



ANNUAL
REPORT

SHAREHOLDERS

Shareholders	%
Eurex Zürich AG	23.22
Nord Pool ASA	17.39
Sachsen LB	17.39
LVV Leipziger Versorgungs- und Verkehrsgesellschaft mbH	5.67
Free State of Saxony	3.71
Own shares EEX AG	3.46
E.ON Sales & Trading GmbH	3.22
RWE Transportnetz Strom GmbH	3.06
ATEL Aare-Tessin AG für Elektrizität	2.04
Others	2.03
EnBW Trading GmbH	1.50
Vattenfall Deutschland GmbH	1.25
Cegedel International S.A.	1.00
Nordostschweizerische Kraftwerke AG (NOK)	1.00
MVV Energie AG	0.76
Edison S.p.A	0.75
EDF Électricité de France	0.51
RheinEnergie AG	0.51
BKW FMB Energie AG	0.50
e&t Energie Handelsgesellschaft m.b.H.	0.50
Electrabel n.v.	0.50
Elektrizitätsgesellschaft Laufenburg AG	0.50
Electricity Generating Plant of the City of Zurich	0.50
EnAlpin Wallis AG	0.50
Essent Energy Trading B.V.	0.50
HeidelbergCement AG	0.50
Iberdrola S.A.	0.50

Shareholders	%
Morgan Stanley Capital Group Inc.	0.50
Vattenfall Europe AG	0.50
VERBUND-Austrian Power Trading AG	0.50
E.ON Ruhrgas International AG	0.26
Avenis Trading SA	0.25
B. Metzler seel. Sohn & Co.	0.25
Bayerische Hypo- und Vereinsbank AG	0.25
Bavarian State Bank	0.25
citiworks AG	0.25
Credit Suisse	0.25
Deutsche Bank AG	0.25
Dresdner Bank AG	0.25
DZ Bank AG	0.25
InfraServ GmbH & Co. Höchst KG	0.25
Mainova AG	0.25
Stadtwerke Bielefeld GmbH	0.25
Stadtwerke Düsseldorf AG	0.25
Stadtwerke Hannover AG	0.25
SWU Energie GmbH	0.25
Thüga AG	0.25
Trianel European Energy Trading GmbH	0.25
UBS AG	0.25
WestLB	0.25
ZEAG Energie AG	0.25
Free State of Thuringia	0.24
Landesbank Berlin AG	0.02
City of Leipzig	0.01

KEY FIGURES

Key figures for the European Energy Exchange AG		2002	2003	2004	2005	2006	Change 2005–2006
Profit and loss accounting							
Sales revenue	k€	9,377	15,248	15,962	23,474	37,795	61 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	k€	–9,048	1,414	–192	7,560	11,449	51 %
Earnings before interest and taxes (EBIT)	k€	–20,255	–2,055	–3,328	4,479	8,282	85 %
Balance (31 December)							
Assets	k€	27,366	23,984	21,007	18,051	15,378	–15 %
Equity	k€	30,196	28,471	25,473	28,847	34,403	19 %
Balance total	k€	52,984	66,720	60,379	67,029	93,814	40 %
Key figures for core business							
Spot Market							
Volume Spot Market Power	TWh	31	49	60	86	89	3 %
Volume Spot Market Emission Allowances (EUA)	EUA	0	0	0	2,748,791	8,774,846	219 %
Value of traded products Spot Market (market capitalisation)	k€	698,670	1,448,056	1,691,912	4,170,158	4,898,507	17 %
Participants Spot Market		102	102	111	120	136	13 %
Derivatives Market							
Volume Derivatives Market Power	TWh	119	342	338	517	1,044	102 %
Volume Derivatives Market Emission Allowances (EUA)	EUA	0	0	0	448,000	2,925,000	553 %
Volume Derivatives Market Coal	t	0	0	0	0	1,949,000	
Value of traded products Derivatives Market (market capitalisation)*	k€	2,882,097	10,653,396	11,929,380	22,029,866	58,750,267	167 %
Participants Derivatives Market		39	44	52	59	76	29 %
Corporate key figures							
Employees (average for the year)		35	28	30	33	37	12 %
Sales revenue per employee	k€	268	545	532	711	1,021	44 %
Return on equity	%	–66	–6	–12	12	16	
Equity ratio	%	57	43	42	43	37	

* Value of traded products on Derivatives Market starting July 2002

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connecting markets

CONNECTING MARKETS

Vision

The European Energy Exchange (EEX) intends over the medium term to become the first choice trading and clearing platform for all products along the energy added-value chain, and to establish itself permanently in this capacity.

Objective

EEX declares its goal to be growth along three vectors: regions, products and market segments. Our motto: 'Connecting Markets'.

The continual expansion of our business in Germany and the extension of our business area within Europe constitute the core of our expansion strategy. In addition, we aim to add natural gas trading to our product portfolio in the near future.

Profile and position

Power plant operators, energy suppliers and distributors, traders, wholesale customers, banks, brokers and investors – all these use EEX as a market place to buy and sell power, CO₂ emission allowances, coal and, in the future, natural gas at fair market prices, to meet their needs and manage their risks. Today, more than 160 companies from 19 countries trade on the EEX.

Established in 2002 through the merger of the two original German energy exchanges, the European Energy Exchange AG (EEX) today boasts the strongest growth rates in terms of trading volume, sales revenue and yields of all energy exchanges. It also boasts the largest number of participants and the highest level of internationalisation in Continental Europe. This means that EEX is well on the way to becoming the European energy exchange – after having started out five years ago as a local exchange for power. Besides the constantly growing number of participants and the constant growth in trading volume, EEX's high profile is also reflected in the fact that prices established on the exchange are used across Europe as reference.

CONNECTING MARKETS

Principles

The basic principles of company management and of running the exchange comprise:

Liquidity

Liquidity is the precondition of fair market relations. Liquidity means high trading volumes, a large number of market participants, and thus fair and reliable price formation. A tangible indicator of liquidity is a small spread between sell and purchase prices.

Security

A closely-meshed net of control and security comprising supervisory authorities at regional and federal levels and countless voluntary security standards ensure that EEX is one of mainland Europe's most secure energy exchanges.

Transparency

Transparency is the indispensable precondition for gaining participants' trust in the market, and thus constitutes the basis of all trading on exchanges. Equal and overt conditions of trade constitute the basis for equality of opportunity of all participants.

Equal treatment

EEX is convinced that a liberalised market is an open market. Openness is crucial to equality of opportunity. Ensuring equal trading conditions for all participants guarantees fairness of trading, and is the key to prosperous development.

Simplicity

All requirements and processes are designed to be as streamlined as possible, in order to open the EEX market places to as broad a public as possible. EEX regards itself as a service provider for its customers, and therefore wishes to avoid all unnecessary obstructions to trading.

CONNECTING MARKETS

Cost efficiency

Simple procedures and low financial requirements are the key components of the cost-effective trading that EEX wants to provide for its customers. This is reflected, for example, in low fees and the abolition of admission charges.

Development step-by-step

EEX is convinced that successful positioning on the market is the result of a step-by-step approach. Each development step thus follows on logically from the previous one.

Collaborative development

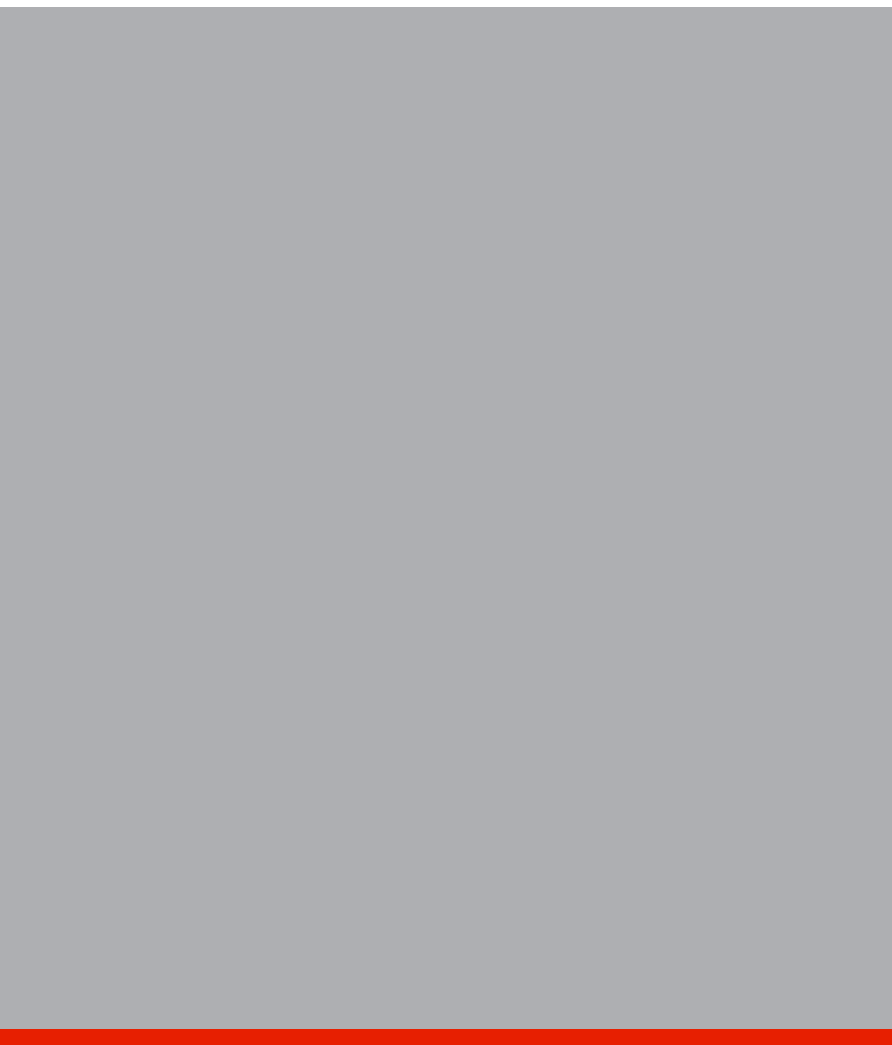
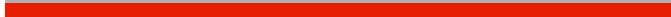
EEX develops energy exchange in close collaboration with all interested market participants. A shared approach is important for EEX, because market participants should derive advantage from use of the market place. New working groups for all product segments and expanded working groups at the European level highlight the extent to which EEX is committed to collaboration.

Multi-dimensional diversification

EEX regards itself in the long-term as an integrated energy exchange of European standing. Diversification is set to encompass markets, products and regions. EEX will focus on its strengths, while integrating its partners.

Pan-European networking

EEX regards itself as an integral part of a pan-European network of energy exchanges. This network pays homage to the European federal ideal and harnesses regional competences. At the same time, EEX prevents the market being flooded by disparate systems and processes.



MANAGEMENT BOARD'S REPORT

Management Board's report

Dear Readers,

We have kept our promise. All operative objectives for the business year 2006 have been attained, all intermediate goals on the road to the European energy exchange achieved. We were even able to assert our positioning as a transparent, secure and attractive energy exchange, despite a more adversarial political wind, especially towards the end of the year.

We quickened what was already a fast pace of development in 2005, and rapidly passed one operative milestone after another. In the vanguard of our growth strategy for 2006 was the spin-off of our clearing activities as a subsidiary, the European Commodity Clearing AG (ECC), as well as a wide-ranging involvement at the European level. This path was forged by our new motto 'Connecting Markets'. The core of our company strategy was to grow along three dimensions, continually anticipating and moving into new regions, products and market segments. And we stayed the course.

The results are eminently respectable: significant increases in trading volume and the number of trading participants, new products and markets – and record figures for sales revenue and results provide the proof.

More than two thirds of our trading participants in 2006 were from abroad, whereby the stream of newcomers from Eastern Europe was particularly noticeable. The constantly strengthening interest of international finance in energy trading was also reflected in the trading volumes and numbers of participants, and we welcomed our first participants from industry, previously not engaged in exchange trading in power and other energy products. More than ever before, EEX is the continental European energy exchange that establishes the European reference price for power. More than ever before, EEX is exemplary in terms of attractivity and security.

MANAGEMENT BOARD'S REPORT

Besides the operative success that we take great pleasure in detailing to you in this annual report for 2006, our noticeably stronger anchoring in the European energy political community has also played a very important role for us. Following on our active and effective communication strategy in press and public relations, in 2006 we took our first steps on the European political playing field and endeavoured to achieve Europe-wide consensus on the issue of transparency. In the course of many talks at national and EU levels, we were able to create a clear image of EEX and position ourselves as a central authority in energy trading. We quickly established that the European political landscape was a more agreeable one than the German. While at European level and in neighbouring countries we encountered no prejudices regarding our activities, in Germany we were subject to what were sometimes large-scale attacks. Representatives from politics and from various industrial interest groups attempted to portray EEX in an unfavourable light – as an opaque and manipulative tool in the hands of leading energy companies.

We were forced to invest a large part of our energy in public and political relations to dispel prejudices and unfounded accusations. This included the compiling of a number of neutral, official studies at both national and EU level that cast a very good light on EEX. On balance, EEX's transparency emerged the undisputed winner; EEX was proved to be a strictly supervised energy exchange with the highest security standards in terms of process and system environments. More recent political attacks were also repelled thanks to the quality seal awarded by official studies and expert analyses such as the Economy and Labour Ministry of the state of Saxony's study on 'Improving transparency in the power trading market from the perspective of economics as well as of energy market and finance market law', and an expert study by Schleswig-Holstein's Ministry of Science, Economy and Transport, 'Power exchange and market power'.

