,415 thousand). On the other hand, inventories decreased by € 834 thousand (Group: € 834 thousand), accruals and deferrals by € 2,374 thousand (Group: € 2,373 thousand) and liquid assets by € 34,622 thousand (Group: € 34,823 thousand).

The increase in fixed assets in the 2015 financial year was due in particular to the increase in the holding in Trianel Onshore Windkraftwerke GmbH & Co. KG by € 4,354 thousand and the increase in the loans to Trianel Windkraftwerk Borkum GmbH & Co. KG (€ 3,531 thousand) and Trianel Gaskraftwerk Hamm GmbH & Co. KG (€ 4,246).

The inventories of Trianel GmbH decreased by € 834 thousand (Group: € 834 thousand) to € 3,335 thousand (Group: € 3,335 thousand). The inventories primarily comprise Trianel GmbH's share of working gas which was fed to the caverns of Trianel Gasspeicher Epe GmbH & Co. KG.

The accounts receivable and other assets totalling € 190,049 thousand (31/12/2014: € 156,093 thousand) remained unchanged at 59.8% (31/12/2014: 50.7%) of the balance sheet total, and are the largest item on the assets side, and have thus increased significantly. Companies with which a participating interest exists account for the largest share of this development, increasing considerably by € 20,842 thousand to € 32,876 thousand, and the other assets, which increased € 11,310 thousand to € 39,022 thousand. As in the previous year, trade receivables were balanced against similar trade payables from the same business partners. On 31/12/2015, trade receivables and trade payables were balanced to the value of € 248,251 thousand, following an offset of € 209,422 thousand on the previous balance sheet date. In this respect, trade receivables rose by € 10,331 thousand to € 87,165 thousand.

The liquid funds decreased by € 34,622 thousand to € 23,021 thousand.

On the liabilities side, the increase in the balance sheet total is largely due to the increase in accounts payable and provisions for potential losses.

In the financial year, Trianel GmbH's equity ratio decreased to 27.7% (31/12/2014: 29.4%). The equity ratio for the Group dropped to 27.6%. In absolute figures, the equity fell by € 2,468 thousand to € 88,077 thousand. This change was the result of the distribution of the 2014 annual net income of € 2,592 thousand, the allocation of the same amount to the other earnings reserves and the annual net

income for 2015 of € 124 thousand (consolidated annual net income for 2015: € 174 thousand).

The provisions rose by a total of € 5,434 thousand to € 49,483 thousand. The other provisions increased by € 5,419 thousand to € 49,408 thousand (31/12/2013: € 43,989 thousand) and essentially contain provisions for anticipated losses from pending transactions (€ 41,742 thousand;

31/12/2014: € 36,228 thousand) and for outstanding invoices (€ 2,634 thousand; 31/12/2014: € 2,225 thousand).

The development of the balance sheet structure and key balance sheet figures largely corresponded to the budget, taking the effects of restructuring Trianel's Hamm gas-fired power station into consideration.

C. Supplementary report

Report on significant events since the reporting date

We are not aware of any events of particular significance.

D. Report on forecast, opportunities and risks

1. Forecast

1.1 Orientation of Trianel GmbH in the next two financial years

In the next few years, Trianel GmbH's business activities will be highly affected by the following developments:

1. Digitisation of the energy business
2. Decentralisation of generation
3. Consolidation of markets for energy business services

In accordance with the digitisation mega-trend, we will drive the digitisation of our customer relationships, the development of digital business models for the municipal utilities and central management of decentralised generation and consumption plants forward.

We already offer solutions to implement end-to-end processes from wholesale to the municipal utility efficiently with the T-DESK digital platform. This service platform with real-time monitoring allows municipal utilities to manage portfolios and supply processes rapidly and efficiently.

We started creating a digital business model for municipal utilities in the end customer market with the Trianel platform for energy services, T-PED, in 2015. T-PED is a digital platform that can coordinate and manage providers, tradespeople and end customers. PV systems, heating systems and charging stations for electric vehicles are currently marketed via T-PED. The company aims to build on

the current competitive advantage via continuous development and investment in these systems, to further enhance customer satisfaction and loyalty.

We agreed a strategic partnership for smart metering with rku.it GmbH from Herne in early 2016, to respond to the increasing legal requirements at an early stage. Helping municipal utility sales departments market these new products is another growth area for the future.

Another mega-trend in the energy business, decentralisation of generation via weather-dependent generation plants, will provide further impetus for the business development of Trianel GmbH.

Trianel GmbH intends to continue to position itself as the leading provider in the municipal environment, and to an increasing extent in the industrial environment for optimised marketing and the use of all forms of physical and virtual generation units. For this purpose, a system platform is being developed which will also facilitate solutions for detailed decentralised connection of storage facilities, generators and consumers, and thus form the basis for the emerging business fields.

Managing and optimising flexibilities as part of demand response management will be key challenges for shaping the energy transition. The further increase of weather-dependent energy feed-in and the resulting price pressure on the electricity exchanges will lead to a replacement of base load power stations for providing balancing energy. Using existing load and generation flexibilities in the

industrial environments in conjunction with a "24/7 Market Access" service product will become a new business field for Trianel GmbH.

The continuously changing customer load behaviour situation will force distribution system operators to use system platforms in the virtual power station environment, e.g. due to the rising numbers of prosumer customers. These emerging challenges will lead to further service segments within Trianel GmbH.

In addition to this, Trianel GmbH will actively participate in the current consolidation in various energy business service segments.

We want to respond to the current trend away from structured procurement to full supply in our core business with appropriate products, whereby forecast improvements and intraday management based on online measurement data will contribute to optimisation. In order to achieve economies of scale and portfolio advantages, we aim to grow our market share further in this core segment, focusing increasingly on large municipal utilities and regional cooperations. Companies and regional purchasing groups, which previously covered the wholesale value chain stage independently, are increasingly forced to outsource supplementary services to fulfil the advancing regulatory requirements, e.g. reporting requirements and balancing group compliance.

As in the previous years, the consolidation of the price level for direct marketing based on the market bonus model continued in 2015. In spite of the great competitive pressure, we succeeded in securing a joint marketing portfolio of over 4,000 megawatts for 2016. We operate successfully in this business field together with our joint venture GESY Green Energy Systems GmbH (GESY), a marketing platform for medium-sized operators of renewable generation plants. Mandatory direct marketing has created good fundamental conditions for this. In this way,

we are expanding our experience as direct marketers into new segments. After the successful launch of balancing energy marketing, marketing quantities grew strongly. In the industrial customer environment in particular, we recorded significant gains. Trianel GmbH will continue this success story with its "Flexibility Management" and "Market Access" products.

