

# Quarterly Financial Report >

January to March 2016



**Adjusted EBITDA >**  
falls to €621.0 million

**Earnings forecast for 2016 >**  
confirmed at -5% to -10%

**Renewable Energies >**  
share of adjusted EBITDA for the Group accounted for by this segment increases significantly

**EWE/VNG transaction >**  
Closing successfully completed

# Performance indicators of the EnBW Group

## Financial and strategic performance indicators

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
External revenue	5,195.1	5,896.2	-11.9	21,166.5
Adjusted EBITDA	621.0	727.9	-14.7	2,109.6
Share of the adjusted EBITDA accounted for by Sales in € million/in %	67.5/10.9	71.3/9.8	-5.3/-	255.3/12.1
Share of the adjusted EBITDA accounted for by Grids in € million/in %	286.4/46.1	277.4/38.1	3.2/-	747.4/35.4
Share of the adjusted EBITDA accounted for by Renewable Energies in € million/in %	92.1/14.8	35.5/4.9	-/-	287.4/13.6
Share of the adjusted EBITDA accounted for by Generation and Trading in € million/in %	170.8/27.5	331.7/45.6	-48.5/-	777.3/36.8
Share of the adjusted EBITDA accounted for by Other/Consolidation in € million/in %	4.2/0.7	12.0/1.6	-65.0/-	42.2/2.1
EBITDA	618.0	730.4	-15.4	1,918.2
Adjusted EBIT	398.8	503.2	-20.7	1,181.9
EBIT	395.8	505.7	-21.7	277.0
Adjusted Group net profit <sup>1</sup>	103.6	813.3	-87.3	951.7
Group net profit <sup>1</sup>	51.0	684.1	-92.5	124.9
Earnings per share from adjusted Group net profit <sup>1</sup> in €	0.38	3.00	-87.3	3.51
Earnings per share from Group net profit <sup>1</sup> in €	0.19	2.53	-92.5	0.46
Cash flow from operating activities	-91.6	426.5	-	1,918.3
Free cash flow	-177.9	271.5	-	725.8
Total investments	161.2	284.3	-43.3	1,461.6

## Employees<sup>2,3</sup>

	31/03/2016	31/03/2015	Change in %	31/12/2015
Number	20,332	20,136	1.0	20,288

<sup>1</sup> In relation to the profit/loss attributable to the shareholders of EnBW AG.

<sup>2</sup> Number of employees excluding marginally employed persons, apprentices/trainees and inactive employees.

<sup>3</sup> The number of employees for the ITOs (TransnetBW GmbH and terranets bw GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2015 is carried forward.



Our cover image shows Michael Heintschel, who, together with his colleagues, ensures that our wind turbines run smoothly. The image is part of the new company campaign in which employees of EnBW are working as ambassadors across the whole of Baden-Württemberg since the beginning of April to gain trust in the company and its accomplishments. More information is available on [page 3](#) and under [www.enbw.com/WirMachenDasSchon](http://www.enbw.com/WirMachenDasSchon).

# At a glance 2016

**EnBW decided at an early stage: We want to play a reliable and influential role in reshaping the energy system.**  
**“Energiewende. Safe. Hands on.” is our guiding principle.**

We already realigned our business model three years ago and have rigorously implemented our strategy since then. We are countering the foreseeable fall in earnings from conventional generation and trading by expanding generation from renewable sources of energy, expanding the stable grids business and engaging in an innovation and service-based campaign to promote business in the area of “Customer proximity”. EnBW views itself as an energy company that is active along the entire value chain. In the process, we are supported by our regional roots in Baden-Württemberg and by a stable group of shareholders, who, like us, are pursuing long-term goals.

As one of the largest energy supply companies in Germany, we supply electricity, gas, water and energy-related products and services to approximately 5.5 million customers.

## Table of contents >

Highlights January to April 2016 .....	2
Significant financial developments .....	3

### Interim Group management report (unaudited)

Business activity and strategy .....	4
General conditions .....	6
The EnBW Group .....	10
Other important Group topics .....	21
Report on opportunities and risks .....	25
Forecast .....	27

### Interim financial statements of the EnBW Group (unaudited)

Income statement .....	30
Statement of comprehensive income .....	31
Balance sheet .....	32
Cash flow statement .....	33
Statement of changes in equity .....	34
Notes and explanations .....	35

### Service

Board of Management and Supervisory Board .....	42
Important notes .....	43
Financial calendar .....	44

# Highlights

## January to April 2016

### January

#### Official commissioning of the North Black Forest Pipeline

The new 71 kilometre long-distance gas pipeline operated by terranets bw was placed into operation in January. The North Black Forest Pipeline transports natural gas from Au am Rhein in Baden via Ettlingen and Pforzheim to Leonberg in the greater Stuttgart area. It has increased the capacity of the Baden-Württemberg transport grid by around 15%. This pipeline project is part of the nationwide Network Development Plan Gas for the expansion of the transmission grid. terranets bw invested around 80 million euros in the construction of the North Black Forest Pipeline.

### February

#### EnBW at E-World

EnBW presented innovative energy solutions at this year's E-World energy & water – the leading European trade fair for the energy industry. The intelligent street lighting product SMIGHT attracted particular interest. However, themes such as direct marketing, energy management, intelligent metering and measurement systems and billing services were also in demand.

#### Offshore wind power: cooperation and supply contract concluded

EnBW and Iberdrola are cooperating in the construction of the Wikinger offshore wind farm in the German Baltic Sea. Both companies have concluded a contract for services to be provided by EnBW in the areas of coordinating shipping traffic, health and safety, and environmental protection at the construction site. The contract has a term of two years.

EnBW Hohe See GmbH and Siemens AG concluded a contract for the supply and installation of 71 wind turbines of type Siemens SWT-7.0-154 including the corresponding turbine foundations. This is the first ever order in the German offshore market to combine the supply and installation of foundations and wind turbines in one contract. The award of this contract to Siemens means that all of the supply contracts for the main infrastructure work for the new EnBW Hohe See offshore wind farm have now been concluded.

### March



#### Statewide programme for new ideas ACTIVATR launched

In cooperation with the start-up company Pioniergeist GmbH, Stuttgart, and renowned companies from the automobile and mechanical engineering sector, EnBW launched the statewide programme for new ideas called ACTIVATR in April. It is hoped that interdisciplinary start-up teams consisting of Group employees and young external entrepreneurs will generate ideas for new business models and develop them through to market maturity within a few months. The aim is to open up business fields such as the Internet of Things, Industry 4.0, Future Mobility and Smart City, as well as to further develop the start-up ecosystem and Baden Württemberg as a business location.

#### Expansion of the district heating system in Stuttgart

EnBW is expanding its district heating system in Stuttgart with an approximately two kilometre long pipeline to Feuerbach-Ost. The construction work will take until early 2017. Future customers will include, for example, the office and residential project "Skyline" from Bülow AG that is located between Stresemannstraße and Siemensstraße. The new pipeline will be connected to the existing network in the area of the Nordbahnhof train station. The EnBW district heating system in the central Neckar region is around 270 kilometres long and stretches from Stuttgart along the Neckar river to Altbach and Plochingen. Around 25,000 apartments, 3,000 businesses and 1,300 public institutions in Stuttgart are heated using district heating.

#### EnBW permitted to take over part of the business activities of Grundgrün

The Federal Cartel Office has not raised any objections to EnBW taking over part of the business activities of Grundgrün Energie GmbH. The way is now clear for EnBW to continue the existing Grundgrün direct marketing contracts. The closing of the transaction is expected in early summer. EnBW has already been active in the area of direct marketing since 2009 and was able to increase its portfolio so that it currently stands at over 3,000 MW. This mostly concerns third-party power plants whose generation capacity is sold on the market by EnBW.

April



### EnBW launches a new image campaign

At the heart of the new EnBW communication campaign, which is running under the motto of "We're making it happen", are the company's employees. As ambassadors, they will be campaigning throughout Baden-Württemberg to gain the trust of customers and the general public in EnBW and its accomplishments. At the launch of the campaign, EnBW used a sound and laser installation "Wasserleuchten" through which visitors could move to transform Schlossplatz in Stuttgart into a virtual ocean – to symbolise the energy of water.

### Cooperation in the tender procedure for the Danish offshore wind farm Kriegers Flak

In cooperation with Siemens Financial Services and DEME Concessions Wind, EnBW has submitted an indicative offer to the Danish Energy Agency for the tender procedure for the Kriegers Flak offshore wind farm project. Siemens Financial Services are acquiring 32.5% and DEME Concessions Wind 17.5% of the shares in the project company Kriegers Flak ApS. EnBW holds a 50% shareholding. The Danish government is awarding the concession for the Kriegers Flak wind farm with a capacity of between 590–610 MW.



### EWE and EnBW: restructuring of shareholdings

As part of the restructuring of shareholdings with EWE Aktiengesellschaft Oldenburg (EWE), EnBW acquired 74.2% of VNG-Verbundnetz Gas Aktiengesellschaft (VNG) on 20 April. At the same time, EWE and EWE-Verband each acquired a 10% shareholding in EWE from EnBW. EnBW will retain a 6% shareholding in EWE until 2019 at the latest, at which time it will be acquired by EWE-Verband.

## Significant financial developments

- › **In the first three months of 2016, the adjusted EBITDA** of the EnBW Group was below the level in the previous year at €621.0 million.
- › **The operating result** is progressing in line with our forecast. Adjusted for temporary effects, the adjusted EBITDA lies within our forecasted range of between –5% and –10% for the whole 2016 financial year.
- › **The expansion of renewable energies** is continuing according to plan; their share in the Group operating result increased to 14.8%.
- › **The Group net profit attributable to the shareholders of EnBW AG** fell to €51.0 million (previous year: €684.1 million).
- › **Adjusted net debt** increased – due mainly to higher pension and nuclear provisions as a result of the adjustment to the discount rates – by €746.8 million.



## Interim Group management report (unaudited)

# Business activity and strategy

## Business activity

As an integrated energy supply company, EnBW operates in Germany along the energy industry value chain and has a diversified business portfolio with a balanced risk-return profile.

Business operations are divided into four segments:

- The Sales segment encompasses the sale of electricity and gas, as well as the provision of energy-related services such as billing services or energy supply contracting and energy-saving contracting.
- The Grids segment includes the transmission and distribution of electricity and gas, the provision of grid-related services – for instance the operation of grids for third parties – and water supply services.
- Activities in the area of power generation from water, wind and sun are combined under the Renewable Energies segment.
- The Generation and Trading segment encompasses the generation and trading of electricity, the provision of system services, the gas midstream business, district heating, environmental services and the dismantling of power plants.

Other/Consolidation includes activities which are not otherwise allocated to the separately presented segments.

Our core market is Baden-Württemberg, where we are positioned as market leader and active along the energy industry value chain through our numerous subsidiaries. Beyond our core market, we operate throughout Germany and in Europe. We supply customers all over Germany through our subsidiaries Yello Strom GmbH and Sales & Solutions GmbH. Energiedienst Holding AG, in which EnBW is the majority shareholder, supplies customers in South Baden and Switzerland. Stadtwerke Düsseldorf AG, a further company in which EnBW holds a majority stake, supplies customers in Düsseldorf, the capital of North Rhine-Westphalia. EnBW Baltic 1 GmbH & Co. KG and EnBW Baltic 2 S.C.S. contribute to the generation of electricity from renewable energy sources with their wind farms in the Baltic Sea. A share in Pražská energetika a.s. (PRE), the third-largest electricity supply utility in the Czech Republic, means that EnBW is also active on the Czech market. We participate in the growth market of Turkey through our joint venture with the Borusan Group. Furthermore, we are also active in Austria.

EnBW supplies in total around 5.5 million customers with energy. The B2C customer group includes private customers, commercial enterprises, the housing industry and agriculture. The B2B customer group encompasses, for example, major commercial enterprises and industrial customers, as well as redistributors, municipal utilities, local authorities and public entities. With its strong brands, EnBW enjoys a close relationship with customers, orientating itself to their needs through its efficiency and quality.

## Market conditions and structures

Market conditions in the energy sector are currently undergoing profound change. The desire to achieve autonomy and generate energy in a decentralised manner, as well as falling energy consumption due to improved energy efficiency, are leading to a change in the patterns of demand and consumption amongst customers. An increase in price and cost awareness and the continued strong orientation towards sustainability support this development. Cities and communities also play a role in this change.

The trend towards decentralisation has benefited from technological progress which has in turn led to a massive decline in the costs associated with decentralised energy generation, particularly with regard to photovoltaic power plants, but also in relation to combined heat and power plants (CHP) and wind power plants. The role of centralised electricity generation is being fundamentally transformed as a result, leading to considerably fewer operating hours in power plants. Nuclear power generation will be phased out by 2022, with plants being successively and safely decommissioned and dismantled.

## Corporate strategy

We have closely analysed future revenue sources in the energy industry to further develop our business portfolio. According to our estimations, revenue flows in the energy industry will shift considerably. Renewable energies, grids and the decentralised solution business are growing in importance. On this basis, we have developed the EnBW 2020 strategy guided by the principle “Energiewende. Safe. Hands on.”, which charts the course for the future development of our business model and strengthens the future viability of the company.

## Two operating models

The two complementary operating models of “Customer proximity” and the “Engine room of the Energiewende” lie at the core of the EnBW 2020 strategy. “Customer proximity” shifts the focus of our activities onto the customer to an even greater degree. Core elements here are consistent innovation management, shorter development times for new products and services and well-balanced partnership models. In the “Engine room of the Energiewende”, we are building, in particular, on operational excellence and a strict efficiency and cost orientation to achieve defined levels of quality, in order to ensure the efficient and safe operation, construction and dismantling of energy supply plants and infrastructure.

## Restructuring the business portfolio

EnBW aims to more than double the share of its generation capacity accounted for by renewable energies from 19% (based on the reference year of 2012) to more than 40% in 2020. The capacities of our onshore wind farms will be increased significantly in the target markets of Germany and Turkey. Offshore wind power represents a further opportunity for growth. By investing extensively in grid expansion, we will be making a substantial contribution to the infrastructure required by the energy system and thus to the security of supply.

By 2020, a significant share of the Group’s earnings (the target value of adjusted EBITDA is between €2.3 billion and €2.5 billion) is to be raised from strategic initiatives. Innovative products and services will form another important pillar of the company’s business. The overall share of adjusted EBITDA accounted for by the regulated grid business and renewable energies will increase from the current level of approximately 40% (based on the reference year of 2012) to around 70% in 2020. This will improve the risk-return profile of EnBW.

## Extensive investments and divestitures

EnBW intends to invest €14.1 billion in total by 2020 (based on the reference year of 2012). In this context, the focus will be placed on expanding wind and hydropower on an industrial scale. In addition, we will concentrate on the expansion and upgrading of our transmission and distribution grids right through to so-called smart grids. From a regional point of view, and beyond our core market of Baden-Württemberg, we will be focusing our investment activities on Germany, Switzerland, the Czech Republic and Turkey. To obtain the financial headroom required for these extensive investments, we have considerably extended our divestiture programme, involving conventional divestitures and cash flow from participating investment models and the disposal of assets and from subsidies, to around €5.1 billion (based on the reference year of 2012).

Around €5.6 billion of the overall investments planned up to 2020 have already been realised as of 31 March 2016, while approximately €2.4 billion of our divestiture programme was implemented as of the same date.

## Further development of the gas business

As part of the restructuring of shareholdings with EWE Aktiengesellschaft, Oldenburg, EnBW acquired 74.2% of VNG-Verbundnetz Gas Aktiengesellschaft, Leipzig (VNG), on 20 April 2016. As a result, EnBW will double its gas business and become the third-largest gas supplier on the German market in future. The acquisition of VNG represents an important step in the restructuring and further development of EnBW, both strategically and also economically.

