

Conference call on the first nine months 2015 >

EnBW Energie
Baden-Württemberg AG



Karlsruhe, 13 November 2015

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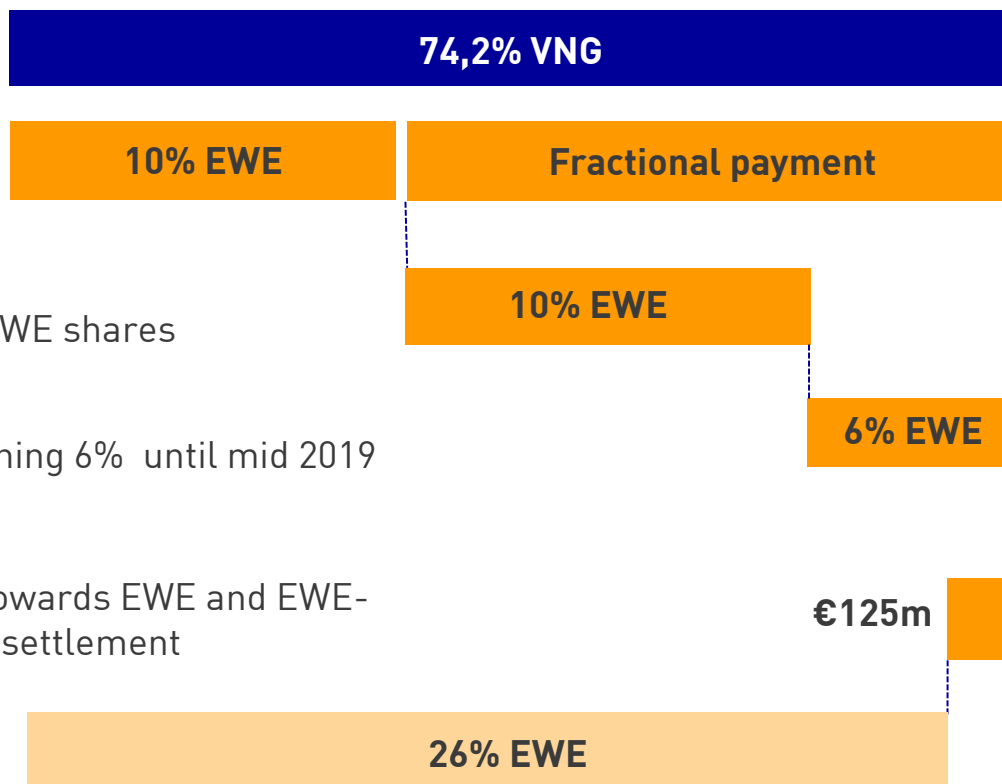
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EnBW will swap its 26% minority stake in EWE for a 74% majority stake in VNG



> 2016: Swap

EWE swaps 74,2% VNG with EnBW for 10% EWE own shares plus fractional payment



> 2016: Sale¹

EWE-association² acquires 10% of the EWE shares

> Until 2019: Call/Put-Option

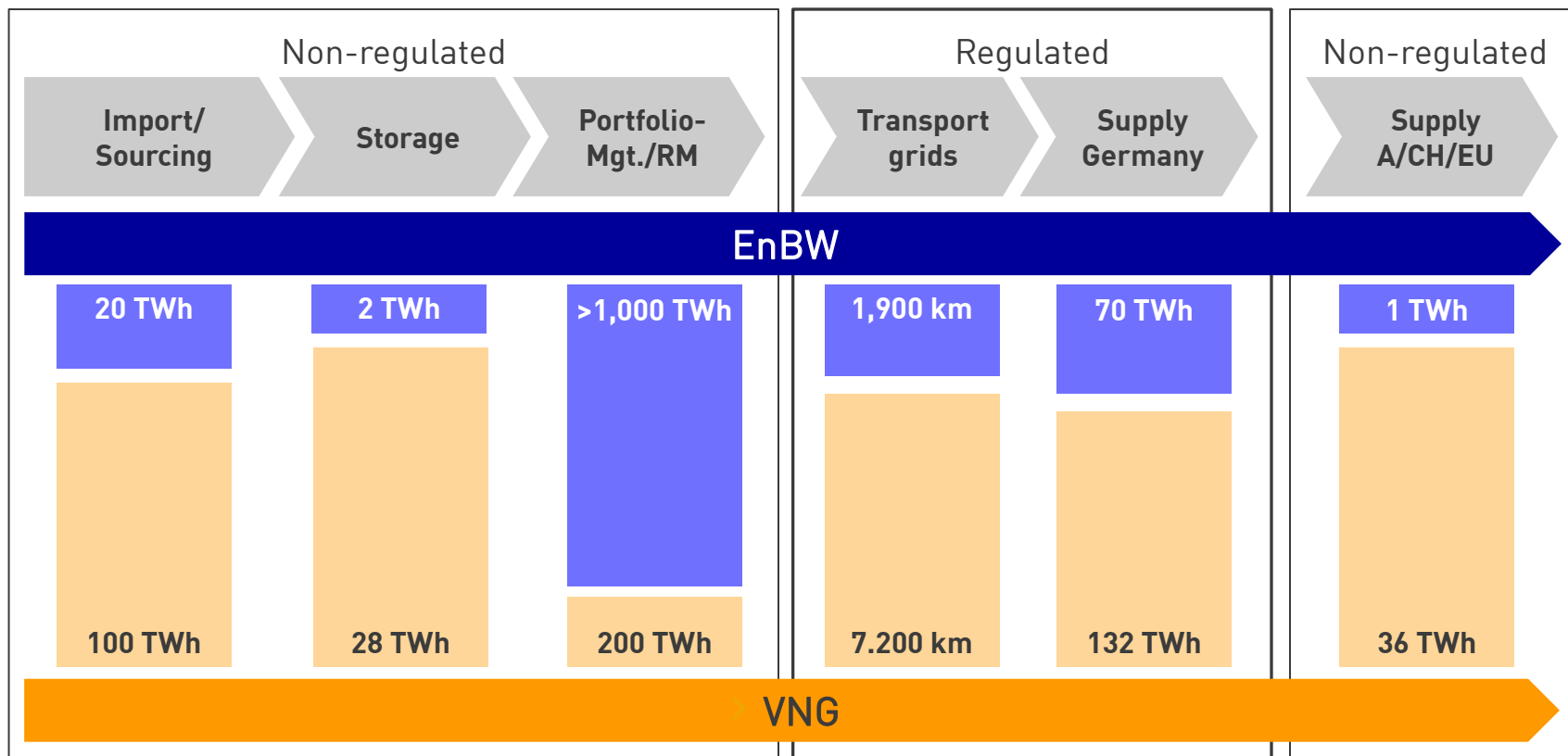
EWE-association will acquire the remaining 6% until mid 2019

> **2016 (EnBW):** Lump sum contribution towards EWE and EWE-association to facilitate transaction and settlement

¹ supposed to be closed simultaneously to „the Swap“

² Ems-Weser-Elbe Versorgungs- und Entsorgungsverband (“Verband”)

