



## EnBW Energie Baden-Württemberg AG

(Karlsruhe, Federal Republic of Germany)

# EUR 725,000,000 Subordinated Resettable Fixed Rate Notes due 2077

ISIN XS1405770907, Common Code 140577090, WKN A2BPFD

**Issue Price: 99.399 per cent.**

EnBW Energie Baden-Württemberg AG, Durlacher Allee 93, 76131 Karlsruhe (the "Issuer" or "EnBW AG") will issue on 5 October 2016 (the "Interest Commencement Date") EUR 725,000,000 Subordinated Resettable Fixed Rate Notes due 2077 (the "Notes") in the denomination of EUR 1,000 each.

The Notes will be governed by the laws of the Federal Republic of Germany ("Germany").

The Notes will bear interest from and including 5 October 2016, the "Interest Commencement Date", to but excluding 5 April 2022 (the "First Call Date") at a rate of 3.375 per cent. *per annum*, payable annually in arrear on 5 April of each year, commencing on 5 April 2017 (short first coupon). Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Call Date to but excluding 5 April 2027 (the "First Modified Reset Date") at a rate *per annum* equal to the 5-year EURSFIX swap rate for the relevant Reset Period (each as defined in § 3(2) of the terms and conditions of the Notes (the "Terms and Conditions")) plus a margin of 362.9 basis points per annum (not including a step-up) (the "Margin"), payable in arrear on 5 April of each year, commencing on 5 April 2023. Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Modified Reset Date to but excluding 5 April 2042 (the "Second Modified Reset Date") at a rate *per annum* equal to the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin of 387.9 basis points per annum (including a step-up of 25 basis points) (the "Modified Margin"), payable on 5 April of each year, commencing on 5 April 2028. Thereafter, unless previously redeemed, the Notes will bear interest from and including the Second Modified Reset Date to but excluding 5 April 2077 (the "Maturity Date") at a rate *per annum* equal to the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin of 462.9 basis points per annum (including a step-up of 100 basis points) (the "Second Modified Margin"), payable on 5 April of each year, commencing on 5 April 2043.

**The Issuer is entitled to defer interest payments under certain circumstances (as set out in § 4(1) of the Terms and Conditions) (such payments the "Deferred Interest Payments"). The Issuer may pay such Deferred Interest Payments (in whole or in part) at any time upon due notice (as set out in § 4(2) of the Terms and Conditions) and it shall pay such Deferred Interest Payments (in whole, but not in part) under certain other circumstances (as set out in § 4(3) of the Terms and Conditions). Such Deferred Interest Payments will not bear interest themselves.**

Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed at par on the Maturity Date.

The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be exchangeable in whole or in part for a Permanent Global Note without interest coupons, not earlier than 40 days after the Interest Commencement Date, upon certification as to non-U.S. beneficial ownership.

This prospectus (the "Prospectus") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, inter alia, by Directive 2010/73/EU) (the "Prospectus Directive"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier, Luxembourg* ("CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended (the "Luxembourg Prospectus Law"). By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Prospectus Law. The Issuer has requested the CSSF to provide the competent authorities in Austria, Germany and The Netherlands, and may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange (the "Official List") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

### *Joint Structuring Agents to the Issuer and Joint Lead Managers*

BNP PARIBAS

HSBC

J.P. Morgan

### *Joint Lead Managers*

Banco Bilbao Vizcaya Argentaria, S.A.

The Royal Bank of Scotland

UniCredit Bank AG

## RESPONSIBILITY STATEMENT

The Issuer with its registered office in Karlsruhe, Germany, accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer and its subsidiaries taken as a whole (the "**EnBW Group**", "**EnBW**" or the "**Group**") and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

## NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers (as defined in the section "Offer, Sale and Subscription of the Notes").

This Prospectus should be read and understood in conjunction with any supplement hereto and with any documents incorporated herein or therein by reference.

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "GENERAL INFORMATION ON THE ISSUER AND THE GROUP" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Lead Managers to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Lead Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither any Joint Lead Manager nor any of its respective affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Joint Lead Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the European Economic Area, the United States of America and the United Kingdom, see "Offer, Sale and Subscription of the Notes – Selling Restrictions".

The language of this Prospectus is English. In respect of the Terms and Conditions German is the controlling and legally binding language.

In this Prospectus all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN SECURITIES PLC (THE "**STABILISING MANAGER**") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE INTEREST COMMENCEMENT DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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## SUMMARY

*Summaries are made up of disclosure requirements known as Elements." These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."*

### Section A – Introduction and warnings

| Element | Description of Element   | Disclosure requirement  |
|---------|--|---|
| A.1     | Warnings   | <p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>                |
| A.2     | <p>Consent to the use of the prospectus</p> <p>Indication of the offer period</p> <p>Member States in which prospectus may be used</p> <p>Conditions attached to the consent</p> | <p>The Issuer consents to the use of the Prospectus by all financial intermediaries (general consent) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use the Prospectus.</p> <p>The subsequent resale or final placement of Notes by financial intermediaries can be made during the offer period which is expected to commence on 30 September 2016 and will be open until 5 October 2016 being the date of issuance of the Notes.</p> <p>Financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Austria, Germany and The Netherlands.</p> <p><b>Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.</b></p> |

| Element | Description of Element | Disclosure requirement  |
|---------|------------------------|---|
|         | Notice in bold         | <b>In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.</b> |

## Section B – Issuer

| Element | Description of Element  | Disclosure requirement   |
|---------|---|--|
| B.1     | Legal and commercial name of the Issuer                                     | EnBW Energie Baden-Württemberg AG (" <b>EnBW AG</b> ") is the legal name. EnBW is the commercial name.   |
| B.2     | Domicile /legal form / legislation / country of incorporation of the Issuer | EnBW AG is a German stock corporation ( <i>Aktiengesellschaft</i> ) incorporated under the laws of and domiciled in Germany.   |
| B.4b    | Trends affecting the Issuer and the industries in which it operates         | <p>The following external factors exert a significant influence on the course of EnBW's business:</p> <ul style="list-style-type: none"> <li>– macroeconomic phases of growth or contraction;</li> <li>– prevailing weather conditions;</li> <li>– political decisions at national and pan-European level, in particular market- and competition-related regulations;</li> <li>– extensive legislative intervention in the field of energy, for example the stepping up of climate protection or the conservation of natural resources;</li> <li>– prices on the electricity wholesale markets;</li> <li>– the prices of primary energy sources and CO<sub>2</sub> allowances which must be procured in the context of European CO<sub>2</sub> emissions trading;</li> <li>– the steady growth in the supply of renewable energies;</li> <li>– changes in interest rates affecting financial flexibility.</li> </ul> |
| B.5     | Group / Issuer's position within the Group                                  | <p>The EnBW Group is one of the major German energy groups with international operations and one of the four entities in Germany operating the electricity transmission grid. The EnBW Group consists of 117 fully consolidated companies and 17 companies accounted for using the equity method as well as three joint operations.</p> <p>EnBW AG is the parent company of the EnBW Group.</p> <p>As a result of the implementation of the new "ONE EnBW" management model, introduced in 2014, the complexity of EnBW Group was reduced considerably through the merger of important Group companies and EnBW now largely corresponds to the model of an integrated company, managed through business and functional units. Core operating activities will be</p>  |

| Element              | Description of Element             | Disclosure requirement  |          |                   |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
|----------------------|------------------------------------|---|----------|-------------------|------|-------------------|--|------|------|------|------|-----------|--|---------|--|---------------|--|--|--|--|--------------------|----------|----------|----------|----------|----------------|----------|----------|----------|----------|----------------------|------|------|---------|-------|--------------|----------|----------|----------|----------|
|                      |                                    | concentrated in the business units. The functional units will assume Group-wide support and governance tasks.   |          |                   |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| B.9                  | Profit forecast or estimate        | Not applicable. No profit forecast or estimate has been included.   |          |                   |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| B.10                 | Qualifications in the audit report | Not applicable. The audit opinions with respect to the financial statements of EnBW AG for the financial years ended 31 December 2015 and 2014 do not include any qualifications.   |          |                   |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| B.12                 | Key financial information          | <p><b>SELECTED FINANCIAL INFORMATION ON ENBW GROUP</b></p> <p>The financial information presented below is taken from the consolidated financial statements 2015 and the interim statements for the six month period ended 30 June 2016, unless otherwise indicated. The consolidated financial statements for 2015 have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and the financial information for 2014 and the first six months of 2015 is presented as comparative information. Certain figures pertaining to 2014 differ from the audited consolidated financial statements for 2014 due to the fact that such figures have been restated due to correction of an error disclosed in the notes of the IFRS Consolidated Financial Statements 2015 in the exposition of comparative period balances. The unaudited consolidated interim financial statements of the Company have been reviewed in accordance with German generally accepted standards (IDW PS 900) for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW).</p> <p><b>Balance sheet of the EnBW Group</b></p> <table border="1"> <thead> <tr> <th rowspan="3">€million</th> <th colspan="2">As at 30 June</th> <th colspan="2">As at 31 December</th> </tr> <tr> <th>2016</th> <th>2015</th> <th>2015</th> <th>2014</th> </tr> <tr> <th colspan="2">unaudited</th> <th colspan="2">audited</th> </tr> </thead> <tbody> <tr> <td><b>Assets</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Non-current assets</td> <td>26,444.3</td> <td>27,605.7</td> <td>25,587.8</td> <td>27,382.6</td> </tr> <tr> <td>Current assets</td> <td>11,112.0</td> <td>11,820.7</td> <td>11,554.5</td> <td>10,825.0</td> </tr> <tr> <td>Assets held for sale</td> <td>17.1</td> <td>33.6</td> <td>1,015.9</td> <td>104.5</td> </tr> <tr> <td>Assets total</td> <td>37,573.4</td> <td>39,460.0</td> <td>38,158.2</td> <td>38,312.1</td> </tr> </tbody> </table> | €million | As at 30 June     |      | As at 31 December |  | 2016 | 2015 | 2015 | 2014 | unaudited |  | audited |  | <b>Assets</b> |  |  |  |  | Non-current assets | 26,444.3 | 27,605.7 | 25,587.8 | 27,382.6 | Current assets | 11,112.0 | 11,820.7 | 11,554.5 | 10,825.0 | Assets held for sale | 17.1 | 33.6 | 1,015.9 | 104.5 | Assets total | 37,573.4 | 39,460.0 | 38,158.2 | 38,312.1 |
| €million             | As at 30 June                      |   |          | As at 31 December |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
|                      | 2016                               | 2015  |          | 2015              | 2014 |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
|                      | unaudited                          |   | audited  |                   |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| <b>Assets</b>        |                                    |   |          |                   |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| Non-current assets   | 26,444.3                           | 27,605.7  | 25,587.8 | 27,382.6          |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| Current assets       | 11,112.0                           | 11,820.7  | 11,554.5 | 10,825.0          |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| Assets held for sale | 17.1                               | 33.6  | 1,015.9  | 104.5             |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |
| Assets total         | 37,573.4                           | 39,460.0  | 38,158.2 | 38,312.1          |      |                   |  |      |      |      |      |           |  |         |  |               |  |  |  |  |                    |          |          |          |          |                |          |          |          |          |                      |      |      |         |       |              |          |          |          |          |

