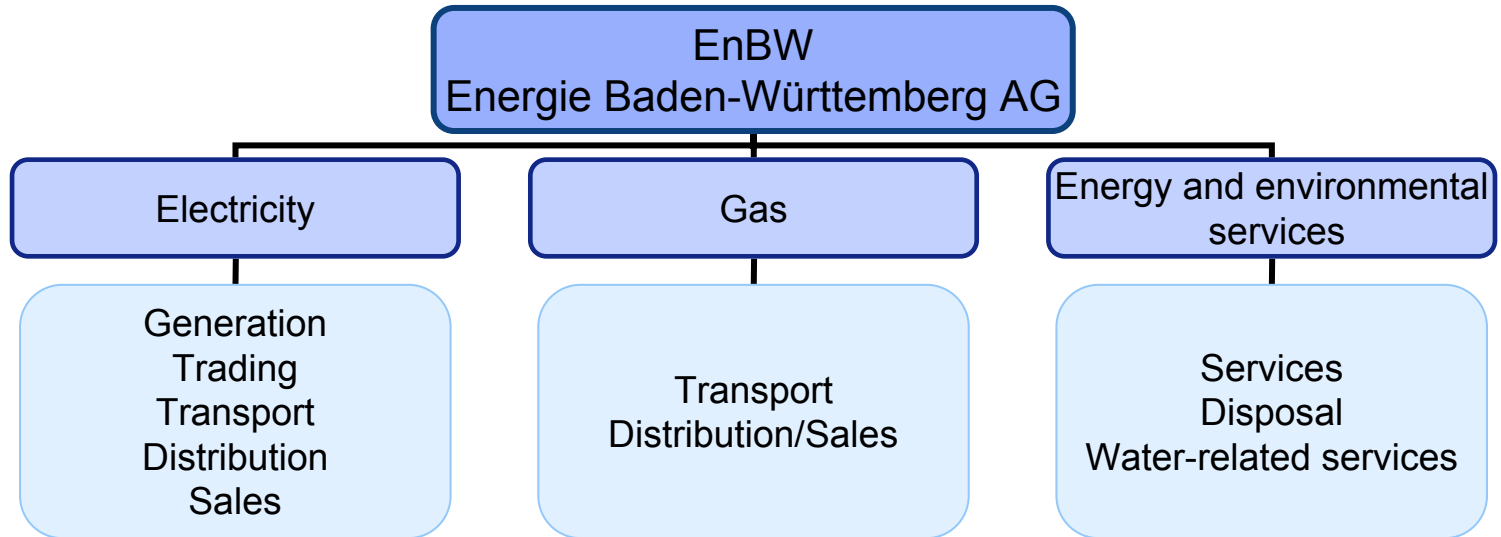


SESSA Conference DIW
on December 10th, 2004
in Berlin

„Perspectives and Challenges of EU Electricity-Enlargement“
- Activities of Investors in and of Accession Countries -



Key figures:

Annual sales:	10.6 billions €
Energy customers:	5.4 millions
Employees:	24,600


Energy sales of the EnBW group:

Electricity (incl. all consolidated companies):	127 billions of kWh
Gas:	83 billions of kWh
District heat:	4 billions of kWh _{th}