## General conditions

The business performance of EnBW is influenced by the macroeconomic and energy industry landscape, the political and regulatory conditions, the market prices for primary energy sources, CO<sub>2</sub> allowances and electricity, as well as the weather conditions. In addition, the global energy sector is experiencing a period of fundamental change – especially in Germany because of the *Energiewende* – due to the transition to increasingly carbon-neutral methods of energy generation. Above all, the wholesale price of electricity, the reform of the funding of renewable energies – moving from fixed funding subsidies to auctions – and the expansion of the grids together with its financing are having a significant effect on the core business of EnBW.

### Sales segment

Despite the continued generally positive economic environment, the demand for energy in Germany is gradually declining due to the use of energy-efficient devices and processes. This trend continued in the first quarter of 2016 due to the mild winter. This trend could be offset in the long term because of an increase in demand as fossil fuels are replaced by electricity – such as through the use of heat pumps – and due to the politically desired expansion of electromobility. In order to accelerate the market penetration of electromobility, additional incentives have been introduced or are currently under discussion: for example, increasing funding for electric cars in the form of purchase subsidies and special tax write-offs for company vehicles. The still inadequate infrastructure for charging vehicles in Germany is set to be improved through numerous measures; the latest proposal is a €300 million investment programme to construct an additional 15,000 charging stations. In the area of energy services, there will be new applications for electricity in the areas of electromobility, urban infrastructure and in other business fields.

The increasing digitalisation of the energy supply system is also forming the basis for the development of innovative business models. The draft cabinet bill for the digitalisation law issued in November 2015 proposes the gradual digitalisation of measurement and metering up to 2032. In the first stage and starting with large customers with high energy consumption, around 7.5 million intelligent metering systems should be installed from 2017 to 2025 that will be integrated into a communication network via a smart meter gateway. In parallel, 23 million modern measurement appliances with pre-prepared interfaces will be installed. The aim is to increase the number of intelligent metering systems to 8.2 million and the number of modern measurement appliances to 38 million by

2032. This digitalisation will create a new market role for the grid operators and result in intensive competition for metering point operation. It will also create new sales channels and open up scope for offering our customers innovative solutions. EnBW will resolutely utilise the opportunities offered by digitalisation in the supply of energy.

### Grids segment

The basis for the success of the *Energiewende* will be the expansion of the energy grids to meet demand. In particular, the connection of renewable energies and their integration into the market will require further construction measures at both the transmission and distribution grid level. These measures will call for a high level of investment in the grid infrastructure. Accordingly, the further development of the regulatory framework for distribution grids is in full swing as part of the reform of the incentive regulations. The expansion of the gas grid is characterised by the switch on the market from L-gas (low calorific gas) to H-gas (high calorific gas).

In the area of transmission grids, underground cables have been given priority ahead of new overhead lines where this is possible and appropriate since the start of 2016 in accordance with the Federal Requirements Plan issued in December 2015. The plan will mean, on the one hand, that a revision or redesign of the expansion projects is necessary, while on the other hand, the greater acceptance for underground cables amongst the general public should speed up the approval process.

On the basis of a report from the Federal Network Agency (BNetzA) evaluating the incentive regulations, the Federal Ministry for Economic Affairs and Energy (BMWi) presented key points for the reform of the Incentive Regulation Ordinance (ARegV) for the distribution grid at the beginning of March. The reform of the ARegV is expected to be completed by the end of the third quarter of 2016. It is expected that the reforms will result in cost assessments becoming more efficient. The financial impact of the prompt recognition of investments is dependent on the precise design of the regulation model. In addition, it is also expected that there will be future regulatory guidelines focussing on efficiency. The adjustments to the regulatory regime for network charges for electricity and gas are then due to become effective from the third regulatory period (electricity in 2019, gas in 2018). EnBW AG and its subsidiary Netze BW are actively participating in the consultations for the currently ongoing reform process for the ARegV.



In the area of gas grids, a revision of the Security of Gas Supply Regulation that is designed to safeguard the supply of gas in crisis situations was announced as part of the European Commissions “winter package”. The expansion of the infrastructure includes both grids and terminals. The aim is to expand the grids towards the east of the EU in order to diversify the sources of supply. In the long term, it appears that the further expansion of supply lines and cross-border interconnections with Poland and the Czech Republic will be possible. In addition, the construction of terminals is proposed to enable the import of liquefied natural gas (LNG), for example, from western and central Asia.

## Renewable Energies segment

The funding of renewable energies will be provided based on a competitive auction system in future, which will replace the existing feed-in tariffs. The design of the auctions aims to maintain the expansion corridor for renewable energies, enabling sufficient competition and guaranteeing a diverse range of stakeholders.

For **onshore wind power plants**, a transitional period for projects is currently in progress up to the end of 2016 and for the completion of already approved turbines up to the end of 2018. The auction process will be utilised for new projects from 2017. Three to four rounds of auctions should be held per year from May 2017. Aside from the very challenging pre-qualification rules for new wind turbines in accordance with the Federal Immission Control Act (BImSchG), the fact that the auction volumes for onshore wind power plants depend on the overall expansion of renewable energies (residual volume model) could lead to a situation where net growth will be near to zero or even negative in individual years. In this environment, very competitive pricing is expected.

For **offshore wind power plants**, the targets of 6.5 GW by 2020 and 15 GW by 2030 have been defined. There will also be a period of transition to competitive auctions for offshore wind power plants: All wind farms that are placed into operation by 2020 will receive funding in accordance with the EEG 2014. Transitional auctions will be held for wind turbines that are connected to the grid between 2021 and 2024, while the central auction process will apply to new projects from 2025.

For **photovoltaic power plants**, there are only plans to precisely regulate expansion for large power plants from an installed output of 500 MWp. Here, the central auction model will also apply. Actual expansion will also be dependent, however, on the investment decisions made about small power plants. Irrespective of subsidies, the economic viability of PV power plants for own consumption due to, for example, decreasing costs for battery storage systems could lead to dynamic growth in this area.

EEG 2016 is due to be passed by the Bundestag and the Bundesrat in the summer. As a company with ambitious expansion targets in the area of renewable energies, these changes to the system will impact our portfolio. EnBW is monitoring the legislative process and participating in the relevant consultations in order to point out the level of protection that is required for existing plans and investments, as well as to ensure the most unbureaucratic and competitive implementation of the new system possible.

## Generation and Trading segment

The situation on the wholesale electricity market is characterised by persistent overcapacity due to the progress of the Energiewende and a sharp fall in the global price of fuel.

### Electricity wholesale market

The price of electricity on the wholesale market has fallen continuously in line with the structural shift to lower fuel prices. The pressure on conventional generation, particularly in Germany, has intensified to an unprecedented level. Already, the electricity generated by large power plants is at times forced out of the market entirely by renewable energies, so that it is becoming ever more difficult to operate these power plants economically. The wholesale market price for electricity is anticipated to remain at a low level during the rest of the year.

Development of prices for electricity (EPEX),  
base load product

in €/MWh	Average Q1/2016	Average Q1/2015	Average 2015
Spot	25.18	32.11	31.62
Rolling front year price	22.63	31.63	30.96

## Oil market

Although the market continues to be characterised by oversupply, the OPEC countries are continuing their policy of not intervening in the market to stabilise prices. Oil production in the USA achieved permanent cost reductions that were greater than those expected by the market. This also meant that there were no production shortfalls that could have been caused by a large number of insolvencies. Finally, Iran's return to the international oil market has led to a further increase in supply. In addition, the trend in demand for oil has had a rather dampening effect on oil prices because the dynamic economic growth in Asia – especially in China – has slowed. During the remainder of the year, we anticipate that oil prices will remain relatively constant at the current level.

### Development of prices on the oil markets

in US \$/bbl	Average Q1/2016	Average Q1/2015	Average 2015
Crude oil (Brent), front month (daily quotes)	35.21	55.13	53.60
Crude oil (Brent), rolling front year price (daily quotes)	42.87	65.43	59.69

## Coal market

The low long-term growth forecasts for the global economy and the large overcapacity have led to a further fall in prices on the coal market. In addition, currency devaluations in important producing countries and cheaper freight and production costs due to the lower price of oil have also pushed prices downwards. Last but not least, increasing generation from renewable energies has led to a structural shift towards a decline in the demand for coal. Despite the slight recovery in April, we do not anticipate any substantial recovery in coal prices in the foreseeable future.

### Development of prices on the coal markets

in US \$/t	Average Q1/2016	Average Q1/2015	Average 2015
Coal – API #2 rolling front year price	39.37	60.43	54.68

## Gas market

Long-term gas import contracts form the primary basis of Germany's gas supply. The wholesale markets, such as the Dutch Title Transfer Facility (TTF) and the trading point of the NetConnect Germany (NCG) market area, are other important sources of natural gas. Prices primarily track the oil price trends with a time lag. At the same time, the supply of LNG from the Gulf region and Australia has increased. Finally, it is not expected that there will be any restrictions to Russian gas exports to Europe despite the ongoing tense situation in the Ukraine. The border price index for natural gas published monthly by the German Federal Office of Economics and Export Control (BAFA) stood at €15.41/MWh in January 2016, which is 12.5% below the December 2015 figure (€17.61/MWh) and 33.1% below the figure for the same month in the previous year (€23.04/MWh). As a result of the oversupply on the gas markets, we do not anticipate that prices will recover significantly in the short term.

### Development of prices for natural gas on the TTF (Dutch wholesale market)

in €/MWh	Average Q1/2016	Average Q1/2015	Average 2015
Spot	12.87	21.46	19.86
Rolling front year price	14.03	21.35	20.09

## CO<sub>2</sub> allowances

Under the European emissions trading system, proof must be provided of allowances for CO<sub>2</sub> emissions from power plants. The price of emission allowances (EU Allowance – EUA) fell continuously from the start of 2016 until the middle of February to under €5/t CO<sub>2</sub> and has since experienced sideways movement. This sharp fall in prices is contradictory to the resolutions made at the UN Climate Change Conference, which was held in Paris in December 2015. An international agreement on climate change was reached at the conference that proposes to limit global warming to 1.5 degrees Celsius above preindustrial levels. The causes of this fall in prices for CO<sub>2</sub> allowances are the current oversupply and the associated high level of uncertainty on the market that is also likely to continue over the coming months.

### Development of prices for emission allowances/daily quotes

in €/tCO <sub>2</sub>	Average Q1/2016	Average Q1/2015	Average 2015
EUA, rolling front year price	5.64	7.07	7.70
CER, rolling front year price	0.38	0.43	0.48

## Design of the electricity market


The European Commission initiated the consultation process on the future design of the market by issuing a communication package on 15 July 2015, in order to adapt the market to challenges posed by a decentralised and digitalised energy world. EnBW welcomes this approach, especially the cross-border consideration of the security of supply and the opening of national capacity mechanisms. Concrete proposals for legislation or policy measures are expected at the end of 2016.

In accordance with the Electricity Market Act, the German government will strengthen the Energy-only-Market (EOM 2.0) and allow prices to spike. This pronounced market orientation of the electricity market is welcomed by EnBW. We view the planned reform of the electricity market as a low-risk and cost-effective option for continuing to guarantee a secure supply by strengthening market forces.

Market conditions are increasingly necessitating the decommissioning of conventional power plants. At the same time, power plants that have been selected for decommissioning, especially those in southern Germany, are still required in order to guarantee the stability of the grid and thus the supply of electricity. In order to prevent the decommissioning of system-relevant power plants, the law intends to obligate operators to maintain these facilities as reserve power plants ("grid reserve"). Therefore, the power plant operator has a right to be reasonably reimbursed for the

costs that arise. Politicians are also planning the introduction of an additional capacity reserve, which will be maintained for times when there is an extreme shortage of generating capacity on the electricity market. EnBW welcomes the establishment of a competitively oriented process for procuring the capacity reserve outside of the wholesale market.

## Nuclear power

The proposals made by a commission (KFK) appointed by the German government for the amendment of the financing system for the phasing out of nuclear power will be presented in the risk report  page 26).

The commission tasked with searching for a final storage site continued its work in 2015. Criteria for the selection of a final storage site for highly radioactive waste are due to be defined on the basis of the Site Selection Act (Standortauswahlgesetz) by the middle of 2016. In addition, the affected energy supply companies agreed the basic principles regarding the repatriation of reprocessing waste to Germany from France and Great Britain with the German Federal Ministry for the Environment in the middle of 2015. Whether EnBW will submit an application for the storage of five containers of waste from the reprocessing plant in La Hague at the intermediate storage site in Philippsburg will depend on the precise details that will be agreed by a working group consisting of representatives from the German government and operators.

# The EnBW Group

## Financial and strategic performance indicators

### Results of operations

#### Electricity sales increase on the strength of trading activities, gas sales fall significantly

##### Electricity sales of the EnBW Group (without Grids)

in billions of kWh 01/01 - 31/03	Sales		Renewable Energies		Generation and Trading		Total (without Grids)	Change in %
	2016	2015	2016	2015	2016	2015	2016	2015
Retail and commercial customers (B2C)	4.6	4.8	0.0	0.0	0.0	0.0	4.6	4.8
Business and industrial customers (B2B)	7.2	8.4	0.0	0.0	0.0	0.0	7.2	8.4
Trade	0.2	0.2	0.8	0.5	18.1	15.6	19.1	16.3
<b>Total</b>	<b>12.0</b>	<b>13.4</b>	<b>0.8</b>	<b>0.5</b>	<b>18.1</b>	<b>15.6</b>	<b>30.9</b>	<b>29.5</b>

In the first three months of 2016, electricity sales of the EnBW Group were higher than the level in the previous year. This increase is due exclusively to trading activities in the business and industrial customer sector (B2B), which at the same time

experienced falling sales. However, the effect of trading activities on the earnings potential of the company is limited. In a persistently challenging competitive environment, electricity sales in business with retail and commercial customers (B2C) also fell.

##### Gas sales of the EnBW Group (without Grids)

in billions of kWh 01/01 - 31/03	Sales		Generation and Trading		Total	Change in %
	2016	2015	2016	2015	2016	2015
Retail and commercial customers (B2C)	4.4	4.6	0.0	0.0	4.4	4.6
Business and industrial customers (B2B)	14.0	30.7	0.0	0.0	14.0	30.7
Trade	0.1	0.1	23.2	23.3	23.3	23.4
<b>Total</b>	<b>18.5</b>	<b>35.4</b>	<b>23.2</b>	<b>23.3</b>	<b>41.7</b>	<b>58.7</b>

The gas sales of the EnBW Group fell significantly compared to the same period of the previous year. Despite a slight increase in the number of customers, gas sales in the retail customer business (B2C) were lower in comparison to the same period of the previous year due to the milder weather conditions. This development was also contributed to above all by lower sales

to business and industrial customers (B2B) due to the elimination of portfolio optimisations in the previous year. Trading activities were at the same level as in the previous year. However, the portfolio optimisations and trading activities only have a minor effect on the earnings potential of the company.

## External revenue below that of the previous year

### External revenue of the EnBW Group by segment

in € million <sup>1</sup>	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
Sales	2,283.0	2,909.6	-21.5	9,061.2
Grids	1,447.6	1,408.2	2.8	6,350.6
Renewable Energies	147.4	79.2	86.1	447.0
Generation and Trading	1,313.2	1,495.4	-12.2	5,300.4
Other/Consolidation	3.9	3.8	2.6	7.3
<b>Total</b>	<b>5,195.1</b>	<b>5,896.2</b>	<b>-11.9</b>	<b>21,166.5</b>

<sup>1</sup> After deduction of electricity and energy taxes.

**Sales:** Revenue in the Sales segment was significantly lower in the first three months of 2016 compared to the previous year, mainly as a result of lower electricity and gas sales.