| Element   | Description of Element  | Disclosure requirement   |                          |                     |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
|---|---|--|--------------------------|---------------------|--|--------|---------|---------|---------|---------|-------------------------|----------|----------|----------|----------|---------------------|---------|---------|---------|---------|---|-----|-----|-----|------|-------------------------------|----------|----------|----------|----------|----------|----------------------|--|--------------------------|--|------|------|------|------|-----------|--|---------|--|---------|---------|----------|----------|----------|------------------------------------|--------|---------|-------|---------------------|---|---------|---------|---------|---------|--|-------|------|------|--------------------|
|   |   | <p><b>Equity and liabilities</b></p> <table> <tr> <td>Equity</td> <td>3,806.9</td> <td>5,334.9</td> <td>5,089.5</td> <td>4,545.6</td> </tr> <tr> <td>Non-current liabilities</td> <td>23,865.8</td> <td>24,365.1</td> <td>23,791.7</td> <td>24,146.7</td> </tr> <tr> <td>Current liabilities</td> <td>9,899.2</td> <td>9,760.0</td> <td>9,276.2</td> <td>9,571.3</td> </tr> <tr> <td>Liabilities directly associated with assets classified as held for sale</td> <td>1.5</td> <td>0.0</td> <td>0.8</td> <td>48.5</td> </tr> <tr> <td>Equity and liabilities, total</td> <td>37,573.4</td> <td>39,460.0</td> <td>38,158.2</td> <td>38,312.1</td> </tr> </table> <p><b>Income statement of the EnBW Group</b></p> <table> <thead> <tr> <th rowspan="3">€million</th> <th colspan="2">1 January to 30 June</th> <th colspan="2">1 January to 31 December</th> </tr> <tr> <th>2016</th> <th>2015</th> <th>2015</th> <th>2014</th> </tr> <tr> <th colspan="2">unaudited</th> <th colspan="2">audited</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>9,811.4</td> <td>10,913.8</td> <td>21,166.5</td> <td>21,002.5</td> </tr> <tr> <td>Group net profit/loss<sup>2</sup></td> <td>-194.2</td> <td>1,056.5</td> <td>124.9</td> <td>-465.9<sup>1</sup></td> </tr> <tr> <td>Shares outstanding (millions), weighted average</td> <td>270.855</td> <td>270.855</td> <td>270.855</td> <td>270.855</td> </tr> <tr> <td>Earnings per share from Group net profit/loss (€)<sup>3</sup></td> <td>-0.72</td> <td>3.90</td> <td>0.46</td> <td>-1.72<sup>1</sup></td> </tr> </tbody> </table> <p><sup>1</sup> Restated.<br/> <sup>2</sup> In relation to the profit/loss shares attributable to the shareholders of EnBW AG.<br/> <sup>3</sup> Diluted and basic; in relation to the profit/loss shares attributable to the shareholders of EnBW AG.</p> |                          |                     |  | Equity | 3,806.9 | 5,334.9 | 5,089.5 | 4,545.6 | Non-current liabilities | 23,865.8 | 24,365.1 | 23,791.7 | 24,146.7 | Current liabilities | 9,899.2 | 9,760.0 | 9,276.2 | 9,571.3 | Liabilities directly associated with assets classified as held for sale | 1.5 | 0.0 | 0.8 | 48.5 | Equity and liabilities, total | 37,573.4 | 39,460.0 | 38,158.2 | 38,312.1 | €million | 1 January to 30 June |  | 1 January to 31 December |  | 2016 | 2015 | 2015 | 2014 | unaudited |  | audited |  | Revenue | 9,811.4 | 10,913.8 | 21,166.5 | 21,002.5 | Group net profit/loss <sup>2</sup> | -194.2 | 1,056.5 | 124.9 | -465.9 <sup>1</sup> | Shares outstanding (millions), weighted average | 270.855 | 270.855 | 270.855 | 270.855 | Earnings per share from Group net profit/loss (€) <sup>3</sup> | -0.72 | 3.90 | 0.46 | -1.72 <sup>1</sup> |
| Equity  | 3,806.9   | 5,334.9  | 5,089.5                  | 4,545.6             |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Non-current liabilities   | 23,865.8  | 24,365.1   | 23,791.7                 | 24,146.7            |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Current liabilities   | 9,899.2   | 9,760.0  | 9,276.2                  | 9,571.3             |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Liabilities directly associated with assets classified as held for sale | 1.5   | 0.0  | 0.8                      | 48.5                |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Equity and liabilities, total   | 37,573.4  | 39,460.0   | 38,158.2                 | 38,312.1            |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| €million  | 1 January to 30 June  |  | 1 January to 31 December |                     |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
|   | 2016  | 2015   | 2015                     | 2014                |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
|   | unaudited   |  | audited                  |                     |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Revenue   | 9,811.4   | 10,913.8   | 21,166.5                 | 21,002.5            |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Group net profit/loss <sup>2</sup>                                      | -194.2  | 1,056.5  | 124.9                    | -465.9 <sup>1</sup> |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Shares outstanding (millions), weighted average                         | 270.855   | 270.855  | 270.855                  | 270.855             |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| Earnings per share from Group net profit/loss (€) <sup>3</sup>          | -0.72   | 3.90   | 0.46                     | -1.72 <sup>1</sup>  |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
|   | No material adverse change / significant changes in financial or trading position | <p>There has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2015.</p> <p>Not applicable. There have been no significant changes in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 30 June 2016.</p>   |                          |                     |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |
| B.13  | Recent events, which are to a material extent relevant to the                     | Not applicable. There are no recent events since the date of the last published audited financial report (31 December 2015) particular to EnBW AG which are to a material extent relevant to the solvency of EnBW AG.  |                          |                     |  |        |         |         |         |         |                         |          |          |          |          |                     |         |         |         |         |   |     |     |     |      |                               |          |          |          |          |          |                      |  |                          |  |      |      |      |      |           |  |         |  |         |         |          |          |          |                                    |        |         |       |                     |   |         |         |         |         |  |       |      |      |                    |



| Element | Description of Element  | Disclosure requirement  |
|---------|---|---|
|         | evaluation of the Issuer's solvency   |   |
| B.14    | Description of the Group / Issuer's position within the Group / Dependency of the Issuer upon other entities within the group | <p>Please read Element B.5 together with the information below.</p> <p>Not applicable. EnBW AG is not dependent upon other entities within the EnBW Group.</p>  |
| B.15    | Issuer's principal activities   | <p>The EnBW Group is one of the major German energy groups with international operations, and one of four companies in Germany operating the electricity transmission grid. In total, EnBW supplies and advises approximately 5.5 million customers group-wide.</p> <p>As an integrated energy supplier, the EnBW Group operates along the entire electricity and gas value chain, offering an extensive portfolio of services, subdivided into four segments: sales, grids, renewable energies and generation and trading.</p> <ul style="list-style-type: none"> <li>- The sales segment encompasses the distribution of electricity and gas, and the provision of energy-related services, such as billing services and energy supply and energy savings contracting.</li> <li>- The Grids segment encompasses the transmission and distribution of electricity and gas, the provision of grid related services (e.g. operation of grids for third parties) and the supply of water.</li> <li>- Activities in the field of renewable energies generation are combined under the renewable energies segment.</li> <li>- The generation and trading segment includes power generated from other sources and trading in electricity, provision of system services, the gas midstream operations, district heating, environmental services and the area dealing with the dismantling of power plants.</li> </ul> <p>Furthermore, other/consolidation combines EnBW AG's other activities which are not allocated to the individual segments reported separately.</p> |
| B.16    | Controlling interest over the Issuer  | <p>OEW Energie-Beteiligungs GmbH and NECKARPRI Beteiligungsgesellschaft mbH<sup>1</sup> each holding 46,75% of outstanding shares. The State of Baden-Württemberg, NECKARPRI GmbH and NECKARPRI Beteiligungsgesellschaft mbH, as well as Zweckverband OEW and OEW Energie-Beteiligungs GmbH, annulled their shareholder agreement with which they had previously regulated their cooperation as shareholders of EnBW AG with mutual consent on 22 December 2015. The aim of this measure was to avoid being affected by the planned "act on continued liability for nuclear exit costs" ("<i>Nachhaftungsgesetz</i>") for controlling shareholders of nuclear power plant operators.</p>  |

<sup>1</sup> 100 per cent. subsidiary of NECKARPRI GmbH which is a 100 per cent. subsidiary of the Federal State of Baden-Württemberg.

| <b>Element</b> | <b>Description of Element</b> | <b>Disclosure requirement</b>  |
|----------------|-------------------------------|--|
| B.17           | Credit ratings                | <p>EnBW AG has received the following ratings<sup>2</sup>:</p> <p>Standard &amp; Poor's Credit Market Services Europe Limited ("<b>Standard &amp; Poor's</b>") has assigned the credit rating of A-<sup>3</sup> to EnBW AG.</p> <p>Moody's Investors Service Ltd ("<b>Moody's</b>") has assigned the credit rating of A3<sup>4</sup> to EnBW AG.</p> <p>Fitch Ratings Ltd. ("<b>Fitch</b>") has assigned the credit rating of A-<sup>5</sup> to EnBW AG.</p> <p>It is expected that, upon issuance, the Notes will be assigned a rating of Baa2 by Moody's<sup>6</sup> and of BBB- by Standard &amp; Poor's<sup>7</sup>.</p> |

### Section C – Securities

| <b>Element</b> | <b>Description of Element</b>  | <b>Disclosure requirement</b>  |
|----------------|--|--|
| C.1            | Type and class of securities being offered / security identification numbers | <p>The Notes are unsecured.</p> <p>Security codes:</p> <p>ISIN: XS1405770907</p> <p>Common Code: 140577090</p> <p>German Securities Code (<i>WKN</i>): A2BPF D</p> |
| C.2            | Currency   | Euro   |

<sup>2</sup> Credit ratings included or referred to in this Prospectus have been issued by Standard & Poor's, Moody's and Fitch, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

<sup>3</sup> Standard & Poor's defines "A" as follows: "strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances". Ratings by Standard & Poor's from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>4</sup> Moody's defines "A" as follows: "obligations rated A are judged to be upper-medium grade and are subject to low credit risk". Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>5</sup> Fitch defines "A" as follows: "'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings." The modifiers "+" or "-" may be appended to a rating by Fitch from "AA" to "B" to denote relative status within major rating categories.