Investments in Europe

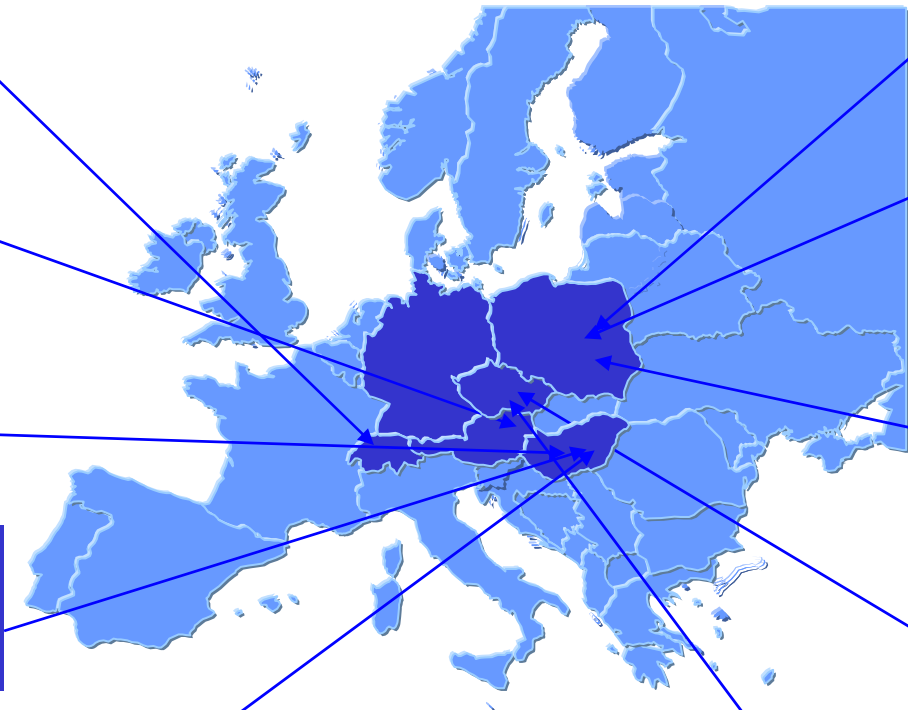


Alpiq (Switzerland) 
Generation capacity: ca. 300MW
EnBW shareholding: 100%

Alpine Power (Austria) 
Generation capacity: 2,271MW
Customers: 0.9 million
EnBW shareholding: > 5%

Alcoa (Hungary) 
Distribution and sales
Customers: 0.7 million
EnBW shareholding: 27.5%

Alcoa (Hungary) 
Distribution and sales
Customers: 1.3 million
EnBW shareholding: 27.5%




Rybnik (Poland) 
Generation capacity: 1,600MW
EnBW/EdF joint shareholding: 70%

Kogeneracja (Poland) 
Generation capacity: 360MW
EnBW shareholding: 15.59%

MPEC (Poland) 
Heat distribution and sales
Capacity: 1,376MW_{th}
EnBW shareholding: 33%

PRE (Czech Rep) 
Distribution and sales
Customers: 0.7 million
EnBW shareholding: 17%

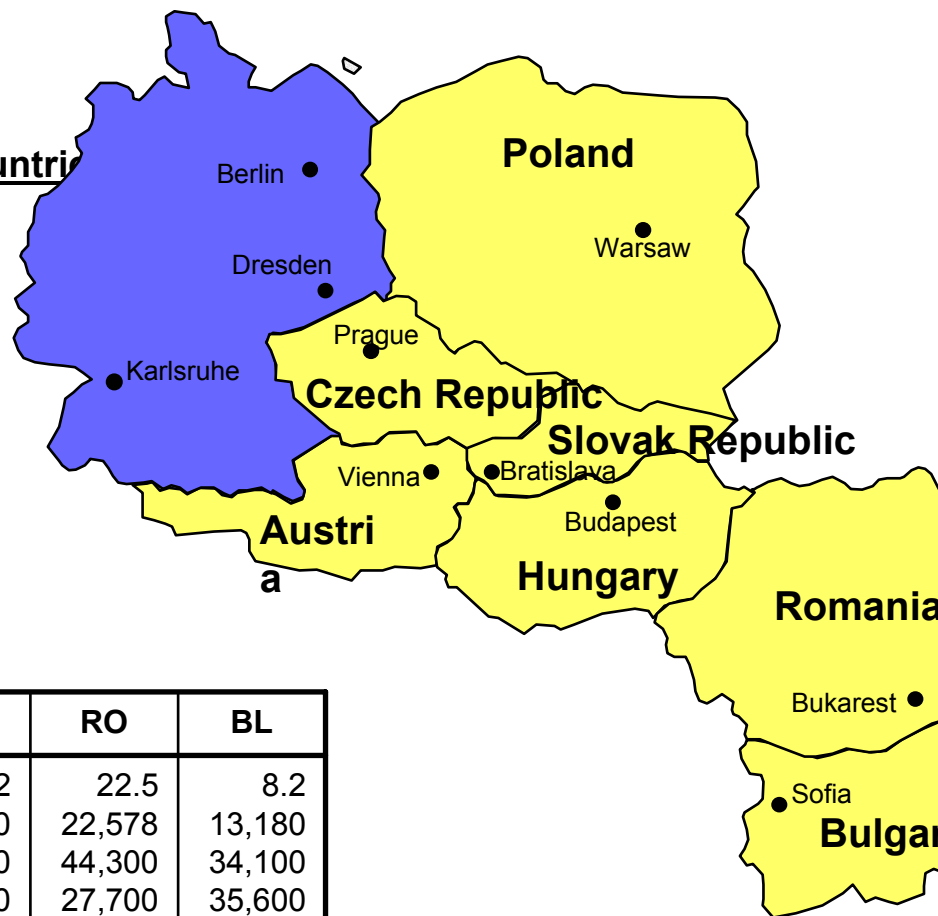
Mátra (Hungary) 
Generation capacity: 800MW
EnBW shareholding: 21.4%