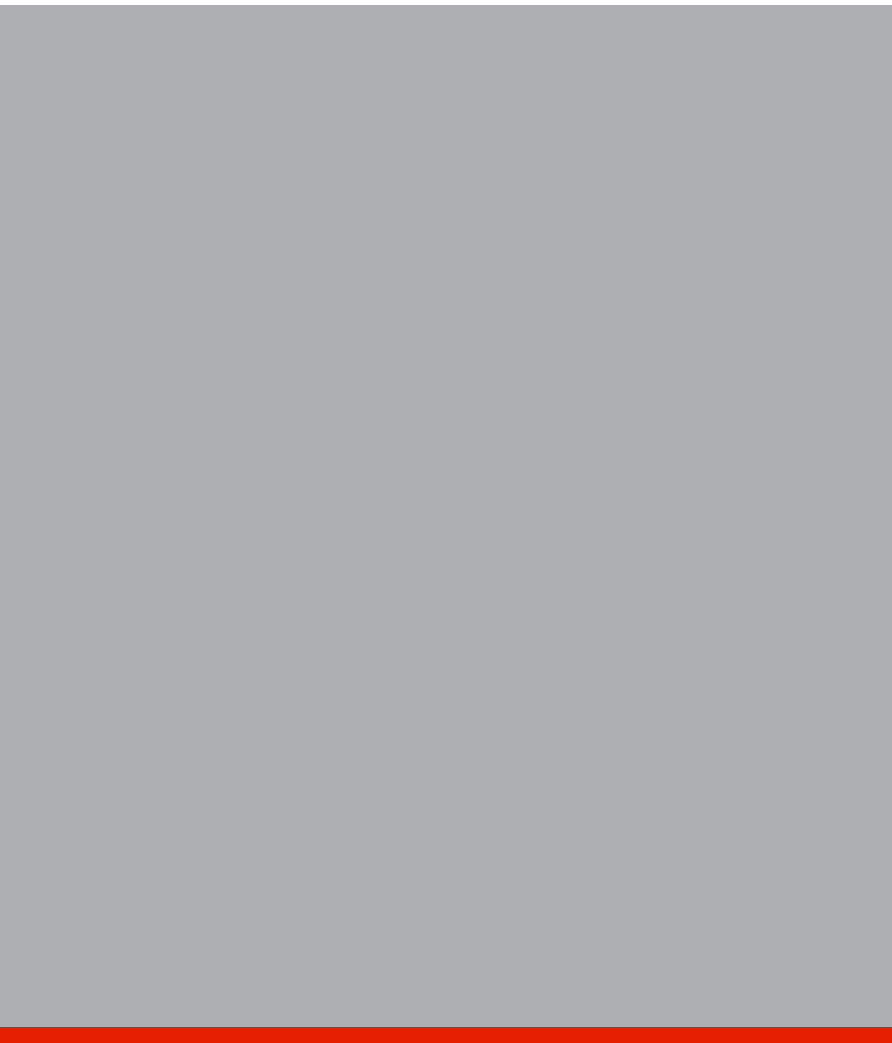
MANAGEMENT BOARD'S REPORT

The way would thus seem to have been cleared for relatively smooth and business-like growth. Our goals and objectives for 2007 are clear: EEX will continue to expand its product portfolio throughout the current year. In this context, introducing natural gas trading to the Spot and Derivatives Market will play a central role. ECC activities will expand, and take on international partners, thus setting a key strategic marker. And we will continue to act pan-regionally, according to our motto 'Connecting Markets', in linking up with new markets.

In the name of the entire management team, the board would like to thank all employees, their families, our trading participants and business partners for your trust and support in the past year. We are looking forward to continuing on this path and cordially invite you to join us in doing so.



Dr. Hans-Bernd Menzel
Chairman of the Management Board



SUPERVISORY BOARD'S REPORT

Supervisory Board's report

Dear Shareholders,

The Supervisory Board of EEX AG has diligently performed the duties assigned to it by law and statutes throughout the whole of the reporting period, has supported the management in directing the company in an advisory capacity, and has carefully monitored the company's running. The Supervisory Board was directly involved in all decisions and measures of key importance for the company.

In 2006, the Supervisory Board convened five times to be instructed by the EEX AG Management Board about intended business strategy and company planning, including financial, investment and personnel planning, the company's profitability and business success, as well as the current position of EEX AG and the group (including risks and risk management). The basis for this were the detailed written and oral reports provided by the Management Board. The Chairman of the Supervisory Board as well as the other members of the Supervisory Board and the EEX AG Management Board had regular contact with each other between these meetings as well.

Focus of discussions at the Supervisory Board

A key focus of discussions at the Supervisory Board and the strategy committee that compiles resolutions comprised the separation pursuant to company law of the exchange and the clearing house, which was completed in 2006 retroactively as of 1 January of that year. Discussions also focused on the clearing house (ECC AG) bank licence in connection with the split, as well as collaboration between the ECC AG and other exchanges. A further focus of discussions was the establishment of a natural gas trading place planned for 2007.

The personnel committee met twice to discuss matters relating to the Management Board.

SUPERVISORY BOARD'S REPORT

Consolidated financial statements for 2006

The EEX AG financial statements and the group financial statements for 2006 as well as the Group Annual Report for 2006 were compiled with reference to book-keeping examined and approved without any qualifications by PricewaterhouseCoopers AG Auditors, Berlin, the auditors selected and hired by the Supervisory Board.

The financial statements and the PricewaterhouseCoopers audit were circulated in good time among all members of the Supervisory Board. The auditors participated in the meeting of the Supervisory Board for the financial statements on 29 March 2007 and reported in detail on the key results of the audit.

The Supervisory Board has examined the financial statements, the annual report and the Management Board's proposal for using the net earnings as well as the group financial statements and the group annual report. No objections were raised. The results of the audit have therefore been endorsed. The Supervisory Board endorses the financial statements compiled by the management as well as the group financial statements for the financial year 2006. The 2006 financial result for EEX AG is thus established.

The Supervisory Board endorses the Management Board's proposal for using the net earnings.

SUPERVISORY BOARD'S REPORT

Changes in the Supervisory Board

As successors to the retired Supervisory Board members Wolfgang Tiefensee, Dr. Heinz Baumberger and Robert Lillefloth, the annual general meeting on 29 June 2006 appointed Burkhard Jung, Hermann Ineichen and Tanja Ilic to the board. In addition, Dr. Roger Müller and Gerrit R. Raupach retired from the Supervisory Board of the EEX AG on 28 June and 30 June 2006 respectively. Stefan Leusder was appointed to replace them as of 14 August 2006. Mr. Ulrich Kastner was appointed to the Supervisory Board as of 29 June. Daniel Gisler retired from the board as of 1 December 2006. The Supervisory Board thanks the departing members for their commitment to the company and the service they rendered.

In the name of all members of the Supervisory Board, I would like to thank the Management Board and all employees of European Energy Exchange AG for the work performed in the reporting year and their contribution to the extremely favourable business development and the connected consolidation of EEX AG's market leadership among European energy exchanges.

Leipzig, 29 March 2007

On behalf of the Supervisory Board



Dr. Jürgen Kroneberg
Chairman of the Supervisory Board



clearing services

derivatives market

intra-day & day-ahead market



MILESTONES IN THE FINANCIAL YEAR

Milestones in the financial year

I Quarter

At the start of January, Elnord S.A. becomes the first company from Poland to be approved for trading. This increases the number of countries from which companies are active on the EEX to 17. As of 1 January, the European Energy Exchange AG (EEX AG) splits into an independent exchange company and a separate clearing house, European Commodity Clearing AG (ECC AG). EEX significantly expands transparency coverage on its website. The Exchange Council endorses this considerable augmentation of information provision. It incorporates detailed information on market making, such as quote obligations and current quotes. The EEX website also now provides information on fast market situations. The exchange also makes available information about aggregated bid curves from the Spot Market for downloading.

II Quarter

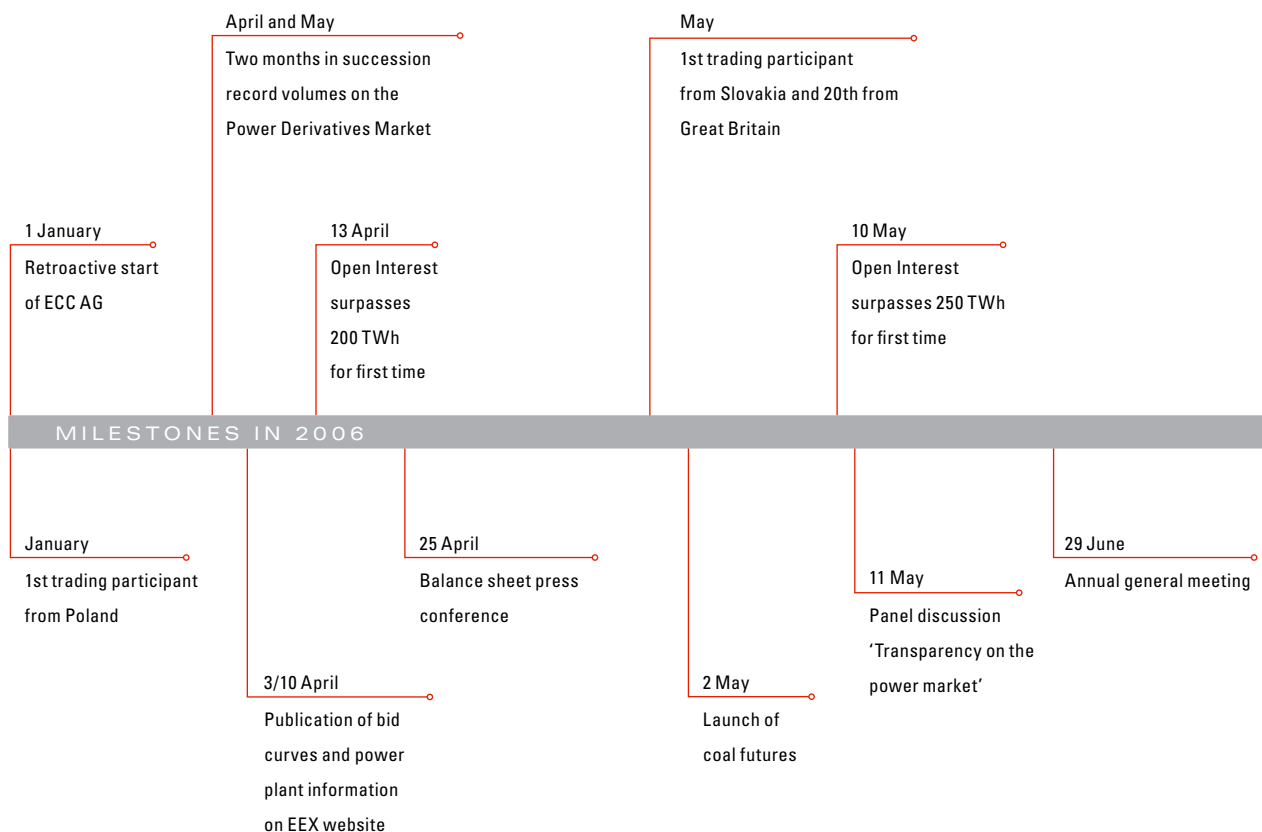
Open Interest in the Power Derivatives Market surpasses the mark of 200 TWh. The four large German power generators join the EEX transparency initiative: EnBW, E.ON, RWE and Vattenfall undertake to publish their ex-ante and ex-post data on the EEX website. Further power generators join this movement in the course of the year. The initiative sets a precedent for Europe. EEX is the first European exchange to start trading financially-settled coal futures and take over OTC clearing for coal 'swap' traders. 2 May sees the first coal contract handled by the European Energy Exchange AG (EEX).

The internationalisation course continues unabated: also in May, the first trading participant is admitted from Slovakia. Then the 20th participant is admitted to trading from Great Britain. More and more financial service providers turn to the EEX and thus consolidate trust in the exchange. JPMorgan, MAN Financial Ltd. and Merrill Lynch Int. are accepted for trading in June as General Clearing Members and Derivatives Market participants. Sales revenue reach € 20.5 million in the first half of 2006, an increase of 88 % year-on-year.

MILESTONES IN THE FINANCIAL YEAR

III Quarter

On 5 July, the first inter-exchange collaboration is agreed between the EEX subsidiary European Commodity Clearing AG (ECC) and ENDEX European Energy Derivatives Exchange N.V. After only three months, the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [Federal Financial Supervisory Authority] awards the ECC AG a licence as a securities trading bank. On 19 July, a collaboration agreement is concluded with Amerex, one of the leading brokers for energy trading products, domiciled in London. The Polish energy supplier BOT GIE S.A. becomes the 150th participant admitted to trading on EEX. This means that the number of trading participants has increased by 18 since the start of the year. Publication of market making details on the EEX website together with a detailed list of its shareholders and their shares in EEX further increase the exchange's transparency. The intraday trading eagerly awaited by the market starts on 25 September with great success.

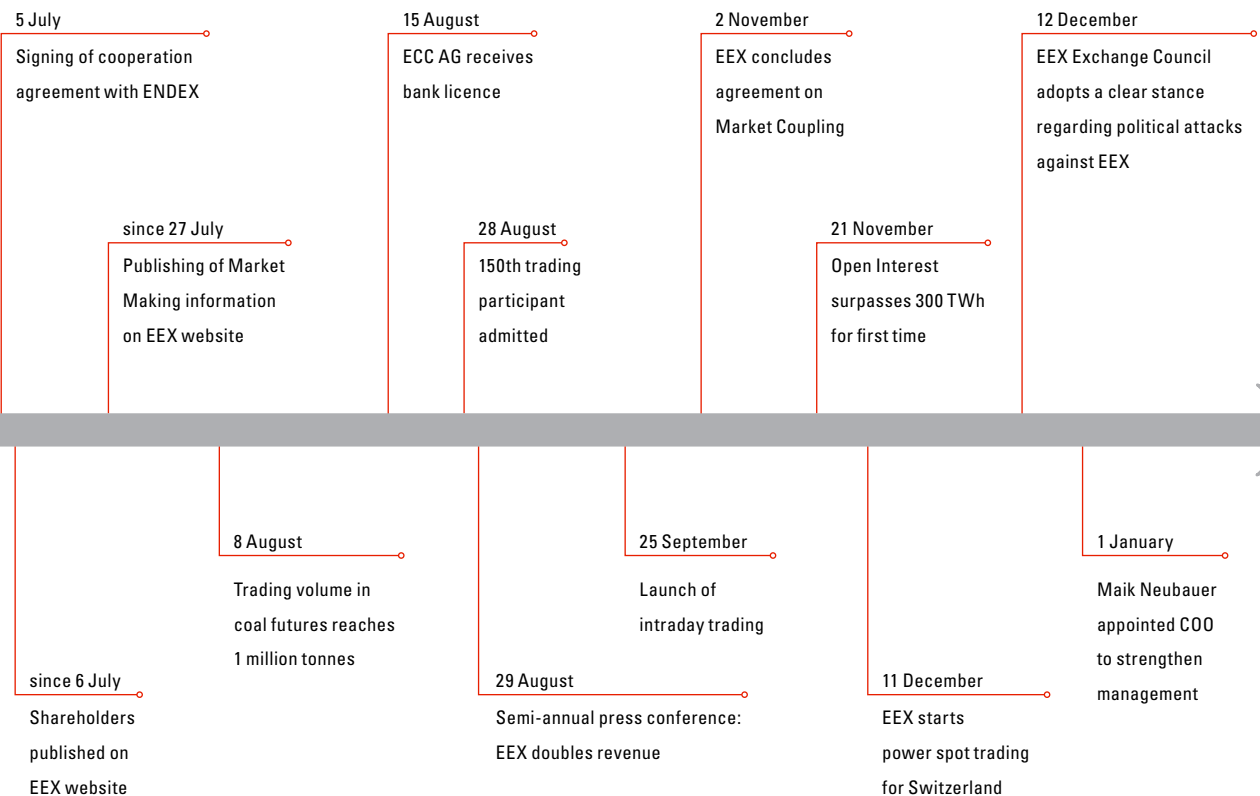


MILESTONES IN THE FINANCIAL YEAR

IV Quarter

The EEX Exchange Council proposes launching natural gas trading on the exchange. Preparations for the start of spot and future trading on 1 October 2007 gather pace. The power Spot Market Switzerland starts, and meets with enormous success.