**Grids:** Revenue in the Grids segment increased slightly in the reporting period compared to the previous year due to higher revenues from the use of the grids.

**Renewable Energies:** In the Renewable Energies segment, revenue increased significantly in the first three months of 2016 in comparison to the previous year. This was mainly attributable to the full commissioning of our offshore wind farm EnBW Baltic 2 in the second half of 2015.

**Generation and Trading:** Revenue in the Generation and Trading segment fell in the reporting period in comparison to the same period of the previous year. This fall is mainly attributable to lower electricity and gas prices.

### Material developments in the income statement

The negative balance from other operating income and other operating expenses in the reporting period increased from €-37.0 million in the previous year to €-172.8 million in the reporting period, which was mainly due to valuation effects from derivatives. The cost of materials stood at €4,040.3 million, which was 15.0% below the figure in the previous year. This was primarily attributable to lower gas sales and corresponds to the sales volumes. The investment result stood at €13.9 million, which was €45.1 million lower than the figure of €59.0 million in the previous year. The main reason was a lower result from the net profit/loss of entities accounted for using the equity method in the current year, which was due to the reclassi-

fication of a 20% shareholding in EWE Aktiengesellschaft (EWE) as assets held for sale. The financial result deteriorated in the reporting period in comparison to the previous year by €483.2 million to €-266.1 million (previous year: €217.1 million), primarily as a result of higher income from the disposal of securities in the first quarter of 2015. This was offset by the smaller adjustment to the discount rate for nuclear provisions in comparison to the same period of the previous year (first quarter of 2016: reduction of 10 basis points; first quarter of 2015: reduction of 20 basis points). Overall, earnings before tax (EBT) totalled €143.6 million in the first three months of the 2016 financial year, compared with €781.8 million in the previous year.

### Earnings

The Group net profit attributable to the shareholders of EnBW AG fell from the figure of €684.1 million in the comparative period by €633.1 million to €51.0 million in the reporting period. Earnings per share amounted to €0.19 in the reporting period compared to €2.53 for the same period in the previous year.

### Adjusted earnings and non-operating result

The sustainable profitability of operating activities is of particular importance for internal management and for the external communication of the current and future earnings potential of EnBW. The operating result is disclosed in the form of adjusted EBITDA – earnings before interest, tax, depreciation and amortisation and adjusted for extraordinary items – which we use as a key reporting indicator. The extraordinary items are presented and explained in the section “Non-operating result” (page 13).

## Adjusted EBITDA of the EnBW Group by segment

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
Sales	67.5	71.3	-5.3	255.3
Grids	286.4	277.4	3.2	747.4
Renewable Energies	92.1	35.5	–	287.4
Generation and Trading	170.8	331.7	-48.5	777.3
Other/Consolidation	4.2	12.0	-65.0	42.2
<b>Total</b>	<b>621.0</b>	<b>727.9</b>	<b>-14.7</b>	<b>2,109.6</b>

## Share of adjusted EBITDA for the Group accounted for by the segments

in %	01/01 – 31/03/2016	01/01 – 31/03/2015	01/01 – 31/12/2015
Sales	10.9	9.8	12.1
Grids	46.1	38.1	35.4
Renewable Energies	14.8	4.9	13.6
Generation and Trading	27.5	45.6	36.8
Other/Consolidation	0.7	1.6	2.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The adjusted EBITDA for the EnBW Group in the first quarter of 2016 did not reach the level achieved in the previous year. Adjusted for valuation effects from derivatives, the adjusted EBITDA was 10% below the figure in the previous year. These effects will become less important during the remainder of the year. The earnings performance is thus within the range of our forecast for the 2016 financial year of -5% to -10%.

**Sales:** In the Sales segment, the adjusted EBITDA fell in the first three months of 2016 compared to the same period of the previous year. This was primarily due to the sale of EnBW Propower GmbH together with the Eisenhüttenstadt CHP plant as of 31 December 2015. The share of the adjusted EBITDA for the Group accounted for by this segment increased slightly because the adjusted EBITDA for the segment fell less in percentage terms than the adjusted EBITDA for the Group.

**Grids:** The adjusted EBITDA for the Grids segment in the reporting period was higher than the level in the previous year, while the share of the adjusted EBITDA for the Group accounted for by this segment increased accordingly. The decisive factor behind this development was the increase in the revenue cap for the electricity and gas distribution grids. This increase can be traced back primarily to higher pension provisions in accordance with the German Commercial Code (HGB) as a result of the low-interest phase. In contrast, the

higher expenses incurred for the grid reserve and the planned increases in the number of employees for the expansion of the grids has had a negative effect.

**Renewable Energies:** The adjusted EBITDA in the Renewable Energies segment for the first three months of 2016 was significantly above the value achieved in the same period of the previous year. This was due to the full commissioning of our offshore wind farm EnBW Baltic 2. It was possible to overcompensate for the poor earnings performance of our run-of-river power plants resulting from lower electricity prices compared to the same period of the previous year as a result. The share of the adjusted EBITDA for the Group accounted for by this segment also increased significantly.

**Generation and Trading:** The adjusted EBITDA for the Generation and Trading segment fell noticeably compared to the same period of the previous year. This was caused mainly by the sharply falling prices and spreads on wholesale electricity markets during preceding periods in which we agreed on fixed sales prices for quantities of electricity to be supplied in 2016. Furthermore, an electricity procurement agreement in the nuclear sector that expired at the end of the third quarter of 2015 and valuation effects from derivatives also had a negative effect. The share of the adjusted EBITDA for the Group accounted for by this segment fell significantly.



## Adjusted earnings indicators of the EnBW Group

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
<b>Adjusted EBITDA</b>	<b>621.0</b>	<b>727.9</b>	<b>-14.7</b>	<b>2,109.6</b>
Scheduled amortisation and depreciation	-222.2	-224.7	-1.1	-927.7
<b>Adjusted EBIT</b>	<b>398.8</b>	<b>503.2</b>	<b>-20.7</b>	<b>1,181.9</b>
Adjusted investment result	13.9	59.0	-76.4	135.2
Adjusted financial result	-205.6	401.1	-	75.8
Adjusted income taxes	-65.5	-122.5	46.5	-358.0
<b>Adjusted Group net profit</b>	<b>141.6</b>	<b>840.8</b>	<b>-83.2</b>	<b>1,034.9</b>
of which profit/loss shares attributable to non-controlling interests	(38.0)	(27.5)	38.2	(83.2)
of which profit/loss shares attributable to the shareholders of EnBW AG	(103.6)	(813.3)	-87.3	(951.7)

The reduction in the adjusted investment result compared to the previous year was primarily attributable to the lower earnings from entities accounted for using the equity method, which was due to the reclassification of a 20% shareholding in EWE under assets held for sale. The adjusted financial result in the comparative period was strongly influenced by tax-free profits from the disposal of securities. These disposals were

carried out against the background of positive developments on the stock market in the first quarter of 2015 and a potential change in the taxation of diversified shareholdings. The adjusted tax rate stood at 31.6% in the reporting period, compared to just 12.7% in the previous year. The adjusted Group net profit attributable to the shareholders of EnBW AG was thus significantly below the figure in the previous year.

## Non-operating result of the EnBW Group

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %
Income/expenses relating to nuclear power	-7.3	-9.1	19.8
Result from disposals	5.5	18.3	-69.9
Restructuring	-3.8	-3.6	-5.6
Other non-operating result	2.6	-3.1	-
<b>Non-operating EBITDA</b>	<b>-3.0</b>	<b>2.5</b>	<b>-</b>
Impairment losses	0.0	0.0	-
<b>Non-operating EBIT</b>	<b>-3.0</b>	<b>2.5</b>	<b>-</b>
Non-operating financial result	-60.5	-184.0	67.1
Non-operating income taxes	11.8	53.0	-77.7
<b>Non-operating Group net loss</b>	<b>-51.7</b>	<b>-128.5</b>	<b>59.8</b>
of which profit/loss shares attributable to non-controlling interests	(0.9)	(0.7)	28.6
of which profit/loss shares attributable to the shareholders of EnBW AG	(-52.6)	(-129.2)	59.3

The effects on non-operating EBITDA and non-operating EBIT were of minor significance in the reporting period and also the comparative period. The shortfall in the non-operating financial result was less than in the previous year primarily as a result of the smaller adjustment in the discount rate for nuclear provisions (first quarter of 2016: reduction of 10 basis

points; first quarter of 2015: reduction of 20 basis points). This was offset in the reporting period by lower tax income from non-operating income taxes. The non-operating Group net loss attributable to the shareholders of EnBW AG amounted to €-52.6 million in the reporting period, compared to €-129.2 million in the previous year.

## Financial position

### Financing

In addition to the Group's internal financing capabilities and its own funds, the EnBW Group has the following instruments at its disposal to cover its overall financing needs:

- > Debt Issuance Programme (DIP), via which bonds are issued, with a €7.0 billion line (€3.5 billion drawn as of 31 March 2016)
- > Hybrid bonds with a total volume of €2.0 billion (as of 31 March 2016)
- > Commercial paper (CP) programme for a total of €2.0 billion (undrawn as of 31 March 2016)
- > Syndicated credit line of €1.5 billion with a term until 2020 (undrawn as of 31 March 2016). The extension of the term of the credit line by one year became effective on 21 July 2015, there is also a new extension option for an additional year in 2016.
- > Bilateral short-term credit lines of €500 million (undrawn as of 31 March 2016)
- > Project financing and low-interest loans from the European Investment Bank (EIB)

### Established issuer on the debt capital market

EnBW has sufficient and flexible access to the capital market at all times. Nevertheless, EnBW is endeavouring to reduce net debt further. Bonds due during the 2016 financial year to the

amount of €500 million will be repaid from cash flow. The EnBW bonds have a well-balanced maturity profile. As part of its financing strategy, EnBW constantly assesses capital market trends with regard to the current interest rate environment and to any potentially favourable refinancing costs.

### Rating and rating trends

Maintaining a good credit standing remains the key objective of the financing strategy of EnBW. EnBW uses the dynamic leverage ratio as a guide for this purpose, whereby the target of <3.3 currently corresponds to the "A" ratings issued by the rating agencies. EnBW has always satisfied the relevant criteria since the rating agencies Standard & Poor's (2000), Moody's (2002) and Fitch (2009) started issuing credit ratings for the company. However, the rating agencies have adopted a more critical appraisal of energy policy conditions in the German energy utilities sector since 2011, ascribing it a weaker business risk profile. EnBW has largely been able to withstand the sector-wide negative rating trend to date through the restructuring of its portfolio with the EnBW 2020 strategy and its increased focus on low-risk activities. Standard & Poor's are currently reviewing the EnBW rating against the background, amongst other things, of the sharp fall in wholesale market prices with a view to a possible downgrade. The current ratings as of 31 March 2016 – unchanged in the A rating range since 2011 – are: Moody's A3/negative, Standard & Poor's A-/credit watch negative and Fitch A-/stable.

### Investment analysis

#### Net cash investments of the EnBW Group

in € million <sup>1</sup>	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
Investment in growth projects	86.9	203.1	-57.2	1,026.1
Investment in existing projects	74.3	81.2	-8.5	435.5
<b>Total investments</b>	<b>161.2</b>	<b>284.3</b>	<b>-43.3</b>	<b>1,461.6</b>
Conventional divestitures <sup>2</sup>	-182.6	-2.0	-	-35.6
Participation models	-0.9	0.0	-	-719.8
Other disposals and construction cost subsidies	-37.6	-64.4	-41.6	-218.4
<b>Total divestitures</b>	<b>-221.1</b>	<b>-66.4</b>	<b>-</b>	<b>-973.8</b>
<b>Net (cash) investments</b>	<b>-59.9</b>	<b>217.9</b>	<b>-</b>	<b>487.8</b>

<sup>1</sup> Excluding investments held as financial assets.

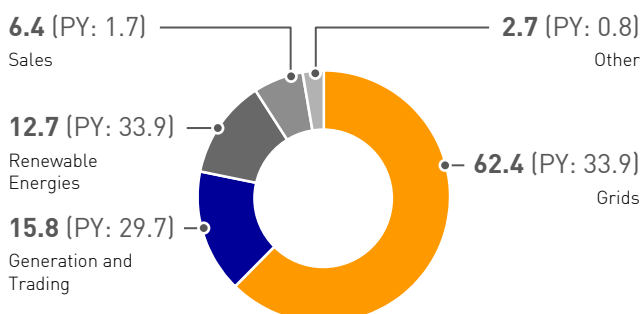
<sup>2</sup> Does not include cash and cash equivalents relinquished with the sale of fully consolidated companies. These amounted to €1.4 million in the reporting period [01/01-31/03/2015: €6.0 million, 01/01-31/12/2015: €6.5 million].

The investment volume of the EnBW Group fell significantly as expected in the first quarter of 2016 compared to the previous year. This was due to the fact that the major power plant project RDK 8 and the EnBW Baltic 2 offshore wind farm have been completed.

Around 53.9% of the overall gross investment was attributable to growth projects; the proportion of investments in existing facilities stood at 46.1% and was primarily allocated to existing power stations and grid infrastructure.

## Investments by segment

in %



In the **Sales** segment, €10.3 million was invested in the reporting period. In the previous year, investment in this segment stood at €4.7 million.

Investment of €100.6 million in the **Grids** segment was slightly higher than the figure in the previous year (€96.3 million), which was mainly allocated for the expansion and upgrade of the grids and the connection of facilities for the generation of renewable energies.

In the **Renewable Energies** segment, investment of €20.4 million was lower than the figure in the previous year (€96.4 million) due to the completion of the EnBW Baltic 2 offshore wind farm in the summer of 2015.

Investment in the **Generation and Trading** segment stood at €25.5 million, which was significantly lower than in the previous year (€84.5 million) due to the completion of the power plant project RDK 8.

Divestitures were significantly higher than the level in the previous year due to the sale of EnBW Propower GmbH together with the Eisenhüttenstadt CHP plant. The sale was already completed as of 31 December 2015, although the purchase price was only received in January 2016.

## Liquidity analysis

## Free cash flow of the EnBW Group

in € million

	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
<b>Cash flow from operating activities</b>	<b>-91.6</b>	<b>426.5</b>	<b>-</b>	<b>1,918.3</b>
Change in assets and liabilities from operating activities	431.2	228.4	88.8	137.7
Interest and dividends received	86.8	70.9	22.4	380.6
Interest paid for financing activities	-54.2	-17.8	-	-375.1
<b>Funds from operations (FFO)</b>	<b>372.2</b>	<b>708.0</b>	<b>-47.4</b>	<b>2,061.5</b>
Change in assets and liabilities from operating activities	-431.2	-228.4	88.8	-137.7
Capital expenditure on intangible assets and property, plant and equipment	-156.5	-272.5	-42.6	-1,416.4
Disposals of intangible assets and property, plant and equipment	23.7	39.5	-40.0	140.2
Cash received from construction cost and investment subsidies	13.9	24.9	-44.2	78.2
<b>Free cash flow</b>	<b>-177.9</b>	<b>271.5</b>	<b>-</b>	<b>725.8</b>

Cash flow from operating activities and funds from operations (FFO) fell significantly in comparison to the same period of the previous year. This fall was primarily the result of the payment of tax arrears in the reporting period, while tax refunds were received in the comparative period. In addition, the cash-relevant fall in the adjusted EBITDA also had an effect. The net balance of assets and liabilities from operating activities increased compared to the same period of the previous year due mainly to the purchase of CO<sub>2</sub> allowances in the reporting period. Furthermore, inventories were reduced to a greater extent than in the same period of the previous year, which

was due, amongst other things, to higher coal consumption for redispatch measures to stabilise the grid. The net balance of trade receivables and payables remained constant compared to the same period of the previous year. Both periods were primarily influenced by effects from the sales businesses and factors relating to the EEG. Furthermore, higher interest payments on tax arrears also had an effect. This was offset by lower capital expenditure on intangible assets and property, plant and equipment in comparison to the same period of the previous year. Free cash flow thus fell in comparison to the same period of the previous year by €449.4 million.