<sup>6</sup> Moody's defines "Baa2" as follows: "Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics." Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>7</sup> S&P defines "BBB-" as follows: "An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation." The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

| Element | Description of Element  | Disclosure requirement  |
|---------|---|---|
| C.5     | Restrictions on free transferability  | Not applicable, the Notes are freely transferable.  |
| C.8     | Rights attached to the Notes, ranking of the Notes, limitations of the rights attached to the Notes | <p><i>Rights attached to the Notes:</i></p> <p>The Notes entitle the Holders, in particular, to the interest payments described in Element C.9.</p> <p><i>Ranking of the Notes:</i></p> <p>The Notes constitute subordinated and unsecured obligations of the Issuer ranking <i>pari passu</i> among themselves and with any Parity Securities, subordinated to all present and future unsubordinated and subordinated obligations of the Issuer, and <i>pari passu</i> with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by mandatory provisions of law; and ranking senior only to the rights and claims of holders of Junior Securities.</p> <p><b>"Parity Security"</b> means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank <i>pari passu</i> with the Notes, including the Issuer's Subordinated Resettable Fixed Rate Notes due 2072, ISIN XS0674277933, the Subordinated Resettable Fixed Rate Notes due 2076, ISIN XS1044811591 and the Subordinated Resettable Fixed Rate Notes due 2077, ISIN XS1498442521 or (ii) is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank <i>pari passu</i> with the Issuer's obligations under the Notes.</p> <p><b>"Junior Security"</b> means (i) the ordinary share of the Issuer, (ii) any share of any other class of shares of the Issuer ranking <i>pari passu</i> with the ordinary shares of the Issuer, (iii) any other security, registered security or other instrument of the Issuer the Issuer's obligations under which rank or are expressed to rank <i>pari passu</i> with the instruments of the Issuer described under (i) and (ii) and (iv) any present or future security, registered security or other instrument which is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee or other assumption of liability rank or are expressed to rank <i>pari passu</i> with the instruments of the Issuer described under (i), (ii) and (iii).</p> <p><b>"Subsidiary"</b> means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.</p> <p><i>Limitation of the rights attached to the Notes:</i></p> <p>Except for (i) the possibility of the Issuer (x) to defer interest payments and (y) to call the Notes for redemption or to repurchase and cancel Notes prior to the Maturity Date (as defined below) and (ii) the prohibition of set-off, there are no limitations to the rights attached to the Notes.</p> |

| Element | Description of Element | Disclosure requirement   |
|---------|------------------------|--|
|         |                        | <p><b>Prohibition of set-off</b></p> <p>The Holders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Holder against any claims of such Holder under the Notes.</p> <p><b>Early redemption at the option of the Issuer</b></p> <p>Unless previously redeemed or repurchased, the Notes will be redeemed at par on 5 April 2077.</p> <p><b>Early redemption at the option of the Issuer upon occurrence of a special event</b></p> <p>After the occurrence of a Gross-up Event, a Tax Event, an Accounting Event, a Rating Agency Event or in case that the Issuer or any Subsidiary has purchased or redeemed Notes equal to or in excess of 80 per cent. of the aggregate Principal Amount of the Notes initially issued, the Issuer may, by giving not less than 30 and not more than 60 Business Days' prior notice to the Holders, call the Notes for redemption (in whole but not in part).</p> <p>In the case such call notice is given following a Gross-up Event, the Issuer shall redeem the remaining Notes on the specified redemption date at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any payable Deferred Interest Payments.</p> <p>In the case such call notice is given following a Tax Event, an Accounting Event, a Rating Agency Event or in case of minimal outstanding aggregate principal amount, the Issuer will redeem the remaining Notes on the specified redemption date (i) at 101.00 per cent. of the Principal Amount if the redemption occurs prior to the First Call Date and (ii) at the Principal Amount if the redemption occurs on or after the First Call Date, in each case plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any payable Deferred Interest Payments.</p> <p>An "<b>Accounting Event</b>" will occur if a recognised accountancy firm has delivered an opinion to the Issuer, stating that as a result of a change in accounting principles the funds raised through the issuance of the Notes must not or must no longer be recorded as "liability" pursuant to the International Financial Reporting Standards ("<b>IFRS</b>").</p> <p>A "<b>Gross-up Event</b>" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that the Issuer has or will become obliged to pay Additional Amounts as a result of any change in the laws of Germany or any change in their official application of those laws, and that obligation cannot be avoided by the Issuer.</p> <p>A "<b>Rating Agency Event</b>" will occur if either any rating agency publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same</p> |

| Element | Description of Element | Disclosure requirement  |
|---------|------------------------|---|
|         |                        | <p>or a higher category of "equity credit" or such similar nomenclature as may be used by that rating agency, or if "equity credit" is not assigned on the Interest Commencement Date by such rating agency, at the date when the equity credit is assigned for the first time by such rating agency (a "<b>Loss in Equity Credit</b>"), or the Issuer has received, and has provided the Principal Paying Agent with a copy of, a written confirmation from any rating agency that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred, and the Issuer has given notice to the Holders in accordance with § 13 of such Rating Event prior to giving the notice of redemption referred to above.</p> <p>A "<b>Tax Event</b>" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of Germany or any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), interest payable by the Issuer in respect of the Notes is no longer fully deductible by the Issuer for German income tax purposes, and that risk cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.</p> <p>The Issuer may redeem the Notes (in whole but not in part) at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any payable Deferred Interest Payments with effect as of any date during the period from and including 5 January 2022 to and including the First Call Date or with effect as of any Interest Payment Date thereafter, upon giving not less than 30 and not more than 60 days' prior notice to the Holders.</p> <p><b>Events of Default, Cross Default and Negative pledge</b></p> <p>The Terms and Conditions do neither contain any events of default clause, nor a cross default clause nor a negative pledge clause.</p> <p><b>Resolutions of Holders</b></p> <p>In accordance with the German Act on Issues of Debt Securities (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen, "SchVG"</i>) the Notes contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, either in a meeting of Holders or by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed</p> |

| Element | Description of Element  | Disclosure requirement  |
|---------|---|---|
|         |   | by a simple majority of the votes cast.   |
| C.9     | Interest rate / Interest commencement date / Interest payment dates | <p>See C.8.</p> <p>Interest is scheduled to be paid annually in arrear on 5 April of each year, commencing on 5 April 2017 (short first coupon) with the last interest payment scheduled to be paid on the maturity date (subject to early redemption or repurchase and cancellation) (each an "<b>Interest Payment Date</b>").</p> <p>The Notes will bear interest from and including 5 October 2016 (the "<b>Interest Commencement Date</b>") to but excluding 5 April 2022 (the "<b>First Call Date</b>") at a fixed rate of 3.375 per cent. per annum.</p> <p>From and including the First Call Date to but excluding 5 April 2027 (the "<b>First Modified Reset Date</b>") the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 362.9 basis points per annum (not including a step-up).</p> <p>From and including the First Modified Reset Date to but excluding 5 April 2042 (the "<b>Second Modified Reset Date</b>") the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 387.9 basis points per annum (including a step-up of 25 basis points).</p> <p>From and including the Second Modified Reset Date to but excluding 5 April 2077 (the "<b>Maturity Date</b>") the Notes will bear interest at the Reference Rate for the relevant Reset Period plus a margin of 462.9 basis points per annum (including a step-up of 100 basis points).</p> <p>The "<b>Reference Rate</b>" for a Reset Period will be determined by the Calculation Agent and will be the 5-year EURSFIX swap rate expressed as a percentage per annum.</p> <p>"<b>Reset Date</b>" means each of the First Call Date, 5 April 2027, 5 April 2032, 5 April 2037, 5 April 2042, 5 April 2047, 5 April 2052, 5 April 2057, 5 April 2062, 5 April 2067 and 5 April 2072.</p> <p>"<b>Reset Period</b>" means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date and, in the case of the final Reset Period, from and including the final Reset Date to but excluding the Maturity Date.</p> <p><b>Optional Interest Deferral</b></p> <p>The Issuer may elect to defer the payment of interest which will be due and payable (<i>fällig</i>) on an Interest Payment Date, upon giving not less than 10 and not more than 15 Business Days' prior notice to the Holders.</p> <p>If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay interest on such Interest Payment Date. Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.</p> <p>Deferred Interest Payments will not bear interest.</p> |

| Element | Description of Element | Disclosure requirement  |
|---------|------------------------|---|
|         |                        | <p><b>Optional Payment of Deferred Interest Payments</b></p> <p>The Issuer is entitled to pay outstanding Deferred Interest Payments (in whole or in part) at any time on giving not less than 10 and not more than 15 Business Days' notice to the Holders specifying the amount of Deferred Interest Payments to be paid and the date fixed for such payment (the "<b>Optional Settlement Date</b>").</p> <p><b>Mandatory Payment of Deferred Interest Payments</b></p> <p>The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.</p> <p>"<b>Mandatory Settlement Date</b>" means the earliest of:</p> <ul style="list-style-type: none"> <li>(i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred;</li> <li>(ii) the date on which the Issuer pays scheduled interest on the Notes which does not constitute a Deferred Interest Payment;</li> <li>(iii) the date on which the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Parity Security;</li> <li>(iv) the date on which the Issuer or any Subsidiary redeems any Parity Security, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security;</li> <li>(v) the date on which the Issuer redeems Notes in accordance with the Terms and Conditions, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and</li> <li>(vi) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),</li> </ul> <p>provided that</p> <ul style="list-style-type: none"> <li>(x) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition;</li> <li>(y) in the cases (iv) and (v) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or any Notes (in whole or in part) in a public tender offer or public exchange offer at a consideration per Parity Security or, as applicable, per Note below its par value; and</li> <li>(z) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the relevant payments on, or in respect of, any Parity Security are Intra-Group Payments.</li> </ul> |

| Element | Description of Element   | Disclosure requirement   |
|---------|--|--|
|         |  | <p><b>"Intra-Group Payments"</b> means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.</p> <p><b>"Compulsory Settlement Event"</b> means any of the following events:</p> <p>(i) the ordinary general meeting of shareholders (<i>ordentliche Hauptversammlung</i>) of the Issuer resolves on the payment of any dividend, other distribution or other payment on any share of any class of the Issuer (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer);</p> <p>(ii) the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Junior Security (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer); or</p> <p>(iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Security.</p> <p>The cases (ii) and (iii) above are subject to the proviso that no Compulsory Settlement Event occurs if</p> <p>(x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Security to make such payment, such redemption, such repurchase or such other acquisition;</p> <p>(y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Security pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or</p> <p>(z) the relevant payments on, or in respect of, any Junior Securities are Intra-Group Payments.</p> |
|         | <p>Underlying on which interest rate is based</p> <p>Maturity date including repayment procedures</p> <p>Indication of yield</p> | <p>Not applicable for the interest rate applicable in respect of the period from and including the Interest Commencement Date to but excluding the First Call Date. Such interest rate is not based on an underlying. The interest rate for Reset Periods from and including the First Call Date will be based on the Reference Rate (as defined above).</p> <p>5 April 2077 (the "<b>Maturity Date</b>").</p> <p>Unless the Notes are previously redeemed or repurchased and cancelled, the Notes will be repaid at the principal amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and any Deferred Interest Payments (as defined above). Payment shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.</p> <p>The yield of the Notes from 5 October 2016 (the "<b>Interest Commencement Date</b>" of the Notes) to the First Call Date is 3.500 per cent. per annum and is calculated on the basis of the Issue Price. The yield of the Notes for the Reset Periods thereafter may not be determined as of the date of this Prospectus.</p>  |



| <b>Element</b> | <b>Description of Element</b>            | <b>Disclosure requirement</b>  |
|----------------|--|--|
|                | Name of representative of the Holders    | Not applicable. In accordance with the SchVG the Notes provide that the Holders may by majority resolution appoint a representative for all Holders (the " <b>Holders' Representative</b> "). The responsibilities and functions assigned to the Holders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders. |
| C.10           | Derivative component in interest payment | See C.9<br>Not applicable. The Notes have no derivative component.   |
| C.11           | Admission to trading of securities       | Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market.   |

