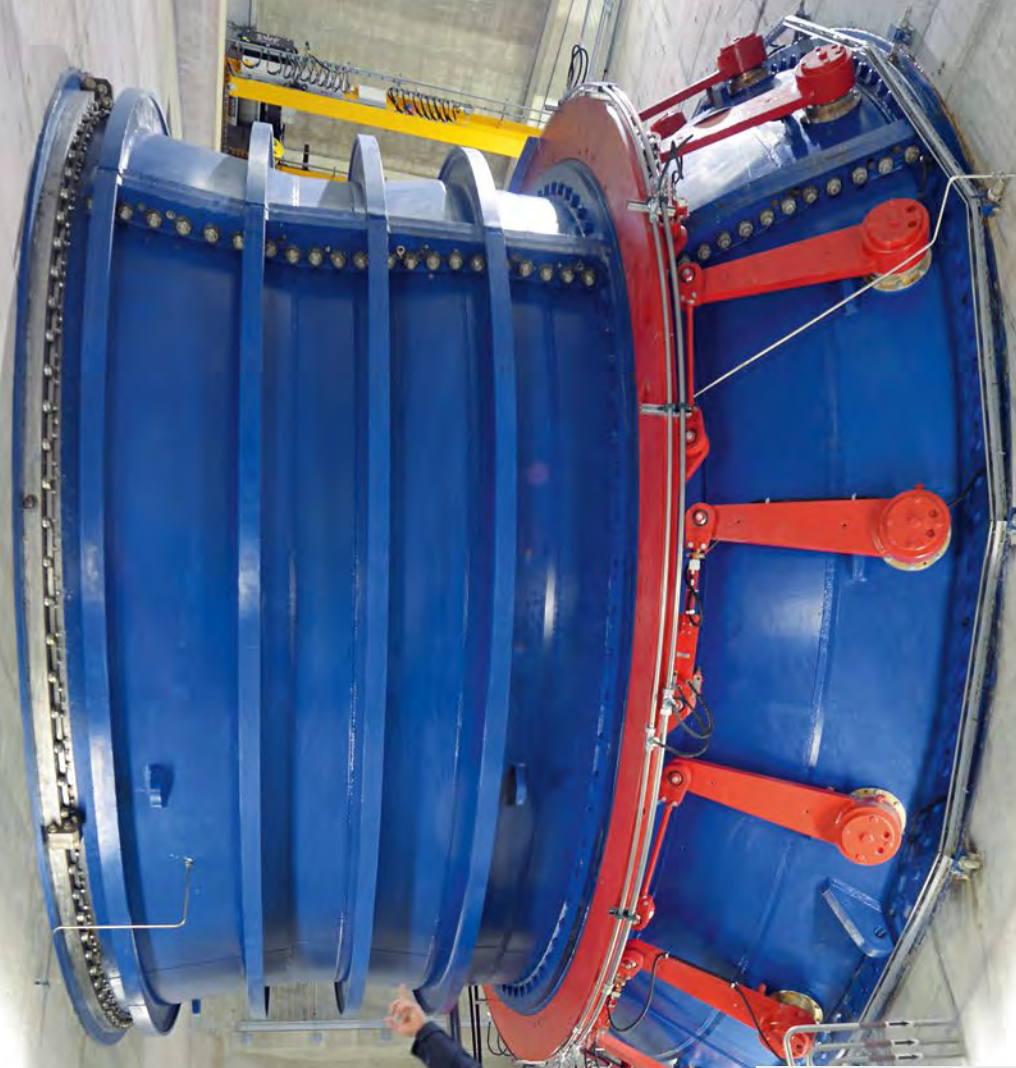


Nine-Monthly Financial Report

January to September 2013



EnBW

EnBW Energie
Baden-Württemberg AG

Key figures

EnBW Group

€millions ¹	01/01– 30/09/2013	01/01– 30/09/2012	Change in %	01/01– 31/12/2012
Revenue				
Generation and Trading	3,752.4	3,068.4	22.3	4,344.2
Renewable Energies	264.6	249.7	6.0	347.4
Grids	4,521.8	4,203.5	7.6	5,268.5
Sales	7,001.4	6,799.9	3.0	9,277.7
Other/Consolidation	7.6	6.5	16.9	8.1
External revenue, total	15,547.8	14,328.0	8.5	19,245.9
Adjusted EBITDA	1,816.0	1,863.3	-2.5	2,340.8
EBITDA	1,532.4	1,823.6	-16.0	2,307.2
Adjusted EBIT	1,148.8	1,205.1	-4.7	1,452.5
EBIT	864.5	1,136.1	-23.9	1,289.3
Adjusted Group net profit ²	516.3	563.2	-8.3	651.8
Group net profit ²	234.1	564.8	-58.6	484.2
Earnings per share from adjusted Group net profit ² in €	1.91	2.23	-14.3	2.53
Earnings per share from Group net profit ² in €	0.86	2.24	-61.6	1.88
Cash flow from operating activities	1,212.5	1,042.3	16.3	856.3
Free cash flow	890.7	699.0	27.4	205.8
Capital expenditures	612.3	599.6	2.1	877.4

Energy sales of the EnBW Group

Billions of kWh ¹	01/01– 30/09/2013	01/01– 30/09/2012	Change in %	01/01– 31/12/2012
Electricity	98.4	101.4	-3.0	135.4
Gas	71.5	46.2	54.8	73.1

Employees of the EnBW Group

Number ^{1,3}	30/09/2013	30/09/2012	Change in %	31/12/2012
Employees	19,770	20,054	-1.4	19,998

¹ Figures of prior comparative periods have been restated.

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

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

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 actively participate in shaping the Energiewende by developing wind and hydropower along with decentralised solutions. At the same time, we secure the supply of energy through our fleet of power plants. Our dedicated subsidiaries ensure the stability and expansion of the grid infrastructure. We offer citizens and local authorities the opportunity of assuming an active role in projects in the new energy world.

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

Table of contents

- 2 Significant financial developments
- 3 Highlights
- 4 EnBW on the capital market

Interim Group management report (unaudited)

- 6 Business activity and economic environment
- 12 The EnBW Group
- 21 Further important Group topics
- 24 Risk management
- 24 Significant events after the reporting date
- 25 Forecast

Interim financial statements of the EnBW Group January to September 2013 (unaudited)

- 28 Income statement
- 29 Statement of comprehensive income
- 30 Balance sheet
- 31 Cash flow statement
- 32 Statement of changes in equity
- 33 Remarks and explanatory notes

Service

- 43 Board of Management and Supervisory Board
- 44 Important information

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 44.

Significant financial developments

- > Adjusted EBITDA amounted to €1,816.0 million, representing a decrease of 2.5% compared with the year-earlier figure. Excluding positive valuation effects on derivatives, which reverse when the underlying transactions are realised, operating earnings stood at €1,752.4 million, which corresponds to a decline of 7.9%. Our earnings trend is therefore in line with our expectations for the financial year 2013.
- > Non-cash extraordinary charges resulted in a negative, non-operating EBITDA of €283.6 million, which had the effect of partly raising adjusted net debt. As per 30 September 2013, however, these charges had been reduced by 2.8% to €8,177.5 million by the clearly positive free cash flow compared with year-end 2012.
- > Adjusted Group net profit attributable to EnBW shareholders stood at €516.3 million (-8.3%), while Group net profit amounted to €234.1 million (-58.6%).
- > EnBW invested a total of €600.2 million in the first nine months of 2013. Of this amount, €139.8 million, which equates to 23.3%, was invested in expanding renewable energies.

Highlights from July to October 2013

July

TransnetBW embarks on grid extension near Stuttgart

Transmission system operator TransnetBW commences work on the extra high-voltage power lines in the Stuttgart region: Laying a new 380 kV electric circuit started in July. The background is the long-term upgrading of the existing 220 kV grid to 380 kV with the aim of reliably covering the steady increase in energy transport requirements in Baden-Württemberg.

August

Construction on the second EnBW Baltic 2 offshore wind farm kicks off

The construction of EnBW Baltic 2 is entering the decisive project stage: On the construction site situated 32 km north of the Baltic Sea island of Rügen, work has begun on installing the foundations for 80 turbines in total with a peak output of 288 MW. The offshore wind farm will supply 1.2 billion kilowatt hours (kWh) of electricity for a calculated 340,000 households and save 900,000 t CO₂. By comparison, it will be four times the size of EnBW Baltic 1, the first commercial offshore wind farm in the German Baltic Sea, and produce six times the amount of electricity.



First prepaid charging cards for electrical vehicles

EnBW has been researching innovative concepts in e-mobility for many years. The most recent solutions include the "Electronaut Prepaid Charging Card". As part of the "iZEUS"

research project (intelligent Zero Emission Urban System), which is backed by the German government, the charging card enables a simple access and payments mode for currently around 600 charging points of EnBW in Baden-Württemberg. These charging points are supplied with electricity sourced from 100% renewable energies.



September

Winning of pan-European tenders

EnBW has won three pan-European tenders: In future, EnBW will continue to provide numerous public offices and service points of the Federal State of Baden-Württemberg with green electricity. Natural gas supplied by EnBW will also secure the heat supply of numerous municipal buildings in the federal state. The Landesmesse and Stuttgart Airport will be covered again by electricity from EnBW from 2014 to 2016.

October

Outstanding: "Digital Brand Champion" in the field of energy

EnBW is currently the best energy brand on the Internet. This was the conclusion of a study entitled "Digital Brand Champion" carried out by different, a Berlin-based company specialising in strategic consultancy, and the "Wirtschaftswoche" magazine. The study analyses the digital presence of the 200 most attractive brands in 20 different sectors from a consumer standpoint. EnBW took first place for its online activities in the energy company segment – in its overall ranking, it came at 26th place.

Smart storage device added to "Netzlabor Sonderbuch"

An innovative electricity storage device specially developed for changeable weather was officially commissioned in the presence of Franz Untersteller, Baden-Württemberg's Minister for the Environment, in Zwiefalten-Sonderbuch. The battery is designed to reduce the load on the distribution grid which absorbs the solar power generated by connected PC power plants and supplies it to the electricity customers. EnBW has been running the "Netzlabor Sonderbuch" since 2011 to investigate the impact of the changed framework conditions brought about by the Energiewende on the distribution grid to make it fit for the future.

October

EnBW takes the "NEO2013"

EnBW wins the "NEO2013" innovation prize endowed with € 20,000 and awarded by the TechnologieRegion Karlsruhe for the "MeRegio" (Minimum Emission Region) project. Under the pilot project, important solutions for the intelligent electricity grid of the future were developed over a four-year period, together with the project partners ABB, SAP, IBM, Systempland and KIT.



Moody's confirms A3 rating

The rating agency Moody's announced a new overall rating of A3 for EnBW. The outlook remains negative. The Baseline Credit Assessment was downgraded by one notch to Baa1 from A3. At the same time, the participating investment of the Federal State of Baden-Württemberg, which amounts to 46.75%, was factored into the better credit rating.

EnBW on the capital market

EnBW is actively participating in shaping the Energiewende: As Germany's only fully integrated energy company, it has fundamentally realigned its strategy to take advantage of the opportunities arising from the changing energy environment. A prerequisite in this process is the safeguarding of the company's financial stability and good standing on the capital market. We aim to foster confidence in EnBW through engaging in open and continuous dialogue with capital market participants.

Established issuer on the debt capital market

We secure the financing of EnBW's business through strong internal financing capability, by deploying a range of short- and long-term borrowing instruments as well as equity financing ([Interim Group management report](#) > **Financing** > **p. 16**), thereby ensuring that the company has sufficient and flexible access to the capital market at all times.

At the end of November 2013, a bond of EnBW International Finance B.V. matured in a volume of €750 million. The bond is to be redeemed from the operating cash flow.

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 used by the rating agencies, the dynamic gearing ratio (adjusted net debt/adjusted EBITDA) constitutes 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 tracked by 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 slightly overall over the course of the last twelve months. The iTRAXX itself entered an even steeper downtrend over the same period. In the last quarter, the five-year CDS for EnBW disengaged from the positive performance of the benchmark index, which was also attributable to uncertainty about energy policies in the run-up to the Bundestag (Lower House of the German Parliament) elections.

