Financial statements of the EnBW Group 2016

Without management report

EnBW

Financial statements

of the EnBW Group

Income statement

in € million[1]	Notes	2016	2015
Revenue including electricity and energy taxes		20,080.2	21,944.1
Electricity and energy taxes		-711.8	-777.6
Revenue	(1)	**19,368.4**	**21,166.5**
Changes in inventories		15.9	-3.0
Other own work capitalised		118.5	93.4
Other operating income	(2)	807.5	833.8
Cost of materials	(3)	-16,681.3	-17,364.7
Personnel expenses	(4)	-1,673.4	-1,641.3
Other operating expenses	(5)	-1,224.9	-1,166.5
EBITDA		**730.7**	**1,918.2**
Amortisation and depreciation	(6)	-2,393.6	-1,641.2
Earnings before interest and taxes (EBIT)		**-1,662.9**	**277.0**
Investment result	(7)	117.6	21.2
of which net profit/loss from entities accounted for using the equity method		(-10.0)	(26.3)
of which other profit/loss from investments		(127.6)	(-5.1)
Financial result	(8)	-1,176.6	-24.0
of which finance income		(431.9)	(1,078.9)
of which finance costs		(-1,608.5)	(-1,102.9)
Earnings before tax (EBT)		**-2,721.9**	**274.2**
Income tax	(9)	1,049.4	-40.0
Group net profit/loss		**-1,672.5**	**234.2**
of which profit/loss shares attributable to non-controlling interests		(124.7)	(76.0)
of which profit/loss shares attributable to the shareholders of EnBW AG		(-1,797.2)	(158.2)
EnBW AG shares outstanding (million), weighted average		**270.855**	**270.855**
Earnings per share from Group net profit/loss (€)[2]	(23)	**-6.64**	**0.58**

[1] The figures for the previous year have been restated. Further information is available in the notes under "Restatement of previous-year figures".
[2] Diluted and basic; in relation to profit/loss attributable to the shareholders of EnBW AG.

Statement of comprehensive income

in € million[1]	2016	2015
Group net profit/loss	**-1,672.5**	**234.2**
Revaluation of pensions and similar obligations	-427.4	200.7
Entities accounted for using the equity method	1.4	-24.2
Income taxes on other comprehensive income	124.1	-32.6
Total of other comprehensive income and expenses without future reclassifications impacting earnings	**-301.9**	**143.9**
Currency translation differences	7.0	53.2
Cash flow hedge	247.8	104.9
Available-for-sale financial assets	192.8	-406.4
Entities accounted for using the equity method	-39.8	14.6
Income taxes on other comprehensive income	-105.2	-11.4
Total of other comprehensive income and expenses with future reclassifications impacting earnings	**302.6**	**-245.1**
Total other comprehensive income	**0.7**	**-101.2**
Total comprehensive income	**-1,671.8**	**133.0**
of which profit/loss shares attributable to non-controlling interests	(130.3)	(88.5)
of which profit/loss shares attributable to the shareholders of EnBW AG	(-1,802.1)	(44.5)

[1] The figures for the previous year have been restated. Further information is available in the notes under "Restatement of previous-year figures".

Balance sheet

in € million[1]	Notes	31/12/2016	31/12/2015	01/01/2015
Assets				
Non-current assets				
Intangible assets	(10)	1,636.5	1,744.9	1,783.0
Property, plant and equipment	(11)	13,481.9	13,508.1	13,681.7
Entities accounted for using the equity method	(12)	1,835.6	826.1	1,941.0
Other financial assets	(13)	6,428.0	8,309.3	8,589.2
Trade receivables	(14)	357.4	760.3	678.6
Other non-current assets	(15)	410.1	345.7	279.1
Deferred taxes	(20)	1,268.9	93.4	430.0
		25,418.4	**25,587.8**	**27,382.6**
Current assets				
Inventories		806.8	877.5	1,135.4
Financial assets	(16)	2,389.5	1,353.9	780.1
Trade receivables	(14)	3,129.1	2,787.3	3,193.1
Other current assets	(15)	2,626.9	3,034.7	2,537.2
Cash and cash equivalents	(17)	3,991.6	3,501.1	3,179.2
		12,943.9	**11,554.5**	**10,825.0**
Assets held for sale	(22)	173.0	1,015.9	104.5
		13,116.9	**12,570.4**	**10,929.5**
		38,535.3	**38,158.2**	**38,312.1**
Equity and liabilities				
Equity	(18)			
Shares of the shareholders of EnBW AG				
Subscribed capital		708.1	708.1	708.1
Capital reserve		774.2	774.2	774.2
Revenue reserves		1,582.5	3,634.8	3,692.4
Treasury shares		-204.1	-204.1	-204.1
Other comprehensive income		-1,543.0	-1,644.2	-1,530.5
		1,317.7	**3,268.8**	**3,440.1**
Non-controlling interests		1,898.5	1,854.4	1,105.5
		3,216.2	**5,123.2**	**4,545.6**
Non-current liabilities				
Provisions	(19)	13,011.9	14,478.1	14,302.2
Deferred taxes	(20)	652.8	670.7	648.9
Financial liabilities	(21)	6,720.2	6,810.0	7,187.1
Other liabilities and subsidies	(21)	1,787.1	1,832.9	2,008.5
		22,172.0	**23,791.7**	**24,146.7**
Current liabilities				
Provisions	(19)	6,060.2	1,342.8	1,151.6
Financial liabilities	(21)	1,208.7	758.2	1,078.5
Trade payables	(21)	3,193.0	3,523.5	3,829.6
Other liabilities and subsidies	(21)	2,661.2	3,618.0	3,511.6
		13,123.1	**9,242.5**	**9,571.3**
Liabilities directly associated with assets classified as held for sale	(22)	24.0	0.8	48.5
		13,147.1	**9,243.3**	**9,619.8**
		38,535.3	**38,158.2**	**38,312.1**

[1] The figures for the previous year have been restated. Further information is available in the notes under "Changes in accounting policies" and "Restatement of previous-year figures".

Cash flow statement

in € million[1]	2016	2015
1. Operating activities		
EBITDA	730.7	1,918.2
Changes in provisions	721.9	145.6
Result from disposals	-28.4	-50.3
Other non-cash expenses/income	-49.7	-69.7
Change in assets and liabilities from operating activities	-657.5	-137.7
Inventories	(67.9)	(70.2)
Net balance of trade receivables and payables	(-302.6)	(-60.5)
Net balance of other assets and liabilities	(-422.8)	(-147.4)
Income tax paid/received	-243.4	112.2
Cash flow from operating activities	**473.6**	**1,918.3**
2. Investing activities		
Capital expenditure on intangible assets and property, plant and equipment	-1,189.4	-1,416.4
Disposals of intangible assets and property, plant and equipment	115.5	140.2
Cash received from construction cost and investment subsidies	61.1	78.2
Acquisition of subsidiaries, entities accounted for using the equity method and interests in joint operations	-961.3	-21.1
Sale of subsidiaries, entities accounted for using the equity method and interests in joint operations	189.9	25.0
Cash paid for investments in other financial assets	-331.6	-1,996.1
Sale of other financial assets	2,065.2	1,949.6
Cash received/paid for investments in connection with short-term finance planning	39.4	45.8
Interest received	203.0	242.9
Dividends received	142.1	137.7
Cash flow from investing activities	**333.9**	**-814.2**
3. Financing activities		
Interest paid for financing activities	-351.3	-375.1
Dividends paid	-226.1	-269.7
Cash received for changes in ownership interest without loss of control	0.0	719.8
Cash paid for changes in ownership interest without loss of control	-8.0	0.0
Increase in financial liabilities	999.2	244.6
Repayment of financial liabilities	-704.8	-1,112.0
Payments from alterations of capital in non-controlling interests	-25.6	-6.1
Cash flow from financing activities	**-316.6**	**-798.5**
Net change in cash and cash equivalents	**490.9**	**305.6**
Net foreign exchange difference	-0.4	10.3
Change in cash and cash equivalents	**490.5**	**315.9**
Cash and cash equivalents at the beginning of the period	3,501.1	3,185.2
Cash and cash equivalents at the end of the period	**3,991.6**	**3,501.1**

[1] Further information is available in the notes under (31) "Notes to the cash flow statement".

Statement of changes in equity

in € million[1, 2]				Other comprehensive income[4]							
	Subscribed capital and capital reserve[3]	Revenue reserves	Treasury shares	Revaluation of pensions and similar obligations	Currency translation differences	Cash flow hedge	Available-for-sale financial assets	Entities accounted for using the equity method	Shares of the shareholders of EnBW AG	Non-controlling interests[4]	Total
As of 01/01/2015	**1,482.3**	**3,692.4**	**-204.1**	**-1,652.2**	**-95.6**	**-334.3**	**605.3**	**-53.7**	**3,440.1**	**1,105.5**	**4,545.6**
Other comprehensive income				169.5	41.2	77.4	-392.2	-9.6	-113.7	12.5	-101.2
Group net profit/loss		158.2							158.2	76.0	234.2
Total comprehensive income	**0.0**	**158.2**	**0.0**	**169.5**	**41.2**	**77.4**	**-392.2**	**-9.6**	**44.5**	**88.5**	**133.0**
Dividends paid		-186.9							-186.9	-65.1	-252.0
Other changes[5, 6]		-28.9							-28.9	725.5	696.6
As of 31/12/2015	**1,482.3**	**3,634.8**	**-204.1**	**-1,482.7**	**-54.4**	**-256.9**	**213.1**	**-63.3**	**3,268.8**	**1,854.4**	**5,123.2**
Other comprehensive income				-301.9	6.2	159.2	170.0	-38.4	-4.9	5.6	0.7
Group net profit/loss		-1,797.2							-1,797.2	124.7	-1,672.5
Total comprehensive income	**0.0**	**-1,797.2**	**0.0**	**-301.9**	**6.2**	**159.2**	**170.0**	**-38.4**	**-1,802.1**	**130.3**	**-1,671.8**
Dividends paid		-149.0							-149.0	-59.1	-208.1
Other changes[5, 6]		-106.1						106.1	0.0	-27.1	-27.1
As of 31/12/2016	**1,482.3**	**1,582.5**	**-204.1**	**-1,784.6**	**-48.2**	**-97.7**	**383.1**	**4.4**	**1,317.7**	**1,898.5**	**3,216.2**

[1] The figures for the previous year have been restated. Restatement of the revenue reserves of €33.3 million. Restatement of the non-controlling interests of €0.4 million. Further information is available in the notes under "Restatement of previous-year figures".

[2] Further information is available in the notes under (18) "Equity".

[3] Of which subscribed capital €708.1 million (31/12/2015: €708.1 million, 01/01/2015: €708.1 million) and capital reserve €774.2 million (31/12/2015: €774.2 million, 01/01/2015: €774.2 million).

[4] Of which other comprehensive income directly associated with the assets held for sale as of 31/12/2016 to the amount of €0.0 million (31/12/2015: € -45.4 million, 01/01/2015: €0.0 million). Of which attributable to the shareholders of EnBW AG: €0.0 million (31/12/2015: € -45.4 million, 01/01/2015: €0.0 million). Of which attributable to non-controlling interests: €0.0 million (31/12/2015: €0.0 million, 01/01/2015: €0.0 million).

[5] Of which changes in revenue reserves due to changes in ownership interest of subsidiaries without loss of control of €0.0 million (previous year: € -28.2 million). Of which changes in non-controlling interests due to changes in ownership interest of subsidiaries without loss of control of €0.0 million (previous year: €738.8 million).

[6] Of which transaction costs that were accounted for as a deduction from equity amounting to €0.0 million (previous year: €1.9 million).

Notes to the 2016 financial statements of the EnBW Group

General principles

In accordance with section 315a (1) of the German Commercial Code (HGB), EnBW Energie Baden-Württemberg AG (EnBW), as the highest-level parent company in the EnBW Group, prepares the consolidated financial statements according to the International Financial Reporting Standards (IFRS), the adoption of which is mandatory in the European Union as of the reporting date. The interpretations promulgated by the IFRS Interpretations Committee (IFRS IC) are also taken into account. IFRS and interpretations whose application is not yet mandatory are not adopted. The consolidated financial statements therefore comply with those IFRS and interpretations issued by the International Accounting Standards Board (IASB) which have been endorsed by the EU.

The consolidated financial statements are presented in millions of euro (€ million). The income statement as well as the statement of comprehensive income, the balance sheet, the cash flow statement and the statement of changes in equity of the EnBW Group are presented separately.

In the interest of clarity, items have been combined in the income statement and in the balance sheet, and disclosed separately and explained in the notes.

The income statement has been prepared using the nature of expense method.

Significant events in the reporting period such as the change to the discount rate for pension and nuclear provisions are described and detailed descriptions of the segments are given in the EnBW Group section of the management report. Significant events after the reporting date are presented in the report on opportunities and risks within the management report.

The consolidated financial statements are prepared as of the reporting date of the parent company's financial statements. The parent company's financial year is the calendar year.

The registered office of the company is in Karlsruhe, Germany. The address is EnBW Energie Baden-Württemberg AG, Durlacher Allee 93, 76131 Karlsruhe. It is entered at the District Court of Mannheim under HRB-no. 107956.

EnBW's principal activities are described in the segment reporting.

EnBW's Board of Management prepared and releases the consolidated financial statements for issue on 7 March 2017.

Consolidation principles

The financial statements of the domestic and foreign companies included in the consolidation were prepared in a standardised manner in accordance with the accounting policies which are applicable at EnBW.

Business combinations are accounted for using the acquisition method. The cost of a business combination is measured based on the fair value of the assets acquired and liabilities assumed or entered into as of the acquisition date. Non-controlling interests are measured at the proportionate fair value of the identified assets and the liabilities assumed. Incidental acquisition costs are expensed as incurred. If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss when the acquirer obtains control. Any excess of the cost of a business combination plus the amount of any non-controlling interest in the acquiree over the acquired identifiable assets, assumed liabilities and contingent liabilities is reported as goodwill if positive or, if negative, is reassessed and recognised as a gain through profit or loss.

A change in the ownership interest in an entity which continues to be fully consolidated is accounted for as an equity transaction. All remaining interests are remeasured at fair value upon loss of control.

Receivables, liabilities and provisions between the consolidated entities are netted. Intercompany income is set off against the corresponding expenses. Intercompany profits and losses are eliminated unless they are of minor importance.

Consolidated companies

In accordance with the full consolidation method, all subsidiaries under the control of the Group are included. The Group controls an associate if it is exposed to risks or has rights to variable returns as a result of its involvement in the associate, and the Group has the ability to use its power over the associate in a way that affects the amount of the returns from the associate. In the full consolidation process, the assets and liabilities of a subsidiary are included in the consolidated financial statements in their entirety.

The equity method is used when there is a joint arrangement in the form of a joint venture or a significant influence may be exercised over the business policy of the associate, but the entity does not qualify as a subsidiary. At the time of acquisition they are recognised at cost and subsequently recognised according to the amortised proportionate net assets. The carrying amounts are increased or reduced each year by the proportionate profit or loss, dividends paid or other changes in equity. This means that when shareholdings are being measured, only the company's proportional equity, rather than its assets and liabilities, is shown in the consolidated financial statements. Any goodwill is included in the stated value of the shareholding in question. Any negative differences are recognised in profit or loss in the investment result.

Joint arrangements that are classified as joint operations are reported based on the proportion of the assets, liabilities, income and expenses which are attributable to the parent company in compliance with the respective applicable IFRS.

Interests in subsidiaries, joint ventures or associates which, in the Group's opinion, are of minor significance, or are not controlled due to their participation structure and as such no significant influence is exercised over them, are reported in accordance with IAS 39. Indicators for determining the materiality of subsidiaries are the revenue, earnings and equity of these companies.

There are no reciprocal shareholdings in the EnBW Group as defined by section 19 (1) German Companies Act (AktG).

The consolidated companies are as follows:

Type of consolidation

Number	31/12/2016	31/12/2015
Full consolidation	122	118
Entities accounted for using the equity method	17	17
Joint operations	3	3

Changes in the consolidated companies

Of the companies included in the consolidated financial statements by way of full consolidation, 12 (previous year: 8) domestic companies and 3 (previous year: 3) foreign companies were consolidated for the first time in the reporting year. 4 (previous year: 2) domestic companies and 3 (previous year: 0) foreign companies were deconsolidated. In addition, 4 domestic companies (previous year: 5) were merged.

Acquisition and disposal of entities accounted for using the equity method in 2016

Acquisition of shares in VNG-Verbundnetz Gas Aktiengesellschaft and disposal of shares in EWE Aktiengesellschaft

EnBW Energie Baden-Württemberg AG acquired 74.21% of the shares in VNG-Verbundnetz Gas Aktiengesellschaft (VNG) from EWE Aktiengesellschaft (EWE) on 20 April 2016. In return, EnBW divested itself of a 20% share in EWE. In addition, a cash settlement was paid by EnBW to EWE and the Ems-Weser-Elbe Versorgungs- und Entsorgungsverband (EWE-Verband). VNG will initially be accounted for by EnBW in the consolidated financial statements as a joint venture accounted for using the equity method due to a lack of control as a result of the majority ratios on the Supervisory Board. The remaining 6% shareholding in EWE will be recognised under other financial assets. VNG, with headquarters in Leipzig, is particularly active in the areas of exploration and production, gas transport and gas storage, as well as trading and services. It is allocated in the segment reporting to Other/Consolidation as a joint venture accounted for using the equity method.

Changes in the shareholdings of fully consolidated companies with loss of control in 2015

Sale of shares in EnBW Propower GmbH

The EnBW Group sold 100% of the equity in EnBW Propower GmbH, Eisenhüttenstadt to Progroup AG, Landau on 31 December 2015. EnBW Propower GmbH owns a combined heat and power plant for thermal utilisation of substitute fuel in Eisenhüttenstadt. Income of €13.1 million was generated as a result of the sale and has been reported under other operating income. The proceeds of the sale were paid to EnBW in cash at the start of 2016.

Changes in the shareholdings of already fully consolidated companies in 2015

Sale of shares in EnBW Baltic 2 S.C.S.

The EnBW Group sold 49.89% of the equity in EnBW Baltic 2 S.C.S., Luxembourg to a subsidiary of the Australian financial investor Macquarie Corporate Holdings Pty Limited (formerly Macquarie Capital Group Limited) on 30 October 2015. As a result of the transaction, our interest in EnBW Baltic 2 S.C.S. fell to 50.11%. EnBW continues to fully consolidate EnBW Baltic 2 S.C.S. in its consolidated financial statements. Sale proceeds of €713.7 million were generated. As of the reporting date of 31 December 2015, this was paid to EnBW in cash in the amount of €721.7 million. The subsequent purchase price adjustment of €8.0 million was repaid at the start of 2016. Incidental costs of €1.9 million were incurred for the transaction. The amount attributable to non-controlling interests was €739.1 million. The difference between the sale proceeds and the amount attributable to non-controlling interests in the amount of € -27.3 million was recognised under revenue reserves in equity.

The impact of the sale of the interest in EnBW Baltic 2 S.C.S. on the EnBW consolidated financial statements is shown below:

in € million	2015
Consideration received after deduction of incidental costs	711.8
Amount attributable to non-controlling interests	739.1
Amount recognised under revenue reserves	-27.3

Changes in accounting policies

First-time adoption of amended accounting standards

The IASB and IFRS IC have adopted the following new standards, amendments to existing standards, and interpretations whose application is mandatory as from the 2016 financial year:

- **Collective standard for the amendment of various IFRS (2013) "Improvements to the IFRS Cycle 2010–2012":** The amendments are the result of the annual IASB improvement process. The amendments are intended to clarify the wording of the standards and remove any unintended inconsistencies between them. The cycle affects IAS 16, IAS 24, IAS 37, IAS 38, IAS 39, IFRS 2, IFRS 3 and IFRS 8. The amendments are effective for the first time for financial years beginning on or after 1 February 2015. The standard has no material impact on the consolidated financial statements of EnBW.
- **Collective standard for the amendment of various IFRS (2014) "Improvements to the IFRS Cycle 2012-2014":** The amendments are the result of the annual IASB improvement process. The amendments are intended to clarify the wording of the standards and remove any unintended inconsistencies between them. The cycle

affects IAS 19, IAS 34, IFRS 5 and IFRS 7. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no material impact on the consolidated financial statements of EnBW.

- **Amendments to IAS 1 (2014) "Disclosure Initiative":** The amendments are intended to clarify the standard to make it simpler for preparers to exercise their judgement in presenting financial reports. For example, the concept of materiality is emphasised more strongly in order to encourage the communication of relevant information and in order to facilitate the presentation of additional line items in the balance sheet and the statement of comprehensive income. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. In order to improve the presentation of the results of operations, net assets and financial position, we have combined items on the balance sheet following due consideration of their materiality and also removed immaterial information from the notes. The item "investment properties" will now be reported under other non-current financial assets, which have increased as a result as of 31 December 2015 by €68.9 million to €8,309.3 million. The item "income tax refund claims" will now be reported within other assets, which increased as a result as of 31 December 2015 by €5.3 million to €345.7 million (non-current assets) and by €469.9 million to €3,034.7 million (current assets). The item "income tax liabilities" will now be reported within other liabilities and subsidies, which increased as a result as of 31 December 2015 by €84.3 million to €1,832.9 million (non-current liabilities) and by €271.8 million to €3,618.0 million (current liabilities).
- **Amendments to IAS 16 and IAS 38 (2014) "Clarification of Acceptable Methods of Depreciation and Amortisation":** The amendments are intended to clarify which methods of depreciation of property, plant and equipment and amortisation of intangible assets are appropriate. In particular, it was clarified that a revenue-based method is not an appropriate method. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.
- **Amendments to IAS 16 and IAS 41 (2014) "Agriculture: Bearer Plants":** The amendments clarify that so-called bearer plants, which are used only for the production of agricultural produce, fall under the scope of IAS 16 "Property, Plant and Equipment". The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.
- **Amendments to IAS 19 (2013) "Defined Benefit Plans: Employee Contributions":** The amendments are intended to clarify those standards that relate to the allocation of employee contributions or contributions from third parties, which are linked to the service rendered, to periods of service. The amendments are effective for the first time for financial years beginning on or after 1 February 2015. The standard has no impact on the consolidated financial statements of EnBW.
- **Amendments to IAS 27 (2014) "Equity Method in Separate Financial Statements":** The amendments mean that in future it will also be possible to account for investments in subsidiaries, joint ventures and associates using the equity method in IFRS separate financial statements. The revised standard is effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.
- **Amendments to IFRS 10, IFRS 12 and IAS 28 (2014) "Investment Entities: Applying the Consolidation Exception":** The amendments clarify how the exemption from the consolidation requirement for investment entities that instead account for their subsidiaries at fair value must be applied. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.
- **Amendment to IFRS 11 (2014) "Acquisition of an Interest in a Joint Operation":** The amendments clarify how an acquisition of an interest in a joint operation that is a business is to be accounted for. Acquirers of such an interest have to apply the rules on accounting for business combinations in IFRS 3 "Business Combinations" and other relevant standards. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.

Effects of new accounting standards that are not yet mandatory

The IASB and IFRS IC have already published the following standards and interpretations whose adoption is not yet mandatory for the 2016 financial year. Their application in the future is subject to their endorsement by the EU into European law.

- **Collective standard for the amendment of various IFRS (2016) "Improvements to the IFRS Cycle 2014-2016":** The amendments are the result of the annual IASB improvement process. The amendments are intended to clarify the wording of the standards and remove any unintended inconsistencies between them. The cycle affects IFRS 1, IFRS 12 and IAS 28. The amendments are effective for the first time for financial years beginning on or after 1 January 2018. For the amendments to IFRS 12, amendments are effective for the first time for financial years beginning on or after 1 January 2017. The amendments have yet to be endorsed by the EU. The effects on the consolidated financial statements of EnBW are currently being assessed.
- **Amendments to IAS 7 (2016) "Disclosure Initiative":** The amendments require additional disclosures in the notes to present changes to liabilities from the company's financing activities. The standard must be applied for financial years beginning on or after 1 January 2017. The amendments have yet to be endorsed by the EU. The effects on the consolidated financial statements of EnBW are currently being assessed.
- **Amendments to IAS 12 (2016) "Recognition of deferred tax assets for unrealised losses":** The amendments are designed to clarify the accounting of deferred tax assets for unrealised losses from available-for-sale financial assets. The standard must be applied for financial years beginning on or after 1 January 2017. The amendments have yet to be endorsed by the EU. The effects on the consolidated financial statements of EnBW are currently being assessed.
- **Amendments to IAS 40 (2016) "Transfer of investment property":** The amendment relates to the accounting of investment property that is still under construction or development. The amendment clarifies the time from which a property that is under construction or development should be classified as property under the scope of IAS 40 and when the classification no longer applies. The amendments are effective for the first time for financial years beginning on or after 1 January 2018. The amendments have yet to be endorsed by the EU. The effects on the consolidated financial statements of EnBW are currently being assessed.
- **Amendments to IFRS 2 (2016) "Classification and Measurement of Share-based Payment Transactions":** The amendments are designed to clarify the effects of vesting conditions on the measurement of cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withheld taxes and the accounting of a change in the conditions. The standard must be applied for financial years beginning on or after 1 January 2018. The amendments have yet to be endorsed by the EU. The amendments will have no effect on the consolidated financial statements of EnBW.
- **Amendments to IFRS 4 (2016) "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts":** The amendments apply to the first-time application of IFRS 9 for insurance companies. Two optional approaches for insurance contracts have been introduced: deferral of the first-time application of IFRS 9 or an overlay approach. The standard must be applied for financial years beginning on or after 1 January 2018. The amendments have yet to be endorsed by the EU. The standard will have no effect on the consolidated financial statements of EnBW.
- **IFRS 9 "Financial Instruments":** The publication of IFRS 9 (2014) completed IASB's three-phase revision of the rules on the accounting of financial instruments. IFRS 9, which will replace the existing IAS 39 "Financial Instruments: Recognition and Measurement", includes a new classification model for financial assets. The subsequent measurement of financial assets will, in future, be based on three categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. The instrument's contractual cash flows and the business model in which the asset is held are key to classification. In addition, the new impairment model devised during phase 2 of the project has been finalised. The rules on hedge accounting for general hedges devised in phase 3 have been published already on 19 November 2013. The standard must be applied for financial years beginning on or after 1 January 2018. Due to the change in requirements for the classification of financial instruments, differences compared to the classification and measurement of financial assets previously required under IAS 39 will arise. Following initial assessments in the IFRS 9 implementation project, it is apparent that the at fair value through profit or loss measurement category will, in future, increase in significance. The financial assets that were previously classified as "available for sale" should mainly be allocated under the "hold to collect and sell" business model. Furthermore, transfer to the expected loss model will tend to increase the required risk provisions. An improvement is expected as a result of the new rules on hedge accounting because certain restrictions in the current rules of IAS 39 have been removed and so a larger range of hedging instruments and hedged items is available. EnBW will utilise the option of not stating any comparative figures for previous years.

- **Amendments to IFRS 10 and IAS 28 (2014) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture":** The amendments clarify that in transactions with an associate or joint venture, the extent of the gain or loss recognition depends on whether the assets sold or contributed constitute a business or not (as defined in IFRS 3 "Business Combinations"). The date of first-time adoption of the changes was postponed by the IASB for an indefinite period.
- **IFRS 15 "Revenue from Contracts with Customers":** In contrast to the current rules, the new standard includes a principles-based five-step model for recognising revenue from contracts with customers. Essentially, the model is intended to lead to the amount of the consideration the entity expects to receive in exchange for goods and services provided being depicted. The standard replaces the current rules on revenue recognition in IAS 11 and IAS 18 and the associated interpretations. The new items contract assets and contract liabilities will be added to the balance sheet due to IFRS 15. These can occur due to performance bonuses or obligations existing at a contractual level. In addition, the disclosure requirements have been expanded. In this context, the effects of the **amendments to IFRS 15 (2016) "Clarifications to IFRS 15 Revenue from Contracts with Customers"** are also being assessed. The amendments comprise clarifications for identifying performance obligations, principal-agent relationships, licensing and transition relief. Both standards are effective for financial years beginning on or after 1 January 2018. The amendments to IFRS 15 have yet to be endorsed by the EU. In order to examine the impact of IFRS 15 on the consolidated financial statements, a project was started to systematically document and analyse the business transactions at the different value-added stages. The Group-wide implementation project for IFRS 15 has not yet been concluded at EnBW. There may be a need for adjustments to the presentation of multi-component transactions in the Sales segments, which, however, only currently represent minor sale volumes. On the basis of the current state of the analysis, we only anticipate minor changes to accounting overall.
- **IFRS 16 "Leases":** The standard replaces the current standard for accounting for leases IAS 17 and the associated interpretations. The new standard introduces a uniform accounting model, whereby leases are recognised on the balance sheet of the lessee. The lessee recognises a right-of-use to the underlying asset and a lease liability that represents its obligation to make lease payments. There are exemptions for short-term leases and leases where the asset has a low value. EnBW has started its first assessment of the possible effects on the consolidated financial statements. Accounting for expenses for operating leases on a straight-line basis according to IAS 17 will be replaced by depreciation of the right-of-use assets and interest expenses for the liabilities from the lease. EnBW has not yet decided whether to utilise the exemptions. In terms of transition relief, the Group will utilise the modified retrospective approach as a lessee. It is not possible to estimate the effects on the assets and liabilities at this point in time because, amongst other things, there is uncertainty about potential further leases. The standard must be applied for financial years beginning on or after 1 January 2019. In the EnBW Group, the standard will be applied for the first time in the 2019 financial year. The option of early application will not be utilised. The amendments have yet to be endorsed by the EU.
- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration":** The interpretation clarifies for the receipt or payment of advance considerations that the exchange rate to be used for this transaction is the one on the date that the asset or liability is recognised for the first time. The interpretation is effective for the first time for financial years beginning on or after 1 January 2018. The amendments have yet to be endorsed by the EU. The effects on the consolidated financial statements of EnBW are currently being assessed.

Restatement of previous-year figures

In the 2015 financial statements, subsidiaries of EnBW AG wrongly disclosed actual income tax liabilities. The reason for this was the implementation of the amended judgement of the Federal Fiscal Court on the handling of personnel provisions on the tax balance sheet. The error was corrected by restating each of the affected items in the consolidated financial statements of the comparative period including the information on earnings per share. There were no effects on the opening balance sheet for the comparative periods. The following tables summarise the effects on the comparative period in these consolidated financial statements:

Restatement of the income statement

in € million	2015
Income tax	33.7
Group net profit	**33.7**
of which profit/loss shares attributable to non-controlling interests	(0.4)
of which profit/loss shares attributable to the shareholders of EnBW AG	(33.3)
Earnings per share from Group net profit (€)[1]	**0.12**

[1] Diluted and basic; in relation to profit/loss attributable to the shareholders of EnBW AG.

