

Conference call on first three months > 2014

EnBW Energie
Baden-Württemberg AG



Karlsruhe, 9 May 2014

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Intended reform of German Renewable Energy Act

- › Supports the expansion of wind onshore and offshore capacities
- › Further extension of transmission grids unconditionally required



Profitability of conventional generation

- › Still no bottoming out of wholesale market prices visible
- › Further declining utilization of power plants expected



EnBW 2020

- › Cooperation with the city of Stuttgart supports growth in the partnership concept
- › Start of first projects of 207 MW wind bundle in Turkey
- › Implementation of "ONE EnBW" since 1 May 2014



Performance

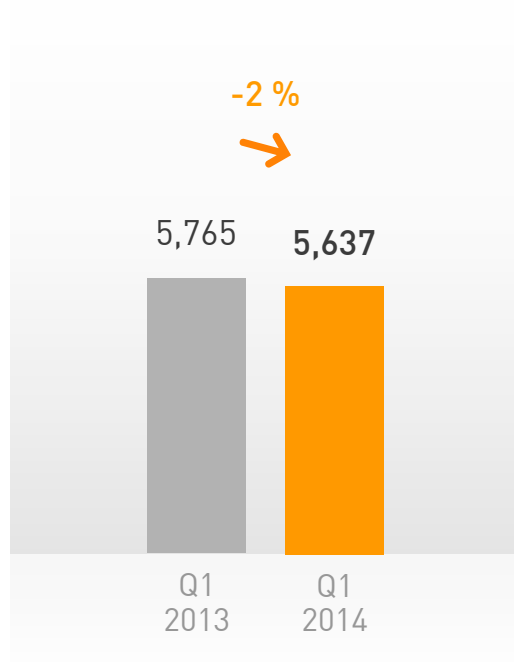
- › Equity character of hybrid bond issued in March 2014 supports financial performance
- › Operational performance in line with expectations

