

Annual Report

EUROPEAN ENERGY EXCHANGE

2013

eeX

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SHAREHOLDERS

Share register, as of 31st December 2013

Shareholder	Share in %
Eurex Zurich AG	62.57
LVV Leipziger Versorgungs- und Verkehrsgesellschaft mbH	7.38
Free State of Saxony	4.51
Alpiq AG	4.50
RWE Beteiligungsgesellschaft mbH	4.35
E.ON Global Commodities SE	3.48
EnBW Trading GmbH	3.30
50Hertz Transmission GmbH	2.00
Enovos International S.A.	1.00
MVV Energie AG	0.99
Edison S.p.A.	0.76
EDF Électricité de France	0.67
VERBUND Trading AG	0.67
RheinEnergie AG	0.51
DB Energie GmbH	0.50
e&t Energie Handelsgesellschaft m.b.H.	0.50
Iberdrola Generación, S.A.U.	0.50
Morgan Stanley Capital Group Inc.	0.50
Mainova AG	0.31
citiworks AG	0.25
SWU Energie GmbH	0.25
Trianel GmbH	0.25
UBS AG	0.25
City of Leipzig	0.01

IMPORTANT PARAMETERS

		2012	2013	Change 2013 vs. 2012
Profit and loss account				
Sales revenue	k€	47,921	62,219	30 %
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	k€	15,299	21,735	42 %
Earnings before interest and taxes (EBIT)	k€	12,371	16,976	37 %
Earnings before taxes (EBT)	k€	13,074	17,318	32 %
Balance sheet (as of 31st December)				
Non-current assets	k€	49,153	58,070	18 %
Equity	k€	113,696	119,701	5 %
Balance sheet total	k€	808,793	940,941	16 %
Core business parameters				
Spot Market				
Power Spot Market volume ¹	TWh	339	345	2 %
Emissions Spot Market volume	million t	111	759	582 %
Gas Spot Market volume	TWh	36	81	124 %
Derivatives Market				
Power Derivatives Market volume	TWh	931	1,266	36 %
Emissions Derivatives Market volume	million t	143	92	-36 %
Gas Derivatives Market volume	TWh	40	29	-25 %
Company parameters				
Trading participants		221	236	7 %
Employees (annual average)		137	154	12 %
Sales revenue per employee	k€	350	405	16 %
Return on equity (EBT/average equity)	%	12	15	27 %
Equity ratio, adjusted ²	%	93	86	-7 %

¹ Clearing volume at ECC

² Equity/balance sheet total (adjusted for cash collateral by the Clearing Members, derivative financial instruments, payments on account made and received as of the balance sheet date and trade accounts payable and receivable)



More than 15 years after the beginning of the liberalisation of the European power market, we are increasingly getting closer to the target of achieving a uniform European single market, which was an objective established by the European Union and its member states for completion by 2014. Exchanges such as the European Energy Exchange (EEX) are a visible expression of liberalisation. They bring together supply and demand on a supervised, non-discriminatory and transparent market platform and establish fair and reliable reference prices available to all participants as well as the general public.

In the context of opening of the markets, the first power exchanges were established at the end of the 1990s. Since then, the power wholesale market has continuously developed and become considerably more professional. In addition to the power markets, new markets for energy and related products, such as those for natural gas and CO₂ emission allowances, have developed. Trading ceased

to be purely national a long time ago and is now taking place across borders throughout Europe. As a result, Germany has now become embedded in the European single market for power and is closely connected with the neighbouring markets of adjacent countries through market coupling.

With a view to Europe

EEX has completed the development from national power trading to international energy trading. The name “European Energy Exchange” represents both its aim and its meaning: EEX develops, operates and connects secure, liquid and transparent markets for energy and related products in Europe.

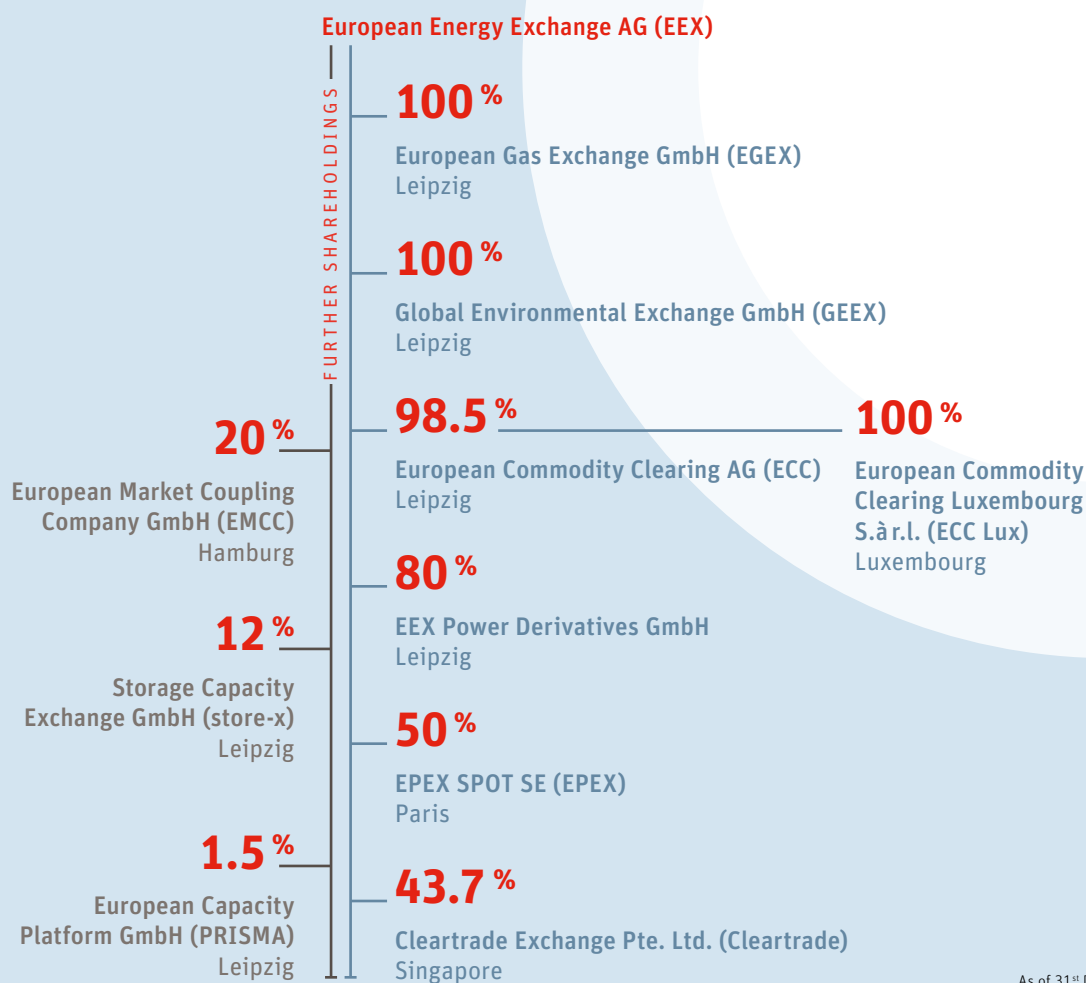
It pursues the aim of being the clear leader among the energy exchanges in Europe and for all significant European markets for trading, clearing and settlement services as well as further services by offering a one-stop-shop solution.

The growth aims pursued by EEX are supported by a flexible corporate structure. As a result of the strategic alignment of the individual business

EEX milestones towards Europe

- 2002** Establishment of EEX in Leipzig as a result of the merger between the LPX and EEX power exchanges
- 2006** EEX spins off its clearing business into European Commodity Clearing (ECC)
- 2008** EEX and Powernext launch their cooperation in power trading; establishment of the European power exchange EPEX SPOT
- 2011** Six partner exchanges connected to ECC
- 2012** EEX carries out primary market auctions on behalf of the EU commission (and 24 member states)
- 2013** Launch of PEGAS, the pan-European trading platform for natural gas, by EEX and Powernext

EEX AG Group Structure



As of 31st December 2013

fields, which began in 2006 with the spin-off of the European Commodity Clearing (ECC) clearing house, EEX has established a flexible position for itself and paved the way for international partnerships and comprehensive European market coverage.

EEX is an exchange under public law. It operates under the German Exchange Act and, as a result, it is subject to comprehensive independent control by public supervisory authorities. The EEX exchange is operated by EEX AG as a private-sector operating company.

With a shareholding of 62.57 percent, Eurex Zurich AG holds the majority of shares in EEX. Further EEX shareholders include companies from the energy industry and the financial sector, as well as other industries and public

institutions (e.g. the Free State of Saxony and the City of Leipzig).

Products and services

Power, natural gas, CO₂ emission allowances and guarantees of origin for green power are traded on the EEX Group markets. In addition to order book trading, trades can be registered on EEX (Trade Registration). The clearing and settlement of all trading transactions are provided by ECC, which additionally provides clearing services for a range of other European exchanges.

EEX's broad product range will further diversify in the future. As a result of its shareholding in Cleartrade Exchange (CLTX), EEX will also offer products in the fields of freight, iron ore, fuel oil and fertilisers.

Trading and Participants

Trading on EEX is anonymous and purely electronic. The anonymity of trading is prescribed by the German Exchange Act. This principle ensures that equal and non-discriminatory treatment is safeguarded for all trading participants.

All traders licensed to trade on EEX are connected to the exchange via electronic trading systems. Proper operation of the Spot and Derivatives

Markets is ensured by the EEX Market Supervision department whose staff members are the first point of contact for the trading participants each day.

As a result of their admission to the exchange, companies are immediately granted access to a large and extensive network of trading participants. As of the end of 2013, EEX recorded 236 trading participants in total from 24 countries. These trading

participants include energy utilities, municipal utilities, industrial enterprises, brokers and banks as well as an increasing number of specialist energy trading companies.

In order to fulfil the requirements of its customers and stakeholder groups, EEX is present at various strategic locations in Europe. In addition to its headquarters in Leipzig, it also has offices in Brussels, London and Paris.

In 2013, contracts with a total value of EUR 50 billion were traded on EEX.

Two thirds of the sales of EEX Group were generated by companies from outside Germany.

EEX Trading Participants

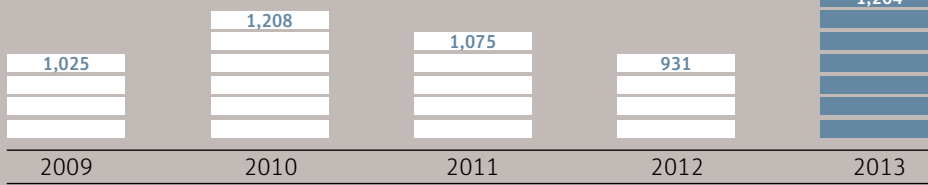


As of 31st December 2013

2013 Facts and Figures

Power Volume (Derivatives Market)

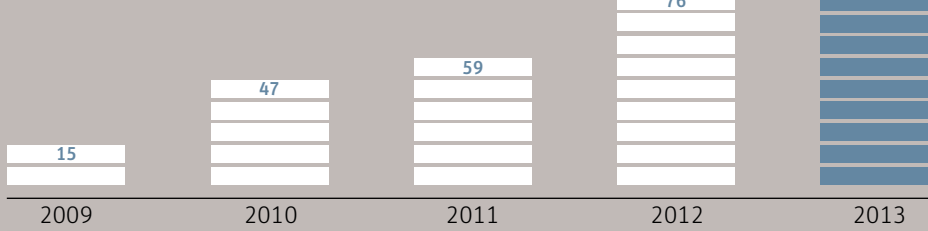
in TWh



+36 %
as against 2012

Natural Gas Volume (Spot and Derivatives Market)

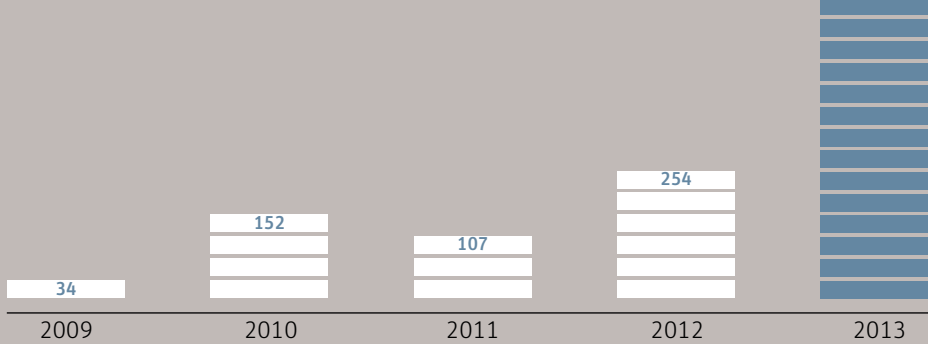
in TWh



+46 %
as against 2012

Emission Allowance Volume (Spot and Derivatives Market)

in million tonnes



+234 %
as against 2012

Number of Trading Participants



+7 %
as against 2012

Percentages are based on unrounded figures.

Employees and Sites



● Brussels **1**



● Paris **4**



● Leipzig **149**

At the end of 2013, EEX Group employed a total of 161 members of staff (31st December 2012: 145) of whom 149 worked at the site in Leipzig.



● London **7**

New Markets in 2013

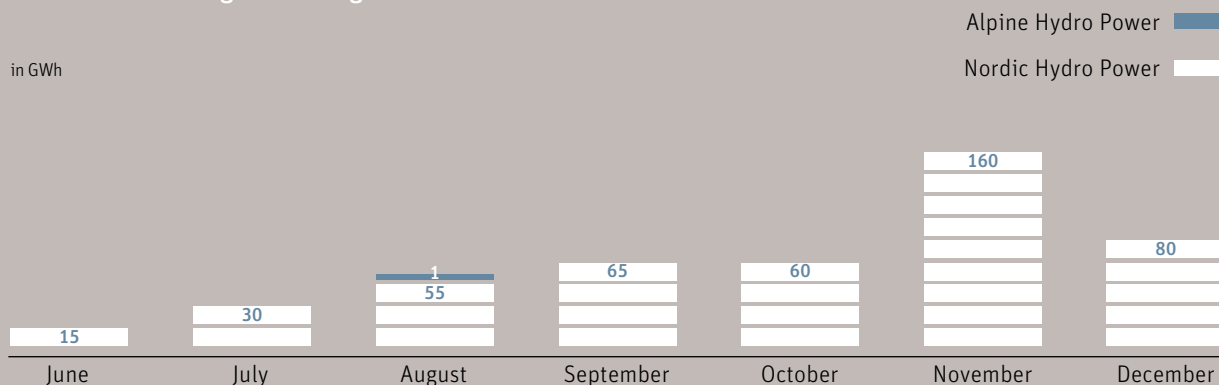
EEX actively advocates the vision of a uniform pan-European energy market. In the past year, EEX generated a large number of new initiatives in order to expand its leading position in Europe.

In 2013, the product portfolio was expanded to new asset classes, on the one hand, and to new market areas and regions, on the other.



Wolfgang Treber, Head of Market Supervision

Guarantees of Origin: Trading volume in 2013



Guarantees of Origin for Green Power

On 6th June 2013, EEX launched the market for Guarantees of Origin. These are certificates proving how many megawatt hours of electricity were generated from renewable resources.

Guarantees of Origin are exclusively issued for labelling and transparency purposes. The certificates are cancelled after use to certify the delivery of green power to a final consumer.

According to the EU Renewable Energies Directive 2009/28/EC, all member states are obliged to develop a register of Guarantees of Origin and to mutually recognise the certificates.

European bilateral trading in Guarantees of Origin has developed over the past years. In the context of this trading, EEX is the first exchange to offer a transparent market platform for

derivatives contracts. As a result, trade volumes and price data are publicly available in a transparent quality for the first time.

Prices on the market for Guarantees of Origin differ, in particular, depending on the generation technology and the country of origin of the respective certificate.

In keeping with this, EEX has created regional product bundles sharing a price level which should be as homogeneous as possible: Guarantees of Origin for hydroelectric power from Scandinavia, Guarantees of Origin for hydroelectric power from the Alpine region and Guarantees of Origin for wind power.

In order to bundle liquidity in this brand new market, EEX is currently offering trading in a limited time window (Thursday afternoon).

The product bundle with the highest liquidity not only in

exchange trading but also in over-the-counter trading comprises Guarantees of Origin on Scandinavian hydroelectric power.

On EEX, this product bundle accounted for almost the entire volume traded in Guarantees of Origin in 2013. Overall, a volume of 466 gigawatt hours was traded.

EEX pursues the aim of becoming the market platform of choice for standardised products and of contributing to higher transparency and improved security in this respect.

However, a number of organisational changes will be necessary to develop the market for Guarantees of Origin into an efficient trading market. In EEX's opinion, the use of Guarantees of Origin as an overall power labelling tool should be expanded, and national rules should be harmonised to this end.

International Services and Products

Trade Registration

In the financial year 2013, EEX gradually expanded its Trade Registration offering with further products. Clearing of these exchange transactions created through Trade Registration is provided by ECC.

The customers benefit from established standard processes and the security in the settlement of their transactions by ECC as the central counterparty. An additional benefit emerges

for the customer, in particular, against the background of the EMIR regulation. Trades registered on EEX are not taken into account with regard to the EMIR threshold of EUR 3 billion for over-the-counter transactions in commodity derivatives.

In February 2013, EEX and ECC launched the Trade Registration service for financially settled power futures in Scandinavia. In October, this offering was supplemented with Italian and Swiss power futures. In 2013,

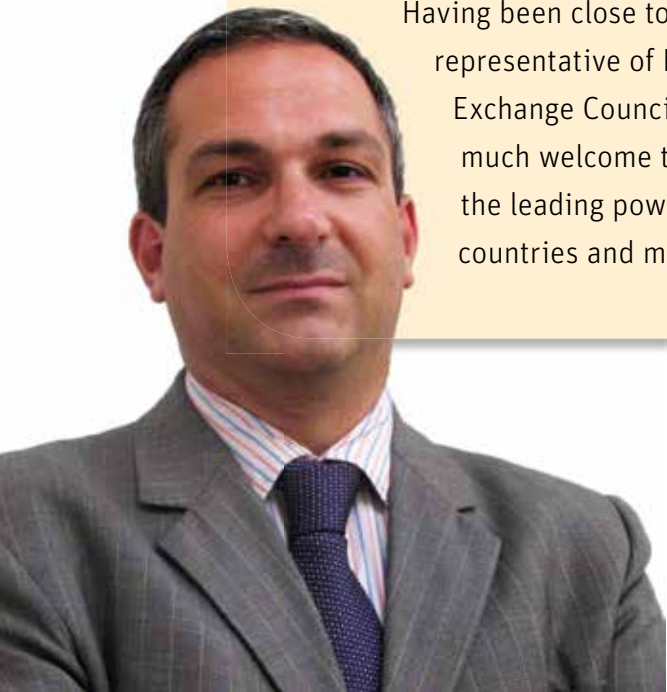
a total of approximately 1,100 gigawatt hours of power were submitted for clearing in these new markets with the offering for the Italian power market, in particular, being welcomed positively by the market participants.

In addition to the new offers on the power market, the registration of Euro denominated coal futures based on the Argus McCloskey API 2™* and API 4™* indices is offered for clearing via ECC.

Andrea Siri, Edison Trading S.p.A.

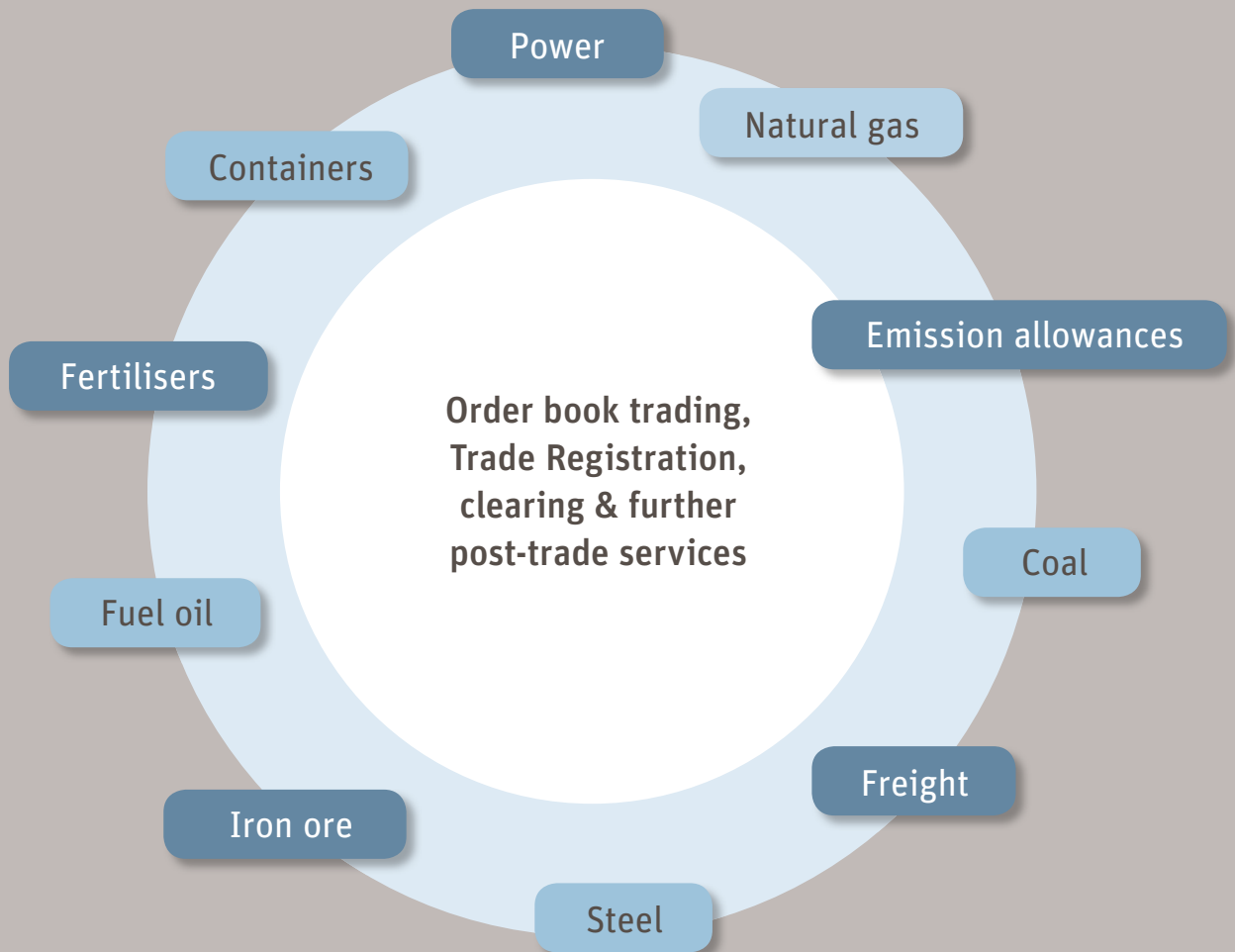
In 2014, the EEX futures contracts will include Italy. This move is of great importance to EEX, as it signifies the entry into an emerging market on a broader European level which is also significant in terms of the number of operators for traded volumes. Given that some countries, such as France, Switzerland, Austria and Germany, have already seen some major Italian players operating there for a number of years, we are confident that this move will help a closer integration of all these neighbouring markets.

Having been close to EEX for many years, initially as a shareholding representative of EEX as well as being an elected Member of the Exchange Council since 2006 and as an exchange trader, I very much welcome this important development. EEX's position as the leading power exchange in Europe, covering a vast number of countries and markets is of great interest to us.



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EEX and CLTX combine 10 asset classes and more than 400 participants.



Order book for Belgian and Dutch Power Futures

As a supplement to registering contracts traded over the counter, EEX successfully launched trading in physically settled Belgian and Dutch power futures in September 2013. As a result, it has expanded its product offering with further European contracts, in addition to the existing Phelix Futures and the French power futures. This means that trading participants can directly hedge against local price change risks in the Belgian and Dutch markets on EEX and, furthermore, they can benefit

from tried and tested processes and the advantages of cross-margining by ECC.

In addition, EEX will also introduce order book trading for Italian power futures – which supplements the existing Trade Registration offering in this market.

Shareholding in Cleartrade Exchange

At the end of 2013, EEX concluded the acquisition of shares in Cleartrade Exchange (CLTX). CLTX is a derivatives exchange established in Singapore in

2010 and operates a regulated electronic market platform for freight contracts, marine diesel and fertilisers. It permits the fully electronic settlement and Trade Registration of derivatives transactions and is connected to various clearing houses.

In January 2014, EEX became the new majority shareholder in CLTX with a shareholding of 52 percent and will globally expand its offering with a presence on new markets and will develop new products which expand the existing portfolio.

A Pan-European Gas Platform

As in the past, growth through partnerships forms an essential component of the EEX strategy. EEX and Powernext have already successfully concentrated their power markets in the jointly established companies EPEX SPOT and EEX Power Derivatives, the two exchanges extended their collaboration to the natural gas market in 2013. The joint PEGAS platform now combines the gas

business of the two exchanges for the Spot and Derivatives Market and, as a result, it creates a pan-European offering for the most important continental European natural gas markets. In addition, spread products between these market areas can now be traded on an exchange for the first time via this platform. ECC provides clearing and settlement of all trading transactions.

PEGAS – Implementation milestones in 2013

- 29/05** PEGAS starts with all Powernext products on the Trayport® ETSSM
- 04/06** EEX Gas Futures for the GASPOOL market area are migrated to PEGAS
- 27/06** EEX Gas Futures for the NCG market area are migrated to PEGAS
- 28/08** EEX Spot Markets (GASPOOL, NCG, TTF market areas) are migrated
- 01/10** Launch of the quality-specific contracts in the German Spot Markets (GASPOOL, NCG), launch of PEG Sud Month Futures
- 28/11** Launch of 1 MW products on the EEX and Powernext gas markets, migration phase concluded successfully

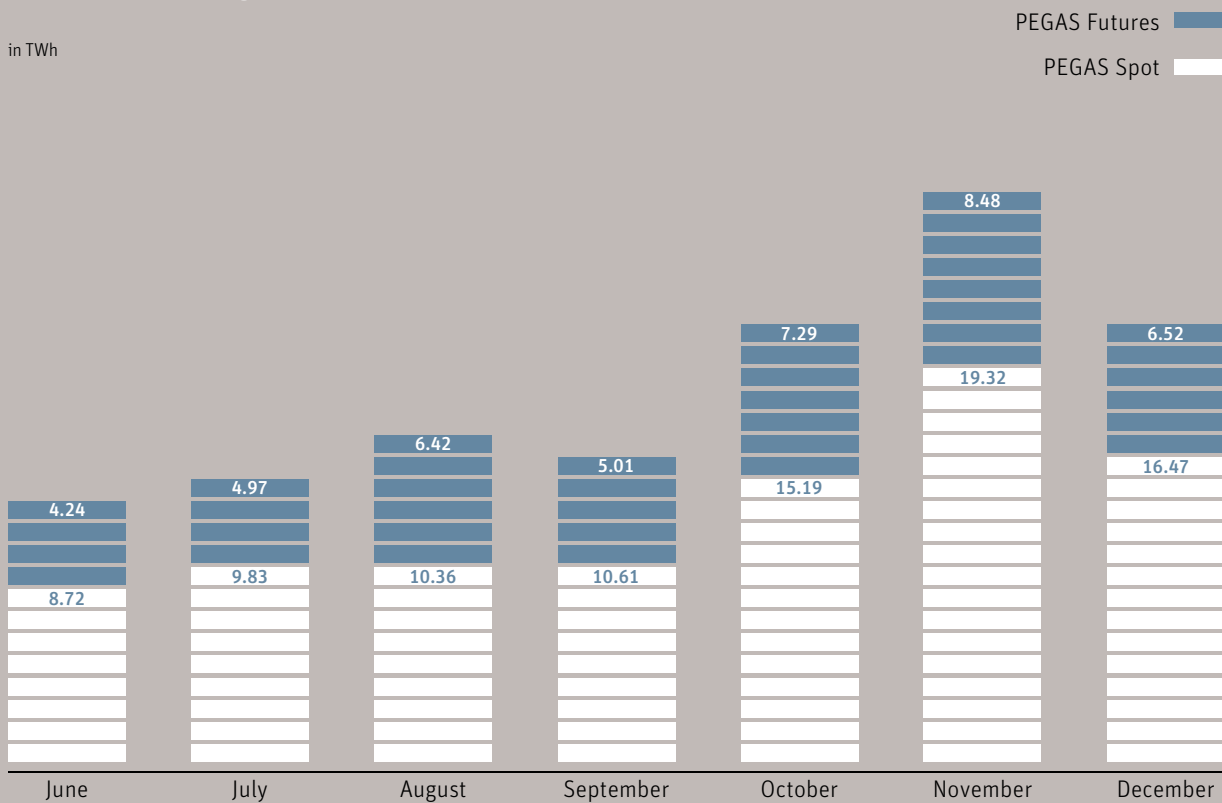


In the 2013 financial year, all Powernext and EEX gas markets were successfully migrated to PEGAS. Furthermore, in October 2013, EEX expanded its portfolio on the German NCG and GASPOOL Gas Spot Markets with quality-specific gas products, which enable the market area coordinators to trade balancing energy volumes (which have been traded bilaterally so far) on the exchange via PEGAS around the clock. In addition, in 2014, EEX and Powernext will jointly expand the portfolio of products and market areas on the PEGAS platform.

Advantages of the cooperation

- Access to all EEX and Powernext products via a uniform platform
- Harmonisation of the trading processes on all PEGAS markets
- Increased liquidity through location spreads between the cooperation markets
- Simplified admission process on the partner exchanges

2013 PEGAS trading volume



Clearing as a One-Stop-Shop Solution

In 2013, European Commodity Clearing (ECC) expanded its position as the leading European clearing house for energy and energy-related commodities. At present, it provides clearing and settlement of spot and derivatives market transactions which are concluded on six partner exchanges or which are registered on these exchanges for clearing.

In its function as a central counterparty, ECC guarantees its more than 350 affiliated market participants the fulfilment of delivery and payment obligations resulting from their trading transactions.

In 2013, ECC's essential strategic initiatives included the gradual coverage of the pan-European power and gas market and the development of new markets by connecting partner exchanges.

New partnerships

In September 2013, ECC launched the clearing of Czech, Slovak and Hungarian power futures, which are offered for trading by the Prague-based Power Exchange Central Europe (PXE). As a result, it now operates on a second eastern European and particularly dynamic growth market.

Cooperation with PXE on the power and gas market

The connection of PXE created new development opportunities for the partners in December 2013. In this specific case, PXE launched the CEGH gas derivatives market with delivery on the virtual trading hub in the Czech Republic together with the Central European Gas Hub (CEGH) of the Vienna Stock Exchange with

PXE operating this market. The liberalised Czech gas market offers an attractive derivatives market with high potential for gas traders. In its role as a central counterparty, ECC is making a decisive contribution to the growth of the Czech gas market.

The success story which was written with the connection of PXE is based on systematic reasons. The integration of ECC into the business process of an exchange results in competitive advantages which are fundamental for developing markets. On the one hand, ECC offers the partner exchanges tailor-made solutions which can be quickly integrated into existing processes. On the other hand, the connection to ECC as the central counterparty, gives the exchanges the advantage of a fast and efficient increase in the number



David Kucera, General Secretary of PXE:
The launch of the clearing and settlement services by ECC in autumn 2013 has been a complete success story. We are looking forward to developing our cooperation in the gas sector.

of customers and, as a result, an enlargement of their liquidity.

New exchanges can use the network of specialised Clearing Members which has already been established and, as a result, they have access to a number of high-potential new trading participants. The Clearing Members which have already been admitted by ECC in turn do not have to adjust their existing processes or establish new technical solutions. As a result, new products can be launched efficiently and new exchanges can be integrated into the clearing system. This relative cost advantage of ECC provides increased efficiency compared with alternative solutions.

In the future, ECC will expand its offerings in the field of clearing and settlement to a new asset class: Derivatives on products from the paper industry and forestry. To this end, it concluded a corresponding agreement with

Four new Clearing Members in 2013

- biw Bank
- Macquarie Bank International
- Raiffeisenbank
- UniCredit Bank Czech Republic

the Norwegian NOREXECO at the end of 2013.

As a result, ECC will expand its services as a central counterparty with additional exchanges in 2014.

Broad European market coverage

In the past year, ECC has made investments for the further development of products of its existing partner exchanges:

For the Hungarian HUPX:

- Expansion of the clearing offer with physically settled weekly power futures

For EPEX SPOT:

- Clearing for the Swiss Intraday Power Market
- International clearing and settlement for power in the framework of the NEW day-ahead price coupling

For EEX:

- Clearing of Guarantees of Origin

In the context of PEGAS, ECC took over the clearing activities for the TTF Gas Futures and PEG Sud Futures offered by Powernext and consequently launched clearing of quality-specific gas products for the German market areas.