Restatement of the statement of comprehensive income

in € million	2015
Group net profit	**33.7**
Total other comprehensive income	**0.0**
Total comprehensive income	**33.7**
of which profit/loss shares attributable to non-controlling interests	(0.4)
of which profit/loss shares attributable to the shareholders of EnBW AG	(33.3)

Restatement of the balance sheet

in € million	31/12/2015
Equity and liabilities	
Equity	
Shares of the shareholders of EnBW AG	
Revenue reserves	33.3
	33.3
Non-controlling interests	0.4
	33.7
Current liabilities	
Other liabilities and subsidies	-33.7
	-33.7
	0.0

Significant accounting policies

Intangible assets

Intangible assets acquired for a consideration are carried at amortised cost and, except for goodwill, are amortised using the straight-line method over their useful life. The amortisation period of purchased software ranges from 3 to 5 years; the amortisation period of franchises for power plants is between 15 and 65 years. Customer relationships are amortised over their expected useful life of between 6 and 30 years, water rights and the underlying franchises are amortised over 20 years.

Internally generated intangible assets are recognised at cost if it is probable that a future economic benefit will flow to the company from the use of the asset and the cost of the asset can be reliably determined. If the recognition criteria are not satisfied, costs are expensed immediately through profit or loss in the year in which they were incurred. At the EnBW Group, these assets relate to software programmes that are amortised on a straight-line basis over a useful life of five years.

The useful lives and amortisation methods are reviewed regularly.

In accordance with the provisions of the IFRS, goodwill from business combinations is not amortised, but tested for impairment at least once a year and whenever there is any indication that the recoverable amount may be lower than the carrying amount.

Property, plant and equipment

Items of property, plant and equipment are measured at cost. Items that are subject to wear and tear are depreciated using the straight-line method over the expected useful life of their individual components. Depreciation is recorded pro rata temporis in the year of addition.

Maintenance and repair costs are recorded as expenses. Renewal or maintenance expenses which lead to future economic benefits of an asset are capitalised.

Construction cost subsidies and investment grants or subsidies are not deducted from the cost of the asset concerned, but recognised on the liabilities side of the balance sheet.

The nuclear power plants also contain the present value, net of depreciation, of the estimated cost of decommissioning and dismantling the contaminated facilities.

Depreciation on our major items of property, plant and equipment is computed using the following uniform Group-wide useful lives:

Useful life

in years	
Buildings	25 – 100
Power plants	10 – 50
Electricity distribution plants	25 – 45
Gas distribution plants	10 – 55
Water distribution plants	15 – 40
District heat distribution plants	15 – 40
Telecommunications distribution facilities	4 – 20
Other equipment, factory and office equipment	4 – 14

The useful lives and depreciation methods are reviewed regularly.

Property, plant and equipment are derecognised upon disposal or when no further economic benefits are expected from their continued use or sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period the asset is derecognised.

Borrowing costs

If a qualifying asset necessarily takes a substantial period of time (more than twelve months) to get ready for its intended use, the borrowing costs incurred until it is ready for its intended use that are directly attributable to its acquisition or production are capitalised as part of the respective asset. Where there are specific debt financing arrangements, the respective borrowing costs incurred are used. Where the debt financing arrangements are not specific, borrowing costs are capitalised using a uniform rate within the Group of 3.5% (previous year: 3.5%). Borrowing costs totalling €5.8 million were capitalised in the financial year (previous year: €21.9 million).

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. This also applies for agreements that do not explicitly describe the conveyance of such a right. Leases are classified either as finance leases or as operating leases.

Leases where the EnBW Group as lessee retains substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. The leased asset is recognised at the lower of fair value and the present value of the minimum lease payments. A liability of the same amount is recognised.

The recognised leased asset is depreciated over the shorter of its useful life and the lease term. The liability is repaid and carried forward in subsequent periods using the effective interest method. All other leases where the EnBW Group is the lessee are classified as operating leases. Lease payments and instalments from operating leases are recognised directly as an expense in the income statement.

Leases where the EnBW Group as lessor transfers substantially all the risks and rewards of ownership of the leased asset to the lessee are recognised as finance leases at the lessor. A receivable is recognised for the amount of the net investment in the lease. The payments made by the lessee are recognised as repayments on the principal or interest income using the effective interest method. All other leases where the EnBW Group is the lessor are classified as operating leases. The leased asset remains in the consolidated balance sheet and is depreciated. The payments made by the lessee are recognised as income on a straight-line basis over the term of the lease.

Impairment

The carrying amounts of intangible assets, property, plant and equipment, and investment properties are tested for impairment at each reporting date. If there is any indication that the asset may be impaired, the recoverable amount of the asset concerned is determined in impairment testing. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

The fair value is determined on the basis of a business valuation model and reflects the best estimate of the amount at which a third party would acquire the asset. The value in use corresponds to the present value of the future cash flows expected to be derived from an asset or cash-generating unit. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If it is not possible to determine the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset can be allocated.

Goodwill arising from business combinations is allocated to the cash-generating units or groups of cash-generating units that are expected to achieve synergies from the business combination.

The recoverable amount of these cash-generating units or groups of cash-generating units is tested for impairment at least once a year. An additional test is performed whenever there is any indication that the carrying amount may not be recoverable. For more information, please refer to note (10) “Intangible assets”.

If the recoverable amount of an asset falls short of its carrying amount, an impairment loss is recognised in profit or loss immediately. In the event of impairment losses on cash-generating units to which goodwill has been allocated, the goodwill is reduced first. If the impairment loss exceeds the carrying amount of the goodwill, the difference is allocated proportionally to the remaining non-current assets of the cash-generating unit.

If the reason for a previously recognised impairment loss no longer exists at a later date, the impairment loss is reversed. The increased carrying amount of the asset attributable to a reversal may not exceed the carrying amount that would have been determined had no impairment loss been recognised in previous years (amortised cost).

An impairment loss recognised for goodwill may not be reversed in a subsequent period. Accordingly, impairment losses on goodwill are not reversed.

Financial assets

Investments in non-consolidated affiliated entities, in associates not accounted for using the equity method and in other investments, as well as some of the securities, are allocated to the “available for sale” measurement category. This measurement category includes all financial assets that are not “held for trading”, “held to maturity” or “loans and receivables”. They are measured at fair value if it can be determined reliably; unrealised gains and losses are recognised directly in equity. If the fair value cannot be determined reliably because there is no active market, these financial assets are measured at amortised cost. Most of these assets are other investments, which are not traded on an active market.

If there is any permanent or significant impairment as of the reporting date, the adjustments to the negative market value are recognised in profit or loss. The unrealised gains or losses previously recognised directly in equity are recognised in profit or loss upon sale. Impairment losses are reflected in an allowance account.

Securities that were classified as “held to maturity” in the previous year are measured at amortised cost. These are securities listed on the stock exchange. The measurement category “held to maturity” is no longer used.

Loans are accounted for at amortised cost. Loans subject to market interest rates are recognised at nominal value, and low-interest or interest-free loans at present value. Some bad debt allowances are recognised via an allowance account. The decision whether the bad debt allowance reduces the carrying amount directly, or does so indirectly via an allowance account, depends on the probability of the anticipated default.

The securities recognised as current financial assets and allocated to the “held for trading” category are measured at fair value through profit or loss. The fair value equals the quoted price or repurchase price as of the reporting date. Changes in fair value are recognised immediately in profit or loss.

Inventories

Inventories are recorded at cost. As a rule, they are measured at average prices. Pursuant to IAS 2, costs of conversion contain the direct costs and an appropriate portion of the necessary materials and production overheads including depreciation. Costs of conversion are determined on the basis of normal capacity utilisation. Borrowing costs are not capitalised as a component of costs of conversion. Appropriate allowance is made for risks relating to slow-moving goods. Where necessary, the lower net realisable value compared to the carrying amount is recognised. Reversals of impairment losses on inventories are deducted from the cost of materials.

The nuclear fuel rods disclosed in the inventories are measured at amortised cost. Write-downs are determined in accordance with consumption.

Inventories acquired for trading purposes are recognised at fair value less costs to sell.

Emission allowances

Emission allowances acquired for production purposes are recognised at cost as inventories. Emission allowances acquired for trading purposes are recognised as other assets at fair value through profit or loss, and any fluctuation in fair value is recognised directly in profit or loss.

The obligation to return CO_2 allowances is accounted for under other provisions. The carrying amount of the provision is determined based on the carrying amount of the existing emission allowances. If further emission allowances are needed, they are accounted for at their fair value as of the reporting date.

Trade receivables and other assets

Trade receivables and other assets are accounted for at cost less any bad debt allowances required based on the actual bad debt risk. Trade receivables usually have short terms to maturity. Consequently, their carrying amounts as of the reporting date approximate their fair value. Receivables that bear off-market interest with remaining terms to maturity of more than one year are reported in the balance sheet at present value.

For other current assets, it is assumed that the fair value approximates the carrying amount. For other non-current assets, the market value is determined by discounting the expected future cash flows. Some bad debt allowances are recognised by means of an allowance account. The decision whether the bad debt allowance reduces the carrying amount directly, or does so indirectly via an allowance account, depends on the probability of the anticipated default.

Treasury shares

Own equity instruments which are repurchased (treasury shares) are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Provisions for pensions and similar obligations

For defined benefit plans, provisions for pensions and similar obligations are determined using the projected unit credit method in accordance with IAS 19. This method considers current and future pension benefits known at the reporting date as well as future anticipated salary and pension increases. Actuarial gains and losses are recorded in their entirety in the financial year in which they arise. They are reported outside of the income statement in the statement of comprehensive income as part of the cumulative changes not impacting income and recorded directly in equity. There will be no recognition in profit and loss in subsequent periods. Plan assets of funds established to cover the pension obligations are deducted from the provision. The service cost is disclosed in personnel expenses, while the net interest portion of additions to the provision and the return on plan assets are recorded in the financial result. Payments for defined contribution plans are expensed as incurred and presented under personnel expenses.

Provisions relating to nuclear power

Provisions relating to nuclear power include obligations for the decommissioning and disposal of nuclear power plants, as well as the disposal of fuel rods and operating waste. The current legal situation must be taken into account in this process. In 2016, this included the legislative package of reorganising responsibility for nuclear waste management. The evaluation of the provisions is carried out mainly on the basis of estimates, which for decommissioning and disposal costs are primarily derived from sector-specific appraisals. The provisions are recognised at the discounted settlement amount at the time they originated.

Other provisions

Other provisions take account of all legal or constructive obligations towards third parties resulting from past events that are identifiable at the reporting date, to the extent that it is probable that they will lead to an outflow of resources in future and their amount can be reliably estimated. The provisions are recognised at their settlement amount. They are measured at the estimated future amount or the amount most likely to be incurred.

The non-current provisions are stated at the future amount needed to settle the obligation discounted to the reporting date. This does not apply to provisions for pensions and similar obligations. They are subject to special rules in accordance with IAS 19.

Deferred taxes

Deferred taxes are recorded in accordance with the temporary concept (IAS 12) on all timing differences between the tax accounts and the IFRS balance sheet of the individual entities. Deferred taxes from consolidation entries are recognised separately. Deferred tax assets are recognised on deductible temporary difference and unused tax losses if it is reasonably certain that they will be recovered.

Deferred taxes are calculated on the basis of the tax rates that apply or that are expected to apply in the individual countries at the time of utilisation. As in the previous year, a tax rate of 29.0% is applied for German Group companies. Tax assets and tax liabilities are netted with each other by consolidated tax group or entity if the conditions to do so have been satisfied.

Financial liabilities

Financial liabilities are recorded at fair value upon initial recognition. After initial recognition, they are measured at amortised cost. Liabilities from finance leases are measured at the lower of fair value and present value of the minimum lease payments at the date when the leased asset is recognised.

The fair value of bonds listed on the capital market is the nominal value multiplied by the quoted price as of the reporting date. For current financial liabilities, it is assumed that the fair value corresponds to the carrying amount. For non-current financial liabilities, the market value is determined by discounting the expected future cash outflows. If these financial liabilities are subject to floating interest rates, the carrying amount corresponds to the fair value.

Trade payables and other liabilities

Trade payables and other liabilities are recognised at the amount repayable. Trade payables primarily have short terms to maturity. Consequently, their carrying amounts as of the reporting date approximate their fair value. For other current liabilities, it is assumed that the fair value corresponds to the carrying amount. For other non-current liabilities, the market value is determined by discounting the expected future cash outflows. The construction cost subsidies carried as liabilities are released to revenue in accordance with the use of the subsidised item of property, plant and equipment. As a rule, the period of release for construction cost subsidies is between 38 and 45 years. Investment cost subsidies and grants are released over the depreciation period of the subsidised assets. The release is offset openly against the amortisations.

Assets held for sale and liabilities directly associated with assets classified as held for sale

Assets held for sale are individual non-current assets and groups of assets which can be sold in their present condition, whose sale is highly probable and which satisfy all the criteria defined in IFRS 5. The item "liabilities directly associated with assets classified as held for sale" includes liabilities that are part of a group of assets held for sale.

Assets that meet the criteria to be classified as assets held for sale for the first time are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets ceases.

Gains or losses from measuring individual assets and groups of assets held for sale are disclosed as profit or loss from continuing operations until they are finally sold.

Derivatives

Derivatives are measured at fair value in accordance with IAS 39. Both the counterparty's credit default risk and that of the company itself are taken into account in the calculation of fair value. Default risk with respect to an individual counterparty is calculated on the basis of the net risk position. In the case of derivatives for which net recording is not permitted, the credit default risk calculated on the basis of the net position is recorded in proportion to the fair value before the value adjustment. In accordance with the "net approach", this involves allocating the value adjustment solely to the derivatives' asset or liability surplus that arises. The derivatives are recognised under other assets and other liabilities and subsidies.

Derivatives are measured using quoted prices in active markets such as stock market prices. Where such prices are not available, the fair values are determined by reference to generally accepted valuation techniques. Quoted prices in active markets are used as inputs wherever possible. If they are not available either, entity-specific planning assumptions are considered in the valuation.

If they are contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item, in accordance with the entity's expected purchase, sale or usage requirements (own use), they are not recognised as derivatives under IAS 39, but as executory contracts in accordance with IAS 37.

Derivatives are classified as "held for trading" unless hedge accounting is used. Changes in fair value are recognised in profit or loss.

For derivatives used in a hedge, the accounting treatment of changes in fair value depends on the nature of the hedge.

In the case of changes in the fair value of cash flow hedges which are used to offset future cash flow risks arising from existing hedged items or highly probable forecast transactions, the unrealised gains and losses are initially recognised directly in equity (other comprehensive income) in the amount of the hedged item covered. Amounts are reclassified to the income statement when the hedged item impacts profit or loss.

In the case of a fair value hedge used to hedge the fair value of reported assets or liabilities, the gains or losses from the measurement of derivatives and the associated hedged items are recognised in profit or loss.

Foreign currency risks from investments with a foreign functional currency are secured by hedges of a net investment in a foreign operation. Unrealised exchange differences are initially recognised in equity and reclassified to profit or loss when the foreign operation is sold.

Contingent liabilities

Contingent liabilities are possible obligations to third parties or present obligations where the probability of an outflow of resources is remote or the amount cannot be determined reliably. Contingent liabilities are not recognised.

Financial guarantees

Financial guarantees are contracts where EnBW is required to make specified payments to reimburse the holder for a loss incurred because a debtor fails to meet its payment obligations under the financial guarantee. Financial guarantees are measured at fair value upon initial recognition. After initial recognition, the financial guarantees are measured at the higher of amortised cost and the best estimate of the present obligation as of the reporting date.

Revenue recognition

Revenue is generally recognised when the risk has been transferred to the customer. Substantially all the risks and rewards are transferred to the customer upon the transfer of title or ownership. Revenue is measured at the fair value of the consideration received or receivable for goods or services. Revenue is recognised net of any sales deductions such as price discounts and rebates and VAT, as well as after elimination of intercompany sales. Most of the revenue is generated from the sale of electricity and gas, the distribution of electricity and gas, as well as waste disposal, energy-related services and water supply.

Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

Exercise of judgement and estimates when applying accounting policies

The preparation of the consolidated financial statements requires judgements and estimates to be made in applying the accounting policies that affect the reported amounts of assets and liabilities, revenue and expenses, and the disclosure of contingent liabilities.

The following judgements in particular have to be made in the process of applying the accounting policies:

- Judgement is required with respect to certain commodity futures contracts to determine whether they are derivatives as defined by IAS 39 or executory contracts in accordance with the provisions of IAS 37.
- Financial assets are allocated to the IAS 39 measurement categories: “held for trading”, “available for sale”, “held to maturity” and “loans and receivables”.

These estimates are based on assumptions and forecasts which, by their very nature, are uncertain and may be subject to change. The key future-oriented assumptions and other sources of uncertainty as of the reporting date, concerning estimates which have given rise to a considerable risk that material adjustments of carrying amounts of assets and liabilities may be required in the next financial year, are explained below:

Goodwill: Goodwill is tested for impairment at least once a year. The impairment test involves estimates that concern above all future cash inflows. To determine the recoverable amount, an appropriate discount rate must be chosen. Future changes in the overall economic, industry or company situation may reduce cash inflows or the discount rate, and thus potentially lead to an impairment of goodwill.

Property, plant and equipment: Property, plant and equipment are tested for impairment when circumstances or events indicate that there could be an impairment or increase in value. For our power plants in particular, in addition to technical progress and damage, expectations that have changed for the worse regarding short, medium and long-term electricity prices may lead to impairment losses or reversals of impairment losses. A suitable interest rate is to be used when performing the impairment tests. If this interest rate changes, for example due to a change in the macroeconomic or industry situation, recognition of impairment losses or reversals of impairment losses may also be necessary.

Impairment of available-for-sale financial assets: Changes in the value of financial assets in the “available for sale” measurement category are recognised directly in equity. Permanent impairment is recognised in the profit or loss for the period. A significant (20% or more) or prolonged (over the last nine months) decline in the fair value of an investment in an equity instrument below its amortised cost is objective evidence of permanent impairment.

Determining the fair value of financial assets and financial liabilities: The fair value of financial assets and financial liabilities is determined by reference to quoted market prices, insofar as the financial instruments are traded on an active market, or by using valuation techniques such as the discounted cash flow method. Where the parameters used in the valuation techniques are not supported by observable market data, assumptions need to be made which can affect the fair value of financial assets and financial liabilities.

Trade receivables and other assets: To take account of the credit risk, allowances for doubtful accounts are set up. The amount of the allowance includes estimates and judgements concerning individual receivables, based on the age structure of the receivables, the customers’ credit rating, past experience relating to the derecognition of receivables and changes in payment terms.

Pension provisions: When calculating pension provisions, differences compared to the actual obligations incurred over time may arise from the selection of underlying assumptions, such as the imputed interest rate or trends, use of demographic probabilities based on the 2005G Heubeck mortality tables and accepted approximation methods for future pension increases from the statutory pension insurance fund.

Nuclear provisions: The provisions for decommissioning and dismantling in relation to nuclear power are based mainly on external appraisals that are updated annually. These appraisals are based on cost estimates of the settlement value for each obligation. The uncertainty inherent in the estimates is primarily due to changes in the scope of the obligation, departures from the assumed cost development and changes in payment dates. Changes in the discount rate could also lead to an adjustment of the nuclear provisions.

Provisions for onerous contracts: Provisions for onerous contracts are generally set up for onerous procurement and sales agreements. Future changes in market prices on the procurement or sales side or in the discount rates may lead to an adjustment of the provisions for onerous contracts.

Acquisition accounting: For acquisition accounting purposes, all identifiable assets, liabilities and contingent liabilities acquired in a share purchase are recognised at fair value as of the date of acquisition for first-time consolidation purposes. Estimates are used to calculate the fair value of these assets and liabilities as of the date of acquisition. Land and buildings as well as other equipment, factory and office equipment are generally measured by independent appraisers. Marketable securities are recognised at market price. If the purchase price agreement includes contingent consideration, accounting for those purchase price components also requires estimates.

The measurement of intangible assets is based on the nature of the intangible asset as well as the complexity of determining fair value. Fair value is therefore determined on the basis of an independent external valuation appraisal.

Income tax: Estimates are also needed to capitalise tax refund claims, to set up tax liabilities and to assess the temporary differences arising from differences in the accounting treatment of certain items in the financial statements between the consolidated balance sheet in accordance with IFRS and the tax accounts. Capitalisation of tax refund claims and the setting up of tax liabilities are fundamentally only recognised if the relevant payments are likely. Deferred tax assets are, in principle, only recognised when the future tax advantages will probably be realised. Deferred tax assets or liabilities are recognised on temporary differences. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Entities accounted for using the equity method: IFRS financial statements were not available to us for all entities. Therefore, these entities were accounted for using the equity method based on an estimate of the HGB-IFRS differences. An impairment test is performed on investments accounted for applying the equity method, which also requires the use of estimates.

Potential effects due to changes in estimates in other areas are explained in the respective sections. For more information, please refer to note (19) "Provisions".

Currency translation

In the separate financial statements of the entities, business transactions in foreign currency are translated at the rate of the transaction date. Non-monetary items are measured at the rate prevailing when they were first recorded. Monetary items are translated at the closing rate as of the reporting date. Exchange differences from monetary items that are allocable to the operating activities are recognised in other operating income or other operating expenses with effect on profit or loss. Translation differences from financing activities are disclosed in the interest result.

The reporting currency of EnBW, which is also the functional currency, is the euro (€). The financial statements of the Group entities are translated to euros. Currency translation is performed in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" using the modified closing rate method. Under this method, the assets and liabilities of entities that do not report in euros are translated at the mean rate prevailing on the reporting date, while expenses and income are translated at the average annual rate. The companies concerned are foreign entities. Differences from the currency translation of assets and liabilities compared to the translation of the previous year, as well as exchange differences between the income statement and the balance sheet, are recognised directly in equity under other comprehensive income. The same procedure is applied by analogy for foreign entities accounted for using the equity method.

Currency translation was based on the following exchange rates, amongst others:

€1	Closing rate		Average rate	
	31/12/2016	31/12/2015	2016	2015
Swiss franc	1.07	1.08	1.09	1.07
Pound sterling	0.86	0.73	0.82	0.73
US dollar	1.05	1.09	1.11	1.11
Czech koruna	27.02	27.02	27.03	27.29
Japanese yen	123.40	131.07	120.33	134.32

Notes to the income statement and the balance sheet

(1) Revenue

Revenue is recorded when goods or services have been delivered and the risk has been transferred to the customer. The electricity and energy tax paid by the entities is deducted from revenue in the income statement.

For the sale of electricity and gas to customer groups (especially private customers) for which the units supplied are measured and billed during the reporting period, revenue between billing and the end of the reporting period is based on a projection using past consumption values while taking into account the impact of current temperatures and calendar-related effects.

Most of the revenue is generated from the sale of electricity and gas to wholesale markets and consumers. In addition, this item includes revenue from the distribution of electricity and gas, deliveries of heat, water and services, as well as own-account trading and disposal.

In the interest of a more accurate presentation of the business development, income and expenses from energy trading businesses are disclosed net. The net disclosure means that revenue from energy trading businesses is reported net of the related cost of materials. For the 2016 financial year, the net energy trading revenue amounted to €8,089.6 million (previous year: €9,950.1 million).

The segment reporting contains a breakdown of revenue by business segment, geographical segment and product.

(2) Other operating income

in € million	2016	2015
Income from derivatives	280.5	125.7
Income from the reversal of provisions	154.9	172.4
Income from disposals	41.6	65.7
Rent and lease income	25.7	28.3
Income from the release and reduction of specific bad debt allowances	8.4	11.0
Income from reversals of impairment losses	5.9	59.5
Sundry	290.5	371.2
Total	**807.5**	**833.8**

Capital gains on disposals mainly comprise income from the disposal of property, plant and equipment through the sale of land.

The reversals of impairment losses for the current financial year amount to €5.9 million (previous year: €59.5 million) and mainly relate to reversals of impairment losses on property at their fair value. In the previous year, there were reversals of impairment losses in connection with EnBW Propower GmbH and also on the gas distribution grids.

In the reporting year, income from currency exchange rate gains amounted to €20.5 million (previous year: €54.3 million).

Sundry other operating income includes income from the reversal of accruals and income from insurance claims.

(3) Cost of materials

in € million	2016	2015
Cost of materials and supplies and of purchased merchandise	13,910.7	14,984.0
Cost of purchased services	2,770.6	2,380.7
Total	**16,681.3**	**17,364.7**

Cost of materials and supplies and of purchased merchandise comprises in particular electricity and gas procurement costs including increases in provisions for onerous contracts for electricity procurement agreements. In addition, it includes the necessary increase – other than due to the passage of time – in provisions for the decommissioning of nuclear power plants, unless these are required to be recognised as part of the cost of the asset. Expenses relating to nuclear power also include costs for the disposal of irradiated fuel rods and radioactive waste, as well as the consumption of nuclear fuel rods and nuclear fuels. These also include expenses for the nuclear fuel rod tax which must be paid for new fuel rods used. Fuel costs for conventional power plants, as well as costs for the procurement of CO_2 allowances, are also recorded under that position.

Cost of purchased services mainly contains expenses for network use, services purchased for the operation and maintenance of the plants as well as franchise fees. In addition, other expenses directly attributable to services rendered are shown under this heading.

(4) Personnel expenses

in € million	2016	2015
Wages and salaries	1,262.5	1,240.2
Social security, pension and other benefit costs	410.9	401.1
of which for post-employment benefits	(192.7)	(186.7)
Total	**1,673.4**	**1,641.3**

Employees

annual average	2016	2015
Sales	3,267	3,294
Grids	8,273	7,909
Renewable Energies	873	727
Generation and Trading	5,112	5,205
Other	2,780	3,015
Employees	**20,305**	**20,150**
Apprentices and trainees including DH students in the Group	811	836

The total number includes employees of joint operations at 7 employees (previous year: 5) based on the proportion attributable to EnBW.

(5) Other operating expenses

in € million	2016	2015
Expenses from derivatives	330.8	254.4
Administrative and selling costs and other overheads	292.1	308.1
Other personnel expenses	126.4	59.4
Audit, legal and consulting fees	73.9	86.9
Advertising expenses	66.1	64.7
Expense from specific bad debt allowances	64.8	51.1
Rent and lease expenses	53.0	56.2
Insurance	51.9	42.3
Other taxes	19.1	21.8
Dues and levies	13.8	13.4
Costs from disposals	13.2	13.6
Sundry	119.8	194.6
Total	**1,224.9**	**1,166.5**

Sundry other operating expenses contain non-operating expenses of €15.0 million (previous year: €104.5 million). In the previous year, these mainly related to a planned acquisition of a company and expenses from currency exchange rate losses amounting to €20.8 million (previous year: €16.1 million). In addition, this item comprises commissions and research and development expenses.

(6) Amortisation and depreciation

in € million	2016	2015
Amortisation of intangible assets	171.1	127.0
Depreciation of property, plant and equipment	2,221.7	1,512.9
Depreciation of investment properties	2.4	3.2
Release of investment cost subsidies	-1.6	-1.9
Total	**2,393.6**	**1,641.2**

In the reporting year, impairment losses of goodwill of €20.5 million (previous year: €2.7 million) were recognised.

The impairment losses of other intangible assets, property, plant and equipment and investment property amounted to €1,458.7 million (previous year: €710.8 million). In the current financial year, the impairments mainly comprised impairment losses of power plants and are primarily allocated to the Generation and Trading segment in the segment reporting. The recoverable amount was calculated on the basis of the fair value less selling costs and corresponds to Level 3 of the IFRS 13 fair value hierarchy. Using a business valuation model, the fair value was derived from the cash flow planning, based on the medium-term planning approved by the Board of Management and valid as of the date of the impairment test as well as long-term market expectations beyond the detailed planning horizon. The plans were based on past experience and on estimates concerning the future market development. The discount rate used in the valuation is 5.4% (previous year: 5.9%). In particular, the impairment losses were due to two main factors: On the one hand, the increase in nuclear provisions due to the legislative package of reorganising responsibility for nuclear waste management on the liabilities side led to an increase in the tested carrying amount of our power plants on the assets side of the balance sheet, while on the other hand, the evaluation of the service life of our conventional power plants was adjusted as part of discussions about future decarbonisation. The fair value calculated for the power plants of around €2.4 billion is therefore significantly below the carrying amount. The impairment losses in the previous year also relate mainly to power plants. With regard to the impact on possible future changes to key estimation parameters, please refer to the “Exercise of judgement and estimates when applying accounting policies” section.

(7) Investment result

in € million	2016	2015
Share of profit/loss of entities accounted for using the equity method	-5.4	46.1
Write-downs of entities accounted for using the equity method	-4.6	-257.2
Write-ups of entities accounted for using the equity method	0.0	237.4
Net profit/loss from entities accounted for using the equity method	**-10.0**	**26.3**
Investment income	92.9	73.5
Write-downs of investments	-4.1	-84.9
Result from the sale of equity investments	38.8	6.3
Other profit/loss from investments[1]	**127.6**	**-5.1**
Investment result (+income/-expense)	**117.6**	**21.2**

[1] Of which €53.6 million (previous year: €52.3 million) was income from investments held as financial assets.

As part of the restructuring of shareholdings agreed between EnBW, EWE Aktiengesellschaft (EWE) and Ems-Weser-Elbe Versorgungs- und Entsorgungsverband (EWE-Verband) in the previous period, the carrying amount of the investment in EWE was written down to the recoverable amount (€1,265.0 million). The write-ups and write-downs of entities accounted for using the equity method in the previous year included the interest-induced reversal of the impairment for the carrying amount of the investment in EWE from the first half of the year and the impairment recognised for EWE from the second half of the year. €194.2 million of the write-downs of entities accounted for using the equity method and €76.9 million of the write-downs of investments in the previous year were accounted for by the 20% shareholding in EWE that was reclassified as assets held for sale in the third quarter of 2015.

The result from the sale of equity investments in the 2016 financial year mainly relates to the sale of the EWE shares.

The write-downs on investments mainly relate to shareholdings held as financial investments, while in the previous year it included other impairment losses of €8.0 million which were largely accounted for by other investments.

(8) Financial result

in € million	2016	2015
Interest and similar income	290.7	310.6
Other finance income	141.2	768.3
Finance income	**431.9**	**1,078.9**
Borrowing costs	-308.1	-304.2
Other interest and similar expenses	-578.2	-193.9
Interest portion of increases in liabilities	-523.6	-526.0
Personnel provisions	(-129.5)	(-128.1)
Provisions relating to nuclear power	(-378.6)	(-387.0)
Other non-current provisions	(-6.7)	(-3.9)
Other liabilities	(-8.8)	(-7.0)
Other finance costs	-198.6	-78.8
Finance costs	**-1,608.5**	**-1,102.9**
Financial result (+ income/- costs)	**-1,176.6**	**-24.0**

Interest and similar income contains interest income from interest-bearing securities and loans, dividends, other shares in the profits and interest income on tax arrears. In the 2016 financial year, interest income of €22.8 million (previous year: €22.6 million) was offset against these economically related interest expenses. Other finance income primarily contains realised market price gains on the sale of securities amounting to €128.4 million (previous year: €724.0 million).

Borrowing costs are composed as follows:

in € million	2016	2015
Expenses incurred for bank interest and bonds	287.7	277.1
Interest component incurred for the costs of finance lease agreements	1.7	4.8
Other borrowing costs	18.7	22.3
Borrowing costs	**308.1**	**304.2**

Other interest and similar expenses mainly contains interest expenses as a result of reducing the discount rate for the remaining nuclear provisions held by EnBW from 4.7% to 0.5% (previous year: reduction from 4.8% to 4.7%). This was due to the reassessment of the remaining nuclear provisions as a result of the law of reorganising responsibility for nuclear waste management. The interest portion of increases in liabilities relates mainly to the annual increase of the non-current provisions due to the passage of time.