Performance of the Credit Default Swaps October 2012 to September 2013 in %



Share and shareholder structure

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 since 6 July 2012. The overall shareholder structure as per 30 September 2013 breaks down as follows:

Shareholders of EnBW - shares in %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 proportion of EnBW shares in free float and the consequently very limited trading volumes in our share mean that the current stock market price of €25.85 (as of 30 September 2013) is not a sufficient reflection of 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 on 15 May 2013. Following the announcement of our strategic realignment towards the end of the first half of 2013, we arranged numerous face-to-face meetings with market participants. On the occasion of the first "EnBW Capital Market Day", which took place on 12 and 13 September 2013 at company headquarters in Karlsruhe, the Chief Executive Officer and other members of EnBW's Board of Management explained our EnBW Strategy 2020, the Group's financial control models and the significance of the transmission grid in the future business model. Right on time for the Capital Market Day, we published the new edition of the EnBW Factbook, which has also been made available on the EnBW website under the Investor Relations heading.

Business activity and economic environment

With its strong roots in Baden-Württemberg, our company ranks among the most important energy supply companies and energy service providers in Germany and Europe. Under our new EnBW 2020 Strategy, we have clearly committed to the Energiewende, and we are opening up long-term growth options. “Customer proximity” and “engine room of the Energiewende” are the two heartbeats which drive our company forward. The prices of primary energy sources, CO₂ emission allowances and electricity on the wholesale markets continue to be partly significantly below the year-earlier level.

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 combines the business of generating and trading in electricity, the gas midstream business (long-distance gas distribution), as well as recycling. The Group's renewable energies activities are combined under their own segment. The Grids segment comprises stages along 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 encompasses 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 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 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 huge changes in the energy sector are feeding through to a drastic decline in revenues, especially in the conventional power plant business which has to date been mainstay of traditional energy utilities. For EnBW, this means that the adjusted EBITDA of the Generation and Trading segment is likely to decline by around 80%, from €1.2 billion in 2012 to approximately €0.3 billion by 2020. With our EnBW 2020 Strategy, we have made a clear commitment to the Energiewende, and are opening up long-term growth options. This approach is to significantly reinforce the Renewable Energies, Grids and Sales segments. EnBW will orientate itself consistently towards changes in the energy sector rather than just responding with individual measures. By 2020, the aim is to lift earnings contributions in relation to adjusted EBITDA in the financial year 2012, trebling them in the Renewable Energies segment to around €0.8 billion, more than doubling them in the Sales segment to €0.5 billion and increasing them by around 10% in the Grids segment to €0.9 billion. In doing so, we will

be focusing 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. Backed by our considerable investments in grid expansion, we will be making a material contribution to the infrastructure which the energy system requires. Innovative products will form another important 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 in strategic realignment measures. We will be focusing on expanding industrial-scale wind and hydropower in this context. We will have invested around €4.0 billion in expanding wind power by 2020. Moreover, 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 which we require.

Preferred partner to our customers: The EnBW 2020 Strategy revolves entirely around customers. Consistent innovation management, swifter product development cycles and equitable partnership models make up the core elements of our customer orientation. With our new business models, extensive service offerings and investment opportunities, our aim is to become our customers' preferred partner at all times, whether households, industry or local authorities. An innovation campus is aimed at supporting rapid and groundbreaking product development. Furthermore, we intend to bolster our cooperation with local authorities and municipal utilities, thereby striving to distinguish ourselves from the traditional energy-supplier image and to clearly differentiate ourselves from our competitors. Instead of cumbersome structures which emphasise hierarchies, we favour an agile organisation which is capable of responding swiftly to customer requirements in the service business.

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

"ONE EnBW": EnBW's strategic realignment is underpinned by the Group's new concept for an organisation structure, a new management model and the restructuring of the finance organisation. The EnBW Group's complexity is to be significantly reduced by combining six core companies. EnBW anticipates efficiency gains in the double-digit million range from reducing the number of executive and supervisory bodies and committees and streamlining management levels.

"Focus" project making good headway: Against the backdrop of sea changes in the energy industry, EnBW initiated the "Focus" efficiency programme back in 2011 as a measure designed to secure the financial stability of the company. The original goal was to raise EBIT, improving it by €750 million a year aggregated through to 2015. The joint efforts of all sub-projects since 2013 have resulted in measures which are additional or which can be implemented at an earlier stage to improve profit, thereby enabling the "Focus" objective to be realised as early as 2014. In the current year, the impact achieved on profit has been estimated at €600 million. A performance review process already under way will encompass the measures developed under "Focus" and accompany the project as part of the ongoing drive to improve efficiency. Moreover, the project reinforces the concept of efficiency in the EnBW corporate culture.

Economic environment

The performance of EnBW is influenced by a wide range of external factors. The macroeconomic environment, price trends 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) trend in %	2012	2011
World	3.2	3.9
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 3.2% in 2012 (2011: 3.9%). The International Monetary Fund forecasts an at best slow recovery in the global economy in 2013. Faltering growth is especially attributable to the recession in Europe, which has proved more severe than expected. The resulting rising unemployment in many Eurozone countries and uncertainty about whether US central bank, the Fed, will continue its policy of low interest rates are factors contributing to growing uncertainty around the world. Emerging economies, such as China, India and Brazil, have also seen growth drop to 4.9% (2011: 6.2%), pressured by a deterioration in the export environment and weaker domestic demand. Growth of the industrial nations posts 1.5% (2011: 1.7%) and continues to lag far behind that of the emerging markets.

Following a decline in Eurozone GDP of 0.5% in 2012 (2011: +1.5%), economic output in the first quarter of 2013 fell by 0.2% compared with the previous quarter, according to European Union data. Compared with the year-earlier quarter, GDP contracted by 1.0%. In the second quarter, macroeconomic output expanded by 0.3% in a year-on-year comparison. Higher exports and an increase in consumer spending by private households and the public sector boosted growth. In comparison with the year-earlier quarter, GDP nonetheless declined by 0.5%. The annual inflation rate in the Eurozone stood at 1.1% in September 2013 compared with 1.3% in August according to a preliminary estimate produced by the EU Commission. In the previous year the inflation rate still was running at 2.6%. In Austria, economic growth slowed considerably to a mere 0.8% in 2012 (2011: 2.7%). In the first quarter of 2013, economic performance stood 0.1% higher quarter on quarter and 0.2% above the year-earlier level. In the second quarter, GDP rose by 0.2% measured against the first quarter of 2013 as well as the previous year's quarter. Against the backdrop of the Eurozone recession, the Swiss economy performed well in 2012, reporting a growth of 1.0% (2011: 1.9%). In the first quarter of 2013, macroeconomic output expanded by another 0.6% compared with the previous quarter. Private consumption, construction investments and external trade delivered positive stimulus. GDP climbed by 1.5% compared with the first quarter of 2012. In the second quarter, the Swiss economy expanded by 0.5% on the preceding quarter and by 2.1% in a year-on-year comparison. Economic growth in Turkey declined considerably to 2.2% in 2012 (2011: 8.8%). Although domestic demand has recovered since year-end 2012 and exports are on the rise, the inflation rate is slow to fall: In August 2013, it still stood at 8.2%, down from 9.0% in 2012.

In the wake of the stagnation in the German economy in the first quarter 2013, which was also due to the tough winter, the trend received support from an appreciable GDP growth

of 0.7% in the second quarter, boosted by catch-up effects. The positive trend held steady in the third quarter as well, albeit at a slower pace, with an increase in economic output of 0.2%, which corresponds to the forecasts by the German Institute for Economic Research (DIW). The mainstay of growth emanated mainly from consumer spending which benefited from the rising disposable income of private households. According to information provided by the German Statistical Office, inflation has recently slowed somewhat; the annual inflation rate stood at 1.4% in Germany in September 2013, down from 1.5% in the previous month and 1.9% in July.

Over the period from January to July 2013, electricity consumption amounted to an overall 291.4 billion kWh, which is 1.5% lower than a year ago. According to surveys conducted by the German Energy and Water Association (BDEW), the downturn in consumption is mainly due to the modest economic trend which was impacted by the weather in the first quarter and the fact that there was one calendar date less because 2012 was a leap year. Gross electricity generation advanced by 1.0% to 251.3 billion kWh over the same period. In contrast, energy fed into the grid by industry, the railway and private households dropped by 1.5% to 77.8 billion kWh. As regards trading in electricity with foreign countries, an export surplus of 16.1 billion kWh was generated from January to July.

The long winter and the cool spring pushed energy consumption up markedly during the first half of 2013 according to the Working Group on Energy Balances (AGEB). There was no stimulus for energy consumption from the economy. Total energy consumption rose by 4.1% year on year. According to calculations by the AGEB, natural gas consumption climbed by 10.3% on the back of higher heat generation, and mineral oil consumption grew 2.7% owing to the sharp increase in heating oil sales. Coal consumption was also 6.0% higher year on year due to the higher input for electricity and heat generation. The contribution made by renewable energy sources grew by 3.8% overall, boosted primarily by greater power generation contributions from run-of-river power plants and from biomass. After a very weak first quarter, electricity generation from photovoltaics reported an only marginal increase at mid-year compared with the year-earlier figure. Similarly, wind power reported a downturn of around 10% in power generation at the end of the first six months of 2013 owing to the first quarter characterized by a lack of wind. The contribution of nuclear energy generation posted 1.2% growth in the first six months of 2013, virtually unchanged from of the year-earlier period. In contrast, the consumption of lignite declined by 1.6%, caused first and foremost by shutting down old facilities and commissioning new and more effective power plants. Consequently, electricity generation from lignite grew by just under 1%.

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 which 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 to procure the quantities of primary energy sources and CO₂ allowances required for electricity generation upfront and to sell scheduled electricity production at the same time. The terms in the supply contracts concluded the year before are decisive for costs and income in the first nine months of 2013. The price trends on the forward market in the first nine months of 2013 will have an effect on the results for 2014 and subsequent years. This applies analogously to the quantities of electricity procured by the sales function on the futures market.

Oil market: Over the period from January to September 2013, oil prices moved within a range of 97.69 US\$/bbl and just under 120 US\$/bbl. Economic and political developments in the USA, such as the abolition of the upper debt limit until May 2013 and the US housing market recovery, delivered positive economic stimulus during the first three months of the year. In contrast, the oil price in the second quarter generally fell short of the level in the first quarter owing to the poorer-than-expected development of the global economy. Automatic savings measures came into force as from March in the USA after the Senate failed to reach agreement on the US budget. China reported a slowdown in economic growth, while the continued difficult economic

situation of southern European countries as well as the political stalemate in Italy had a dampening effect on prices in Europe. In the third quarter, loss of production in Libya caused by strikes, compounded by further losses in southern Sudan and the North Sea from mid-August onwards, drove front month prices above 110 US\$/bbl. The threat of military intervention by the USA in response to the use of chemical weapons in Syria triggered another increase in the front month price to 117 US\$/bbl. At the end of September 2013, the situation eased as a number of production facilities in Libya became operational again and the prospects of finding a political solution to the Syrian chemical weapons problem became apparent. The oil price dipped to 108.37 US\$/bbl (front month) and 103.26 US\$/bbl (front year).

Coal market: Following a surplus-induced significant decline in the price of coal during the first half of 2013, the price level stabilised in the third quarter. The main factors of influence here were lower exports of coal from the USA and Colombia. In addition, new volumes available, from Indonesia for instance, were increasingly taken up by India so that the lower growth rates in the demand for coal from China did not lead to renewed price pressure. At the same time, coal consumption in Germany, the UK and Japan remained stable at a high level. Finally, the freight rates for bulk goods entered a steep uptrend, which was also reflected in coal prices. Forward market prices mirrored the trend in spot market quotations to a certain extent. The front month price amounted to 82.45 US\$/t at the end of September 2013. The front year price stood at 83.33 US\$/t.

Price development on the oil and coal markets

	Average Q1-Q3/2013	Average Q1-Q3/2012	Average 2012
Crude oil (Brent) front month (daily quotes in US\$/bbl)	109.65	109.42	111.68
Crude oil (Brent) annual price 2014 (daily quotes in US\$/bbl)	103.44	100.85	101.59
Coal – API #2 annual price 2014 in US\$/t	91.02	114.90	110.35

Gas market: Long-term gas import contracts generally form 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, published monthly, posted €27.41/MWh in July 2013, which is 4% below the December 2012 figure (€28.59/MWh) and 3% below the previous month's figure (€28.14/MWh).

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

gas storage levels, combined with limited deliveries from Norway due to maintenance measures and compounded by lower delivery volumes of Liquefied natural gas (LNG), resulted in a year-on-year increase of €2.80/MWh to €27.10/MWh in the average spot price on the TTF in the first nine months of 2013.

Price hikes on the spot market did not impact the forward market. Instead, by the end of the third quarter of 2013, the average forward price of €26.54/MWh for 2014 delivery had fallen €0.25/MWh below the previous year's level.