For the first time in the exchange's history, Open Interest passes the 300 TWh mark and market value of € 17 billion. EEX, Nord Pool Spot AS, Energinet.dk, Vattenfall Europe Transmission GmbH and E.ON Netz GmbH reach an agreement on Market Coupling. By the end of 2006, EEX has 158 trading participants from 19 countries. Maik Neubauer joins the Management Board of European Energy Exchange AG as Chief Operating Officer as of 1 January 2007.





Česká Republika

Nederland

België

Danmark

Deutschland

Italia

Luxembourg

Republika Slovenija

Schweiz

España

Norge

France

United States of America

Elláda

United Kingdom

Polska

Slovenská Republika

Österreich

Cayman Islands

TRANSPARENCY BALANCE SHEET



Exchange Council's report

The EEX Exchange Council is an official exchange organ pursuant to the German Stock Exchange Act, and comprises 22 members. Besides 18 representatives of trading participants (German and non-German grid and power trading companies, municipal utilities and regional suppliers, brokers and financial service providers as well as commercial consumers), four German associations also delegate their own representatives: VIK Verband der Industriellen Energie- und Kraftwirtschaft e. V. [German Association of the Energy and Power Supply Industry], Verbraucherzentrale Bundesverband e. V. (vzbv) [Federation of German Consumer Organisations], Verband der Elektrizitätswirtschaft – VDEW – e. V. [German Electricity Association] and Bundesverband der Deutschen Industrie e. V. (BDI) [Federation of German Industries].

The Exchange Council's duties comprise in particular establishing the exchange's rules and regulations, appointing and monitoring the exchange's management, and appointing the head of Market Surveillance.

'Transparency' was the motto for the EEX Exchange Council in 2006. Diverse measures aimed at strengthening communication and strengthening of links to representatives of energy consumers and energy generators helped EEX undertake significant steps towards transparency. The EEX Exchange Council passed its first resolution on transparency at its regular meeting in March 2006. This package contained detailed information on market making, such as quoting obligations and current quotations. It was also decided to publish fast-market situations on the EEX website. The publishing of power plant data on the EEX website also deserves special mention in this context.

TRANSPARENCY BALANCE SHEET

In June 2006, a comparison of transparency standards across European energy exchanges showed that EEX ranks among the most transparent power exchanges in Europe. EEX published data was compared with published data from the following non-German energy exchanges: EXAA, OMEL, Powernext, GME, APX, ENDEX, Nord Pool, UKPX. Despite the 'good marks' EEX received, the Exchange Council will continue to closely monitor trading on the exchange and to actively encourage further progress on transparency.

It was agreed that EEX should enter the market area Switzerland to meet market participants' strong interest in expanding the existing spot trading zones. The exchange council also accepted the proposal to modify the rules in order to start trading in financial coal contracts and providing OTC clearing service to coal 'swap' traders. The Exchange Council also decided in favour of introducing so-called Gross Bidding, where trades can be made on separate buy and sell accounts, but this has not yet been implemented.

At the meeting in September 2006, the Exchange Council decided in favour of introducing intraday trading on the EEX and expressed the desire to start natural gas trading on the EEX. A detailed examination of chances and risks was commissioned and a trader working group established for the topic of natural gas. After analysing the results, the Exchange Council supported EEX's initiative to prepare to establish a Spot and Derivatives Market for natural gas.

At the fourth meeting of the Exchange Council in December 2006, among other topics discussed were the consequences of political intervention in free competition on the power market. The Exchange Council reached the conclusion that the task of politics is to establish, and enforce compliance with, the legislative and regulatory framework for the economy, and not to engage in fixing specific prices.



Dr. Jacques Piasko
Chairman of the Exchange Council

TRANSPARENCY BALANCE SHEET

Certified transparency

EEX “satisfies all requirements regarding purely exchange-related information and sometimes goes beyond these requirements to publish non-exchange related information pertaining to the electricity sector”. Such is the conclusion of the “Improvement of transparency on the power wholesale market from the perspective of economics and energy market and capital market law”, initiated by Saxony’s Ministry of Economy and Labour and published by White & Case and NERA Economic Consulting Düsseldorf/Berlin/London, 10 January 2007. This means that EEX achieved one of its key objectives for 2006: the transparency of the European Energy Exchange was found to be exemplary.

In the context of a comparative study, mention was made of potential for improving transparency on EEX. However, it also found that there is hardly any information owned, but not made available by EEX that is made available by other exchanges.

The number of active Spot Market participants can be mentioned in this connection. But due to the constantly high number of active EEX participants (more than 30), this information is not price relevant, according to the study.

Status of information available on Spot Market

No.	Ideal Information	Actual Information	Deficit	Importance	Reason
1	Aggregated demand and supply curves/ open order book as well as prices and volumes on EEX intraday market	Ideally present	no	high	—
2	Number of prequalified and active participants on intraday market (EEX)	Partly available	yes	low	Price relevant information
3	Aggregated demand and supply curves/ open interest as well as prices and volumes on EEX Spot Market	Partly available	no	high	—
4	Number of prequalified and active participants on Spot Market (EEX)	Partly available	yes	low	Price relevant information
7	Prices and volumes of OTC-Intraday-Market for standardised contracts	Provided voluntarily for restricted circle	no	low	—
8	Number of active participants on OTC-Intraday-Market	Provided voluntarily for restricted circle	no	low	—
9	Prices and volumes of OTC-Spot-Market for standardised contracts	Provided voluntarily for restricted circle	no	low	—
10	Number of active participants on OTC-Spot-Market	Provided voluntarily for restricted circle	no	low	—

Source: “Improving transparency on the power wholesale market from the perspective of economics as well as energy market and capital market law” commissioned by Saxony’s Ministry of Economy and Labour, published by White & Case and NERA Economic Consulting Düsseldorf/Berlin/London, 10 January 2007

TRANSPARENCY BALANCE SHEET

With regard to the Derivatives Market, no insufficient transparency or information deficits were identified for EEX: a clear nod of approval from the recently published study.

Status of information on Derivatives Market

No.	Ideal information	Actual information	Deficit	Importance	Reason
1	OTC: spread, volumes, Open Interest, Options delta	Provided voluntarily for restricted circle	no	low	n/a
2	OTC: number of registered participants, number of active participants	Provided voluntarily for restricted circle	no	low	n/a
3	EEX: spread, volumes, Open Interest, Options delta	Ideally present	no	high	n/a
4	EEX: number of registered participants, number of active participants	Partly provided	no	low	n/a

Source: "Improving transparency on the power wholesale market from the perspective of economics as well as energy market and capital market law" commissioned by Saxony's Ministry of Economy and Labour, published by White & Case and NERA Economic Consulting Düsseldorf/Berlin/London, 10 January 2007

This overall finding is based on EEX's strengthened commitment in 2006 to make a sustained contribution to creating cross-market transparency.

In 2006, the EEX transparency process took on a high profile, with many informational events for representatives from politics, press and the economy, and also in the form of participation in congresses, international forums, conferences, trade fairs and seminars.

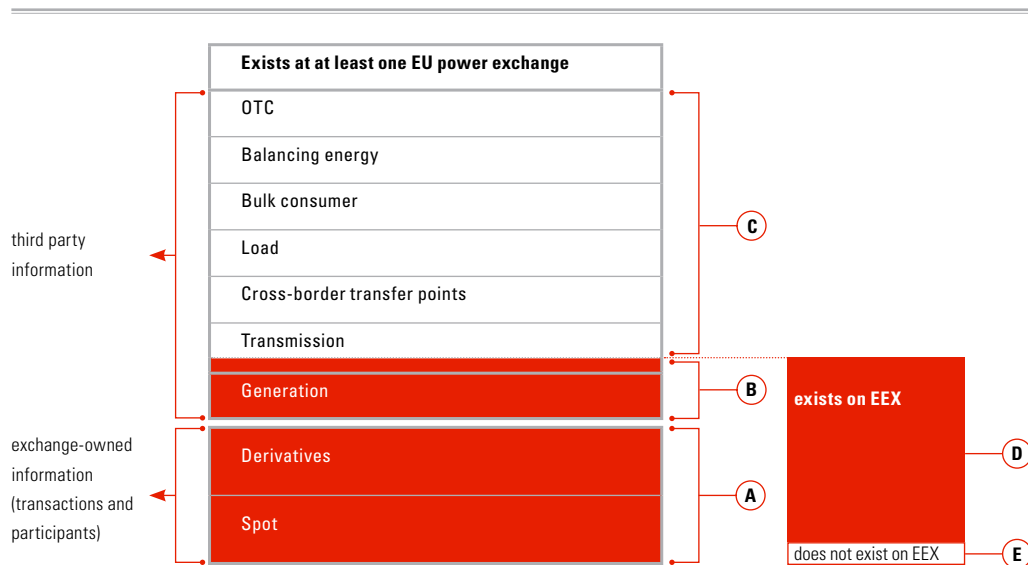
Market-oriented enhancement of our information materials and publications accompanied the intensive and continual exchange of opinion and information at German governmental and EU levels. We used workshops and panel discussions with European market participants and supervisory and control bodies to inform press representatives comprehensively about developments and issues connected with energy exchanges.

High degree of trust from the market

Despite recurrent criticism regarding the extent of EEX's transparency and neutrality, this initiative succeeded, a fact confirmed not only by the study mentioned above. Other studies at EU level, created in the context of sometimes stormy discussions about energy prices and about the transparency of the German energy market, also support this overall verdict. Growth in participant numbers and trading volumes also underscore the market's trust in EEX, its workings and level of transparency.

TRANSPARENCY BALANCE SHEET

EEX information vs. information made available by at least one other EU power exchange



Key for figure "EEX information vs. information made available by at least one other EU power exchange"

A Exchange-owned information (transactions and participants) available at at least one EU power exchange

B Third-party information available at at least one EU power exchange and owned by grid operators or power generators:

- product-relevant transmission capacities
- installed generation performance
- available generation capacities
- effective generation
- list of power plants

C Third-party information available at at least one EU power exchange and owned by grid operators or power generators, which is not published at EEX.

D Information published at EEX

E Exchange-owned information available at at least one EU power exchange, but not at EEX. Concerns the number of active market participants, but due to the constant large number of active EEX members (> 30) is not categorised as significant for prices.

Source: "Improving transparency on the power wholesale market from the perspective of economics as well as energy market and capital market law" commissioned by Saxony's Ministry of Economy and Labour, published by White & Case and NERA Economic Consulting Düsseldorf/Berlin/London, 10 January 2007

TRANSPARENCY BALANCE SHEET

Comprehensive control at national and international level

The anonymity of trading on the exchange guarantees all participants non-discriminatory access to the wholesale market. The EEX, as subject to public law, is governed by the German Stock Exchange Act. The Stock Exchange Act rules that exchange prices must be formed correctly and correspond to the true market position of exchange trading. In addition, the sales on which prices are based must be made known to participants immediately. This means that the EEX is subject to exactly the same quality requirements as any other stock exchange.

The EEX undergoes comprehensive monitoring. The Exchange Council comprises members of trading participants, its duties and authorities are defined in the Stock Exchange Act, and include establishing exchange regulations and supervising the management. All bids and concluded trades are checked by the EEX Market Surveillance, which reports directly to the stock exchange supervisory authorities in the Ministry of Economy and Labour of the state of Saxony. This supervisory authority monitors compliance with legal regulations and rules for exchanges (legal supervision) and also proper conducting of trade on the exchange (market supervision). Where necessary, such as in the case of third-party complaints, the German Financial Supervisory Authority (BaFin) also conducts examinations as supervisory and inspection authority.

EEX cooperates closely with other important supervisory authorities as well, such as the Federal Network Agency and the Federal Cartel Office. This cooperation does not only serve supervision and information purposes, but rather commences right from the planning stage of new products or creation of market models, and comprises a permanent dialogue between all parties involved.

On EU level, where a similarly intensive dialogue is conducted, far exceeding what is legally required, the relevant boards include the European Regulators Group for Electricity and Gas (EREGG), which brings together 28 European regulatory authorities, and the Council of European Energy Regulators (CEER), in which EEX takes part.

Supervisory authorities

Exchange supervisory authority (SMWA)	★ ★ ★	BNetzA, E-Control (A), CRE (F)
EEX Market Surveillance	★ "There is no better supervised energy exchange in Europe" ★	CEER (EU), ERGEG (EU)
Exchange Council	★ <i>Dr. Hans-Bernd Menzel</i> ★	BaFin, CFTC (USA), AFM (NL), EBK (CH)
Federal Cartel Office	★ ★ ★	EU commission (GD competition, GD energy)

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Members of the EEX Exchange Council

Name	Company	Function
Phil Atkinson	ICAP Energy	Director of Corporate Development
Kurt Baumgartner	Aare-Tessin AG für Elektrizität (ATEL)	Member of Management
Sven Becker	Trianel European Energy Trading GmbH	Member of Management
Pierre Chevalier	DB Energie GmbH	Head of Energy Trading
Marc Ehry	PCC Energie GmbH	General authorised
Marco Fessler	BKW FMB Energie AG	Energy Trading
Dr. Christoph Helle	MVV Energie AG	General authorised
Ralf Henze	Stadtwerke Hannover AG	Head of Energy Trading
Peter Heydecker	EOS Trading	Managing Director
Dipl.-Ing. Wilfried Köplin	Bayer MaterialScience AG	Head of Corporate Energy Policy & Reporting
Dr. Wulf Lammert	ENERGIEUNION AG	Board
Tobias Lausch	BNP Paribas	Marketer Commodity Futures
Peter Lintzel	Stadtwerke Leipzig GmbH	Manager of Energy Procurement area
Prof. Dr. Edda Müller	Verbraucherzentrale Bundesverband e. V.	Management Board
Dr. Thomas Niedrig	RWE Trading GmbH	Head of Short Term Position Management
Dr. Jacques Piasko	Elektrizitäts-Gesellschaft Laufenburg AG	Member of the Executive Board/ Chief Trading Officer
Dr. Günther Rabensteiner	VERBUND-Austrian Power Trading AG	Member of Management Board
Edgar Röck	TIWAG-Tiroler Wasserkraft AG	Head of Energy Trading
Dr. Peter Sentker	VIK Verband der Industriellen Energie- und Kraftwirtschaft e. V.	Head of Purchasing Germany
Andrea Vittorio Siri	Edison Trading S.p.A.	Power Trading & Energy Derivates
Vincent van Lith	BHF-BANK Aktiengesellschaft	Managing Director
Dr. Bernhard Walter	Verband der Elektrizitätswirtschaft – VDEW – e. V.	Business area retail
Permanent guests		
Reinhard Flaskamp	Ministry of Economy and Labour, state of Saxony	Under-Secretary
Christoph Duscha	Ministry of Economy and Labour, state of Saxony	Consultant

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Information procedures: detailed and comprehensive

With its comprehensive and detailed market data statements, EEX makes a sustained contribution to transparency and thus also to the promotion of a liquid energy market.