PT (Czech Rep) 
Heat distribution and sales
Capacity: 2,529 MW_{th}
EnBW shareholding: 23%

Attractiveness of the Central European Market (1)

Classification Numbers of the Central European Countries

- 94 Mio. population
- 41 Mio. customers
- 101 GW of installed power generation
- 270 TWh output



	Units	PL	CZ	SK	HU	RO	BL
Population	Mio.	38	10	5.4	10.2	22.5	8.2
Inst. capacity	MW	34,000	15,200	7,900	7,850	22,578	13,180
Generation	GWh	140,00	73,500	31,000	34,000	44,300	34,100
Consumption	GWh	0	52,000	28,000	32,000	27,700	35,600

95,000

Attractiveness of the Central European Market (2)

Economical and political integration PL, CR, SK, HU and Germany


- EU-enlargement and increasing integration
- Germany is no. 1-partner in politics and trade of all four countries



LOW RISK

Oligopolistic market structure

- Low overall competitive pressure
- Market entry possible via privatization



ADVANTAGEOUS COMPETITIVE ENVIRONMENT
FOR INVESTORS

Growth potential

- Current per capita demand 25 – 50% below German level
- Current customer prices below EU-level (10-30%)
- Economic growth likely to outpace EU-average (1-3% higher growth expected)



SUSTAINABLE GROWTHS

Profitability criteria met in most of CEE-countries

- Comparably low market entry prices
- Potential for restructuring according to benchmarks allow efficiency gains