In the reporting period, other finance costs mainly comprises expenses from write-downs on our financial investments of €133.3 million (previous year: €35.2 million), which were mainly allocated to the “available for sale” measurement category, as well as market price losses on sales of securities amounting to €53.9 million (previous year: €29.4 million). Impairment losses on loans of €3.1 million (previous year: €0.1 million) were recognised in the reporting period.

The total interest income and expenses for financial assets and financial liabilities presented in the financial result breaks down as follows:

Total interest income and expenses

in € million	2016	2015
Total interest income	240.3	222.0
Total interest expenses	-350.5	-298.9

The total interest income and expenses arose from financial instruments that are not measured at fair value through profit or loss. The main items here are interest received from loans and bank balances as well as interest and dividends received from financial assets classified as “available for sale”. The interest expenses were incurred in particular on bonds, bank liabilities and finance lease liabilities.

As in the previous year, total interest income does not include material interest income from impaired financial assets.

(9) Income tax

in € million[1]	2016	2015
Actual income tax		
Domestic corporate income tax	48.8	-261.2
Domestic trade tax	37.4	-29.2
Foreign income taxes	44.9	42.0
Total (-income/+expense)	**131.1**	**-248.4**
Deferred taxes		
Germany	-1,175.4	284.1
Abroad	-5.1	4.3
Total (-income/+expense)	**-1,180.5**	**288.4**
Income tax (-income/+expense)	**-1,049.4**	**40.0**

[1] The figures for the previous year have been restated.

The actual income taxes amounting to €131.1 million (previous year restated: € -248.4 million) concern income taxes from the current financial year amounting to €135.9 million (previous year: €98.4 million) and income taxes for past periods amounting to €4.8 million (previous year restated: €346.8 million).

Deferred tax income amounting to €1,180.5 million (previous year: expense of €288.4 million) consists of deferred tax income from the current year amounting to €1,087.3 million (previous year: expense of €1.5 million) and deferred tax income for past periods of €93.2 million (previous year: expense of €286.9 million). The balance of the deferred taxes contains income totalling €1.4 million (previous year: €0.8 million) from the change in tax rates.

The corporate income tax rate came to 15.0% plus a solidarity surcharge amounting to 5.5% of the corporate income tax. The trade tax rate was 13.2%. This represents a tax rate on income of 29.0%. For the foreign entities, the tax rate applicable in their country of residence of 19.0% to 25.2% is used to calculate income taxes. Deferred tax assets and liabilities are measured at the tax rates expected to apply when the asset is realised or the liability is settled.

Deferred tax relates to the following:

in € million	2016	2015
Origination or reversal of temporary differences	-1,109.0	190.3
Origination of unused tax losses	-1.8	-4.7
Utilisation of unused tax losses	2.9	1.2
Correction in previous year for unused tax losses	-74.8	0.0
Write-down of unused tax losses	2.2	101.6
Deferred taxes (-income/+expense)	**-1,180.5**	**288.4**

The reconciliation from the expected income tax expense to the current income tax expense is presented below:

in € million[1]	2016	in %	2015	in %
Earnings before tax	**-2,721.9**		**274.2**	
Effective tax rate		29.0		29.0
Expected income tax (-income/+expense)	**-789.4**		**79.5**	
Tax effects				
Differences in foreign tax rates and tax rate differences	-18.1	0.7	-20.2	-7.3
Tax-free income	-41.2	1.5	-194.6	-71.0
Non-deductible expenses	73.0	-2.7	43.3	15.8
Amortisation of goodwill	5.9	-0.2	0.8	0.3
Add-backs and reductions for trade tax purposes	12.2	-0.4	13.8	5.0
Accounting for joint ventures and associates using the equity method	4.9	-0.2	-6.2	-2.3
Adjustment/valuation/non-recognition of losses carried forward and temporary differences	-183.2	6.7	191.6	69.9
Zero-rated disposals of investments	-12.0	0.4	-5.9	-2.2
Taxes relating to other periods	-98.0	3.6	-59.9	-21.8
Other	-3.5	0.2	-2.2	-0.8
Current income tax (-income/+expense)	**-1,049.4**		**40.0**	
Effective tax rate		**38.6**		**14.6**

[1] The figures for the previous year have been restated.

(10) Intangible assets

in € million	Franchises, industrial rights and similar rights and assets	Internally generated intangible assets	Goodwill	Other	Total
Cost					
As of 01/01/2016	2,239.7	93.4	785.0	10.3	3,128.4
Increase/decrease due to changes in the consolidated companies	4.8	0.0	32.4	0.0	37.2
Additions	47.2	4.7	0.0	5.0	56.9
Reclassifications	3.3	1.5	0.0	-4.6	0.2
Reclassification to assets held for sale	-30.0	0.0	0.0	0.0	-30.0
Currency adjustments	2.6	0.0	0.0	0.0	2.6
Disposals	-458.3	0.0	0.0	-2.9	-461.2
As of 31/12/2016	1,809.3	99.6	817.4	7.8	2,734.1
Accumulated amortisation					
As of 01/01/2016	1,270.4	85.6	27.5	0.0	1,383.5
Decrease due to changes in the consolidated companies	-0.1	0.0	0.0	0.0	-0.1
Additions	73.6	5.2	0.0	0.0	78.8
Reclassification to assets held for sale	-0.1	0.0	0.0	0.0	-0.1
Currency adjustments	0.9	0.0	0.0	0.0	0.9
Disposals	-457.7	0.0	0.0	0.0	-457.7
Impairment	71.8	0.0	20.5	0.0	92.3
As of 31/12/2016	958.8	90.8	48.0	0.0	1,097.6
Carrying amounts					
As of 31/12/2016	850.5	8.8	769.4	7.8	1,636.5
Cost					
As of 01/01/2015	2,177.2	88.5	775.9	20.0	3,061.6
Increase/decrease due to changes in the consolidated companies	2.3	0.0	2.6	0.0	4.9
Additions	53.7	2.9	0.0	6.9	63.5
Reclassifications	5.0	2.0	0.0	-4.7	2.3
Reclassification to assets held for sale	-12.7	0.0	0.0	0.0	-12.7
Currency adjustments	34.1	0.0	6.5	0.0	40.6
Disposals	-19.9	0.0	0.0	-11.9	-31.8
As of 31/12/2015	2,239.7	93.4	785.0	10.3	3,128.4
Accumulated amortisation					
As of 01/01/2015	1,170.9	82.9	24.8	0.0	1,278.6
Additions	93.7	2.7	0.0	0.0	96.4
Reclassifications	0.9	0.0	0.0	0.0	0.9
Reclassification to assets held for sale	-12.6	0.0	0.0	0.0	-12.6
Currency adjustments	9.5	0.0	0.0	0.0	9.5
Disposals	-19.9	0.0	0.0	0.0	-19.9
Impairment	27.9	0.0	2.7	0.0	30.6
As of 31/12/2015	1,270.4	85.6	27.5	0.0	1,383.5
Carrying amounts					
As of 31/12/2015	969.3	7.8	757.5	10.3	1,744.9

The carrying amount of the intangible assets also includes franchises to operate power plants amounting to €568.4 million (previous year: €650.1 million) and customer relationships amounting to €130.7 million (previous year: €148.5 million). The remaining terms of power plant franchises are between 15 and 65 years. For customer relationships, the remaining terms are between 6 and 30 years.

In 2016, a total of €37.3 million (previous year: €29.9 million) was spent on research and development. This sum contains public subsidies totalling €3.8 million (previous year: €3.6 million). The criteria for their recognition required under IFRS were not satisfied.

Goodwill was allocated to the cash-generating units or groups of cash-generating units for impairment test purposes. The recoverable amount of the cash-generating units is basically calculated on the basis of the fair value less selling costs and corresponds to Level 3 of the IFRS 13 valuation hierarchy. Using a business valuation model, the fair value is derived from the cash flow planning, based on the mid-term planning approved by the Board of Management for a period of three years and valid as of the date of the impairment test. The planning is based on past experience and on estimates concerning the future market development. In justified exceptional cases it is based on a longer detailed planning period, provided that this is necessitated by commercial or regulatory requirements.

Key assumptions underlying the determination of fair value less costs to sell include projections of future electricity and gas prices, materials prices, company-specific investing activities, the regulatory framework as well as growth and discount rates.

The interest rates used for discounting the cash flows are calculated on the basis of market data and are between 3.4% and 6.8% after tax, or between 4.8% and 8.4% before tax (previous year: 3.4% to 6.8% after tax, and 4.8% to 8.4% before tax).

Constant growth rates of 0.0% and 1.5% (previous year: 0.0% and 1.5%) are used to extrapolate the cash flows beyond the detailed planning period in order to take into account the expected price and volume-related growth.

In 2016, an impairment loss on goodwill of €20.5 million (previous year: €2.7 million) was recognised. The amount relates to one of our cash-generating units gas distribution/gas sales, whose recoverable amount was €413.7 million below the carrying amount including the goodwill. The impairment loss was mainly due to the deterioration in the earnings forecast for sales and is reported under the Sales segment.

In all other cash-generating units, the recoverable amounts were above the relevant carrying amounts so that, based on the current assessment of the economic situation, only a significant change in the main measurement parameters would lead to an impairment loss.

As of 31 December 2016, goodwill totalled €769.4 million (previous year: €757.5 million). Of this figure, 84.6% (previous year: 85.7%) is attributable to the cash-generating units or groups of cash-generating units presented in the table below:

Cash-generating units/Group of cash-generating units

	Discount rates after tax (%)		Goodwill in € million	
	2016	2015	2016	2015
PRE subgroup	4.6 – 6.8	4.6 – 6.8	250.1	248.0
Electricity sales and distribution	3.4 – 5.6	3.4 – 5.6	131.7	131.7
Stadtwerke Düsseldorf AG subgroup	3.4 – 5.9	3.4 – 5.9	127.4	127.4
Energiedienst Holding AG subgroup	3.4 – 5.6	3.4 – 5.6	142.0	142.0

The goodwill allocated to the other cash-generating units or groups of cash-generating units accounted for less than 15.4% (previous year: 14.3%) of total goodwill in each case. Its aggregate total amounted to €118.2 million (previous year: €108.4 million).

(11) Property, plant and equipment

in € million	Land and buildings	Power plants	Distribution plants	Other equipment	Fixed assets under construction	Total
Cost						
As of 01/01/2016	3,894.6	17,161.0	13,955.5	1,564.3	1,044.2	37,619.6
Increase/decrease due to changes in the consolidated companies	2.1	22.3	1.3	1.5	0.8	28.0
Additions	59.3	1,291.4	459.6	61.3	442.8	2,314.4
Reclassifications	85.3	477.5	174.0	21.0	-768.8	-11.0
Reclassification to assets held for sale	-0.1	-3.4	-67.5	-0.2	-55.8	-127.0
Currency adjustments	0.1	2.6	0.2	0.1	0.1	3.1
Disposals	-20.6	-63.9	-91.6	-33.6	-6.6	-216.3
As of 31/12/2016	4,020.7	18,887.5	14,431.5	1,614.4	656.7	39,610.8
Accumulated amortisation						
As of 01/01/2016	1,993.7	12,499.3	8,450.1	1,165.0	3.4	24,111.5
Decrease due to changes in the consolidated companies	0.0	-0.2	0.0	-0.2	0.0	-0.4
Additions	63.8	381.1	309.8	81.2	0.0	835.9
Reclassifications	-3.7	22.6	-22.5	0.8	0.0	-2.8
Reclassification to assets held for sale	0.2	-1.2	-46.9	0.0	0.0	-47.9
Currency adjustments	0.0	1.8	0.1	0.1	0.0	2.0
Disposals	-15.0	-36.9	-66.8	-32.7	-2.1	-153.5
Impairment	171.3	1,199.1	2.4	12.4	0.6	1,385.8
Reversal of impairment losses	-0.7	-0.4	0.0	-0.6	0.0	-1.7
As of 31/12/2016	2,209.6	14,065.2	8,626.2	1,226.0	1.9	26,128.9
Carrying amounts						
As of 31/12/2016	1,811.1	4,822.3	5,805.3	388.4	654.8	13,481.9

in € million	Land and buildings	Power plants	Distribution plants	Other equipment	Fixed assets under construction	Total
Cost						
As of 01/01/2015	3,948.2	15,562.8	13,706.2	1,563.7	1,888.6	36,669.5
Increase/decrease due to changes in the consolidated companies	0.7	66.7	0.0	-0.1	2.8	70.1
Additions	22.4	410.7	395.5	57.5	571.0	1,457.1
Reclassifications	11.1	1,340.2	54.3	-2.5	-1,417.5	-14.4
Reclassification to assets held for sale	-79.9	-214.1	-17.6	-1.3	0.0	-312.9
Currency adjustments	3.9	27.9	35.2	0.9	1.1	69.0
Disposals	-11.8	-33.2	-218.1	-53.9	-1.8	-318.8
As of 31/12/2015	3,894.6	17,161.0	13,955.5	1,564.3	1,044.2	37,619.6
Accumulated amortisation						
As of 01/01/2015	1,856.4	11,707.5	8,287.9	1,132.6	3.4	22,987.8
Decrease due to changes in the consolidated companies	0.0	0.0	0.0	-0.3	0.0	-0.3
Additions	66.0	390.4	296.9	78.1	0.0	831.4
Reclassifications	0.0	-3.1	1.6	-2.5	0.0	-4.0
Reclassification to assets held for sale	-42.5	-70.5	-12.3	-1.1	0.0	-126.4
Currency adjustments	1.7	18.0	14.8	0.5	0.0	35.0
Disposals	-2.0	-16.8	-163.5	-51.8	0.0	-234.1
Impairment	114.1	508.8	49.1	9.5	0.0	681.5
Reversal of impairment losses	0.0	-35.0	-24.4	0.0	0.0	-59.4
As of 31/12/2015	1,993.7	12,499.3	8,450.1	1,165.0	3.4	24,111.5
Carrying amounts						
As of 31/12/2015	1,900.9	4,661.7	5,505.4	399.3	1,040.8	13,508.1

Items of property, plant and equipment amounting to €83.5 million (previous year: €94.7 million) serve as collateral for liabilities to banks.

The land and buildings also include, amongst other things, similar rights and buildings on leasehold land. Other plant and equipment includes waste disposal plants, other technical plants as well as factory and office equipment.

The carrying amounts of the property, plant and equipment include €16.7 million (previous year: €16.1 million) accounted for by finance lease agreements. These relate mainly to two natural gas caverns whose contractual term covers most of their useful life.

The Group's capital expenditures on intangible assets and property, plant and equipment totalling €1,189.4 million (previous year: €1,416.4 million) can be seen below in the statement of changes in non-current assets:

in € million	2016	2015
Additions to intangible assets and property, plant and equipment according to the statement of changes in non-current assets	2,371.3	1,520.6
Less additions to assets recognised under finance leases	-1.6	-0.5
Less additions to the provision recognised for the decommissioning and dismantling of property, plant and equipment	-1,211.0	-103.8
Plus additions to intangible assets and property, plant and equipment of assets held for sale	30.7	0.1
Capital expenditure on intangible assets and property, plant and equipment	**1,189.4**	**1,416.4**

(12) Entities accounted for using the equity method

Both joint ventures and associates are accounted for using the equity method.

VNG-Verbundnetz Gas Aktiengesellschaft (VNG), with headquarters in Leipzig, is a joint venture of material significance to the EnBW consolidated financial statements due to the carrying amount of the investment. EnBW has a 74.21% shareholding in this company.

The following tables show a summary of the financial information for VNG:

Earnings data[1]

in € million	2016
Revenue	7,213.9
Scheduled amortisation and depreciation	-135.7
Interest and similar income	4.8
Interest and similar expenses	-21.8
Income taxes	39.4
Net loss for the year from continuing operations	-8.2
Other income	7.5
Total comprehensive income	-0.7
Dividends received	0.0

[1] Preliminary figures for the current reporting year.

Balance sheet data[1]

in € million	31/12/2016
Non-current assets	3,014.8
Current assets	1,241.7
of which cash and cash equivalents	(51.8)
Non-current liabilities	1,414.7
of which financial liabilities	(330.5)
Current liabilities	1,195.3
of which financial liabilities	(147.4)
Net assets	1,646.5
Adjustment to EnBW's interest	-358.0
Carrying amount of entities accounted for using the equity method	1,288.5

[1] Preliminary figures for the current reporting year.

EWE Aktiengesellschaft (EWE), an energy supply company with registered offices in Oldenburg, was an associate of material significance to the EnBW consolidated financial statements due to the carrying amount of the investment. 20% of the shares in our 26% shareholding in EWE that were reclassified as assets held for sale in the previous year were sold on 20 April 2016.

The following tables show a summary of the financial information for EWE:

Earnings data[1]

in € million	2015
Revenue	7,819.3
Net loss for the year from continuing operations	-7.1
Other income	56.3
Total comprehensive income	49.2
Dividends received	22.9

[1] Figures for the previous year restated at their final values.

Balance sheet data[1]

in € million	31/12/2015
Non-current assets	6,659.6
Current assets	1,833.1
Assets held for sale	1,251.6
Non-current liabilities	5,337.8
Current liabilities	2,682.2
Net assets	1,724.3
Adjustment to EnBW's interest	-1,432.4
Carrying amount of entities accounted for using the equity method	291.9

[1] Figures for the previous year restated at their final values.

The following table shows a summary of the financial information for the remaining entities accounted for using the equity method:

Financial data for the remaining entities accounted for using the equity method (EnBW's interest)

in € million	2016		2015	
	Remaining associates	Joint ventures	Remaining associates	Joint ventures
Carrying amount of entities accounted for using the equity method	319.1	228.0	328.6	205.6
Net profit/loss for the year from continuing operations	22.5	-12.1	31.8	-20.2
Other income	-4.6	4.9	3.0	16.9
Total comprehensive income	18.0	-7.1	34.8	-3.3

Elektrizitätswerk Rheinau AG and Fernwärme Ulm GmbH have a different reporting date and are consolidated with the figures from their financial statements for the year ended 30 September 2016.

(13) Other financial assets

in € million	Shares in affiliated entities	Other investments[1, 2]	Non-current securities [3]	Investment properties	Loans	Total
Cost						
As of 01/01/2016	107.5	1,292.9	7,037.6	143.5	56.2	8,637.7
Decrease due to changes in the consolidated companies	-2.7	-0.6	0.0	0.0	0.0	-3.3
Additions	11.5	254.7	2,407.9	0.2	8.5	2,682.8
Reclassifications	-1.1	2.0	-999.3	8.7	-2.3	-992.0
Reclassification to assets held for sale	-1.7	0.0	0.0	-44.3	0.0	-46.0
Currency adjustments	0.0	0.4	0.0	0.0	0.1	0.5
Disposals	-2.8	-76.8	-3,416.1	-5.6	-4.3	-3,505.6
As of 31/12/2016	110.7	1,472.6	5,030.1	102.5	58.2	6,774.1
Accumulated amortisation						
As of 01/01/2016	32.4	103.8	116.2	74.6	1.4	328.4
Decrease due to changes in the consolidated companies	0.0	-0.6	0.0	0.0	0.0	-0.6
Additions	0.0	0.0	0.0	1.3	0.0	1.3
Impairment	0.0	4.1	133.3	1.1	3.1	141.6
Reclassifications	0.0	0.0	0.0	3.7	0.0	3.7
Reclassification to assets held for sale	0.0	0.0	0.0	-17.5	0.0	-17.5
Currency adjustments	0.0	0.1	0.0	0.0	0.0	0.1
Disposals	0.0	0.0	-102.7	-4.0	0.0	-106.7
Reversal of impairment losses	0.0	0.0	0.0	-4.2	0.0	-4.2
As of 31/12/2016	32.4	107.4	146.8	55.0	4.5	346.1
Carrying amounts						
As of 31/12/2016	78.3	1,365.2	4,883.3	47.5	53.7	6,428.0

[1] €30.5 million of the additions to acquisition costs and €13.6 million of the derecognition of acquisition costs originate from the market valuation.
[2] The carrying amounts include €1,236.2 million accounted for by investments held as financial assets.
[3] €281.6 million of the additions to acquisition costs and €221.0 million of the derecognition of acquisition costs originate from the market valuation.

in € million	Shares in affiliated entities	Other investments[1,2]	Non-current securities [3]	Investment properties	Loans	Total
Cost						
As of 01/01/2015	95.3	1,091.6	7,591.9	163.2	57.7	8,999.7
Decrease due to changes in the consolidated companies	-0.2	0.0	0.0	0.0	0.0	-0.2
Additions	22.4	348.1	6,104.8	0.0	5.7	6,481.0
Reclassifications	-0.7	-11.9	-481.9	0.7	-1.5	-495.3
Reclassification to assets held for sale	-6.4	0.0	0.0	-13.3	0.0	-19.7
Currency adjustments	0.0	4.7	0.0	0.0	2.3	7.0
Disposals	-2.9	-139.6	-6,177.2	-7.1	-8.0	-6,334.8
As of 31/12/2015	107.5	1,292.9	7,037.6	143.5	56.2	8,637.7
Accumulated amortisation						
As of 01/01/2015	32.4	167.1	119.3	87.4	4.3	410.5
Additions	0.0	0.0	0.0	1.8	0.0	1.8
Impairment	0.0	8.0	35.2	1.4	0.1	44.7
Reclassifications	0.0	-12.5	0.0	0.3	0.2	-12.0
Reclassification to assets held for sale	0.0	0.0	0.0	-10.9	0.0	-10.9
Currency adjustments	0.0	1.0	0.0	0.0	0.5	1.5
Disposals	0.0	-59.8	-38.3	-5.3	-3.7	-107.1
Reversal of impairment losses	0.0	0.0	0.0	-0.1	0.0	-0.1
As of 31/12/2015	32.4	103.8	116.2	74.6	1.4	328.4
Carrying amounts						
As of 31/12/2015	75.1	1,189.1	6,921.4	68.9	54.8	8,309.3

[1] €104.4 million of the additions to acquisition costs and €4.0 million of the derecognition of acquisition costs originate from the market valuation.
[2] The carrying amounts include €1,058.8 million accounted for by investments held as financial assets.
[3] €453.7 million of the additions to acquisition costs and €299.8 million of the derecognition of acquisition costs originate from the market valuation.

The investments in affiliated entities disclosed in the financial assets are entities that are not included in the consolidated financial statements due to immateriality.

The non-current securities are mainly fixed-interest securities as well as listed shares. To a large extent, the non-current securities are held in special funds. For consolidation purposes, the individual securities in the special funds are shown separately in the consolidated balance sheet by type of investment. The non-current securities, loans and investments, which are held as financial investments, are available to the operative business in the amount of €42.5 million (previous year: €0.0 million) and to cover the pension and nuclear provisions in the amount of €6,130.7 million (previous year: €8,035.0 million).

The receivables from irredeemable operating leases of the EnBW Group amounting to €134.1 million (previous year: €139.9 million) originate primarily from the renting out of commercial and residential property. As in the previous year, no contingent rent was recognised in the reporting period.

The minimum lease payments receivable are as follows:

in € million	2016	2015
Due within 1 year	42.5	35.7
Due in 1 to 5 years	26.2	22.4
Due in more than 5 years	65.4	81.8
Total	**134.1**	**139.9**

The loans consist of loans to affiliated entities amounting to €2.5 million (previous year: €3.6 million), loans to entities in which participating interests are held amounting to €37.7 million (previous year: €37.2 million) and other loans amounting to €13.5 million (previous year: €14.0 million).

Impairment losses of financial assets are recorded on a separate allowance account and presented in the statement of changes in non-current assets.

(14) Trade receivables

in € million			31/12/2016			31/12/2015
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	3,129.1	357.4	3,486.5	2,787.3	760.3	3,547.6
of which receivables from affiliated entities	(25.5)	(0.0)	(25.5)	(14.8)	(0.0)	(14.8)
of which receivables from other investees and investors	(45.2)	(0.0)	(45.2)	(35.1)	(0.0)	(35.1)
of which receivables from entities accounted for using the equity method	(26.5)	(0.0)	(26.5)	(26.7)	(0.0)	(26.7)

Non-current trade receivables principally include receivables relating to electricity supplies, whose term to maturity does not match the customary business cycle.

The movements in the provision for impairment of trade receivables break down as follows:

in € million[1]	2016	2015
As of 01/01	83.4	79.3
Utilisation	-25.8	-33.0
Net additions	48.2	37.1
As of 31/12	**105.8**	**83.4**

[1] The figures for the previous year have been restated.

The credit risks inherent in trade receivables are presented below:

in € million	31/12/2016	31/12/2015
Not past due and not impaired	3,434.3	3,466.1
Past due, but not impaired		
Due within 3 months	6.8	29.2
Due in between 3 and 6 months	5.1	2.1
Due in between 6 months and 1 year	5.3	3.2
Due in more than 1 year	10.8	19.6
Impaired	24.2	27.4
Total	**3,486.5**	**3,547.6**

There was no indication as of the reporting date that any impairment losses needed to be recognised on the trade receivables recorded as not impaired.

(15) Other assets

in € million		31/12/2016			31/12/2015	
	Current	Non-current	Total	Current	Non-current	Total
Income tax refund claims	420.9	1.4	422.3	469.9	5.3	475.2
Other tax refund claims	81.7	0.0	81.7	54.8	0.0	54.8
Interest from tax refunds	98.5	0.0	98.5	76.5	0.0	76.5
Derivatives	1,456.1	242.4	1,698.5	1,787.5	209.3	1,996.8
of which without hedges	(1,377.5)	(129.2)	(1,506.7)	(1,687.7)	(103.0)	(1,790.7)
of which cash flow hedge	(78.6)	(4.7)	(83.3)	(99.8)	(0.0)	(99.8)
of which fair value hedge	(0.0)	(108.5)	(108.5)	(0.0)	(106.3)	(106.3)
Finance lease receivables	5.2	26.4	31.6	5.4	30.0	35.4
Payments on account	57.2	49.6	106.8	81.6	49.2	130.8
Active prepaid expenses	17.9	34.9	52.8	29.0	26.3	55.3
Sundry assets	489.4	55.4	544.8	530.0	25.6	555.6
Total	**2,626.9**	**410.1**	**3,037.0**	**3,034.7**	**345.7**	**3,380.4**

Current and non-current income tax refund claims mainly include deductible tax on investment income from previous years and the current year, as well as income tax receivables from concluded audits.

The finance lease receivables arose from supply contracts for various forms of energy such as electricity, heat, cooling and compressed air, under which the economic ownership of the leased technical equipment and machinery is allocable to the lessee. The leases contain escalation clauses, as well as renewal and purchase price options.

The agreements are based on the following parameters and terms to maturity:

in € million	31/12/2016	31/12/2015
Total lease instalments	41.3	45.4
Interest portion of outstanding lease instalments	9.7	10.0
Present value of outstanding lease instalments	**31.6**	**35.4**

The outstanding lease instalments are due as follows:

in € million	31/12/2016		31/12/2015	
	Nominal value	Present value	Nominal value	Present value
Due within 1 year	7.2	5.6	7.0	5.8
Due in 1 to 5 years	18.5	13.4	22.6	19.2
Due in more than 5 years	15.6	12.6	15.8	10.4
Total	**41.3**	**31.6**	**45.4**	**35.4**

As in the previous year, no impairment losses or reversals of impairment losses had to be recognised on outstanding finance lease receivables.

Payments on account contain prepayments for electricity procurement agreements amounting to €50.3 million (previous year: €49.6 million).

Other assets contain collateral for over-the-counter trading businesses and in the 2016 financial year also for exchange-based trading businesses amounting to €287.2 million (previous year: €122.9 million), as well as variation margins of €38.3 million (previous year: €38.6 million). A market interest rate is applied to the collateral provided for exchange-based trading businesses. This collateral will be used by the stock exchanges in the event that the obligations resulting from stock market transactions are not met.

Bad debt allowances on other assets measured at amortised cost developed as follows:

in € million[1]	2016	2015
As of 01/01	32.8	38.1
Utilisation	-0.8	-7.1
Net additions	1.1	1.8
As of 31/12	**33.1**	**32.8**

[1] The figures for the previous year have been restated.

The credit risks of financial instruments disclosed under other assets break down as follows:

in € million	31/12/2016	31/12/2015
Not past due and not impaired	2,238.8	2,578.1
Past due, but not impaired		
Due within 3 months	0.2	0.0
Due in between 3 and 6 months	0.1	0.0
Due in between 6 months and 1 year	0.0	0.0
Due in more than 1 year	0.2	0.1
Impaired	0.8	1.2
Total	**2,240.1**	**2,579.4**

There was no indication as of the reporting date that any impairment losses needed to be recognised on the other assets recorded as not impaired.

(16) Financial assets

Current financial assets mainly consist of fixed-interest securities, while other current financial assets essentially include loans in the reporting year. The current financial assets are available to the operative business in the amount of €329.5 million (previous year: €670.3 million) and to cover the pension and dismantling provisions in the amount of €2,060.0 million (previous year: €683.6 million).

in € million	31/12/2016	31/12/2015
Profit participation rights, funds and shares	2,295.6	1,335.8
Other current financial assets	93.9	18.1
Total	**2,389.5**	**1,353.9**

In the previous year, current financial assets totalling €153.7 million were provided as collateral. The collateral was mainly provided for stock exchange transactions.

(17) Cash and cash equivalents

Cash and cash equivalents relate primarily to bank balances, largely in the form of time and call deposits. Cash was not subject to any significant restrictions on disposal.

Cash and cash equivalents are available to the operative business in the amount of €2,264.3 million (previous year: €2,429.5 million) and to cover the pension and dismantling provisions in the amount of €1,727.3 million (previous year: €1,071.6 million).

(18) Equity

The development of equity and total comprehensive income is presented separately in the statement of changes in equity. The components of total comprehensive income are presented in the statement of comprehensive income.

Subscribed capital

The share capital of EnBW AG amounts to €708,108,042.24 as of 31 December 2016 (previous year: €708,108,042.24) and is divided into 276,604,704 (previous year: 276,604,704) no-par-value bearer shares, all of which have been fully paid-in. The no-par-value shares each represent an imputed share of €2.56 per share (previous year: €2.56 per share) of the subscribed capital.

Capital reserve

The capital reserve contains the amounts received from the issue of shares of EnBW AG which exceed the imputed value of the shares.

Revenue reserves

The revenue reserves primarily contain the pro rata revenue reserves of the parent company and the other companies included in the consolidation after the date of acquisition accounting.

Retained earnings/loss of EnBW AG

Taking account of the profit carried forward amounting to €168.4 million (previous year: €662.6 million), the retained loss amounts to €63.5 million (previous year: retained earnings of €317.4 million). Due to the retained loss of EnBW AG, no dividends will be distributed in the current financial year (previous year: €0.55 per share). As of 31 December 2016, a total of 270,855,027 shares (previous year: 270,855,027 shares) were entitled to dividends. The amount distributed by EnBW AG in the previous year was €149.0 million.

The retained loss (previous year: retained earnings) of EnBW AG are disclosed under revenue reserves.

