The BKW Group is one of Switzerland’s largest energy companies. It employs more than 3,000 people, with its partners it supplies around one million people with electricity, and it covers all stages of energy supply: from production and transport to trading and sales. In addition to pure energy supply, BKW develops, implements and operates comprehensive energy solutions for private and commercial customers, as well as for energy utility companies and local authorities. It is also committed to programmes focusing on research and development of innovative technologies to ensure a sustainable, secure energy supply.

All stages of the value chain under one roof
The BKW Group is one of Switzerland’s largest energy companies. It employs more than 3,000 people, with its partners it supplies around one million people with electricity, and it covers all stages of energy supply: from production and transport to trading and sales. In addition to pure energy supply, BKW develops, implements and operates comprehensive energy solutions for private and commercial customers, as well as for energy utility companies and local authorities. It is also committed to programmes focusing on research and development of innovative technologies to ensure a sustainable, secure energy supply.
Facts & Figures 2013

BKW Group

Financials

<table>
<thead>
<tr>
<th></th>
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<td>3,912.0</td>
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<td>Net profit/loss</td>
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<td>– Swiss Performance Index (indexed)</td>
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<td>2013</td>
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<td>Result per share (BKW shareholders’ portion)</td>
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<td>9.70</td>
<td>7.66</td>
<td>9.70</td>
<td>9.70</td>
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<tr>
<td>Result per share (BKW shareholders’ portion) restated</td>
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<td>9.70</td>
<td>7.66</td>
<td>9.70</td>
<td>9.70</td>
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<tr>
<td>Key figures per share</td>
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<tr>
<td>– CHF per share</td>
<td>2012</td>
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<td>9.70</td>
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Following the disposal of the German sales operations on 1 January 2011, the total revenue, operating result and energy figures for 2010 have been restated. This adjustment has not been carried out for 2009, however, leading to limited comparability.

Electricity business

<table>
<thead>
<tr>
<th>CHF million</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<td>New renewable energy</td>
<td>491</td>
<td>517</td>
<td>617</td>
<td>679</td>
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<tr>
<td>Fossil-fuel power plants</td>
<td>1,120</td>
<td>1,202</td>
<td>1,283</td>
<td>1,305</td>
</tr>
<tr>
<td>Nuclear power plants incl. purchase contracts</td>
<td>1,120</td>
<td>1,202</td>
<td>1,283</td>
<td>1,305</td>
</tr>
<tr>
<td>Hydroelectric plants (incl. financial interests)</td>
<td>1,120</td>
<td>1,202</td>
<td>1,283</td>
<td>1,305</td>
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<tr>
<td>Generation and purchases</td>
<td>216.7</td>
<td>228.3</td>
<td>130.5</td>
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<tr>
<td>Direct sales from financial interests</td>
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<td>Pump/substitution energy</td>
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<td>Electricity sales Switzerland</td>
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<td>642</td>
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<td>Transmission losses/Pump/substitution energy</td>
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<td>58</td>
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<td>228.3</td>
<td>130.5</td>
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<td>Number of employees</td>
<td>2010</td>
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<td>Full-time equivalents</td>
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Facts & Figures 2013
BKW Group

Financials

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>2012</th>
<th>2011</th>
<th>Restated 2010</th>
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<tbody>
<tr>
<td>Total operating revenue</td>
<td>8,221</td>
<td>8,153</td>
<td>20,721</td>
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<tr>
<td>Operating profit before depreciation, amortisation and impairment</td>
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<td>111</td>
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<td>Cash flow from operating activities</td>
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<td>Purchase of property, plant and equipment</td>
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<td>–209</td>
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<td>Balance sheet total</td>
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<td>7,232</td>
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<td>Shareholders' equity</td>
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Performance of the BKW share

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<td>2010</td>
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<td>2013</td>
<td>39.25</td>
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Share price and market capitalization

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<th>Year</th>
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Following the disposal of the German sales operations on 1 January 2011, the sale revenue, operating result and energy figures for 2010 have been restated accordingly. This adjustment has not been carried out for 2009, however, leading to limited comparability.

Electricity business

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>2012</th>
<th>2011</th>
<th>Restated 2010</th>
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Sales 2013

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<th>Segment</th>
<th>CHF millions</th>
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<tbody>
<tr>
<td>Electricity sales traditional</td>
<td>23.6%</td>
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<tr>
<td>Electricity sales internal local power plants</td>
<td>12.1%</td>
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<tr>
<td>Transmission (power)</td>
<td>6.1%</td>
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<tr>
<td>Transmission (energy)</td>
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<td>Other</td>
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<td>Total sales from financial interests</td>
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Generation and purchases 2013

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<th>CHF millions</th>
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<td>Nuclear power plants</td>
<td>33.3%</td>
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<tr>
<td>New renewable energy</td>
<td>6.1%</td>
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<tr>
<td>Hydroelectric plants</td>
<td>6.1%</td>
</tr>
<tr>
<td>Trading and energy buy-backs</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

IMPRINT

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ADDRESSES

German, French and English. The German version is the authoritative version.

This report contains statements that constitute expectations and forward-looking statements. Because these statements are subject to risks and uncertainties, actual future results may differ materially from those expressed or implied by the expectations and statements. This report is published in German, French and English. The German version is the authoritative version.
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Annual Report 2013

2 Foreword
4 Review of the 2013 Results
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14 Highlights
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30 Corporate Risk Management
31 Corporate Governance
50 Appointments

For better readability, the masculine form is used in this report to refer to both genders.

Title image: Photovoltaic installation at the Von Roll Areal building in Berne.
With the BKW 2030 strategy, the BKW Group has responded to the revolution in the energy economy with a strategic reorientation. In 2013 it consistently expanded its services business, thus strengthening its portfolio of services alongside its traditional electricity production business.

**Dear Shareholders**

With economic activity in the EU still sluggish, prices on the electricity exchanges at a record low, excess production capacity across Europe and market distortion owing to regulatory intervention, especially in Germany, the fundamental upheaval that had already characterised the global, European and Swiss energy landscape in 2012 was further accentuated last year. Similarly, the challenges arising in connection with the implementation of the energy transition in Switzerland have grown. While the basic direction is clear, many questions remain unanswered in relation to the implementation of specific measures.

With the BKW 2030 strategy, BKW has already plotted its course for future success. It is on track with planning for the post-operational period at the Mühleberg nuclear power plant, as well as with the expansion of renewable energy sources, the strengthening of its services provision and the development of new business models. 2013 has been a year of putting words into action. BKW has realised key pioneering wind power and hydro power projects and has brought its first innovative business models to the market. The programme of cost reductions introduced in the previous year has continued to take effect and the reorganisation of the Group and corporate structures
Guaranteed security of supply, despite closure of Mühleberg nuclear power plant

The decision to take the Mühleberg nuclear power plant offline at the end of 2019 is symbolic of the revolution in the energy market, as well as for BKW’s desire to look forward and not to dodge difficult decisions on the way. Ultimately, after weighing up all of the technical, economic, regulatory and political aspects, the Board of Directors and the Group Executive had to recognise that not investing in a long-term operation would significantly reduce the business risk. With this first dismantling of a nuclear power plant in Switzerland, BKW is once again taking up the pioneering role that it has also held in the past. The Group will respond to this challenge and demonstrate that the nuclear power plant’s post-operation and dismantling phases can be planned and carried out safely and within budget. It will also meet its responsibilities as an employer in relation to the staff who are affected.

Despite the fact that the Mühleberg nuclear power plant is currently a core pillar of its electricity production, BKW will retain its strategic long position beyond 2019, in particular through its shareholding in the Wilhelmshaven power plant. This facility will continue to provide a basic supply to customers, and will also give distribution partners a reliable source of BKW electricity. From today’s perspective, BKW will continue to expand its hydro power and wind power portfolio. At present, this is only economically feasible in the regulated sector, however, since cost-covering funding is available here. BKW will scale back investment in expansion of facilities where this is not the case.

From electricity producer to a comprehensive energy services provider

In view of the sustained low electricity prices, all utilities are currently focusing on not being reliant on production alone. BKW sees its future as providing more services. Being a service provider means offering a comprehensive portfolio of complete energy solutions and working to enable others to generate electricity and heat in a decentralised production framework. In 2013, BKW has demonstrated its first successes in all segments – energy services, systems integration and refinement of the product portfolio. For example, the cooperation between the Canton of Berne, UBS and BKW on photovoltaic installations, not to mention the construction of Switzerland’s largest LED smart street lighting installation in Ostermundigen.

Forging a new path requires boldness, a willingness to change and the requisite know-how. For that reason, in 2013 BKW invested substantially in building and expanding its employees’ technical qualifications; this has been possible by means of training and knowledge transfer as well as by hiring specialists already equipped with the required qualifications and experience to join the company.

BKW would like to thank all of its employees for their commitment and willingness to change. It would also like to thank its customers, and its shareholders for their trust.

Yours sincerely

Urs Gasche
Chairman

Suzanne Thoma
CEO

1 The BKW Group comprises BKW Inc. and its Group companies. For easier reading, these are all referred to in the following report as “BKW”. Where the text relates specifically to BKW Inc. or BKW Energy Ltd., this is expressly mentioned.
Review of the 2013 Results
A solid operating performance — high level of impairments and provisions needed

In what was an exceptionally challenging economic and regulatory environment, BKW achieved a very good operating profit for the past financial year. Contributory factors included in particular higher production volumes, largely hedged energy prices and stable networks business. However, the result is also marked by a high level of one-off charges on production facilities, with the result that a loss has been posted for the reporting year. Looking to the 2014 financial year, BKW again expects to record a net profit in what will remain a challenging market environment.

BKW recorded a strong level of operating profit. Both the Energy and the Networks businesses contributed to this positive development. The Services business, an area that is still being established, also developed in a positive vein. Higher production volumes from new renewable energies, nuclear power plants and fossil-fuelled thermal power plants, largely hedged energy prices and also savings generated by the programme of measures introduced to cut costs and improve efficiency all had a positive effect on operating profit.

Nevertheless, the environment and general conditions on the energy market remain exceptionally demanding, affecting BKW’s income situation both now and in the future. As part of its year-end activities, BKW conducted impairment testing of its production facilities and investments in production plants, as well as of the related energy procurement contracts. Given the assessment of future market conditions, which will be influenced by distortions on the electricity market, significant special provisions for onerous energy procurement contracts and special impairment charges for production facilities were made both in Switzerland and abroad. The facilities affected are primarily newer installations, and are not limited to any specific technology or location. The correction totalled CHF 488.5 million.

As a result of the one-off charges, an operating loss of CHF –171.6 million had to be reported for the 2013 financial year. After adjustment to take account of the one-off charges, a very good operating profit of CHF 316.9 million was recorded. The financial result was down on the previous year, with a corresponding effect on the annual result. With regard to income taxes, the change to the Robin Hood tax adopted in Italy and applicable to companies in the energy sector resulted in a higher tax expense. The net loss reported for the 2013 financial year is CHF –216.7 million. After adjusting for the one-off charges resulting from impairment testing of production facilities, BKW recorded a net profit of CHF 166.4 million.

The Annual General Meeting of 9 May 2014 will be asked to approve a dividend of CHF 1.20 per share, which equates to a dividend yield of 4.2 % (based on the year-end share price). The proposed dividend is based on the net profit for the year adjusted for non-cash one-off impairment charges and provisions for production facilities. This equates to a payout ratio of around 40 % and reflects the consistency of BKW’s dividend policy.

Outlook
BKW is not expecting any change in the challenging market environment in the current financial year, with energy prices set to remain low and ongoing margin pressure. Coupled with regulatory requirements and a persistently strong Swiss franc, this will also affect the operating result for 2014. The stable Networks business, production volumes that have been largely hedged for some time now and the ongoing expansion of the Services business lead BKW to expect its operating profit and net profit to remain in line with the adjusted figures for the 2013 financial year, subject to any impairments.
Success Story

Innovative partnership for the realisation of photovoltaic installations

BKW has been committed to the research and development of new, innovative technologies, products and concepts for many years. In 1992, Federal Councillor Adolf Ogi opened a photovoltaic system created by BKW in cooperation with other pioneering partners on Mont-Soleil in the Bernese Jura. The “turnkey photovoltaic package” takes the story on.

The “turnkey photovoltaic package” continues the story. Thanks to the photovoltaics research centre on Mont-Soleil and many other projects, BKW has acquired a great deal of knowledge about the efficient installation and operation of photovoltaic systems. In 2013, it collaborated with the Canton of Berne to take the next step in creating its “turnkey photovoltaic package”. By the end of the year, the two partners had installed 23 photovoltaic systems at properties owned by the Canton and BKW in 16 different locations. BKW has plans for further installations in 2014.