## Section D – Risks

| <b>Element</b> | <b>Description of Element</b>    | <b>Disclosure requirement</b>   |
|----------------|----------------------------------|---|
| D.2            | Key risks specific to the Issuer | <p>The Issuer is exposed to the risks described below. The realisation of these risks may have material adverse effects on the net assets, financial position and results of operations of the Group and therefore on the ability of the Issuer to fulfill its obligations under the Notes.</p> <p><b>Energy market risks</b></p> <p>In its electricity and gas transactions, the EnBW Group is exposed to pricing and sales risks. In particular lower than expected power prices expose EnBW to numerous risks.</p> <p><b>Risks arising from economic development</b></p> <p>Any significant negative deviation between actual and projected economic developments exposes EnBW to numerous risks.</p> <p><b>Competition risks in the energy markets</b></p> <p>Further risks arise from the intensifying competition in the gas and electricity market which may result in decreasing sales volumes and prices for EnBW.</p> <p><b>Operating risks</b></p> <p>The EnBW Group operates technologically complex production facilities with considerable supply chains and is thus exposed to the associated operational risks, such as unscheduled downtimes or the implementation of additional measures due to operational or regulatory reasons. EnBW's activities are also subject to obligations arising from environmental legislation and the associated risks. Furthermore, the EnBW Group's operations are exposed to seasonal and weather-related fluctuation, exposing it to the risk of fluctuating demand depending on the development of the weather and fluctuating wind yield. In addition, EnBW's fossil fuel supply chain could also be affected by adverse weather conditions or changes in the regulatory environment.</p> |

| Element | Description of Element | Disclosure requirement   |
|---------|------------------------|--|
|         |                        | <p><b>Regulatory and political risks</b></p> <p>EnBW and its operations are subject to significant regulation and supervision by various regulatory bodies, including German municipal, state, federal and EU authorities. Such governmental regulation and supervision, as well as future changes to laws, regulations or government policy (or in the interpretation or enforcement of existing laws or regulations) that affect EnBW, its competitors or the industry as a whole may result in increased operational and administrative expenses and thus adversely affect the net assets, financial position and results of operations of the EnBW Group.</p> <p>As a result of the conflict in Ukraine, the EU imposed sanctions against Russian institutions, companies and individuals which could have a negative impact on the business activities of EnBW.</p> <p><b>Renewal of franchise agreements</b></p> <p>The EnBW Group operates distribution grids. Significant parts of the relating services to customers are operated on the basis of franchise agreements with municipalities relating on the use of the relevant local infrastructure. There is the risk that competitors of EnBW, in particular integrated energy suppliers, may acquire franchises currently held by EnBW and thereby negatively impact EnBW's business base.</p> <p><b>Operation and decommissioning of nuclear technology plants</b></p> <p>The operation and decommissioning of nuclear technology plants involves various risks, e.g. delays in approval procedures or dismantling projects and the incurrence of additional costs due to changes in conditions.</p> <p><b>High-voltage DC transmission technology projects</b></p> <p>EnBW's transmission system operator (TSO), TransnetBW GmbH, plans to set up new high-voltage DC transmission technology (HVDC) with other TSOs. In the projects ULTRANET and SuedLink, there is generally a high risk of potential delays and additional costs, as well as the risk that the necessity for these transmission lines might no longer be confirmed in a new Network Development Plan.</p> <p><b>Legal risks</b></p> <p>At the end of April 2016, a "Commission to examine the financing of the phase-out of nuclear energy" (<i>Kommission zur Überprüfung der Finanzierung des Kernenergieausstiegs</i> – "KFK") appointed by the German government issued recommendations for the amendment of the financing system for the phasing out of nuclear power. The KFK proposes to transfer the intermediate and final storage of the radioactive waste and the necessary funds for these tasks to the federal state. 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 financing, should remain with the companies. The KFK envisages that the utility companies should transfer the necessary funds of €17.2 billion plus a risk premium of 35% to the federal state in order to ensure the financing. EnBW would be responsible for around 20%</p> |

| Element | Description of Element | Disclosure requirement   |
|---------|------------------------|--|
|         |                        | <p>of the payments.</p> <p>In addition to political, legislative and regulatory risks, contractual relationships are subject to a number of risks which can result in legal disputes. These risks/disputes include: disputes relating to the nuclear fuel rod tax and disputes related to the water concession in Stuttgart.</p> <p><b>Financial market risks</b></p> <p>In the course of its ordinary operations, the EnBW Group is exposed to financial market risks such as financial asset price, interest rate, inflation rate and currency risks, risks relating to the credit rating or credit risks and liquidity risks.</p> <p><b>Changes in Interest Rates</b></p> <p>The uncertain future development of interest rates with its impact on nuclear power and pension provisions could result in negative effects on the financial position in the mid to very high three-digit million euro range.</p> <p><b>Credit risks</b></p> <p>The EnBW Group is exposed to risks in connection with the default of customers or business associates, specifically in the case of them becoming insolvent. The default of customers or business associated risks may have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.</p> <p><b>Liquidity risks</b></p> <p>In the event that the EnBW Group does not have sufficient liquidity, this would result in material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.</p> <p><b>Personnel risks</b></p> <p>A key success factor in EnBW's operating and strategic corporate development is its personnel. In this respect, EnBW is exposed to the risk of not having a sufficient number of employees with the necessary qualifications or skills.</p> <p><b>ICT risks</b></p> <p>Information and communication technology ("ICT") has an important role in the production and business processes of the EnBW Group. EnBW is exposed to ICT risks in connection with the development, deployment and usage (plan, build, run) of ICT solutions designed to support the business processes. Further risks exist in the context of the storing and usage of business-related data.</p> <p><b>Strategic risks</b></p> <p>As is the case with any business undertaking, EnBW's strategic</p> |

| Element | Description of Element          | Disclosure requirement  |
|---------|---------------------------------|---|
|         |                                 | <p>development involves risks. Development opportunities always harbour the risk of a potential loss of income.</p> <p>In general, the latter arises from a misinterpretation of customer requirements and framework conditions as well as technological misjudgments. The strategy known as "EnBW 2020" also involves risks of delays and additional expenses.</p> <p><b>Investments and divestitures</b></p> <p>The EnBW Group is pursuing large-scale projects that are highly complex and involve the interaction of a large number of participants. There is a risk of incurred project expenses having to be written off.</p> <p>EnBW's investment programme involves the sale of assets and companies. In this respect, there is a general risk of it not being able to obtain adequate sales prices on the market, which may result in write-downs, as well as time delays for the completion of these transactions.</p> <p><b>Risks resulting from a change of control</b></p> <p>Some of EnBW's agreements with third parties include change of control clauses, which entitle the relevant counterparty to terminate the agreement in the event of a change of control. In the event that the parties do not come to a mutual agreement, there is a risk that the purchase price will be below the current carrying amount at EnBW. This could result in an adverse effect on the net assets, financial position and results of operations of EnBW Group.</p> <p><b>Compliance Risks</b></p> <p>The EnBW Group is subject to various compliance risks, e.g. risks in the areas of corruption and data protection.</p> <p>The occurrence of the above mentioned risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.</p> |
| D.3     | Key risks specific to the Notes | <p>An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial or total losses the Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Those risks include and comprise, inter alia, the following:</p> <ul style="list-style-type: none"> <li>• The Notes may not be a suitable investment for all investors.</li> <li>• The Notes are long-term securities. The Issuer is under no obligation to redeem the Notes at any time before 5 April 2077 and the Holders have no right to call for their redemption.</li> <li>• At the Issuer's option, the Notes may be redeemed after the occurrence of a Gross-up Event, a Rating Agency Event, an Accounting Event, a Tax Event, or if 80 per cent. or more of the principal amount of the Notes initially issued have been redeemed</li> </ul>   |

| Element | Description of Element | Disclosure requirement   |
|---------|------------------------|--|
|         |                        | <p>or purchased, or with effect as of the First Call Date (or a certain period before) or any Interest Payment Date (or a certain period before) thereafter. In such case, it may be the case that Holders are only able to reinvest the redemption proceeds in securities with a lower yield.</p> <ul style="list-style-type: none"> <li>• Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments on the Notes.</li> <li>• The obligations of the Issuer under the Notes are unsecured subordinated obligations of the Issuer.</li> <li>• The Terms and Conditions do not contain any express provisions setting out events of default.</li> <li>• There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes.</li> <li>• Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market. However, there can be no assurance that a liquid secondary market for the Notes will develop.</li> <li>• During the period to but excluding the First Call Date, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates.</li> <li>• After the First Call Date, investors should be aware that the interest rate will be determined with effect as of each Reset Date at the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin. The performance of the 5-year EURSFIX swap rate and the interest income on the Notes cannot be anticipated and a definite yield of the Notes cannot be determined. In addition, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates.</li> <li>• Holders should be aware that interest may be deferred. Deferred interest will not bear interest. Any deferral of interest will likely have an adverse effect on the market price of the Notes. The market price of the Notes may be more volatile than the market price of other debt securities.</li> </ul> <p>The rating of the Notes, if any, may not reflect all risks associated with an investment in the Notes and, in addition, is subject to change at all times and is not a recommendation to buy, sell or hold the Notes.</p> <ul style="list-style-type: none"> <li>• The Euro-denominated Notes could represent a currency risk for a Noteholder if the Euro represents a foreign currency to such Noteholder; in addition governments and competent authorities could impose exchange controls in the future.</li> <li>• No assurance can be given as to the impact of any possible judicial decision or change of laws (including German tax laws)</li> </ul> |

| Element | Description of Element | Disclosure requirement   |
|---------|------------------------|--|
|         |                        | <p>or administrative practices after the Interest Commencement Date.</p> <ul style="list-style-type: none"> <li>• The interest rate for the Notes which will be determined on each Reset Date at the 5 year EURSFIX Swap Rate for the relevant Reset Period plus a margin, from and including the First Call Date to but excluding the Maturity Date, could be affected if the date on which the interest rate for the Notes is determined, falls in times of high volatility due to the sovereign debt crisis or for other reasons.</li> </ul> <p>Pursuant to the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 – FATCA –, the Issuer or any other person in the payment chain may be required to withhold tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2018 in respect of (i) securities issued or materially modified on or after the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register or (ii) securities treated as equity for U.S. federal tax purposes, whenever issued. The EU respectively (certain) EU Member States might impose a Financial Transaction Tax and the implications are not fully foreseeable at the moment.</p> <ul style="list-style-type: none"> <li>• The EU respectively (certain) EU Member States might impose a Financial Transaction Tax and the implications are not fully foreseeable at the moment.</li> <li>• Because the Global Notes are held by or on behalf of Euroclear and Clearstream. Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.</li> <li>• A holder is subject to the risk of being outvoted and of losing rights towards the Issuer against his will in the case that the holders agree to amendments of the Terms and Conditions of the Notes by majority vote according to the SchVG. In the case of an appointment of a joint representative for all holders by majority resolution of the Holders, a particular holder may be deprived of its individual right to pursue and enforce his rights against the Issuer regardless of other holders.</li> <li>• The market value of the Notes could decrease if the creditworthiness of the Issuer and/or the Group worsens or the market participants' estimation of the creditworthiness of corporate debtors in general or of debtors operating in the same business as the Issuer and/or the Group adversely changes or for other reasons.</li> </ul> |

## Section E – Offer

| Element | Description of Element                     | Disclosure requirement  |
|---------|--|---|
| E.2b    | Reasons for the offer and use of proceeds  | The Issuer intends to use the net proceeds to refinance existing indebtedness and for general corporate purposes of the Group.  |
| E.3     | Terms and conditions of the offer          | <p>The Notes will be offered in Austria, Germany, Luxembourg and The Netherlands. The Notes will be offered during an offer period which will commence on the date of the publication of the approved Prospectus (30 September 2016) and which, in each case, will end with the expiry of 5 October 2016 (being the date of issuance of the Notes) subject to a shortening or extension of the offer period.</p> <p>There are no conditions to which the offer is subject.</p> <p>Investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. The Notes will be delivered via book-entry through the clearing systems and their depository banks against payment of 99.399 % of the aggregate principal amount of the Notes (the "<b>Issue Price</b>") on 5 October 2016.</p> |
| E.4     | Material interests in the offer            | There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.   |
| E.7     | Estimated expenses charged to the Investor | The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.   |