Summary of Q1 2014– Results in line with expectations



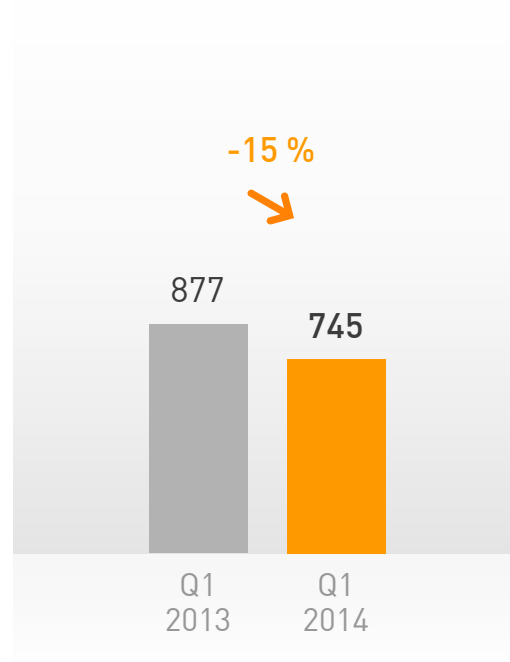
Revenue

in € million¹



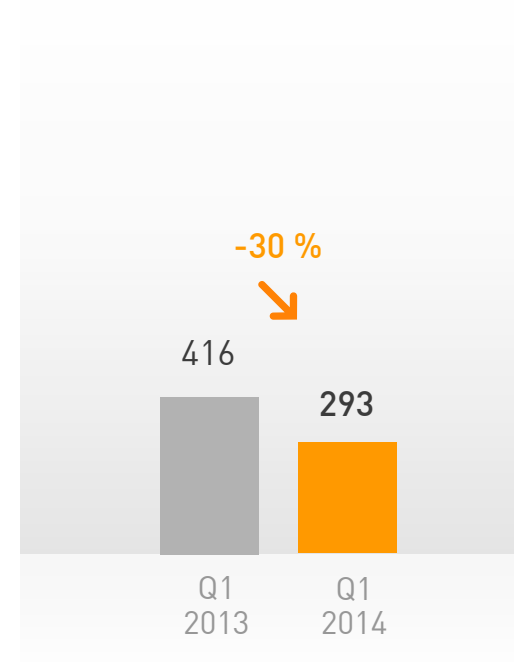
Adjusted EBITDA

in € million¹



Adjusted group net profit

in € million¹



¹ Prior-year figures restated

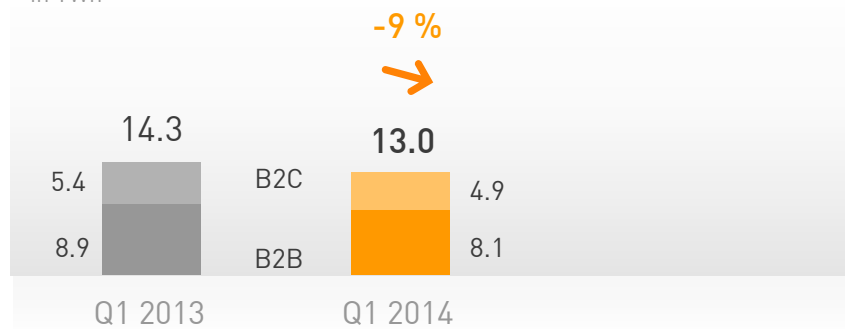


Sales Segment



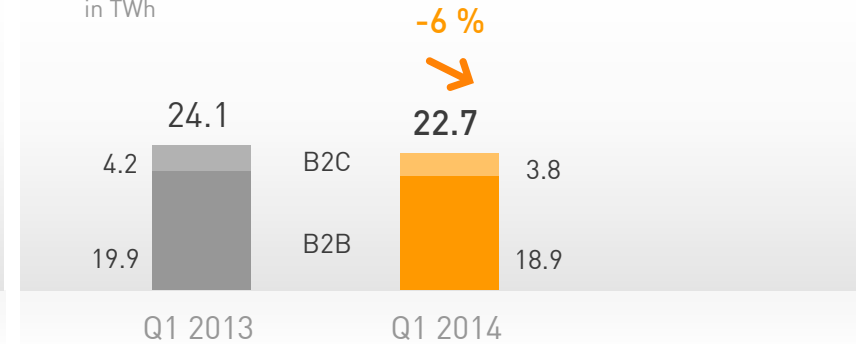
Electricity sales

in TWh



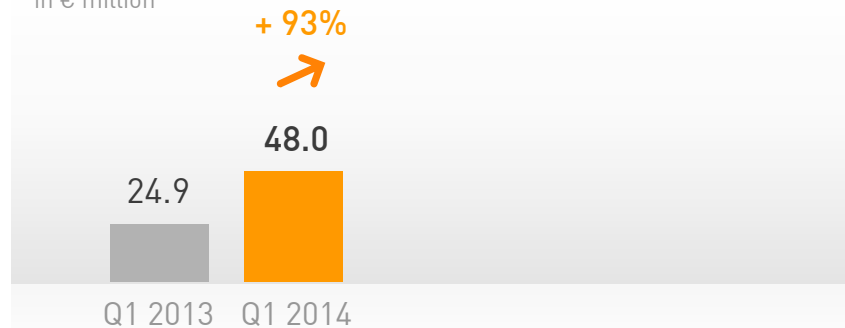
Gas sales

in TWh



Adjusted EBITDA

in € million



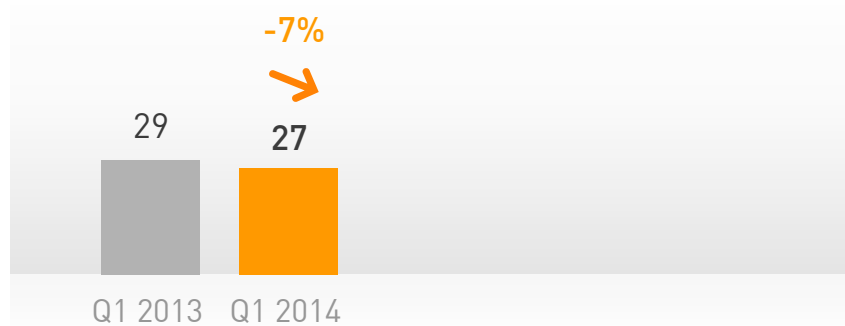
Key messages

- › Lower electricity and gas sales due to a milder winter with higher temperatures
- › Higher adjusted EBITDA due to optimization of customer portfolio and higher margins in electricity sales
- › Investments: at € 8 m, slightly above prior-year level (€ 7.3m)



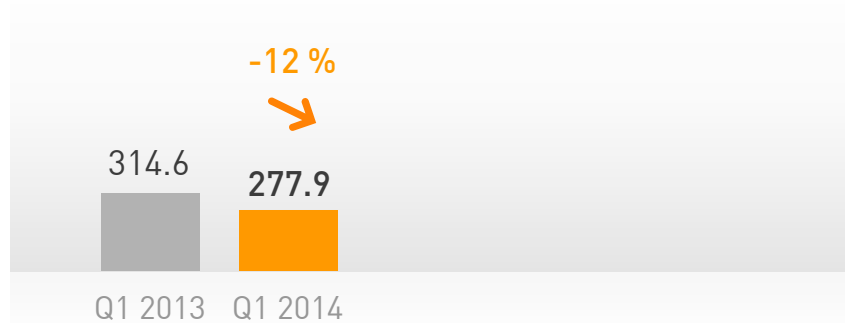
Transmission volume

in TWh¹



Adjusted EBITDA

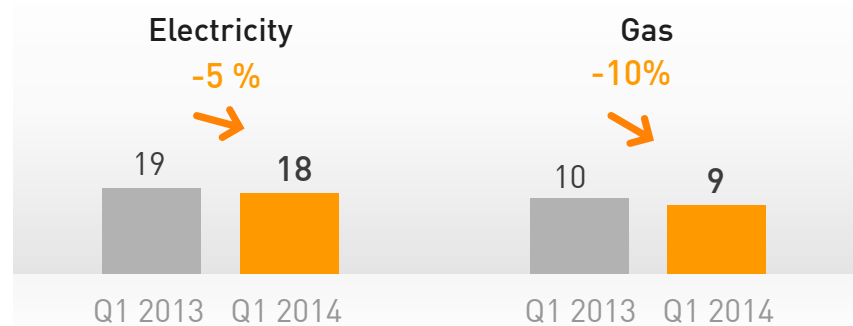
in € million



¹ Distribution only

Development of transmission volumes

in TWh¹



Key messages

- Transmission volumes decreased due to the milder winter.
- Lower adjusted EBITDA due to weather-related lower transmission volumes that lead to lower network user charges
- Additionally positive one-off effects of the last regulatory period ceased
- Investments at € 73m slightly above Q1 2013 (€ 72m)