## Cash flow statement of the EnBW Group

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015	Change in %	01/01 – 31/12/2015
Cash flow from operating activities	-91.6	426.5	-	1,918.3
Cash flow from investing activities	312.8	-312.0	-	-814.2
Cash flow from financing activities	-147.6	-107.7	-37.0	-798.5
<b>Net change in cash and cash equivalents</b>	<b>73.6</b>	<b>6.8</b>	<b>-</b>	<b>305.6</b>
Net foreign exchange difference	0.9	3.5	-74.3	10.3
<b>Change in cash and cash equivalents</b>	<b>74.5</b>	<b>10.3</b>	<b>-</b>	<b>315.9</b>

Cash flow from investing activities returned an inflow of cash in the reporting period, while in the previous year there was an outflow of cash. This change was primarily due to the sale of securities in the reporting period against the background of the current developments on the market; there were still higher investments than divestitures included in this item in the previous year. Furthermore, receipt of the purchase price for the disposal of EnBW Propower GmbH was included in the reporting period. In addition, capital expenditure on property,

plant and equipment was below the level in the same period of the previous year, which was due to the completion of major projects.

Cash flow from financing activities returned an outflow of cash, which was primarily due to higher interest payments on tax arrears. The Group's cash and cash equivalents increased by €74.5 million in the reporting period.

## Net assets

## Condensed balance sheet of the EnBW Group

in € million	31/03/2016	31/12/2015	Change in %
Non-current assets	25,171.3	25,587.8	-1.6
Current assets	13,586.2	11,554.5	17.6
Assets held for sale	1,011.2	1,015.9	-0.5
<b>Assets</b>	<b>39,768.7</b>	<b>38,158.2</b>	<b>4.2</b>
Equity	4,734.8	5,089.5	-7.0
Non-current liabilities	24,365.7	23,791.7	2.4
Current liabilities	10,668.2	9,276.2	15.0
Liabilities directly associated with assets classified as held for sale	0.0	0.8	-100.0
<b>Equity and liabilities</b>	<b>39,768.7</b>	<b>38,158.2</b>	<b>4.2</b>

As of the reporting date of 31 March 2016, the total assets held by the EnBW Group was higher than the level at the end of the previous year. Non-current financial assets decreased by €416.5 million, primarily as a result of the sale of securities. This was offset by the significant increase in current trade receivables of €1,334.3 million, mainly influenced by seasonal effects from the sales businesses and the increased trading activities. Other current assets increased by €471.7 million to €3,506.4 million, which was due above all to an increase in derivatives.

The equity held by the EnBW Group fell by €354.7 million as of the reporting date of 31 March 2016. This was primarily attributable to increased losses in other comprehensive income of €428.7 million to €-2,072.9 million. The main reason for this development was the adjustment of the discount rate for pension provisions from 2.3% to 1.95%. This, however, resulted in an increase in non-current provisions of €557.5 million; the adjustment to the discount rate for nuclear provisions from 4.7% to 4.6% also had an impact here. The total increase in current liabilities of €1,392.0 million was attributable, on the one hand, to the higher liabilities relating to trade payables due to the growth in trading activities and, on the other hand, to the rise in other current liabilities and subsidies primarily as a result of the increase in derivatives.

## Adjusted net debt

### Adjusted net debt of the EnBW Group

in € million	31/03/2016	31/12/2015	Change in %
Short-term funds	-5,033.1	-4,836.9	4.1
Short-term funds of the special funds and short-term securities to cover pension and nuclear provisions	1,692.1	1,755.2	-3.6
<b>Adjusted short-term funds</b>	<b>-3,341.0</b>	<b>-3,081.7</b>	<b>8.4</b>
Bonds	5,507.6	5,492.2	0.3
Liabilities to banks	1,530.4	1,588.5	-3.7
Other financial liabilities	476.3	487.5	-2.3
<b>Financial liabilities</b>	<b>7,514.3</b>	<b>7,568.2</b>	<b>-0.7</b>
<b>Recognised net financial liabilities<sup>1</sup></b>	<b>4,173.3</b>	<b>4,486.5</b>	<b>-7.0</b>
Pension and nuclear provisions	15,664.8	15,069.7	3.9
Fair market value of plan assets	-1,128.9	-1,113.8	1.4
Long-term securities and loans to cover the pension and nuclear provisions <sup>2</sup>	-7,619.3	-8,035.0	-5.2
Short-term funds of the special funds and short-term securities to cover pension and nuclear provisions	-1,692.1	-1,755.2	-3.6
Other	-41.1	-51.4	-20.0
<b>Recognised net debt<sup>2</sup></b>	<b>9,356.7</b>	<b>8,600.8</b>	<b>8.8</b>
Non-current receivables associated with nuclear provisions	-768.5	-759.2	1.2
Valuation effects from interest-induced hedging transactions	-105.9	-106.1	-0.2
Restatement of 50% of the nominal amount of the hybrid bonds <sup>3</sup>	-1,000.0	-1,000.0	0.0
<b>Adjusted net debt<sup>2</sup></b>	<b>7,482.3</b>	<b>6,735.5</b>	<b>11.1</b>

<sup>1</sup> Adjusted for valuation effects from interest-induced hedging transactions and 50% of the nominal amount of the hybrid bonds, net financial liabilities amounted to €3,067.4 million (31/12/2015: €3,380.4 million).

<sup>2</sup> Includes equity investments held as financial assets.

<sup>3</sup> The structural characteristics of our hybrid bonds meet the criteria for half of the bond to be classified as equity, and half as debt, by the rating agencies Moody's and Standard & Poor's.

As of 31 March 2016, adjusted net debt increased by €746.8 million compared to the figure posted at the end of 2015. This increase can mainly be attributed to higher pension and nuclear provisions as a result of the adjustment in the discount rates. In addition, the lower market value of long-term securities had a negative impact on the adjusted net debt. "Long-term securities" was also reduced by the sale of securities. In contrast, the payments received increased adjusted short-term funds.

## Related parties

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

## Non-financial performance indicators

In the Quarterly Financial Report January to March and the Nine-Monthly Financial Report January to September, we report on the non-financial goal dimensions of EnBW based on current themes in the areas of customers, employees and the environment. We report on the non-financial key performance indicators for these goal dimensions every half year.

### Customers goal dimension

EnBW has set itself ambitious goals in the Sales segment: It aims to double its operating result in comparison to 2012 to €400 million by 2020. The guiding principle on the path to reaching this target is the fulfilment of the wishes and needs of customers.

In the area of billing services, a large grid operator went live on the EnBW platform at the beginning of 2016. EnBW now handles around one million additional metering points through its "Operations" business unit. Alongside the operation of applications, the services provided by EnBW include energy-related processing in the areas of meter data management, billing, market communication and customer services.

In the area of B2B contracting, EnBW is realising an advanced energy supply concept in cooperation with Agilent Technologies Deutschland GmbH and the municipality of Waldbronn. Both customers are benefiting from a combination of heat recovery processes and the highly efficient cogeneration of heat and power offered by an energy centre running a combined heat and power plant. This solution can meet the widely

varying demands of customers for heating, cooling and electricity very efficiently. Furthermore, this innovative concept for supplying energy means that there is potential to connect other customers to the energy centre.

EnBW offers the "General Contractor Infrastructure" package to local authorities for the expansion of inner city broadband networks. The concept leads to more synergies for the customer and greater efficiency during construction work because the local authority does not need to develop any special expertise itself and the complex subject of funding applications can also be handled by EnBW.

As part of the subdivision of business operations at the company Grundgrün Energie GmbH, EnBW has taken over the direct marketing business of Grundgrün. Private and commercial customers of Grundgrün received a new offer for the supply of electricity from EnBW or NaturEnergiePlus as part of an inter-company and inter-brand project.

Our customers have a positive impression of Yello and place trust in the brand. This was underlined by a customer satisfaction survey on customer service carried out in February/March 2016 by TÜV Nord: Based on a ratings scale of 1 to 6, Yello achieved a total rating of 1.65. This level of customer satisfaction is particularly due to new products and services such as the new Yello Control app. This intelligent app provides users with a permanent overview of their electricity costs and thus helps them to avoid any unexpected additional payments. We also want to convey this high level of customer orientation to potential new customers.

### Employees goal dimension

#### Employees of the EnBW Group<sup>1</sup>

	31/03/2016	31/12/2015	Change in %
Sales	3,282	3,300	-0.6
Grids <sup>2</sup>	8,234	8,086	1.8
Renewable Energies	814	815	-0.1
Generation and Trading	5,159	5,167	-0.2
Other	2,843	2,920	-2.6
<b>Total</b>	<b>20,332</b>	<b>20,288</b>	<b>0.2</b>
Number of full-time equivalents <sup>3</sup>	18,854	18,763	0.5

<sup>1</sup> Number of employees excluding marginally employed persons, apprentices/trainees and inactive employees.

<sup>2</sup> The number of employees for the ITOs (TransnetBW GmbH and terranets bw GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2015 is carried forward.

<sup>3</sup> Converted into full-time equivalents.

As of 31 March 2016, the EnBW Group employed 20,332 people. As new appointments are only being made in strategic growth fields, the number of employees stands at almost the same level as at the end of 2015. The growing importance of regulated business is shown by the increase in activities in this area. The increase in the number of employees in the Grids segment is attributable to this increase in activities and the

purchase of two fully consolidated companies via Pražská energetika a.s. (PRE). The falling number of employees in Other/Consolidation resulted primarily from the planned departure of employees based on an earlier restructuring programme. The numbers of employees in the Sales, Renewable Energies and Generation and Trading segments remained largely unchanged.



The successful “1492@enbw” concept creates new business ideas based on cooperation between employees across different areas. It has already been possible to transfer a number of projects to the EnBW Innovation Campus to take them through to market maturity. This has also attracted public attention: The film “AUGENHÖHEwege”, which had its première at the beginning of March, shows companies that have already brought the new working worlds of tomorrow to life today. The “1492@enbw” initiative has made EnBW one of those companies.

EnBW Perspektiven GmbH (EPG) offers neutral and independent advice to employees within the EnBW Group who are looking for new career prospects. As part of this service, employees have the opportunity to rediscover their skills, motives and preferences, and thus open up new impetus and ideas for their future career. Possible job opportunities, ideas, contacts and perspectives are laid down at the end of the consultation. This enables the employees to make more targeted applications for jobs within the EnBW Group.

In 2016, EnBW was honoured by the business magazine FOCUS as one of the 1,000 top employers in Germany. In the industry rankings, EnBW achieved 23rd place – ahead of RWE (32nd place) and E.ON (48th place). The company was ranked 339th overall out of the 1,000 companies. The ratings were based on an extensive study in which employees and workers of all ages and all hierarchical levels were questioned on themes such as social benefits, salaries, promotion prospects and the working atmosphere. Furthermore, EnBW was also certified by the Top Employers Institute as a Top Employer Germany 2016 following a multi-stage validation phase consisting of a comprehensive catalogue of criteria and an external audit. The company was ranked here within the top quarter.

EnBW started a major communication offensive under the motto of “We're making it happen” on 6 April 2016. The employees of EnBW themselves lie at the heart of the campaign. They are the driving force behind the change to both the energy landscape and EnBW. Even at the first request for volunteers for the campaign, more than 130 employees spontaneously registered their interest in actively participating. EnBW is present throughout Baden-Württemberg with its communication activities – on placards, city light posters, in advertisements and radio commercials. A bus of employees is also out and about in Baden-Württemberg to provide assistance where it is needed, such as at social institutions. The communication offensive is being carried out to campaign even harder to gain the trust of our customers and the general public in EnBW and its accomplishments, while at the same time to encourage our employees to continue to push forward with the restructuring of the company and to be proud of the successes we achieve.

## Environment goal dimension

As a large energy company, EnBW shares responsibility for our environment and climate protection. Supplying our customers with energy causes emissions, above all through the operation of power plants, and uses natural resources and space. Environmental and climate protection form an integral part of the EnBW corporate strategy.

The long-term success of an energy supply company's activities hinges on acceptance by society. EnBW strives to achieve a balance between respecting the environment and achieving its corporate, political and social goals, and underpins this commitment with a diverse range of activities.

EnBW increased its electricity generation from renewable sources from 7.2 TWh in the previous year to 7.7 TWh in 2015. Fundamental to this development was the full commissioning of the second offshore wind park EnBW Baltic 2. Further decisions are due to be made in 2016 about the realisation of major projects in the area of renewable energies. EnBW is well on track to achieve its objectives in the environment goal dimension by 2020.

In an area between Gerstetten-Dettingen, Giengen-Hürben and Herbrechtingen-Bissingen that was designated as a reserved area for wind energy by the Ostwürttemberg Regional Authority, there are plans to erect 15 wind turbines each with an output of 3.3 MW and a hub height of 137 metres. The approval applications for this wind farm – named “Teichhau” – have been submitted. The decision is expected in the middle of the year at the earliest. Following extensive basic groundwork for the project, EnBW Ostwürttemberg DonauRies AG (ODR) and EnBW Windkraftprojekte GmbH informed the general public about the current status and the results of the prior investigations at public information events in January 2016. It is anticipated that the wind turbines will be placed into operation in the summer or autumn of 2017. The aim is to provide residents with the opportunity to participate in the wind farm.

The plans for the new EnBW combined heat and power plant in Gaisburg have taken another important step towards completion with the submission of the approval documentation. The goal is to modernise the supply of district heating to Stuttgart and the central Neckar region, while at the same time making it more environmentally friendly. The new power plant comprises four components: an efficient gas heating plant, a gas-fired combined heat and power plant, a district heating storage system and a district heating station. Overall, the new plants will provide an electrical output of around 30 MW and a district heating output of around 240 MW. However, emissions of carbon dioxide will be reduced significantly by around 60,000 tonnes per year. The

emission values for particulates, heavy metals, sulphur dioxide, nitrogen oxides (NO<sub>x</sub>) and formaldehyde will also be considerably below the statutory limits. As a result, the project is currently the largest single intervention measure for environmental and climate protection in Stuttgart. Due to the significant reduction in the space required, the project also opens up interesting opportunities for urban development. Once all of the approvals have been received, the investment decision could still be finalised this year. The new plants would then be placed into operation at the end of 2018 or the beginning of 2019.

In Lerchenborg on the Danish Baltic Sea coast, an 80 hectare solar power plant was placed into operation recently. The solar park, consisting of 248,730 solar modules and with an output of around 61 MW, is the largest in Scandinavia and supplies electricity to around 30,000 private households. The subsidiary Netze BW participated in the construction and commissioning of the solar park with 109 transformer stations, nine switching points and two switching stations. On-site, Netze BW configured the medium-voltage grid, agreed the technical details with the Danish grid operator and participated in the commissioning work. The size of the order was around €2.9 million. EnBW aims to expand this kind of business abroad in the future.

EnBW and its Turkish partner Borusan received an “Energy Oscar Award” for the exceptional efficiency of their jointly erected wind farm “Balabanli”. This wind farm in north-west Turkey, situated about 100 kilometres from Istanbul, is the second onshore wind farm that EnBW has connected up to the

Turkish grid in cooperation with its Turkish partner Borusan. The Balabanli wind farm was nominated in the “Best Wind Power Plant” category. All of the environmental standards were significantly exceeded through the realisation of the project. Overall, EnBW has six onshore wind farms in Turkey. Including a hydroelectric power plant, the total installed output is 355 MW. EnBW aims to further expand its generation capacities considerably in Turkey by 2020.