Data like Phelix Base, Phelix Peak, hourly prices, hourly volumes, aggregate supply curves based on hourly current auctions, prices and volumes for continuous power trading, intraday prices, prices from CO₂ auctions, CO₂ settlement prices and CO₂ trading volumes including volumes from OTC clearing are published on various systems and platforms according to a clearly defined target group hierarchy. They are also made available via information providers like Bloomberg or Reuters. The same goes to the same high degree for comprehensive Derivatives Market statements – from order books for prices and volumes in a wide range of combinations to open interest, which reflects the sum of all open positions and is a key indicator of the market's confidence in EEX.

Spot and Derivatives Market: transparent pricing procedures

The transparency of pricing on the Spot and Derivatives Market is guaranteed by publishing current trading figures. On the Spot Market, energy prices, Swissix Base/Peak and Phelix Base/Peak are published on the website immediately after the auction. These data are then also available as a News Board Message for participants on Eurex and on the Xetra System. Forty minutes after the auction, further individual hourly prices and volumes are published on the EEX website (for the moment, this applies only for the Germany/Austria market region).

Immediately after the CO₂ auction, the Carbix is published on EEX's website, as well as the volumes traded at auction. The prices and volumes from the continuous CO₂ trading and the settlement price are published in near-real time.

Traders on the Derivatives Market have access to the order book during trading hours. The prices and volumes of the contracts being traded are shown on the EEX website with a 15-minute delay.

After close of trading, daily data like trading volumes, number of contracts, opening and closing prices, highest and lowest price, settlement price and open interest are made available on the Eurex and Xetra systems. Furthermore, the downloads section of the EEX website offers historical data. These include volumes and prices for intraday power trading, Swissix Base/Peak, Phelix Base/Peak, individual hourly prices and volumes, prices and volumes for continuous trading, intraday prices, CO₂ auction prices and settlement prices, as well as CO₂ trading volumes, including volumes from OTC Clearing.

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Spot Market: market-specific information

Information	Published data	Time period
Intraday power trading – prices and volumes per hour	For the same day and the next delivery day	Publication after close of trading in the download centre
Phelix Base/Peak including prices and volumes per hour	For the next delivery day	Immediately available on the trading system; further data published on the EEX website 40 minutes after the auction and in the download centre after close of trading
Swissix Base/Peak including prices and volumes per hour	For the next delivery day	Immediately available on the trading system; further data available from the download centre after close of trading
Aggregated demand curves from hourly energy auctions (FTP server, only for members)	For the next delivery day	Publication on every trading day at 2pm for the previous trading day
Continuous block pow0	For the next delivery day	Near-real time publication (t+15 minutes) on the website; further data available from the download centre after close of trading
Carbix CO ₂ auction prices and volumes	For the same trading day (delivery t+2)	Publication on the EEX website immediately after price setting
CO ₂ continuous trading – prices and volumes	Settlement price for the same trading day (delivery t+2)	Near-real time publication on the EEX website; further data from the download centre after close of trading
KWK Index	For the previous quarter	Publication on the EEX website immediately after the end of the quarter

Derivatives Market: market-specific information

Information	Published data	Time period
Open order book	During trading hours	Immediately
Prices and volumes of products on the Derivatives Market (current trading data) and OTC prices and volumes	During trading hours	Near-real time (t+15 minutes) on the EEX website; immediately on the trading system
Data on a daily basis for all contracts (volumes traded, number of contracts traded, price at market opening, highest price, lowest price, closing price, settlement price, open interest)	On the day	At close of trading

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General information and services

Trading data is available in electronic form for downloading from an FTP server. Furthermore, visualisations of price movements are also available via tables, charts and analyses. Power trading data and information on trading in CO₂ emission allowances can also be transmitted on every trading day by text message. Almost all market participants have given permission for their names to be published on the EEX website. Non-members of the market can also ask the EEX Market Surveillance for audits at any time.

General information

Information	Time period
Market Maker information; conditions for publication and current publications	Regularly updated
Information on fast market situations	Near-real time
Market position	Regularly updated
Clearing position	Regularly updated
Margining position	Regularly updated
Trading participants (provided they have agreed to publication)	Regularly updated
Clearing banks	Regularly updated
Brokers with contact details	Regularly updated
Members of the Exchange Council	Regularly updated
Members of the Supervisory Board	Regularly updated

Increased transparency during the financial year

Several generators signed up to EEX's transparency initiative in 2006. In April of the previous financial year, the four major German generators were the first to take a substantial step towards greater transparency in the continental European energy market by using EEX's neutral platform.

Comprehensive generation data and data on transmission capacities

EnBW, E.ON, RWE and Vattenfall have been providing ex-ante and ex-post data to EEX, which are published on the EEX website. Other companies have signed up to this initiative over the course of this year, including the major Austrian trading participants – Energie AG Oberösterreich, EVN AG, TIWAG-Tiroler Wasserkraft AG – as well as RheinEnergie AG, Electrabel Deutschland AG and Energieversorgung Offenbach AG. Power plants owned by the major power consumers are not yet involved in the initiative.

The data relate to the sum of installed net electrical performance and available capacities, aggregated for each energy carrier for the following 365 days as well as the net power generation per hour for the day before.

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With this voluntary initiative, EEX has nonetheless created standards: since October 2006, Dutch companies have been releasing market-relevant generation data to national power markets. Power providers in France, Belgium, Luxembourg and Poland have also chosen to conform to this initiative.

Alongside this generation data, the EEX website also publishes transmission capacity data from EnBW Transportnetze AG, E.ON Netz GmbH, RWE Transportnetz Strom GmbH and Vattenfall Europa Transmission GmbH.

Power plant data on www.eex.de



Details of market making

Another cornerstone of this transparency offensive is the ongoing publishing of details on market making on the website, which has been carried out since July 2006. Participants that are always available as a trading partner and which therefore guarantee a base level of liquidity are designated Market Makers. These data relate on the one hand to products for which the Market Makers have accepted an obligation to provide quotations and on the other to the quotation obligations themselves. The obligations refer to the time, volume and price conditions that Market Makers must apply to binding buy and sell orders.

Whereas, up until 2003, more than 80 per cent of the volumes traded were between Market Makers, that volume is now a stable 20 per cent or less. The following companies were active as Market Makers on the EEX power Derivatives Market in 2006: Deriwatt AG (Switzerland), RWE Trading GmbH (Germany), Vattenfall Trading Services GmbH (Germany) and E.ON Sales & Trading GmbH (Germany).

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Report of the Head Market Surveillance

It is essential for any functioning market that market participants have confidence in the marketplace and its manipulation-free price-setting mechanism. At EEX, the Market Surveillance (HÜSt) has the role of supervising trading. It collates all data about trading on the exchange in a systematic and comprehensive fashion, assesses these data and then takes any necessary steps. This continuous supervision of trading behaviour and adherence to the exchange's rules guarantees the highest degree of security for participants in EEX trading and forms the basis for confidence in the prices on the exchange. The HÜSt is a legally mandated authority of the exchange, whose head is chosen by the Exchange Council on the basis of a proposal made by the exchange's management with the consent of the authority regulating the exchange.

In 2006, EEX expanded its product range. As well as launching the EEX Carbon Index (Carbix), it also introduced financially fulfilled coal futures on the Derivatives Market, the introduction of intraday trading and of the new market region of Switzerland on the power Spot Market. The HÜSt responded to these product developments with an appropriate build-up of its monitoring activities.

But the improvement of the monitoring processes over the past year was not confined to the integration of new products. The HÜSt expanded its portfolio of analytical instruments and reorganised existing processes. The documentation relating to the investigations conducted was optimised to make it

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possible to process more information within a shorter period of time. Overall, the development of the monitoring processes led to the HÜSt continuously improving its overview of the trading behaviour of EEX participants over the past year. Furthermore, the HÜSt also reorganised the documentation of its activities and assembled a new process handbook that now contains organisational principles for the entirety of the monitoring activities.

Cooperation and exchange with other supervisory institutions is another major task for HÜSt. The top priority in this area is the dialogue with the EEX's supervisory authority, the Saxony State Ministry for Economic Affairs and Labor, and dialogue with the exchange's management. The HÜSt has reported regularly on its activities to both institutions over the past year.

The HÜSt was able to propose concrete studies to the Exchange Council and was also frequently asked to carry out further work both by the Council and by the market. The HÜSt also entered into dialogue with trading participants in order to make them aware of current developments, since knowledge exchange is an important element of trading supervision. The HÜSt therefore also exchanged knowledge with representatives of the securities market supervision department of Germany's Federal Financial Supervisory Authority (BaFin) and with the trading supervision department of the Norwegian energy exchange Nord Pool, among others. These discussions led to improved understanding of the market and the varying approaches to investigation and also created a drive towards optimising monitoring activities. Over the past year, HÜSt once again cooperated with the European Commission, the Federal Network Agency (BNetzA), the Dutch Financial Market Supervision (AFM) and the Swiss Federal Banking Commission (EBK).

As the law on exchanges envisages, HÜSt also collated and assessed the trading activities of the EEX market participants for every single trading day in order to identify suspect events that might indicate a violation of the ban on market manipulation, the law on exchanges or the exchange's own regulations.

Neither from a short-term nor from a long-term perspective were any grave irregularities identified. The HÜSt took note of all trading activities that needed explanation and questioned the market participants involved. Happily, all suspect activities were readily explained and participants were made more aware of the significance of transparent market procedures.

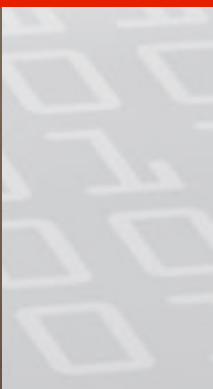
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Apart from carrying out regular investigations, current developments and market indications were frequently taken as cause to carry out more in-depth ad hoc analyses. Examples include intensive studies of power Spot Market auctions at times of unusual price movements, such as during the warm summer months or on 7 November 2006, when the price reached an unusually high level during a single hour. Neither these nor any other ad hoc investigations into the Spot and Derivatives Markets found any grounds for suspecting manipulative behaviour.

Overall, HÜSt can look back on a satisfactory 2006. Not least because of targeted improvements to the monitoring procedures, it was shown over and over again that EEX is an exceptionally stable and secure market with a thoroughgoing reference price effect. Over the coming year, HÜSt plans to increase its efforts to pursue the same course. Beyond integrating new products into its monitoring activities, the intensity and effectiveness of its investigations will be raised. In order to achieve this, the HÜSt will further develop its software infrastructure, which is the basis for all analytical activities. The year 2007 will bring a greater focus on communicating its activities and the results of its investigations, with the aim of creating even more confidence in the EEX markets on the part of all interested parties.

