

Six-Monthly Financial Report

January to June 2013

EnBW 2020



EnBW Energie
Baden-Württemberg AG

Key figures

EnBW Group

€ millions ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Revenue				
Generation and trading	2,522.9	2,143.9	17.7	4,344.2
Renewable energies	185.4	170.8	8.5	347.4
Grids	2,829.5	2,491.9	13.5	5,268.5
Sales	5,015.4	4,851.3	3.4	9,277.7
Other/consolidation	6.5	4.5	44.4	8.1
External revenue, total	10,559.7	9,662.4	9.3	19,245.9
Adjusted EBITDA	1,406.3	1,439.0	-2.3	2,340.8
EBITDA	1,096.7	1,384.0	-20.8	2,307.2
Adjusted EBIT	969.3	1,000.5	-3.1	1,452.5
EBIT	659.0	945.4	-30.3	1,289.3
Adjusted Group net profit ²	475.6	575.6	-17.4	651.8
Group net profit ²	190.5	545.0	-65.0	484.2
Earnings per share from adjusted Group net profit ² in €	1.76	2.36	-25.4	2.53
Earnings per share from Group net profit ² in €	0.70	2.23	-68.6	1.88
Cash flow from operating activities	743.5	612.5	21.4	856.3
Free cash flow	535.2	436.7	22.6	205.8
Capital expenditures	375.9	347.1	8.3	877.4

Energy sales of the EnBW Group

Billions of kWh ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Electricity	64.4	67.5	-4.6	135.4
Gas	54.1	38.4	40.9	73.1

Employees of the EnBW Group

Number ^{1,3}	30/06/2013	30/06/2012	Variance %	31/12/2012
Employees	19,774	20,108	-1.7	19,998

¹ The figures of the comparative periods have been restated.

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

³ Number of employees excluding apprentices/trainees and without inactive employees.

At a glance

With revenues in excess of € 19 billion in 2012, approximately 5.5 million customers and some 20,000 employees, EnBW Energie Baden-Württemberg AG ranks among the largest energy companies in Germany and Europe.



We generate, trade in, transport and sell energy. We aim to be close to our customers with innovative products, system expertise and strong brands. We are actively helping to structure the Energie-wende. To this end, we are expanding our wind and hydro power, optimising our grids and operating power plants. We are offering citizens and local authorities the opportunity to assume an active role in projects in the new energy world.

From our base in Baden-Württemberg, we operate in Germany, Austria, Switzerland and Turkey.

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Disclaimer

This report was prepared purely for informative purposes. It does not constitute an offer or an investment recommendation. EnBW undertakes no obligation whatsoever to update the information and forward-looking statements in this report. More explanations are given on page 52.

Significant financial developments

- > Adjusted EBITDA amounted to €1,406.3 million, representing a 2.3% year-on-year decrease. Excluding positive valuation effects on derivatives, which reverse when the underlying transactions are realised, operating earnings amounted to €1,331.6 million, equivalent to a 7.3% year-on-year decline. Our earnings trends consequently lay in line with our expectations for the 2013 fiscal year.
- > Non-cash extraordinary items fed through to negative non-operating EBITDA of €309.6 million, and partially led to an increase of the adjusted net debt. Adjusted net debt amounted to €8,568.8 million at the end of June 2013.
- > Adjusted Group net profit attributable to EnBW shareholders stood at €475.6 million (-17.4%), while Group net profit amounted to €190.5 million (-65.0%).
- > EnBW invested a total of €374.2 million in the first half of 2013. Of this amount, €99.7 million, or 26.6%, was invested in expanding renewable energies.

Highlights from April to July 2013

April

Annual General Meeting of EnBW

Dr. Frank Mastiaux, EnBW's Chief Executive Officer, introduces the Group's strategic realignment to its shareholders. The difficult environment in the energy industry is burdening Group profitability. EnBW has already initiated the first steps to secure its capacity to act, which were partly successfully implemented in 2012. In the course of the current year 2013, the "Fokus" efficiency programme is expected to deliver savings of around € 600 million, with the requisite impact on profit. Initiatives for the strategic realignment of the company are currently under way. In the process of realignment, EnBW will be focusing on the opportunities arising from the Energiewende, as well as concentrating on tangible contributions to its success – while above all reinforcing the company's stronger orientation towards markets and customers.

May

Berghülen pilot project officially inaugurated

In Berghülen in Alb-Donau-Kreis, EnBW officially inaugurates one of Baden-Württemberg's largest new wind projects. This 6 MW wind park comprises a pilot project in two meanings of the word: it launches a broad partnership with the local authority and its citizens, while also setting standards for onshore locations by deploying advanced system technology. In addition, the wind park in Berghülen is a pioneering project in terms of expanding wind power in Baden-Württemberg. In its domestic market, EnBW is currently examining around 170 wind onshore locations with a potential of up to 520 systems.

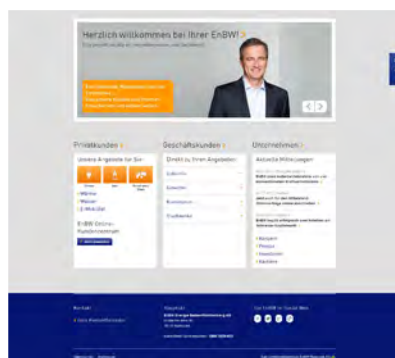


Nuclear energy decommissioning advances further

EnBW is consistently pursuing the decommissioning of its nuclear power plants that have been shut down. After receiving its third decommissioning approval from the Ministry of the Environment, Climate and Energy Industry of Baden-Württemberg, EnBW Kernkraft GmbH is decommissioning the installation core of the nuclear power plant in Obrigheim. The company is also submitting applications for the shutdown and initial decommissioning to the Ministry for system blocks Neckarwestheim I and Philippsburg 1 that have also been switched off. This is required before the installations can be decommissioned.

EnBW's new website goes online

Modern, playful and customer-oriented is how EnBW presents itself to visitors at enbw.com. With its new Internet presence, EnBW not only presents the contents in a significantly more customer-oriented fashion, navigation and use are also more intuitive. In this way, the company aims to foster enthusiasm for the world of energy, and promote dialogue. EnBW's aim is also to share the energy sector's existing knowledge base with interested members of the public. Along with dialogue-oriented elements on its website, the company also integrates related topics into its own social networks.



June

EnBW launches new strategic orientation

EnBW presents its new "EnBW 2020" strategy under the motto of "Energiewende. Safe. Hands on." With its new strategic orientation, EnBW aims to play an active and exemplary role in structuring tomorrow's energy world, and focus on attractive growth areas. Along with a significant portfolio restructuring, the Group plans to implement a stringent divestment and investment programme, as well as a consistent prioritisation of its activities. EnBW is establishing a new structure and a new management model as an important further step in this reorientation.

Fifth machine commissioned at Rheinkraftwerk Iffezheim

After a four-year construction period, EnBW puts the fifth machine at Rheinkraftwerk Iffezheim into commercial operation. With 148 MW of total output, this power plant is consequently Germany's largest run-of-river power plant.



July

TransnetBW launches network expansion at Stuttgart

Transmission system operator TransnetBW starts work on extra high-voltage network in Stuttgart region: a new 380 kV electricity grid is to be established from July. The background to this is the long-term re-equipping of the existing 220 kV network to 380 kV, in order to continue to be able to reliably cover Baden-Württemberg's constant rise in demand for energy from the transportation sector.

EnBW's future strategy: Energiewende. Safe. Hands on.

With its EnBW 2020 Strategy, EnBW Energie Baden-Württemberg AG is responding to the far-reaching changes in the energy sector's environment. Under the motto of "Energiewende. Safe. Hands on."

EnBW is launching a strategic reorientation with which it will play an active and exemplary role in structuring tomorrow's energy world, and tap long-term growth options.

EnBW is bringing its extensive experience in system expertise to bear in order to implement the future's energy supply on a basis that is technically safe and secure, ecologically sustainable, and commercially and financially successful. EnBW is thereby making a contribution to successfully addressing a major social challenge. EnBW is also securing its future viability, and differentiating itself from its competitors.

Clear priorities

EnBW will drive full steam ahead with expanding renewable energies and the necessary network infrastructure. We are thereby meeting the wishes of our customers and society for safe and low CO₂ energy supplies. The conventional power plant park will also play an important role in maintaining secure electricity supplies over a long transition period, however. In the field of nuclear power, we ensure safe operations over the remaining life of the plants as well as safe decommissioning of the facilities by complying with the highest safety standards.

The EnBW 2020 Strategy focuses on the customer: consistent innovation management, shorter development times for new products and services, and balanced partnership models are to become core elements. Above all, EnBW will significantly strengthen its cooperation with local and municipal authorities. We thereby aim to distinguish ourselves from the traditional image of an energy supply company, and differentiate ourselves clearly from our competitors. We favour an agile organisation that is capable of rapidly responding to customer wishes in our service business.

Significant portfolio restructuring

EnBW is pursuing the objective of more than tripling its share of renewable energies in its generation portfolio from today's 12% to almost 40% by 2020. For example, we aim to boost our onshore wind parks' capacities from currently around 200 MW of installed output to around 1,750 MW. We also identify major potential in the re-powering of our own and third-party wind plants. Offshore wind power represents a further growth option. Through considerable investments in grid expansion, we will make a material contribution to the infrastructure that the energy system requires. Marked revenue growth from innovative products will become a further important pillar of the company's business. By 2020, earnings – the target value of adjusted EBITDA stands at around € 2.5 billion – are to be generated to a total of around 40% from our strategic reorientation. In parallel with this, the total share from our stable regulated grid business and from renewable energies is to be boosted from currently around 40% to more than

The EnBW 2020 Strategy is designed to:

- > secure EnBW's competitive edge and open up sustainable options for growth
- > position EnBW as a player in the Energiewende
- > differentiate EnBW from its competitors
- > define measurable goals and make a binding promise of performance
- > convince through its innovative implementation concept and management model
- > inspire EnBW employees



50% by 2020. This will make EnBW's business risk profile significantly more robust, thereby stabilising our capital costs.

Extensive investment and divestment programme

Along with existing investments and in addition to investments approved as per current planning, EnBW aims to invest a total of around € 7 billion by 2020 for these reorientation efforts. The focus in this context will lie on industrial-scale wind and hydro power activities, and the targeted expansion of networks in the transport and distribution network areas – all the way through to so-called smart grids. In addition to current investment projects and the existing investments after 2015, EnBW aims to invest approximately € 3.5 billion in expanding wind power alone and a further approximately € 3 billion in its grid business by 2020. On a regional basis, and from our core market of Baden-Württemberg, we will focus our activities on Germany, Austria, Switzerland and Turkey. In order to create the financial scope for manoeuvre required for these extensive investments, EnBW has considerably expanded its divestment programme in the classic disposals area to around € 2.7 billion. This includes valuable sales of conventional generation plants outside Baden-Württemberg, and non-strategic investments.

Two operating models

In order to achieve our objectives, we will establish two different but interconnected operating models within the company – two "heart beats": "Customer proximity" and "Engine room of the Energiewende".

Both orientations represent equal pillars at EnBW. This foundation forms a new structural concept and management model for ONE EnBW. The particular focus in this context is on significantly reducing the Group's complexity, and on the objective of structuring processes and responsibilities more clearly, in order to thereby boost employees' sense of autonomous responsibility.

Customer proximity

The "customer proximity" heart beat stands for customer orientation, new solutions and product innovations. It comprises the sales business with electricity and gas, energy-related services for defined B2B and B2C customer segments, as well as the wholesale trading market business. The business with and for municipal utilities and local authorities is to be expanded as an important segment, primarily based on partnership cooperation models. EnBW aims to establish advantages over its competitors with customer segment-specific system and complete solutions, clever innovations and a strong brand portfolio. The Group will base this on specific developments, and drive ahead markedly in commercialising them. These include products in the energy management area geared to optimising household and industrial energy consumption, network-related services in the smart grids area, and smart home and electromobility applications. The founding of an innovation campus in the near future will support rapid and groundbreaking product development. This innovation campus will be distinguished by proximity to the market, the bundling of requisite competencies ranging from research and development through to sales, as well as by entrepreneurial thinking and action. Especially in the energy-related services

area, partnerships and selective corporate acquisitions are to supplement know-how, and complete the range of offerings. The “customer proximity” heart beat is to be distinguished by three characteristics above all:

- Customer orientation, knowing the needs of customers and anticipating developments at an early stage
- Innovative, so that ideas can be swiftly brought to the market
- Entrepreneurial, small, dynamic teams to test new business models

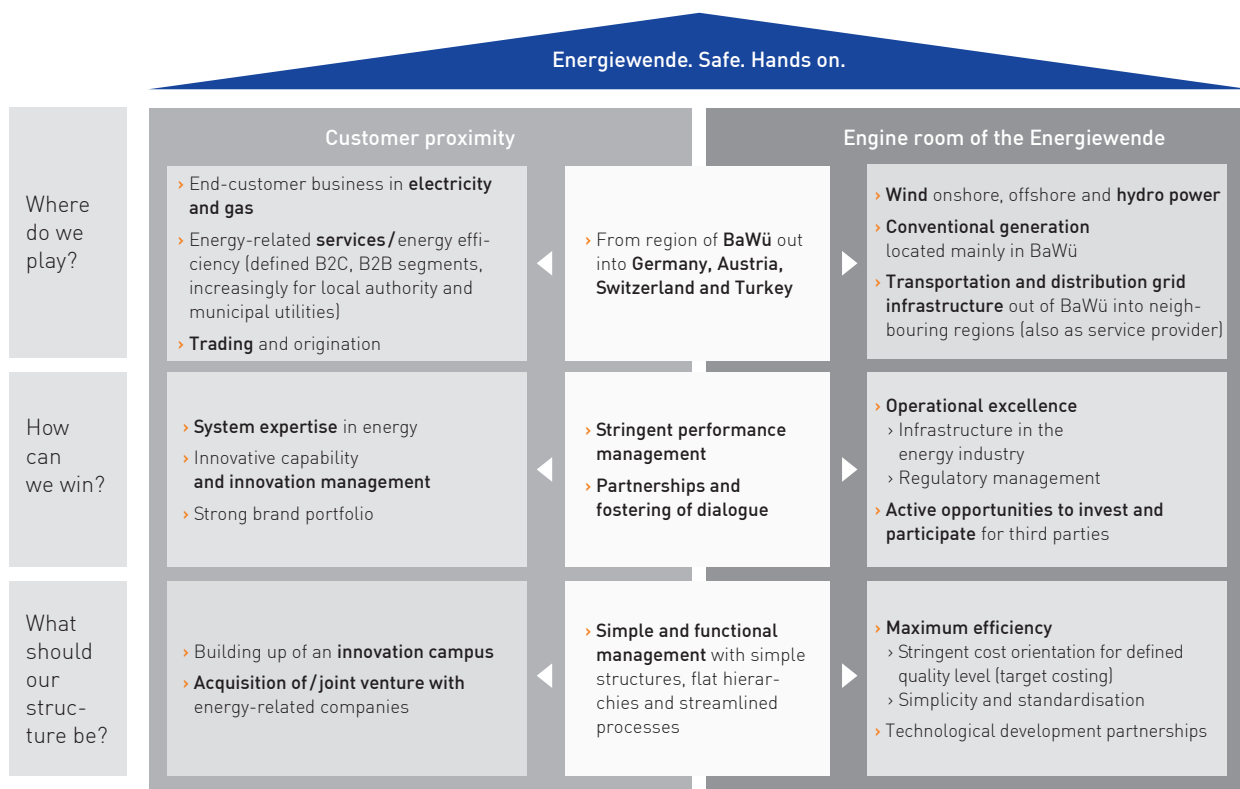
Engine room of the Energiewende

The “engine room of the Energiewende” heart beat is aimed at efficiency, safety, simplicity and flexibility in the operation of system-critical infrastructure: especially renewable energies, but also conventional energy generation as well as the transfer of energy via transport and distribution networks. EnBW is focusing on operational excellence, stringent efficiency and cost orientation for defined quality levels, and on standardisation in this context.

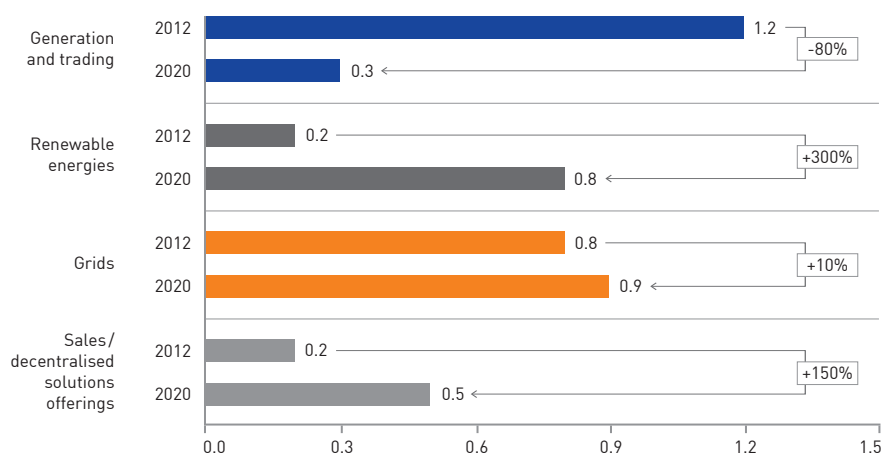
Technological development partnerships reduce costs and risks. EnBW is also actively offering opportunities to invest in networks and generation plants, especially to local authorities. The company is also acting as a provider of back-office solutions for third parties. In its “engine room of the Energiewende”, EnBW is harnessing its expertise to secure reliable energy supplies that must be ensured during the restructuring of the energy landscape. This is distinguished by three characteristics, in particular:

- Efficient and safe construction and operation
- Simple in terms of the organisation and management of business
- Flexible in terms of plants, facilities, processes and costs

Strategy House



Adjusted EBITDA trend 2012–2020 in € billions



ONE EnBW

A new Group structural concept, a new management model and a repositioning of the financial organisation underpin EnBW's strategic reorientation. The distribution of responsibilities within the Board of Management is to be adjusted as a consequence. The motto "ONE EnBW" stands for an organisation that implements performance orientation, rapid decision making and maximum efficiency, as well as an orientation to customer requirements.