**GERMAN TRANSLATION OF THE SUMMARY  
(ZUSAMMENFASSUNG)**

*Zusammenfassungen bestehen aus Informationsblöcken, die als "Angaben" bezeichnet werden. Diese Angaben sind in Abschnitten A-E (A.1 – E.7) nummeriert.*

*Diese Zusammenfassung enthält alle Angaben, die für eine Zusammenfassung für diese Art von Wertpapier und diese Emittentin erforderlich sind. Da einige Angaben nicht aufgenommen werden müssen, kann die Nummerierung Lücken enthalten.*

*Auch wenn eine Angabe für diese Art von Wertpapier und diese Emittentin in diese Zusammenfassung aufgenommen werden muss, kann es sein, dass keine relevanten Informationen zur Verfügung stehen. In diesem Fall wird eine kurze Beschreibung der geforderten Angabe mit dem Hinweis "entfällt" in die Zusammenfassung aufgenommen.*

**Abschnitt A – Einleitung und Warnhinweise**

| <b>Punkt</b> | <b>Beschreibung</b>   | <b>Geforderte Angaben</b>  |
|--------------|---|--|
| A.1          | Warnhinweise  | <p>Die Zusammenfassung sollte als Prospekt einleitung verstanden werden.</p> <p>Ein Anleger sollte sich bei jeder Entscheidung, in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzes stützen.</p> <p>Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss möglicherweise nach den nationalen Rechtsvorschriften seines Mitgliedstaats für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.</p> <p>Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</p> |
| A.2          | <p>Zustimmung zur Verwendung des Prospekts</p> <p>Angabe der Angebotsfrist</p> <p>Mitgliedsstaaten, in denen der Prospekt verwendet werden darf</p> | <p>Die Emittentin stimmt der Verwendung des Prospekts durch alle Finanzintermediäre zu (generelle Zustimmung) und übernimmt die Verantwortung für den Inhalt des Prospekts auch im Hinblick für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch einen Finanzintermediär, der die Zustimmung zur Verwendung des Prospekts erhalten hat.</p> <p>Die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch Finanzintermediäre kann während der Angebotsfrist erfolgen. Der Beginn der Angebotsfrist wird für den 30. September 2016 erwartet, und die Angebotsfrist endet am 5. Oktober 2016, dem Tag der Begebung der Schuldverschreibungen.</p> <p>Finanzintermediäre können diesen Prospekt für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen in Luxemburg, Österreich, Deutschland und den Niederlanden verwenden.</p>  |



| Punkt | Beschreibung   | Geforderte Angaben  |
|-------|--|---|
|       | Bedingungen, an die die Zustimmung gebunden ist<br><br>hervorgehobener Hinweis für die Anleger | <b>Jeder Finanzintermediär, der diesen Prospekt verwendet, muss auf seiner Internetseite bestätigen, dass er diesen Prospekt in Übereinstimmung mit der Zustimmung und den ihr beigefügten Bedingungen verwendet.</b><br><br><b>Falls ein Angebot durch einen Finanzintermediär erfolgt, wird dieser Finanzintermediär den Anlegern Informationen über die Bedingungen des Angebots zum Zeitpunkt der Vorlage des Angebots zur Verfügung stellen.</b> |

### Abschnitt B – Emittent

| Punkt | Beschreibung   | Geforderte Angaben  |
|-------|--|---|
| B.1   | Gesetzliche und kommerzielle Bezeichnung der Emittentin                | Gesetzliche Bezeichnung ist EnBW Energie Baden Württemberg AG (" <b>EnBW AG</b> "), kommerzielle Bezeichnung ist EnBW.  |
| B.2   | Sitz / Rechtsform / geltendes Recht / Land der Gründung der Emittentin | EnBW AG ist eine nach dem Recht der Bundesrepublik Deutschland gegründete deutsche Aktiengesellschaft mit Sitz in der Bundesrepublik Deutschland.   |
| B.4b  | Trends mit Auswirkung auf die Emittentin und ihre Branchen             | Folgende externe Faktoren wirken auf den Geschäftsverlauf der EnBW in erheblichem Umfang ein: <ul style="list-style-type: none"> <li>– gesamtwirtschaftliche Wachstums- oder Schrumpfungsphasen;</li> <li>– Witterungsbedingungen;</li> <li>– politische Entscheidungen auf nationaler und gesamteuropäischer Ebene, insbesondere markt- und wettbewerbsorientierte Regelungen;</li> <li>– gesetzgeberische Maßnahmen im Energiebereich, beispielsweise um den Klimaschutz zu intensivieren oder natürliche Ressourcen zu schonen;</li> <li>– Preise an den Stromgroßhandelsmärkten;</li> <li>– Preise der Primärenergieträger und der CO<sub>2</sub>-Zertifikate, die im Rahmen des europäischen CO<sub>2</sub>-Emissionshandels beschafft werden müssen;</li> <li>– das kontinuierlich steigende Angebot an erneuerbaren Energien;</li> <li>– Veränderungen des Zinsniveaus beeinflussen den finanziellen Spielraum.</li> </ul> |
| B.5   | Gruppe / Stellung der Emittentin innerhalb der Gruppe                  | Der EnBW-Konzern zählt zu den großen deutschen, international tätigen Energiekonzernen und ist einer von vier Betreibern von Strom-Übertragungsnetzen in Deutschland. Der EnBW-Konzern besteht aus 117 vollkonsolidierten und 17 at equity konsolidierten Gesellschaften sowie drei gemeinschaftlichen Tätigkeiten.   |

| Punkt                                    | Beschreibung  | Geforderte Angaben  |          |                  |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
|--|---|---|----------|------------------|------|------------------|--|------|------|------|------|-----------|--|---------|--|--------|--|--|--|--|-----------------------------|----------|----------|----------|----------|-----------------------------|----------|----------|----------|----------|--|------|------|---------|-------|----------------------|----------|----------|----------|----------|
|  |   | <p>Die EnBW AG ist die Muttergesellschaft des EnBW-Konzerns.</p> <p>Mit der Einführung des neuen Führungsmodells "EINE EnBW" im Jahr 2014 wurde die Komplexität des EnBW-Konzerns durch die Zusammenführung wesentlicher Konzerngesellschaften deutlich reduziert. Die EnBW entspricht nun weitgehend dem Modell eines integrierten Unternehmens, geführt über Geschäftseinheiten und Funktionaleinheiten. In den Geschäftseinheiten werden die operativen Kernaktivitäten abgebildet. In den Funktionaleinheiten werden konzernweite Unterstützungs- und Governance-Aufgaben wahrgenommen.</p>   |          |                  |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| B.9                                      | Gewinnprognosen oder –schätzungen                       | Entfällt. Gewinnprognosen oder –schätzungen wurden nicht aufgenommen.   |          |                  |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| B.10                                     | Beschränkungen im Bestätigungsvermerk                   | Entfällt. Die Bestätigungsvermerke in Bezug auf die Konzernabschlüsse der EnBW AG für die zum 31. Dezember 2015 und 2014 endenden Geschäftsjahre enthalten keine Einschränkungen.   |          |                  |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| B.12                                     | Ausgewählte wesentliche historische Finanzinformationen | <p><b>AUSGEWÄHLTE WESENTLICHE FINANZINFORMATIONEN ZUR ENBW GRUPPE</b></p> <p>Die nachstehend dargestellten Finanzinformationen wurden, soweit nicht anders angegeben, dem Konzernabschluss 2015 sowie dem Zwischenbericht für den am 30. Juni 2016 zu Ende gegangenen Sechsmonatszeitraum entnommen. Der Konzernabschluss 2015 wurde von der KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, geprüft und die Finanzinformationen für 2014 und für den am 30. Juni 2015 zu Ende gegangenen Sechsmonatszeitraum dienen als Vergleichsinformationen. Bestimmte Zahlen, die sich auf das Jahr 2014 beziehen, unterscheiden sich von denjenigen im geprüften Konzernabschluss 2014, da sie aufgrund einer im Anhang dargestellten Korrektur eines Fehlers in den Darstellungen von Vergleichszeiträumen, angepasst wurden. Der Zwischenbericht wurde einer prüferischen Durchsicht unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze für die prüferische Durchsicht von Abschlüssen (IDW PS 900) unterzogen.</p> <p><b>Bilanz des EnBW-Konzerns</b></p> <table border="1"> <thead> <tr> <th rowspan="3">Mio. €</th> <th colspan="2">Zum 30. Juni</th> <th colspan="2">Zum 31. Dezember</th> </tr> <tr> <th>2016</th> <th>2015</th> <th>2015</th> <th>2014</th> </tr> <tr> <th colspan="2">ungeprüft</th> <th colspan="2">geprüft</th> </tr> </thead> <tbody> <tr> <td>Aktiva</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Langfristige Vermögenswerte</td> <td>26.444,3</td> <td>27.605,7</td> <td>25.587,8</td> <td>27.382,6</td> </tr> <tr> <td>Kurzfristige Vermögenswerte</td> <td>11.112,0</td> <td>11.820,7</td> <td>11.554,5</td> <td>10.825,0</td> </tr> <tr> <td>Zur Veräußerung gehaltene Vermögenswerte</td> <td>17,1</td> <td>33,6</td> <td>1.015,9</td> <td>104,5</td> </tr> <tr> <td>Summe Vermögenswerte</td> <td>37.573,4</td> <td>39.460,0</td> <td>38.158,2</td> <td>38.312,1</td> </tr> </tbody> </table> | Mio. €   | Zum 30. Juni     |      | Zum 31. Dezember |  | 2016 | 2015 | 2015 | 2014 | ungeprüft |  | geprüft |  | Aktiva |  |  |  |  | Langfristige Vermögenswerte | 26.444,3 | 27.605,7 | 25.587,8 | 27.382,6 | Kurzfristige Vermögenswerte | 11.112,0 | 11.820,7 | 11.554,5 | 10.825,0 | Zur Veräußerung gehaltene Vermögenswerte | 17,1 | 33,6 | 1.015,9 | 104,5 | Summe Vermögenswerte | 37.573,4 | 39.460,0 | 38.158,2 | 38.312,1 |
| Mio. €                                   | Zum 30. Juni  |   |          | Zum 31. Dezember |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
|  | 2016  | 2015  |          | 2015             | 2014 |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
|  | ungeprüft   |   | geprüft  |                  |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| Aktiva                                   |   |   |          |                  |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| Langfristige Vermögenswerte              | 26.444,3  | 27.605,7  | 25.587,8 | 27.382,6         |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| Kurzfristige Vermögenswerte              | 11.112,0  | 11.820,7  | 11.554,5 | 10.825,0         |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| Zur Veräußerung gehaltene Vermögenswerte | 17,1  | 33,6  | 1.015,9  | 104,5            |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |
| Summe Vermögenswerte                     | 37.573,4  | 39.460,0  | 38.158,2 | 38.312,1         |      |                  |  |      |      |      |      |           |  |         |  |        |  |  |  |  |                             |          |          |          |          |                             |          |          |          |          |  |      |      |         |       |                      |          |          |          |          |