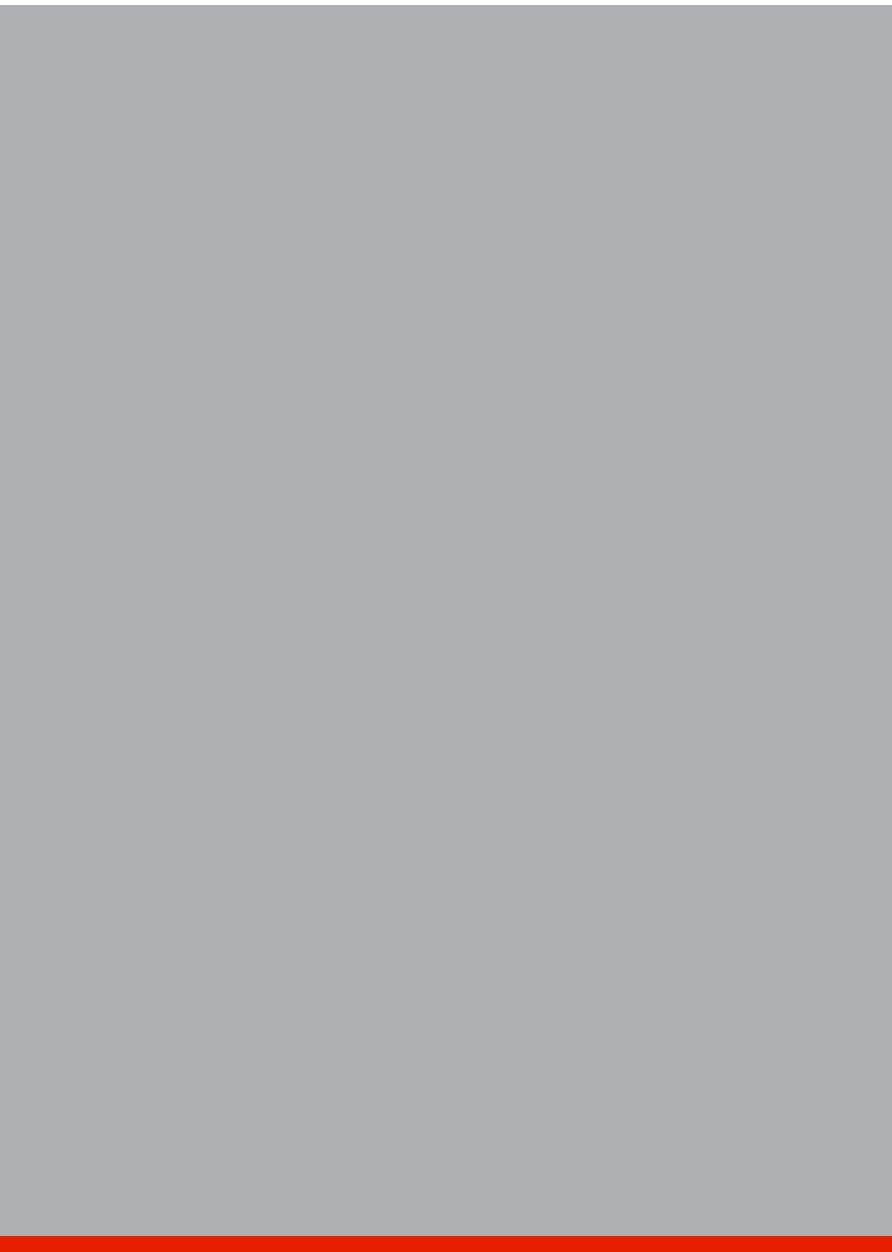
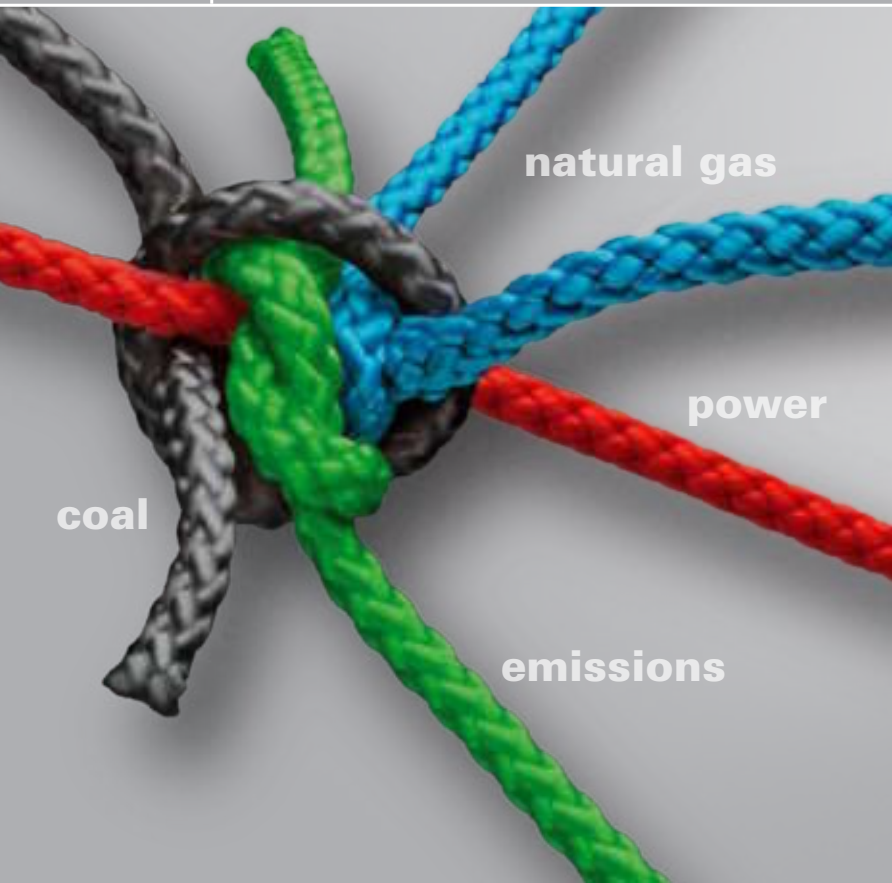


Dr. Wolfgang von Rintelen
Head of Market Surveillance





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European Energy Exchange AG, Leipzig, Group Annual Report 2006

Favourable economic environment

The world economy did indeed lose a certain amount of momentum during 2006; however, it is still showing strong growth as previously. Aspiring economic powers such as India and China ensure a constantly high demand for energy and raw materials. In contrast to this, high prices are seen in the oil and raw materials markets. Therefore, the key question in the 21st century is, and remains, the energy supply of the national economies in the leading industrial nations including Europe.

In 2006, following a long, lean period, growth in the eurozone economy was as strong as last seen at the beginning of the decade. The European Commission estimates real economic growth in the European Monetary Union in the reporting year at 2.6 per cent; this corresponds to double the figure for the previous year. The Federal Republic of Germany was also in a good position to participate in this growth push and to create a healthy domestic economic climate. "The German economy is once again heading on a clear course for growth and the domestic price-climate is favourable" for the business year 2006 according to the Federal German Government.

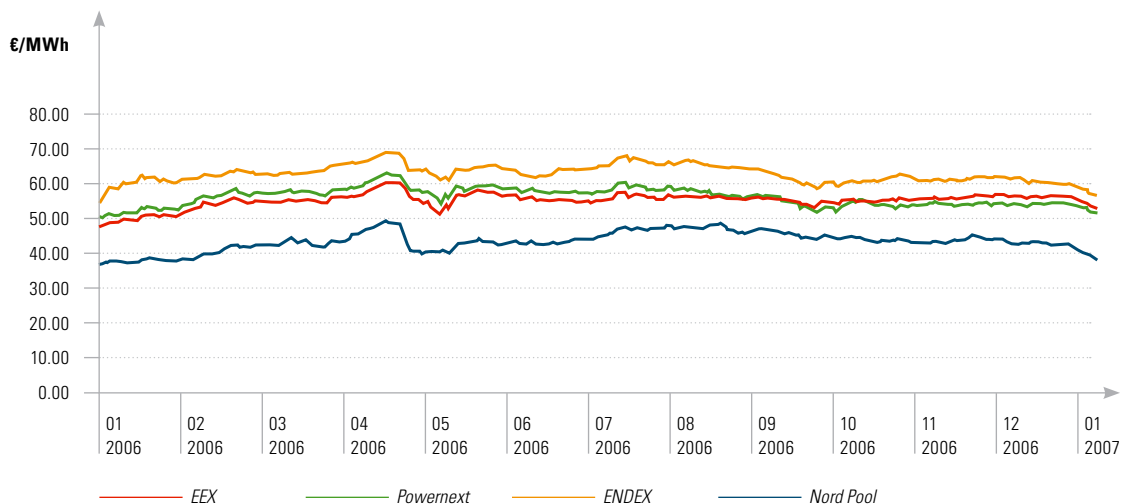
The EU Commission and national regulators are working at full speed towards a uniform European single market to liberalise the power and natural gas market in Europe completely by mid-2007. Within Europe, five energy exchanges have been set up, including the European Energy Exchange AG; their trading volumes are continually increasing, with EEX setting the trend as regards the rate and intensity of growth.

Tension in energy-policy climate

Following the rising energy prices which marked 2005, this trend continued even more markedly in the last business year. It could be seen even more clearly in the reporting year that the price history was neither a matter of a national phenomenon of an insular type of market nor that any country was going it alone as regards prices. Prices are developing in step and are generally strongly influenced, as previously, by a worldwide, continuously growing demand for energy and for primary energy carriers such as coal, oil and natural gas.

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Price development in European wholesale trading



While Europe acknowledges EEX's top-ranking position, the EEX here in our country is exposed to massive attacks from political circles which, as a result, make the power exchange responsible for high prices for power. At the Land and Federal level, greater competition is called for in the power market; the exchange price is described as not representative of the market and as being inappropriate for reference purposes. At the end of the year, when the attacks were at their height, the exchange was even placed in jeopardy.

Although the planned amendment to the GWB [Gesetz gegen Wettbewerbsbeschränkungen: Act against Restraint of Competition] does not actually address the EEX directly, a change in antitrust legislation to the extent provided for is likely to have a negative impact on exchange trading. Countries such as France, Italy or Spain have strikingly demonstrated that excessive regulation and vague legal outline conditions are threatening the efficient functioning of energy trading in the European market. That the mere announcement of regulated prices can lead to a massive slump in volume is exemplified in the case of France: after it was made known that the largest energy consumers pay decoupled prices for long-term power supply contracts, the trading volume in long-term trading products fell by more than 50 per cent. The French Constitutional Council established in November that these regulated prices are not compatible with European law. Following this decision, the volume on Powernext, the French power exchange, increased again.

If, nevertheless, interference were to arise in the price formation mechanism as an essential factor in the power market in our country, this would mean a departure from the principle of liberalised markets. Competition would be hampered and possible shortcomings in competition would be firmly embedded in the long term.

Not only the function of the EEX price as a de facto reference in the European power market, but also the international structure of participants in the EEX equally clearly show that Germany

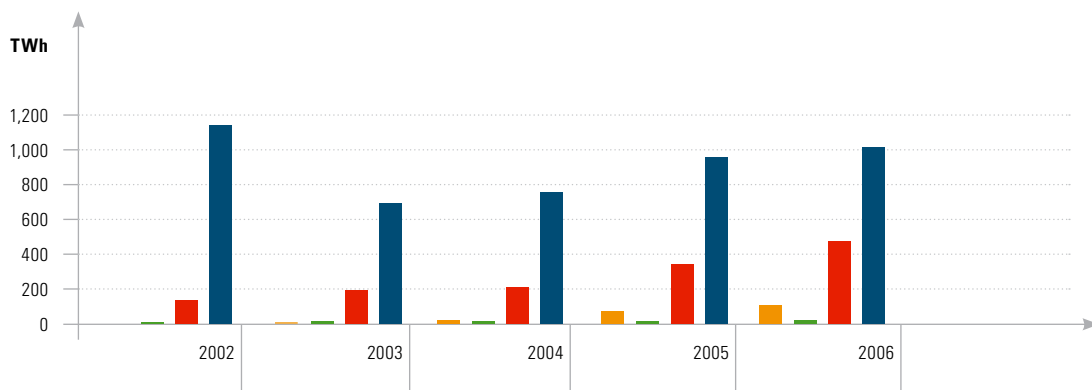
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is integrated in the European power association and the home market must not be regarded as isolated from what is happening in Europe. Over-regulation of the German power market would automatically have the consequence that foreign participants would withdraw from exchange events. This would diminish the liquidity, which is a fundamental precondition for a functioning market. At worst, the market would come to a standstill. In addition, confidence in the stability of state outline conditions would be damaged consistently and investors would withdraw. Germany would be isolated in the power industry and the completion of the single European market for power would be blocked. This scenario shows: when viewed in the long term, the incentive structure leads not to diminishing but to increasing prices.

Group – business trend marked by growth and innovation

In spite of increasingly acute attacks as compared with the previous year and despite sometimes emotional discussions which were devoid of reasons pertinent to the facts concerning the integrity of the energy exchange, it succeeded in establishing clearly successful benchmarks in the reporting year. Overall, the EEX permanently extended its position as the leading exchange in Continental Europe and as the leading clearing platform.

Development of trading volumes in the European power exchanges



Total from future and spot transactions, clearing not taken into account, in TWh

Total from future and spot transactions, clearing not taken into account, in TWh					Exchange
1	1	2	2	2	EXAA
3	7	27	82	113	Powernext
14	19	21	25	29	APX
144	200	216	346	477	EEX
1,143	664	757	962	1,016	Nord Pool

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In the business year 2006, with clearly improved business results as compared with the previous year, the EEX Group not only achieved the company's planned targets in terms of trading volumes, revenue and income, but far exceeded them. The ambitious economic expectations were more than fulfilled in all respects. On the basis of its motto 'Connecting Markets', the EEX, by extending its trend-setting products and services portfolio, which is geared to the market, its continuing internationalisation and the accelerated development of the number of its trading participants, has further underpinned its position as the leading European energy exchange and as the power exchange with the strongest growth. In the reporting year, an essential strategic step relating to its exclusive position and for ensuring the future was achieved by the spin-off of the clearing activities into the EEX's own subsidiary, the European Commodity Clearing AG, into which all clearing activities were brought and which developed very well in the reporting year.

Measures such as the introduction of trading in financial coal futures as well as the clearing of coal trades concluded off-floor, the introduction of intraday trading as well as the initiation of the scheduled admission of natural gas trading were essential milestones in the reporting year for expanding the product portfolio of the EEX. A further objective on the way to the one-stop-shop in the European energy market will be achieved with the start of natural gas trading on the exchange in the autumn of 2007. The systematic and synergetic combination of all products and trade segments once more impressively underlines the fact that the EEX offers a totally integrated and comprehensive market on one of the best system landscapes in the world.

Not only do the constantly increasing number of participants from different areas of industry and service segments as well as growing internationalisation testify to market confidence in the EEX as a trading platform with enormous increases in trading volumes. In particular, the strong increase shown in open interest is an impressive indication of the security which the EEX market place provides for its participants.

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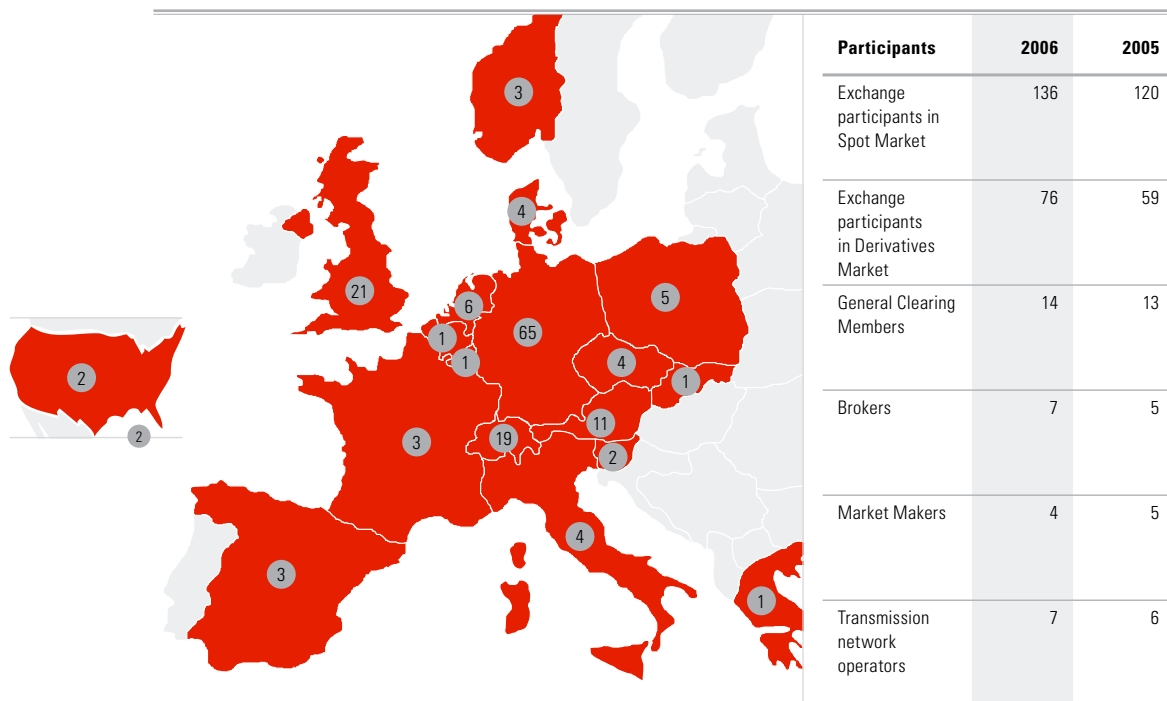
Sharp increase in trading participants

In the business year 2006, 18 new participants were admitted to the Spot Market and 17 new participants to the Derivatives Market. In contrast, there were two departures so that during the year the number of trading participants increased to 158, from 19 countries. With 132 trading participants as at the accounting reference date of the previous year, this represents an increase of 20 per cent.