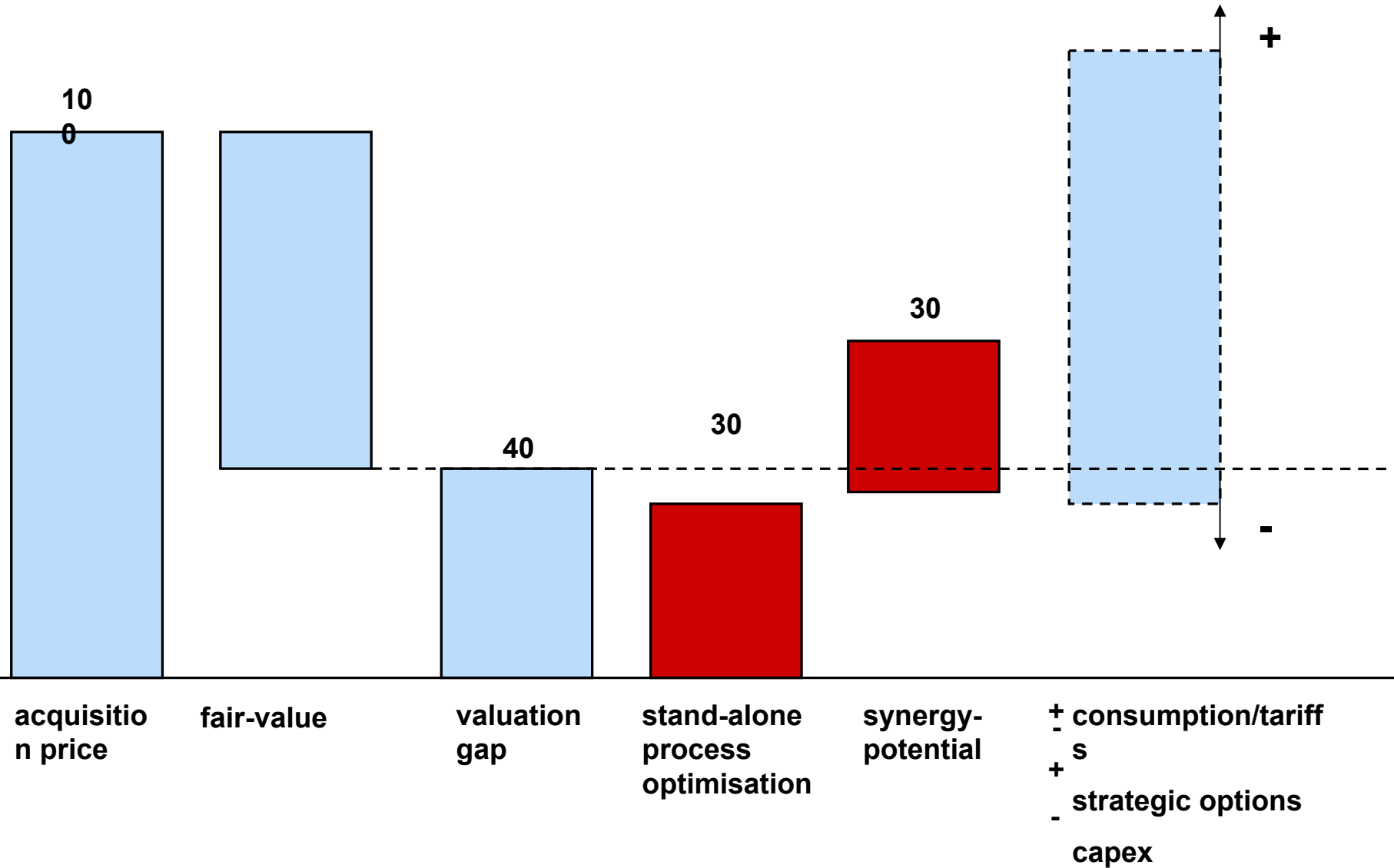


Synergies with existing portfolio

- Joint management/co-operation between participations
- Increasing market liberalization allows realizing cross-border synergies



Acquisition and Management of Utilities in CEE-Countries



1990-95 transformation of government owned energy institution to incorporated company

- division of the integrated energy institution in generation and distribution, outsourcing of district heating
- foundation of incorporated companies

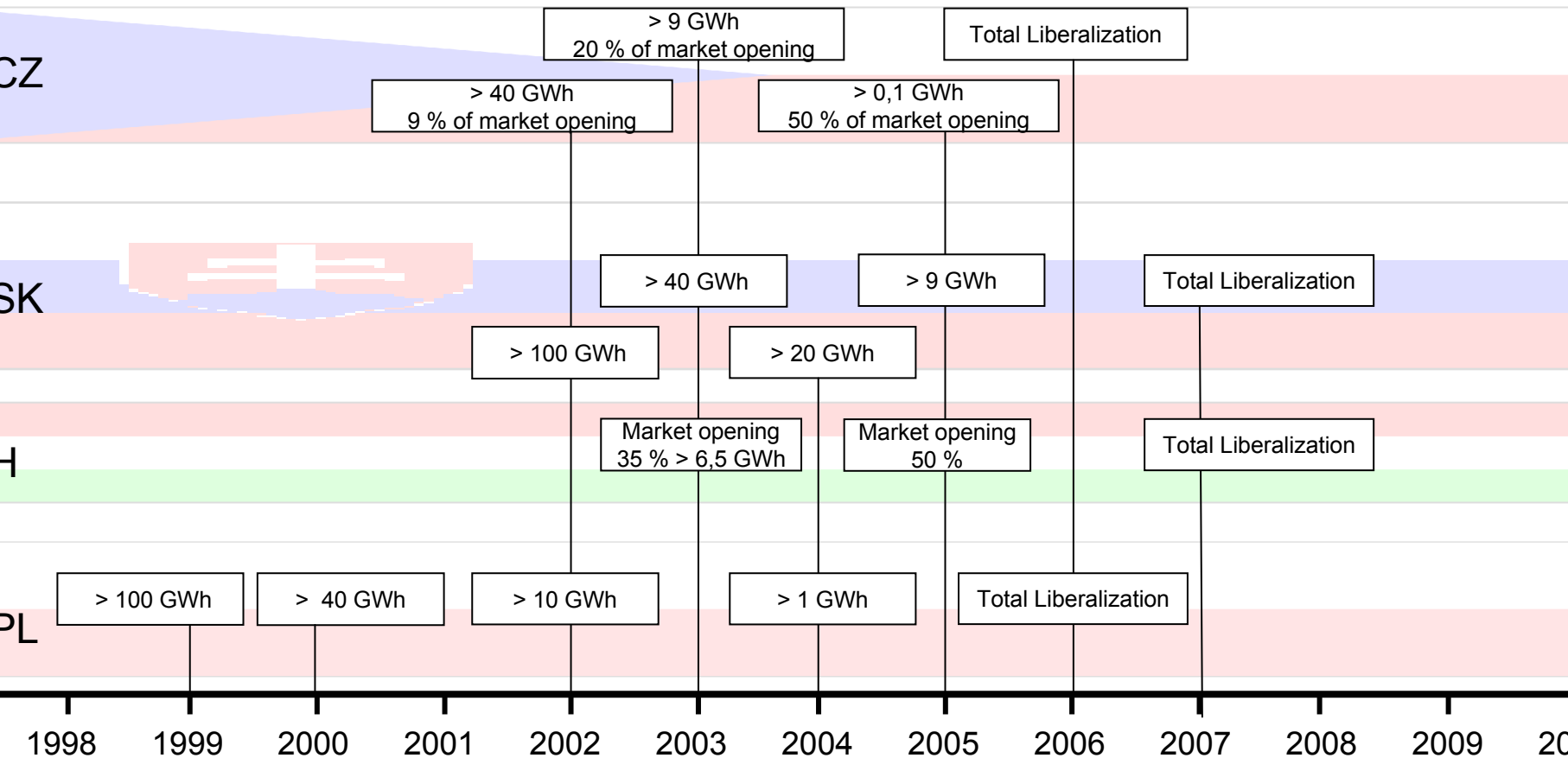
1995- privatisation via involvement of foreign strategic partners

