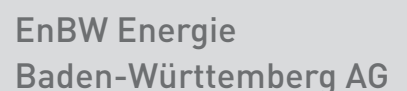


Quarterly Financial Report

January to March 2008



At a glance

EnBW group		1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Revenue					
Electricity	€ millions	3,346.0	2,974.7	12.5	11,539.7
Gas	€ millions	895.8	913.9	-2.0	2,479.3
Energy and environmental services	€ millions	169.3	167.6	1.0	693.2
External revenue, total	€ millions	4,411.1	4,056.2	8.7	14,712.2
Adjusted EBITDA	€ millions	838.2	800.0	4.8	2,328.3
Adjusted EBIT	€ millions	645.6	611.5	5.6	1,563.0
Adjusted group net profit ^{1, 2}	€ millions	398.5	351.9	13.2	821.0
Group net profit ^{1, 2}	€ millions	421.4	366.9	14.9	1,364.1
Earnings per share from group net profit ^{1, 2}	€	1.73	1.50	15.3	5.58
Cash flow from operating activities	€ millions	307.0	299.5	2.5	1,558.7
Free cash flow	€ millions	178.5	167.9	6.3	853.2
Capital expenditures on intangible assets and property, plant and equipment ³	€ millions	148.8	158.5	-6.1	816.1

Energy sales of the EnBW group		1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Electricity	billions of kWh	34.3	35.5	-3.4	139.5
Gas	billions of kWh	26.1	27.4	-4.7	75.2

Employees of the EnBW group ^{1, 4}		31/3/2008	31/3/2007	Variance %	31/12/2007
Employees	Number	20,266	21,408	-5.3	20,265

¹ The figures of the comparative period have been adjusted.

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

³ From continuing operations.

⁴ Number of employees without apprentices/trainees and without inactive employees.

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Important note

No offer or investment recommendation

This report has been prepared for information purposes only. It does not constitute an offer, an invitation or a recommendation to purchase or sell securities issued by EnBW Energie Baden-Württemberg AG (EnBW), a company of the EnBW group or any other company. This report does not constitute a request, instruction or recommendation to vote or give consent. All descriptions, examples and calculations are included in this report for illustration purposes only.

Future-oriented statements

This report contains future-oriented statements that are based on current assumptions, plans, estimates and forecasts of the management of EnBW. Such future-oriented statements are therefore only valid at the time at which they are published for the first time. Future-oriented statements are indicated by the context, but may also be identified by the use of the words "may", "will", "should", "plans", "intends", "expects", "believes", "assumes", "forecasts", "potentially" or "continued" and similar expressions.

By nature, future-oriented statements are subject to risks and uncertainties that cannot be controlled or accurately predicted by EnBW. Actual events, future results, the financial position, development or performance of EnBW and the companies of the EnBW group may therefore diverge considerably from the future-oriented statements made in this report. Therefore it cannot be guaranteed nor can any liability be assumed otherwise that these future-oriented statements will prove complete, correct or precise or that expected and forecast results will actually occur in the future.


No obligation to update the information

EnBW assumes no obligation of any kind to update the information contained in this report or to adjust or update future-oriented statements to future events or developments.

This quarterly financial report can also be downloaded from the internet in German or English. In case of doubt, the German version shall prevail.

Top issues

2008



January 2008

Innovation prize

For the fourth time in a row, EnBW funds the innovation prize of German industry, this year in the SME segment. The prize is awarded to LIMO Lissotschenko Mikrooptik GmbH. In the large company segment, EnBW itself reaches the last round with its project on intelligent system platforms for energy services of the future.

Innovative CO₂ geothermal ground probe

EnBW officially commissions a CO₂-filled geothermal ground probe in Triberg in the Black Forest. At 250 metres, it is the longest geothermal ground probe of its kind. The aim of the project is to enable the use of near-surface geothermal heat even in those places where the use of conventional geothermal ground probes is currently not permitted for groundwater protection reasons.

Award for EnBW's sponsoring activities

EnBW 2007 World Artistic Gymnastics Championships receive an award in the 2008 marketing prize for sports which is awarded for outstanding projects in the sports business.

Bond on the Swiss capital market

Via its subsidiary EnBW International Finance B.V., EnBW issues a bond totalling CHF 300 million with a fixed term of five years.

Integrated energy supply in Stade

Dow Deutschland Anlagengesellschaft mbH (Dow Stade), Werk Stade and EnBW want to collaborate in the development of an integrated energy concept for Stade. The collaboration will include the development, construction and operation of an integrated energy supply consisting of the combination of a state-of-the-art hard coal power station and a gas and steam turbine power station with a total output of 1,000 MW.

Joint market territory for southern Germany

EnBW subsidiary Gasversorgung Süddeutschland GmbH (GVS) helps to simplify gas grid access in Germany. Gastransportunternehmen GVS Netz, Eni Gas Transport Deutschland (Eni D) and Gaz de France Deutschland Transport (GdFDT) intend to form a joint market territory for southern Germany as of 1 October 2008. It will combine the market territories of GVS/Eni D and GdFDT and allow access to the international markets.

February 2008

Bioenergy project to reduce greenhouse gases

EnBW and the University of Hohenheim are exploring possibilities of reducing greenhouse gases in a pilot project for the production of bioenergy based on the Clean Development Mechanism. This Clean Development Mechanism project involves the large-scale planting of the jatropha plant on a 3,000 hectare plantation on wasteland in Madagascar.

RDk 8

EnBW once again files an application with the Karlsruhe authorities for lower emission concentrations for its planned coal power station in the Karlsruhe Rheinhafen (RDk 8). The emission concentrations for particulate matters, carbon monoxide, nitrogen oxides and sulphur dioxide that have now been applied for are 50% below the annual average limits permitted under the 13th Federal Immission Control Ordinance. In October 2007, EnBW had already reduced the annual values compared to the original application. Preparatory work for the construction project commenced in early March.

Customer service on the internet

EnBW launches the "Online Product Advisor" which allows retail customers to find the tariff that suits their consumption. For customers with an affinity for the internet, EnBW offers the new product "EnBW online". In the form of the new "EnBW Index Active balance" EnBW offers its small and medium-sized industrial customers a flexible electricity product to spread the risk.



March 2008

IAEA: top marks for GKN

At the end of the OSART mission at the Neckarwestheim nuclear power plant (GKN), the International Atomic Energy Association (IAEA) comes to the conclusion that based on international standards GKN is a very good plant. The fact that findings of the OSART mission in Philippsburg had also been implemented in Neckarwestheim received a special mention. EnBW is thus the only operator of nuclear power plants in Germany whose production locations have been completely reviewed by the IAEA in just a few years.

CFO leaves EnBW

The CFO of EnBW, Dr. Christian Holzherr, leaves the company of his own volition as of 30 April 2008 after eight years. For a transitional period, CEO Hans-Peter Villis will also assume responsibility for the finance portfolio.

"Intelligent electricity meters" at CeBIT

At the world's largest computer trade fair CeBIT, EnBW presents its vision of energy-optimised living in the future. EnBW's web-based intelligent electricity meter is the centre piece. Yello Strom and Microsoft Deutschland decide at CeBIT to enter into a strategic alliance centring on the intelligent meter platform.

Online building energy pass

In cooperation with the Fraunhofer Institut, EnBW is the first energy supplier to offer house owners the opportunity to apply for a building energy pass (requirement based) via the internet.

Electricity network user charge notices for 2008

With retroactive effect as of 1 January 2008, the Federal Network Agency approves the network user charges for electricity applied for by TNG, REG, EnSO and ODR. Some of the reductions in network user charges applied for are due to the fact that the EnBW companies had reapplied for cost components on which the Federal Network Agency had returned a negative ruling so as to preserve their legal position.

EnBW once again "Top Employer"

In the study "Top Employer Germany 2008", EnBW improves its total number of points compared to the prior year and once again is rated good to very good in all categories. The survey, in which 88 companies took part, was carried out by the "karriere" journal in collaboration with the geva-Institut and the Corporate Research Foundation.

April 2008

Collective bargaining partners reach agreement

The collective bargaining partners for the private energy industry in Baden-Württemberg reach an agreement after difficult and long-winded negotiations. According to the new pay agreement, employees will receive a pay rise of 4.35% with retroactive effect from 1 March 2009, but at least € 90 more per month. The pay agreement has a fixed term of 13 months until 31 March 2008. On top of this, the employees receive a one-off payment of € 120 in September 2008. In addition to collective wage increases, it is agreed to extend the collective bargaining agreement on offering trainees temporary employment contracts for 12 months after completion of training and subsequently hiring 20% of the trainees on permanent contracts.

Hanover trade fair

At the Hanover trade fair, EnBW presents the energy city of the future with innovative ideas for living, industrial production and energy generation. Energy efficiency and renewable energies are the main topics.

Ratings confirmed

The rating agency Standard & Poor's confirms the long-term rating A- and the short-term rating A-2 of EnBW. The outlook for EnBW remains "stable".

Letter to our shareholders

Dear shareholders, investors and friends of EnBW,

EnBW Energie Baden-Württemberg AG got off to a good start in the fiscal year 2008. In the first quarter, the main ratios have improved further:

- > Revenue rose to € 4,411.1 million and was thus 8.7% up on the first three months of the prior year.
- > In the first quarter of 2008, adjusted EBIT went up by 5.6% to € 645.6 million compared to prior-year period.
- > Adjusted group net profit in terms of the profit attributable to equity holders of EnBW AG improved by 13.2% to € 398.5 million compared to the prior-year quarter.
- > Cash flows from operating activities rose 2.5% to € 307.0 million on the back of the improved earnings.
- > Net debt dropped by € 85.1 million compared to year-end 2007 and came to € 5,784.6 million at the end of the first quarter of 2008.

Net assets, financial position and results of operations of EnBW were again sound in the first quarter of 2008. The good results of 2007 and of the first quarter of 2008, the good balance sheet structure and the positive rating of EnBW by the capital market form the basis for the forthcoming growth phase. We plan to make capital expenditures of € 7.6 billion by the year 2010. Around 70% of this € 7.6 billion will be invested in growth areas and is as such an investment in the future sustainability of the company. Our goal is to achieve a continuous increase in value in the individual segments. Investment will focus on the expansion of our electricity generating capacity both in conventional and renewable energies and also strengthen our market position significantly in the gas segment by building up the midstream area.