Development of prices for natural gas on the TTF (Dutch wholesale market) in €/MWh	Average Q1–Q3/2013	Average Q1–Q3/2012	Average 2012
Spot	27.10	24.31	25.01
Delivery 2014	26.54	26.79	26.97

CO₂ emission allowances: Under the European emissions trading system, proof must be provided of allowances for the amount of emissions from power stations. After an early start at the beginning of 2013 to the auction of allowances of the third EU emissions trading period in December 2012 led to an oversupply, causing a decline in allowance prices, the prices of emission allowances (EU Allowance – EUA) stabilised in July and August in response to the second round of voting in the various committees of the EU Parliament on backloading. Electricity price hikes and an increase in the CDS caused the prices of CO₂ allowances to rise in September. All in all, however, by the end of the first

nine months of 2013 allowance prices had fallen considerably below the level posted a year earlier. The price of EUA-13 allowances averaged €4.45/t CO₂ between January and September 2013, which corresponds to a decline of some 40% compared with the year-earlier period and the average price of the financial year 2012. The prices of certified emission reduction (CER) units generally trade in parallel with EUA-13 prices. As the use of CER-13 units is restricted under the EU emissions trading system, the demand is lower and prices are generally below those of EUA-13 allowances. CER prices have been considerably below €1/t CO₂ since the end of 2012, trading sideways with low volatility.

Price trend of emission allowances/daily quotes in €/t CO ₂	Average Q1–Q3/2013	Average Q1–Q3/2012	Average 2012
EUA-12/EUA-13	4.45	7.52	7.51
CER-12/CER-13	0.45	3.52	2.96

Electricity wholesale market: In the first nine months of 2013, the average price of €37.86/MWh for immediate delivery of electricity (base load product) on the spot market of the European Energy Exchange (EEX) was around €5, the equivalent of 12%, lower than the average in the first half of 2012.

On the forward market as well, in the first nine months of 2013 average prices of €39.55/MWh for deliveries of base load product in 2014 were around €11 lower, which is 21% below the prior-year period. Along with lower prices for fuels and CO₂ allowances, this also reflects the expectation of higher feed-in volumes from renewable energies resulting from the ongoing construction of facilities.

This price decline was primarily attributable to lower prices for fuel purchases and CO₂ allowances.

Price trend of electricity (EEX) base load product in €/MWh	Average Q1–Q3/2013	Average Q1–Q3/2012	Average 2012
Spot	37.86	43.01	42.60
Delivery 2014	39.55	50.37	49.67

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). Tax and charges account for around 50% of this price. Electricity prices for household customers have appreciated by an average 11% since October 2012, according to BDEW data. This increase is first and foremost attributable to the significant rise in the German Renewable Energies Act (EEG) levy and higher network charges across the board. An average household needs to find around €15 more a month in 2013 (2012: €10) for the promotion of renewable energies. According to the BDEW, industrial customers currently pay 13.34 ct/kWh an average for electricity (excluding electricity tax).

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 subsequent consultations, the EU Commission aims to present a package of announcements, including guidelines on capacity market design and on national renewables subsidy systems and renewables cooperation mechanisms, by autumn 2013. The ongoing revision of European state aid law is also particularly critical to the future scope of national freedom to structure capacity mechanisms and renewables subsidies systems. Judging by the drafts so far, a tight framework is to be defined here which would in particular necessitate a more extensive reorganisation of the promotion of renewable energies in Germany.

Emissions trading: Proposals concerning the temporary shortage of tradable allowances (backloading) are currently facing controversial discussion within the European Union due to the marked decline in the price of emission allowances. 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. In addition, the Commission plans to present proposals by the end of the year on ongoing reforms in emission trading guidelines, as well as targets for reducing CO₂ emissions for the year 2030. Whether these proposals will be swift and profound enough and elicit sufficient consensus to bring about substantial support for CO₂ prices at shorter notice remains questionable.

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 held by the European Parliament and member states which does not preclude significant effects on energy trading. Energy supply companies might be treated in the same way as banks with respect to a considerable part of their trading activities. This might involve the corresponding licensing obligations as well as additional equity backing requirements. The final rules are being determined as part of the ongoing compromise negotiations between both of these institutions and the European Commission. Current legislative procedures relating to the introduction of a European transaction tax still need to be followed closely. Depending on how these procedures are structured, energy trading transactions might also incur charges.

Nuclear safety: The EU Commission published its proposal to amend the Nuclear Security Directive on 13 June. It thereby aims to push further ahead with the process of introducing pan-European security targets. These targets aim to significantly reduce risks and to ensure that the population and the environment are protected. The draft version includes numerous critical items which had already been discussed in advance of the proposal's publication. Its approval scheduled for spring 2014 remains questionable. In addition, the EU Commission initiated a consultation on the topic of "European provisions on liability and insurance in the nuclear sector", the results of which may be incorporated into a new legislative proposal.

Energy policy in Germany

Energiewende/amendment to the German Renewable Energies Act (EEG): Against the backdrop of political discussions in the run-up to the Bundestag elections on the topic of the amount of the German Renewable Energies Act (EEG) levy and energy prices, a reform of the act is foreseeable. Moreover, the future form which energy markets will take will be on the political agenda. EnBW will also be tabling proposals on the issue of amending the act.

Ultimate storage: The Bundesrat passed the Site Selection Act on 5 July 2013. The provision included in the act on return transport after regeneration will not enter into force until 1 January 2014. A joint government/federal states commission is now tasked with developing the foundation for selecting sites by 2015. In addition, transports from the regeneration plant to the Gorleben interim storage site are to be discontinued. The decentralised interim storage facilities where waste is to be brought instead is to be clarified according to political will in spring 2014.

Climate protection legislation and integrated energy and climate protection concept for Baden-Württemberg: The act on promoting climate protection in Baden-Württemberg was approved by the state parliament in July and has meanwhile taken effect. A formal hearing of German associations on the issue of the state government's Integrated Energy and Climate Protection Concept (IEKK) is to take place in autumn this year. Subsequently, the state parliament will also have the opportunity of making a statement on the concept at the start of 2014. The final approval of the concept by the Council of Ministers has then been scheduled during the first quarter of 2014.

Regulation of the electricity and gas markets

Incentive regulation: On 31 July 2013, the German federal government approved the "regulation on the amendment of regulations concerning the laws governing the energy industry". This regulation comprises adjustments to the German Electricity and Gas Network User Charges Ordinances (StromNEV/GasNEV), the German Incentive Regulation Ordinance (ARegV), and the German Electricity Network Access Ordinance (StromNZV). The most significant amendments address the exact defining of the price index for calculating current values and specifications for calculating the interest rate for equity which exceeds the 40% equity ratio ("Equity II interest rate"). Apart from this, full exemption from grid charges has been replaced by a gradual reduction of grid charges for energy-intensive companies.

New version of the gas cooperation agreement: The cooperation agreement between the operators of gas supply grids in Germany has been revised for the fifth time by the German associations of BDEW, VKU and GEODE and released by the set deadline. The Cooperation Agreement VI entered into force on 1 October 2013. The new version of the cooperation agreement includes in particular regulations governing the transition in the marketplace from L-gas to H-gas, changes in internal order procedures and regulations on the cooperation of grid operators as part of their system responsibility. Furthermore, adjustments based on legal, market-related and regulatory requirements were embedded in the contracts at transmission network level and in accounting grid management.

The EnBW Group

In the first nine months of 2013, adjusted EBITDA totalled € 1,816.0 million, which is 2.5% lower year on year. Excluding positive valuation effects on derivatives, which reverse when the underlying transactions are realised, operating earnings amounted to € 1,752.4 million, which equates to a decline of 7.9% compared with the year-earlier figure. Our earnings trend is therefore in line with our expectations. Non-cash extraordinary charges burdened non-operating earnings in the reporting period.

Result of operations

Unit sales and revenue

Electricity sales of the EnBW Group 01/01/-30/09/2013 in billion kWh	Generation and Trading	Renewable Energies	Grids	Sales	Total
Retail customers (B2C)	0.0	0.0	0.0	12.6	12.6
Industry and redistributors (B2B)	1.5	0.2	0.0	25.6	27.3
Trade	44.4	2.7	11.0	0.4	58.5
Total	45.9	2.9	11.0	38.6	98.4

Electricity sales of the EnBW Group 01/01/-30/09/2012 in billion kWh ¹	Generation and Trading	Renewable Energies	Grids	Sales	Total
Retail customers (B2C)	0.0	0.0	0.0	13.1	13.1
Industry and redistributors (B2B)	1.9	0.0	0.0	30.4	32.3
Trade	41.0	2.4	12.2	0.4	56.0
Total	42.9	2.4	12.2	43.9	101.4

¹ Figures of the comparative period have been restated.

The EnBW Group's electricity sales declined by 3.0% to 98.4 billion kWh in the first nine months of 2013 in a year-on-year comparison, pressured by persistently intense competition. Electricity sales from business with retail customers (B2C) stood at 12.6 kWh, down 3.8% against the

previous year's level. B2B business with industrial customers and redistributors reported a downturn in sales of 15.5% to 27.3 billion kWh. In contrast, electricity sales to trade grew by 4.5% to 58.5 billion kWh.

Gas sales of the EnBW Group 01/01/-30/09/2013 in billion kWh	Generation and Trading	Sales	Total
Retail customers (B2C)	0.0	6.8	6.8
Industry and redistributors (B2B)	0.0	39.2	39.2
Trade	25.0	0.5	25.5
Total	25.0	46.5	71.5

Gas sales of the EnBW Group 01/01/–30/09/2012 in billion kWh	Generation and Trading	Sales	Total
Retail customers (B2C)	0.0	6.0	6.0
Industry and redistributors (B2B)	0.0	33.8	33.8
Trade	6.1	0.3	6.4
Total	6.1	40.1	46.2

In the first nine months of 2013, the EnBW Group lifted gas sales by 54.8% to 71.5 billion kWh. Gas sales in the B2C business climbed by 13.3% to 6.8 billion kWh and in the B2B business by 16.0% to 39.2 billion kWh on the back of lower temperatures compared with the year-earlier period.

Compared with the first nine months of 2012, sales in the Trade segment quadrupled to almost 25.5 billion kWh in the period under review. This unit sales growth is attributable first and foremost to the expansion of the gas midstream business.

External revenue of the EnBW Group by segment in €million ^{1,2}	01/01/– 30/09/2013	01/01/– 30/09/2012	Change in %	01/01/– 31/12/2012
Generation and Trading	3,752.4	3,068.4	22.3	4,344.2
Renewable Energies	264.6	249.7	6.0	347.4
Grids	4,521.8	4,203.5	7.6	5,268.5
Sales	7,001.4	6,799.9	3.0	9,277.7
Other/Consolidation	7.6	6.5	16.9	8.1
Total	15,547.8	14,328.0	8.5	19,245.9

¹ Figures of prior comparative period have been restated.

² After deduction of electricity and energy taxes.

The EnBW Group achieved external revenue, including electricity and energy taxes, of €16,171.5 million in the first nine months of 2013. After deduction of such taxes, revenue stood at €15,547.8 million which is 8.5% higher than the previous year's figure.

Generation and Trading: Revenue in the Generation and Trading segment rose by 22.3% to €3,752.4 million as against the year-earlier period. The expansion of trading activities in the gas business in particular contributed to lifting revenue. As a result, this segment's share in total consolidated EnBW revenue increased from 21.4% in the prior-year period to 24.1%.

Renewable Energies: The Renewable Energies segment boosted its revenue in the first nine months of 2013 by 6.0% to €264.6 million, mainly due to higher unit sales compared with the year-earlier period. The segment's share in total Group revenue amounted to 1.7%, unchanged from the previous year.

Grids: In particular, the higher level of revenues connected with the German Renewable Energies Act (EEG) lifted the Grids segment's revenue by 7.6% to €4,521.8 million. The segment's share in Group revenue slightly fell from 29.3% in the previous year to 29.1% in the period under review.

Sales: Revenue of the Sales segment rose by 3.0% to €7,001.4 million in the first nine months of 2013 compared with the year-earlier period, which was mainly attributable to the upturn in unit gas sales volumes. The segment's share in total Group revenue declined to 45.0%, down from 47.5% in the prior year.

Material developments in the income statement

The negative balance from other operating income and other operating expenses declined from €122.2 million in the year-earlier period to €5.8 million in the period under review, mainly due to the higher level proceeds from the release of other provisions. At €12,904.6 million in the first nine months of 2013, the cost of materials had risen by 14.7% in a year-on-year comparison. In line with the increase in revenue, the higher supply volumes of gas also had an impact. The sharp increase in the cost of materials compared with revenue is primarily attributable to falling prices and spreads in electricity production. In addition, the purchasing of CO₂ allowances 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 €136.4 million decline in the investment result to €69.7 million (previous year: €206.1 million) is due in the main to the proceeds received in the prior-year period from the disposal of our Polish investment. This was offset by a write-up applied in

the period under review on a company in which we hold an investment. The financial result remained virtually unchanged at €-519.6 million (previous year: €-511.9 million). All in all, earnings before tax (EBT) totalled €414.6 million in the first nine months of the financial year 2013 compared with €830.3 million in the previous-year period.