The Group contributes the expertise it has acquired over many years, and plans, constructs and operates the systems in collaboration with its Group companies, BKW ISP AG and EES Jäggi-Bigler Inc. The planned roof-top installations are for systems of varying size, all of which will be registered under the feed-in remuneration at cost scheme (KEV). In total, the electricity requirements of over 300 households will be covered. Along with private investors, BKW is helping to provide initial finance.

Working with BKW is beneficial for the Canton and for the owners of suitable roof space in general. They provide the required roof space, but do not need to worry about financing, installing, operating and maintaining the photovoltaic systems themselves.

Thus BKW is well on the way to becoming a comprehensive partner for the energy needs of private property owners, businesses, and municipal and cantonal governments. In parallel to installing the systems, BKW has also developed a specific consulting and services package. This product will be used to attract public and private investment to future such projects. BKW acts as the main contractor, designing and constructing, and operating and maintaining the systems on behalf of third parties.

The “turnkey photovoltaic package” is a sound example of BKW’s future involvement in energy projects. The Group’s vision is to act as a partner for investors, providing support in planning, construction, operation, sale and decommissioning. The more property owners – whether they be private individuals, municipal authorities or companies in industry – feed energy from small power plants into the grid, while also buying it, the more complex is the management of such networks with thousands of feed-in and consumption points. BKW has the expertise and experience required to manage these smart grids, which need to deal with strong fluctuations.

This marks the Group’s transition from being purely an owner of infrastructure and electricity generating operation to being a provider of comprehensive energy services. It is a completely new approach that focuses directly on the customer. BKW will dynamically and innovatively adapt the services it offers to meet the customer’s needs.

For energy utilities, this quite a new perspective. Previously, all efforts were concentrated on security of supply, since customers were buying just one product – electricity or heat, or perhaps both. Nowadays, customers are asking for all-round energy solutions that they can switch on and forget about, and that are simple, low-cost and environmentally friendly.
In less than half a year, BKW has implemented a major photovoltaic project, part of which was done in collaboration with the Canton of Berne. Andreas Bögli, Head of Energy Solutions at BKW Energy Ltd., and Lars Losinger, Chief Executive of BKW ISP AG share the background, experiences and benefits of the project.

The photovoltaic project has a total capacity of almost five megawatts (MW) and was completed at the end of 2013. What achievements make you particularly proud?

Andreas Bögli: We have demonstrated that we can very quickly create a portfolio of services at conditions that are acceptable to the market. That has been extremely satisfying. Anyone can build a system if they are prepared to pay for it themselves. But we have successfully convinced Fontavis AG, the investment consultants advising UBS Clean Energy Infrastructure Switzerland AG, that this is a profitable venture.

Lars Losinger: The entire team and I are proud that the logistical and organisational challenges have been met so smoothly. Much of the process was new to us, such as the collaboration with specialists. Naturally I always hoped that everything would be relatively hassle-free, but at the beginning I wasn’t entirely sure that would be the case.

What makes this project so exciting for BKW?

Andreas Bögli: BKW has set itself the objective of becoming Switzerland’s leader in energy services by 2020. While it’s easy to set that sort of goal, achieving it is something quite different. This project gave BKW the opportunity to prove that it takes the challenge seriously and that it is also ready and able to assume responsibility in the services business. When the Canton of Berne indicated a fundamental interest in installing photovoltaic systems, we very quickly found our feet and sought out suitable locations.

Lars Losinger: With its strategy based on three pillars – energy, networks and services – BKW has underlined its commitment to the services business. Some Group companies are already heavily involved in providing services, whether in external grid construction or electrical installation. Now, BKW has implemented a complex, multidimensional project in the energy services sector, in an uncomplicated way without major processes. This has been a good start.

The primary purpose of photovoltaic systems is to generate electricity. Where is the services aspect in this project?

Andreas Bögli: When we handed the project over to Fontavis it was ready to run. In other words, properties had been selected, roofs surveyed, the entire solution planned and developed and subsequently realised. In addition, we agreed a services agreement with Fontavis, guaranteeing them a fixed return over the 25-year useful life of the system, thereby indirectly guaranteeing its availability.

Lars Losinger: To achieve this, we guarantee to maintain the system, monitor it around the clock and work quickly to intervene when required. These services form a major part of total business over the entire lifetime of the system, rather than simply installation. That is easily forgotten.
What were the particular challenges when it came to delivering this project on time?

Lars Losinger: The deadline was certainly tight. We started planning in July/August 2013, and connected the last of the 23 systems to the grid on 31 December 2013. That was quite some pace. The most stressful part was our dependency on procedures that we could not influence, such as approval procedures.

Andreas Bögli: Another challenge was to deliver the project at market prices. We were given clear specifications in terms of a return. So we had to keep an eye on costs at all times, and even make organisational changes to bring this in on budget. It was not a given – we had never needed this before in such a project.

What experiences from this project do you consider to be particularly noteworthy?

Lars Losinger: The speed at which we achieved a level of collective expertise really drove the project forward – like a swarm intelligence. Of course, we were dealing with professional people who represent the pinnacle of their areas of specialisation. Cooperation without complications and rapid acquisition of collective expertise did not occur by accident. I was particularly satisfied by the unconditional willingness on all sides to bring the project to a successful conclusion.

Andreas Bögli: A key to the success of the project was that we always considered the entire value chain. Building the systems is one thing, but there were many other considerations too, of course. What about the power supply to consumers? What is the impact of changes to KEV, etc.? Everything had to be agreed in the contract. We involved a number of different business units and discussed the issues with them and Fontavis, building the key answers into the contracts.

The project has been expanded outside the Canton of Berne. Why?

Andreas Bögli: There are two reasons. First, the available space in the Canton of Berne was not sufficiently large to be of interest to Fontavis. So we added other suitable spaces from other cantons, mostly from Western Switzerland.

The second reason has to do with minimising risk. When we bundle together a range of installation sizes and types at different sites in Switzerland, we can reduce the risk profile for secure production (local weather patterns, grid outages, etc.). On balance, the overall performance is then better than if all of the installations were in the same canton.

What are the benefits of the project now?

Andreas Bögli: There is a clear business benefit. We provided Fontavis with a profitable project and demonstrated issues. Even when many of the processes are well-rehearsed, a project of this order will always spring a few surprises. Happily, we have enough experience and flexibility to deal with unforeseen events within the time frame imposed on us. That gives us the security of knowing that we can deliver this type of project on time and on budget again in the future.

“We will be successful in our vision of becoming Switzerland’s leading provider of energy services.” Lars Losinger

Lars Losinger: We must not forget the complexity of implementation, either: for example, in terms of organising processes and construction sites. Some 50 people were involved in all. For some of the time we were also working with external contractors on roof-top assembly. In many cases this worked very well, but naturally there were some
that our business model works and that we can continue to develop it on this basis. In addition, we are now capable of providing large photovoltaic capacities as part of the energy transition, as well as checking and guaranteeing output through our operations around the clock. This is not the case for 90% of the systems presently installed in Switzerland.

In relation to BKW’s new strategy, we see this project as clearly showcasing the new direction. That is the benefit to us.

BKW has chosen to adopt an approach of being a comprehensive energy services provider. Did that affect the project?

Andreas Bögli: Yes, we are definitely taking things one step further. We checked all the total energy requirement of all of the buildings and are upgrading them with multi-utility metering where necessary. We will therefore look at the total energy flow and develop a programme of energy optimisation, which we already offer as an established service on the market. We will then make recommendations about where optimisation might be make sense.

Lars Losinger: This kind of energy-efficiency consulting is primarily of interest in industry. For example, energy efficiency can be improved using building automation control measures, as well as potentially with passive construction measures and photovoltaic systems. We take a truly comprehensive view of the “energy services” remit and look at the whole situation very closely. We can leverage our existing expertise for this purpose, but we will also need to acquire new knowledge, of course.

What happens next?

Andreas Bögli: We will continue to refine the business model and seek to expand the portfolio of services we currently offer. We will develop integrated solutions that aim to improve energy efficiency. These include storage of excess energy, either chemically or electrically, and using this excess to balance the grid load. To do this we will be reliant on the continuity of data in order to have production data available to us at all times.

Lars Losinger: When you start looking at energy as a whole in the way that we are, then you see that heat plays at least as big a role as electricity. So we will refine our business model in relation to electricity, heat and storage, linked to smart systems within the home and expand this throughout Switzerland. This approach will give us a great opportunity to become one of the most important players in this segment.

How far on are the competition?

Lars Losinger: In the services business we can expect strong competition relatively soon. It is not as though we are the only people capable of doing these things. There are large companies in other sectors that have started in the photovoltaic business, such as roofing companies. There are also firms of electricians who have set their stall out in the photovoltaic market. Plus there are the building services companies, which have been dealing with building automation for a long time. And do not forget the other utilities, which are looking at this topic. The competition is already there, and new players are entering the market.

Why will customers still choose BKW?

Lars Losinger: We have already started to realise our vision of becoming Switzerland’s leading provider of energy services. Our chances of success are good. We are agile, we are integrated vertically from production to the end customer, and we have a management tier that is fully committed to this vision and will do all it takes to ensure it is realised.

Andreas Bögli: I can only underline this. You need the
company management to put everything they have behind this objective in order to enjoy success. But the market needs to continue to trust BKW. To trust our capability to deliver these services, to trust our reliability and our customer service, to trust our financial stability and our capacity to innovate.

BKW has proven to be consistent over many generations. Customers and investors find this extremely important. There are many companies that can do a good installation, but what happens in the medium term? The answer is not easy to find. These are long-term investments, and trust is absolutely vital.

Three questions for Government Councillor Barbara Egger-Jenzer

Barbara Egger-Jenzer, you were behind the photovoltaic project that BKW has realised in cooperation with the Canton of Berne and other partners. What motivated you to do this?

I kept thinking about what else the Canton could do to promote renewables. The Canton of Berne has lots of buildings with roofs and other spaces that would be suitable for photovoltaic systems, in other words, for generating electricity from the sun. The Canton is already using some of these spaces itself, but the majority of them are still unused. My idea was, instead of the Canton building and operating its own photovoltaic installations, it is better and more efficient to work with professional electricity producing companies. So cooperation with BKW was an obvious solution for this pilot project. The concept is that the Canton has space that can be used to produce electricity – BKW can exploit this in return for paying a usage fee. Such cooperation is a win-win for both partners. The Canton saves money as it does not have to install and operate the photovoltaic systems itself, while BKW gains new production sites and Swiss citizens benefit from clean, home-produced electricity.

You have described this project as a “flagship”. How do you envisage the future?

The project partnership between BKW and my department demonstrates how the owners of large surface areas for power production, electricity producers and investors can cooperate effectively. The Canton and BKW want to jointly promote renewable energy sources and help shape the energy policy of the country I describe it as a flagship project.
because we would like it to encourage other utilities, local authorities and private investors to follow suit.

Are you planning further commitment to using renewable energy sources, in addition to photovoltaic projects? 
The Canton of Berne is not a producer of electricity. We leave that to the experts, like BKW. Our commitment to photovoltaic systems is therefore limited to the buildings and installations belonging to the Canton. But we still have a great deal of space that is well-suited to the installation of photovoltaic systems, and we would like to offer this to BKW and other electricity producers for use. As the Energy Director of the Canton of Berne, my main role is to ensure good conditions for the implementation of the Canton’s and Federal Council’s energy strategy and to promote renewables. I have been working on this for many years, and will continue to work hard on it in the future.

Three questions to Beat Huber, partner and chief investment officer at Fontavis AG.

Beat Huber, what do you find particularly interesting about this photovoltaics project? 
Photovoltaics forms part of our investment strategy. This project allows us to offer our customers a diversified portfolio of existing and new installations that is different from their existing capital investments. We intend to expand the platform in a targeted manner in the future. The planning, construction, operation and maintenance are undertaken by BKW, an energy group that is riding the winds of change. We’ve noticed this with everyone involved in the project.

What role does sustainability play in your investment decisions? 
This is a key element for us, and every employee at Fontavis is committed to it. Our business operates at the interface between the energy market and the world of pension plans, insurance companies and investment funds. All of these plan over a time scale of decades rather than years. Our business operations and investments will only be economically viable if they make sense in both social and environmental terms in the long term. This means incorporating the needs of future generations into the decisions we make.