The complexity of the EnBW Group is to be considerably reduced through aggregating six core companies. The new structure is to be implemented starting from 1 August 2013. The process of corporate restructuring is to be completed in the first half of 2014 with the combination of EnBW's core companies, specifically EnBW Trading GmbH, EnBW Operations GmbH, EnBW Vertrieb GmbH, EnBW Systeme Infrastruktur Support GmbH and EnBW Erneuerbare und konventionelle Erzeugung AG, and their integration into EnBW AG. The aim is to realise the model of an integrated group. In future, the Group will be managed via business units and functional units. Core business activities will be concentrated under the business units. The functional units will assume Group-wide support and governance tasks. The model of a central holding company will be dispensed with, along with numerous company executive and supervisory bodies and functions in top management. Employees' interests are to be secured in terms of content and structure through a recently collectively bargained agreement as part of the

change to the Group structure. Streamlining the executive and supervisory bodies and committees as well as management levels is expected to bring EnBW efficiency gains worth tens of millions of euros.

In the interest of promoting the concept of performance, the consistency of the financial organisation will be ensured by having all the commercial managers of all business units report directly to EnBW's Chief Financial Officer. The Board of Management will focus on managing the Group strategically and on managing the business and functional units by applying stringent performance management and control in material matters. The allocation of tasks at Board of Management level will be consistently structured in line with either business units or functional units.

An EnBW 2020 transformation programme is to be created in order to implement our new strategy. A team that has many years of experience in all of EnBW's value-creating areas has already started its work, and will coordinate the actions and projects to implement the strategy.

Further information

> Further information about the new EnBW strategy: www.enbw.com > **Company** > **The Group** > **About us** > **Group strategy**

EnBW on the capital market

EnBW is reorienting its strategy due to long-term and far-reaching changes in the energy sector's environment. Key elements in this context include a consistent prioritisation of activities, a related significant portfolio restructuring and a targeted divestment and investment programme. Securing the company's financial stability and ability to access the capital market comprise important pre-conditions for EnBW's long-term financial and commercial success. We aim to establish and further secure confidence in EnBW through open and continuous dialogue with capital market participants.

Established issuer on the debt capital market

We secure the financing of EnBW's business through a high degree of internal financing capability, and by deploying short- and long-term borrowing instruments as well as equity financing ([Interim Group management report](#) > **Financing** > p. 21), thereby ensuring that we enjoy sufficient and flexible access to the capital market at all times.

In their recent rating assessments, the rating agencies confirmed EnBW's A rating (Standard & Poor's A-/outlook stable, Moody's A3/outlook negative and Fitch A-/outlook stable). The current ratings reflect EnBW's sound financial profile and the consistent implementation of our package of measures.

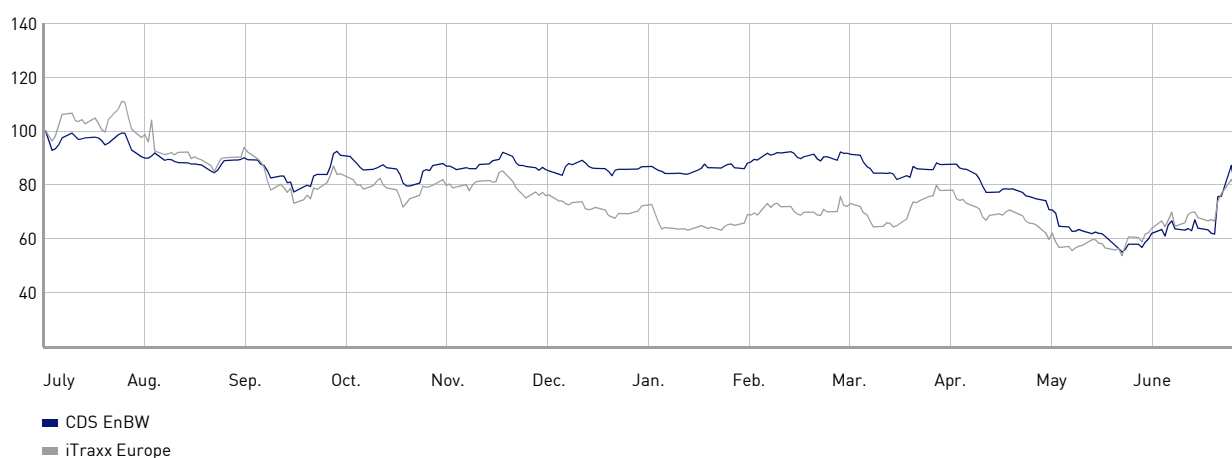
In addition to the key performance indicators the rating agencies employ, the dynamic gearing ratio (adjusted net debt/adjusted EBITDA), forms another of EnBW's key

financial performance indicators. We have set ourselves the objective of achieving a dynamic gearing ratio of 3.3.

Development of the five-year credit default swap (CDS) for EnBW

Within the universe of 125 major European companies, as presented in the iTRAXX Index, the five-year CDS for EnBW quoted at a relatively low level at the start of the one-year observation period, and has narrowed again massively over the course of the last twelve months. In a market environment that exhibits greater risk appetite, the iTRAXX itself initially registered a more dynamic downtrend – not least due to its higher starting base. During the following, more volatile months, which reflected concerns about the economy and interest rates, the CDS for EnBW again performed in line with the index, which is partly attributable to EnBW's high credit quality.

Performance of the Credit Default Swaps July 2012 to June 2013 (%)



The share and the shareholder structure

Since 6 July 2012, our two major shareholders, the federal state of Baden-Württemberg (indirectly via NECKARPRI-Beteiligungsgesellschaft mbH) and OEW Energie-Beteiligungs GmbH, have each held 46.75% of EnBW AG's share capital. Overall the shareholder structure as per 30 June 2013 breaks down as follows:

Shareholder composition ¹ (%)	
OEW Energie-Beteiligungs GmbH	46.75
NECKARPRI-Beteiligungsgesellschaft mbH	46.75
Badische Energieaktionärs-Vereinigung	2.45
Gemeindeelektrizitätsverband Schwarzwald-Donau	0.97
Neckar-Elektrizitätsverband	0.63
EnBW Energie Baden-Württemberg AG	2.08
Free float	0.39

¹ The figures do not add up to 100% due to rounding differences.

The small free float of EnBW AG and the consequently very limited trading volumes in our share mean that the current stock market price of €27.91 (as of 30 June 2013) insufficiently reflects the company's value.

Dialoguing with the capital market

EnBW engages in continuous and open dialogue with capital market participants in order to ensure the trust of investors, analysts and rating agencies in the company at all times. Along with the regular telephone conferences for analysts and investors, and our usual pan-European investor updates in March, we held our annual banking day with around 60 guests on 15 May 2013. This year's event was held in the new construction at the hydro power plant at Rheinfelden, Hochrhein. In particular, one-on-one meetings with market participants also formed the focus towards the end of the first half of 2013 – alongside the announcement of our strategic reorientation. The further development of the corporate strategy, its contents and effects, the future implementation of the package of measures designed to secure the company's future, EnBW's current financial policy and an outlook to the coming years comprised important topics. We will update the EnBW Factbook during the second half of 2013, and we will hold a Capital Market Day in Karlsruhe on 13 September.

Interim Group management report

Business activity and economic environment

With its deep roots in Baden-Württemberg, our company is one of the most important energy supply companies and energy service providers in Germany and Europe. Rapid structural upheaval in the energy sector is feeding through to a drastic decline in revenues, especially in the conventional power plant business. With our new EnBW 2020 Strategy, we are clearly committed to the Energiewende, and we are embracing long-term growth options. Macroeconomic trends are not exerting a tangible impact on our business progress. The prices of primary energy sources, CO₂ allowances and electricity on the wholesale markets continue to be significantly down year-on-year.

Business activity

As an integrated energy supplier, the EnBW Group operates along the entire value chain, offering an extensive portfolio of services.

Starting with the quarterly financial report for January to March 2013, the EnBW Group changed its segment reporting on account of the realignment of our business model and the Group's restructuring. We have adjusted the previous periods' figures to make them comparable. The new segment structure is as follows:

- Generation and trading segment
- Renewable energies segment
- Grids segment
- Sales segment
- Other/consolidation

The generation and trading segment aggregates the generation and trading of electricity, the gas midstream business (long-distance gas distribution) as well as recycling. The Group's renewable energies activities are presented within their own segment. The grids segment comprises stages in the value chain entailing the transportation and distribution of electricity and gas, the providing of grid-related services, the operation of grids for third parties, and water supply services. The sales segment comprises the distribution of electricity and gas, and the provision of energy-related services such as invoicing services, or energy supply and energy saving contracting. Along with EnBW AG, the other/consolidation segment includes eliminations between the segments as well as other activities not allocable to the specific segments.

Heterogeneous market structures

EnBW operates on three different market levels. EnBW's activities in the competitive wholesale markets consist of electricity generation, procurement of primary energy sources and CO₂ emission allowances, as well as electricity trading. An efficient and flexible generation and procurement portfolio is a key success factor here.

The regulated markets are characterised by political, legal and regulatory requirements. This applies to our grids and to renewable energies, above all wind power, biomass and photovoltaic generation.

On the end-customer market, we advise and supply a total of some 5.5 million business and retail customers. Customer-focused energy consultation and services relating to the efficient use of energy and local energy systems are becoming increasingly important.

Corporate strategy

The significant changes in the energy sector are feeding through to a drastic decline in revenues, especially in the conventional power plant business. This business has comprised the main pillar of traditional energy supply companies to date. With our new EnBW 2020 Strategy, we are clearly committed to the Energiewende, and we are embracing long-term growth options. EnBW will orientate itself consistently to the change in the energy sector, rather than just responding with individual measures. We are concentrating our future activities on the markets of Germany, Austria, Switzerland and Turkey.

Significant portfolio restructuring: Our portfolio's share of renewable energies is set to more than triple from today's 12% to almost 40% by 2020. For example, we aim to boost our onshore wind park capacities from currently around 200 MW of installed output to around 1,750 MW. Offshore wind power represents a further growth option. Through considerable investments in grid expansion, we will make a material contribution to the infrastructure that the energy system requires. Innovative products will form an important further pillar of our business. This portfolio restructuring will increase the overall share accounted for by the stable and regulated grid business and renewable energies from currently 40% to more than 50% by 2020. This will make our business risk profile significantly more robust.

Consistent investment and divestment programme: Along with existing investments and in addition to investments approved as per current planning, we aim to invest a total of around € 7 billion over the coming years for these reorientation efforts. We will focus on expanding industrial-scale wind and hydro power in this context. We will invest around € 3.5 billion in expanding wind power by 2020. We will also concentrate on the targeted expansion of our transportation and distribution network, all the way through to smart grids. In addition to current investment plans and the existing investments after 2015, we aim to invest approximately € 3 billion in our grids business by 2020. We have significantly expanded our divestment programme, in the area of standard divestments, to around € 2.7 billion in order to create the financial scope for manoeuvre that we require.

Our customers' preferred partner: Our EnBW 2020 Strategy focuses on the customer: consistent innovation management, faster product development cycles and genuine partnership models are to form core elements of our customer-orientation. With our new business models, extensive service offerings and investment opportunities, we wish to become our customers' preferred partner at all times, whether households, industry or local authorities. The founding of an innovation campus in the near future will support rapid and groundbreaking product development. In particular, we also aim to bolster our cooperation with local authorities and municipal utilities as equal partners, thereby striving to distinguish ourselves from the traditional energy-supplier image, and to clearly differentiate ourselves from our competitors. Instead of cumbersome structures that emphasise hierarchies, we favour an agile organisation that is capable of responding rapidly to customer wishes in the service business.

We will establish two different but interconnected operating models within the company in order to attain our objectives: "customer proximity" and "engine room of the Energiewende". Our aim is to be the first point of contact for energy questions and matters, and to sustainably secure EnBW's competitiveness with convincing products.

"Customer proximity": We aim to more strongly expand EnBW's customer orientation in the future in order to identify clients' requirements, and to participate in developments at an early juncture. This requires continuous market monitoring and the implementation of new or adjusted products and services. We aim to expand our partnership cooperation models with municipal and local authorities.

"Engine room of the Energiewende": This management concept is aimed at safety, simplicity and flexibility in the operation of the system-critical infrastructure that is required for the Energiewende: renewable and also conventional energy generation and distribution via transportation and distribution networks. Here we are focusing on operational excellence, stringent efficiency and cost orientation for defined quality levels, standardisation, and technological development partnerships to share costs and risks. EnBW is also actively offering opportunities to invest in networks and generation plants, especially to local authorities.

Economic environment

The performance of EnBW is influenced by a wide range of external factors. The macroeconomic environment, the price trend on the markets for electricity, fuel and CO₂ allowances, as well as the political and regulatory decisions are factors exerting a decisive influence on EnBW's corporate growth and development.

Macroeconomic situation

Gross domestic product (GDP) trends (%)	2012	2011
World	2.3	2.8
Eurozone	-0.5	1.5
Germany	0.7	3.0
Austria	0.8	2.7
Switzerland	1.0	1.9
Turkey	2.2	8.8

Global economic output reported moderate growth of 2.3% in 2012 (2011: 2.8%). The World Bank forecasts an at best slow recovery in the global economy in 2013. The recession in Europe, which has proved more pronounced than expected, is a particular reason for this faltering growth. The rising unemployment in many Eurozone countries that this is precipitating, and uncertainty about the continuation of the low interest rate policy of the US central bank, the Fed, are contributing to rising uncertainty around the world. Emerging economies, too, such as China, India and Brazil, have seen growth drop to 5.0% (2011: 6.0%) due to a worsening in the external economic environment and a

weakening of domestic demand. Growth in industrial countries (2012: 1.3%) still lies significantly below that of emerging markets.

After Eurozone GDP contracted by 0.5% in 2012 (2011: +1.5%), economic output in the first quarter of 2013 was down by 0.2% compared with the previous quarter, according to European Union data. GDP nevertheless grew by 1.1% compared with the corresponding quarter of the previous year. The annual inflation rate stood at 1.4% in May 2013 according to a first advance estimate produced by the EU Commission, and compared with 1.2% in April. Inflation was running at 2.4% a year ago. In Austria, economic growth reported a marked slowdown to just 0.8% in 2012 (2011: 2.7%). Economic output in the first quarter of 2013 stagnated at the previous quarter's level. Compared with the first quarter 2012, GDP was down by 0.7% mainly due to a significant decline in investments and weaker private consumption. With 1.0% growth, the Swiss economy performed well given the Eurozone recession (2011: 1.9%). In the first quarter 2013, macroeconomic output grew by a further 0.6% compared with the previous quarter. Private consumption, construction investments and external trade delivered positive impulses. GDP was up by 1.1% compared with the first quarter of 2012. In Turkey, economic growth slowed considerably to 2.2% in 2012 (2011: 8.8%). Although domestic demand and exports have risen since the end of 2012, the inflation rate reports only a slow decline: in March 2013 it still stood at 7.3% compared with 9.0% in 2012.

The German economy is registering a slight uptrend, according to data produced by the German Institute for Economic Research (DIW). GDP in the second quarter of 2013 was up by 0.3% compared with the previous quarter. German economic growth is again accelerating considerably as a consequence, having previously contracted in the winter half of the year due to negative impacts as a consequence of the Eurozone crisis and the weak global economy. Upward pressure on prices strengthened again slightly in May 2013, according to the German Federal Statistical Office. The inflation rate rose by 0.3 percentage points to 1.5% compared with April 2013 (1.2%).

In the January to April 2013 period, electricity consumption fell by 2.0% year-on-year to 169.7 billion kWh. This drop in consumption is due to moderate economic growth as a consequence of the long winter and the lack of an additional day due to the previous year being a leap year, according to estimates produced by the German Energy and Water Association (BDEW). Gross electricity generation was up by 2.5% to 155.0 billion kWh. Supplies to industry, railways and private individuals of 42.8 billion kWh were down 5.2% year-on-year. The BDEW reported stronger demand from abroad, resulting in an export surplus of 14.6 billion kWh between January and April 2013, and consequently a positive balance in the exchange of electricity.