Stein Ole Larsen, CEO NOREXECO:

NOREXECO, being a start-up derivatives trading venue for sustainable renewable commodities greatly appreciates the competence and customer focus of the ECC staff. We are looking forward to launching the market together in 2014.



The initiative for product expansion for trade registration began with Romanian power futures in 2012 and continued in 2013. ECC now provides clearing and settlement for a number of further products which are not offered for trading by any of its partner exchanges. These trading transactions are primarily arranged via broker platforms. In the power segment, this has also included Italian, Swiss and Scandinavian power futures since 2013.

From the spring of 2014, the registration of Spanish power futures will also be possible. Therefore, together with EEX, ECC is represented on all high-growth and high-sales energy markets in Europe and sees this as confirmation of its strategic

approach of being an attractive clearing partner with a product and market coverage which should be as comprehensive as possible, with a broad participant base.

This broad market coverage serves all trading participants and leads to a significant reduction of the capital costs with a portfolio diversified across different products and partner exchanges. This is because the collateral to be deposited with ECC is offset across all markets and exchange platforms and minimised as a result (cross-margining). In addition, cross-margining creates a further incentive for positions traded on the OTC market to be submitted for clearing at ECC in a risk capital-efficient manner.

Innovations

ECC continued to successfully increase the efficiency of the connection of broker markets via a Straight-Through-Process (STP) together with EEX. With EFETnet and Trayport®, ECC acquired two partners with whom a corresponding solution can be implemented. This enables market participants to register trades concluded on the broker market more easily for exchange clearing.

In the future, ECC is planning to also offer the fully automatic STP-based registration of OTC transactions to all other partner exchanges and to support alternative broker models in order to create a simple and more efficient access to clearing at ECC.

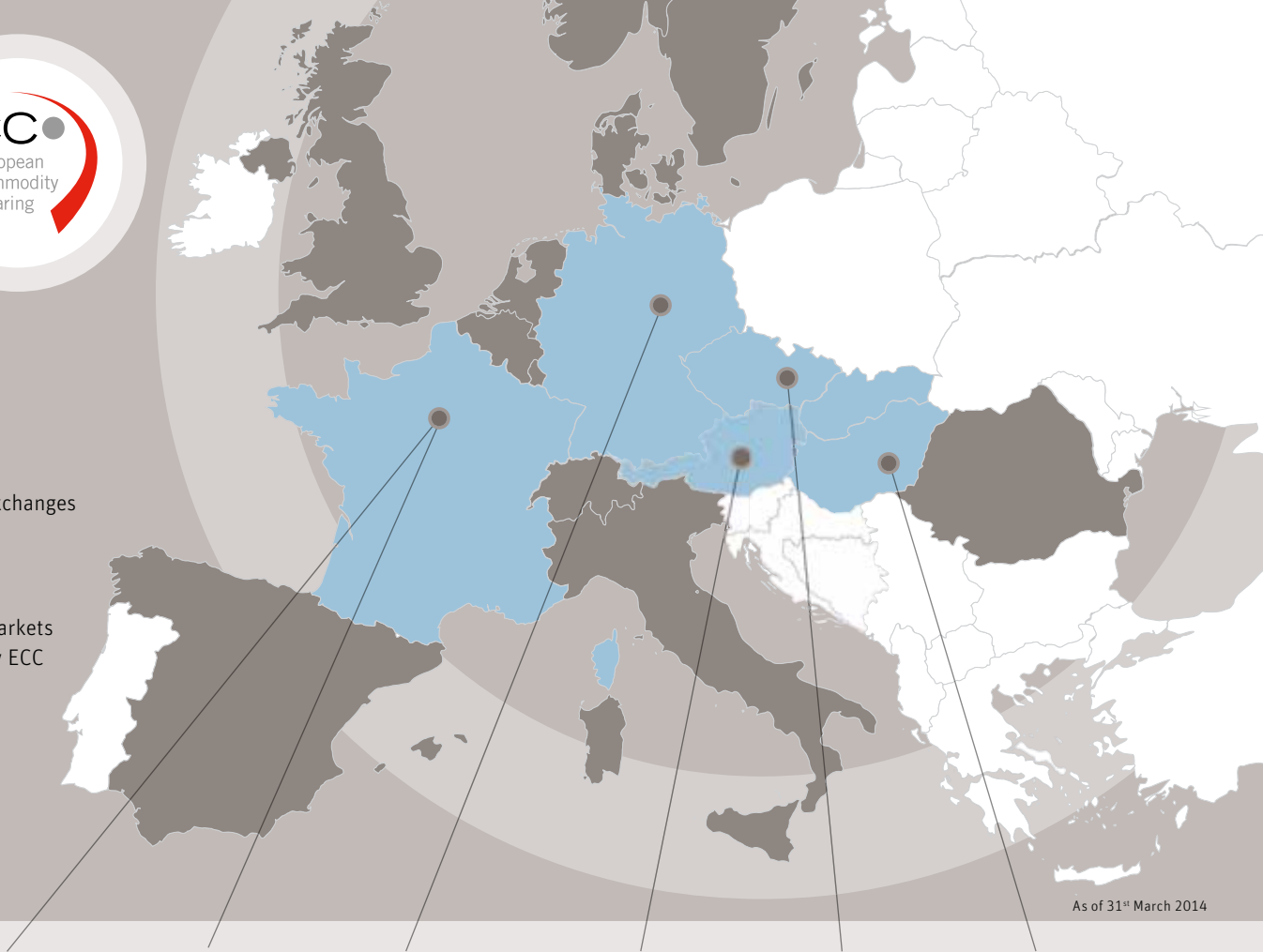


Hugh Brunswick, Managing Director of EFETnet: EFETnet's electronic eXchange Related Process (eXRP) initiative establishes an efficient fully automated clearing gateway, bringing together off-exchange execution venues and clearing houses through the registration process of regulated markets. We are very glad to work with EEX and ECC who are competent partners, and fully expect to further develop this relationship in the future."



Partner exchanges

Further markets cleared by ECC



As of 31st March 2014



In addition to these technical innovations, ECC developed its margining methods further throughout the year. This included EU emission allowances (EUA) in margining for the first time from December 2013.

The advantage for customers is that they can use their stock of emission allowances to reduce their capital commitment through other forms of collateral until their intended use as compliance instruments.

Efficient connections to transmission system operators

In parallel with the expansion of the partnerships with exchanges and brokers, the number of transmission system operators has also increased. At present, ECC is connected to 21 transmission system operators in eleven European countries. In 2013, the following transmission system operators were added: OTE for power and gas deliveries in the Czech Republic, OKTE for power deliveries in the Slovak Republic and the Danish transmission system operator Energinet.dk in the framework of a market coupling project.

Together with its partners, ECC supports the vision of a uniform and border-crossing wholesale market for energy in Europe. Following the successful establishment of the Central and Western European Market Coupling (CWE), in 2013, it intensively cooperated with the northern and north western European transmission system operators and spot exchanges in order to implement a price coupling mechanism for the day-ahead market in the connected market areas in February 2014. Further neighbouring market areas will be connected in the future.

In Dialogue with the Customer



London trader party

In addition to regular customer calls, the EEX contacts also attended numerous trade fairs, conferences and other events. As a result, existing and potential trading participants were given the possibility to resolve difficulties or to express wishes regarding exchange products or services directly on site in face-to-face meetings. In addition, EEX held two evening events in Leipzig and London in 2013 in order to get to know the traders on site better in a less formal setting.

The energy markets are subject to constant change. In this dynamic environment, the customers have various trading options and platforms at their disposal. They alone decide which one of these they want to use. Therefore, optimum service for the trading participants is at the heart of all efforts by EEX. The exchange, in turn, can only offer such service if it understands its customers' needs.

EEX relies on personal contacts from the admission process onwards. In addition to the key account managers who are available for the trading participants and offer support with regard to all questions in the admission process, the EEX trainers convey the basics of the trading processes and a detailed understanding of the products which the EEX Group offers in the framework of exchange trader training courses.

With the key account managers who are now based at three sites in Europe – Leipzig, London and Paris, we have direct contacts with the trading participants who have already been admitted to trading.

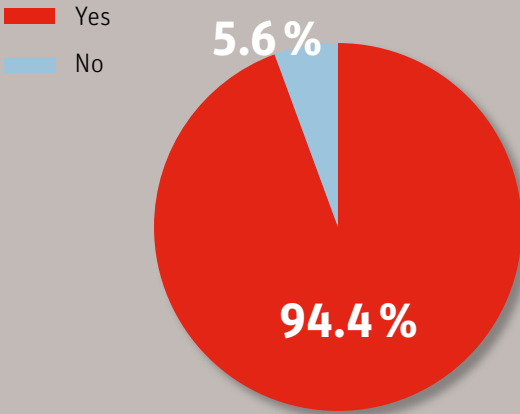


EEX booth at the E-World trade fair in Essen

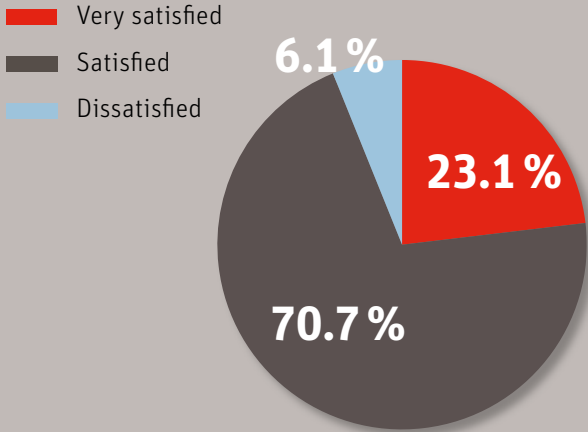
EEX Customer Satisfaction Survey

In the summer of 2013, EEX asked its customers about their specific opinions on the products and services in a customer survey to identify potential areas for improvement. The participants' feedback shows that EEX is already making very good progress: More than 93 percent of the approximately 150 participants who took part in the survey stated that they are satisfied or very satisfied with EEX as an exchange.

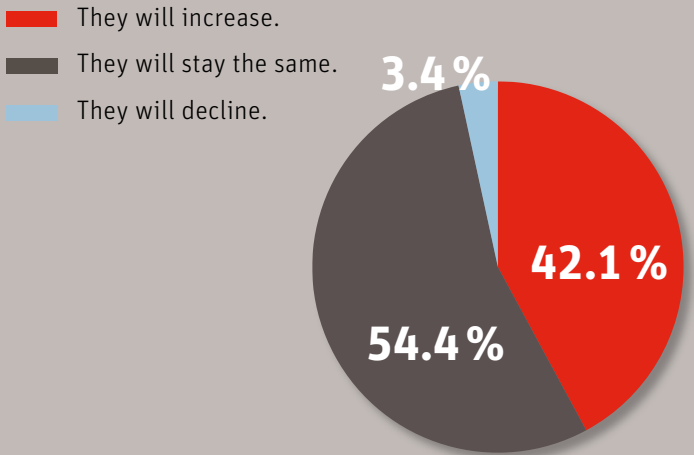
Do you feel well supported by your key account manager?



Are you generally happy with EEX as an exchange?



How will your trading activities on EEX change next year?



Working Committees

The approach of eliciting feedback from the customers in the framework of so-called Working Committees has already been tried and tested. At the working group meetings, EEX presented new product ideas to representatives of companies operating in

certain asset classes on the EEX markets, and developed these ideas together with them in the course of 2013. With this approach, EEX can get first-hand ideas and background facts which are necessary for the development of product innovations and can integrate these in the design of the products and markets in a targeted manner.

The Bodies of the Exchange

EEX is an exchange with spot and derivatives markets for energy and related products, which is approved and supervised by the government. Unlike most legal systems, the German legal system differentiates between the operator of the exchange (a company under private law, in the case of EEX a joint stock company) and the exchange under public law.

The exchange under public law has the mandate of operating an exchange market platform to which the trading participants are granted non-discriminatory access on the one hand and on which proper exchange trading is ensured, on the other.

In accordance with the German Exchange Act, EEX, as an exchange under public law, has various bodies which all contribute to making EEX a safe and reliable market. The bodies of the exchange comprise the Management Board of the Exchange, the Sanctions Committee, the Exchange Council and the Market Surveillance Authority. Metaphorically speaking, the organisation of an exchange resembles that of a state in which the Management Board of the Exchange manages the business like a government, in which the Market Surveillance monitors compliance with the rules and tracks potential violations like the police and the de-

partment of public prosecution and in which the Sanctions Committee can punish violations like the general courts of law. Finally, the Exchange Council, which adopts the rules and regulations (like a parliament) and is involved in all essential decisions for the further development of the exchange, constitutes the highest body. It supervises the Management Board of the Exchange and makes various personnel decisions. Personnel competence comprises the appointment of the Management Board of the Exchange, the members of the Sanctions Committee as well as the Head of the Market Surveillance (HÜSt).

Members of the Exchange Council

Peter Heydecker

Chairman

*Vitol S.A., Head of Origination
Gas & Power*

Pierre Chevalier

Deputy Chairman

*DB Energie GmbH,
Head of Energy Trading
Portfolio / Risk Management*

Dr. Michael Redanz

Deputy Chairman

*MVV Trading GmbH,
Managing Director*

Dr. Bernhard Walter

Deputy Chairman

*EnBW Trading GmbH,
Senior Manager Market Design
& Regulatory Affairs*

Nicolas Barbannaud

*EDF Trading Limited,
Head of Power Regulation
and Gas France*

Paul Dawson

*RWE Supply & Trading GmbH,
Head of Market Design and
Regulatory Affairs*

Werner Fleischer

*VERBUND Trading AG,
Member of the Management Board*

Paul Goodhew

*UBS Limited, Director,
Head of European Energy ETD*

Pierre Guesry

*Alpiq AG, Head of
Optimisation & Trading CH*

Dr. Jan Haizmann

*EFET – European Federation of
Energy Traders, Managing Director
of EFET Germany, EFET Supervisory
Board, Head of EFET Legal
Committee*

Namesh Hansjee

*Merrill Lynch Commodities
(Europe) Ltd., Head of Trading
overall and member of the Manage-
ment Committee*

The Exchange Supervisory Authority, the Saxon State Ministry for Economic Affairs and Labour (SMWA), supervises the exchange and its bodies. The decisions and orders by SMWA are binding for all bodies of the exchange as well as for all trading participants.

The Government – Management Board of the Exchange

The Management Board of the Exchange takes responsibility for managing the business of the exchange. It is in charge of all matters which have not been assigned to other bodies of the exchange. It decides on all matters of the ongoing exchange operations. To give an example of the large number of tasks, we can cite the decisions on the admission and suspension of trading participants, traders and market makers, the specification

of exchange trading days and trading times, all measures intended to safeguard proper exchange trading and, ultimately, the determination of products, trading of which is permitted on the exchange.

The Jurisdiction – Sanctions Committee

The Sanctions Committee is EEX's youngest exchange body. An ordinance by the Saxon Ministry of Economic Affairs and Labour of 19th January 2009 paved the way for its establishment. According to the German Exchange Act, the Sanctions Committee can penalise a trading participant with a reprimand, a fine of up to EUR 250,000 or exclusion from the exchange if the trading participant violates regulatory provisions under exchange legislation or orders.

The Parliament – Exchange Council

An exchange under public law is an institution (albeit in the legal sense) whose trading participants are members and which establishes its own set of rules and regulations both for itself and for its participants under the German Exchange Act. The adoption of the rules and regulations whose legality and compliance with the Exchange Act are monitored by the Exchange Supervisory Authority constitutes one of the central tasks of the Exchange Council.

The Exchange Council has a three-year term of office and its members are elected from the ranks of the trading participants.

In order to ensure that different interests are adequately represented on the exchange, voting

Ralf Henze

*Stadtwerke Hannover AG,
Head of Energy Trading*

Dr. Christoph Jansen

*ThyssenKrupp Steel Europe AG
(Representative of the Federation
of German Industry), Head of
Energy Purchasing*

Prof. Dr. Albert Moser

RWTH Aachen, Professor

Raimund Otto

*Stadtwerke Leipzig GmbH,
Commercial Director*

Brieuc Raskin

*Morgan Stanley & Co. International
plc, Executive Director, Origination*

Dr. Peter Sentker

*HeidelbergCement AG
(Representative of the Association
of the Industrial Energy and Power
Industry), Head of Purchasing
Germany*

Andrea Vittorio Siri

*Edison Trading S.p.A., Head
of Power South East Europe*

Christophe Solere

*Susquehanna Ireland Ltd.,
Head of European Energy Trading*

Dr. Anke Tuschek

*BDEW - German Association of
Energy and Water Industries,
Member of the General Executive
Management Board*

Vincent van Lith

*Deutsche Bank AG, Head of Energy
Listed Derivatives*

Dr. Wolf B. von Bernuth

*Energy & More Energiebroker
GmbH und Co. KG, Managing
Partner*

Lars Wlecke

*E.ON Global Commodities SE,
Manager Trading Western Europe
Power & Program Trading*

Leonardo Zannella

*Enel Trade S.p.A., Head of
Trading, (Senior Vice President),*

groups (which are designed to ensure equal representation on the Exchange Council) are formed. There is one seat each for a representative of the German Association of Energy and Water Industries (BDEW), the Association of the Industrial Energy and Power Industry (VIK), the Federation of German Industry (BDI) and the European Federation of Energy Traders (EFET) as well as one seat for an investors' representative. This ensures that the full range of interests is adequately represented.

The Police – Market Surveillance

In addition to transparency, the confidence which the public and the trading participants have in this market and its pricing mechanism constitutes the precondition for an exchange to function properly. Therefore, care has to be taken to ensure that trading and pricing are affected on a fair and manipulation-free basis at all times. With EEX in Leipzig, this task is assumed by the Market Surveillance (HÜSt).

HÜSt is an independent and autonomous body of the exchange which is only subject to instructions by the Exchange Supervisory Authority. Every day, it collects all the data regarding exchange trading and the settlement of exchange trades without any gaps. It analyses these and carries out required investigation activities. HÜSt has comprehensive rights of information and intervention and the employees entrusted with supervisory tasks enjoy privileged protection against dismissal.

Raimund Huber, Head of the Exchange Supervisory Authority, Divisional Manager SMWA

It is important to us as the Exchange Supervisory Authority that the Market Surveillance is an independent body of the exchange – which is only subject to the instructions and control of the Exchange Supervisory Authority. Over the past years, we have developed intense communication which is based on various reports and, at a minimum, monthly meetings.

Reporting comprises bi-weekly reports regarding the activities of HÜSt, the preparation of long-term investigations for the different markets, and the presentation of so-called ad-hoc investigations which help HÜSt to report on concrete suspicious cases. As a result of this intense collaboration, we know that the experts of the Market Surveillance who have a broad range of economic, mathematical and legal competences are able to carry out complex analyses and clear up matters at any time, so that important foundations are laid for decisions by the Exchange Supervisory Authority.

Interview with Dr. Wolfgang von Rintelen, Head of Market Surveillance

What essentially shaped Market Surveillance last year?

We are aware that a well-functioning Market Surveillance unit makes an essential contribution to ensuring that both the trading participants and the supervisory authorities have confidence in the proper functioning of the EEX markets. I am lucky to be able to work together with a team of five employees, investigating possible violations of market conduct rules with a high degree of dedication, professional competence and remarkable meticulousness. This approach is very successful regarding both prevention and responding to situations. I was particularly pleased that our significant efforts to reduce the incidence of VAT fraud on the power and gas market and to actively instigate prosecution where needed, have borne fruit. We were able to contribute to raising awareness of the risks arising from this among the political decision makers at a national and European level – which ultimately led to the introduction of the reverse charge mechanism for power and natural gas.

What influence do the different legal initiatives at a European level have on your work?

EEX is an exchange for energy and energy-related products. A lot has happened in this segment in the field of regulation over the

last years. This includes REMIT (Regulation on Wholesale Energy Market Integrity and Transparency), which forms a completely new energy-specific set of rules, or the innovations associated with MiFID II (Markets in Financial Instruments Directive) and the revision of MAD (Market Abuse Directive). We are involved in both the advisory “TASK Force Commodity Derivatives” working group at ESMA (European Securities and Markets Authority), and the “REMIT Market Surveillance” panel of experts at ACER (Agency for the Cooperation of Energy Regulators). As a result, we have good insights into the new requirements. We are convinced that with our technical skills we are well prepared with regards to the supervisory tasks and are not facing many innovations. Moreover, we were proud to notice that our existing surveillance methods have set standards in the energy sector. Going forward, our primary task will be to prepare the communications and reporting channels which are required for effective and successful future cooperations together with the new supervisory authorities.

HÜSt also monitors various auctions of emission allowances. What role do they play?

Today, EEX auctions emission allowances for all EU member



states except the United Kingdom and it will soon also auction off emission allowances for the so-called EEA/EFTA states, such as Norway, Iceland and Liechtenstein. This is both a great success for EEX and a great motivation for us as Market Surveillance. We are convinced that – in addition to the already careful monitoring of the auctions – we have to justify the trust placed in us in the long term. Again, HÜSt makes a contribution in this respect, by regularly and very comprehensively reporting to the contracting member states and to the Directorate General Climate Policy, explaining these reports in more detail at regular meetings. These reports, which provide a general market overview, statistical information and explanations on the activities of EEX in general and HÜSt in particular, ensure that the member states and EU can rest assured with regard to the quality and security of the auctions commissioned by them.

Interview with Peter Heydecker, Chairman of the Exchange Council

From your perspective, what were the most important decisions taken by the Exchange Council in 2013?

The adoption of new products, their inclusion in the rules and regulations of the exchange as well as the improvement of the trading systems formed the focus of the tasks of the exchange council in 2013.

As a central European trading platform for energy and energy-related products, it is important that the product offering of EEX is constantly expanded and consistently developed into further European regions. The launch of the new PEGAS gas trading platform at the end of May 2013, and the decision by the Exchange Council to approve the introduction of a number of new products on the European gas market constituted milestones in our efforts. PEGAS was developed in close

collaboration by EEX and Powernext. The existing gas products were migrated to the joint trading environment step by step and with PEGAS, the Spot and Derivatives Markets for Natural Gas are now offered on the Trayport® ETS system. This much more comprehensive market coverage and the new location spread products between the different areas of the gas market constitute an attractive offer which is also unique in terms of its geographic reach.

Furthermore, the members of the Exchange Council approved the introduction of quality-specific products on the Natural Gas Spot Market. Since 1st October 2013, trading participants have been able to trade volumes of H and L gas directly on the exchange via the PEGAS platform – which forms yet another step for transferring volumes from control energy trading in natural gas to exchange trading.

In a customer survey carried out in mid-2013, a high to very high degree of customer satisfaction was confirmed for EEX. Trading participants are very satisfied with the liquidity on the power market, while potential for improvement is perceived on the “emerging” markets for natural gas and emissions. With PEGAS and the numerous new products, the Exchange Council has now paved the way for increased liquidity in natural gas trading.

Additionally, the further geographical expansion of the product range on the power market is also making good progress. The offer of Trade Registration of Italian power futures, which was launched in October, has received excellent feedback from the market and, as a result, the Exchange Council initiated the necessary steps for the launch of Italian EEX power futures as early as the December meeting.

The improvement of the trading systems constituted yet another milestone for the year. Following the required decisions by the Exchange Council, the switch from the current EUREX system to the new T7 derivatives market trading system was completed on 2nd December 2013. This trading system is a new development by Deutsche Börse AG, offering additional functionalities, a higher performance and greater system flexibility. The EEX Derivatives Markets for Power, CO₂ Emission Allowances, Coal and Guarantees of Origin are now settled via the new trading system. As a result, new products, such as spread products, can now be offered.

Which influencing factors had a significant impact on the energy landscape last year?

The energy landscape is being increasingly influenced by energy policy. For example, the share of renewable production capacity in Germany has increased further



and reached a new daily record with a 51-percent share in the mean consumption on 24th December 2013. The energy turnaround and, as a result, the increasing share of energy generated from volatile, renewable resources, have a significant impact on the energy markets. A clear trend towards short-term trading activities can be observed as a result of the limited predictability of energy generation from renewable resources, which are highly dependent on weather conditions.

As a result of the progressing market coupling and harmonisation of the rules, the national energy markets are increasingly converging. We are approaching the aim of an integrated European energy market. Unfortunately, at the same time, the market design is also increasingly shaped by national initiatives which are not coordinated or compatible with the neighbouring countries and which, as a result, jeopardise the good progress made with regard to the integration of the markets.

The reform of the legal framework for the further expansion of renewable energies (EEG), forms an important challenge for the new German federal government. The EEG reforms envisaged so far aim to limit the further increase in the generation of energy from renewable energies and, as a result, they are more likely to have an impact on the long-term market dynamics. At this point, it is a matter of necessity that the generation of power

from renewable energies be brought closer to the market, step by step.

A partial market integration entails the clear advantage that it also permits the long overdue short-term demand orientation as a result of market price signals.

The questions of the appropriate market design of the future energy markets also formed an important subject at EEX. For example, the Exchange Council affirmed the need for the integrated German-Austrian price zone as well as its added commercial value. Any split would not only contradict the concept of European integration, but also entails the risk of splitting liquidity and creating a dominant position for individual trading participants.

You have been the Chairman of the Exchange Council for almost two years. What makes the work on this board particularly interesting and why are you so committed to it?

The Exchange Council consists of representatives of national and foreign interlinked power companies and power trading companies, public utilities and regional suppliers, credit and financial service institutions as well as representatives of the research community, industrial consumers and representatives of major industrial and business associations. This very broad range allows the coverage of a wide range of subjects and gives the Exchange Council a high de-

gree of technical competence. Four meetings per year occur where we discuss current subjects and questions. The relevant decisions are then taken. Also, the members of the Exchange Council, the Management Board of the Exchange and further employees of EEX also maintain a regular exchange of ideas between these meetings.

The fascinating catalogue of tasks includes a broad range of interesting aspects which enable us to make a decisive contribution to the further development of EEX. When I began my professional career in the energy industry 22 years ago, the energy markets were shaped by only a few players. In retrospect, the dynamic speed at which the energy markets in Europe have evolved in the meantime is impressive. I have been a member of the EEX Exchange Council since 2006 and, for this reason, I have experienced EEX's development from a regional power trading platform to the European Energy Exchange and its success in creating a leading position among the energy exchanges today first hand. This extremely successful development of business forms a strong foundation for the future.

I truly enjoy my work as the Chairman of the EEX Exchange Council. Moreover, at every meeting, I look forward to the fascinating exchange of ideas with colleagues and the representatives of EEX, whom I would like to thank for their excellent cooperation at this point.

Political and Economic Environment

Positive trend in Germany, slow recovery in the Euro area

Development of gross domestic product Germany

in %



Development of gross domestic product European Union

in %



Power consumption in Germany

in TWh



Gas consumption in Germany

in TWh



Energy turnaround as the focus of the German parliamentary elections

The energy turnaround and energy policy were decisive subjects of the 2013 German parliamentary elections. All political parties represented in the German Bundestag covered energy questions in their election manifestos and made proposals or demands. In the case of most parties, a large overlap can be identified with regard to energy-policy subjects and questions. Even though the diagnoses regarding the challenges in this field resembled each other, there were some significant differences in the respective proposals.

Overall, the focus of all parties was very much on the power market – with the main emphasis on the German Renewable Energies Act (EEG) and on the further development of the market design.

Coalition agreement: A first step in the right direction

The coalition agreement concluded by the grand coalition on 27th November 2013 does not indicate any fundamental energy-policy reforms at first glance. Instead, a number of items remain vague for the time being as a result of investigations that are still ongoing. Therefore, the evaluation by the energy industry differs and ranges between too little ambition, on the one hand, and the beginning of the end of the energy turnaround, on the other.

As seen from the perspective of EEX, the direction is the right one: in this context, the coalition expressly commits itself to market-based and European approaches. However, the question of how strong the desire for reform and the creative drive of the coalition will only really be answered over the next few

years during the undertaking of the investigation tasks, and of the individual legislative initiatives. After the last two and a half years of the energy turnaround being shaped by a high degree of uncertainty regarding the framework conditions, it is now important that reliability and predictability determine energy policy. In this respect, the coalition agreement marks the beginning of a new stage. EEX will again actively support the upcoming design process and represent the market perspective in the discourse involving this process.

Market and Europe as success factors

In view of the fact that political changes on the energy markets are always directly reflected in volumes and prices on the exchange, EEX is actively involved in the energy-policy debate – whether it is for the implementation of the energy turnaround in Germany or for the completion of the European single market in Brussels.

EEX expressed its opinion on questions of the further development of the power market design, the integration of renewable energies and the future of European emissions trading in eight energy-policy key issues which were published on 18th June 2013. In this context, a market-oriented energy policy, (which also has a European alignment at the same time), forms the benchmark and model for EEX. This is due to the fact that only a power market based on market and competition which has a European alignment and whose potentials are being developed to the full extent, can set the right incentives for investments in renewable energies, and conventional back-up power plants as well as in new technologies for consumption management and for storage. An energy policy which is unilaterally aligned to state regulation is not the right solution for EEX. Such a policy does not consider the existing market at all and leads to inefficiencies as well as increased complexity and, as a result, to higher costs which ultimately have to be paid by consumers.

The eight energy policy cornerstones of EEX

1. Energy markets need a reliable political framework.
2. We need a commitment to free, competitive, supervised and transparent markets.
3. The further expansion of renewable energies should be undertaken using a market-based approach.
4. Guarantees of origin create transparency and contribute to the willingness to pay for green power.
5. Capacity mechanisms can only form the last resort.
6. Reinforced demand management creates higher flexibility on the market.
7. A European approach should be adopted with regard to energy policy.
8. European emissions trading should be strengthened as a climate protection instrument with 2030 as a target date.

Position on the policy framework of the European energy and climate policy

- EEX advocates a primary aim for the reduction of greenhouse gases and a secondary aim for the promotion of renewable energies. These aims should be binding.
- A binding CO₂ aim constitutes the precondition for the ETS as a guiding instrument of climate policy, while a binding aim for renewable energies creates the basis for the increasing coordination of the funding policies and, as a result, for completing the internal market.
- The aims should be sufficiently ambitious to make sure that the CO₂ reduction of 80 to 95 percent by 2050 specified by the member states is achieved. This corresponds to a CO₂ target of, at least, minus 40 percent by 2030.

Discussion of European energy and climate policy

The surplus of EU emission allowances created by the economic and financial crisis and imports of international credits again led to a relatively low CO₂ price level in 2013. Even though the trading system works well and fulfils all requirements, this has led to a discussion of the investment incentives for low CO₂ technologies. Therefore, the fact that the European emissions trading

system needs to be reformed is undisputed. However, the question of how this is to be implemented in the long run is politically controversial. In the short term, the decision for a temporary withdrawal of 900 million certificates – so-called backloading – has, at least, created some scope for further decisions.

At the same time, the question of how the EU climate and energy policy framework (which has only been determined up until 2020)

is to be continued until 2030 and has been discussed since mid-2013. So far, three targets for greenhouse gas reductions, the expansion of renewable energies and energy efficiency – which are also known as the “20-20-20” targets – until 2020 have been adopted.

The political discussion primarily focuses on the future number of the main targets, their amount and the question of whether these should be binding.



Jürgen Trittin pays a visit to EEX in Leipzig

As in previous years, political decision makers again visited EEX in Leipzig in 2013. The guests included Jürgen Trittin, the former Federal Minister of the Environment and top candidate of Alliance 90/The Greens for the German parliamentary elections in 2013.



Peter Reitz,
Sebastian Wagner,
Connie Hedegaard,
Christian Engelhardt,
Oliver Ruyssevelt,
Iris Weidinger,
Matthias Groote,
Günther Westner
(left to right)

EEX Spring reception and presentation of the Excellence Award in Brussels

As part of its Brussels spring reception in April 2013, EEX discussed the developments on the market for emission allowances together with numerous guests from the political arena and business communities. Connie Hedegaard, European Commissioner for Climate Action, and Matthias Groote, Chairman of the Committee on the Environment of the European Parliament were guests of honour at the reception. Also, the second EEX Excellence Award for outstanding research papers was also presented at the event.

Financial market reform: The constantly changing exchange world

As an exchange under public law and a central element of the European energy market infrastructure, EEX is actively involved with the ongoing reform of the European and national financial market regulation. On the one hand, this is done so as to be able to implement the adopted changes accordingly. On the other hand, however, this is also done in order to represent the matters and interests of energy trading in an active dialogue with political and regulatory decision makers against the background of its mandate to continuously develop the markets. In this framework, EEX makes a contribution in various financial market policy discussions both directly and through associations. It provides expertise as regards the content of such and, in this context, advocates a fair, well-functioning and transparent European energy market.