In future, we expect increased demand from municipal utilities for renewable generation capacities. Accordingly, Trianel GmbH will continue to focus its project development on developing renewable generation plants. In the 2015 reporting year, project development of the second construction phase of the Borkum wind farm commenced, with an expected investment volume of approximately € 800 million. As not all municipal utilities from the first construction stage are participating in the development of the second stage for a variety of reasons, participation in the second construction stage, an attractive investment, will be opened to further investors. The process for this will be implemented in 2016. In addition to the second construction phase of the Borkum offshore wind farm, onshore wind and photovoltaics projects are the priority in the years to come for Trianel Erneuerbare Energien GmbH (TEE), which roughly 40 shareholders have funded with € 140 million in equity.

In order to serve growing requirements professionally and efficiently, we will restructure our IT and process environment fundamentally, to meet both the requirements on wholesale markets and the individual customer requirements of our municipal utilities.

1.2 Anticipated earnings situation

For 2016 and the subsequent years, we expect that all operative divisions will contribute to the development with positive profit contributions. However, the expected charges from our power station and

gas storage facility segments and/or the participation in a gas-fired power station represent a considerable mortgage throughout the medium-term planning period, which must be compensated with corresponding result contributions. For 2016, taking the result from participating interests and financial result into account, which is still largely determined by interest income from loans to Trianel Windkraftwerk Borkum GmbH & Co. KG and Trianel Gaskraftwerk Hamm GmbH & Co. KG, a slightly positive pre-tax result of € 0.4 million is forecast.

As part of further planning, we believe that expansion of operative results will increase the pre-tax result to slightly more than € 5 million in 2020. The planned increased operative results is characterised by the following developments in our profit centres:

The “Energy Business” business field faces tough challenges, in particular due to the reduced/lost results because of the restructuring of the Hamm gas-fired power station and major pressure on margins in existing business. The goal is to maintain the profit contributions of the business field at the level of 2015, adjusted for special effects. The strategy is to achieve business growth by automating processes, introducing new functions and using state-of-the-art web technologies. The current market-side consolidation of portfolio management service providers should have a supporting effect in this.

The “Trading & Origination” business field is to grow to key source of revenue. Growth is to be achieved in particular by expanding flexibility and optimisation products (intraday) and entering overseas markets for direct marketing. A stable value contribution is expected from proprietary trading.

The “Sales Solutions for Municipal Utilities” business field is to grow into the rapidly growing markets “Energy-related Services” and “Smart Metering” as part of the further digitisation of the energy business. For this, we rely on our good market

position in areas related to smart meters and decentralised generation technologies and T-PED as a sales and logistics platform for energy-related services.

The “Project Development” business field will have to position itself in an increasingly demanding market for onshore projects. In the offshore sector, the development of the second construction phase of the Borkum wind farm continues. Conventional power station projects do not form part of our plans at the moment.

Against the background of the strained energy industry environment, we see the comparatively low result level as a positive confirmation of our business model and the developments initiated in recent years as part of the energy transition.

Opportunities and risks result largely from the regulatory environment and the change in phasing out existing excess capacity in the conventional power station mix. Trading activities are naturally associated with more volatile result development than our service activities. In order to cope more efficiently with the increased deal and sales volumes associated with the further expansion of trading and market access activities, processes and systems will continue to be assessed for potential for improvement in 2016, and organisational changes adapted for this will be accelerated.

The key performance figures which guide Trianel’s business indicate a gross margin (revenues less material expenditures) of € 45,7 million, a pre-tax result of € 0.4 million, investments of € 16.5 million and a staff of 352 (as of 31/12/2016) for 2016.

1.3 Anticipated financial situation

For 2016, we expect similar investment expenditure on intangible assets, tangible assets and financial assets as 2015, concentrated in particular on our commitments in the renewable energy sector.

The current funding requirements will be financed as previously via bank loans and own cash flow. We succeeded in expanding our bank lines in the 1st quarter of 2016 to give us greater flexibility. The planned financial asset investments are to be refinanced suitably with matching maturities via a fixed term bond placement.

After changing our bank partner for exchange clearing in the 1st quarter of 2016, we expect positive impetus for our trade business from the extended range, for example including the wind futures traded on Nasdaq. In addition to this, the new partner facilitates the replacement of funds previously bound in initial margins with bank guarantees, thus freeing up liquidity.

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

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

The further reorganisation of Trianel's activities by pooling the IT-related and energy logistics processes is to streamline and strengthen the decision-making and responsibility structures through increasing standardisation and automation. In addition to quality improvements and increasing process speeds, we expect significant cost resulting from this in the medium term. The situation in the industry currently has serious repercussions for many market participants. In spite of this challenging framework, we believe we are well-positioned for the upcoming years based on the flexibility we have exhibited in the past and in particular due to the optimisation measures already taken and planned for the future. In particular, our employees' approach to opportunities makes us optimistic that Trianel GmbH will continue to confirm its status as a highly active and key partner for our municipal utility shareholders in coping with the challenges. In spite of this, Trianel will not be able to extricate itself from the general

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. Against the background of the undesirable developments triggered by the "uncontrolled" energy transition, our expectations for regulatory correction of market design remain high. However, given the current cornerstones of the Electricity Market Act, short-term relief in this legislation period does not appear realistic. Regardless of this, we expect further adjustments in the existing power station mix due

to market factors, and an improvement of the relevant price spreads in the medium term. The capacity reserve and provision of security (lignite reserve) instruments currently implemented are also fundamentally suitable to accelerate consolidation of the conventional power stations on the market and thus to improve the profitability of highly efficient state-of-the-art power stations.

Due to the current difficult economic situation of the Trianel Group's conventional assets (including gas storage facilities), the associated services are under pressure as part of commercial operations

management. As the service fees are increasingly success-based, a clear commitment to high quality value-added services must be displayed. The associated risks of inadequate performance are counterbalanced by the opportunity to participate in the success through profit sharing on above-expected performance. In particular for the current warm reserve phase of Trianel's Hamm-Uentrop gas-fired power station (2016 to 2018), we have agreed a purely success-based compensation model with the power station company. In addition to successful use of all market opportunities, we can also benefit from a positive development of the market environment.

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 to offer municipal utilities increased support in these new challenges over the coming years with innovative services and products.

Increasing pressure on margins for most of the municipal utilities applies growing pressure on the company to be efficient. This will enhance the trend to more cooperation and optimisation in procurement of electricity and gas. The "cooperation of cooperations" area will also become increasingly dynamic. Regional cooperations in particular must assess whether they can and want to master the increasingly strict regulatory requirements, especially reporting requirements and balancing group compliance on their own. For example, the 24/7 services Trianel GmbH has already developed are ideal to efficiently support other cooperations and even larger municipal utilities which have processed all wholesale processes independently.

In future, municipal utilities will be forced to utilise as yet unused own generation potential via professional optimisation. Pilot projects in this area have already revealed considerable potential. Not least the obligatory direct marketing of CHP plants in the current CHP Act (KWKG) offers significant growth potential for Trianel GmbH's professional wholesale-related generation/marketing services.