All capital expenditures are made on the basis of strict operational criteria. We want to retain our A rating in the medium term, a rating that, incidentally, was confirmed just a few days ago by the internationally renowned rating agency Standard & Poor's.

Although the political and regulatory environment for the energy industry remains difficult, we are confident that we will again be able to achieve a slight improvement in adjusted EBIT in 2008.

Yours sincerely,

A handwritten signature in black ink, reading "Hans-Peter Villis". The signature is written in a cursive, flowing style.

Hans-Peter Villis
Chief Executive Officer

Karlsruhe, May 2008



Hans-Peter Villis
Chief Executive Officer

The EnBW share

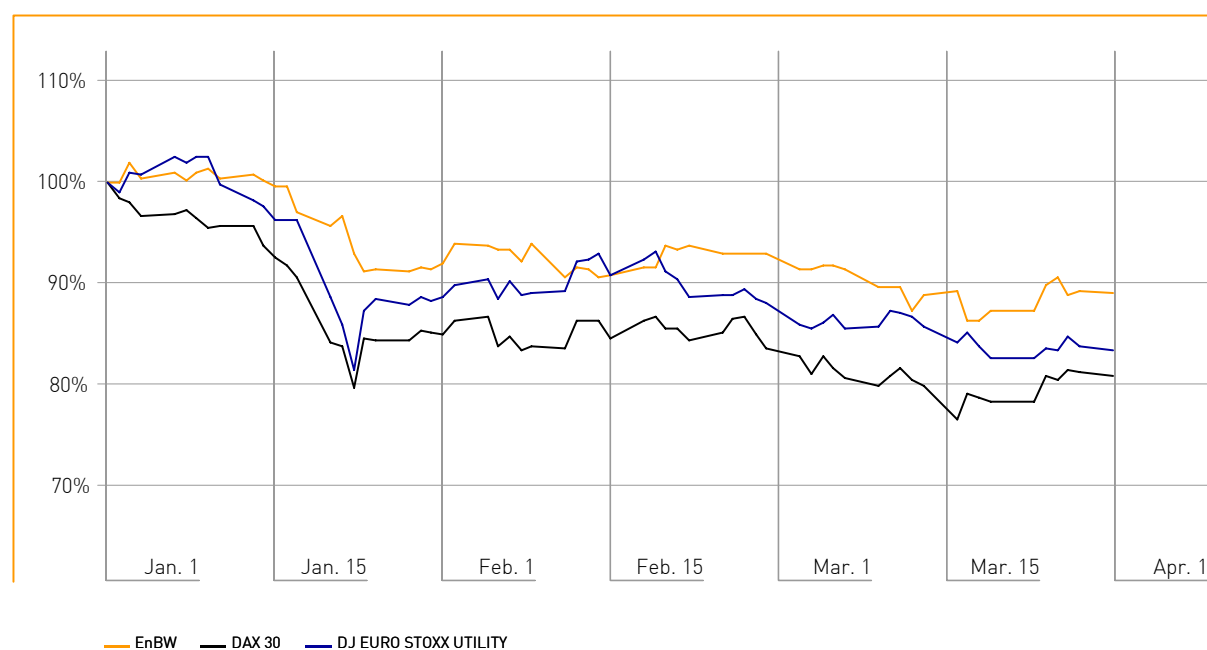
EnBW share in figures ¹	31/3/2008	31/12/2007
Number of shares outstanding (millions of shares)	244.257	244.257
Closing price in €	53.65	60.16
Market capitalisation in € billions ²	13.1	14.7

EnBW share prices	1/1 – 31/3/2008	1/1 – 31/12/2007
High in €	61.40	60.84
Low in €	51.99	48.01

¹ The price information relates to the XETRA prices.

² Number of shares outstanding at the end of the quarter multiplied by the closing price.

Development of the EnBW share from 1 January to 31 March 2008



Shareholder composition

The shareholder composition of EnBW Energie Baden-Württemberg AG as of 31 March 2008 is as follows*:

Shareholder composition	
EDF International SA (EDFI)	45.01%
Zweckverband Oberschwäbische Elektrizitätswerke (OEW)	45.01%
EnBW Energie Baden-Württemberg AG	2.30%
Free float	2.05%
Badische Energieaktionärs-Vereinigung	2.58%
Gemeindeelektrizitätsverband Schwarzwald-Donau	1.28%
Landeselektrizitätsverband Württemberg	0.54%
Neckarelektrizitäts-Verband	0.48%
Other municipal shareholders	0.75%

* Figures rounded to two decimal places.

You can find up-to-the-minute information about the EnBW share on the internet at www.enbw.com.

Interim group management report

(unaudited)

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Economic and political environment

Several changes to the political and regulatory environment in the energy industry occurred in the first quarter of 2008 which had an impact on EnBW's operations. One of the changes at a national level was the publication of the allocations of emissions certificates for the second trading period in the European CO₂ trading system and the receipt of further assessment notices on the network user charges from the Federal Network Agency. At a European level, the EU Commission presented a package of measures with legislative proposals relating to the areas of energy and climate protection. The general economic situation was primarily influenced by rising prices on the commodities markets.

Energy policy

CO₂ allowance trading

After the German National Allocation Plan for the second trading period in the European CO₂ trading system (NAP II), the German emissions trading agency published the allocation figures.

On the basis of an understanding with the German emissions trading agency, the certificates to be refunded within the scope of the ex post regulation were returned in the form of certificates from the first trading period (up to 2007). Their price is quite low in the meantime. Certificates from the second trading period beginning in 2008 (NAP II) are significantly more expensive. Without this understanding, it would have been necessary to return the certificates from the second trading period.

Act against restraints on competition

The amended version of the German Act against Restraints on Competition (GWB) came into force on 22 December 2007. The purpose of Sec. 29 of the act is to permit the authorities to review the prices of electricity and piped gas to prevent abusive high prices on the end customer market.

EnBW's main objections to the amendment to the act against restraints on competition are the cost and profit control as well as the right of third parties to take legal action on the grounds of Sec. 29 of the act.

The industry expects that the amendments to the act against restraints on competition will allow the state to control profits, which could disrupt the efficient wholesale market and trading on the electricity exchange in the long term. This tendency can already be seen in the gas segment.

Antitrust proceedings

in connection with suspected excessive gas prices

According to information from the Federal Antitrust Office, it has initiated proceedings on the basis of the amended version of Sec. 29 of the act against restraints on competition against around 35 gas suppliers in connection with suspected abusive gas pricing practices for domestic and commercial customers. According to statements by the Federal Antitrust Office, the proceedings relate to companies from all over Germany, both municipal and rural suppliers, independent municipal utilities and suppliers and equity investments of the four major integrated groups. In this connection, two member companies of the EnBW were requested to justify their gas prices in the course of hearing proceedings. This does not yet relate to any decision on the instigation of abuse proceedings.

Energy and climate package

In August 2007, the Federal Cabinet decided at a meeting in Meseburg upon an ambitious energy and climate programme (IEKP) involving 29 key points. On 5 December 2007, the Cabinet presented a comprehensive first package involving 14 acts and regulations. A second smaller package with further legislative procedures will follow on 21 May 2008. The first package is due to come into force before the summer recess, the second one on 1 January 2009. This would implement the resolutions passed at Meseberg in a consistent manner.

The programme presented is intended to double Germany's efforts towards climate protection. Germany has reduced its greenhouse gas emissions by 18% in comparison to 1990. According to information provided by the Federal Ministry for the Environment, the IEKP should achieve a reduction of 36%. This would take Germany a long way towards achieving its own goal of a 40% reduction in emissions by 2020.

For the energy industry, the drafts for the amendment of the renewable energies act (EEG), the CHP act (KWKG) and the act on the use of renewable energies in heating and the liberalisation of meter reading (EWärmeG) are the most relevant.

The targets set out in the IEKP have come under pressure in the wake of a wide range of developments (biofuels, extension and connections to grids offshore, shortages in components for renewable energies etc.). Discussion over the next few months will reveal whether they can be met.

EnBW is currently reviewing the opportunities and risks arising from the IEKP package.

Power line extension act

The Federal Ministry of Economics has presented draft legislation intended to accelerate the extension of extra-high voltage lines. One major pillar of the legislation is a power line extension act prioritising line construction projects. There are still numerous hurdles that may delay the approval procedures for line construction projects. Such hurdles include the number of steps in the proceedings, the copiousness of the application documents and the lack of planning reliability for lines.

EnBW is advocating relevant changes in the course of the legislative process. A cabinet decision is expected to be made in May 2008 within the framework of the Federal Government's second IEKP package.

Meter reading ordinance

The Federal Ministry of Economics submitted a draft ordinance on the liberalisation of meter reading in November 2007. The regulations contained therein are designed to provide more specific rulings for the energy and climate package passed by the Federal Cabinet on 5 December in order to deregulate meter reading. This ordinance is still undergoing the legislative process. The Federal Cabinet will decide on the draft ordinance in May 2008 as part of the package of IEKP measures. The Federal Government's aim is to have the act and the ordinance come into force before the summer recess.

European energy policy

On 23 January, the EU Commission presented a package of measures relating to the areas of energy and climate protection. It includes legislative proposals to expand renewable energies to bring about a reduction in carbon dioxide emissions and to promote geological storage of carbon dioxides.

The draft directive to extend the share of renewable energies in the EU's primary energy consumption provides for a 20% share of renewable energies by 2020. Shared among the member states, this would mean a target value of 18% for Germany. The draft does not provide for any harmonisation of the various incentive systems within the EU.

The review of the emissions trading directive similarly relates to the period until 2020. The Commission will now assume responsibility for allocating emissions trading certificates which was previously the responsibility of the Member States. Nevertheless, a distribution of burdens will still be carried out nationally, derived from a pan-EU target of a 20% reduction in CO₂ by 2020. Using 2005 as the base year, Germany is to reduce its carbon dioxide

emissions by 14%. The Commission's draft does not provide for any certificates to be distributed to the energy sector free of charge.

The third material element contained in the package consists of proposed legislation on geological storage of CO₂. Geological storage is preceded by separating out the carbon dioxide created when burning fossil fuels such as coal and gas to generate electricity. With this proposal, the European Commission is responding to demands by the Member States to create the technical, economic and regulatory environment necessary to develop operable carbon capture and storage technology as quickly as possible.

The European Parliament is currently preparing the first reading for all legislative proceedings. It is expected that all legislative proceedings will come to a conclusion before the current legislative period of the European Parliament ends in autumn 2009.