In 2013, support for the implementation of the Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR), in particular, on questions of technical implementation details and implementation in line with practical requirements formed a special focus in 2013.

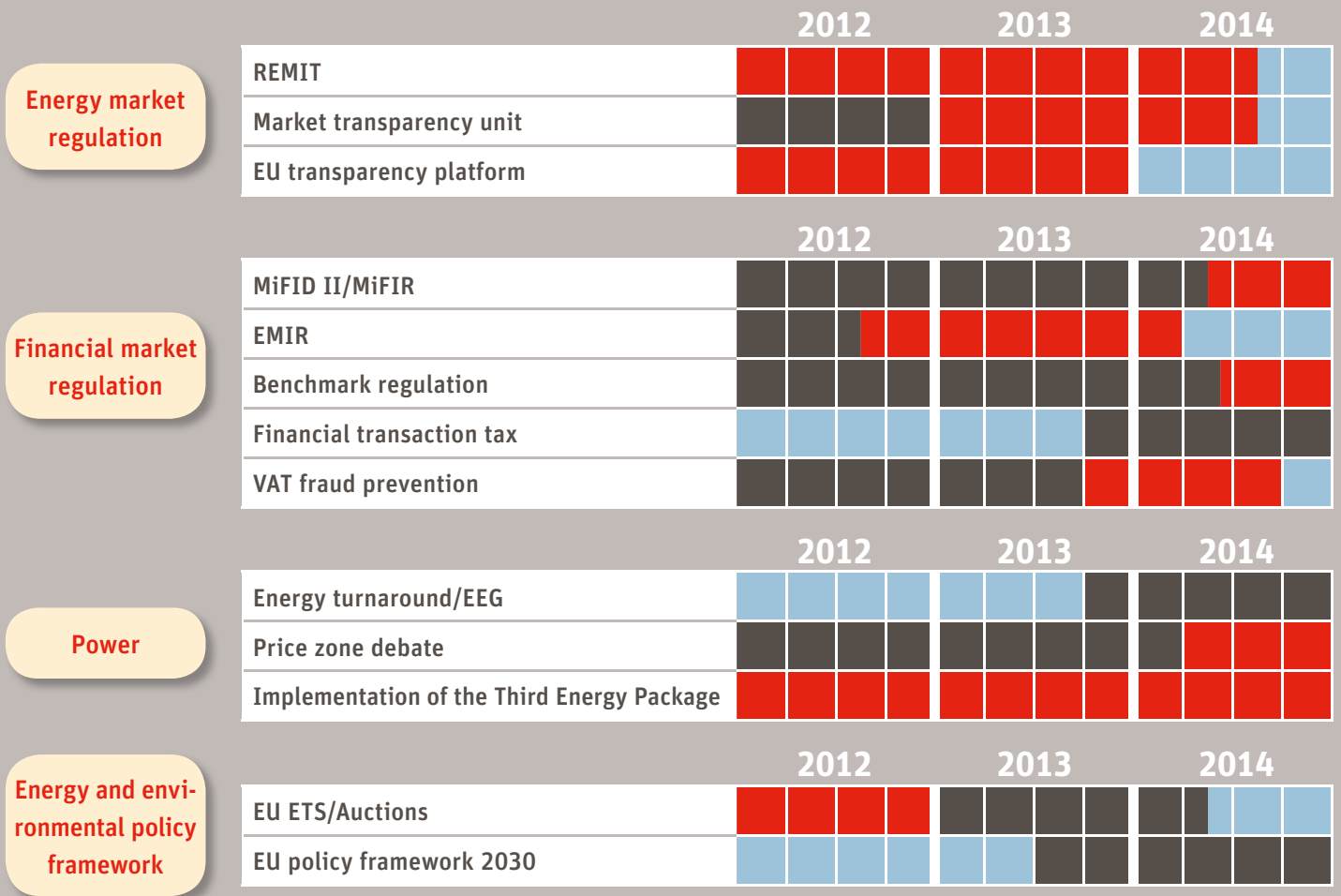
The revision of the EU Markets in the Financial Instruments Directive (MiFID II/MiFIR) constituted another important regulation dossier. After the discontinuation of the general exception for commodity derivatives which has applied so far and had been politically established, EEX advocated an exception of energy trading from the full application of the regulation – which should be as far-reaching and comprehensive as possible. Further important subjects included the planned financial transaction tax and the design of an EU Benchmark Regulation.

In July 2013, an amendment of the EU VAT directive (which

permits the application of the reverse charge mechanism to domestic power and gas transactions), formed a special political highlight. Against the background of the real risk of VAT fraud in power and gas trading, this laid the basis for the national introduction of the reverse charge procedure which provides excellent and comprehensive protection against potential cases of attempted fraud. The corresponding amendment of the tax legislation was implemented in Germany with effect from 1st September 2013.

In addition, four further European countries (France, the Netherlands, Austria and Romania) have used this option so far. EEX continues to work on ensuring that further European markets recognise the added value of introducing this procedure and apply the reverse charge mechanism to domestic power and gas transactions in the future.

Current political and regulatory core subjects



In addition to the direct dialogue with the political sector, EEX Group also contributed its expertise and experience in the framework of its membership in associations. In 2013, EEX joined the Forum for Future Energies (Forum für Zukunftsenergien) and the Weather Risk Management Association (WRMA) as a new member.

APEX
Association of Power Exchanges

EFET Germany
Association of German Gas and Power Traders

FOA
Futures and Options Association

BDEW
German Association of Energy and Water Industries




EUROPEX
Association of European Energy Exchanges

Forum for Future Energies

EACH
European Association of CCP Clearing Houses

FGE
Energy Research Association at RWTH Aachen

IETA
International Emissions Trading Association

-  No or completed legislative procedure
-  Ongoing legislative procedure
-  Implementation after completed legislative procedure

VIK

Association of the Industrial Energy and Power Industry

VKU

German Association of Local Utilities (VKU)

VOB

Association of German Public Banks

WRMA

Weather Risk Management Association

Statements

In 2013, EEX made a contribution by submitting statements for numerous consultations at the national and European level. In addition, it made statements regarding various political and regulatory questions both on its own behalf and in the framework of its membership in various associations.

Energy market regulation

- Energy policy key issues paper: Factors for the success of the energy turnaround – Market and Europe
- Position paper regarding the need for and design of capacity mechanisms
- Technical requirements for data reporting under REMIT + ACER Guidelines for the registration of Registered Reporting Mechanisms and for the registration of Regulated Information Services
- REMIT Consultation: Publication of Inside Information
- The first Energy Exchanges Roundtable on REMIT implementation
- BK6-13-200 – Data exchange processes in the framework of the energy information network (power)
- Public consultation on Regulatory and Market Aspects of Demand-Side Flexibility

Financial market regulation

- Definition of financial instruments in relation to physically settled commodity derivative contracts in the current Council draft version of ANNEX C Section I Point 6 of MiFID II
- Regulation on indices used as benchmarks in financial instruments and financial contracts

Power

- Generation adequacy, capacity mechanisms and the internal market in electricity
- Wholesale power market liquidity: consultation on a “Secure and Promote” licence condition
- Assessment report and proposal of the power plant forum “Safeguarding generation capacities sufficient in the medium to long term”
- Position paper: Further Development of the Internal Market Undermined: Critical Aspects of CACM Network Code
- Influence of existing bidding zones on electricity markets

Energy and environmental policy framework

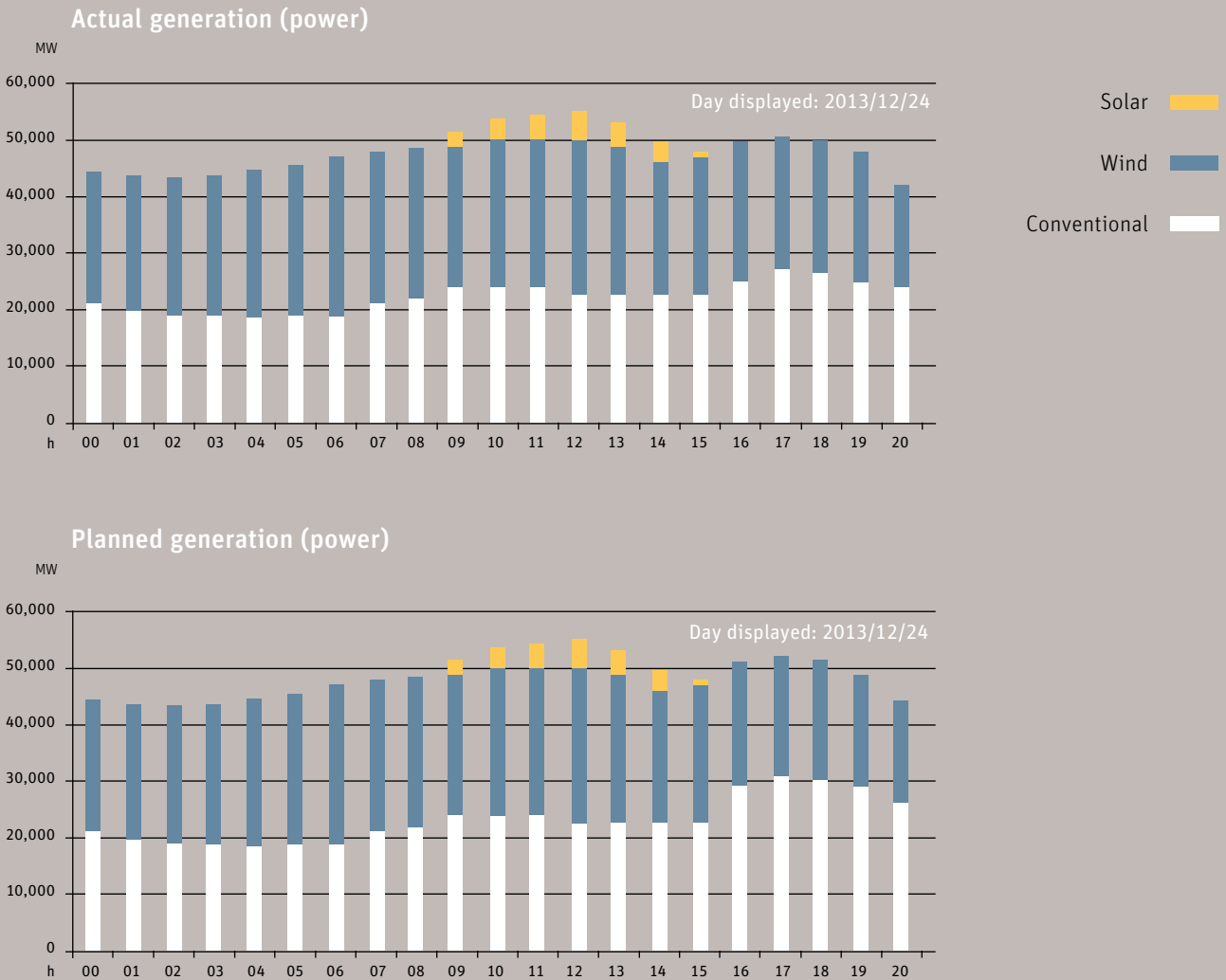
- Green Paper on a 2030 framework for climate and energy policies
- ETS Stakeholder Consultation Survey

2013 Transparency Platform

The “Transparency in Energy Markets” (www.eex-transparency.com) transparency platform is a solution for the continuous and prompt publication of energy market data for power and also, in the near future, for natural gas which is recognised by the market platforms.

This central and neutral platform is used by the market participants as an efficient tool in order to fulfil the publication requirements under the

European Regulation on Wholesale Energy Market Integrity and Transparency (REMIT). In this context, new data types and fundamental data can be quickly and flexibly integrated into the transparency platform. This know-how results from the more than 7 years of EEX expertise and forms the outcome of a continuous dialogue with the power plant operators, transmission system operators, various associations and the Federal Ministry for Economic Affairs and Labour.



The data from the homepage of the transparency platform shows the generation of power from renewable and conventional sources of energy.

● **49** reporting companies

● **8** new reporting companies in the pipeline

● **300** reporting power plants

● **500** power plant blocks from

● **7** control areas in Germany, Austria and the Czech Republic

More than **35,000** visitors to the website every month

Europeanisation of the Transparency Platform

EEX aims to continuously expand the transparency platform with energy market data from further European countries. The fast and flexible connection of new reporting companies to the platform constitutes a precondition for this.

In addition to Germany, companies from Austria publish data on the generation of power in the framework of the legal requirements and, as a result, fully fulfil their publication requirements. Companies from the Czech Republic voluntarily provide energy market data. In this case, a 57.99 percent degree of coverage is achieved.

There are plans to publish energy market data from Switzerland on the transparency platform from mid-2014 – a cooperation agreement with the Swiss association swisselectric has already been concluded.

With the continuous expansion of the transparency platform with new countries, EEX is making an important contribution to the integration of the European energy markets.

EEX Transparency Platform in 2014

To ensure a high degree of quality, EEX is continuously investing in the optimisation and modernisation of the transparency platform. Many of the projects begun in 2013 will be completed in 2014. These include the following:

- Publication of data regarding power storage and natural gas consumption from Germany and Austria,
- Publication of fundamental data for Switzerland,
- The possibility to publish data regarding power consumption, the production of natural gas and the storage of natural gas and LNG,
- New website for the EEX transparency platform.

- Transparency in price development
- Promoting fair competition
- Facilitating decisions in energy trading
- Strengthening confidence in the reliability of the energy markets

TRANSPARENCY

Transparency Platform fulfils REMIT standards

The energy market and its regulations are developing increasingly dynamically and the complexity of the market continues to increase. Transparent and up-to-date information constitutes a critical factor for success for the energy industry and, as a result, also for the new EEX transparency platform. The new EEX Transparency Platform website planned for 2014 will incorporate the following:

- With the help of the system, market players can efficiently fulfil the current requirements for fulfilling the REMIT regulation.
- New reporting companies and reporting data are quickly and easily integrated into the new transparency platform interface.
- Detailed information on the availability of systems is available which further increases easy comprehensibility of the development of prices.

Data

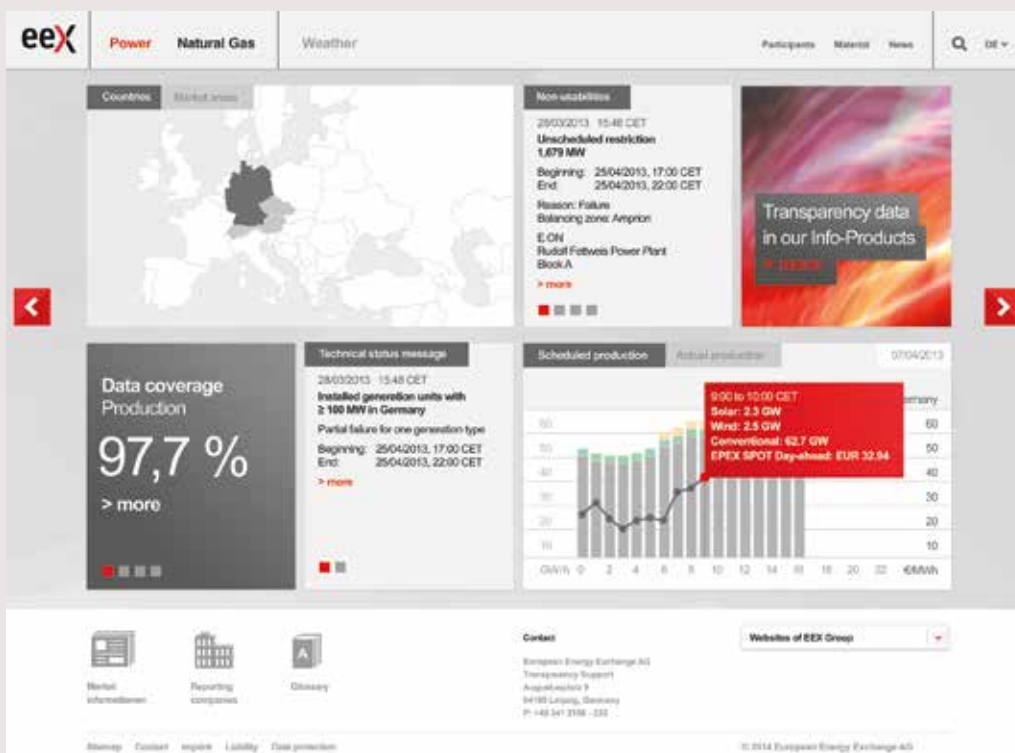
Users will receive detailed information on the availability of plants from the fields of power generation and storage as well as the consumption of natural gas via the new website.

Mobile

With its “responsive design” the website will automatically adjust to terminal devices so that users can access important energy market data at any time with mobile devices via smartphones or tablet computers.

Up-to-date information

The transparency platform will be designed in such a manner as to ensure that EEX can flexibly and quickly respond to the requirements of the market and of regulation, easily set up new data types and integrate further countries.



Sample: Starting page of the new transparency platform

Participating companies

The large number of companies currently reporting from Germany, Austria and the Czech Republic confirms that the transparency platform is used and recognised as an efficient solution for central and continuous data collection.

Germany

Transmission system operators (TSO)

- 50Hertz Transmission GmbH
- Amprion GmbH
- TenneT TSO GmbH
- TransnetBW GmbH

Power plant operators (PPO)

- BASF SE Ludwigshafen
- DREWAG – Stadtwerke Dresden GmbH
- E.ON
- EnBW
- envia THERM GmbH
- GDF SUEZ Energie Deutschland AG
- Grenzkraftwerke GmbH
- Grosskraftwerk Mannheim AG
- Heizkraftwerk Halle-Trotha GmbH
- Helmstedter Revier GmbH
- Kraftwerke Mainz-Wiesbaden AG
- Mark-E AG
- Mainova AG
- N-ERGIE Aktiengesellschaft
- PCK Raffinerie GmbH
- RheinEnergie AG
- RWE Power AG
- Saarstahl AG, Saarschmiede GmbH Freiformschmiede
- Stadtwerke Duisburg AG
- Stadtwerke Düsseldorf AG
- Stadtwerke Hannover AG
- Stadtwerke Leipzig GmbH
- Statkraft Markets GmbH
- Steag GmbH
- swb Erzeugung GmbH & Co. KG
- SWM Services GmbH
- TIWAG, Tiroler Wasserkraft AG
- Trianel GmbH

- Vattenfall Europe AG
- VERBUND AG
- VSE AG
- VW Kraftwerk GmbH
- Wacker Chemie AG

Austria

TSO

- Austrian Power Grid AG

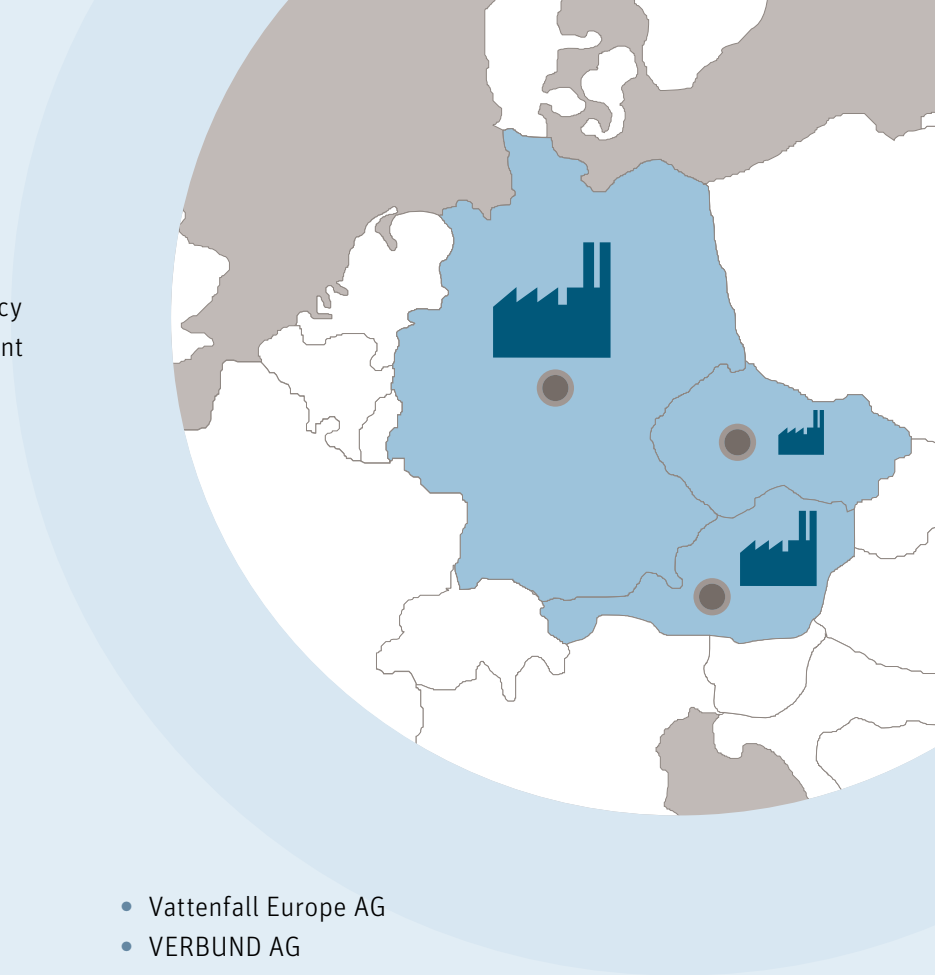
PPO

- Energie AG Oberösterreich Kraftwerke GmbH
- EVN AG
- Grenzkraftwerke GmbH
- KELAG
- Linz Strom GmbH
- Salzburg AG für Energie, Verkehr und Telekommunikation (Salzburg Public Limited Company for Energy, Transport and Telecommunications)
- TIWAG, Tiroler Wasserkraft AG

Czech Republic

PPO

- ČEZ Group
- VERBUND AG
- Vorarlberger Kraftwerke AG
- Wien Energie GmbH





Peter Reitz
Chief Executive Officer (CEO)



Iris Weidinger
Chief Financial Officer (CFO)

Dear Readers, Dear Shareholders,

We are pleased to be able to report on the extremely successful year 2013 to you. In spite of the continued uncertainty in the framework conditions in the energy trading environment as a result of the energy turnaround and regulatory measures, EEX generated excellent results last year. The volumes achieved in all of our important trading markets – power, natural gas and emission allowances – increased consistently. Moreover, we achieved the best result since the establishment of EEX, both in terms of sales revenue and of the annual result

Growing sales on the most important market of EEX – the Power Derivatives Market – contributed to this excellent result. The share

of transactions concluded on the exchange increased to more than 50 percent for the first time. In this respect, the fact that, in deviation from the general trend, EEX was able to increase its volumes is remarkable. Within a trading market for power which is tending towards decline, it was possible to gain market shares from the brokers on the over-the-counter market. In the course of the year, EEX supplemented its offer on the Derivatives Market with further European contracts. This included the introduction of Belgian and Dutch power futures as exchange products, on the one hand, and the expansion of Trade Registration services (i.e. the services for the registration of transactions on EEX for clearing) to Italian, Swiss and Scandinavian power contracts, on the other.



Steffen Köhler

Chief Operating Officer (COO)

With PEGAS, EEX has established a joint trading platform for European gas trading together with its French partner Powernext.

The considerable increase both in the number of active trading participants and in the trading volumes shows that PEGAS has a very high acceptance on the market. Since mid-2013, all gas products of both exchanges for the German, French and Dutch gas market areas, as well as the appertaining spreads have been tradable on one platform. In addition, the product portfolio on the gas market has been consistently expanded, e.g. with quality-specific gas products on the German spot markets, since the launch of PEGAS.

The primary market auctions, which EEX carries out on behalf of the EU Commission and for



Dr. Thomas Siegl

Chief Risk Officer (CRO)

26 member states in total (including Poland from September 2013), continue to be decisive for the successes on the EEX CO₂ market.

In 2013, a total volume of 731 million EU emission allowances was auctioned at 214 auctions on the Spot Market.

Within the clearing segment, ECC launched numerous new products for its affiliated partner exchanges and additionally, initiated and implemented new partnerships. This is confirmed by the launch of clearing for the Prague-based Power Exchange Central Europe (PXE) and by the cooperation agreement with the Norwegian NOREXECO. In the framework of this agreement, ECC will also include derivatives from the paper and forestry industry in clearing in the future.

Furthermore, the implementation of requirements of the European Market Infrastructure Regulation (EMIR), constituted a central subject for ECC in 2013. This applies both to its internal structures and processes and to an application for a licence permitting ECC to operate as an EMIR-licensed central counterparty in the future, which was submitted in the autumn of 2013.

With regard to the further development of the products and services for the customers, the focus in the past year was on the optimisation of the trading infrastructure, increasing the liquidity of the markets and minimising the entrance barriers for trading participants. With the migration of the Derivatives Markets to the new “T7” trading system and the migration of the EEX gas markets to the PEGAS platform, EEX further increased the performance of its trading infrastructure. The more comprehensive distribution and visibility of EEX trading screens on the market and incentive programmes for participants and, in particular, market makers have led to increased liquidity. In addition to this, the market access for trading participants was simplified considerably, e.g. by the re-structuring of different membership types. This enables companies specialising in certain markets to be admitted to EEX in line with their specific requirements.

The results of the past year show that the growth strategy of EEX has proved to be successful and that the measures connected with it are bearing fruit. All decisions and projects which were implemented in 2013 are reflected in the EEX strategy

and its various growth dimensions. These include growth in existing markets, increasing the geographic reach and entry into new asset classes.

Growth in existing markets is not only achieved with the introduction of new products, but also through all measures with which new participants are connected to the exchange, which increases liquidity on the EEX markets. The expansion of the geographic reach aims to gradually expand the scope of products and services of EEX Group and to provide the market participants with a pan-European offering for trading and clearing. As in the case of PEGAS, this becomes possible through the cooperation with partners already established in these markets but also, in principle, through EEX alone. The Trade Registration offer for the Italian power market is one successful example of this strategy. It has led to such positive feedback that Italian contracts will also be offered as an exchange trading product from the spring of 2014.

In the case of entry into new asset classes, the aim is to offer products which have not been part of the EEX portfolio so far. With the entry into the market for Guarantees of Origin (which was launched in mid-2013), EEX has created an exchange trading platform for a product which so far has exclusively been traded over the counter. These and other measures are designed to establish a central point of contact for energy and related products for the customers. Furthermore, the introduction of new asset classes helps to further diversify the structure of the EEX trading participants and to connect new customer groups to its network.

One step in this direction was taken with the acquisition of the shareholding in Cleartrade Exchange (CLTX) at the end of 2013. This derivatives exchange (with headquarters in Singapore) operates on the markets for freight, iron ore, marine diesel and fertilisers which supplement the asset classes offered on EEX and which can also be cleared by ECC in the future. Since the beginning of 2014, EEX has held a majority shareholding in CLTX and is pleased to be able to develop these markets and create synergetic effects for the trading participants together with the new employees in Singapore and London.

At this point, we thank all trading participants and partners for the trust placed in us. EEX will again become more international – not only at the level of its products but also with its new members of staff. We are proud of our young and dedicated team and would like to thank everyone for the work performed. Moreover, we want to successfully continue our growth strategy in 2014 and are looking forward to our combined effort to this end – and successfully overcoming challenges together with you – our customers, partners, shareholders and the entire team.

The Management Board



Peter Reitz

Chief Executive Officer (CEO)



Steffen Köhler

Chief Operating Officer (COO)



Iris Weidinger

Chief Financial Officer (CFO)



Dr. Thomas Siegl

Chief Risk Officer (CRO)



Dr. Jürgen Kroneberg

Chairman of the Supervisory Board

Dear Shareholders,

During the reporting year (2013), the EEX Supervisory Board dutifully carried out the tasks with which it was entrusted, according to the applicable legislation, the statutes of the Company and its rules of procedure. It accompanied the Management Board in an advisory capacity and monitored the conduct of the Company's business carefully. The Supervisory Board was directly involved in all decisions and measures which were of fundamental importance to the Company.

The Management Board of EEX regularly, promptly and comprehensively reported to the Supervisory Board on corporate planning. This included financial, investment and human resources planning as well as the course of the business, the further strategic

development and the current situation of the Group. This was based on detailed reports compiled by the Management Board provided both verbally and in writing. The business transactions which were important to the Company were discussed intensively on the basis of these reports. The Supervisory Board approved the draft resolutions of the Management Board following thorough examination and deliberation. In addition to the adoption of resolutions at meetings, three resolutions were adopted by circulation on account of their urgency during the year under review.

In addition to the Supervisory Board meetings, the Chairman of the Supervisory Board was in regular contact with the Management Board. Additionally, the Management Board informed him of the current development of the business situation and essential business transactions early on.

Work of the Committees

In order to efficiently discharge its tasks, the Supervisory Board has established three committees. These prepare resolutions to be taken by the Supervisory Board and deal with matters to be covered by the board. In addition, the Supervisory Board has transferred individual tasks and parts of its decision-making competences to committees. The chairmen of the committees regularly and comprehensively report to the board on the content and the results of the committee meetings.

During the reporting period, the **presiding committee** held seven meetings. It consists of the chairman and the deputy chairmen of the Supervisory Board. Its tasks include the preparation of resolutions to be adopted by the Board, subjects to be covered by the strategy committee and issuing recommendations with regard to these matters to these bodies.

The **strategy committee**, which is made up of nine members prepares the Supervisory Board meetings in as far as the strategic development of the company and of the group are concerned. At two regular meetings during the period under review, the work of the committee focused on the discussion of the strategic framework conditions for preparing revenue planning from 2014 to 2019 and of the market environment within the natural gas business field. In addition, the strategy committee discussed the possibility of acquiring a shareholding in Cleartrade Exchange Pte. Limited (Cleartrade), a regulated derivatives market for commodity derivatives with offices in London and Singapore, at another extraordinary meeting.

The **human resources committee** prepares decisions to be made by the Supervisory Board regarding the appointment and dismissal of members of

the Management Board, as well as regarding the determination of their compensation. Furthermore, the human resources committee submits proposals regarding the conclusion or amendment of employment contracts with Management Board members including decisions relevant for compensation and on target agreements and attainment. The committee consists of the chairman and the deputy chairmen of the Supervisory Board. During the reporting period, the human resources committee met twice. At these meetings, it dealt with the reappointment of members of the Management Board, the revision of their bonus system and prepared proposals for the target agreements and the degrees of target attainment by the members of the Management Board.

Supervisory Board meetings

In the reporting year 2013, four ordinary meetings and one extraordinary meeting of the Supervisory Board were held. At all ordinary meetings, the focus was on the current report of the Management Board regarding the present situation of the Company, which the Supervisory Board then discussed with the Management Board in detail.

The meetings were characterised by an intense and open exchange regarding the Company's situation, the development of the business and financial situation, as well as the discussion of fundamental questions as to corporate policies and strategy. The members of the Supervisory Board regularly prepared resolutions regarding matters requiring their approval on the basis of documents made available to them in advance by the Management Board. In addition to this, the Management Board regularly informed the Supervisory Board of the most important commercial parameters and developments in the form of written monthly reports.

SUPERVISORY BOARD REPORT

At the meeting convened to approve the balance sheet on 18th April 2013, the entire Supervisory Board looked in detail into the 2012 annual report, and consolidated financial statement as well as the corresponding management reports in the presence of the auditor of the annual accounts. The annual financial statements prepared were approved and are, hence, considered adopted. Furthermore, the Supervisory Board approved the Management Board's proposal to the general meeting to use the balance sheet profit to pay out a dividend of EUR 0.18 per share certificate entitled to dividends. In addition, the Supervisory Board submitted a proposal to the general meeting to approve the draft of the spin-off and takeover agreement regarding the spin-off of the emissions trading business to an independent subsidiary of EEX. Also, profit and loss transfer agreements and loan agreements between EEX and the emissions company to be spun off and the further subsidiary EGEX European Gas Exchange GmbH (EGEX) were approved. Moreover, the Supervisory Board approved the conclusion of cooperation agreements with the French Powernext S.A. (Powernext) regarding the cooperation in natural gas trading. Upon a recommendation to this end by the human resources committee, the board also approved the proposed degrees of target achievement of the members of the Management Board for the financial year 2012 and the bonuses connected with these. With regard to the associated companies of EEX, the Supervisory Board approved the by-election of one member of the Supervisory Board each for European Commodity Clearing AG (EEX) and the joint-venture company EPEX SPOT SE (EPEX).