For 2016, we pursue the goal of increasingly automating processes in the rapidly growing intraday trading, to enable us to implement further volume growth in short-term trading. In spot and futures trading, we offer an internal market platform for external trade partners, which enables them to conclude wholesale transactions. That gives external market participants direct access to wholesale activities and reduces the costs of credit lines, as Trianel GmbH is a central trade partner. As a result, we see significant development opportunities here.

Besides optimising generation plants and storage facilities, managed loads, especially from the industrial environment, will be integrated in existing virtual power stations to an increasing extent. In particular the development to a decentralised platform with the ability to connect many small plants at low cost will give Trianel GmbH a far stronger position in future. In addition to this, there are intensive plans to extend the balancing energy pool to neighbouring countries and further boost the customer segment with a product extension to include primary regulation. The obligatory direct marketing of electricity from plants under the Renewable Energy Sources Act (EEG) will further support growth in this area, although unchanged intensive competition is to be expected. Direct marketing of renewable energy sources in neighbouring countries like Austria will also be enhanced to support the growth trend.

3. Risk report

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

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

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

Risk controlling is responsible for the creation, development and implementation of guidelines, methods and processes for risk assessment and management, and for reporting on the risk situation. Central risk management also monitors compliance with risk guidelines and defined risk limits. In order to support the central unit, management appoints risk officers for every organisational unit. The risk officers are responsible for the control and development tasks assigned to them within the risk management system.

In addition to the conventional risk management tasks, Trianel GmbH's central risk management also covers the compliance function. The compliance management system implemented at Trianel ensures that compliance risks are identified in good time and

the employees are aware of this and violations of rules are prevented and discovered. The central compliance body is supported in its implementation by compliance field delegates in various organisational units. Regular exchanges by all compliance officers and monitoring of the effectiveness and systematic development of the compliance management system are guaranteed by the compliance committee.

The Trianel GmbH Risk Committee regularly meets to discuss the implementation and need for changes to the risk management system. In addition to this, the risk committee is involved in specific matters such as the development of solution and decision-making submissions and in new risk-relevant matters, market and product clearances, business partner clearances as part of know-your-customer processes, limit assignments for trade partners and 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 internal audit, currently performed by two audit service providers, as well as of the external auditors commissioned by the shareholders.

Risk management process

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

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

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 risk capital approved by the Shareholders' Meeting represents the upper limit of the overall risk accepted. The risk capital allocation to the risk areas which are defined in this context – market, credit, operational and other risks – is approved by the Management Board.

In order to evaluate the effectiveness of the risk control measures which have been put in place, the target and actual risk situations are continuously compared as part of risk monitoring. In this context, the amount and distribution of the approved risk capital are regularly assessed for appropriateness.

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

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

3.2 Risk areas and individual risks

The main risks of Trianel GmbH are allocated to the following risk areas in 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 items, for example. These arise when the volume of purchasing transactions is greater or less than the sales transactions of similar products. The related market risk is determined by the extent of the discrepancy, and by the course the price fluctuation takes. Due to the sales, direct marketing and trading activities of the company, together with its holdings in power stations, the gas storage facility in Epe, the offshore wind farm off Borkum and various onshore wind farms, market price developments and open items in the commodities electricity, gas and CO₂ are particularly relevant to the company's success.

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

If physical delivery transactions are concluded on the basis of forecast generation or consumption quantities, deviations between the actual physical fulfilment and the planned quantity may occur, leading to open items. Deviations from the forecast must be offset, and thus incur additional costs. Further changes in quantity can occur due to failed

or restricted physical deliveries, for example as a result of generation, transportation or storage capacity shortfalls. Measures such as regular updates of forecast load curves, agreement of tolerance ranges in combination with a transfer of the risk to third parties when the tolerances are exceeded, as well as optimisations on the basis of the latest forecast can reduce this type of risk.

For example, the risk of open forward transactions is assessed and limited by calculating the value-at-risk (VaR) 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 VaR is determined and monitored both man-date-specifically for individual assets and for the trade items.

The risk reporting is supplemented by stress values. Stress tests are used to examine the effects of external market situations on the portfolio values. The result specified is the assumed worst case loss that can be expected within the holding period.

In addition, the profit-at-risk (PaR) is calculated with a confidence level of 99% to evaluate open spot and balancing energy positions. This process calculates the potential value deterioration, to a degree of probability of 99%, which will not be exceeded in the respective period studied.

In wholesale business, margin payments triggered by market price changes result in fluctuations of the company's free cash flow. At Trianel GmbH, the associated liquidity 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 a defined holding period. 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 free 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-related loss limits are defined, which serve to limit concentration risks. Overall, roughly 55% of the risk capital used in 2016 is assigned to the market risks (the calculation date for this was 31/12/2015).

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 the clean back testing, among other times, and are modified as necessary.

Credit risks

Unlike exchange transactions, with non-exchange energy trading transactions (OTC), Trianel GmbH is exposed to the risk that contract partners do not fulfil their contractual duties to deliver or pay for a commodity, or do so late.

In order to limit these counterparty risks, every potential business partner of Trianel GmbH is subjected to a multi-stage evaluation process to classify their credit standing (rating). This also takes externally available information, e.g. assessments by renowned rating agencies, into account. In addition to this, the credit standing evaluation

of the trading partners is reviewed once a year. The individual counterparty limit assigned is assigned based on this credit standing classification and the total risk capital reserved for the counterparty default risk.

In addition to this, business partners provide collateral which increases the flexibility for performing transactions, and/or in the event of a default of a Trianel business partner, can be used to reduce the damage.

Compliance with the credit lines granted is monitored and reported on every working day by calculating the credit risks and the remaining flexibility for each business partner. Mapping, monitoring and reporting of the credit risks is supported by a central, database-backed IT system.

The risk from the overall loan portfolio is also simulated regularly. Assuming default and price change scenarios, a credit value at risk (CreditVaR) is calculated with a confidence level of 99%. As of the balance sheet date, this value was a mid-seven figure total for the overall loan portfolio for 2016. On this basis, roughly 15% of the risk capital planned for 2016 has been allocated to the credit risks.

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. For example, this includes contractual implementation of payment terms suitable from a liquidity perspective. 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 clearance process described above and by the use of standardised contracts wherever possible.

In addition to this, developments of general business-relevant legal and regulatory conditions are monitored on an ongoing basis, and influenced via involvement in the corresponding association committees where purposeful and possible. In this way, Trianel GmbH faces up to the constantly growing scope of regulatory requirements, among other things with a dedicated organisational unit, "Compliance & Market Regulation". As part of Trianel GmbH's trend-scouting, political, social, economic and regulatory developments are also analysed intensely to identify opportunities and risks of these developments at an early stage and react to them. Active and purposeful participation in the political debate is supported to a decisive extent through the presence of Trianel GmbH's Berlin office.