Treasury shares

As of 31 December 2016, EnBW AG holds 5,749,677 (previous year: 5,749,677) treasury shares. The acquisition cost of the treasury shares amounting to €204.1 million (previous year: €204.1 million) was deducted from the carrying amount of the equity. The amount of share capital attributable to them is €14,719,173.12 (previous year: €14,719,173.12 million). This corresponds to 2.1% (previous year: 2.1%) of the subscribed capital. The treasury shares were acquired on 28 and 29 December 1998 based on the authorisation issued on 25 August 1998 by the Annual General Meeting pursuant to section 71 (1) No. 8 AktG. The acquisition was carried out with a view to planned cooperations with domestic and foreign energy suppliers, as well as industrial customers, that were to be underpinned by mutual capital participations.

The company has no rights or dividend entitlements from directly held treasury shares; they are not entitled to dividends. In accordance with the rulings of IFRS, the treasury shares are not recognised as securities, but are offset in one sum against equity in the balance sheet.

Other comprehensive income

Other comprehensive income comprises changes in the market value of available-for-sale financial assets, changes in the market value of cash flow hedges, amounts recognised directly in equity for accounting for entities using the equity method, currency translation differences from the translation of financial statements of foreign entities, and the revaluation of pensions and similar obligations.

For details on the changes recognised directly in equity on available-for-sale financial assets and of cash flow hedges, please refer to note (24) "Accounting for financial instruments".

Presentation of the components of other comprehensive income:

2016 in € million	Revaluation of pensions and similar obligations	Currency translation differences	Cash flow hedge	Available-for-sale financial assets	Entities accounted for using the equity method	Shares of the share-holders of EnBW AG	Non-controlling interests	Total
Unrealised changes in market value in the current period	-425.4	5.0	195.7	134.0	0.4	-90.3	6.3	-84.0
Reclassification adjustments included in the income statement	0.0	0.8	-11.2	58.8	-38.8	9.6	0.7	10.3
Reclassification to cost of hedged items	0.0	0.0	55.5	0.0	0.0	55.5	0.0	55.5
Other comprehensive income before tax	**-425.4**	**5.8**	**240.0**	**192.8**	**-38.4**	**-25.2**	**7.0**	**-18.2**
Income tax	123.5	0.4	-80.8	-22.8	0.0	20.3	-1.4	18.9
Other comprehensive income	**-301.9**	**6.2**	**159.2**	**170.0**	**-38.4**	**-4.9**	**5.6**	**0.7**

2015 in € million	Revaluation of pensions and similar obligations	Currency translation differences	Cash flow hedge	Available-for-sale financial assets	Entities accounted for using the equity method	Shares of the shareholders of EnBW AG	Non-controlling interests	Total
Unrealised changes in market value in the current period	202.5	37.8	-120.2	252.9	-9.6	363.4	11.7	375.1
Reclassification adjustments included in the income statement	0.0	0.0	65.8	-659.4	0.0	-593.6	-0.2	-593.8
Reclassification to cost of hedged items	0.0	0.0	161.5	0.0	0.0	161.5	0.0	161.5
Other comprehensive income before tax	**202.5**	**37.8**	**107.1**	**-406.5**	**-9.6**	**-68.7**	**11.5**	**-57.2**
Income tax	-33.0	3.4	-29.7	14.3	0.0	-45.0	1.0	-44.0
Other comprehensive income	**169.5**	**41.2**	**77.4**	**-392.2**	**-9.6**	**-113.7**	**12.5**	**-101.2**

Presentation of the tax effects relating to unrealised gains and losses in equity:

in € million	2016			2015		
	Before tax	Tax expenses/ income	After tax	Before tax	Tax expenses/ income	After tax
Revaluation of pensions and similar obligations	-427.4	124.5	-302.9	200.7	-32.6	168.1
Currency translation differences	5.9	0.3	6.2	53.2	3.4	56.6
Cash flow hedge	202.9	-76.6	126.3	-122.2	16.6	-105.6
Available-for-sale financial assets	134.2	-43.1	91.1	253.0	-17.5	235.5
Entities accounted for using the equity method	0.4	0.0	0.4	-9.6	0.0	-9.6
Other comprehensive income	**-84.0**	**5.1**	**-78.9**	**375.1**	**-30.1**	**345.0**

Presentation of the tax effects of reclassification adjustments included in the income statement and the cost of hedged items:

in € million			2016			2015
	Before tax	Tax expenses/ income	After tax	Before tax	Tax expenses/ income	After tax
Currency translation differences	1.1	0.1	1.2	0.0	0.0	0.0
Cash flow hedge	44.9	-6.6	38.3	227.1	-45.7	181.4
Available-for-sale financial assets	58.6	20.3	78.9	-659.4	31.8	-627.6
Entities accounted for using the equity method	-38.8	0.0	-38.8	0.0	0.0	0.0
Other comprehensive income	**65.8**	**13.8**	**79.6**	**-432.3**	**-13.9**	**-446.2**

Non-controlling interests

Non-controlling interests are shares in Group companies held by third parties. They relate, in particular, to the Energiedienst group, Stadtwerke Düsseldorf AG and Pražská energetika a.s., with their relevant subsidiaries and EnBW Group Baltic 2 S.C.S.

Financial information for subsidiaries where there is a significant influence without a controlling interest

in € million				2016				2015
	Energiedienst Holding AG	Stadtwerke Düsseldorf AG	Pražská energetika a.s.	EnBW Baltic 2 S.C.S.	Energiedienst Holding AG	Stadtwerke Düsseldorf AG	Pražská energetika a.s.	EnBW Baltic 2 S.C.S.
Capital share in %	33.33	45.05	30.16	49.89	33.33	45.05	30.16	49.89
Annual net profit from non-controlling interests	6.7	49.1	24.5	38.4	11.2	16.6	22.4	17.8
Dividends paid	10.6	21.6	19.2	2.4	16.1	22.8	18.9	0.0
Carrying amount of non-controlling interests	395.4	363.1	237.2	772.7	397.9	331.9	230.6	756.9
Balance sheet data								
Non-current assets	1,535.9	1,420.5	1,057.5	1,517.4	1,519.5	1,423.9	1,055.3	1,602.6
Current assets	378.2	554.4	96.5	259.2	376.4	503.5	94.4	210.0
Non-current liabilities	540.1	812.2	247.2	130.1	540.8	809.0	244.7	119.4
Current liabilities	177.3	399.7	116.2	23.2	153.4	382.1	136.2	101.5
Earnings data								
Adjusted EBITDA	92.8	213.5	167.7	174.3	107.5	153.7	159.0	124.9

(19) Provisions

The provisions disclosed separately according to maturity in the balance sheet are combined for the purposes of disclosures in the notes to the financial statements.

in € million		31/12/2016			31/12/2015	
	Current	Non-current	Total	Current	Non-current	Total
Provisions for pensions and similar obligations	146.7	5,970.0	6,116.7	144.1	5,480.9	5,625.0
Provisions relating to nuclear power	5,277.2	5,694.8	10,972.0	478.5	7,852.4	8,330.9
Provisions for non-contractual nuclear obligations	(323.1)	(2,683.0)	(3,006.1)	(288.2)	(4,749.2)	(5,037.4)
Provisions for contractual nuclear obligations	(4,954.1)	(3,011.8)	(7,965.9)	(190.3)	(3,103.2)	(3,293.5)
Other provisions	636.3	1,347.1	1,983.4	720.2	1,144.8	1,865.0
Other electricity provisions	(186.8)	(148.9)	(335.7)	(225.6)	(112.7)	(338.3)
Personnel provisions	(122.5)	(135.2)	(257.7)	(76.7)	(116.6)	(193.3)
Provisions for onerous contracts	(141.2)	(798.3)	(939.5)	(155.4)	(740.0)	(895.4)
Sundry provisions	(185.8)	(264.7)	(450.5)	(262.5)	(175.5)	(438.0)
Total	**6,060.2**	**13,011.9**	**19,072.1**	**1,342.8**	**14,478.1**	**15,820.9**

Provisions for pensions and similar obligations

The provisions for pensions and similar obligations are recorded on the basis of the existing commitments for future and current post-employment benefits to current and former employees with a pension entitlement, as well as their surviving dependants. A substantial majority of the employees of the EnBW Group are entitled to pension payments from defined benefit pension plans. There are different post-employment provision schemes, which reflect how long the respective employees have served the company. In the case of employees who have already retired, the schemes in question are mainly final salary-based systems, in which the pension paid is calculated on the basis of the length of service, the rate of increase and the last pensionable income. As of 1 January 2005, this system was decoupled from the adjustments to the statutory pension insurance system as part of a reorganisation. The amount of provisions for pensions and similar obligations as of 31 December 2016 was €5,586.7 million (previous year: €5,243.2 million). The bulk of the active employees are covered by ongoing salary-based schemes and/or a pension component system in the form of an average salary plan in which the pension paid consists of annual pension components. The related provisions amounted to €496.6 million (previous year: €381.8 million). For employees who joined the company from 1998 onwards, the pension commitment is based solely on a pension component system. In addition, the employees are granted energy-price reductions during the period in which they receive their pensions.

The pensioners and those with prospective pension entitlements are distributed as follows amongst the different post-employment provision schemes:

Number of employees	31/12/2016		31/12/2015	
	Staff with prospective pension entitlements	Pensioners	Staff with prospective pension entitlements	Pensioners
Closed systems dependent on final salary	8,507	13,450	8,835	13,535
Pension component systems	8,308	296	7,714	273

The commitments are measured above all on the basis of the length of service and remuneration of the employees. In addition, the company pension scheme includes defined benefit obligations under a multi-employer plan using the same measurement basis. The contributions payable to the supplemental pension plans are made as a certain percentage of the respective employee's remuneration that is subject to the supplemental pension plan.

The amount of provisions earmarked for the defined benefit obligations corresponds to the present value of the expected future obligations. The provisions are calculated using actuarial methods. Plan assets were created in accordance with IAS 19.8 and will be used exclusively to cover pension obligations. They are deducted from the pension obligations. These exist in the form of contractual trust arrangements (CTA) in the EnBW Group. A CTA is a legally structured trustee arrangement for the capital cover of direct pension commitments with separated and spun-off assets.

The objective of asset management in this area is to cover the non-current provisions for pensions and similar obligations, as well as the Group's nuclear provisions, within an economically sensible period by means of appropriate financial investments. The investment goals indicated can be achieved with a minimum of risk. As of 31 December 2016, the dedicated financial assets for pension and nuclear provisions totalled approximately €10.0 billion (previous year: €9.8 billion) and were allocated to a total of nine (previous year: nine) asset classes. In addition to the direct investments, the financial investments were bundled within two (previous year: four) master funds.

The following premises are taken into account when investments are made:

- Risk-optimised performance in line with the market is targeted.
- The risk was minimised by, for example, the implementation of an intervention line concept, the establishment of issuer limits and minimum ratings for bonds, adherence to a broad diversification of asset classes and further appropriate measures.
- The impact on the balance sheet and the income statement are to be minimised.
- Reducing costs and simplifying administration are also major priorities.

The anticipated development of the cash flow of the post-employment provision scheme is as follows:

in € million	2016	2017–2021[1]	2022–2026[1]	2027–2031[1]	2032–2036[1]	2037–2041[1]	2042–2046[1]	2047–2051[1]
Closed systems dependent on final salary	151.9	160.4	191.6	226.3	243.4	235.7	212.8	177.5
Pension component systems	0.5	1.6	3.8	8.9	18.2	28.6	39.3	51.9
Total	**152.4**	**162.0**	**195.4**	**235.2**	**261.6**	**264.3**	**252.1**	**229.4**

[1] Average values for five years.

Changes in the underlying parameters for calculating the provisions for pensions and similar obligations would have the following impact on their amounts:

in € million	31/12/2016		31/12/2015	
	Pension component systems	Closed post-retirement systems dependent on final salary	Pension component systems	Closed post-retirement systems dependent on final salary
Discount rate +/-0.5%	-80.9 / 97.1	-501.4 / 571.4	-61.5 / 57.0	-466.7 / 525.7
Salary trend +/-0.5%	14.8 /-13.8	130.5 /-114.7	11.2 /-10.7	107.2 /-94.5
Pension trend +/-0.5%	4.6 /-4.3	408.6 /-371.7	6.4 /-6.1	381.1 /-350.6
Life expectancy +/-1 year	16.6 /-16.6	234.6 /-230.1	16.6 /-17.1	339.6 /-344.1

The parameters for the sensitivity analysis were chosen from the point of view of materiality. Their impact on the defined benefit obligation (DBO) was determined separately in each case to prevent interactions. The parameter variation is based on past experience and the long-term planning premises applied within the Group.

The material parameters (average values) for calculating the defined-benefit pension commitments at the Group's domestic companies are shown below:

in %	31/12/2016	31/12/2015
Actuarial interest rate	1.90	2.30
Future expected wage and salary increases	2.70	2.60
Future expected pension increase	1.90	1.85
Employee turnover	2.00	2.00

The calculations are based on the 2005 G mortality tables devised by Prof. Dr. Klaus Heubeck.

The expenses for pensions and similar obligations is comprised as follows:

in € million	2016	2015
Current service cost	110.8	118.1
Past service cost	-2.5	-0.1
Interest income from plan assets	-22.8	-22.6
Interest costs	150.0	148.6
Recording in the income statement	**235.5**	**244.0**
Income from plan assets excluding interest income	-53.1	-22.9
Actuarial gains (-)/losses (+) from changes in demographic assumptions	-1.6	0.0
Actuarial gains (-)/losses (+) from changes in financial assumptions	463.3	-173.1
Actuarial gains (-)/losses (+) from experience-based restatements	18.8	-4.7
Recording in the statement of comprehensive income	**427.4**	**-200.7**
Total	**662.9**	**43.3**

The development of the pension provisions, categorised by the present value of the defined benefit commitment and the market value of the plan assets, is as follows:

in € million	31/12/2016	31/12/2015
Defined benefit obligation at the beginning of the financial year	6,738.8	6,888.4
Current service cost	110.8	118.1
Interest costs	150.0	148.6
Benefits paid	-264.8	-251.4
Actuarial gains (-)/losses (+)	480.5	-177.8
Actuarial gains (-)/losses (+) from changes in demographic assumptions	(-1.6)	(0.0)
Actuarial gains (-)/losses (+) from changes in financial assumptions	(463.3)	(-173.1)
Actuarial gains (-)/losses (+) from experience-based restatements	(18.8)	(-4.7)
Past service cost	-2.5	-0.1
Changes in the consolidated companies and currency adjustments	-1.5	11.5
Reclassifications	10.5	1.5
Present value of the defined benefit obligation at the end of the financial year	**7,221.8**	**6,738.8**
Fair market value of plan assets at the beginning of the financial year	1,113.8	1,102.4
Interest income	22.8	22.6
Appropriations to the plan assets[1]	60.2	66.8
Benefits paid	-112.4	-110.3
Income from plan assets excluding interest income	53.1	22.9
Currency adjustments and reclassifications	1.0	9.4
Fair market value of plan assets at the end of the financial year	**1,138.5**	**1,113.8**
Surplus cover from benefit entitlements	33.4	0.0
Provisions for pensions and similar obligations	**6,116.7**	**5,625.0**

[1] Applies almost exclusively to the employer's contributions.

Payments into the plan assets in the amount of €8.6 million (previous year: €4.9 million) are planned in the subsequent period.

The present value of the defined benefit obligation breaks down as follows by asset-funded and non-asset-funded status:

in € million	31/12/2016	31/12/2015
Funded benefits	1,219.5	1,189.4
Full funding	(1,191.6)	(1,161.8)
Partial funding	(27.9)	(27.6)
Pension entitlements without asset funding	6,002.3	5,549.4

The present value of the benefit obligations, the fair market value of plan assets and the plan surplus or deficit have developed as follows:

in € million	31/12/2016	31/12/2015
Present value of benefit obligations	7,221.8	6,738.8
Fair market value of plan assets	1,138.5	1,113.8
Plan surplus or deficit	6,083.3	5,625.0

The plan assets consist of the following asset classes:

in %	31/12/2016	31/12/2015
Shares	86.1	86.3
Pension funds	0.9	0.9
Fixed-interest securities	7.7	8.5
Land and buildings	1.9	1.8
Other assets	2.5	1.7
Current financial assets	0.9	0.8
	100.0	**100.0**

The investment objective for the external plan assets is to cover benefit obligations with a similar term. The plan assets are invested almost entirely within the EU and mainly in energy supply companies. Their performance is subject to country-specific and energy-industry risks. They do not include any shares of EnBW Group companies or any owner-occupied property. The investment strategy takes into consideration the maturity structure and volume of benefit obligations.

The plan assets mainly have market price listings on active markets. The shares contain €285.7 million (previous year: €296.7 million) whose fair value was determined with the help of the discounted cash flow method in the absence of an active market.

Multi-employer plans

Multi-employer plans, which are defined benefit plans, are accounted for as defined contribution plans because the information required to allocate the obligations and plan assets to the respective participating employer and the corresponding expenses is not provided by the supplemental pension plans. The expenses from defined benefit obligations via multi-employer plans amounted to €14.8 million (previous year: €16.6 million). Appropriations of a similar magnitude are anticipated for the subsequent year. Potential future increases in contributions from obligations that are not fully funded will not have a significant effect on the EnBW Group.

The employer's contributions to statutory pension insurance in 2016 amounted to €93.0 million (previous year: €90.3 million).

Provisions relating to nuclear power

The provisions relating to nuclear power have been recorded for the disposal of irradiated fuel rods and radioactive waste, as well as for the decommissioning and dismantling of contaminated facilities.

in € million	31/12/2016	31/12/2015
Remaining with EnBW		
Decommissioning and dismantling	4,754.6	4,057.0
Containers, transportation, waste, other	1,459.5	1,111.8
	6,214.1	**5,168.8**
Passing to disposal fund[1]		
Containers, transportation, waste, other	1,274.3	776.1
Intermediate storage	1,000.7	662.9
Konrad mine final storage facility	727.7	615.3
Final storage facility for highly radioactive waste	1,755.2	1,107.8
	4,757.9	**3,162.1**
Total	**10,972.0**	**8,330.9**

[1] The amount to be paid to the disposal fund is still to be reduced by the expenditure in the first half of 2017.

The determination of the remaining nuclear provisions held by EnBW is based on appraisals and contractual agreements, as well as external and internal cost estimates.

The provisions for decommissioning and dismantling include the expected costs for remaining or post-operation, dismantling and the removal and disposal of nuclear power plants.

In accordance with the law of reorganising responsibility for nuclear waste management, the non-current provisions, especially for intermediate and final storage costs, will be transferred to a disposal fund. The remaining nuclear power provisions for the disposal obligations have a significantly shorter utilisation period.

The remaining provisions relating to nuclear power are discounted at a risk-free interest rate of on average 0.5% (previous year: 4.7%). A corresponding rate of increase of costs of around 1.4% (previous year: 3.5%) is applied. This results in a spread of around -0.9% (previous year: 1.2%), which generally corresponds to the real interest rate. The change in the discount rate and the rate of increase of costs led overall to an increase in the remaining nuclear power provisions of €1,081.5 million.

A reduction or increase of 0.1 percentage points in the real interest rate would increase the present value of the remaining provisions held by EnBW by €41.3 million (previous year: €147.0 million) or reduce them by €55.5 million (previous year: €141.8 million), respectively.

The nominal amount (without taking into account the effects of the discount rate and rate of increase of costs) of the remaining provisions held by EnBW is €5,742.9 million.

When measuring the provisions being transferred to the disposal fund, the amendments to the German Atomic Power Act from 6 August 2011 and the law of reorganising responsibility for nuclear waste management agreed by the Bundestag and the Bundesrat on 15 and 16 December 2016 were taken into account.

The law of reorganising responsibility for nuclear waste management reflects the recommendation made by the “Commission to examine the financing of the phase-out of nuclear power” (KFK) appointed by the German Federal Ministry for Economic Affairs and Energy in 2015. The state aid investigation by the EU Commission and the signature of the German Federal President are still outstanding. Afterwards, the responsibility for intermediate and final storage will be transferred into the hands of the government. The financial burden will be borne by the companies through payment of the required cash funds into a fund under public law. The operators of the nuclear power plants will thus be responsible in future for the complete financing and management of decommissioning, dismantling and specialist packaging of the radioactive waste. The government, which was already responsible for the implementation of the final storage, will now also be responsible for its financing as well as the implementation and financing of intermediate storage. The financial funds for the intermediate and final storage will be made available to the government by the operators and paid into a fund for the financing of the disposal of nuclear waste.

According to the law, the basic amount including interest for the first half of 2017 should be paid on 1 July 2017.

EnBW will pay both the basic amount and also the additional risk premium into the fund on 1 July 2017. The immediate payment of the risk premium releases EnBW from the payment of any subsequent contributions.

The provisions for the decommissioning and dismantling of contaminated plants, as well as for fuel rods, are recognised at the discounted settlement amount at the time of commissioning. This is disclosed accordingly under the power plants and depreciated. It amounts to €978.7 million (previous year: €513.1 million). Changes in estimates due to changes in assumptions concerning the future development of costs were generally recognised without effect on profit or loss by adjusting the appropriate balance sheet items by €1,174.2 million (previous year: €33.7 million). Changes in estimates relating to decommissioned power plants were recognised as profit or loss.

Decommissioning and dismantling costs are calculated on the basis of the scenario that assumes that the plants will be removed immediately. The provisions are partially offset by receivables amounting to €779.4 million (previous year: €759.2 million) which relate to dismantling obligations for nuclear power plants assumed by a contractual partner in connection with electricity supplies.

Other provisions

Other electricity provisions primarily relate to obligations from CO_2 emission allowances, the dismantling obligations for wind and hydroelectric power plants and the Renewable Energies Act (EEG).

Personnel provisions primarily concern obligations from phased retirement arrangements, long-service awards and restructuring measures.

The provisions for onerous contracts concern future obligations from onerous procurement and sales agreements. The obligations mainly relate to the procurement of electricity.

Other provisions are discounted using an interest rate of 0.00% to 1.00% on average (previous year: 0.00% to 1.50%). The majority of other non-current provisions have a term of between one and five years.

The provisions developed as follows in the reporting year:

Provisions

in € million	As of 01/01/2016	Increases	Reversals	Increase due to passage of time	Changes recognised in equity	Changes in the consolidated companies, currency adjustments and reclassifications	Utilisation	As of 31/12/2016
Provisions for pensions and similar obligations	5,625.0	108.3	0.0	127.2	438.7	-30.1	152.4	6,116.7
Provisions relating to nuclear power[1]	8,330.9	1,577.5	69.7	378.6	1,174.2	-3.1	416.4	10,972.0
Other provisions	1,865.0	754.0	148.8	9.0	36.8	-6.7	525.9	1,983.4
Other electricity provisions	(338.3)	(182.4)	(22.2)	(1.1)	(35.0)	(1.5)	(200.4)	(335.7)
Personnel provisions	(193.3)	(160.3)	(10.6)	(2.3)	(0.0)	(-16.9)	(70.7)	(257.7)
Provisions for onerous contracts	(895.4)	(216.6)	(31.9)	(1.0)	(0.0)	(-1.4)	(140.2)	(939.5)
Sundry provisions	(438.0)	(194.7)	(84.1)	(4.6)	(1.8)	(10.1)	(114.6)	(450.5)
Total	**15,820.9**	**2,439.8**	**218.5**	**514.8**	**1,649.7**	**-39.9**	**1,094.7**	**19,072.1**

[1] Utilisation breaks down into decommissioning and dismantling totalling €259.7 million, disposal of spent fuel rods totalling €140.3 million and waste totalling €16.4 million.

(20) Deferred taxes

The deferred taxes on measurement differences compared to the tax accounts break down as follows:

in € million	31/12/2016		31/12/2015	
	Deferred tax assets[1]	Deferred tax liabilities[1]	Deferred tax assets[1]	Deferred tax liabilities[1]
Intangible assets	21.2	60.7	26.7	67.7
Property, plant and equipment	448.0	1,744.6	194.9	1,618.9
Financial assets	133.8	328.0	51.0	110.9
Other assets	8.6	33.1	25.4	23.3
Derivative financial instruments	0.0	53.3	0.0	60.3
Non-current assets	**611.6**	**2,219.7**	**298.0**	**1,881.1**
Inventories	49.9	9.0	36.5	22.8
Financial assets	0.0	56.8	0.7	17.7
Other assets	65.5	506.3	26.2	617.2
Current assets	**115.4**	**572.1**	**63.4**	**657.7**
Provisions	1,659.8	81.3	1,297.5	660.0
Liabilities and subsidies	230.2	89.6	262.9	86.5
Non-current liabilities	**1,890.0**	**170.9**	**1,560.4**	**746.5**
Provisions	368.5	6.0	275.4	31.8
Liabilities and subsidies	543.5	47.6	788.2	277.5
Current liabilities	**912.0**	**53.6**	**1,063.6**	**309.3**
Unused tax losses	103.4	0.0	31.9	0.0
Deferred taxes before netting	**3,632.4**	**3,016.3**	**3,017.3**	**3,594.6**
Netting	-2,363.5	-2,363.5	-2,923.9	-2,923.9
Deferred taxes after netting	**1,268.9**	**652.8**	**93.4**	**670.7**

[1] Deferred tax assets and liabilities prior to netting.

In the 2016 financial year, €2,363.5 million (previous year: €2,923.9 million) in deferred tax assets was netted against deferred tax liabilities. Deferred taxes are netted with each other per consolidated tax group or entity if the conditions to do so have been satisfied.

In the measurement differences compared to the tax accounts, a negative balance from deferred taxes resulting from consolidation of €54.0 million (previous year: €57.1 million) is taken into account.

In addition, deferred tax assets on measurement differences compared to the tax accounts contain €4.3 million (previous year: €7.1 million) in non-current financial assets, €734.1 million (previous year: €609.8 million) in non-current provisions and €43.7 million (previous year: €115.4 million) in current liabilities and subsidies that were offset against equity.

The deferred tax liabilities on measurement differences compared to the tax accounts contain €71.4 million (previous year: €51.2 million) in non-current financial assets and €15.4 million (previous year: €4.7 million) in current financial assets that were offset against equity.

In order to evaluate the deferred tax assets from deductible temporary differences in assets and unused tax losses, a tax planning forecast is derived based on the company's multi-year plans and corporate strategy. In this process, it was possible to prove with sufficient certainty that there would be adequate taxable income available in the planning horizon used as the basis for the tax planning forecast for the full capitalisation of deferred tax assets both from deductible temporary differences in assets and also unused tax losses. The estimates were based, above all, on the strategic goals of the company, which envisage an increase in the share of earnings accounted for by the regulated grid business and a resulting improvement in the risk-return profile.

Unused tax losses are composed as follows:

in € million	31/12/2016		31/12/2015	
	Corporate income tax	Trade tax	Corporate income tax	Trade tax
Unlimited ability to carry forward the previously unused tax losses for which no deferred tax assets have been recognised in the balance sheet	118.7	171.3	89.3	143.8
Deferred taxes on the non-valued unused tax losses that would theoretically have to be formed	18.8	22.6	14.1	19.0
Unlimited ability to carry forward the existing unused tax losses for which deferred tax assets were formed[1]	432.7	269.7	114.3	105.0

[1] Almost exclusively concern German companies.

According to the Tax Privilege Reduction Act, from 2004 onwards only 60% of current taxable income exceeding €1 million can be offset against unused tax losses. Unused tax losses reduced the actual tax burden by €28.2 million (previous year: €1.2 million).

The deferred taxes on unused tax losses break down as follows:

in € million	31/12/2016	31/12/2015
Corporate income tax (or comparable foreign tax)	68.1	18.1
Trade tax	35.3	13.8
Total	**103.4**	**31.9**

Presentation of the development of deferred taxes on unused tax losses:

in € million	31/12/2016	31/12/2015
Opening balance	31.9	130.0
Utilisation of tax losses	-2.9	-1.2
Correction in previous year for unused tax losses (addition)	74.8	0.0
Origination of tax losses (addition)	1.8	4.7
Write-downs	-2.2	-101.6
Closing balance	**103.4**	**31.9**

As of 31 December 2016, the previous adjustments of and non-recognition of deferred tax assets on unused tax losses and deductible temporary differences of €183.2 million were reversed or withdrawn.

In the previous period, the deferred tax assets were adjusted and not recognised on unused tax losses to the amount of €191.6 million due to the limited planning horizon and the resulting insufficient probability of their use.

In the reporting period, there were no deferred taxes on interest amounts carried forward as in the previous year.

No deferred tax liabilities were recognised on temporary differences of €8.5 million (previous year: €7.9 million) in connection with shares in subsidiaries because it is not likely that these temporary differences will reverse in the foreseeable future.

Deferred tax assets totalling €695.3 million (previous year: €676.4 million) were offset directly against equity under other comprehensive income as of 31 December 2016.

(21) Liabilities and subsidies

Financial liabilities

Financial liabilities break down as of 31 December 2016 compared to the previous year as follows:

in € million[1]	31/12/2016			31/12/2015		
	Current	Non-current	Total	Current	Non-current	Total
Hybrid bonds	999.9	1,989.9	2,989.8	0.0	1,987.9	1,987.9
Bonds	0.0	3,018.3	3,018.3	499.4	3,004.9	3,504.3
Liabilities to banks	121.4	1,334.1	1,455.5	137.8	1,450.7	1,588.5
Other financial liabilities	87.4	377.9	465.3	121.0	366.5	487.5
Financial liabilities	**1,208.7**	**6,720.2**	**7,928.9**	**758.2**	**6,810.0**	**7,568.2**

[1] Please refer to note (24) "Accounting for financial instruments" for more details on the credit and liquidity risk, fair values and undiscounted cash flows by year.

Of the non-current financial liabilities, €2,568.5 million (previous year: €2,582.9 million) have a term of between one year and five years, and €4,151.7 million (previous year: €4,227.1 million) have a term of more than five years.

Overview of the hybrid bonds

Issuer	Issue volume	Carrying amounts	Coupon	Maturity
EnBW AG[1]	€1,000 million	€999.9 million	7.375%	02/04/2072
EnBW AG[2]	€1,000 million	€990.9 million	3.625%	02/04/2076
EnBW AG[3]	€725 million	€716.3 million	3.375%	05/04/2077
EnBW AG[3]	US-$ 300 million	€282.7 million	3.003%[4]	05/04/2077
		€2,989.8 million		

[1] Repayment option for EnBW every five years after the first interest payment date; the earliest possible date is 2 April 2017.
[2] Repayment option for EnBW every five years after the first interest payment date; the earliest possible date is 2 April 2021.
[3] Repayment option for EnBW every five years after the first interest payment date; the earliest possible date is 5 April 2022.
[4] After the swap into euros.

In September 2016, EnBW issued two further hybrid bonds: a euro hybrid bond with a volume of €725 million and a US dollar bond with a volume of US$300 million. Both bonds have terms of 60.5 years. The bonds were placed with investors in Europe and Asia. The issue date was 5 October 2016 and the final repayment date is 5 April 2077. The first interest payment date will be 5 April 2017. EnBW has both the right to call and repay the bonds in the three-month period before 5 April 2022 and then at every interest payment date. The euro bond was initially given a coupon of 3.375%, while the US dollar bond was given an initial coupon of 5.125% (3.003% after the swap into euros).

All outstanding hybrid bonds include early repayment rights for EnBW and are subordinate to all other financial liabilities, although they have equal ranking with each other. EnBW has the option of suspending interest payments. However, these interest payments must be subsequently paid if EnBW pays dividends or services another hybrid bond. Based on their terms and conditions, all EnBW bonds qualify for 50% of the amount being recognised as equity in accordance with the methods used by the rating agencies Moody's and Standard & Poor's.