| Punkt | Beschreibung  | Geforderte Angaben   |  |  |  |
|-------|---|--|--|--|--|
|       |   |  |  |  |  |
|       |   | <p><b>Passiva</b></p> <p>Eigenkapital 3.806,9 5.334,9 5.089,5 4.545,6</p> <p>Langfristige Schulden 23.865,8 24.365,1 23.791,7 24.146,7</p> <p>Kurzfristige Schulden 9.899,2 9.760,0 9.276,2 9.571,3</p> <p>Schulden in Verbindung mit zur Veräußerung gehaltenen Vermögenswerten 1,5 0,0 0,8 48,5</p> <p>Summe Eigenkapital und Schulden 37.573,4 39.460,0 38.158,2 38.312,1</p> <p><b>Gewinn- und Verlustrechnung des EnBW-Konzerns</b></p> <p style="text-align: center;"><b>1. Januar bis 30. Juni</b>      <b>1. Januar bis 31. Dezember</b></p> <p><b>Mio. €</b>                      <b>2016</b>      <b>2015</b>      <b>2015</b>      <b>2014</b></p> <hr/> <p style="text-align: center;"><b>ungeprüft</b>                      <b>geprüft</b></p> <hr/> <p>Umsatzerlöse 9.811,4 10.913,8 21.166,5 21.002,5</p> <p>Konzernüberschuss/-fehlbetrag<sup>2</sup> -194,2 1.056,5 124,9 -465,9<sup>1</sup></p> <p>Aktien im Umlauf (Mio. Stück), gewichtet 270,855 270,855 270,855 270,855</p> <p>Ergebnis je Aktie aus Konzernüberschuss/-fehlbetrag (€)<sup>3</sup> -0,72 3,90 0,46 -1,72<sup>1</sup></p> <p><sup>1</sup> Angepasst.</p> <p><sup>2</sup> Bezogen auf das auf die Aktionäre der EnBW AG entfallende Ergebnis.</p> <p><sup>3</sup> Verwässert und unverwässert; bezogen auf das auf die Aktionäre der EnBW AG entfallende Ergebnis.</p> |  |  |  |
|       | Keine wesentliche Verschlechterung der Aussichten / Wesentliche Veränderungen bei Finanzlage oder Handelsposition | Seit dem 31. Dezember 2015 haben sich die Aussichten der Emittentin und der Gruppe nicht wesentlich verschlechtert.  |  |  |  |
|       |   | Entfällt. Seit dem 30. Juni 2016 sind keine wesentlichen Veränderungen bei Finanzlage oder Handelsposition der Gruppe eingetreten.   |  |  |  |
| B.13  | Für die Zahlungsfähigkeit der Emittentin in hohem   | Entfällt. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der EnBW AG seit dem letzten veröffentlichten geprüften Finanzbericht vom 31. Dezember 2015, die für die Bewertung der Zahlungsfähigkeit der   |  |  |  |

| Punkt | Beschreibung  | Geforderte Angaben   |
|-------|---|--|
|       | Maße relevante Ereignisse aus der jüngsten Zeit   | EnBW AG in hohem Maße relevant sind.   |
| B.14  | Beschreibung der Gruppe / Stellung der Emittentin innerhalb der Gruppe / Abhängigkeit der Emittentin von anderen Unternehmen der Gruppe | Bitte Punkt B.5 zusammen mit den unten stehenden Informationen lesen.<br><br>Entfällt. Die EnBW AG ist nicht von anderen Unternehmen innerhalb des EnBW-Konzerns abhängig.   |
| B.15  | Haupttätigkeiten der Emittentin   | <p>Der EnBW-Konzern zählt zu den großen deutschen, international tätigen Energiekonzernen und ist einer von vier Betreibern von Strom-Übertragungsnetzen in Deutschland. Insgesamt versorgt und berät die EnBW rund 5,5 Millionen Kunden konzernweit.</p> <p>Als integriertes Energieversorgungsunternehmen ist der EnBW-Konzern entlang der gesamten Wertschöpfungskette tätig und verfügt über ein breites Geschäftsportfolio, unterteilt in vier Geschäftsfelder: Vertriebe, Netze, Erneuerbare Energien, sowie Erzeugung und Handel.</p> <ul style="list-style-type: none"> <li>- Das Geschäftsfeld Vertrieb umfasst den Vertrieb von Strom und Gas sowie die Erbringung energienaher Dienstleistungen wie Abrechnungsservice oder Energieliefer- und Energieeinsparcontracting.</li> <li>- Das Geschäftsfeld Netze umfasst die Wertschöpfungsstufen Transport und Verteilung von Strom und Gas, die Erbringung von netznahen Dienstleistungen – zum Beispiel den Betrieb von Netzen für Dritte – sowie die Wasserversorgung.</li> <li>- Aktivitäten im Bereich der Erzeugung aus erneuerbaren Energien sind im Geschäftsfeld Erneuerbare Energien zusammengefasst.</li> <li>- Das Geschäftsfeld Erzeugung und Handel umfasst neben der Erzeugung von Strom aus anderen Quellen und dem Handel von Strom das Gas-Midstream-Geschäft (Ferngasstufe) die Fernwärme, die Umweltdienstleistungen sowie den Bereich Rückbau von Kraftwerken.</li> </ul> <p>Im Bereich Sonstiges/Konsolidierung sind andere Aktivitäten der EnBW gebündelt, die nicht den gesondert dargestellten Geschäftsfeldern zugeordnet werden können.</p> |
| B.16  | Beteiligungen an der Emittentin / Beherrschungsverhältnisse   | Die OEW Energie-Beteiligungs GmbH und die NECKARPRI Beteiligungsgesellschaft mbH <sup>8</sup> halten jeweils 46,75 % der ausstehenden Aktien. Das Land Baden-Württemberg, die NECKARPRI GmbH und die NECKARPRI Beteiligungsgesellschaft mbH sowie der Zweckverband OEW und die OEW Energie-Beteiligungs GmbH haben ihre Aktionärsvereinbarung, mit der sie bisher ihre Zusammenarbeit als  |

<sup>8</sup> 100%-ige Tochtergesellschaft der NECKARPRI GmbH, die eine 100%-ige Tochter des Landes Baden-Württemberg ist.

| Punkt | Beschreibung | Geforderte Angaben   |
|-------|--------------|--|
|       |              | Aktionäre der EnBW AG geregelt haben, am 22. Dezember 2015 in gegenseitigem Einvernehmen aufgelöst. Ziel dieser Maßnahme war, eine durch das geplante "Nachhaftungsgesetz" für Rückbau- und Entsorgungskosten im Kernenergiebereich neu eingeführte direkte Haftung für kontrollierende Gesellschafter von Betreibern kerntechnischer Anlagen nicht entstehen zu lassen.   |
| B.17  | Ratings      | <p>Der Emittentin wurden die folgenden Ratings erteilt<sup>9</sup>:</p> <p>Der EnBW AG wurde von Standard &amp; Poor's Credit Market Services Europe Limited ("<b>Standard &amp; Poor's</b>") das Rating A-<sup>10</sup> erteilt.</p> <p>Der EnBW AG wurde von Moody's Investors Service Ltd ("<b>Moody's</b>") das Rating A3<sup>11</sup> erteilt.</p> <p>Der EnBW AG wurde von Fitch Ratings Ltd. ("<b>Fitch</b>") das Rating A-<sup>12</sup> erteilt.</p> <p>Die Schuldverschreibungen werden bei Begebung voraussichtlich das Rating Baa2 von Moody's<sup>13</sup> und BBB- von Standard &amp; Poor<sup>14</sup> erhalten.</p> |

## Abschnitt C – Wertpapiere

| Punkt | Beschreibung                    | Geforderte Angaben                              |
|-------|---------------------------------|---|
| C.1   | Art und Gattung der angebotenen | Die Schuldverschreibungen sind nicht besichert. |

<sup>9</sup> In diesem Prospekt enthaltene oder in Bezug genommene Ratings wurden von S&P, Moody's und Fitch erteilt, die jeweils ihren Sitz in der Europäischen Union haben und nach der Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen, geändert durch Verordnung (EU) Nr. 513/2011 des Europäischen Parlaments und des Rates vom 11. März 2011, (die "**Ratingverordnung**") registriert sind. Ein Verzeichnis der nach der Ratingverordnung registrierten Ratingagenturen kann auf der Website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> abgerufen werden.

Ein Rating ist eine Einschätzung der Kreditwürdigkeit einer Rechtsperson und informiert den Anleger daher über die Wahrscheinlichkeit mit der die Rechtsperson in der Lage ist, angelegtes Kapital zurückzuzahlen. Es ist keine Empfehlung Wertpapiere zu kaufen, zu verkaufen oder zu halten und kann jederzeit durch die Ratingagentur geändert oder zurückgenommen werden.

<sup>10</sup> Standard & Poors definiert "A" wie folgt: "Starke Fähigkeit zur Erfüllung seiner finanziellen Verpflichtungen, aber etwas anfällig gegenüber nachteiligen wirtschaftlichen Bedingungen und Veränderungen äußerer Umstände". Die Ratings durch Standard & Poor's von "AA" bis "CCC" können durch das Hinzufügen eines Plus- (+) oder Minuszeichens (-) modifiziert werden, um die relative Stellung innerhalb der Hauptratingkategorien zu verdeutlichen.

<sup>11</sup> Moody's definiert "A" wie folgt: "A-geratete Verbindlichkeiten werden der "oberen Mittelklasse" zugerechnet und bergen ein geringes Kreditrisiko". Moody's verwendet in den Ratingkategorien "Aa" bis "Caa" zusätzlich numerische Unterteilungen. Der Zusatz "1" bedeutet, dass eine entsprechend bewertete Verbindlichkeit in das obere Drittel der jeweiligen Ratingkategorie einzuordnen ist, während "2" und "3" das mittlere bzw. untere Drittel anzeigen.

<sup>12</sup> Fitch definiert "A" wie folgt: "Ein 'A'-Rating bedeutet die Erwartung eines geringen Ausfallrisikos. Die Fähigkeit zur Zahlung der finanziellen Verbindlichkeiten wird als stark beurteilt. Diese Fähigkeit kann jedoch anfälliger gegenüber nachteiligen geschäftlichen oder wirtschaftlichen Bedingungen sein als bei höheren Ratings." Die Ratings durch Fitch von "AA" bis "B" können durch das Hinzufügen eines Plus- (+) oder Minuszeichens (-) modifiziert werden, um die relative Stellung innerhalb der Hauptratingkategorien zu verdeutlichen.

<sup>13</sup> Moody's definiert "Baa2" wie folgt: "Baa geratete Verbindlichkeiten unterliegen einem moderaten Kreditrisiko. Sie werden im mittleren Risikobereich angesiedelt und können dementsprechend bestimmte spekulative Eigenschaften aufweisen." Moody's verwendet in den Ratingkategorien "Aa" bis "Caa" zusätzlich numerische Unterteilungen. Der Zusatz "1" bedeutet, dass eine entsprechend bewertete Verbindlichkeit in das obere Drittel der jeweiligen Ratingkategorie einzuordnen ist, während "2" und "3" das mittlere bzw. untere Drittel anzeigen.