On 6th June 2013, the Supervisory Board met following the ordinary general meeting of EEX. At this meeting, the Supervisory Board discussed the EEX IT strategy presented as a result of the special IT audit carried out in 2012/13 and took approving note of it. With regard to the affiliated companies of EEX, the Supervisory Board approved amendments

of the statutes of EGEX and adopted resolutions authorising capital measures at EPEX. In addition, the conclusion of service level agreements in connection with the requirements of the Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4th July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR) for the ECC subsidiary was approved.

In addition to regular reporting on the strategy, market, financial and risk development, the report on the implementation of the EEX IT strategy and resolutions on outsourcing of infrastructure operations and non-critical applications constituted the focus of the meeting on 19th October 2013. Furthermore, at the suggestion of the human resources committee, the Supervisory Board approved the appointment of Peter Reitz and Iris Weidinger respectively to the Management Board for a further five years. With regard to the associated companies of EEX, the Supervisory Board approved the appointment of managing directors at the Global Environment Exchange GmbH (GEEX) subsidiary. In addition, the Supervisory Board also dealt with plans for the acquisition of a shareholding in Cleartrade Exchange Pte. Ltd. (Cleartrade) for the first time at this meeting.

The adoption of the 2014 budget and the medium-term plan from 2015 to 2019, as well as the discussion of strategic transaction projects constituted central subjects at the meeting on 11th December 2013. In this context, the Supervisory Board approved the plans for intensifying the cooperation with Powernext in the natural gas segment. Also, the Supervisory Board again discussed the option of acquiring a shareholding in Cleartrade.

At the extraordinary meeting on 19th December 2013, following on from the agenda of 11th December 2013, the Supervisory Board adopted the revision of the bonus system for the Management Board proposed by the human resources committee and

the target agreements for the members of the Management Board regarding 2014 which are based on it. On the basis of further documents and as a result of the discussion of the option of a shareholding in Cleartrade, this was also approved by the Supervisory Board.

Audit of the annual accounts

The Management Board prepared the annual financial statement and the management report as well as the consolidated financial statement and the consolidated management report of EEX and submitted these to the Supervisory Board in due time.

KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, which was appointed as the auditor of the annual accounts and group auditor for the financial year 2013 by the annual general meeting, audited the annual financial statement as of 31st December 2013, prepared according to the rules of the German Commercial Code (HGB) and the appertaining management report (as well as the consolidated financial statement as of 31st December 2013), prepared according to IFRS in the version in which these have to be applied within the EU) and the appertaining consolidated management report and certified each of these without qualification.

The auditor of the annual accounts submitted his reports on the type and extent, as well as the result of the audits to the Supervisory Board. The documents regarding the financial statements referred to, as

well as the audit reports provided by the auditors of the annual accounts, were submitted to all members of the Supervisory Board on the due date. The auditor of the annual accounts took part in the meeting of the Supervisory Board on 1st April 2014 and comprehensively reported on the essential findings of the audit.

The Supervisory Board examined the annual financial statement, the management report as well as the consolidated financial statement and the consolidated management report. As there were no objections, the result of the audit made by the auditor of the annual accounts was approved. The Supervisory Board approved the annual financial statement prepared by the Management Board as well as the consolidated financial statement for the financial year 2013. The annual financial statement of EEX is, therefore, adopted. The Supervisory Board approved the Management Board's proposal regarding the appropriation of the balance sheet profit.

Personnel matters of the Management Board

There were no changes in the staffing of the EEX Management Board in 2013.

The Supervisory Board would like to thank the members of the Management Board and all staff members of the European Energy Exchange AG for the work they performed during the year under review – they made a significant contribution to the success of EEX during this particularly successful financial year.



Dr. Jürgen Kroneberg

Chairman of the Supervisory Board

Annual Report 2013

Consolidated Management Report
Consolidated Financial Statement/
Consolidated Notes

Consolidated Management Report of European Energy Exchange AG, Leipzig, for the Financial Year 2013

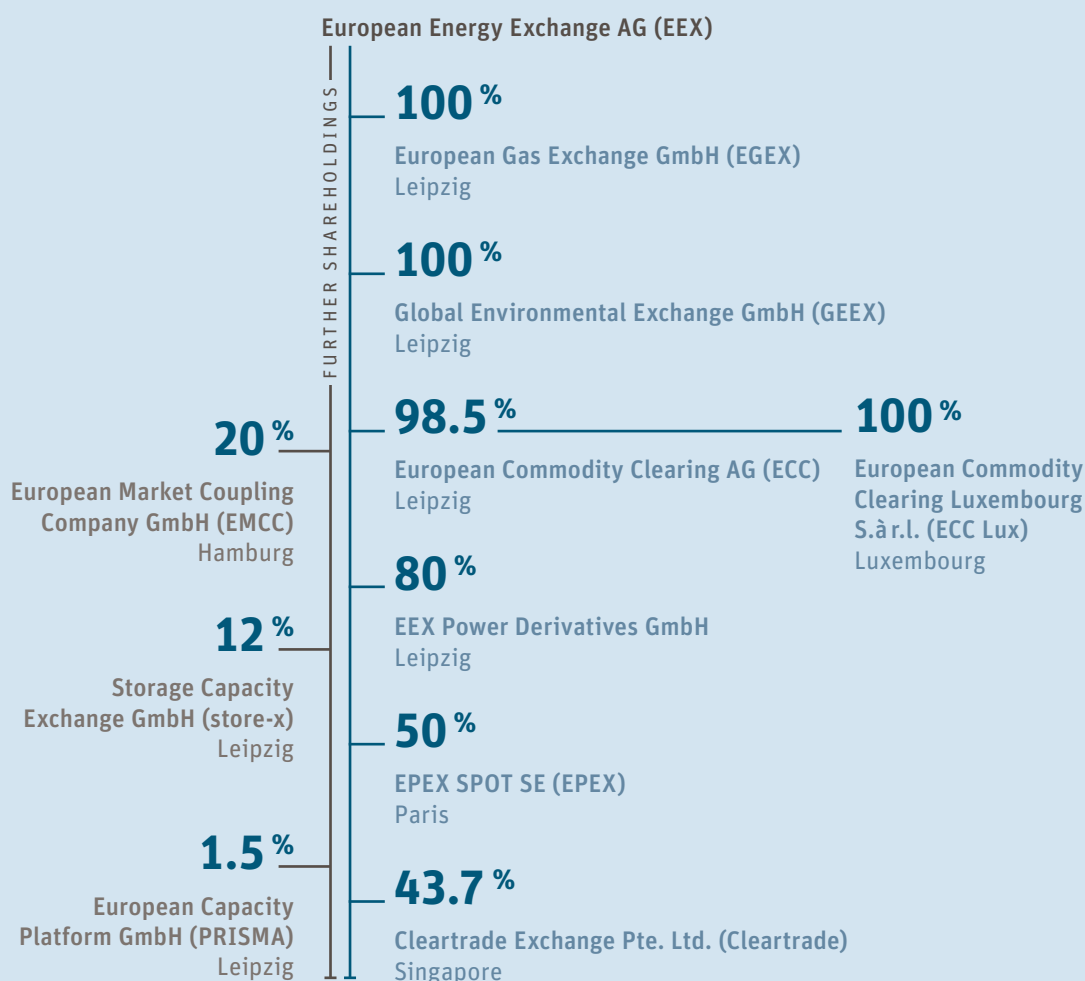
1. Basics regarding the Group

Business activities and group structure

The European Energy Exchange AG (EEX), with its registered office in Leipzig, Germany, is Europe's leading energy exchange. On 31st December 2013, the Group employed a total of 161 employees at its offices in Leipzig, London, Paris and Brussels.

EEX develops, operates and networks secure, liquid and transparent markets for energy and related products. On these markets, power, natural gas, CO₂ emission allowances, coal and guarantees of origin can be traded. Clearing and settlement of all transactions is provided by the European Commodity Clearing AG (ECC) clearing house.

Group structure of EEX AG



As of 31st December 2013

The chart on the left provides an overview of the group structure and shareholdings of EEX Group. EEX Group relies on a business model which achieves greater flexibility, market coverage and volumes through targeted spin-offs and partnerships. As a result of these expanded co-operations, EEX is making a decisive contribution to the integration of European energy markets.

EEX operates derivatives trading in coal and guarantees of origin. It provides training services, operates a transparency platform for fundamental data (power) and offers information products for trading as well as fundamental data. Furthermore, it works as a service provider for its subsidiaries.

EEX holds 50 percent of the shares in **EPEX SPOT SE (EPEX)**, which operates the Power Spot Market for Germany, France, Austria and Switzerland.

Derivatives trading for power is concentrated within **EEX Power Derivatives GmbH**, an 80 percent owned subsidiary of EEX with its registered offices in Leipzig.

Furthermore, with **European Commodity Clearing AG (ECC)**, EEX Group also has a clearing house which operates throughout Europe and whose range of services comprises clearing and settlement for exchange transactions and transactions registered for clearing on connected exchanges. The delivery transactions are settled by **European Commodity Clearing Luxembourg S.à r.l. (ECC Lux)**, a subsidiary of ECC. EEX holds 98.5 percent of the shares in ECC.

The Natural Gas Spot and Derivatives Market is operated by the wholly owned subsidiary **EGEX European Gas Exchange GmbH (EGEX)**.

The operation of spot and derivatives trading in emission allowances was spun off to the wholly owned subsidiary **Global Environmental Exchange GmbH (GEEX)** with retroactive effect as of 1st January 2013. This spin-off facilitates the potential co-operation with other exchanges, trading platforms and market participants. EEX staff are provided to the company in the framework of the provision of services.

In the 2013 financial year, EEX acquired 43.7 percent of the shares of the Singapore-based **Cleartrade Exchange Pte. Ltd. (Cleartrade)**. Cleartrade is a derivatives market which is regulated by the Singaporean supervisory authority and offers a global electronic market platform for commodity transactions and commodity derivatives for freight, iron ore, marine diesel oils and fertiliser contracts.

The **European Market Coupling Company GmbH (EMCC)** in which EEX holds 20 percent, is a company which carries out market coupling for power transmission between the Central Western Europe (CWE) region and Scandinavia. As a result of the NWE market coupling launch, EMCC will discontinue its operations in 2014.

In addition, EEX holds an equity interest of 12 percent in **store-x Storage Capacity Exchange GmbH (store-x)**, an on-line platform for secondary trading in storage capacities for natural gas, and an interest of 1.5 percent in **PRISMA European Capacity Platform GmbH (PRISMA)**, an on-line platform for natural gas transport capacities. At the beginning of 2014, EEX sold its shares in PRISMA.

Corporate Management

As a German stock corporation, EEX comprises various internal statutory bodies and functions; the annual general meeting, the Supervisory Board and the Management Board, each with their own competences.

At the annual general meeting, the members of the Supervisory Board are appointed, resolutions are adopted approving the activities of the Management Board and of the Supervisory Board and decisions are made on the disposal of the balance sheet profit.

The Supervisory Board appoints, monitors and advises the Management Board and is directly involved in decisions which are of fundamental importance for the company. Additionally, it adopts the annual financial statement prepared by the Management Board. At present, the Supervisory Board has 18 members, each with a three-year term of office. In 2014, elections for 12 seats on the Supervisory Board will be held.

The Management Board manages the company and is coordinated by the Chief Executive Officer (CEO). The CEO represents the company in the public sphere and also has a leading role in verbal and written communications with the Supervisory Board.

On 31st December 2013, the Management Board of EEX consisted of four members. In addition to the Chief Executive Officer (CEO), a Chief Financial Officer (CFO), a Chief Operations Officer (COO), with responsibility for internal processes, IT and sales and a Chief Risk Officer (CRO) are in charge of the company's operations. The Management Boards of EEX and ECC are identical with regard to their membership.

The European Energy Exchange is recognised as an exchange under the German Exchange Act and the relevant bodies of the exchange are the Exchange Council, the Management Board of the Exchange, the Market Surveillance Office and the Sanctions Committee. The Exchange Council represents the trading participants' interests and is involved in all fundamental decisions of the exchange. Its tasks include, in particular, the adoption of the rules and regulations of the exchange. The Exchange Council is also tasked with the supervision of the Management Board of the Exchange and the appointment of the Head of Market Surveillance. It consists of 24 members, 19 of whom are elected directly by the trading participants. In addition, four associations delegate one representative each to the Exchange Council. One representative from the field of energy science is elected by the Exchange Council. On 31st December 2013, the Management Board of the Exchange consisted of the CEO, the COO and the Director Strategy & Market Design of EEX.

Strategy and Group Management

Strategy

In recent years, EEX Group has established a position for itself as Europe's integrated energy exchange. This position is based on a "one-stop-shop" business model under which the customers are offered efficient and cost-effective services in the field of trading, clearing and settlement as well

as market data services – all from a single source. These services are offered in the asset classes of power, natural gas, emission allowances, coal and Guarantees of Origin for green power.

In the future, EEX will continue to rely on the concurrent and reinforced development of the strategic business fields of power, natural gas, emissions, coal, Guarantees of Origin, clearing and transparency/information products. In addition to the continuous expansion of all markets, the expansion of the product and service offering, as well as the accelerated expansion of technical availability for the customers, the constant optimisation of the IT processes and IT infrastructure, increasing geographic expansion and the acquisition of new partners constitute the main focus of the EEX activities.

Within the power segment, the EEX markets are continuing their development into clear reference markets throughout Europe. In 2013, the trade volumes increased significantly against the previous year. With a total of 177.9 TWh, a new all-time record for one month was achieved on the Power Derivatives Market in September. The product portfolio in exchange trading was expanded with Guarantees of Origin and physically settled futures on Belgian and Dutch power.

Furthermore, the initiative for the introduction of products for Trade Registration (i.e. the offer for the exchange registration of over-the-counter transactions) which began in 2012 was continued in 2013. As a result, EEX also introduced financially settled power derivatives contracts for the Scandinavian, Swiss and Italian market. In addition to this, the registration of Spanish over-the-counter traded power futures will also become possible in early 2014.

Within the natural gas segment, the PEGAS cooperation between EEX and Powernext S.A. (Powernext) was launched in 2013. Through this, both partners have created a pan-European offering for natural gas trading, bringing German, French and Dutch products together on one platform. As a result, trading on EEX facilitates connections to the most important European gas markets – on the Spot Market around the clock.

In 2013, the emissions segment recorded a significant increase in trade volumes. The primary market auctions, which are carried out by EEX on behalf of the EU Commission and of 26 EU member states, were particularly decisive in this respect.

The clearing subsidiary ECC has the objective of strengthening the clearing segment through the expansion of clearing over-the-counter transactions, the introduction of simplified “clearing-only” products, the further development of its clearing services and the further expansion of its position as the leading clearing house for energy and related products in Europe.

Within the transparency/information products segment, the publication of fundamental data on the “Transparency in Energy Markets” platform is to be expanded and the existing portfolio of information products is to be gradually expanded and made more flexible in the framework of the European Regulations on Wholesale Energy Markets Integrity and Transparency (REMIT).

In a difficult market environment which continues to be shaped by structural change on the power market, continuing uncertainties on the market due to the euro crisis and unresolved regulatory questions, EEX has continued to successfully promote its diversification strategy and further developed, in particular, the natural gas business field and clearing co-operations in the 2013 financial year.

Management control

EEX Group essentially uses the parameters of EBT, sales revenue and revenue, costs, annual net profit and EBT margin for controlling the group. The EBT margin is calculated on the basis of the ratio of EBT to the total revenue, i.e. the total of all sales and income from investments.

Revenue has a decisive influence on EBT. It consists of transaction fees, other income, income from investments and other operating income, as well as the financial result.

Regarding expenses, we differentiate between variable and fixed expenses. Variable expenses include costs which correlate with the amount of the transaction fees, e.g. sales related system expenses for Deutsche Börse AG (DB AG) and reimbursements for market makers and brokers. Fixed expenses (overheads) include the other system expenses, personnel expenses, depreciations and other operating expenses (see “Earnings, assets and financial situation” for details).

Approximately 78 percent of the total costs of EEX Group are fixed costs (previous year: 77 percent¹). Because of economies of scale and scope, the Group can settle additional trade volumes without a significant increase in costs. Nonetheless, a decline in trade volumes has a direct effect on the Group's profitability. As a result, volume-dependent expenses account for approximately 22 percent of the total costs of EEX Group.

Internal control system (ICS)

With its internal control system (ICS), EEX Group has a management instrument for attaining corporate aims and safeguarding process reliability. The ICS comprises the principles, procedures and measures which are used by the corporate management and which the organisational units of EEX have implemented within their business processes. In order to ensure a proper execution of the business processes and business activities and to prevent errors or irregularities and/or to detect such in due time – the following protection and control measures have e.g. been implemented at EEX; separation of incompatible tasks, principle of dual control, approval processes, access and admission restrictions, job descriptions, documentation of processes in work instructions and check lists, staff training courses and signature guidelines. The rules and regulations are regularly reviewed and modified.

As an outsourced and independent unit within EEX Group, the internal auditing department carries out risk-oriented and process-independent controls in order to check the adequacy and effectiveness of the ICS. The Management Board and the Supervisory Board are informed of the audit's result. Furthermore, operational events (i.e. failure of business processes on account of inadequate process design, human errors and IT failures or failures by external service providers) are recorded centrally and analysed regularly in order to identify weaknesses within the ICS and measures are suggested to overcome these. Essential operational events are reported to the Management Board and the Supervisory Board.

¹ The Management Report for the previous year reported expenses for technical connections as fixed costs. As a result, a higher share of fixed costs (85 percent) was reported.

2. Economic situation

Macro-economic and industry-specific framework conditions

The macro-economic and industry-specific framework conditions which are decisive for the business activities of the companies within the EEX Group and, in particular, for the development of the transaction volumes are outlined below.

Continued economic slump and muted growth

As in the previous year, the German economy only grew slightly in 2013. While in 2012, economic growth amounted to 0.7 percent, GDP is expected to grow by approximately 0.6 percent in 2013.

In the past year, the German economy was supported, in particular, by record exports. Unlike most of the other major European economies, Germany was thus able to avoid going into recession. Furthermore, the low interest levels promoted the domestic economy. In the euro zone, the first important reforms were successful at limiting the effects of the debt crisis and, as a result, they created the chance for a further improvement of the economy. For 2014, the German Federal Ministry of Economics and Technology forecasts GDP growth of 1.7 percent, against 0.6 percent in 2013.

Continuing tense situation on the financial markets

2013 was again shaped by the prolonged difficult financial situation in Greece, various euro crisis summits and the use of the euro rescue funds (EFSM and ESM) by Ireland, Portugal, Spain and Cyprus. As a result, excessive interest rate increases for states in financial trouble were prevented and the financial markets were calmed down. At the end of 2013, the German DAX main share index reached its highest level ever.

In spite of this, the fundamental problems of the euro zone have not been resolved. As in the past, the developments on the financial markets and the level of debt of individual EU member states still have to be seen as being critical. The situation of France as the second biggest economy within the euro area, in particular, remains tense. If the credit rating of strong countries like Germany is affected by the government debt crisis within the euro zone, this can have an overall effect on the economic situation.

Commodity prices develop inconsistently

The development of the German physical power market was characterised, in particular, by the growing share of renewable energies. For example, in 2013, the share of green power in the German energy mix amounted to 23.4 percent – compared with 22.8 percent in the year before. Starting at approximately EUR 45 per MWh, the price for Phelix Baseload year futures for the front year 2014 on the Power Derivatives Market initially fell to just over EUR 36 per MWh in August and then reached approximately EUR 37 per MWh at the end of the year. In this process, there were fluctuations of up to 33 percent in the course of the year.

In the course of the year, the monthly EGIX gas price index was not very volatile. In spite of two lows for the year of EUR 26 per MWh in March and September, it re-attained its initial level of EUR 28 per MWh towards the end of the year.

The prices for emission allowances continued to decline in the course of 2013. Starting at approximately EUR 6 per t CO₂, the price fell briefly below the limit of EUR 3 per t CO₂ (April 2013). On the one hand, this reduction in price is due to the oversupply of emission allowances on the market which resulted from the far from ambitious EU emission thresholds which were established in 2009 – a year of crisis, on the other hand, this was due to a high volume of CER certificates from third countries. In order to stop this decline in prices, the decision to reduce the volume of emission allowances available on the market (“backloading”) and not to return these volumes to the market until 2019/2020 was taken in the summer of 2013. As a result, the price increased again to EUR 5 per t CO₂ at the end of the year. The lasting political discussions of a possible temporary reduction of the volume of emission allowances or a long-term reform of EU emissions trading are having a decisive impact on activities on the market.

At USD 111 per barrel (Brent Crude), the oil price was at the level of the previous year towards the end of 2013. In the course of the year, the price fluctuated from USD 119 per barrel in February to USD 98 per barrel in April on account of the temporarily weak economies in the USA and in China.

A high volatility, i.e. range of variation, of the exchange prices is generally accompanied by increased levels of trading activities and/or higher trade volumes.

Increasing power consumption – alongside energy generation at the level of the previous year

According to calculations by the Working Group on Energy Balances, primary energy consumption increased significantly by 4.1 percent in the first half of the year 2013, against the equivalent period in the previous year. This was due for example, to the long and cold winter of 2012/13. Projected for the entire year 2013, an increase of 2.6 percent is expected.

At 629.0 TWh, the Working Group on Energy Balances expects gross power generation to be at the level of the previous year (2012: 629.8 TWh). The amount of trade volumes on the exchange power market is shaped by power generation and the physical consumption of power as part of primary energy consumption, for example.

Market environment in 2013 again shaped by the “energy turnaround”

In 2013, the “energy turnaround” again had a significant impact on the framework conditions for the business activities of EEX Group. For example, exchange prices for power within the German market area continued to decline under its influence. On the EPEX SPOT Day-Ahead Market, the average hourly price declined by approximately 11 percent compared with the previous year (from EUR 42.60 per MWh in 2012 to EUR 37.78 per MWh in 2013). On the EEX Derivatives Market, the price for the annual delivery of power for the respective following calendar year fell by approximately 21 percent from an average of EUR 49.30 per MWh in 2012 for the calendar year to EUR 39.08 per MWh in 2013 for the 2014 calendar year.

The effect of these framework conditions on the development of business in the individual business segments in 2013 is outlined in the following section, while the future effects are described under “Group Outlook and Forecast Report”.

3. Development of business

Essential developments in the individual business divisions

In spite of the difficult market environment, the profound structural changes on the power market and the continuing uncertainty on the market because of the euro crisis and unresolved questions of regulation, EEX successfully continued its diversification strategy in the financial year 2013. This growth was primarily driven by the power markets, the Natural Gas Spot Markets and the clearing co-operations. In these areas, the forecasted levels from the previous year were significantly exceeded. Furthermore, the positive trend also continued in the field of emissions trading.

Power

EEX expanded its position in Continental European power trading and in the cleared OTC segment. EEX also succeeded in enhancing its position against its competitors, in particular, in trading on the German power market. In addition to other European energy exchanges, the main competitors for EEX Group include brokers and also unregulated trading platforms. The London Energy Brokers' Association (LEBA) reported a growth of 2 percent in trade volumes for the German power market in 2013. At the same time, the trade volumes on the EEX Power Derivatives Market rose significantly against 2012. Starting at an average of 15 percent in 2012, the market share for the trade volumes settled through EEX and ECC increased to, on average, 20 percent. This is essentially due to the improved technical infrastructure of EEX, enhanced connectivity and closer spreads (i.e. the spread between the bid and ask prices offered in the order book) in the exchange segment. The combination of the higher basic liquidity resulting from this and the further development of the clearing services offered by ECC led to this positive development. Nonetheless, the predominant share of trades is still concluded off the exchange and settled bilaterally between the trading participants.

The transaction fees for trading, clearing and the settlement on the Power Spot and Derivatives Market still form the main source of revenue within EEX Group. In 2013, this business field accounted for 64 percent of the sales revenue (previous year: 61 percent).

Power Derivatives Market

Compared with the previous year, the trade volumes on the EEX Power Derivatives Market increased significantly by 36 percent. At a total of 177.9 TWh, a new all-time record for a given month was achieved in September. Contributions to this were made by the further development of the technical infrastructure, the significant price changes on the German power market and the increased relevance of credit risks for trading participants as well as the resulting need for the settlement of trades via the exchange or a central clearing house.

In 2013, exchange trading accounted for 682 TWh (2012: 460 TWh). This includes a trade volume of 0.5 TWh generated in Guarantees of Origin, launched in 2013. Trade Registrations accounted for 584 TWh (2012: 471 TWh). The volume traded on the exchange increased by 48 percent as against the previous year, and, the volume reported for Trade Registration increased by 24 percent as against the previous year. This development is essentially driven by the expansion of the so-called STP functionality. The share of transactions concluded via the exchange in the total volume rose from 49 percent to 54 percent. The development of the volume traded on the exchange and its liquidity is positive and exceeds expectations by far.

At 20.3 TWh, the volume traded on the French Power Derivatives Market stabilised at approximately the level of the previous year (20.4 TWh) in 2013. This means it is still significantly lower than the levels of 2011 and 2010. This was due, for example, to the effects of the NOME law, which brought about reductions in volume throughout the entire French derivatives market (comprising both the exchange and the over-the-counter market). The regulated tariffs for the procurement of power by medium to large-sized industrial enterprises in France, which result from this law have led to a significant drop in the trading interest regarding French power derivatives. The share of French futures in the total trade volume on the Power Derivatives Market amounted to 1.6 percent of the total volume of EEX Power Derivatives GmbH.

In 2013, the product portfolio was expanded with Guarantees of Origin and physically settled futures for Belgian and Dutch power. The initiative for the introduction of products for Trade Registration (i.e. the offer for the registration of over-the-counter transactions on the exchange) launched in 2012 was continued this year. For example, EEX introduced financially settled power derivatives contracts for the Scandinavian, the Swiss and the Italian markets, and, at the beginning of 2014, the registration of Spanish power futures will also become possible.

Guarantees of Origin are certificates which guarantee the origin of one MWh of power from renewable energies. They are exclusively used for “labelling” power. In June 2013, EEX became the first exchange to offer a derivatives market for Guarantees of Origin. From the time of the launch of the product to the end of the year, a total of 0.5 TWh were traded in futures on Guarantees of Origin. This confirms that this product has established a sound position for itself within a difficult market environment shaped by falling prices.

In September 2013, EEX launched exchange trading for physically settled futures for Belgian and Dutch power. Prior to that, ECC had already carried out clearing of these contracts from 2007 to 2013 in the capacity of a cooperation partner for the then APX/ENDEX Derivatives B.V. (APX/ENDEX). Following the takeover of the ENDEX derivatives market by Intercontinental Exchange, Inc. (ICE), the clearing cooperation was terminated. Since opening the order books on EEX, 0.1 TWh have been traded in Dutch power. The restrained start is primarily due to the fact that the open interest in the corresponding contracts was transferred from ECC to ICE Clear Europe, Ltd. (ICE Clear Europe) with the takeover of ENDEX by ICE and that, at the time, the participants had not yet integrated the new EEX products into their systems.

The average share of financial participants (as against energy traders) in the overall trading activities declined slightly in 2013 and amounts to 43 percent.

Power volumes in TWh			
	2013	2012	Change
Derivatives Market	1,266	931	+36 %
Germany	1,244	911	+37 %
– of which exchange trading	669	445	+50 %
– of which Trade Registration	575	466	+23 %
France	20	20	-0.5 %
– of which exchange trading	12	15	-19 %
– of which Trade Registration	8	5	+52 %
Netherlands/Belgium	0.1	n/a	n/a
Guarantees of Origin	0.5	n/a	n/a
Trade Registration Bundle	1.1	n/a	n/a
Spot Market	345	339	+2 %
Auction for Germany/Austria	247	246	+0.4 %
Auction for Switzerland	19	17	+12 %
Auction for France	56	58	-4 %
Intraday Germany	19	16	+23 %
Intraday France	3	2	+33 %
Intraday Switzerland	0.5	n/a	n/a
Intraday Austria	0.4	0.1	+674 %

Rounding differences of ± one unit (EUR, %, etc.) may occur in the tables - for arithmetical reasons.

Power Spot Market

Except for the French Day-Ahead Market, the Power Spot Markets for Germany, France, Austria and Switzerland (which are all concentrated within EPEX) all generated a positive development. The fees for clearing on the Power Spot Market were raised with effect from 1st June 2013. Clearing of the EPEX Spot Market transactions within the Group contributed a share of 14 percent (previous year: 14 percent) to revenue.

Hence, at 346 TWh the volume traded on EPEX rose slightly by 7 TWh or 2 percent against the previous year (339 TWh). Of this figure, 345 TWh (2012: 339 TWh) were recognised as clearing revenue at ECC.²

² The volume traded on EPEX Spot differs from the volume recorded as revenue on ECC on account of the different consideration of border-crossing power volumes. EPEX considers the net position which reflects the balance of import and export for a market area as the trading volume. At ECC, it is not this balance which is considered as revenue but the volume of the market coupling contracts which consider the export volume from one market area into another. These two volumes are usually not identical.

The trade volumes on the EPEX Day-Ahead markets developed positively in 2013. Compared with the previous year, the Day-Ahead Market for Switzerland, in particular, generated significant growth of 12 percent. In the 2013 calendar year, the Intra-Day segment gained in liquidity, which was confirmed, by the French Intraday Market with growth of 33 percent as against the previous year. Even though the Intra-Day Markets are still small compared with the Day-Ahead Markets (23 vs. 322 TWh), they are gaining in importance. Compared with the previous year, their share in the total volume of EPEX has increased. This is due to the growing importance of fluctuating renewable energies. This results in an increasing need for short-term balancing for the market area coordinators.

Furthermore, EPEX has benefited from both the transmission system operator's obligation to market quotas of power from renewable energies on a power exchange which was established in the framework of the German Renewable Energy Act (EEG), which took effect in 2010, and specified in more detail in the Ordinance on a Nationwide Equalisation Scheme (AusgleichsMechV) and direct marketing which was implemented in January 2012. Even though, in the context of direct marketing, there is no obligation to market power through an exchange or, more specifically, through EPEX Spot, EPEX was still able to successfully establish a position for itself as a strong market platform in this segment. This is due to the high liquidity and the comprehensive product offering of the exchange both in Day-Ahead and in Intra-Day trading. As a result of this position, EPEX expects that it will also benefit from the volumes in direct marketing in the future.

The CWE market coupling (which was launched in 2010) facilitated border-crossing power trading and has also contributed to the positive development of the power spot markets.

Regarding Intra-Day trading, the launch of the Swiss market segment on 26th June 2013, in particular, has to be mentioned. The cumulative trade volume amounted to 0.5 TWh in 2013.

In 2013, the market coupling project for North-Western Europe (abbreviated: NWE, consisting of CWE, Great Britain and the Nordic countries) was further developed. This project will be transferred to the operating stage at the beginning of 2014. The price coupling algorithm created in the framework of the "Price Coupling of Regions" initiative will be applied in NWE for the first time in 2014. Furthermore, the method of Flow-Based Market Coupling, which is to be implemented after the expansion of market coupling to the NWE region, was further promoted in 2013. Unlike the market coupling method currently being used, Flow-Based Market Coupling also expressly considers interactions across borders between various market areas in a linked transmission system. This allows a better utilisation of the transmission capacities and increases the efficiency of power trading. After the completion of the market coupling process, all EU member states plus Switzerland and Norway, will form one joint market area.

Natural Gas

The Natural Gas business division was completely reorganised in the context of the gas cooperation (PEGAS) with Powernext in 2013. As a result, all current gas markets/products of EGEX and the new quality-specific gas products for high- and low-calorific natural gas (H-/L-gas) have been tradable, together with the Powernext gas markets, via one trading system (Trayport ETS) since November 2013. In addition to the significantly improved integration of trading participants into the trading system, this also permits trading Location Spreads, i.e. price differences between identical products in different gas market areas, for the first time. Following the introduction of futures for the TTF and PEG Sud market areas by Powernext, Spot and Derivatives Market products can now be traded for six gas market areas via the PEGAS cooperation.

Tradable Market Areas in the Framework of the PEGAS Cooperation

	Spot	Derivatives
NCG (Germany)	EGEX	EGEX
GASPOOL (Germany)	EGEX	EGEX
TTF (Netherlands)	EGEX	Powernext
PEG Nord (France)	Powernext	Powernext
PEG Süd (France)	Powernext	Powernext
PEG TIGF (France)	Powernext	n.a.

As a result the number of newly admitted companies actively taking part in trading on the EGEX gas market increased significantly. However, in spite of high gains in volumes on the Spot Market, the contribution which the Natural Gas (EGEX) business division made to revenue in the EEX Group only increased slightly to 5 percent (2012: 4 percent).