Do you envisage other projects in the energy sector apart from photovoltaics? 
Yes. We already have significant commitments in district heating and wood-fired heating projects. The focus of our future investments is in hydropower (run-of-river power plants, small hydro plants, pumped storage plants), electricity grids (transmission and distribution grids, grid control systems), energy efficiency and other renewable energy projects in Switzerland. One of our actions in this area has been to sign a framework agreement with BKW. We are looking forward to a cooperation that is successful for both parties and that also helps to shape the energy supply of the future.
Core Photovoltaics Team

The core team comprises around 50 employees of BKW and Group companies BKW ISP AG and EES Jäggi-Bigler AG, which realised the photovoltaic project.
Moving ahead with solar power

Despite a tight timetable, BKW delivered a large portfolio of photovoltaic installations with total capacity of almost 5 MW to the investor Fontavis on 31.12.2013. BKW was not only responsible for constructing the new installations. Through its Group companies, BKW ISP AG and EES Jäggi-Bigler AG, it will also maintain and operate the systems and guarantee their availability. BKW can thus demonstrate its willingness and capability to assume responsibility in the services business. Further expansion of the photovoltaic portfolio is planned for 2014.
Highlights

Wind farms in Italy and Germany
BKW buys a wind farm in Castellaneta, Apulia (Italy), and further expands its wind power capacity in Germany, acquiring three wind farms together with the HelveticWind joint venture. In Switzerland, Italy and Germany, BKW has wind farms with total installed capacity of around 400 MW.

First wind repowering in Switzerland
Extra production
+ 40 %
Homes
18,000

More than 58,000 people visit the Visitor Centres at Stade de Suisse, Mühleberg, Aarberg, Jura, Tropenhaus Frutigen and Hagneck.

Fibre network
BKW subsidiary Arnold AG receives a major order: As a strategic network installation partner for Swisscom, it is helping to construct the company’s fibre-optic network.

Captivated by Oscar
With Oscars Energiesparwelt program, we have helped more than 24,000 customers to use energy more efficiently.
Sustainability

BKW takes care of sustainability at the traditional Eidgenössische Schwing- und Älplerfest wrestling tournament:

- Supply of 100% green power
- Use of 100% biodegradable tableware (except in the hospitality tent)
- Promotion of the Emmental region, as some 80% of the food provided was from the Migros supermarket “Aus der Region für die Region” range of local produce.
- Separation of PET, aluminium, paper, glass, card, film, food and other waste
- Seven temporary distribution sub-stations were used instead of diesel generators to provide power, saving some 74,000 l of diesel fuel.

Mühleberg nuclear power plant total power generation 1972–2013
111,386,245 MWh

2013
3,067,590 MWh

35,000 t of wood

Nine installations produce heat for 3,700 homes and electricity for 4,500 customers using sustainable, local raw materials.

Energy advice for SMEs

Between 2009 and 2012, BKW advised around 300 companies on efficient energy consumption. Around 50 more benefited in 2013.

New construction at Hagneck hydro power plant

Increased production

+ 35%

Homes
27,000

61,445 working hours

performed by employees and contractors at the Mühleberg nuclear power plant during the four-week annual audit in 2013.

Since being founded in 2000, the BKW Eco Fund has supported some 110 renaturisation projects, of which more than 30 took place in 2013 alone. The Fund Fund earns one Swiss franc from each kWh of green electricity generated by hydro power.
Strategic Focus

Wind Power
Growing commitment to wind

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Hydro power
The backbone of Swiss energy generation

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Nuclear energy
Mühleberg nuclear power plant to go offline in 2019

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Services
Innovation at the core

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Growing commitment to wind

The Group strategy of BKW is to focus on renewable energy sources, in particular hydro and wind power. Its installation on Mont Crosin is the largest wind farm in Switzerland. During the reporting year, it replaced the four oldest turbines, increasing generating capacity by 40%. BKW also owns and operates various wind farms in Germany and Italy.

HelveticWind joint venture acquires three wind farms in Germany
HelveticWind is a joint venture founded in March 2010 by Energie Wasser Bern (ewb) and BKW. In January 2012 they were joined by EBL (Genossenschaft Elektra Baselland), EKZ Renewables AG – a subsidiary of Elektrizitätswerke des Kantons Zürich (EKZ) – and SN Erneuerbare Energie AG (SNEE). The aim of this venture is to acquire, expand and operate onshore wind farms located abroad.

In 1996, BKW-subsidiary Juvent SA built laid the groundwork for the first and currently largest wind farm in Switzerland, with the construction of wind turbines on Mont-Crosin. In autumn 2013, in replacing the four oldest turbines with modern, more powerful systems, BKW once again showed off its pioneering side, further expanding its portfolio of renewable energy sources. This repowering project is the first of its kind in Switzerland. By replacing the small turbines with four of the latest 2 MW turbines, production at the wind farm has been expanded by 40% from 40 to 55 GWh per year. That will meet the annual electricity consumption of 18,000 homes, covering a major proportion of the electricity requirement in the Bernese Jura.

BKW buys the Castellaneta wind farm in Italy
The BKW Group strategy places considerable emphasis on the use of renewable sources for electricity generation. However, there are only limited opportunities for expansion in Switzerland. Therefore, BKW is also expanding its wind power generation capacities abroad.

HelveticWind’s first forays in Italy
The HelveticWind joint venture purchased another Apulian wind farm in September 2013, its first in Italy. These wind power installations have a total capacity of 36 MW. The 24 turbines at the Eolo wind farm together generate around 67 GWh of electricity per year.

In February 2013, BKW completed the purchase of the 56 MW Castellaneta wind farm. The Castellaneta facility is located in the region of Apulia, in which BKW’s other wind farms are also located. Apulia benefits from windy conditions that make it perfect for the operation of wind farms.

In August 2013, the HelveticWind joint venture expanded its presence in Germany with the acquisition of three wind farms in Brandenburg. These wind power installations have a total capacity of 48 MW. The 24 turbines at the Gross-Welle, Prötzel and Wulkow wind farms together produce around 85 GWh of electricity each year.

BKW now operates 259 wind turbines: 109 in Germany, 134 in Italy and 16 in Switzerland.

In Switzerland, Italy and Germany, BKW has wind farms with total installed capacity of around 400 MW. This is greater than the capacity of the Mühleberg nuclear power plant.

Castellaneta wind farm in Apulia.
BKW company Juvent SA carried out the first ever repowering of a wind farm in Switzerland in autumn 2013. Modern systems offering greater performance replaced the four oldest turbines. The new turbines took a circuitous route from the Rhine harbour in Basel to Mont-Crosin, just 80 km away in the Bernese Jura. Given too few bridges, small tunnels and tight bends, not to mention numerous roundabouts, it was necessary to make a lengthy detour of 250 km through eight cantons. The installation was accomplished using three giant cranes, including the world’s largest mobile telescopic crane.
Hydro power: The backbone of Swiss energy generation

Hydro power is the largest source of electricity supply in Switzerland. Almost two thirds of our electricity is produced this way; hydro power will be expanded in the coming years to ensure security of supply.

In achieving 90% efficiency, hydro power plants are highly effective. Hydro power also has a range of benefits. Run-of-river power plants operate around the clock, providing a reliable coverage of basic electricity requirements, while reservoir installations can deliver large amounts of electricity within a matter of seconds to cope with peaks in demand. In conjunction with the expansion of irregular and decentralised renewable energy from wind and solar power, our storage facilities play a key role in stabilising the transmission grid.

Federal government aiming to strengthen hydro power
The Federal Council is committed to expanding hydro power as part of its Energy Strategy 2050, aiming to expand production by 3.6 TWh by the target year. This is equivalent to around 10% of current production. This objective is ambitious, in view of the challenging market environment caused by subsidised production, primarily from Germany.

Expansion primarily in Bernese Oberland
BKW is also pursuing a goal of expanding hydro power with its “BKW 2030” Group strategy. It is modernising and expanding existing hydro power plants. An impressive example of these efforts is found in the new Hagbeck hydro power plant, which has been built by BKW in collaboration with its partner Energie Service Biel/Bienne. The expansion in capacity will increase average annual production at the power plant by 35% to 107 GWh. As a result, the Hagneck hydro power plant will provide around 27,000 homes with electricity.

However, to achieve the targets for hydro power expansion, other new power plants will need to be built. In concert with the hydro power exploitation strategy of the Canton of Berne, BKW’s focus will be on the Bernese Oberland. BKW and its partners have already launched and driven forward a number of hydro power projects in this region in recent years. Two new hydro plants were constructed in 2013 in the Louibach and Laubegg projects. In Western Switzerland, two further new power plants are being built in Boudry and Grands Moulins de Cossonay.

CHF 8 million is planned for upgrades here. Its two Pelton wheel turbines produce 97 GWh of electricity per year – enough to power around 25,000 homes. When important power plant components fail, the resulting loss of production can last several weeks or months.

For this reason, and to ensure long-term operations, BKW always demands the highest quality of all systems. In addition, it is increasingly difficult and costly to find spare parts for old technologies. The maintenance work also represents an opportunity to improve efficiency, as previously semi-automated and completely manual system operations such as regulation of the gallery level are being fully automated and remotely controlled. By optimising the water usage, the potential of 1.5 GWh per year can be tapped.

Production at the Hagneck hydro power plant will increase by 35% thanks to the new facility, supplying electricity to 27,000 homes in the future.

BKW builds two new hydro power plants in the Bernese Oberland, and two in Western Switzerland.

Hagneck hydroelectric power plant: installation of a turbine housing in December 2013.
Mühleberg nuclear power plant
to go offline in 2019

In October 2013, BKW decided to switch off the Mühleberg nuclear power plant (KKM) in 2019. This will be the first time a commercial nuclear power plant has been taken fully out of operation and dismantled in Switzerland.

During 2013, BKW considered a range of scenarios for the KKM’s future. Its decision of 30 October 2013, to continue operation of the nuclear power plant until 2019 before taking it offline, takes into consideration all known technical, economic, regulatory and political aspects. Opting not to invest in long-term operations has reduced the business risk considerably. The decision will free up funds that can be redeployed in expanding hydro power and wind power in Switzerland and abroad, and investing in innovative products and services. BKW is thus consistently in line with the restructuring of the energy supply system.

Why 2019?
Taking the plant offline in 2019 allows for a safe, ordered process of decommissioning. The move will allow careful planning of the post-operation and dismantling phases. In respect of difficult market conditions, this is also an economic solution, guaranteeing the retention of jobs at KKM for as long as possible, including beyond 2019. Although the KKM represents a key pillar of BKW’s electricity production, the Group will not lose its strategic long-term position with the decommissioning of the plant. It will continue to be able to guarantee the baseline supply of its customers and supplies to distribution partners with BKW-generated power.

Safety until the final day
“Safety first” continues to be a consistently applied motto for BKW. The Group will continue to operate the KKM until 2019 in compliance with all safety requirements, and will implement a range of measures to maintain and increase the safety of the plant. In total it is investing around CHF 200 million in operation and maintenance. Of this, around CHF 15 million is being spent on extraordinary upgrades. These include improvements to the supply of cooling water and cooling of the fuel element storage pool, as well as reinforcing the reactor building.

Preparations are progressing quickly
BKW is working hard on planning the decommissioning phase. In the coming years it aims to organise the post-operational phase and submit the decommissioning project as demanded by law. This project describes the processes involved in decommissioning. BKW will comply with all of the requirements and provisions of the Nuclear Energy Act (KEG) and will proceed in an efficient manner with optimised costs. The post-operation phase and preparations for dismantling will commence in 2019. BKW anticipates that the decommissioning work will be completed in around 15 years.

Since 1972, the KKM has been a reliable, secure source of power.

2019
The KKM will remain in operation until 2019 – six years in which BKW will cut no corners in relation to safety, which is already at a high level.

Bernese popular vote
In November 2013, the Grand Council accepted the validity of the “Mühleberg offline” popular initiative. This popular initiative calls for the Canton of Berne, as majority shareholder in BKW, to shut down the KKM with immediate effect. The government and Grand Council of the Canton of Berne reject this initiative. Voters in the Canton will vote on the proposal on 18 May 2014.
BKW is reinventing itself as an energy services provider. In 2013, it consistently expanded its innovative capacities to meet the demands of a changing market environment.

BKW has a new strategic direction. Alongside infrastructure and electricity production, it is also focusing on comprehensive energy solutions. It will offer its customers a comprehensive portfolio of energy services. In some 65 projects ranging from basic research to pilot studies, BKW is working to develop appropriate solutions.