The long winter and the cool climatic development resulted in a marked increase in energy consumption during the first quarter of 2013, while weak economic growth exerted a counter-effect, according to the Working Group on Energy Balances (AGEB). Total energy consumption was up by 3.4% year-on-year. Mineral oil consumption fell by almost 1.0% in this context, and brown coal consumption was down by 2.6% due to the shutdown of old electricity generation plants, according to AGEB calculations. The consumption of natural gas and hard coal was up by approximately 9% and 10.5% respectively, by contrast. The contribution made by renewable energy sources was up by 2.0% in total. Biomass, in particular, delivered a higher generating contribution in this context. Generation from run-of-river power plants also registered slight growth, while generation from wind energy and photovoltaic sources was lower due to weather conditions. At -0.3% the nuclear power contribution was largely stable.

Market situation for primary energy sources, CO₂ allowances and electricity

The overriding objective of EnBW's trading activities is to reduce the uncertainty in the generation margin that can arise from the price trends of primary sources of energy, CO₂ allowances and electricity in the wholesale markets. For this reason, EnBW uses the forward market not only to procure the quantities of primary energy sources and CO₂ emission allowances required for electricity generation, but also to sell scheduled electricity production. The terms in the supply contracts concluded the year before are decisive for costs and income in the first half of 2013. The price developments seen on the forward market in the first six months of 2013 will have an effect on the results for 2014 and subsequent years. Similarly, this applies to the quantities of electricity procured by the sales function on the futures market.

Oil market: Oil prices moved in a range of almost 120 US\$/bbl to 97.69 US\$/bbl with a slightly declining trend in the January to June 2013 period. Overall, second-quarter prices were below the level of the first quarter of the year. Economic and political trends in the USA, such as the abolition of the upper debt limit until May 2013 and the US housing market recovery, delivered positive economic impulses during the first three months of the year. In the second quarter, by contrast, indications that global economic growth was underperforming expectations proved to be the predominant factor. Automatic savings measures came into force from March in the USA after the Senate failed to reach agreement on the US budget. China reported a slowdown in economic growth, and the continued difficult economic situation of Southern European states and the political stalemate in Italy exerted a dampening effect on prices in Europe. At the end of June 2013, the oil price stood at 102.16 US\$/bbl (front month) and 98.23 US\$/bbl (front year).

Coal market: The marked decline in coal prices continued in the second quarter of 2013 due to the prevailing oversupply. For example, low gas prices in the USA – due to shale gas's price advantage compared with coal in the internal American market – fed through to good availability of export coal on the Atlantic coal market since no notable production cuts have occurred to date. In the Asian region, too, the surplus was exacerbated by the expansion in supply

from Australia and Indonesia. The market is no longer absorbing higher production volumes, however, since demand growth has slowed, especially in China. Coal consumption was stable in Germany, the United Kingdom and Japan, by contrast. Forward market prices followed the trend in spot market quotations. The front month price amounted to 73.13 US\$/t at the end of June 2013. The front year price stood at 85.59 US\$/t.

Price development on the oil and coal markets	Average H1/2013	Average H1/2012	Average 2012
Crude oil (Brent) front month (daily quotes in US\$/bbl)	107.88	113.61	111.68
Crude oil (Brent) annual price 2014 (daily quotes in US\$/bbl)	101.67	102.02	101.59
Coal – API #2 annual price 2014 in US\$/t	94.43	114.90	110.35

Gas market: Long-term gas import contracts generally formed the basis of Germany's gas supply. Prices essentially track the oil price with a time lapse. The cross-border price index of the Federal Office of Economics and Export Control (BAFA) for natural gas, which is published monthly, posted €28.14/MWh in April 2013, which is 2% below the December 2012 figure (28.68 MWh) and 6% below the previous month's figure (€29.84/MWh).

gas storage levels resulted in the first half of 2013 in a year-on-year increase in the average spot price on the TTF, which was up by €3.56/MWh to €27.66/MWh. In mid-March, very low gas storage levels in the United Kingdom and below-average temperatures, in particular, had temporarily sent spot prices on the TTF surging to more than €40/MWh.

Wholesale markets such as the Dutch Title Transfer Facility (TTF) and the trading point of the NetConnect Germany (NCG) market territory form another important natural gas source. Colder temperatures in the first half of 2013 compared with the prior year's period and uncommonly low

Forward market prices were generally more stable, by contrast. The spot market price increase exerted only a minor impact in this context. The average forward price for 2014 delivery of €26.60/MWh in the first half of 2013 was only €0.03/MWh above the level in the corresponding prior-year period.

Development of prices for natural gas on the TTF (Dutch wholesale) in €/MWh	Average H1/2013	Average H1/2012	Average 2012
Spot	27.66	24.10	25.01
Delivery 2014	26.60	26.57	26.97

CO₂ emission allowances: Under the European emissions trading system, emission allowances must be evidenced for the amount of emissions from power stations. In the first half of 2013, prices for emission allowances (EU Allowance – EUA) fell significantly – albeit in sharp volatility. The third EU emissions trading period for the start of 2013, which had been brought forward to December 2012, fed through to oversupply and a corresponding fall in allowances prices, which was followed by price fluctuation over the further course of the year. This was due to differing voting results from the various EU Parliament committees concerning back-loading – a shortage of supply in emissions allowances. The price for EUA-13 certificates amounted to €4.36/t CO₂

between January and June 2013, representing a 42% year-on-year fall and compared with the average price for the 2012 fiscal year.

Prices for certified emission reduction (CER) certificates generally trade in parallel with EUA-13 certificate prices. CER-13 can only be utilised within the EUR emissions trading system to a limited extent, however. Demand is lower for this reason, and their prices are generally lower than EUA-13 certificates. CER certificate prices have lain considerably below €1/t CO₂ since the end of 2012, trading sideways in low volatility.

Development of prices for emission allowances/daily quotes in €/t CO ₂	Average H1/2013	Average H1/2012	Average 2012
EUA-12/EUA-13	4.36	7.47	7.51
CER-12/CER-13	0.37	3.89	2.96

Electricity wholesale market: At €37.41/MWh, the average price for immediate delivery of electricity (base load product) on the spot market of the European Energy Exchange (EEX) in the first half of 2013 was around €5/MWh, or 13%, lower than the average during the first half of the previous year. Lower prices for fuel purchases and CO₂ emission allowances, in particular, contributed to this price decline.

On the forward market, too, average prices for deliveries of base load product in 2014 of €40.56/MWh in the first half of 2013 were around €11, or 21%, below the prior-year period's level. Along with lower prices for fuels and CO₂ certificates, this also reflects the expectation of higher feed-in volumes from renewable energies as a consequence of advancing plant additions.

Development of prices for electricity (EEX) base load product in €/MWh	Average H1/2013	Average H1/2012	Average 2012
Spot	37.41	42.75	42.60
Delivery 2014	40.56	51.07	49.67

Electricity and gas prices for retail and industrial customers: According to the most recent BDEW estimates (as of May 2013), the monthly electricity bill for an average household with an annual consumption of 3,500 kWh amounted to €83.80 in 2013 (2012: €75.51). Around 50% of this price is attributable to taxes and charges. Electricity prices for household customers have appreciated by an average of 11% since October 2012, according to BDEW data. The price increase was mainly attributable to the substantial increase in the German Renewable Energies Act (EEG) levy, higher network charges across the board, as well as the offshore liability levy introduced by the German government to promote offshore wind power. The average household needed to find around €15 (2012: €10) per month for the promotion of renewable energies. According to the BDEW, industrial customers currently pay an average of 13.34 ct/kWh for electricity (excluding electricity tax).

facing controversial discussion within the European Union due to the marked decline in the price of emissions allowance certificates. The European Parliament failed until the second round to reach agreement on a position that it could endorse; member states are not expected to announce their position until the autumn.

Financial services legislation: In the first half of the year, intensive negotiations as part of the statutory procedure relating to guidelines on markets for financial instruments (MiFiD) resulted in a position on the part of the European Parliament and member states where significant effects on energy trading cannot be excluded. Energy supply companies might be treated in the same way as banks with respect to a considerable part of their trading activities. This might be connected with corresponding licensing obligations as well as additional equity backing requirements. The final rules are being determined as part of the forthcoming compromise negotiations between both of these institutions and the European Commission. The execution provisions that augment the European Markets Infrastructure Regulation (EMIR) have already been approved. The European Securities and Market Authority (ESMA) is now addressing their implementation. Current statutory procedures relating to the introduction of a European transaction tax still need to be followed closely. Depending on its structure, energy trading transactions might also incur charges.

Political framework conditions

European energy policy

Domestic European energy market: Following on from their announcement about the domestic European energy market in November 2012 and the subsequent consultation, the EU Commission aims to present a package of announcements including guidelines on capacity market design as well as on national renewables subsidy systems and renewables cooperation mechanisms by mid-2013. The ongoing revision of European state aid law is also critical to the future scope of national freedom to structure capacity mechanisms and renewables subsidies systems.

Emissions trading: Proposals concerning the temporary shortage of tradable certificates (back-loading) are currently

Nuclear security: The EU Commission published its proposal to amend the Nuclear Security Directive on 13 June. It thereby aims to push further ahead with introducing pan-European security targets following the process that was launched in the wake of Fukushima. These aim to

significantly reduce risks, and to ensure that the population and the environment are protected. The draft version includes numerous critical items that had already been discussed in advance of the proposal's publication. Its targeted approval by spring 2014 remains questionable. The prospect was also raised of a new proposal to regulate liability and insurance in the nuclear area for the end of 2013.

Energy policy in Germany

Energiewende: The main topic of debate at the start of 2013 was the electricity price brake introduced by Peter Altmaier, Germany's Federal Minister for the Environment, Nature Conservation and Nuclear Safety, and Dr. Philipp Rösler, the Federal Minister of Economics and Technology. Energy prices then became an ever larger topic within political debate. In the final analysis, important energy policy decisions cannot be expected until after the elections to the Lower House of the German Parliament (Bundestag) in September 2013.

The Ministerial Draft prepared by the Federal Ministry of Economics and Technology that was announced in mid-March was approved by the German Federal Cabinet on 12 June. Since the directive requires no approval by either the Lower or Upper Houses of the German Parliament, it can still come into force during the summer months of 2013. This directive serves to lend specific form to the German Energy Industry Act (EnWG) in order to thereby ensure supply security within the conventional electricity generation area. It creates the regulatory framework relating to the maintenance of power plants as a reserve to hedge against certain crisis scenarios, especially during winter months.

Ultimate storage: The Site Selection Act is the result of a compromise between the German government, the federal states and political parties. It was passed at its second/third reading in the Lower House of the German Parliament on 28 June, and approved by the Upper House of the German Parliament on 5 July. A joint government/federal states commission is now to develop the foundations for selecting sites by 2015. In addition, transports from the regeneration plant to the Gorleben interim storage site are to be discontinued. To which decentralised interim storage facilities waste is to be brought instead is to be clarified on the basis of political will in spring 2014.

Emission control: The Upper House of the German Federal Parliament consulted concerning the amendment to the 26th German Federal Emissions Control Act (BImSchV) on 3 May. The government accepted the Upper House's desired amendments on 8 May. The Lower House of the German Parliament finally approved the directive's amended draft on 13 June.

Energy-Saving Act: On 7 June, the Upper House of the German Federal Parliament approved the Energy-Saving Act without calling upon the mediation committee. As a

consequence, the discontinuation of the operating prohibition on electric storage heaters from 2020, which the Lower House of the German Parliament approved on 17 May, remains in place. The act will come into force in the summer.

Baden-Württemberg Climate Protection Act and Integrated Energy and Climate Protection Concept: The Baden-Württemberg Climate Protection Act is set to be approved by the state parliament in July. The state's Energy and Climate Protection Concept (IEKK) lends structure to its Climate Protection Act, and forms a central tool to attain the state government's climate policy objectives. The IEKK comprises a total of 110 strategy and action proposals for various sectors. Formal consultation with associations on the IEKK is slated to occur after the summer 2013 recess; extensive involvement of citizens and the public (BEKO) has already taken place. The IEKK is to be finally approved by the state government by the end of 2013.

Regulation of the electricity and gas markets

German Energy Industry Act: The Federal Network Agency (BNetzA) certified TransnetBW GmbH as an independent transmission operator (ITO) with a ruling dated 11 April; this certificate was awarded with conditions. TransnetBW was named as a transmission operator when the certification was announced in the BNetzA's Official Journal on 8 May. As the third German electricity transmission operator, the company has consequently delivered proof that it meets European unbundling requirements relating to the further-reaching liberalisation of the electricity and natural gas market. The restructuring is largely concluded. Activities that have not yet been fully concluded form the subject of the conditions that were made as part of certification by the BNetzA. These mainly relate to supply relationships that still exist on a transitional basis with other EnBW companies, especially the establishment of fully independent data processing.

Incentive regulation: On 29 May, the German Federal Cabinet approved the draft of the directive to amend directives in the energy sector law area. This article regulation comprises adjustments to the German Electricity Network User Charges Ordinance (StromNEV), the German Gas Network User Charges Ordinance (GasNEV), the German Incentive Regulation Ordinance (ARegV), and the German Electricity Network Access Ordinance (StromNZV). The amendment's main concern is to review Section 19 paragraph 2 of the German Electricity Network User Charges Ordinance (StromNEV) with respect to network charges in the light of the current EU subsidy process and the legal precedent set by the Düsseldorf Higher Regional Court. The new version of the directive comprises a staggered rebates system for network charges depending on the number of utilisation hours. A nominal interest rate was also determined for the portion of equity above the 40% regulatory equity ratio. The calculation of the values of old electricity and gas network plant using index series was also

adjusted. In future, recourse is to be made to one significant, primary series of indices in order to determine current values. The abolition of barriers to investment (application of Section 23 of the German Incentive Regulation Ordinance [ARegV] "Investment Measures at High-Voltage Level") forms a further core topic. On 5 July, the Upper House of the German Federal Parliament approved the article directive with some amendments. If the German federal government approves these, most of the regulations can be implemented before the end of the summer. The amendment to the network charge exemption for industry is planned as of 1 January 2014.

Network expansion: In June, the Upper House of the German Federal Parliament approved several measures to accelerate network expansion, as well as the Federal Requirements Plan Act (BBPIG). This includes applying the regulations of the Grid Expansion Acceleration Act for Transmission Grids

(NABEG) to cross-state and cross-border projects. Moreover, the planning and approval of cross-state and cross-border power grids are to be bundled in the future at the Federal Network Agency (BNetzA). The Federal Requirements Plan Act (BBPIG) determines which extra high-voltage power lines are required for the Energiewende to be successful, and which consequently need to be expanded as a priority. Specifically, this relates to 36 extra high-voltage power lines of which 16 lines are designated as cross-state or cross-border. This was based on the draft of the Federal Requirements Plan (BBPI) applying the results of the 2012 gas network development plan (NEP). The legal process is to be shortened in order to accelerate the procedures required to realise network expansion construction projects; the German Federal Administrative Court is the sole instance in litigation for projects forming part of the Federal Requirements Plan.

The EnBW Group

Adjusted EBITDA amounted to € 1,406.3 million, representing a 2.3% year-on-year decrease. Excluding positive valuation effects on derivatives, which reverse when the underlying transactions are realised, operating earnings amounted to € 1,331.6 million, equivalent to a 7.3% year-on-year decline. Our earnings trends consequently lay in line with our expectations. Non-cash extraordinary charges burdened non-operating earnings in the period under review, and partially fed through to an increase in adjusted net debt.

Results of operations

Unit sales and revenue

Electricity sales of the EnBW Group 01/01-30/06/2013 in billions of kWh	Generation and trading	Renewable energies	Grids	Sales	Total
Retail customers (B2C)	0.0	0.0	0.0	9.3	9.3
Industry and redistributors (B2B)	1.0	0.1	0.0	16.9	18.0
Trade	28.3	1.7	6.8	0.3	37.1
Total	29.3	1.8	6.8	26.5	64.4

Electricity sales of the EnBW Group 01/01-30/06/2012 in billions of kWh ¹	Generation and trading	Renewable energies	Grids	Sales	Total
Retail customers (B2C)	0.0	0.0	0.0	9.7	9.7
Industry and redistributors (B2B)	1.3	0.0	0.0	20.3	21.6
Trade	26.3	1.5	8.1	0.3	36.2
Total	27.6	1.5	8.1	30.3	67.5

¹ The comparable period figures have been restated.

The EnBW Group's electricity sales fell in the first half of 2013 by 4.6% year-on-year to 64.4 billion kWh due continued intense competition. Unit sales in the B2C business fell by

4.1% year-on-year to 9.3 billion kWh, and by 16.7% year-on-year in the B2B business to 18.0 billion kWh. Electricity sales in the trade area were up by 2.5% to 37.1 billion kWh, by contrast.