Regulation of the electricity and gas markets**Network user charge proceedings of the Federal Network Agency**

On 30 June 2007, all EnBW's electricity grid operators applied for new network user charges for the period from 1 January 2008, and all gas grid operators applied for new network user charges on 30 September 2007 for the period from 1 April 2008.

The Federal Network Agency issued its decision on EnBW Transportnetze AG's (TNG) application concerning the network user charges on 17 January 2008. The approved charges for the use of the transmission network were reduced by around 11% compared to the previous charges and by 30% compared to the charges it had applied for. A decision was likewise issued on EnBW Regional AG's network user charge application. In a notice issued on 29 February 2008, the Federal Network Agency cut the approved charges for use of EnBW Regional AG's distribution networks by 11%. Measured against the charges applied for, the reduction totals 25%.

The relatively high reductions in comparison to the network user charges applied for are due to the fact that EnBW Transportnetze AG and EnBW Regional AG had reapplied for cost components on which the Federal Network Agency had returned a negative ruling so as to preserve their legal position. Between the date of the application and the approval notice by the Federal Network

Agency, changes were made in the ordinance on electricity network user charges in the course of the incentive regulation ordinance passing through the legislature which similarly contributed to a cut in the network user charges applied for.

The majority of the gas network operating companies within the EnBW group have so far only received consultation notices from the Federal Network Agency. It is anticipated that the last approval notices will be received in the course of May 2008.

Incentive regulation

In accordance with the German Energy Industry Act (EnWG), the principle of cost regulation underlying the decisions on network user charges is to be replaced by an incentive-based system of regulation. The corresponding ordinance took effect in the autumn of 2007. On this basis, the Federal Network Agency will make further preparations over the next few months to enable the incentive regulation to take effect as of 1 January 2009. It will not be possible to make hard-and-fast statements about the effects on EnBW until this survey has been completed and evaluated, the benchmark has taken shape and the interest rate has been established for the calculation of the network user charge defined in Sec. 7 (6) electricity network user charge ordinance.

The planned system contains incentives to improve efficiency, in particular by capping revenues from network user charges based on the second cost review of network user charges. Individual network users are given individual efficiency targets based on the figures of the most efficient network operator. In two regulatory periods of five years each (electricity) and four and five years in the first and second periods respectively (gas), all grid operators are to be gradually raised to the efficiency level of the best company.

Ordinance on the feed-in of biogas

After having been discussed in the upper house of the German parliament, the Federal Cabinet passed on 12 March 2008 the ordinance to promote the feed-in of biogas into the existing natural gas network. The amendments to the gas network access ordinance (GasNZV), the gas network user charge ordinance (GasNEV) and the incentive regulation ordinance (ARegV) provide for an unambiguous regulation of the costs and responsibilities for the feed-in of biogas. Customers for the transmission of biogas will be granted priority network access. This is intended to improve the viability of feeding in biogas. In order for these generally welcome efforts to take full effect, a consistent statutory environment for the use of biogas is required at national level similar to the situation already existing at regional level in Baden-Württemberg as part of the act on the use of renewable sources of thermal power (EWärmeG).

Further simplification of access to the gas grid

The number of market territories, which by definition allow free allocation of feed-in and feed-out capacities, will fall again as of 1 October 2008. As of 1 October 2007, there were 14. At the beginning of 2008, some network operators covering more than one market territory announced that they would merge their market territories at the beginning of the next gas business year on 1 October 2008, further simplifying gas network access. EnBW's subsidiary Gasversorgung Süddeutschland GmbH (GVS) is also making a contribution to this development. In a joint press release on 22 January 2008, the gas transmission companies GVS Netz, Eni Gas Transport Deutschland (Eni D) and Gaz de France Deutschland Transport (GdFDT) revealed their intention to form a joint market territory for southern Germany as of 1 October 2008. It will combine the existing market territories of GVS/Eni D and GdFDT and will allow access to the international markets. This will considerably simplify gas trading. Using the number of downstream networks as a benchmark, the southern German market territory will take second place among the market territories in Germany. EnBW and the Italian Eni S.p.A. hold equal shares in GVS (a 50:50 joint venture).

Market situation

Electricity market

The price for the base product on the spot market averaged € 56.20/MWh in the quarter and was thus considerably above the average price of € 29.74/MWh of the comparative period of the prior year. The main reasons for the marked increase on the spot market are the price difference for CO₂ certificates of the first and second trading period - the average prices in the first quarter in 2007 stood at € 2.12/t and in 2008 at € 21.47/t – and also the increase in the price of fuel. This huge increase in prices pushed up the margin costs of the conventional power stations significantly. Beforehand, even higher prices had been forecast for the first quarter of 2008, due among other things to the high spot market prices in the fourth quarter of 2007 and uncertainty surrounding the recommissioning of the nuclear power plants Biblis, Brunsbüttel and Krümmel. The average spot price of the first quarter 2008 was some € 11 to 12/MWh below the forward price for the first quarter at the end of December 2007 (base). The mild weather at times (the average monthly temperatures in the first quarter of 2008 were around 3 °C to 4 °C above the long-term average), the high

wind feed-in (feed-in in the first quarter of 2008 was around 10% higher than the comparative period 2007) as well as the higher availability of the nuclear power plants compared to the fourth quarter of 2007 (which resulted in an additional 2,190 MW being generated). At the same time, the vertical grid load in Germany fell by around 4.5% compared to the comparative period of the prior year. This is due on the one hand to the mild temperatures, and on the other to the growing share of the load covered by decentralised plants, in some cases based on renewable energies. Overall, the lower grid load also slowed the increase in electricity prices on the spot market.

On the forward market for electricity, the higher electricity price quotations reflect the rising prices for coal and oil. The price of the base load product for delivery in 2009 followed the volatile fuel quotations. The quarterly average rose compared to the last quarter of 2007 by € 3.76 /MWh to € 62.60/MWh. The average quotation of peak deliveries rose by € 5.57/MWh to € 86.85/MWh. This price movement can also be seen in the base and peak products of the subsequent year 2010.

Comparison of average electricity prices in €/MWh

			EEX forward market (settlement price)		EEX spot market price	
	2009	2010	2009	2010	Base	Peak
	Base	Base	Peak	Peak		
Q1 2007	53.03	77.96	53.65	78.93	29.74	40.69
Q4 2007	58.84	81.28	57.15	80.20	57.75	90.88
Q1 2008	62.62	86.89	61.15	85.97	56.20	72.23

CO₂ market

The average traded daily volume in the European emissions trading system amounted to around 8 million t/CO₂ per day in the first quarter of 2008. Around 65% of this was traded over the counter and around 30% on the ECX CO₂ exchange. The remaining 5% was traded on the EEX, Nordpool and Powernext exchanges.

The average daily trading volume in the first quarter of 2008 rose compared to the first quarter of the previous year by around 58%. Compared to the preceding quarter, the trading volume rose by around 43%. It can therefore be assumed that activity on the CO₂ market will continue to increase again this year.

The allowances of the first trading period are currently being traded for just one euro cent. This dramatic drop in value is due to the surplus supply of the first trading period combined with the non-transferability of the allowances in the second trading period. The allowances of the second trading period are, by contrast, expected to be in short supply; moreover, these allowances can be transferred without restriction to the third trading period.

The price of the EUA 08 (EU Allowance, CO₂ allowances for 2008) was determined in the first quarter of 2008 above all by movements in the oil and electricity market and the price difference between the fuels gas and coal. At the beginning of 2008, the fuel switch costs, i.e. the costs for the avoidance of a tonne of CO₂ when changing from coal to gas for electricity production – were up on the prior year. On 8 January 2008, a constellation of this sort led to a EUA 08 price of € 23.70/t, the highest quotation of the first quarter.

Fears of a recession due to the financial crisis in the US led to a drop in prices in the first quarter of 2008. These fears caused a subdued mood both on the share markets and on the commodity markets and 5 February saw a record low of the EUA 08 in the first quarter of 2008 of € 18.90 per tonne of CO₂.

On 23 January the European Commission published a draft directive with rules for the European emissions trading in the third trading period. It proposes a reduction in the emissions limit in the European system. Moreover, it imposes very tight restrictions on the import of Kyoto allowances. This covers other sectors including the aluminium industry, the petrochemical industry and ammoniac production.

Comparison of average prices for CO₂ emission allowances in €/t CO₂

	Second trading period		
	2008	2009	2010
Q1 2007	15.17	15.73	-
Q4 2007	22.45	22.99	23.57
Q1 2008	21.47	21.98	22.60

Coal market

The price development on the world market for hard coal in the first quarter of 2008 can be divided into two phases. In the first two months, the quotations were mainly on the increase – the quotations for short-term deliveries at the European sea ports of Amsterdam, Rotterdam and Antwerp (ARA) climbed to just under US\$ 148/t, only to fall again in March.

The increase in the first two months is due primarily to the shortage. In January, exports from the US fell significantly due to technical problems at the main export terminal in the port of Baltimore. In February, China temporarily discontinued exports of hard coal due to domestic supply problems and there was uncertainty as to the amount of exports that might be expected from China in 2008. South African exports were also in decline due to heavy rainfall and due to technical problems at the Richards Bay loading terminal in South Africa. At the same time, sea freight rates rose slightly, pushing up the import prices in Europe. The appreciation of many currencies against the US\$ also led to an increase in extraction costs in key export regions that are denominated in US dollars.

The drop in quotations for hard coal deliveries in the ARA area during March is due, among other things, to current developments on the financial markets and the fear of a possible recession in the US and other economies. Prices also fell when China officially recommenced the export of hard coal around mid-March and issued export licences on roughly the same level as the prior year. (In China export volumes are controlled by means of licences).

Comparison of average coal prices (API # 2) in US\$/t

	2009	2010	Delivery in the following quarter
Q1 2007	70.28	70.89	68.83
Q4 2007	100.31	90.90	119.06
Q1 2008	121.06	111.60	131.39

Oil market

The oil prices in the first quarter of 2008 exceeded those of the prior quarter by a substantial margin. While the price for a barrel of North Sea Brent in the fourth quarter 2007 averaged around US\$ 88, the middle price in the first quarter of 2008 was over US\$ 96 per barrel.

There are two trends apparent in the price development in the first quarter. Starting at more than US\$ 97/bbl at the beginning of January, the Brent price initially fell until 23 January to US\$ 86/bbl, due primarily to growing fears of recession in the USA in connection with the mortgage and credit crisis there. A larger supply of oil due to the increase in the OPEC quotas caused prices to fall.