Earnings

Group net profit attributable to EnBW AG's shareholders stood at €234.1 million in the reporting period, which is equivalent to a decline of €330.7 million against the first

nine months of 2012 (€564.8 million). Earnings per share amounted to €0.86 in the first nine months of 2013 (previous year: €2.24).

Adjusted earnings and non-operating result

The sustainable profitability of operating activities is of particular importance for the internal management and external communication of EnBW's current and future development of earnings. The operating result is disclosed in the form of adjusted EBITDA – earnings before interest, tax, depreciation and amortisation adjusted for extraordinary items – which we use as a key reporting indicator.

Adjusted EBITDA of the EnBW Group by segment in €million ¹	01/01– 30/09/2013	01/01– 30/09/2012	Change in %	01/01– 31/12/2012
Generation and Trading	705.2	833.8	-15.4	1,125.2
Renewable Energies	154.7	181.6	-14.8	238.7
Grids	755.2	594.6	27.0	773.4
Sales	212.7	273.4	-22.2	240.7
Other/Consolidation	-11.8	-20.1	41.3	-37.2
Total	1,816.0	1,863.3	-2.5	2,340.8

¹ Figures of prior comparative periods have been restated.

In the reporting period, the EnBW Group's adjusted EBITDA amounted to €1,816.0 million, which corresponds to a decline of 2.5% compared with the first nine months of 2012. This figure includes positive valuation effects from derivatives which reverse when the underlying transactions are realised. Excluding these effects, adjusted EBITDA totalled €1,752.4 million, down 7.9% against the year-earlier figure. EnBW's performance was therefore in line with our forecast for the financial year 2013.

In the Generation and Trading segment, adjusted EBITDA declined by 15.4% to €705.2 million in the period under review compared with the year-earlier figure of €833.8 million. Lower prices and spreads in electricity production as well as the burden arising from the full auctioning of CO₂ allowances since the start of 2013 constitute the main reasons for this downturn. Adjusted for temporary positive valuation effects from derivatives, earnings fell by around 27%.

Adjusted EBITDA of the Renewable Energies segment stood at €154.7 million in the first nine months of 2013, which is a decline of 14.8% compared with the previous year's figure of €181.6 million. Electricity production from run-of-river power stations developed better than expected and remained at the above-average level of the year before.

However, the low electricity prices had a negative impact on the profitability of our run-of-river power plants.

The Grids segment reported a notable increase of 27.0% in adjusted EBITDA to €755.2 million in the period under review (previous year: €594.6 million). This positive earnings trend is primarily attributable to grid fee reimbursements being paid in the previous year but not this year. Moreover, higher distribution volumes in the gas business due to the weather conditions and the associated income from the use of the grid as well as lower overheads had a positive effect on the result.

Adjusted EBITDA in the Sales segment stood at €212.7 million at the end of the first nine months of 2013, representing a decline of 22.2% compared with the year-earlier figure of €273.4 million. This was due to margins being lower year on year, which deteriorated the higher gas sales volumes resulting from the weather conditions. In addition, income from settlements regarding grid fee reimbursements not related to the accounting period was also included in the first nine months of 2012. This effect did not reoccur in the reporting period.

Other/Consolidation reported a negative adjusted EBITDA of €11.8 million compared with €-20.1 million in the prior-year period.

Adjusted earnings indicators of the EnBW Group in €million ¹	01/01– 30/09/2013	01/01– 30/09/2012	Change in %	01/01– 31/12/2012
Adjusted EBITDA	1,816.0	1,863.3	-2.5	2,340.8
Scheduled depreciation and amortisation	-667.2	-658.2	1.4	-888.3
Adjusted EBIT	1,148.8	1,205.1	-4.7	1,452.5
Adjusted investment result	103.9	176.1	-41.0	186.8
Adjusted financial result	-453.8	-515.2	11.9	-664.2
Adjusted income taxes	-210.8	-235.3	10.4	-232.5
Adjusted Group net profit	588.1	630.7	-6.8	742.6
of which profit/loss shares attributable to non-controlling interests	(71.8)	(67.5)	6.4	(90.8)
of which profit/loss shares attributable to the equity holders of EnBW AG	(516.3)	(563.2)	-8.3	(651.8)

¹ Figures of prior comparative periods have been restated.

The decline in the adjusted investment result of 41.0%, from €176.1 million in the previous year to €103.9 million in the first nine months of 2013 is chiefly due to lower earnings contributions generated by entities accounted for using the equity method. This development was due in the main to the fact that EVN AG was no longer valued at equity owing to plans for its disposal. In the adjusted financial result, the loss decreased by 11.9% to €453.8 million, down from €515.2 million, mainly as a result of higher proceeds from the sale of financial instruments.

In addition, higher out-of-period interest expenses in the previous year also contributed to reducing the loss. Adjusted income taxes amounted to €210.8 million in the first nine months of 2013 compared with €235.3 million in the previous-year period. The adjusted tax rate stood at 26.4%, down from 27.2% a year ago. Adjusted Group net profit attributable to the EnBW AG's shareholders amounted to €516.3 million in the period under review, representing an 8.3% decline compared with €563.2 million in the first nine months of 2012.

Non-operating result of the EnBW Group in €million ¹	01/01– 30/09/2013	01/01– 30/09/2012
Income/expenses relating to nuclear power	-155.4	-11.3
Income from the reversal of other provisions	71.3	1.8
Disposal gains	21.0	30.6
Addition to the provision for onerous contracts relating to electricity procurement agreements	-181.9	-47.4
Restructuring	-9.1	-15.9
Other non-operating result	-29.5	2.5
Non-operating EBITDA	-283.6	-39.7
Impairment losses	-0.7	-29.3
Non-operating EBIT	-284.3	-69.0
Non-operating investment result	-34.2	30.0
Non-operating financial result	-65.8	3.3
Non-operating income taxes	100.7	22.0
Non-operating Group net loss	-283.6	-13.7
of which profit/loss shares attributable to non-controlling interests	(-1.4)	(-15.3)
of which profit/loss shares attributable to the equity holders of EnBW AG	(-282.2)	(1.6)

¹ Figures of prior comparative period have been restated.

Non-operating EBITDA declined further, from €-39.7 million in the prior-year period to €-283.6 million in the period under review. This development mainly reflected higher expenses in the nuclear energy business, as well as the addition to the provision for onerous contracts relating to energy procurement agreements. Nuclear energy expenses

rose by €144.1 million to €155.4 million in a year-on-year comparison due to the Site Selection Act which the Upper House of the German Federal Parliament approved on 5 July 2013. The provision for onerous contracts for electricity procurement agreements which no longer cover 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 downturn in the non-operating financial result to €-34.2 million (previous year: €30.0 million) is attributable to the fact that in the year before this item included disposal gains from the sale of our investment in Poland as part of our divestment programme. This was offset by a write-up applied in the period under review on a company in which we hold an investment. The non-operating financial result also fell to €-65.8 million in the first nine months of 2013, compared with a positive result of €3.3 million achieved in

the previous-year period as a result of disposal gains. The non-operating financial result was also burdened in the period under review as a 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 €100.7 million in the first nine months of 2013 compared with €22.0 million in the previous-year period. As a result, the non-operating Group net loss attributable to EnBW AG's shareholders amounts to €282.2 million in the reporting period compared with net profit of €1.6 million in the previous year.

Financial performance of the EnBW Group in € millions¹

	01/01/ – 30/09/2013	01/01/ – 30/09/2012	Change %
Adjusted EBITDA	1,816.0	1,863.3	-2.5
Non-operating EBITDA	-283.6	-39.7	-
EBITDA	1,532.4	1,823.6	-16.0
Adjusted EBIT	1,148.8	1,205.1	-4.7
Non-operating EBIT	-284.3	-69.0	-
EBIT	864.5	1,136.1	-23.9
Adjusted group net profit ²	516.3	563.2	-8.3
Non-operating group net loss/profit ²	-282.2	1.6	-
Group net profit ²	234.1	564.8	-58.6

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

Funds from operations (FFO), which amounted to €1,450.5 million in the first nine months of 2013, is a cornerstone of EnBW's financing.

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 worth €2.0 billion in total (undrawn as of 30 September 2013)
- Syndicated credit line of €2.0 billion (undrawn as of 30 September 2013)

- Bilateral short-term credit lines (€604 million, undrawn as of 30 September 2013)
- Euro Medium Term Note (EMTN) programme with a limit of €7.0 billion (€4.2 billion utilised as of 30 September 2013)

Capital markets instruments maturing amount to a total of around €1.0 billion in the financial year 2013. In February 2013, we repaid a bond of approximately CHF 300 million. In July 2013, we issued two new bonds each of CHF 100 million. The CHF bonds serve as collateral for EnBW's activities in Switzerland.

Other bonds falling due in the current financial year amount to some €750 million. Aside from possible interim financing, we will fund these bonds entirely from our 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 expenditures and acquisitions

In the first nine months of 2013, the EnBW Group invested a total of €612.3 million which represents 2.1% more compared with the year-earlier figure of €599.6 million. Capital expenditures on intangible assets and property, plant and equipment totalling €600.2 million (previous year: €542.9 million) were primarily attributable to the network expansion, the major projects of RDK 8 and EnBW Baltic 2, as well as the start of construction work on the Lausward Combined Cycle Gas Turbine (CCGT). Financial investments stood at €12.1 million in the first nine months of 2013 compared with €56.7 million in the previous-year period. Minus divestitures totalling €170.4 million, essentially from the disposal of non-current assets, and including construction cost subsidies, net capital expenditures stood at €441.9 million. After divestments of €363.0 million which related mainly to the disposal of our Polish investment, net capital expenditures amounted to €236.6 million in the previous year.

The proportion of investments in replacement measures stood at around 34% in the first nine months of 2013 and was earmarked for the maintenance of existing power stations

and grid infrastructure. The share of capital expenditures in growth projects reached approximately 66% and served principally to fund the realisation of EnBW Baltic 2, the second offshore wind farm, 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).

Similar to the first half of the year, the lion's share of investments (44.3% or €265.9 million) made in the first nine months of 2013 were accounted for by intangible assets and property, plant and equipment in the Grids segment, reflecting an increase of 12.7% year-on-year. These activities concentrated on the expansion and upgrading of the grids and the connection of facilities for the generation of renewable energies by our grid subsidiaries. Investments in the Renewable Energies segment rose by 43.1% to €139.8 million during the reporting period, representing a share of 23.3% in overall capital expenditures on intangible assets and property, plant and equipment. Investments in the Generation and Trading segment stood at €160.8 million, which is 7.2% below the year-earlier figure; their share in the EnBW Group's total capital expenditures declined from 31.9% in the first nine months of 2012 to 26.8% in the reporting period. In addition, €33.7 million, the equivalent of around 5.6%, was spent on bolstering the sales force.

Net cash investments of the EnBW Group in €million ¹	01/01/- 30/09/2013	01/01/- 30/09/2012	Change in %	01/01/- 31/12/2012
Generation and Trading	160.8	173.3	-7.2	237.6
Renewable Energies	139.8	97.7	43.1	121.6
Grids	265.9	235.9	12.7	390.8
Sales	22.2	27.3	-18.7	53.3
Other/Consolidation	11.5	8.7	32.2	13.5
Total capital expenditures on intangible assets and property, plant and equipment	600.2	542.9	10.6	816.8
Cash paid for the acquisition of subsidiaries and entities accounted for using the equity method	9.3	38.8	-76.0	38.8
Cash paid for the acquisition of investments ²	2.8	16.8	-83.3	20.7
Cash paid for changes in ownership interest without loss of control	0.0	1.1	-	1.1
Total investments	612.3	599.6	2.1	877.4
Cash received from the disposal of intangible assets and property, plant and equipment	-72.6	-57.7	25.8	-89.8
Cash received from construction cost and investment subsidies	-51.1	-38.7	32.0	-66.2
Cash received from the sale of subsidiaries and entities accounted for using the equity method ³	-20.3	-258.1	-92.1	-258.1
Cash received from the sale of subsidiaries ²	-10.2	-8.5	20.0	-15.7
Cash received from participation models	-16.2	0.0	-	0.0
Total divestitures	-170.4	-363.0	-53.1	-429.8
Net (cash) investments	441.9	236.6	86.8	447.6

¹ Figures of prior comparative period have been restated.

² Excluding investments held as financial assets.