Participants from the new accession states in Europe form a large proportion of the admissions to the Spot Market: seven out of 18 new admissions involved participants from Eastern Europe. Amongst these, in the reporting year participants from Poland and Slovakia became active for the first time. The increased number of participants in the Derivatives Market was reflected by seven of the 17 new admissions being principally businesses from Great Britain – with most of these businesses being from the finance industry. The obviously increased admission of well-known financial services providers emphasises not only the attractiveness of the EEX as an increasingly important trading place internationally but it also clearly confirms the confidence placed in the security and liquidity of the energy exchange. An outstanding seal of approval of the trading platform, in particular, against the background of the rigid risk management of financial services providers.

Significant increase in number of participants – 158 participants from 19 countries

Status: 31 December 2006



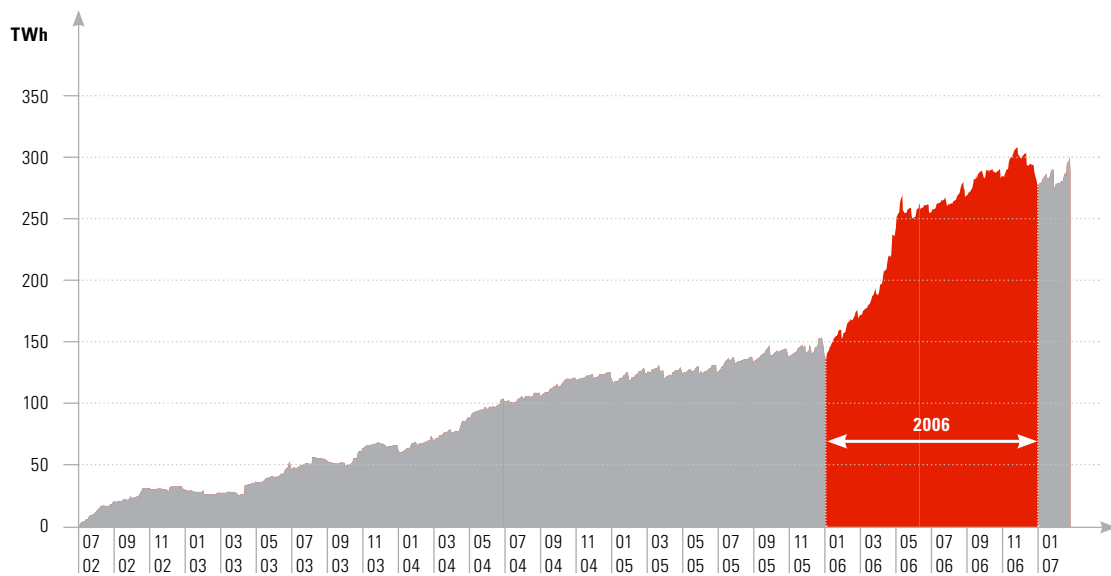
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High level of confidence in stock market

Open interest in the power Derivatives Market is an essential indicator of market participants' confidence in the EEX and its clearing subsidiary, ECC AG. In November of the reporting year, open interest, which is the total of all open positions, exceeded the 300-TWh mark. This corresponds to a market value of around € 17 billion and once again clearly shows that the market participants' confidence in the European Energy Exchange and its clearing subsidiary, the European Commodity Clearing AG, is further increasing. The volume of open interest is both recognition and commitment at the same time: a trading participant that opens a position assumes that there will always be the opportunity of also being able to close this position. In this way, a participant can react in the short term to market developments. The high liquidity in the EEX Derivatives Market and the secure processing of the transactions via the ECC guarantees this.

As at the annual reporting date, open interest totalled 278 TWh.

Open Interest: increasing market value



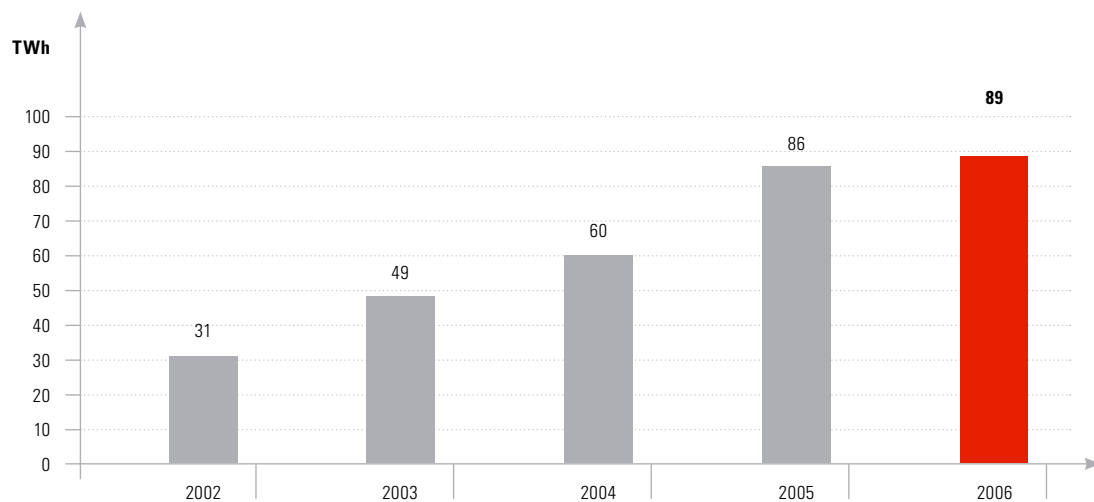
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Power: constant Spot Market – Derivatives Market volume doubles

Also in the reporting year 2006, the driving force was the Derivatives Market for power; the Spot Market proved to be constant, with a slight increase in volumes. The trading volume in the power Spot Market, with an increase of 3 per cent to 89 TWh, remained almost at the previous year's level of 86 TWh. The increase is due, in particular, to the physical completion of financial futures contracts, which rose from 34 TWh in 2005 to 37 TWh, a rise of 9 per cent, in the reporting year.

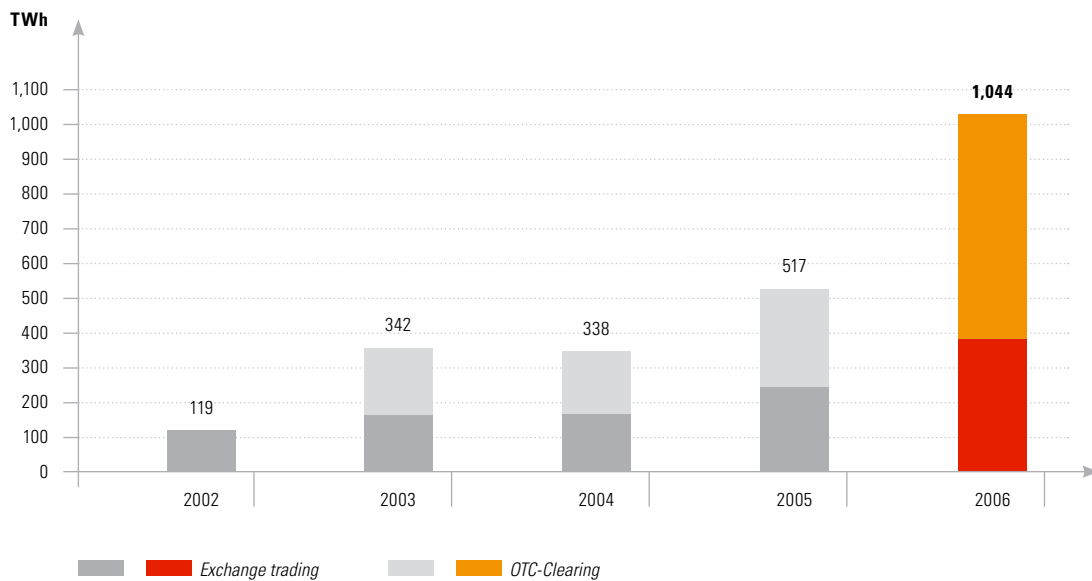
While the trading volume in the power Spot Market shows no increases worth mentioning in view of market saturation, the traded volume in 2006 in the power Derivatives Market more than doubled to 1,044 TWh from 517 TWh in the previous year.

Power Spot Market volume slightly up



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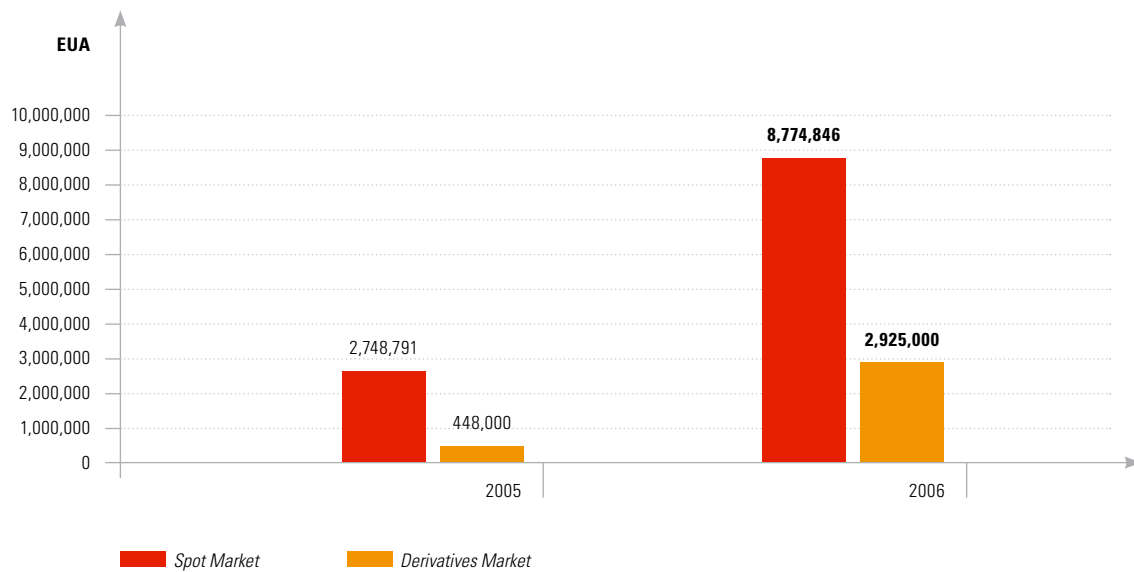
Power Derivatives Market volume doubled



As expected, trading with EU emission allowances got off to a slow start overall. In the reporting year 11.7 million tonnes were traded on Spot and Derivatives Markets. In 2005, the year when emissions-trading was introduced on the EEX, the volume attained was barely 3.2 million tonnes. The hesitant start of trading with EU emission allowances is not surprising, given the background of surplus certificates throughout Europe. In 2005, emissions of CO₂ in the EU were approximately 44 million tonnes less than businesses had received under pollution rights. This is based on figures, which the EU Commission published in May 2006, from 21 of the 25 member states.

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CO₂ Spot and Derivatives Market volumes



On 2 May 2006, the EEX AG, as the first European exchange, opened financial trading in coal futures and the clearing of off-floor coal transactions (OTC clearing). Development of the Derivatives Market for coal is only hesitant: since May, only 1.9 million tonnes of coal have been traded.

As the basis for a joint European clearing solution, the clearing branch was spun off into a wholly owned subsidiary, European Commodity Clearing AG (ECC AG) in the reporting year. The clearing house succeeded, in particular, in profiting from the high volumes in the power Derivatives Market of the EEX and increased sales revenue significantly in 2006.

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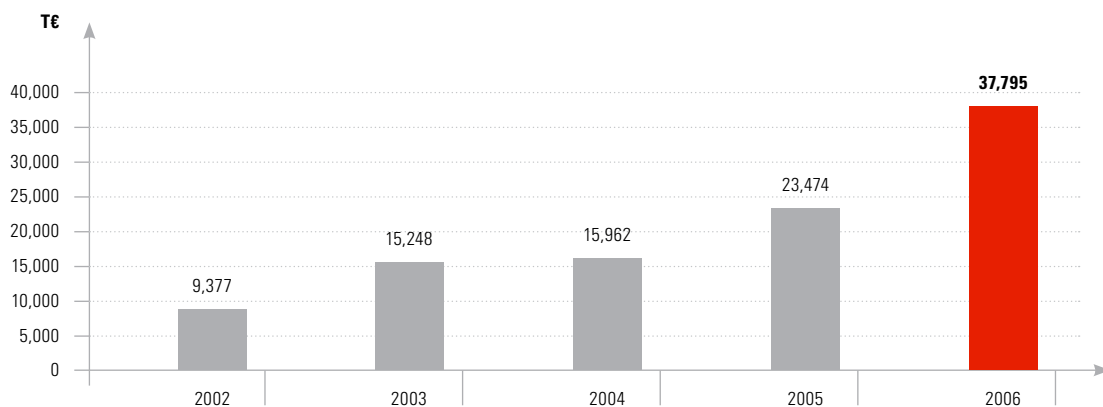
Assets and earnings situation

With sales earnings of € 37.8 million, the Group achieved an increase of more than 60 per cent as compared with the figure of € 23.5 million in the previous year. Of this, € 9.2 million were reported as the result of normal business activity, which doubled the previous year's result of € 4.6 million. At the same time, the net income for the year climbed to € 5.6 million against € 3.4 million recorded in the previous year.