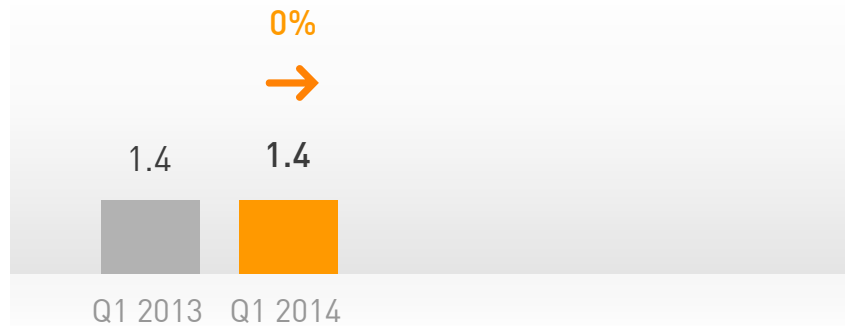


Renewable Energies Segment



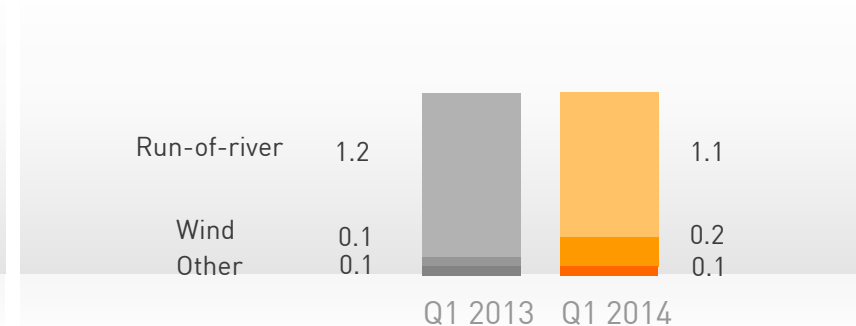
Generation volume

in TWh¹



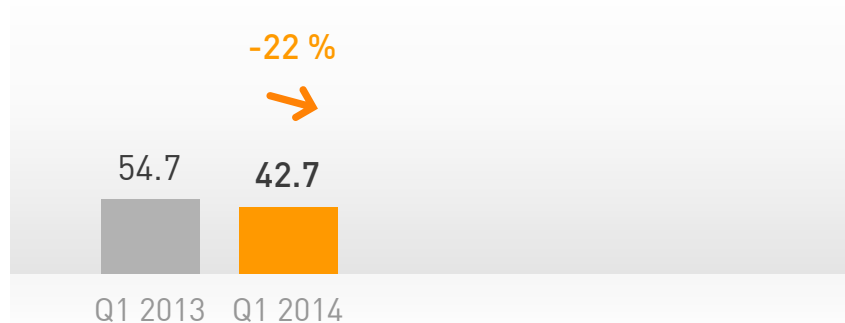
Development of renewables generation mix

in TWh¹



Adjusted EBITDA

in € million²



Key messages

- › Generation volume decreased due to unfavourable weather conditions, especially for run-of-river plants
- › In addition lower margins for run-of-river plants lead to a decline in adjusted EBITDA
- › The construction of our offshore wind park Baltic 2 significantly increased investments to € 97m compared to Q1 2013 (€ 38m)

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

² Prior-year figures restated

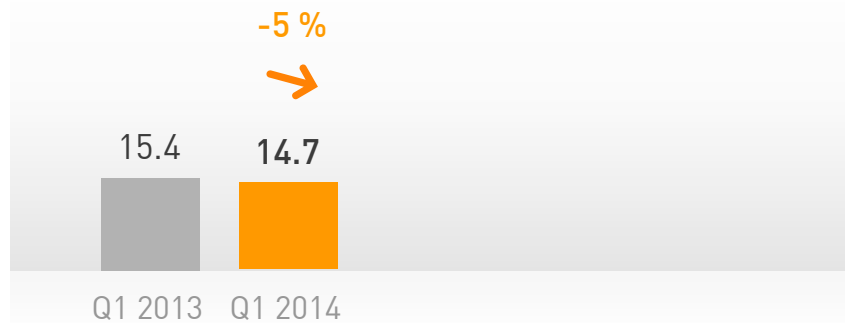


Generation & Trading Segment



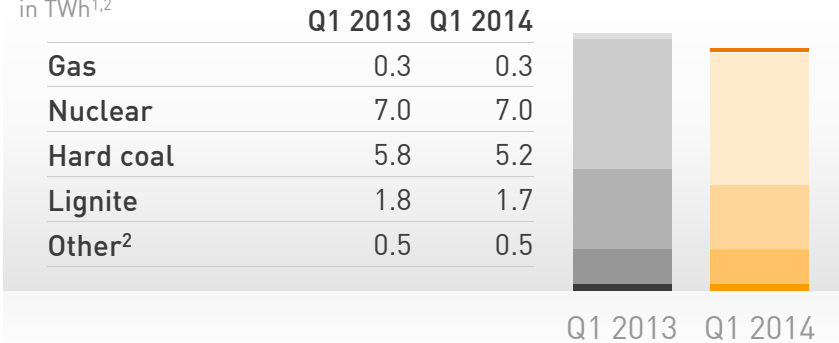
Conventional & nuclear generation volume

in TWh^{1,2}



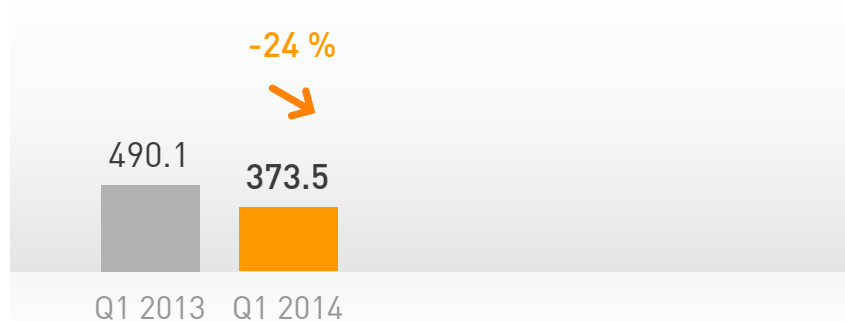
Development of fossil generation mix

in TWh^{1,2}



Adjusted EBITDA

in € million³



Key messages

- › Decline in generation volume due to weather-related lower utilisation of hard coal-fired plants
- › Lower adjusted EBITDA due to falling wholesale markets prices and a lower positive valuation effect from derivatives in Q1 2013 that settled in the course of the last year
- › Investments at € 266m, significantly higher than Q1 2013 (€ 24m). Main investments are RDK 8 and the CCGT in Düsseldorf