³ Cash and cash equivalents associated with the disposal are not included and amount to €8.4 million (01/01/2012 - 30/09/2012: €0.0 million; 01/01/2012 - 31/12/2012: €0.0 million).

Liquidity analysis

Free cash flow of the EnBW Group in €million ¹	01/01– 30/09/2013	01/01– 30/09/2012	Change in %	01/01– 31/12/2012
Cash flow from operating activities	1,212.5	1,042.3	16.3	856.3
Change in assets and liabilities from operating activities	83.3	328.7	-74.7	915.1
Interest and dividends received	305.5	292.8	4.3	346.2
Interest paid for financing activities	-150.8	-189.6	-20.5	-335.9
Funds from operations (FFO)	1,450.5	1,474.2	-1.6	1,781.7
Change in assets and liabilities from operating activities	-83.3	-328.7	-74.7	-915.1
Capital expenditures on intangible assets and property, plant and equipment	-600.2	-542.9	10.6	-816.8
Cash received from the disposal of intangible assets and property, plant and equipment	72.6	57.7	25.8	89.8
Cash received from construction cost and investment subsidies	51.1	38.7	32.0	66.2
Free cash flow	890.7	699.0	27.4	205.8

¹ Figures of prior comparative period have been restated.

The cash flow from operating activities advanced by 16.3% in the first nine months of 2013, to €1,212.5 million, up from €1,042.3 million. Funds from operations (FFO), which came in at €1,450.5 million in the period under review, were 1.6% below the previous year's figure of €1,474.2 million. Among other factors, the decline was caused by the higher level of income taxes paid owing to higher tax arrears payments. This was offset by lower interest payments. The balance of

assets and liabilities from operating activities fell substantially year on year, which was chiefly attributable to the decline in the balance of trade receivables and trade payables. The increase in derivatives, caused by higher securities, among other things, had a countereffect. Despite higher capital expenditure in intangible assets and property, plant and equipment, free cash flow grew by €191.7 million, the equivalent of 27.4%, to €890.7 million.

Cash flow statement of the EnBW Group in €million ¹	01/01– 30/09/2013	01/01– 30/09/2012	Change in %	01/01– 31/12/2012
Cash flow from operating activities	1,212.5	1,042.3	16.3	856.3
Cash flow from investing activities	-69.3	-277.3	-75.0	-274.3
Cash flow from financing activities	-567.1	-509.8	11.2	-730.8
Net change in cash and cash equivalents	576.1	255.2	125.7	-148.8
Net foreign exchange difference	-0.1	0.7	-	-0.2
Change in cash and cash equivalents	576.0	255.9	125.1	-149.0

¹ Figures of prior comparative period have been restated.

The cash flow from investing activities reported a cash outflow of €69.3 million in the first nine months of 2013 compared with €277.3 million the year before. This decline resulted from higher payments received from the sale of securities compared with the year-earlier period. A counter-effect emanated from proceeds from the disposal of our investment in Poland.

Cash outflow under the cash flow from financing activities climbed by €57.3 million to €567.1 million. The previous year's cash outflow primarily reflects the redemption of a €1 billion bond that matured in February 2012. Running counter to this was the capital increase carried out in July 2012, as well as the measure to raise the volume of the hybrid bond. The Group's cash and cash equivalents increased by €576.0 million in the reporting period.

Net assets

As of 30 September 2013, the EnBW Group's total assets amounted to €37,732.0 million, representing an increase of 2.6% compared with year-end 2012. The growth of €99.6 million in non-current assets is mainly attributable to the rise of shares in other investments. The increase of €951.7 million in current assets results from the rise in other current assets as well as in cash and cash equivalents. Other current assets rose by €737.3 million owing in particular to an increase in derivatives. As of the reporting date on 30 September 2013, cash and cash equivalents had climbed by €576.0 million to €3,159.3 million compared with 31 December 2012. This increase was offset mainly by a reduction of €403.6 million in current trade receivables.

The decline in equity as of 30 September 2013 of 1.4%, corresponding to €88.1 million, is chiefly due to cumulative changes recognised directly in equity which increased from €-697.9 million as of 31 December 2012 to €-780.5 million. As a result, the equity ratio had fallen from 17.4% at year-end 2012 to 16.7% as of the reporting date on 30 September 2013. The rise in non-current liabilities primarily reflects the increase in non-current provisions which advanced by €572.7 million to €12,831.2 million, especially in the nuclear energy business. Financial liabilities also increased due to the issuance of two new bonds in July 2013. In terms of the current liabilities which grew by a total of €388.4 million, the countereffects were as follows: Other liabilities and subsidies rose mainly due to an increase in derivatives of €748.7 million. In contrast, financial liabilities were reduced by €221.3 million mainly through the redemption of the bond. Trade payables fell by €131.4 million.

Balance sheet structure of the EnBW Group in €million ¹	30/09/2013	31/12/2012	Change in %
Non-current assets	25,236.2	25,136.6	0.4
Current assets	11,899.7	10,948.0	8.7
Assets held for sale	596.1	681.1	-12.5
Assets	37,732.0	36,765.7	2.6
Equity	6,291.6	6,379.7	-1.4
Non-current liabilities	21,779.0	21,113.0	3.2
Current liabilities	9,660.8	9,272.4	4.2
Liabilities directly associated with assets classified as held for sale	0.6	0.6	-
Equity and liabilities	37,732.0	36,765.7	2.6

¹ Figures of prior comparative period have been restated.

Adjusted net debt

As of 30 September 2013, adjusted net debt was below year-end 2012, down 2.8% which is the equivalent of €238.1 million, to €8,177.5 million. Financial liabilities decreased by 2.6% to €6,588.7 million owing to the net result of two effects: the redemption of a bond maturing in an amount of CHF 300 million in February 2013 was offset by the issuance of two bonds, each of CHF 100 million, in July 2013.

The significantly positive free cash flow reflected the rise in cash and cash equivalents. The resulting reduction in adjusted net debt was partly compensated by the increase in nuclear energy provisions. This was mainly attributable to the Site Selection Act, which was approved by the Bundesrat on 5 July 2013.

Adjusted net debt of the EnBW Group in €million ¹	30/09/2013	31/12/2012	Change in %
Cash and cash equivalents	-3,849.6	-3,341.2	15.2
Cash and cash equivalents of the special funds and short-term investments to cover the pension and nuclear power provisions	1,189.4	1,075.3	10.6
Adjusted cash and cash equivalents	-2,660.2	-2,265.9	17.4
Bonds	5,228.3	5,380.7	-2.8
Liabilities to banks	1,012.5	971.7	4.2
Other financial liabilities	347.9	408.8	-14.9
Financial liabilities	6,588.7	6,761.2	-2.6
Recognised net debt²	3,928.5	4,495.3	-12.6
Pension and nuclear power provisions	12,730.0	12,342.5	3.1
Long-term investments and loans ³	-5,993.6	-5,902.3	1.5
Cash and cash equivalents of the special funds and short-term investments to cover the pension and nuclear power provisions	-1,189.4	-1,075.3	10.6
Other	-79.1	-75.7	4.5
Recognised net debt³	9,396.4	9,784.5	-4.0
Market value of CO ₂ emission allowances purchased for planned future electricity generation	-35.1	-154.4	-77.3
Non-current receivables associated with nuclear power provisions	-578.0	-555.5	4.1
Valuation effects from interest-induced hedging transactions	-105.8	-159.0	-33.5
Restatement of 50% of the nominal amount of the hybrid bond ⁴	-500.0	-500.0	-
Adjusted net debt³	8,177.5	8,415.6	-2.8

¹ Figures of prior comparative period have been restated.

² Adjusted for the valuation effects of interest-induced hedging transactions and 50% of the nominal amount of the hybrid bond, net financial liabilities amounted to €3,322.7 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 in the explanations in the interim consolidated financial statements.

The Supervisory Board of EnBW 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 another term of five years, expiring on 31 March 2019.

Upon expiry of his term of office on 30 September 2014, Dr. Dirk Mausbeck will be leaving the company. The Supervisory Board and the Board of Management of EnBW AG have agreed to reduce the remits of the Board of Management from formerly five to four segments in the currently difficult phase of the company. Accordingly, the core tasks of sales and marketing are to be reassigned to the Chief Executive Officer Dr. Frank Mastiaux, and the decisions approved for the reassignment of Trading and Grids will be made in due time.

Further important Group topics

Actively participating in shaping the new energy environment in Germany requires the involvement of all of EnBW's stakeholders. Our employees, our customers and shareholders and the many corporate and social groups concerned with the Group play a decisive role. The future of our company lies in the ability to combine commercial and financial success with ecological and social responsibility.

Employees

Employees of the EnBW Group ¹	30/09/2013	31/12/2012 ³	Change in %
Generation and Trading	5,418	5,622	-3.6
Renewable Energies	469	377	24.4
Grids	7,433	7,295	1.9
Sales	3,461	3,650	-5.2
Other/Consolidation	2,989	3,054	-2.1
Total	19,770	19,998	-1.1
In employee equivalents ²	18,399	18,912	-2.7

¹ Number of employees excluding apprentices/trainees and excluding inactive employees.

² Number of employees translated into full-time equivalents.

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

As of 30 September 2013, the EnBW Group employed a workforce of 19,770 people, which is 1.1% less compared with year-end 2012. The increase in the number of employees in the Renewable Energies segment was due to part of the workforce from the Generation and Trading segment being reassigned. The decline in total workforce figures was mainly the result of the impact of the "Focus" efficiency programme filtering through in the financial year. Back in 2011, a freeze on hiring was implemented, and a severance package was offered to employees in seven support and interface functions through to the end of 2012, with an agreement to leave the company by 31 December 2014 at the latest.

Over the period from 23 September to 11 October 2013, the third groupwide EnBW employee survey was carried out. The results will be available by the end of the year. Such surveys have been conducted by the company at intervals of two to three years since 2008. The survey is based on a standardised questionnaire with strict adherence to anonymity and data protection. The employee survey is a core component of EnBW's feedback culture. It provides an insight into the extent to which the company has been successful in gaining the support of its employees in achieving the company's goals and documenting the current situation in the company, thereby bringing to light strengths and areas for action. Similar to 2008 and 2010, the

central content of the survey is the degree to which employees identify with the Group and with the respective company (commitment), and the key factors influencing this commitment such as the quality of their activities and tasks, as well as managerial conduct and feedback behaviour.

In September 2013, approximately 200 young people embarked on their training and degree courses at EnBW at the start of the new year of vocational training. The number of persons newly recruited was aligned even more strongly this year to actual personnel requirements in order to give young people better prospects of being permanently hired once they have completed their training or degree courses. EnBW offers a broad spectrum of training in technical and commercial professions, as well as on-the-job training combined with degree courses and cooperative university degree programmes. Training is offered, for instance, for the professions of electronic technicians for industrial engineering or industrial clerks. Degree courses include business administration, radiation protection and electrical engineering. The combination of theory and practical orientation gives young people a sound foundation for a successful start to their working lives. The high quality of training at EnBW is regularly affirmed by awards conferred on graduates by the German Chamber of Commerce.

EnBW has a long tradition of placing high priority on training young people and makes an important contribution to securing the next generation of employees. In 2013, EnBW offered permanent employment contracts to 92 young people who had successfully completed their training and their degree courses. All other graduates were offered temporary contracts for one year. All in all, the EnBW Group employs more than 1,000 trainees and undergraduates.

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. Consequently, environmental protection is a core task at Group level and at all our companies, entailing binding regulations for all staff as part of their tasks. We take climate protection and the future-oriented sustainable treatment of all natural resources firmly into consideration in our activities.

In the past, using defined indicators, we set ourselves quantitative Group targets for the period from 2011 to 2015 with regard to the topics of renewable energies, direct and indirect CO₂ emissions, aerial pollutants and biodiversity. The year 2010 was the starting point. As part of EnBW's strategic reorientation, the task was to review these goals 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 a few selected key figures. To this end, multidisciplinary relevant and reliable ecological indicators were elaborated and defined. In addition, processes for reporting and the reporting systems of capturing environmental data groupwide were developed further and more strongly aligned to integrated reporting. In order to continue to fulfil all the relevant reporting standards, such as the Global Reporting Initiative (GRI), additional communication channels, an example being the Internet, will play an important role in the reporting of environmental data in future. Accordingly, key environmental indicators are accessible to the public at www.enbw.com.

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). The programme was run again in 2013 and twelve projects selected for implementation in the autumn of 2013. A total of 45 amphibian protection projects, including the 2013 projects, have been promoted throughout Baden-Württemberg since 2011. These projects make an important contribution to improving the habitat of amphibian species on a national level and ensuring that the amphibian stock improves in the medium to long term.