An increasing number of creatures are threatened with extinction due to the loss of their natural habitats – even in Baden-Württemberg. For this reason, EnBW has been actively involved in the protection of nature and species for many years and in 2011 founded a statewide programme for the protection of amphibians together with the LUBW (Baden-Württemberg State Institute for the Environment, Measurements and Nature Conservation). The successes achieved by the amphibian protection programme “Stimuli for Diversity” that includes 74 projects implemented over the past five years provided us with the incentive to continue our funding programme and to now expand it to include the protection of reptiles. At the beginning of February, more than 100 specialists and interested parties accepted an invitation from EnBW and the LUBW to attend a symposium on the practical protection of amphibians and reptiles. Baden-Württemberg is home to 19 of the 20 indigenous species of amphibians in Germany and 11 of the 15 native species of reptile. This engagement by EnBW contributes to the improvement of the habitats of these endangered species and thus also to a positive growth in the populations of these animals (📄 page 21).

# Other important Group topics

## In dialogue with our stakeholders

### Current examples

Stakeholders	Opportunity for dialogue	Main themes	Further information
 Shareholders/ capital market	<ul style="list-style-type: none"> <li>Financial reports</li> </ul>	<ul style="list-style-type: none"> <li>Publication of the Integrated Report 2015 and Quarterly Financial Report January to March 2016</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/report2015">www.enbw.com/report2015</a></li> <li><a href="http://www.enbw.com/financial-publications">www.enbw.com/financial-publications</a></li> </ul>
	<ul style="list-style-type: none"> <li>Telephone conference for analysts and investors</li> </ul>	<ul style="list-style-type: none"> <li>Corporate economic development, positioning of EnBW on capital market</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/conferencecall">www.enbw.com/conferencecall</a></li> </ul>
	<ul style="list-style-type: none"> <li>Investor update</li> </ul>	<ul style="list-style-type: none"> <li>Discussions with investors on business strategy and the current market environment</li> </ul>	<ul style="list-style-type: none"> <li>page 22</li> <li><a href="http://www.enbw.com/investor-update">www.enbw.com/investor-update</a></li> </ul>
 Employees	<ul style="list-style-type: none"> <li>EnBW aktuell</li> </ul>	<ul style="list-style-type: none"> <li>Event to launch the new EnBW company campaign with employees as ambassadors</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/WirMachenDasSchon">www.enbw.com/WirMachenDasSchon</a></li> </ul>
	<ul style="list-style-type: none"> <li>EnBW Intranet</li> </ul>	<ul style="list-style-type: none"> <li>Interdepartmental &amp; cross-hierarchical development of ideas (e.g. 1492@enbw, "ACTIVATR")</li> </ul>	<ul style="list-style-type: none"> <li>pages 19 and 23</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>E-World energy &amp; water</li> </ul>	<ul style="list-style-type: none"> <li>EnBW at Europe's leading energy industry trade fair in Essen</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/e-world/index.html">www.enbw.com/e-world/index.html</a></li> </ul>
	<ul style="list-style-type: none"> <li>Online platform "EnBW EnergyPilot"</li> </ul>	<ul style="list-style-type: none"> <li>Platform that provides our B2B customers with extensive functions such as a contract overview, energy procurement and market information for managing their portfolio</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/energypilot">www.enbw.com/energypilot</a></li> </ul>
	<ul style="list-style-type: none"> <li>"Meine EnBW" online customer portal</li> </ul>	<ul style="list-style-type: none"> <li>Simplification of the registration process and change of address form, expansion of help section</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/meine-enbw">www.enbw.com/meine-enbw</a></li> </ul>
	<ul style="list-style-type: none"> <li>Customer parliament</li> </ul>	<ul style="list-style-type: none"> <li>Regular dialogue with customers to learn directly about their wishes and expectations</li> </ul>	
	<ul style="list-style-type: none"> <li>Social media/customer blog &amp; newsletter/customer magazine</li> </ul>	<ul style="list-style-type: none"> <li>Information on latest news, products, services and events</li> </ul>	<ul style="list-style-type: none"> <li><a href="https://www.facebook.com/enbw">www.facebook.com/enbw</a></li> <li><a href="http://www.enbw.com/blog">www.enbw.com/blog</a></li> </ul>
 Local authorities/ public utilities	<ul style="list-style-type: none"> <li>Kooperationsnetz Baden-Württemberg e.V. (Cooperation network)</li> </ul>	<ul style="list-style-type: none"> <li>Joint product developments, process optimisations and information events from 32 energy suppliers with participation from EnBW</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.kooperationsnetz-bw.de">www.kooperationsnetz-bw.de</a></li> </ul>
	<ul style="list-style-type: none"> <li>Energy team</li> </ul>	<ul style="list-style-type: none"> <li>Discussion forum for representatives of municipal utilities on current energy themes: Steering Group meeting, topical forums and info events</li> </ul>	
 Society	<ul style="list-style-type: none"> <li>Award of the German Innovation Prize 2015</li> </ul>	<ul style="list-style-type: none"> <li>Together with its partners, EnBW has awarded the prize to German companies with outstanding, pioneering innovations since 2010</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.der-deutsche-innovations-preis.de">www.der-deutsche-innovations-preis.de</a></li> </ul>
	<ul style="list-style-type: none"> <li>Green Innovation and Investment Forum 2016</li> </ul>	<ul style="list-style-type: none"> <li>Energy &amp; Climate Protection Foundation awards two prizes in the area of "green energy"</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.energieundklimaschutzbw.de">www.energieundklimaschutzbw.de</a></li> </ul>
	<ul style="list-style-type: none"> <li>"energy@school" initiative</li> </ul>	<ul style="list-style-type: none"> <li>Funding of project ideas on "renewable energy generation in schools" e.g. for environmentally friendly lighting of classrooms</li> </ul>	<ul style="list-style-type: none"> <li>page 22</li> <li><a href="http://www.enbw.com/energyatschool">www.enbw.com/energyatschool</a></li> </ul>
	<ul style="list-style-type: none"> <li>Stimuli for Diversity</li> </ul>	<ul style="list-style-type: none"> <li>2nd symposium for our amphibian and reptile protection programme together with LUBW, with around 120 specialists and interested parties</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/umweltschutz">www.enbw.com/umweltschutz</a></li> </ul>
 Suppliers/ business partners	<ul style="list-style-type: none"> <li>Dialogue on the responsible handling of coal mining in Colombia</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation of and information on the answers to the list of questions sent to the Colombian coal producers</li> </ul>	<ul style="list-style-type: none"> <li>page 24</li> <li><a href="http://www.enbw.com/kohlebeschaffung">www.enbw.com/kohlebeschaffung</a></li> </ul>
 Politics	<ul style="list-style-type: none"> <li>EnBW Energy and Business Club (EWC)</li> </ul>	<ul style="list-style-type: none"> <li>Event on the theme: "EEG 3.0 – will renewables be successful?"</li> </ul>	
	<ul style="list-style-type: none"> <li>Two debate evenings held by the Energy &amp; Climate Protection Foundation</li> </ul>	<ul style="list-style-type: none"> <li>Latest on energy and environmental policy themes: "Energy policy outlook" and "Gas"</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.energieundklimaschutzbw.de">www.energieundklimaschutzbw.de</a></li> </ul>

## Shares and capital market

The two major shareholders of EnBW AG, the Federal State of Baden-Württemberg (indirectly via NECKARPRI-Beteiligungsgesellschaft mbH) and OEW Energie-Beteiligungs GmbH each hold 46.75% of the share capital in the company.

The overall shareholder composition as of 31 March 2016 breaks down as follows:

### Shareholders of EnBW AG

#### Shares in %<sup>1</sup>

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
Other shareholders	0.39

<sup>1</sup> The figures do not add up to 100% due to rounding differences.

As only a small proportion of EnBW AG shares are in free float and there are very limited trading volumes in the shares as a result, the EnBW stock market price is only subject to minor fluctuations. The stock market price stood at €21.70 on 31 March 2016, compared to €20.61 as of 31 December 2015.

EnBW engages in continuous and open dialogue with capital market participants in order to ensure investors, analysts and rating agencies maintain their trust in the company at all times. In the first quarter of 2016, the release of the financial statements of the EnBW Group at the press conference on annual results on 21 March 2016 – accompanied by a telephone conference – was the main focus of the investor relations activities. A first investor update was held in April in important financial centres such as London, Paris and Frankfurt. Alongside its periodic reporting obligations, EnBW will continue to utilise numerous communication channels to provide information and exchange opinions with analysts from banks, investment companies and rating agencies during the remainder of 2016. For example, the traditional Bankers' Day will be held on 22 June 2016 in Karlsruhe and the Capital Market Day on 29 September 2016. These events offer an opportunity to discuss the latest developments at EnBW and in the sectors in which it is involved with the Board of Management and other management personnel. This type of event is highly valued because it provides great scope for posing questions directly to the management team itself.

## Society

EnBW is fully aware of its responsibility towards society. Through its commitment to addressing the concerns and interests of society, it conducts its business in close customer proximity and aligns its activities to the target groups of end customers, business partners and local authorities. It is chiefly involved within its primary business sphere of influence in Baden-Württemberg in this regard. In the interests of safeguarding the future in general, EnBW provides support largely in the areas of education, knowledge and learning. Interaction and getting involved are further guiding principles of our social commitment.

One of the most pressing social problems at the moment is the large influx of refugees from crisis countries in the Near and Middle East and Africa into Europe, especially to Germany. In the first instance, this naturally calls for humanitarian aid: Many employees of EnBW have become involved with fundraising and relief campaigns in the past few months. In order to coordinate the various activities, provide mutual support and organise donations in kind, the Intranet forum "EnBW hilft" (EnBW helps) was established by employees. EnBW is supporting this engagement with a special budget it has made available at short notice.

In addition, EnBW is one of the first companies in Baden-Württemberg to offer refugees long-term career prospects. In January, a career integration programme was established at our sites in Karlsruhe and Stuttgart, which will prepare up to 40 young people for a possible apprenticeship at EnBW. The focus of the first module will be theoretical basic knowledge and general manual skills in metal and woodworking in order to establish the general skills required for the apprenticeships. A second module is due to start in the autumn of 2016: a twelve-month introductory qualification with a focus on mechanical and electrotechnical skills. It will then be possible for suitable young refugees to start an apprenticeship at EnBW from the autumn of 2017.

In cooperation with its partners, EnBW is running the energy initiative "energy@school" for the second time in the 2015/2016 school year. School classes can receive funding of up to €500 to implement creative and sustainable project ideas and experiments dealing with the theme of "renewable energy generation in schools". The jury already met in the first quarter of 2016 and awarded a prize for a project idea from the Härtsfeld school in Neresheim. Other entries were submitted up until 31 March 2016 and these are now currently being evaluated.

## Research, development and innovation

The goal of research and development at EnBW is to develop medium and long-term market opportunities. The task is to identify important trends and technological developments at an early stage and to build up the required expertise for subsequent commercial utilisation through pilot and demonstration projects. Therefore, we carry out research projects within the operational units at EnBW or together with customers – directly at the site of their subsequent application. This ensures that successful research projects deliver innovations for EnBW.

In March 2016, the three year research project “Smart Grid Integration” was completed, which was part of the research cluster initiative “Electromobility South-West” funded by the German government. Partners from the fields of science and industry developed concepts to control the charging of electric cars so that the regional excess supply of electricity from renewable energies could be reduced and the electricity grid did not become overloaded. The tasks completed by EnBW within this project included identifying regional grid areas and time periods in which charging current could be integrated into the system using free grid capacities.

The EnBW subsidiary MSE Mobile Schlamm- und Wasserungs GmbH (MSE) has been investigating the extraction of phosphate from local authority sewage sludge since January 2016. A mobile demonstration plant is being used to show how this valuable raw material and fertiliser can be reclaimed directly on-site in future. MSE is the leading company in Baden-Württemberg for mobile drainage and the thermal utilisation of sewage sludge.

A key goal of the German Energiewende is that 80% of the electricity supply in Germany should be generated from renewable energies from 2050. In order to fill the remaining gap and to retain flexibility when compensating for the weather-dependent feed-in of electricity, fossil fuel-fired conventional power plants will still play a role in Germany for a number of years. The goal of the MemKoR project (membrane process for the separation of carbon dioxide from power plant flue gases) is to minimise the amount of greenhouse gas CO<sub>2</sub> that is released into the atmosphere by these power plants. EnBW has made the Rheinhafen Steam Power Plant in Karlsruhe available for the completion of tests under real conditions.

For its innovation activities, the company specifically targets partnerships and participating interests in other companies in order to supplement its own expertise. Potential business

ideas are developed within the company and are also externally sourced and exploited in order to expand the portfolio. Internal start-up teams are established at the EnBW Innovation Campus where they can develop their ideas through to market maturity. The concepts developed by external start-ups are linked with and supplemented by internal concepts at EnBW. EnBW focuses here on combining competencies in the energy industry with innovations from the digital world in order to generate new business.

EnBW is continuing to promote the development of a start-up community in Baden-Württemberg. As a first step, EnBW led the way in 2015 by preparing a concept paper together with partners from industry, the start-up scene, universities and politicians that will now serve as the starting point and basis for the joint development of a network of partners. At the end of April, EnBW launched a statewide programme for new ideas called ACTIVATR together with other companies and company founders in Baden-Württemberg. The aim of the programme is for interdisciplinary teams consisting of Group employees and young external entrepreneurs to generate ideas for new business models and develop them through to market maturity within nine months.

In order to test the marketability of new business ideas, or to intensively market their innovative business models, EnBW was also present at important trade fairs in the first quarter of 2016: In the Scale 11 Start-up Hall at the CeBIT in Hanover, EnBW presented its internal start-up SANDy, a product on the theme of “BIG DATA ANALYTICS as a Service” for B2B customers, and Time2Charge, a service package for sustainable mobility in vehicle fleets. Great interest was shown in these products and the consultancy approach followed by EnBW from companies of all sizes both in Germany and abroad.

EnBW has been selling its intelligent street lighting product SM!GHT since October 2015. The latest member of the SM!GHT product range, SM!GHT AIR Easy, has now been presented at the most important lighting trade fair “Light & Building” in Frankfurt am Main. SM!GHT AIR Easy is targeted at a broad range of customers such as commercial customers and pub and restaurant owners that want to quickly and easily offer free Wi-Fi to their customers. SM!GHT AIR Easy is a product that enables cities and local authorities to upgrade their existing street lighting to provide public Wi-Fi. EnBW has already sold 62 SM!GHT systems since the product was launched.

The Energy & Climate Protection Foundation Baden-Württemberg that is supported by EnBW presented two awards to young start-ups in the area of green energy as part of the Green Innovation and Investment Forum 2016. The winners were the companies Otego and Viridis.iq.

## Procurement

A large number of suppliers and service providers contribute to the services rendered by EnBW. EnBW places great importance on the efficient and sustainable design of their procurement processes and on continuously increasing the value added by the Procurement Department.

An important step towards the fulfilment of these requirements is the “Transformation of Procurement” project that was successfully concluded in the middle of April 2016 and transferred into normal operations. The basic principles and procedures developed are being continued in normal operations and the measures agreed together with the specialist areas during the project are being implemented to achieve cost savings. On the basis of best-practice approaches from industry, the goal is to better realise optimisation potential for EnBW than ever before. In addition, the Procurement Department will become even more strongly anchored within the Group in its role as a partner for generating added value.

Procurement processes at EnBW have been made even more efficient and transparent as a result of the development of an integrated purchasing platform and the introduction of automated ordering processes. The purchasing platform includes standardised pre-qualification of suppliers, participation in invitations to tender and the submitting of offers, as well as a supplier evaluation.