- privatisation of power generation (without nuclear energy) and distribution (without transmission)

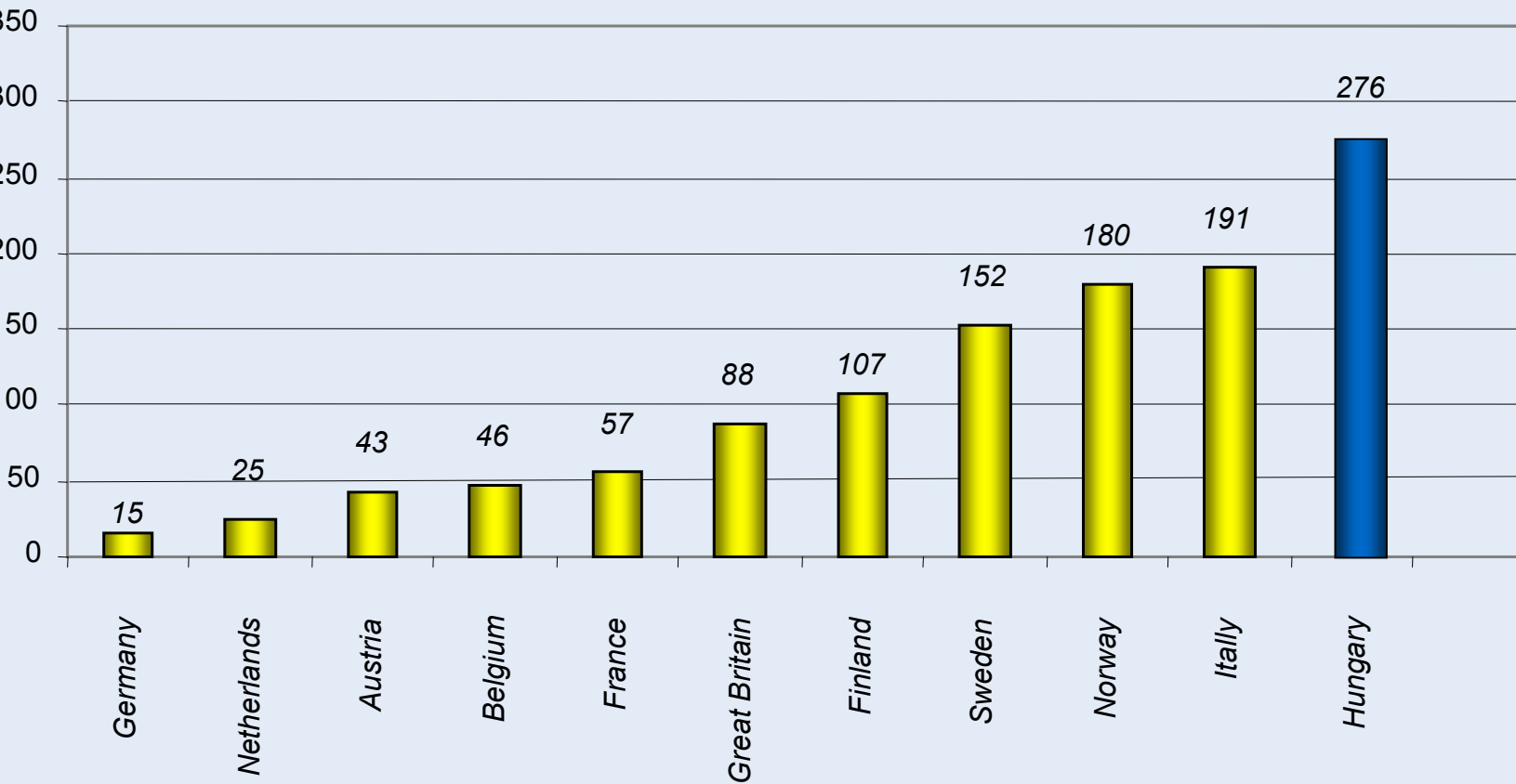
2000-2006 liberalisation of the energy markets (new member states)