EnBW becomes fully integrated in the gas market



A top 3 player in the German gas market
 Diversification effect
 Intelligent cooperation on equal terms

Key take-aways of the swap

- Transformation of EWE minority share into a fully consolidated participation in VNG
- Logical fit with EnBW Strategy 2020 with grid expansion as one of the main targets
- Expansion of the regulated profit pool by consolidating VNG transportation grid (more than 50% of VNG's EBITDA)
- Geographical fit of supply with little overlap offering expansion opportunities for sales activities (electricity products and services for VNG gas customers)
- Headroom-efficient deal structure by mainly settling the purchase of VNG's via an asset swap
- Termination of arbitration court case with EWE will significantly improve EnBW's financial risk profile

Economic and regulatory environment

- › Ongoing pressure on wholesale prices for electricity, fuel and CO₂
- › Debate about the governance of a possible European Energy Union: Germany pleads for strict regime
- › Consultation process on draft for the electricity market law: Strengthening of EOM 2.0 and capacity reserve
- › Result of the stress test scenarios: Approval of accounting practices being used by the operators for decades

Operating performance

- › Full commissioning of EnBW Baltic 2:
- › Moderate commissioning of onshore wind farms
- › Successful implementation of efficiency measures

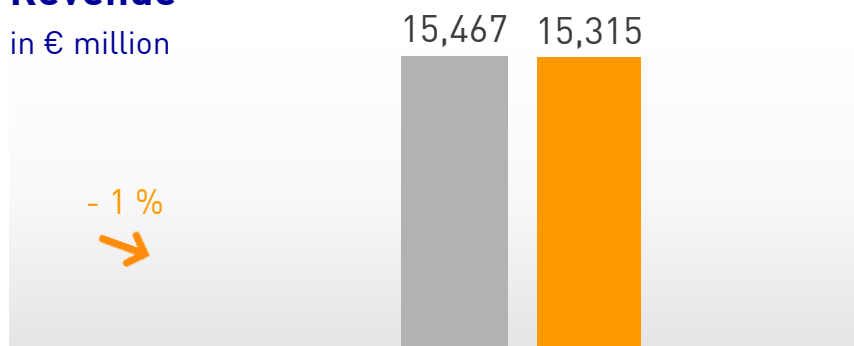
Financial performance

- › Change in adj. EBITDA of +0.2 % in line with forecast of 0 to – 5 %
- › € 484 m free cash flow positive
- › Reduction of adj. net debt by € 113 m mainly due to FCF and decreased pension provisions
- › Adj. group net profit increased significantly to almost € 1 bn mainly due to the capital gains from the sale of securities

First nine months 2015 – Results in line with expectations

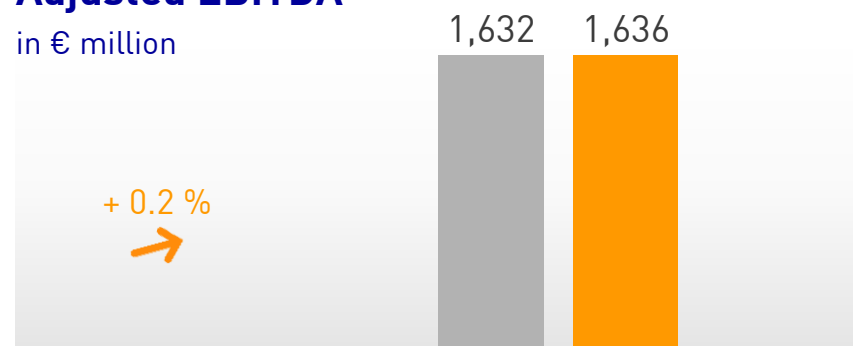
Revenue

in € million



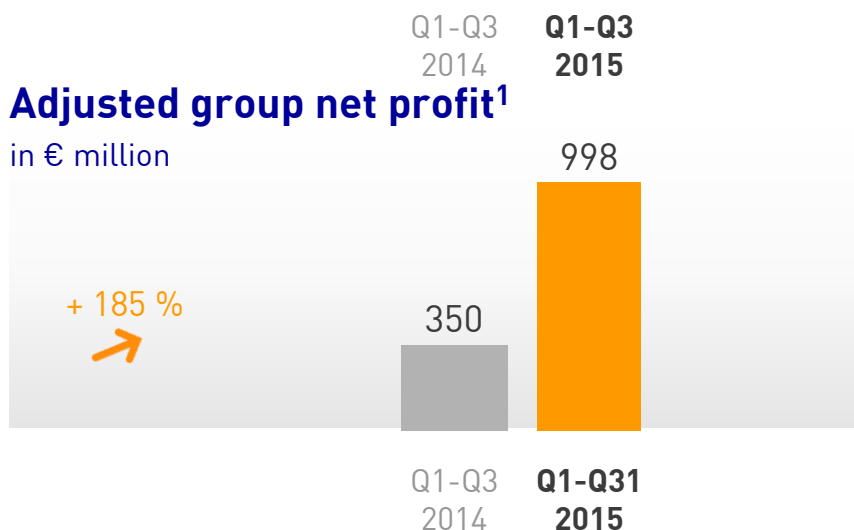
Adjusted EBITDA

in € million



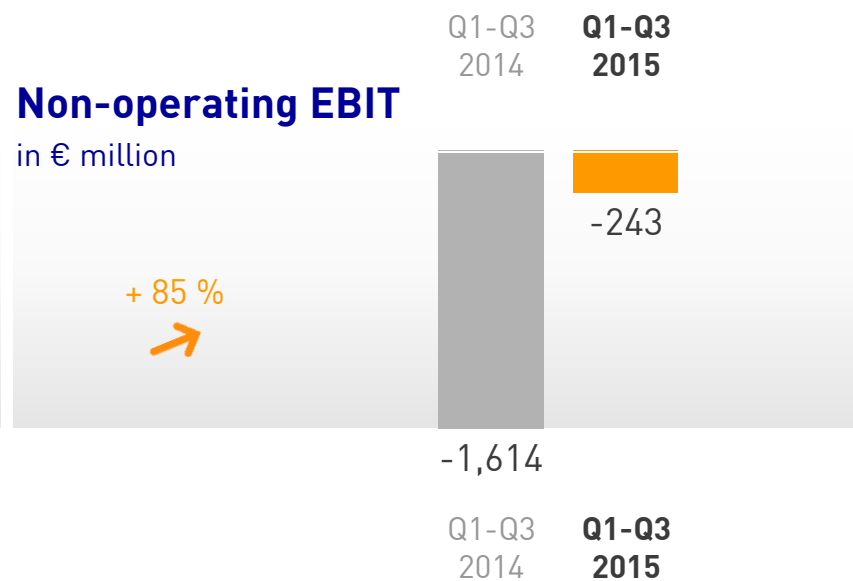
Adjusted group net profit¹

in € million



Non-operating EBIT

in € million



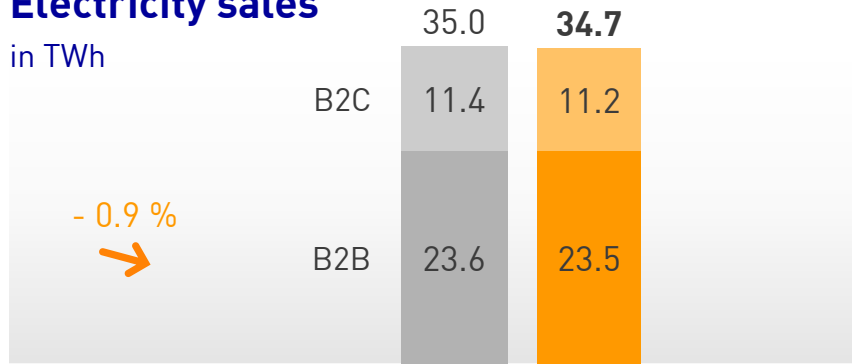
¹ Of which profit/loss shares attributable to the shareholders of EnBW AG