In the first stage, all important suppliers are obligated to observe legal and social standards. In the second and third stages, the commercial and technical pre-qualification phase will be set up during the course of 2016. The supplier evaluation system is now established and, together with the supplier pre-qualification, forms the foundation for active supplier management that is setting a new benchmark.

The purchasing platform is being positioned within a larger holistic context and is closely linked with the future theme of digitalisation.

Responsible raw materials procurement, particularly in the coal sector, is of major importance to EnBW. In the first quarter of 2016, the majority of the coal purchased by EnBW was sourced from Columbia and Russia as in 2015.

EnBW is continuing to engage in constructive dialogue with stakeholders as planned in 2016: At the beginning of the year, replies were received from the Colombian coal producers to our list of questions dealing with unresolved themes. Detailed and comprehensive answers were provided at a management board level to the questions on all themes. The answers were evaluated and presented in personal meetings to the individual participants who took part in the fact-finding mission to Columbia in early 2015 and also to the Supervisory Board. EnBW underlines its engagement in responsible coal procurement through these measures.

In addition, projects providing technical support to two important producers in Columbia in the La Guajira and Cesar mining regions have been developed further. The main focus of the projects is to improve the decentralised supply of drinking water in the communities impacted by coal mining. The experts from EnBW are providing support here by giving advice on water quality and well yields, as well as in the planning of sustainable photovoltaic pump systems for rural communities and even small indigenous communities and villages. Further progress in these projects is expected in the next few months as support is provided to a water foundation run by one of the coal producers.



# Report on opportunities and risks

In comparison to the report issued at the end of 2015, the EnBW Group continued to face a high level of risk in the first three months of 2016. There are still great challenges faced by the energy industry due to the Energiewende in Germany, yet it also offers opportunities to resolute and flexible market participants. No risks currently exist that might jeopardise the EnBW Group as a going concern.

EnBW defines an opportunity or risk as an event or a number of events that might result in a potentially positive or negative future deviation from the targets that the Group has set for itself, an individual company or function. In other words, the potential over-attainment or non-attainment of strategic, operational, financial and compliance targets. Risks may either arise from events that are generally calculable but which are nevertheless subject to chance or unpredictable occurrences. Opportunities may arise within the sphere of operations of the EnBW Group or as part of an individual business activity. Opportunities frequently represent the reverse aspects of corresponding risks.

Using the report on risks in the Group management report 2015 as a basis, only the significant opportunities or risks which have changed, arisen or ceased to exist in the reporting period are described in this Quarterly Financial Report January to March 2016.

## Cross-segment risks and opportunities

**EWE/VNG claims for damages:** In May 2013, EWE submitted an arbitration request to the German Institution of Arbitration against EnBW. On 16 October 2015, EnBW concluded an agreement with EWE for a fundamental restructuring of shareholdings. Following the conclusion of this transaction on 20 April 2016, the arbitration proceedings between EWE and EnBW were terminated by mutual agreement.

**Discount rate applied to pension provisions:** As of the end of March 2016, the discount rate stood at 1.95%, which was 0.35 percentage points below the interest rate as of the reporting date of 31 December 2015 (2.3%). This resulted in the present value of the defined pension benefit obligations increasing by €379.9 million. The uncertain future development of interest rates with its impact on pension provisions may have either a positive or negative effect on the adjusted net debt. In this

context, we currently identify a high level of opportunity and a high level of risk for the remainder of the financial year. This could have a positive or also negative impact on the key performance indicator dynamic leverage ratio through effects on the adjusted net debt in the mid to very high three-digit million euro range.

## Generation and Trading segment

**Availability of power plants:** There is the threat of the unscheduled unavailability of the KKP 2 nuclear power block in Philippsburg due to the handling of an incident of falsified or incorrectly dated recurring inspections by external employees that was reported by EnBW Kernkraft GmbH (EnKK).

**Moratorium lawsuit:** EnBW AG filed a lawsuit at the Regional Court in Bonn against the Federal State of Baden-Württemberg and the Federal Republic of Germany on 23 December 2014 for the payment of damages by liable public authorities. The background to the lawsuit is the order issued by the Ministry for the Environment of Baden-Württemberg on the request of, and in agreement with, the German Federal Ministry for the Environment for the temporary three-month suspension of operations at GKN I and KKP 1 in the aftermath of the events at Fukushima. In legal proceedings held in the State of Hesse, it was legally established that an identical order issued in that state was unlawful. The lawsuit filed by EnBW was rejected by the Regional Court in Bonn on 6 April 2016. EnBW has utilised the legal option of appealing against this verdict at the Higher Regional Court (OLG) in Cologne. If the claim for damages is then granted (the OLG Cologne will possibly permit an appeal to the BGH), it could have a positive effect on the adjusted EBITDA.

**Changes to interest rates on nuclear provisions:** The discount rate is a key factor influencing the present value of nuclear provisions. A reduction in the discount rate will have a negative effect on the level of adjusted net debt, while an increase in the discount rate could have a correspondingly positive effect on adjusted net debt. In comparison to 31 December 2015, the interest rate was 0.1 percentage points lower at 4.6%. This led to an increase in the nuclear provisions of €139.8 million. In addition, we currently identify a high level of risk here for the remainder of the financial year. This could have a negative impact on the key performance indicator dynamic leverage ratio through effects on the adjusted net debt in the mid three-digit million euro range.

**Commission to examine the financing of the phase-out of nuclear power:** At the end of April 2016, a commission (KFK) appointed by the German government in the middle of October 2015 issued recommendations for the amendment of the financing system for the phasing out of nuclear power. The KFK proposes that the intermediate and final storage of the radioactive waste and the necessary funds for these tasks be transferred to the federal state as a safeguard. The remaining tasks, particularly the decommissioning and dismantling of the nuclear power plants and the packaging of the radioactive waste for intermediate storage, as well as the financial collateral should remain with the companies.

Overall, the energy supply companies should transfer the financial funds of €17.2 billion plus a risk premium of 35% that are required for safeguarding this process to the federal state. The total amount of €23.3 billion would be used to create a fund under public law. The operators would be responsible for the gradual payment of the risk premium.

If the proposals made by the KFK are implemented in law, the risk premium will lead to an extraordinary negative impact on earnings and a deterioration in the key performance indicator dynamic leverage ratio.

# Forecast

In the following forecast, we take a look at the expected future development of EnBW in the current financial year. It should be noted that the present conditions increase the level of uncertainty with which predictions about the future development of the company can be made, as the assumptions upon which they are based can quickly become outdated.

## Expected trends in financial key performance indicators

### Implementation of the strategy for a three-year period

An extensive €6 billion investment programme is planned for the 2016 to 2018 period to ensure the company can continue to play an active role in structuring the Energiewende. €1.4 billion (24%) of this investment will be in existing projects and €4.6 billion (76%) on growth projects. 58% of the investment will be made on the regulated market. The volume of this investment programme exceeds that for the three-year period 2015 to 2017 by €2 billion. This increase is primarily due to the Hohe See offshore wind farm and the future acquisition of the shares in VNG-Verbundnetz Gas Aktiengesellschaft (VNG).

Around 45% of the total investment or 31% of the investment in growth projects will flow into the Grids segment. In order to make the transport of renewable energies from the north to the south of Germany possible, the Network Development Plan includes a budget for the realisation of two corridors that will involve our subsidiary TransnetBW. This relates to the ULTRANET project in the period from 2016 to 2018. Furthermore, extensive investment will be made in the expansion and upgrading of the existing distribution grid in order to guarantee the security of supply and to cope with the increased load due to the decentralised feed-in of electricity. In addition, 50% of the future acquisition of shares in VNG will be allocated to the Grids segment.

Around 28% of the total investment or 27% of the investment in growth projects will be attributable to the Renewable Energies segment. This includes funds for the realisation of the Hohe See offshore wind farm and the erection of onshore wind farms that form part of our comprehensive project pipeline. The at-equity consolidated activities in Turkey are reflected in the investment programme based on their proportional share of equity.

Around 22% of the total investments or 15% of the investments in growth projects will be attributable to the Sales segment and the Generation and Trading segment. This includes 50% of the future acquisition of shares in VNG. In contrast to the traditional business of energy supply companies that focuses intensively on centralised energy production in plants, lower investment is required in sales to grow as a supplier offering decentralised solutions. A substantial proportion of this investment is earmarked for the universal introduction of smart meters. In accordance with our strategy, only around 6% of the overall investment will be attributable to the Generation and Trading segment.

This investment programme thus reflects our strategy for massively expanding renewable energies, ensuring security of supply in the regulated areas of the transmission and distribution grids and strengthening the gas business (transmission grids and gas midstream).

In order to finance some of this volume of investment that totals around €6 billion, divestitures amounting to €2.2 billion are planned in the years 2016 to 2018. This includes the sale of a 20% shareholding in EWE in 2016, as well as the sale of EnBW Propower GmbH together with the Eisenhüttenstadt CHP plant. The sale of the Eisenhüttenstadt CHP plant was completed on 31 December 2015, whereas the purchase price was only paid in January 2016. Divestitures in the onshore sector, which build on our already realised participation models, are also planned in future. The remaining divestitures will involve the sale of investment property, the receipt of construction cost subsidies and the disposal of subsidiaries.

The investment and divestiture programme for the 2016 to 2018 period has to date been implemented as planned.

## Adjusted EBITDA and the share of the adjusted EBITDA accounted for by the segments

Expected development of earnings in 2016<sup>1</sup> compared to the previous year

	Adjusted EBITDA		Share of the adjusted EBITDA accounted for by the segments in the EnBW Group	
	Q1 2016	2015	Q1 2016	2015
Sales	less than -20%	less than -20%	5% to 15%	5% to 15%
Grids	more than +20%	more than +20%	45% to 55%	45% to 55%
Renewable Energies	10% to 20%	10% to 20%	15% to 20%	15% to 20%
Generation and Trading	less than -20%	less than -20%	15% to 25%	15% to 25%
Other/Consolidation	–	–	–	–
<b>Adjusted EBITDA, Group</b>	<b>-5% to -10%</b>	<b>-5% to -10%</b>		

<sup>1</sup> Segments adjusted for changes in the consolidated companies.

The earnings forecast for the entire Group and the individual segments for the whole 2016 financial year remains unchanged from that given in the Group management report 2015.

In the **Sales** segment, we expect a drop in earnings in 2016 in comparison to the previous year. A change in the consolidated companies due to the sale of EnBW Propower GmbH together with the Eisenhüttenstadt CHP plant as of 31 December 2015 will have a negative impact in this segment. Earnings will also be placed under increasing pressure due to the challenging competitive environment. The desired improvement in earnings in the decentralised solution business and billing services will not be able to compensate for this development. Therefore, we expect a stable or a slight decrease in the share of the adjusted EBITDA for the Group accounted for by this segment.

The adjusted EBITDA for the **Grids** segment in 2016 is set to rise sharply and once again reach the levels achieved in 2013. As a result, it will become the segment with the highest earnings. This marked shift in earnings between the segments that was laid out in our 2020 strategy will thus already occur in 2016. This positive development is, on the one hand, attributable to the elimination of the high negative extraordinary items in the second half of 2015, and on the other hand, to a positive impact on earnings caused by the increase in the revenue cap for both the electricity and gas distribution grids. This increase is primarily due to higher pension provisions in accordance with the German Commercial Code (HGB) as a result of the low-interest phase. We expect a large increase in the share of the adjusted EBITDA for the Group accounted for by this segment.

The adjusted EBITDA for the **Renewable Energies** segment will increase further in 2016. The negative earnings performance of

our run-of-river power plants due to the further fall in wholesale market prices for electricity will be more than offset by the year-round earnings contributions from our offshore wind farm EnBW Baltic 2; EnBW Baltic 2 was only fully incorporated into our earnings figures in the second half of 2015. The wind farm will remain fully consolidated even after the sale of 49.89% of the shares. Expansion in the onshore wind sector was only slight in comparison to the offshore wind sector. The next major leap in growth will be as a result of the commissioning of the Hohe See offshore wind farm, whereas expansion in the onshore wind sector will lead to a continuous rise over the coming years. As a result of this positive development, the share of the adjusted EBITDA for the Group accounted for by this segment will increase slightly in 2016.

The adjusted EBITDA for the **Generation and Trading** segment will fall very heavily in 2016. This is due primarily to the noticeably falling prices and spreads on wholesale electricity markets during preceding periods in which we agreed on fixed sales prices for quantities of electricity to be supplied in 2016. Furthermore, an electricity procurement agreement in the nuclear sector that expired at the end of the third quarter of 2015 will also have a negative effect. The share of the adjusted EBITDA for the Group accounted for by this segment will fall significantly.

The adjusted EBITDA for the EnBW Group in 2016 will thus be between -5% and -10% below the 2015 level. This is mainly due to falling wholesale market prices and spreads. The positive development in the Grids segment and our offshore wind park EnBW Baltic 2, which was put into operation in 2015, will not be able to completely compensate for these negative effects.

### Dynamic leverage ratio

	2016	2015
Dynamic leverage ratio	3.2 - 3.6	3.19

We expect an adjusted net debt of between €6.3 billion and €6.8 billion at the end of 2016, which will be at the same level as in the previous year. Based on the earnings forecast, we are expecting a dynamic leverage ratio of between 3.2 and 3.6. We are thus confident that we can retain our current rating level as a result, irrespective of the interest rate-related fluctuations in the pension and nuclear provisions. We are adhering to our divestiture strategy, which is continuing to have a positive effect on our adjusted net debt.

### ROCE

There are no significant changes compared to the expectations formulated for the 2016 financial year in the forecast published in the Integrated Report 2015 of EnBW AG.

### Expected trends in non-financial key performance indicators

After the end of the first three months of 2016, there are no significant changes to the non-financial performance indicators compared to the expectations formulated for the 2016 financial year in the forecast published in the Integrated Report 2015 of EnBW AG.

## Interim financial statements of the EnBW Group (unaudited)

### Income statement

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015
Revenue including electricity and energy taxes	5,399.3	6,124.2
Electricity and energy taxes	-204.2	-228.0
<b>Revenue</b>	<b>5,195.1</b>	<b>5,896.2</b>
Changes in inventories	30.2	11.5
Other own work capitalised	18.1	14.7
Other operating income	227.2	248.4
Cost of materials	-4,040.3	-4,750.6
Personnel expenses	-412.3	-404.4
Other operating expenses	-400.0	-285.4
<b>EBITDA</b>	<b>618.0</b>	<b>730.4</b>
Amortisation and depreciation	-222.2	-224.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>395.8</b>	<b>505.7</b>
Investment result	13.9	59.0
of which net profit/loss from entities accounted for using the equity method	(12.0)	(56.9)
of which other profit/loss from investments	(1.9)	(2.1)
Financial result	-266.1	217.1
of which finance income	(110.2)	(637.8)
of which finance costs	(-376.3)	(-420.7)
<b>Earnings before tax (EBT)</b>	<b>143.6</b>	<b>781.8</b>
Income tax	-53.7	-69.5
<b>Group net profit</b>	<b>89.9</b>	<b>712.3</b>
of which profit/loss shares attributable to non-controlling interests	(38.9)	(28.2)
of which profit/loss shares attributable to the shareholders of EnBW AG	(51.0)	(684.1)
<b>EnBW AG shares outstanding (million), weighted average</b>	<b>270.855</b>	<b>270.855</b>
<b>Earnings per share from Group net profit (€)<sup>1</sup></b>	<b>0.19</b>	<b>2.53</b>

<sup>1</sup> Diluted and basic; in relation to the profit/loss attributable to the shareholders of EnBW AG.