Gas sales of the EnBW Group 01/01-30/06/2013 in billions of kWh	Generation and trading	Sales	Total
Retail customers (B2C)	0.0	6.3	6.3
Industry and redistributors (B2B)	0.0	31.2	31.2
Trade	16.3	0.3	16.6
Total	16.3	37.8	54.1

Gas sales of the EnBW Group 01/01-30/06/2012 in billions of kWh	Generation and trading	Sales	Total
Retail customers (B2C)	0.0	5.6	5.6
Industry and redistributors (B2B)	0.0	27.5	27.5
Trade	5.1	0.2	5.3
Total	5.1	33.3	38.4

In the first six months of 2013, the EnBW Group's gas sales increased by 40.9% to 54.1 billion kWh. Gas sales in the B2C business grew by 12.5% to 6.3 billion kWh and in the B2B business by 13.5% to 31.2 billion kWh, especially due to the

year-on-year lower temperatures. Unit sales in the trade area more than tripled year-on-year to 16.6 billion kWh. This unit sales growth is especially attributable to the expansion of the gas midstream business.

External revenue of the EnBW Group by segment in € millions ^{1, 2}	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Generation and trading	2,522.9	2,143.9	17.7	4,344.2
Renewable energies	185.4	170.8	8.5	347.4
Grids	2,829.5	2,491.9	13.5	5,268.5
Sales	5,015.4	4,851.3	3.4	9,277.7
Other/consolidation	6.5	4.5	44.4	8.1
Total	10,559.7	9,662.4	9.3	19,245.9

¹ The figures of the comparative period have been restated.

² After deducting electricity and energy taxes.

The EnBW Group achieved external revenue, including electricity and energy taxes, of €11,004.7 million in the first half of 2013. After deducting such taxes, revenue of €10,559.7 million was up by 9.3% compared with the previous year.

Generation and trading: Revenue in the generation and trading segment rose by 17.7% to €2,522.9 million as against the year-earlier period. The expansion of trading activities in the gas business comprised the main contributor to this revenue growth. This segment's share of total consolidated EnBW revenue consequently increased from 22.2% in the prior-year period to 23.9%.

Renewable energies: The renewable energies segment boosted its revenue in the first half of 2013 by 8.5% to €185.4 million, mainly due to higher unit sales. The segment's share in total Group revenue amounted to 1.8%, unchanged from the previous year.

Grids: The 13.5% revenue growth in the grids segment to €2,829.5 million is partly attributable to a higher level of revenues connected with the German Renewable Energies Act (EEG). The segment's share in Group revenue increased from 25.8% in the previous year to 26.8% in the period under review.

Sales: Revenue in the sales segment in the first half of 2013 advanced by 3.4% year-on-year to €5,015.4 million, principally as a result of higher unit gas sales volumes. The segment's share of total Group revenue decreased from 50.2% in the prior year to 47.5%.

Material developments in the income statement

The negative balance arising from other operating income and other operating expenses was down from €45.0 million in the prior-year period to €8.1 million in the period under review, mainly due to a higher level of income from the release of other provisions. At €8,694.7 million in the first half of 2013, the cost of materials was up by 16.7% on the previous year. The sharp increase in the cost of materials compared with revenues is attributable, firstly, to falling prices and spreads in electricity production. Secondly, the purchasing of CO₂ certificates since the start of 2013, which were previously issued free of charge, as well as non-operating effects, drove up the cost of materials. The €83.4 million decline in the investment result to €82.1 million (previous year: €165.5 million) is primarily attributable to the income received in the prior-year period arising from the disposal of our Polish investment. This was offset by a write-up applied in the period under review to a company in which we hold an investment. The financial result fell from €-320.3 million in the previous year to €-359.7 million in the

period under review. The €39.4 million decline is mainly due to the adjustment to the interest rate from 5.4% to 5.3% for provisions relating to nuclear power. Earnings before tax (EBT) totalled €381.4 million in the first half of 2013, compared with €790.6 million in the previous-year period.

Earnings

EnBW reported Group net profit of €190.5 million in terms of the proportion of the result attributable to the shareholders of EnBW AG, corresponding to a decline of €354.5 million compared with the prior-year period (€545.0 million).

Earnings per share stood at €0.70 for the first half of 2013 (previous year: €2.23).

Adjusted earnings and non-operating result

The sustainable earnings power of operating activities is of particular importance for the internal management and external communication of EnBW's current and future earnings trends. For this reason, we use adjusted EBITDA – earnings before interest, tax, amortisation and depreciation adjusted for extraordinary items – as a key reporting indicator.

Adjusted EBITDA of the EnBW Group by segment in € millions ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Generation and trading	654.8	738.7	-11.4	1,125.2
Renewable energies	101.4	118.1	-14.1	238.7
Grids	540.6	436.8	23.8	773.4
Sales	119.2	165.8	-28.1	240.7
Other/consolidation	-9.7	-20.4	52.5	-37.2
Total	1,406.3	1,439.0	-2.3	2,340.8

¹ The figures of the comparative periods have been restated.

The adjusted EBITDA of the EnBW Group amounted to €1,406.3 million in the period under review, down 2.3% year-on-year. This included positive valuation effects from derivatives which reverse when the underlying transactions are realised. Adjusted EBITDA excluding these effects totalled €1,331.6 million, representing a 7.3% year-on-year fall. EnBW's earnings development was therefore in line with our forecast for the financial year 2013.

In the generation and trading segment, adjusted EBITDA fell by 11.4% year-on-year, from €738.7 million in the previous year to €654.8 million in the period under review. Lower prices and spreads in electricity production as well as the burden arising from the full auctioning of CO₂ certificates since the start of 2013 represent the main reasons for this fall. Earnings fell by around 21% when adjusted for these positive valuation effects from derivatives.

Adjusted EBITDA from the renewable energies segment amounted to €101.4 million in the first half of 2013, down 14.1% compared with the previous year's €118.1 million. Electricity production from run-of-river power stations

developed better than expected and remained at the high level of the year before. This was offset by lower electricity prices, which negatively impacted our run-of-river power plants' profitability.

In the grids segment, adjusted EBITDA reported a marked increase of 23.8% to €540.6 million in the period under review (previous year: €436.8 million). This positive earnings trend is primarily attributable to higher network user charges and lower overhead costs.

Adjusted EBITDA in the sales segment stood at €119.2 million in the first half of 2013, down 28.1% compared with the previous year's €165.8 million. This was due to year-on-year lower margins, which were more than offset by higher unit gas sales volumes. Accrued income arising from comparisons to network charge reimbursements was also included in the first half of 2012.

Other/consolidation reported a negative adjusted EBITDA of €9.7 million compared with €-20.4 million in the prior-year period.

Adjusted earnings indicators of the EnBW Group in € millions ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Adjusted EBITDA	1,406.3	1,439.0	-2.3	2,340.8
Amortisation and depreciation	-437.0	-438.5	-0.3	-888.3
Adjusted EBIT	969.3	1,000.5	-3.1	1,452.5
Adjusted investment result	98.5	170.1	-42.1	186.8
Adjusted financial result	-295.6	-336.3	12.1	-664.2
Adjusted income taxes	-243.2	-209.0	-16.4	-232.5
Adjusted Group net profit	529.0	625.3	-15.4	742.6
of which profit/loss shares attributable to non-controlling interests	(53.4)	(49.7)	7.4	(90.8)
of which profit/loss shares attributable to the equity holders of EnBW AG	(475.6)	(575.6)	-17.4	(651.8)

¹ The figures of the comparative periods have been restated.

The decline in the adjusted investment result of 42.1%, from €170.1 million in the previous year to €98.5 million in the first half of 2013, is chiefly due to lower earnings contributions generated by entities accounted for using the equity method. This decline was mainly attributable to lower income from EVN AG, which is no longer accounted for applying the equity method due to its planned sale. Within the adjusted financial result, the loss fell by 12.1%, from €336.3 million to €295.6 million, mainly as the result of higher earnings from the sale of financial instruments.

Adjusted income taxes amounted to €243.2 million in the first half of 2013, compared with €209.0 million in the previous-year period. The increase in the adjusted tax rate from 25.1% in the comparable period to 31.5% in the period under review arises predominantly from a higher level of accrued taxes for previous years. The adjusted Group net profit attributable to EnBW AG shareholders amounted to €475.6 million in the period under review, representing a 17.4% decline compared with the previous year's €575.6 million.

Non-operating result of the EnBW Group in € millions ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %
Income/expenses relating to nuclear power	-139.1	-11.3	-
Income from the reversal of other provisions	41.0	0.5	-
Disposal gains	12.8	23.4	-45.3
Addition to the provision for onerous contracts relating to electricity procurement agreements	-181.9	-47.4	-
Restructuring	-6.2	-9.3	33.3
Other non-operating result	-36.2	-10.9	-
Non-operating EBITDA	-309.6	-55.0	-
Impairment losses	-0.7	-0.1	-
Non-operating EBIT	-310.3	-55.1	-
Non-operating investment result	-16.4	-4.6	-
Non-operating financial result	-64.1	16.0	-
Non-operating income taxes	106.9	14.8	-
Non-operating Group net loss	-283.9	-28.9	-
of which profit/loss shares attributable to non-controlling interests	(1.2)	(1.7)	-29.4
of which profit/loss shares attributable to the equity holders of EnBW AG	(-285.1)	(-30.6)	-

¹ The figures of the comparative period have been restated.

Non-operating EBITDA fell from €-55.0 million in the prior-year period to €-309.6 million in the period under review. This development mainly reflected higher expenses in the nuclear energy area, as well as the addition to the provision for onerous contracts relating to energy procurement agreements. Nuclear energy expenses rose by €127.8 million year-on-year to €139.1 million. The Site Selection Act which

the Upper House of the German Federal Parliament approved on 5 July 2013 was the particular reason for this. The provision for onerous contracts for electricity procurement agreements that no longer cover their costs increased by €134.5 million to €181.9 million. The other non-operating result for the reporting period was influenced by extraordinary charges relating to land purchase tax. The decline in the

non-operating financial result to €-16.4 million (previous year: €-4.6 million) is due to the fact that this item in the prior-year period included disposal gains from the sale of our investment in Poland as part of our divestment programme. This was offset by higher impairment losses applied to investments in the previous year, as well as the reversal of impairment loss applied in the period under review to a company in which an investment is held. The non-operating financial result, too, fell in the first half of 2013, to €-64.1 million, compared with a positive result of €16.0 million achieved in the previous-year period as the

result of disposal gains. The non-operating financial result was also burdened in the period under review as the result of an adjustment to the interest rate from 5.4% to 5.3% for provisions relating to nuclear power. Non-operating tax income amounted to €106.9 million in the first half of 2013, compared with €14.8 million in the previous-year period. As a consequence, the non-operating Group net loss attributable to EnBW AG shareholders for the period under review amounts to €285.1 million, compared with a €30.6 million loss in the previous year.

Financial performance of the EnBW Group in € millions¹

	01/01–30/06/2013	01/01–30/06/2012	Variance %
Adjusted EBITDA	1,406.3	1,439.0	-2.3
Non-operating EBITDA	-309.6	-55.0	-
EBITDA	1,096.7	1,384.0	-20.8
Adjusted EBIT	969.3	1,000.5	-3.1
Non-operating EBIT	-310.3	-55.1	-
EBIT	659.0	945.4	-30.3
Adjusted group net profit ²	475.6	575.6	-17.4
Non-operating group net loss ²	-285.1	-30.6	-
Group net profit ²	190.5	545.0	-65.0

¹ The figures of the comparative period have been restated.

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

Financial position

Financing

Operating cash flow forms a core element of EnBW's financing, and amounted to €743.5 million in the first six months of 2013.

In terms of external financing, the company has various instruments at its disposal, some of which have not been utilised to date:

- Commercial paper (CP) programme for a total of € 2.0 billion (undrawn as of 30 June 2013)

- Syndicated line of credit for €2.0 billion (undrawn as of 30 June 2013)
- Bilateral short-term lines of credit (€557 million, undrawn as of 30 June 2013)
- Euro Medium Term Note (EMTN) programme with a limit of €7.0 billion (€4.0 billion utilised as of 30 June 2013)

The capital market instruments maturing total around €1.0 billion in the 2013 fiscal year, an amount which we succeeded in reducing in February 2013 through the repayment of a bond of approximately CHF 300 million. The repayment was made without recourse to fresh borrowing. The CHF bond served as collateral for EnBW's activities in Switzerland.

In the current financial year, other bonds falling due amount to around €750 million. Aside from possible interim financing, we will fund these bonds entirely from cash flow. EnBW is endeavouring to reduce net debt further. EnBW bonds present a balanced maturity profile seen in terms of the next few years.

Capital expenditure and acquisitions

In the first half of 2013, the EnBW Group invested a total of € 375.9 million, an 8.3% increase on the prior-year period's € 347.1 million. Capital expenditures on intangible assets and property, plant and equipment totalling € 374.2 million (previous year: € 325.2 million) were primarily attributable to the network expansion, the RDK 8 and EnBW Baltic 2 large-scale projects, as well as the start of construction of the Lausward Combined Cycle Gas Turbine (CCGT). Financial investments amounted to € 1.7 million in the first six months of 2013, compared with € 21.9 million in the previous-year period. Minus divestitures totalling € 101.7 million, primarily from the disposal of non-current assets, and including construction cost subsidies, net capital expenditure stood at € 274.2 million. After divestments of € 342.4 million that related mainly to the disposal of our Polish investment, net capital expenditure amounted to just € 4.7 million in the previous year.

The proportion of investments in replacement measures stood at around 32% in the first half of 2013 and was earmarked for the maintenance of existing power stations and grid infrastructure. The share of capital expenditure in growth projects reached approximately 68%, serving principally to fund the realisation of the second offshore wind farm EnBW Baltic 2 and the construction of the RDK 8 hard coal power station, as well as the start of construction of the Lausward Combined Cycle Gas Turbine (CCGT).

As already in the first quarter, most of the investments (42.5%, or € 158.9 million) in intangible assets and property, plant and equipment in the first half of 2013 were due to the grids segment – and reflected a 17.6% year-on-year increase. These activities concentrated on the expansion and upgrading of our grids and the connection of facilities for the generation of renewable energies. At € 99.7 million, investments in the renewable energies segment almost doubled in the period under review compared with the previous year, reaching a 26.6% share of total capital investments in intangible assets and property, plant and equipment. Investments in the generation and trading segment of € 97.3 million in the period under review were up by 16.0% year-on-year; their share of total EnBW Group investments fell from 35.6% in the previous year to 26.0% in the first half of 2013. In addition, € 14.8 million, or around 4.0%, went mainly towards bolstering the sales force.

Net cash investments of the EnBW Group in € millions ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Generation and trading	97.3	115.8	-16.0	237.6
Renewable energies	99.7	51.0	95.5	121.6
Grids	158.9	135.1	17.6	390.8
Sales	14.8	16.8	-11.9	53.3
Other/consolidation	3.5	6.5	-46.2	13.5
Total capital expenditures on intangible assets and property, plant and equipment	374.2	325.2	15.1	816.8
Cash paid for the acquisition of subsidiaries and entities accounted for using the equity method	0.6	8.0	-92.5	38.8
Cash paid for the acquisition of investments ²	1.1	12.8	-91.4	20.7
Cash paid for changes in ownership interest without loss of control	0.0	1.1	-	1.1
Total investments	375.9	347.1	8.3	877.4
Cash received from disposals of intangible assets and property, plant and equipment	-35.3	-48.4	-27.1	-89.8
Cash received from construction cost and investment subsidies	-32.4	-27.7	17.0	-66.2
Cash received from the sale of subsidiaries and entities accounted for using the equity method	-13.5	-258.1	-94.8	-258.1
Income from the sale of equity investments ²	-4.3	-8.2	-47.6	-15.7
Cash received from participation models	-16.2	0.0	-	0.0
Total divestitures	-101.7	-342.4	-70.3	-429.8
Net (cash) investments	274.2	4.7	-	447.6

¹ The figures of the comparative period have been restated.

² Excluding investments held as financial assets.

Liquidity analysis

Free cash flow of the EnBW Group in € millions ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Cash flow from operating activities	743.5	612.5	21.4	856.3
Change in assets and liabilities from operating activities	355.3	555.0	-36.0	915.1
Interest and dividends received	207.1	212.0	-2.3	346.2
Interest paid for financing activities	-108.9	-138.7	-21.5	-335.9
Funds from operations (FFO)	1,197.0	1,240.8	-3.5	1,781.7
Change in assets and liabilities from operating activities	-355.3	-555.0	-36.0	-915.1
Capital expenditures on intangible assets and property, plant and equipment	-374.2	-325.2	15.1	-816.8
Cash received from disposals of intangible assets and property, plant and equipment	35.3	48.4	-27.1	89.8
Cash received from construction cost and investment subsidies	32.4	27.7	17.0	66.2
Free cash flow	535.2	436.7	22.6	205.8

¹ The figures of the comparative period have been restated.

Cash flow from operating activities in the first half of 2013 was up by 21.4% from €612.5 million in the prior-year period to €743.5 million. At €1,197.0 million in the period under review, funds from operations (FFO) were 3.5% below the previous year's €1,240.8 million. This was due to higher income taxes paid, which was offset by lower interest payments during the reporting period. The balance of assets and liabilities from operating activities fell substantially

year-on-year. This was especially attributable to the decline in the balance of trade receivables and trade payables. This was partly offset by an increase in derivatives, mainly precipitated by higher collateral payments. Despite higher capital investments in intangible assets and property, plant and equipment, free cash flow was up by €98.5 million, or 22.6%, to €535.2 million.