Sales – Profitability increase due to higher gas sales

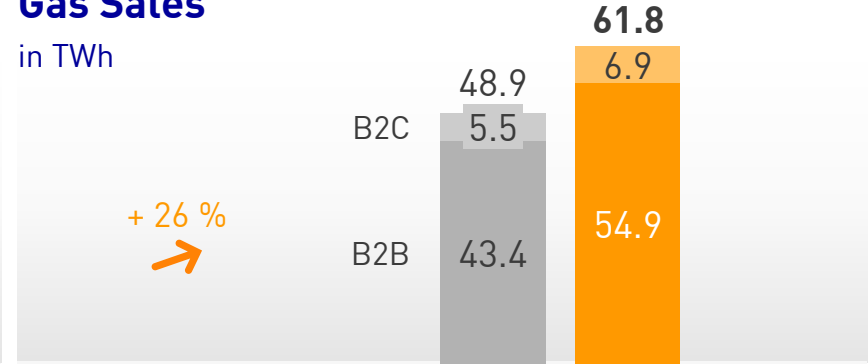
Electricity sales

in TWh



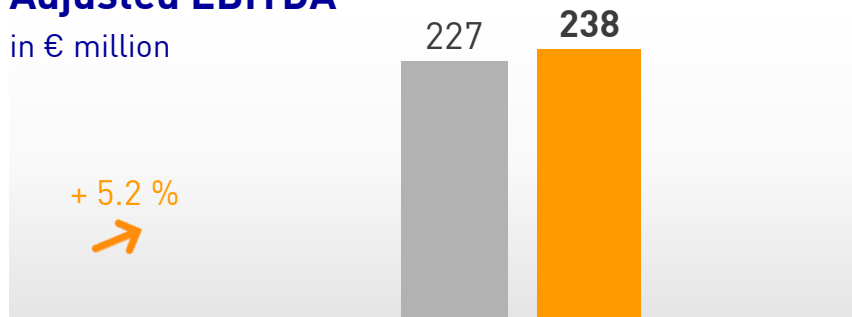
Gas Sales

in TWh



Adjusted EBITDA

in € million



Key messages

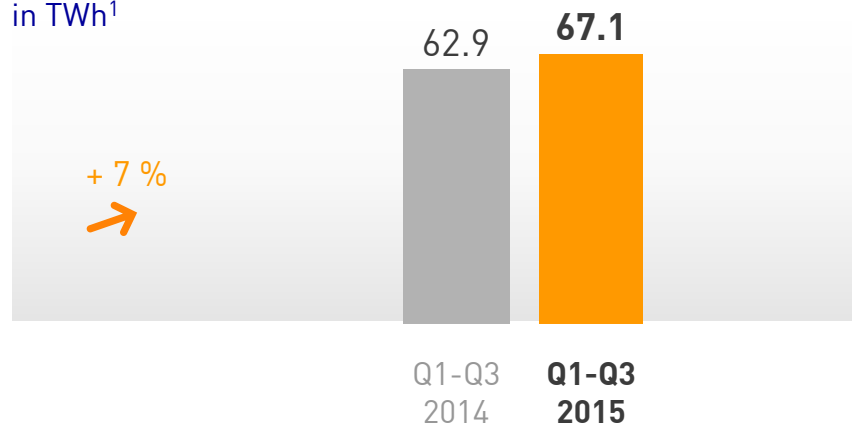
- > Weather-related higher gas sales and adjusted EBITDA
- > Ongoing optimisation in the area of sales
- > Investments: € 27.7 m, significantly below prior-year level (€ 242.4 m due to the acquisition of the 50 % share of EnBW Gas Verwaltungsgesellschaft mbH)