# Statement of comprehensive income

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015
<b>Group net profit</b>	<b>89.9</b>	<b>712.3</b>
Revaluation of pensions and similar obligations	-390.7	-769.2
Entities accounted for using the equity method	1.4	-50.4
Income taxes on other comprehensive income	20.8	89.2
<b>Total of other comprehensive income and expenses without future reclassifications impacting earnings</b>	<b>-368.5</b>	<b>-730.4</b>
Currency translation differences	-6.1	37.0
Cash flow hedge	36.3	-16.1
Available-for-sale financial assets	-70.7	-133.5
Entities accounted for using the equity method	-6.2	-4.7
Income taxes on other comprehensive income	-17.6	4.1
<b>Total of other comprehensive income and expenses with future reclassifications impacting earnings</b>	<b>-64.3</b>	<b>-113.2</b>
<b>Total other comprehensive income</b>	<b>-432.8</b>	<b>-843.6</b>
<b>Total comprehensive income</b>	<b>-342.9</b>	<b>-131.3</b>
of which profit/loss shares attributable to non-controlling interests	[34.8]	[40.5]
of which profit/loss shares attributable to the shareholders of EnBW AG	(-377.7)	(-171.8)

# Balance sheet

in € million	31/03/2016	31/12/2015
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	1,742.3	1,744.9
Property, plant and equipment	13,492.5	13,508.1
Entities accounted for using the equity method	825.4	826.1
Other financial assets	7,892.8	8,309.3
Trade receivables	769.6	760.3
Other non-current assets	368.6	345.7
Deferred taxes	80.1	93.4
	<b>25,171.3</b>	<b>25,587.8</b>
<b>Current assets</b>		
Inventories	912.6	877.5
Financial assets	1,470.0	1,353.9
Trade receivables	4,121.6	2,787.3
Other current assets	3,506.4	3,034.7
Cash and cash equivalents	3,575.6	3,501.1
	<b>13,586.2</b>	<b>11,554.5</b>
<b>Assets held for sale</b>	1,011.2	1,015.9
	<b>14,597.4</b>	<b>12,570.4</b>
	<b>39,768.7</b>	<b>38,158.2</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
<b>Shares of the shareholders of EnBW AG</b>		
Subscribed capital	708.1	708.1
Capital reserve	774.2	774.2
Revenue reserves	3,652.5	3,601.5
Treasury shares	-204.1	-204.1
Other comprehensive income	-2,072.9	-1,644.2
	<b>2,857.8</b>	<b>3,235.5</b>
Non-controlling interests	1,877.0	1,854.0
	<b>4,734.8</b>	<b>5,089.5</b>
<b>Non-current liabilities</b>		
Provisions	15,035.6	14,478.1
Deferred taxes	673.2	670.7
Financial liabilities	6,807.6	6,810.0
Other liabilities and subsidies	1,849.3	1,832.9
	<b>24,365.7</b>	<b>23,791.7</b>
<b>Current liabilities</b>		
Provisions	1,302.5	1,342.8
Financial liabilities	706.7	758.2
Trade payables	4,507.9	3,523.5
Other liabilities and subsidies	4,151.1	3,651.7
	<b>10,668.2</b>	<b>9,276.2</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	0.0	0.8
	<b>10,668.2</b>	<b>9,277.0</b>
	<b>39,768.7</b>	<b>38,158.2</b>

# Cash flow statement

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015
<b>1. Operating activities</b>		
EBITDA	618.0	730.4
Changes in provisions	-72.0	-72.1
Result from disposals	-5.5	-18.3
Other non-cash expenses/income	-13.7	-4.5
Change in assets and liabilities from operating activities	-431.2	-228.4
Inventories	(-31.9)	(187.1)
Net balance of trade receivables and payables	(-311.9)	(-316.6)
Net balance of other assets and liabilities	(-87.4)	(-98.9)
Income tax paid/received	-187.2	19.4
<b>Cash flow from operating activities</b>	<b>-91.6</b>	<b>426.5</b>
<b>2. Investing activities</b>		
Capital expenditure on intangible assets and property, plant and equipment	-156.5	-272.5
Disposals of intangible assets and property, plant and equipment	23.7	39.5
Cash received from construction cost and investment subsidies	13.9	24.9
Acquisition/sale of subsidiaries, entities accounted for using the equity method and interests in joint operations	179.4	-14.5
Changes in securities and investments	165.5	-160.3
Interest received	83.1	67.6
Dividends received	3.7	3.3
<b>Cash flow from investing activities</b>	<b>312.8</b>	<b>-312.0</b>
<b>3. Financing activities</b>		
Interest paid for financing activities	-54.2	-17.8
Dividends paid	-9.9	0.0
Increase in financial liabilities	11.0	78.2
Repayment of financial liabilities	-94.5	-168.1
<b>Cash flow from financing activities</b>	<b>-147.6</b>	<b>-107.7</b>
<b>Net change in cash and cash equivalents</b>	<b>73.6</b>	<b>6.8</b>
Net foreign exchange difference	0.9	3.5
<b>Change in cash and cash equivalents</b>	<b>74.5</b>	<b>10.3</b>
Cash and cash equivalents at the beginning of the period	3,501.1	3,185.2
<b>Cash and cash equivalents at the end of the period</b>	<b>3,575.6</b>	<b>3,195.5</b>

# Statement of changes in equity

in € million	Other comprehensive income <sup>1</sup>										
	Sub- scribed 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	Entities accounted for using the equity method	Shares of the share- holders of EnBW AG	Non-con- trolling interests <sup>1</sup>	Total
<b>As of Integrated Report 2015: 01/01/2015</b>	<b>1,482.3</b>	<b>3,692.4</b>	<b>-204.1</b>	<b>-1,652.2</b>	<b>-95.6</b>	<b>-334.3</b>	<b>605.3</b>	<b>-53.7</b>	<b>3,440.1</b>	<b>1,105.5</b>	<b>4,545.6</b>
Other comprehensive income				-678.7	27.7	-12.6	-137.2	-55.1	-855.9	12.3	-843.6
Group net profit		684.1							684.1	28.2	712.3
<b>Total comprehensive income</b>	<b>0.0</b>	<b>684.1</b>	<b>0.0</b>	<b>-678.7</b>	<b>27.7</b>	<b>-12.6</b>	<b>-137.2</b>	<b>-55.1</b>	<b>-171.8</b>	<b>40.5</b>	<b>-131.3</b>
Other changes		-0.8							-0.8	-8.3	-9.1
<b>As of: 31/03/2015</b>	<b>1,482.3</b>	<b>4,375.7</b>	<b>-204.1</b>	<b>-2,330.9</b>	<b>-67.9</b>	<b>-346.9</b>	<b>468.1</b>	<b>-108.8</b>	<b>3,267.5</b>	<b>1,137.7</b>	<b>4,405.2</b>
<b>As of: 01/01/2016</b>	<b>1,482.3</b>	<b>3,601.5</b>	<b>-204.1</b>	<b>-1,482.7</b>	<b>-54.4</b>	<b>-256.9</b>	<b>213.1</b>	<b>-63.3</b>	<b>3,235.5</b>	<b>1,854.0</b>	<b>5,089.5</b>
Other comprehensive income				-367.1	-5.7	26.1	-77.2	-4.8	-428.7	-4.1	-432.8
Group net profit		51.0							51.0	38.9	89.9
<b>Total comprehensive income</b>	<b>0.0</b>	<b>51.0</b>	<b>0.0</b>	<b>-367.1</b>	<b>-5.7</b>	<b>26.1</b>	<b>-77.2</b>	<b>-4.8</b>	<b>-377.7</b>	<b>34.8</b>	<b>-342.9</b>
Dividends paid									0.0	-9.9	-9.9
Other changes									0.0	-1.9	-1.9
<b>As of: 31/03/2016</b>	<b>1,482.3</b>	<b>3,652.5</b>	<b>-204.1</b>	<b>-1,849.8</b>	<b>-60.1</b>	<b>-230.8</b>	<b>135.9</b>	<b>-68.1</b>	<b>2,857.8</b>	<b>1,877.0</b>	<b>4,734.8</b>

<sup>1</sup> Of which other comprehensive income directly associated with the assets held for sale as of 31/03/2016 to the amount of €-45.4 million (01/01/2016: €-45.4 million, 31/03/2015: €0.0 million, 01/01/2015: €0.0 million). Of which attributable to the shareholders of EnBW AG: €-45.4 million (01/01/2016: €-45.4 million, 31/03/2015: €0.0 million, 01/01/2015: €0.0 million). Of which attributable to non-controlling interests: €0.0 million (01/01/2016: €0.0 million, 31/03/2015: €0.0 million, 01/01/2015: €0.0 million).

# Notes and explanations

## Accounting policies

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

The accounting policies applied for the interim consolidated financial statements as of 31 March 2016, as well as the evaluation methods and input parameters for measuring fair value, are the same as those used for the consolidated financial statements as of 31 December 2015 with the exception of the new policies described below.

In accordance with IAS 34, the form of reporting chosen for the presentation of the consolidated financial statements of EnBW AG as of 31 March 2016 was shortened in comparison with that used for the consolidated financial statements as of 31 December 2015.

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

Significant events in the reporting period such as the change to the discount rate for pension and nuclear provisions are described and detailed descriptions of the segments are given in the EnBW AG section of the management report. Significant events after the reporting date are presented in the report on opportunities and risks within the management report.

## Changes in accounting policies

The International Accounting Standards Board (IASB) and the IFRS Interpretation Committee (IFRS IC) have adopted the following new standards and amendments to existing standards whose application is mandatory as from the 2016 financial year:

- **Collective standard for the amendment of various IFRS (2013) "Improvements to the IFRS Cycle 2010–2012":** The amendments are the result of the annual IASB improvement process. The amendments are intended to clarify the wording of the standards and remove any unintended inconsistencies between them. The cycle affects IAS 16, IAS 24, IAS 37, IAS 38, IAS 39, IFRS 2, IFRS 3 and IFRS 8. The amendments are effective for the first time for financial years beginning on or after 1 February 2015. The standard has no material impact on the consolidated financial statements of EnBW.
- **Collective standard for the amendment of various IFRS (2014) "Improvements to the IFRS Cycle 2012–2014":** The amendments are the result of the annual IASB improvement process. The amendments are intended to clarify the wording of the standards and remove any unintended inconsistencies between them. The cycle affects IAS 19, IAS 34, IFRS 5 and IFRS 7. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no material impact on the consolidated financial statements of EnBW.
- **Amendments to IAS 1 (2014) "Disclosure Initiative":** The amendments are intended to clarify the standard to make it simpler for preparers to exercise their judgement in presenting financial reports. For example, the concept of materiality is emphasised more strongly in order to encourage the communication of relevant information and in order to facilitate the presentation of additional line items in the balance sheet and the statement of comprehensive income. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. In order to improve the presentation of the results of operations, net assets and financial position, we have combined items on the balance sheet following due consideration of their materiality and also removed immaterial information from the notes.
- **Amendments to IAS 16 and IAS 38 (2014) "Clarification of Acceptable Methods of Depreciation and Amortisation":** The amendments are intended to clarify which methods of depreciation of property, plant and equipment and amortisation of intangible assets are appropriate. In particular, it was clarified that a revenue-

based method is not an appropriate method. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.

- > **Amendments to IAS 16 and IAS 41 (2014) "Agriculture: Bearer Plants":** The amendments clarify that so-called bearer plants, which are used only for the production of agricultural produce, fall under the scope of IAS 16 "Property, Plant and Equipment". The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.
- > **Amendments to IAS 19 (2013) "Defined Benefit Plans: Employee Contributions":** The amendments are intended to clarify those standards that relate to the allocation of employee contributions or contributions from third parties, which are linked to the service rendered, to periods of service. The amendments are effective for the first time for financial years beginning on or after 1 February 2015. The standard has no impact on the consolidated financial statements of EnBW.
- > **Amendments to IAS 27 (2014) "Equity Method in Separate Financial Statements":** The amendments mean that in future it will also be possible to account for investments in subsidiaries, joint ventures and associates using the equity method in IFRS separate financial statements. The revised standard is effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.
- > **Amendments to IFRS 10, IFRS 12 and IAS 28 (2014) "Investment Entities: Applying the Consolidation Exception":** The amendments clarify how the exemption from the consolidation requirement for investment entities that instead account for their subsidiaries at fair value must be applied. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The amendments have yet to be endorsed by the EU. The standard has no impact on the consolidated financial statements of EnBW.
- > **Amendment to IFRS 11 (2014) "Acquisition of an Interest in a Joint Operation":** The amendments clarify how an acquisition of an interest in a joint operation that is a business is to be accounted for. Acquirers of such an interest have to apply the rules on accounting for business combinations in IFRS 3 "Business Combinations" and other relevant standards. The amendments are effective for the first time for financial years beginning on or after 1 January 2016. The standard has no impact on the consolidated financial statements of EnBW.

## Consolidated companies

All subsidiaries under the control of the Group are included in the consolidated financial statements in accordance with the full consolidation method. The equity method is used when there is a joint arrangement in the form of a joint venture or a significant influence may be exercised over the business policy of the associated company, but the entity does not qualify as a subsidiary. Joint arrangements that are classified as joint operations are reported based on the proportion of the assets, liabilities, income and expenses which are attributable to the parent company in compliance with the respective applicable IFRS.

There are no reciprocal shareholdings in the EnBW Group as defined by section 19 (1) of the German Companies Act (AktG).

The consolidated companies are as follows:

Type of consolidation			
Number	31/03/2016	31/12/2015	31/03/2015
Full consolidation	115	118	111
Entities accounted for using the equity method	17	17	18
Joint operations	3	3	2

The fall in the number of fully consolidated companies is primarily due to mergers carried out to reduce the complexity of the Group.

## Financial result

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015
Interest and similar income	85.1	61.4
Other finance income	25.1	576.4
<b>Finance income</b>	<b>110.2</b>	<b>637.8</b>
Borrowing costs	-77.2	-73.5
Other interest and similar expenses	-79.6	-197.7
Interest portion of increases in liabilities	-130.8	-131.1
Personnel provisions	(-32.3)	(-31.8)
Provisions relating to nuclear power	(-96.3)	(-97.4)
Other non-current provisions	(-0.4)	(-0.4)
Other liabilities	(-1.8)	(-1.5)
Other finance costs	-88.7	-18.4
<b>Finance costs</b>	<b>-376.3</b>	<b>-420.7</b>
<b>Financial result (+ income/- costs)</b>	<b>-266.1</b>	<b>217.1</b>

Other finance income in the same period of the previous year primarily contains gains on the sale of securities. In both periods, other interest and similar expenses contains non-operating interest expenses as a result of the adjustment of the discount rate for nuclear provisions. In the first quarter of 2016, the discount rate was adjusted from 4.7% to 4.6%, while in the comparative period it was adjusted from 4.8% to 4.6%.

## Dividends

On 10 May 2016, the Annual General Meeting of EnBW AG approved the proposal by the Board of Management and the Supervisory Board to distribute a dividend of €0.55 per share for the 2015 financial year. This corresponds to a dividend payment of €149.0 million.

## Contingent liabilities and other financial commitments

Compared to 31 December 2015, contingent liabilities and other financial commitments decreased by €1,512.3 million to €21,125.9 million. This fall was primarily the result of the conclusion of the arbitration proceedings with EWE in April 2016, as well as a reduction in long-term purchase obligations in the gas sector.