Shareholders' equity rose from € 28.8 million to € 34.4 million. The balance-sheet total amounts to € 93.8 million. This includes payables and/or receivables from purchases and sales of power in the amount of € 12.3 million to be reported contingent upon the reporting date. Cash on hand or other liabilities additionally recorded include cash collateral deposited in the amount of € 38.4 million. After deduction of these items, the equity ratio at the end of the business year 2006 is 80 per cent.

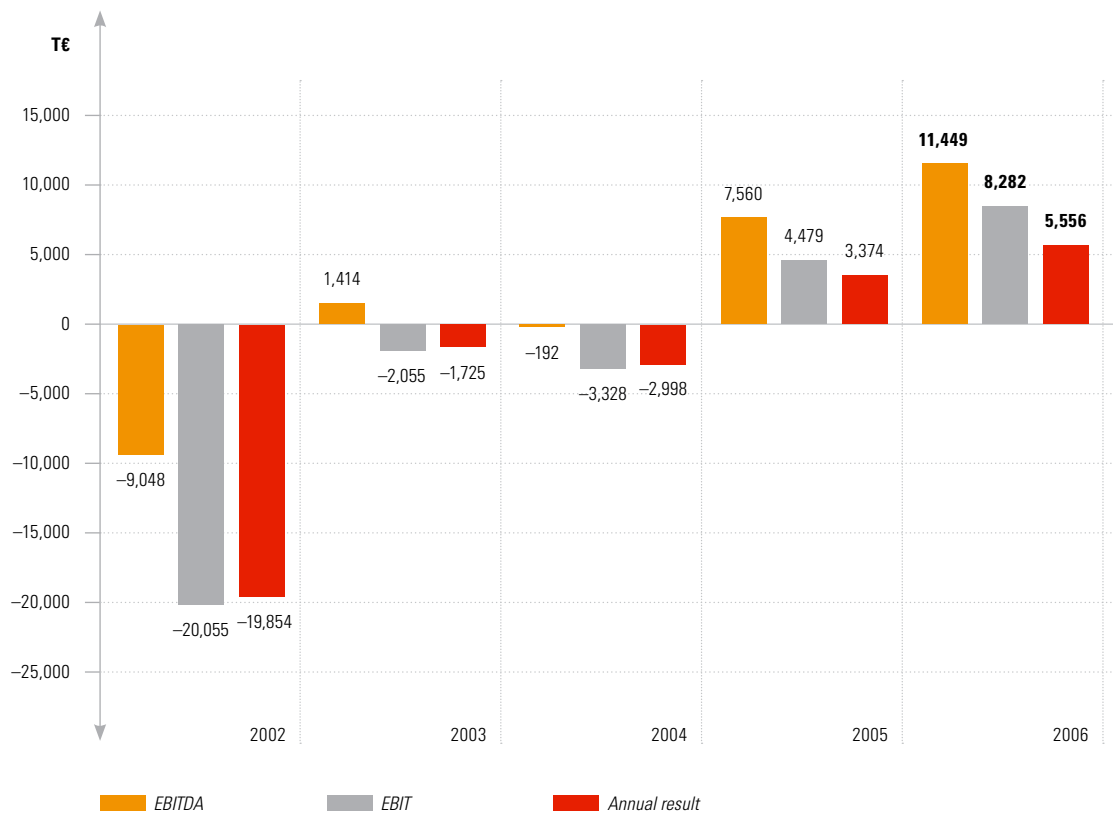
The positive assets and earnings situation is also reflected in the liquid funds. The Group is able to cover all expenditure with its receipts and is achieving clear substantial surpluses.

Sales revenue again clearly increased



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Results clearly back in the black



Employees

As at the reporting date, the number of employees was 37, as compared with 38 employees as at 31 December 2005. The age profile of the employees is represented as follows as at 31 December 2006.

Age range	Total	Ratio as %
Up to 30	13	35
30–39	16	43
40–49	7	19
50 and above	1	3

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The Group shows the ratio of academics as 76 per cent. This figure is derived from the number of employees who have graduated from a university, specialised institution of higher education or professional academy. The ratio of women in the EEX is 43 per cent.

Risk management

In accordance with the requirements of § 91 (2) AktG [Aktiengesetz: (German) Companies Act], the Group has an early warning risk system encompassing all areas of transactions. Potential risks are assessed according to probability of occurrence and possible extent of damage and are categorised in classes of exposure. Each month, the Management Board compiles a risk report on the basis of the current status of early warning signs and informs the Supervisory Board each quarter about the risk situation.

Indications of essential opportunities and risks for future development

The business performance of the Group shows that the enterprise is healthy and that its work is economically successful. This positive core development is based on a single product. Although the product portfolio is wide-ranging, success achieved lay in power trading – and, in particular, in the power Derivatives Market. So, in the business year 2007, increased efforts are to be made to develop new markets and products and to stimulate existing ones. This is essential for the company. In this connection, particular mention must be made of the scheduled start of Germany's exchange natural gas trading in October 2007 as well as concentration on the products which, to date, have not been so successful – CO₂ and coal. In the power Spot Market, efforts are being made towards an active role in developing European Market Coupling.

The scheduled measures are intended to achieve additional sales revenue of up to € 16.3 million per annum during the period of 2007 to 2012. With these measures, the proportion of new products or products that are to be promoted should increase to more than 20 per cent by the year 2012.

The EEX is to play a leading role in the context of the increasing consolidation of the European exchange landscape. The objective in the medium term is to establish it as a one-stop-shop for energy and energy-related products. To achieve and further expand this market position, up to 19 additional jobs will be created in the next two business years. This is the only way to ensure that the objective is reached.

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Outside influences such as the development of international reporting regulations or tax legislation can exert a considerable negative influence on the economic future of the Group. In addition, mention has to be made of the trends towards the exercising of political influence on the energy sector in European countries, as observed in 2006, not only outside Germany (e.g. discussion in France about the return to regulated prices for energy-intensive industries), but also within Germany (e.g. initiatives to amend the antitrust law).

Apart from these, there are no other recognisable essential risks which exceed the normal standard.

Group outlook

Taking into consideration the higher expenditure on the planned increase in the business's personnel, the introduction and establishment of the German natural gas trading exchange and also the stimulation of CO₂ and coal trading on the EEX, for the business years 2007 and 2008 the Group is counting on annual net income which will be clearly in excess of the result in the business year 2006.

For 2007, the Company anticipates that business will develop positively for its clearing subsidiary in an environment comparable to that of 2006. In the context of compliance with regulatory provisions, a focal point will be the implementing under Basel II of the transformation of the new German regulations on equity and large exposure into German law and also the wide-ranging completion of the implementation of MA-Risk [Mindestanforderungen an das Risikomanagement: Minimum requirements for risk management].

On the product side, the activities will be determined substantially by the implementing of the clearing and settlement processes for natural gas transactions on the EEX exchange and power futures transactions on the ENDEX exchange. The planned introduction of weekend trading on the EEX exchange in the last quarter of 2007 will lead to considerable operational changes for the ECC AG. In order to transform the strategic objective of a clearing house operating Europe-wide into reality, the offer proposing that the ECC AG wishes to obtain further partners is being placed even more strongly throughout Europe.

CONSOLIDATED FINANCIAL STATEMENTS

European Energy Exchange AG, Leipzig

Consolidated balance sheet as at 31 December 2006

Assets	31.12.2006 in €	31.12.2005 in €
Fixed assets		
Intangible assets		
Franchises, trademarks, patents, licences and similar rights and licences to such rights	82,742.00	32,634.00
Value of business as a going concern or goodwill	14,789,956.00	17,747,956.00
	14,872,698.00	17,780,590.00
Fixed assets		
Other equipment, operational and office equipment	504,884.00	270,273.00
	15,377,582.00	18,050,863.00
Current assets		
Advance payments	994,953.00	1,521,018.01
Accounts receivable and other assets (all with a residual life of up to one year)		
Accounts receivable, trade	12,690,373.09	11,285,258.30
Other assets	11,220,948.87	24,426,210.71
	23,911,321.96	35,711,469.01
Treasury shares	1,760,575.60	1,760,575.60
Cash on hand and cash in banks	51,696,495.19	9,918,554.57
	78,363,345.75	48,911,617.19
Deferred charges and prepaid expenses	73,401.41	66,698.56
	93,814,329.16	67,029,178.75
Trust assets	21,393,950.60	47,009,364.75

CONSOLIDATED FINANCIAL STATEMENTS

Liabilities	31.12.2006 in €	31.12.2005 in €
Shareholders' equity		
Subscribed capital	40,050,000.00	40,050,000.00
Capital reserve	10,000,000.00	10,000,000.00
Retained income	2,760,575.60	1,760,575.60
Reserve for treasury shares	1,760,575.60	1,760,575.60
Other retained income	1,000,000.00	0.00
Net income/loss for the year	-18,407,358.13	-22,963,553.01
	34,403,217.47	28,847,022.59
Reserves and accrued liabilities		
Pension reserves and reserves for similar obligations	21,367.00	17,867.00
Accrued taxes	2,260,000.00	1,196,210.00
Other reserves and accrued liabilities	3,128,461.19	2,644,277.95
	5,409,828.19	3,858,354.95
Liabilities (all with a residual life of up to one year)		
Liabilities to banks	566,892.68	3,920,914.09
Advance payments received on account of orders	994,953.00	1,521,018.00
Accounts payable trade	13,875,121.08	10,670,206.95
Other liabilities (of which for taxes € 39,530.75) (of which for social security € 1,748.69)	38,524,316.74	18,130,362.17
	53,961,283.50	34,242,501.21
Deferred items	40,000.00	81,300.00
	93,814,329.16	67,029,178.75
Trust assets	21,393,950.60	47,009,364.75

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated profit and loss account for the period from 1 January to 31 December 2006

Profit and loss account	2006 in €	2005 in €
Sales revenue	37,795,223.13	23,473,617.07
Other operating income	3,714,224.54	4,112,603.52
Personnel expenditure		
Wages and salaries	2,732,918.59	2,570,057.41
Social security contributions and expenses for pensions and for support (of which for old-age pensions: € 138,828.46; previous year: € 70,511.03)	601,282.00	473,391.58
	3,334,200.59	3,043,448.99
Depreciation on intangible and tangible assets	3,166,686.61	3,080,891.71
Other operating expenses	26,131,798.49	16,982,744.52
Revenue from financial investments	0.00	0.00
Other interest and similar revenue	346,973.56	116,023.16
Interest and similar expenses	25,186.29	24,031.94
Result from ordinary activities	9,198,549.25	4,571,126.59
Non-recurrent expenditure	594,346.50	0.00
Taxes on income and profit	3,046,768.87	1,196,210.00
Other taxes	1,239.00	709.00
Profit/Loss for the year	5,556,194.88	3,374,207.59
Appropriation to other retained income	1,000,000.00	0.00
Result after partial appropriation of profits	4,556,194.88	3,374,207.59

CONSOLIDATED FINANCIAL STATEMENTS

European Energy Exchange AG, Leipzig –

Notes to the consolidated financial statements 2006

1. General principles

The consolidated financial statements for the business year 2006 have been prepared in accordance with the regulations of the German Commercial Code (HGB) [Handelsgesetzbuch: German Commercial Code] and the supplementary regulations of the German Companies Act (AktG). In addition, the information required under § 315 HGB is presented in the Notes and a Group Annual Report expands the Consolidated Accounts.

The cost of production was chosen for the presentation of the Profit and Loss Account in accordance with § 275 (2) HGB. The development of the individual items of the fixed assets in accordance with § 268 (2) HGB is presented separately.

2. Consolidated companies

The European Energy Exchange AG, Leipzig, emerged as a result of the merger of the LPX Leipzig Power Exchange GmbH, Leipzig, and the European Energy Exchange AG, Frankfurt, with the PVG Vierzehnte Vermögensverwaltungs AG, Leipzig, as at 1 January 2002.

This business year saw the completion of the spin-off of the clearing sub-division into a wholly owned subsidiary. The spin-off ensued as at 1 January 2006. The company trades under the name of European Commodity Clearing AG; its registered office is at 04109 Leipzig, Neumarkt 9-19.

The European Commodity Clearing AG was fully included as a subsidiary in the consolidated companies.

3. Principles of consolidation

Subsequent to the spin-off in the business year 2006, for the first time it is incumbent on the European Energy Exchange AG to present Consolidated Financial Statements. The figures of the European Energy Exchange AG for 2005 are stated as comparative figures for the previous year.

Accordingly, the consolidation of capital of the fully consolidated subsidiary European Commodity Clearing AG is reported under the revaluation method. No difference has arisen in the context of the consolidation of capital. The consolidation of capital has not given rise to any goodwill. Sales, expenses and income as well as receivables and payables between the companies involved are eliminated. There are no interim results. There are no consolidation events to which tax deferral is applicable. In accordance with regulations based on commercial law, no accrued deferred taxes were reported as losses carried forward.

The reporting date for all enterprises involved is 31 December 2006.

CONSOLIDATED FINANCIAL STATEMENTS

4. Accounting and valuation methods

Accounting and valuation were carried out according to the general valuation and accounting regulations of the HGB for public limited companies in adherence to the supplementary regulations of the AktG. The rule against offsetting of balance-sheet items under § 246 HGB was observed, the continuation of the company's business was assumed and the valuation principles of the previous years were retained. Assets and liabilities were valued separately. Valuation was cautious and, in particular, all risks and losses which arose by the reporting date have been taken into account.

5. Methods of foreign currency translations

Business transactions in foreign currency are valued according to the rate at the time of booking. The lowest-value principle for receivables and the highest-value principle for payables are observed in the valuation.

6. Notes to the balance sheet

Intangible assets and property, plant and equipment

Intangible assets and tangible fixed assets were valued at acquisition costs, reduced by scheduled depreciation. Property, plant and equipment were written off according to the usual standard for the industry and taking into account the permitted period of use under tax regulations. The straight-line depreciation method was selected for additions.

Economic assets of low value which were acquired in the business year were fully written off in the year of their addition in application of the regulations under § 6 (2) EstG [Einkommensteuergesetz: Income Tax Act].

The merger in 2002 was conducted at intermediate values. The goodwill which thus arose is written off linearly over a useful life of 10 years.

Advance payments

This item relates to power deliveries which result from physical futures and are financially settled in advance according to the clearing conditions.

Receivables and other assets

Receivables and other assets were valued at nominal value. Non-guaranteed value items were reported under specific charges for bad and doubtful debts.

Receivables from exchange and clearing transactions are reported as at the date of delivery for the Spot Market and as at the date of trading for the Derivatives Market.