Collaboration with partners in research
BKW was the first Swiss utility company to offer its support of the federal government’s energy strategy at the beginning of 2013. For example, it supports the Federal Council’s Energy Competence Centres. BKW is actively represented at six of the seven planned national Competence Centres, as a knowledge contributor and supporter. In close cooperation with leading higher education institutions, we are making a decisive contribution to implementing the Federal Council’s energy strategy and are partnering with the worlds of research and politics.

In 2013, BKW founded its Technology Centre in Nidau. This facility enables us to work closely with research and higher education institutions to evaluate new technologies at an early stage of development. Thus, during the reporting year, diverse research projects were launched in cooperation with institutions of higher education, public and commercial research bodies, the Commission for Technology and Innovation (CTI) and the Swiss Federal Office of Energy (SFOE).

For example, with support from the SFOE, BKW is developing a comprehensive smart-grid management system, “GridBox”, which fulfils future requirements for distribution networks. Increasingly, small production facilities are feeding fluctuating decentralized power generation output into lower-level distribution networks, radically transforming the way these grids are used. GridBox provides a distributed communicating infrastructure that monitors the state of the distribution grid and initiates suitable stabilisation measures. With this hardware, which was developed in-house, BKW took measurements from actual distribution grids in 2013, and evaluated a range of grid analysis algorithms.

BKW is also investing in research and development of a range of storage technologies for houses, building projects, entire districts and grid segments, and is working with higher education institutions, CTI and SFOE to evaluate a range appropriate solutions.

Efficient energy usage: BKW is researching and developing innovative solutions

Switzerland’s largest LED street lighting installation
The LED street lighting project in Ostermundigen is a bright example of how innovation can result in a real-world project. Switzerland’s largest LED street lighting installation was opened at the Oberfeld residential development, in November 2013. BKW supported Ostermundigen, which has been designated as an Energy City in the scope of the European Energy Award, in this complex project. The Group developed an overall concept that involved the installation of the latest LED street lighting technology throughout the seven new streets in the Oberfeld district. The new streetlights in these streets were illuminated with bulbs supplied by the seven leading manufacturers of LED lighting. In combination with an intelligent light control system, the installation achieves up to 85 % savings in respect of energy consumption and CO₂, compared with typical sodium vapour lamps. The benefit of the intelligent light control system is in the ability of this programmable sys-
tem to adjust the lighting in response to demand. The lights are only activated at full brightness when traffic approaches, at other times they are dimmed.

The new LED street lighting is already in place and can already be observed in action. The installation serves as a demonstration and reference for other local authorities.

**Flexlast – promising progress of a pilot project**

An intelligent electricity network – a smart grid – is vital in achieving a balance between the electricity that is produced, and demand. It allows information to be exchanged between consumers and producers in real time, at all times. In this way, energy storage facilities can be controlled to adjust their energy consumption according to the availability of power from renewable sources, thus reducing the load on the grid.

This is where the Flexlast pilot project comes to the fore, in which BKW joined up with Migros, IBM and Swissgrid at the end of 2013. The aim for Migros is to reduce its CO\(_2\) emissions and energy costs. BKW, Swissgrid and IBM are seeking ways of stabilising the federal electricity grid in the context of the Energy Strategy 2050. The project is also supported by the SFOE. The findings will be implemented in 2014.

Now, the refrigeration systems at the 200,000 m\(^2\) facility – the size of 20 football pitches – are switched off when other consumers need electricity. They come back on when sufficient power is available. Measurements are taken for a period of seven days in advance to determine the minimum and maximum energy requirements and in order to calculate when the system can do its refrigeration task and when it should be switched off. BKW then plans how much to refrigerate, and when. Of course, Migros can always intervene if short-notice alterations are required.
Switzerland’s largest LED street lighting installation

Around 1,300 people will eventually live in Oberfeld, Ostermundigen. The new development takes a pioneering approach, partly thanks to its innovative street lighting, installed by the Ostermundigen council and BKW in 2013. Seven new roads have been built, each lit by lamps from the seven leading LED manufacturers. All are connected to an intelligent lighting control system. In the absence of traffic, the LED lamps dim automatically. As soon as a car, bicycle or pedestrian approaches, they return to full brightness.
**Sustainability Indicators**

**Removal of solid urban waste (SUW)**

9.4 t

of waste was fished out of hydro plants' rakes by employees in 2013, before being disposed of in an environmentally friendly way.

**Energy usage 2013**

+1.4%

increase in primary and secondary energy consumption in 2013. BKW has set a target to reduce this by 5% by 2016.

**Electricity production**

including minority shares and subscription rights

- Nuclear energy: 52.17%
- Wind: 6.07%
- Water: 35.78%
- Biomass: 0.19%
- Natural gas: 0.03%
- Solar: 5.75%

**Green power**

+44.1%

Our customers share the responsibility: In 2013 they bought almost twice as much more green power than in 2012.

**“BKW 2030”**

With its “BKW 2030” Group strategy, BKW is seeking to expand its hydro and wind power. In 2013 it opened one hydro plant and two wind farms. The increase in renewable energy amounted to 116.6 MW.

**Family-friendly**

9.9%

of employees work part time.

**Employee turnover**

Number of people

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of People</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>448 (14.8%)</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>396 (13.5%)</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>319 (11.5%)</td>
<td></td>
</tr>
</tbody>
</table>

The restructuring programme is resulting in the expected higher turnover.
Regular movement has a positive effect on health and keeps the mind in balance. Since 2010, BKW has supported its workforce with healthy activities. In 2013, 155 employees kept fit by doing power yoga, circuits and running, for example. This is 27 more than in 2012. New people are signing up all the time.

Fleet vehicles

90% of newly acquired fleet vehicles are classified in emissions classes A and B.

Power outages reduced

−31.5%

fewer power outages suffered by customers in 2013.

Greenhouse gas emissions

+52.9%

rise in CO₂ emissions in 2013. This is due to the commissioning of the Tamarete gas power plant and increased production at Livorno-Ferraris. Figures calculated according to the Greenhouse Gas Protocol, taking account of Scope 1 & 2.

Hydro and wind power

+2.2%

growth in electricity generation from hydro and wind power compared with 2012.

Fewer work accidents

−36.2%

Accidents at work have fallen thanks to a range of measures.

BKW on the move

Regular movement has a positive effect on health and keeps the mind in balance. Since 2010, BKW has supported its workforce with healthy activities. In 2013, 155 employees kept fit by doing power yoga, circuits and running, for example. This is 27 more than in 2012. New people are signing up all the time.

24000 kg

of vegetables, salad and fruit has been consumed by staff at the company canteen at the BKW head office in Berne. 90% of this produce is grown organically in Switzerland, 10% more than in 2012. In addition, the company canteen uses 100% Swiss meat.
BKW is transforming itself into a comprehensive energy services provider, and its taking a clear pioneering role. Alongside infrastructure and electricity production, it is increasing its focus on comprehensive energy solutions. It will offer its customers a comprehensive portfolio of energy services. This requires ideas, innovations and new technologies. In some 65 projects, BKW is developing innovative solutions to meet customers’ future needs. These projects involve collaboration with partners in research and industry.
Corporate Risk Management

A prudent attitude to risk in the context of the BKW Group strategy forms the basis for our activities, and remained key to our actions in 2013. BKW’s system of Corporate Risk Management encompasses the entire BKW Group, and takes account of external and internal events.

OBJECTIVES
Corporate Risk Management supports the Group Executive with a transparent and independent assessment of the risks associated with business activities. It analyses risks of potential threats to people and the environment, risks relating to the security of the electricity supply, risks to BKW’s reputation and to its liquidity, equity capital and results. A transparent presentation of these risks allows proactive measures to be taken.

UNCERTAINTY FACTORS IN 2013
Uncertainty in relation to the long-term development of market prices and price volatility has remained the defining risk for BKW. The market value of our production plants, management of our production units and our future investment plans are all affected by this factor. Moreover, regulatory risks such as the European Union’s plans for OTC clearing, and any negative impacts from the revision of the Swiss Federal Ordinance on the Decommissioning Fund and the Waste Disposal Fund (SEFV) count as major uncertainties.

ORGANISATION
Corporate Risk Management is answerable directly to the CFO. It is responsible for managing the methods and processes, defining Group-wide requirements governing risk methodology, and aggregating risks at Group level. Standardised reporting is done in conjunction with the planning process (budgeting, medium and long-term planning) and half-yearly and annual reporting to the Group Executive and Board of Directors.

PROCESS
The risks facing the BKW Group are identified, evaluated and controlled in the scope of a comprehensive system of risk assessment. The implementation of and compliance with the measures required for control purposes are monitored on a regular basis. Each risk is assigned to a risk manager. Financial risks and total risk content are mainly controlled by applying value-at-risk (VaR) limits. Risks related to exceptional market situations are limited by applying additional absolute limits on positions. Specialised analysts assess operational risks by estimating the extent of potential loss or damage and probability of occurrence, and by analysing historical loss data. Operational risks are managed by adopting specific measures.
Corporate Governance

Introduction

Corporate governance at BKW consistently observes the Swiss Code of Best Practice. In addition to the relevant provisions of Swiss Company Law, the basic principles and rules relating to corporate governance at BKW are embodied in BKW’s articles of incorporation, organisational regulations, code of conduct and regulations governing the BKW Board Committees. These documents are regularly reviewed by the Board and revised to reflect current requirements.

Within the context of corporate governance, BKW discloses in particular its general financial situation and its management structure, as well as information on risk management and other important aspects of corporate governance. This provides shareholders with as comprehensive a picture of BKW as possible and allows them to make informed investment decisions. Moreover, with a balanced combination of management and controls, BKW also manages the Company in a value-driven, sustainable manner according to statutory requirements. This is in the interests of shareholders and other stakeholders such as clients, public organisations and employees, and it also enhances our corporate value.

The management structure of BKW is designed so that responsibilities are clearly assigned and unilateral concentration of powers and conflicts of interest are avoided. In line with this, the functions of Chairman and CEO are separated. All members of the Board are independent, so that no member of the BKW Board exercises an executive function at BKW. New members were nominated individually for election to the Board at the Annual General Meeting in May 2013.

BKW has always had single-class shares with no restrictions on voting rights, i.e. each share is entitled to one vote at the Annual General Meeting. The Executive Council of the Canton of Berne, which is the majority shareholder in BKW, has repeatedly declared that it acts in the same way as any other shareholder with regard to BKW. In particular, it has no intention of exploiting its shareholder status and representation on the BKW Board in order to implement its energy policy (see e.g. response to the Grunder motion dated 12 December 2007).

BKW has an extensive and effective system of controls. The independence of BKW’s internal supervisory bodies is ensured by the company’s organisational structure. BKW’s internal supervisory system is supplemented by a Group-wide risk and assurance management system, which allows the Group Executive to identify risks and take any necessary steps in a timely fashion. Risk assessment is based on the Group’s Risk Map, which is periodically updated to reflect current conditions. Another key element of effective corporate governance is the individual responsibility borne by BKW’s various organisational units and Group companies, as well as its employees. This is promoted consistently and is an important aspect of BKW’s corporate culture.

Honouring its responsibility towards the community and the environment is essential for BKW’s sustained success. To meet this obligation even more effectively, a code of conduct that is mandatory for all employees and members of the BKW Group’s official bodies has been in place since 1 January 2009. The code of conduct contains guidelines and binding rules on trustworthy conduct according to regulations, and is supplemented by detailed directives on specific issues.

During the year under review, BKW issued a directive on informational unbundling to add further detail to the code of conduct in respect of the liberalisation of the electricity market and unbundling.