The drop in the price at the end of January was followed by a long phase of rising oil prices which peaked at a Brent price of more than US\$ 107/bbl on 14 March. The trigger for the marked increase in the price of oil was the drop in the value of the dollar which caused a flood of speculative capital into the raw materials markets in general and the oil market in particular. Crude oil is considered to be a natural hedge against a depreciating US dollar which lost almost 10% in value compared to the euro from the end of January to the end of the quarter. In this phase, the development of the oil price was almost entirely detached from fundamental factors such as the development of the worldwide stocks which normally would have caused a further drop in price.

Under the surface, geopolitical risks in Nigeria, Venezuela, Iraq and Iran also affected the prices throughout the quarter.

Comparison of average crude oil (Brent) prices in US\$/bbl

	2009	2010	Delivery in the following quarter
Q1 2007	63.86	63.40	59.48
Q4 2007	82.89	81.12	87.70
Q1 2008	93.12	91.84	95.47

Gas market

The gas price in Germany is largely determined by the price of long-term gas import contracts which are tied to the price of oil products. The cross-border price index of the Federal Office of Economics and Export Control (BAFA) stood at € 22.48/MWh in January 2008. This is a 5.84% increase compared to the import price in December 2007 of € 21.24/MWh and an increase of 12.51% compared to the average import price in 2007 of € 19.98/MWh.

The wholesale markets in north-west Europe are also guided by the development of the price of oil, even if they are not directly indexed.

In the first quarter of 2008, the forward prices were quoted on the Dutch TTF wholesale market at an average of € 25.89/MWh for the calendar year 2009 and at € 25.28/MWh for the calendar year 2010. Deliveries in the years 2009 and 2010 thus rose in price by approx. 10% in each case compared to the fourth quarter of 2007.

The spot prices on the TTF in the first quarter of 2008 averaged € 23.56/MWh, 8% above the average spot prices of the previous quarter. Compared to the average price in the first quarter of 2007, the prices were as much as 111% higher. In this comparison, it should however be considered that the spot prices collapsed in early 2007 due to the unusually warm winter of 2006/2007. Overall, the winter of 2007/2008 which is now drawing to an end was only slightly milder than the average of several years.

Comparison of average natural gas prices (Dutch wholesale market) in €/MWh

	2009	2010	Spot market
Q1 2007	20.04	20.04	11.14
Q4 2007	23.56	22.98	21.80
Q1 2008	25.89	25.28	23.56

Company situation

The EnBW Group enjoyed a successful first quarter in 2008. Adjusted group net profit in terms of the profit attributable to equity holders of EnBW AG rose by 13.2% to € 398.5 million. Net borrowing decreased by € 85.1 million to € 5,784.6 million.

Revenue and unit sales

In the first quarter of 2008, the EnBW group recorded external revenues before deducting electricity and natural gas tax of € 4,719.4 million, 12.3% more than in the prior-year quarter. External revenue after deducting electricity and natural gas tax increased by 8.7% to € 4,411.1 million.

Revenue increased in the electricity and energy and environmental services segments.

Electricity: The electricity segment generated roughly 75.9% of the revenue of the group from January to March 2008. This segment's share of total group sales revenue therefore increased by 2.6 percentage points in comparison to the prior-year quarter.

In the reporting period, unit sales of electricity fell by 3.4%. This decrease primarily stems from trading. We increased unit sales to industrial and household customers.

Revenue rose by 12.5% to € 3,346.0 million. This increase is due above all to higher prices in the trading segment which more than made up for the decline in unit sales.

Gas: In the first quarter of 2008, the gas segment accounted for 20.3% of the revenue of the EnBW group. The gas segment's share of total group sales revenue therefore declined in comparison to the prior year by 2.2 percentage points.

In the B2C gas segment, unit sales increased due to the winter being mild but colder in comparison to the prior year quarter. In contrast, gas sales in the B2B segment – in particular to redistributors – fell due to customers lost in the wake of the ongoing liberalisation of the gas market. All in all, unit sales of gas fell by 4.7% to 26.1 billion kWh.

The decline in unit sales led to a 2.0% drop in revenue to € 895.8 million.

Energy and environmental services: Over the period from January to March 2008, the energy and environmental services segment contributed a share of 3.8% to the sales revenue of the EnBW group. The energy and environmental services segment's share of total group sales revenue therefore declined in comparison to the prior year by 0.3 percentage points.

Revenue in the energy and environmental services segment comprises sales revenue from disposal, water supply and other energy services. It totals € 169.3 million. This represents growth of 1.0% compared to the first quarter of 2007. This increase is a result of the higher revenue generated by other services.

External revenue of the EnBW group by business segment in € millions ¹	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Electricity	3,346.0	2,974.7	12.5	11,539.7
Gas	895.8	913.9	-2.0	2,479.3
Energy and environmental services	169.3	167.6	1.0	693.2
Total	4,411.1	4,056.2	8.7	14,712.2

¹ After deducting electricity and natural gas tax.

Unit sales of the EnBW group in billions of kWh	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Electricity	34.3	35.5	-3.4	139.5
Gas	26.1	27.4	-4.7	75.2

Earnings and business development

In the first quarter of 2008, the adjusted EBIT went up by 5.6% to € 645.6 million compared to the first quarter of 2007. The main reason for the increase is an improvement in the generation margin. Adjusted group net profit in terms of the profit attributable to equity holders of EnBW AG improved by 13.2% to € 398.5 million. The non-operating group net profit in terms of the profit attributable to equity holders of EnBW AG rose by € 7.9 million to € 22.9 million.

Adjusted and non-operating earnings

The most important key performance indicator within the EnBW group is adjusted EBIT – earnings before taxes, financial result and investment result. Adjusted EBIT is an earnings ratio adjusted for non-operating effects which reflects the development of the results of operations. Consequently, the development of segments is commented on the basis of adjusted EBIT for the first time in the fiscal year 2008. All other material earnings ratios are presented as adjusted earnings.

The non-operating result contains extraordinary effects. These include gains on disposal of non-current assets, extraordinary effects relating to the nuclear power provisions, income from the reversal of other provisions, expenses relating to restructuring, material effects on earnings resulting from changes in the law as well as impairment losses. The most important components of non-operating results are reported separately.

Adjusted earnings

Adjusted EBIT went up by 5.6% to € 645.6 million compared to the first quarter of 2007.

Adjusted EBIT in the electricity segment rose in a quarter-on-quarter comparison by 6.4% to € 566.3 million. The improvement in the generation margin in the trading segment more than compensated for the burdens on results caused by the market value of derivatives. There was a drop in earnings in the sales segment as a consequence of not passing on the increase in wholesale market prices and due to burdens arising from the German

Renewable Energies Act (EEG). In the regulated area, the further reduction in network user revenue implemented by the Federal Network Agency placed a burden on the results. A decrease in the expenses in connection with feeding in wind energy had a positive impact in the regulated area. Earnings for the first quarter of 2007 was negatively impacted by exceptionally windy weather in January.

In the gas segment, adjusted EBIT rose in the first three months of 2008 by 1.5% to € 80.8 million. Earnings in the gas segment were positively impacted by the winter being colder in comparison to the first quarter of 2007. Stronger competition exerted a negative influence on earnings.

Adjusted EBIT in the energy and environmental services segment fell by 5.2% to € 23.8 million in the first quarter of 2008 due to lower earnings in the other services segment.

Adjusted EBIT for other activities/holding remained unchanged at € -25.3 million.

Adjusted investment income rose by 13.0% to € 59.3 million due to the improved earnings of the companies valued at equity. The negative adjusted financial result fell by 6.2% to € 114.5 million. Borrowing costs fell by € 13.4 million in the first quarter of 2008 primarily due to the repayment of financial liabilities. Other financial results remained constant. This item relates primarily to income from securities and expenses arising from the mark-up of long-term provisions.

Adjusted income taxes in the first quarter of 2008 amounted to € 165.1 million. This is equivalent to a tax rate of 28.0%.

Adjusted group net profit in terms of the profit attributable to equity holders of EnBW AG rose by 13.2% to € 46.6 million in the first quarter of 2008. Adjusted to eliminate changes to the consolidated group, the adjusted group net profit in terms of the profit attributable to equity holders of EnBW AG rose by 12.3%, or € 43.6 million, to € 398.5 million.

Adjusted EBIT of the EnBW group by business segment in € millions	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Electricity	566.3	532.1	6.4	1,413.1
Gas	80.8	79.6	1.5	175.1
Energy and environmental services	23.8	25.1	-5.2	126.4
Other activities/Holding	-25.3	-25.3	-	-151.6
Total	645.6	611.5	5.6	1,563.0

Earnings indicators of the EnBW group (adjusted) in € millions	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Adjusted EBITDA	838.2	800.0	4.8	2,328.3
Adjusted EBIT	645.6	611.5	5.6	1,563.0
Adjusted investment result ¹	59.3	52.5	13.0	195.9
Adjusted financial result	-114.5	-122.1	-6.2	-475.5
Adjusted income taxes	-165.1	-161.4	2.3	-383.6
Adjusted group net profit¹	425.3	380.5	11.8	899.8
of which profit shares attributable to minority interests	(26.8)	(28.6)	-6.3	(78.8)
of which profit shares attributable to equity holders of EnBW AG	(398.5)	(351.9)	13.2	(821.0)

¹ The figures of the comparative period have been adjusted.

Non-operating result of the EnBW group in € millions	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Income from the reversal of other provisions	8.2	21.1	-61.1	102.9
Gain/loss on disposal of non-current assets	2.2	0.7	-	-8.9
Expenses from restructuring	-2.0	-3.1	-35.5	-62.2
Other non-operating result	-4.6	-0.1	-	-23.7
Non-operating EBITDA	3.8	18.6	-79.6	8.1
Impairment losses	-0.7	-0.2	-	-11.9
Non-operating EBIT	3.1	18.4	-83.2	-3.8
Non-operating investment result	28.1	-0.6	-	76.3
Non-operating financial result	-0.5	-1.4	-64.3	17.0
Non-operating income taxes	-7.8	-5.7	36.8	426.8
Result of discontinued operations	0.0	4.5	-	97.9
Non-operating group net profit	22.9	15.2	50.7	614.2
of which profit shares attributable to minority interests	(0.0)	(0.2)	-	(71.1)
of which profit shares attributable to equity holders of EnBW AG	(22.9)	(15.0)	52.7	(543.1)

Non-operating result

Compared to the first three months of 2007, non-operating EBIT fell by € 15.3 million. This is primarily a result of lower income from the reversal of other provisions.