An overview of our bonds

Issuer	Issue volume	Carrying amounts	Coupon	Maturity
Public bonds				
EnBW International Finance B.V.	CHF 100 million	€94.9 million[1]	1.250%	12/07/2018
EnBW International Finance B.V.	€750 million	€748.9 million	6.875%	20/11/2018
EnBW International Finance B.V.	CHF 100 million	€92.8 million	2.250%	12/07/2023
EnBW International Finance B.V.	€500 million	€585.2 million[1]	4.875%	16/01/2025
EnBW International Finance B.V.	€500 million	€498.3 million	2.500%	04/06/2026
EnBW International Finance B.V.	€600 million	€589.2 million	6.125%	07/07/2039
Private placements				
EnBW International Finance B.V.	€100 million	€98.3 million	2.875%	13/06/2034
EnBW International Finance B.V.	JPY 20 billion	€162.1 million	5.460%[2]	16/12/2038
EnBW International Finance B.V.	€100 million	€99.1 million	3.080%	16/06/2039
EnBW International Finance B.V.	€50 million	€49.5 million	2.900%	01/08/2044
		€3,018.3 million		

[1] Adjusted for valuation effects from interest-induced hedging transactions.
[2] After the swap into euro.

On 19 October 2016, a €500 million bond with a coupon of 4.250% issued in October 2006 became due for repayment and was repaid from the existing liquidity position.

Commercial paper programme
As of the reporting date, no funds had been drawn under the commercial paper programme in place at EnBW International Finance B.V. for short-term financing purposes, as in the previous year.

Liabilities to banks
Liabilities to banks decreased in the 2016 financial year due to scheduled repayments made by EnBW and its subsidiaries. The majority of the outstanding liabilities to banks are bilateral loan agreements.

In the previous year, existing funding at a subsidiary was refinanced through two new bilateral amortising loans of €25 million each and through new syndicated financing currently valued at €194 million. In addition, a new bank loan of €115 million was taken out in the previous year by a further subsidiary. This was partly used to refinance bank loans due. In the 2016 financial year, the existing syndicated credit line for €1.5 billion (previous year: €1.5 billion) was extended for the last time by a further year until July 2021. In the previous year, the credit line had already been extended by a further year until July 2020. The credit line remained unused as of 31 December 2016.

In addition, a further €348 million (previous year: €472 million) in bilateral free credit lines was available within the Group. These credit lines are not subject to any restrictions as regards their utilisation.

The liabilities to banks are not collateralised with real estate liens as in the previous year. Liabilities to banks to the amount of €128.5 million are collateralised with other types of security (previous year: €137.7 million).

Other financial liabilities
The item “other financial liabilities” primarily includes long-term promissory notes that a subsidiary placed with institutional investors in 2015. In addition, it also includes long-term finance leases.

The minimum payments from finance leases included in other financial liabilities have the following maturities:

in € million	31/12/2016		31/12/2015	
	Nominal value	Present value	Nominal value	Present value
Due within 1 year	3.1	1.4	2.3	0.6
Due in 1 to 5 years	10.9	4.3	10.3	3.6
Due in more than 5 years	49.2	27.2	51.3	27.8
Total	**63.2**	**32.9**	**63.9**	**32.0**

Other liabilities and subsidies

Other liabilities and subsidies disclosed separately according to maturity in the balance sheet are combined in the notes to the financial statements.

in € million[1]	31/12/2016	31/12/2015
Non-current liabilities	508.5	499.9
Current liabilities	5,788.8	7,074.7
Liabilities	**6,297.3**	**7,574.6**
Non-current subsidies	1,278.6	1,333.0
Current subsidies	65.4	66.8
Subsidies	**1,344.0**	**1,399.8**
Non-current liabilities and subsidies	1,787.1	1,832.9
Current liabilities and subsidies	5,854.2	7,141.5
Liabilities and subsidies	**7,641.3**	**8,974.4**

[1] The figures for the previous year have been restated: Liabilities and subsidies amounted to €9,349.7 million as of 1 January 2015. It does not include any retroactive restatements as of 1 January 2015 (as of 31 December 2015: € -33.7 million).

Other liabilities as of 31 December 2016 break down as follows compared to the previous year:

in € million[1,2]	31/12/2016			31/12/2015		
	Current	Non-current	Total	Current	Non-current	Total
Payments received on account	106.6	33.0	139.6	99.9	36.0	135.9
Trade payables	3,193.0	0.4	3,193.4	3,523.5	0.3	3,523.8
of which liabilities to affiliated entities	(7.7)	(0.0)	(7.7)	(9.7)	(0.0)	(9.7)
of which liabilities to other investees and investors	(57.4)	(0.0)	(57.4)	(50.6)	(0.0)	(50.6)
of which liabilities to entities accounted for using the equity method	(43.9)	(0.0)	(43.9)	(41.7)	(0.0)	(41.7)
Other deferred income	25.0	214.5	239.5	23.0	168.0	191.0
Liabilities from derivatives	1,482.8	76.6	1,559.4	1,958.7	98.1	2,056.8
of which without hedges	(1,458.3)	(61.6)	(1,519.9)	(1,812.9)	(39.7)	(1,852.6)
of which cash flow hedge	(24.5)	(15.0)	(39.5)	(145.8)	(58.4)	(204.2)
Income tax liabilities	111.9	78.2	190.1	271.8	84.3	356.1
Miscellaneous liabilities	869.5	105.8	975.3	1,197.8	113.2	1,311.0
of which interest from back taxes	(3.0)	(0.0)	(3.0)	(0.2)	(0.0)	(0.2)
of which from other taxes	(117.5)	(0.0)	(117.5)	(116.6)	(0.0)	(116.6)
of which relating to social security	(15.2)	(5.9)	(21.1)	(21.9)	(5.9)	(27.8)
Other liabilities	**5,788.8**	**508.5**	**6,297.3**	**7,074.7**	**499.9**	**7,574.6**

[1] The figures for the previous year have been restated. Other liabilities amounted to €7,988.0 million as of 1 January 2015. It does not include any retroactive restatements as of 1 January 2015 (as of 31 December 2015: € -33.7 million).
[2] Please refer to note (24) "Accounting for financial instruments" for more details on the credit and liquidity risk, fair values and undiscounted cash flows by year.

Of the other non-current liabilities, €392.5 million (previous year: €354.2 million) has a remaining term of between one year and five years, and €116.0 million (previous year: €145.7 million) has a remaining term of more than five years.

Liabilities relating to trade payables include obligations for outstanding invoices amounting to €1,065.4 million (previous year: €1,382.8 million).

Other liabilities mainly concern collateral for over-the-counter trading businesses (margin calls received) amounting to €224.5 million (previous year: €368.4 million), as well as exchange-based trading businesses (variation margins) of €35.7 million (previous year: €91.2 million), interest obligations from bonds amounting to €151.4 million (previous year: €144.1 million) and non-controlling interests in fully consolidated partnerships recorded as liabilities to the amount of €78.9 million (previous year: €76.7 million).

Subsidies include investment grants, as well as construction cost subsidies and investment cost subsidies.

in € million	31/12/2016	31/12/2015
Investment grants	0.0	0.3
Investment cost subsidies	10.8	12.3
Other subsidies from public authorities	11.8	17.2
Construction cost subsidies	1,321.4	1,370.0
Total	**1,344.0**	**1,399.8**

The investment grants were awarded in accordance with section 4a German Investment Grant Act (InvZulG).

The construction cost subsidies which have not yet been recognised in profit or loss were largely granted for investments in the electricity and gas sectors; the title to the subsidised assets is retained by the EnBW Group companies. The subsidies are released over the estimated useful life of the subsidised assets.

(22) Assets held for sale and liabilities directly associated with assets classified as held for sale

Assets held for sale

in € million	31/12/2016	31/12/2015
Intangible assets	29.9	0.0
Property, plant and equipment	109.2	33.8
Other financial assets	33.4	982.1
Other assets	0.5	0.0
Total	**173.0**	**1,015.9**

Liabilities directly associated with assets classified as held for sale

in € million	31/12/2016	31/12/2015
Other liabilities and subsidies	24.0	0.8
Total	**24.0**	**0.8**

In the reporting year, intangible assets and property, plant and equipment held for sale mainly comprise the EnBW Hohe See GmbH & Co. KG offshore wind farm, the sale of shares in which at the beginning of 2017 led to a loss of economic control. In addition, property, plant and equipment held for sale includes distribution facilities connected to concession losses. This is allocated in the segment reporting to Renewable Energies and Grids. Other financial assets held for sale in the reporting year refer particularly to a piece of land and building held for sale as part of our divestiture strategy. This is allocated in the segment reporting under Other/Consolidation.

Other liabilities and subsidies in connection with the assets held for sale in the reporting year refer mainly to current trade payables and construction cost subsidies.

In the previous year, other financial assets held for sale mainly referred to a 20% shareholding in EWE, which was part of our overall 26% shareholding in EWE. As a result of the planned restructuring of shareholdings agreed between EnBW AG, EWE and EWE-Verband, this were reclassified as assets held for sale. EWE subsequently acquired 10% of its own shares from EnBW in 2016, while EWE-Verband acquired a further 10% of the EWE shares. This is allocated in the segment reporting to Other/Consolidation.

Property, plant and equipment held for sale in the previous year referred mainly to a piece of land and building held for sale as part of our divestiture strategy. This is allocated in the segment reporting under Other/Consolidation.

Other disclosures

(23) Earnings per share

Earnings per share is determined by dividing the profit or loss attributable to the shareholders of EnBW AG by the average number of shares outstanding. This indicator may be diluted by potential shares on account of share options or convertible bonds. As EnBW does not have any potential shares, the basic earnings per share is identical to the diluted earnings per share.

Earnings per share[1]		2016	2015
Earnings from continuing operations	in € million	-1,672.5	234.2
of which profit/loss shares attributable to the shareholders of EnBW AG	in € million	(-1,797.2)	(158.2)
Group net profit/loss	in € million	-1,672.5	234.2
of which profit/loss shares attributable to the shareholders of EnBW AG	in € million	(-1,797.2)	(158.2)
Number of shares outstanding (weighted average)	Thousands	270,855	270,855
Earnings per share from continuing operations[2]	in €	-6.64	0.58
Earnings per share from Group net profit/loss (€)[2]	in €	-6.64	0.58
Dividend per share for the EnBW AG 2015 financial year	in €	–	0.55

[1] The figures for the previous year have been restated.
[2] In relation to the profit/loss attributable to the shareholders of EnBW AG.

(24) Accounting for financial instruments

Financial instruments include primary financial instruments and derivatives. On the assets side, primary financial instruments mainly consist of financial assets, trade receivables, other assets, and cash and cash equivalents. On the liabilities side, they consist of financial liabilities, trade payables and other liabilities.

Fair value and carrying amounts of financial instruments by measurement category

The table below shows the fair values and carrying amounts of the financial assets and financial liabilities contained in the individual balance sheet items: If it is not indicated separately, the fair value is measured recurrently.

31/12/2016		Hierarchy of input data					
in € million	Fair value	Level 1	Level 2	Level 3	Measured at amortised cost	Not in IFRS 7's field of application	Carrying amount
Financial assets	8,770.0	5,193.6	1,985.3	599.2	991.9	47.5	8,817.5
Held for trading	(59.4)	(59.4)					(59.4)
Available for sale	(8,563.0)	(5,134.2)	(1,985.3)	(599.2)	(844.3)		(8,563.0)
Held to maturity	(0.0)				(0.0)		(0.0)
Loans and receivables	(147.6)				(147.6)		(147.6)
Trade receivables	3,486.5				3,486.5		3,486.5
Loans and receivables	(3,486.5)				(3,486.5)		(3,486.5)
Other assets	2,240.1	2.4	1,696.1		541.6	796.9	3,037.0
Held for trading[1]	(1,506.7)	(0.2)	(1,506.5)				(1,506.7)
Loans and receivables	(510.0)				(510.0)		(510.0)
Derivatives in hedge accounting	(191.8)	(2.2)	(189.6)				(191.8)
Carrying amount in accordance with IAS 17	(31.6)				(31.6)		(31.6)
Cash and cash equivalents	3,991.6				3,991.6		3,991.6
Loans and receivables	(3,991.6)				(3,991.6)		(3,991.6)
Assets held for sale[2]	6.6				6.6	166.4	173.0
Total assets	**18,494.8**	**5,196.0**	**3,681.4**	**599.2**	**9,018.2**	**1,010.8**	**19,505.6**
Financial liabilities	8,708.0				7,928.9		7,928.9
Measured at amortised cost[3]	(8,675.1)				(7,896.0)		(7,896.0)
Carrying amount in accordance with IAS 17	(32.9)				(32.9)		(32.9)
Trade payables	516.5				516.5	2,676.5	3,193.0
Measured at amortised cost	(516.5)				(516.5)		(516.5)
Other liabilities and subsidies	2,150.6	0.2	1,559.2		591.2	2,297.7	4,448.3
Held for trading	(1,519.9)	(0.1)	(1,519.8)				(1,519.9)
Measured at amortised cost	(591.2)				(591.2)		(591.2)
Derivatives in hedge accounting	(39.5)	(0.1)	(39.4)				(39.5)
Liabilities directly associated with assets classified as held for sale	15.3				15.3	8.7	24.0
Total liabilities	**11,390.4**	**0.2**	**1,559.2**	**0.0**	**9,051.9**	**4,982.9**	**15,594.2**

[1] Of which €8.1 million designated at fair value through profit or loss.
[2] This refers to a non-recurring measurement of the fair value due to the application of IFRS 5.
[3] Of the financial liabilities measured at amortised cost, an amount of €483.1 million is part of fair value hedges.

31/12/2015[1]		Hierarchy of input data					
in € million	Fair value	Level 1	Level 2	Level 3	Measured at amortised cost	Not in IFRS 7's field of application	Carrying amount
Financial assets	9,654.6	4,563.8	2,580.3	506.4	1,943.8	68.9	9,663.2
Held for trading	(223.0)	(223.0)					(223.0)
Available for sale	(8,186.8)	(4,340.8)	(2,580.3)	(506.4)	(759.3)		(8,186.8)
Held to maturity	(1,171.9)				(1,111.6)		(1,111.6)
Loans and receivables	(72.9)				(72.9)		(72.9)
Trade receivables	3,547.6				3,547.6		3,547.6
Loans and receivables	(3,547.6)				(3,547.6)		(3,547.6)
Other assets	2,579.4	22.4	1,974.4		582.6	801.0	3,380.4
Held for trading[2]	(1,790.7)	(18.1)	(1,772.6)				(1,790.7)
Loans and receivables	(547.2)				(547.2)		(547.2)
Derivatives in hedge accounting	(206.1)	(4.3)	(201.8)				(206.1)
Carrying amount in accordance with IAS 17	(35.4)				(35.4)		(35.4)
Cash and cash equivalents	3,501.1				3,501.1		3,501.1
Loans and receivables	(3,501.1)				(3,501.1)		(3,501.1)
Assets held for sale[3]	6.4				6.4	1,009.5	1,015.9
Total assets	**19,289.1**	**4,586.2**	**4,554.7**	**506.4**	**9,581.5**	**1,879.4**	**21,108.2**
Financial liabilities	8,194.6				7,568.2		7,568.2
Measured at amortised cost[4]	(8,162.6)				(7,536.2)		(7,536.2)
Carrying amount in accordance with IAS 17	(32.0)				(32.0)		(32.0)
Trade payables	437.3				437.3	3,086.2	3,523.5
Measured at amortised cost	(437.3)				(437.3)		(437.3)
Other liabilities and subsidies	2,931.9	23.6	2,033.2		875.1	2,519.0	5,450.9
Held for trading	(1,852.6)	(18.2)	(1,834.4)				(1,852.6)
Measured at amortised cost	(875.1)				(875.1)		(875.1)
Derivatives in hedge accounting	(204.2)	(5.4)	(198.8)				(204.2)
Liabilities directly associated with assets classified as held for sale						0.8	0.8
Total liabilities	**11,563.8**	**23.6**	**2,033.2**	**0.0**	**8,880.6**	**5,606.0**	**16,543.4**

[1] The figures for the previous year have been restated.
[2] Of which €19.7 million designated at fair value through profit or loss.
[3] This refers to a non-recurring measurement of the fair value due to the application of IFRS 5.
[4] Of the financial liabilities measured at amortised cost, an amount of €481.6 million is part of fair value hedges.

Calculation of the fair values is explained in the section entitled accounting policies. The individual levels of the input hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Procedures that use input parameters which have a material impact on the recorded fair value and are not based on observable market data

At the end of each reporting period it is examined whether there is any reason to reclassify between the levels of the valuation hierarchy. A reclassification is carried out if the valuation procedure for measuring fair value is being changed and the input factors with significance for the valuation lead to different allocations to the respective levels.

The fair value of the assets in the measurement category “held for trading” amounts to €1,566.1 million (previous year: €2,013.7 million), of which €59.6 million is allocated to the first hierarchical level (previous year: €241.1 million) and €1,506.5 million to the second hierarchical level (previous year: €1,772.6 million). This includes financial instruments of €8.1 million (previous year: €19.7 million) that were designated to this category. The assets of the “available for sale” measurement category have a fair value totalling €8,569.6 million (previous year restated: €8,193.2 million), of which €5,134.2 million is allocated to the first hierarchical level (previous year: €4,340.8 million), €1,985.3 million to the second hierarchical level (previous year: €2,580.3 million), €599.2 million to the third hierarchical level (previous year restated: €506.4 million) and €850.9 million to “measured at amortised cost” (previous year: €765.7 million). As of 31 December 2016, there were no securities classified as “held to maturity” investments. In the previous year, securities classified as “held to maturity” investments had a fair value totalling €1,171.9 million that were allocated to the hierarchical level 1. Assets classified as “loans and receivables” are measured at amortised cost and amount to €8,135.7 million (previous year: €7,668.8 million). Equity instruments measured at cost have a carrying amount of €850.9 million as of the reporting date (previous year restated: €765.7 million). In the previous year, the assets held for sale included €973.1 million assigned to hierarchical level 3. The fair value was calculated on the basis of the fair value less selling costs and was determined from the market transaction carried out for VNG-Verbundnetz Gas Aktiengesellschaft (VNG) less a valuation adjustment and has been derived from the value of the shares in VNG to be acquired by EnBW.

In the 2016 financial year, €970.0 million (previous year: €0.0 million) was reclassified from the category “held to maturity” to the category “available for sale” and evaluated at fair value as of 31 December 2016 in the amount of €1,027.5 million due to the termination ot the holding intent. The securities are allocated to hierarchical level 1.

The financial instruments designated to the “held for trading” measurement category when reported for the first time comprise securities containing embedded derivatives which cannot be separated. The maximum credit risk amounts to €8.1 million (previous year: €19.7 million). The evaluation is carried out at market rates.

In the previous year, equity instruments of the “available for sale” category previously measured at amortised cost were measured at fair value for the first time because the measurement factors that previously precluded the fair value to be reliably determined no longer exist. In order to determine the fair value, a level 3 measurement method is used because no prices listed in active markets are available. The measurement is made on the basis of the net asset value. The difference between the carrying amount and the fair value was recognised directly in other comprehensive income. The equity instruments allocated to Level 3 are investments in private equity companies.

The fair values of investments in private equity companies are provided by the respective investment companies. The fair value depends on the changes in market value of the respective asset. The most up-to-date fair value available is taken as the basis in each case.

The following table shows the development of the financial instruments to be accounted for at fair value in accordance with Level 3:

in € million	As of 01/01/2016	Changes in consolidated companies, currency adjustments, other	Changes recognised in equity	Additions	Disposals	As of 31/12/2016
Financial assets	506.4	-10.6	27.5	104.0	-28.1	599.2

In the financial year, gains from Level 3 financial instruments were recognised in the investment result in the amount of €16.4 million (previous year: €18.8 million), of which, €16.4 million (previous year: €18.8 million) is accounted for by financial instruments still held on the reporting date.

Financial liabilities as of 31 December 2016 include bonds with a fair value of €6,768.6 million (previous year: €6,101.0 million) and liabilities to banks with a fair value of €1,474.2 million (previous year: €1,606.1 million). The fair value of the bonds and of the liabilities to banks must be allocated to hierarchical level 1 and 2, respectively.

Disclosures – offsetting financial assets and financial liabilities

The derivative financial instruments are part of standard market netting agreements. Master netting agreements exist with our business partners that were created with banks, in particular, on the basis of ISDA agreements (International Swaps and Derivatives Association). Transactions concluded as part of commodity transactions are generally subject to EFET agreements (European Federation of Energy Traders). The netting agreements are included in the calculations of fair value.

The following table contains the financial instruments netted in the balance sheet and those which, irrespective of that, are subject to a legally enforceable netting agreement. These financial instruments are contained in the non-netted amounts. In addition, the non-netted amounts also contain collateral to be furnished in advance for on-exchange transactions.

31/12/2016				Non-netted amounts		
in € million	Gross amounts	Netting	Net amounts accounted for	Master netting agreement	Financial collateral received/paid	Net amount
Other assets	1,845.2	-95.0	1,750.2	-1,254.6	-223.9	271.7
Held for trading	(1,719.6)	(-40.9)	(1,678.7)	(-1,241.7)	(-223.9)	(213.1)
Derivatives in hedge accounting	(125.6)	(-54.1)	(71.5)	(-12.9)	(0.0)	(58.6)
Other liabilities and subsidies	1,676.5	-136.3	1,540.2	-1,254.6	-258.3	27.3
Held for trading	(1,543.5)	(-20.1)	(1,523.4)	(-1,241.7)	(-254.4)	(27.3)
Derivatives in hedge accounting	(133.0)	(-116.2)	(16.8)	(-12.9)	(-3.9)	(0.0)

31/12/2015[1]				Non-netted amounts		
in € million	Gross amounts	Netting	Net amounts accounted for	Master netting agreement	Financial collateral received/paid	Net amount
Other assets	1,969.0	-22.0	1,947.0	-1,545.0	-330.0	72.0
Held for trading	(1,869.0)	(-18.0)	(1,851.0)	(-1,521.0)	(-330.0)	(0.0)
Derivatives in hedge accounting	(100.0)	(-4.0)	(96.0)	(-24.0)	(0.0)	(72.0)
Other liabilities and subsidies	2,261.0	-296.0	1,965.0	-1,545.0	-304.0	116.0
Held for trading	(1,904.0)	(-57.0)	(1,847.0)	(-1,521.0)	(-210.0)	(116.0)
Derivatives in hedge accounting	(357.0)	(-239.0)	(118.0)	(-24.0)	(-94.0)	(0.0)

[1] The figures for the previous year have been restated.

The following net gains/losses were presented in the income statement:

Net gains or losses by measurement category

in € million[1]	2016	2015
Financial assets and liabilities held for trading	-50.2	-99.4
Available-for-sale financial assets	-25.4	497.1
Loans and receivables	-64.6	-12.1
Financial liabilities measured at amortised cost	0.0	-0.2

[1] The figures for the previous year have been restated.

The presentation of net gains and losses does not include derivatives that are used as hedging instruments. Stand-alone derivatives are included in the “financial assets and liabilities held for trading” measurement category. Please refer to note (8) “Financial result” for information on the total interest income and expenses arising from assets held for sale, loans and receivables, held to maturity financial investments and financial liabilities measured at amortised cost.

The net loss posted in the “financial assets and liabilities held for trading” measurement category includes gains from marking to market and gains on sale, as well as interest and currency effects.

As in the previous year, the net gain recorded in the “available-for-sale financial assets” measurement category includes realised losses on disposal as well as impairment losses.

As in the previous year, the net loss recorded in the “loans and receivables” measurement category arises from the impairment losses, which are higher than the positive currency effects and write-ups.

In the previous year, the net loss on financial liabilities measured at amortised cost was attributable primarily to credit fees.

Earnings from changes in the market value of available-for-sale financial assets were recognised directly in equity in the amount of €134.2 million in the 2016 financial year (previous year: €253.0 million). Of the changes in market values posted with no impact on income, €58.6 million was transferred with a negative earnings impact (previous year: €659.4 million with a positive earnings impact) to the income statement.

The valuation allowances on financial assets in the "available for sale" and "loans and receivables" measurement categories amount to €137.4 million (previous year: €43.2 million) and €3.1 million (previous year: €0.1 million), respectively. In the 2016 financial year, impairment losses were carried out on trade receivables amounting to €47.1 million (previous year: €27.0 million) and on other assets measured at amortised cost totalling €1.7 million (previous year: €1.9 million). As of 31 December 2016, bad debt allowances on financial assets, trade receivables and other assets totalled €143.4 million (previous year restated: €117.6 million).

Derivative financial instruments and hedging

Derivatives: Both physical and financial options and forward transactions are entered into to hedge risks in the commodity area, while forward transactions are used almost exclusively in the foreign exchange area. In the area of financing, swap transactions were concluded to minimise risks.

All derivatives held for trading are accounted for as assets or liabilities. They are measured at fair value.

Changes in the fair value of derivatives which are neither intended for own use nor qualify as cash flow hedges are recorded in the income statement.

Hedge accounting in accordance with IAS 39 is applied in the finance area mainly for currency hedges for investments with a foreign functional currency and for interest rate hedges for non-current liabilities. In the commodity area, fluctuations of future cash flows from forecast procurement and sales transactions are hedged.

Cash flow hedges have been entered into particularly in the commodity area to cover price risks from future sales and procurement transactions, to limit the currency risk from liabilities denominated in foreign currency and to limit the risk of interest rate fluctuation of floating-rate liabilities.

The change in the fair value of the hedges used, particularly forward contracts and futures, is, insofar as they are effective, recorded directly in other comprehensive income (measurement of financial instruments at market value) until termination of the hedge. The ineffective portion of the gain or loss on the hedging instrument is immediately recognised in profit or loss.

Date of the reclassification of the result that was directly recognised in equity to the 2016 income statement

in € million	Fair value	2017	2018 – 2021	>2021
Currency-related cash flow hedges	39.8	38.8	16.6	-15.6
Commodity cash flow hedges	-55.0	20.4	-75.4	0.0
Interest-related cash flow hedges	0.7	0.0	0.0	0.7
Other derivative cash flow hedges	-3.8	-6.4	2.6	0.0

Date of the reclassification of the result that was directly recognised in equity to the 2015 income statement

in € million	Fair value	2016	2017 – 2020	>2020
Currency-related cash flow hedges	44.7	66.9	27.3	-49.5
Commodity cash flow hedges	-346.7	-226.6	-120.1	0.0
Interest-related cash flow hedges	-0.2	0.0	0.0	-0.2
Other derivative cash flow hedges	-36.1	-36.1	0.0	0.0

As of 31 December 2016, unrealised gains from derivatives amounted to €111.2 million (previous year: €359.0 million). The effective portion of the cash flow hedges amounting to € -203.4 million (previous year: €122.4 million) was recognised directly in equity in the reporting period. From the ineffective portion of the cash flow hedges in 2016, there arose income of €4.6 million (previous year: €4.3 million) and income from reclassifications from the other comprehensive income in the amount of €11.2 million (previous year: expense in the amount of €65.8 million) to the income statement. The reclassification will be made to revenue (increase of €66.4 million, previous year: €18.1 million), cost of materials (increase of €74.4 million, previous year: €87.8 million) and the financial result (increase of €25.7 million, previous year: €14.2 million). Moreover, the amounts reclassified also included expenses as a result of the de-designation of cash flow hedges amounting to €6.5 million (previous year: €10.3 million). An amount of €55.5 million (previous year: €161.5 million) was reclassified from other comprehensive income to inventories. This led to an increase in acquisition costs.

As of 31 December 2016, existing hedged transactions are covered by cash flow hedges for foreign currencies with terms of up to around 60 years (previous year: up to 23 years). In the commodity area, the terms of planned underlying transactions are generally up to four years (previous year: up to four years).

For optimisation purposes, hedging relationships are redesignated and de-designated as is customary in the industry.

Fair value hedges are entered into above all to hedge fixed-interest liabilities against market price risks. Interest rate swaps are used as hedging instruments. With a fair value hedge, both the hedged transaction and the hedging instrument for an exposure are measured at fair value through profit or loss. The change of €0.8 million in the fair value of hedging instruments was recognised in the income statement with a positive impact on earnings in the reporting period (previous year: €21.8 million with a negative impact on earnings). For hedged liabilities, the fluctuation in market values arising from the hedged risk was also recognised in profit or loss. In the reporting year, the fluctuations in market values totalling €0.8 million that resulted from the underlying transactions were measured through profit or loss with a negative impact on earnings (previous year: €21.1 million with a positive impact on earnings).

Hedges of net investments in foreign operations: Primary foreign currency bonds are used to hedge against foreign exchange risks from investments with a foreign functional currency. As of 31 December 2016, €46.5 million (previous year: €45.4 million) arising from the hedges' exchange rate changes was reported within equity as unrealised losses under “Currency translation”. Hedges of net investments in foreign operations are 100% effective.

Contracts that have been concluded to meet the company's expected usage requirements are not recorded in the balance sheet pursuant to the provisions of IAS 39.

Regular way purchases or sales (spot purchases/sales) of primary financial instruments are generally recognised as of the settlement date at fair value taking into account the transaction costs. Derivative financial assets are recognised as of the trading date. Derivative and primary financial instruments are recognised in the balance sheet when EnBW becomes party to the contract.

Purchases and sales of fuels are made in euros or US dollars.

Counterparty risks are assessed taking into account the period for which the current replacement and selling risk has been calculated. Moreover, these risks are analysed with reference to the current rating by the rating agencies Moody's and Standard & Poor's. An internal rating procedure is used for trading partners that do not have such an external rating.

The counterparty risk is based on replacement and selling risks resulting from the market value of the item in question with the individual trading partner as of the reporting date. Netting options agreed in master agreements concluded with the trading partner are also taken into account when determining the counterparty risk.

If there is a netting agreement, positive and negative market values are netted for each trading partner. Otherwise, only positive market values are taken into consideration.

Counterparty risk Moody's, S&P and/or internal rating

in € million[1]	31/12/2016		31/12/2015	
	< 1 year	1 – 5 years	< 1 year	1 – 5 years
up to A1	27.3	7.2	33.5	9.0
up to A3	50.1	13.3	94.1	68.1
Baa1	19.2	21.7	47.8	13.9
up to Baa3	11.3	13.7	34.4	14.3
below Baa3	18.1	3.2	8.0	0.1
Total	**126.0**	**59.1**	**217.8**	**105.4**

[1] Without taking into account securities in the previous year.

Derivatives used for hedging purposes can be reconciled to other comprehensive income (cash flow hedge) as follows:

in € million[1]	31/12/2016	31/12/2015	Variance
Derivatives used in cash flow hedges with a positive fair value	136.9	99.8	37.1
Derivatives used in cash flow hedges with a negative fair value	155.2	438.1	-282.9
	-18.3	**-338.3**	**320.0**
Deferred tax on changes recognised directly in equity in derivatives used in cash flow hedges	13.9	97.5	-83.6
Hedge ineffectiveness	-1.1	3.5	-4.6
Cascading effects	-54.8	-13.1	-41.7
Effects realised from hedged transactions[2]	-36.1	-11.1	-25.0
Non-controlling interests	-1.3	4.6	-5.9
Cash flow hedge (recognised in equity)	**-97.7**	**-256.9**	**159.2**

[1] Before offsetting financial assets and financial liabilities according to IAS 32.
[2] Of which € -19.7 million (previous year: € -20.3 million) will be reclassified in the income statement in the period 2017 to 2018 (previous year: 2016 to 2018).