Overall, trade volumes increased, with the Spot Markets for Natural Gas of both EGEX (+124 percent) and Powernext (+63 percent) offsetting the reduction in trading on the EGEX Derivatives Markets (-25 percent). Thanks to the new TTF gas market area, the trade volumes on the Powernext Derivatives markets were slightly higher than in the previous year (+3 percent).

Natural Gas Volumes in TWh			
	2013	2012	Change
Spot Market (EGEX)	81	36	+124 %
NCG	38	18	+119 %
GASPOOL	23	8	+175 %
TTF	19	10	+91 %
Spot Market (Pownext)			
PEG	70	43	+63 %
Total Spot Markets	151	79	+91 %
Derivatives Market (EGEX)	29	40	-25 %
NCG	22	38	-41 %
GASPOOL	7	2	+349 %
Derivatives Market (Pownext)	43	42	+3 %
TTF	13	n.a.	n.a.
PEG	29	42	-29 %
Total Derivatives Markets	72	81	-11 %

Rounding differences of ± one unit (EUR, %, etc.) may occur in the tables – for arithmetical reasons.

Furthermore, the German NCG and GASPOOL market areas offered by EGEX provide the biggest potential for growth compared with other European gas markets. This is due to Germany's very high physical consumption of natural gas, extensive storage capacity and excellent connections to neighbouring market areas. Based on control energy trading (which the market area coordinators have been able to carry out through EEX since October 2009) and, following the addition of new, quality-specific natural gas products, EEX was able to attract new groups of customers for exchange trading in natural gas and increase liquidity in exchange trading in natural gas.

As a result of the above-mentioned increase in the number of trading participants, EEX and Pownext were able to further expand the position of PEGAS as the natural gas trading platform with the highest number of trading participants in Europe in 2013. The platform created improved conditions for future growth by shifting as of yet uncleared transactions concluded over the counter to exchange trading and to settlement by ECC.

At an international level, the PEGAS platform competes with natural gas exchanges and brokers that have been able to successfully establish a position for themselves on the more liquid markets (in particular NBP) in recent years. In Germany, it competes largely with brokers and unregulated trading platforms but also with other exchanges for market share in the German market areas which are still developing.

Prices determined on the exchange (based on transparency and supervision) and price indices for the wholesale market established by the exchange on this basis (such as the EGIX) are increasingly influencing procurement, sales and customer contracts on the gas market. They are also used as reference values for the settlement of excess or insufficient quantities and for balancing energy transactions between gas transport customers and market area coordinators.

This positive development was further expanded in 2013 through the introduction of additional services for natural gas traders (for example, Trade Alert – information regarding concluded transactions, e.g. for dispatchers of the company).

Emissions

In 2013, trade volumes in the Emissions business field increased significantly (+234 percent as against the previous year). The beginning of the primary market auctions for the third trading period of the EU emissions trading system constituted the decisive factor in this growth. These auctions are carried out by EEX on behalf of the EU Commission and 26 EU member states and have significantly gained in volume as a result of regulation since the beginning of 2013. In 2013, 214 auctions were held on EEX at a frequency of up to four days per week.

In this context, the volumes on the Spot Market rose by 582 percent. Since only Spot Market auctions are provided for in the third trading period of the EU Emissions Trading Scheme, the Derivatives Market volume declined by 36 percent, in spite of an increase in volumes on the secondary market.

Emissions Volume in million t			
	2013	2012	Change
Spot Market	759	111	+582 %
Primary auction	731	105	+595 %
Secondary trading	28	6	+357 %
Derivatives Market	92	143	-36 %
Primary auction	0	60	-100 %
Secondary trading	92	83	+10 %

Rounding differences of ± one unit (EUR, %, etc.) may occur in the tables – for arithmetical reasons.

On this basis, the revenue in the Emissions business segment increased by 85 percent. During the reporting period, this business segment contributed a share of 3 percent (2012: 2 percent) to the revenue of EEX Group.

On 1st January 2013, the operation of the Spot and Derivatives Market for Emission Allowances was transferred to a wholly owned subsidiary of EEX under the corporate name, Global Environmental Exchange GmbH (GEEX). The spin-off was effected retroactively as of the beginning of the year with its registration in the commercial register on 30th August 2013. As in the case of the Power and Natural Gas business divisions, this spin-off into an independent company reflects the long-term EEX strategy of developing further markets through possible cooperations.

The lasting political debate regarding a possible temporary tightening of the supply of emission allowances (“backloading”) and regarding a long-term reform of EU emissions trading had a negative effect on market activities. Furthermore, the serious delays in the free allocation of emission allowances to plant operators subject to emissions trading by EU member states were also of special importance to trading in 2013. As a result, a large part of the annual first issue of emission allowances – approximately one half of the total volume in 2013 – was not available for trading on the secondary market.

Overall, the trend towards the centralisation of the trading activities on the exchange platforms continued: for example, emission allowances traded through the exchange accounted for a share of approximately 77 percent (previous year: 66 percent) as against contracts traded over the counter. Reasons for this include the high degree of standardisation and the very competitive exchange trade fees. In this connection, the consolidation of exchange platforms offering trading in emission allowances (which had already begun in the past) also progressed further.

In spite of the consistently high competitive pressures, EEX was able to significantly increase its average market share in the total market to approximately 9 percent as against the previous year (4 percent).

EEX has potential for growth in European emissions trading, both on the primary market – regardless of a possible temporary tightening, the share of auctions will increase significantly until 2020 – and on the secondary market. As the market leader in the execution of primary market auctions, EEX has established a good position for itself in both strategic directions. In addition, numerous further emissions trading systems are currently being developed internationally (e.g. Korea, China, Australia and Brazil). In this respect, EEX is in a good starting position, enabling it to participate in these developments based on its pioneering role and long-standing experience in EU emissions trading.

Coal

The unsatisfactory development of the Coal business division continued in 2013. As a result of detailed discussions with trading participants, EEX Group launched a coal contract denominated in euros and further expanded the clearing connection (“Straight-Through-Processing”) for the registration of over-the-counter transactions for clearing at ECC. In spite of these efforts, no trade volumes were recorded for the Coal Derivatives Market in 2013.

Clearing & Clearing Cooperations

Within the Group, those sales at ECC which are not generated by the trading platforms of EEX Group or EPEX but by cooperations with exchanges outside EEX Group are allocated to the business field “Clearing cooperations”. In 2013, this business field accounted for a share of 9 percent (previous year: 10 percent) in the Group revenue, and it again developed positively.

Except for the Natural Gas Derivatives Market, the volumes from clearing and settlement of transactions concluded on partner exchanges increased compared with the previous year.

Clearing volumes in TWh			
	2013	2012	Change
Cooperation with APX/ENDEX			
Power Derivatives Market	79	58	+37 %
Gas Derivatives Market	237	366	-35 %
Cooperation with Powernext			
PEG Gas Spot Market	70	43	+63 %
TTF Gas Derivatives Market	13	n/a	n.a.
PEG Gas Derivatives Market	29	42	-29 %
Cooperation with CEGH			
Gas Spot Market	13	3	+366 %
Gas Derivatives Market	0.3	0.3	-11 %
Cooperation with HUPX			
Power Spot Market	9	6	+44 %
Power Derivatives Market	8	7	+10 %
Cooperation with PXE			
Power Spot Market	0.8	n.a.	n.a.
Power Derivatives Market	13	n.a.	n.a.

Rounding differences of ± one unit (EUR, %, etc.) may occur in the tables - for arithmetical reasons.

The product portfolio of clearing solutions was further expanded with the existing partner exchanges. The portfolio of gas derivatives contracts by Powernext was expanded with futures for the TTF and PEG Sud market areas. Furthermore, in the framework of the PEGAS cooperation with EEX, trading location spreads, i.e. price differences between identical products in different gas market areas, became possible for the first time. In June 2013, the product portfolio of HUPX Hungarian Power Exchange Ltd. (HUPX) was expanded with physically settled weekly futures. This helped to close the gap between the short-term products on the HUPX spot market and the derivatives market products. In 2014, HUPX will be the first ECC partner exchange to benefit from the improved connection to the Trade Import Gateway via the AMPQP technology and will support ECC in this complex project as a pilot customer.

In addition, the number of trading participants also increased significantly with the majority of the participants currently admitted to trading on the CEGH spot market. Accordingly, the efforts in 2014 focus on activating trading participants that already trade on the spot market for the CEGH derivatives market. In this context, there are plans to introduce additional maturities for the CEGH Gas Futures, such as quarters, seasons and years for trading in 2014.

In September 2013, clearing of Czech, Slovak and Hungarian power derivatives was successfully taken over for the Czech energy exchange, Power Exchange Central Europe a.s. (PXE). Its trading participants now benefit from the broad participant base of ECC and the cross-margining effects resulting from the comprehensive product and market coverage of ECC. Since December 2013, ECC has supported the market for physically settled Czech Gas Futures launched by CEGH in cooperation with PXE.

In October 2013, clearing for the derivatives business of the long-standing partner exchange APX/ENDEX was transferred to ICE Clear Europe. This step was necessitated by the take-over of the derivatives business of APX/ENDEX by ICE, the termination of the Clearing Services Agreement with ECC and the switch to ICE's own clearing house which was connected with it. Since November 2013, no further volumes or revenue have been generated from this cooperation.

Furthermore, in 2013, ECC was able to acquire a partner exchange which will offer commodity derivatives for fibre and recycled pulp for trading for the first time with the Norwegian company NOREXECO AS (NOREXECO), which has applied to the Norwegian supervisory authority for a licence to operate a regulated market. The introduction of clearing is planned for the spring of 2014. Further derivatives and option offers in the field of pulp and other world-wide traded commodities are envisaged. In addition to the expansion of the portfolio offered (with a global market with excellent growth possibilities), ECC expects this commitment to provide interesting interactions with the existing product portfolio.

ECC is currently negotiating with a number of exchange initiatives in connection with offers for clearing services and sees this as an affirmation of its approach of finding strategic partner exchanges. Its attractiveness (which constantly increases as a result of the expansion of the product portfolio and the market coverage) is also reflected in the higher transaction volumes and a constantly growing customer base. ECC now carries out the physical settlement of gas and power contracts for more than 20 transmission system operators in ten countries. This constitutes an important unique selling proposition (USP) compared with other clearing houses.

Regarding the technical connection to the ECC clearing infrastructure, the expansion of the Trade Import Gateways (TIG), the central input channel for derivatives transactions (with a number of technical and functional improvements), commenced in the financial year under review. The new functionalities are to be made available to the partner exchanges and, via the "Straight-Through-Processing" (STP) offers (eXRP by EFET.net and Hosted Clearing Link by Trayport), to the other trading participants and brokers in the course of the coming year. After that, ECC will offer the fully automatic STP-based registration of over-the-counter transactions for clearing to all partner exchanges and also support alternative broker models, such as the Non-Trading-Broker membership.

The year 2013 was also affected by the implementation of comprehensive regulatory requirements (which were implemented in the form of the European Market Infrastructure Regulation (EMIR)) at the end of 2012 and specified in more detail by the corresponding technical standards in the spring of 2013. As a result, Europe-wide uniform standards for the required organisational structure, supervision and risk management of central counterparties were introduced for the first time. As seen from the perspective of ECC, the implementation of the regulatory requirements also permits interesting design options, e.g., in the form of new service offers. For example, ECC offers its customers the possibility of assuming trade reporting (which has become mandatory under EMIR). ECC will actively deal with these opportunities and sees itself in a good position for meeting future challenges at the current point in time. The approval process for the EMIR licence, which was initiated in September 2013, is expected to be concluded in the spring of 2014.

In the course of the global regulation of the financial markets resulting from the financial crisis and the expected increasing need to settle derivatives transactions through a central counterparty, questions of margin efficiency have also become very important, in addition to having an efficient technical connection. In addition to the continuous optimisation of the margining models under consideration of

the regulatory requirement, ECC also sees itself as well prepared with regard to the admissible use of emission allowances towards margin requirements, which has been permitted under certain circumstances since the end of 2013.

In 2013, ECC again licensed five new Clearing Members. As a result, there is now a total of 20 Clearing Members. As of the end of the year, there were 381 Clearing Participants (including Non-Clearing Members) (previous year: 315).

Transparency/Information products

This business field includes, on the one hand, the operation of the transparency platform and, on the other, marketing of trading and fundamental data. In 2013, this business field (which is still young) contributed approximately 2 percent to Group revenue. Its tasks comprise the attainment of the highest possible presence of the EEX markets and their products, support for efficient pricing and marketing of the data available on EEX.

At the end of 2013, EEX supported 125 data vendors (previous year: 128) which commercially use EEX data. Vendors are companies that offer their customers market data and products derived from these on a commercial basis. In 2013, there were 2,921 data subscriptions with internal rights of use.

In the framework of its commitment to transparency in European energy trading, EEX operates the central transparency platform "Transparency in Energy Markets" (www.eex-transparency.com). This platform was established in cooperation with the German transmission system operators in October 2009 and it pursues the aim of reinforcing the comprehensibility of market pricing and strengthening the confidence which the public and market participants have in the markets.

The number of reporting companies increased from nine in 2009 to 48 power plant and transmission system operators as of the balance sheet date. The high data coverage of 97.86 percent for Germany, 100 percent for Austria and 57.99 percent for the Czech Republic makes a decisive contribution to the Europe-wide acceptance of the platform. This is confirmed by the approximately 35,000 monthly users of the internet site. Furthermore, the year 2013 was characterised by the launch of reporting generation data by the biggest Czech market participant, ČEZ (in August) and by the announcement of a cooperation with the Swiss association swisselectric.

For the further development of this business field, EEX will continue to expand the transparency platform and its website. For this reason, it is planning to integrate data messages regarding power and natural gas in the framework of European Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) in 2014. Furthermore, the data product portfolio is to be expanded step by step.

Shareholdings

In addition to the fully consolidated subsidiaries, namely ECC, ECC Lux, EEX Power Derivatives GmbH, EGEX and GEEX, EEX also has further shareholdings. The shareholdings which are essentially reported at equity (EPEX and EMCC) will be addressed briefly below.

In the financial year 2013, EEX acquired 43.7 percent of the shares in the Singapore-based **Cleartrade Exchange Pte. Ltd. (Cleartrade)**. Cleartrade is a derivatives market which is regulated by the Singaporean Supervisory Authority and offers a global electronic market platform of derivatives transaction and subsequent trade reporting for commodity futures transactions and commodity derivatives for freight, iron ore, fuel oil and fertiliser contracts.

In addition, EEX holds a shareholding in store-x, an online platform for secondary trading in storage capacities for natural gas, and in PRISMA, an online platform for natural gas transport capacities. EEX sold its shares in PRISMA at the beginning of 2014.

EPEX: Power Spot Market

2013 was yet another record year for EPEX. EPEX was able to considerably increase sales during the reporting period, for example, as a result of the increase in the trading volume by 2 percent as against 2012 and through growing sales from the operation of market coupling. Expenditure also increased more in 2013. However, as a result of provisions made for legal risks, at EUR 5.2 million the income from the equity interest in EPEX was lower than in the previous year (-14 percent).

EMCC: NWE Market Coupling

Following negative results up until and including 2011, EMCC again reported a positive development of business in 2013 after the success attained in 2012. On account of the planned introduction of market coupling throughout the entire NWE region, the EMCC business model will be replaced with the price coupling algorithm. For this reason, the company will discontinue its operations in 2014 following a transitional period after the launch of NWE market coupling, based on a resolution by the shareholders.

Trading participants

As of the balance sheet date (31st December 2013), there were a total of 236 trading participants on the different markets of EEX compared with 221 participants as of the 2012 balance sheet date. This corresponds to a net growth of 7 percent. In the course of the year, 36 new participants were admitted, while during the same period 21 participants left the exchange.

On account of the current improvements of the product and service offering and of the technical availability for the customers, the positive trend of the past years is expected to continue into the future.

Further developments

EEX and Eurex Frankfurt AG (Eurex), one of the leading derivatives exchanges worldwide, collaborated again within the framework of the concluded product and sales cooperation in 2013. In the context of this cooperation, the Eurex trading participants can trade and clear the most important derivative products for power, natural gas, emissions and coal which are offered on EEX using their

existing infrastructure via a simplified admission process. However, the volume cleared by the Eurex members remains low.

During the past financial year (2013), EEX was able to successfully continue its growth strategy through the acquisition of shares in the Singapore-based Cleartrade Exchange Pte. Ltd. (Cleartrade). Cleartrade is a derivatives market which is regulated by the Singaporean Supervisory Authority and offers a global electronic market platform for commodity futures transactions and commodity derivatives for freight, iron ore, marine diesel and fertiliser contracts. This trading platform permits a fully electronic settlement of derivatives transaction and subsequent trade reporting and is connected to various clearing houses via STP.

4. Group Position

Earnings Situation

At EUR 62.2 million at the end of the financial year 2013, the sales revenue for EEX was 30 percent higher than in the previous year.

In the 2013 financial year, the transaction fees for trading and clearing comprised a total of EUR 50 million. This corresponds to an increase of EUR 13 million or 35 percent compared with the previous year. This development was mainly driven by the revenue on the Power Derivatives Market, which was EUR 8.4 million or 38 percent higher, and by the revenue on the Power Spot Market, which was EUR 2.1 million or 31 percent higher (essentially driven by a price increase for clearing on the Power Spot Market). In addition, sales revenue from the business fields of gas (+ EUR 1.2 million), emissions (+EUR 0.7 million) and clearing (+EUR 0.5 million) made a positive contribution. The individual business fields contributed to this development as follows:

Sales Revenue according to Business Fields in kEUR			
	2013	2012	Change
Total sales revenue	62,219	47,921	+30 %
Power ³	39,823	29,275	+36 %
– of which Derivatives Market	30,840	22,418	+38 %
– of which Spot Market	8,983	6,858	+31 %
Natural gas	3,035	1,858	+63 %
Emissions	1,579	853	+85 %
Clearing	5,516	4,995	+10 %
Others (including coal)	12,267	10,939	+12 %

(Rounding differences of ± one unit (TWh, EUR %, etc.) may be found in the tables for arithmetical reasons).

³ Compared with the Management Report regarding the previous year, physical settlement of French Power Futures was reclassified from Derivatives Market revenue to Spot Market revenue. The corresponding values for the previous year were adjusted.

At EUR 12.3 million, the other sales revenue was EUR 1.3 million or 12 percent higher than the corresponding values for the previous year. This development is essentially due to a one-off payment by ICE-ENDEX in connection with the termination of the Clearing Services Agreement with ECC and with the introduction of a securities management fee by ECC.

Detailed sales revenue according to business fields in kEUR			
	2013	2012	Change
Total sales revenue	62,219	47,921	+30 %
Power⁴	39,823	29,275	+36 %
Derivatives Market	30,840	22,418	+38 %
Germany	30,305	22,157	+37 %
– of which exchange trading	16,687	11,134	+50 %
– of which Trade Registration	13,618	11,023	+24 %
France	499	261	+92 %
– of which exchange trading	299	225	+33 %
– of which Trade Registration	200	36	+459 %
Netherlands/Belgium	1	0	n/a
Guarantees of Origin	8	0	n/a
Trade Registration bundle	27	0	n/a
Spot Market	8,983	6,858	+31 %
Auction Germany/Austria	4,760	3,646	+31 %
Auction Switzerland	580	334	+74 %
Auction France	1,299	1,043	+25 %
Intraday Germany	508	315	+61 %
Intraday France	74	43	+72 %
Intraday Switzerland	17	0	n/a
Intraday Austria	11	1	+1,982 %
Physical settlement	1,338	1,087	+23 %
Capacity	395	389	+1 %

⁴ Compared with the Management Report regarding the previous year, physical settlement of French Power Futures was reclassified from Derivatives Market revenue to Spot Market revenue. The corresponding values for the previous year were adjusted.

Detailed sales revenue according to business fields in kEUR

	2013	2012	Change
Natural Gas*	3,035	1,858	+63 %
Spot Market	2,550	1,074	+137 %
Derivatives Market	485	784	-38 %
Emissions	1,579	853	+85 %
Spot Market	1,526	307	+397 %
Derivatives Market	53	546	-90 %
Coal	0	0,3	-100 %
Derivatives Market	0	0,3	-100 %
Clearing cooperations	5,516	4,995	+10 %
Cooperation with APX-ENDEX	2,870	3,510	-18 %
Cooperation with Powernext**	1,758	1,186	+48 %
Cooperation with CEGH	264	61	+336 %
Cooperation with HUPX	377	239	+58 %
Cooperation with PXE	247	0	n/a
Total others	12,267	10,939	+12 %
Annual fees	4,783	4,642	+3 %
Training courses	829	763	+9 %
Info products	1,448	1,487	-3 %
Technical connections	1,931	2,095	-8 %
Management services for EPEX	1,839	1,838	+0 %
Others	1,438	114	+1,158 %

Rounding differences of ± one unit (TWh, EUR %, etc.) may be found in the tables for arithmetical reasons.

* Includes the trading and clearing revenue for the NCG, GPL and TTF Spot Market areas, for the NCG and GPL Spot Market areas and the trading revenue for the TTF Derivatives Market area.

** Includes the clearing revenue from the PEG Spot and Derivatives Markets and from the TTF Derivatives Market area.

The remaining operating income essentially comprised the income from the allocation of costs and income from the write-up of accounts receivable. In 2013, this amounted to EUR 0.6 million and was approximately at the level of the previous year (–4 percent).

The total expenses considered in the operating result (human resources expenses, depreciation and other operating expenses) increased from EUR 42.2 million to EUR 51.0 million (+21 percent) in the period under review.

In the year under review, human resources expenses increased from EUR 14.1 million to EUR 14.6 million as a result of the implementation of planned staff increases and higher results-based management bonuses. The value for the previous year had already been increased on account of one-off expenses in connection with changes on the EEX Management Board.

At EUR 4.8 million in 2013, depreciation was EUR 1.8 million higher than in the previous year. This was due to one-off impairment losses on a customer base of EUR 2 million.

The other operating expenses primarily consist of variable system costs and the EEX overheads (primarily for infrastructure, consulting and marketing costs), in addition to the reimbursement of transaction fees. At EUR 31.7 million, they increased by EUR 6.6 million or 26 percent against the previous year. This development was mainly driven by increased sales-dependent costs (+EUR 2.5 million) on the one hand, and increased overheads (+EUR 4 million) on the other.

The volume-based expenses for market maker and broker reimbursements resulting from business operations and the reimbursements for Eurex within the framework of the sales and market cooperation increased, essentially, on account of increased trading volumes which increased to EUR 5.4 million by EUR 1.7 million. Variable systems costs (essentially comprising costs for the trading and settlement systems of EEX Group) also increased to EUR 3.2 million by EUR 0.8 million compared to the previous year due to higher sales.

The increase in overheads (+EUR 4.0 million) is due to increased consulting costs in connection with strategy projects, the formation of provisions for uncertain liabilities and the costs in connection with the implementation of the IT strategy.

In 2013, the financial result declined by EUR 0.4 million to EUR 0.3 million compared with the previous year. This was essentially due to interest rate levels – which were significantly lower since the summer of 2012.

At EUR 5.2 million, the EPEX investment income assessed at equity also failed to reach the level of the previous year (EUR 6.0 million). This was essentially caused by increased expenses within EPEX which were due to an outcome resulting from provisions made for legal risks, which exceeded the positive development of sales.

At EUR 17.3 million, the resulting earnings before taxes (EBT) were EUR 4.2 million or 32 percent higher than in the previous year (EUR 13.1 million). As a result, the 2011 level was reached again.

At 15 percent, the return on equity before taxes increased by three percentage points. It is calculated on the basis of the EBT in relation to the average group equity during the reporting period.

The EBT margin as the ratio of the earnings before taxes to total revenue (from sales, other operating income and income from investments) was 25 percent and, hence, it was one percentage point higher than for 2012. The EBT margin (which only increased slightly in spite of the strong increases in sales) reflects the expansion strategy which EEX began in 2013 as well as the associated investments and project expenses.

Compared with the previous year, the result after taxes increased to EUR 13.7 million by EUR 1.9 million. The taxes on income and profit of EUR 3.6 million take into account the taxes to be paid, as well as deferred tax payments. In this context, the assessment of deferred taxes on tax losses brought forward (and which are recognised in profit or loss) reduced the tax expenses by EUR 1.5 million in the previous year.

Asset Situation

On the balance sheet date, the long-term assets were EUR 58.1 million (previous year: EUR 49.2 million) and comprised the shares in associated companies and joint ventures (EPEX and Cleartrade) to the amount of EUR 33.3 million (previous year: EUR 25.5 million) and the goodwill of ECC and of EEX Power Derivatives GmbH to the amount of EUR 12.2 million. The change in long-term assets against 31st December 2012 was essentially due to the acquisition of the shares in Cleartrade, an increase in deferred tax assets of EUR 1.5 million and in derivative financial instruments of EUR 0.4 million at the same time. The item “derivative financial instruments” records ECC options with terms of more than one year at the fair value. This fair value is established on the basis of the current exchange price of the open positions. Since ECC operates as a central counterparty for the different markets of EEX Group, this asset is offset by a corresponding liability of the same amount. On account of a one-off, unscheduled depreciation on intangible assets (customer base) these declined by EUR 0.5 million despite the completion and going live of essential IT systems.

The assets side of the balance sheet is shaped by the short-term assets to the amount of EUR 882.9 million (previous year: EUR 759.6 million). For example, this included bank balances of ECC resulting from cash collateral deposited to the amount of EUR 741.0 million (previous year: EUR 613.3 million). The market participants connected with the clearing house ECC provide collateral, partly in the form of cash collateral deposits which are adjusted on a daily basis. The money is recorded under the item “Cash at bank with restrictions on disposal”. The collateral deposited increased significantly in the course of the year. However, this asset was offset by a liability of the same amount.

Further material items under short-term assets comprise the trade accounts receivable of EUR 64.6 million (previous year: EUR 74.3 million), cash funds of EUR 58.3 million (previous year: EUR 55.4 million) and other assets of EUR 16.1 million (previous year: EUR 13.1 million).

The assets were financed with equity of EUR 119.7 million (previous year: EUR 113.7 million) and debt of EUR 821.2 million (previous year: EUR 695.1 million). The balance sheet total was EUR 940.9 million (previous year: EUR 808.8 million).

The increase in equity by EUR 6 million against the previous year was caused by the fact that the profit for the accounting period exceeded the dividends paid as well as that of the earnings generated in the previous year, which were partly retained. This is confirmed by the increase in reserves of

EUR 4.9 million and by the increase in the results generated by EUR 0.7 million at the same time. Minority shareholders accounted for EUR 6.1 million (+EUR 0.4 million) of the equity of EEX Group.

On 31st December 2013, the loan capital almost entirely consisted of short-term liabilities to the amount of EUR 820.0 million (previous year: EUR 694.8 million). On the balance sheet date, there was long-term debt of EUR 1.7 million (previous year: EUR 0.3 million). The increase in long-term liabilities is essentially due to the fact that long-term liabilities of EUR 0.9 million were incurred and that liabilities from derivative financial instruments increased by EUR 0.4 million compared with the 2012 balance sheet date.

The short-term debt of EUR 820.0 million (previous year: 694.8 million) was due to the significantly increased liabilities from cash collateral deposited by the trading participants to the amount of EUR 741.0 million (2012: EUR 613.3 million). For example, trade accounts payable of EUR 66.3 million (2012: EUR 76.0 million), short-term provisions of EUR 5.0 million (2012: EUR 2.6 million), derivative financial instruments of EUR 1.3 million (2012: EUR 1.1 million) and other liabilities of EUR 5.6 million (previous year: EUR 1.4 million) are reported under this item.

Overall, EEX Group invested EUR 4 million (2012: EUR 3.4 million) in intangible assets and property, plant and equipment in the year under review and therefore increased the investment level against the previous year. In 2013, the essential investments (comprising EUR 3.4 million) were made in intangible assets. The investment in a business data warehouse, a new web presence and in a new system for the execution of the ECC settlement processes accounted for a significant share of this. The further essential measures and projects concerned the expansion of the transparency platform for the publication of fundamental data within the framework of the EU REMIT Regulation, for the expansion of clearing and the improvement of connectivity.

The balance sheet comprises a number of items which are included on the assets and the liabilities side as an identical amount. The balance sheet total adjusted for these items is established below. On the one hand, there are bank balances from cash collateral deposited to the amount of EUR 741.0 million (previous year: EUR 613.3 million) which are offset and on the other hand, by liabilities of the same amount with regard to the cash collateral deposited by the trading participants. The balance sheet total also includes trade accounts payable and receivable of EUR 59.1 million (2012: EUR 71.6 million). This concerned the disclosure of accounts receivable and payable from the nomination of power and natural gas with regard to the balance sheet date. The short and long-term derivative financial instruments from reporting of the fair value of the options in the balance sheet are included both on the assets and liabilities side to the amount of EUR 1.9 million (previous year: EUR 1.3 million). Following the deduction of these items, the adjusted balance sheet total at the end of the reporting period was EUR 139.0 million (previous year: EUR 122.6 million), while the equity ratio was 86 percent (previous year: 93 percent).

The debt ratio (which is defined as the share of long-term and short-term debt in the adjusted balance sheet total) was 14 percent (previous year: 7 percent). The Group was able to cover all expenses with its income at all times and, in addition, generated a significant surplus. Credit lines by external lenders did not have to be used in the financial year under review and are not likely to be used in 2014 either.

Financial Situation

The Group's situation regarding cash funds is satisfactory and acceptable. However, in the case of the ECC clearing house, it is characterised by high requirements with regard to the liable equity under EMIR.

Cash and cash equivalents rose from EUR 55.4 million as of the balance sheet date (31st December 2012) to EUR 58.3 million on the 2013 balance sheet date (31st December 2013). The consolidated cash flow generated of EUR 2.8 million, was mainly due to the cash flow from current operations of EUR 15.2 million and dividends received amounting to EUR 6.3 million. As a result investments made of EUR 11.1 million, and the complementary dividend pay-out of EUR 7.7 million were covered, and a remaining net cash surplus of EUR 2.8 million was also generated.

In 2013, the EEX Group generated a cash flow from current operations of EUR 15.2 million (previous year: EUR 6.6 million). The cash flow from current operations is established on the basis of the annual net profit (EUR 13.7 million) and adjusted for non-cash effective revenue and expenses as well as the cash flows derived from the change in the balance sheet items (indirect method). These adjustments totalled to EUR -1.7 million and essentially consist of the decline in accounts receivable, liabilities and provisions, non-cash effective depreciations, the 2013 EPEX result (not yet accrued to EEX) and the non-cash effective expenses from deferred taxes.

In the financial year 2013, funds of EUR 4.7 million (previous year: EUR 2.4 million) were paid by EEX Group for investment activities. This change against the previous year is primarily due to the investments in associated companies (e.g. Cleartrade).

The cash outflow in connection with financing activities was EUR 7.7 million (previous year: EUR 7.8 million) and essentially comprised the dividend paid by EEX for the financial year 2012.

Thanks to the high internal financing capability and the high existing liquidity, the Group does not expect any liquidity shortage for the financial year 2014 (as in the previous years). Looking to the future, it will also be able to carry out the necessary investments, which are required for the maintenance and further expansion of its healthy competitive position.

Summary

The financial results are a testimony to the success of both the Group and its affiliated companies. Despite the subdued development of the overall economy, and the challenging market environment in the energy sector, the Group was able to increase its profitability slightly and maintain its sound capital base.

5. Employees

In the financial year 2013, further staff was recruited. As of 31st December 2013, staff totalled 161 employees (compared with 145 employees as of 31st December 2012 (+11 percent)).

On 31st December 2013, the age structure of the staff was as follows:

Age group	Number of employees	Share
< 30 years	44	27 %
30 to 39 years	80	50 %
40 to 49 years	31	19 %
>/= 50 years	6	4 %
Total	161	100 %

Rounding differences of ± one unit (TWh, EUR %, etc.) may be found in the tables – for arithmetical reasons.

86 percent of group employees possess an academic degree. This is defined on the basis of employees who have a degree from a university, university of applied sciences or a university of cooperative education.

In terms of gender balance, on the balance sheet date, 44 percent of the employees within the company were female. Women also held seven of the 21 executive positions within EEX Group.

EEX is planning to recruit further staff and to resume the trainee programme in 2014.

6. Risk Management

In accordance with the requirements defined in art. 91 paragraph 2 AktG [German Companies Act], the Group has an early warning risk system covering all business areas. Potential risks are evaluated with regard to the likelihood of their occurrence and the possible extent of damage resulting from such incidents. Risk control for the group companies is provided by ECC in the form of management services.