Grids – Higher volumes, but planned staff increase and negative one-off effects

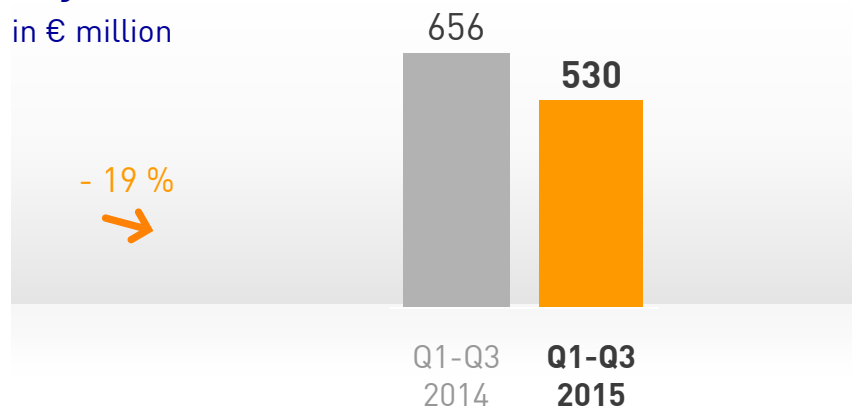
Transmission volume

in TWh¹



Adjusted EBITDA

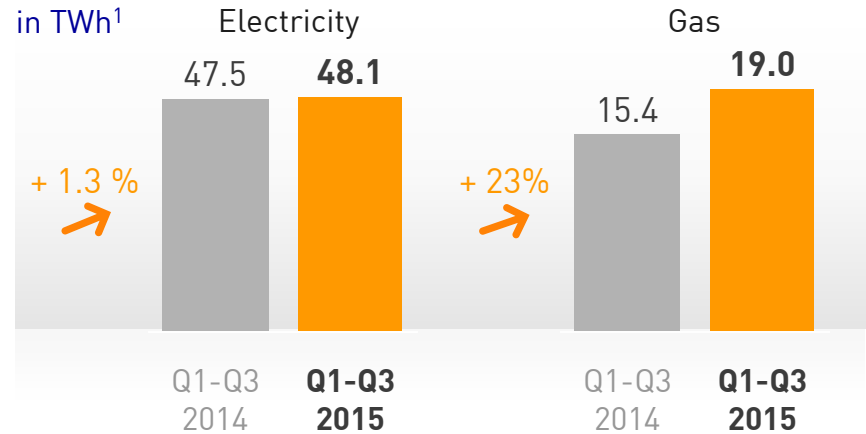
in € million



¹ Distribution only

Development of transmission volumes

in TWh¹



Key messages

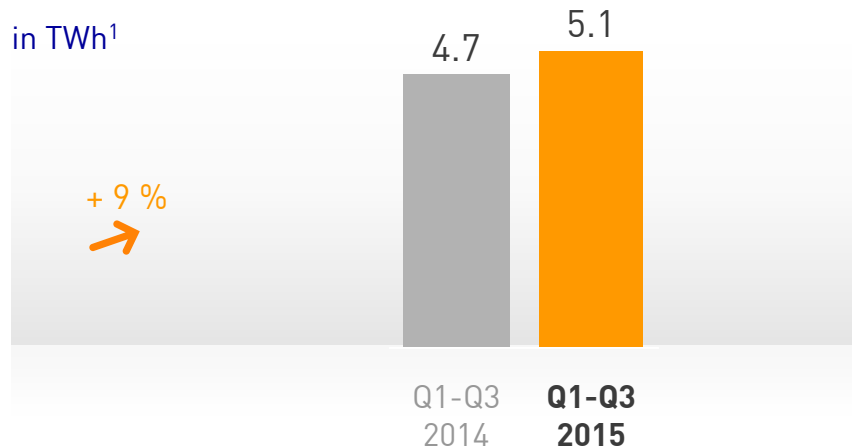
- > Temperature-related increased gas transmission volumes
- > But negative adj. EBITDA development due to
 - > Planned staff increase in the light of grid expansion
 - > Higher lease expenses relating to the new contract arrangement with the City of Stuttgart
 - > Higher expenses for the decentralised feed-in of renewable energies
 - > Subsequent price adjustment for water price in Stuttgart
- > Investments: increased to € 368.4 m (€ 281.1 m)



Renewable energies – Slight increase in profitability mainly due to Baltic 2

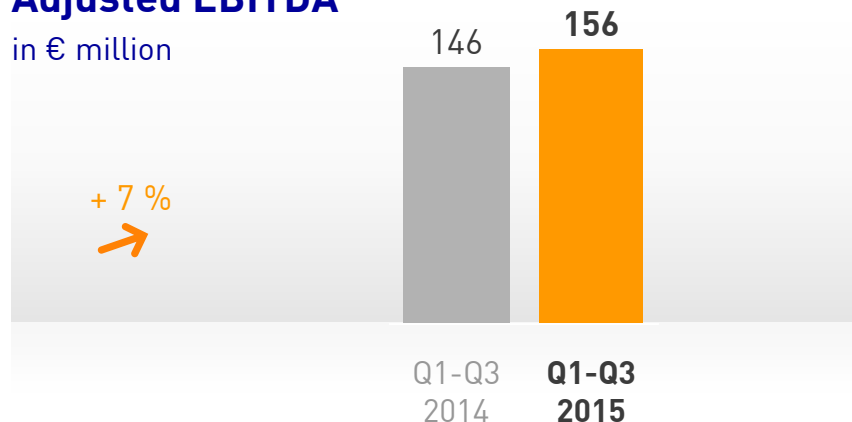
Generation volume

in TWh¹



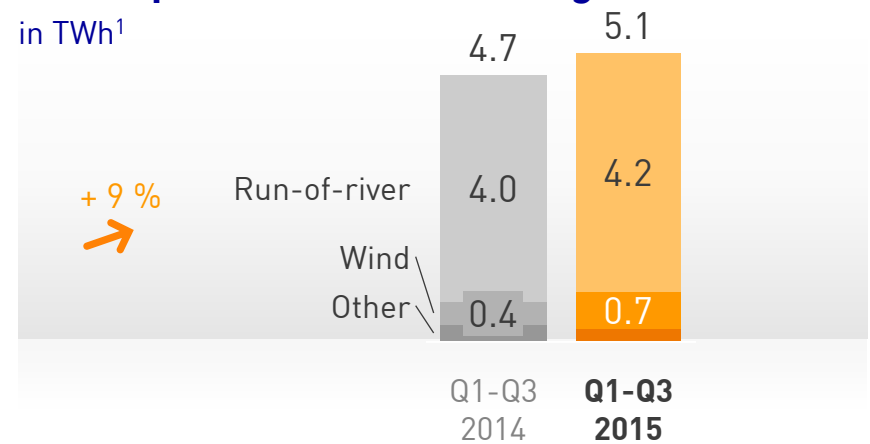
Adjusted EBITDA

in € million



Development of renewables generation mix

in TWh¹



Key messages

- > Increased adjusted EBITDA due to
 - > Full commissioning of offshore wind farm Baltic 2 end of September
 - > Moderate commissioning of onshore wind farms
- > But negative earnings impacts on account of unfavourable development of the run-of-river power plants due to lower electricity prices
- > Investments of € 325.4 m, below prior-year level (€ 368.1 m)

¹ Includes long-term procurement agreements and generation from partly owned power stations; the figures indicated are taken from the segments; segment excludes generation from pump storage plants that is associated in the generation and trading segment

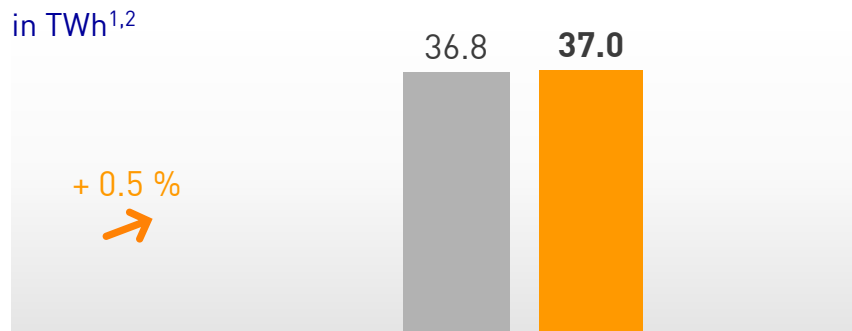


Generation & Trading – Increased profitability due to efficiency and one-off effects