Cash flow statement of the EnBW Group in € millions ¹	01/01- 30/06/2013	01/01- 30/06/2012	Variance %	01/01- 31/12/2012
Cash flow from operating activities	743.5	612.5	21.4	856.3
Cash flow from investing activities	-59.2	97.3	-	-274.3
Cash flow from financing activities	-612.4	-1,212.5	-49.5	-730.8
Net change in cash and cash equivalents	71.9	-502.7	-	-148.8
Net foreign exchange difference	-0.4	-0.2	-	-0.2
Change in cash and cash equivalents	71.5	-502.9	-	-149.0

¹ The figures of the comparative period have been restated.

Cash flow from investing activities reported a cash outflow of €59.2 million in the first half of 2013. In the previous year's period, this item saw a cash inflow of €97.3 million, mainly from the disposal of our investment in Poland. As far as cash flow from financing activities is concerned, the cash outflow reported a marked decline to €612.4 million in the period under review compared with the previous year's cash outflow of €1,212.5 million.

The previous year's cash outflow primarily reflected the redemption of a €1 billion bond that matured in February 2012. This was offset in the comparable period by the topping up of a hybrid bond. The Group's cash and cash equivalents increased by €71.5 million in the reporting period.

Net assets

As of 30 June 2013, the EnBW Group's total assets amounted to €38,110.1 million, representing an increase of 3.7% compared with year-end 2012. The €194.6 million rise in non-current assets is primarily attributable to the €104.2 million increase in property, plant and equipment, the €39.9 million higher level of trade receivables, and a €73.5 million increase in deferred tax assets. The €1,220.2 million increase in current assets essentially reflects other current assets, which were up by €1,596.6 million principally as a consequence of the market valuation of derivatives. This was mainly offset by a reduction in current trade receivables of €403.3 million, and a €72.1 million decline in inventories. As of the 30 June 2013 balance sheet date, cash and cash equivalents were up by €71.5 million compared with 31 December 2012 to reach €2,654.8 million.

The 4.2% or €269.4 million drop in equity as of 30 June 2013 is chiefly due to cumulative changes carried directly to equity, which increased from €-697.9 million as of 31 December 2012 to €-906.3 million. The equity ratio was down from 17.4% as of the 2012 year-end to 16.0% as of the 30 June 2013 reporting date as a consequence. The rise in non-current liabilities primarily reflects the €586.1 million increase in non-current provisions to €12,844.6 million, especially for the nuclear energy area. Two counteracting effects impacted current liabilities, which rose by €1,036.5 million in total: other liabilities and subsidies climbed by €1,769.8 million, chiefly on the back of the marking to market of derivatives. Financial liabilities fell, by contrast, mainly as a consequence of the redemption of a bond by €207.3 million, and a €566.7 million reduction in trade payables.

Balance sheet structure of the EnBW Group in € millions ¹	30/06/2013	31/12/2012	Variance %
Non-current assets	25,331.2	25,136.6	0.8
Current assets	12,168.2	10,948.0	11.1
Assets held for sale	610.7	681.1	-10.3
Assets	38,110.1	36,765.7	3.7
Equity	6,110.3	6,379.7	-4.2
Non-current liabilities	21,690.3	21,113.0	2.7
Current liabilities	10,308.9	9,272.4	11.2
Liabilities directly associated with assets classified as held for sale	0.6	0.6	-
Equity and liabilities	38,110.1	36,765.7	3.7

¹ The figures of the comparative period have been restated.

Adjusted net debt

As of 30 June 2013, adjusted net debt was up slightly compared with the 2012 year-end, by 1.8%, or €153.2 million, to €8,568.8 million. Financial liabilities decreased by 4.0% to €6,490.7 million. This was primarily due to the bond of CHF 300 million falling due and being repaid in February 2012. The repayment was covered fully by the company's liquidity position.

The dividend payment also burdened the cash and cash equivalents position. The increase in provisions relating to nuclear power more than offset the reduction in adjusted net debt effected by the positive free cash flow. The Site Selection Act which the Upper House of the German Federal Parliament approved on 5 July 2013 was the primary reason for this.

Adjusted net debt of the EnBW Group in € millions ¹	30/06/2013	31/12/2012	Variance %
Cash and cash equivalents	-3,383.1	-3,341.2	1.3
Cash and cash equivalents of the special funds and short-term investments to cover the pension and nuclear power provisions	1,110.6	1,075.3	3.3
Adjusted cash and cash equivalents	-2,272.5	-2,265.9	0.3
Bonds	5,093.2	5,380.7	-5.3
Liabilities to banks	1,032.3	971.7	6.2
Other financial liabilities	365.2	408.8	-10.7
Financial liabilities	6,490.7	6,761.2	-4.0
Recognised net financial liabilities²	4,218.2	4,495.3	-6.2
Pension and nuclear power provisions	12,712.4	12,342.5	3.0
Long-term investments and loans ³	-5,909.6	-5,902.3	0.1
Cash and cash equivalents of the special funds and short-term investments to cover the pension and nuclear power provisions	-1,110.6	-1,075.3	3.3
Other	-73.9	-75.7	-2.4
Recognised net debt³	9,836.5	9,784.5	0.5
Market value of CO ₂ emission allowances purchased for planned future electricity generation	-29.1	-154.4	-81.2
Non-current receivables associated with nuclear power provisions	-595.4	-555.5	7.2
Valuation effects from interest-induced hedging transactions	-143.2	-159.0	-9.9
Restatement of 50% of the nominal amount of the hybrid bond ⁴	-500.0	-500.0	-
Adjusted net debt³	8,568.8	8,415.6	1.8

¹ The figures of the comparative period have been restated.

² Adjusted for the valuation effects from interest-induced hedging transactions and 50% of the nominal amount of the hybrid bond, net financial liabilities amounted to €3,575.0 million (31/12/2012: €3,836.3 million).

³ Includes investments held as financial assets.

⁴ The structural characteristics of our hybrid bond meet the criteria for half of it to be classified as equity and the other half as debt by the rating agencies Moody's and Standard & Poor's.

Related parties

Transactions with related parties are disclosed in the notes and explanations contained in the interim consolidated financial statements.

The Supervisory Board of EnBW Energie Baden-Württemberg AG approved the reappointment of Thomas Kusterer as a Board of Management member and as Chief Financial Officer with effect from 1 April 2014 for the duration of five years until the expiry on 31 March 2019.

Further important Group topics

We are actively helping to structure the Energiewende, thereby creating the basis for EnBW's sustainable financial and commercial success. Such success would be inconceivable without our staff, customers and shareholders, and the many corporate and social groups that accompany the Group. Our future lies in our ability to combine commercial and financial success with ecological and social responsibility.

Employees

Employees of the EnBW Group ¹	30/06/2013	31/12/2012 ³	Variance %
Generation and trading	5,447	5,622	-3.1
Renewable energies	474	377	25.7
Grids	7,372	7,295	1.1
Sales	3,510	3,650	-3.8
Other/consolidation	2,971	3,054	-2.7
Total	19,774	19,998	-1.1
Number of full-time equivalents ²	18,507	18,912	-2.1

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

² Converted into full-time employments.

³ Adjusted to the new segment structure valid from 2013 onwards.

The EnBW Group employed 19,774 staff as of 30 June 2013. This constitutes a decrease of 224 employees or 1.1% in comparison to the end of 2012. The various organisation units were reallocated between the generation and trading and the renewable energies segments; this measure is associated with growth in the renewable energies segment. The decline in the total number of employees is mainly attributable to the measures taken under the "Fokus" efficiency programme, with the hiring freeze announced back in 2011 and the severance package valid until 31 December 2014 for employees in seven support and central functions.

The personnel measures relating to the cross-Group personnel reduction and restructuring as part of "Fokus" are being implemented to schedule in May 2013 utilising the instruments and process steps agreed with the works councils. We will gradually realise the organisational changes that are still outstanding within the Group companies by the end of 2013.

EnBW takes its responsibility for its corporate employees seriously. For this reason, the further expansion of occupational health and safety within the Group enjoys a high priority for us. The "Occupational Health & Safety

Initiative" launched by EnBW Regional AG comprises an important project this year. This project aims to avoid unsafe situations that can lead to accidents, and to thereby sustainably reduce accident figures on a long-term basis – both internally and at third-party companies. The project aims to establish a culture at all hierarchical levels so that occupational health and safety becomes an integral component of corporate processes. It serves as an example for other Group companies.

With the conclusion of the "Alternating Tele-Homeworking" master plan agreement in May this year, EnBW will introduce mobile working arrangements within the Group by October 2013 at the latest. This agreement enables managers and staff who are employed on a collective bargaining basis to work from home for up to three days per week. Offering this agreement is due to the results of the staff surveys that have been conducted to date that reflected high demand for flexible working models. It should contribute to a better balance between working and private lives. We also wish to support responsible and results-oriented work, and consequently positively impact our employees' motivation.

The environment

As a company, we bear our share of responsibility for the environment and for preserving biological diversity. EnBW has firmly anchored environmental protection in its corporate goals. Environmental protection is consequently a central task at Group level and at all our companies, entailing binding regulations for all staff as part of their working activities. In our activities, we take into consideration climate protection and the future-oriented sustainable treatment of all natural resources.

In the past, using defined indicators, we set ourselves quantitative Group targets for the period from 2011 to 2015 with respect to the topics of renewable energies, direct and indirect CO₂ emissions, aerial pollutants and biodiversity. The starting point was the year 2010. As part of EnBW's strategic reorientation, the task was to review these targets, and to harmonise them with our strategic objectives of "customer proximity" and the "engine room of the Energiewende". In the future, we aim to measure and report on EnBW's ecological performance using fewer selected key figures.

Of Germany's 20 amphibian species threatened by extinction, 19 live in Baden-Württemberg. Given this fact, in 2011 we launched the EnBW amphibian protection programme "Stimuli for Diversity" together with the Baden-Württemberg State Institute for the Environment, Measurements and Nature Conservation (LUBW). Through this programme, EnBW is for the first time supporting projects throughout the whole of Baden-Württemberg with the aim of protecting amphibian species in their habitats. As part of the EnBW amphibian protection programme, in March 2013 we held Baden-Württemberg's first specialist symposium on amphibian protection together with the LUBW.

As part of our mobility initiative, we have determined various measures to improve the net ecological impact of our employees' travel activities. If possible, we will avoid business travel, transferring the selection of means of transport from planes or cars to the railway, buses or local public transport, as well as improving CO₂ emissions when utilising cars. We have already launched various actions to this end. A new set of rules relating to company cars came into force in April 2013, for example. Maximum CO₂ limits have been introduced for new company cars. These are based on the levels as set by the EU for car fleets: 2013 – 142 g/km, 2014 – 133 g/km, 2015 – 130 g/km.

Corporate social responsibility

EnBW regards itself as a corporate citizen. As a company located in Baden-Württemberg, we consciously assume responsibility within the state and beyond. Education, social events, art and culture form the essence of society. It is the objective of our wide range of social commitment to pro-

mote these areas. In particular, conveying knowledge to children and young people is of special significance for us. Sponsoring art, culture and sport – above all in Baden-Württemberg – enjoys high priority at EnBW.

In cooperation with the Baden-Württemberg Art Foundation, EnBW offers young artists a platform on which to showcase their work to a broader public. For example, the artist Mona Ardeleanu presented a new series of works for the first time in the EnBW showroom in an exhibition entitled "Flying sideways again" from 21 June until 10 August 2013.

"Learning by doing" is the title of the "Science Days for Children" that are held every year in the Europa-Park Rust, an event launched by the German Association to Promote Science and Technology (Förderverein Science und Technologie). With more than 35 offerings such as workshops, shows and participatory events, the "Science Days for Children" offer a great deal of variety in terms of content and method. Children are intended to learn not only through the pure conveying of knowledge, but are also expected to learn through fun and excitement, as well as through sustained and impressive experiences. EnBW supported this project this year again as a premium partner, and was directly involved with two participatory events on the "energy" topic.

Procurement

Sustainable procurement begins with the careful selection of our business partners. In a Group-wide project coordinated by our central Group procurement department in 2012 we developed a Group-wide, standardised and optimised pre-qualification process. In this connection, our prospective suppliers must present in a pre-qualification process how they practise sustainable measures relating to data protection, quality management, environmental management, and occupational health and safety, and how they further develop these measures. In 2013, this project was continued in our system landscape with the selection and integration of an appropriate IT system. The minimum requirements that have been set for EnBW suppliers in the areas of sustainability, environmental management, occupational health and safety, as well as Corporate Social Responsibility (CSR) are to be stored and constantly updated in our purchasing system in the future in the form of supplier certificates. As a consequence, we ensure that only those suppliers receive orders that continuously meet our high standards. The first pilot projects have been selected, and are being conducted and assessed according to the new pre-qualification standards. The system's full introduction is planned for the end of March 2014.

When procuring coal, EnBW is reliant on imports from other countries – including countries such as Colombia, which are also the subject of critical discussions by the public in

Germany with respect to the effects of mining on the local population. At EnBW's recent AGM, German NGOs made specific accusations about decommissioning conditions at individual producers from which EnBW also procures coal. Following the AGM, EnBW invited these NGOs to continue the dialogue, and has already taken its first actions. For example, dialogue was intensified with coal producers about the human rights situation in decommissioning areas; the sustainability register for two major producers was supplemented to include self-audit results. A "CSR Committee" was also established with representatives from the trading, sustainability, risk controlling, environmental protection and compliance areas, which is developing other specific actions to ensure sustainable coal procurement. The aim is to structure coal procurement in such a way that it ensures that social and environmental standards are complied with.

Research and innovation

Our research and development activities are geared towards offering our customers new product solutions. They are also intended to make progressive developments available for our own plants. We are testing these solutions' feasibility in pilot and demonstration projects.

As part of our strategic reorientation, EnBW is boosting the importance of research and innovation as our "customer proximity" heart beat comprises the development and provision of customer-oriented innovative solutions and products. These include products in the energy management area geared to optimising private household and industrial energy consumption, network-related services in the smart grids area, and smart home and electro-mobility applications. EnBW will intensively promote an entrepreneurially-based innovation culture within the protected environment of an innovation centre for these topics.

The central research and innovation holding unit has been managing the EnBW Group's research and development projects since April. A research and innovation steering group has also been formed, which brings together the Board of Management areas of sales, strategy and technology to jointly and more consistently orientate our company's research portfolio towards the customer. In the future, consistent innovation management – oriented to customer benefit and market viability – is to underpin rapid and groundbreaking product developments.

Risk management

The far-reaching changes to the energy sector environment as part of the Energiewende in Germany are presenting energy supply companies, and consequently also EnBW, with major challenges. Compared with year-end 2012, the EnBW Group's risk position has intensified as of end of the first half of 2013. We do not currently identify any risks which could jeopardise the Group as a going concern, however.

Integrated risk management within the EnBW Group comprises risk identification, analysis, as well as the assessment and reporting of risks. With the help of the internal controlling system, this process ensures an appropriate identification of risks at an early stage and underpins risk management and control. At the level of the holding company, the risk management area and the internal controlling system are responsible for specifying Group-wide methods and processes and determining Group risk exposure as well as risk reporting to the Board of Management. The EnBW Group's risk areas are split at the highest level into strategic, operating, financial and compliance risks. Building on the reporting in the 2012 Group management report as well as the quarterly financial report for the period January to March 2013, the material risks which have changed or arisen in the period under review are described in this half-yearly report.

Strategic risks

Divestments: As part of implementing the Group strategy, EnBW is planning targeted value-retaining activities involving the sale of existing equity investments. The divestment portfolio is being expanded by means of participation models for renewable energies – such as for the offshore wind farm EnBW Baltic 2 – and the sale of assets. Based on past experience, this gives rise to uncertainties regarding the realisation of reduced or surplus revenue, time delays in the activities mentioned, as well as the amount of net debt reduction. Should the divestment proceeds generated not meet our expectations and projections, this would affect the Group's investment capacity.

Interim storage: As the result of the withdrawal of the period extension (13th amendment to the German Atomic Power Act [AtG]), free storage capacities are to become available in the existing interim storage site at the Gemeinschaftskernkraftwerk Neckarwestheim (GKN) nuclear power plant. For this reason, the transfer of the fuel rods from the closed nuclear power plant at Obrigheim (KWO) to storage at the GKN site is being reviewed. Cost savings might arise when realising this project due to the fact that the construction

and operation of an interim storage site at KWO is no longer required. If the project is not implemented, risks could arise from delays to the construction of the KWO interim storage site, and from a potential delay to the deadline for re-commissioning that this might necessitate.

Transports of reprocessing waste to the central interim storage site at Gorleben can no longer be conducted as a consequence of the Site Selection Act. The transfer of 26 containers with highly radioactive waste from the United Kingdom and France to alternative sites had not yet been clarified from technical, legal and financial perspectives. This generates the risk that such recycling might be delayed. Policymakers' commitment to accept five containers from France to the Philippsburg interim storage site generates high cost risks for EnBW.

Operational risks

EWE/VNG claims for damages: At the annual general meeting of VNG-Verbundnetz Gas Aktiengesellschaft (VNG) on 15 December 2011, a resolution was passed to reject the transfer of the investment held by EWE Aktiengesellschaft (EWE) in VNG to EnBW. At the beginning of April 2012, EWE contacted EnBW and announced that it was seeking unspecified claims for damages, alleging that the duty to promote a common purpose in the manner stipulated by the VNG purchase agreement had been breached. EWE has meanwhile submitted an arbitration request to the German Institution of Arbitration, with which it is asserting a claim of around €500 million plus interest of approximately €175 million. EnBW sees no legal basis for these claims.