The Management Board is regularly informed of the risk situation and reports to the Supervisory Board with regard to this on a quarterly basis. Overall responsibility for risk management rests with the EEX Management Board. There is ad-hoc reporting with regard to fundamental changes in the risk situation.

Counterparty risk, market price risk, liquidity risk, operational risk as well as business and compliance risk constitute the potential risk categories.

Counterparty Risk

Counterparty risk is defined as the risk that business partners might not fulfil their payment obligations under the relevant contract, or that they might not fulfil these obligations in due time, which might lead to a loss for the Group. Within EEX Group, the principal counterparty risks occur within the ECC subsidiary. ECC is a central counterparty under the scope of art. 1 para. 1 fig. 12 KWG [German Banking Act]. ECC has also submitted an application for a licence under new European Regulation on OTC derivatives, central counterparties and trade repositories (648/2012). Within this capacity, it positions itself between the buyer and the seller and assumes the default risk of both sides for all the transactions concluded on its markets. This also applies for all OTC transactions registered on its markets for clearing. ECC pursues the risk strategy of covering this default risk with a high security level through its margin system, the clearing fund and its own financial resources. The quality of the margin system is reviewed on an on-going basis through regular backtesting. With the help of daily stress tests, ECC simulates the counterparty risk in extreme yet plausible market conditions and adjusts the clearing fund and its own financial resources in such a way that the counterparty risk is also covered under these conditions as well as the risk of both of the biggest Clearing Members simultaneously defaulting.

Furthermore, potential counterparty risk arises with ECC with regard to the investment of cash collateral received from its participants with credit institutions. For this reason, these funds are exclusively invested in overnight investments at development banks with a zero weighting under supervisory legislation. In future, they will be invested in reverse-repo transactions with approved institutions in return for securities collateral with the highest possible credit rating and liquidity.

Low default risks manifest themselves when trading participants do not pay the transaction fees or clearing fees which are due. The trading participants' credit standing is constantly monitored on the basis of financial parameters and of rating information (provided such is available). Within this framework, the question of whether the payment of transaction fees concentrates on individual trading participants (cluster or concentration risk) which is also analysed.

Market Price Risk

Market price risks are defined as adverse changes in the value of assets on account of a change in valuation-relevant market parameters, such as exchange prices. As a result of the positions (which are balanced on principle), there are no market price risks in the clearing business. The market price risks resulting from other operations (essentially currency risks) are minor and are controlled in accordance with the respective situation.

Liquidity Risk

Liquidity risk is defined as the risk when the Group might not be able to fulfil its payment obligations at a point in time agreed under a contract. Due to the nature of the pursued business strategy in place, the current operations do not lead to any essential incongruities of dates within EEX Group. The financing required for current outgoings and investments is identified and addressed in a timely manner within the framework of medium-term planning. Any possible gaps in financing are dealt with by providing sources of liquidity within the Group. The structural liquidity risk is monitored within the framework of the medium-term plan, which is prepared every year, including the on-going

liquidity reporting. In this context, the aim is to determine the liquidity reserves and credit lines in planning so as to ensure that sufficient sources of liquidity are available in every case.

On ECC, the liquidity risk is controlled with the help of the liquidity parameters under supervisory legislation. This is a continuous twelve-month liquidity forecast and the analysis of the effects of various business development scenarios (which have an effect on liquidity due to the assumed discontinuation of inflows of funds in the form of transaction fees).

Operational Risk

Operational risks are defined as all potential cases of damage arising from malfunctions of the IT systems used, due to inadequate design of internal processes; errors by members of staff; errors by, or the defaulting of, external service providers and project risks. Due to the high degree of automation in processing business transactions combined with a large number of transactions, malfunctions of the IT systems used constitute essential operational risks for EEX Group. Since key parts of the IT systems are operated by external service providers, their errors or defaults also constitute a significant source of risk.

The risk strategy pursues the fundamental aim of minimising operational risks by using approved methods of system development and comprehensive test procedures. EEX Group either provides core services itself or have these carried out by specialised, external partners. Additional services are also provided by specialised companies which are part of Deutsche Börse AG. The quality of the service providers is reviewed continuously within the selection process and the service level agreement framework thereon. Back-up processes are implemented for critical business processes. The quality of the internal control system is checked regularly with the help of examinations by internal and external auditors. There are process descriptions and control activities for all fundamental processes. These are documented in checklists in order to reduce the likelihood of human errors. Operational risks are identified and assessed throughout the group in annual self-assessments.

Regarding the conclusion of balancing group agreements, priority rules regarding nominations by ECC are aimed for (provided such can be negotiated).

Professional liability insurance to cover errors in commercial activities (E&O insurance) has also been taken out.

A damage incident database is maintained for the on-going monitoring and for reporting cases of malfunctioning during operations. All untoward incidents which occur in the course of the operations – even if they have not led to any direct financial damage – are recorded in this database and consequently analysed.

Business Risk

Business risk is defined as effects resulting from the market entry of new competitors, regulatory or other legal amendments, technical changes or modifications of the product landscape, having a negative effect on the earnings situation in the medium to long term (see also “Report on Opportunities and Risks”).

These risks are monitored by means of the structured collection and analysis of information on competitors, customers, products/markets as well as processes and procedures. The effects which certain price and volume changes have on earnings are also analysed in scenario calculations (see also “Group perspective and outlook report” for information on the sensitivity of sales and results).

Compliance Risk

EEX is exposed to compliance risks primarily in the fields of VAT fraud, damage to its reputation on account of the unauthorised publication of information and abuse through money laundering and/or financing terrorism.

ECC settles all transactions via Clearing Members. As financial institutions, these are subject to the rules of the German Banking Act (KWG) (or other, equivalent European provisions) which provide for the implementation of measures to combat these risks. Therefore, ECC has a low risk of being ‘abused’ for the purposes of money laundering, fraud or financing terrorism. This risk is re-evaluated annually through risk analysis processes.

‘Know-your-customer’ measures are intended to identify suspicious counterparties during the initial stages of the business relationship. In the event of reasonable doubt in the admission process, a decision by the Management Board or by the CRO is requested. In addition, continuous monitoring processes are undertaken by the Market Surveillance Office.

Sensitive data requiring specific protection has to be treated confidentially and protected against unauthorised access in accordance with internal instructions. In order to prevent conflicts of interest, rules of conduct have also been established for staff.

Risk Coverage Capital

The equity and the annual profit are available as risk coverage capital. Overall, risks which are not covered by the existing risk coverage capital and by the margin system cannot be discerned at the moment.

Summary

The overall risk assessment for the financial year 2013 did not indicate any threat to the Company’s continued existence in terms of individual risks or aggregated risk positions. A substantial change in the risk profile of EEX Group is not expected for the coming financial year 2014.

7. Research and Development

As a service provider, EEX Group does not engage in any research and development activities, as this is more the domain for the manufacturing sector. New developments of products and services are addressed in more detail in a different section in this annual report.

8. Group Perspective and Outlook Report

EEX Group is facing the competitive pressure resulting from regulatory uncertainty, growing customer requirements and the increasing professionalism of the exchanges in an optimistic manner. This optimism is based on the extremely competitive value chain within EEX Group (which is characterised by liquid trading platforms and cost-effective clearing solutions). EEX has set itself the aim of generating above-average growth rates and thereby increasing its relative market share by 2019.

EEX Group aims to further expand its position as the leading integrated energy exchange in Europe. During this process, the exchange will continue to rely on its diversification into further business fields (in addition to power). It plans on expanding the natural gas and CO₂ markets, strengthening the clearing and information products segment as well as developing new business fields. The further development of markets (together with partners and through collaborations), as well as the expansion of the product and services portfolio are increasingly gaining importance in view of the current market development.

As a trend-setting pioneer, EEX Group will expand its product range and further optimise the time-to-market required for new products. It intends to expand its product portfolio on the Power Derivatives Market with the aim of offering listed derivatives market products for the all-important Continental European power markets. In addition, the registration of products traded over the counter for clearing is also to be implemented for all of these markets.

EGEX is also planning to significantly expand its product offering within the framework of the PEGAS cooperation with the French Powernext. The core aim is to provide corresponding services in all major gas market areas. In this instance, the expansion will initially pertain to western, southern and northern Europe.

EEX Group will also submit an application for operating the permanent platform for the execution of the primary market auctions for the third trading period of the EU emissions trading system. A decision on awarding the contract for the operation of this platform is likely to occur in autumn 2014. At present, EEX Group successfully operates the transitional platform for the execution of the primary market auctions of the third trading period of the EU emissions trading system (EU and 26 member states) as well as for Poland. EEX Group has already been awarded the contract for operating the permanent auction platform for Germany and is already carrying out the corresponding auctions seamlessly and with ease.

EEX is planning to invest in new business fields such as weather derivatives, which will be offered following the launch of Guarantees of Origin for power in June 2013. Weather derivatives are derivatives market products using meteorological data (i.e. wind volumes and temperatures) as the underlying value. Given the increasing importance of renewable energies, the energy generators' dependence on external weather effects will increase, together with the need to hedge against unexpected weather

developments. This creates further development potential for EEX. The acquisition of a shareholding in Cleartrade also enables EEX Group to enter the markets for freight contracts, marine diesel, iron ore and fertilisers. The revenue from these markets will continue to develop dynamically in the financial year 2014. The EEX Management Board therefore expects the positive growth trend of the Cleartrade markets to continue.

As a result of expanding the product offering, particularly financially settled instruments, the need for participants to trade on several exchanges or to settle their transactions via several central counterparties is declining. In order to counter the increasing competition, EEX will also make its price model more flexible and will counter possible 'price wars' with an even more improved service offering to match. For example, a decision regarding an adjustment of the price list from 2014 was adopted with a view to becoming even more competitive through new memberships. This was coupled with a much more simplified technical connection and lowering barriers to market entry, in particular, for smaller customers. In the interest of being a customer-oriented exchange, EEX will also continuously improve the other service offerings, via flexible trading systems and simplified admission processes. The mandate is also in place to enhance the utilisation of existing customer potential and the acquisition of new customers.

Finally, EEX and ECC will continue to maintain and expand the partnership model (as long as this is commercially feasible and sensible). ECC is also planning to provide clearing services for additional European exchanges in 2014.

In order to improve its competitive position, EEX constantly promotes the internal reduction of complexity and improvements in efficiency. In 2014, the internal processes as well as the IT infrastructure will be further improved and simplified through further consolidation of the different business applications.

In 2014, the Power Derivatives Market will again form the mainstay of revenue. The continued revenue growth through the PEGAS cooperation and clearing cooperations, as well as the price increases for clearing on the Power Spot Market (which was implemented on 1st June 2013) will almost entirely offset the income shortfall resulting from the termination of the APX/ENDEX cooperation and will drive EEX's diversification strategy forward. Sales revenue is expected to range between EUR 57.9 million and EUR 60.8 million and is, therefore, expected to be slightly below the 2013 level. In determining the range of revenue, an addition or reduction by 3 percent was assumed with regard to the planned revenue for 2014.

The range of sales between EUR 50 million and EUR 52.4 million assumed for the year 2013 was exceeded on account of the successful development of the Power Derivatives market and of the Power Spot Market.

As a result of the overhead costs items (which will largely be kept stable), the reduction in project expenses and the continuation of active cost management, non-variable expenses are expected to be approximately 2 percent lower in 2014 than in the previous year. Nonetheless, in 2014 and 2015, one-off expenses for the maintenance and optimisation of the IT infrastructure and processes will be incurred in the framework of implementing the IT strategy. Corresponding expenses (resulting from introducing a business data warehouse and introducing new products) will be incurred in order to generate increases in sales and economies of scale in the future. An increase is expected in depreciation as a result of the required investments in software and systems. Human resources ex-

penses will increase moderately due to planned new recruitment for market and product development and as a result of salary adjustments.

Depending on the development of sales revenue, EEX Group expects an EBT in the range (within a +/-3 percent adjustment) of EUR 13.8 million and EUR 16.2 million. The level of the 2013 results will only be re-attained from 2015 onwards, according to the corresponding plans.

The result expected for 2013 was also exceeded due to the positive development of sales revenue. The range specified was between EUR 10.3 million and EUR 12.3 million.

Sensitivity

Sensitivity analyses have shown that a decline in sales of approximately 10 percent against the budget would correspond to a decline in results by approximately 29 percent. It was assumed that the variable costs would develop in line with the transaction fees and that the investments and other operating expenses can be lowered to a level with which all commitments with regard to which contracts were concluded as well as the expenses which are critical or necessary for business can be covered.

A decline in sales of up to approximately 30 percent could be managed, without achieving a negative result.

9. Reports on Opportunities and Risks

Competitive Environment

The energy turnaround, competitive pressures, financial market and energy market regulation are again likely to create a difficult and uncertain market environment, which will shape trading on EEX in 2014.

The current market environment is affected (inter alia) by the following trends which are relevant to all energy exchanges: increasing maturity of energy trading in Europe; increasing professionalisation of exchange platforms; growing demands on the part of customers and the increasing importance of clearing e.g. as the result of increasing risk awareness and regulatory requirements.

The increasing standardisation of products, the entry of globally operating exchanges into the market and a growing share of financial players in the sector, reflect the increasing maturity of the markets. At the same time, competitive pressure and price pressures are increasing. In the course of competition and technical progress, the requirements of customers have (with regard to the product offering, prices and technical standards) all increased and, as a result, they have contributed to the increasing professionalisation of the exchanges. Due to the increasing risk awareness of the market players and new regulatory requirements (e.g. EMIR, MiFID II), the recognition of their importance and the consequent use of central (clearing) counterparties are both increasing. Due to new regulatory provisions, an increasing convergence of the business models of broker and exchange trading platforms is possible. This effect could lead to a higher intensification of competition.

Opportunities and Risks

The improvement in the situation on the financial markets within the euro zone (which is a crucial factor for EEX), the recovery of the economy in Europe and strong financial markets are of major importance for the attainment of the Group's growth aims and are expected to contribute to positive trends in the trade volumes in all market segment and to an increase in the results.

In 2013, derivatives trading on the EEX Power Market recovered significantly compared with the weaker trade volumes in 2011 and 2012. This is essentially due to the improved technical infrastructure of EEX, the improved connectivity and closer spreads (i.e. the range between the prices offered for buying and selling in the order book) in the exchange segment. Combined with stable political framework conditions the basic liquidity resulting from this can lead to growing trust of the trading participants in the market and, as a result, to a further growth in the EEX market share on the German Power Derivatives Market. Together with the planned expansion of the product portfolio to further European market areas, there is good potential for growth in this respect. Safeguarding energy-policy stability and reliability will be decisive for this and will result in significant potential for transferring increasing market share from the uncleared over-the-counter market to the exchange market, or to settlement and clearing by ECC.

In the field of trading in natural gas, the PEGAS cooperation and the expansion into further European gas market areas referred to above, provide further significant growth potential. The improvement in the liquidity and quality of the spreads in the products which are already being offered, particularly, since the beginning of the PEGAS cooperation, is reflected in the trade volumes which have already increased since 2013. In accordance with the principle of "liquidity attracts liquidity", further growth of the German market areas can be assumed.

Additional revenue potential on the market for emission allowances could be generated if, for example, the contract for the permanent European auction platform for the third trading period of the European emissions trading scheme (EU ETS) is awarded to EEX. This would also create the possibility to acquire market shares on the secondary market and to strengthen the position regarding the main competitor (ICE). In contrast, the loss of the European auction platform would entail the risk of 'drying up' the secondary market of EEX. The absence of reviving effect of the market which is intended to be brought about by the temporary limitation of the offer of emission allowances ("backloading") constitutes a further risk to the emissions market. As a result, the EU intends to use a temporary restriction of the offer of emission allowances (by an expected volume of 900 million certificates) to create the preconditions for increasing the prices for emission allowances and to increase the effectiveness of this economic tool.

The acquisition of the shares in Cleartrade enabled EEX Group to further promote its revenue diversification. In addition, the aim is to use the potential for synergetic effects in the functional departments comprising distribution, clearing and IT.

Finally, the increasing importance of clearing (i.e. the settlement of derivatives transactions via central counterparties), entails additional growth opportunities for EEX Group. The advantages of clearing via central counterparties are increasingly noted (by regulatory bodies and the public) following the public analysis of the causes of the recent financial and economic crisis. This offers the opportunity to increase the share of cleared transactions in the total trade volume.

Changes to regulatory framework conditions (e.g. on account of EMIR), are not a necessary precondition. What is decisive in this respect is that trading participants recognise and use the advantages of cleared trades. In combination with the constant expansion of clearing services (both geographically and quantitatively), the transparent presentation of the cost advantages by ECC towards both trading participants and political institutions provides the opportunity to significantly and sustainably increase the volume of the trades settled by ECC.

The three fields of regulation, namely, the financial and energy industry, power market design and intensification of competition form the most important risks for the development of business of EEX Group.

The Management Board sees the largest risk for EEX in the discontinuation of the general exception for commodity derivatives trading in the revision of the EU Markets in Financial Instruments Directive (MiFID II) and the consequent regulatory changes. Some key aspects can lead to a general restraint of trading among the market players. These being, limited exemptions and the associated potential obligation to acquire a financial service licence (with corresponding equity backing and further obligations, position caps and cross connections between the definition of financial instruments and other fields of financial market regulation) as well as a possible shift of volumes away from the exchange and towards less regulated or standardised platforms. For example a situation may arise where the trading participants are obliged to have trades cleared under EMIR (“forced clearing”). However, at the same time, they are not able to fulfil the necessary collateral requirements of the central counterparties connected with this nor the specifications regarding trading transparency which can lead to major negative impacts. At the same time, forced clearing might also lead to positive substitution effects between the cleared and the uncleared market which are positive factors for EEX Group. Since the existence of a financial instrument constitutes a precondition for the clearing obligation under EMIR, there is still uncertainty of the unclear definition of financial instruments in the future version of the EU Directive on Markets in Financial Instruments Directive (MiFID II).

The regulation aims to create so-called organised trading facilities (OTF) and to include them in monitoring activities. As a result, the broker platforms and the derivatives trades concluded on these would partly also be subject to the future MiFID II/MiFIR. However, with regard to power and gas contracts with mandatory physical settlement traded via OTF, an exception will be created in the definition of financial instruments which leads to the unequal treatment of markets from a regulatory perspective. This will offer corresponding regulatory arbitrage possibilities. A possible shifting of trade volumes to the detriment of the exchange platforms is connected with this. The possible introduction of a financial transaction tax in Germany also entails significant risks for EEX. There are plans to charge a flat-rate tax on the nominal value of every derivative transaction concluded in Germany. On account of the comparatively high nominal values, for example of a Phelix year future, the financial transaction tax might lead to a reduction in the trading interest. However, at present, it is not possible to categorically state whether energy products will actually be defined as commodity derivatives transactions. Even if the legislative projects regulating the energy and financial market do not take legal effect or are not finally applied in 2014, the projects can have an indirect effect on the business of EEX Group if market players anticipate certain developments and take a “wait-and-see” approach.

There is a high risk of possible structural changes in energy trading which might significantly impair its business model and lead to the non-fulfilment of growth aims in the field of power as the mainstay of revenue. The debate regarding market design (which was begun in the context of the energy turna-

round in spring 2011 and intensified after the German parliamentary elections in 2013), is decisive for the power market. Even the discussion of interventions which are not in line with the market (such as the introduction of capacity markets or of smaller price zones), can increase the trading participants' uncertainty, leading to a reduction in trading activities on the exchange in the long run. Specifically, a reliable energy policy framework providing long-term planning security is absent in this respect. Instead, the power market is increasingly facing individual regulatory measures, while competitive components are being restricted. Such interventions in the market design can jeopardise the role of market-based exchange prices, such as the Phelix, as reference prices. Their benchmark function would also be jeopardised if the integration of renewable energies in the market cannot be improved. This is particularly so if incentives cannot be created to make sure that the feed-in of renewable energies are based on market prices and, therefore, on the actual demand. Finally, increasing numbers of national "solo" efforts have meant that the potential of the market-based European integration cannot be fully developed. There is even the risk that the attainments of liberalisation – in particular, the integration of the European power markets – might be called into question, which may have a negative effect in the long term.

The increasing competition and price pressure also forms a significant further risk. A further intensification of competition (possibly price-based) on the Power Derivatives Market, and an increasing consolidation and reduction in the number of exchanges in the energy sector in Europe have to be expected. In addition, the entry of US derivatives market exchanges into EEX's space is foreseeable. For example, ICE has taken over the natural gas and power derivatives business of the Dutch APX/ENDEX energy exchange as well as the exchange operating company NYSE Euronext. The new regulation provisions facilitate the increasing convergence of the business models of broker and exchange trading platforms along with a corresponding intensification of the competition. For EEX, the entry of competitors into both existing and growth markets entails the risk that it might lose the possibility of influencing the design of the European energy sector and that it might no longer be able to attain its commercial aims.

Overall however, EEX is well positioned and prepared to meet the challenges ahead. Through innovation and a diversified product portfolio and service offering, as well as its financial stability and earning power, EEX is confident of defending its position in a highly competitive market.

10. Other Notes

The 2013 consolidated financial statement of EEX AG, Leipzig, and its subsidiaries was prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) in the version as required to be applied in the European Union. The consolidated management report was prepared on the basis of art. 315 HGB (German Commercial Code). The consolidated management report was prepared based on the German Accounting Standard DRS 20.

EEX AG (as the parent company of the Group) is not publicly listed and does not use any organised markets within the meaning of art. 2 paragraph 7 of the German Securities Acquisition and Takeover Act by means of voting shares issued by it.

Shareholder and Capital Structure of EEX AG

The subscribed capital of EEX AG consists of 40,050,000 registered no-par shares with a calculated nominal value of EUR 1 per share. Throughout the entire financial year of 2013, the Company has not held any own shares.

In 2011, Eurex Zurich AG became the majority shareholder of EEX AG with a shareholding which currently stands at 62.57 percent. It is the sole shareholder with an interest of more than 10 percent in the capital of the Company.

In 2013, several minority shareholders (accounting for a total share of 2.3 percent of the subscribed capital) declared their intention to sell their shares. However, the corresponding transfers of shares had not yet been implemented as of the balance sheet date.

Cautionary Note Regarding Forward-looking Statements

This report contains forward-looking statements. These statements are based on current expectations, assumptions and forecasts of the Management Board and on the information which is available to it at the present time. These forward-looking statements cannot be considered as guarantees regarding the future developments and events referred to therein. Instead, the future developments and results depend on a large number of factors. They involve different risks and uncertainties and are based on assumptions which may turn out to be inaccurate. We do not assume any obligation to update the forward-looking statements made in this report.

11. Events After the Balance Sheet Date

In January 2014, EEX AG acquired 52 percent, and hence, the majority of the voting rights in Cleartrade Exchange Pte. Ltd. As a result, it will include the company in the consolidated financial statement of EEX as a subsidiary as of the cut-off date (1st January 2014).

Leipzig, 13th March 2014



Peter Reitz
Chief Executive Officer (CEO)



Steffen Köhler
Chief Operating Officer (COO)



Iris Weidinger
Chief Financial Officer (CFO)



Dr. Thomas Siegl
Chief Risk Officer (CRO)

Consolidated Financial Statement

Consolidated Statement of Comprehensive Income

in kEUR	Consolidated notes	2013	2012
Sales revenue	6	62,219	47,921
Other operating income	7	596	620
Human resources expenses	8	-14,597	-14,123
Depreciation	9	-4,759	-2,928
Other operating expenses	10	-31,677	-25,126
Operating result		11,782	6,364
Interest and similar income	11	349	1,182
Interest and similar expenses	11	-7	-479
Financial result		342	703
Income from equity method	12	5,194	6,007
Result from ordinary activities		17,318	13,074
Tax on income and profit	13	-3,635	-1,261
Consolidated net profit		13,683	11,813
Of which attributable to			
Shareholders of EEX AG		12,833	11,272
Non-controlling shareholders		850	541
Reconciliation to consolidated comprehensive income			
Consolidated net profit		13,683	11,813
Change in earnings items recorded directly in equity		0	0
Consolidated comprehensive income		13,683	11,813
Of which attributable to			
Shareholders of EEX AG		12,833	11,272
Non-controlling shareholders		850	541

Consolidated Balance Sheet

Assets

in kEUR	Consolidated notes	2013	2012
Non-current assets		58,070	49,153
Goodwill	14	12,220	12,220
Intangible assets	14	5,649	6,153
Property, plant and equipment	15	1,252	1,458
Shares in associated companies and joint ventures	16	33,269	25,508
Other financial investments	16	165	170
Other financial assets	16	100	125
Derivative financial instruments	17	591	153
Deferred tax assets	13	4,824	3,366
Current assets		882,871	759,640
Derivative financial instruments	17	1,295	1,124
Trade accounts receivable	18	64,625	74,328
Other assets	19	16,074	13,064
Tax refund claims	19	894	921
Accounts receivable from associated companies	20	717	1,497
Cash at bank with restrictions on disposal	21	740,995	613,284
Cash and cash equivalent	22	58,271	55,422
Total assets		940,941	808,793

Liabilities

in kEUR	Consolidated notes	2013	2012
Equity		119,701	113,696
Subscribed capital	23	40,050	40,050
Capital reserve	24	10,000	10,000
Reserves	25	17,548	12,655
Results generated	26	46,037	45,306
Share of non-controlling shareholders	27	6,066	5,685
Long-term liabilities		1,685	322
Long-term provisions	28	190	169
Derivative financial instruments	17	591	153
Long-term liabilities	29	904	0
Short-term liabilities		819,555	694,775
Short-term provisions	30	4,964	2,552
Derivative financial instruments	17	1,295	1,124
Trade accounts payable	31	66,285	76,042
Accounts payable to associated companies	32	415	359
Cash deposits by the trading participants	33	740,995	613,284
Other liabilities	34	5,601	1,414
Total liabilities		940,941	808,793

Consolidated Cash Flow Statement

in kEUR	Consolidated notes	2013	2012
Annual net profit		13,683	11,813
Depreciation on intangible assets and property, plant and equipment	9	4,759	2,928
Expenses from deferred taxes	13	-1,458	-1,881
Result of at-equity investments	12	-5,194	-6,007
Decrease in trade accounts receivable and other assets (+)		7,500	-16,767
Decrease in liabilities and reserves (-)		-4,047	16,471
Cash flow from current operations		15,243	6,557
Payments for investments in associated companies	16	-7,049	0
Payments for investments in intangible assets	14	-3,416	-2,802
Payments for investments in property, plant and equipment	15	-632	-635
Proceeds from investments in financial assets and lendings	16	0	2
Dividends received		6,381	5,883
Cash flow from investment activities		-4,716	2,448
Payments from financing leasing relationships		0	-7
Dividend payments to shareholders of EEX AG		-7,678	-7,772
Cash flow from financing activities		-7,678	-7,779
Cash-effective change in cash and cash equivalent		2,849	1,226
Cash and cash equivalent at the beginning of the accounting period		55,422	54,196
Cash and cash equivalent at the end of the accounting period		58,271	55,422
In the financial year			
- Interest received and similar income		349	1,182
- Dividends received		6,381	5,883
- Interest paid and similar expenses		7	479
- Taxes on income paid		5,093	3,108

Consolidated Statement of Changes in Equity

in kEUR	Subscribed capital	Capital reserve	Reserves as per EMIR Article 45 (4)	Reserves	Results generated	Equity of the EEX shareholders	Share of non-controlling shareholders	Consolidated equity
As of 31 st December 2011	40,050	10,000		8,002	45,897	103,949	5,706	109,655
Total result					11,272		541	
Distribution of profits					-7,210		-562	
Addition to reserves				4,996	-4,996			
Withdrawal from reserves				-343	343			
As of 31 st December 2012	40,050	10,000		12,655	45,306	108,011	5,685	113,696
Total result					12,833		850	
Distribution of profits					-7,209		-469	
Addition to reserves			4,500	393	-4,893			
Withdrawal from reserves								
As of 31 st December 2013	40,050	10,000	4,500	13,048	46,037	113,635	6,066	119,701

Consolidated Notes

Principles and Methods

1. General principles

European Energy Exchange AG (EEX) operates an exchange for trading in energy and related products. While EEX AG is an operating company under private law, EEX is an exchange under public law within the meaning of the German Exchange Act. Since its inception, EEX has evolved from being a local power exchange into a leading international trading platform for these aforementioned products. More than 250 companies from 24 countries use EEX to buy and sell: power, natural gas, CO₂ emission allowances and coal, all at fair prices in line with the market (to cover their demand and to control risks). Collateralisation (clearing) and settlement of all exchange transactions is provided by European Commodity Clearing AG (ECC), a majority-owned subsidiary of EEX.

EEX is a public limited company registered in the Federal Republic of Germany. It was established through a merger of LPX Leipzig Power Exchange GmbH, Leipzig, and European Energy Exchange AG, Frankfurt, into PVG Vierzehnte Vermögensverwaltung AG, Leipzig as of 1st January 2002. Its offices are located at Augustusplatz 9, 04109 Leipzig, Germany and is registered with Leipzig Local Court as HR B no. 18409.

This financial statement was submitted to the Supervisory Board for approval at a Supervisory Board meeting on 1st April 2014.

2. Standards, revisions of standards and interpretations – Mandatory for the first time for reporting periods commencing on 1 January 2013

IFRS 1 First-time applications for IFRS – Severe hyperinflation and removal of a fixed date for transition: The first amendment replaces the reference to the fixed date of transition “1st January 2004” with the “time of transition to IFRS”. The second amendment provides application guidelines regarding how to proceed in the presentation of financial statements. This is in line with IFRS should a company be unable to comply with IFRS provisions over a certain period of time, due to its functional currency being subjected to severe hyperinflation.

IAS 12 Income tax – Recovery of underlying assets: This amendment provides a practical solution to the problem of whether an asset’s book value is realised through use or sale by introducing a dis-provable assumption that the recovery of the book value is usually ensured by its sale.

IAS 1 Presentation of financial statements – Other comprehensive income: The presentation of other comprehensive income was changed so that subtotals are requested for items which can be recycled (cash flow hedges, currency conversions etc.) and cannot be recycled (items that have to be recognised for their profit or loss, according to IFRS 9).

IFRS 13 Fair value measurement: Here, the existing guidelines on fair value measurement (within the individual IFRS announcements) are replaced by a single standard. The fair value is defined, guidelines for estimating the fair value are provided and information on the determination of the fair value is requested.

IAS 19 (revised in 2011) – Employee benefits: These amendments comprise the assessment of changes in the net liability (net assets) from defined benefit plans, including: recording benefit costs immediately, defining them according to their components, assessing revaluations under other comprehensive income and changes to plans as well as their reductions and fulfilments.

IFRIC 20 Stripping costs in a surface mine’s production phase: This explains how stripping costs from production have to be assessed, and how it should be carried out initially and thereafter.

IFRS 1 First-time application of IFRS – Government loans: The amendments to IFRS 1 regarding government loans with a below-market rate of interest. First-time adopters do not have to carry out a full IFRS retrospective application for such loans.

Annual improvements 2009 to 2011 – Amendments regarding IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34: Amendments and clarifications of various IFRS

IFRS 7 Financial instruments – Offsetting financial assets and financial liabilities: Amendments to IFRS 7 require disclosures for all recognised financial instruments which are offset in compliance with IAS 32. In addition, disclosures are also required for all recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are in accordance with IAS 32.

3. Standards and revisions of standards and interpretations, which were adopted at the reporting date but applications were not obligatory nor applied beforehand

IFRS 10 Consolidated financial statements: IFRS 10 replaces the current IAS 27 provisions. This comprises what has been covered by the SIC-12 Consolidation – Special Purpose Entities and establishes a uniform control concept which applies to all companies, including special purpose entities (to be applied to reporting periods beginning on or after 1st January 2014).

IFRS 11 Joint arrangements: IFRS 11 replaces “IAS 31 Interests in joint ventures” and “SIC 13 Jointly controlled entities – Non-monetary contributions by venturers”. The current right for applications by proportionate consolidations in joint ventures is abolished and instead, these companies will be included in a consolidated financial statement exclusively on an “at-equity” basis in the future (to be applied to reporting periods beginning on or after 1st January 2014).

IAS 28 Shares in associated companies and joint ventures (revised in 2011): Upon the adoption of IFRS 11 and IFRS 12, IAS 28 was renamed “shares in associated companies and joint ventures” and the scope of regulation, which had previously been restricted to associated companies, was expanded to the equity method application for joint ventures (to be applied for reporting periods beginning on or after 1st January 2014).

IFRS 12 Disclosures of interests in other entities: This standard consolidates all the information for group accounting fields which have to be reported for companies that are: subsidiaries, jointly managed, associated and structured (to be applied for reporting periods beginning on or after 1st January 2014).