The following statements are made in accordance with the current requirements of the Corporate Governance Information Guidelines issued by the SIX Swiss Exchange (SIX). The information published is based on the status at 31 December 2013. Significant changes which have taken place between this date and the date on which this report was printed are listed in Section 10.
## 1 Group structure and shareholders

<table>
<thead>
<tr>
<th>Group Management</th>
<th>Finance and Services</th>
<th>Production</th>
<th>Renewables and Efficiency</th>
<th>Market</th>
<th>Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzanne Thoma</td>
<td>Beat Grossenbacher</td>
<td>Hermann Ineichen</td>
<td>Renato Sturani</td>
<td>Monica Dell’Anna</td>
<td>Christophe Bossel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BEBAG Bioenergie Bätterkinden AG</td>
<td>cc energia sa</td>
<td>Arnold AG</td>
</tr>
<tr>
<td>BKW Management Ltd.</td>
<td></td>
<td></td>
<td>BKW Dubener Platte Wind GmbH</td>
<td>Biogasanlage Piano di Magadino in Bern AG</td>
<td>EWR Energie AG</td>
</tr>
<tr>
<td>BKW Netz Schweiz AG</td>
<td></td>
<td></td>
<td>BKW Energie Wilhelmshaven Beteiligungs-GmbH</td>
<td>BKW Bippen Wind GmbH</td>
<td>Onyx Energie Mittelland AG</td>
</tr>
<tr>
<td>sol-E Suisse AG</td>
<td></td>
<td></td>
<td>BKW Holleben Wind GmbH</td>
<td>BKW Borkum West II Beteiligungs GmbH</td>
<td>– Onyx Energie Netze AG</td>
</tr>
</tbody>
</table>

**Group Management**
- Suzanne Thoma

**Finance and Services**
- Beat Grossenbacher

**Production**
- Hermann Ineichen
- BKW Deutschland GmbH
  - BKW Energie Dörpen Beteiligungen-GmbH
  - STKW Energie Dörpen GmbH & Co. KG
  - STKW Energie Dörpen Verwaltungs-GmbH
  - BKW Energie Wilhelmshaven Beteiligungen-GmbH
- BKW France SAS
  - BKW Hydro Allevard SAS
- BKW Italia S.p.A.
  - BKW Hydro Valle d’Aosta S.r.l.
  - Bradano Energie S.r.l.
  - CHI.NA.CO S.r.l.
  - Idroelettrica Lombarda S.r.l.
  - Luminosa S.r.l.
  - Tamarante Energia S.r.l.
  - Termoelettrica Veneta S.r.l.
- BKW Wallis AG
  - Elektrizitätswerke Wynau AG

**Renewables and Efficiency**
- Renato Sturani
- BEBAG Bioenergie Bätterkinden AG
- Biomassekraftwerk Otelfingen AG
- BKW Dubener Platte Wind GmbH
- BKW Holleben Wind GmbH

**Market**
- Monica Dell’Anna
  - cc energia sa
  - Electra Italia S.p.A.
  - Biogasanlage Piano di Magadino in Bern AG
  - Onyx Energie Dienste AG

**Networks**
- Christophe Bossel
  - Arnold AG
  - EWR Energie AG
  - Elektrizitätswerk Grindelwald AG
  - Onyx Energie Mittelland AG
  - Onyx Energie Netze AG
  - Société des forces électriques de la Goule SA
LISTED GROUP COMPANIES

BKW Inc. also has its headquarters in Berne, and has been listed on the SIX Swiss Exchange (security no. 13.029.366, ISIN: CH0130293662, ticker symbol: BKW) as well as the BX Berne eXchange since 12 December 2011. On 31 December, BKW’s stock market capitalisation amounted to CHF 1,383.3 million.

BKW GROUP OF CONSOLIDATED COMPANIES

With the exception of BKW itself, BKW’s consolidation group includes only companies that are not listed separately on the stock exchange. BKW’s holdings in individual companies that are fully consolidated in the annual financial statements are listed below. In all cases the holding corresponds to the percentage of shares and voting rights. A detailed list of holdings is given on pages 93 to 95 of the Financial Report.
**Fully consolidated holdings of BKW and its affiliates**

<table>
<thead>
<tr>
<th>Company</th>
<th>Domicile</th>
<th>Share/basic capital in millions and currency</th>
<th>% Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arnold AG</td>
<td>Wangen an der Aare</td>
<td>0.5 (CHF)</td>
<td>100.0</td>
</tr>
<tr>
<td>BEBAG Bioenergie Bätterkinden AG</td>
<td>Bätterkinden</td>
<td>0.1 (CHF)</td>
<td>56.0</td>
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<tr>
<td>Biogasanlage Piano di Magadino in Bern AG</td>
<td>Berne</td>
<td>1 (CHF)</td>
<td>80.0</td>
</tr>
<tr>
<td>Biomassekraftwerk Otelfingen AG</td>
<td>Otelfingen</td>
<td>0.5 (CHF)</td>
<td>50.0</td>
</tr>
<tr>
<td>BKW Bippens Wind GmbH</td>
<td>Berlin (D)</td>
<td>0.03 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Borkum West II Beteiligungs GmbH</td>
<td>Berlin (D)</td>
<td>0.03 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Deutschland GmbH</td>
<td>Berlin (D)</td>
<td>0.1 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Dubener Flatter Wind GmbH</td>
<td>Berlin (D)</td>
<td>0.03 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Energie Dörfen Beteiligungs-GmbH</td>
<td>Berlin (D)</td>
<td>0.03 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Energie Wilhelmshaven Beteiligungs-GmbH</td>
<td>Berlin (D)</td>
<td>0.03 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Erneuerbare Energien GmbH</td>
<td>Berlin (D)</td>
<td>0.03 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Energy Ltd.</td>
<td>Berne</td>
<td>132 (CHF)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW France SAS</td>
<td>Paris (F)</td>
<td>0.1 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Holleben Wind GmbH</td>
<td>Berlin (D)</td>
<td>0.03 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Hydro Allevard SAS</td>
<td>Paris (F)</td>
<td>0.1 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Hydro Valle d’Aosta S.r.l.</td>
<td>Milan (I)</td>
<td>0.05 (EUR)</td>
<td>100.0</td>
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<tr>
<td>BKW ISP AG</td>
<td>Ostermundigen</td>
<td>0.9 (CHF)</td>
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<td>BKW Italia S.p.A.</td>
<td>Milan (I)</td>
<td>13.4 (EUR)</td>
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<td>BKW Landkern Wind GmbH</td>
<td>Berlin (D)</td>
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<td>100.0</td>
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<td>BKW Management Ltd.</td>
<td>Berne</td>
<td>0.1 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>BKW Grid Switzerland Ltd.</td>
<td>Berne</td>
<td>0.1 (EUR)</td>
<td>100.0</td>
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<tr>
<td>BKW Wallis AG</td>
<td>Visp</td>
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<tr>
<td>BKW Wind Italia S.r.l.</td>
<td>Milan (I)</td>
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<tr>
<td>BKW Wind Service GmbH</td>
<td>Berlin (D)</td>
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<tr>
<td>cc energie sa</td>
<td>Murten</td>
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<td>CHILNA.CO S.r.l.</td>
<td>Rott Volcano (I)</td>
<td>2 (EUR)</td>
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<td>Cura Elektro AG</td>
<td>Landquart</td>
<td>0.15 (CHF)</td>
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<td>EES Jäggi-Bigler Inc.</td>
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<td>0.1 (EUR)</td>
<td>70.0</td>
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<td>Electra Italia S.p.A.</td>
<td>Milan (I)</td>
<td>1 (EUR)</td>
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<tr>
<td>Elektrizitätswerk Grindelwald AG</td>
<td>Grindelwald</td>
<td>0.55 (EUR)</td>
<td>92.1</td>
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<td>Elektrizitätswerke Wynau AG</td>
<td>Langenthal</td>
<td>0.1 (EUR)</td>
<td>100.0</td>
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<td>Elektro Feuz AG</td>
<td>Grindelwald</td>
<td>0.1 (EUR)</td>
<td>66.0</td>
</tr>
<tr>
<td>Energie Utzenstorf AG</td>
<td>Utzenstorf</td>
<td>1 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>Erdgas Thunersee AG</td>
<td>Interlaken</td>
<td>6.9 (EUR)</td>
<td>66.7</td>
</tr>
<tr>
<td>EWR Energie AG</td>
<td>Schattenhalb</td>
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<td>100.0</td>
</tr>
<tr>
<td>Green Castellaneta S.p.A.</td>
<td>Milan (I)</td>
<td>0.12 (EUR)</td>
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<tr>
<td>Holzwärme Grindelwald AG</td>
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<td>2.5 (EUR)</td>
<td>90.7</td>
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<td>Idroeletrica Lombarda S.r.l.</td>
<td>Milan (I)</td>
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<tr>
<td>inelectro sa</td>
<td>Porrentruy</td>
<td>0.5 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>Juvent SA</td>
<td>Saint-Imier</td>
<td>6 (EUR)</td>
<td>65.0</td>
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<tr>
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<td>85.0</td>
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<td>Utzenstorf</td>
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</tr>
<tr>
<td>Kraftwerke Kander Alp AG</td>
<td>Kandersteg</td>
<td>2.5 (EUR)</td>
<td>60.0</td>
</tr>
<tr>
<td>Kraftwerke Miilbach AG</td>
<td>Lütscheri</td>
<td>1 (EUR)</td>
<td>80.0</td>
</tr>
<tr>
<td>Onyx Energie Dienste AG</td>
<td>Langenthal</td>
<td>2 (EUR)</td>
<td>100.0</td>
</tr>
<tr>
<td>Onyx Energie Mittelland AG</td>
<td>Langenthal</td>
<td>10.5 (EUR)</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The following disclosure was made in compliance with the Swiss Exchange regulations for the reporting year:

In the scope of a spin-off and acquisition agreement, holdings belonging to the managing holding company of E.ON Energie AG were transferred from E.ON Energie AG to E.ON Beteiligungen GmbH. This included the 7.03% holding in BKW Inc. E.ON Beteiligungen GmbH is owned exclusively by E.ON SE, which disclosed the transfer. Details of disclosure notices are available on the SIX Swiss Exchange disclosure platform at http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_de.html

CROSS-SHAREHOLDINGS

There is cross-shareholding between BKW and Groupe E SA. BKW holds a 10 percent share of voting rights and share capital in Groupe E SA 687,500 shares, and Groupe E SA has a 10 percent share of voting rights and share capital in BKW 5,280,000 shares.
2 Capital structure

CAPITAL

The share capital of BKW as of 31 December 2013 amounts to CHF 132,000,000.00 and is divided into 52,800,000 fully paid-up registered shares, each with a par value of CHF 2.50. The Company has not issued participation certificates or dividend rights certificates.

AUTHORISED AND CONDITIONAL SHARE CAPITAL

BKW has no authorised share capital or conditional share capital.

CHANGES IN EQUITY

BKW was founded in February 2011 with a share capital of CHF 100,000.00, divided into 40,000 registered shares with a par value of CHF 2.50 each.

On 3 October 2011, an offer was made to shareholders in BKW FMB Energy Ltd. in connection with the transition to a holding company to exchange their registered shares for an equal number of BKW registered shares. As this public exchange offer was accepted by more than 98 percent of the shareholders in BKW FMB Energy Ltd., BKW's share capital was increased on 6 December 2011 by 52,394,811 registered shares with a par value of CHF 2.50 each to CHF 131,087,027.50 (divided into 52,434,811 registered shares), through a contribution of a total of 52,394,811 registered shares in BKW FMB Energy Ltd., with a par value of CHF 2.50 each.

At the Extraordinary General Meeting of 29 September 2011, the Board was authorised to increase share capital by a maximum of CHF 13,200,000.00 within a period of two years to a total of no more than CHF 132,000,000 CHF by issuing up to 5,280,000 fully paid registered shares with a par value of CHF 2.50.

On 17 February 2012, the Board decided to increase ordinary share capital by CHF 912,972.50 of authorised capital, from CHF 131,087,027.50 to CHF 132,000,000.00, divided into 52,800,000 registered shares with a par value of CHF 2.50 each. This reduced the authorised capital to nil.
Shares

All 52,800,000 registered shares in BKW with a par value of CHF 2.50 each are fully paid up. All shares carry equal voting rights. Every share represented at the Annual General Meeting is entitled to one vote. While the Company does not normally print or distribute certificates of registered shares, shareholders may request a share certificate free of charge.

Restrictions on transferability and nominee registration

Registered BKW shares can be only be transferred by assignment or according to the provisions of the Swiss Intermediated Securities Act (SR 957.1). BKW must be notified of the assignment. The Company may refuse to register an acquirer of shares in the share register for the following reasons:

- If the acquisition results in a natural person, a legal entity or a partnership holding (directly or indirectly) more than 5 per cent of the entire share capital. The same restriction applies to legal entities, partnerships, groups of persons or joint ownerships that are interrelated or otherwise linked and/or act in concert to acquire shares.

- If the acquirer has not expressly declared that he has acquired the shares in his own name and on his own behalf.

Nominees may be registered, but these shares carry no voting rights.

Convertible securities and options

The Company has no outstanding convertible securities and has issued no options.