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

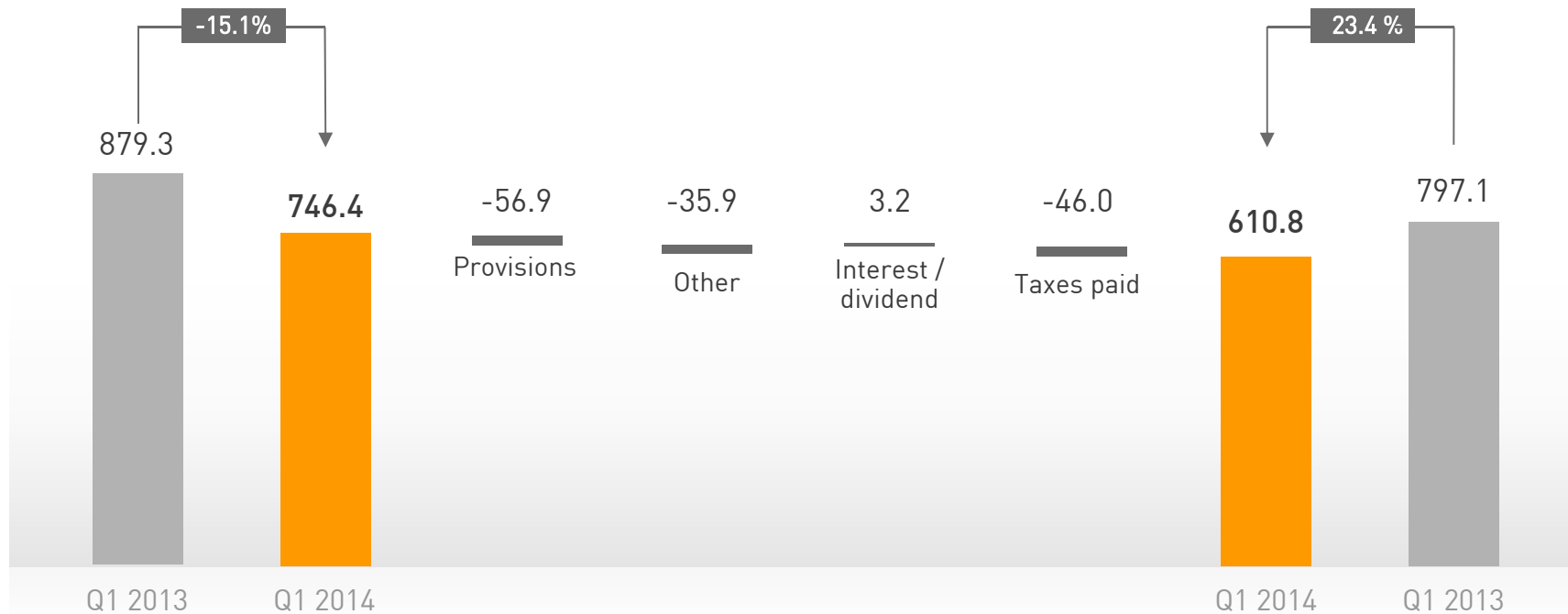
² Segment includes pump storage plants; ³ Prior-year figures restated