The non-operating investment result in the first quarter of 2008 includes a gain on the disposal of an equity investment.

The non-operating group net profit in terms of the profit attributable to equity holders of EnBW AG rose in the first quarter of 2008 by € 7.9 million to € 22.9 million.

Capital expenditures and acquisitions

In the first three months of 2008, capital expenditures came to € 148.8 million. This is € 9.7 million or 6.1% less than in the first three months of 2007. Some 70% of capital expenditures was made in the electricity segment. Spending in the gas segment focused on the expansion of the power stations and distribution plants. In the energy and environmental services segment, spending primarily relates to the construction of EnBW City, our new administrative building located in Stuttgart.

Reconciliation of group net profit

Due to an improvement in adjusted earnings and an increase in non-operating result, the adjusted group net profit in terms of the profit attributable to equity holders of EnBW AG rose by € 54.5 million to € 421.4 million.

Reconciliation of group net profit of the EnBW group in € millions	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Adjusted group net profit¹	425.3	380.5	11.8	899.8
of which profit shares attributable to minority interests	[26.8]	[28.6]	-6.3	[78.8]
of which profit shares attributable to equity holders of EnBW AG	[398.5]	[351.9]	13.2	[821.0]
Non-operating group net profit	22.9	15.2	50.7	1,799.6
of which profit shares attributable to minority interests	[0.0]	[0.2]	-	[71.1]
of which profit shares attributable to equity holders of EnBW AG	[22.9]	[15.0]	52.7	[543.1]
Group net profit¹	448.2	395.7	13.3	1,514.0
of which profit shares attributable to minority interests	[26.8]	[28.8]	-6.9	[149.9]
of which profit shares attributable to equity holders of EnBW AG	[421.4]	[366.9]	14.9	[1,364.1]

¹ The figures of the comparative period have been adjusted.

Capital expenditures of the EnBW group on intangible assets and property, plant and equipment by business segment in € millions ¹	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Electricity	104.6	115.9	-9.7	568.9
Gas	7.5	7.7	-2.6	71.7
Energy and environmental services	36.7	34.9	5.2	175.5
Total	148.8	158.5	-6.1	816.1

¹ From continuing operations.

Financing

In the reporting period, the bank and lease liabilities were repaid as scheduled. The Commercial Paper programme that had been established was used for short-term financing.

On 25 February 2008 the CHF 400 million bond issued by EnBW in 2003 became due for repayment. EnBW repaid the bond by issuing a new bond with a volume of CHF 300 million and using its own funds. The new bond was paid out on the same day the old one was repaid.

The new five-year bond is furnished with a coupon rate of 3.125% and was successfully positioned with long-term investors at 50 bp above the Swiss midswap rate, at the lower end of the target range. The midswap rate is a benchmark for corporate bonds. It defines the costs of the swap between variable and fixed-interest payments for companies with the best rating. The volume of CHF 200 million was clearly in excess of target. This placement has enabled EnBW to obtain attractive terms for its financing requirements despite the challenging market environment and, at the same time, to maintain good relations with its Swiss investors.

Cash flow statement

Compared to the prior year, the cash flow from operating activities increased by € 7.5 million to € 307.0 million. The improvement primarily results from a rise in EBITDA and a decrease in income taxes paid. In contrast to this, working capital deteriorated by € 115.1 million to € -358.9 million, primarily due to a slower reduction in inventories and a lower level of receivables for electricity tax.

Cash flow from investing activities rose primarily due to cash received from the sale of securities in the current quarter and payments made in connection with the acquisition of group companies in the prior-year quarter from € -241.1 million to € 145.4 million.

The cash flow from financing activities fell by € 206.0 million on the prior-year period to € -277.0 million. The reason for this was the higher repayment of financial liabilities in the first quarter of 2008.

It was this development, taking exchange rate differences into account, that led to the cash and cash equivalents of the EnBW group climbing by € 185.3 million to € 1,503.1 million.

Net debt

Net debt dropped by € 85.1 million to € 5,784.6 million in the first quarter of 2008. The fact that net financial debt dropped by € 243.7 million to € 2,728.6 million had a positive effect in this respect. Pension and nuclear power provisions increased by € 80.1 million to € 8,608.0 million. The drop in the other caption in net debt can be primarily traced back to the sale of collateralised debt obligations amounting to € 193.5 million.

Composition of the balance sheet of the EnBW group

Compared with 31 December 2007, the total net assets of the group rose by € 630.9 million or 2.2%.

The non-current assets – accounting for 74.1% of total net assets - decreased by 0.2% to € 21,510.9 million.

Current assets increased by 9.7% to € 7,533.1 million.

Long-term non-current assets held for sale decreased by € 2.2 million to € 1.2 million.

The equity ratio in the group, including minority interests, rose from 21.1% as of 31 December 2007 to 21.9% as of 31 March 2008. The increase is primarily attributable to the profit reported for the period.

The non-current liabilities of the EnBW group increased by 2.1% to € 16,437.9 million. They comprise non-current provisions, deferred tax liabilities and non-current liabilities.

Current liabilities decreased by 1.3% to € 6,226.4 million.

The liabilities of discontinued operations remained unchanged at € 7.9 million.

Cash flow statement in € millions	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Cash flow from operating activities	307.0	299.5	2.5	1,558.7
Cash flow from investing activities	145.4	-241.1	-	-381.6
Cash flow from financing activities	-277.0	-71.0	-	-1,786.6
Net change in cash and cash equivalents	175.4	-12.6	-	-609.5
Exchange rate changes in cash and cash equivalents	9.9	-2.9	-	-5.0
Change in cash and cash equivalents	185.3	-15.5	-	-614.5

Free cash flow in € millions	1/1 – 31/3/2008	1/1 – 31/3/2007	Variance %	1/1 – 31/12/2007
Cash flow from operating activities	307.0	299.5	2.5	1,558.7
Capital expenditures on intangible assets and property, plant and equipment	-148.8	-158.5	-6.1	-816.9
Cash received from disposals of intangible assets and property, plant and equipment	5.3	7.7	-31.2	30.2
Cash received from construction cost and investment subsidies	15.0	19.2	-21.9	81.2
Free cash flow	178.5	167.9	6.3	853.2

Net debt in € millions	31/3/2008	31/12/2007	Variance %
Cash ¹	-905.9	-829.2	9.2
Short-term investments ¹	-201.5	-171.5	17.5
Cash and cash equivalents¹	-1,107.4	-1,000.7	10.7
Bonds ²	2,453.5	2,698.2	-9.1
Liabilities to banks	691.7	546.9	26.5
Other financial liabilities	690.8	727.9	-5.1
Financial liabilities²	3,836.0	3,973.0	-3.4
Net financial liabilities^{1,2}	2,728.6	2,972.3	-8.2
Pension and nuclear power provisions	8,608.0	8,527.9	0.9
Long-term investments and loans	-4,954.8	-4,906.4	1.0
Cash and cash equivalents of the special funds and short-term investments to cover the pension and nuclear power provisions	-903.5	-832.4	8.5
Liabilities from put options	403.5	397.4	1.5
Other	-97.2	-289.1	-66.4
Net debt²	5,784.6	5,869.7	-1.4

¹ Without cash and cash equivalents of the special funds and short-term investments to cover the pension and nuclear power provisions.

² Adjusted for valuation effects from interest-induced hedging transactions.

Changes in the Board of Management

The CFO of EnBW Energie Baden-Württemberg AG, Dr. Christian Holzherr is leaving the company of his own volition as of 30 April 2008 after eight years. For a transitional period, CFO Hans-Peter Villis will also assume responsibility for the finance portfolio.

Subsequent events

There were no events after 31 March 2008 which would be significant for assessing the net assets, financial position and results of operations of the group.

Employees

Employees of the EnBW group ¹	31/3/2008	31/12/2007	Variance %
Electricity	11,713	11,632	0.7
Gas	904	891	1.5
Energy and environmental services	7,083	7,187	-1.4
Holding	566	555	2.0
Continuing operations	20,266	20,265	-
Discontinued operations	0	0	-
Total	20,266	20,265	-
Full-time equivalents ²	19,435	19,424	0.1

¹ Number of employees without apprentices/trainees and without inactive employees.

² Number of employees translated into full-time equivalents.

Risk management

Continuing our in-depth reporting in the 2007 annual report, we report as of 31 March 2008 on significant changes in risks which could have a material impact on the results of operations, financial position and net assets of the EnBW group. As of the reporting date, we are not aware of any risks which could jeopardise the continuing existence of the company as a going concern. The opportunities associated with our business activities are presented in the section entitled "forecast report".

Overall economic risks

EnBW received the CO₂ emissions certificates for the second trading period when the German 2008 – 2012 Allocation Act [ZuG] and the related 2012 Allocation Decree [ZuV] came into effect. This means that the quantity of certificates at our disposal has now been established.

However, uncertainties nevertheless result from market price fluctuations for the certificates that we have to purchase by auction to cover our emissions. We have made budget provisions for this.

Industry risks

Regulation of network user charges

The Federal Network Agency sent further notices to electricity grid operators in the reporting period. The majority of the gas network operating companies within the EnBW group have so far only received consultation notices from the Federal Network Agency. It is anticipated that the last final approval notices will be received in the course of May. These reveal that the Federal Network Agency has significantly cut the network user charges, or will do so. The risk of network user charges has thus become reality in some cases as a loss for 2008.

We expect to receive further notices from the Federal Network Agency for the upcoming quarter. These will form the basis in subsequent years for the incentive regulation beginning in 2009, and will consequently have a long-term impact on our earnings.

Act against restraints on competition

As a consequence of the amendment of Sec. 29 German Act Against Restraints on Competition (GWB), the competent antitrust authorities have requested two EnBW group companies to comment on their gas prices in the course of the proceedings. This does not yet relate to any decision on the instigation of abuse proceedings. We are not able to provide any assessment of this situation at present.

Operating risks

There were no major changes in our assessment of our operating risks in the reporting period.

Market price, liquidity and credit risks

There were no unusual developments with regard to market price risks, credit risks in energy trading or financial asset management during the reporting period.

Forecast

Despite the risks from the volatile political and regulatory environment, EnBW expects adjusted EBIT in 2008 to exceed the prior-year level.