Re-conclusion of concession agreements: The EnBW Group operates significant parts of its grid networks on the basis of concession agreements. Although around 70 concession agreement were renegotiated and concluded in 2012, municipalities and local authorities are generally exhibiting greater interest in acquiring electricity and water networks for public-sector ownership. For instance, the city of Stuttgart will resume operation of its own water supply as of 1 January 2014. The city of Stuttgart is assuming that it has a

right to take over such supplies without having asserted its claim to EnBW on a binding basis to date. The non-binding discussions between the city of Stuttgart and EnBW that have been conducted to date accordingly relate mainly to the scope and pricing of charges for water supply in Stuttgart. The city of Stuttgart suspended these talks for an extended period before restarting them in spring 2013 on a constructive basis. As far as the contents are concerned, EnBW's perception is that unanimity or the potential for unanimity exists with the discussion partners of the city of Stuttgart on various points, such as the scope of charges. EnBW would also be prepared to render selected services in the future in order to ensure secure supplies. A lack of unanimity has nevertheless existed to date concerning the valuation methods for the calculation of prices. In June 2013, the city of Stuttgart announced that it would bring a lawsuit against EnBW Regional AG at the Stuttgart Regional Court in order to use legal means to clarify existing differences.

Financial risks

Market price risk: The performance of EnBW continues to be affected by the falling prices of electricity on wholesale markets. We assume that, given the current price trends, there will be a negative impact on the net assets, financial position and results of operations in the current planning horizon of 2013 to 2015.

Overall assessment

EnBW is exposed to a variety of risk factors in pursuing its business objectives. The risk situation for the entire energy supply industry has intensified continuously since 2011. General conditions in the energy industry have changed significantly as a consequence of the Energiewende in Germany. This is resulting in far-reaching consequences for the EnBW Group's operations, and to considerable burdens on its profitability. EnBW's risk position continued to worsen further during the first half of 2013. However, we believe there are currently no risks to the Group's ability to continue as a going concern.

Significant events after the reporting date

The approximately CHF 300 million bond that was redeemed in February 2013 served to finance and collateralise EnBW's activities in Switzerland. For this reason, EnBW successfully issued two new CHF bonds with a volume of CHF 100 million each with a maturity of five and ten years respectively on 28 June 2013. The issue date is 12 July 2013, and the bonds will mature on 12 July 2018 and 12 July 2023

respectively. The bonds carry coupons of 1.25% and 2.25% respectively, and were placed with long-term investors at 50 and 75 basis points above the Swiss mid swap rate. This refinancing in Swiss francs occurred within the context of EnBW's finance strategy of obtaining long-term financing on favourable cost terms, and of achieving a balanced investor base on bond markets.

Forecast

The energy landscape in Germany is undergoing radical change. EnBW is assuming an active role in structuring tomorrow's energy world. With its new EnBW 2020 Strategy, the company is pushing ahead with expanding renewable energies, and focusing on the customer. Operating earnings trends are largely in line with expectations.

In the following forecast, we take an in-depth look at the expected future development of EnBW and the business environment for the current fiscal year. It can be seen that the present environment increases the uncertainty with regard to predictions of future development, as the premises on which they were based can quickly become outdated. The framework conditions give rise to opportunities and risks for EnBW's corporate development. Current risks are summarised in the section entitled "risk management".

Future economic conditions

Macroeconomic environment: In June, the World Bank downgraded its 2013 global growth forecast from 2.4% to 2.2% (2012: 2.3%). For 2014, it downgraded by 0.1 percentage point to 3.0%. These downgrades are especially attributable to continued weak economic growth in Europe as well as rising unemployment in many Eurozone countries. Economic growth in the USA also remains moderate. Given these circumstances, growth in gross domestic product (GDP) in industrial countries will prospectively amount to just 1.2% overall this year. Growth of 2.0% increase is forecast for 2014. The marked slowdown in emerging economies' economic growth in 2012 (5.0%) has put in only a slight recovery in 2013 according to World Bank estimates, reaching 5.1%. Growth is expected to stand at 5.6% in 2014.

Gross domestic product (GDP) trends (%)	2014	2013
World	3.0	2.2
Eurozone	1.2	-0.4
Germany	1.6	0.5
Austria	1.8	0.6
Switzerland	1.9	1.4
Turkey	4.0	3.2

Eurozone GDP will fall by 0.4% in 2013, according to the European Union's forecast. Modest economic growth of 1.2% is expected in 2014. More favourable export conditions and improved domestic demand will drive this growth. The inflation rate is expected to fall further, amounting to an estimated 1.6% and 1.5% respectively in 2013 and 2014. In Austria, economic growth remains moderate for the remainder of 2013 following the weak start in the first quarter. Economic growth of just 0.6% is expected for the full 2013 year. Estimates for economic growth in 2014 stand at 1.8%, and are mainly based on recovery in private consumption and investment activity. A look to Switzerland shows 1.4% GDP growth forecast for 2013, which will be chiefly driven by the robust domestic economy, in view of only moderate export growth. In 2014, economic recovery should also impact exports and the labour market, accelerating economic growth to 1.9%. For Turkey, economic output is expected to put in growth of 3.2% in 2013, and 4.0% in 2014.

In its spring forecast, the German federal government assumes that this year's economic growth in Germany will amount to 0.5%, while a 1.6% growth rate is anticipated for 2014. Economic recovery in Germany primarily hinges on domestic economic factors. Inflation will amount to an estimated 1.6% this year, and 1.8% in 2014, according to the German Institute for Economic Research (DIW).

Energy demand: Global energy consumption is set to increase by around one third in the 2010 to 2035 period, according to the World Energy Outlook 2012 published by the International Energy Agency (IEA). The BP Energy Outlook 2030 even forecasts growth of as much as 39% between 2012 and 2030. Emerging and developing economies' industrialisation and population growth are the main factors driving this growth. For this reason, around 90% of the increase in energy consumption will be attributable to countries outside the OECD, according to the IEA. Per capita energy consumption is expected to rise at an annual rate of 0.7% by 2030.

Markets for primary energy sources: Expectations for international economic growth exerted a significant impact on price formation on forward oil markets. In particular, the continued moderate growth of the US economy and the recent weakening of economic growth in China had a dampening effect on prices. Political events also regularly impact the price of oil as a strategic commodity. Finally, the future value of the US dollar and the attractiveness of crude oil as an asset class among market participants play a considerable role in price formation. These significant factors are currently tending towards the establishment of stable to slightly falling prices – the economic side is delivering only minor impulses to oil consumption growth. The political environment in the Eurozone is exhibiting only gradual stabilisation, and the results of the presidential elections in Iran should tend to calm markets in the future. On the other hand, an intensification of the situation can be currently observed due to the crisis in the Syrian region.

Forward coal prices for 2014 and 2015 remain above spot market levels. Based on the currently low price level, forward market prices reflect market participants' expectations that the factors that are leading to currently low coal prices are largely priced into the market, which could be followed by countervailing effects in the future. For instance, a further increase in US gas prices would reinforce the fuel switch back to coal in that country. A resumption of growth in China and India could also tend to feed through to rising coal prices.

In the case of gas, 2014 forward prices remain above spot market price levels. The moderate downtrend of gas prices continued in the second quarter of 2013. Forward prices reflect the market expectation that demand will be lower than current supply volumes. For example, if Japanese nuclear power plants were to be recommissioned, the Japanese gas power plants that are currently in operation would be taken off the grid. The LNG volumes that are utilised there would be offered additionally on the market, bearing down on prices. Moreover, the further expansion of renewable energies is feeding through to lower structural demand in Europe, since such expansion is primarily cutting gas power plants' utilisation times. The completion and commissioning of the second line of the North Stream North Sea pipeline and subsequent negotiations about long-term gas purchase agreements last year open up further scope for price reductions.

CO₂ emission allowances: Future CO₂ emission allowance prices are significantly impacted by voting in the EU Parliament in early July relating to so-called back-loading, a

shortage of emission allowances, and the subsequent voting by the European Commission Council in October. Given approval of back-loading, the corresponding supply cuts would become effective at the earliest in the second quarter of 2014, and would tend to push prices higher. Longer-term, the decision concerning an increase in the reduction target for CO₂ emissions in the European Union for 2020, which depends on international climate protection negotiations, represents a further factor influencing CO₂ emission allowance price trends.

Demand for CO₂ emission allowances primarily depends on future EU economic trends and related emission volumes.

Electricity market: Forward market prices for electricity for 2014 and 2015 have fallen further, and are currently below the current spot market level. Along with expected prices for fuels and CO₂ emission allowances, as well as future volume demand for electricity, especially the expansion of renewable energies in the context of generating capacities exerts a considerable impact on supply-side electricity prices. The preferential feed-in of electricity generated from the renewable energy sources pursuant to the German Renewable Energies Act (EEG) is resulting in higher price volatility on wholesale markets, and increasingly frequently in very low prices at certain times of the day. Electricity supply will also grow further in the future as the result of commissioning conventional power plant capacities. On the supply side, the only scope for price increases arises from the passing on of higher prices for fuels and emission allowances. Finally, extreme weather conditions and power station malfunctions or bottlenecks in other countries can cause price fluctuations at short notice on the spot market. On the demand side, industrial demand, which depends on economic trends, is the main factor driving electricity prices.

The energy sector is undergoing radical change across the whole of Europe, although especially in Germany due to the *Energiewende*. Political and regulatory circumstances are shifting faster and more comprehensively than in past decades in this context. This is also considerably affecting market and competitive structures. Competition in the business with private and industrial customers remains intensive in both the electricity and gas areas, and is being intensified even further through customers' high price sensitivity and a growing number of providers that are new to the sector. Given these circumstances, companies in the sector are being forced to review their business models, and to orientate themselves to the new market circumstances.

Future corporate development

EnBW 2020 Strategy: In June 2013, the EnBW Group Board of Management approved the new EnBW 2020 Strategy in coordination with the Supervisory Board (> **Interim Group management report > Business activity > Corporate strategy > p. 10**). The restructuring of the company's organisation and a related new management model underpin our new strategic orientation. After this strategy has been anchored within operational planning, an updated medium-term forecast will be communicated along with the 2013 annual financial statements.

Expected earnings trends for this year: Adjusted EBITDA amounted to €1,406.3 million, representing a 2.3% year-on-year decrease. This included positive valuation effects from derivatives which reverse when the underlying transactions are realised. EBITDA adjusted for these effects was down by 7.3% year-on-year. In the 2012 Group management report, we forecast that adjusted EBITDA for the full 2013 year for the EnBW Group would fall by between 5% and 10%. Our earnings trends lie within the expected range as a consequence.

Adjusted EBITDA in the generation and trading segment will show a sharp downward trend in the financial year 2013, one which is already evident from the second quarter after adjustment for valuation effects from derivatives. The trend during the first six months of 2013 will continue during the further course of the year. This trend is being caused primarily by falling electricity generation prices and spreads. Another factor is the cost burden resulting from the full auctioning of the CO₂ certificates that has taken effect since the beginning of 2013.

The operating result in the renewable energies segment is likely to show a negative trend in 2013. This is due to lower electricity prices, which negatively impacted our run-of-river power plants' profitability, in particular.

In the grids segment, we expect significant growth in adjusted EBITDA, which is also confirmed by the half-yearly results. In the previous year, additional revenue resulting from the overshooting of the 5% limit in the regulation account had to be reimbursed to customers. This effect will no longer apply in 2013. Weather-related higher network user charges in the gas area are also feeding through to higher earnings.

Adjusted EBITDA in the sales segment in the first half of 2013 were down year-on-year. This partially results from accrued income arising from comparisons to network charge reimbursements also being included in the first half of 2012. We continue to assume that earnings will report growth on a full-year basis, since extraordinary and temporary effects burdened the first half of the year.

Development of earnings 2013 (adjusted EBITDA) ¹ compared to the prior year	Q2 2013	2012
Generation and trading	-30% to -40%	-30% to -40%
Renewable energies	-10% to -20%	-10% to -20%
Grids	+15% to +25%	+15% to +25%
Sales	+10% to +20%	+10% to +20%
Other/consolidation	-	-
Consolidated group	no change	no change
Adjusted EBITDA, Group	-5% to -10%	-5% to -10%

¹ Business segments adjusted for changes to the consolidated group.

Interim financial statements of the EnBW Group

Income statement

€ millions ¹	01/04- 30/06/2013	01/04- 30/06/2012	01/01- 30/06/2013	01/01- 30/06/2012
Revenue including electricity and energy taxes	5,011.2	4,765.4	11,004.7	10,126.4
Electricity and energy taxes	-197.1	-198.8	-445.0	-464.0
Revenue	4,814.1	4,566.6	10,559.7	9,662.4
Changes in inventories	3.0	-4.9	12.1	-2.7
Own work capitalised	13.4	11.9	22.5	23.3
Other operating income	251.4	286.0	538.5	518.2
Cost of materials	-4,135.3	-3,649.0	-8,694.7	-7,450.3
Personnel expenses	-402.2	-415.4	-794.8	-803.7
Other operating expenses	-324.2	-271.0	-546.6	-563.2
EBITDA	220.2	524.2	1,096.7	1,384.0
Amortisation and depreciation	-220.6	-220.9	-437.7	-438.6
Earnings before interest and taxes (EBIT)	-0.4	303.3	659.0	945.4
Investment result	-32.2	-32.2	82.1	165.5
of which net profit/loss from entities accounted for using the equity method	(35.5)	(-41.8)	(94.4)	(40.3)
of which other income from investments	(-67.7)	(9.6)	(-12.3)	(125.2)
Financial result	-226.7	-225.8	-359.7	-320.3
of which finance revenue	(112.2)	(67.6)	(211.4)	(202.9)
of which finance costs	(-338.9)	(-293.4)	(-571.1)	(-523.2)
Earnings before tax (EBT)	-259.3	45.3	381.4	790.6
Income tax	28.8	-39.8	-136.3	-194.2
Group net profit/loss	-230.5	5.5	245.1	596.4
of which profit/loss shares attributable to non-controlling interests	(22.0)	(21.8)	(54.6)	(51.4)
of which profit/loss shares attributable to the equity holders of EnBW AG	(-252.5)	(-16.3)	(190.5)	(545.0)
EnBW AG shares outstanding (millions), weighted average	270.855	244.257	270.855	244.257
Earnings per share from Group net profit/loss (€)²	-0.93	-0.07	0.70	2.23

¹ The figures of the comparative periods have been restated.

² Basic and undiluted, in relation to profit/loss shares attributable to the equity holders of EnBW AG.

Statement of comprehensive income

€ millions ¹	01/04- 30/06/2013	01/04- 30/06/2012	01/01- 30/06/2013	01/01- 30/06/2012
Group net profit/loss	-230.5	5.5	245.1	596.4
Revaluation of pensions and similar obligations	75.2	-522.5	75.2	-671.3
Income taxes on other comprehensive income	-21.8	151.6	-21.8	194.7
Total of other comprehensive income and expenses without future reclassifications impacting earnings	53.4	-370.9	53.4	-476.6
Difference from currency translation	-6.8	-39.6	-37.5	30.5
Cash flow hedge	-50.2	-66.8	-209.1	-182.2
Available-for-sale financial assets	-169.8	-155.8	-98.3	-12.0
Income taxes on other comprehensive income	28.3	16.5	75.1	44.1
Total of other comprehensive income and expenses with future reclassifications impacting earnings	-198.5	-245.7	-269.8	-119.6
Total comprehensive income	-375.6	-611.1	28.7	0.2
of which profit/loss shares attributable to non-controlling interests	(19.0)	(-1.5)	(46.6)	(47.0)
of which profit/loss shares attributable to the equity holders of EnBW AG	(-394.6)	(-609.6)	(-17.9)	(-46.8)

¹ The figures of the comparative periods have been restated.