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 act as a sponsor in supporting a wide variety of projects. In doing so, we concentrate in particular on education, science and learning and promote activities associated with energy. Priority is given to projects which benefit young people and children, such as the EnBW energy crate specially developed for children's day care centres. These experimental crates provide an opportunity of experimentation linked to a child's view of the world and are designed to present the topic specifically to children. In addition, EnBW has a tradition of commitment to grass-roots sports, for example the EnBW Junior First League and running events. This fosters "Customer proximity", one of the cornerstones of our EnBW 2020 Strategy, and allows it to be experienced across the country, in local communities and by our end customers.

Procurement

Sustainable procurement begins with the careful selection of our business partners. In a groupwide project coordinated by our central Group procurement department in 2012 we developed a groupwide, standardised and optimised pre-qualification process. In this context, our prospective suppliers must undergo a pre-qualification process where they present 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 environment with the selection and integration of an appropriate IT system. The minimum requirements which have been established 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. This enables us to ensure that orders are only awarded to suppliers who continuously meet our high standards. The first pilot projects will be run in the category of goods which include chemicals, corrosion protection and IT consulting. There are also plans to manage the proof required by the new law of Baden-Württemberg on compliance with collective agreements and minimum wages (LTMG) via the pre-qualification platform. This law stipulates that public-sector contracts may only be awarded to companies who pay their workforce minimum wages in the execution of the contract and adhere to collective bargaining agreements. Owing to EnBW's shareholder structure, this legislation is also applicable to our company.

With a view to making EnBW's procurement processes even more efficient and transparent, we have been building up an

integrated purchasing platform since 2012 and are working on introducing automated order processes. On the supplier front, this integrated purchasing platform includes the standardised pre-qualification, participation in invitations to tender and the submitting of offers, as well as the recording of services rendered. The buyers have access to the pre-qualification through a cockpit and can use the tender platform. The aim is to raise the efficiency in processing purchasing transactions and to enhance the transparency of tenders and awards that are under way and completed.

In procuring coal, EnBW draws mainly on imports from abroad depending on the respective offer. Colombia is one of the countries where coal is sourced, for example. The impact of mining on the population in this country is a subject of critical discussion by the German public. EnBW conducts constructive dialogue with non-government organisations which are committed to this topic. Discussions with coal producers about the human rights situation in decommissioning areas were also intensified, and the sustainability register for two major producers was supplemented to include self-audit results. EnBW also established a “CSR Committee” with representatives from the trading, sustainability, risk controlling, environmental protection and compliance areas. This committee is tasked with developing further specific actions to ensure sustainable coal procurement.

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 intends to intensively promote an entrepreneurially-based innovation culture within the protected environment of an innovation centre for these topics.

At the start of September, EnBW commissioned an innovative, intelligent storage device in Zwiefalten-Sonderbuch. This specially designed battery storage device eases the load on the distribution grid and, in contrast to conventional batteries, is able to store electricity very swiftly and to feed it back into the grid again when required. The device helps to reduce voltage peaks which occur in distribution grids with a high proportion of photovoltaics due to rapidly changing sunny and cloudy weather. Intelligent solutions such as this will allow a better use of the existing grid capacities and new capacities to be supplemented in a forward-looking manner. New technologies and concepts are currently emerging for the distribution grids of the future. The aim of the research is to find the most economic tools for use on site from the array of various tools available for expanding the grid.

Risk management

The Energiewende in Germany poses a huge challenge for energy utilities in general, and consequently also for EnBW, while opening up new business opportunities at the same time. Compared with year-end 2012, the EnBW Group's risk position had intensified by the end of the first nine months. At present, we do not anticipate any risks which could threaten the Group as a going concern.

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 (ICS), this process ensures an appropriate identification of risks at an early stage and underpins risk management and control. Building on the reporting in the 2012 Group management report as well as the half-yearly financial report for the period January to June 2013, the material risks which have changed or arisen in the period under review are described in this nine-monthly report.

Strategic risks

Interim storage facilities: The Site Selection Act on the search for a final repository entered into force on 27 July 2013. As a result, reprocessing waste can no longer be transported to the central interim storage site at Gorleben. There is a risk that the return of waste to the interim storage facilities may be delayed. This may incur additional costs as the waste may have to be stored for a longer period in the UK and France, as well footing the costs of approval and authorisation procedures.

Ultimate storage: MOSAIK containers for radioactive waste require approval under traffic law and for the type of construction used for storage in the Konrad repository. The requirements placed on the proof to be provided have become considerably more stringent in recent years. This

may result in a delay in approval and renewal procedures. Potential cost risks reside in the implementation of new or improved existing requirements placed on storage and transport containers.

Operational risks

New RDK 8 construction project: After fire broke out on 7 August 2013, caused by leakage in the hydraulic system in the nacelle of the new RDK 8 power plant, experts are currently investigating further. Commissioning activities were interrupted for the purpose of repairing the damage. There is a risk that the completion of the entire plant may be delayed until the spring of 2014.

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 in the wake of the Energiewende in Germany. This has resulted in far-reaching consequences for the EnBW Group's operations and placed a considerable burden on its profitability. Compared with year-end 2012, the EnBW Group's risk position had intensified by the end of the first nine months. We believe that there are currently no risks which could endanger the EnBW Group as a going concern.

Significant events after the reporting date

Upon expiry of his term of office on 30 September 2014, Dr. Dirk Mausbeck will be leaving the company. The Supervisory Board and the Board of Management of EnBW AG have agreed to reduce the remits of the Board of Management from formerly five to four segments in the currently difficult phase of the company. Once the process envisaged of combining five core companies with EnBW AG has been

completed and the associated structures and processes have been streamlined, there are plans to cease managing the area of sales, marketing, trading and distribution grids as a separate Board-level remit. Accordingly, the core tasks of sales and marketing are to be reassigned to the Chief Executive Officer Dr. Frank Mastiaux, and the decisions approved for the reassignment of Trading and Grids will be made in due time.

Forecast

EnBW's operating performance largely meets expectations also after the first nine months of the financial year 2013. The Group's adjusted EBITDA is likely to fall by between 5% and 10% in the financial year 2013. The company is rising to the challenge of the sea change in the energy sector through its EnBW 2020 Strategy which is geared first and foremost to expanding renewable energies and regular business, as well as fostering customer proximity.

In the following forecast, we take an in-depth look at the expected future development of EnBW and the business environment in the current financial year. It should be noted that the current 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" (> **Interim Group management report > Risk Management > p. 24**).

Gross domestic product (GDP) trend in %	2014	2013
World	3.6	2.9
Eurozone	1.0	-0.3
Germany	1.7	0.4
Austria	1.6	0.4
Switzerland	2.3	1.8
Turkey	4.5	3.6

Future economic conditions

Macroeconomic situation: In its most recent outlook in October, the International Monetary Fund reduced its growth forecast for the global economy in 2013 from 3.2% to 2.9% (2012: 3.2%). Growth anticipated in 2014 has been lowered by 0.2% to 3.6%. The downward revision of the forecast was prompted first and foremost by lower growth in the emerging markets of 4.5% in 2013 and 5.1% in 2014. In contrast, the forecast for an economic growth in the industrial nations of 1.2% in 2013 and 2.0% in 2014 has remained unchanged. Economic momentum in the USA continues to be modest, with growth posting 1.6% in 2013 owing to constraints on public spending. Economic output is expected to accelerate to 2.6% in 2014.

Eurozone GDP will dip by 0.3% in 2013 according to the forecasts of the German Institute for Economic Research (DIW). Modest economic growth of 1.0% is expected in 2014. More favourable export conditions and improved domestic demand will drive this growth. The inflation rate is expected to decline further, running at an estimated 1.6% and 1.5% respectively in 2013 and 2014. In Austria, economic growth will remain moderate for the remainder of 2013, following the weak start in the spring. The Austrian economic research institute WIFO currently predicts economic growth of a mere 0.4% in 2013 as a whole. Estimates for economic output in 2014 stand at 1.6%, and are mainly based on recovery in private consumption and investment activity. In its most recent forecast released in September, the State Secretariat for Economic Affairs (SECO) anticipates GDP growth of 1.8% in Switzerland in 2013. Overall economic expansion is largely driven by a robust domestic economy in the current year. In 2014, economic recovery should also impact exports and the labour market, accelerating economic growth to 2.3%. The World Bank forecasts an increase in Turkey's economic output of 3.6% in 2013, and 4.5% in 2014.

In its autumn economic forecast 2013, the German Institute for Economic Research (DIW) expects economic growth in Germany of 0.4% in 2013. Private consumption, which continues to benefit from a healthy labour market, and an increase in capital expenditures encouraged by the global economic recovery are the growth drivers. This trend is set to accelerate in 2014, bringing overall economic growth to 1.7%. The inflation rate is likely to fall to 1.6% in the current year and subsequently rise to 1.9% in 2014.

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 forecasts growth of as much as 39% between 2012 and 2030. Emerging and developing economies' industrialisation and population growth are the main drivers of 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. Global per capita energy consumption is expected to rise at an annual rate of 0.7%.

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 pricing. At present, the main factors of influence tend towards stable to marginally declining prices: There is little economic stimulus for an increase in oil consumption. The chances of a diplomatic solution to the chemical weapons conflict in Syria appeared to have improved, which has had a calming effect on the oil market.

Forward coal prices for 2014 and 2015 remain above spot market price 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. In contrast, a slowing of growth in demand in China and India would suggest another downturn in coal prices. A swift return of Japan to nuclear power would also tend to have a braking effect on coal prices due to the associated effect of dampening demand for LNG (liquefied natural gas). Finally, the backloading envisaged in Europe and plans of the American and Chinese governments to cap emissions are likely to reduce the use of coal in the medium to long term. Beyond this, the expansion of renewable energies in Europe in particular is hugely significant for the future demand for coal.

Forward gas prices in 2014 are currently slightly higher than the spot market price but still below the average 2012 price. The downtrend in the price of gas in the first six months of 2013 came to a halt in the third quarter mainly owing to a supply shortage and oil price hikes. Nonetheless, market participants anticipate a relatively marginal decline in gas prices. If, for example, 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: The future prices of CO₂ allowances are influenced mainly by resolutions passed by the EU Parliament on backloading, i.e. a shortage of emission allowances, in October. Given an approval of backloading, the corresponding supply cuts would, however, become effective in the second quarter of 2014 at the earliest and would tend to push prices higher. In the 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 another factor influencing CO₂ allowance price trends. A permanent retraction of the quantities offered is, however, not anticipated before 2015. Demand for CO₂ allowances and the price trend therefore largely depend on future EU economic trends and related emission volumes.

Electricity market: Forward market prices for electricity in 2014 and 2015 have fallen further and are presently below the current spot market level. Along with expected prices of fuels and CO₂ allowances as well as future volume demand for electricity, the expansion of renewable energies in particular in the context of generating capacities exerts a considerable impact on supply-side electricity prices. The preferential feed-in of electricity generated from 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 and even negative 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, particularly 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 business with private and industrial customers remains acute 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. 6**). The restructuring of the company's organisation and a related new management model underpin our new strategic orientation. After this strategy has been anchored in operational planning, an updated medium-term forecast will be communicated along with the 2013 annual financial statements.

Expected earnings trends for this year: The adjusted EBITDA of the EnBW Group amounted to €1,816.0 million in the period under review, down 2.5% year on year. This included positive valuation effects from derivatives which reverse when the underlying transactions are realised. EBITDA adjusted for these effects had fallen 7.9% below the previous year's figure. In the 2012 Group management report, we forecast that adjusted EBITDA for the full 2013 year for the EnBW Group would decline by between 5% and 10%. Performance at the end of the first nine months is therefore in line with the range also anticipated for the year as a whole.

Adjusted EBITDA in the Generation and Trading segment is expected to decline significantly in the financial year 2013, as already evident from the course of the year to date after adjustment for valuation effects from derivatives. The trend during the first nine months of 2013 is set to continue during the remainder of the year, influenced in the main by falling

electricity generation prices and spreads. Another factor is the cost burden resulting from the full auctioning of the CO₂ allowances which took effect at the beginning of 2013.

The Renewable Energies segment's operating result is likely to decline in 2013. The profitability of our run-of-river power plants is especially negatively affected by the downturn in electricity prices.

In the Grids segment, we expect significant growth in adjusted EBITDA, which has also been confirmed by the nine-monthly results. In the previous year, customers were reimbursed with grid charges. This effect will no longer apply in 2013. Moreover, higher distribution volumes and the associated income from the use of the grid in the gas business has had a positive effect on the result.