The forecast report covers the anticipated development of the group until the end of the year. The developments presented below may also offer opportunities for EnBW. For a description of the risks, we refer to the risk management section. The anticipated development of the fiscal year 2009 is elaborated in the annual report for the fiscal year 2007.

Electricity market

On the forward market for electricity, prices are currently falling per delivery year until 2010. The price of electricity thus parallels expectations on the fuel forward markets which we will detail below. In light of the great uncertainties remaining on the fuel and CO₂ markets, it is not possible to rule out significant movements in the price of electricity in either direction.

CO₂ market

The further development of the emissions market will be shaped by future political decisions. Implementation of the Commission Proposal with regard to the design of the emissions trading system in the third trading period will already have an impact on the market in the current trading period due to the transferability of the certificates. The Commission's decision on whether the proposed directive will be implemented or not is expected to be made by early 2009.

Political developments in the USA also have an influence on the European emissions trading system. The introduction of an emissions trading system in the US will also inflate the price of European certificates due to international trading mechanisms. The political conditions in the USA make the introduction of a US trading system more and more probable. Both the two Democratic presidential candidates Clinton and Obama and the Republican McCain have agreed to a trading system and have already named specific reduction targets. Additionally, in June this year the US Senate will vote on a law providing for the introduction of a US trading system in 2012.

Furthermore, there is political activity in other countries relating to the introduction of an emissions trading system which will similarly exert upward pressure on prices on the European market even if not quite to the same extent as the activities in the US. As an example, Australia has concrete plans to introduce an emissions trading system in 2010 and the introduction of such a system is currently under discussion in Japan.

One price driver may well be the quality issues relating to planned and existing Clean Development Mechanism projects which will probably generate a smaller quantity of international Kyoto certificates than in the original assumptions.

Coal market

Backwardation (the forward prices for delivery at a later date are lower than those for an earlier date) of quoted market prices for deliveries of hard coal to the ARA ports (Amsterdam, Rotterdam, Antwerp) towards the end of the first quarter of 2008 would suggest that market participants expect a slight easing of the world market for hard coal. Essentially, the situation on the world market for power station coal remains tense due to the small volume of excess mining and logistics capacity. Events which could exacerbate this situation can lead to a price hike. As a consequence of the high export price level and freight prices above marginal cost level, it is possible that prices in the ARA area will decline, however. One important factor influencing prices is how the world financial markets react over the next few months. Depending on its severity, a recession in the USA and/or other major economies would have a significant price-reducing influence. The development of the Chinese and US export quantities, which hinges on the financial markets, will also influence the market price.

Oil market

The decisive factor in the further development of the oil price will remain the price of the dollar and consequently the attractiveness of the oil market for speculative capital. Continuing strong inflows of capital into the oil market will have a powerful upward effect on prices. Nevertheless, the underlying data are indicative of easing prices. Oil supplies remain high and with the end of the heating period in the northern hemisphere the market participants' attention will shift from middle distillates to petrol fuels. US stockpiles are currently at an extremely high level, far above the five-year average.

Gas market

The cross-border price will see considerable rises in the course of this year as the high oil prices over the last few months are not yet fully reflected in gas prices which are linked to an oil price index.

The forward prices for the following years will be closely linked to the oil price so that easing oil quotes will provide potential for falling prices. We expect a slight decline in the spot market prices in the second quarter for seasonal reasons.

In January 2008, the German Federal Statistics Office ceased publishing prices for heavy heating oil at trading places along the Rhine. Those supply agreements that were linked to this index have consequently been amended to refer to other indices.

Anticipated development of significant acquisitions

The investment programme includes € 3 billion budgeted for financial investments. We see opportunities both in the field of German municipal utilities/regional suppliers and in central and south-eastern Europe (including Turkey). In addition, the growth strategies already described may make further financial investments necessary to supplement the scheduled capital expenditures in specific cases.

Any acquisitions in Germany or in central and eastern Europe resulting from this, which may lead to further increases in the key financial indicators of the EnBW group, are subject to a high degree of uncertainty. The forecast is therefore restricted to the development of the operational earnings power of the EnBW group.

Anticipated development of earnings (adjusted EBIT)¹

It is anticipated that developments in the electricity segment will be highly varied in 2008 in terms of earnings.

The extent of regulatory measures in the regulated area in 2008 is, in part, still open. The declared objective of the Federal Network Agency is to reduce network user charges. The basis of this will be the costs of the year 2006. On the other hand, however, the costs of the network companies and transmission system operators increased significantly. It is anticipated that it will not be possible to include in the network user charges the significantly increasing prices in 2008 for loss and balancing energy and for the conversion of the wind energy being fed in. In the opinion of the Federal Network Agency this is only permissible after a delay of two years. For this reason, we are aiming to minimise the drop in earnings by launching efficiency programmes (continual optimisation of operational processes) in the group's network companies.

Sales in 2008 are characterised by significantly increasing prices on the forward market. In addition, the situation remains where increasing quotas and prices for renewable energies can generally only be passed on with a time delay. It is currently not possible to foresee the effects of the amendments to Sec. 29 German Act Against Restraints on Competition (GWB). Competition and higher pressure on margins will impose a burden on earnings in 2008 in comparison to the prior year, despite the continued focus on increasing margins and improving efficiency.

In the areas of generation and trading, we are confident that we will be able to compensate for the negative effects on earnings caused by regulation and competition by improving our position in these fields.

In the gas segment we anticipate poorer earnings due to regulatory activities and significantly fiercer competition.

After a very good year in the energy and environmental services segment in 2007, we anticipate a decline in earnings in 2008. Non-recurring expenditure will be incurred in 2008 and 2009 in connection with refurbishing the properties that will be vacated or put to other use after the move to EnBW City, the new administrative complex in Stuttgart.

¹ Adjusted for changes in the consolidated companies.

**Development of earnings 2008
(adjusted EBIT) compared to the
prior year**

Electricity segment including trading	rising
Gas segment	falling
Energy and environmental services segment	falling
Consolidation (with regard to acquisitions, no statement on earnings possible at the moment)	-
Adjusted EBIT, group	rising slightly

Dividends

We aim to maintain a high dividend for the fiscal year 2008. The condition for this is a positive development in earnings ratios on the planned scale, i.e. improvement in the operating performance, a corresponding development of the economic and political conditions relating to the energy industry and of prices for retail and industry customers. However, there is also a risk that operating problems as well as other currently unforeseeable factors could have a negative influence on earnings.

Capital expenditures

Capital expenditures on property, plant and equipment of € 4.6 billion are planned for the period from 2008 to 2010. Approximately 75% of the capital expenditures is accounted for by the electricity segment, while 12% is earmarked for the gas segment. The rest is allocated to the energy and environmental services segment.

Capital expenditures in the electricity segment focus on the replacement of power station capacities, for example the construction of a hard coal fired power plant in Karlsruhe, renewal of the distribution grids, restructuring of the extra-high voltage networks (380 kV and 220 kV). EnBW is also investing in renewable energies, focusing on the run-of-the-river power plant in Rheinfelden and biomass power plants. EnBW has also secured access to several planned offshore wind farms. In order to bundle our activities in Stuttgart, we have decided to build a new office complex (EnBW City).

Financing

For the pending refinancing measures, EnBW can draw on the existing Euro Medium Term Note programme and the Commercial Paper programme as well as the established syndicated line of credit of € 2.5 billion. € 1.5 billion of this line of credit has been granted for a longer period of time, a further tranche will be prolonged as scheduled for a further year.

Based on the current stable A- rating, EnBW will remain in a position to refinance its debts at favourable terms on the capital markets and make use of any opportunities that arise.

Interim financial statements of the EnBW Group January to March 2008

(unaudited)

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_30 Statement of changes in equity

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Income statement of the EnBW group

€ millions ¹	1/1 – 31/3/2008	1/1 – 31/3/2007
Revenue including electricity and natural gas tax	4,719.4	4,201.8
Electricity and natural gas tax	-308.3	-145.6
Revenue	4,411.1	4,056.2
Changes in inventories	10.9	0.2
Own work capitalised	8.5	7.2
Other operating income	107.5	199.7
Cost of materials	-3,127.3	-2,878.3
Personnel expenses	-350.6	-342.2
Amortisation and depreciation	-193.3	-188.7
Other operating expenses	-218.1	-224.2
Result from operating activities	648.7	629.9
Share of profit of entities accounted for using the equity method	51.4	45.1
Other income from investments	36.0	6.8
Financial revenue	91.2	75.5
Finance costs	-206.2	-199.0
Earnings before tax	621.1	558.3
Income tax	-172.9	-167.1
Result of continuing operations²	448.2	391.2
Result of discontinued operations	0.0	4.5
Group net profit	448.2	395.7
of which profit shares attributable to minority interests	(26.8)	(28.8)
of which profit shares attributable to equity holders of EnBW AG	(421.4)	(366.9)
Shares outstanding (millions), weighted average	244.257	244.257
Earnings per share from continuing operations (€)³	1.73	1.48
Earnings per share from group net profit (€)³	1.73	1.50

¹ The figures of the comparative period have been adjusted.

² Of which profit shares attributable to the equity holders of EnBW AG: € 421.4 million (prior year: € 362.4 million).

³ Basic and diluted; in relation to the profit shares attributable to the equity holders of EnBW AG.