- foundation of regulator institutions
- „Unbundling“ will be continued
- foundation of network operators (PSE, MAVIR, CEPS, SEPS), market operators
- foundation of energy stock markets
- gradually opening of the energy market

Market Opening in Central European Countries

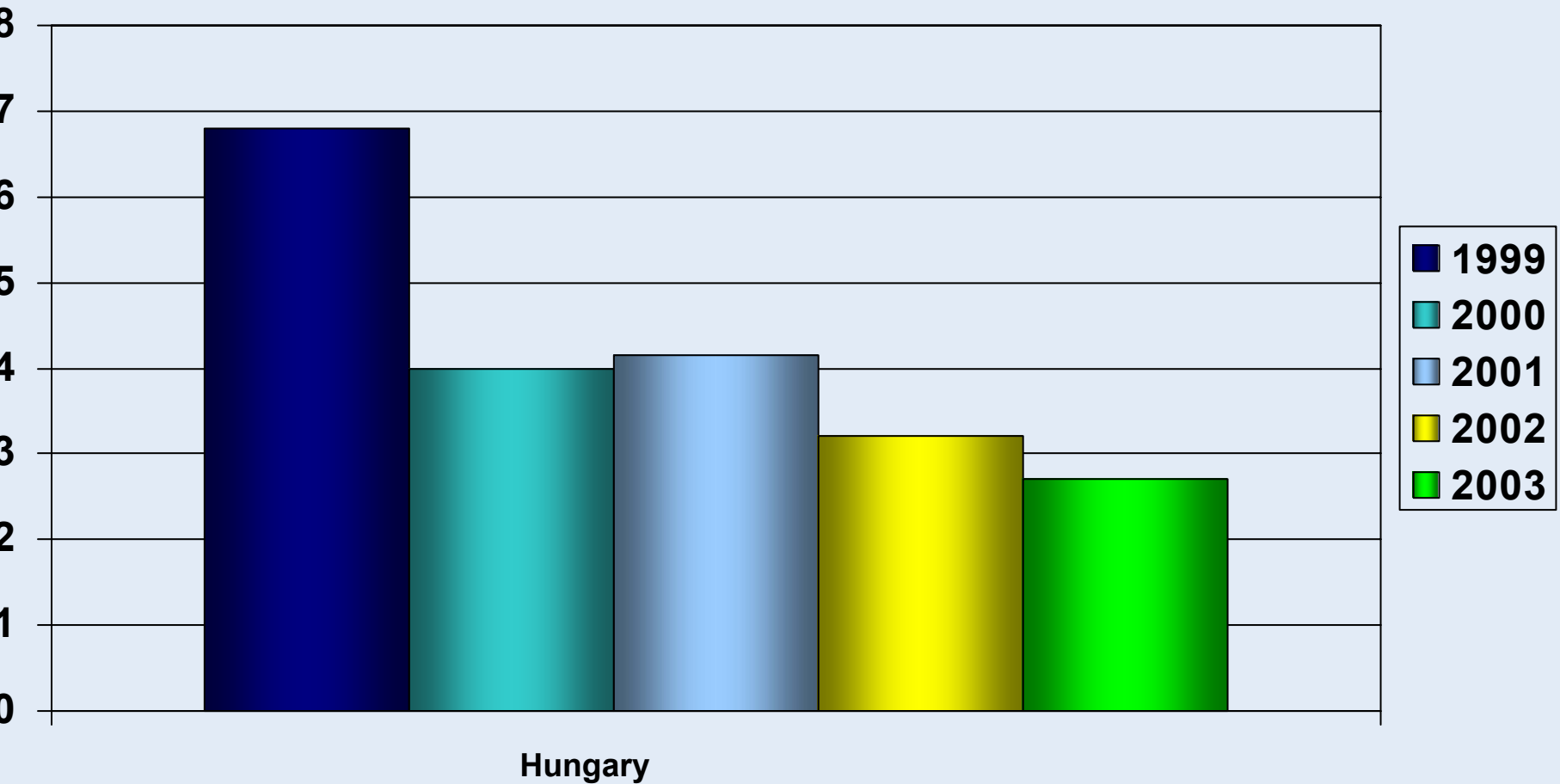


Interruption Duration in m/a (medium voltage/all customers)