Risks for Trianel GmbH arise in this context in particular from the EU-wide tightening of regulations for the energy trading sector. In this context, the "European Market Infrastructure Regulation" (EMIR) and "Regulation on Wholesale Energy Market Integrity and Transparency" (REMIT) and the revision of the Markets in Financial Instruments Directive (MiFID) are of key importance. In 2015, as in previous years, the legal framework drastically changed by this resulted in significant workloads on implementation of the far-reaching requirements and obligations for organisation, processes and systems, and the associated resources required on a permanent basis. This development will also continue in 2016 and the following years. For example, the EU REMIT ordinance passed in 2011 is to prevent abuse of market power (insider trading and market manipulation) in electricity and gas trading. For this purpose, REMIT introduces a comprehensive market monitoring regime, which

calls for complete disclosure of all transaction and fundamental data, and obliges energy market participants to publish insider information.

In this context, 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 necessary project budgets were taken into account in budgeting.

The company's success is also determined to a large extent by the specific 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 at Trianel. 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. An IT security and data privacy officer has been appointed. Employees are regularly made aware of IT security topics on training courses and via 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. The projects provide options for the parties involved in the planning phase. The option not to exercise these by deciding not to continue to the implementation phase and the potential associated need for depreciation are part of Trianel GmbH's business strategy. This is taken into consideration in the risk calculation. It is used to comply with and monitor the risk capital requirements by the shareholders. A simulation-based participation risk model is used to evaluate the participation risks and calculate the associated risk capital requirements. This models the loss of the portfolio of participating interests which will not be exceeded within a defined period (generally the current financial year) at a probability of 99%. For 2016, the resulting risk (PaR99) is estimated to be a high seven-figure or low eight-figure total, depending on the course of time. This corresponds to roughly 30% of the risk capital used in 2016 (the calculation date for this was 31/12/2015).

Also, circumstances leading to key changes in 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.

Trianel holds minority participating interests in the key operating project companies (in particular TKL, TGH, TGE, TWB, TOW, TEE) and is informed on the developments and risk situation of the companies via committee documents. Impairment tests as part of the work for the 2015 annual financial statements did not result in any need for value adjustments for the participation book values.

Use of financial instruments

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

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

3.3 General statement on the risk situation

In 2015, neither individual risks nor the overall risk endangered the company's status as a going concern. 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.

In spite of the declining credit standing, including public sector companies, compared with previous years, Trianel GmbH's business model focusing on municipal utilities as customers is assumed to entail a low risk of insolvent business partners in terms of counterparty default risks.

The 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, a further increase in risk is expected in subsequent years.

In spite of the described developments and uncertainties, there are no risks apparent to the Management Board from the current perspective, that could endanger Trianel GmbH's continuation as a going concern.

E. Reporting pursuant to Section 108 Para. 3 No. 2 of the North Rhine-West- phalian Local Government Ordinance (GO NRW)

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

- 1 Trade in
 - a. Energy (electricity, gas, oil, coal),
 - b. Energy derivatives and energy-related financial derivatives (as defined in the German Banking Act [Kreditwesengesetz, KWG]; proprietary transactions),
 - c. Financial products relating to energy supply, such as weather derivatives and emission certificates (pursuant to the KWG: proprietary transactions)
- 2 Energy sales
- 3 Provision of consulting and other fee-based services directly related to energy supply

The company is entitled to conduct all measures and business transactions through which the

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

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

Aachen, Germany, 13 May 2016
Trianel GmbH



Sven Becker



Dr. Jörg Vogt

Management Board of Trianel GmbH

Financial Statements of Trianel GmbH

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Balance sheet

as of 31 December 2015

ASSETS		
	in €	
	31/12/2015	31/12/2014
A. Fixed assets		
I. Intangible assets		
1. Acquired rights of use and similar rights	2,438,560.50	1,790,517.50
2. Down payments made	493,062.96	577,200.00
	2,931,623.46	2,367,717.50
II. Tangible assets		
1. Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	18,862,160.00	19,421,397.00
2. Technical plant and machinery	80,815.00	24,775.00
3. Furniture and fixtures	1,435,844.00	1,576,203.00
	20,378,819.00	21,022,375.00
III. Financial assets		
1. Shares in affiliated companies	2,844,031.57	2,852,027.57
2. Participating interests	32,515,480.13	26,574,058.69
3. Loans to companies with which a participating interest exists	39,975,525.20	32,198,794.39
4. Other loans	21,937.85	25,472.16
	75,356,974.75	61,650,352.81
	98,667,417.21	85,040,445.31
B. Current assets		
I. Inventories		
1. Work in progress	427,260.41	0.00
2. Merchandise	2,907,326.43	4,168,982.98
	3,334,586.84	4,168,982.98
II. Accounts receivable and other assets		
1. Trade receivables	87,164,855.00	76,833,357.05
2. Accounts receivable from affiliated companies	2,346,340.07	2,845,148.87
3. Accounts receivable from shareholders	28,640,096.89	36,668,331.71
4. Accounts receivable from companies with which a participating interest exists	32,875,995.24	12,034,205.21
5. Other assets	39,021,891.69	27,711,731.36
	190,049,178.89	156,092,774.20
III. Cash in hand, cash at bank	23,020,691.54	57,643,025.76
C. Accruals and deferrals	2,610,600.13	4,984,873.28
	317,682,474.61	307,930,101.53

[illegible]

Profit and loss statement

for the financial year from 01 January 2015 to 31 December 2015

	in €	2015	2014
1. Sales proceeds		2,127,487,199.08	1,799,882,534.81
2. Increase in stocks of finished and semi-finished products		427,260.41	0.00
3. Other internally produced and capitalised assets		0.00	106,486.82
4. Other operating income		11,335,950.78	9,926,264.99
5. Cost of materials Expenditure on goods purchased		2,088,296,365.46	1,758,367,116.62
6. Personnel expenses			
a) Wages and salaries		23,733,181.21	22,929,149.16
b) Social contributions and expenditure on pensions and support		3,901,537.43	3,452,348.90
		27,634,718.64	26,381,498.06
7. Depreciation			
a) on intangible assets and tangible fixed assets		2,064,176.87	2,511,983.99
b) On current assets where they exceed the usual depreciation in the corporation		3,205.42	1,000,000.00
		2,067,382.29	3,511,983.99
8. Other operating expenditure		23,059,647.54	18,031,024.23
		-1,807,703.66	3,623,663.72
9. Revenues from participating interests		1,033,072.52	709,987.37
10. Revenues from profit and loss transfer agreements		1,090,776.81	1,663,822.15
11. Revenues from other securities and loans of financial assets		0.00	601,287.05
12. Other interest and similar revenues		4,579,187.04	3,838,331.48
13. Interest and similar expenditure		4,681,476.06	5,006,801.17
		2,021,560.31	1,806,626.88
14. Result on ordinary business operations		213,856.65	5,430,290.60
15. Tax on income and revenue		84,546.58	242,547.83
16. Other taxes		5,037.00	3,242.00
17. Annual net income		124,273.07	5,184,500.77

NOTES FOR THE 2015 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 provided details on affiliations to other items in the balance sheet in the Notes.

