

Press Release

11 November 2014

Durlacher Allee 93
76131 Karlsruhe
Telephone: +49 (0)721 63-14320
Fax: +49 (0)721 63-12672
Presse@enbw.com
www.enbw.com

First nine months of 2014:

EnBW remains on course in a difficult environment

Operating result in line with expectations / investment in growth projects doubled / extraordinary expenses remain unchanged

Karlsruhe. In the third quarter of 2014, the EnBW Group remained on course from a strategic and operating standpoint, despite the difficult conditions. By acquiring the 50 per cent share held by the Eni Group in GVS and Terranets, the company significantly strengthened its position in the gas sales and gas transport markets. In the Renewable Energies segment, the company erected the first turbines for the new Baltic Sea wind farm Baltic 2. In Turkey, the company's second onshore wind farm in Balabanli was commissioned, while the foundations were laid for five further wind farms with a total capacity of 207 megawatts. In the Sales segment, EnBW was able, amongst other things, to win the largest tenders to date for energy-related payment and settlement services in Germany. "This is very welcome progress. It shows that we are focusing fully on the implementation of our strategy and find ourselves on the right track," explains EnBW Chief Financial Officer, Thomas Kusterer. "This focus on the implementation of our strategic measures was also reflected by the company doubling its investments."

In a persistently difficult energy market characterised by low electricity and gas prices, the operating result of the EnBW Group continued to develop in line with expectations in the third quarter of the year. In the first nine months of 2014, EnBW achieved almost unchanged revenue of around 15.5 billion euros with its 19,989 employees. The **operating result adjusted for extraordinary items (adjusted EBITDA)** of 1,632.2 million euros was 10.5 per cent below the figure for the same period in the previous year. The change in earnings was influenced by valuation effects from derivatives, which will lose their importance during the remainder of the year. "Overall, we continue to remain on course and thus continue to expect that the adjusted EBITDA at a Group level for the financial year 2014 will be between 0 per cent and - 5 per cent below the level in 2013," emphasises EnBW Chief Financial Officer, Thomas Kusterer.

The **extraordinary expenses** already reported in the Six-Monthly Financial Report 2014 continued to influence the non-operating result. This involved impairment losses on power plants and increased provisions for onerous contracts for electricity procurement agreements which no longer cover costs totalling around 1.58 billion euros.

The earnings performance in the different segments was varied in the first nine months of the year. In the **Sales** segment, the adjusted EBITDA stood at 226.7 million euros and thus

Page 2

Press release from 11 November 2014

improved by 6.6 per cent. It was possible to increase the result for the electricity sales business through optimisation measures in the customer portfolio, as part of the implementation of the EnBW 2020 strategy. In the area of gas sales, the result was below the level for the same period in the previous year due to the mild winter.

The adjusted EBITDA for the **Grids** segment fell in the reporting period, by 13.1 per cent to 656.4 million euros. Lower electricity and gas sales due to the weather had a negative effect on distribution volumes and thus on network user charges. Furthermore, positive extraordinary items from the preceding regulatory period no longer applied.

The **Renewable Energies** segment was able to recover, to a large extent, from the relatively high deficit in the first half of the year. This was caused by lower electricity production from run-of-river power plants due to the weather. In contrast, it was possible to increase electricity generation from wind power due to the construction of new facilities. Overall, the result for the segment was thus only 8.1 per cent lower than in the previous year at 145.5 million euros. In the first half of the year, the result was 21.8 per cent lower.

In the **Generation and Trading** segment, adjusted EBITDA fell by 13.1 per cent to 615.7 million euros. This reduction in comparison to the same period in the previous year was primarily due to lower positive valuation effects from derivatives, as well as the lower price of electricity production.

The **adjusted Group net profit** (excluding the non-operating Group net loss) attributable to the equity holders of EnBW AG stood at 350.4 million euros in the reporting period. This represents a fall of 32.1 per cent.

The **cash flow from operating activities** increased by 20.6 per cent in the first nine months of 2014, to 1,467.2 million euros, compared to the figure in the previous year of 1216.5 million euros.

The **investment volume** of the EnBW Group more than doubled in comparison to the same period in the previous year, to 1.3 billion euros, as part of the implementation of the EnBW 2020 strategy. Around 83 per cent of this investment was attributable to growth projects, such as the Lausward Combined Cycle Gas Turbine, the offshore wind farm EnBW Baltic 2 in the Baltic Sea and the expansion of the grid.

Table: see next page.

Page 3

Press release from 11 November 2014

EnBW Group

| € million ¹ | 01/01– 30/09/2014 | 01/01– 30/09/2013 | Variance % | 01/01– 31/12/2013 |
|--|----------------------|----------------------|-------------|----------------------|
| Revenue | | | | |
| Sales | 6,579.4 | 7,001.8 | -6.0 | 9,568.4 |
| Grids | 4,765.8 | 4,573.2 | 4.2 | 5,707.6 |
| Renewable Energies | 291.0 | 271.1 | 7.3 | 372.3 |
| Generation and Trading | 3,823.1 | 3,756.2 | 1.8 | 4,888.3 |
| Other/Consolidation | 7.2 | 5.1 | 41.2 | 8.2 |
| External revenue, total | 15,466.5 | 15,607.4 | -0.9 | 20,544.8 |
| Adjusted EBITDA | 1,632.2 | 1,822.7 | -10.5 | 2,224.7 |
| EBITDA | 1,251.6 | 1,539.3 | -18.7 | 1,999.7 |
| Adjusted EBIT | 966.2 | 1,152.7 | -16.2 | 1,339.5 |
| EBIT | -648.2 | 868.6 | - | 1,024.1 |
| Adjusted Group net profit ² | 350.4 | 516.1 | -32.1 | 462.3 |
| Group net profit/loss ² | -770.6 | 234.1 | - | 51.0 |
| Earnings per share from adjusted Group net profit ² in € | 1.29 | 1.91 | -32.5 | 1.71 |
| Earnings per share from Group net profit/loss ² in € | -2.85 | 0.86 | - | 0.19 |
| Cash flow from operating activities | 1,467.2 | 1,216.5 | 20.6 | 1,919.1 |
| Free cash flow | 631.3 | 889.1 | -29.0 | 1,168.2 |
| Capital expenditures | 1,287.1 | 615.1 | 109.3 | 1,108.3 |

Energy sales of the EnBW Group

| Billions of kWh | 01/01– 30/09/2014 | 01/01– 30/09/2013 | Variance % | 01/01– 31/12/2013 |
|-----------------|----------------------|----------------------|------------|----------------------|
| Electricity | 102.2 | 98.4 | 3.9 | 128.0 |
| Gas | 83.9 | 71.5 | 17.3 | 100.0 |

Employees of the EnBW Group

| Number ^{1,3} | 30/09/2014 | 30/09/2013 | Variance % | 31/12/2013 |
|-----------------------|------------|------------|------------|------------|
| Employees | 19,989 | 19,775 | 1.1 | 19,844 |

¹ The figures for the comparative periods have been restated.

² In relation to the profit/loss shares attributable to the equity holders of EnBW AG.

³ Number of employees excluding apprentices/trainees and excluding inactive employees.