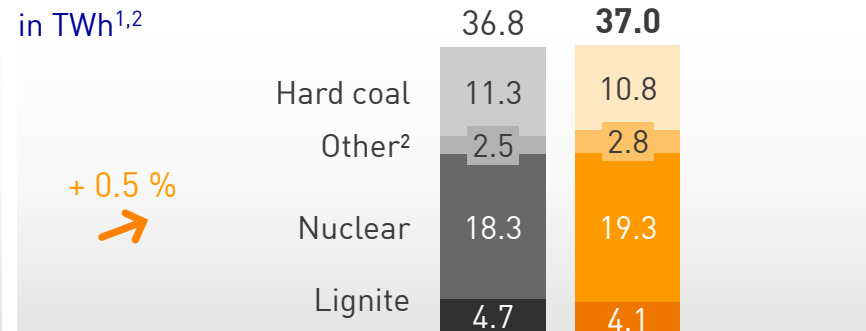
Conventional & nuclear generation volume

in TWh^{1,2}



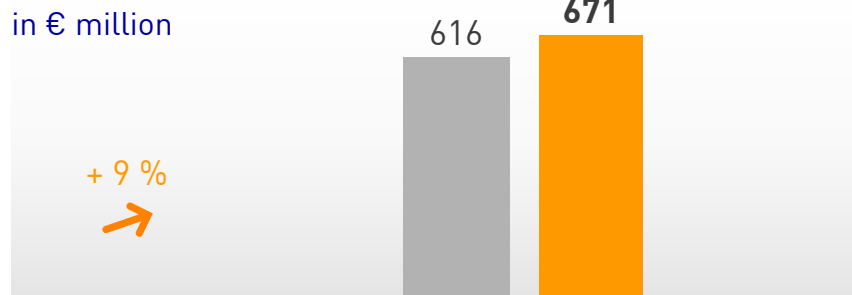
Development of fossil generation mix

in TWh^{1,2}



Adjusted EBITDA

in € million



Key messages

- > Decreasing electricity prices and spreads on wholesale market temporarily overcompensated by
 - > Positive temporarily effect due to different revision dates in 2014 and 2015
 - > Measures to increase efficiency
 - > Reimbursement of cost due to Ordinance on Reserve Power Plants
- > Investments: €125.6 m (Q3 2014: € 377.5 m)

¹ Includes long-term procurement agreements and generation from partly owned power stations; the figures indicated are taken from the segments