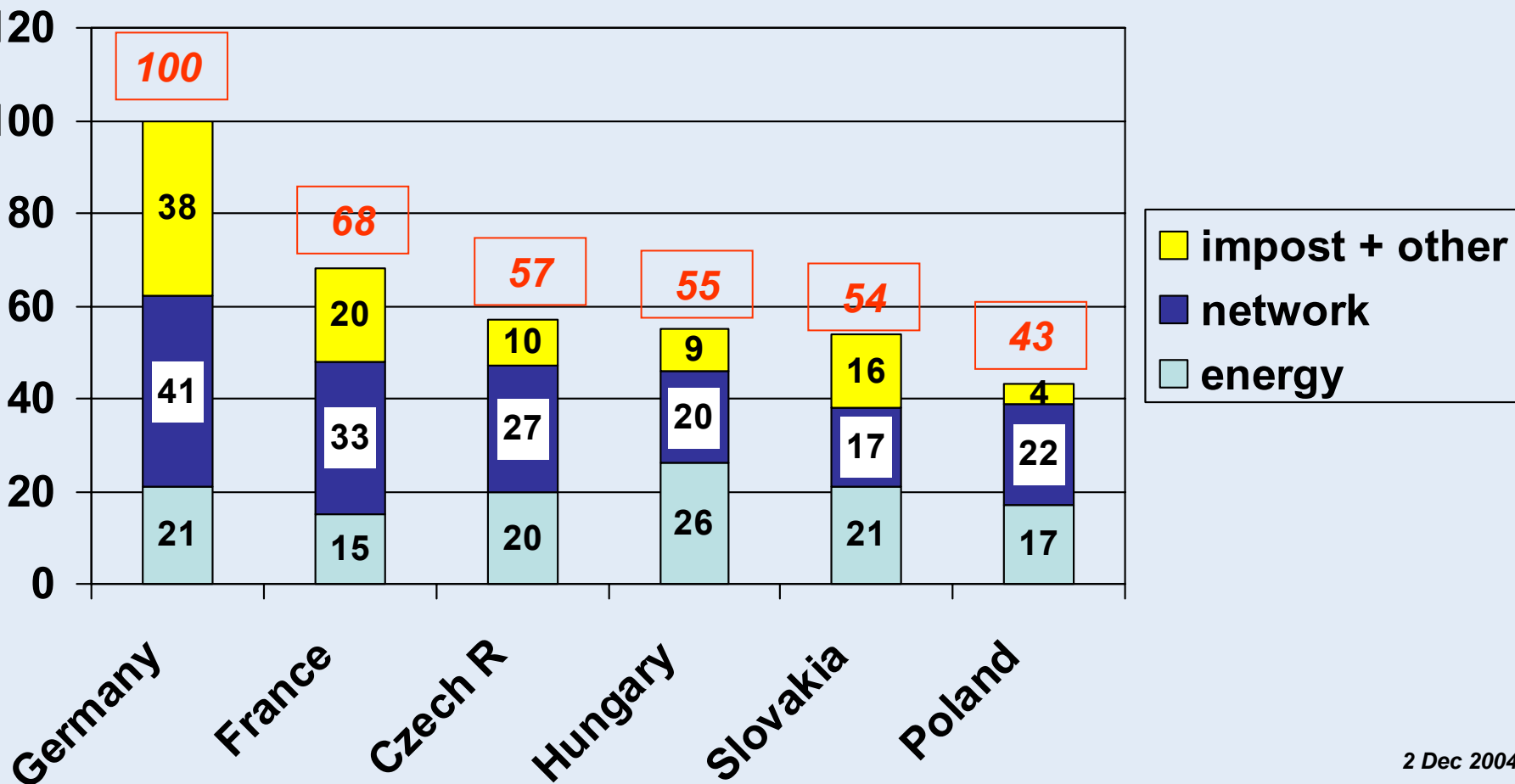


Origin: Council of European Energy Regulators,
Verband der Elektrizitätswirtschaft (VDEW), Berlin