IAS 27 Separate financial statements (revised in 2011): Upon the adoption of IFRS 10 and IFRS 12, applications are exclusively restricted to separate financial statements (to be applied for reporting periods beginning on or after 1st January 2014).

IAS 32 Financial instruments – Offsetting financial assets and financial liabilities: The preconditions for offsetting financial assets and financial liabilities on the balance sheet are clarified (to be applied for reporting periods beginning on or after 1st January 2014).

IFRS 10 to 12 Transitional provisions: These amendments clarify the transitional guidelines in IFRS 10 and grant additional relief in all 3 standards. This includes the fact that adjusted comparative figure specifications for first-time applications is restricted to preceding reference periods (to be applied to reporting periods beginning on or after 1st January 2014).

IFRS 10, IFRS 12, IAS 27 Investment entities: The amendment grants an exception to subsidiaries' consolidations should the parent company fulfil the definition of being an "investment entity" (to be applied for reporting periods beginning on or after 1st January 2014).

IFRIC 21 Levies: This interpretation provides guidelines as to when a liability has to be recognised for a levy which is imposed by a government (to be applied for reporting periods beginning on or after 1st January 2014).

IAS 36 Impairment of assets – Recoverable amount disclosures for non-financial assets: The amendments concern the disclosure of information determining the recoverable amount of impaired assets provided this amount is based on the fair value minus the selling costs (to be applied for reporting periods beginning on or after 1st January 2014).

IAS 39 Financial instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting: As a result of this amendment, derivatives continue to be designated as hedging tools in continued hedge relationships in spite of a novation. This is based on the precondition that the novation leads to a central counterparty (CCP) being called in as a result of legal or regulatory requirements (to be applied for reporting periods beginning on or after 1st January 2014).

IAS 19 Employee Benefits – Defined benefit plans: Employee contributions: Clarification of the assignment of employee contributions or contributions by third parties. These are associated to their period of service and the creation of a relief if the amount of contributions is independent of the number of years of service (to be applied for reporting periods beginning on or after 1st January 2014).

Annual Improvements 2010-2012 – Amendments regarding IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38: Amendments and clarifications of various IFRS (to be applied for reporting periods beginning on or after 1st January 2014)

Annual Improvements 2011-2013 – Amendments regarding IFRS 1, IFRS 3, IFRS 13 and IAS 40: Amendments and clarifications of various IFRS (to be applied for reporting periods beginning on or after 1st January 2014)

The amendments specified above should not have any material effect on the assets, earnings and financial situation of EEX Group.

4. Fundamental Accounting and Valuation Methods

The fundamental accounting and valuation methods which are used in the preparation of this consolidated financial statement are described below. These methods are applied consistently for the reporting periods shown, unless otherwise specified.

Principles for the preparation of the financial statement

This consolidated financial statement as of 31st December 2013 was prepared according to the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB), prepared for application in the European Union. The financial statement was prepared by applying the regulations contained in (EC) Regulation no. 1606/2002 of the European Parliament and Council on 19th July 2002, regarding the application of international accounting standards in conjunction with art. 315a paragraph 3 HGB [German Commercial Code] under consideration of supplementary provisions under commercial law.

The requirements of IFRS are entirely fulfilled and ensure that an impression of the assets, as well as the financial situation, is conveyed in line with the Group's current situation.

With the exception of derivatives, which are assessed at the fair value, the financial statement is prepared on the basis of historical acquisition and production costs.

The consolidated financial statement is prepared in EUR. Unless specified otherwise, all amounts are specified as 1,000 euros (kEUR).

Principles of consolidation

Subsidiaries

For all companies financially controlled by the Group, and whose business policies are defined as subsidiaries, control is generally accompanied by a share of more than 50 percent in voting rights. In assessing the question of whether such control is ensured, the existence and effect of potential voting rights, which can be exercised or converted, is taken into account.

Subsidiaries are included in the consolidated financial statement (full consolidation) as of the time when control is transferred to the Group. They are consolidated as of the day on which such control ceases.

Reports regarding acquired subsidiaries in the financial statement are in effect according to the purchase method. Acquisition costs correspond to the given asset's value at the time, as well as the equity instruments issued and the debts created and/or assumed at the time of the transaction, plus the costs which can be directly allocated to the acquisition. Assets, debts and contingent liabilities, which can be identified as a corporate merger, are assessed at their respective time values on the date of acquisition, regardless of any minority shares. The surplus of acquisition costs over and above the Group's share in net assets, determined at the fair value, is shown as goodwill. If the acquisition costs are lower than the net assets of the acquired subsidiary, also assessed at the fair value, this difference in amount is directly recorded in the profit and loss account.

Receivable and payable Intra-group accounts as well as transactions are eliminated. Accounting and valuation methods for subsidiaries were changed to ensure uniform accounting throughout the Group.

Assets held as a fiduciary relationship are not considered assets of the Group and are not reported in the consolidated financial statement.

Transactions with non-controlling shareholders

Transactions with non-controlling shareholders are treated like transactions with parties external to the Group. Acquisitions and sales of shares in minorities are recognised directly as equity in the consolidated financial statement.

Associated companies

Associated companies have decisive influence from the Group but are not directly controlled. This is accompanied by a share of between 20 and 50 percent of the voting rights. Shareholdings in associated companies are reported on the balance sheet by using the equity method and, initially, they are assessed at their acquisition costs. These companies' share in the group includes goodwill created upon the acquisition (after consideration of the cumulative value's reductions).

The Group's share in the associated companies' profits and losses is recorded in the profit and loss account from the date of acquisition, whereas the changes in share reserves are recorded within the group reserves. The cumulated changes after acquisition are set off against the shareholding's book value. If the Group's share in the loss in an associated company corresponds to the share of the Group in this company, including other unsecured accounts receivable, or exceeds said value, the Group does not record any further losses unless it has entered into obligations for the associated company or has made payments for the associated company.

The accounting and valuation methods for associated companies were changed in order to ensure uniform accounting throughout the Group.

Joint ventures

Joint ventures are shown on the balance sheet according to the equity method as per IAS 31.38.

Scope of consolidation

		Subsidiaries				Associated companies and joint ventures			
		ECC	ECC Lux	EPD ¹	EGEX ¹	GEEX ¹	EPEX	EMCC	CLTX ²
Registered offices		Germany Leipzig	Luxembourg Luxembourg	Germany Leipzig	Germany Leipzig	Germany Leipzig	France Paris	Germany Hamburg	Singapore Singapore
First consolidation		2006	2009	2008	2007	2011	2008	2008	2013
Share in capital direct (indirect) 31 st December 2012	%	98.4999	(98.4999)	80	100	100	50	20	0
Share in capital direct (indirect) 31 st December 2013	%	98.5	(98.5)	80	100	100	50	20	43.7
Nominal capital	kEUR	1,015	13	125	100	50	4,973	100	TUSD 7,400
Equity 2012	kEUR	33,472	35	6,018	2,046	23	20,521	1,045	
Equity 2013	kEUR	42,457	76	6,018	2,046	48	18,444	1,933	TUSD 355
Balance sheet total 2012	kEUR	648,984	76,263	11,186	2,322	23	28,071	36,052	
Balance sheet total 2013	kEUR	789,865	60,824	13,914	4,686	2,888	28,531	33,910	TUSD 4,494
Sales 2012	kEUR	22,704	10,389	13,896	978	0	40,570	3,592	
Sales 2013	kEUR	30,739	14,334	18,923	1,558	1,564	43,080	3,226	TUSD 1,176
Profit for the financial year 2012	kEUR	6,235	22	0	-2,589	0	12,577	1,030	
Profit for the financial year 2013	kEUR	10,305	41	0	0	0	10,500	888	TUSD -7,045
Inclusion		Full consolidation				At equity			

¹ A profit and loss transfer agreement has been concluded with EPD, EGEX and GEEX.

² In the case of CLTX, values are reported until 30th June 2013 since Cleartrade has a different financial year.

Property, plant and equipment

Property, plant and equipment assets are capitalised at the cost of acquisition and/or production. These depreciate linearly as scheduled in accordance with the probable commercial useful life.

The subsequent costs of acquisition and production, such as the expansion or replacement of investments, are only recorded as a part of the acquisition costs and asset production. If relevant, it can also be recorded as a separate asset, provided that in the future it should accrue a commercial benefit to the company and that the costs of the asset can be reliably established.

Maintenance expenses that do not constitute essential day-to-day services (such as reinvestment) are recognised as expenses in the profit and loss account for the financial year when they are incurred.

All assets depreciate linearly, with the acquisition costs depreciating to the residual book value following the expected service life of the asset:

Service life in years	
Furniture and fixtures	
User hardware	3
Audio and video equipment	4
Network technology	5
Office equipment	
Steel cabinets	20
Other office furniture	13

The residual book values and useful economic life are reviewed as of every balance sheet's date and adjusted if required. If the asset's book value exceeds its estimated achievable value, it is immediately depreciated to the latter.

Profits and losses from the disposal of property, plant and equipment are established as the difference between their sales proceeds and the book value, and are recognised in profit or loss.

Intangible assets

Intangible assets are depreciated linearly, provided they have a limited useful life.

Goodwill

Goodwill represents the surplus of acquisition costs of a company over and above the accompanying current market value of the shares of the group in the net assets of the acquired company at the time of acquisition. Any goodwill created by the company's acquisition is reported on the balance sheet under

intangible assets. Any goodwill resulting from the acquisition of an associated company is contained in the shareholding's book value in this associated company. The goodwill shown on the balance sheet is submitted to an annual impairment test and assessed at the original acquisition costs (minus cumulated impairments). Reversals of impairment losses are not permissible.

For the purpose of the impairment test, the goodwill is divided into cash-generating units.

These are expected to benefit from the merger during which the goodwill was created.

Other intangible assets

Acquired software licences are capitalised at their acquisition and production costs, plus the costs for going into operation minus any possible grants. The total acquisition costs are depreciated over the estimated useful economic life.

When the company creates an intangible asset, which results from development activity (or an internal project's developmental phase), it can only be classified as such if all of the following can be shown:

- Technical feasibility of the intangible asset's completion is ensured so that it will be available for use or sale.
- The intangible asset's completion as well as its use or sale are intended.
- There is the capacity to use or sell the intangible asset.
- It has been established how the intangible asset will generate its probable future commercial benefit.
- The availability of adequate technical, financial and other resources for the development's completion (and the intangible asset's use or sale) has been ensured.
- There is the capacity to reliably determine the expenses allocable to the intangible asset in the developmental framework.

The value at which an intangible asset is capitalised for the first time corresponds to the total of expenses incurred from the day when it fulfils these conditions specified above. If an intangible asset cannot be capitalised, the development costs are recognised as income during the accounting period in which they arise.

An acquisition's capitalised costs and software production are depreciated linearly over its useful life. A useful life of 3 years is assumed for standard software. Software especially written for internal use, on the other hand, depreciates over five years.

Impairment of non-monetary assets

Assets which have an indefinite useful life do not depreciate according to schedule; they are submitted for an impairment test at least once a year as well as upon the emergence of corresponding indicators (events and/or changes in circumstance) as a supplement. Assets which are subject to a depreciation schedule are tested for an impairment should there be a corresponding indication (events and/or changes in circumstances) signalling that the book value may no longer be achieved. An impairment

loss is recorded as the amount by which the book value exceeds the achievable amount. The achievable amount is the higher of the asset's fair value (minus selling costs) or its value in use.

For an impairment test, assets are combined at the lowest level for which cash flows can be identified separately (so-called cash-generating units). With the exception of the business' value and goodwill, non-monetary assets (for which an impairment has been recorded in the past) are reviewed as to whether a reversal of impairment losses needs to be effected on every balance sheet date.

Leasing relationships

EEX only has contractual relationships in which it is the lessee.

The allocation of beneficial ownership has to be evaluated for every leasing relationship. These relationships, in which an essential share of the risks and opportunities associated with the ownership of the object of the lease remains with the lessor, are classified as operating lease relationships. Otherwise, the relationship constitutes a financial leasing relationship.

Rented or leased assets, whose beneficial owner is EEX according to IAS 17 (financing leasing relationship), are shown: in the assets of the rent's present value, leasing instalments or at the rental or leasing object time value (if such is lower and depreciated linearly according to schedule).

In the case when ownership is transferred to EEX as of the end of the leasing term, the period of depreciation corresponds to its useful economic life; otherwise, it corresponds to the leasing term of the object of the lease. The present value of the payment obligations from the future rental and leasing instalments is reported as a liability, and subsequently is reduced by the repayment share contained in the rental and leasing payments.

Rental and leasing relationships, in which EEX cannot be allocated beneficial ownership, are classified as operating lease relationships. The expenses resulting from these agreements are recorded fairly at the corresponding rental and leasing objects time of use. They are recorded linearly in the profit and loss account throughout the term of the leasing relationship.

The minimum materiality for examining the classification of a leasing relationship is set at kEUR 50 for total leasing payments.

Financial assets

A financial instrument is defined as a contract which simultaneously leads to a financial asset for one company and to a financial liability or equity instrument for the other company.

Financial assets comprise the following:

- a) Available funds,
- b) Another company's equity instrument held as an asset,

- c) A contractual right, i.e.
- to obtain available funds or other financial assets from another company or
 - to exchange financial assets or financial liabilities with another company with potentially beneficial conditions; or
- d) A contract which will or can be fulfilled with its own equity instruments and which constitutes the following:
- A non-derivative financial instrument which comprises (or has the potential to comprise) a company's contractual obligation to receive a variable number of the company's equity instruments; or
 - A derivative financial instrument which will or can be fulfilled in ways excluding: Through the exchange of a fixed amount of available funds, or other financial assets in return for a fixed number of the company's equity instruments. The latter does not comprise any instruments which constitute contracts regarding the future receipt, or the future sale, of the company's equity instruments.

Recognition and derecognition of financial investments are effected on the trading day (trade date accounting). The day of purchase or sale of a financial asset, on which the terms of contract provide for the delivery of such asset, is within the time frame common for the market concerned. The first assessment is effected at the fair value plus the transaction costs. Financial assets categorised as "recognised in income at the fair value" are exempt from this. In this case, the initial assessment is effected at the fair value without consideration of transaction costs.

Financial assets are allocated according to the following categories:

- Assets recognised in income at the fair value.
- Financial assets held until final maturity.
- Financial assets available for sale.
- Loans and accounts receivable.

The allocation to a category depends on the type and intended purpose of the financial assets, and is effected upon its addition. The allocation to a category needs to be reviewed as of every balance sheet date.

Financial assets are divided into three categories.

Assets at fair value through profit or loss

These are financial assets that are classified as "held for trading" and "assets assessed at fair value through profit or loss" right from the beginning. A financial asset is assigned to this category if it was acquired with the intention of selling it in the short term on principle, or in the case where the financial asset was designated accordingly by the management. Derivatives are also part of this category unless they are specified as financial instruments in a hedge relationship (hedges). Assets of this category are reported as current assets if they are either held for trading or are likely to be realised within a period of 12 months after the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed and/or definable payments which are not quoted on an active market. They are part of the current assets if their terms do not exceed a period of 12 months after the balance sheet date. If this is not the case, they are reported as non-current assets.

Loans and receivables are reported under accounts receivable for sales and services and other accounts receivable on the balance sheet.

Financial assets available for sale

According to IAS 39, financial assets are also allocated to the category of “financial assets available for sale”. Financial assets available for sale are shown on the balance sheet at their time value (as of the balance sheet date), if they cannot be determined (either reliably or at all) at the amortised acquisition costs. Since the time values of the shareholdings held by EEX Group cannot be determined by means of suitable valuation methods, they are reported on the balance sheet at acquisition costs.

Financial instruments of European Commodity Clearing AG (ECC)

ECC is the clearing house of EEX Group and has the function of a central counterparty.

Unconditional futures transactions

In the case of certain futures, the physical delivery of the contract’s subject is intended and mandatory from the outset. The parties on the contract can close out their obligations through a matching transaction. This form of contract is possible for all commodities (except coal). In terms of the balance sheet, futures which were already traded before the balance sheet date, but whose last trading day occurs after the balance sheet date, in particular, are relevant at this point.

Variation margins cover daily profits and losses of the open positions, which are caused by changes in the market price. Since this is a daily profit and loss settlement in cash, futures are not shown in the consolidated balance sheet according to IAS 39.17(a) and IAS 39.39. Futures with mandatory cash settlement are treated as being equivalent to forward contracts with physical settlement and, consequently, they are neither shown as assets nor as liabilities on the balance sheet.

Conditional futures transactions

In the case of options, the buyer has to pay an option premium upon the conclusion of the contract. In the event of price fluctuations which have a negative impact on the seller, and lead to losses in the case where the option is exercised, collateral has to be furnished by the seller. The buyer of an option,

on the other hand, cannot sustain any further losses beyond the option premium already paid, since the buyer is not obliged to exercise the option. In other words, the value of an option depends on the possible losses which the seller might sustain.

The fair value has to be shown on the balance sheet for options. In this context, the option premiums for the open positions are used. Assets and liabilities positions of the same amount are created since ECC, in its capacity as the central counterparty, has both an account receivable from the seller of the option and an account payable to the buyer.

Option premiums are directly credited to the seller of the option. As a result, they do not constitute any future outflow/inflow of funds and do not have to be shown on the balance sheet.

Accounts receivable for sales and services

Initially, accounts receivable for sales and services are assessed at the fair value. Afterwards, they are valued at amortised acquisition costs and, in as far as they have a remaining term of more than 12 months, by using the effective interest rate method, as well as by deducting impairments. An impairment of accounts receivable for sales and services is recorded if there are objective indications pointing to the fact that the amounts of the accounts receivable which have fallen due cannot be collected in their entirety. Considerable financial difficulties of a debtor, an increased likelihood of the debtor becoming insolvent or entering into some other reorganisation measure as well as a breach of contract, such as a default or a delay in interest or redemption payments, are considered indicators of the presence of an impairment. The amount of such an impairment is categorised as other operating expenses in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash assets, sight deposits and other highly liquid short-term overdraft facilities, as well as financial assets with an original term of 3 months (as a maximum). These are financial assets available for sale.

Bank deposits with a restriction on disposal comprise cash deposits by the trading participants.

Used overdraft facilities are essentially shown as liabilities to banks under the short-term financial debts on the balance sheet.

Collateral

According to the ECC Clearing Conditions, every trading participant needs to furnish a certain amount of collateral. This form of collateral can be furnished in securities, bank guarantees (only for the clearing fund) or in the form of cash funds.

Liabilities from cash securities are reported under the item “Cash deposits by the trading participants” in the consolidated balance sheet. The corresponding amounts are reported under “Bank deposits with a restriction on disposal”.

Collateral furnished in the form of securities is pledged by the Clearing Members. This cannot be shown on the balance sheet.

Financial debts

Upon their first assessment, financial debts are assessed at their fair value and after the deduction of transaction costs. In subsequent accounting periods, they are valued at amortised acquisition costs; every difference between the payout amount (after the deduction of transaction costs) and the repayment amount is recorded in the profit and loss account by using the effective interest method throughout the term of lending. With regard to the accounting principles for “trade date accounting” reference is made to the explanation regarding financial assets.

Loan liabilities are classified as short-term liabilities if the Group does not have the unconditional right to postpone the repayment of the liability to a date at least twelve months after the balance sheet date.

Deferred taxes

Deferred taxes are assessed for all temporary differences between the tax balance sheet value of the assets/liabilities and their book values in the annual financial statement according to IFRS. Deferred taxes are assessed by using the tax rates (and taxation provisions) which are applicable on the balance sheet date. Alternatively, these have essentially been legally adopted on this aforementioned date and are expected to be valid at the time of the deferred tax asset realisation and/or of the deferred tax liability settlement.

Deferred tax liabilities which are caused by temporary differences in connection with the shareholdings in subsidiaries, and associated companies, are stated unless the time of the reversal of the temporary differences can be determined by the Group. It is likely that the temporary differences will not be reversed in the foreseeable future on account of this influence.

Deferred tax assets on losses carried forward are assessed to the degree to which it is likely that such can be used. The use of deferred tax assets on losses carried forward depends on whether sufficient taxable income is likely to be generated in the future. The earnings situation in the past, as well as planning calculations, are used to evaluate the likelihood of such a situation.

Employee benefits

Within the Group there are defined benefit pension plans and contribution pension plans.

Under a defined contribution pension plan, the Group pays fixed contributions to a company (fund) which is not part of the Group. The Group is not subjected to any legal or de facto obligation to provide additional contributions, in case the fund does not have sufficient assets to settle the pension claims of all employees from the current and previous business years. In contrast, the defined benefit pension plans typically specify an amount for the pension benefit which an employee will receive upon retirement, and which usually depends on one or more factors, such as age, length of service and salary.

The reserve for defined benefit plans assessed on the balance sheet corresponds to the present value of the defined benefit obligation (DBO) on the balance sheet date. The DBO is calculated annually by an independent actuarial expert by using the projected unit credit method. The present value of the DBO is calculated by discounting the expected future outflow of funds at the interest rate for industrial bonds with the highest credit rating. The industrial bonds are specified in the payment amounts' currency and have terms corresponding to those of the pension obligations.

Actuarial profits and losses, which are based on adjustments and modifications of actuarial assumptions (on account of experience), are recognised in income throughout the employees' expected remaining period of service.

Current service costs, which are to be settled subsequently, are immediately recognised under income unless the pension plan's modifications depend on the employee's continuance in the company for a fixed term (until the beginning of non-forfeiture). In this case, the current service costs to be settled subsequently are recognised linearly in income throughout the period until the beginning of non-forfeiture.

Actuarial profits and losses are immediately recognised in income. Where there are plan assets in place, these are deducted from the pension reserve.

The abolition of the corridor method does not have any impact on the consolidated financial statement, since this method was not used.

Provisions

Provisions are carried as liabilities, in the event that the Group has a current legal or de facto obligation. This results from an event in the past, should the obligation's settlement lead to an encumbrance and the provision's amount can be determined reliably. Provisions for future operating losses are not recorded.

Provisions are assessed at the present value of the expected expenses. In this process, a pre-tax interest rate is used, taking the current market expectations (regarding the interest effect) and the risks

specific to the obligation into account. Increases in the reserve, resulting merely from compounding, are recognised in income as interest expenses in the profit and loss account.

Profit realisation

All trading and clearing fees for derivatives transactions are provided on the trading day, while delivery fees for spot market transactions are provided on the delivery day. All transaction fees referred to above are settled on a monthly basis.

Annual fees are charged annually and technical fees are charged on a quarterly basis. Training fees and information products are charged on an ad hoc basis.

Interest revenue and interest expenses are recorded if it is likely that a commercial benefit from the transaction will accrue to the Company and the amount of the revenue can be determined reliably.

Transactions in foreign currency

Transactions in foreign currencies are converted into the functional currency (EUR) at the mean foreign exchange rate valid at the time of the transaction. Profits and losses resulting from the fulfilment of such transactions, as well as from the conversion of monetary assets and debts recorded in foreign currencies at the exchange rate valid on the balance sheet date, are recorded in the profit and loss account. Accounts receivable and accounts payable in foreign currency are short-term and are fulfilled within a period of one year.

Establishing the fair value

The fair values of the financial instruments are determined on the basis of corresponding market values or valuation methods. The fair values for cash funds and other short-term original financial instruments (in particular accounts receivable for sales and services and trade accounts payable) roughly correspond to the book values shown on the balance sheet as of the respective balance sheet dates.

The fair value of derivatives traded in an active market is based on the exchange price on the balance sheet date. Since ECC acts as the buyer and the seller at the same time, the relevant exchange price of financial assets corresponds to their current bid price.

The fair value of financial liabilities specified in the Notes is established by discounting the future payments agreed on by contract at the currently valid market interest rate, which would be granted to the Group for comparable financial instruments.

5. Estimates, valuation uncertainties and discretionary decisions

All estimates and assessments are constantly re-evaluated and are based on experience gained in the past and further factors, including expectations regarding future events, which appear reasonable under the prevailing circumstances.

The Group makes assessments and assumptions regarding the future. Obviously, the estimates derived from these will rarely correspond exactly to the actual circumstances arising later.

The corporate planning of EEX AG and its subsidiaries constitutes the basis for the annual impairment test, regarding the respective goodwill. This planning processes assumptions concerning the future development of the expense and income items of the cash-generating units concerned.

Further estimates and assessments have been made, especially with regard to the evaluation of the likelihood of demands on certain reserves, as well as the realisability of deferred tax assets.

Notes to the Consolidated Profit and Loss Account

6. Sales revenue

The sales revenue of previous years was as follows:

in kEUR	2013	2012
Trading fees		
Power Derivatives Market	18,399	13,358
Gas Spot Market	947	358
Gas Derivatives Market	155	197
EUA Spot Market	1,021	217
EUR/CER Derivatives Market	32	365
Guarantees of Origin Derivatives Market	6	0
Clearing fees	29,392	22,487
Other fees		
Annual fees	4,783	4,642
Technical connection	1,931	2,095
Information products	1,448	1,487
Provision of management services	1,839	1,838
Training courses/examinations	829	763
Other clearing services	1,205	0
Other	233	114
Total sales revenue	62,219	47,921

Trading and clearing fees are calculated depending on the volume traded (e.g. per MWh). The company operating the exchange charges the annual fees for participation in trading on the respective market.

7. Other operating income

This item essentially comprises revenue from on-charging of costs and income from the appreciation of accounts receivable.

8. Personnel expenditure

On 31st December 2013, 161 members of staff were employed in EEX Group (2012: 145). On an annual average for 2013, the number of staff totalled 153.5 (2012: 128), including 5 (2012: 6) executives. There were no apprentices.

On the balance sheet date, 44 percent of the employees within the Company were women and they held 7 of the 21 executive positions within EEX Group.

in kEUR	2013	2012
Salaries and wages	11,634	11,258
Social insurance contributions	2,116	1,884
Superannuation contributions	847	980
Total	14,597	14,123

9. Depreciation

Depreciation is structured as follows:

in kEUR	2013	2012
Intangible assets	3,921	1,999
Property, plant and equipment	838	922
Leasing assets	0	7
Total	4,759	2,928

10. Other operating expenses

in kEUR	2013	2012
Systems costs	13,055	10,629
Consultancy	5,766	4,307
Market makers & brokers, etc.	5,436	3,768
Office expenses	2,099	1,744
Marketing, events and travelling expenses	2,101	2,121
Non-deductible input tax	493	96
Insurances, contributions	1,040	658
Supervisory Board emoluments	384	536
Audit costs	382	316
Other expenses	921	951
Total	31,677	25,126

The systems costs comprise fixed and sales-based components as well as costs for technical connections of the trading participants.

11. Financial result

The financial result has the following structure:

in kEUR	2013	2012
Interest income cash collateral	145	776
Interest expenditure cash collateral	0	-388
Interest income cash collateral	145	388
Interest and similar income	111	367
Interest expenditure	0	-65
Dividends from investments	93	39
Compounding of provisions	-6	-26
Other interest income	204	315
Total interest income	349	1,182
Total interest expenses	-7	-479
Total	342	703

12. Income from equity accounting

The result from equity accounting concerns the continuation of the costs of acquisition for EPEX SPOT SE (EPEX) accounted for according to the equity method.

13. Taxes on income and profit

This item records the current taxes on income and profit paid or owed, as well as deferred taxes. Current taxes on income and profit are recognised in income at the time at which such are incurred.

in kEUR	2013	2012
Current income taxes	5,010	3,108
Income taxes unrelated to the accounting period	83	34
Deferred taxes on income	-1,458	-1,881
Total	3,635	1,261

For the purpose of calculating deferred taxes in Germany, a tax rate of 31.925 percent is used for the year 2013 (2012: 31.925 percent). This tax rate includes the business tax with an assessment rate of 460 percent (2012: 460 percent), the basic rate of tax of 3.5 percent (2012: 3.5 percent), the corporation tax rate of 15 percent (2012: 15 percent) and the solidarity surcharge of 5.5 percent (2012: 5.5 percent) on corporation tax.

The expected expenses for taxes on income and profit (which would have resulted from the application of the tax rate of 31.925 percent on the consolidated pre-tax profit as per IFRS) are transferred to the taxes on income and profit according to the profit and loss account as follows:

in kEUR	2013	2012
Earnings before taxes	17,318	13,074
Tax rate	31.925 %	31.925 %
Expected tax expenditure	5,529	4,174
Tax-free income	-1,682	-1,878
Non-deductible operating expenses	250	246
Tax expenses/income not attributable to the accounting period	-646	-1,347
Non-use of loss carry-forwards	50	0
Deviation from the assessment basis for business tax	94	87
Others	41	-21
Effective tax expenditure	3,635	1,261

The following deferred tax assets and tax liabilities arise from the temporary differences between the tax balance sheet, the IFRS balance sheet and from tax loss carry-forwards:

in kEUR	Deferred tax assets		Deferred tax liabilities	
	2013	2012	2013	2012
Intangible assets	17	22	0	-694
Property, plant and equipment	1	1	-29	-31
Other financial assets	0	40	0	0
Financial instruments	602	408	-602	-408
Other accounts receivable	0	36	-75	-56
Loss carry-forward	4,906	4,140	0	0
Long-term provisions	88	9	0	0
Leasing liabilities	0	0	0	0
Outside basis differences	0	0	-85	-99
Gross value	5,614	4,655	-790	-1,289
Balancing	-790	-1,289	790	1,289
Total	4,824	3,366	0	0

Deferred tax assets are assessed with regard to tax loss carry-forwards since their realisation appears sufficiently secure – based on planning calculations. Tax loss carry-forwards of kEUR 1,972 were not assessed. These loss carry-forwards are not limited as to the date at which they may be used.

There are taxable temporary outside basis differences of kEUR 2,400 (2012: kEUR 1,976), which were not shown as liabilities in accordance with IAS 12.39.

The deferred taxes are structured as follows (depending on the term until realisation):

in kEUR	2013	2012
Deferred tax assets		
which will be realised after more than 12 months	5,201	3,280
which will be realised within a period of 12 months	413	1,444
Total	5,614	4,724
Deferred tax liabilities		
which will be realised after more than 12 months	-291	-1,217
which will be realised within a period of 12 months	-499	-142
Total	-790	-1,359

Notes to the Consolidated Balance Sheet

14. Goodwill and intangible assets

The goodwill and intangible assets developed as follows:

in kEUR	Other intangible assets	Goodwill	Total
Costs of acquisition as of 31 st December 2011	15,710	30,021	45,731
Additions	2,802		2,802
Disposals	-86		-86
Costs of acquisition as of 31 st December 2012	18,426	30,021	48,447
Additions	3,416		3,416
Disposals	-257		-257
Costs of acquisition as of 31 st December 2013	21,585	30,021	51,606
Depreciation/impairment as of 31 st December 2011	10,319	17,801	28,121
Scheduled depreciation	1,997		1,997
Disposal	-43		-43
Depreciation/impairment as of 31 st December 2012	12,273	17,801	30,073
Scheduled depreciation	1,845		1,845
Impairment	2,075		2,075
Disposal	-257		-257
Depreciation/impairment as of 31 st December 2013	15,935	17,801	33,736
Book value as of 31 st December 2012	6,153	12,220	18,374
Book value as of 31 st December 2013	5,649	12,220	17,869

The goodwill has an indefinite useful life. It has the following structure:

in kEUR	ECC	EPD	ECC Lux	GEEX	Total
Goodwill as of 31 st December 2013	5,916	6,294	7	3	12,220

Annual impairment test as of 30th September 2012

The impairment test is based on the medium-term planning for the cash-generating units. These cash flows, which are forecast on an annual basis, are discounted.

As far as cash flow forecasts are required in addition beyond the five-year planning horizon, a sustainable cash flow is derived from the plan and continued on the basis of a growth rate based on the specific development of the market. A growth rate of 1 percent for the Power Derivatives Market of EEX Power Derivatives GmbH (EPD) and for the clearing business of ECC was assumed for the current budget.

The rate of the weighted average cost of capital (WACC), which reflects the capital market's required rate of return for the provision of borrowed capital and equity for EEX, is used for the purpose of discounting the cash flows. The rate used for the weighted average costs of capital for the calculation of the achievable amount is 8.9 percent.

In all cases, a fair value (minus selling costs) which was considerably above the book values of the cash-generating units was established. The book value of the capitalised customer base of the French Power Derivatives Market was written off in full during the year under review.

Sensitivity of the planning assumptions

A sensitivity analysis was carried out for the cash-generating units (including goodwill). The question of by how much sales revenue may decline without requiring an impairment was analysed.

In all cases, the declines that were established are far beyond any scenario which can be regarded as being realistic at present.