² Segment includes pump storage plants

Increase in FFO mainly attributable to tax refunds as well as lower tax payments

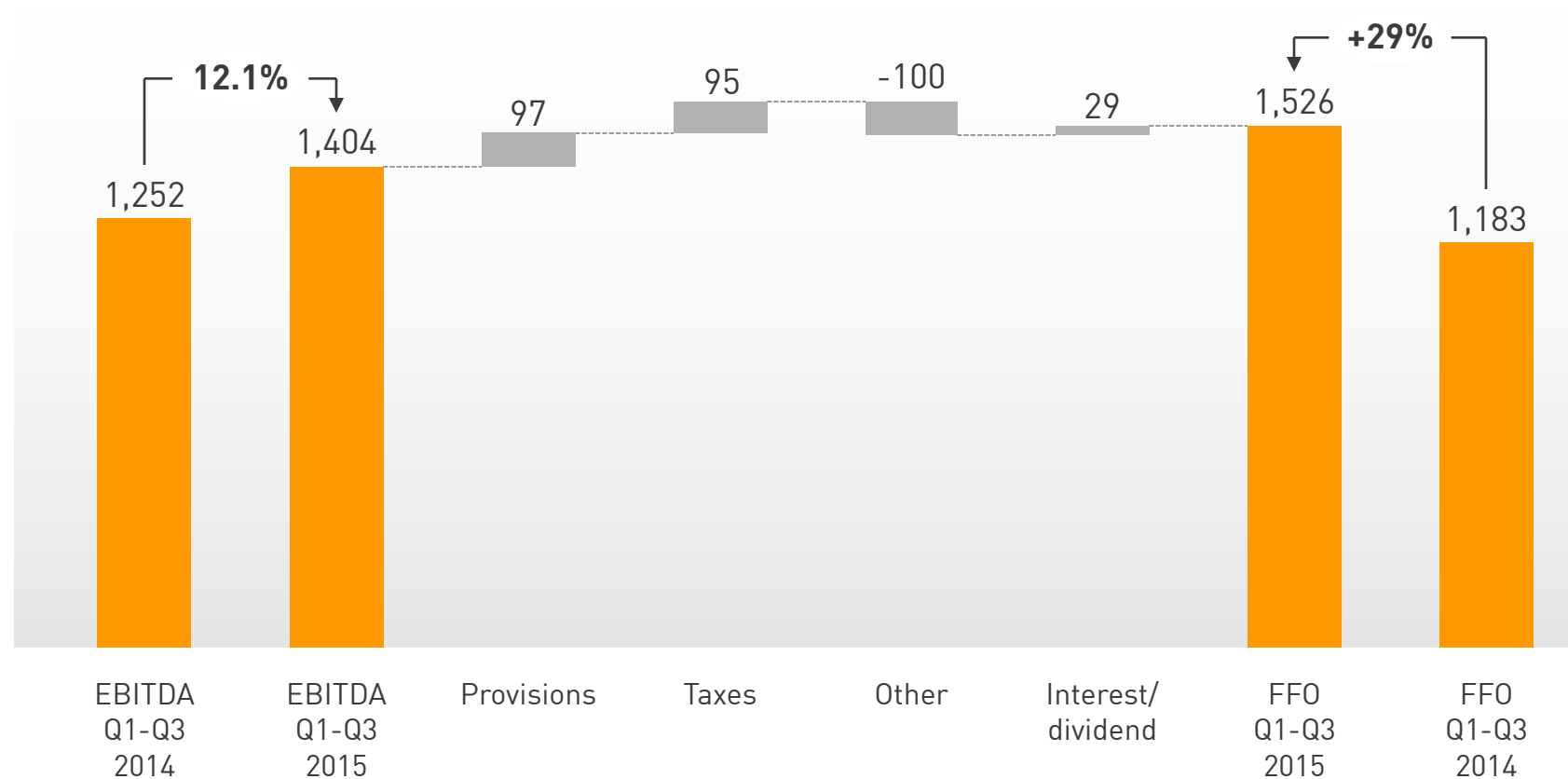


EBITDA

in € million

FFO

in € million

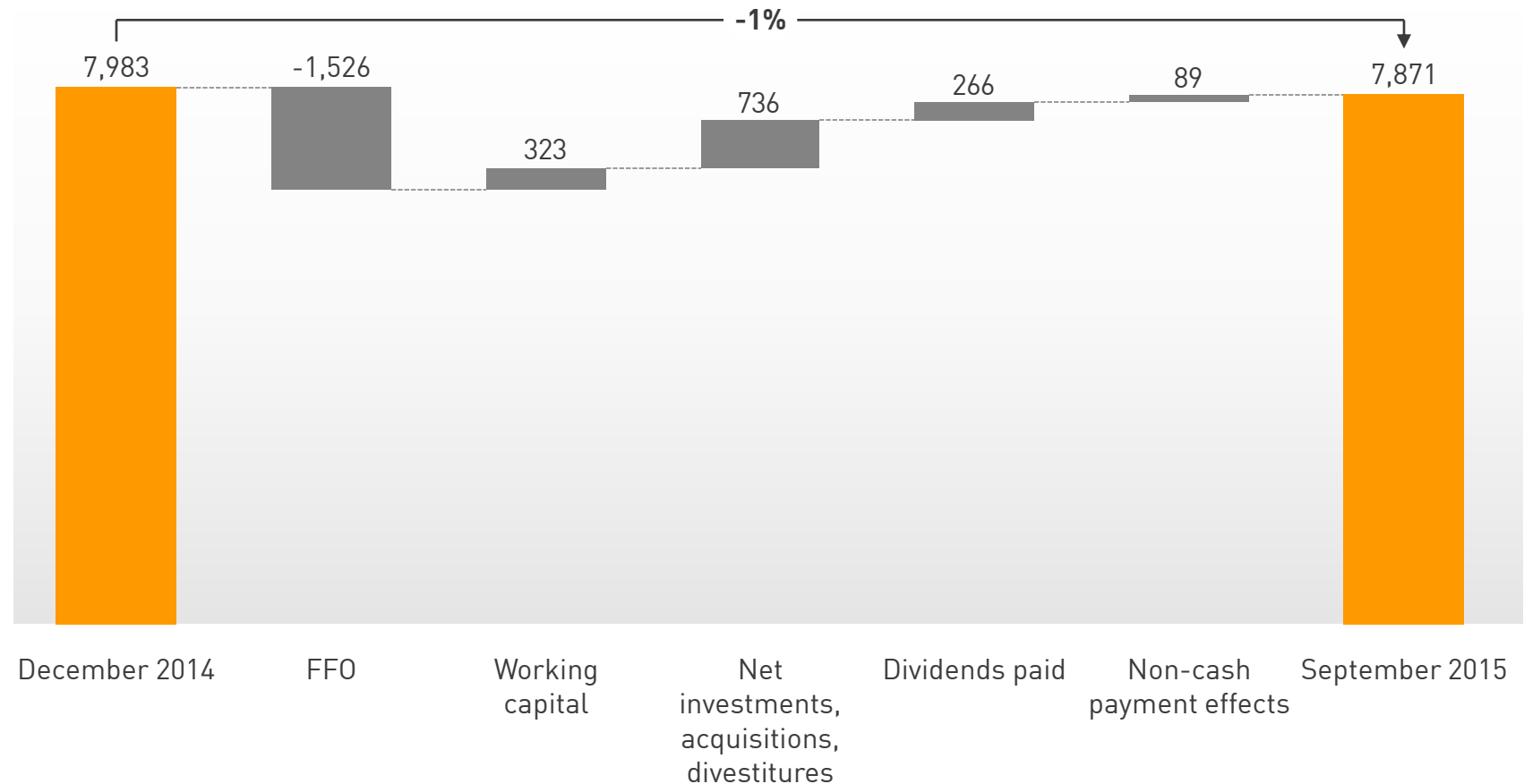


Adjusted net debt reduction mainly due to RCF and decreased NPV of pension provisions



Adjusted Net Debt

in € million



Group adj. EBITDA outlook 2015 remains unchanged, improved dynamic leverage ratio expected



Adjusted EBITDA	2014	Outlook 2015 Q3 2015 ¹
Group	€ 2,167 million	0 to -5 % →
Sales	€ 231 million	10 to 20 % ↗
Grids	€ 886 million	-10 to -20 % →
Renewable Energies	€ 191 million	>20 % ↗
Generation and Trading	€ 900 million	-15 to -25 % →

IR 2014:
0 to -10%

Dynamic leverage ratio	2014	Outlook 2015 Q3 2015
Group	3.68	3.0 – 3.4 →

IR 2014: 3.2–3.6
Q1 2015: **3.6–4.0**

¹ In comparison with adjusted EBITDA 2014

Questions & Answers >



Non-operating result



Non-operating result

in € million

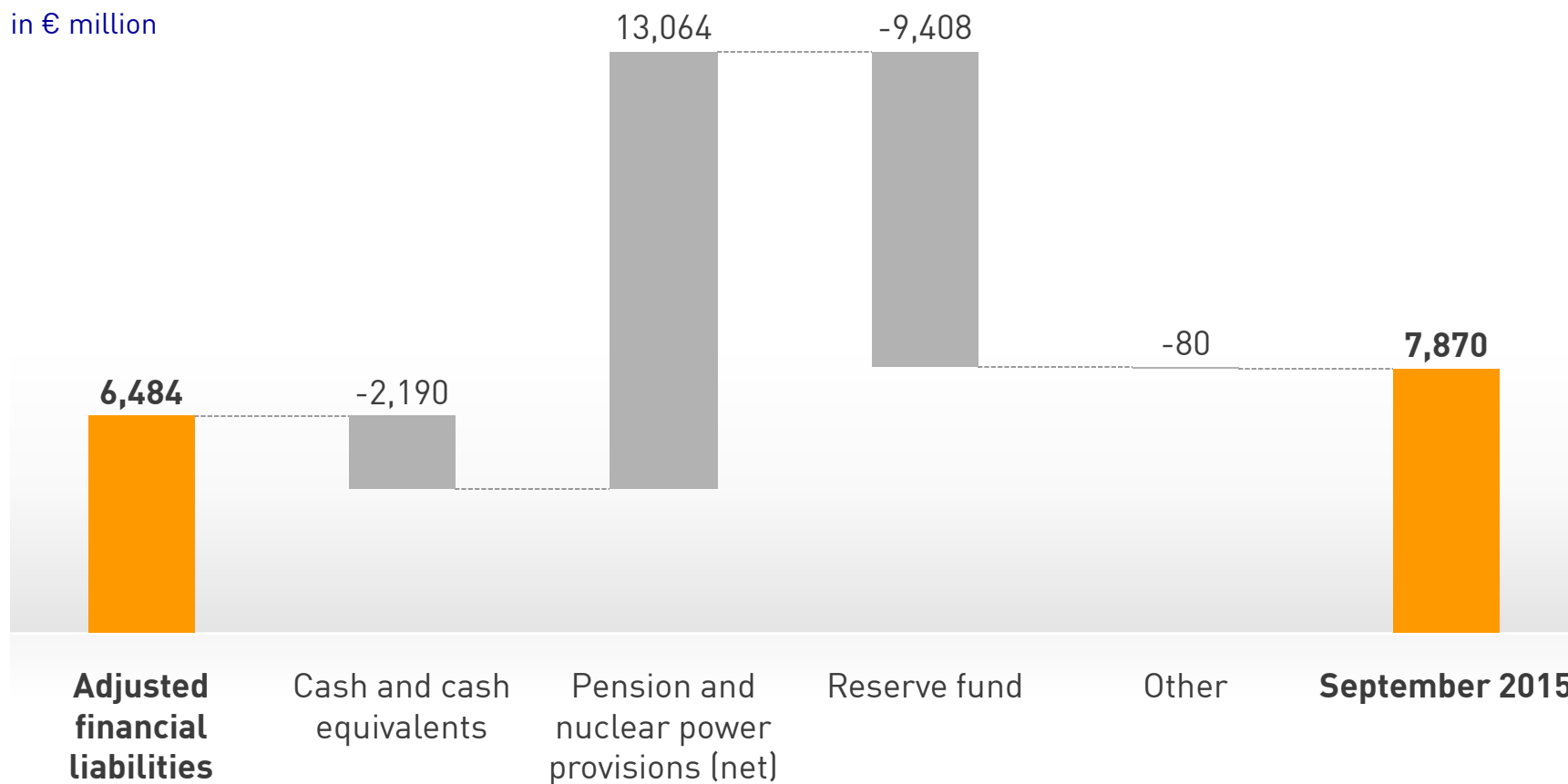
	Q1-Q3 2015	Q1-Q3 2014
Income/expenses relating to nuclear power	26.8	- 67.5
Disposal gains/losses	25.0	42.3
Addition to the provision for onerous contracts relating to electricity procurement agreements	-214.7	-345.9
Earnings on write-ups	34.7	0.9
Other non-operating result	-103.9	-10.4
Non-operating EBITDA	-232.1	-380.6
Impairment losses	-11.1	-1,233.8
Non-operating EBIT	-243.2	-1,614.4
Non-operating investment result	-17.5	-3.2
Non-operating financial result	-95.8	0.1
Non-operating income taxes	70.1	468.1
Non-operating group net profit/loss	-286.4	-1,149.4
of which profit/loss shares attributable to non-controlling interests	(0.9)	(-28.4)
of which profit/loss shares attributable to the equity holders of EnBW AG	(-287.3)	(-1,121.0)