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 made in summarised form due to the close contractual link of the participating interests and loans.

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.

Per the profit use decision dated 19 June 2015, € 2,592 thousand from the annual net income for 2014 was distributed as dividends. The remaining annual net income of € 2,592 thousand was transferred to the earnings reserves.

Pension obligations are calculated according to actuarial principles using the Projected Unit Credit Method (PUC Method). In the PUC Method, the provision amount is defined as the actuarial cash value of the pension obligations earned by the employees until this time based on work performed in the past in accordance with the pension formula and vesting regulation. The "Guide Tables 2005 G" by Klaus Heubeck are used as a biometric calculation basis. The mathematical interest rate is 4.62%, which is equal to the average market interest rate for an assumed residual term of the obligations of 15 years. The pension trend was also incorporated at 1%. The wage trend was not incorporated due to the contractual basis. The option per Article 67 para. 1 no. 1 of the Introductory Act for the German Commercial Code (EGHGB) was not exercised.

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

The option of capitalising deferred taxes was not exercised.

Accounts payable are stated at the settlement value.

In order to evaluate the physical trade transactions, the posted and pending transactions and gas inventories are always combined in an annual consideration with the corresponding financial transactions to the Asset Electricity, Asset Gas, Trade, Electricity Sales and Gas Sales portfolios, and the Trade portfolio is also combined in a multi-year spread consideration, 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 € 2,844,031.57 are held in the following affiliated companies:

COMPANY	Registered office	Participation	Participation book value	Equity	Annual result
		%	€	€	€
Trianel Finanzdienste GmbH	Aachen	100.0	2,500,000	2,500,000	0*
Trianel Gaskraftwerk Hamm					
Verwaltungs GmbH	Aachen	100.0	25,000	38,845	1,166
Trianel Gasspeicher Epe					
Verwaltungs GmbH	Aachen	100.0	25,000	85,160	23,570
Trianel Kraftwerk Krefeld					
Verwaltungs GmbH	Aachen	100.0**	25,000	52,384	13,681
Trianel Kohlekraftwerk Lünen					
Verwaltungs GmbH	Aachen	100.0	25,000	35,122	1,053
Trianel Windkraftwerk Borkum					
Verwaltungs GmbH	Aachen	100.0	25,000	50,281	12,627
Trianel Service GmbH	Aachen	100.0	194,032	145,423	-7,288
Trianel Erdgasförderung Nordsee					
Verwaltungs GmbH	Aachen	100.0	25,000	38,032	4,604

* A profit and loss transfer agreement exists between Trianel Finanzdienste GmbH and Trianel GmbH.

** The shares are wholly commercially attributed to Trianel GmbH.

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

COMPANY	Registered office	Participation	Participation book value	Equity	Annual net income/ deficit
		%	€	€	€
GESY Green Energy Systems GmbH	Berlin	24.9	267,427.90	2,020,853*	44,897*
Trianel Energie B.V.**	Maastricht, NL	100.0	1	—**	— **

* Status: 31/12/2014.

** Trianel Energie B.V. applied for insolvency on 27 December 2012 and therefore did not prepare annual financial statements for 31 December 2015. As such, the book value of the holding was written down to a reminder value of € 1.

3.1.1 Current assets

The current assets largely comprise stored quantities of gas, CO₂ certificates and work in progress as a result of advance performances for project developments and rights.

Trade receivables mainly consist of outstanding payments for electricity and gas supplies, which were offset against similar liabilities to the value of € 248,251 thousand (prev. year € 209,422 thousand).

Of the accounts receivable from affiliated companies, € 1,256 thousand (prev. year: € 551 thousand) are trade receivables. Other than this, the accounts receivable include mainly cost allocations.

Of the accounts receivable from shareholders, € 28,367 thousand (previous year: € 36,307 thousand) are trade receivables. Similar accounts payable totalling € 569 thousand (prev. year: € 13,258 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.

The other assets primarily contain collateral security relating to energy trading, including non-accessible bank credit balances of € 12,156 thousand, input tax of € 5,403 thousand which is not deductible until the following year and loans granted totalling € 3,451 thousand in relation to wind farm projects. In addition to this, the other assets include accounts receivable from tax reimbursement claims totalling € 7,798 thousand. They are primarily for income tax reimbursement claims for the 2014 and 2015 assessment periods.

All accounts receivable and other assets are due within one year, with the exception of accounts receivable and other assets from smart metering, totalling € 17 thousand.

3.2 Provisions

Other provisions totalling € 49,408 thousand (prev. year: € 43,989 thousand) include provisions for uncertain accounts payable totalling € 7,665 thousand (prev. year: € 7,761 thousand), mainly pertaining to outstanding invoices and personnel costs.

Otherwise, provisions are included for anticipated losses from pending transactions to the amount of € 41,742 thousand (prev. year: € 36,228 thousand). As of the balance sheet date, provisions for anticipated losses totalling € 37,564 thousand (previous year: € 35,541 thousand) were included on the liabilities side for our asset positions. Provisions totalling € 4,121 thousand were formed for impending losses for the trade mandate, and of € 57 thousand for the sales mandates.

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 wages and church tax totalling € 316 thousand (prev. year: € 388 thousand) and from social security totalling € 176 thousand (prev. year € 300 thousand).

LIABILITIES MOVEMENT SCHEDULE in €	31/12/2015	31/12/2015			31/12/2014
	TOTAL	Residual terms			Residual term
		to 1 year	1 year to 5 years	over 5 years	Previous year to 1 year
Liabilities to credit institutions	24,094,528.34	4,503,061.73	6,210,133.36	13,381,333.25	1,939,001.14
Down payments received for orders	495,611.34	495,611.34	0.00	0.00	495,611.34
Trade accounts payable	118,374,304.61	118,374,304.61	0.00	0.00	96,077,877.38
Accounts payable to affiliated companies	161,146.22	161,146.22	0.00	0.00	80,574.27
Liabilities to shareholders	16,156,007.87	16,156,007.87	0.00	0.00	18,370,547.63
Liabilities to affiliated companies	13,947,270.86	13,947,270.86	0.00	0.00	11,656,761.78
Other liabilities	6,354,385.29	6,354,385.29	0.00	0.00	15,742,512.72
Total liabilities	179,583,254.53	159,991,787.92	6,210,133.36	13,381,333.25	144,362,886.26

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 more detailed mapping as well as the delegation of partial tasks if necessary. The items in the electricity asset mandate which cannot be grouped in a valuation unit must be evaluated according to classic rules under balance sheet aspects. Provisions for potential losses were formed for negative valuation balances for the year.