Balance sheet

€ millions ¹	30/06/2013	31/12/2012	01/01/2012
Assets			
Non-current assets			
Intangible assets	1,898.8	1,926.7	2,004.2
Property, plant and equipment	13,886.7	13,782.5	13,791.5
Investment properties	80.2	81.5	77.3
Entities accounted for using the equity method	2,345.6	2,355.9	3,042.4
Other financial assets	6,065.7	6,058.7	5,442.8
Trade receivables	607.3	567.4	531.1
Income tax refund claims	17.4	17.1	19.2
Other non-current assets	307.7	298.5	312.2
Deferred taxes	121.8	48.3	38.1
	25,331.2	25,136.6	25,258.8
Current assets			
Inventories	1,213.8	1,285.9	955.1
Financial assets	756.3	785.6	1,011.0
Trade receivables	3,516.0	3,919.3	3,075.3
Income tax refund claims	226.2	169.4	164.1
Other current assets	3,801.1	2,204.5	2,279.3
Cash and cash equivalents	2,654.8	2,583.3	2,732.3
	12,168.2	10,948.0	10,217.1
Assets held for sale	610.7	681.1	209.9
	12,778.9	11,629.1	10,427.0
	38,110.1	36,765.7	35,685.8
Equity and liabilities			
Equity			
Equity holders of EnBW AG			
Subscribed capital	708.1	708.1	640.0
Capital reserve	774.2	774.2	22.2
Revenue reserves	4,522.2	4,562.9	4,282.6
Treasury shares	-204.1	-204.1	-204.1
Other comprehensive income	-906.3	-697.9	64.9
	4,894.1	5,143.2	4,805.6
Non-controlling interests	1,216.2	1,236.5	1,255.0
	6,110.3	6,379.7	6,060.6
Non-current liabilities			
Provisions	12,844.6	12,258.5	10,851.0
Deferred taxes	994.9	998.8	1,465.3
Financial liabilities	5,496.9	5,560.1	6,219.1
Income tax liabilities	288.4	289.6	264.1
Other liabilities and subsidies	2,065.5	2,006.0	1,959.0
	21,690.3	21,113.0	20,758.5
Current liabilities			
Provisions	1,223.7	1,225.6	1,243.3
Financial liabilities	993.8	1,201.1	1,426.0
Trade payables	2,899.8	3,466.5	3,514.3
Income tax liabilities	296.8	254.2	200.5
Other liabilities and subsidies	4,894.8	3,125.0	2,482.0
	10,308.9	9,272.4	8,866.1
Liabilities directly associated with assets classified as held for sale	0.6	0.6	0.6
	10,309.5	9,273.0	8,866.7
	38,110.1	36,765.7	35,685.8

¹ The figures of the comparative periods have been restated.

Cash flow statement

€ millions ¹	01/01- 30/06/2013	01/01- 30/06/2012
1. Operating activities		
EBITDA	1,096.7	1,384.0
Changes in provisions	209.9	-162.5
Gain/loss on disposal of non-current assets	-9.5	-3.9
Other non-cash expenses/income	-30.4	46.2
Change in assets and liabilities from operating activities	-355.3	-555.0
Inventories	(-21.6)	(46.5)
Net balance of trade receivables and payables	(-247.5)	(-644.2)
Net balance of other assets and liabilities	(-86.2)	(42.7)
Income tax paid	-167.9	-96.3
Cash flow from operating activities	743.5	612.5
2. Investing activities		
Capital expenditures on intangible assets and property, plant and equipment	-374.2	-325.2
Cash received from disposals of intangible assets and property, plant and equipment	35.3	48.4
Cash received from construction cost and investment subsidies	32.4	27.7
Cash paid for the acquisition of subsidiaries and entities accounted for using the equity method	-0.6	-8.0
Cash received from the sale of subsidiaries and entities accounted for using the equity method	13.5	258.1
Change in securities and investments	27.3	-115.7
Interest received	105.3	116.2
Dividends received	101.8	95.8
Cash flow from investing activities	-59.2	97.3
3. Financing activities		
Interest paid for financing activities	-108.9	-138.7
Dividends paid	-266.5	-278.9
Cash paid for changes in ownership interest without loss of control	0.0	-1.1
Proceeds from financial liabilities	160.6	535.6
Repayment of financial liabilities	-397.6	-1,329.4
Cash flow from financing activities	-612.4	-1,212.5
Net change in cash and cash equivalents	71.9	-502.7
Net foreign exchange difference	-0.4	-0.2
Change in cash and cash equivalents	71.5	-502.9
Cash and cash equivalents at the beginning of the period	2,583.3	2,732.3
Cash and cash equivalents at the end of the period	2,654.8	2,229.4

¹ The figures of the comparative period have been restated.

Statement of changes in equity

€ millions ¹	Subscribed capital and capital reserve	Revenue reserves	Treasury shares	Other comprehensive income ²				Equity holders of EnBW AG ²	Non-controlling interests ²	Total
				Revaluation of pensions and similar obligations	Difference from currency translation	Cash flow hedge	Available-for-sale financial assets			
As of: 01/01/2012	662.2	4,272.3	-204.1	0.0	-119.7	43.7	207.2	4,861.6	1,265.2	6,126.8
Changes in accounting policy		10.3		-66.3				-56.0	-10.2	-66.2
As of: 01/01/2012 after changes in accounting policy	662.2	4,282.6	-204.1	-66.3	-119.7	43.7	207.2	4,805.6	1,255.0	6,060.6
Other comprehensive income				-467.4	31.1	-138.9	-16.6	-591.8	-4.4	-596.2
Group net profit		545.0						545.0	51.4	596.4
Total comprehensive income	0.0	545.0	0.0	-467.4	31.1	-138.9	-16.6	-46.8	47.0	0.2
Dividends paid		-207.6						-207.6	-48.6	-256.2
Other changes		2.4						2.4	-1.0	1.4
As of: 30/06/2012	662.2	4,622.4	-204.1	-533.7	-88.6	-95.2	190.6	4,553.6	1,252.4	5,806.0
As of: 01/01/2013	1,482.3	4,541.9	-204.1	0.0	-74.6	-172.8	355.7	5,928.4	1,255.0	7,183.4
Changes in accounting policy		21.0		-806.2				-785.2	-18.5	-803.7
As of: 01/01/2013 after changes in accounting policy	1,482.3	4,562.9	-204.1	-806.2	-74.6	-172.8	355.7	5,143.2	1,236.5	6,379.7
Other comprehensive income				54.1	-27.9	-151.4	-83.2	-208.4	-8.0	-216.4
Group net profit		190.5						190.5	54.6	245.1
Total comprehensive income	0.0	190.5	0.0	54.1	-27.9	-151.4	-83.2	-17.9	46.6	28.7
Dividends paid		-230.2						-230.2	-55.6	-285.8
Other changes		-1.0						-1.0	-11.3	-12.3
As of: 30/06/2013	1,482.3	4,522.2	-204.1	-752.1	-102.5	-324.2	272.5	4,894.1	1,216.2	6,110.3

¹ The figures of the comparative period have been restated.

² Of which other comprehensive income in conjunction with assets held for sale as of 30/06/2013 amounting to €0.0 million (01/01/2013: €0.0 million, 30/06/2012: €0.0 million, 01/01/2012: €16.5 million). Attributable to EnBW AG shareholders: €0.0 million (01/01/2013: €0.0 million, 30/06/2012: €0.0 million, 01/01/2012: €16.5 million). Attributable to non-controlling interests: €0.0 million (01/01/2013: €0.0 million, 30/06/2012: €0.0 million, 01/01/2012: €0.0 million).

Remarks and explanatory notes

Accounting and valuation methods

The EnBW Group's interim financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) whose application is mandatory in the European Union as per the reporting date. In addition, the interpretations (IFRIC/SIC) of those standards are taken into account. Standards and interpretations which have not yet come into force are not applied.

The accounting and valuation methods applied for the consolidated interim financial statements as of 30 June 2013, as well as the evaluation methods and input parameters for measuring fair value, correspond to those applied for the consolidated financial statements as of 31 December 2012 – with the exception of the new rules described below.

In compliance with IAS 34, the reporting scope selected for the presentation of the consolidated financial statements of EnBW AG as of 30 June 2013 was condensed compared to that of the consolidated financial statements as of 31 December 2012.

In addition to the income statement, the EnBW Group's statement of comprehensive income, balance sheet, condensed cash flow statement and statement of changes in equity are presented separately.

All significant transactions and events in the reporting period are explained in the interim management report.

Amendments to the accounting and valuation methods

The International Accounting Standards Board (IASB) and the IFRS Interpretation Committee (IFRS IC) have adopted the following new standards, amendments to existing standards, and interpretations whose application is mandatory as from the financial year 2013:

- **IFRS 7 Amendment (2011) "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities"**: In connection with the amendment to IAS "Financial Instruments: Presentation" which deals with the balancing of financial instruments, the scope of the disclosures required in the notes to financial statements was broadened. The amendments to IFRS 7 have no significant impact on the EnBW Group's financial position, results of operations and net assets. The amendments to IFRS 7 necessitate additional disclosures in the notes to the EnBW Group's annual financial statements.
- **IFRS 13 "Fair Value Measurement"**: IFRS defines and specifies the term "fair value" for all of the accounting standards and broadens the disclosure requirements in the notes to financial statements. The first-time application of IFRS 13 leads to additional disclosures with regard to fair value in the notes.
- **IAS 1 Amendment (2011) "Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income"**: The amendments stipulate that items of other comprehensive income which are reclassified into the income statement in subsequent periods must be reported separately, as must those items which are not reclassified. If the items of other comprehensive income are shown before tax, the respective tax amount in each case must be shown in similarly separate form for every category. The amendment to IAS 1 leads to a corresponding apportionment of the statement of comprehensive income in the EnBW consolidated financial statements.
- **IAS 19 Amendment (2011) "Employee Benefits"**: The most significant amendment to IAS 19 is that any unexpected future fluctuations in pension obligations and actuarial gains and losses must be reported directly under equity (other comprehensive income). The previous right to choose between immediate reporting through profit and loss, reporting with no effect on profit or loss, and delayed reporting in accordance with the corridor method has been abolished. To date, the corridor method has been used in the EnBW consolidated financial statements. The amended definition of the benefits occasioned by the termination of the employment relationship has an impact on the balance-sheet reporting of the top-up amounts promised within the framework of agreements on pre-retirement part-time working. Previously,

the top-up amounts were classified as benefits occasioned by the termination of the employment relationship and consequently deferred in their entire amount as of the time when a pre-retirement part-time work contract was agreed upon. As a result of the amendment to IAS 19, the top-up amount no longer fulfils the prerequisites of benefits occasioned by the termination of the employment relationship. Instead, they are basically other long-term employee benefits which must accumulate in instalments over the employees' respective periods of service. In overall terms, the amendments to IAS 19 have led to the following significant effects:

Income statement in € millions	01/01- 30/06/2012	01/01- 31/12/2012
Personnel expenses	-1.2	14.1
EBITDA	-1.2	14.1
Financial result	0.6	1.2
Earnings before tax (EBT)	-0.6	15.3
Income tax	0.1	-4.5
Group net profit	-0.5	10.8
of which profit/loss shares attributable to non-controlling interests	[-0.1]	[0.1]
of which profit/loss shares attributable to the equity holders of EnBW AG	[-0.4]	[10.7]

Balance sheet in € millions	31/12/2012	01/01/2012
Assets		
Non-current assets		
Other non-current assets	-6.1	-2.7
Deferred taxes	1.9	-0.2
	-4.2	-2.9
Equity and liabilities		
Equity		
Equity holders of EnBW AG		
Revenue reserves	21.0	10.3
Other comprehensive income	-806.2	-66.3
	-785.2	-56.0
Non-controlling interests	-18.5	-10.2
	-803.7	-66.2
Non-current liabilities		
Provisions	1,126.0	90.5
Deferred taxes	-326.5	-27.2
	799.5	63.3
	-4.2	-2.9

- The following amendments to the existing standards, as well as the following interpretation, have no significant impact on the EnBW consolidated financial statements:
 - Collection of amendments to various IFRS (2012) “Annual Improvements Cycle 2009-2011”
 - IFRS 1 Amendment (2010) “First-time Adoption – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters”
 - IFRS 1 Amendment (2012) “Government Loans”
 - IAS 12 Amendment (2010) “Income Taxes – Deferred Tax: Recovery of Underlying Assets”
 - IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”

Consolidation principles

The financial statements of the domestic and foreign companies included in the consolidation were prepared in a standardised manner in accordance with the accounting and valuation methods which are applicable at EnBW.

Corporate acquisitions are reported using the purchase method. The acquisition costs of an acquired company constitute the fair values of the assets handed over and of the liabilities which are entered into or assumed as of the time of acquisition. The valuation of non-controlling interests is carried out at the proportional fair value of the assets identified and the liabilities assumed. Incidental acquisition costs are reported as expenses as of the time when they come into being. In the case of gradual mergers, the proportion of equity previously held in the acquired company by the acquirer is redefined at its fair value as of the time of acquisition when control over the company has been attained, with the resultant gain or loss being reported under profit and loss. Any difference between the acquisition costs of a corporate acquisition plus the sum total of all non-controlling interests in the acquired company and the acquired identifiable assets and the liabilities and contingent liabilities assumed are reported as goodwill if they are asset-side or posted to profit or loss following a further analysis if they are on the liabilities side.

Any change in the size of a shareholding in a still fully consolidated company is reported as an equity transaction. When control over the company is lost, all remaining shares are measured anew at their fair value.

Any receivables, liabilities and provisions between consolidated companies are offset against each other. Intragroup income is set off against the corresponding expenses. Intercompany profits are eliminated, unless they are immaterial.

Consolidated group

All subsidiaries over whose financial and commercial policies a controlling influence can be exerted in accordance with the “control concept” are included using the full consolidation method. In the full consolidation process, the assets and liabilities of a subsidiary are included in the consolidated financial statements in their entirety.

Valuation using the equity method is applied when a company is jointly managed or when it is possible to exert a significant influence on the associated company’s commercial policy but the entity in question does not possess the characteristics of a subsidiary. This means that when shareholdings are being measured, only the company’s proportional equity, rather than its assets and liabilities, is shown in the consolidated financial statements. Any goodwill is included in the stated value of the shareholding in question. Any negative differences are posted to the income statement under income from participations.

Shares in subsidiaries, joint ventures or associated companies which, in the Group’s opinion, are of minor significance are reported in accordance with IAS 39. Indicators for determining the materiality of subsidiaries are such companies’ revenue, earnings and equity.

No reciprocal shareholdings exist in the EnBW Group as defined by Section 19 para. 1 of the German Companies Act (AktG).

The consolidated group is as follows:

Type of consolidation and number ¹	30/06/2013	31/12/2012	30/06/2012
Full consolidation	120	121	119
Entities accounted for using the equity method	22	22	23

¹ The figures of the comparative period have been restated.

Investment result

€ millions ¹	01/01- 30/06/2013	01/01- 30/06/2012
Share of profit/loss of entities accounted for using the equity method	52.7	119.5
Write-ups/write-downs of entities accounted for using the equity method	41.7	-79.2
Net profit/loss from entities accounted for using the equity method	94.4	40.3
Investment income	41.6	15.6
Write-downs of investments	-54.0	-4.1
Income from the sale of equity investments	0.1	113.7
Other profit/loss from investments	-12.3	125.2
Investment result	82.1	165.5

¹ The figures of the comparative period have been restated.

Financial result

€ millions ¹	01/01- 30/06/2013	01/01- 30/06/2012
Interest and similar income	102.4	109.7
Other finance revenue	109.0	93.2
Finance revenue	211.4	202.9
Borrowing costs	-138.8	-145.4
Other interest and similar expenses	-90.1	-39.9
Interest portion of increases in liabilities	-296.0	-297.8
Personnel provisions	(-102.5)	(-112.6)
Provisions relating to nuclear power	(-188.3)	(-175.0)
Other non-current provisions	(-1.1)	(-1.6)
Other liabilities	(-4.1)	(-8.6)
Other finance costs	-46.2	-40.1
Finance costs	-571.1	-523.2
Financial result	-359.7	-320.3

¹ The figures of the comparative period have been restated.

Treasury shares

As of 30 June 2013, EnBW AG holds 5,749,677 treasury shares (31 December 2012: 5,749,677 treasury shares). The acquisition cost of the treasury stock amounting to €204.1 million was deducted from the carrying amount of the equity. This corresponds to €14,719,173.12 of the nominal capital (2.1% of the subscribed capital).

Dividends

On 25 April 2013, the EnBW AG general meeting of shareholders approved the proposal by the Board of Management and the Supervisory Board to distribute a dividend of €0.85 per share for the financial year 2012. This corresponds to a dividend payment of €230.2 million.

Contingent liabilities and financial obligations

Compared to 31 December 2012, contingent liabilities and financial commitments have increased by €3,772.4 million to €31,649.3 million. This increase mainly results from the conclusion of the additional long-term gas supply agreement.

Disclosures pertaining to the cash flow statement

€ millions ¹	01/01- 30/06/2013	01/01- 30/06/2012
Interest paid for investing activities (capitalised borrowing costs)	-19.6	-26.0
Interest paid for financing activities	-108.9	-138.7
Total interest paid in the period	-128.5	-164.7

¹ The figures of the comparative period have been restated.

Disclosures pertaining to fair value

The fair values and carrying amounts of the financial assets and financial liabilities contained in the individual balance-sheet items are shown below.