Changes in equity for the last three reporting years

<table>
<thead>
<tr>
<th>CHF thousands</th>
<th>Share capital</th>
<th>Reserves from capital contributions</th>
<th>General legal reserves</th>
<th>Reserves for treasury shares</th>
<th>Retained earnings</th>
<th>Total shareholders' equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founded on 28 February 2011</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Capital increase</td>
<td>130,987</td>
<td>26,129</td>
<td>786,936</td>
<td>359,845</td>
<td></td>
<td>1,303,897</td>
</tr>
<tr>
<td>Net profit 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>57,543</td>
<td>57,543</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>131,087</td>
<td>26,129</td>
<td>786,936</td>
<td>359,845</td>
<td>57,543</td>
<td>1,361,540</td>
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<tr>
<td>Capital increase</td>
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<td></td>
<td>8,180</td>
<td></td>
<td></td>
<td>9,093</td>
</tr>
<tr>
<td>Dividend payment</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>52,800</td>
</tr>
<tr>
<td>Reserve allocation</td>
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<td>3,053</td>
<td></td>
<td>-3,053</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Net profit 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>65,202</td>
</tr>
<tr>
<td>At 31 December 2012</td>
<td>132,000</td>
<td>26,129</td>
<td>798,169</td>
<td>356,792</td>
<td>69,945</td>
<td>1,383,035</td>
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<tr>
<td>Dividend payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-63,360</td>
<td>-63,360</td>
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<tr>
<td>Reserve allocation</td>
<td></td>
<td>41,269</td>
<td></td>
<td>-41,269</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Net profit 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>64,710</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>132,000</td>
<td>26,129</td>
<td>839,438</td>
<td>315,523</td>
<td>71,295</td>
<td>1,384,385</td>
</tr>
</tbody>
</table>
3 Board of Directors

The Board of Directors (Board) consists exclusively of non-executive independent members. This means that no current member of the Board of Directors is also a member of the BKW Group Executive or of the management body of any Group company.

**MEMBERS**

**Urs Gasche**
lawyer (1955, CH)
Alongside his role for BKW, Urs Gasche is also Chairman of the Board of Directors of Vereinigte Schweizerische Rheinsalinen in Schweizerhalle, President of the Board of Trustees of the Rotkreuzstiftung für Krankenpflege, Lindenhof, Berne, and President of the umbrella organisation for Swiss medical technology, FASMED. As a member of the Executive Council, Urs Gasche was Finance Manager for the Canton of Berne from 2002 to mid-2010. In this function he was appointed as the delegate of the Canton of Berne to the Board of BKW FMB until its 2010 Annual General Meeting. Prior to his election as a member of the Executive Council, Urs Gasche worked as an independent lawyer in Berne.

Function: Chairman of the Board, Chairman of the Nomination and Compensation Committee | Board member since 2011 (2002*)

**Antoinette Hunziker-Ebneter**
ilc. oec. HSG (MA Econ.) (1960, CH)
Antoinette Hunziker-Ebneter is CEO and Deputy Chair of the Board of Forma Futura Invest AG, Zurich. She is also a member of the Board of Gebäudeversicherung des Kantons Bern (Canton of Berne Building Insurance). From 2002 to 2005 Antoinette Hunziker-Ebneter was Head of Trading & Sales and a member of the Executive Board of Julius Bär Bank, Zurich, prior to which she worked for the SIX Swiss Exchange, lastly as Chair of the SIX Group, Zurich, and CEO of Virt-X in London.

Function: Deputy Chair of the Board, Chair of the Audit and Risk Management Committee | Board member since 2011 (2006*)

**Kurt Rohrbach**
electrical engineer ETH (1955, CH)
Since joining BKW in 1980, Kurt Rohrbach has held a variety of roles for the company, most recently as CEO and Chairman of the Group Executive. In addition to his various roles at BKW, he is President of the Association of Swiss Electricity Enterprises (VSE) and a member of the Boards of the Canton of Berne Trade and Industry Association, economisuisse and the Swiss SKU Advanced Management Program.

Function: Deputy Chair of the Board | Board member since 2012

**Barbara Egger-Jenzer**
lawyer (1956, CH)
Barbara Egger-Jenzer is a member of the Executive Council and Head of the Department of Construction, Transport and Energy of the Canton of Berne. She also serves as an ex officio member of the Board of Directors of BLS AG and BLS Netz AG. Until her election to the Executive Council in 2002, Barbara Egger-Jenzer worked as an independent lawyer in Berne.

Function: Member of the Board, Deputy Chair of the Nomination and Compensation Committee | Representative of the Canton of Berne | Board member since 2011 (2002*)

**Philippe Virdis**
electrical engineer (1948, CH)
Philippe Virdis has been a member of the Board of Groupe E SA since 2012. Previously he was Delegate of the Board and General Director of Groupe E, Fribourg. He is also Chairman of the Board of Groupe E Connect SA, Gommerkraftwerke AG and Cisel Informatique SA and Deputy Chair of Forces Motrices Hongrin-Léman SA, Swiss Hydrogen Power SHP SA (Fribourg) as well as Capital Risque Fribourg SA. He is also a member of the Boards of EW Goms AG, EW Jaun Energie AG, Belenos Clean Power Holding AG and Glass 2 Energy AG. Until his election as Delegate of the Board of Directors, Philippe Virdis was General Director of Groupe E and, until 2006, General Director of EEF.Ensa SA.

Function: Member of the Board | Board member since 2011 (2003*)

**Marc-Alain Affolter**
electrical engineer (1952, CH)
Marc-Alain Affolter is Chairman of the Board and CEO of Gruppe Affolter Holding S.A. (Malleray), which manufactures components for watches and machinery. Until 1985 he worked for various companies as a development engineer.

Function: Member of the Board | Member of the Audit and Risk Management Committee | Board member since 2011 (2007*)

*This is the year of entry to the Board of BKW FMB Energy Ltd. before transition to the holding structure.
Georges Bindschedler
Dr. iur., lawyer and notary (1953, CH)

Georges Bindschedler is a delegate member of the Board of merz+benteli ag, Niederwangen, and also holds Board positions with other SMEs. In addition, he is President of the Council of Applied Sciences, Vice President of Berne University Research Foundation, and a trustee of various charitable foundations. Between 1985 and 2002 he was Delegate of the Board of Directors and CEO of von Graffenried Holding AG, Berne. Prior to this he worked for a law office and a bank.

Function: Member of the Board, member of the Nomination and Compensation Committee | Board member since 2011 (2007*)

Eugen Marbach
lawyer (1955, CH)

Eugen Marbach has worked as an independent lawyer in Berne since 1985. From 1993 until 2012 he was a professor in the Department of Economic Law, University of Berne. Since 2005 Eugen Marbach has also been co-editor of a journal on the law relating to intangible assets, information and competition.

Function: Member of the Board | Board member since 2011 (2007*)

Hartmut Geldmacher
MBA (1955, D)

Hartmut Geldmacher is an independent entrepreneur. He is a member of the Supervisory Boards of Billfinger Facility Services, Frankfurt, Bayernwerk AG, Regensburg and E.ON Hanse AG, Quickborn, and chairman of the Supervisory Board of Rhein-Main-Donau AG, Munich. From 2002 until 2011 he was a member of the Board of Management and Employee Relations Director at E.ON Energie AG, Munich. Until 2002 he held various management positions at E.ON Energie AG and the then Preussen Elektra AG, Hanover. Hartmut Geldmacher is also Chairman of the Board of Trustees of the Bavarian EliteAcademy in Munich, and Vice Chairman of the Board of the Roman Herzog Institute, Munich.

Function: Member of the Board | Board member since 2011 (2009*)

Beatrice Simon-Jungi
MBA (1960, CH)

Beatrice Simon-Jungi is a member of the Executive Council and Director of Finance for the Canton of Berne. She also serves as an ex officio member of the Board of Directors of Vereinigte Schweizerische Rheinsalinen in Schweizerhalle. Before her election to the Executive Council in mid-2010, she was a municipal councillor for Seedorf from 1995 and mayor from 2003. In 2006 she was elected to the Berne cantonal parliament. Prior to 1995 Beatrice Simon-Jungi worked as Head of Marketing for an SME.

Function: Member of the Board, Representative of the Canton of Berne | Board member since 2011 (2010*)

Kurt Schär
electronics engineer (radio and TV) and marketing planner (1965, CH)

Kurt Schär is CEO and Vice Chairman of the Board at Bike- tec AG, manufacturer of the Flyer electric bicycle (Hutwill). He was previously Vice-President of Sales & Marketing at Hélio Courvoisier, and before that he worked in product management and had managerial marketing responsibilities in the telematics section of Kontakt-Systeme AG. Kurt Schär is also a Board member of the St Gallen Risk Dialogue Foundation, Deputy Chairman of Berne Tourism, member of the Board of the swisscleantech industry association, and a Board member of the Green Liberal Party in the Canton of Berne.

Function: Member of the Board | Member of the Audit and Risk Management Committee | Board member since 2012

Roger Baillod
business economist and certified public accountant (1958, CH)

Roger Baillod has been Chief Financial Officer of Bucher Industries AG in Niederveningen, Zurich since 1996. From 1984 to 1993, Mr Baillod worked as an auditor and consultant with Ernst & Young AG in Zurich and St. Gallen, and was subsequently involved in the management of two industrial enterprises. He has also been a member of the Board of Directors of the Migos-Genossenschaftsbund since 2008.

Function: Member of the Board | Board member since 2013
RESPECTS

According to Swiss company law and article 19 of the articles of incorporation, the Board of Directors is responsible for overall management of the company and supervision of its corporate bodies. It decides on all matters that are not delegated to other corporate bodies, either by law or by the organisational regulations as defined in article 20 of the articles of incorporation.

ELECTION AND TERM OF OFFICE

According to article 21 of the articles of incorporation, the Board of Directors consists of nine to thirteen members (there are currently twelve members). In accordance with Article 21 of the articles of incorporation and pursuant to Article 762 of the Swiss Code of Obligations (OR), the Canton of Berne is entitled to a maximum of two seats on the Board of Directors. These delegates are currently Barbara Egger-Jenzer and Beatrice Simon-Jungi, both of whom are members of the Executive Council of the Canton of Berne. The remaining members are elected by the Annual General Meeting.

With the introduction of the Ordinance against Excessive Compensation in Listed Stock Companies (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften; VegüV) on 1 January 2014, the statutory term of office of members elected by the Annual General Meeting is one year. These members may be re-elected. The term of office for members delegated by the Canton of Berne, appointed under the terms of article 762 OR, is determined by the Executive Council. The option for re-election shall not extend beyond the calendar year in which a Board member reaches his or her 70th birthday.

During the year under review, Board member Ueli Dietiker resigned and Roger Baillod was newly elected to the Board of BKW Inc.

INTERNAL ORGANISATION

The internal organisational structure of the Board of Directors is laid down in the articles of incorporation and the organisational regulations. No special functions are defined other than Chairman and the two Deputy Chairs. The Secretary need not be a member of the Board. During the reporting year, meetings were also attended by members of the Group Executive as well as Matthias Kaufmann (General Secretary). The Board of Directors convened eight times in the 2013 financial year.

COMMITTEES

The Board of Directors is supported by two standing committees: the Audit and Risk Management Committee and the Nomination and Compensation Committee. The Board of Directors may also establish ad hoc committees at any time for matters such as major investments, alliances and cooperations. Members of these committees were previously appointed by the Board of Directors, and are charged with analysing certain Board matters in detail and supporting the Board in its supervisory functions. Owing to the introduction of VegüV on 1 January 2014, statutory responsibility for election of the members of the Nomination and Compensation Committee passes to the Annual General Meeting. Selection of members of the Audit and Risk Management Committee remains in the gift of the Board.

The functions and organisation of the Audit and Risk Management Committee and the Nomination and Compensation Committee are defined in Articles 12 and 13 of the organisational regulations and in the relevant detailed directives authorised by the Board of Directors.

Audit and Risk Management Committee

Members
Antoinette Hunziker-Ebneter, Chair
Marc-Alain Affolter
Kurt Schär

Meetings of the Audit and Risk Management Committee are normally attended by the CEO, the Head of Finance and Services, the Head of Corporate Controlling, Accounting and Tax, and the Head of Internal Audit, as well as two representatives of the external auditors. The regulations of the Audit and Risk Management Committee stipulate at least four ordinary meetings per year. The Committee held four ordinary meetings and one extraordinary meeting in the 2013 financial year. No external consultants were engaged.

Responsibilities
– Discussion of the annual and half-yearly financial statements as well as the annual and half-yearly consolidat-
ed statements with the internal and external auditors as well as representatives of the Group Executive. The Committee provides the Board of Directors with recommendations based on these discussions.