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

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

3.4.1 Valuation unit: Electricity asset 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 2016 VU contains base transactions totalling € 16,452 thousand and hedge transactions totalling € 6,817 thousand. The VU hedges risks from an individual transaction perspective to a total of € 2,019 thousand for 2016. A provision was also formed for 2016 for potential losses from pending transactions totalling € 8,577 thousand. The 2017 VU contains base transactions totalling € 15,994 thousand and hedge transactions totalling € 6,111 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,762 thousand for 2017. A provision was also formed for 2017 for potential losses from pending transactions totalling € 8,460 thousand. The 2018 VU contains base transactions totalling € 15,338 thousand and hedge transactions totalling € 1,555 thousand. The VU hedges risks from an individual transaction perspective to a total of € 437 thousand for 2018. A provision was also formed for 2018 for potential losses from pending transactions totalling € 8,774 thousand.

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: Gas asset mandate

This VU combines contractual obligations from storage facility user contracts including gas stocks with the corresponding hedge 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 2016 VU contains base transactions totalling € 1,522 thousand and hedge transactions totalling € 260 thousand. The VU hedges risks from an individual transaction perspective to a total of

€ 527 thousand for 2016. A provision was also formed for 2016 for potential losses from pending transactions totalling € 994 thousand. The 2017 VU contains base transactions totalling € 1,611 thousand and hedge transactions totalling € –111 thousand. The VU hedges risks from an individual transaction perspective to a total of € 830 thousand for 2017. A provision was also formed for 2017 for potential losses from pending transactions totalling € 855 thousand. The 2018 VU contains base transactions totalling € 1,809 thousand and hedge transactions totalling € 21 thousand. The VU hedges risks from an individual transaction perspective to a total of € 456 thousand for 2018. A provision was also formed for 2018 for potential losses from pending transactions totalling € 1,280 thousand.

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

3.4.3 Valuation unit: Trade mandate – Annual management

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 2016 VU contains base transactions totalling € 1,733,830 thousand and hedge transactions totalling € 1,723,801 thousand. The VU hedges risks from an individual transaction perspective to a total of € 216,364 thousand for 2016. A provision was also formed for 2016 for potential losses from pending transactions totalling € 3,429 thousand. The 2017 VU contains base transactions totalling € 321,759 thousand and hedge transactions totalling € 324,530 thousand. The VU hedges risks from an individual transaction perspective to a total of € 41,209 thousand for 2017. A provision was

also formed for 2017 for potential losses from pending transactions totalling € 362 thousand. The 2018 VU contains base transactions totalling € 57,960 thousand and hedge transactions totalling € 57,546 thousand. The VU hedges risks from an individual transaction perspective to a total of € 7,432 thousand for 2018. A provision was also formed for 2018 for potential losses from pending transactions totalling € 3 thousand.

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: Trade mandate – Spread hedge

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. One spread position containing the pending transactions from two consecutive years is formed for the calendar year.

The 2017/2018 VU contains base transactions totalling € 48,575 thousand and hedge transactions totalling € 48,661 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,269 thousand for 2017/2018. A provision was also formed for 2017/2018 for potential losses from pending transactions totalling € 327 thousand.

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

3.4.5 Valuation unit: Electricity sales mandate (EW)

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 2016 VU contains base transactions totalling € 459,660 thousand and hedge transactions totalling € 441,016 thousand. The VU hedges risks from an individual transaction perspective to a total of € 62,038 thousand for 2016. The 2017 VU contains base transactions totalling € 184,254 thousand and hedge transactions totalling € 176,327 thousand. The VU hedges risks from an individual transaction perspective to a total of € 24,378 thousand for 2017. The 2018 VU contains base transactions totalling € 39,317 thousand and hedge transactions totalling € 38,477 thousand. The VU hedges risks from an individual transaction perspective to a total of € 5,506 thousand for 2018. The 2019 VU contains base transactions totalling € 498 thousand and hedge transactions totalling € 498 thousand. The VU hedges risks from an individual transaction perspective to a total of € 40 thousand for 2019.

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

3.4.6 Valuation unit: Gas sales mandate (EW)

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 2016 VU contains base transactions totalling € 7,356 thousand and hedge transactions totalling € 7,313 thousand. The VU hedges risks from an individual transaction perspective to a total of € 2,039 thousand for 2016. The 2017 VU contains base transactions totalling € 3,687 thousand and hedge transactions totalling € 3,291 thousand.

The VU hedges risks from an individual transaction perspective to a total of € 560 thousand for 2017. The 2018 VU contains base transactions totalling € 128 thousand and hedge transactions totalling € 175 thousand. A provision was formed for 2018 for potential losses from pending transactions totalling € 35 thousand.

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

3.4.7 Valuation unit: Gas sales mandate (T&O)

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 2016 VU contains base transactions totalling € 4,548 thousand and hedge transactions totalling € 3,383 thousand. The VU hedges risks from an individual transaction perspective to a total of € 997 thousand for 2016. The 2017 VU contains base transactions totalling € 1,065 thousand and hedge transactions totalling € 910 thousand. The VU hedges risks from an individual transaction perspective to a total of € 296 thousand for 2017. A provision was also formed for 2017 for potential losses from pending transactions totalling € 22 thousand. The 2018 VU contains base transactions totalling € 95 thousand and hedge transactions totalling € 94 thousand. The VU hedges risks from an individual transaction perspective to a total of € 9 thousand for 2018.

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

3.4.8 Interest rate swaps

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

Individually, as of the balance sheet date, there are three micro-hedges, consisting of one base transaction and one hedge transaction each. The three base transactions are reported as accounts payable for bank loans of € 4,312 thousand (previous year: € 5,219 thousand), while the three 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 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 (€ 168 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 € –5 thousand as of 31 December 2015.

- **Interest rate swap (€ 3,000 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 € –543 thousand as of 31 December 2015.

- **Interest rate swap (€ 1,144 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 € –217 thousand as of 31 December 2015.