## Notes relating to fair value

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

### Carrying amounts and fair value of financial instruments

in € million <sup>1</sup>	31/03/2016			31/12/2015		
	Fair value	Not within the scope of application	Carrying amount	Fair value	Not within the scope of application	Carrying amount
Financial assets	9,360.5	68.7	9,362.8	9,654.6	68.9	9,663.2
Held for trading	(201.8)		(201.8)	(223.0)		(223.0)
Available for sale <sup>2</sup>	(7,971.4)		(7,971.4)	(8,186.8)		(8,186.8)
Held to maturity	(1,120.8)		(1,054.4)	(1,171.9)		(1,111.6)
Loans and receivables	(66.5)		(66.5)	(72.9)		(72.9)
Trade receivables	4,891.2		4,891.2	3,547.6		3,547.6
Other assets	3,136.6	738.4	3,875.0	2,579.4	801.0	3,380.4
Held for trading	(2,338.7)		(2,338.7)	(1,790.7)		(1,790.7)
Loans and receivables	(588.8)		(588.8)	(547.2)		(547.2)
Derivatives designated as hedging instruments	(177.4)		(177.4)	(206.1)		(206.1)
Carrying amount in accordance with IAS 17	(31.7)		(31.7)	(35.4)		(35.4)
Cash and cash equivalents	3,575.6		3,575.6	3,501.1		3,501.1
Assets held for sale <sup>3</sup>	6.4	1,004.8	1,011.2	6.4	1,009.5	1,015.9
<b>Total</b>	<b>20,970.3</b>	<b>1,811.9</b>	<b>22,715.8</b>	<b>19,289.1</b>	<b>1,879.4</b>	<b>21,108.2</b>
Financial liabilities	8,250.5		7,514.3	8,194.6		7,568.2
Measured at amortised cost <sup>4</sup>	(8,218.6)		(7,482.4)	(8,162.6)		(7,536.2)
Carrying amount in accordance with IAS 17	(31.9)		(31.9)	(32.0)		(32.0)
Trade payables	2,845.7	1,662.2	4,507.9	437.3	3,086.2	3,523.5
Other liabilities and subsidies	3,626.9	2,373.5	6,000.4	2,931.9	2,552.7	5,484.6
Held for trading	(2,451.9)		(2,451.9)	(1,852.6)		(1,852.6)
Measured at amortised cost	(996.3)		(996.3)	(875.1)		(875.1)
Derivatives designated as hedging instruments	(178.7)		(178.7)	(204.2)		(204.2)
Liabilities directly associated with assets classified as held for sale			0.0		0.8	0.8
<b>Total</b>	<b>14,723.1</b>	<b>4,035.7</b>	<b>18,022.6</b>	<b>11,563.8</b>	<b>5,639.7</b>	<b>16,577.1</b>

<sup>1</sup> The figures for the comparative period have been restated.

<sup>2</sup> Available-for-sale financial assets include equity instruments of €764.8 million (31/12/2015: €759.3 million) measured at amortised cost whose fair value cannot be reliably determined.

<sup>3</sup> This refers primarily to a non-recurring Level 1 measurement of the fair value due to the application of IFRS 5.

<sup>4</sup> Of the financial liabilities measured at amortised cost, an amount of €490.1 million (31/12/2015: €481.6 million) is part of fair value hedges.

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 the input data

in € million <sup>1</sup>	31/03/2016			31/12/2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets	5,601.6	2,408.4	519.3	5,735.7	2,580.3	506.4
Held for trading	(201.8)			(223.0)		
Available for sale	(4,279.0)	(2,408.4)	(519.3)	(4,340.8)	(2,580.3)	(506.4)
Held to maturity	(1,120.8)			(1,171.9)		
Other assets	0.1	2,516.0	0.0	22.4	1,974.4	0.0
Held for trading	(0.1)	(2,338.6)		(18.1)	(1,772.6)	
Derivatives designated as hedging instruments		(177.4)		(4.3)	(201.8)	
Assets held for sale			973.1			973.1
<b>Total</b>	<b>5,601.7</b>	<b>4,924.4</b>	<b>1,492.4</b>	<b>5,758.1</b>	<b>4,554.7</b>	<b>1,479.5</b>
Financial liabilities	6,220.5	1,553.6	0.0	6,101.0	1,606.1	0.0
Measured at amortised cost	(6,220.5)	(1,553.6)		(6,101.0)	(1,606.1)	
Other liabilities and subsidies	70.1	2,560.5	0.0	23.6	2,033.2	0.0
Held for trading	(60.5)	(2,391.4)		(18.2)	(1,834.4)	
Derivatives designated as hedging instruments	(9.6)	(169.1)		(5.4)	(198.8)	
<b>Total</b>	<b>6,290.6</b>	<b>4,114.1</b>	<b>0.0</b>	<b>6,124.6</b>	<b>3,639.3</b>	<b>0.0</b>

<sup>1</sup> The figures for the comparative period have been restated.

## Segment reporting

01/01 – 31/03/2016

in € million	Sales	Grids	Renewable Energies	Generation and Trading	Other/ Consolidation	Total
External revenue	2,283.0	1,447.6	147.4	1,313.2	3.9	5,195.1
Internal revenue	90.0	753.4	72.4	664.7	-1,580.5	0.0
Total revenue	2,373.0	2,201.0	219.8	1,977.9	-1,576.6	5,195.1
Adjusted EBITDA	67.5	286.4	92.1	170.8	4.2	621.0
EBITDA	68.0	275.1	92.0	165.0	17.9	618.0
Adjusted EBIT	54.7	199.6	55.4	93.5	-4.4	398.8
EBIT	55.2	188.3	55.3	87.7	9.3	395.8
Scheduled amortisation and depreciation	-12.8	-86.8	-36.7	-77.3	-8.6	-222.2
Capital employed as of 31/03/2016	800.3	4,907.7	2,996.9	1,887.8	2,703.6	13,296.3

## 01/01 – 31/03/2015

in € million	Sales	Grids	Renewable Energies	Generation and Trading	Other/ Consolidation	Total
External revenue	2,909.6	1,408.2	79.2	1,495.4	3.8	5,896.2
Internal revenue	83.0	732.2	85.8	834.2	-1,735.2	0.0
Total revenue	2,992.6	2,140.4	165.0	2,329.6	-1,731.4	5,896.2
Adjusted EBITDA	71.3	277.4	35.5	331.7	12.0	727.9
EBITDA	71.9	291.1	32.7	323.6	11.1	730.4
Adjusted EBIT	56.6	193.6	19.5	229.6	3.9	503.2
EBIT	57.2	207.3	16.7	221.5	3.0	505.7
Scheduled amortisation and depreciation	-14.7	-83.8	-16.0	-102.1	-8.1	-224.7
Capital employed as of 31/12/2015	578.7	4,936.9	2,960.3	2,055.9	2,369.9	12,901.7

Adjusted EBITDA is one of the key internal performance indicators. Adjusted EBITDA is an earnings ratio before interest, tax, depreciation and amortisation and adjusted for extraordinary items, which accurately reflects the development of results of operations. In the management report, the performance of the segments is explained with the aid of adjusted EBITDA. Adjusted EBITDA can be reconciled to earnings before taxes (EBT) as follows:

in € million	01/01 – 31/03/2016	01/01 – 31/03/2015
Adjusted EBITDA	621.0	727.9
Non-operating EBITDA	-3.0	2.5
<b>EBITDA</b>	<b>618.0</b>	<b>730.4</b>
Amortisation and depreciation	-222.2	-224.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>395.8</b>	<b>505.7</b>
Investment result	13.9	59.0
Financial result	-266.1	217.1
<b>Earnings before tax (EBT)</b>	<b>143.6</b>	<b>781.8</b>

Segment reporting is based on internal reporting.

Sales of electricity and gas, as well as the provision of energy-related services, such as billing services or energy supply and energy-saving contracting, are summarised in the Sales segment. The Grids segment encompasses the value-added stages of transmission and distribution of electricity and gas. In addition, the provision of grid-related services and the supply of water is reported in the Grids segment. Activities in the area of power generation using renewable energies are presented in their own segment. In addition to the generation and trading of electricity, the Generation and Trading segment also comprises gas midstream operations, district heating, environmental services and the area dealing with the dismantling of nuclear power plants. Our shareholdings in EWE and other activities which cannot be attributed to the separately presented activities of the segments are disclosed together with eliminations between the segments under Other/Consolidation.

The segment figures have been determined in accordance with the accounting policies used in the consolidated financial statements. Internal revenue shows the level of sales between Group companies. Sales between the segments were made at market prices.

## Related parties (entities)

Related parties include, above all, the Federal State of Baden-Württemberg and Zweckverband Oberschwäbische Elektrizitätswerke as indirect major shareholders of EnBW AG. As of 31 March 2016, the Federal State of Baden-Württemberg and NECKARPRI GmbH indirectly held 46.75% of the shares in EnBW AG, and NECKARPRI-Beteiligungsgesellschaft mbH held the same amount directly. Zweckverband Oberschwäbische Elektrizitätswerke directly held 46.75% of the shares in EnBW AG, and OEW Energie-Beteiligungs GmbH (OEW GmbH) held the same amount indirectly.

Except for dividends paid, there are no business relations with OEW GmbH or NECKARPRI-Beteiligungsgesellschaft mbH. The dividends for the 2015 financial year had not yet been distributed by the end of the first quarter of 2016.

Related parties include the federal state and entities controlled or jointly controlled by it, or over which it has significant influence, as well as joint ventures and associated companies accounted for using the equity method. In addition, there are business relations with joint operations whose assets, liabilities, income and expenses are recognised on a proportional basis and also EnBW Trust e. V., which manages the plan assets for securing pension obligations.

Business relations with related parties had no material effect on the income statement in the first quarter of 2016; shareholdings only changed marginally in comparison with the end of 2015.

## Related parties (individuals)

The EnBW Group has not entered into any significant transactions with individuals that are related parties.

## Subsequent events

EnBW Energie Baden-Württemberg AG acquired 74.2% of the shares in VNG-Verbundnetz Gas Aktiengesellschaft (VNG) from EWE Aktiengesellschaft (EWE) on 20 April 2016. In return, EnBW divested itself of a 20% share in EWE. In addition, a cash settlement was paid by EnBW to EWE and the Ems-Weser-Elbe Versorgungs- und Entsorgungverband (EWE-Verband). As a result of a contractual agreement, VNG will initially be accounted for by EnBW in the consolidated financial statements using the equity method and will then be fully consolidated during the course of 2017. The remaining 6% shareholding in EWE will be recognised under other financial assets. These shares will be acquired by EWE-Verband by 2019 at the latest. As part of the restructuring of shareholdings, the currently inactive arbitration proceedings were ended by mutual agreement.

# 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. Hans-Josef Zimmer,  
Steinfeld (Pfalz)**

Chief Technical Officer  
since 1 January 2012  
Appointed until 31 May 2021

> **Stefan Paul Hamm, Gerlingen**

Head of the Department for Utilities and  
Waste Management, ver.di  
Baden-Württemberg

> **Michaela Kräutter, Stutensee**

Union Secretary for Utilities and Waste  
Management, ver.di Central  
Baden/North Black Forest district

> **Silke Krebs, Stuttgart**

Freelance Consultant (strategic and  
organisational consultancy specialising  
in not-for-profit organisations)

> **Marianne Kugler-Wendt, Heilbronn**

Regional Director, ver.di,  
Heilbronn-Neckar-Franconia region

> **Wolfgang Lang, Karlsruhe**

Consultant HR for functional units at  
EnBW Energie Baden-Württemberg AG

> **Dr. Hubert Lienhard, Heidenheim  
an der Brenz**

Chief Executive Officer of Voith GmbH

> **Sebastian Maier, Ellenberg**

Member of the Group works council for  
the EnBW Group and Chairman of the  
works council at EnBW Ostwürttemberg  
DonauRies AG

> **Arnold Messner, Aichwald**

Deputy Chairman of the Group works  
council for the EnBW Group and  
Chairman of the central works council  
of Netze BW GmbH

> **Dr. Wolf-Rüdiger Michel, Rottweil**

District Administrator of the Rottweil  
district

> **Gunda Röstel, Flöha**

Commercial Director of Stadtent-  
wässerung Dresden GmbH and  
Authorised Officer of Gelsenwasser AG

> **Dr. Nils Schmid MdL, Reutlingen**

Deputy Premier Minister and Minister for  
Finance and Economic Affairs of the  
Federal State of Baden-Württemberg,  
Member of the State Parliament of  
Baden-Württemberg

> **Klaus Schörnich, Düsseldorf**

Member of the Group works council  
for the EnBW Group and Chairman of  
the works council at Stadtwerke  
Düsseldorf AG

> **Heinz Seiffert, Ehingen**

District Administrator of the Alb-Donau  
district

> **Carola Wahl, Bonn**

Member of the Management of AXA  
Winterthur and Head of Transformation &  
Market Management

> **Dietmar Weber, Esslingen**

Member of the Group works council for  
the EnBW Group and Chairman of the  
central works council "market sector" of  
EnBW Energie Baden-Württemberg AG

> **Lothar Wölfle, Friedrichshafen**

District Administrator of the Lake  
Constance district

> **Dr. Bernd-Michael Zinow, Pfinztal**

Head of the functional unit Legal  
Services, Compliance and Regulation  
(General Counsel) at EnBW Energie  
Baden-Württemberg AG

## Supervisory Board

> **Dr. Claus Dieter Hoffmann, Stuttgart**

Managing Partner  
of H + H Senior Advisors GmbH,  
Stuttgart Chairman

> **Dietrich Herd, Philippsburg**

Chairman of the Group works council for  
the EnBW Group and Chairman of the  
central works council "production sector"  
of EnBW Energie Baden-Württemberg AG  
Deputy Chairman

> **Lutz Feldmann, Bochum**

Independent Business Consultant

### Key

- > Active member
- > Inactive member

# Important notes

**Published by**

EnBW Energie Baden-Württemberg AG  
Durlacher Allee 93  
76131 Karlsruhe  
[www.enbw.com](http://www.enbw.com)

**Coordination and editor**

EnBW Energie Baden-Württemberg AG  
Corporate Brand Communications

**Concept and design**

IR-One AG & Co. KG, Hamburg

**Typesetting**

In-house using FIRE.sys

**Photographs**

EnBW Energie Baden-Württemberg AG

**Date of publication**

13 May 2016

**Shareholder Hotline/Investor Relations**

Phone: 0800 1020030 or  
0800 AKTIEENBW  
(only within Germany)

Fax: 0800 3629111  
(only within Germany)

E-mail: [info@investor.enbw.com](mailto:info@investor.enbw.com)

Internet: [www.enbw.com](http://www.enbw.com)

**No offer or investment recommendation**

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

**Forward-looking statements**

This report contains forward-looking statements which are based on current assumptions, plans, estimates and forecasts made by the management of EnBW. Forward-looking statements of this kind are therefore only valid at the time they were first published. Forward-looking statements are indicated by the context, but may also be identified by the use of the words "can", "will", "should", "plans", "intends", "expects", "thinks", "estimates", "forecasts", "potential", "continued" and similar expressions. By nature, forward-looking statements are subject to risks and uncertainties that cannot be controlled or accurately predicted by EnBW. Actual events, future results, the financial position, development or performance of EnBW and the companies of the EnBW Group may therefore diverge considerably from the forward-looking statements made in this report. Therefore, it cannot be guaranteed nor can any liability otherwise be assumed that these forward-looking statements will prove complete, correct or precise, or that expected and forecast results will actually occur in the future.

**No obligation to update the information**

EnBW assumes no obligation of any kind to update the information contained in this report or to adjust or otherwise update forward-looking statements to future events or developments. This Quarterly Financial Report can also be downloaded from the Internet in German or English. In cases of doubt, the German version shall be authoritative.

# Financial calendar

---

## 13 May 2016

Publication of the Quarterly Financial Report  
January to March 2016

---

## 28 July 2016

Publication of the Six-Monthly Financial Report  
January to June 2016

---

## 10 November 2016

Publication of the Nine-Monthly Financial Report  
January to September 2016





EnBW Energie  
Baden-Württemberg AG  
Durlacher Allee 93  
76131 Karlsruhe  
[www.enbw.com](http://www.enbw.com)