The cascading effects concern the changes in market value of the futures that are part of hedges accumulated until the time of cascading.

In cascading, annual and quarterly futures are settled by other futures instead of in cash.

Risk management system

As an energy supply company, EnBW is exposed to financial price risks in the currency, interest and commodity areas in the course of its operating activities, investments and financing transactions. In addition, there are credit and liquidity risks. It is company policy to eliminate or limit these risks by systematic risk management.

Exchange rate fluctuations between the euro and other currencies, fluctuation in interest rates on international money and capital markets, as well as fluctuating prices on the markets for electricity, coal, gas and emission allowances are the main price risks for EnBW. The hedging policy used to limit these risks is set forth by the Board of Management and is documented in intercompany guidelines. It also provides for the use of derivatives.

The derivatives used to hedge against financial risks are subject to the assessment criteria defined in the risk management guidelines. These include value-at-risk ratios and position limit and loss limits. The segregation of duties between trading and back-office processing and control is a further key element of our risk management.

The corresponding financial transactions are only concluded with counterparties with excellent credit ratings. Using suitable hedging instruments, it is possible to make use of market opportunities while hedging the risk position.

The risks arising from financial instruments as well as the methods used to assess and manage them have not been changed significantly since the previous year.

For further details on EnBW's risk management system, we refer to our explanations given in the risk report contained in the management report.

Credit risk: EnBW is exposed to credit risks that result from the counterparties not fulfilling contractual agreements. EnBW manages its credit risks by generally demanding a high credit rating of its counterparties and limiting the credit risk with counterparties. The credit ratings of counterparties are continually monitored by EnBW's system for managing credit ratings. Commodity and energy transactions are generally made under master agreements such as EFET, ISDA or IETA.

These master agreements are generally only entered into following careful scrutiny of the counterparty's creditworthiness. Exceptions to this business policy can be made only if it is in the justified interest of the company, e.g. in order to penetrate new markets. In terms of the customer structure, the receivables from individual counterparties are not large enough to give rise to a significant concentration of risks.

Financial investments are only made with the investment limits and counterparties defined in the treasury guidelines. Compliance with these guidelines is constantly monitored by the internal control system (ICS).

The maximum credit risk from financial assets (including derivatives with positive market value) is equivalent to the carrying amounts recognised in the balance sheet. As of the reporting date of 31 December 2016, the maximum credit risk amounts to €18,494.8 million (previous year restated: €19,228.8 million).

Liquidity risk: Liquidity risks arise for EnBW from the obligation to repay liabilities fully and punctually. The objective of EnBW's cash and liquidity management is to secure the company's solvency at all times.

Cash management determines any cash requirements and surpluses on a central basis. By offsetting cash requirements and excess cash, the number of banking transactions is reduced to a minimum. The offsetting is carried out by cash pooling. Cash management has implemented standardised processes and systems to manage bank accounts and internal clearing accounts and perform automated payment transactions.

For liquidity management purposes, a finance plan based on cash flows is prepared centrally. As they arise, finance needs are covered by suitable liquidity management instruments. In addition to ensuring that liquidity is available on a daily basis, EnBW maintains further liquidity reserves of €1.8 billion (previous year: €2.0 billion) which are available at short notice. The amount of liquidity reserves is based on strategic liquidity planning, taking into account defined worst-case parameters. The liquidity reserve is made up of contractually agreed, syndicated and free credit lines with various terms to maturity. In view of the liquidity available and existing credit lines, EnBW does not consider there to be any concentration of risk.

For further details on financial liabilities refer to note (21) "Liabilities and subsidies".

The tables below show future undiscounted cash flows from financial liabilities and derivative financial instruments that affect the future liquidity situation of the EnBW Group.

The analysis includes all contractual obligations as of the reporting date 31 December 2016 that are disclosed in the balance sheet.

Interest and redemption payments are taken into consideration for debt instruments issued and liabilities to banks.

The interest payments on fixed-interest financial instruments are based on the contractually agreed interest rates. For financial instruments subject to floating interest, the interest rates last fixed prior to 31 December 2016 were used.

Foreign currency financial instruments are translated at the respective spot price as of 31 December 2016.

Where derivatives are concerned, positive or negative market values are generally included, provided they give rise to a net outflow of resources. Undiscounted cash flows are based on the following terms and conditions:

- Swap transactions are only included in the liquidity analysis provided they give rise to a net outflow of resources.
- Forward exchange transactions are taken into account provided they give rise to an outflow of resources.
- In the case of forward transactions, all calls are taken into account. The future cash flows are equivalent to the quantities measured at the contractually agreed price.
- Futures transactions are not included in the liquidity analysis because they are settled by daily variation margins.

Undiscounted cash flows as of 31/12/2016

in € million	Total	2017	2018	2019	2020	Cash flows > 2020
Non-derivative financial liabilities						
Debt instruments issued	8,064.6	1,277.9	1,072.7	176.5	176.1	5,361.4
Liabilities to banks	1,508.6	132.0	120.1	103.8	158.4	994.3
Finance lease liabilities	63.2	3.1	4.4	3.4	3.1	49.2
Other financial liabilities	467.6	65.0	15.9	61.8	11.8	313.1
Trade payables	516.5	516.5				
Other financial obligations	596.4	494.6	11.0	1.3	9.5	80.0
Derivative financial assets[1]	5,347.5	4,069.2	937.2	336.7	4.4	
Derivative financial liabilities[1]	1,820.4	1,370.4	399.4	35.5	3.5	11.6
Financial guarantees	250.8	250.8				
Total	**18,635.6**	**8,179.5**	**2,560.7**	**719.0**	**366.8**	**6,809.6**

[1] Before netting according to IAS 32.

Undiscounted cash flows as of 31/12/2015

in € million	Total	2016	2017	2018	2019	Cash flows > 2019
Non-derivative financial liabilities						
Debt instruments issued	7,568.4	773.1	1,251.7	1,020.3	125.3	4,398.0
Liabilities to banks	1,672.5	151.5	154.1	130.9	281.3	954.7
Finance lease liabilities	63.9	2.3	2.8	3.2	2.3	53.3
Other financial liabilities	506.2	123.7	12.9	15.8	52.2	301.6
Trade payables	437.3	437.3				
Other financial obligations	875.1	779.3	7.2	1.3	7.9	79.4
Derivative financial assets[1]	221.8	155.0	43.2	22.6	1.0	
Derivative financial liabilities[1]	8,488.5	6,093.7	1,727.3	604.5	23.6	39.4
Financial guarantees	247.6	247.6				
Total	**20,081.3**	**8,763.5**	**3,199.2**	**1,798.6**	**493.6**	**5,826.4**

[1] Before netting according to IAS 32.

The general recovery of market prices on the commodity markets resulted in the reclassification of liabilities as assets. The continued fall in the volume of forward purchases in the electricity and gas segments, however, led to a further decrease in assets and liabilities overall. Because only the derivatives that cause a cash outflow are presented and the netting agreements concluded with numerous trading partners as part of our risk management activities are also left out here, EnBW Group's actual liquidity risk from derivatives is not directly revealed.

Market price risks

Market price risks can arise from foreign exchange and interest rate risks as well as from commodity and other price risks for shares, share-based investment funds and interest-bearing securities. The price risks are reduced through the implementation of a comprehensive hedging concept and the associated conclusion of risk positions.

The main foreign currency risks of EnBW result from procurement and hedging of prices for its fuel requirements, gas and oil trading business and liabilities denominated in foreign currency. Other currency risks resulting from investments in shares, share-based investment funds and fixed-interest securities are taken into account under other price risks due to their minor significance for the dedicated financial assets. The currency risk is hedged with the help of appropriate standardised financial instruments – in the reporting period, forward exchange contracts in particular – on the basis of continuously monitored exchange rate forecasts. Foreign exchange risks are hedged centrally. EnBW principally has exposure to currency risks from US dollars and Swiss francs.

The net assets tied up at foreign Group entities outside the eurozone, and their related translation risks, are hedged against exchange rate fluctuation only in exceptional cases.

The effects of changes in exchange rates on the net profit/loss for the year and on equity are analysed below. The analysis was made assuming that all other parameters, such as interest rates, remain unchanged. The analysis includes financial instruments of €1,424.8 million (previous year: €939.2 million) whose exchange rate exposure might affect equity or the net profit/loss for the year.

These are mainly hedging instruments from cash flow hedges and from hedges of net investments in foreign operations, stand-alone derivatives and receivables and liabilities denominated in foreign currency.

A 10% appreciation (depreciation) of the euro (previous year: 10%) against all currencies as of the reporting date 31 December 2016 would worsen (improve) the net profit/loss for the year by €19.0 million. In the previous year, an appreciation (depreciation) of the euro would have worsened (improved) the net profit/loss for the year by €13.2 million. The hypothetical change in net profit/loss results from currency sensitivity between the euro and the US dollar (worsens by €25.5 million; previous year: €19.7 million) and between the euro and the Swiss franc (improves by €6.5 million; previous year: €6.5 million).

In the event of an appreciation (depreciation) of 10% (previous year: 10%), the equity would increase (decrease) by €65.8 million (previous year: increase by €52.5 million) as of the reporting date of 31 December 2016. The hypothetical change in equity results from currency sensitivity between the euro and the US dollar (increase of €53.7 million; previous year: increase of €40.5 million) and between the euro and the Swiss franc (increase of €12.1 million; previous year: €12.0 million).

EnBW uses a multitude of interest-sensitive financial instruments in order to meet the requirements of operational and strategic liquidity management. Interest rate risks only stem from floating-rate instruments.

Interest-induced changes in the market value of interest-bearing securities in the “available for sale” measurement category are presented under other price risks for shares, share-based investment funds and interest-bearing securities.

On the assets side, there is interest exposure from bank balances and on the liabilities side from floating-rate liabilities to banks. In addition, there are interest rate risks from derivatives in the form of swap transactions. EnBW mainly has interest rate risks in the euro area. The analysis includes financial assets of €1,935.0 million (previous year: €1,884.0 million) and financial liabilities of €1,736.0 million (previous year: €1,723.0 million), whose interest rate exposure might affect equity or the net profit/loss for the year.

The effects of changes in interest rates on the net profit/loss for the year and on equity on the reporting date are analysed below. The situation on the reporting date for the period is decisive for the quantitative information; the effects for one year on the current reporting period are presented. The analysis was made assuming that all other parameters, such as exchange rates, remain unchanged. The analysis includes only financial instruments whose interest rate exposure might affect equity or the net profit/loss for the year. For analysis purposes, the average change in yield over the last ten years was used.

An increase of 65 basis points (previous year: 65 basis points) in the interest rate in the eurozone as of the reporting date of 31 December 2016 in relation to the nominal volume would increase the net profit/loss for the year by a total of €1.3 million (previous year: increase of €1.1 million). A decrease of 65 basis points as of the reporting date of 31 December 2016 in relation to the nominal volume would decrease the net profit/loss by a total of €1.8 million. The hypothetical change in net profit/loss consists of potential effects from worsening interest rate derivatives amounting to €2.3 million (previous year: €3.1 million), an increase of €11.3 million (previous year: €11.7 million) in cash at banks with a floating interest rate and a decrease of €7.7 million (previous year: €7.5 million) in primary financial liabilities with a floating interest rate.

In the context of our energy trading activities, EnBW enters into energy trading contracts for the purpose of price risk management, optimisation of power stations, load equalisation and optimisation of margins. Trading for own account is only permitted within narrow, clearly defined boundaries.

The price risks mostly arise from the procurement and sale of electricity, the procurement of coal, gas and oil as fuels, and the procurement of emission allowances. Furthermore, EnBW is exposed to price risks from speculative items entered into in own-account trading. The price risks are hedged using appropriate financial instruments on the basis of continuously monitored forecasts of market prices. The hedging instruments used in the reporting period were forwards, futures, swaps and options.

The sensitivity of the measurement of derivatives to the price of electricity, coal, oil, gas and emission allowances is analysed below. The analysis was made assuming that all other parameters remain unchanged. It includes only derivatives whose changes in market value affect equity or the net profit/loss for the year. These are derivatives that are accounted for as stand-alone derivatives as well as derivatives used as hedging instruments in cash flow hedges. For all commodities, typical volatilities were determined and rounded on the basis of the front year.

These volatilities give the percentage rate by which the market price is shifted on the evaluation date. For all commodities, the resulting changes in market prices are multiplied by the sensitivities and aggregated for each commodity.

The analysis does not include any derivatives that are intended for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements (own use), and are not required to be accounted for in accordance with IAS 39. Our generation and distribution positions are not included in the analysis either.

The sensitivities presented below therefore do not represent the actual economic risks that the EnBW Group is exposed to and serve solely to satisfy the disclosure requirements of IFRS 7.

An increase (decrease) of 25% in the market price of electricity (previous year: 10%) as of the reporting date of 31 December 2016 would worsen (improve) the net profit/loss for the year by €55.7 million (previous year: €21.0 million). In the event of an increase (reduction) of 25% in the market price (previous year: 10%) as of the reporting date of 31 December 2016, the equity would decrease (increase) by €185.3 million (previous year: €5.3 million).

An increase (decrease) of 30% in the market price of coal (previous year: 20%) as of the reporting date of 31 December 2016 would improve (worsen) the net profit/loss for the year by €2.2 million (previous year: €6.1 million). In the event of an increase (reduction) of 30% in the market price (previous year: 20%) as of the reporting date of 31 December 2016, the equity would increase (decrease) by €160.3 million (previous year: €69.0 million).

An increase (decrease) of 35% in the market price of oil (previous year: 35%) as of the reporting date of 31 December 2016 would improve (worsen) the net profit/loss for the year by €7.6 million (previous year: €16.2 million). In the event of an increase (reduction) of 35% in the market price (previous year: 35%) as of the reporting date of 31 December 2016, the equity would increase (decrease) by €5.6 million (previous year: €22.3 million).

An increase (decrease) of 25% in the market price of gas (previous year: 15%) as of the reporting date of 31 December 2016 would worsen (improve) the net profit/loss for the year by €18.0 million (previous year: €5.5 million). In the event of an increase (reduction) of 25% in the market price (previous year: 15%) as of the reporting date of 31 December 2016, the equity would increase (decrease) by €19.0 million (previous year: €0.0 million).

An increase (decrease) of 55% in the market price of emission allowances (previous year: 30%) as of the reporting date of 31 December 2016 would improve (worsen) the net profit/loss for the year by €51.7 million (previous year: €95.9 million). In the event of an increase (reduction) of 55% in the market price (previous year: 30%) as of the reporting date of 31 December 2016, the equity would increase (decrease) by €8.4 million (previous year: €5.2 million).

EnBW has investments in shares and share-based investment funds and fixed-interest securities that pose price risks for the company, which include, amongst other things, currency risk. When selecting securities, the company always attaches particular importance to high marketability and a good credit rating. As of the reporting date 31 December 2016, shares, share-based investment funds and fixed-interest securities totalling €7,178.8 million (previous year: €7,144.1 million) were exposed to the market risk.

The effects of price risks from shares and share-based investment funds as well as interest-bearing securities on the net profit/loss for the year and on equity are analysed below. The analysis was made assuming that all other parameters, such as interest, remain unchanged. The analysis includes financial instruments whose price risks might affect equity or the net profit/loss for the year. The analysis of the market price risk of shares and share-based investment funds was carried out based on historical volatility. A standard deviation was assumed as a realistic scenario. The market risk of fixed-interest securities was analysed by modified duration. Taking into account the changes in interest rates assumed (see interest rate risk) in relation to the fair value of fixed-interest securities, earnings are determined in absolute figures. The premises on which the sensitivity analysis is based are 15% for shares and share-based investment funds (previous year: 16%) and 2% for interest-bearing securities (previous year: 2%).

In the risk scenario in question, the net profit/loss for the year would increase (decrease) by €1.2 million (previous year: €4.5 million). The hypothetical change in profit/loss for the year is due to fixed-interest securities. In the risk scenario in question, the equity for the year would increase (decrease) by €455.8 million (previous year: €493.2 million). Of the hypothetical change in equity, €361.7 million (previous year: €405.5 million) is accounted for by shares and share-based investment funds and €94.2 million (previous year: €87.7 million) by fixed-interest securities.

(25) Contingent liabilities and other financial commitments

The disclosures on contingent liabilities and other financial commitments relate to the nominal values.

Contingent liabilities

After the amended German Atomic Power Act (AtG) and the amended Directive on the Coverage Provisions in the Nuclear Power Industry (AtDeckV) came into force on 27 April 2002, German nuclear power plant operators are required to provide evidence of coverage provision up to a maximum amount of €2.5 billion per case of damage for risks related to nuclear power. Of this provision, €255.6 million is covered by uniform third-party liability insurance. Nuklear Haftpflicht GbR now only provides solidarity coverage in respect of claims relating to officially prescribed evacuation measures ranging from €0.5 million to €15 million. In proportion to their shares in the nuclear power plants, Group companies have undertaken to provide the operating companies responsible for the nuclear power plants with sufficient liquidity to enable them to meet their obligations arising from their membership of Nuklear Haftpflicht GbR at any time.

In order to fulfil the subsequent coverage provision amounting to €2,244.4 million per case of damage, EnBW and the other parent companies of the German nuclear power station operators reached a solidarity agreement on 11 July, 27 July, 21 August and 28 August 2001, which was extended with agreements on 25 March, 18 April, 28 April and 1 June 2011, to provide a liable nuclear power station operator with sufficient funding – after exhausting its own possibilities and those of its parent companies – to meet its payment obligations in the event of a claim for damages. According to the agreement, EnBW has to bear a 24.9% share of the liability coverage as of 31 December 2016, and the same share of 24.9% as of 1 January 2017, plus 5% for costs to settle any claims for damages. Sufficient provisions have been made to ensure this liquidity and are taken into account in the liquidity plan.

EnBW, Kernkraftwerk Obrigheim GmbH (KWO) and EnBW Kernkraft GmbH (EnKK) are members of the European Mutual Association for Nuclear Insurance (EMANI). Comprehensive property insurance has been taken out with EMANI for all nuclear power plants operated by EnBW. In the event that the guarantee fund held by EMANI is exhausted or if EMANI no longer holds the legally stipulated liquidity, EMANI can demand the payment of an amount up to six times the annual net premium from the members in accordance with its statutes. The annual net premium for all nuclear power plant blocks operated by EnBW is currently €1.4 million.

In addition, there are other contingent liabilities at the EnBW Group amounting to €55.2 million (previous year: €888.5 million). These include €16.0 million (previous year: €884.4 million) for pending litigation where no provisions were made because the counterparty is unlikely to win the case. The fall mainly results from the elimination of the arbitration proceedings between EWE and EnBW. More detailed explanations on important legal risks, for which contingent liabilities are reported, can be found in the risk report. In addition, various court cases, investigations by authorities or proceedings and other claims are pending against EnBW. The chances of these being successful are, however, remote and they are therefore not reported under contingent liabilities.

Other financial commitments

The EnBW Group has long-term purchase commitments for natural gas, coal and other fossil fuels, as well as for electricity. In addition, there are commitments from long-term agreements for the purchase, conversion, enrichment, production and disposal of uranium. The total volume of these commitments amounts to €18.2 billion (previous year: €19.0 million), of which €4.1 billion (previous year: €3.9 billion) is due within one year.

This reduction was primarily the result of shorter terms to maturity, as well as amended assumptions about long-term supply agreements in the electricity and brown coal sectors.

In addition, there are provisions for long-term procurement agreements amounting to €891.4 million (previous year: €773.5 million).

Sundry other financial commitments break down as follows:

in € million	31/12/2016			Of which due in	31/12/2015
		< 1 year	1 – 5 years	> 5 years	
Financial commitments from rent and lease agreements	469.0	88.5	234.4	146.1	448.0
Purchase commitments	932.5	615.8	190.0	126.7	643.4
Capital commitments for intangible assets and property, plant and equipment	478.5	267.6	209.8	1.1	501.9
Financial commitments from corporate acquisitions[1]	553.3	220.1	289.0	44.2	660.5
Other financial commitments	461.9	211.6	76.7	173.6	515.0
Total	**2,895.2**	**1,403.6**	**999.9**	**491.7**	**2,768.8**

[1] Financial commitments from corporate acquisitions < 1 year include investments held as financial assets amounting to €210.4 million (previous year: €198.9 million).

(26) Significant restrictions

As a result of regulatory and legal requirements, the ability of the Group to transfer assets within the Group is limited to some extent.

In accordance with the Energy Industry Act (EnWG), independent transmission operators must posses the financial, technical, material and human resources required to operate the transmission grid. For this purpose, the independent transmission operators must be the owner, either directly or through shareholdings, of all of the assets required to operate the transmission grid.

As of 31 December 2016, the EnBW Group held a total of €1,026.9 million (previous year: €916.5 million) in assets restricted due to these legal regulations.

(27) Audit fees

The fees of the Group auditor KPMG AG Wirtschaftsprüfungsgesellschaft, which are recorded as an expense, break down as follows:

in € million	2016	2015
Statutory audit	2.5	2.3
Other attestation services	1.0	0.6
Tax advisory services	0.4	0.1
Other services	1.3	1.1
Total	**5.2**	**4.1**

(28) Exemptions pursuant to section 264 (3) or section 264b HGB

The following German subsidiaries made use of some or all of the exemption provisions of section 264 (3) of the German Commercial Code (HGB) or section 264b HGB in the 2016 financial year:

Exemptions pursuant to section 264 (3) HGB

- EnBW Biogas GmbH, Stuttgart
- EnBW Offshore 1 GmbH, Stuttgart
- EnBW Offshore 2 GmbH, Stuttgart
- EnBW Offshore 3 GmbH, Stuttgart (formerly EnBW Omega Sechsundsechzigste Verwaltungsgesellschaft mbH, Karlsruhe)
- EnBW Perspektiven GmbH, Karlsruhe
- EnBW REG Beteiligungsgesellschaft mbH, Stuttgart

- EnBW Rückbauservice GmbH, Stuttgart
- EnBW Speicher GmbH, Stuttgart
- EnBW Wind Onshore Instandhaltungs GmbH, Karlsruhe (formerly EnBW Omega Siebenundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe)
- EnBW Windpartner GmbH, Stuttgart (formerly EnBW Omega Neunundsechzigste Verwaltungsgesellschaft mbH, Stuttgart)
- MSE Mobile Schlammentwässerungs GmbH, Karlsbad-Ittersbach
- Netze BW Wasser GmbH, Stuttgart
- NWS Finanzierung GmbH, Karlsruhe
- NWS REG Beteiligungsgesellschaft mbH, Stuttgart
- RBS wave GmbH, Stuttgart
- TPLUS GmbH, Karlsruhe
- u-plus Umweltservice GmbH, Karlsruhe (formerly U-plus Umweltservice AG, Karlsruhe)
- Watt Synergia GmbH, Frankfurt am Main

Exemptions pursuant to section 264b HGB

- EnBW City GmbH & Co. KG, Obrigheim
- NWS Grundstücksmanagement GmbH & Co. KG, Obrigheim

(29) Declaration of compliance with the German Corporate Governance Code

The Board of Management and Supervisory Board of EnBW Energie Baden-Württemberg AG issued the declaration of compliance with the German Corporate Governance Code required by section 161 German Stock Corporations Act (AktG) on 9 December 2016 and made it permanently available to shareholders on the Internet at www.enbw.com/declarationofcompliance.

(30) Share deals and shareholdings of key management personnel

The company did not receive any notices in the 2016 financial year about transactions involving EnBW shares or related financial instruments concerning persons in managerial positions or those persons closely related to them in accordance with section 15a German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The EnBW shares held by all members of the Board of Management and the Supervisory Board total less than 1% of all shares issued by the company.

(31) Notes to the cash flow statement

The cash flow statement is split up into cash flows from operating, investing and financing activities. The balance of the cash flow statement represents the change in cash and cash equivalents during the 2016 financial year amounting to €490.9 million (previous year: €305.6 million).

Cash and cash equivalents relate almost exclusively to bank balances, largely in the form of time and call deposits. In the 2016 financial year, cash flow from operating activities amounted to €473.6 million (previous year: €1,918.3 million).

Other non-cash expenses and income break down as follows:

in € million	2016	2015
Income from the reversal of construction cost subsidies	-64.7	-67.5
Income and expenses from changes in specific bad debt allowances	59.2	44.0
Reversal of impairment losses on property, plant and equipment and intangible assets	-5.9	-59.5
Write-ups/write-downs on inventories	-31.8	32.7
Other	-6.5	-19.4
Total	**-49.7**	**-69.7**

In the 2016 financial year, €77.1 million (previous year: €82.8 million) was distributed to third-party shareholders of Group companies.

The purchase prices paid in cash for the acquisition of subsidiaries and entities accounted for using the equity method, as well as for shares in joint operations, totalled €963.4 million (previous year: €21.1 million). In the reporting year, €2.1 million (previous year: none) in cash and cash equivalents were acquired in the course of share purchases. The cash payments in the reporting period mainly related to the acquisition of 74.21% of the shares in VNG. The consideration transferred included a non-cash proportion (exchange of shares) to the amount of 10% of the shares in EWE (€419.8 million). A cash settlement was also paid for the acquisition. In addition, cash payments include the acquisition of Connected Wind Services A/S (CWS) and the four onshore wind farms SCE Wind Bremervörde GmbH & Co. KG, SCE Wind Ostercappeln GmbH & Co. KG, SCE Wind Rositz GmbH & Co. KG and SCE Wind Zernitz GmbH & Co. KG, as well as capital increases at entities accounted for using the equity method. Property, plant and equipment of €3.5 million, other assets of €14.5 million, provisions of €0.5 million, financial liabilities of €9.9 million and other liabilities of €6.1 million were acquired with the purchase of CWS. Property, plant and equipment of €23.2 million, other assets of €1.6 million, provisions of €1.5 million, financial liabilities of €0.2 million and other liabilities of €1.8 million were acquired with the purchase of the four onshore wind farms. The cash payments in the previous year primarily concerned capital increases at entities accounted for using the equity method.

The sale prices from the disposal of subsidiaries and entities accounted for using the equity method as well as for shares in joint operations totalled €191.3 million (previous year: €31.5 million). There was an outflow of cash and cash equivalents of €1.4 million (previous year: €6.5 million) in the reporting year as a result of the sale of shares. In the reporting period, the cash receipts largely resulted from the receipt of the purchase price for EnBW Propower GmbH at the beginning of 2016. The sale itself was already completed at the end of 2015. As a result of the disposal of Thermogas Gas- und Gerätevertriebs-GmbH, property, plant and equipment of €2.5 million and other assets of €4.7 million and other liabilities and subsidies of €1.7 million were derecognised. The disposal of Energiedienstleistungen Rhein-Neckar GmbH resulted in the derecognition of property, plant and equipment of €0.5 million, other assets of €3.9 million, provisions of €2.7 million and other liabilities and subsidies of €1.5 million. In the comparative period, the cash receipts largely resulted from a partial sale of shares in entities accounted for using the equity method. In addition, the sale of Kraftwerk Bexbach Verwaltungsgesellschaft mbH was included. The disposal resulted in the derecognition of property, plant and equipment of €31.7 million and other assets of €6.9 million, as well as provisions of €23.4 million and other liabilities and subsidies of €1.5 million. On the sale of the EnBW Propower GmbH, property, plant and equipment of €162.3 million, other assets of €10.2 million and other liabilities and subsidies of €0.7 million were derecognised.

Cash-relevant net investment in the management report can be reconciled as follows:

in € million	2016	2015
Cash flow from investing activities	333.9	-814.2
- Interest and dividends received	-345.1	-380.6
- Cash received/paid for investments in connection with short-term finance planning	-39.4	-45.8
- Net investments held as financial assets	162.9	161.4
- Net investment in other assets	-1,396.5	-134.9
- Acquired/relinquished cash	-0.7	6.5
+ Payments for alterations of capital in non-controlling interests	-25.6	-6.1
+ Cash received/cash paid for changes in ownership interest without loss of control	-8.0	719.8
+ Cash received from participation models	1.6	0.0
Cash payments for net investments	**-1,316.9**	**-493.9**

The contribution to the dedicated financial assets of €50.7 million (previous year: € -74.2 million) is reported separately for representing the retained cash flow in the liquidity analysis.

For further explanations on the cash flow statement, please refer to the explanations given in the management report about the financial position of the EnBW Group.

(32) Additional disclosures on capital management

Capital management at EnBW covers the management of liabilities, as well as of financial assets. Financial assets include non-current securities and loans, as well as current financial assets and cash and cash equivalents. On the liabilities side, capital management covers financial liabilities, as well as provisions for pensions and dismantling provisions.

By limiting cash-relevant net investment to the level of the retained cash flow, measured by the internal financing capability, EnBW controls the level of net financial liabilities irrespective of the interest rate-related volatility of the pension and nuclear provisions. EnBW ensures the timely coverage of the pension and dismantling provisions using an asset liability management model. EnBW uses this cash flow-based model to determine the anticipated effects over the next 30 years, based on appraisals of the pension provisions, as well as appraisals of the nuclear provisions. This model forms the basis for the management of the financial assets. It allows simulations of various alternative return and provision scenarios.

The effect the utilisation of the pension and dismantling provisions may have on the operating business is limited using an ongoing contribution from the financial assets of €300 million per year (plus an inflation supplement). If the provisions are fully covered by the financial assets, no further funds will be taken from operating cash flow as part of the model.

EnBW uses a rolling planning horizon of three months for the short-term management of liquidity. EnBW also uses tools which allow forecasts to be made about liquidity requirements beyond the medium-term period.

EnBW has a well-balanced maturity profile for its financial liabilities. The financial policy focuses on ensuring the solvency of the company, limiting financial risks and optimising capital costs. As of 31 December 2016, the creditworthiness of EnBW was rated by the rating agencies Moody's, Standard & Poor's and Fitch with A3 negative, A- negative and A- stable, respectively.