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

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

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

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

4 Notes on the profit and loss statement

4.1 Sales proceeds

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

BUSINESS SECTOR	31/12/2015	Sales	31/12/2014	Sales
	Sales in € thousand		Sales in € thousand	
Electricity (unbalanced)	3,130,774	69.8%	2,277,063	79.0%
Balancing	-1,785,445	75.8%	-903,634	83.6%
Electricity	1,345,329	63.2%	1,373,429	76.3%
Gas (unbalanced)	1,209,137	27.0%	463,264	16.1%
Balancing	-571,369	24.2%	-177,391	16.4%
Gas	637,768	1.2%	285,873	15.9%
Certificates trading (unbalanced)	25,212	0.6%	29,520	1.0%
Balancing	-169	0.1%	-14	0.0%
Emissions trading	25,043	30.0%	29,506	1.6%
Coal (unbalanced)	77,156	1.7%	73,824	2.6%
Balancing	0	0.0%	0	0.0%
Coal	77,156	3.6%	73,824	4.1%
Services (unbalanced)	42,274	0.9%	37,376	1.3%
Balancing	0	0.0%	0	0.0%
Services	42,274	2.0%	37,376	2.1%
TOTAL (UNBALANCED)	4,484,554	100.0%	2,881,047	100.0%
TOTAL (BALANCING)	-2,356,983	100.0%	-1,081,039	100.0%
TOTAL (BALANCED)	2,127,571	100.0%	1,800,008	100.0%

In the financial year, customer discounts of € 84 thousand (prev. year € 125 thousand) were granted. These have not been taken into account in the list.

Non-period turnover totalled € 1,073 thousand (prev. year: € 5,255 thousand).

4.2 Other operating revenue

The other operating income includes earnings not relating to the period to the amount of € 529 thousand (prev. year: € 4,869 thousand), primarily from the reversal of provisions and revenues from currency conversion totalling € 2,257 thousand (prev. year € 1,265 thousand).

4.3 Cost of materials

Non-period cost of materials totalled € 454 thousand (prev. year: € 5,155 thousand).

4.4 Personnel expenses

Personnel expenses were incurred for an average of 336 employees (prev. year 324 employees). Personnel expenses include costs for pension provision to the amount of € 454 thousand (prev. year: € 127 thousand) and non-period expenditures of € 17 thousand (prev. year: € 20 thousand).

4.5 Depreciation

Of the depreciation in the previous year, € 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 non-period expenditure totalling € 273 thousand (prev. year: € 79 thousand) and expenditure for currency conversion totalling € 2,113 thousand (prev. year: € 1,066 thousand).

4.7 Revenues from other securities as financial assets

The revenue from other securities as financial assets totalled € 601 thousand in the previous year.

4.8 Interest expenditures

The interest expenditures to the amount of € 4,681 thousand (prev. year: € 5,007 thousand) include compounding provisions or discounting provisions on accounts receivable totalling € 2,315 thousand (prev. year: € 2,257 thousand).

4.9 Tax on income

€ 38 thousand (prev. year € 817 thousand) of the tax expenditures in the reporting year were incurred for corporation tax and the solidarity surcharge. Expenditure from previous years arising from corporation tax to the amount of € 46 thousand (previous year: income of € 206 thousand) and trade tax of € 0 thousand (previous year: € 369 thousand) were also incurred.

5 Other information

5.1 Other financial obligations

	€ thousand	€ thousand
Obligations from power purchase agreements	1,818,966	(1,402,921)
Of which to shareholders	160,452	(115,244)
Obligations from gas supply agreements	427,313	(384,237)
Of which to shareholders	10,843	(6,085)
Obligations from emissions certificates	14,179	(9,855)
Of which to shareholders	63	(63)
Obligations from coal swaps	7,483	(6,519)
Obligations from lease and rental contracts	2,063	(182)
Obligations from certificates	105	(15)
Obligations from currency trading	341	(141)
() of which due in 2016		

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 2015 financial year, the Supervisory Board was composed of the following members:

- Dietmar Spohn, Bochum, Spokesman for the Management Board of Energie- und Wasserversorgung Mittleres Ruhrgebiet GmbH (Chairman), from 01/07/2015
- Bernhard Wilmert, Bochum, Spokesman for the Management Board of Energie- und Wasserversorgung Mittleres Ruhrgebiet GmbH (Chairman), until 30/06/2015
- 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, until 30/06/2015
- Prof Dr. Marc Oliver Bettzüge, Cologne, Director of the Institute of Energy 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 Rhön-Energie Fulda GmbH, until 31/05/2015
- Klaus Eder, Ulm, Managing Director of SWU Energie GmbH, from 01/07/2015
- Dr. Achim Grunenberg, Lünen, Managing Director of Stadtwerke Lünen GmbH
- Michael Hegel, Cologne, Banker (elected Expert Member of the Supervisory Board)
- Martin Heun, Fulda, Spokesman of the Management Board of RhönEnergie Fulda GmbH from 01/06/2015
- Christoph Hüls, Detmold, Managing Director of Stadtwerke Detmold GmbH
- Michael Lucke, Kempten, Managing Director of Allgäuer Überlandwerk GmbH
- Jürgen Schöffner, Lübeck, Managing Director of Stadtwerke Lübeck Holding GmbH
- 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

Trianel GmbH reimbursed a total of € 38 thousand (prev. year: € 33 thousand) as expenses in the 2015 financial year.

5.5 Management Board

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

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

5.6 Annual financial statements

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

Aachen, Germany, 13 May 2016
Trianel GmbH

Sven Becker

Dr. Jörg Vogt

Management Board of Trianel GmbH

Development of fixed assets

in the 2015 financial year

	ACQUISITION COSTS					Status 31/12/2015
	in €	Status 1/1/2015	Additions	Write-ups	Divestitures	Cross entries
A. Fixed assets						
I. Intangible assets						
1. Acquired rights of use and similar rights	8,510,811.17	1,371,065.63	0.00	16,000.00	387,300.00	10,253,176.80
2. Down payments made	577,200.00	359,862.96	0.00	56,700.00	-387,300.00	493,062.96
Total intangible assets	9,088,011.17	1,730,928.59	0.00	72,700.00	0.00	10,746,239.76
II. Tangible assets						
1. Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	19,841,004.89	72,674.19	0.00	10,084.03	0.00	19,903,595.05
2. Technical plant and machinery	26,639.53	66,396.94	0.00	545.00	0.00	92,491.47
3. Furniture and fixtures	3,122,540.70	217,960.94	0.00	339,805.17	0.00	3,000,696.47
Total tangible assets	22,990,185.12	357,032.07	0.00	350,434.20	0.00	22,996,782.99
III. Financial assets						
1. Shares in affiliated companies	3,162,026.57	25,000.00	0.00	32,996.00	0.00	3,154,030.57
2. Participating interests	26,574,058.69	6,128,473.54	0.00	187,052.10	0.00	32,515,480.13
3. Loans to affiliated companies	32,198,794.39	7,139,138.79	637,592.02	0.00	0.00	39,975,525.20
4. Other loans	25,472.16	0.00	0.00	3,534.31	0.00	21,937.85
Total financial assets	61,960,351.81	13,292,612.33	637,592.02	223,582.41	0.00	75,666,973.75
Total fixed assets	94,038,548.10	15,380,572.99	637,592.02	646,716.61	0.00	109,409,996.50