Calculation of adjusted net debt



Adjusted Net Debt

in € million

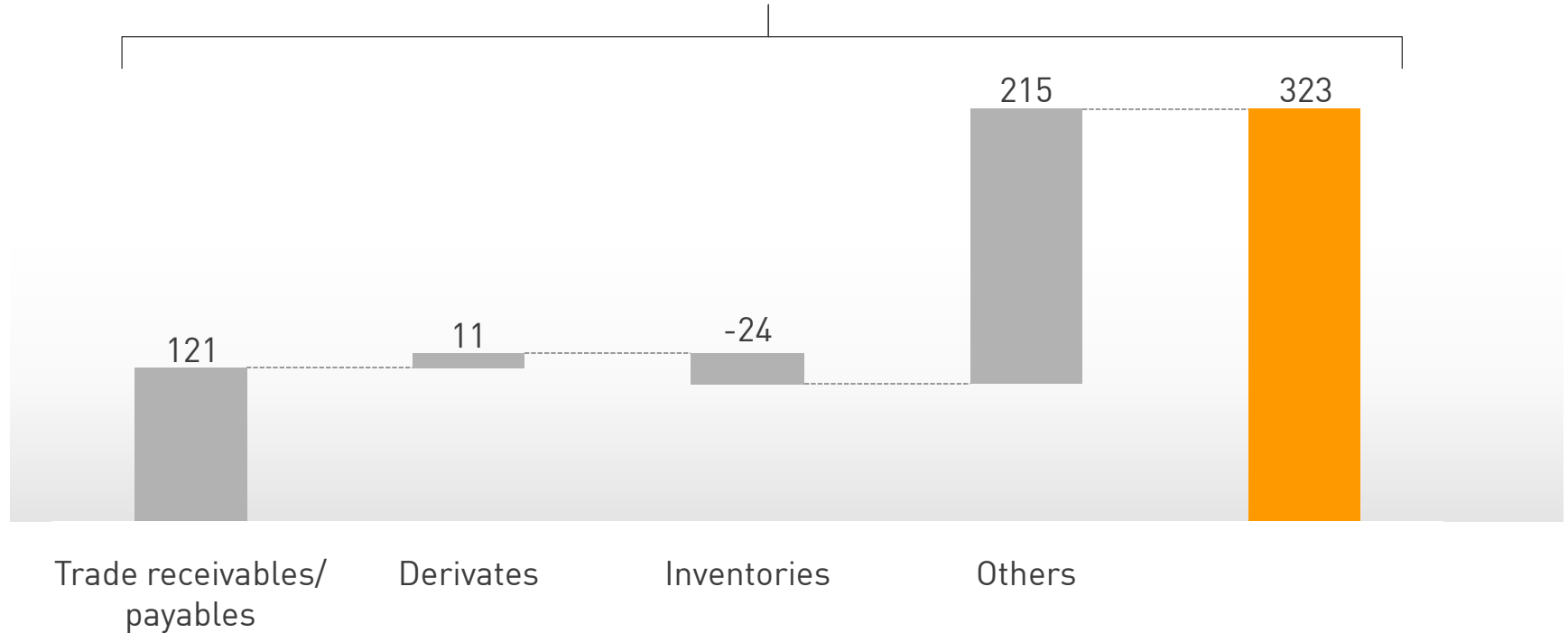


Change in working capital mainly due to increase in trade receivables/payables

Change in working capital

Q1 – Q3 2015
in € million

Working capital effects



Income statement



Income

in € million

	Q1-Q3 2015	Q1-Q3 2014	Variance
Revenue	15,314.8	15,466.5	-151.7
Changes in inventories/own work capitalised	115.5	84.1	31.4
Cost of materials	-12,420.4	-12,968.4	548.0
Personnel expenses	-1,213.4	-1,189.4	-24.0
Other operating income/expenses	-392.7	-141.2	-251.5
EBITDA	1,403.8	1,251.6	152.2
Amortisation and depreciation	-701.3	-1,899.8	1,198.5
EBIT	702.5	-648.2	1,350.7
Investment and financial result	168.7	-381.8	550.5
EBT	871.2	-1,030.0	1,901.2
Income tax	-108.9	292.5	-401.4
Group net profit	762.3	-737.5	1,499.8
of which profit shares attributable to non-controlling interests	(51.5)	(33.1)	18.4
of which profit shares attributable to the equity holders of EnBW AG	(710.8)	(770.6)	1,481.4