– Discussion of significant changes in financial reporting as well as extraordinary items in the financial statements and changes in disclosure with internal and external auditors as well as representatives of the Group Executive. The Committee provides the Board of Directors with recommendations based on these discussions.

– Evaluation of the organisation and efficacy of internal controls, compliance, activities and performance of the external auditor and interactions with internal Group auditors. The Board of Directors is informed of this evaluation and hears recommendations if necessary.

– Evaluation of the independence of external auditors and the consistency of the auditing work with any advisory mandates of the external auditors. The Board of Directors is informed of this evaluation and hears recommendations if necessary.

– Preparation for the appointment or discharge of the external auditor, the Group auditor and the Head of Internal Audit, for submission to the Board of Directors.

– Discussion of the quality of accounting and financial reporting based on an assessment by the internal and external auditors. The Committee provides the Board of Directors with recommendations based on these discussions.

– Discussion of the risk situation in the context of the financial statements, the budget and medium-term planning. Evaluation of amendments relating to the risk policy approved by the Board.

– Regular reports to the Board of Directors on the Committee’s activities and results.

Nomination and Compensation Committee

Members

Urs Gasche, Chairman
Barbara Egger-Jenzer, Deputy Chair
Georges Bindschedler

The CEO also attends meetings of the Committee and has the right of co-determination.

According to its regulations, the Nomination and Compensation Committee meets as often as business requires, but at least once a year. Eight meetings were held in the 2013 financial year. An external consultant was engaged to evaluate a new member of the Board of Directors.

Responsibilities

– Formulation of principles and concrete proposals concerning compensation of members of the Board of Directors and Group Executive, for submission to the Board of Directors.

– Formulation of principles for the Board of Directors governing the selection of candidates for election or re-election to the Board, and preparation of concrete proposals.

– Succession planning at Board and Group Executive level.

– Dealing with selection, severance and compensation matters at Board and Group Executive levels

Authority

– Final decision on the salaries of members of the Group Executive, notification of the Board of Directors.

DELEGATION OF RESPONSIBILITY TO THE GROUP EXECUTIVE

Pursuant to article 20 of the articles of incorporation, the Board of Directors delegates business management to the Group Executive and defines its responsibilities in the organisational regulations. The Group Executive comprises the six division heads. The CEO is the chairman of the Group Executive and also a division head. Decisions of the Group Executive are made by the CEO in consultation with the other members of the Group Executive. Other members of the Group Executive have the right of co-determination and may submit motions. The Group Executive generally met every two weeks in the 2013 financial year.
Subject to the authority of the Annual General Meeting, the Board of Directors and the Board Committees, the Group Executive is responsible for management of the BKW Group. The business divisions are managed directly by their respective division heads. The Group Executive may delegate tasks and authorisations within its remit. It also performs preparatory work on matters that are in the remit of official bodies at a higher level.

Responsibilities of the Group Executive

- Formulation, review and implementation of overall strategy, general business policy, corporate and Group plans (targets/ objectives) and related actions (work schedules, projects).
- Ongoing supervision and coordination of overall development of the Group, business performance of immediately subordinate divisions, and important plans and projects.
- Decisions on projects and credit authorisations for expenses, as well as assumption of responsibilities related to the core operating business. This covers in particular the creation, upgrading and maintenance of production plants, and transmission and distribution systems for electrical energy, contributions to such plants and systems up to the amount of CHF 16 million if provided for by financial planning, and up to CHF 8 million in the case of unplanned projects.
- Decisions on projects and credit authorisations for expenses, as well as assumption of responsibilities not related to the core operating business, up to the amount of CHF 8 million in individual cases if provided for by financial planning, and up to CHF 4 million in the case of unplanned projects.
- Decisions on the purchase and sale of real estate up to the amount of CHF 16 million if provided for by financial planning, and up to CHF 8 million in the case of unplanned projects.
- Decisions on subscribing to or reducing share capital or on acquiring shares in companies or increasing or reducing such shareholdings, provided that the purpose of the company in question is related to the core operating business and that the cost does not exceed CHF 4 million in each case.
- Decisions on awarding contracts for works and supplies.
- Decisions regarding the initiation of legal action or arbitration, and authorisation of related litigation settlements up to the amount of CHF 8 million.
- Decisions on the raising of long-term loans by Group companies, up to the amount of CHF 50 million.
- Selection, succession planning and further training of heads of business units, senior specialists and project experts (senior management, level 2).
- Determination of salaries and compensation for heads of business units, departments and regional offices as well as the respective specialist and project positions (senior management, levels 2 and 3) in line with the requirements set by the Board of Directors.
- Approval of energy delivery and supply contracts with associated commitments up to the value of CHF 200 million over the entire contract term.
- Authorisation of collateral for defined amounts and limited periods, including guarantees and sureties, for BKW Group companies and companies in which BKW holds an interest, and for partner plants with annual cost guarantees. The transaction underlying such collateral must be conducted in compliance with the rules governing authorities.
- Authorisation of collateral for indefinite periods, including guarantees and sureties, for Group companies and companies in which BKW Group companies hold an interest, and for partner plants with annual cost guarantees, provided that such collateral must be granted in the context of auctions or in favour of state authorities, companies with a public service mandate or an electricity exchange.
- Approval of the budget and mid-term plans of holding subsidiaries.
- Approval of the strategies of the business divisions and of their subsidiary BKW Group companies.
- Approval of the foundation and liquidation of BKW Group companies.

The Group Executive has delegated some of its authorities for division-specific projects to the relevant division heads. Division heads are also responsible for preparing strategically important business in their own remit for submission to the Group Executive.

Additional information on the Group Executive is given in Section 4.
INFORMATION AND MONITORING INSTRUMENTS IN RELATION TO THE GROUP EXECUTIVE

The Group Executive is required to provide the Board of Directors with regular updates on significant events.

Matters that need to be dealt with by the Board of Directors are discussed in advance by the Board conference, which was attended during the reporting year by the Chairman of the Board and members of the Group Executive, as well as Matthias Kaufmann (General Secretary).

Reporting by the Group Executive to the Board of Directors
- Regular reports on significant events and general business performance.
- A report in spring on the financial statement for the previous financial year and an autumn report on the financial statement for the first half of the current year. These reports are accompanied by a forecast of the annual result based on current business performance.
- Next year’s budget and a medium-term plan for the next four financial years for approval, towards the end of the financial year.
- Written reports in spring on the performance of BKW shareholdings as well as risk management in the trading business for the previous financial year.
- A comprehensive review of risk management, to be provided at the beginning of each financial year.

Risk management identifies and assesses risks and formulates risk reduction measures. Regular audits of Group-related risks are conducted in the context of assurance management. Risk management is supervised by a Risk Committee, which is chaired by Beat Grossenbacher (member of the Group Executive). The Risk Committee met eleven times during the reporting year and reported regularly to the Group Executive. Additional information on risk management is provided on page 30 of the Annual Report.

Auditing
Internal Audit
Reto Umbricht

Internal Audit submits a quarterly report on its auditing activities to the Audit and Risk Management Committee. In particular, the report covers audits of transaction and business processes for the whole Group. Internal Audit also reports annually to the Audit and Risk Management Committee on the audit of the annual financial statements, and on any priority issue determined by the Committee.

Auditors
Ernst & Young AG, Berne
Dr. Monica Dell’Anna
Head of Market

Hermann Ineichen
Head of Production

Renato Sturani
Head of Renewables & Efficiency

Dr. Suzanne Thoma
CEO and Head of Group Management

Beat Grossenbacher
Head of Finance and Services / CFO

Christophe Bossel
Head of Networks
4 Group Executive 2013

The Group Executive consists of the heads of the six business divisions. Suzanne Thoma has been CEO since 1 January 2013.

MEMBERS

Dr. Suzanne Thoma
chemical engineer ETH (1962, CH)
Before being appointed as BKW CEO in 2013, Suzanne Thoma was Head of Networks from 2010. Previously she was head of the automotive supply business at WICOR Group, and CEO of the high tech company, Rolic Technologies Ltd. Dr. Thoma also held various positions in different countries for Ciba Spezialitätenchemie AG. In addition, she is a Supervisory Board member with two international companies and a member of the Executive Board of the Swiss Academy of Engineering Sciences.

Function: CEO, Head of Group Management | Member of the Group Executive since 2010

Christophe Bossel
graduate of the Federal Institute of Technology in Lausanne with a degree in engineering and material sciences, and an Executive Master of Business Administration (1968, CH)
Christophe Bossel joined BKW in January 2012 as Head of Asset Management at the Networks Division. Before joining BKW he held senior management positions at various industrial concerns, latterly in the development of medical equipment and as Head of Production at Swiss Federal Railways (SBB).

Function: Head of Networks | Member of the Group Executive since 2012

Dr. Monica Dell’Anna
electrical engineer (1971, I)
Before joining BKW in 2013, Monica Dell’Anna held various leading roles at Swisscom from 2003: as a member of the Swisscom senior management team from 2008 and a member of the Networking and IT divisional management team from 2011.

Function: Head of Market | Member of the Group Executive since 2013

Beat Grossenbacher
MA Econ (1960, CH)
Beat Grossenbacher joined BKW in 2008. Prior to this he worked for the Swisscom Group from 1994, most recently as Deputy CFO and Head of Treasury, Mergers & Acquisitions and Insurance.

Function: Head of Finance and Services and CFO | Member of the Group Executive since 2009

Hermann Ineichen
electrical engineer ETH and MSc in Energy Management, EPFL (1957, CH)
Hermann Ineichen joined BKW in 1996. He was Head of Trading at BKW until the end of 2000, and before this he headed the Tariffs department of Centralschweizerische Kraftwerke AG.

Function: Head of Production | Member of the Group Executive since 2000

Renato Sturani
mechanical engineer (1967, D, I)
Before joining BKW in 2013, Renato Sturani worked at Alpiq from 2002, initially as Head of Power Generation (Western region) and then as Head of Renewable Energy from 2011. Previously he had held management positions at national and international level with ABB Alstom Power.

Function: Head of Renewables & Efficiency | Member of the Group Executive since 2013

Samuel Leopold resigned as Head of Energy International and Trading and as member of the Group Executive with effect from the end of January of the reporting year.

EXTENDED GROUP EXECUTIVE

Matthias Kaufmann
lawyer LL.M. International Business Law (1957, CH)
Matthias Kaufmann joined BKW in 1992, prior to which he was Deputy Head of the Swiss Federal Council’s Service for Administrative Control.

Function: General Secretary | Member of the extended Group Executive since 2000

Martin Pfisterer
Dr. iur., lawyer and notary, federally certified PR consultant (1949, CH)
In summer 2013, Martin Pfisterer retired as Head of Group Communications and Marketing and member of the extended Group Executive.

Function: Corporate Communications and Marketing | Member of the extended Group Executive since 2000

MANAGEMENT CONTRACTS

BKW has delegated no management responsibilities to third parties outside the Group.
5 Compensation, shareholdings and loans

CONTENT AND METHOD OF DETERMINING COMPENSATION AND SHAREHOLDING PROGRAMMES

Members of the Board of Directors receive a fixed annual remuneration not linked to performance and a flat-rate expense allowance. With the exception of the Chairman, members of the Board of Directors also received an expense allowance for meetings during the reporting year.

The amount of the fixed remuneration paid to members of the Board of Directors depends on the Company’s economic situation and outlook, and takes into account the rates of remuneration paid by comparable companies in the electricity industry (e.g. Alpiq). The remuneration of members of the Board of Directors and the Group Executive is periodically reviewed and revised (generally every three years) by the Nomination and Compensation Committee with the aid of an external, independent consultancy.

Members of the Group Executive receive a fixed annual remuneration for their services. This is determined on an individual basis, taking into account the activity and responsibility of the person in question, their contribution to the Company’s success, the market rate for comparable functions as well as the Company’s economic situation and outlook. In addition, a variable profit share of up to 35 per cent of the fixed annual remuneration is paid, indexed to business results of the company and the performance of the relevant member of the Group Executive.

Once a year the Board of Directors also determines the number of BKW shares that members of the Board of Directors and Group Executive can acquire, as well as the preferential price and the blocking period. In 2013, each member of the Board of Directors and Group Executive was given the option of acquiring up to 400 shares in BKW at a preferential price. The sale or transfer of shares acquired in this way is subject to a blocking period of three years. This arrangement is designed to motivate members of the Board of Directors and Group Executive to achieve a sustainable increase in BKW’s enterprise value.