Decline in FFO due to the lower level of EBITDA



EBITDA

in € million¹



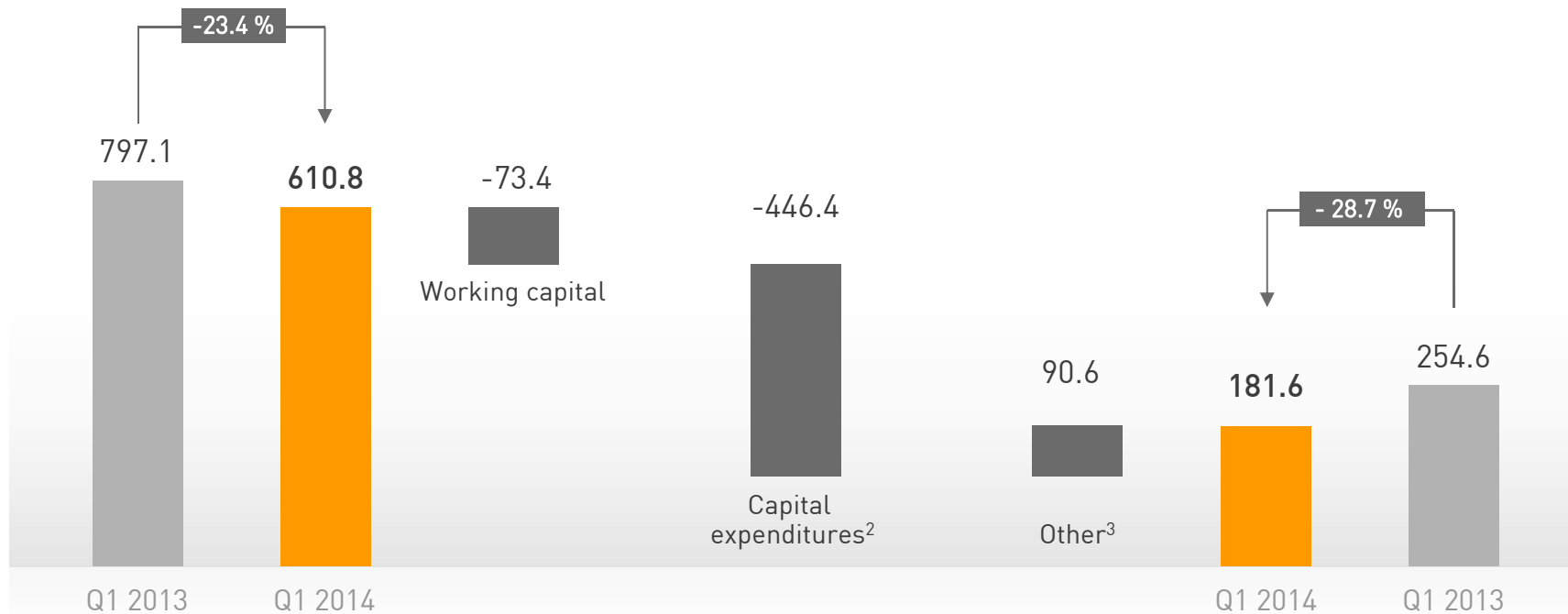
¹ Prior-year figures restated

Free cash flow influenced by higher capital expenditures



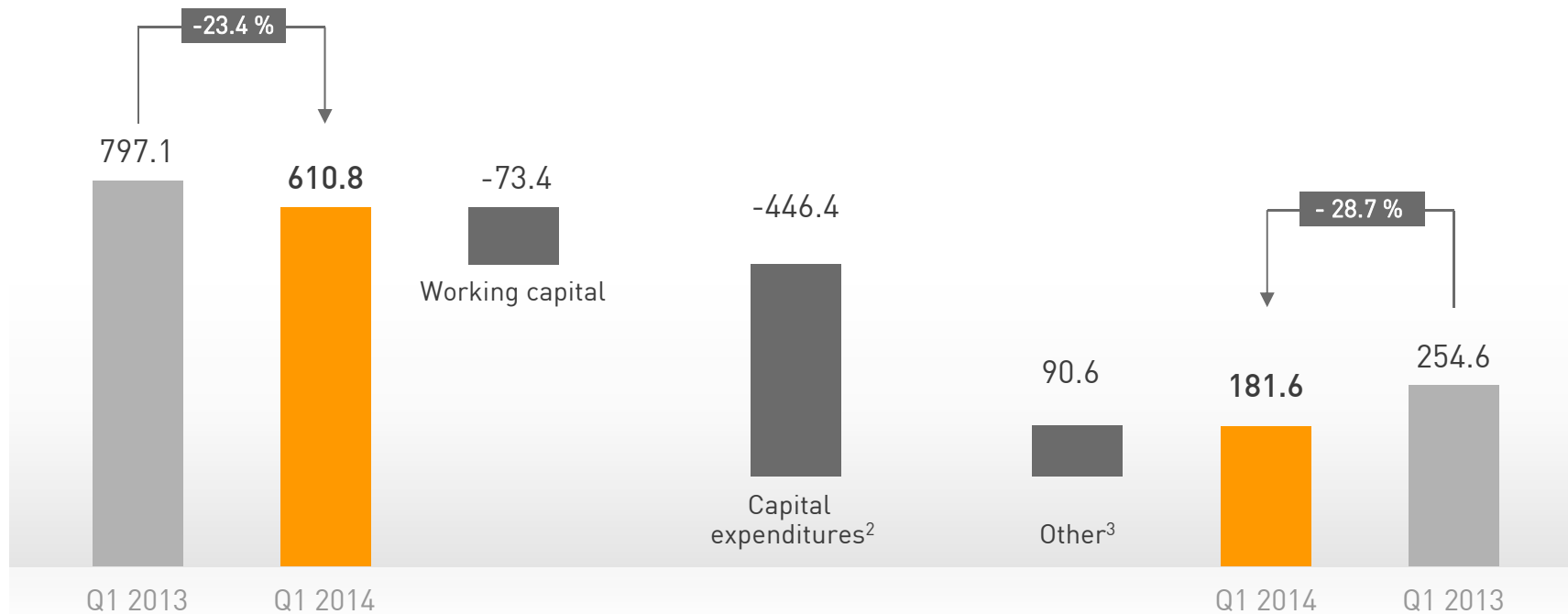
FFO

in € million¹



Free Cash Flow

in € million¹



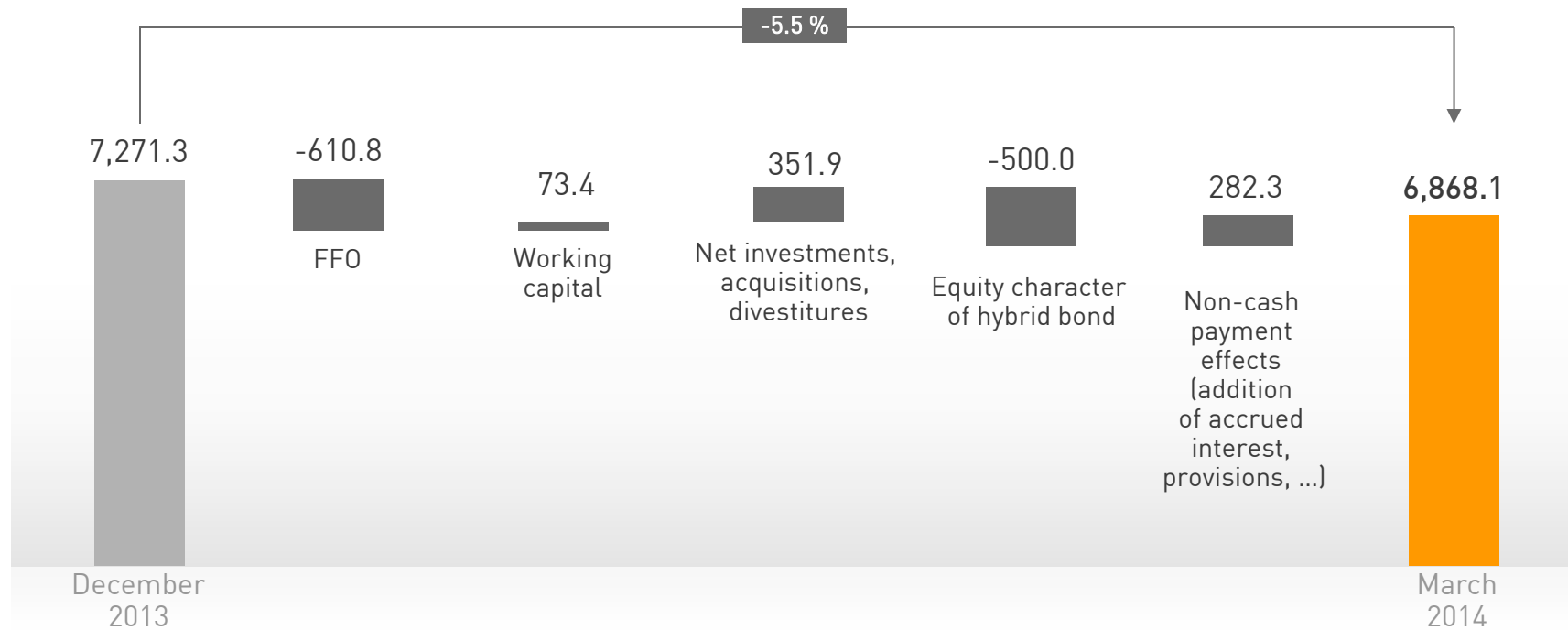
¹ Prior-year figures restated; ² For intangible assets and property, plant and equipment; ³ Cash received from disposals of intangible assets and property, plant and equipment, as well as cash received from construction costs and investment subsidies