Balance sheet of the EnBW group

€ millions	31/3/2008	31/12/2007
Assets		
Non-current assets		
Intangible assets	1,622.1	1,636.4
Property, plant and equipment	11,394.9	11,416.2
Investment properties	95.0	87.7
Entities accounted for using the equity method	1,953.2	1,856.5
Other financial assets	5,629.6	5,734.4
Trade receivables	379.2	372.6
Income tax refund claims	256.3	253.8
Other non-current assets	174.1	179.8
Deferred taxes	6.5	6.0
	21,510.9	21,543.4
Current assets		
Inventories	697.7	732.7
Financial assets	527.2	727.6
Trade receivables	2,408.7	2,108.7
Income tax refund claims	256.3	255.1
Other current assets	2,140.1	1,725.6
Cash and cash equivalents	1,503.1	1,317.8
	7,533.1	6,867.5
Non-current assets held for sale	1.2	3.4
	7,534.3	6,870.9
	29,045.2	28,414.3
Equity and liabilities		
Equity		
Group shares		
Subscribed capital	640.0	640.0
Capital reserve	22.2	22.2
Revenue reserves	4,209.1	3,787.7
Revaluation reserve in accordance with IFRS 3	49.6	49.6
Treasury shares	-204.1	-204.1
Total net income recognised in equity	682.2	756.0
	5,399.0	5,051.4
Minority interests	974.0	950.3
	6,373.0	6,001.7
Non-current liabilities		
Provisions	9,062.1	8,989.1
Deferred taxes	1,713.7	1,616.8
Financial liabilities	3,547.1	3,364.2
Other liabilities and subsidies	2,115.0	2,127.0
	16,437.9	16,097.1
Current liabilities		
Provisions	1,084.2	1,131.3
Financial liabilities	279.5	588.3
Trade payables	2,171.7	2,323.3
Income tax liabilities	0.6	6.3
Other liabilities and subsidies	2,690.4	2,258.4
	6,226.4	6,307.6
Liabilities of discontinued operations	7.9	7.9
	6,234.3	6,315.5
	29,045.2	28,414.3

Cash flow statement of the EnBW group

€ millions	1/1 – 31/3/2008	1/1 – 31/3/2007
1. Operating activities		
EBITDA	842.0	818.6
EBITDA of discontinued operations	0.0	7.7
Change in non-current provisions	-45.0	-43.4
Gain/loss on disposal of non-current assets	-2.2	-0.7
Other non-cash expenses/income	-17.3	-18.8
Funds from operations (FFO) before tax and financing	777.5	763.4
Change in working capital and current provisions	-358.9	-243.8
Income tax paid	-111.6	-220.1
Cash flow from operating activities	307.0	299.5
of which discontinued operations	[0.0]	[-4.3]
2. Investing activities		
Capital expenditures on intangible assets and property, plant and equipment	-148.8	-158.5
Cash received from disposals of intangible assets and property, plant and equipment	5.3	7.7
Cash received from construction cost and investment subsidies	15.0	19.2
Cash paid for the acquisition of fully and proportionately consolidated entities and entities accounted for using the equity method	0.0	-182.0
Cash received from the sale of fully and proportionately consolidated entities and entities accounted for using the equity method	4.2	0.0
Change in securities and investments	181.2	-42.2
Interest received	58.5	81.7
Dividends received	30.0	33.0
Cash flow from investing activities	145.4	-241.1
of which discontinued operations	[0.0]	[0.7]
3. Financing activities		
Interest paid	-116.6	-201.8
Dividends paid	-3.4	-0.4
Change in financial liabilities	-157.0	131.2
Cash flow from financing activities	-277.0	-71.0
of which discontinued operations	[0.0]	[-1.4]
Net change in cash and cash equivalents	175.4	-12.6
Net foreign exchange difference	9.9	-2.9
Change in cash and cash equivalents	185.3	-15.5
Cash and cash equivalents at the beginning of the period	1,317.8	1,932.3
Cash and cash equivalents at the end of the period	1,503.1	1,916.8

Statement of changes in equity of the EnBW group

€ millions ¹	Group shares	Minority interests	Total
As of 31 December 2006	3,562.9	929.5	4,492.4
Total net income recognised in equity	3.0	-3.5	-0.5
Group net profit	366.9	28.8	395.7
of which result of discontinued operations	(4.5)	(0.0)	(4.5)
Total income recognised directly in equity and group net profit	369.9	25.3	395.2
Dividends paid	0.0	-0.4	-0.4
Other changes	0.0	-57.2	-57.2
As of 31 March 2007	3,932.8	897.2	4,830.0
As of 31 December 2007	5,051.4	950.3	6,001.7
Total net income recognised in equity	-73.8	0.0	-73.8
Group net profit	421.4	26.8	448.2
of which result of discontinued operations	(0.0)	(0.0)	(0.0)
Total income recognised directly in equity and group net profit	347.6	26.8	374.4
Dividends paid	0.0	-3.4	-3.4
Other changes	0.0	0.3	0.3
As of 31 March 2008	5,399.0	974.0	6,373.0

¹ The figures of the comparative period have been adjusted.

Notes and explanations

Accounting policies

The interim financial statements of the EnBW group are prepared according to the International Financial Reporting Standards (IFRS) the adoption of which is mandatory in the EU at the balance sheet date. In addition, the related interpretations (IFRIC/SIC) are observed. Standards and interpretations that have not yet come into force are not adopted.

The accounting policies applied for the interim report as of 31 March 2008 are the same as those for the consolidated financial statements as of 31 December 2007 with the exception of the new policies described below.

In compliance with IAS 34, the reporting scope selected for the presentation of the consolidation financial statements of EnBW AG as of 31 March 2008 was condensed compared to that of the annual financial statements.

Besides the balance sheet and the income statement, the financial statements also include a cash flow statement and a condensed statement of changes in equity. Information about segment revenues and the segment result after amortisation and depreciation is contained in the interim group management report.

Changes in accounting policies

The International Financial Reporting Interpretations Committee (IFRIC) issued the following interpretations which must be adopted from fiscal year 2008 onwards:

> **IFRIC 11 “IFRS 2 - Group and Treasury Share Transactions”:** The interpretation deals with the question of how IFRS 2 “Share-based Payment” applies to agreements on share-based payments which contain group or treasury shares.

First-time adoption of IFRIC 11 had no material effect on the EnBW consolidated financial statements.

Effects of new accounting standards that are not yet mandatory

The IASB and IFRIC have published the following interpretations whose adoption is not yet mandatory for the fiscal year 2008. Their application in the future is subject to their endorsement by the EU as European law:

> **IFRS 2 “Share-based Payment”:** The revision of IFRS 2 clarifies the definition of “vested liabilities” for share-based payments. It also clarifies that all cancellations of share-based payment plans are to be accounted for in the same way, regardless of the party terminating the agreement. The standard is effective for fiscal years beginning on or after 1 January 2009. It has not yet been endorsed as European law. First-time adoption of the amendment is not expected to have any material effect on the EnBW consolidated financial statements.

> **IFRS 3 “Business Combinations”:** The main changes relate to the scope and accounting for business combinations achieved in stages. The standard also introduces an option: Minority interests can either be measured at fair value or at the amortised interest in net assets. Depending on how the option is used, any goodwill arising in the course of the business combination is either disclosed in full or on a pro rata basis. The revised standard also contains new provisions regarding the recognition and measurement of acquired assets and liabilities. The standard is effective for fiscal years beginning on or after 1 July 2009. It has yet to be endorsed by the EU as European law. The effects on the EnBW consolidated financial statements are currently being assessed.

> **IFRS 8 “Operating Segments”:** IFRS 8 replaces the previous IAS 14 “Segment Reporting” and, with a few minor exceptions, brings the standard in line with the US GAAP provisions of Statement of Financial Accounting Standards (SFAS) 131. IFRS 8 requires operating segments to be identified using the management approach. The standard is effective for fiscal years beginning on or after 1 January 2009. First-time adoption of IFRS 8 is not expected to have any material effect on the EnBW consolidated financial statements.

- > **IAS 1 “Presentation of Financial Statements”:** The key changes concern the presentation of equity and designation of the individual components of the financial statements. The revised IAS 1 is effective for fiscal years beginning on or after 1 January 2009. It has yet to be endorsed by the EU as European law. The changes are not expected to have any material effect on the EnBW consolidated financial statements.
- > **IAS 23 “Borrowing Costs”:** The amendment of IAS 23 eliminates the allowed alternative treatment of recognising as an expense in the period in which they are incurred any borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets. In future, such borrowing costs must be capitalised as part of the cost of the asset. The standard is effective for fiscal years beginning on or after 1 January 2009. It has not yet been endorsed by the EU as European law. The effects on the EnBW consolidated financial statements are currently being assessed.
- > **IAS 27 “Consolidated and Separate Financial Statements”:** The new version of IAS 27 contains in particular amended rulings on accounting for changes in ownership interests. In future, the transactions by which a parent company has changed its ownership interest in a subsidiary without losing control of the subsidiary will be recorded directly in equity. The standard is effective for fiscal years beginning on or after 1 July 2009. The amendment has not yet been endorsed as European law. The effects on the EnBW consolidated financial statements are currently being assessed.
- > **IAS 32 “Financial Instruments: Presentation”:** The main changes relate to the disclosure of certain cancellable financial instruments and of obligations which only occur in the case of liquidation. Some financial instruments which currently qualify as financial liabilities will therefore be classified as equity. The standard is effective for fiscal years beginning on or after 1 January 2009. It has yet to be adopted by the EU as European law. The effects on the EnBW consolidated financial statements are currently being assessed.
- > **IFRIC 12 “Service Concession Arrangements”:** IFRIC 12 governs the accounting for arrangements under which a public sector entity as the grantor awards contracts to private operators for the provision of services to the public (e.g. airports, prisons, utilities, etc.). In order to perform these duties, the operator uses infrastructure which, however, continues to be controlled by the grantor. Nevertheless, the operator is responsible for construction, operation and maintenance. This interpretation is effective for fiscal years beginning on or after 1 January 2008. IFRIC 12 has not yet been endorsed by the EU as European law. The effects of first-time adoption of IFRIC 12 on the EnBW consolidated financial statements are currently being assessed.
- > **IFRIC 13 “Customer Loyalty Programmes”:** This interpretation addresses the recognition and measurement of revenue from sales transactions and associated expenses for obligations arising from customer loyalty programmes such as credits, bonuses or other awards operated by the manufacturer or service provider, or by third parties. This interpretation is effective for fiscal years beginning on or after 1 July 2008. It has yet to be endorsed by the EU as European law. The effects on the EnBW consolidated financial statements are currently being assessed.
- > **IFRIC 14 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”:** This interpretation provides guidance on how to determine the limit of IAS 19 “Employee Benefits” for a surplus that can be carried as an asset. In addition, it explains the effects of defined benefit plans on the measurement of assets and provisions on account of a legal obligation to make minimum contributions, e.g. in accordance with statutory requirements or the terms and conditions of the plan. This is to ensure that entities consistently recognise any surplus plan assets as an asset. However, IFRIC 14 does not require the employer to recognise any other obligation as long as the minimum funding contribution is repaid to the entity. This interpretation is effective for fiscal years beginning on or after 1 January 2008. It has yet to be endorsed by the EU as European law. The effects of IFRIC 14 on the EnBW consolidated financial statements are currently being assessed.

Basis of consolidation

The financial statements of the domestic and foreign subsidiaries and joint ventures included in consolidation were prepared in accordance with the accounting policies of EnBW.