(33) Segment reporting

01/01–31/12/2016 in € million	Sales	Grids	Renewable Energies	Generation and Trading	Other / Consolidation	Total
Revenue						
External revenue	7,771.1	6,643.7	510.6	4,433.9	9.1	19,368.4
Internal revenue	431.4	2,639.0	272.4	2,341.8	-5,684.6	0.0
Total revenue	8,202.5	9,282.7	783.0	6,775.7	-5,675.5	19,368.4
Earnings indicators						
Adjusted EBITDA	249.7	1,004.1	295.3	337.2	52.6	1,938.9
EBITDA	177.1	897.2	293.8	-739.3	101.9	730.7
Adjusted EBIT	193.2	636.9	142.1	26.8	25.5	1,024.5
EBIT	76.4	527.1	128.8	-2,467.5	72.3	-1,662.9
Income from reversals of impairment losses	0.2	2.9	0.0	1.4	1.4	5.9
Scheduled amortisation and depreciation	-56.5	-367.2	-153.2	-310.4	-27.1	-914.4
Impairment losses	-44.2	-2.9	-11.8	-1,417.8	-2.5	-1,479.2
Net profit/loss from entities accounted for using the equity method	0.0	12.9	-16.5	4.6	-11.0	-10.0
Significant non-cash items	22.0	16.8	8.6	11.2	-12.5	46.1
Assets and liabilities						
Capital employed	525.6	5,310.8	3,066.2	2,074.7	3,817.0	14,794.3
of which carrying amount of entities accounted for using the equity method	(0.0)	(282.7)	(207.7)	(56.7)	(1,288.5)	(1,835.6)
Capital expenditures on intangible assets and property, plant and equipment	51.9	795.6	208.1	111.1	22.7	1,189.4

01/01–31/12/2015 in € million[1]	Sales	Grids	Renewable Energies	Generation and Trading	Other / Consolidation	Total
Revenue						
External revenue	9,061.2	6,350.6	447.0	5,300.4	7.3	21,166.5
Internal revenue	319.1	2,592.0	318.3	2,705.4	-5,934.8	0.0
Total revenue	9,380.3	8,942.6	765.3	8,005.8	-5,927.5	21,166.5
Earnings indicators						
Adjusted EBITDA	255.3	747.4	287.4	777.3	42.2	2,109.6
EBITDA	329.5	818.9	274.3	579.9	-84.4	1,918.2
Adjusted EBIT	199.2	402.4	176.5	392.7	11.1	1,181.9
EBIT	266.7	469.7	150.3	-481.7	-128.0	277.0
Income from reversals of impairment losses	35.0	24.5	0.0	0.0	0.0	59.5
Scheduled amortisation and depreciation	-56.1	-345.0	-110.9	-384.6	-31.1	-927.7
Impairment losses	-6.7	-4.2	-13.1	-677.0	-12.5	-713.5
Net profit/loss from entities accounted for using the equity method	0.0	22.2	-16.2	5.7	14.6	26.3
Significant non-cash items	-34.2	57.2	4.4	-18.8	-12.3	-3.7
Assets and liabilities						
Capital employed	578.7	4,938.6	2,960.3	2,055.9	2,401.9	12,935.4
of which carrying amount of entities accounted for using the equity method	(0.0)	(304.4)	(193.2)	(56.3)	(272.2)	(826.1)
Capital expenditures on intangible assets and property, plant and equipment	67.9	710.8	439.4	170.5	27.8	1,416.4

[1] The figures for the previous year have been restated.

Adjusted EBITDA is one of the key internal performance indicators. Adjusted EBITDA is an earnings ratio before interest, tax, depreciation and amortisation and adjusted for extraordinary items, which accurately reflects the development of results of operations. In the management report, the performance of the segments is explained with the aid of adjusted EBITDA.

Adjusted EBITDA can be reconciled to earnings before taxes (EBT) as follows:

in € million	2016	2015
Adjusted EBITDA	1,938.9	2,109.6
Non-operating EBITDA	-1,208.2	-191.4
of which income/expenses relating to nuclear power	(-860.6)	(43.8)
of which income from the release of other provisions	(18.9)	(82.7)
of which result from disposals	(28.4)	(52.1)
of which addition to the provisions for onerous contracts relating to electricity procurement agreements	(-198.1)	(-295.0)
of which income from reversals of impairment losses	(5.9)	(59.5)
of which restructuring	(-110.4)	(-20.8)
of which other non-operating result	(-92.3)	(-113.7)
EBITDA	**730.7**	**1,918.2**
Amortisation and depreciation	-2,393.6	-1,641.2
Earnings before interest and taxes (EBIT)	**-1,662.9**	**277.0**
Investment result	117.6	21.2
Financial result	-1,176.6	-24.0
Earnings before tax (EBT)	**-2,721.9**	**274.2**

The components of non-operating EBITDA can be found on the income statement, in particular, in the items cost of materials totalling €-1,235.1 million (previous year: €-395.4 million), other operating income totalling €169.7 million (previous years: €294.9 million), other operating expenses totalling €-97.6 million (previous years: €-133.8 million) and personnel expenses totalling €-43.3 million (previous years: €-18.7 million).

Segment reporting is based on internal reporting.

Sales of electricity and gas, as well as the provision of energy-related services, such as billing services or energy supply and energy-saving contracting, are summarised in the Sales segment. The Grids segment encompasses the value-added stages of transmission and distribution of electricity and gas. In addition, the provision of grid-related services and the supply of water is reported in the Grids segment. Activities in the area of power generation using renewable energies are presented in an own segment. In addition to the generation and trading of electricity, the Generation and Trading segment also comprises the provision of system services, gas midstream operations, district heating, environmental services and the area dealing with the dismantling of nuclear power plants. Our shareholding in VNG and up to 20 April 2016 our shareholding in EWE and other activities which cannot be attributed to the separately presented activities of the segments are disclosed together with eliminations between the segments under Other/Consolidation.

The segment figures have been determined in accordance with the accounting policies used in the consolidated financial statements. Internal revenue shows the level of sales between Group companies. Sales between the segments were made at market prices.

The significant non-cash items principally comprise expenses from allocations to provisions, income from the reversal of construction cost subsidies and deferred liabilities.

Capital employed, which we record as segment assets, comprises all assets from the operating business. Non-interest-bearing liabilities – such as trade payables – are deducted.

Capital employed is calculated as follows:

in € million[1]	31/12/2016	31/12/2015
Intangible assets	1,636.5	1,744.9
Property, plant and equipment	13,481.9	13,508.1
Investment properties	47.5	68.9
Investments[2]	2,042.9	1,031.5
Inventories	806.8	877.5
Current trade receivables[3]	2,680.7	2,772.5
Other assets[4]	3,037.5	4,255.0
of which income tax refund claims	(422.3)	(475.2)
of which assets held for sale	(173.0)	(1,015.9)
of which other tax refund claims	(81.7)	(54.8)
of which derivatives	(1,698.5)	(1,996.8)
of which payments on account made	(106.8)	(130.8)
of which prepaid expenses	(52.8)	(55.3)
of which sundry assets	(643.3)	(632.1)
of which non-current trade receivables	(357.4)	(760.3)
of which assets attributable to net debt	(-498.3)	(-866.2)
Other provisions	-1,983.4	-1,865.0
Trade payables and other liabilities[5]	-6,228.2	-7,480.9
of which payments received on account	(-139.6)	(-135.9)
of which trade payables	(-3,185.7)	(-3,514.1)
of which other deferred income	(-239.5)	(-191.0)
of which derivatives	(-1,559.4)	(-2,056.8)
of which income tax liabilities	(-190.1)	(-356.1)
of which other liabilities	(-896.4)	(-1,234.3)
of which liabilities directly associated with the assets classified as held for sale	(-24.0)	(-0.8)
of which liabilities attributable to net debt	(6.5)	(8.1)
Subsidies	-1,344.0	-1,399.8
Deferred taxes[6]	616.1	-577.3
Capital employed	**14,794.3**	**12,935.4**
Average capital employed[7]	**13,715.6**	**13,627.2**

[1] The figures for the previous year have been restated: The capital employed amounted to €13,602.9 million as at 1 January 2015. It does not include retroactive restatements of the income tax liabilities as of 1 January 2015 (as of 31 December 2015: €33.7 million) and concerns the Grids segment and Other/Consolidation.
[2] Including entities accounted for using the equity method, shares in affiliated entities and other investments allocable to operating activities.
[3] Excluding affiliated entities, excluding receivables associated with nuclear provisions.
[4] Excluding receivables associated with nuclear provisions, excluding net profit from CTA, excluding valuation effects from interest-induced hedging transactions.
[5] Excluding affiliated entities, excluding non-controlling interests in fully consolidated partnerships recognised as liabilities.
[6] Deferred tax assets and liabilities netted.
[7] Average calculation based on the relevant quarterly value for the reporting year and the year-end value for the previous year.

External revenue by region is determined based on the place supplied. The EnBW Group does not generate 10% or more of its external revenue with any one external customer.

External revenue by region

in € million	2016	2015
Germany	18,189.4	19,386.0
European currency zone excluding Germany	186.7	390.8
Rest of Europe	992.0	1,389.4
Rest of world	0.3	0.3
	19,368.4	**21,166.5**

External revenue by product

in € million	2016	2015
Electricity	15,025.5	16,162.4
Gas	3,293.5	3,860.5
Energy and environmental services	1,049.4	1,143.6
	19,368.4	**21,166.5**

Intangible assets and property, plant and equipment by region

in € million	31/12/2016	31/12/2015
Germany	13,472.0	13,632.0
European currency zone excluding Germany	25.6	0.0
Rest of Europe	1,620.8	1,621.0
	15,118.4	**15,253.0**

(34) Related parties (entities)

Related parties include, above all, the Federal State of Baden-Württemberg and Zweckverband Oberschwäbische Elektrizitätswerke as indirect major shareholders of EnBW AG. As of 31 December 2016, the Federal State of Baden-Württemberg and its wholly owned subsidiary NECKARPRI GmbH indirectly held 46.75% (unchanged) of the shares in EnBW AG, and NECKARPRI-Beteiligungsgesellschaft mbH held the same amount directly. NECKAPRI-Beteiligungsgesellschaft mbH is a wholly owned subsidiary of NECKARPRI GmbH. Zweckverband Oberschwäbische Elektrizitätswerke indirectly held 46.75% (unchanged) of the shares in EnBW AG, and its wholly owned subsidiary OEW Energie-Beteiligungs GmbH (OEW GmbH) held the same amount directly. This means that related parties include, in particular, the federal state, NECKARPRI GmbH, OEW, OEW GmbH and entities controlled or jointly controlled by them, or over which they have a significant influence.

The transactions concluded with the federal state and entities controlled or jointly controlled by it, or over which it has significant influence, essentially relate to supplying public entities such as universities, government authorities, zoos and clinics with electricity, gas and district heating. The revenue from these transactions was immaterial in the reporting period; most of the receivables had been settled as of 31 December 2016. All business transactions with the federal state were based on customary market terms and conditions. There are no contingent liabilities or financial commitments to the federal state.

There are no business relations with OEW and NECKARPRI-Beteiligungsgesellschaft mbH apart from dividends paid.

Business relations with related parties, which, amongst others, result from supply and procurement agreements in the electricity and gas sectors and took place at customary market terms and conditions, are as follows:

in € million	2016			2015		
	Joint ventures accounted for using the equity method	Associated companies accounted for using the equity method	Joint operations recognised on a proportional basis	Joint ventures accounted for using the equity method	Associated companies accounted for using the equity method	Joint operations recognised on a proportional basis
Income	113.2	233.8	1.5	44.2	309.1	1.1
Expenses	-91.9	-314.9	-7.9	-23.1	-435.5	-5.0
Assets	3.7	53.9	3.3	3.9	51.0	1.5
Liabilities	5.6	436.4	3.6	4.4	469.3	1.4
Other obligations	262.3	143.3	151.5	257.2	91.7	143.1

In business relations with joint ventures accounted for using the equity method, the receivables are due within one year, the liabilities mainly have longer terms. Other obligations to these entities largely concern guarantees, sureties and future purchase price obligations of €24.1 million (previous year: €24.1 million). In addition, there are obligations from lease agreements with Stuttgart Netze GmbH.

The business relations with associated companies accounted for using the equity method, including with municipal entities (particularly municipal utilities) mainly exist in the course of ordinary business activity. The receivables and liabilities for the reporting period are almost exclusively due within one year. There are also provisions for long-term procurement agreements that are regularly adjusted to current market assessments. In addition to ordinary business activity, an obligation was newly recognised in the 2015 financial year in connection with a planned acquisition of a company. Due to the payment of the cash settlement in April 2016, this obligation no longer exists as of 31 December 2016. Other obligations to these entities result primarily from long-term purchase obligations in the electricity sector.

In business relations with joint operations whose assets, liabilities, income and expenses are recognised on a proportional basis, the receivables and liabilities are due within one year. Other obligations to these entities solely concern the gas sector.

Related parties also include the EnBW Trust e.V., which manages the plan assets for securing pension obligations.

(35) Related parties (individuals)

The EnBW Group has not entered into any significant transactions with individuals that are related parties.

The basic principles of the remuneration system and amount of remuneration for the Board of Management, the Supervisory Board and former members of the Board of Management are presented in the remuneration report, which is part of the combined management report.

Total remuneration paid to the Board of Management for the 2016 financial year amounted to €8.0 million (previous year: €7.9 million). Short-term benefits amount to €5.0 million (previous year: €5.2 million) and long-term benefits to €3.0 million (previous year: €2.7 million). As of the 1 January 2016, the defined benefit pension commitments for the serving members of the Board of Management were transferred to the new defined contribution system. The resulting pension commitments are €1.0 million. For this group of people, there was income of €1.2 million (including one-off income of €2.5 million due to the transfer of the pension commitments) resulting from the defined benefit pension commitments in the 2016 financial year (previous year: expenses of €1.4 million), which includes service and interest costs. There are defined benefit obligations in accordance with IFRS of €14.4 million for the current members of the Board of Management (previous year: €14.6 million).

Former members of the Board of Management and their surviving dependants received €6.5 million (previous year: €7.1 million), of which to former members of boards of management, and their surviving dependants, from formerly independent companies €1.1 million (previous year: €1.2 million). There are defined benefit obligations to former members of the Board of Management and their surviving dependants in accordance with IFRS of €97.2 million (previous year: €94.4 million), of which to former members of boards of management, and their surviving dependants, from formerly independent companies €26.2 million (previous year: €24.4 million).

As in the previous year, no loans or advances to members of the Board of Management existed at the end of the financial year.

The remuneration system of the Supervisory Board is also presented in the remuneration report, which is part of the combined management report.

The members of the Supervisory Board will receive total remuneration of €1.3 million for the 2016 financial year (previous year: €1.2 million). In addition to fixed components, the remuneration includes attendance fees and board remuneration from subsidiaries.

As in the previous year, there were no loans or advances to members of the Supervisory Board in the 2016 financial year.

(36) Additional disclosures

List of shareholdings pursuant to section 313 (2) HGB as of 31 December 2016

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
Sales segment					
Fully consolidated companies					
1	ED GrünSelect GmbH, Rheinfelden	6	100.00	495	1
2	EnBW Mainfrankenpark GmbH, Dettelbach	3	100.00	3,759	-
3	EnBW Vertriebsbeteiligungen GmbH, Stuttgart		100.00	13,713	-30
4	energieNRW GmbH, Düsseldorf	5	100.00	1,109	433
5	ESD Energie Service Deutschland GmbH, Offenburg (formerly ESD Energie Service Deutschland AG, Offenburg)		100.00	255	865
6	eYello CZ k.s., Prague/Czech Republic	5, 18	100.00	253	0
7	GasVersorgung Süddeutschland GmbH, Stuttgart	3	100.00	65,000	-
8	Gasversorgung Unterland GmbH, Heilbronn		100.00	8,225	30
9	NaturEnergie Aktiengesellschaft für Wasser- und Sonnenstrom, Grenzach-Whylen	5	100.00	9,630	2,092
10	NaturEnergie+ Deutschland GmbH, Mühlacker		100.00	6,006	-286
11	Sales & Solutions GmbH, Frankfurt am Main	3	100.00	75,618	-
12	Watt Synergia GmbH, Frankfurt am Main	3	100.00	250	-
13	Yello Strom GmbH, Cologne	3	100.00	1,100	-
14	ZEAG Immobilien GmbH & Co. KG, Heilbronn		100.00	4,153	1,055
15	TRITEC AG, Aarberg/Switzerland	6	60.00	-2,871	-1,940
16	Energie- und Medienversorgung Sandhofer Straße GmbH & Co. KG, Mannheim	9	49.91	3,500	1,753
17	Pražská energetika a.s., Prague/Czech Republic	15	41.40	390,431	81,334
Non-consolidated affiliated entities					
18	EZG Operations GmbH, Wismar	5	100.00	142	10
19	NatürlichEnergie Swiss NES GmbH, Laufenburg/Switzerland	5	100.00	14	-5
20	ZEAG Immobilien Verwaltungsgesellschaft mbH, Heilbronn	5	100.00	29	2
21	KEA-Beteiligungs-GbR "Energie", Karlsruhe	8, 18	60.66	-	-
22	grünES GmbH, Esslingen am Neckar	5	51.00	112	6
23	Stromvertrieb Backnang Verwaltungs GmbH, Backnang	5	51.00	25	0
24	Energie- und Medienversorgung Sandhofer Straße Verwaltungs GmbH, Mannheim	5	50.00	47	2
Investments[16]					
25	AutenSys GmbH, Karlsruhe	13	65.00	-	-
26	Stromvertrieb Backnang GmbH & Co. KG, Backnang	5	51.00	200	-443
27	AQUANTO GmbH, Unterföhring	5	50.00	221	-2,376
28	my-e-car GmbH, Lörrach	5	50.00	34	14
29	NatürlichEnergie EMH GmbH, Monzelfeld	5	50.00	805	-22
30	Regionah Energie GmbH, Munderkingen	13	50.00	-	-
31	Einhorn Energie GmbH & Co. KG, Giengen an der Brenz	5	49.90	655	368
32	Einhorn Energie Verwaltungsgesellschaft mbH, Giengen an der Brenz	5	49.90	30	1
33	Stadtwerke Freiberg a.N. Vertriebs-GmbH, Freiberg am Neckar	5	49.90	26	-157
34	Gasversorgung Pforzheim Land GmbH, Pforzheim	5	49.00	15,371	1,721
35	Gemeinschaft für Energieeffizienz GmbH, Düsseldorf	13	26.40	-	-
36	espot GmbH, Stuttgart	5	25.10	520	60

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
37	EDSR Energiedienste Staldenried AG, Staldenried/Switzerland	5	20.00	204	10
Grids segment					
Fully consolidated companies					
38	ED Netze GmbH, Rheinfelden	3, 6	100.00	30,165	-
39	EnBW Kommunale Beteiligungen GmbH, Stuttgart	3	100.00	977,128	-
40	EnBW REG Beteiligungsgesellschaft mbH, Stuttgart	3	100.00	405,649	-
41	EVGA Grundstücks- und Gebäudemanagement GmbH & Co. KG, Obrigheim		100.00	91,621	26,773
42	KORMAK nemovitosti s.r.o., Prague/Czech Republic	5	100.00	417	55
43	KORMAK Praha a.s., Prague/Czech Republic	5	100.00	1,202	527
44	Netze BW GmbH, Stuttgart	3	100.00	1,130,861	-
45	Netze BW Wasser GmbH, Stuttgart	3	100.00	32,894	-
46	Netze-Gesellschaft Südwest mbH, Karlsruhe	3	100.00	71,139	-
47	Netzgesellschaft Düsseldorf mbH, Düsseldorf	3, 5	100.00	1,000	-
48	Netzgesellschaft Ostwürttemberg DonauRies GmbH, Ellwangen Jagst	3	100.00	135	-
49	NHF Netzgesellschaft Heilbronn-Franken mbH, Heilbronn	3	100.00	4,000	-
50	NWS Grundstücksmanagement GmbH & Co. KG, Obrigheim		100.00	320,833	54,481
51	NWS REG Beteiligungsgesellschaft mbH, Stuttgart	3	100.00	79,963	-
52	PREdistribuce a.s., Prague/Czech Republic	5	100.00	713,955	38,557
53	PREmereni a.s., Prague/Czech Republic	5	100.00	18,957	3,241
54	RBS wave GmbH, Stuttgart	3	100.00	503	-
55	terranets bw GmbH, Stuttgart	3	100.00	90,000	-
56	TransnetBW GmbH, Stuttgart	3	100.00	728,141	-
57	EnBW Ostwürttemberg DonauRies AG, Ellwangen	3	99.73	115,439	-
58	ZEAG Energie AG, Heilbronn		98.65	190,334	21,117
59	Erdgas Südwest GmbH, Karlsruhe		79.00	63,415	21,962
60	NetCom BW GmbH, Ellwangen		74.90	36,621	10,558
61	Stuttgart Netze Betrieb GmbH, Stuttgart	3	74.90	4,926	-
62	Stadtwerke Düsseldorf AG, Düsseldorf	5	54.95	435,811	26,405
63	Stromnetzgesellschaft Heilbronn GmbH & Co. KG, Heilbronn	9	49.90	38,017	2,825
64	Neckar Netze GmbH & Co. KG, Esslingen am Neckar	9	49.00	25,670	5,564
Non-consolidated affiliated entities					
65	Elektrizitätswerk Aach GmbH, Aach	5	100.00	1,866	-28
66	Energieversorgung Gaildorf OHG der EnBW Kommunale Beteiligungen GmbH und der NWS REG Beteiligungsgesellschaft mbH, Gaildorf	5	100.00	3,267	1,640
67	Energieversorgung Raum Friedrichshafen GmbH & Co. KG, Stuttgart	5	100.00	940	51
68	Energieversorgung Raum Friedrichshafen Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	27	1
69	HEV Hohenloher Energie Versorgung GmbH, Ilshofen-Obersteinach	3, 5	100.00	10,219	-
70	Konverter Ultranet GmbH & Co. KG, Stuttgart	5	100.00	1	0
71	Konverter Ultranet Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	25	0
72	Neckar Netze Verwaltungsgesellschaft mbH, Esslingen am Neckar	5	100.00	108	4
73	Netze Pforzheim-Region Verwaltungs GmbH, Pforzheim	5	100.00	25	1
74	Rieger GmbH & Co. KG, Lichtenstein, Kreis Reutlingen	5	74.28	269	664

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
75	Rieger Beteiligungs-GmbH, Lichtenstein, Kreis Reutlingen	5	74.24	45	2
76	Elektrizitätswerk Weißenhorn AG, Weißenhorn	5	63.24	3,724	732
77	Netze Pforzheim-Region GmbH & Co. KG, Pforzheim	5	60.00	13,107	-14
78	Gasnetzgesellschaft Laupheim GmbH & Co. KG, Laupheim	5	50.10	3,590	190
79	Gasnetzgesellschaft Laupheim Verwaltungs GmbH, Laupheim	5	50.10	22	0
80	Netzgesellschaft Elz-Neckar GmbH & Co. KG, Obrigheim	5	50.10	1,176	19
81	Netzgesellschaft Elz-Neckar Verwaltungs GmbH, Obrigheim	5	50.10	29	1
82	Stromnetzgesellschaft Albershausen GmbH & Co. KG, Albershausen	5, 6	50.10	836	49
83	Stromnetzgesellschaft Albershausen Verwaltungs GmbH, Albershausen	5	50.10	27	1
84	Stromnetzgesellschaft Heilbronn Verwaltungs-GmbH, Heilbronn	5	50.10	24	1
85	Stromnetzgesellschaft Laupheim GmbH & Co. KG, Laupheim	5	50.10	2,299	163
86	Stromnetzgesellschaft Laupheim Verwaltungs GmbH, Laupheim	5	50.10	22	0
Entities accounted for using the equity method					
87	Stadtwerke Esslingen am Neckar GmbH & Co. KG, Esslingen am Neckar	5	49.98	55,466	3,076
88	Pražská energetika Holding a.s., Prague/Czech Republic	5, 10	49.00	225,233	36,088
89	Zweckverband Landeswasserversorgung, Stuttgart	5	27.20	121,158	1,247
90	Heilbronner Versorgungs GmbH, Heilbronn	4, 5	25.10	38,850	-
91	Stuttgart Netze GmbH, Stuttgart	4, 5, 10	25.10	184,648	-
92	FairEnergie GmbH, Reutlingen	4, 5	24.90	108,466	-
93	Stadtwerke Hilden GmbH, Hilden	5	24.90	20,390	5,239
94	Zweckverband Bodensee-Wasserversorgung, Stuttgart	5	22.13	149,919	500
95	Stadtwerke Karlsruhe GmbH, Karlsruhe	4, 5	20.00	165,710	-
Investments[16]					
96	Netzgesellschaft Sontheim GmbH & Co. KG, Sontheim an der Brenz	5	74.90	1,523	280
97	Netzgesellschaft Sontheim Verwaltungsgesellschaft mbH, Sontheim an der Brenz	5	74.90	25	0
98	Netzgesellschaft Steinheim GmbH & Co. KG, Steinheim am Albuch	5	74.90	240	87
99	Netzgesellschaft Steinheim Verwaltungsgesellschaft mbH, Steinheim am Albuch	5	74.90	25	0
100	Stromnetz Herrenberg Verwaltungsgesellschaft mbH, Herrenberg	5	74.90	29	1
101	Stromnetzgesellschaft Herrenberg mbH & Co. KG, Herrenberg	5	74.90	4,186	321
102	Stadtwerke Sinsheim Versorgungs GmbH & Co. KG, Sinsheim	5	60.00	12,403	1,293
103	Stadtwerke Sinsheim Verwaltungs GmbH, Sinsheim	5	60.00	27	1
104	Stromnetz Langenau GmbH & Co. KG, Langenau	5	50.10	2,644	139
105	Stromnetz Langenau Verwaltungs-GmbH, Langenau	5	50.10	30	1
106	CESOC AG, Laufenburg/Switzerland	5	50.00	216	0
107	e.wa riss GmbH & Co. KG, Biberach	5	50.00	21,822	7,237
108	e.wa riss Verwaltungsgesellschaft mbH, Biberach	5	50.00	66	0
109	Fränkische Wasser Service GmbH, Crailsheim	5	50.00	36	2
110	HDRegioNet GmbH, Düsseldorf	5	50.00	96	59
111	Niederrheinisch-Bergisches Gemeinschaftswasserwerk GmbH, Düsseldorf	5	50.00	2,903	275

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
112	Ostalbwasser Ost GmbH, Ellwangen	5	50.00	33	1
113	Ostalbwasser Service GmbH, Aalen	5	50.00	88	12
114	Ostalbwasser West GmbH, Schwäbisch Gmünd	5	50.00	52	5
115	regioaqua Gesellschaft für Wasser und Abwasser mbH, Rheinfelden	5	50.00	93	15
116	Stadtwerke Schramberg GmbH & Co. KG, Schramberg	5	50.00	13,399	2,335
117	Stadtwerke Schramberg Verwaltungsgesellschaft mbH, Schramberg	5	50.00	33	2
118	Stromnetzgesellschaft Hechingen GmbH & Co. KG, Hechingen	5	50.00	1,676	259
119	Stromnetzgesellschaft Hechingen Verwaltungs GmbH, Hechingen	5	50.00	25	0
120	Wasserübernahme Neuss-Wahlscheid GmbH, Neuss	5	50.00	370	16
121	Stadtwerke Emmendingen GmbH, Emmendingen	5	49.90	18,366	1,419
122	Stromnetz Blaubeuren GmbH, Blaubeuren	5	49.90	993	84
123	Stadtwerke Esslingen-Verwaltungsgesellschaft mbH, Esslingen am Neckar	5	49.80	40	1
124	Energie Sachsenheim GmbH & Co. KG, Sachsenheim	5	49.00	4,840	336
125	Energie Sachsenheim Verwaltungs-GmbH, Sachsenheim	5	49.00	28	2
126	Energieversorgung Strohgäu GmbH & Co. KG, Gerlingen	5	49.00	8,373	277
127	Energieversorgung Strohgäu Verwaltungs GmbH, Gerlingen	5	49.00	23	0
128	Gemeindewerke Bodanrück GmbH & Co. KG, Allensbach	5	49.00	4,517	238
129	Gemeindewerke Bodanrück Verwaltungs-GmbH, Allensbach	5	49.00	25	1
130	LEO Energie GmbH & Co. KG, Leonberg	5	49.00	8,658	753
131	Netzgesellschaft Marbach GmbH & Co. KG, Marbach am Neckar	5	49.00	1,777	91
132	Stadtwerke Backnang GmbH, Backnang	4, 5	49.00	8,725	-
133	Stadtwerke Bad Wildbad GmbH & Co. KG, Bad Wildbad	5	49.00	6,825	889
134	Stadtwerke Bad Wildbad Verwaltungs-GmbH, Bad Wildbad	5	49.00	38	7
135	Stadtwerke Eppingen GmbH & Co. KG, Eppingen	5	48.96	7,958	242
136	Energie Calw GmbH, Calw	4, 5	48.82	12,238	-
137	Stadtwerke Münsingen GmbH, Münsingen	5	45.00	6,169	732
138	Stadtwerke Böblingen GmbH & Co. KG, Böblingen	5	41.10	29,492	1,435
139	Stadtwerke Böblingen Verwaltungs GmbH, Böblingen	5	41.10	6	-6
140	Energieversorgung Südbaar GmbH & Co. KG, Blumberg (formerly Energieversorgung Südbaar GmbH, Blumberg)	5	40.00	3,227	262
141	SUEnergie GmbH & Co. KG, Süßen	5	40.00	2,302	170
142	SUEnergie Verwaltungs GmbH, Süßen	5	40.00	29	1
143	Stadtwerke Weinheim GmbH, Weinheim	5	39.32	29,173	3,924
144	Energieversorgung Rottenburg am Neckar GmbH, Rottenburg am Neckar	4, 5	38.00	7,160	-
145	EVG Grächen AG, Grächen/Switzerland	5	35.00	4,798	99
146	EVN Energieversorgung Nikolai AG, St. Niklaus/Switzerland	5, 7	35.00	1,124	71
147	EVR Energieversorgung Raron AG, Raron/Switzerland	5, 7	35.00	820	83
148	EVWR Energiedienste Visp – Westlich Raron AG, Visp/Switzerland	5	35.00	2,075	878
149	Valgrid SA, Sion/Switzerland	5	35.00	19,640	940
150	VED Visp Energie Dienste AG, Visp/Switzerland	5, 7	35.00	2,901	245
151	Taubernetze GmbH & Co. KG, Tauberbischofsheim	5	33.00	4	-1
152	Taubernetze Verwaltungs-GmbH, Tauberbischofsheim	5	33.00	23	0