Adjusted EBITDA in the Sales segment fell short of the previous year's level. Among other factors, this is due to out-of-period income from settlements pertaining to grid charge reimbursements also being included in the first half of 2012. In comparison with our original forecast, we anticipate a decline in earnings for the year as a whole. Offsetting the expenses incurred by unit gas sales volumes, which have risen against the previous year's period, is not possible due to price stability and competitive pressure. In addition, the market for decentralised solution offerings in the energy business is slower to develop than expected. Consequently, the revenue and the result have fallen short of our expectations. Adjusting the forecast in this business does not have any impact on the overall forecast of the Group.

Development of earnings 2013 (adjusted EBITDA) ¹ compared to the prior year	Q3/2013	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	0% to -10%	+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 (unaudited)

Income statement

In €million ¹	01/07/– 30/09/2013	01/07/– 30/09/2012	01/01/– 30/09/2013	01/01/– 30/09/2012
Revenue including electricity and energy taxes	5,166.8	4,853.4	16,171.5	14,979.8
Electricity and energy taxes	-178.7	-187.8	-623.7	-651.8
Revenue	4,988.1	4,665.6	15,547.8	14,328.0
Changes in inventories	1.8	1.7	13.9	-1.0
Own work capitalised	14.6	17.0	37.1	40.3
Other operating income	215.7	92.9	754.2	611.1
Cost of materials	-4,209.9	-3,801.0	-12,904.6	-11,251.3
Personnel expenses	-361.2	-366.5	-1,156.0	-1,170.2
Other operating expenses	-213.4	-170.1	-760.0	-733.3
EBITDA	435.7	439.6	1,532.4	1,823.6
Amortisation and depreciation	-230.2	-248.9	-667.9	-687.5
Earnings before interest and taxes (EBIT)	205.5	190.7	864.5	1,136.1
Investment result	-12.4	40.6	69.7	206.1
of which net profit/loss from entities accounted for using the equity method	(-23.8)	(32.9)	(70.6)	(73.2)
of which other income from investments	(11.4)	(7.7)	(-0.9)	(132.9)
Financial result	-159.9	-191.6	-519.6	-511.9
of which finance revenue	(81.9)	(64.6)	(293.3)	(267.5)
of which finance costs	(-241.8)	(-256.2)	(-812.9)	(-779.4)
Earnings before tax (EBT)	33.2	39.7	414.6	830.3
Income tax	26.2	-19.1	-110.1	-213.3
Group net profit	59.4	20.6	304.5	617.0
of which profit/loss shares attributable to non-controlling interests	(15.8)	(0.8)	(70.4)	(52.2)
of which profit/loss shares attributable to the equity holders of EnBW AG	(43.6)	(19.8)	(234.1)	(564.8)
EnBW AG shares outstanding (millions), weighted average	270.855	269.409	270.855	252.702
Earnings per share from group net profit/loss (€)²	0.16	0.07	0.86	2.24

¹ Figures of prior comparative periods have been restated.

² Basic and diluted; in relation to profit shares attributable to the equity holders of EnBW AG.

Statement of comprehensive income

In €million ¹	01/07/– 30/09/2013	01/07/– 30/09/2012	01/01/– 30/09/2013	01/01/– 30/09/2012
Group net profit	59.4	20.6	304.5	617.0
Revaluation of pensions and similar obligations	0.0	-404.6	75.2	-1,075.9
Income taxes on other comprehensive income	0.0	117.4	-21.8	312.1
Total of other comprehensive income and expenses without future reclassifications impacting earnings	0.0	-287.2	53.4	-763.8
Difference from currency translation	-5.7	45.5	-43.2	76.0
Cash flow hedge	60.2	-14.1	-148.9	-196.3
Available-for-sale financial assets	87.7	198.0	-10.6	186.0
Income taxes on other comprehensive income	-19.2	-2.7	55.9	41.4
Total of other comprehensive income and expenses with future reclassifications impacting earnings	123.0	226.7	-146.8	107.1
Total comprehensive income	182.4	-39.9	211.1	-39.7
of which profit/loss shares attributable to non-controlling interests	(13.0)	(8.1)	(59.6)	(55.1)
of which profit/loss shares attributable to the equity holders of EnBW AG	(169.4)	(-48.0)	(151.5)	(-94.8)

¹ Figures of prior comparative periods have been restated.

Balance sheet

In € million ¹	30/09/2013	31/12/2012	01/01/2012
Assets			
Non-current assets			
Intangible assets	1,880.1	1,926.7	2,004.2
Property, plant and equipment	13,847.9	13,782.5	13,791.5
Investment properties	79.6	81.5	77.3
Entities accounted for using the equity method	2,292.2	2,355.9	3,042.4
Other financial assets	6,149.4	6,058.7	5,442.8
Trade receivables	592.8	567.4	531.1
Income tax refund claims	17.4	17.1	19.2
Other non-current assets	284.1	298.5	312.2
Deferred taxes	92.7	48.3	38.1
	25,236.2	25,136.6	25,258.8
Current assets			
Inventories	1,268.9	1,285.9	955.1
Financial assets	722.8	785.6	1,011.0
Trade receivables	3,515.7	3,919.3	3,075.3
Income tax refund claims	291.2	169.4	164.1
Other current assets	2,941.8	2,204.5	2,279.3
Cash and cash equivalents	3,159.3	2,583.3	2,732.3
	11,899.7	10,948.0	10,217.1
Assets held for sale	596.1	681.1	209.9
	12,495.8	11,629.1	10,427.0
	37,732.0	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	4,565.8	4,562.9	4,282.6
Treasury shares	-204.1	-204.1	-204.1
Other comprehensive income	-780.5	-697.9	64.9
	5,063.5	5,143.2	4,805.6
Non-controlling interests	1,228.1	1,236.5	1,255.0
	6,291.6	6,379.7	6,060.6
Non-current liabilities			
Provisions	12,831.2	12,258.5	10,851.0
Deferred taxes	1,017.4	998.8	1,465.3
Financial liabilities	5,608.9	5,560.1	6,219.1
Income tax liabilities	288.4	289.6	264.1
Other liabilities and subsidies	2,033.1	2,006.0	1,959.0
	21,779.0	21,113.0	20,758.5
Current liabilities			
Provisions	1,252.5	1,225.6	1,243.3
Financial liabilities	979.8	1,201.1	1,426.0
Trade payables	3,335.1	3,466.5	3,514.3
Income tax liabilities	219.7	254.2	200.5
Other liabilities and subsidies	3,873.7	3,125.0	2,482.0
	9,660.8	9,272.4	8,866.1
Liabilities directly associated with assets classified as held for sale	0.6	0.6	0.6
	9,661.4	9,273.0	8,866.7
	37,732.0	36,765.7	35,685.8

¹ Figures of prior comparative periods have been restated.

Cash flow statement

In €million ¹	01/01/– 30/09/2013	01/01/– 30/09/2012
1. Operating activities		
EBITDA	1,532.4	1,823.6
Changes in provisions	80.4	-349.1
Gain/loss on disposal of non-current assets	-14.0	0.3
Other non-cash expenses/income	-53.5	38.6
Change in assets and liabilities from operating activities	-83.3	-328.7
Inventories	(-65.3)	(46.7)
Net balance of trade receivables and payables	(225.5)	(-498.9)
Net balance of other assets and liabilities	(-243.5)	(123.5)
Income tax paid	-249.5	-142.4
Cash flow from operating activities	1,212.5	1,042.3
2. Investing activities		
Capital expenditures on intangible assets and property, plant and equipment	-600.2	-542.9
Cash received from the disposal of intangible assets and property, plant and equipment	72.6	57.7
Cash received from construction cost and investment subsidies	51.1	38.7
Cash paid for the acquisition of subsidiaries and entities accounted for using the equity method	-9.3	-38.8
Cash received from the sale of subsidiaries and entities accounted for using the equity method	11.9	258.1
Change in securities and investments	99.1	-342.9
Interest received	146.4	146.8
Dividends received	159.1	146.0
Cash flow from investing activities	-69.3	-277.3
3. Financing activities		
Interest paid for financing activities	-150.8	-189.6
Dividends paid	-304.8	-312.1
Cash paid for changes in ownership interest without loss of control	0.0	-1.1
Increase in financial liabilities	368.0	537.7
Repayment of financial liabilities	-479.5	-1,363.8
Capital increase	0.0	819.1
Cash flow from financing activities	-567.1	-509.8
Net change in cash and cash equivalents	576.1	255.2
Net foreign exchange difference	-0.1	0.7
Change in cash and cash equivalents	576.0	255.9
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	3,159.3	2,988.2

¹ Figures of prior comparative period have been restated.

Statement of changes in equity

In €million ¹	Other comprehensive income ²									Total
	Subscribed capital and capital reserve	Revenue reserves	Treasury shares	Revaluation of pensions and similar obligations	Difference from currency translation	Cash flow hedge	Available-for-sale financial assets	Equity holders of EnBW AG ²	Non-controlling interests ²	
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				-749.7	66.9	-145.9	169.1	-659.6	2.9	-656.7
Group net profit		564.8						564.8	52.2	617.0
Total comprehensive income	0.0	564.8	0.0	-749.7	66.9	-145.9	169.1	-94.8	55.1	-39.7
Capital increase	819.9							819.9	0.0	819.9
Dividends paid		-207.6						-207.6	-81.8	-289.4
Other changes		2.4						2.4	-1.0	1.4
As of: 30/09/2012	1,482.1	4,642.2	-204.1	-816.0	-52.8	-102.2	376.3	5,325.5	1,227.3	6,552.8
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				53.9	-32.7	-106.2	2.4	-82.6	-10.8	-93.4
Group net profit		234.1						234.1	70.4	304.5
Total comprehensive income	0.0	234.1	0.0	53.9	-32.7	-106.2	2.4	151.5	59.6	211.1
Dividends paid		-230.2						-230.2	-55.6	-285.8
Other changes		-1.0						-1.0	-12.4	-13.4
As of: 30/09/2013	1,482.3	4,565.8	-204.1	-752.3	-107.3	-279.0	358.1	5,063.5	1,228.1	6,291.6

¹ Figures of prior comparative period have been restated.

² Of which other comprehensive income in conjunction with assets held for sale as of 30/09/2013 amounting to € 0.0 million [01/01/2013: € 0.0 million; 30/09/2012: € 0.0 million; 01/01/2012: € 16.5 million]. of which profit/loss shares attributable to the equity holders of EnBW AG: € 0.0 million [01/01/2013: € 0.0 million (30/09/2012: € 0.0 million (01/01/2012: € 16.5 million)). of which attributable to non-controlling interests: € 0.0 million [01/01/2013: € 0.0 million (30/09/2012: € 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 was 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 to the consolidated interim financial statements as at 30 September 2013, as well as the evaluation methods and input parameters for measuring fair value, correspond to those applied to the consolidated financial statements as at 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 at 30 September 2013 was condensed compared to that of the consolidated financial statements as at 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 32 "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 13 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 disclosed in similarly separate form for every category. The amendment to IAS 1 results in 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. Up until now 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 work. The top-up

amounts were previously 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 €million	01/01– 30/09/2012	01/01– 31/12/2012
Personnel expenses	-1.8	14.1
EBITDA	-1.8	14.1
Financial result	0.9	1.2
Earnings before tax (EBT)	-0.9	15.3
Income tax	0.2	-4.5
Group net profit	-0.7	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	[-0.8]	[10.7]

Balance sheet in €million	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 transferred 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 arise. 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 through 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 relinquished, 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 process of full consolidation, 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 in the measurement of shareholdings, 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	30/09/2013	31/12/2012	30/09/2012
Full consolidation	115	121	118
Entities accounted for using the equity method	22	22	23

¹ Figures of prior comparative period have been restated.

Investment result

In € million ¹	01/01– 30/09/2013	01/01– 30/09/2012
Share of profit/loss of entities accounted for using the equity method	28.9	90.4
Write-ups/write-downs of entities accounted for using the equity method	41.7	-17.2
Net profit/loss from entities accounted for using the equity method	70.6	73.2
Investment income	64.8	25.0
Write-downs of investments	-67.5	-5.8
Write-ups of investments	2.1	0.0
Income from the sale of equity investments	-0.3	113.7
Other profit/loss from investments	-0.9	132.9
Investment result	69.7	206.1

¹ Figures of prior comparative period have been restated.

Financial result

In € million ¹	01/01– 30/09/2013	01/01– 30/09/2012
Interest and similar income	136.9	148.3
Other finance revenue	156.4	119.2
Finance revenue	293.3	267.5
Borrowing costs	-205.9	-221.5
Other interest and similar expenses	-94.8	-57.2
Interest portion of increases in liabilities	-443.1	-442.6
Personnel provisions	(-154.5)	(-169.1)
Provisions relating to nuclear power	(-282.4)	(-262.4)
Other non-current provisions	(-1.6)	(-2.2)
Other liabilities	(-4.6)	(-8.9)
Other finance costs	-69.1	-58.1
Finance costs	-812.9	-779.4
Financial result	-519.6	-511.9

¹ Figures of prior comparative period have been restated.