Capital consolidation is performed according to the purchase method by offsetting the cost of acquisition against the proportionate revalued equity of the subsidiaries at the date of acquisition. Assets and liabilities are carried at fair value. Any remaining positive differences are recognised as goodwill. Negative differences are immediately recognised in profit or loss following a review of their calculation.

Receivables, liabilities and provisions between the consolidated entities are netted. Intercompany income is offset against the corresponding expenses. Intercompany profits are eliminated unless they are immaterial. Deferred taxes are recorded.

Joint ventures are consolidated according to the same principles as subsidiaries.

The same accounting policies apply to entities accounted for using the equity method. Goodwill is recognised in the carrying amount of the investment. Impairment losses on goodwill are disclosed in investment income. Negative differences are recognised in profit or loss via investment income.

Consolidated companies

Under the full-consolidation method, all subsidiaries are included on whose financial and business policy control is exercised as defined by the control concept. In this case, the assets and liabilities of a subsidiary are included in full in the consolidated financial statements.

Jointly controlled entities are included in the consolidated financial statements by way of proportionate consolidation. In the case of the proportionate consolidation, the assets and liabilities of the subsidiary are only considered in the consolidated financial statements in proportion to the shareholding of the parent company.

The equity method is used when a significant influence may be exercised on the business policy of the associate, but the entity does not qualify as a subsidiary or a joint venture. When measuring shares this means that only the pro rata equity of the entity is included in consolidated financial statements, and not its assets and liabilities.

Type of consolidation and number ¹	31/3/2008	31/12/2007	31/3/2007
Full consolidation	94	95	105
Proportionate consolidation (joint ventures)	10	10	9
Entities accounted for using the equity method	17	17	28

¹ The figures of the comparative period have been adjusted.

Share of profit of entities accounted for using the equity method and other investment income

€ millions ¹	1/1 – 31/3/2008	1/1 – 31/3/2007
Share of profit of entities accounted for using the equity method	51.4	45.1
Investment income	7.8	7.5
of which non-consolidated affiliated entities	(1.6)	(0.0)
Write-downs of investments	0.0	-0.7
of which non-consolidated affiliated entities	(0.0)	(0.0)
Income from the sale of investments	28.2	0.0
Other income from investments	36.0	6.8
Investment result	87.4	51.9

¹ The figures of the comparative period have been adjusted.

Finance revenue and finance costs

€ millions	1/1 – 31/3/2008	1/1 – 31/3/2007
Interest and similar income	59.0	58.4
of which non-consolidated affiliated entities	(0.1)	(0.1)
Other finance revenue	32.2	17.1
Financial revenue	91.2	75.5
Borrowing costs	-56.0	-69.4
Other interest and similar expenses	-6.4	-8.2
of which non-consolidated affiliated entities	(-0.1)	(0.0)
Interest portion of increases in provisions	-119.4	-112.2
Personnel provisions	(-53.7)	(-50.8)
Provisions relating to nuclear power	(-62.0)	(-59.1)
Other non-current provisions	(-3.7)	(-2.3)
Other finance costs	-24.4	-9.2
Finance costs	-206.2	-199.0
Financial result	-115.0	-123.5

Contingent liabilities and financial commitments

Contingent liabilities and financial commitments have increased by € 7.9 million compared to 31 December 2007.

Notes to the cash flow statement

Funds from operations (FFO) € millions	1/1 – 31/3/2008	1/1 – 31/3/2007
Funds from operations before tax and financing	777.5	763.4
Income taxes paid	-111.6	-220.1
Interest and dividends received	88.5	114.7
Interest paid	-116.6	-201.8
Funds from operations after tax and financing	637.8	456.2

Related parties

Related parties include Electricité de France (EDF) and Zweckverband Oberschwäbische Elektrizitätswerke (OEW). The financial statements of EnBW AG are included in the consolidated financial statements of EDF on a proportionate basis.

The business transacted with EDF during the first quarter had the following impact on the consolidated financial statements of EnBW:

Income statement € millions	1/1 – 31/3/2008	1/1 – 31/3/2007
Revenue	158.2	179.7
Cost of materials	-180.2	-155.3

Balance sheet € millions	31/3/2008	31/12/2007
Receivables	71.8	111.6
Payments on account	35.0	37.7
Liabilities	72.8	90.1
Payments on account received	37.8	44.4

The revenue and cost of materials mainly result from electricity supply and electricity procurement agreements. All business relations with EDF are at arm's length.

The business relations with joint ventures conducted at market conditions were as follows:

Income statement € millions	1/1 – 31/3/2008	1/1 – 31/3/2007
Revenue	19.3	14.0
Cost of materials	-16.2	-12.1

Balance sheet € millions	31/3/2008	31/12/2007
Other loans	7.4	7.4
Receivables	6.7	7.4
Payments on account	1.7	1.4
Liabilities	4.4	5.1
Payments on account received	0.2	1.3

In the course of ordinary business activities, relationships also exist with associates, including among others municipal entities (public utilities, in particular) accounted for using the equity method. Goods and service transactions with these entities took place at arm's length and had the following impact on the balance sheet and income statement of the EnBW group:

Income statement € millions	1/1 – 31/3/2008	1/1 – 31/3/2007
Revenue	45.9	29.1
Cost of materials	-13.2	-10.6

Balance sheet € millions	31/3/2008	31/12/2007
Receivables	23.6	9.3
Liabilities	6.9	4.8
Payments on account received	0.4	0.4

The EnBW group has not entered into any significant transactions with related persons.

Dividends

On 25 April 2008, the annual general meeting of EnBW approved the proposal put forward by the Board of Management and Supervisory Board to pay a dividend of € 1.51 per share for the fiscal year 2007. This corresponds to a dividend payment of € 368.8 million.

Treasury shares

As of 31 March 2008, EnBW AG holds 5,749,677 treasury shares that are valued at € 35.79 in the separate financial statements of EnBW AG. They account for 2.3% of the capital stock.

Board of Management and Supervisory Board

Board of Management

Hans-Peter Villis

Born 1958 in Castrop-Rauxel
Chief Executive Officer
since 1 October 2007
Appointed until 30 September 2012
Castrop-Rauxel

Pierre Lederer

Born 1949 in Paris
Deputy chairman
of the Board of Management
Member of the Board of Management
since 1 June 2000
Chief Operating Officer since 1 May 2003
Appointed until 31 May 2010
Karlsruhe

Dr. Bernhard Beck, LL.M.

Born 1954 in Tuttlingen
Member of the Board of Management
and Chief Human Resources Officer,
Chief Human Resources and Information Officer
since 1 October 2002
Appointed until 30 September 2012
Leonberg

Dr. Christian Holzherr

Born 1963 in Tübingen
Member of the Board of Management
Chief Financial Officer
since 1 January 2005
Appointed until 30 April 2008
Stuttgart

Dr. h. c. Detlef Schmidt

Born 1944 in Döbern
Member of the Board of Management
Chief Marketing and Sales Officer
since 1 July 2003
Appointed until 30 June 2008
Gifhorn/Karlsruhe

Dr. Hans-Josef Zimmer

Born 1958 in Merzig
Member of the Board of Management
Chief Technical Officer
since 1 October 2007
Appointed until 30 September 2010
Steinfeld (Rhineland-Palatinate)

As of 31 March 2008.

Supervisory Board

Dr. Claus Dieter Hoffmann, Stuttgart

Managing partner of
H + H Senior Advisors GmbH
Chairman

Marianne Kugler-Wendt, Heilbronn

Regional director at ver.di, Heilbronn-Neckar-Franconia district

Kurt Widmaier, Ravensburg

District administrator of the Ravensburg district

Dietrich Herd, Philippsburg

Chairman of the central works council of EnBW Kraftwerke AG
Deputy chairman

Wolfgang Lang, Karlsruhe

Chairman of the central works council of EnBW Systeme Infrastruktur Support GmbH

Dr.-Ing. Gérard Wolf, Paris

Directeur Général Adjoint Filiales et Développement à l'International at Electricité de France SA

Prof. Joachim Bitterlich, Paris

Directeur des Affaires Internationales at Veolia Environnement SA

Gérard Roth, Bois d'Arcy

Directeur Allemagne at Electricité de France SA

Dr. Bernd-Michael Zinow, Pfinztal

Responsible for regulation and compliance at EnBW Energie Baden-Württemberg AG

Marc Boudier, Sèvres

Directeur Europe at Electricité de France SA

Klaus Schörnich, Düsseldorf

Chairman of the works council of Stadtwerke Düsseldorf AG

As of 31 March 2008.

Dr. Daniel Camus, Croissy-sur-Seine

Directeur Général Délégué Finances at Electricité de France SA

Heinz Seiffert, Ehingen

District administrator of the Alb-Donau district

Dirk Gaerte, Sigmaringendorf

District administrator of the Sigmaringen district

Gerhard Stratthaus MdL, Brühl

Finance minister of the state of Baden-Württemberg

Josef Götz, Stuttgart

Chairman of the central works council of EnBW Regional AG

Werner Vorderwülbecke, Stuttgart

Regional department head at ver.di, for Baden-Württemberg

Reiner Koch, Glienicke/Nordbahn

Responsible for supply and waste disposal divisions at ver.di head office

Christoph Walther, Langebrück

Deputy chairman of the works council of ENSO Strom AG

Dietmar Weber, Esslingen

Chairman of the central works council of EnBW Vertriebs- und Service-gesellschaft mbH

Financial calendar/Contact

9 May 2008

Publication of the quarterly financial report
January to March 2008

1 August 2008

Publication of the six-monthly financial report
January to June 2008

13 November 2008

Publication of the quarterly financial report
January to September 2008

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Phone: 0800 1020030 or
0800 AKTIEENBW (Germany only)
Fax: 0800 3629111 (Germany only)
Email: info@investor.enbw.com
Internet: www.enbw.com

Group publications

Upon request, we would be pleased to send you additional complimentary copies of this report and other group publications such as the annual report, innovation report and sustainability report. These reports are available in German and English; the annual report is also available in French. In case of doubt, the German version shall prevail. Please place your orders with our Shareholder Hotline.

All reports and brochures of the group can be downloaded from the internet. The German and English versions of the annual report can also be accessed as an interactive annual report online.

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9 May 2008

Photo of the Board of Management

p. 5
Rüdiger Nehmzow, Düsseldorf

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Baden-Württemberg AG**

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