DEPRECIATION				BOOK VALUES	
Status 1/1/2015	Additions	Divestitures	Status 31/12/2015	Status 31/12/2015	Status 31/12/2014
6,720,293.67	1,094,767.63	445.00	7,814,616.30	2,438,560.50	1,790,517.50
0.00	0.00	0.00	0.00	493,062.96	577,200.00
6,720,293.67	1,094,767.63	445.00	7,814,616.30	2,931,623.46	2,367,717.50
419,607.89	622,030.88	203.72	1,041,435.05	18,862,160.00	19,421,397.00
1,864.53	9,886.42	74.48	11,676.47	80,815.00	24,775.00
1,546,337.70	337,491.94	318,977.17	1,564,852.47	1,435,844.00	1,576,203.00
1,967,810.12	969,409.24	319,255.37	2,617,963.99	20,378,819.00	21,022,375.00
309,999.00	0.00	0.00	309,999.00	2,844,031.57	2,852,027.57
0.00	0.00	0.00	0.00	32,515,480.13	26,574,058.69
0.00	0.00	0.00	0.00	39,975,525.20	32,198,794.39
0.00	0.00	0.00	0.00	21,937.85	25,472.16
309,999.00	0.00	0.00	309,999.00	75,356,974.75	61,650,352.81
8,998,102.79	2,064,176.87	319,700.37	10,742,579.29	98,667,417.21	85,040,445.31

Auditor's report

We have audited the annual financial statements – consisting of the balance sheet, income statement and notes – taking the accounts and management report into account, of Trianel GmbH, Aachen, for the financial year from 1 January to 31 December 2015. The company's management is responsible for the accounts and compiling the annual financial statements and management report in accordance with the German Commercial Code. Our responsibility is to express an opinion, based on our audit, on the annual financial statements, the company's accounts and the management report.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB) and observing the auditing principles generally accepted in Germany as stipulated by the Institute of German Certified Public Accountants (IDW). Those 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, 17 May 2016

KPMG Auditors and Consultants for the Public Sector
Aktiengesellschaft (PLC) Wirtschaftsprüfungsgesellschaft (Auditing Firm)

Nocker
Auditor

Jeromin
Auditor

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Consolidated balance sheet

as of 31 December 2015

ASSETS		
	in €	
	31/12/2015	31/12/2014
A. Fixed assets		
I. Intangible assets		
1. Purchased licenses, commercial Industrial property and similar rights and values as well as licences to such rights and values	2,438,560.50	1,790,517.50
2. Down payments made	493,062.96	577,200.00
	2,931,623.46	2,367,717.50
II. Tangible assets		
1. Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	18,862,160.00	19,421,397.00
2. Technical plant and machinery	80,815.00	24,775.00
3. Other assets, furniture and fixtures	1,435,844.00	1,576,203.00
	20,378,819.00	21,022,375.00
III. Financial assets		
1. Participating interests in affiliated companies	267,427.90	378,480.00
2. Participating interests	32,248,052.23	26,195,578.69
3. Loans to companies with which a participating interest exists	39,975,525.20	32,198,794.39
4. Other loans	21,937.85	25,472.16
	72,512,943.18	58,798,325.24
	95,823,385.64	82,188,417.74
B. Current assets		
I. Inventories		
1. Unfinished buildings	427,260.41	0.00
2. Merchandise	2,907,326.43	4,168,982.98
	3,334,586.84	4,168,982.98
II. Accounts receivable and other assets		
1. Trade receivables	89,388,017.21	77,368,628.07
2. Accounts receivable from shareholders	28,640,096.89	38,380,558.04
3. Accounts receivable from affiliated companies	0.00	221,584.32
4. Accounts receivable from companies with which a participating interest exists	33,033,939.23	12,054,117.98
5. Other assets	39,028,877.18	27,650,687.77
	190,090,930.51	155,675,576.18
III. Cash in hand and cash at bank	27,152,488.56	61,975,230.65
C. Accruals and deferrals	2,611,968.92	4,984,965.28
	319,013,360.47	308,993,172.83

	in €	31/12/2015	31/12/2014
A. Equity			
I. Subscribed capital		20,152,575.00	20,152,575.00
II. Capital reserves		26,129,469.24	26,129,469.24
III. Earnings reserves		41,679,763.26	39,403,778.80
IV. Group annual net income		173,686.22	4,893,936.69
		88,135,493.72	90,579,759.73
B. Difference from capital consolidation		29,683.58	32,533.90
C. Provisions			
1. Provisions for pensions		74,985.00	59,710.00
2. Provisions for taxes		178.50	361.27
3. Other provisions		49,557,041.65	44,175,646.70
		49,632,205.15	44,235,717.97
D. Liabilities			
1. Liabilities to credit institutions		24,094,617.48	24,501,001.09
2. Down payments received for orders		495,611.34	495,611.34
3. Trade accounts payable		119,549,465.79	96,910,797.53
4. Liabilities to shareholders		16,156,007.87	18,399,813.54
5. Liabilities to companies in which the company has a participating interest		13,947,270.86	11,656,761.78
6. Other liabilities		6,433,656.59	19,357,183.15
• of which from taxes € 336,338.18 (prev. year: € 412,791.59)			
• of which for social security € 175,542.09 (prev. year: € 299,593.25)			
		180,676,629.93	171,321,168.43
E. Accruals and deferrals		539,348.09	2,823,992.80
		319,013,360.47	308,993,172.83

Consolidated Profit and loss statement

for the financial year from 01 January 2015 to 31 December 2015

	in €	2015	2014
1. Sales proceeds		2,128,237,238.37	1,771,591,875.51
2. Increase or decrease in stocks of finished and semi-finished products		427,260.41	0.00
3. Other internally produced and capitalised assets		0.00	106,486.82
4. Other operating income		11,258,271.48	9,950,731.42
5. Cost of materials Expenses associated with raw materials and supplies and for purchased goods		-2,087,474,637.86	-1,728,051,134.87
6. Personnel expenses			
a) Wages and salaries		-23,950,035.49	-23,122,225.48
b) Social contributions and expenditure on pensions and support		-3,915,631.15	-3,468,040.88
		-27,865,666.64	-26,590,266.36
7. Depreciation			
a) on intangible assets and tangible fixed assets		-2,064,176.87	-2,511,983.99
b) on current assets, where they exceed the usual depreciation in the corporation		-3,205.42	-1,000,000.00
		-2,067,382.29	-3,511,983.99
8. Other operating expenditure		-23,170,674.45	-18,172,126.23
9. Revenues from participating interests		1,033,072.52	391,925.30
10. Revenues from other securities		0.00	601,287.05
11. Other interest and similar revenues		4,579,368.55	3,839,643.27
12. Interest and similar expenditure		-4,683,225.82	-5,007,082.23
		929,215.25	-174,226.61
13. Result on ordinary business operations		273,624.27	5,149,355.69
14. Tax on income and revenue		-94,595.82	-251,943.00
15. Other taxes		-5,342.23	-3,476.00
16. Group annual net income		173,686.22	4,893,936.69

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