Interruption Duration (hours/per customer)

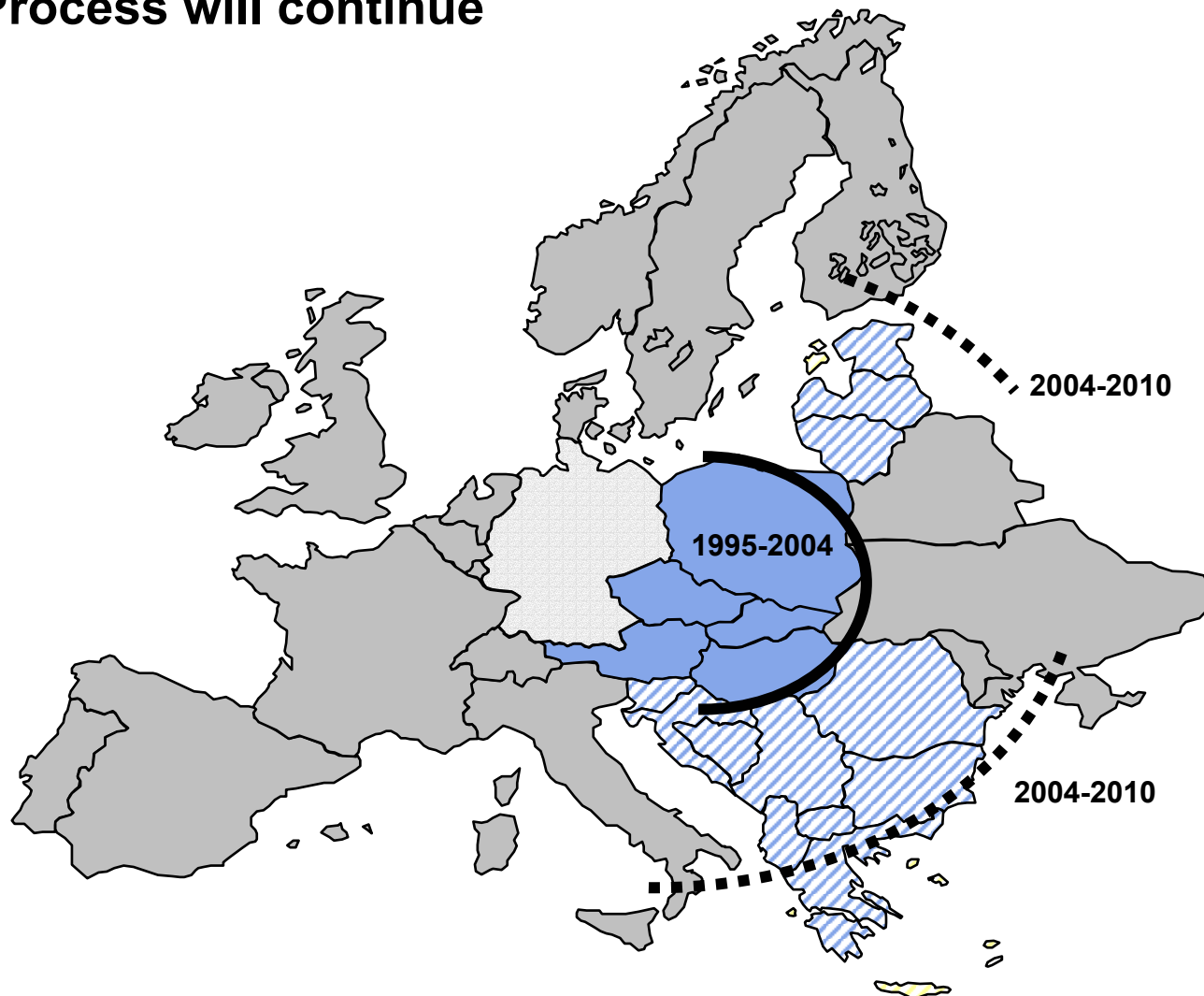


Comparison of Average Prices (without VAT). Indices. household 3,500 kwh/a)



Investors Outlook (1)

Privatisation Process will continue



Investors Outlook (2)

advanced regulatory concepts

limited cross-border synergies

international focus of CEE-based players

ongoing privatisation of distribution companies

possible involvement of strategic investors in transmission

need for investment in generation assets

development of a regional market