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## Press release >

### **First quarter of 2016: Falling electricity prices negatively influence earnings performance in comparison to the previous year.**

#### **Conventional generation experiences a clear decline as expected / Renewable Energies triple their contribution to Group operating result / Earnings forecast for 2016 financial year reaffirmed**

Karlsruhe. In the first quarter of 2016, EnBW Energie Baden-Württemberg AG achieved revenue of around 5.2 billion euro and an operating result (adjusted EBITDA) of 621 million euro with 20,332 employees. This represents a fall of 14.7 percent compared to the previous year. However, temporary valuation effects from derivatives as of the reporting date had an impact on the operating result, although this will be balanced out during the remainder of the year. Thomas Kusterer, CFO: "For the whole 2016 financial year, we confirm our forecast and expect that the adjusted EBITDA at a Group level will be as planned between -5 percent and -10 percent below the level achieved in 2015."

The expected drop in earnings in the first quarter of 2016 in comparison to the previous year is primarily due to low electricity prices. This placed a considerable burden on conventional generation as a result. In contrast, the Grids and Renewable Energies business segments showed a positive trend. In particular, the offshore wind farm EnBW Baltic 2 that was connected to the Grid in the second half of 2015 caused a substantial increase in the adjusted EBITDA for Renewable Energies. In the Sales segment, the adjusted EBITDA fell in comparison to the previous year by 5.3 percent to 67.5 million euro in the first three months of 2016 (previous year: 71.3 million euro). This was primarily due to the sale of EnBW Propower GmbH together with the Eisenhüttenstadt CHP plant. Looking ahead to the whole financial year, EnBW anticipates a fall in the sales result of more than 20 percent in comparison to the previous year.

The adjusted EBITDA for the Grids segment of 286.4 million euro was 3.2 percent above the figure in the previous year (previous year: 277.4 million euro), a clear increase is expected during the remainder of the year. This is due, on the one hand, to the elimination of high, negative extraordinary items from the second half of 2015 and, on the other hand, to a positive impact on earnings caused by the increase in the revenue cap for both the electricity and gas distribution grids. Therefore, EnBW anticipates that the operating result in the Grids segment for the whole year will be more than 20 percent higher than the previous year.

In the Renewable Energies segment, the adjusted EBITDA of 92.1 million euro in the first quarter of 2016 was significantly higher than the figure in the previous year (35.5 million euro). Accordingly, the share of the EBITDA for the Group accounted for by Renewable Energies

**Page 2**

Press release from 13 May 2016

tripled from around 5 percent in the first quarter of the previous year to its current level of around 15 percent. The full commissioning of the offshore wind farm EnBW Baltic 2 in September 2015 is responsible for this sharp increase in comparison to the first quarter of 2015. This effect will normalise itself during the remainder of the year. EnBW thus expects an increase in earnings in the Renewable Energies segment of 10 to 20 percent for the whole 2016 financial year.

The adjusted EBITDA in the Generation and Trading segment fell significantly in the reporting period compared to the previous year in line with expectations by 48.5 percent to 170.8 million euro. This fall was primarily due to the low prices and spreads on the wholesale electricity markets for electricity. For the whole financial year, EnBW continues to expect a significant fall in the operating result for the segment of more than 20 percent compared to the previous year.

The adjusted Group net profit attributable to the shareholders of EnBW AG of around 103.6 million euro in the reporting period was significantly below the figure in the previous year of 813.3 million euro. This was primarily attributable to the fall in the adjusted financial result, which was strongly influenced in the first quarter of 2015 by capital gains on disposals of securities.

The investment volume of the EnBW Group fell significantly as expected in the first quarter of 2016 compared to the previous year. This was due to the fact that the power plant project RDK 8, the offshore wind farm Baltic 2 and the Lausward power plant have been completed. In terms of the overall investment of approximately 161 million euro, around 54 percent was accounted for by growth projects, mainly in the Grids and Renewable Energies segments.

## Performance indicators of the EnBW Group

### Financial and strategic performance indicators

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
External revenue	5.195,1	5.896,2	-11,9	21.166,5
Adjusted EBITDA	621,0	727,9	-14,7	2.109,6
Share of the adjusted EBITDA accounted for by Sales in € million/in %	67,5/10,9	71,3/9,8	-5,3/-	255,3/12,1
Share of the adjusted EBITDA accounted for by Grids in € million/in %	286,4/46,1	277,4/38,1	3,2/-	747,4/35,4
Share of the adjusted EBITDA accounted for by Renewable Energies in € million/in %	92,1/14,8	35,5/4,9	-/-	287,4/13,6
Share of the adjusted EBITDA accounted for by Generation and Trading in € million/in %	170,8/27,5	331,7/45,6	-48,5/-	777,3/36,8
Share of the adjusted EBITDA accounted for by Other/Consolidation in € million/in %	4,2/0,7	12,0/1,6	-65,0/-	42,2/2,1
EBITDA	618,0	730,4	-15,4	1.918,2
Adjusted EBIT	398,8	503,2	-20,7	1.181,9
EBIT	395,8	505,7	-21,7	277,0
Adjusted Group net profit <sup>1</sup>	103,6	813,3	-87,3	951,7
Group net profit <sup>1</sup>	51,0	684,1	-92,5	124,9
Earnings per share from adjusted Group net profit <sup>1</sup> in €	0,38	3,00	-87,3	3,51
Earnings per share from Group net profit <sup>1</sup> in €	0,19	2,53	-92,5	0,46
Cash flow from operating activities	-91,6	426,5	-	1.918,3
Free cash flow	-177,9	271,5	-	725,8
Total investments	161,2	284,3	-43,3	1.461,6

### Employees<sup>2,3</sup>

	31/03/2016	31/03/2015	Change in %	31/12/2015
Number	20.332	20.136	1,0	20.288

<sup>1</sup> In relation to the profit/loss attributable to the shareholders of EnBW AG.

<sup>2</sup> Number of employees excluding marginally employed persons, apprentices/trainees and inactive employees.

<sup>3</sup> The number of employees for the ITOs (TransnetBW GmbH and terranets bw GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2015 is carried forward.