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
153	ErmstalEnergie Dettingen an der Erms GmbH & Co. KG, Dettingen an der Erms	5	32.60	3,155	187
154	Versorgungsbetriebe Dettingen an der Erms Verwaltungs-GmbH, Dettingen an der Erms	5	32.60	27	1
155	eneREGIO GmbH, Muggensturm	5	32.00	8,833	487
156	Regionalnetze Linzgau GmbH, Pfullendorf	4, 5	31.64	6,462	-
157	Elektrizitätswerk Mittelbaden AG & Co. KG, Lahr	5	31.00	60,699	12,503
158	Elektrizitätswerk Mittelbaden Verwaltungsaktiengesellschaft, Lahr	5	31.00	117	7
159	Stadtwerke Bad Herrenalb GmbH, Bad Herrenalb	5	30.00	11,128	-472
160	Energie- und Wasserversorgung Bruchsal GmbH, Bruchsal	4, 5	27.41	23,002	-
161	Stadtwerke Bad Säckingen GmbH, Bad Säckingen	3, 5	26.30	8,673	-
162	Albwerk GmbH & Co. KG, Geislingen an der Steige	5	25.10	18,994	5,355
163	Albwerk Verwaltungsgesellschaft mbH, Geislingen an der Steige	5	25.10	70	2
164	Energie Kirchheim unter Teck GmbH & Co. KG, Kirchheim unter Teck	5	25.10	9,268	628
165	Energie Kirchheim unter Teck Verwaltungs-GmbH, Kirchheim unter Teck	5	25.10	25	1
166	Energieversorgung Immenstaad GmbH & Co. KG, Immenstaad am Bodensee	5	25.10	893	54
167	Gasnetzgesellschaft Schorndorf GmbH & Co. KG, Schorndorf	5	25.10	3,614	260
168	Gasnetzgesellschaft Winnenden mbH, Winnenden	4, 5	25.10	2,275	-
169	Gasnetzverwaltungsgesellschaft Schorndorf GmbH, Schorndorf	5	25.10	27	3
170	Gemeindewerke Brühl GmbH & Co. KG, Brühl	5	25.10	1,282	58
171	Gemeindewerke Brühl Verwaltungs-GmbH, Brühl	5	25.10	28	1
172	Gemeindewerke Plüderhausen GmbH, Plüderhausen	4, 5	25.10	1,598	-
173	Infrastrukturgesellschaft Plochingen GmbH & Co. KG, Plochingen	5	25.10	2,855	185
174	Netzgesellschaft Besigheim GmbH & Co. KG, Besigheim	5	25.10	4,857	375
175	Netzgesellschaft Besigheim Verwaltungs GmbH, Besigheim	5	25.10	28	1
176	Netzgesellschaft Leinfelden-Echterdingen GmbH, Leinfelden-Echterdingen	5	25.10	4,384	107
177	Netzgesellschaft Salach GmbH & Co. KG, Salach	5	25.10	1,304	48
178	Netzgesellschaft Salach Verwaltungs GmbH, Salach	5	25.10	27	1
179	Netzgesellschaft Schwetzingen GmbH & Co. KG, Schwetzingen	5	25.10	1,920	119
180	Netzgesellschaft Schwetzingen Verwaltungs GmbH, Schwetzingen	5	25.10	25	0
181	Netzgesellschaft Vaihingen GmbH & Co. KG, Vaihingen an der Enz	5	25.10	7,641	680
182	Netzgesellschaft Vaihingen Verwaltungs-GmbH, Vaihingen an der Enz	5	25.10	27	1
183	Stadtwerke Ellwangen GmbH, Ellwangen	4, 5	25.10	7,802	-
184	Stadtwerke Giengen GmbH, Giengen	5	25.10	12,063	841
185	Stadtwerke Schwäbisch Gmünd GmbH, Schwäbisch Gmünd	4, 5	25.10	28,251	-
186	Stadtwerke Stockach GmbH, Stockach	5	25.10	9,348	937
187	Stadtwerke Weinstadt Energieversorgung GmbH, Weinstadt	4, 5	25.10	6,153	-
188	Stadtwerke Wiesloch – Strom – GmbH & Co. KG, Wiesloch	5	25.10	25	165
189	Stromgesellschaft March GmbH & Co. KG, March	5	25.10	765	3
190	Stromnetzgesellschaft Ebersbach GmbH & Co. KG, Ebersbach an der Fils	5	25.10	3,487	241

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
191	Stromnetzgesellschaft Ebersbach Verwaltungs GmbH, Ebersbach an der Fils	5	25.10	28	1
192	Stromnetzgesellschaft Östlicher Schurwald GmbH & Co. KG, Rechberghausen	5	25.10	2,869	44
193	Stromnetzgesellschaft Östlicher Schurwald Verwaltungs GmbH, Rechberghausen	5	25.10	27	1
194	Technische Werke Schussental GmbH & Co. KG, Ravensburg	5	25.10	37,211	3,196
195	Technische Werke Schussental Verwaltungsgesellschaft mbH, Ravensburg	5	25.10	23	-3
196	Stadtwerke Nürtingen GmbH, Nürtingen	5	25.00	20,967	3,199
197	Stromversorgung Sulz am Neckar GmbH, Sulz am Neckar	5	24.90	3,773	361
198	Netzeigentumsgesellschaft Rheinstetten GmbH & Co. KG, Rheinstetten	5	24.50	4,398	186
199	Stadtwerke Wehr GmbH & Co. KG, Wehr	5	24.50	2,007	111
200	Stadtwerke Wehr Verwaltungs-GmbH, Wehr	5	24.50	21	0
201	Energieversorgung Oberes Wiesental GmbH, Todtnau	5	24.00	3,789	57
202	Netzgesellschaft Edingen-Neckarhausen GmbH & Co. KG, Edingen-Neckarhausen	5	24.00	847	61
203	ENRW Energieversorgung Rottweil GmbH & Co. KG, Rottweil	5	20.00	23,809	1,679
204	ENRW Verwaltungs-GmbH, Rottweil	5	20.00	15	0
205	Stadtwerke Sindelfingen GmbH, Sindelfingen	5	20.00	33,355	2,833
Renewable Energies segment					
Fully consolidated companies					
206	Aletsch AG, Mörel/Switzerland	6	100.00	22,741	0
207	Connected Wind Services A/S, Balle/Denmark	5	100.00	17,985	-759
208	EnAlpin AG, Visp/Switzerland	6	100.00	180,494	2,856
209	EnBW Albatros GmbH, Stuttgart (formerly EnBW Albatros GmbH, Aurich)		100.00	2,010	-2,826
210	EnBW Biogas GmbH, Stuttgart	3	100.00	52	-
211	EnBW He Dreiht GmbH, Varel	3	100.00	1,016	-
212	EnBW Hohe See GmbH & Co. KG, Stuttgart		100.00	950	-75
213	EnBW NAG-Beteiligungsgesellschaft mbH, Stuttgart		100.00	24	0
214	EnBW Offshore 1 GmbH, Stuttgart	3	100.00	28,737	-
215	EnBW Offshore 2 GmbH, Stuttgart	3	100.00	690,453	-
216	EnBW Offshore 3 GmbH, Stuttgart (formerly EnBW Omega Sechsundsechzigste Verwaltungsgesellschaft mbH, Karlsruhe)	3	100.00	30,951	-
217	EnBW Offshore Service GmbH, Klausdorf-Barhöft	3	100.00	25	-
218	EnBW Solar GmbH, Stuttgart	3	100.00	25	-
219	EnBW Wind Onshore 1 GmbH, Stuttgart	3	100.00	25	-
220	EnBW Wind Onshore 2 GmbH, Stuttgart	3	100.00	25	-
221	EnBW Wind Onshore Instandhaltungs GmbH, Karlsruhe (formerly EnBW Omega Siebenundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe)	3	100.00	25	-
222	EnBW Windkraftprojekte GmbH, Stuttgart		100.00	1,929	-1,199
223	EnBW Windpark Eisenach II GmbH, Stuttgart		100.00	31,108	-1,312
224	EnBW Windpartner GmbH, Stuttgart (formerly EnBW Omega Neunundsechzigste Verwaltungsgesellschaft mbH, Stuttgart)	3	100.00	27,525	-
225	Energiedienst AG, Rheinfelden	6	100.00	193,454	27,722
226	Grünwerke GmbH, Düsseldorf	3, 5	100.00	34,070	-
227	SCE Wind Bremervörde GmbH & Co. KG, Stuttgart		100.00	1,796	-124

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
228	SCE Wind Ostercappeln GmbH & Co. KG, Stuttgart		100.00	4,246	-508
229	SCE Wind Rositz GmbH & Co. KG, Stuttgart		100.00	2,085	-316
230	SCE Wind Zernitz GmbH & Co. KG, Stuttgart		100.00	1,977	-188
231	Windpark Niederlinxweiler GmbH & Co. KG, Leinfelden-Echterdingen		100.00	138	73
232	Windpark Rot am See GmbH, Stuttgart (formerly Windkraft Rot am See GmbH, Stuttgart)		100.00	118	93
233	Bürgerenergie Widdern GmbH & Co. KG, Widdern		99.99	5,826	74
234	EE BürgerEnergie Forchtenberg GmbH & Co. KG, Forchtenberg		99.99	1,462	10
235	EE BürgerEnergie Jagsthausen GmbH & Co. KG, Jagsthausen		99.99	4,325	-28
236	EE BürgerEnergie Möckmühl GmbH & Co. KG, Möckmühl		99.99	1,452	48
237	EnBW Holding A.S., Gümüssuyu-Istanbul/Turkey		99.99	202,938	-4,863
238	EE BürgerEnergie Boxberg GmbH & Co. KG, Boxberg		99.00	44	-7
239	EE Bürgerenergie Braunsbach GmbH & Co. KG, Braunsbach		99.00	27	-9
240	EE Bürgerenergie Ilshofen GmbH & Co. KG, Ilshofen		98.75	1,595	5
241	Neckar Aktiengesellschaft, Stuttgart		82.20	10,179	0
242	EE Bürgerenergie Hardthausen GmbH & Co. KG, Hardthausen am Kocher		80.80	7,850	127
243	Geothermie-Gesellschaft Bruchsal GmbH, Bruchsal		74.90	3,194	1,293
244	JatroSolutions GmbH, Stuttgart		70.49	1,328	-1,539
245	Energiedienst Holding AG, Laufenburg/Switzerland	6, 11	66.67	940,161	46,198
246	Rheinkraftwerk Neuhausen AG, Neuhausen/Switzerland	6	56.00	1,141	48
247	EnBW Baltic 1 GmbH & Co. KG, Stuttgart		50.32	43,814	3,168
248	EnBW Baltic 2 S.C.S., Luxembourg/Luxembourg		50.09	1,543,178	74,046
249	EnBW Onshore Portfolio GmbH, Stuttgart		50.02	129,057	1,740
250	Kraftwerk Lötschen AG, Steg/Switzerland	6, 12	50.00	26,864	0
Joint operations					
251	Rheinkraftwerk Iffezheim GmbH, Iffezheim	10	50.00	54,617	1,803
252	Rhonewerke AG, Ernen/Switzerland	5, 10	30.00	26,580	0
Non-consolidated affiliated entities					
253	Windpark Rot am See Infrastruktur GmbH, Stuttgart	13	100.00	-	-
254	CarbonBW (Thailand) Ltd., Bangkok/Thailand	5	100.00	7,080	11
255	Connected Wind Services Danmark A/S, Balle/Denmark	5	100.00	3,373	-29
256	Connected Wind Services Deutschland GmbH, Rantrum	5	100.00	2,161	-128
257	Connected Wind Services Refurbishment A/S, Balle/Denmark	13	100.00	-	-
258	CWS-BD UG, Hamburg	5	100.00	0	-1
259	P-CWS 2012 A/S, Copenhagen/Denmark	5, 17	100.00	15,274	-779
260	Svenska Connected Wind Services AB, Falkenberg/Sweden	5	100.00	455	233
261	EnBW Baltic 1 Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	22	0
262	EnBW Baltic 2 Management S.a r.l., Luxembourg/Luxembourg	5	100.00	13	1
263	EnBW Baltic 2 Windpark Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	28	1
264	EnBW Baltic Windpark Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	30	1
265	EnBW Hohe See Management GmbH, Hamburg (formerly EnBW Omega Sechsundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe)	13	100.00	-	-
266	EnBW Wind Onshore Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	25	2
267	EnBW Windkraft Beteiligungsgesellschaft mbH, Karlsruhe	3, 5	100.00	190	-

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
268	Grünwerke Verwaltungs GmbH, Düsseldorf	5	100.00	31	5
269	Kemberg Windpark Management GmbH & Co. Betriebsgesellschaft KG, Düsseldorf	5	100.00	1,575	35
270	Kriegers Flak ApS, Copenhagen/Denmark	5	100.00	7	0
271	Langenburg Infrastruktur GmbH, Stuttgart	13	100.00	-	-
272	Windpark "Auf der Weißen Trisch" GmbH, Zweibrücken	5	100.00	25	-3
273	Windpark Borg GmbH & Co. KG, Nalbach	5	100.00	0	-4
274	Windpark IBK GmbH & Co. KG, Nalbach	5	100.00	0	-4
275	Windpark Webenheim GmbH & Co. KG, Stuttgart	5	100.00	0	-5
276	ZEAG Erneuerbare Energien GmbH, Heilbronn	5	100.00	41	16
277	JATROSELECT-Paraguay Sociedad de Responsabilidad Limitada, Volendam/Paraguay	5	99.98	513	-248
278	BürgerEnergie Königheim GmbH & Co. KG, Königheim	5	99.00	25	-18
279	EE Bürgerenergie Bühlerzell GmbH & Co. KG, Bühlerzell	5	99.00	90	-3
280	EE Bürgerenergie Frankenhardt GmbH & Co. KG, Frankenhardt	5	99.00	88	-3
281	EE Bürgerenergie Hardheim GmbH & Co. KG, Hardheim	5	99.00	97	-3
282	EE Bürgerenergie Höpfingen GmbH & Co. KG, Höpfingen	5	99.00	97	-3
283	EE BürgerEnergie Krautheim GmbH & Co. KG, Krautheim	5	99.00	48	-20
284	EE BürgerEnergie Neudenau GmbH & Co. KG, Neudenau	5	99.00	84	-5
285	EE Bürgerenergie Sulzbach-Laufen GmbH & Co. KG, Sulzbach-Laufen	5	99.00	89	-3
286	Holzkraft Plus GmbH, Düsseldorf	5	90.00	174	-7
287	NatürlichSonne Trogen GmbH & Co. KG, Monzelfeld	5	90.00	271	-3
288	JatroGreen S.A.R.L., Antananarivo/Madagascar	5	70.00	-609	-146
289	Erneuerbare Energien Neckarwestheim GmbH & Co. KG, Neckarwestheim	13	64.00	-	-
290	Alb-Windkraft Verwaltungs GmbH, Geislingen an der Steige	5	51.00	74	8
291	Solarpark Leutkirch GmbH & Co. KG, Leutkirch im Allgäu	5	51.00	10,778	619
292	Solarpark Leutkirch Verwaltungsgesellschaft mbH, Leutkirch im Allgäu	5	51.00	24	1
Entities accounted for using the equity method					
293	Borusan EnBW Enerji yatırımları ve Üretim Anonim Şirketi, Istanbul/Turkey	5, 10	50.00	296,194	-23,743
294	Elektrizitätswerk Rheinau AG, Rheinau/Switzerland	5, 7	50.00	21,647	791
295	Bayerische-Schwäbische Wasserkraftwerke Beteiligungsgesellschaft mbH, Gundremmingen	5	37.80	63,699	9,327
296	KW Ackersand I AG, Stalden/Switzerland	5	25.00	1,989	59
Investments[16]					
297	Netzanschlussgesellschaft Windparks Ostercappeln/Bohmte mbH, Kirchdorf	5	66.67	77	90
298	biogasNRW GmbH i.L., Düsseldorf		50.00	-	-
299	Centrale Electrique Rhénane de Gambsheim SA, Gambsheim/France	5	50.00	10,132	0
300	Havelland-Fläming Wind GmbH, Berlin	5	50.00	262	-1
301	Kraftwerk Reckingen AG, Reckingen	5	50.00	3,204	72
302	Rheinkraftwerk Säckingen AG, Bad Säckingen	5	50.00	7,204	300
303	SwissAlpin SolarTech AG, Visp/Switzerland	5	50.00	54	-11
304	Wasserkraftwerk Hausen GbR, Hausen im Wiesental	5, 18	50.00	674	-82
305	Windpark Schurwald GmbH, Esslingen am Neckar	5	50.00	23	-2

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
306	WKM Wasserkraftwerke Maulburg GmbH, Maulburg	5	50.00	447	13
307	KW Jungbach AG, St. Niklaus/Switzerland	5	49.00	3,834	240
308	Obere Donau Kraftwerke AG, Munich	5	40.00	3,180	0
309	TWKW Trinkwasserkraftwerke Niedergesteln AG, Niedergesteln/Switzerland	5	40.00	1,705	155
310	Kraftwerk Ryburg-Schwörstadt AG, Rheinfelden/Switzerland	5, 7	38.00	35,911	1,713
311	GEIE Exploitation Miniere de la Chaleur, Kutzenhausen/France	5, 18	33.33	-	-1,039
312	Windpark Prützke II GmbH & Co. KG, Düsseldorf	5	33.33	2,052	26
313	KWT Kraftwerke Törbel-Moosalp AG, Törbel/Switzerland	5	30.00	926	39
314	Baltic Windpark Beteiligungen GmbH & Co. KG, Stuttgart	5	29.17	29,521	2,546
315	EE Bürgerenergie Heilbronn GmbH & Co. KG, Heilbronn	5	26.00	1,000	58
316	Windpark Lindtorf GmbH, Rheine	5	26.00	5,985	92
317	Alb-Windkraft GmbH & Co. KG, Geislingen an der Steige	5	25.50	397	246
318	Biosphärenwindpark Schwäbische Alb GmbH, Münsingen	5	25.00	25	0
319	ANOG Anergienetz Obergoms AG, Obergoms/Switzerland	5	24.50	202	18
320	KWOG Kraftwerke Obergoms AG, Obergoms/Switzerland	5	24.50	4,019	316
321	Erneuerbare Energien Zollern Alb GmbH, Balingen	5	20.00	82	-8
322	Kooperation Erneuerbare Energien im Landkreis Rottweil GmbH, Schramberg	5	20.00	77	-22
323	Wasserkraftwerk Pfinztal GmbH & Co. KG, Pfinztal	5	20.00	267	-2
Generation and Trading segment					
Fully consolidated companies					
324	AWISTA Logistik GmbH, Düsseldorf	3, 5	100.00	3,025	-
325	EnBW Biomasse GmbH, Karlsruhe		100.00	1,175	222
326	EnBW Etzel Speicher GmbH, Karlsruhe	3	100.00	725	-
327	EnBW Grundstücksverwaltung Rheinhafen GmbH, Karlsruhe		100.00	2,248	376
328	EnBW Kraftwerk Lippendorf Beteiligungsgesellschaft mbH, Stuttgart	3	100.00	297,640	-
329	EnBW Rückbauservice GmbH, Stuttgart	3	100.00	25	-
330	EnBW Speicher GmbH, Stuttgart	3	100.00	100	-
331	Gemeinschaftsheizkraftwerk Fortuna GmbH, Düsseldorf		100.00	25	40
332	Gesellschaft für nukleares Reststoffrecycling mbH, Neckarwestheim		100.00	1,750	-339
333	Heizkraftwerk Stuttgart GmbH, Stuttgart		100.00	5,129	-12
334	Kernkraftwerk Obrigheim GmbH, Obrigheim	3	100.00	51,130	-
335	MSE Mobile Schlammentwässerungs GmbH, Karlsbad-Ittersbach	3	100.00	1,171	-
336	TAE Thermische Abfallentsorgung Ansbach GmbH, Ansbach		100.00	57,178	0
337	TPLUS GmbH, Karlsruhe	3	100.00	18,162	-
338	TWS Kernkraft GmbH, Gemmrigheim	3	100.00	149,297	-
339	u-plus Umweltservice GmbH, Karlsruhe (formerly u-plus Umweltservice AG, Karlsruhe)	3	100.00	99,040	-
340	EnBW Kernkraft GmbH, Obrigheim	3	99.80	10,000	-
341	AWISTA Gesellschaft für Abfallwirtschaft und Stadtreinigung mbH, Düsseldorf	5	51.00	48,868	18,340
342	KNG Kraftwerks- und Netzgesellschaft mbH, Rostock		50.40	507	8

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
Joint operations					
343	Friedeburger Speicherbetriebsgesellschaft mbH "Crystal", Friedeburg	10	50.00	59,118	332
Non-consolidated affiliated entities					
344	Südwestdeutsche Nuklear-Entsorgungsgesellschaft mbH, Stuttgart	5	86.49	9,292	1,904
345	Zentraldeponie Hubbelrath GmbH, Düsseldorf	5	76.00	18,772	57
346	Nahwärme Düsseldorf GmbH, Düsseldorf	5	66.00	2,631	236
Entities accounted for using the equity method					
347	Fernwärme Ulm GmbH, Ulm	5, 7, 10	50.00	32,429	2,441
348	Schluchseewerk Aktiengesellschaft, Laufenburg/Baden	5	50.00	59,339	2,809
349	Grosskraftwerk Mannheim AG, Mannheim	5	32.00	114,142	6,647
Investments[16]					
350	Fernwärme Rhein-Neckar GmbH, Mannheim	5	50.00	2,811	1,022
351	KDM Kompostierungs- und Vermarktungsgesellschaft für Stadt Düsseldorf/Kreis Mettmann mbH, Ratingen	5	50.00	3,545	346
352	Powerment GmbH, Ettlingen	5	50.00	10,984	2,560
353	RheinWerke GmbH, Düsseldorf	5	50.00	1,160	-43
354	MOWA Mobile Waschanlagen GmbH, Neunkirchen-Seelscheid	5	49.00	252	197
355	REMONDIS Rhein-Wupper GmbH & Co. KG, Düsseldorf	5	49.00	11,574	5,097
356	REMONDIS Rhein-Wupper Verwaltungs GmbH, Düsseldorf	5	49.00	37	1
357	Fernwärme Zürich AG, Zurich/Switzerland	5	40.00	3,031	764
358	HWM Holzwärme Müllheim GmbH, Müllheim	5	33.33	497	91
359	Heizkraftwerk Pforzheim GmbH, Pforzheim	5	30.00	6,693	867
360	Contiplan AG, Vaduz/Liechtenstein	5	25.10	2	-1
361	Rheticus AG, Vaduz/Liechtenstein	5	25.10	16	-4
362	Beteiligungsgesellschaft der EVU an der Kerntechnischen Hilfsdienst GmbH – GbR, Karlsruhe	5, 18	21.59	0	0
Other					
Fully consolidated companies					
363	ED Immobilien GmbH & Co. KG, Rheinfelden	6	100.00	0	151
364	ED Immobilien Verwaltungsgesellschaft mbH, Rheinfelden	6	100.00	31	0
365	EnBW City GmbH & Co. KG, Obrigheim		100.00	8,885	3,920
366	EnBW Immobilienbeteiligungen GmbH, Karlsruhe (formerly EnBW Immobilienbeteiligungen GmbH, Stuttgart)		100.00	462,756	4,829
367	EnBW International Finance B.V., Amsterdam/Netherlands		100.00	1,166,718	35,004
368	EnBW Perspektiven GmbH, Karlsruhe	3	100.00	1,500	-
369	Energiedienst Support GmbH, Rheinfelden	6	100.00	389	9
370	Facilma Grundbesitzmanagement und -service GmbH & Co. Besitz KG, Obrigheim		100.00	199,595	4,683
371	Neckarwerke Stuttgart GmbH, Stuttgart		100.00	1,833,528	81,153
372	NWS Finanzierung GmbH, Karlsruhe	3	100.00	2,475,184	-
373	SBZ Beteiligungen GmbH, Karlsruhe		100.00	25	0
374	symbiotic services GmbH, Karlsruhe	3	100.00	25	-
375	MURVA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Grünwald	5	95.00	-10,558	283
376	EnBW VersicherungsVermittlung GmbH, Stuttgart		51.00	3,532	3,481

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
Non-consolidated affiliated entities					
377	EnBW CZ spol. s.r.o., Prague/Czech Republic	5	100.00	1,406	40
378	EnBW New Ventures GmbH, Karlsruhe	3, 5	100.00	2,525	-
379	EnBW Omega Achtundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
380	EnBW Omega Achtundsechzigste Verwaltungsgesellschaft mbH, Karlsruhe	3, 5	100.00	25	-
381	EnBW Omega Achtundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
382	EnBW Omega Achtzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
383	EnBW Omega Dreiundachtzigste Verwaltungsgesellschaft mbH, Stuttgart	13	100.00	-	-
384	EnBW Omega Dreiundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe	5	100.00	24	-1
385	EnBW Omega Einundachtzigste Verwaltungsgesellschaft mbH, Stuttgart	13	100.00	-	-
386	EnBW Omega Einundsiebzigste Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	24	-1
387	EnBW Omega Fünfundachtzigste Verwaltungsgesellschaft mbH, Stuttgart	13	100.00	-	-
388	EnBW Omega Fünfundfünfzigste Verwaltungsgesellschaft mbH, Stuttgart	3, 5	100.00	25	-
389	EnBW Omega Fünfundsechzigste Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	24	-1
390	EnBW Omega Neunundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
391	EnBW Omega Neunundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
392	EnBW Omega Neunzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
393	EnBW Omega Sechsundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
394	EnBW Omega Siebenundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe	13	100.00	-	-
395	EnBW Omega Siebzigste Verwaltungsgesellschaft mbH, Stuttgart	3, 5	100.00	25	-
396	EnBW Omega Vierundachtzigste Verwaltungsgesellschaft mbH, Stuttgart	13	100.00	-	-
397	EnBW Omega Vierundfünfzigste Verwaltungsgesellschaft mbH, Stuttgart	3, 5	100.00	25	-
398	EnBW Omega Zweiundachtzigste Verwaltungsgesellschaft mbH, Stuttgart	13	100.00	-	-
399	EnBW Omega Zweiundfünfzigste Verwaltungsgesellschaft mbH, Karlsruhe	3, 5	100.00	25	-
400	EnBW Omega Zweiundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe	5	100.00	24	-1
401	EnBW Real Estate GmbH, Obrigheim	5	100.00	85	8
402	EnBW Senergi Immobilien GmbH, Karlsruhe	5	100.00	75	0
403	HQ Capital (Deutschland) GmbH, Bad Homburg v. d. Höhe	5	100.00	5,025	-41
404	Interconnector GmbH, Karlsruhe (formerly EnBW Omega Siebenundsechzigste Verwaltungsgesellschaft mbH, Karlsruhe)	3, 5	100.00	25	-
405	KMS Verwaltungsgesellschaft mbH, Stuttgart	5	100.00	42	2
406	SSG Verwaltungsgesellschaft mbH i.L., Kornwestheim		100.00	-	-

		Footnote	Capital share[1] (in %)	Equity[2] (in T€)	Earnings[2] (in T€)
407	WTT CampusONE GmbH, Ludwigsburg (formerly EnBW Omega Fünfundsiebzigste Verwaltungsgesellschaft mbH, Stuttgart)	5	100.00	24	-1
Entities accounted for using the equity method					
408	Verbundnetz Gas Aktiengesellschaft, Leipzig	5	74.21	698,786	-101,907
Investments[16]					
409	Wp Global Germany Private Equity L.P., Wilmington, Delaware/USA	5, 18	100.00	120,293	11,987
410	Impulse L.P., Edinburgh/UK	5, 18	99.87	117,300	8,142
411	Continuum Capital Limited Partnership, Edinburgh/UK	5, 18	98.00	84,843	0
412	Sirius EcoTech Fonds Düsseldorf GmbH & Co. KG., Düsseldorf	5	78.15	5,705	-448
413	regiodata GmbH, Lörrach	5	35.00	718	174
414	RWE - EnBW Magyaroszág Kft., Budapest/Hungary	5	30.00	363	12
415	E & G Bridge Equity Fonds GmbH & Co. KG, Munich	5, 7	29.97	25,077	1,413
416	EFR Europäische Funk-Rundsteuerung GmbH, Munich	5	25.10	3,362	2,573
417	KIC InnoEnergy Germany GmbH, Karlsruhe	5	25.00	25	90
418	MVV Energie AG, Mannheim	7, 14	22.48	1,314,326	85,232
Investments in large corporations > 5%					
419	EWE Aktiengesellschaft, Oldenburg	5	6.00	2,206,700	126,800

1 Shares of the respective parent company calculated in accordance with section 313 (2) HGB (as of 31 December 2016).
2 In the case of separate entities, the figures stem from financial statements prepared pursuant to local principles and do not show the contributions of each entity to the consolidated financial statements. For financial statements in foreign currencies, the equity is translated at the mean rate on the reporting date, while earnings are translated at average annual rates.
3 Profit and loss transfer agreement and/or domination agreement.
4 Profit and loss transfer agreement with third parties.
5 Previous year´s figures.
6 Preliminary figures.
7 Divergent financial year.
8 Exemption clause section 313 (3) sentence 4 HGB.
9 Control due to contractual agreement.
10 Joint control pursuant to IFRS 11.
11 Before taking treasury shares of the company into account.
12 Majority of the voting rights.
13 New company, annual financial statements not yet available.
14 There is no significant influence due to lack of representation in the Supervisory Board.
15 Other shareholdings included due to contractual control arrangements.
16 Includes investments that are not accounted for using the equity method because of their minor importance. They are recognised instead at their acquisition costs.
17 Commercial merger or accretion in 2016, entered into the commercial register in 2017.
18 Companies whose shareholders with unlimited liability are a company that is included in the consolidated financial statements.

(37) Disclosures concerning franchises

Franchise agreements in the areas of electricity, gas, district heating and water are in place between the individual entities in the EnBW Group and the municipalities. The majority of the franchise agreements have a term of 20 years. There are obligations governed by law to connect to the supply networks. Under the franchise agreements, the EnBW Group is obliged to provide and maintain the facilities required to satisfy the general supply needs. In addition, it is required to pay a franchise fee to the municipalities. Upon expiry of a franchise agreement, the facilities must be returned or transferred to the municipalities or the successor network operator, respectively, in return for reasonable compensation, unless the franchise agreement is extended.

(38) Subsequent events

EnBW Energie Baden-Württemberg AG has sold 49.89% of the shares acquired from its subsidiary EnBW Offshore 3 GmbH in the offshore wind farm EnBW Hohe See GmbH & Co. KG at the beginning of 2017 to a company owned by the Canadian energy group Enbridge Inc., Calgary. Due to a loss of economic control, EnBW Hohe See GmbH & Co. KG will be accounted for in the consolidated financial statements in future as a joint venture using the equity method. EnBW will monitor the construction of the North Sea wind farm with a capacity of around 500 MW and provide services for its operation and maintenance.

As of 1 March 2017, EnBW acquired the natural gas-fired combined heat and power plant from the chemical company Dow at the Walsrode industrial park and will supply electricity and steam to Dow and other industrial customers as the owner and operator of the plant. In addition, EnBW plans to modernise and expand its energy generation and will invest an amount in the mid double-digit million euro range at the site in Bomlitz for this purpose.

EnBW exercised the call option on its hybrid bond issued in 2011 and increased in 2012 as of the first call date on 2 April 2017. This bond was the first hybrid bond issued by EnBW and has a total volume of €1 billion and a coupon of 7.375%. This security will be repaid at 100% of its nominal value. In the past year, EnBW has issued two hybrid bonds – US$300 million and €725 million – which replace the now called bond in the capital structure.

Karlsruhe, 7 March 2017
EnBW Energie Baden-Württemberg AG

Dr. Mastiaux

Dr. Beck

Kusterer

Dr. Zimmer

Audit opinion

We have audited the consolidated financial statements prepared by EnBW Energie Baden-Württemberg AG, Karlsruhe, comprising the income statement, the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity as well as the notes to the financial statements, together with the combined management report of the company and the Group, for the financial year from 1 January to 31 December 2016. The preparation of the consolidated financial statements and the combined management report in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] is the responsibility of the company's Board of Management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to section 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements, corresponds to the statutory regulations and as a whole provides an appropriate view of the Group's position and appropriately presents the opportunities and risks of future development.

Frankfurt am Main, 7 March 2017
KPMG AG
Wirtschaftsprüfungsgesellschaft

Janz	Stratmann
German Public Auditor	German Public Auditor

Declaration of the legal representatives

We assure to the best of our knowledge that, in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the Group management report, which has been combined with the management report of the company, gives a true and fair view of the business development including the result and situation of the Group and also describes the significant opportunities and risks relating to the anticipated development of the Group.

Karlsruhe, 7 March 2017
EnBW Energie Baden-Württemberg AG

Dr. Mastiaux

Dr. Beck

Kusterer

Dr. Zimmer

Important notes

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