Carrying amounts and fair values of financial instruments in € millions ¹	30/06/2013			31/12/2012		
	Fair value	Not within the scope of application	Carrying amount	Fair value	Not within the scope of application	Carrying amount
Financial assets	6,892.8		6,822.0	6,918.2		6,844.3
held for trading	[262.9]		[262.9]	[262.6]		[262.6]
available for sale ²	[5,519.0]		[5,519.0]	[5,448.3]		[5,448.3]
held to maturity	[1,016.3]		[945.5]	[1,119.3]		[1,045.4]
Loans and receivables	[94.6]		[94.6]	[88.0]		[88.0]
Trade receivables	4,123.3		4,123.3	4,486.7		4,486.7
Other assets	3,779.3	329.5	4,108.8	2,211.7	291.3	2,503.0
held for trading	[2,575.1]		[2,575.1]	[1,413.8]		[1,413.8]
Loans and receivables	[993.6]		[993.6]	[576.2]		[576.2]
Derivatives in hedge relationships	[174.8]		[174.8]	[183.1]		[183.1]
Amount stated as per IAS 17	[35.8]		[35.8]	[38.6]		[38.6]
Cash and cash equivalents	2,654.8		2,654.8	2,583.3		2,583.3
Assets held for sale ³	602.1	8.6	610.7	655.1	26.0	681.1
Total	18,052.3	338.1	18,319.6	16,855.0	317.3	17,098.4
Financial liabilities	7,242.1		6,490.7	7,563.6		6,761.2
measured at amortised cost ⁴	[7,008.0]		[6,256.6]	[7,287.2]		[6,484.8]
Amount stated as per IAS 17	[234.1]		[234.1]	[276.4]		[276.4]
Trade payables	1,912.9	986.9	2,899.8	394.0	3,072.5	3,466.5
Other liabilities and subsidies	4,623.5	2,336.8	6,960.3	2,842.2	2,288.8	5,131.0
held for trading	[2,730.5]		[2,730.5]	[1,622.1]		[1,622.1]
measured at amortised cost	[1,411.4]		[1,411.4]	[970.4]		[970.4]
Derivatives in hedge relationships	[481.6]		[481.6]	[249.7]		[249.7]
Total	13,778.5	3,323.7	16,350.8	10,799.8	5,361.3	15,358.7

¹ Financial assets in these categories are generally subject to the risk of changes in their market price.

² Available-for-sale financial assets include equity instruments of € 732.5 million (previous year: € 658.2 million) measured at amortised cost whose fair value cannot be determined reliably.

³ This relates to a nonrecurrent measurement at fair value due to the application of IFRS 5.

⁴ Of the financial liabilities measured at amortised cost, € 1,158.6 million are contained in a fair value hedge relationship (previous year: € 1,458.0 million).

Counterparty default risk is taken into account when measuring the fair value of derivative financial instruments. Default risk with respect to an individual counterparty is calculated on the basis of the net risk position.

Hierarchy of input data in € millions ¹	30/06/2013		31/12/2012	
	1st Level	2nd Level	1st Level	2nd Level
Financial assets	1,261.7	3,787.8	1,216.6	3,836.1
held for trading	(262.9)		(262.6)	
available for sale	(998.8)	(3,787.8)	(954.0)	(3,836.1)
Other assets	615.3	2,134.6	259.5	1,337.4
held for trading	(615.3)	(1,959.8)	(259.5)	(1,154.3)
Derivatives in hedge relationships		(174.8)		(183.1)
Assets held for sale		602.1		655.1
Total	1,877.0	6,524.5	1,476.1	5,828.6
Other liabilities and subsidies	367.1	2,845.0	185.0	1,686.8
held for trading	(135.0)	(2,595.5)	(77.9)	(1,544.2)
Derivatives in hedge relationships	(232.1)	(249.5)	(107.1)	(142.6)
Total	367.1	2,845.0	185.0	1,686.8

¹ The figures of the comparative period have been restated.

Segment reporting

01/01– 30/06/2013 in € millions	Generation and trading	Renewable energies	Grids	Sales	Other/ consolidation	Total
External sales	2,522.9	185.4	2,829.5	5,015.4	6.5	10,559.7
Intercompany sales	1,709.3	222.0	1,409.4	355.4	-3,696.1	0.0
Total sales	4,232.2	407.4	4,238.9	5,370.8	-3,689.6	10,559.7
Adjusted EBITDA	654.8	101.4	540.6	119.2	-9.7	1,406.3
EBITDA	333.5	101.4	545.7	121.8	-5.7	1,096.7
Adjusted EBIT	477.7	73.1	356.0	87.9	-25.4	969.3
EBIT	156.4	73.1	361.0	89.9	-21.4	659.0
Amortisation and depreciation	-177.1	-28.3	-184.6	-31.3	-15.7	-437.0
Impairment losses	0.0	0.0	-0.1	-0.6	0.0	-0.7
Capital employed as of 30/06/2013	4,165.7	1,847.1	5,836.4	1,080.7	2,304.7	15,234.6

01/01– 30/06/2012 in € millions ¹	Generation and trading	Renewable energies	Grids	Sales	Other/ consolidation	Total
External sales	2,143.9	170.8	2,491.9	4,851.3	4.5	9,662.4
Intercompany sales	1,920.5	202.4	1,277.1	338.6	-3,738.6	0.0
Total sales	4,064.4	373.2	3,769.0	5,189.9	-3,734.1	9,662.4
Adjusted EBITDA	738.7	118.1	436.8	165.8	-20.4	1,439.0
EBITDA	674.7	118.1	438.1	176.2	-23.1	1,384.0
Adjusted EBIT	572.8	90.9	246.8	130.9	-40.9	1,000.5
EBIT	508.8	90.9	248.0	141.3	-43.6	945.4
Amortisation and depreciation	-165.9	-27.2	-190.0	-34.9	-20.5	-438.5
Impairment losses	0.0	0.0	-0.1	0.0	0.0	-0.1
Capital employed as of 31/12/2012	4,422.9	1,718.4	5,866.8	829.7	2,474.6	15,312.4

¹ The figures of the comparative period have been restated.

Adjusted EBITDA is one of the essential central control parameters. Adjusted EBITDA is an earnings variable adjusted for neutral earnings effects which accurately conveys the development of the operating earnings position. In the management report, the development of the business segments is explained with the aid of adjusted EBITDA. Adjusted EBITDA can be reconciled with earnings before income taxes (EBT) as follows:

€ millions ¹	01/01- 30/06/2013	01/01- 30/06/2012
Adjusted EBITDA	1,406.3	1,439.0
Non-operating EBITDA	-309.6	-55.0
EBITDA	1,096.7	1,384.0
Amortisation and depreciation	-437.7	-438.6
Earnings before interest and taxes (EBIT)	659.0	945.4
Investment result	82.1	165.5
Financial result	-359.7	-320.3
Earnings before tax (EBT)	381.4	790.6

¹ The figures of the comparative period have been restated.

Beginning with the quarterly financial report for the period from January to March 2013, we have restructured our segment reporting as a result of the reorientation of our business model and the restructuring of the Group. The figures from the comparable periods were adjusted accordingly.

The segment reporting is oriented towards the internal reporting.

In addition to the generation of and trading with electricity, the generation and trading segment now also contains gas midstream operations (grid gas level) with import contracts and infrastructure, storage, trading and portfolio management. The disposal business was also allocated to the generation and trading segment. Activities in the field of generation from renewable energy sources will be presented in their own business segment from 2013 onwards. The grids segment encompasses the value-added levels of transport and distribution of electricity and gas. In addition, the rendering of network-related services and the supply of water will be reported on in the grids segment. The selling of electricity and gas, as well as the rendering of energy-related services such as accounting/billing or energy supply and energy-saving contracting, are summarised in the sales segment.

Assets, liabilities, income and expenses which are attributable to EnBW AG, our shareholdings in EWE Aktiengesellschaft and EVN AG, and other activities which cannot be attributed to the separately depicted segments are shown together with the eliminations between the segments in the other/consolidation column. EnBW AG's directly attributable costs are allocated to the individual business segments with the aid of keys.

The segment data were ascertained in compliance with the reporting and valuation methods in the consolidated financial statements. The intercompany sales indicate the level of sales between the Group companies. The sales between the segments are effected at market prices.

Related parties (entities)

The related parties include, in particular, the state government of Baden-Württemberg and Zweckverband Oberschwäbische Elektrizitätswerke as indirect major shareholders in EnBW AG. As of 30 June 2013, the federal state of Baden-Württemberg and NECKARPRI GmbH indirectly held 46.75% of the shares in EnBW AG (unchanged) and NECKARPRI-Beteiligungsgesellschaft mbH held the same amount directly. Zweckverband Oberschwäbische Elektrizitätswerke indirectly and OEW Energie-Beteiligungs GmbH (OEW GmbH) directly hold a likewise unchanged 46.75% of the shares in EnBW AG.

The transactions effected with the state government and with the companies controlled, jointly controlled or significantly influenced by it result predominantly from the supply of public institutions such as universities, authorities, zoos and clinics with electricity, gas and district heating. The revenue from these transactions was immaterial in the reporting period; most of the receivables had been settled as of 30 June 2013. All business transactions with the state government were based on conditions customary on the market. There are no contingent liabilities or financial obligations in relation to the state government.

Except for dividends paid, there are no business relationships with OEW GmbH or NECKARPRI-Beteiligungsgesellschaft mbH.

Commercial relations with joint ventures accounted for using the equity method were as follows:

Income statement in € millions ¹	01/01- 30/06/2013	01/01- 30/06/2012
Revenue	6.7	5.3
Cost of materials	-11.9	-10.1

¹ The figures of the comparative period have been restated.

Balance sheet in € millions	30/06/2013	31/12/2012
Receivables	2.4	3.0
Liabilities	5.8	1.1
Payments on account received	0.3	0.3

Revenues and costs of materials result predominantly from electricity supply and purchase contracts. The receivables and payables will be settled within one year. All business relationships with joint ventures were based on conditions customary on the market.

Within the scope of normal business activity there are also relationships with associated companies which are accounted for using the equity method, including municipal undertakings among others (particularly municipal utilities). The exchange of services with these companies was effected on terms customary on the market and has the following impact on the EnBW Group's income statement and its balance sheet:

Income statement in € millions	01/01- 30/06/2013	01/01- 30/06/2012
Revenue	135.3	135.8
Cost of materials	-129.9	-119.7

Balance sheet in € millions	30/06/2013	31/12/2012
Other loans	9.4	12.5
Receivables	28.0	32.1
Liabilities	34.0	31.4

The receivables and payables from the financial year will, in the main, be settled within one year.

Related parties (individuals)

The EnBW Group conducts no significant transactions with related individuals.

Certification following auditor's review

To EnBW Energie Baden-Württemberg AG

We have reviewed the interim condensed consolidated financial statements, comprising the income statement, statement of comprehensive income, balance sheet, condensed cash flow statement, statement of changes in equity and selected explanatory notes, together with the interim Group management report of EnBW Energie Baden-Württemberg AG, Karlsruhe, for the period from 1 January to 30 June 2013, which are part of the six-monthly financial report pursuant to Sec. 37w German Securities Trading Act (WpHG). The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim Group management report in accordance with the requirements of the WpHG applicable to interim Group management reports is the responsibility of the company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim Group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the applicable provisions of the WpHG. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance obtainable from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim Group management reports.

Mannheim, 25 July 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Walter
German Public Auditor

Woche
German Public Auditor

Declaration of the legal representatives

We assure to the best of our knowledge that in accordance with the accounting principles applicable for interim financial reporting, and in compliance with proper accounting principles, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the interim Group management report gives a true and fair view of the business development including the result and situation of the Group and also describes the significant opportunities and risks relating to the anticipated development of the Group for the remaining fiscal year.

Karlsruhe, 25 July 2013

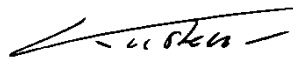
EnBW Energie Baden-Württemberg AG



Dr. Mastiaux



Dr. Beck



Kusterer



Dr. Mausbeck



Dr. Zimmer

Board of Management and Supervisory Board

Board of Management

Dr. Frank Mastiaux, Karlsruhe

Chief Executive Officer
since 1 October 2012
Appointed until 30 September 2017

Dr. Bernhard Beck LL.M., Stuttgart

Chief Personnel Officer
since 1 October 2002
Appointed until 30 September 2017

Thomas Kusterer, Ettlingen

Chief Financial Officer
since 1 April 2011
Appointed until 31 March 2019

Dr. Dirk Mausbeck, Karlsruhe

Chief Commercial Officer
since 1 October 2011
Appointed until 30 September 2014

Dr. Hans-Josef Zimmer, Steinfeld (Pfalz)

Chief Technical Officer
since 1 January 2012
Appointed until 31 December 2016

Supervisory Board

Dr. Claus Dieter Hoffmann, Stuttgart

Managing Partner at H + H Senior Advisors
GmbH, Chairman

Dietrich Herd, Philippsburg

Chairman of the general works council at
EnBW Erneuerbare und konventionelle
Erzeugung AG, Deputy Chairman

Günther Cramer, Kassel

Chairman of the Supervisory Board at SMA
Solar Technology AG

Dirk Gaerte, Sigmaringendorf

Chairman of the Sigmaringen district
authority

Stefan Paul Hamm, Gerlingen

Divisional secretary for supply and waste
disposal division for Baden-Württemberg,
ver.di regional authority Baden-Württemberg,
Member since 1 June 2013

Reiner Koch, Glienicke/Nordbahn

Responsible for supply and waste disposal
divisions at ver.di head office,
Member until 31 May 2013

Silke Krebs, Stuttgart

Minister in the State Ministry of Baden-
Württemberg

Marianne Kugler-Wendt, Heilbronn

Heilbronn Area Chairperson, ver.di,
Heilbronn-Neckar-Franken area

Wolfgang Lang, Karlsruhe

Chairman of the general works council at
EnBW Systeme Infrastruktur Support GmbH

Dr. Hubert Lienhard, Heidenheim

President and CEO of Voith GmbH

Sebastian Maier, Ellenberg

Chairman of the works council at EnBW
Ostwürttemberg DonauRies AG,
Member since 1 March 2013

Arnold Messner, Aichwald

General works council chairman at EnBW
Regional AG

Bodo Moray, Mannheim

Regional department head of supply and
waste disposal divisions at ver.di

Bernd Munding, Hochdorf

Deputy chairman of the works council of
EnBW Operations GmbH,
Member until 28 February 2013

Gunda Röstel, Flöha

Managing director of Stadtentwässerung
Dresden GmbH and authorised signatory of
Gelsenwasser AG

Dr. Nils Schmid MdL, Nürtingen

Deputy Premier Minister and Minister of
Finance and Economy of the State of Baden-
Württemberg

Klaus Schörnich, Düsseldorf

Works council chairman at Stadtwerke
Düsseldorf AG

Heinz Seiffert, Ehingen

District administrator of the Alb-Donau
district

Gerhard Stratthaus MdL, Brühl

Interim Chairman of Badische
Staatsbrauerei Rothaus AG

Dietmar Weber, Esslingen

Chairman of the general works council at
EnBW Operations GmbH

Kurt Widmaier, Ravensburg

District administrator at the district of
Ravensburg

Dr. Bernd-Michael Zinow, Pfinztal

Head of the Economics and Politics division
at EnBW Energie Baden-Württemberg AG

As of: 25 July 2013

Important information

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www.enbw.com

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Corporate Communications

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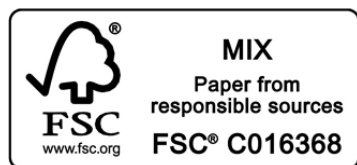
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Baden-Württemberg AG

No offer or investment recommendation

This report was prepared purely for informative purposes. It does not constitute an offer, invitation or recommendation to acquire or dispose of securities issued by EnBW Energie Baden-Württemberg AG (EnBW), a company in the EnBW Group, or any other company. Neither does this report constitute a request, invitation or recommendation to cast a vote or give approval. All descriptions, examples and calculations were included in this report solely for illustration purposes.

Forward-looking statements

This report contains forward-looking statements which are based on current assumptions, plans, estimates and forecasts made by the Board of Management of EnBW. Forward-looking statements of this kind are therefore valid only at the time when they were first published. Forward-looking statements are evident from their context but can also be recognised by the terms “can”, “will”, “should”, “plans”, “intends”, “expects”, “thinks”, “estimates”, “forecasts”, “potential”, “continued” or similar expressions.

Forward-looking statements naturally involve risks and uncertainties which cannot be controlled or accurately predicted by EnBW. Actual events, future results, and the financial position, development or performance of EnBW and the companies in the EnBW Group can therefore deviate substantially from the forward-looking statements made in this report. There can therefore be no guarantee and no assumption of liability for any of these forward-looking statements being complete, correct or precise or for any anticipated, forecast results actually being achieved in the future.

No obligation to update

EnBW assumes no obligation of any kind to update the information contained in this report or to adjust or update forward-looking statements to future events or developments. This six-monthly financial report is also available for downloading over the Internet in German and English versions. In cases of doubt, the German version shall be authoritative.

Shareholder Hotline/Investor Relations

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(only within Germany)
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Internet: www.enbw.com

Financial calendar

26 | 07 | 2013

Publication of the Six-Monthly Financial Report January to June 2013

12 | 11 | 2013

Publication of the Nine-Monthly Financial Report January to September 2013

07 | 03 | 2014

Publication of the Annual Report 2013

29 | 04 | 2014

2014 Annual General Meeting

09 | 05 | 2014

Publication of the Quarterly Financial Report January to March 2014

01 | 08 | 2014

Publication of the Six-Monthly Financial Report January to June 2014

11 | 11 | 2014

Publication of the Nine-Monthly Financial Report January to September 2014



EnBW's future strategy: Energiewende. Safe. Hands on. With its EnBW 2020 Strategy, EnBW is responding to the far-reaching changes in the energy sector's environment. Under the motto of "Energiewende. Safe. Hands on." EnBW is launching a strategic reorientation with which it will play an active and exemplary role in structuring tomorrow's energy world, and tap long-term growth options.

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