Notable reduction in adjusted net debt



Adjusted Net Debt

in € million¹



¹ Prior-year figures restated

Outlook for the financial year 2014 remains unchanged



Adjusted EBITDA

| | 2013 ¹ | Outlook ² |
|------------------------|------------------------|----------------------|
| Sales | € 227 million | +10 % to +20 % ↗ |
| Grids | € 962 million | -5 % to -15 % ↘ |
| Renewable Energies | € 220 million | +5 % to +15 % ↗ |
| Generation and Trading | € 839 million | 0 % to -5 % ↘ |
| Group | € 2,225 million | 0 % to -5 % ↘ |

¹ Prior-year figures restated

² In comparison with adjusted EBITDA 2013

Questions & Answers >



Appendix



- **Additional information** page 15
- **Financial calendar** page 23
- **IR contacts** page 24

Non-operating result



In € million¹

| | Q1 2014 | Q1 2013 |
|---|------------|-------------|
| Income/expenses relating to nuclear power | - 22.3 | - 10.1 |
| Income from the reversal of other provisions | 0.3 | 7.1 |
| Disposal gains/losses | 24.6 | 5.3 |
| Restructuring | - 1.2 | 0.0 |
| Other non-operating result | 0.2 | - 0.2 |
| Non-operating EBITDA | 1.6 | 2.1 |
| Impairment losses | 0.0 | 0.0 |
| Non-operating EBIT | 1.6 | 2.1 |
| Non-operating investment result | 1.4 | 27.7 |
| Non-operating financial result | 1.2 | - 0.3 |
| Non-operating income taxes | - 0.8 | - 0.7 |
| Non-operating group net loss | 3.4 | 28.8 |
| of which loss/profit shares attributable to non-controlling interests | (1.2) | (1.6) |
| of which loss/profit shares attributable to the equity holders of EnBW AG | (2.2) | (27.2) |

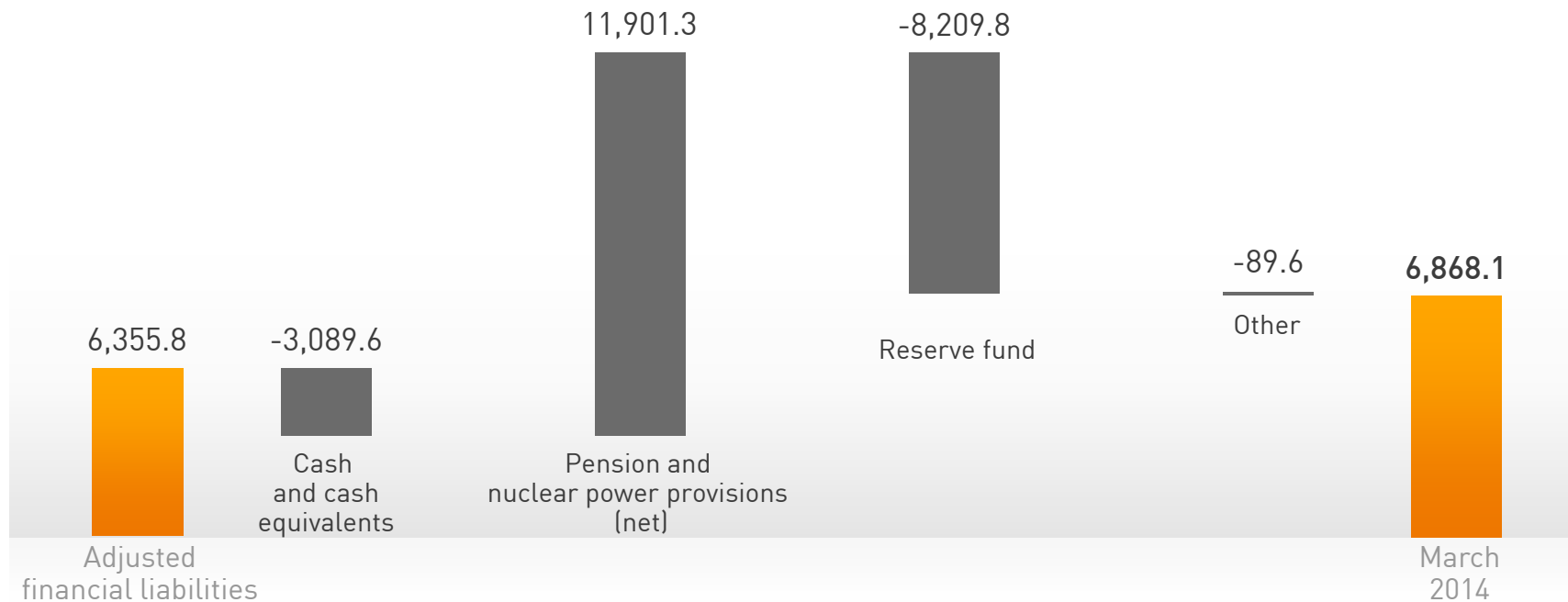
¹ The figures of the comparable period have been restated