Treasury shares

As of 30 September 2013, EnBW AG held 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, EnBW AG's 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 with 31 December 2012, contingent liabilities and financial commitments have increased by €4,066.1 million to €31,943.0 million. This increase results principally from the conclusion of an additional long-term gas supply agreement.

Disclosures pertaining to the cash flow statement

In € million ¹	01/01/– 30/09/2013	01/01/– 30/09/2012
Interest paid for investing activities (capitalised borrowing costs)	-32.4	-38.8
Interest paid for financing activities	-150.8	-189.6
Total interest paid in the period	-183.2	-228.4

¹ Figures of prior comparative period have been restated.

Disclosures pertaining to fair value

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

Carrying amounts and fair values of financial instruments in € million ¹	30/09/2013			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	6,917.7		6,872.2	6,918.2		6,844.3
held for trading	(257.2)		(257.2)	(262.6)		(262.6)
available for sale ²	(5,545.2)		(5,545.2)	(5,448.3)		(5,448.3)
held to maturity	(1,016.2)		(970.7)	(1,119.3)		(1,045.4)
Loans and receivables	(99.1)		(99.1)	(88.0)		(88.0)
Trade receivables	4,108.5		4,108.5	4,486.7		4,486.7
Other assets	2,824.0	401.9	3,225.9	2,211.7	291.3	2,503.0
held for trading	(1,709.9)		(1,709.9)	(1,413.8)		(1,413.8)
Loans and receivables	(958.6)		(958.6)	(576.2)		(576.2)
Derivatives in hedging relationships	(121.1)		(121.1)	(183.1)		(183.1)
Amount stated as per IAS 17	(34.4)		(34.4)	(38.6)		(38.6)
Cash and cash equivalents	3,159.3		3,159.3	2,583.3		2,583.3
Assets held for sale ³	588.7	7.4	596.1	655.1	26.0	681.1
Total	17,598.2	409.3	17,962.0	16,855.0	317.3	17,098.4
Financial liabilities	7,293.8		6,588.7	7,563.6		6,761.2
measured at amortised cost ⁴	(7,080.8)		(6,375.7)	(7,287.2)		(6,484.8)
Amount stated as per IAS 17	(213.0)		(213.0)	(276.4)		(276.4)
Trade payables	2,229.9	1,105.2	3,335.1	394.0	3,072.5	3,466.5
Other liabilities and subsidies	3,629.2	2,277.6	5,906.8	2,842.2	2,288.8	5,131.0
held for trading	(1,830.7)		(1,830.7)	(1,622.1)		(1,622.1)
measured at amortised cost	(1,390.3)		(1,390.3)	(970.4)		(970.4)
Derivatives in hedging relationships	(408.2)		(408.2)	(249.7)		(249.7)
Total	13,152.9	3,382.8	15,830.6	10,799.8	5,361.3	15,358.7

¹ Figures of prior comparative period have been restated.

² Available-for-sale financial assets include equity instruments of € 734.7 million (previous year: € 658.2 million) measured at amortised cost whose fair value cannot be reliably determined.

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

⁴ Of the financial liabilities measured at amortised cost, € 1,220.3 million are part of a fair value hedge (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 € million ¹	30/09/2013		31/12/2012	
	1st level	2nd level	1st level	2nd level
Financial assets	1,288.5	3,779.2	1,216.6	3,836.1
held for trading	(257.2)		(262.6)	
available for sale	(1,031.3)	(3,779.2)	(954.0)	(3,836.1)
Other assets	486.3	1,344.7	259.5	1,337.4
held for trading	(486.3)	(1,223.6)	(259.5)	(1,154.3)
Derivatives in hedging relationships		(121.1)		(183.1)
Assets held for sale		588.7		655.1
Total	1,774.8	5,712.6	1,476.1	5,828.6
Other liabilities and subsidies	243.3	1,995.6	185.0	1,686.8
held for trading	(50.7)	(1,780.0)	(77.9)	(1,544.2)
Derivatives in hedging relationships	(192.6)	(215.6)	(107.1)	(142.6)
Total	243.3	1,995.6	185.0	1,686.8

¹ Figures of prior comparative period have been restated.

Segment reporting

01/01/-30/09/2013 in € million	Generation and Trading	Renewable Energies	Grids	Sales	Other/ Consolidation	Total
External sales	3,752.4	264.6	4,521.8	7,001.4	7.6	15,547.8
Intercompany sales	2,407.8	324.3	1,977.2	471.9	-5,181.2	0.0
Total sales	6,160.2	588.9	6,499.0	7,473.3	-5,173.6	15,547.8
Adjusted EBITDA	705.2	154.7	755.2	212.7	-11.8	1,816.0
EBITDA	372.6	154.6	784.2	211.3	9.7	1,532.4
Adjusted EBIT	427.4	112.0	479.0	165.6	-35.2	1,148.8
EBIT	94.8	111.9	507.9	163.6	-13.7	864.5
Scheduled depreciation and amortisation	-277.8	-42.7	-276.2	-47.1	-23.4	-667.2
Impairment losses	0.0	0.0	-0.1	-0.6	0.0	-0.7
Capital employed as of 30/09/2013	4,070.1	1,918.0	5,723.2	798.9	2,512.9	15,023.1

01/01/-30/09/2012 in €million ¹	Generation and Trading	Renewable Energies	Grids	Sales	Other/ Consolidation	Total
External sales	3,068.4	249.7	4,203.5	6,799.9	6.5	14,328.0
Intercompany sales	2,694.9	295.7	1,755.2	459.3	-5,205.1	0.0
Total sales	5,763.3	545.4	5,958.7	7,259.2	-5,198.6	14,328.0
Adjusted EBITDA	833.8	181.6	594.6	273.4	-20.1	1,863.3
EBITDA	791.8	181.2	594.8	279.7	-23.9	1,823.6
Adjusted EBIT	583.3	140.9	310.4	221.0	-50.5	1,205.1
EBIT	541.3	140.5	310.5	198.1	-54.3	1,136.1
Scheduled depreciation and amortisation	-250.5	-40.7	-284.2	-52.4	-30.4	-658.2
Impairment losses	0.0	0.0	-0.1	-29.2	0.0	-29.3
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 Figures of prior comparative period have been restated.

Adjusted EBITDA is one of the key internal 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:

In €million ¹	01/01/- 30/09/2013	01/01/- 30/09/2012
Adjusted EBITDA	1,816.0	1,863.3
Non-operating EBITDA	-283.6	-39.7
EBITDA	1,532.4	1,823.6
Amortisation and depreciation	-667.9	-687.5
Earnings before interest and taxes (EBIT)	864.5	1,136.1
Investment result	69.7	206.1
Financial result	-519.6	-511.9
Earnings before tax (EBT)	414.6	830.3

¹ Figures of prior 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 realignment of our business model and the restructuring of the Group. The figures from the comparable periods were adjusted accordingly.

Segment reporting reflects internal reporting.

In addition to the generation of and trading with electricity, the Generation and Trading segment now also comprises gas midstream operations (grid gas level) with import contracts and infrastructure, storage, trading and portfolio management. The waste 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 separate business segment from 2013 onwards. The Grids segment encompasses the stages of transport and distribution of electricity and gas in the value chain. In addition, the rendering of network-related services and the supply of water will be reported under the Grids segment. The selling of electricity and gas and the providing of energy-related services, such as accounting/billing as well as energy supply and energy-saving contracting, are summarised under 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 segments which are reported separately are disclosed together with the eliminations between the segments in the Other/Consolidation column. EnBW AG's directly allocable costs are assigned 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. Intercompany sales indicate the level of sales between the Group companies. 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 September 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, as before. Zweckverband Oberschwäbische Elektrizitätswerke and OEW Energie-Beteiligungs GmbH (OEW GmbH) hold respectively indirectly and directly a similarly 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 business of supplying 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 September 2013. All business transactions with the state government were conducted at customary market conditions and terms. 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 €million ¹	01/01/- 30/09/2013	01/01/- 30/09/2012
Revenue	10.5	8.8
Cost of materials	-18.2	-13.5

¹ Figures of prior comparative period have been restated.

Balance sheet in €million	30/09/2013	31/12/2012
Receivables	6.0	3.0
Liabilities	8.0	1.1
Payments on account received	0.0	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 conducted at customary market conditions and terms.

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 (municipal utilities in particular). The exchange of services with these companies was conducted at customary market conditions and terms and has the following impact on the EnBW Group's income statement and its balance sheet:

Income statement in €million	01/01– 30/09/2013	01/01– 30/09/2012
Revenue	200.4	190.7
Cost of materials	-205.1	-231.3

Balance sheet in €million	30/09/2013	31/12/2012
Other loans	9.4	12.5
Receivables	22.3	32.1
Liabilities	37.0	31.4

The receivables and payables from the financial year will generally be settled within one year.

Related parties (individuals)

The EnBW Group does not conduct any significant transactions with related individuals.

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

Chairman of the General Works Council at
EnBW Regional AG

Bodo Moray, Mannheim

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

Bernd Munding, Hochdorf

Deputy chairman of the Works Council at
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 Federal State
of Baden-Württemberg

Klaus Schörnich, Düsseldorf

Chairman of the Works Council at
Stadtwerke Düsseldorf AG

Heinz Seiffert, Ehingen

District administrator of the Alb-Donau
district

Gerhard Stratthaus MdL, Brühl

Interim Board member of Badische
Staatsbrauerei Rothaus AG

Dietmar Weber, Esslingen

Chairman of the General Works Council at
EnBW Operations GmbH

Kurt Widmaier, Ravensburg

District administrator of the district of
Ravensburg

Dr. Bernd-Michael Zinow, Pfinztal

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

As of: 1 October 2013

Important information

Published by

EnBW Energie
Baden-Württemberg AG
Durlacher Allee 93
76131 Karlsruhe
www.enbw.com

Coordinated and edited by

EnBW Energie
Baden-Württemberg AG
Corporate Communications

Concept and design

IR-One AG & Co. KG, Hamburg

Composition

Produced in-house with FIRE.sys

Photographs**Cover page**

Uli Deck, Karlsruhe

Highlights

EnBW Energie
Baden-Württemberg AG

Not an offer or an investment recommendation

This report was prepared purely for informative purposes. It does not constitute an offer, invitation or recommendation to acquire or dispose of the securities issued by EnBW Energie Baden-Württemberg AG (EnBW), a company in the EnBW Group, or any other company. This report does not constitute a request, invitation or recommendation to cast a vote or give approval either. 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” and 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 as well as the performance of EnBW and the companies of 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 the completeness, correctness or accuracy of any of these forward-looking statements 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 otherwise to adjust or update forward-looking statements to future events or developments. This nine-monthly financial report is also available in German and English for downloading. In cases of doubt, the German version shall be authoritative.

Shareholder Hotline/**Investor Relations**

Tel.: 0800 1020030 or
0800 AKTIEENBW
(only within Germany)
Fax: 0800 3629111
(only within Germany)
e-mail: info@investor.enbw.com
Internet: www.enbw.com

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

Financial calendar

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

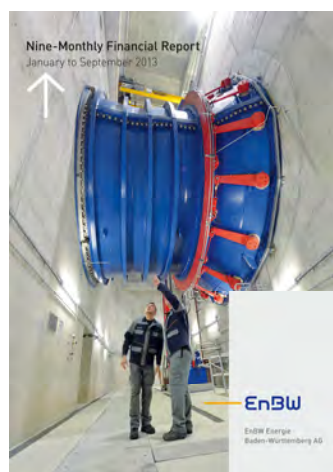
Publication of the Quarterly Financial Report January to March 2014

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



Our cover page shows the new fifth machine in the Iffezheim hydropower plant.

The installation of the fifth turbine commenced in 2009 and, after a construction period of four years, was successfully completed in the summer. The Iffezheim/Rhine hydropower plant is Germany's largest run-of-river power plant today and one of the largest in Europe. Five large Kaplan bulb turbines and a rotor turbine with a peak output totalling 148 MW feed energy from hydropower into the grid on both sides of the Rhine and supply an estimated 250,000 households a year. The hydropower plant is operated by Rheinkraftwerk Iffezheim GmbH in which EnBW and EDF each hold a 50 percent stake.

EnBW Energie
Baden-Württemberg AG
Durlacher Allee 93
76131 Karlsruhe
www.enbw.com