In the event of departure of a member of the Board of Directors or Group Executive, there are no agreements or plans that provide for severance payment or any other benefits or concessions.

Remuneration paid by BKW to members of the Board of Directors and Group Executive, the shareholdings of such persons in BKW and any credits/loans advanced to such persons by BKW are shown in detail in the Notes on the Financial Statements in the Financial Report pages 102 to 104.
6 Shareholders’ participation rights

The following provisions are taken from the BKW articles of incorporation. The current articles of incorporation are available to shareholders free of charge on request.

VOTING RIGHT RESTRICTIONS AND REPRESENTATION

Shareholders’ rights may only be exercised by persons listed in the share register as a shareholder with voting rights. There are no limitations on voting rights for BKW shareholders attending the Annual General Meeting.

Every shareholder with voting rights can attend the Annual General Meeting in person or be represented by another shareholder or the independent designated representative. Owing to the introduction of VegüV on 1 January 2014, representation by a representative of a company body is no longer permitted. Representation by a third party was also previously not permitted.

Public corporations, legal entities and trading companies are represented by their corporate bodies, partners or legal representatives, or by representatives with special written power of attorney.

Every share listed in the share register with voting rights is entitled to one vote at the BKW Annual General Meeting.

ENTRIES IN THE SHARE REGISTER

Shareholders representing shares with a par value of at least CHF 1 million may ask for an item to be included on the agenda. This request must be submitted no later than 50 days before the date of the Annual General Meeting.

STATUTORY QUORUM

Decisions at the Annual General Meeting require a simple majority of votes unless otherwise provided by law. A simple majority of votes also applies to decisions concerning the relaxation or lifting of the restrictions on transferability of registered shares.

CONVENING THE ANNUAL GENERAL MEETING AND SETTING THE AGENDA

Notice of the Annual General Meeting is to be given by the Board of Directors at least 20 days prior to the date of the meeting. A meeting may also be called by one or more shareholders whose combined shareholding represents at least 10 percent of the share capital. This must be requested in writing, stating the agenda items and motions.
7 Changes of control and defensive measures
8 Auditors
9 Information policy

CHANGES OF CONTROL AND DEFENSIVE MEASURES

Under the terms of article 6 of the articles of incorporation, BKW has opted to increase the threshold for a mandatory takeover offer to 49% in accordance with article 32 of the Swiss Exchanges Act.

There are no agreements or plans for the benefit of members of the Board of Directors and/or the Group Executive in the event of changes in control.

AUDITORS

Term of office
BKW’s auditors are appointed on an annual basis. The current auditors are Ernst & Young AG, who have acted as BKW’s auditors since 1990. The Chief Auditor is Roland Ruprecht.

Fees
The Auditors’ fees for expenditures incurred by statutory audits of BKW and its consolidated Group companies amounted to CHF 587,000 for the reporting year. The fees for auditing services including non-mandatory audits and reviews and consultancy in financial reporting matters amounted to CHF 175,000.

Information instruments of the external auditors
Oversight and control of the external auditor is a key responsibility of the Audit and Risk Management Committee (cf. Section 3 (Board of Directors) under ‘Audit and Risk Management Committee - Responsibilities’. The Committee normally meets four times a year. These meetings are also attended by the external auditors, who have appropriate rights of co-determination. The external auditors participated in all four regular meetings and three extraordinary meetings of the Audit and Risk Management Committee in the 2013 reporting year.

On behalf of the Audit and Risk Management Committee, the external auditors examine the annual financial statements according to the Swiss Code of Obligations (CO) as well as the annual and half-yearly Group statements. Towards the end of the year, the external auditors must advise the Committee of the audit priorities they have set for the forthcoming year, and the rationale for these priorities. The Committee must approve this audit plan and may commission the external auditors to conduct additional specific audits.

The performance of the external auditors and their independence are assessed annually by the Audit and Risk Management Committee. This assessment is based on the quality of the reports, implementation of the audit plans approved by the Committee, and collaboration with the internal auditors. With regard to independence, the Committee examines the relationship between the budgeted audit fee and the fee for other services provided by the auditing company, and what these additional services include.

INFORMATION POLICY

BKW is committed to the timely dissemination of transparent and comprehensive information to its shareholders and clients as well as its employees and the general public. It regularly informs the media about important events related to its business activities. A press conference on its financial position is held at least once a year. Along with a written invitation to the Annual General Meeting, shareholders receive a shareholders’ letter and an order form for the Annual Report. As a rule, they also receive a half-yearly shareholders’ letter on business performance. Information on share prices is published in compliance with the applicable legal requirements for disclosure. BKW publishes media releases as well as special information for shareholders and investors (in particular Annual Reports and the results of Annual General Meetings) on the Internet (www.bkw.ch).
10 Significant changes
since 31.12.2013

ORGANISATIONAL CHANGES
No significant changes.

STAFF CHANGES

Matthias Kaufmann resigned from his functions as General Secretary and member of the extended Group Executive with effect from the end of January 2014. He has been succeeded as Head of the General Secretariat by Antje Kanngiesser, from 1 February 2014.

Beat Grossenbacher, Head of Finance and Services, and CFO, has decided to move to the Swiss Broadcasting Corporation, SRG SSR. The timing of his move will be agreed with SRG, and will be completed by 1 July 2014.

In view of her future mandate with the Cantonal Bank of Bern (BEKB), Antoinette Hunziker-Ebneter has decided to stand down from the Board of Directors at the BKW Annual General Meeting on 9 May 2014.
Appointments

Appointments to Head of Division
Dell’Anna Monica, Head of Market
Sturani Renato A., Head of Renewables & Efficiency

Appointments to Head of Business Unit
Aebelhard Daniela, Head of Human Resources Management
Beekman Jan-Piet, Head of Steering & Support Networks
Bögli Andreas, Head of Energy Solutions
Elmiger Markus W., Head of Corporate Development
Marti Fritz, Head of Steering & Support Market
Nicklas Martin, Head of Technology Management
Schenk Alain, Head of Asset Management Networks
Schwegler Urs, Head of Corporate Real Estate & Services
Schweikert Martin, Head of Corporate Communications
Seiler Alfred, Programme Manager
Stengler Silvio, Head of Trade

Appointments to Head of Department / Senior Specialist
Bauch Clea, Head of Market Strategy
Bertschy Manuel, Head of Finance & Risk Management
Bühlmann Marcel, Head of Asset Management & Operational Services
Danieli Gianfranco, Head of Network Operations
Dürrmeier Marc, Head of Operations, cc energie sa
Hars Joëlle, Head of Corporate Finance
Hellbach Roman, Head of Mittelland Region
Lauffe Ulrich, Head of Bern-Schwarzenburg Region, BKW ISP AG
Mährlein Benjamin, Head of Asset Management & Wind Operations
Osley Martin, Head of Business Change Management, cc energie sa
Pheulpin Daniel, Head of Jura Region
Pittet Bernard, Head of E&D West, Arnold AG
Ritzkat Johannes, Post-operation and Dismantling Project Manager
Scholl René, Head of Asset Management Core Subsidiaries
Stöckil Marcel, Head of Engineering Networks
Truninger Patrick, Head of IT Services
Uthmann Andreas, Senior Consultant Innovation Management
van der Elst Marian, Head of Product Development
Walti Gérald, Head of Steering & Support Renewables & Efficiency
Worni Nicolas, Head of Retail & Sales Steering
Facts & Figures 2013
BKW Group

Financials

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<th>CHF million</th>
<th>2023</th>
<th>2022</th>
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<td>Total operating revenue</td>
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<td>2,862.1</td>
<td>2,608.9</td>
<td>2,796.8</td>
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<td>Operating profit before depreciation, amortisation and impairment</td>
<td>27,310.0</td>
<td>679.0</td>
<td>11,955.0</td>
<td>1,696.0</td>
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<tr>
<td>Net profit</td>
<td>20,040.0</td>
<td>260.0</td>
<td>703.0</td>
<td>7,465.0</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>256.8</td>
<td>27.9</td>
<td>256.8</td>
<td>256.8</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>31.1</td>
<td>200.3</td>
<td>266.8</td>
<td>217.7</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>7,082.9</td>
<td>3,725.0</td>
<td>2,826.8</td>
<td>2,667.7</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>3,900.5</td>
<td>1,631.6</td>
<td>1,373.5</td>
<td>920.8</td>
</tr>
</tbody>
</table>

Performance of the BKW share

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF million</th>
<th>Price</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5,373.0</td>
<td>22.27</td>
<td>10.00</td>
</tr>
<tr>
<td>2010</td>
<td>6,519.0</td>
<td>256.8</td>
<td>49.7</td>
</tr>
<tr>
<td>2011</td>
<td>7,082.9</td>
<td>49.7</td>
<td>49.7</td>
</tr>
<tr>
<td>2012</td>
<td>7,338.4</td>
<td>49.7</td>
<td>49.7</td>
</tr>
<tr>
<td>2013</td>
<td>7,536.0</td>
<td>49.7</td>
<td>49.7</td>
</tr>
</tbody>
</table>

Key figures per share

<table>
<thead>
<tr>
<th>CHF million</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price</td>
<td>31.12.2012</td>
<td>22.27</td>
<td>10.00</td>
<td>8.54</td>
</tr>
<tr>
<td>CHF million</td>
<td>2023</td>
<td>2022</td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>1,497.5</td>
<td>1,723.4</td>
<td>33.75</td>
<td>5.74</td>
</tr>
<tr>
<td>Equity per share</td>
<td>1,497.5</td>
<td>1,723.4</td>
<td>33.75</td>
<td>5.74</td>
</tr>
<tr>
<td>Result per share</td>
<td>1,497.5</td>
<td>1,723.4</td>
<td>33.75</td>
<td>5.74</td>
</tr>
</tbody>
</table>

Electricity business

<table>
<thead>
<tr>
<th>GWh</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales International</td>
<td>3,776.0</td>
<td>7,135.0</td>
<td>6,576.0</td>
<td>6,876.0</td>
</tr>
<tr>
<td>Electricity sales Switzerland</td>
<td>1,216.0</td>
<td>2,101.0</td>
<td>2,010.0</td>
<td>2,100.0</td>
</tr>
<tr>
<td>Electric energy from water and wind</td>
<td>3,992.0</td>
<td>7,236.0</td>
<td>6,586.0</td>
<td>6,886.0</td>
</tr>
<tr>
<td>Hydroelectric plants</td>
<td>3,070.0</td>
<td>6,015.0</td>
<td>5,365.0</td>
<td>5,665.0</td>
</tr>
<tr>
<td>Fossil-fuel power plants</td>
<td>240.0</td>
<td>425.0</td>
<td>375.0</td>
<td>375.0</td>
</tr>
<tr>
<td>Nuclear power plants incl. financial interests</td>
<td>160.0</td>
<td>335.0</td>
<td>290.0</td>
<td>290.0</td>
</tr>
<tr>
<td>Total</td>
<td>6,470.0</td>
<td>12,375.0</td>
<td>11,980.0</td>
<td>12,430.0</td>
</tr>
</tbody>
</table>

Sales 2013

<table>
<thead>
<tr>
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<th>2021</th>
<th>2020</th>
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Generation and purchases 2013

<table>
<thead>
<tr>
<th>GWh</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial interests</td>
<td>5,373.0</td>
<td>9,744.0</td>
<td>8,944.0</td>
<td>9,244.0</td>
</tr>
<tr>
<td>Direct sales from financial interests</td>
<td>2,733.7</td>
<td>5,013.7</td>
<td>4,213.7</td>
<td>4,513.7</td>
</tr>
<tr>
<td>Transmission losses/own consumption</td>
<td>196.0</td>
<td>375.0</td>
<td>375.0</td>
<td>375.0</td>
</tr>
<tr>
<td>Pump/substitution energy</td>
<td>3,542.6</td>
<td>6,872.6</td>
<td>6,222.6</td>
<td>6,522.6</td>
</tr>
<tr>
<td>Electricity trading</td>
<td>46.1</td>
<td>91.1</td>
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</tr>
<tr>
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The BKW Group is one of Switzerland’s largest energy companies. It employs more than 3,000 people, with its partners it supplies around one million people with electricity, and it covers all stages of energy supply: from production and transport to trading and sales. In addition to pure energy supply, BKW develops, implements and operates comprehensive energy solutions for private and commercial customers, as well as for energy utility companies and local authorities. It is also committed to programmes focusing on research and development of innovative technologies to ensure a sustainable, secure energy supply.