15. Property, plant and equipment

In 2013, property, plant and equipment were as follows:

in kEUR	Leasehold improvements	Computer hardware, fixtures and furnishings	Total
Costs of acquisition as of 31 st December 2011	997	3,313	4,310
Additions	215	421	636
Disposals	0	-207	-207
Costs of acquisition as of 31 st December 2012	1,212	3,527	4,739
Additions	94	538	632
Disposals	0	-186	-186
Costs of acquisition as of 31 st December 2013	1,306	3,879	5,185
Depreciation/impairment as of 31 st December 2011	443	2,116	2,559
Scheduled depreciation	220	709	929
Disposals	0	-207	-207
Depreciation/impairment as of 31 st December 2012	663	2,618	3,281
Scheduled depreciation	212	626	838
Disposals	0	-186	-186
Depreciation/impairment as of 31 st December 2013	875	3,058	3,933
Book value as of 31 st December 2012	549	909	1,458
Book value as of 31 st December 2013	431	821	1,252

16. Shares in associated companies and joint ventures, other financial investments as well as other financial assets

The associated companies and joint ventures as well as shareholdings were as follows:

	Associated companies and joint ventures			Shareholdings	
	EPEX SPOT SE	EMCC	CLTX	PRISMA	store-x
Registered offices	France Paris	Germany Hamburg	Singapore Singapore	Germany Leipzig	Germany Leipzig
First inclusion on balance sheet	2008	2008	2013	2008	2008
Share in capital as of 31 st December 2012 %	50	20	0	8	12
Share in capital as of 31 st December 2013 %	50	20	43.7	1.5	12
Nominal capital	kEUR	4,973	100	TUSD	200
			7,400		200
Inclusion		At equity		Costs of acquisition	

In the financial year 2013, EEX acquired 44 percent of the shares in the Singapore-based Cleartrade Exchange (CLTX). CLTX is a derivatives market which is regulated by the Singaporean supervisory authority and which offers a global electronic market platform for commodities futures and commodity derivatives for freight, iron ore, fuel oil and fertiliser contracts.

The book values developed as shown in the table below:

in kEUR	Shares in associated companies	Other shareholdings
Costs of acquisition as of 31 st December 2011	20,451	215
Costs of acquisition as of 31 st December 2012	20,451	210
Addition	8,856	0
Disposal	0	-5
Costs of acquisition as of 31 st December 2013	29,307	205
Revaluation as of 31 st December 2011	4,891	0
Dividend payment	-5,841	0
Result of at equity valuation	6,213	0
Impairment	-206	-40
Revaluation as of 31 st December 2012	5,057	-40
Dividend payment	-6,288	0
Result of at equity valuation	5,480	0
Impairment	-287	0
Revaluation as of 31 st December 2013	3,962	-40
Book value as of 31 st December 2012	25,508	170
Book value as of 31 st December 2013	33,269	165

The other financial assets concern a loan to EMCC.

17. Derivative financial instruments

This item comprises the options' fair value which is established on the basis of the current exchange price of the open positions.

On account of ECC's function as the central counterparty, the accounts receivable and accounts payable are recorded on the asset side and liabilities side to the same amount of kEUR 1,886 (2012: kEUR 1,277). Options with a total value of kEUR 1,295 included in this will mature within one year.

18. Accounts receivable for sales and services

in kEUR	31/12/2013	31/12/2012
Accounts receivable	64,645	74,385
Less lump-sum specific individual allowance	-20	-57
Accounts receivable for sales and services	64,625	74,328

in kEUR	2013	2012
Initial amount of the specific allowance as of 1 st January	57	2
Addition	20	57
Utilisation of allowance	-24	-2
Reversal	-33	0
Final amount of the lump-sum specific allowance as of 31st December	20	57

Accounts receivable for sales and services essentially comprise sales on the Power and Gas Spot Market EUR 59 million (2012: EUR 72 million); which are high due to the balance sheet date; EUR 47 million of which result from as yet unsettled nominations of 31st December 2013, in addition to trading and clearing fees.

As in the previous year, there were no accounts receivable for sales and services with a remaining term of more than one year.

19. Other assets and tax refund claims

in kEUR	31/12/2013	31/12/2012
Accounts receivable from tax authorities regarding VAT	14,129	6,661
Fixed term deposits	0	4,000
Accruals for system adjustments	1,440	1,899
Tax refund claims	894	1,264
Accruals	462	161
Other	43	0
Total	16,968	13,985

The remaining assets and tax refund claims are short term. Concerning the discontinuation of payments on account, reference is made to Item 3 regarding the representation of accounts receivable for sales and services.

20. Accounts receivable from associate companies

There are accounts receivable from EPEX and European Market Coupling Company GmbH (EMCC). A description of the commercial relationships is provided under note 47.

21. Cash at bank with restrictions on disposal

The cash at bank with restrictions on disposal of kEUR 740,995 (2011: kEUR 613,284) especially concerns collateral which has been furnished by the Clearing Members for the Spot and Derivatives Market, and which is paid in the form of cash collateral. These are shown as a liability to the same amount.

22. Cash and cash equivalents

As of the balance sheet date, the Group had cash and cash equivalents of kEUR 58,271 (2012: kEUR 55,422).

23. Equity

The changes in equity are shown in the statement of changes in shareholders' equity.

EEX has 40,050,000 shares issued with a nominal value of one euro each.

24. Subscribed capital and capital reserve

The subscribed capital of EEX still amounts to kEUR 40,050 without any changes. The capital reserves amount to kEUR 10,000.

25. Reserves

The reserves are structured as follows:

in kEUR	31/12/2013	31/12/2012
Clearing fund	4,500	3,000
Retained income	13,048	9,655
Total	17,548	12,655

26. Results generated

The Group's generated equity comprises the results of the companies included in the consolidated financial statement during the past (as well as the current accounting period), in so far as such were not distributed. In the financial year 2013, kEUR 7,209 was paid out to EEX shareholders. Regarding further explanations, reference should be made to the Group's statement of changes in shareholders' equity.

27. Minority share

The minority share includes the shares in the equity of subsidiaries of EEX to be allocated to the minority shareholders.

As of 31st December 2013, Powernext SA (Powernext) (15,228 shares) held an interest in ECC and, indirectly, in European Commodity Clearing Luxembourg (ECC Luxembourg). Furthermore, Powernext holds an interest of 20 percent in the share capital of EEX Power Derivatives. In the past financial year, EEX bought one share in ECC from APX-ENDEX.

28. Non-current provisions

The non-current provisions comprise reserves for early retirement part-time working schemes, pensions, archiving and the removal of installations.

These developed as follows during the financial year under review:

in kEUR	Pension provisions	Other non-current provisions
As of 1 st January 2013	378	156
Utilisation	90	0
Reversal	0	0
Compounding	7	6
Addition	16	12
Deduction covered funds	-296	0
As of 31st December 2013	15	175

There are reserves for pensions and early retirement part-time working schemes for two German employees. On 31st December 2013, there were IFRS expert opinions that use a discount rate of 3.4 percent.

The amount of the reserve for another employee is based on the asset value of the reinsurance contract.

There are pension provisions for three employees in France. The calculation was effected in accordance with the principles of IAS 19. An interest rate of 3.1 percent was used for discounting.

29. Long-term liabilities

This item shows the share of the purchase price for Cleartrade, which will fall due in 2015.

30. Current provisions

The current provisions developed as follows during the 2013 financial year:

in kEUR	2013	2012
Balance as of 1 st January	2,552	3,191
Reclassification	0	-653
Utilisation	-2,205	-2,196
Reversal	-346	-342
Allocation to provisions	4,964	2,552
Balance as of 31st December	4,964	2,552

The reserves essentially concern reserves for legal risks, bonuses for employees and members of the Management Board.

31. Accounts payable for sales and services

As of the balance sheet date, there were trade accounts payable to the amount of kEUR 66,285 (2012: kEUR 76,042). As in the case of the accounts receivable, these accounts payable include high liabilities from Spot Market sales in power and gas, including EUR 47 million from as yet unsettled nominations on 31st December 2013, on account of the balance sheet date.

There were no trade accounts payable with a remaining term of more than one year both as of 31st December 2013 nor as of 31st December 2012.

32. Liabilities to associate companies

The accounts payable to associate companies essentially concern accounts payable to EMCC from Spot Market transactions.

33. Cash deposits by trading participants

The amount of the cash deposits by trading participants correspond to the cash at bank with restrictions on disposal. As of the balance sheet date, these amounted to kEUR 740,995 (2012: kEUR 613,284).

34. Other liabilities and tax liabilities

The other liabilities comprise the following items:

in kEUR	2013	2012
Payments received on account	657	2
Supervisory Board emoluments	376	540
Human resources liabilities	597	546
Other liabilities	3,080	161
Tax liabilities	891	165
Total	5,601	1,414

In the financial year 2013, the subscriptions for Market Information Services were settled before the beginning of the 2014 performance period for the first time, as a result of which payments received on account are shown.

All other liabilities are short term.

35. Additional information on financial instruments

Financial instruments of ECC

Profits and losses from futures are settled between the contracted parties on every exchange trading day. There are no payment obligations or demands for payment whatsoever on the part of ECC. As a result, futures do not have to be shown in the balance sheet according to IAS 39.17(a) and IAS 39.39.

Options which expire after the balance sheet date have to be reported on the balance sheet to the amount of their market value (IAS 39). In this context, the value of the options established on the exchange is used as the market value. In its capacity as the central counterparty, ECC settles both the buy and the sell transaction so that the options have to be reported on the assets and liabilities side of the balance sheet of the same amount. With regard to this, reference is made to Note 17.

The options are allocated to the category of “financial assets and liabilities recognised in income at fair value”.

Cash and cash equivalent and accounts receivable for sales and services

Cash and cash equivalents and accounts receivable for sales and services are short term. For this reason, their book values as of the balance sheet date correspond approximately to the fair value.

Notes to the Consolidated Cash Flow Statement

36. Notes to the consolidated cash flow statement

The cash flow statement indicates the balance and the development of the cash, as well as the cash equivalents of the Group. The cash flow statement differentiates cash flows from operating activities, investing and financing activities.

Cash and cash equivalents comprise the cash assets as well as the bank deposits with a term of less than 3 months reduced by the short term liabilities to banks from overdraft facilities.

The cash at bank with restrictions on disposal – cash deposits by the trading participants – is not part of cash and cash equivalents.

37. Cash flow from current operations

The cash flow from operating activities is determined using the indirect method. In this process, the annual net profit is initially adjusted for non-cash expenses.

This results in a cash flow from current operations of kEUR 15,243 (2012: kEUR 6,557) being established. The balance – which increased compared with the previous year – is essentially due to the good operating result for 2013 and the decline in outstanding debts.

38. Cash flow from investing activities

The cash flow from investment activities shows payments made for investments in assets, less dividends received.

In the financial year 2013, it amounted to kEUR –4,716 (2011: kEUR 2,448) and can be explained on the basis of the purchase of the Cleartrade shares.

39. Cash flow from financing activities

The cash flow from financing activities comprised the payment of dividends to the shareholders of EEX and the minority shareholders during the financial year and amounted to kEUR –7,678 (2012: kEUR –7,779).

40. Cash and cash equivalents at the end of the accounting period

in kEUR	2013	2012
Cash and cash equivalents	58,271	55,422
Financial liabilities	58,271	55,422

Other notes

41. Classification of financial instruments as per IFRS 7

Assets as of 31/12/2012	Amortised acquisition costs		Fair value				Total	
Valuation category	Other accounts receivable		FVTPL – Financial assets recognised at the fair value through profit and loss					
			Trading (HFT)		Fair value options			
Classes of financial instruments	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Other financial investments	170	170					170	170
Other financial assets	125	125					125	125
Derivative financial instruments			1,277	1,277			1,277	1,277
Accounts receivable for sales and services	74,328	74,328					74,328	74,328
Other assets	13,064	13,064					13,064	13,064
Tax refund claims	921	921					921	921
Accounts receivable from affiliated companies	1,497	1,497					1,497	1,497
Cash at bank with restrictions on disposal	613,284	613,284					613,284	613,284
Cash and cash equivalents	55,422	55,422					55,422	55,422
Total	758,811	758,811	1,277	1,277	0	0	760,088	760,088

Assets as of 31/12/2013	Amortised acquisition costs		Fair value				Total	
Valuation category	Other accounts receivable		FVTPL – Financial assets recognised at the fair value through profit and loss					
			Trading (HFT)		Fair value options			
Classes of financial instruments	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Other financial investments	165	165					165	165
Other financial assets	100	100					100	100
Derivative financial instruments			1,886	1,886			1,886	1,886
Accounts receivable for sales and services	64,625	64,625					64,625	64,625
Other assets	16,074	16,074					16,074	16,074
Tax refund claims	894	894					894	894
Accounts receivable from affiliated companies	717	717					717	717
Cash at bank with restrictions on disposal	740,995	740,995					740,995	740,995
Cash and cash equivalents	58,271	58,271					58,271	58,271
Total	881,841	881,841	1,886	1,886	0	0	883,727	883,727

Liabilities as of 31/12/2012	Amortised acquisition costs		Fair value				Total	
Valuation category	Other liabilities		FVTPL – Financial liabilities recognised at the fair value through profit and loss					
			Trading (HFT)		Fair value options			
Classes of financial instruments	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Non-current provisions	169	169					169	169
Derivative financial instruments			1,277	1,277			1,277	1,277
Long-term liabilities	0	0					0	0
Current provisions	2,552	2,552					2,552	2,552
Accounts payable for sales and services	76,042	76,042					76,042	76,042
Liabilities to associate companies	359	359					359	359
Cash deposits by the trading participants	613,284	613,284					613,284	613,284
Other liabilities	1,414	1,414					1,414	1,414
Total	693,820	693,820	1,277	1,277	0	0	695,097	695,097

Liabilities as of 31/12/2013	Amortised acquisition costs		Fair value				Total	
Valuation category	Other liabilities		FVTPL – Financial liabilities recognised at the fair value through profit and loss					
			Trading (HFT)		Fair value options			
Classes of financial instruments	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Non-current provisions	190	190					190	190
Derivative financial instruments			1,886	1,886			1,886	1,886
Long-term liabilities	904	904					904	904
Current provisions	4,964	4,964					4,964	4,964
Accounts payable for sales and services	66,285	66,285					66,285	66,285
Liabilities to associate companies	415	415					415	415
Cash deposits by the trading participants	740,995	740,995					740,995	740,995
Other liabilities	5,601	5,601					5,601	5,601
Total	819,354	819,354	1,886	1,886	0	0	821,240	821,240

The balance sheet value of the derivative financial instruments is established at the prices on the balance sheet date and, consequently, has to be allocated to level 1 of the fair value hierarchy.

During the past reporting period, the valuation category “Loans and accounts receivable” generated interest income of kEUR 20 (2012: kEUR 20). Accounts receivable in the amount of kEUR 20 were impaired in the past financial year (2012: kEUR 57).

The following table shows the age structure of the valuation categories:

in kEUR	Daily		Not more than 1 year		More than 1 year, not more than 5 years	
	2013	2012	2013	2012	2013	2012
Other financial assets	0	0	100	125	0	0
Accounts receivable from sales and services, from associated companies, from companies in which participating interests are held and other short-term assets	59,065	71,611	23,245	18,199	0	0
Cash at bank with restrictions on disposal	740,995	613,284	0	0	0	0
Cash at bank and other bank balances	58,271	55,422	0	0	0	0
Non-derivative financial assets	858,331	740,317	23,345	18,324	0	0
Long-term liabilities					904	0
Accounts payable for sales and services, to associated companies, to companies in which participating interests are held and other short-term liabilities	59,176	72,213	5,602	5,602	0	0
Cash deposits by the trading participants	740,995	613,284	0	0	0	0
Non-derivatives financial liabilities	800,171	685,497	5,602	5,602	904	0
Financial assets and derivatives	0	0	1,295	1,295	591	591
Financial liabilities and derivatives	0	0	1,295	1,295	591	591

42. Financial risk and capital management

In accordance with the requirements defined in art. 91 paragraph 2 AktG [German Companies Act], the Group has an early warning risk system covering all business areas. Essential risks are evaluated with regard to the likelihood of their occurrence and the possible extent of damage resulting from such. Risk control for the group companies is provided by ECC in the form of management services.

The Management Board is regularly informed of the risk situation and reports to the Supervisory Board with regard to this on a quarterly basis. Overall responsibility for risk management rests with the EEX Management Board. There is ad hoc reporting concerning fundamental changes in the risk situation.

Counterparty risk, market price risk, liquidity risk, operational risk as well as business and compliance risk constitute the potential risk categories.

Counterparty risk

Counterparty risk is defined as the risk that business partners might not fulfil their payment obligations under the relevant contract, or that they might not fulfil these obligations in due time and that this might lead to a loss for the Group. Within the Group, the principal counterparty risks occur within the ECC subsidiary. ECC is a central counterparty within the meaning of art. 1 para. 1 fig. 12 KWG [German Banking Act]. Moreover, ECC has submitted an application for a licence according to the new European Regulation on OTC derivatives, central counterparties and trade repositories (648/2012). In this capacity it positions itself between the buyer and the seller and assumes the default risk of both sides for all the transactions concluded on its markets – as well as for all OTC transactions registered on its markets for clearing. ECC pursues the risk strategy of covering this default risk with a high security level through its margin system, the clearing fund and its own financial resources. The quality of the margin system is reviewed on an on-going basis through regular backtesting. With the help of daily stress tests, ECC simulates the counterparty risk in extreme yet plausible market conditions and adjusts the clearing fund and its own financial resources in such a way that the counterparty risk is also covered under these conditions.

Moreover, a potential counterparty risk arises with ECC with regard to the investment of cash collateral received from its participants with credit institutions. For this reason, these funds are exclusively invested in overnight investments at development banks with a zero weighting under supervisory legislation. In future, they will be invested in reverse-repo transactions with approved institutions in return for securities collateral with the highest possible credit rating and liquidity.

Low default risks manifest themselves when trading participants do not pay the transactions fees or clearing fees which have fallen due. The trading participants' credit standing is monitored constantly on the basis of financial parameters and of rating information (provided such is available). In this context, the question of whether the payment of transaction fees concentrates on individual trading participants (cluster or concentration risk) is also analysed.

As of the balance sheet date, the highest possible counterparty risk is kEUR 4,898 (2012: kEUR 2,717). In this context, trade accounts receivable and derivative financial instruments are exempt because these are covered by the margin system. Accounts receivable from fixed-term deposits and from the tax authorities are not included in the list, since a low default risk is assumed to exist with regard to these.

Market price risk

Market price risks are defined as adverse changes in the value of assets on account of a change in valuation-relevant market parameters, for example, exchange prices. As a result of the positions (which are balanced on principle), there are no market price risks in the clearing business. The market price risks, resulting from other operations (essentially currency risks), are minor and are controlled in accordance with the respective situation.

Liquidity risk

Liquidity risk is defined as the risk that the Group might not be able to fulfil its payment obligations at a point in time agreed on under a contract. Because of the pursued business strategy, the current operations do not lead to any essential incongruities of dates within EEX Group. The financing required for current expenses and investments is taken out and concluded in a timely manner in the framework of medium-term planning. Any possible gaps in financing are dealt with by providing sources of liquidity within the Group. The structural liquidity risk is monitored in the framework of the medium-term plan, which is prepared every year, and of the ongoing liquidity reporting. In this context, the aim is to determine the liquidity reserves and credit lines in planning so as to ensure that sufficient sources of liquidity are available in every case.

At ECC, the liquidity risk is controlled with the help of the liquidity parameters under supervisory legislation, a continuous 12-month liquidity forecast and the analysis of the effects of various business development scenarios (which have an effect on liquidity due to the assumed discontinuation of inflows of funds in the form of transaction fees).

As of 31st December 2013, there were no liquidity risks from financial leasing agreements (31st December 2011: kEUR 7).

The age structure analysis of the assets and liabilities under Note 41 provides an overview of the assets for every maturity.

Operational risk

Operational risks are defined as all potential cases of damage arising from: malfunctions of the IT systems used (due to inadequate design of internal processes), errors by members of staff, errors by (or the defaulting of) external service providers, and project risks. Because of the high degree of automation in processing business transactions, combined with a large number of transactions, malfunctions of the IT systems used constitute essential operational risks for EEX Group. Since key parts of the IT systems are operated by external service providers, errors by, or the default of, external service providers also constitute a significant source of risk.

The risk strategy pursues the fundamental aim of minimising operational risks by using approved methods of system development and comprehensive test procedures. EEX Group either provides core services itself or has such performed by specialised, external partners. Additional services are also provided by specialised companies, which are part of Deutsche Börse AG. The quality of the service providers is reviewed in the framework of the selection processes and continuously on the basis of established service level agreements. Backup processes are implemented for critical business processes. The quality of the internal control system is checked regularly with the help of examinations by the internal auditors and the targeted use of external auditors. There are process descriptions and control activities for all fundamental processes. These are documented in checklists in order to reduce the likelihood of human errors. Operational risks are identified and assessed throughout the group in the framework of an annual self assessment.

In the context of the conclusion of balancing group agreements, priority rules regarding nominations by ECC are aimed for (provided such can be negotiated).

In addition, a professional liability insurance concerning errors in commercial activities (E&O insurance) has been taken out.

A damage incident database is maintained for the ongoing monitoring and for reporting of cases of malfunctioning during operations. All untoward incidents which occur in the course of the operations – even if they have not led to any direct financial damage – are recorded in this database and consequently analysed.

Business risk

Business risk is defined as effects resulting from the market entry of new competitors, regulatory or other legal amendments, technical changes or modifications of the product landscape having a negative effect on the earnings situation in the medium to long term (see also “Report on Opportunities and Risks”).

These risks are monitored by means of the structured collection and analysis of information on competitors, customers, products/markets as well as processes and procedures. Furthermore, the effects which certain price and volume changes have on earnings are analysed in the framework of scenario calculations.

Compliance risk

EEX is exposed to compliance risks primarily in the fields of VAT fraud, damage to its reputation on account of the unauthorised publication of information and abuse through money laundering and/or the financing of terrorism.

ECC settles all transactions via Clearing Members. As financial institutes, these are subject to the rules of the German Banking Act (KWG) (or other equivalent European provisions) which provide for the implementation of measures to combat these risks. Therefore, ECC has a low risk of being abused for the purposes of money laundering, financing of terrorism or fraud. This risk is re-evaluated every year in the context of a risk analysis.

“Know-your-customer” measures are intended to identify suspicious counterparties during the initial stages of the business relationship. In the event of reasonable doubt in the admission process, a decision by the Management Board or by the CRO is requested. In addition, continuous monitoring processes are undertaken by the Market Surveillance Office.

Sensitive data requiring specific protection has to be treated as being confidential and protected against unauthorised access in accordance with internal instructions. In order to prevent conflicts of interest, rules of conduct have been established for staff.

43. Own shares

As of 31st December 2013, there were no own shares in the possession of EEX.

44. Trust assets

In accordance with the Clearing Conditions, ECC Luxembourg S.à.r.l. keeps the emission allowances surrendered by the trading participants in exchange trading in EU emission allowances, in trust in its account at the German Emissions Trading Authority. As of 31st December 2013, these comprised 75,319,462 certificates (2012: 13,159,500 certificates) with a market value of kEUR 357,716 (2012: kEUR 83,688). As a result, there are trust liabilities to the corresponding amount in the form of the trustors' rights to the recovery of these allowances.

45. Other financial liabilities and contingent liabilities

The other financial liabilities of the Group comprise future payment obligations under operating leasing relationships. These are structured as follows:

Financial liability in kEUR	Total	2014	2015 to 2018	2019 to 2021
Systems/maintenance/infrastructure	12,942	5,500	7,370	72
Rent	4,922	747	2,739	1,436
Motor vehicles	173	90	83	0
Others	732	455	277	0
Total liabilities	18,769	6,792	10,469	1,508

As of the balance sheet date, there was a letter of comfort for transpower stromübertragungs GmbH for a maximum amount of kEUR 986 regarding the obligations of ECC Luxembourg.

46. Fee for the auditor of the annual accounts according to Art. 314 Fig. 9 HGB [German Commercial Code]

in kEUR	2013	2012
Auditing services for the annual accounts	193	186
Other auditing services	23	16
Others	16	10
Total	231	212

47. Relations with related parties and companies

According to IAS 24, those persons and companies who or which: dominate the Group, exercise decisive influence over it, are dominated by the Group or over which the Group exercises decisive influence are considered related parties and companies.

Others whom are defined as related parties and companies include: members of the Management Board and of the Supervisory Board, shareholders holding an interest of more than 20 percent and the subsidiaries as well as joint ventures.

Business transactions with related companies and parties are concluded according to conditions which are common among unrelated third parties.

Relations with related persons

Management Board:

Peter Reitz, Leipzig, Chief Executive Officer

Steffen Köhler, Oberursel

Dr. Thomas Siegl, Eschborn

Iris Weidinger, Leipzig

In 2013, the total remuneration of the Management Board amounted to kEUR 2,667, including fixed and variable components.

Supervisory Board:

Dr. Jürgen Kroneberg (Chairman)
Lawyer, Cologne

Jürg Spillmann (Vice Chairman)
Deputy Chairman of the Executive Board of Eurex Zurich AG, Zurich/Switzerland

Hans E. Schweickardt (Vice Chairman)
Chairman of the Board of Directors, Alpiq Holding AG, Lausanne/Switzerland

Roland Werner (Vice Chairman)
State Secretary, Saxon State Ministry for Economic Affairs, Labour and Transport, Dresden

Dr. Hans-Joachim Arnold
Head Legal/Compliance, RWE Deutschland AG, Essen

Edward Backes
Head of Department Market Supervision Trading and Clearing, Deutsche Börse AG, Eschborn

Burkhard Jung
Mayor of the City of Leipzig, Leipzig

Ulrich Kastner
Management Consultant, UKC GmbH, Munich

Dr. Egbert Laege
E.ON Global Commodities SE, Düsseldorf

Dr. Stefan Mai
Director, Head of Section Market Policy, Deutsche Börse AG, Eschborn

Dr. Dirk Mausbeck
Member of the Management Board, EnBW Energie Baden-Württemberg AG, Karlsruhe

Katja Mayer
Managing Partner, KM Networks GmbH, Hofheim

Prof. Harald R. Pfab
Chairman of the Management Board, Sachsen Bank, Leipzig

Dr. Michael Redanz
Managing Director, MVV Trading GmbH, Mannheim

Marc Reiffers
Chief Operating Officer, Enovos Luxembourg S.A., Strassen/Luxemburg

Dr. Randolph Roth
Head of Market Structure, Eurex Frankfurt AG, Eschborn

Uwe Schweickert
Head of Executive Office Division Derivatives & Market Data, Eurex Frankfurt AG, Eschborn

Dr. Hans-Jürgen Witschke
Chairman of the Managing Board, DB Energie GmbH, Frankfurt am Main

Supervisory Board emoluments

The members of the Supervisory Board of EEX received emoluments of kEUR 384 for the work in 2013. The emoluments will be paid next year.

Relations with related companies

As in the previous year, Eurex Zurich AG, with registered offices in Zurich, Switzerland, held 62.57 percent of the shares in EEX on 31st December 2013 (previous year: 56.14 percent).

The expenses and revenues for the financial year, and/or the accounts receivable and payable to Deutsche Börse Group are shown in the table below:

in kEUR	2013	2012
Deutsche Börse Group		
EEX Group as the recipient of services		
– Provision of the trading system, including adjustment thereof	7,755	7,040
– Financial services	47	45
– Sharing of costs and revenue from Eurex cooperation	266	245
EEX Group as the provider of services		
– Provision of trading data	-249	-353
Account receivable as of 31 st December	170	172
Liabilities as of 31 st December	1,686	633
Financial liability as of 31 st December	103	104

Relations with unconsolidated companies, associated companies and joint ventures

in kEUR	2013	2012
EPEX SPOT SE		
EEX Group as the recipient of services		
– Physical settlement of Derivatives Market transactions	21	21
EEX Group as the provider of services		
– Provision of services for the commercial unit in Leipzig	1,822	2,012
– Project costs	148	11
– Others	7	77
Accounts receivable as of 31 st December	107	204
Liabilities as of 31 st December	10	123
EMCC		
EEX Group as the recipient of supplies and services		
– Power delivery	221,789	511,669
EEX Group as the provider of supplies and services		
– Power delivery	199,582	43,570
– Transaction fees	144	128
– Interest income	14	20
Account receivable as of 31 st December	655	1,296
Liabilities as of 31 st December	70	236
Account receivable from loan (residual term > 1 year)	100	250

48. Overview of investments as of the balance sheet date according to art. 313 paragraph 2 figure 1 to 4 HGB [German Commercial Code]

Name	Registered office	Subscribed capital	Share	Equity	Annual profit
		kEUR	%	kEUR	kEUR
1. Shares in affiliated companies					
ECC	Leipzig	1015	98.5	42,457	10,305
EPD ¹	Leipzig	125	80.0	6,018	0
EGEX ¹	Leipzig	100	100.0	2,046	0
GEEX ¹	Leipzig	25	100.0	48	0
ECC Lux	Luxembourg	13	98.5	76	41
2. Equity investments					
EPEX	Paris	4,973	50.0	18,444	10,500
EMCC	Hamburg	100	20.0	1,933	888
CLTX ²	Singapore	TUSD 7,400	43.7	TUSD 355	TUSD -2,363

¹ A profit and loss transfer agreement has been concluded with EPD, EGEX and GEEX.

² Values for CLTX are reported as of 30th June 2013 since it has a different financial year. Values as per the respectively valid local accounting standards are specified.

49. Essential events after the balance sheet date

In January 2014, EEX AG acquired 52 percent and, hence, the majority of the voting rights in Cleartrade Exchange Pte. Ltd. As a result, EEX AG will fully consolidate Cleartrade Exchange Pte. Ltd. in the EEX consolidated financial statement as of the cut-off date (1st January 2014).

Leipzig, 13th March 2014



Peter Reitz
Chief Executive Officer (CEO)



Steffen Köhler
Chief Operating Officer (COO)



Iris Weidinger
Chief Financial Officer (CFO)



Dr. Thomas Siegl
Chief Risk Officer (CRO)

Audit Report by the Auditor of the Annual Accounts

We have audited the consolidated financial statement – consisting of the consolidated profit and loss account, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity, and the notes – as well as the consolidated annual report prepared by European Energy Exchange AG, Leipzig for the business year from 1st January 2013 until 31st December 2013. The preparation of the consolidated financial statement as well as of the consolidated annual report in accordance with the provisions of IFRS, in the form in which these have to be applied within the EU, and the commercial law provisions which have to be applied as a supplement to these according to Art. 315a Paragraph 1 HGB [German Commercial Code] lies within the sphere of responsibility of the Management Board of the Company. It is our task to give an opinion on the consolidated annual financial statement and the consolidated annual report on the basis of the audit which we have carried out.

We have carried out our annual audit according to Art. 317 HGB in compliance with the German principles of proper final audits established by the Institute of Auditors (Institut der Wirtschaftsprüfer (IDW)). According to these, the audit has to be planned and carried out in such a way that inaccuracies and violations having an essential impact on the presentation of the image of the assets, financial and earnings situation conveyed by the consolidated annual financial statement in compliance with the principles of adequate and orderly accounting are recognised with sufficient certainty. In establishing the auditing activities the knowledge regarding the business activity and regarding the business and legal environment of the Group as well as expectations with regard to possible errors are taken into account. In the framework of the audit, the effectiveness of the internal controlling system with regard to financial reporting as well as records for the information in the consolidated annual accounts and the consolidated annual report were primarily evaluated on the basis of random samples. The audit comprises the evaluation of the annual financial statements of the companies included in the consolidated financial statement, the definition of the scope of consolidation, the assessment of the accounting and consolidation principles applied and of the essential judgements of the Management Board as well as the evaluation of the overall presentation of the consolidated financial statement and of the consolidated annual report. We are convinced that our audit forms a sufficiently safe basis for our evaluation.

Our audit has not led to any objections.

According to our evaluation on the basis of the findings obtained during the audit, the consolidated financial statement corresponds to the IFRS in the form in which these have to be applied within the EU and the commercial law provisions which have to be applied as a supplement to these according to Art. 315a Paragraph 1 HGB [German Commercial Code] and conveys an image of the assets, financial and earnings situation of the Group which corresponds to the actual situation in compliance with the principles of adequate and orderly accounting. The consolidated annual report corresponds to the consolidated financial statement; all in all, it conveys a correct image of the situation of the Group and outlines the opportunities and risks contingent on the future development of the Group in an accurate and appropriate manner.

Frankfurt am Main, 13th March 2014

KPMG AG

Wirtschaftsprüfungsgesellschaft



Jürgen Mock
German Qualified Auditor



Markus Müller
German Qualified Auditor

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