Calculation of adjusted net debt



Adjusted Net Debt

in € million

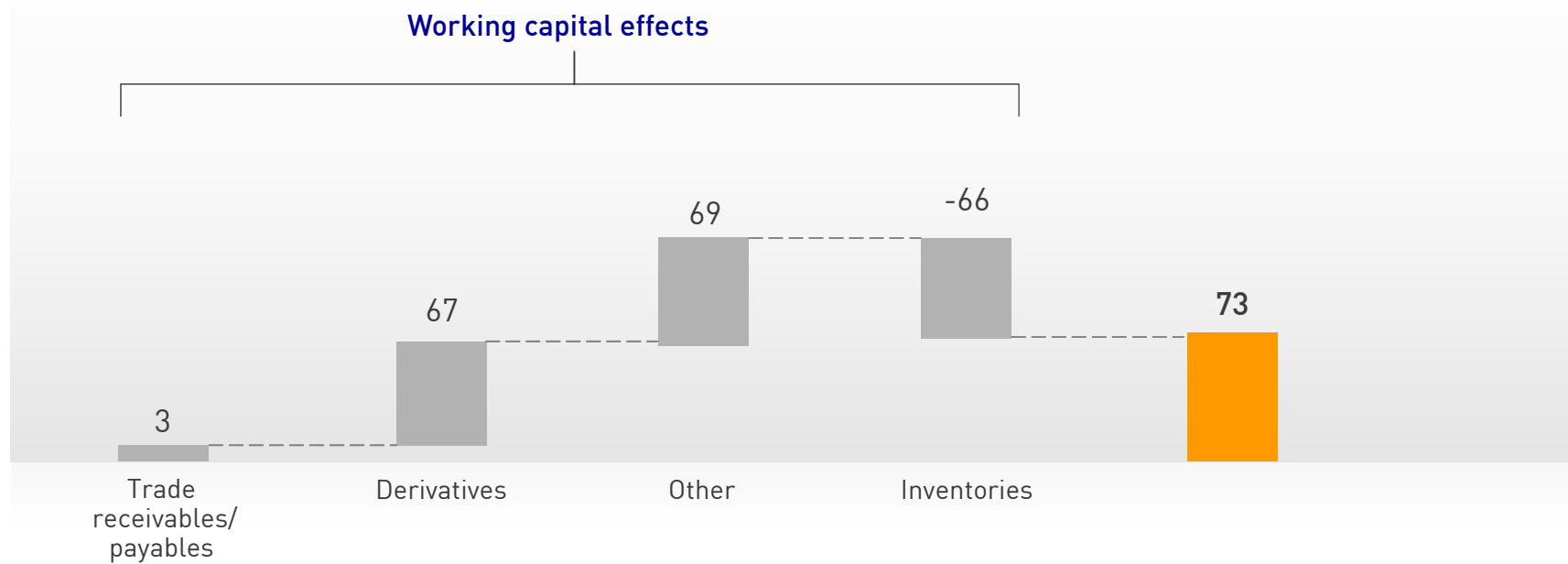


Change in working capital mainly due to increase in derivatives



Change in working capital Q1 2014

in € million



Income statement



In € million¹

| | Q1 2014 | Q1 2013 | Variance |
|--|--------------|--------------|---------------|
| Revenue | 5,637.0 | 5,765.2 | -128.2 |
| Changes in inventories/own work capitalised | 20.7 | 18.2 | 2.5 |
| Cost of materials | -4,463.6 | -4,556.9 | 93.3 |
| Personnel expenses | -396.0 | -392.6 | -3.4 |
| Other operating expenses/income | -51.7 | 45.4 | -97.1 |
| EBITDA | 746.4 | 879.3 | -132.9 |
| Amortisation and depreciation | -220.1 | -217.9 | -2.2 |
| EBIT | 526.3 | 661.4 | -135.1 |
| Investment and financial result | -72.3 | -20.0 | -52.3 |
| EBT | 454.0 | 641.4 | -187.4 |
| Income tax | -135.4 | -165.8 | 30.4 |
| Group net profit | 318.6 | 475.6 | -157.0 |
| of which profit shares attributable to non-controlling interests | (23.9) | (32.6) | -8.7 |
| of which profit shares attributable to EnBW AG | (294.7) | (443.0) | -148.3 |

¹ The figures of the comparable period have been restated

Cash flow statement



Free cash flow in € million

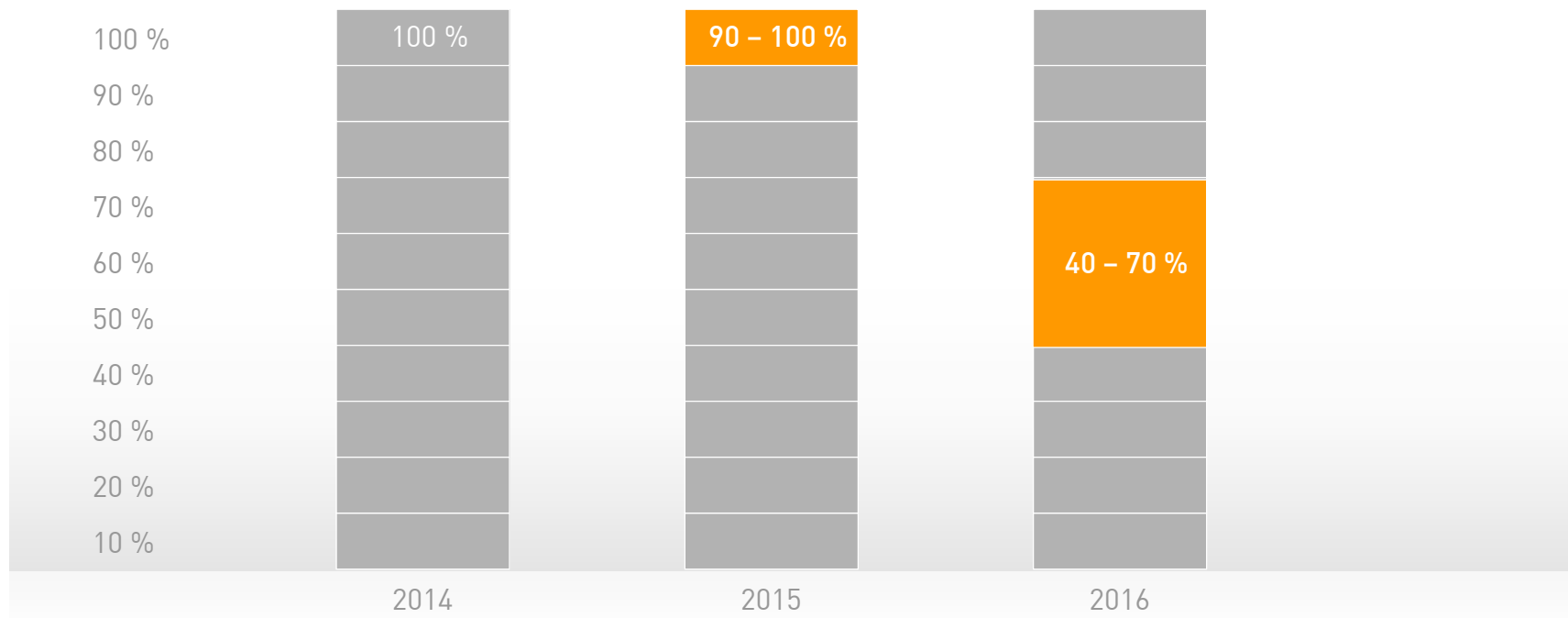
| | Q1 2014 | Q1 2013 | Variance in % |
|---|--------------|--------------|---------------|
| Operating cash flow | 534.2 | 298.0 | 79.3 |
| Change in assets and liabilities from operating activities | 73.4 | 433.7 | - |
| Interest and dividends received | 49.4 | 83.9 | - 41.1 |
| Interest paid for financing activities | - 46.2 | - 18.5 | 149.7 |
| Funds from Operations (FFO) | 610.8 | 797.1 | - 23.4 |
| Change in assets and liabilities from operating activities | - 73.4 | - 433.7 | - |
| Capital expenditures on intangible assets and property, plant and equipment | - 446.4 | - 143.1 | - |
| Cash received from disposals of intangible assets and property, plant and equipment | 71.8 | 13.1 | - |
| Cash received from construction cost and investment subsidies | 18.8 | 21.2 | - 11.3 |
| Free cash flow | 181.6 | 254.6 | - 28.7 |