<sup>14</sup> S&P definiert "BBB-" wie folgt: "Eine 'BBB' geratete Verbindlichkeit weist adäquate Schutzparameter auf. Nachteilige wirtschaftliche Bedingungen oder Veränderungen äußerer Umstände können aber eher zu einer Beeinträchtigung der Fähigkeit des Schuldners führen, seinen finanziellen Verpflichtungen nachzukommen." Die Ratings durch Standard & Poor's von "AA" bis "CCC" können durch das Hinzufügen eines Plus- (+) oder Minuszeichens (-) modifiziert werden, um die relative Stellung innerhalb der Hauptratingkategorien zu verdeutlichen.

| Punkt | Beschreibung   | Geforderte Angaben   |
|-------|--|--|
|       | Wertpapiere / Wertpapierkennnummern  | Wertpapierkennung:<br>ISIN: XS1405770907<br>Common Code: 140577090<br>Wertpapierkennnummer (WKN): A2BPFD   |
| C.2   | Währung  | Euro   |
| C.5   | Beschränkungen für die freie Übertragbarkeit   | Entfällt, die Schuldverschreibungen sind frei übertragbar.   |
| C.8   | Rechte, die mit den Wertpapieren verbunden sind (einschließlich Rang der Wertpapiere und Beschränkungen dieser Rechte) | <p><i>Mit den Schuldverschreibungen verbundene Rechte:</i></p> <p>Die Schuldverschreibungen berechtigen die Anleihegläubiger insbesondere zu den in Punkt C.9 beschriebenen Zinszahlungen.</p> <p><i>Rang der Schuldverschreibungen:</i></p> <p>Die Schuldverschreibungen begründen nachrangige und nicht besicherte Verbindlichkeiten der Emittentin, die untereinander und mit allen Gleichrangigen Wertpapieren im gleichen Rang und nachrangig gegenüber allen anderen gegenwärtigen und zukünftigen nachrangigen und nicht nachrangigen Verbindlichkeiten der Emittentin sind, und mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nachrangigen Verbindlichkeiten gleichrangig sind, soweit nicht zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten im Rang besser stellen, und die im Rang nur den Ansprüchen und Rechten von Inhabern von Nachrangigen Wertpapieren vorgehen.</p> <p><b>"Gleichrangiges Wertpapier"</b> bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Schuldverschreibungen oder als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart ist, einschließlich der Subordinated Fixed Rate Resettable Notes fällig 2072 der Emittentin, ISIN XS0674277933, der Subordinated Resettable Fixed Rate Notes fällig 2076, ISIN XS1044811591 und der Subordinated Resettable Fixed Rate Notes fällig 2077, ISIN XS1498442521 oder (ii) von einer Tochtergesellschaft begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig sind.</p> <p><b>"Nachrangiges Wertpapier"</b> bezeichnet (i) die Stammaktie der Emittentin, (ii) jede Aktie einer anderen Gattung von Aktien der Emittentin, die mit den Stammaktien der Emittentin gleichrangig ist, (iii) jedes andere Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den unter (i) und (ii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft begeben ist, und das von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig</p> |

| Punkt | Beschreibung | Geforderte Angaben  |
|-------|--------------|---|
|       |              | <p>vereinbart sind.</p> <p><b>"Tochtergesellschaft"</b> bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.</p> <p><i>Beschränkungen der mit den Schuldverschreibung verbundenen Rechte:</i></p> <p>Die mit den Schuldverschreibungen verbundenen Rechte unterliegen keinen Beschränkungen, mit Ausnahme (i) der Möglichkeit der Emittentin (x) Zinszahlungen aufzuschieben und (y) die Schuldverschreibungen vor dem Endfälligkeitstag (wie nachstehend definiert) zu kündigen oder zurückzukaufen und zu entwerten und (ii) einem Aufrechnungsverbot.</p> <p><b>Aufrechnungsverbot</b></p> <p>Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen, und die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.</p> <p><b>Vorzeitige Rückzahlung nach Wahl der Emittentin</b></p> <p>Die Schuldverschreibungen werden am 5. April 2077 zum Nennbetrag zurückgezahlt, sofern sie nicht zuvor zurückgezahlt oder zurückgekauft wurden.</p> <p><b>Vorzeitige Rückzahlung nach Wahl der Emittentin bei Eintreten eines speziellen Ereignisses</b></p> <p>Die Emittentin ist berechtigt, die Schuldverschreibungen (insgesamt und nicht teilweise) nach Eintritt eines Gross-Up Ereignisses, eines Steuerereignisses, eines Rechnungslegungsereignisses, eines Ratingagenturereignisses oder falls die Emittentin oder eine Tochtergesellschaft Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt hat, durch eine Bekanntmachung an die Anleihegläubiger innerhalb einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu kündigen.</p> <p>Im Falle einer solchen Kündigung nach Eintritt eines Gross-Up Ereignisses hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Nennbetrag zurückzuzahlen, zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen Zinsen sowie, zur Klarstellung, sämtlicher fälligen Aufgeschobenen Zinszahlungen.</p> <p>Im Falle einer solchen Kündigung nach Eintritt eines Steuerereignisses, eines Rechnungslegungsereignisses, eines Ratingagenturereignisses oder bei geringem ausstehenden Gesamtnennbetrag hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (i) zu 101,00 % des Nennbetrags, falls die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, und (ii) zum Nennbetrag, falls die Rückzahlung an oder nach dem Ersten Rückzahlungstermin erfolgt, zurückzuzahlen, jeweils zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen Zinsen sowie, zur Klarstellung, sämtlicher fälligen Aufgeschobenen Zinszahlungen.</p> <p>Ein <b>"Rechnungslegungsereignis"</b> liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft der Emittentin ein Gutachten übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze die durch die Ausgabe der Schuldverschreibungen beschafften Gelder nicht oder nicht</p> |

| Punkt | Beschreibung | Geforderte Angaben   |
|-------|--------------|--|
|       |              | <p>mehr als "Verbindlichkeit" gemäß den International Financial Reporting Standards ("IFRS") ausgewiesen werden dürfen.</p> <p>Ein "<b>Gross-up-Ereignis</b>" tritt ein, wenn ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung der Bundesrepublik Deutschland oder als Folge einer Änderung der offiziellen Anwendung dieser Gesetze verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge zu zahlen und die Emittentin diese Verpflichtung nicht abwenden kann.</p> <p>Ein "<b>Ratingagenturereignis</b>" tritt ein, wenn entweder eine Ratingagentur eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Eigenkapitalanrechnung (oder eine vergleichbare Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wie weit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Emittentin unterstützen) wie an dem Tag der Begebung der Schuldverschreibungen einzuordnen sind oder, wenn keine Eigenkapitalanrechnung zum Zinslaufbeginn von der Ratingagentur bestimmt wurde, zu dem Tag, an dem erstmals die Eigenkapitalanrechnung von der Ratingagentur bestimmt wird (ein "<b>Verlust der Eigenkapitalanrechnung</b>"), oder die Emittentin eine schriftliche Bestätigung von einer Ratingagentur erhalten und diese an die Hauptzahlstelle in Kopie weitergegeben hat, welche besagt, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie, ein Verlust der Eigenkapitalanrechnung erfolgt ist, und die Emittentin die Gläubiger über das Ratingereignis gemäß § 13 informiert hat bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.</p> <p>Ein "<b>Steuerereignis</b>" liegt vor, wenn am oder nach dem Tag der Begebung der Schuldverschreibungen der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder einer ihrer Steuerbehörden, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der deutschen Ertragsteuer voll abzugsfähig sind und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.</p> <p>Die Emittentin ist berechtigt, die Schuldverschreibungen (ganz, jedoch nicht teilweise) mit einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen mit Wirkung zu jedem Tag während des Zeitraums ab dem 5. Januar 2022 (einschließlich) bis zum Ersten Rückzahlungstermin (einschließlich) oder mit Wirkung zu jedem nachfolgenden Zinszahlungstag zu kündigen und zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie,</p> |



| Punkt | Beschreibung   | Geforderte Angaben   |
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|       |  | <p>zur Klarstellung, sämtlicher fälligen Aufgeschobenen Zinszahlungen, zurückzuzahlen.</p> <p><b>Kündigungsgründe (Events of Default), Drittverzug (Cross Default) und Negativerklärung</b></p> <p>Die Anleihebedingungen sehen weder Kündigungsgründe vor, noch eine Drittverzugs Klausel oder Negativverpflichtung.</p> <p><b>Gläubigerbeschlüsse</b></p> <p>In Übereinstimmung mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen ("<b>SchVG</b>") sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen. Beschlüsse der Anleihegläubiger können nach Maßgabe der Anleihebedingungen entweder in einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst werden und sind für alle Anleihegläubiger verbindlich. Beschlüsse der Anleihegläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.</p>  |
| C.9   | Zinssatz /<br>Zinslaufbeginn<br>Fälligkeitstermine / | <p>Siehe C.8</p> <p>Zinsen sind nachträglich am 5. April eines jeden Jahres zur Zahlung vorgesehen, erstmals am 5. April 2017 (kurze erste Zinsperiode) und vorbehaltlich einer vorzeitigen Rückzahlung oder eines Rückkaufs und anschließenden Entwertung letztmals am Endfälligkeitstermin (jeweils ein "<b>Zahlungstag</b>").</p> <p>Die Schuldverschreibungen werden vom 5. Oktober 2016 (einschließlich) (der "<b>Zinslaufbeginn</b>") bis zum 5. April 2022 (der "<b>Erste Rückzahlungstag</b>") (ausschließlich) zu einem festen Zinssatz von 3,375 % per annum verzinst.</p> <p>Vom Ersten Rückzahlungstag (einschließlich) bis zum 5. April 2027 (der "<b>Erste Modifizierte Reset-Termin</b>") (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 362.9 Basispunkte per annum (ohne einen Step-up zu beinhalten) verzinst.</p> <p>Vom Ersten Modifizierten Reset-Termin (einschließlich) bis zum 5. April 2042 (der "<b>Zweite Modifizierte Reset-Termin</b>") (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 387.9 Basispunkte per annum (einschließlich eines Step-ups von 25 Basispunkten) verzinst.</p> <p>Vom Zweiten Modifizierten Reset-Termin (einschließlich) bis zum 5. April 2077 (der "<b>Endfälligkeitstag</b>") (ausschließlich) werden die Schuldverschreibungen zum Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge von 462.9 Basispunkte per annum (einschließlich eines Step-ups von 100 Basispunkten) verzinst.</p> <p>Der "<b>Referenzsatz</b>" für einen Reset-Zeitraum wird von der Berechnungsstelle festgelegt und ist der als Prozentsatz ausgedrückte 5-Jahres EURSFIX Swapsatz per annum.</p> <p>"<b>Reset-Termin</b>" bezeichnet jeweils den Ersten Rückzahlungstermin, den 5. April 2027, den 5. April 2032, den 5. April 2037, den 5. April 2042, den</p> |