Cash flow statement



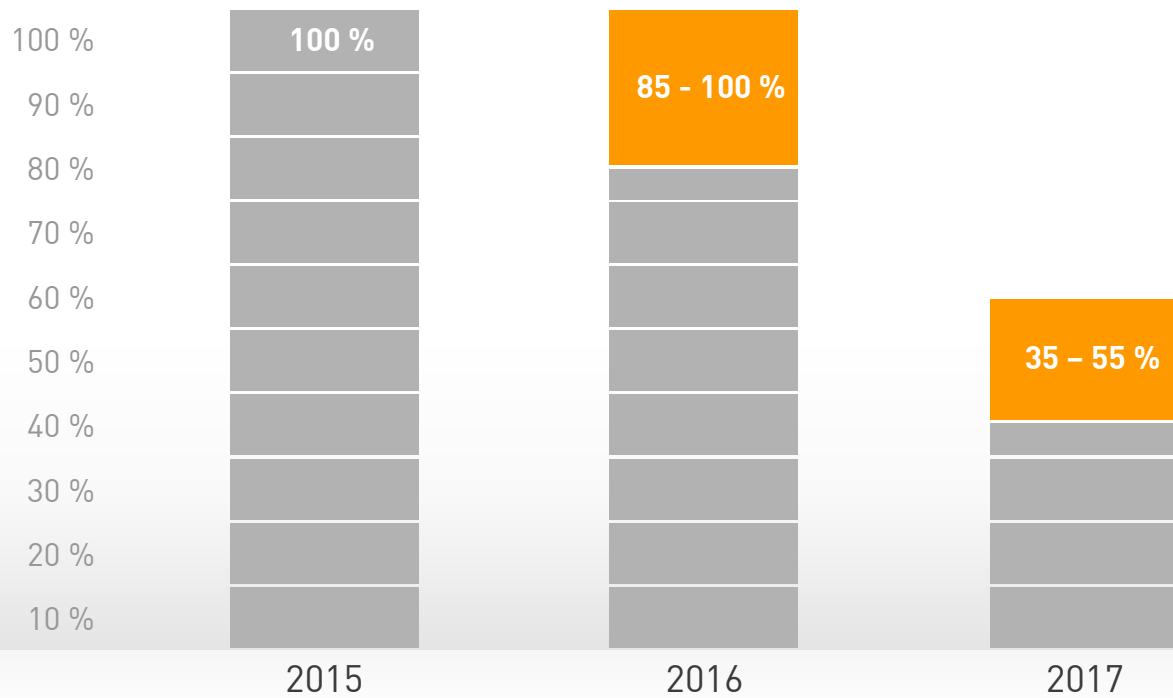
Free cash flow

in € million

	Q1-Q3 2015	Q1-Q3 2014	Variance in %
Operating cash flow	1,174.4	1,467.2	-20.0
Change in assets and liabilities from operating activities	322.5	-304.1	-
Interest and dividends received	285.4	211.2	35.1
Interest paid for financing activities	-256.3	-191.8	33.6
Funds from Operations (FFO)	1,526.0	1,182.5	29.0
Change in assets and liabilities from operating activities	-322.5	304.1	-
Capital expenditures on intangible assets and property, plant and equipment	-845.5	-1,049.4	-19.4
Cash received from disposals of intangible assets and property, plant and equipment	75.9	139.9	-45.7
Cash received from construction cost and investment subsidies	54.4	54.2	-7.0
Free cash flow	484.3	631.3	-23.3

Hedge levels¹

in %



¹ As of 30 September 2015

EnBW's flexible access to financing sources supports its strong liquidity position



Commercial paper prog.

€ 2.0 billion

undrawn as of 30 September 2015

Syndicated loan facility

€ 1.5 billion

undrawn as of 30 September 2015

Bilateral short-term credit lines

€ 521 million

undrawn as of 30 September 2015

Euro Medium Term Note prog.

€ 7.0 billion

€ 3.5 bn utilised as of 30 September 2015

Other: Hybrid bonds

€ 2 billion

Other: Capital increase

€ 822 million

July 2012

Details of the syndicated loan facility:

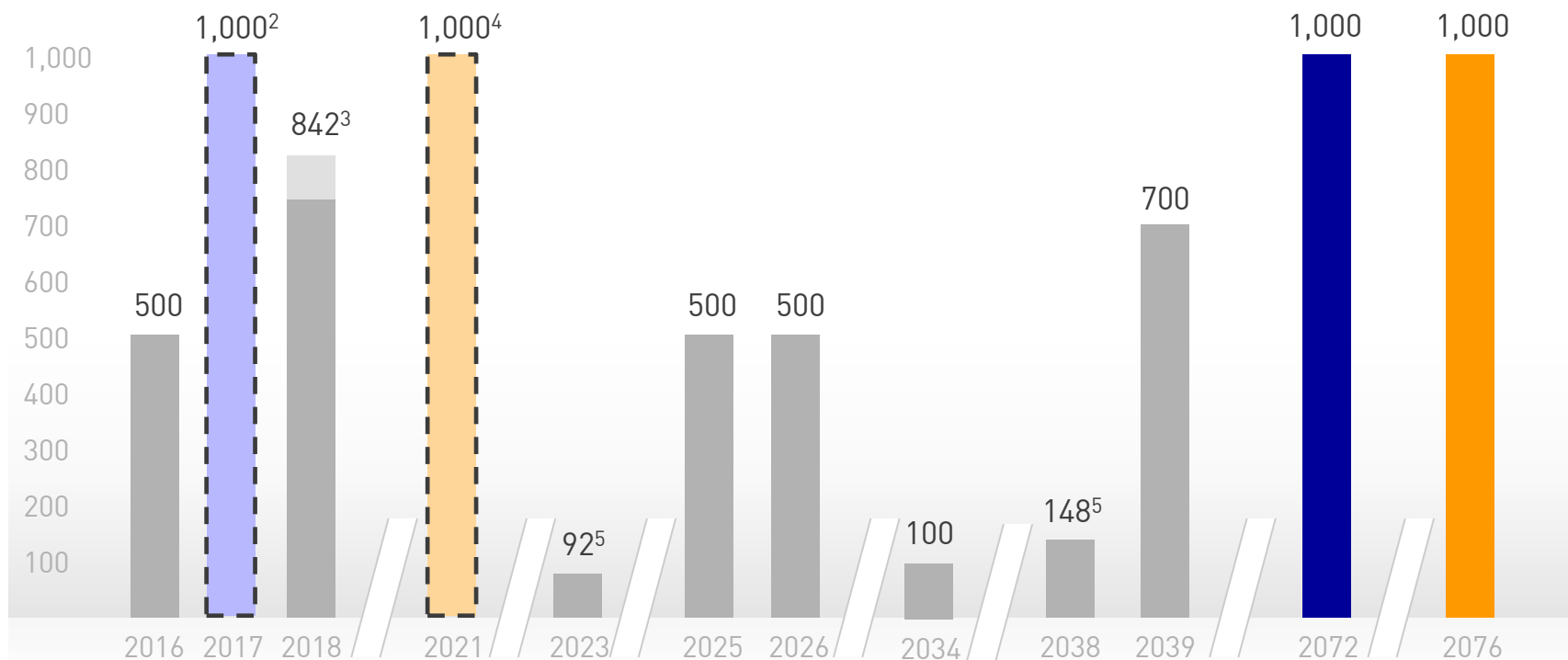
- › Maturity date of 2020
- › Prolongation option in 2016 for a year

Favourable maturity profile and proactive funding puts EnBW in a comfortable financing situation



Maturities of EnBW's bonds

€ million¹



¹ As of 30/9/2015

² First call date of hybrid maturing in 2072

³ Including CHF 100m converted as of the reporting date 30/9/2015

⁴ First call date of hybrid maturing in 2076

⁵ Nominal with conversion as of the reporting date 30/9/2015

Financial calendar 2016



- > **21 March 2016** Annual report: January–December 2015
Conference time: 15:00 CET

- > **10 May 2016** Annual General Meeting 2016

- > **13 May 2016** Interim report: January–March 2016
Conference time: 15:00 CET

- > **28 July 2016** Interim report: January–June 2016
Conference time: 15:00 CET

- > **10 November 2016** Interim report: January–September 2016
Conference time: 15:00 CET



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