Hedge levels



Hedge levels¹

in %



¹ As of 31 March 2014

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



| Commercial paper programme | Syndicated loan facility | Bilateral short-term lines of credit | Euro Medium Term Note programme | Other measures |
|--|--|---|--|--|
| <ul style="list-style-type: none"> € 2.0 bn (undrawn as of 31 March 2014) | <ul style="list-style-type: none"> € 2.0 bn (undrawn as of 31 March 2014) | <ul style="list-style-type: none"> € 584 m (undrawn as of 31 March 2014) | <ul style="list-style-type: none"> € 7.0 bn (€ 3.4 bn utilised as of 31 March 2014) | <ul style="list-style-type: none"> Hybrid bonds with a volume of € 2 bn € 1bn (2011/2012) € 1bn (2014) Capital increase: € 822 m (July 2012) |

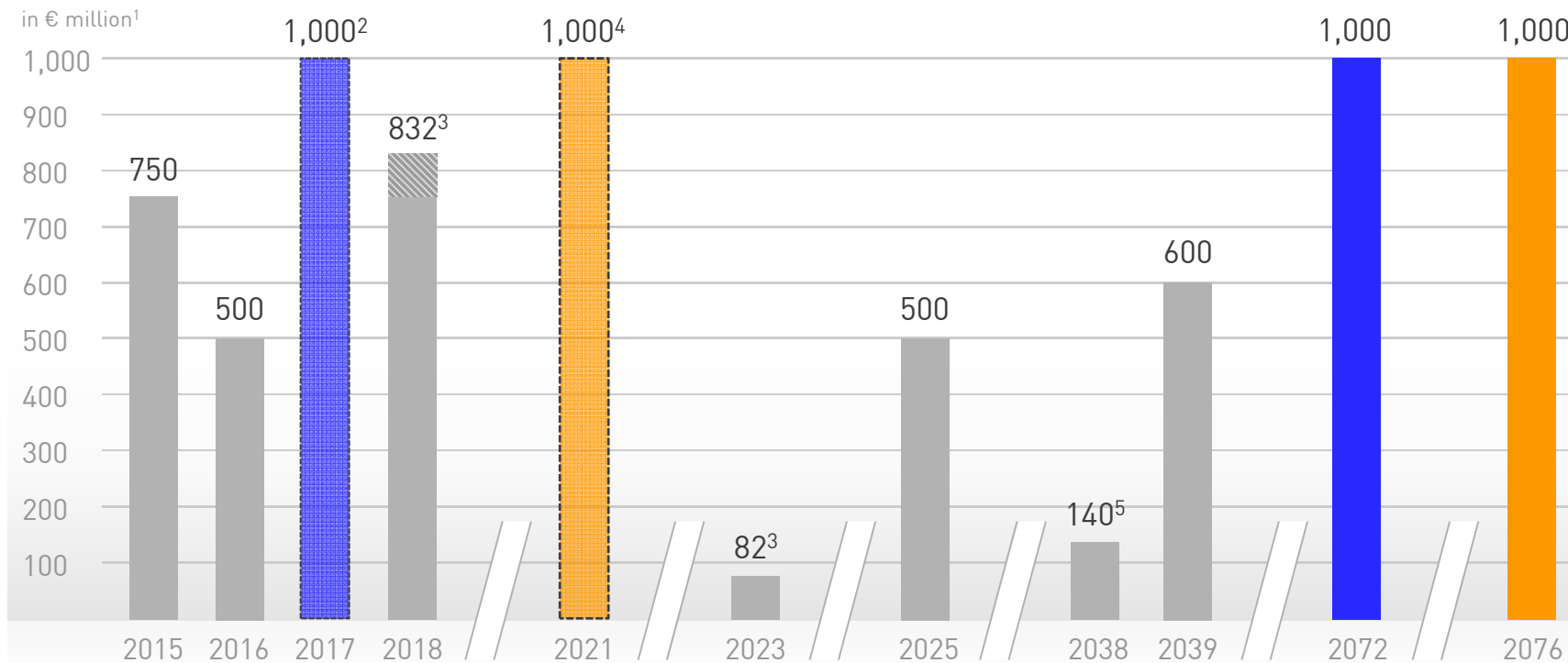
Details of the syndicated loan facility:

- € 2bn facility amount until March 2017 including € 1bn swing line
- As of March 2017 reduced facility amount of € 1.85bn until March 2018
- Fixed margin

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



Maturities of EnBW's bonds



¹ As of 31 March 2014; ² First call date of hybrid maturing in 2072; ³ Including CHF 100m converted as of the reporting date 31 March 2014; ⁴ First call date of hybrid maturing in 2076; ⁵ Nominal with conversion as of the reporting date 31 March 2014

Financial calendar 2014



- **1 August 2014** Interim report: January–June 2014
Conference time: 15:00 CET
- **1 October 2014** Capital Market Day 2014
- **11 November 2014** Interim report: January–September 2014
Conference time: 15:00 CET

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