The other assets consist essentially of claims on the revenue authorities in respect of preliminary turnover tax returns for the month of December 2006.

CONSOLIDATED FINANCIAL STATEMENTS

Own shares

As at 31 December 2006 shareholders' equity stood at 1,386,280 shares. This equates to a ratio of 3.46 per cent of the share capital.

There was no disposal of shareholder's equity in the business year.

The report issued every two years by the pool of shareholders on the value of the Company as a whole as at 31 December 2005 shows a value of € 1.27 per share.

Cash on hand and cash at banks

Liquid funds are reported at nominal value.

Prepaid expenses

Expenditure prior to the reporting date is reported as prepaid expenses which represent expenses for a specific time after that day.

Equity

The share capital of the company amounts to k€ 40,050 and it is divided into 40,050,000 registered shares.

Retained income

From the net income of k€ 5,556, k€ 1,000 is allocated to retained income for the clearing fund.

Net loss for the year

The net loss for the year in the amount of k€ 18,407 is comprised of the result following partial appropriation of profit in 2006 in the amount of k€ 4,556 and losses carried forward in the amount of k€ 22,963.

Provisions

The provisions take into account all recognisable risks and doubtful debts prior to the preparation of the annual financial statements unless they are entered under other balance-sheet items. The provisions are reported separately and relate to:

Provisions	2006 in k€	2005 in k€
Outstanding invoices	590	1,022
Legal risks	1,689	760
Bonuses	710	719
Indemnities	0	60
Holiday and other personnel liabilities	58	63
Costs relating to financial statements and audit	82	20
Pension liabilities	21	18
Income taxes	2,260	1,196
	5,410	3,858

CONSOLIDATED FINANCIAL STATEMENTS

Advance payments received for orders

This item relates to power deliveries which result from power physical futures and are financially settled in advance according to the clearing conditions.

Liabilities

Liabilities are recorded at the repayment amount. There are no liabilities with a remaining useful life of more than one year.

Trade payables from exchange and clearing transactions for the Spot Market are recorded as at the delivery date.

Other liabilities essentially consist of securities deposited by clearing participants.

Prepaid income

Revenue received prior to the balance-sheet date is reported as prepaid income which represents earnings for a defined period of time after that day.

7. Notes to capital flow statement

The capital flow statement has been prepared in accordance with DRS 2 of the German Standardisation Council (DSR). The inflow of funds from on-going operations stood at k€ 347 based on payments from interest. Interest payments totalled k€ 25. The cash levels involve liquid funds exclusively.

8. Notes to the profit and loss account

Sales revenue

Sales in the business year are broken down as follows:

Sales revenue	2006 in k€	2005 in k€
Spot and Derivatives Market transaction charges	34,385	20,692
Training charges	561	422
Other stock-exchange charges	2,849	2,360
	37,795	23,474

Supplementary information

Revenues from Spot Market sales, as in the previous year, were netted with Spot Market purchases for standardisation purposes (k€ 4,898,507; previous year: k€ 4,170,185).

CONSOLIDATED FINANCIAL STATEMENTS

Other operating expenses

Other operating expenses consist of the following:

Other operating expenses	2006 in k€	2005 in k€
Consultation costs	1,859	1,333
Administration costs	1,347	987
Advertising and marketing costs	937	735
Non-deductible prepaid value added tax	678	510
Market Maker expenses	10,458	5,410
Infrastructure costs	3,118	2,989
Systems costs	7,508	5,019
Other	227	0
	26,132	16,983

Income from ordinary operating activity

Income from ordinary operating activity totals k€ 9,199 (previous year: k€ 4,571).

Extraordinary expenditure

In connection with the spin-off of the clearing business division, extraordinary expenditure is reported in the amount of k€ 594.

Income taxes

Income taxes (k€ 3,047) have fully influenced income from ordinary operating activity.

9. Supplementary information in accordance with § 158 (1) AktG [German Companies Act]

The net loss for the year is broken down as follows:

Net loss for the year	2006 in €	2005 in €
Loss carried forward	22,963,553.01	25,824,837.00
Result after partial appropriation of profit	4,556,194.88	3,374,207.59
Addition to reserve for own shares	0.00	512,923.60
Net loss for the year	18,407,358.13	22,963,553.01

CONSOLIDATED FINANCIAL STATEMENTS

Other financial obligations

Other financial obligations arise annually as follows:

Other financial obligations	Obligations in the year in k€
Deutsche Börse Systems AG transactions management agreement	
Fixed components	2,112
Variable components	As per usage
Market Maker agreements	Dependent on volume
Rental agreement for Neumarkt 9–19, Leipzig	80

Employee figures

As at the reporting date, the total number of employees was 37. The average number of employees during the business year was 36.75.

Attachments to the Appendix

Development of fixed assets in business year 2006	Acquisition and production costs			
	31.12.2005 €	Additions €	Disposals €	31.12.2006 €
Intangible assets				
Franchises, trademarks, patents, licences and similar rights and licences to such rights	235,071.68	69,946.98	0.00	305,018.66
Goodwill	34,156,618.47	0.00	0.00	34,156,618.47
Advance payments	0.00	0.00	0.00	0.00
	34,391,690.15	69,946.98	0.00	34,461,637.13
Property, plant and equipment				
Other equipment, operational and office equipment	1,795,011.14	424,565.63	28,373.04	2,191,203.73
	36,186,701.29	494,512.61	28,373.04	36,652,840.86

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Management Board

Dr. Hans-Bernd Menzel, Leipzig
Chairman of the Management Board

The provision of the details of the remuneration of the Management Board is waived in accordance with § 286 (4) HGB.

Supervisory Board

See pages 60–62

The Members of the Supervisory Board did not receive any remuneration in the current business year.

Leipzig, 14 March 2007



Dr. Hans-Bernd Menzel
Chairman of the Management Board

	Depreciation			Residual book value	
	31.12.2005 €	Additions €	Disposals €	31.12.2006 €	31.12.2005 €
	202,437.68	19,838.98	0.00	222,276.66	32,634.00
	16,408,662.47	2,958,000.00	0.00	19,366,662.47	17,747,956.00
	0.00	0.00	0.00	0.00	0.00
	16,611,100.15	2,977,838.98	0.00	19,588,939.13	17,780,590.00
	1,524,738.14	188,847.63	27,266.04	1,686,319.73	270,273.00
	18,135,838.29	3,166,686.61	27,266.04	21,275,258.86	18,050,863.00

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Corporate bodies

Management Board

Dr. Hans-Bernd Menzel (Chairman)

Supervisory Board

Dr. Jürgen Kroneberg (Chairman)

Member of the Management Board, RWE Energy AG, Dortmund

Torger Lien (deputy Chairman)

President and CEO, Nord Pool ASA, Lysaker/Norway

Edward Backes

Manager of Market Control, Deutsche Börse AG, Frankfurt am Main

Dr. Heinz Baumberger (until 29 June 2006)

Wettingen/Switzerland

Wolfgang Behrens

Division Manager, Legal Department, Landesbank Sachsen, Leipzig

Ulrich Erkens

CEO, E.ON Sales & Trading GmbH, Munich

Daniel Gisler (until 1 December 2006)

Member of the Management Board, Eurex Zürich AG, Zurich/Switzerland

Christoph Habermann

Secretary of State, Saxony State Ministry for Economy and Work, Dresden

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Dr. Christoph Helle

Chief representative, MVV Energie AG, Mannheim

Dr. Robert Herde

Head of Process Management, Deutsche Börse AG, Frankfurt am Main

Alfred Hoffmann

Head of Trading Services, Vattenfall Trading Services GmbH, Hamburg

Tanja Ilic

Senior Vice President, Nord Pool ASA, Bromma/Sweden

Hermann Ineichen

Director, BKW FMB Energie AG, Bern/Switzerland

Burkhard Jung

Mayor of the City of Leipzig, Leipzig

Ulrich Kastner

Member of the Supervisory Board Deutsche Börse Systems AG, Deutsche Börse AG, Frankfurt am Main

Dr. Hans-Joachim Klein

Chairman of the Management Board, LVV Leipziger Versorgungs- and Verkehrsgesellschaft mbH, Leipzig

CONSOLIDATED FINANCIAL STATEMENTS

Supervisory Board

Robert Lillefloth (until 29 June 2006)

Senior Project Manager, Nord Pool ASA, Lysaker/Norway

Stefan Leusder

Member of the Management Board, Landesbank Sachsen, Leipzig

Jörn Limann

CEO, Nord Pool Spot AS, Lysaker/Norway

Dr. Dirk Mausbeck

CEO, EnBW Trading GmbH, Karlsruhe

Dr. Roger Müller (until 28 June 2006)

Chief Legal Advisor, Deutsche Börse AG, Frankfurt am Main

Gerrit Robert Raupach (until 30 June 2006)

Member of the Management Board, Landesbank Sachsen, Leipzig

Erik Thrane

Attorney at Law, Nord Pool ASA, Lysaker/Norway

Vincent van Lith

Director, BHF-Bank AG, Frankfurt am Main

Dr. Hans-Jürgen Witschke

Chairman of the Management Board, DB Energie GmbH, Frankfurt am Main

CONSOLIDATED FINANCIAL STATEMENTS

Capital flow statement for the business year 2006

Capital flow statement	2006 in €	2005 in €
Result after partial allocation of profit	4,556,195	3,374,208
Depreciation on fixed assets	3,166,687	3,080,892
Losses from disposal of fixed assets	1,107	297
Increase in pension reserves	3,500	0
Cash flow (Subtotal)	7,727,488	6,455,396
Decrease in accounts receivable and other assets not categorised under investment or financial activity	11,793,444	-33,213,224
Increase in obligations under accounts payable and other liabilities not categorised under investment or financial activity	26,105,542	-645,231
Remaining funds from operating activities	37,898,986	-33,858,454
Cash flow from operating activities	45,626,475	-27,403,058
Payments received from disposals of fixed assets	0	2,090
Payments for investments in fixed assets	-494,513	-126,697
Cash flow from investment activity	-494,513	-124,607
Payments from repayment of loans	-3,354,021	3,920,914
Cash flow from financial activity	-3,354,021	3,920,914
Net change in cash and cash equivalents (liquid funds)	41,777,941	-23,606,751
Cash levels at beginning of period	9,918,555	33,525,305
Cash levels at end of period	51,696,495	9,918,555

CONSOLIDATED FINANCIAL STATEMENTS

Overview of shareholders' equity for the business year 2006

Shareholders' equity overview in €	Subscribed capital	Capital reserve	Reserves for treasury shares	Other retained income	Consolidated net income	Shareholders equity as per consolidated balance sheet
Status as at 31.12.2005	40,050,000.00	10,000,000.00	1,760,575.60	0.00	-22,963,553.01	28,847,022.59
Capital placed in other revenue reserves				1,000,000.00		1,000,000.00
Subtotal	40,050,000.00	10,000,000.00	1,760,575.60	1,000,000.00	-22,963,553.01	29,847,022.59
Consolidated income after partial allocation of profit					4,556,194.88	4,556,194.88
Status as at 31.12.2006	40,050,000.00	10,000,000.00	1,760,575.60	1,000,000.00	-18,407,358.13	34,403,217.47

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' report

We have audited the consolidated financial statements – comprising the balance sheet, the profit and loss account, the appendix, cash flow statement and the overview of shareholders' equity – together with the Group Management Report of the European Energy Exchange AG, Leipzig for the business year from 1 January to 31 December 2006. The preparation of the consolidated financial statements in accordance with German commercial law is the responsibility of the Company's Management Board. Our responsibility is to express an opinion on the consolidated financial statements and on the Group Management Report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors]. 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 Group 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 Group 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 accounting and consolidation principles used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the consolidated financial statements and the Group 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 the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting. The Group Management Report is consistent with the consolidated financial statements and, as a whole, provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Berlin, 14 March 2007

PricewaterhouseCoopers | Aktiengesellschaft | Wirtschaftsprüfungsgesellschaft



Harald Hermann
Auditor



ppa. Axel Pinkert
Auditor

MEMBERSHIP OF THE EEX AG

Membership of the European Energy Exchange AG

Association of Power Exchanges (APEX)

The worldwide organisation of energy exchanges provides its members with simple access to information about the entire energy market. Members are from Australia, Asia, Europe and also from North and South America.

EuroPEX Association of European Power Exchanges

The European association of power exchanges represents the interests of the power exchanges, in particular, in relation to European regulation and enables its 14 members to communicate in a focused way at European level.

Eurelectric

The European umbrella-association for electricity associations, as the only European interest group, represents the entire electricity industry vis-à-vis the institutions of the European Union. This mainly concerns the liberalisation, the integration of electricity markets at international level and the sustainable development of the markets. The members consist of approximately 40 electricity associations from the whole of Europe.

Verband der Elektrizitätswirtschaft – VDEW – e. V.

The Verband der Elektrizitätswirtschaft – VDEW – e. V. [German Electricity Association] has been representing the interests of the German power industry vis-à-vis society and politics for more than 100 years. This leading association has approximately 750 members and represents 95 per cent of the entire German power market. It actively cooperates on a permanent basis in policy development in Europe and Germany.

MEMBERSHIP OF THE EEX AG

VIK Verband der Industriellen Energie- und Kraftwirtschaft e. V.

The Verband der Industriellen Energie- und Kraftwirtschaft e. V. [German Association of the Energy and Power Supply Industry] is an association representing the interests of energy customers from industry and trade. The association of the energy-using and water-using industry and producers of their own power represents 80 per cent of industrial energy use and 90 per cent of independently supplied power production in Germany.

VKU Verband kommunaler Unternehmen e. V.

The Verband kommunaler Unternehmen e. V. [Organisation of municipal companies] represents the interests of the municipal sector in the areas of energy and water supply, waste disposal and environmental protection. Throughout the whole of Germany, the VKU involves more than 1,400 member businesses with a total turnover of approximately € 64 billion and 247,000 employees.

Energy Research Society at the Rhine-Westphalia Technical University, Aachen

The Energy Research Society at the Rhine-Westphalia Technical University, Aachen, is involved primarily with the technical problems facing the energy industry and makes it possible to deal with scientific aspects of current questions concerning the utilisation of energy deposits, the transformation, distribution and use of energy. The objective of the company is to promote research in the area of energy provision.

Futures and Options Association (FOA)

The Futures and Options Association is an association of businesses and institutions which have to do with futures, options and other derivatives or which use these products for their business. Its members include banks and financial services providers, stock exchanges, derivatives and energy exchanges, fund managers, clearing houses, systems providers, lawyers, accountants and advisers.

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