| Punkt | Beschreibung | Geforderte Angaben  |
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|       |              | <p>5. April 2047, den 5. April 2052, den 5. April 2057, den 5. April 2062, den 5. April 2067 und den 5. April 2072.</p> <p><b>"Reset-Zeitraum"</b> bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich) und, im Fall des letzten Reset-Zeitraums ab dem letzten Reset-Termin (einschließlich) bis zu dem Endfälligkeitstag (ausschließlich).</p> <p><b>Fakultativer Aufschub von Zinszahlungen</b></p> <p>Die Emittentin kann sich dazu entscheiden, die Zahlung von Zinsen, die an einem Zinszahlungstag fällig werden, durch eine Bekanntmachung an die Anleihegläubiger innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag, auszusetzen.</p> <p>Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an diesem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.</p> <p>Aufgeschobene Zinszahlungen werden nicht verzinst.</p> <p><b>Freiwillige Zahlung von Aufgeschobenen Zinszahlungen</b></p> <p>Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt oder teilweise nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und den für diese Zahlung festgelegten Termin (der <b>"Freiwillige Nachzahlungstermin"</b>) enthalten muss.</p> <p><b>Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen</b></p> <p>Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.</p> <p><b>"Pflichtnachzahlungstag"</b> bezeichnet den frühesten der folgenden Tage:</p> <ul style="list-style-type: none"> <li>(i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungsereignis eingetreten ist;</li> <li>(ii) den Tag, an dem die Emittentin aufgelaufene Zinsen, die keine Aufgeschobenen Zinszahlungen sind, auf die Schuldverschreibungen zahlt;</li> <li>(iii) den Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Gleichrangiges Wertpapier zahlt;</li> <li>(iv) den Tag, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückkauft oder anderweitig erwirbt (jeweils direkt oder indirekt);</li> </ul> |

| Punkt | Beschreibung | Geforderte Angaben   |
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|       |              | <p>(v) den Tag an dem die Emittentin Schuldverschreibungen gemäß der Anleihebedingungen zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und</p> <p>(vi) den Tag, an dem eine Entscheidung hinsichtlich der Auseinandersetzung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt),<br/>mit der Maßgabe, dass</p> <p>(x) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;</p> <p>(y) in den vorgenannten Fällen (iv) und (v) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen (insgesamt oder teilweise) nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung insgesamt oder teilweise zurückkauft oder anderweitig erwirbt; und</p> <p>(z) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Zahlungen auf oder in Bezug auf ein Gleichrangiges Wertpapier Konzerninterne Zahlungen sind.</p> <p><b>"Konzerninterne Zahlungen"</b> sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.</p> <p>Ein <b>"Obligatorisches Nachzahlungsereignis"</b> bezeichnet jedes der folgenden Ereignisse:</p> <p>(i) die ordentliche Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf eine Aktie einer beliebigen Gattung der Emittentin zu leisten (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin);</p> <p>(ii) die Emittentin oder eine Tochtergesellschaft zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Nachrangiges Wertpapier (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin); oder</p> <p>(iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Nachrangiges Wertpapier zurück oder erwirbt es auf andere Weise.</p> <p>In den vorgenannten Fällen (ii) und (iii) tritt jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn</p> <p>(x) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Nachrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb</p> |

| Punkt | Beschreibung   | Geforderte Angaben   |
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|       |  | <p>verpflichtet ist;</p> <p>(y) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder ein Nachrangiges Wertpapier nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder indirekt) zurückkauft oder anderweitig erwirbt; oder</p> <p>(z) die betreffenden Zahlungen auf oder in Bezug auf ein Nachrangiges Wertpapier Konzerninterne Zahlungen sind.</p>   |
|       | <p>Basiswert auf dem der Zinssatz basiert</p> <p>Fälligkeitstag einschließlich Rückzahlungsverfahren</p> <p>Rendite</p> <p>Name des Vertreters der Inhaber der Wertpapiere</p> | <p>Entfällt für den Zinssatz anwendbar auf den Zeitraum vom Zinslaufbeginn (einschließlich) bis zum Ersten Rückzahlungstag (ausschließlich). Dieser Zinssatz basiert nicht auf einem Basiswert. Der Zinssatz für die Reset-Zeiträume ab dem Ersten Rückzahlungstag (einschließlich) basiert auf dem Referenzsatz (wie vorstehend definiert).</p> <p>5. April 2077 (der "<b>Endfälligkeitstag</b>")</p> <p>Soweit nicht die Schuldverschreibungen vorher zurückgezahlt oder zurückgekauft und gekündigt wurden, werden die Schuldverschreibungen zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie zuzüglich sämtlicher Aufgeschobenen Zinszahlungen (wie vorstehend definiert) zurückgezahlt. Zahlungen erfolgen an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.</p> <p>Die Rendite der Schuldverschreibungen wird vom 5. Oktober 2016 (der "<b>Begebungstag</b>" der Schuldverschreibungen) bis zum Ersten Rückzahlungstermin 3,500% jährlich sein und wird anhand des Ausgabepreises berechnet. Die Rendite der Schuldverschreibungen für die nachfolgenden Reset-Zeiträume kann zum Datum des Prospekts noch nicht bestimmt werden.</p> <p>Entfällt. In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss einen gemeinsamen Vertreter bestellen können (der "<b>Gemeinsame Vertreter</b>"). Die Aufgaben und Befugnisse des durch Beschluss bestellten Gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Anleihegläubiger.</p> |
| C.10  | Derivative Komponente bei Zinszahlung  | <p>Siehe C.9</p> <p>Entfällt. Die Schuldverschreibungen haben keine derivative Komponente.</p>   |
| C.11  | Handel in Wertpapieren   | Bei der Luxemburger Wertpapierbörse wurde die Zulassung der Schuldverschreibungen zum Handel im regulierten Markt der Luxemburger Wertpapierbörse beantragt.   |

## Abschnitt D – Risiken

| Punkt | Beschreibung     | Geforderte Angaben  |
|-------|------------------|---|
| D.2   | Zentrale Risiken | Die Emittentin ist den nachfolgend aufgeführten Risiken ausgesetzt, deren |

| Punkt | Beschreibung               | Geforderte Angaben  |
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|       | bezogen auf den Emittenten | <p>Realisierung erhebliche nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage und somit auf die Fähigkeit der Emittentin, ihren Verpflichtungen aus den Schuldverschreibungen nachzukommen, haben kann.</p> <p><b>Energiemarktrisiken</b></p> <p>Der EnBW-Konzern ist in seinem Strom- und Gasgeschäft Preis- und Absatzrisiken ausgesetzt. Insbesondere geringer als erwartete Strompreise bedeuten für EnBW zahlreiche Risiken.</p> <p><b>Konjunkturell bedingte Risiken</b></p> <p>Sollte die tatsächliche Wirtschaftsentwicklung erheblich schlechter ausfallen als prognostiziert, wäre EnBW zahlreichen Risiken ausgesetzt.</p> <p><b>Wettbewerbsrisiken im Absatzgeschäft</b></p> <p>Weitere Risiken ergeben sich durch eine Intensivierung beim Wettbewerb im Gas- und Strommarkt. Dies kann zu sinkenden Absatzmengen und Absatzpreisen für EnBW führen.</p> <p><b>Operative Risiken</b></p> <p>Die EnBW betreibt technologisch komplexe Produktionsanlagen mit umfangreichen Logistikketten und ist daher entsprechenden Betriebsrisiken ausgesetzt. Hierzu zählen beispielsweise nicht geplante Ausfälle von Erzeugungsanlagen oder die diesbezügliche Durchführung zusätzlicher Maßnahmen aus operativen oder regulatorischen Gründen. Die Aktivitäten von EnBW unterliegen außerdem Verpflichtungen aufgrund von Umweltrechtsvorschriften und den damit verbundenen Risiken. Ferner sind die Geschäftsaktivitäten des EnBW-Konzerns saisonalen und witterungsbedingten Schwankungen ausgesetzt, und damit dem Risiko von Schwankungen der Nachfrage in Abhängigkeit von der Wetterentwicklung sowie Schwankungen im Windertrag. Darüber hinaus könnte auch die Logistikkette von EnBW für fossile Brennstoffe durch ungünstige Witterungsverhältnisse oder Änderungen der regulatorischen Rahmenbedingungen beeinträchtigt werden.</p> <p><b>Regulatorische und politische Risiken</b></p> <p>EnBW und ihre Geschäftsaktivitäten unterliegen einer umfangreichen Regulierung und Aufsicht durch verschiedene Regulierungsbehörden, u.a. in Deutschland auf kommunaler, landes- und Bundesebene und auf Ebene der EU. Diese staatliche Regulierung und Aufsicht sowie künftige Änderungen von Gesetzen, Vorschriften oder der Regierungspolitik (oder der Auslegung oder Durchführung bestehender Gesetze oder Vorschriften), die EnBW, ihre Wettbewerber oder die gesamte Branche betreffen, könnten zu höheren Betriebs- und Verwaltungskosten führen und sich damit nachteilig auf die Vermögens-, Finanz- und Ertragslage des EnBW-Konzerns auswirken.</p> <p>Im Zuge des Konflikts um die Ukraine hat die EU Sanktionen gegenüber russischen Institutionen, Unternehmen und Einzelpersonen verhängt, die negative Auswirkungen auf geschäftliche Aktivitäten der EnBW haben könnten.</p> <p><b>Wiederabschluss von Konzessionsverträgen</b></p> <p>Der EnBW-Konzern betreibt wesentliche Teile seiner Energieversorgung auf der Grundlage von Konzessionsverträgen mit Kommunen über die Nutzung der</p> |

| Punkt | Beschreibung | Geforderte Angaben   |
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|       |              | <p>jeweiligen örtlichen Infrastruktur. Es besteht das Risiko, dass Wettbewerber von EnBW, insbesondere integrierte Energieversorgungsunternehmen, die derzeit von EnBW gehaltenen Konzessionen erwerben und somit die Geschäftsgrundlage der EnBW reduzieren.</p> <p><b>Betrieb bzw. Rückbau von Kernkraftwerken</b></p> <p>Beim Betrieb bzw. Rückbau von Kernkraftwerken bestehen verschiedene Risiken, z.B. durch mögliche Verzögerungen von Genehmigungsprozessen oder Rückbauprojekten und zusätzliche Aufwendungen durch geänderte Rahmenbedingungen.</p> <p><b>Hochspannungs-Gleichstrom-Übertragungs-Projekte</b></p> <p>Der Übertragungsnetzbetreiber (ÜNB) der EnBW, die TransnetBW GmbH, will mit anderen ÜNB neue Verbindungen in Hochspannungs-Gleichstromübertragungstechnik (HGÜ) errichten. Bei den Projekten ULTRANET und SuedLink bestehen derzeit Risiken hinsichtlich möglicher zeitlicher Verzögerungen und Mehrkosten sowie das Risiko, dass die Notwendigkeit in einem neuen Netzentwicklungsplan (NEP) nicht mehr bestätigt werden könnte.</p> <p><b>Rechtliche Risiken</b></p> <p>Ende April 2016 hat eine von der Bundesregierung berufene Kommission zur Überprüfung der Finanzierung des Kernenergieausstiegs ("KFK") Vorschläge zur Anpassung des Finanzierungssystems für den Kernenergieausstieg abgegeben. Die KFK schlägt vor, dass die Aufgaben der Zwischen- und Endlagerung des radioaktiven Abfalls und die dafür notwendigen Mittel dem Staat übertragen werden. Die verbleibenden Aufgaben, also insbesondere die Stilllegung und der Rückbau der Kernkraftwerke und die Verpackung des radioaktiven Abfalls zur Zwischenlagerung, sowie die Finanzierung sollen bei den Unternehmen verbleiben. Die KFK beabsichtigt, dass die Energieversorgungsunternehmen zur finanziellen Sicherung notwendige Mittel in Höhe von 17,2 Mrd. € zuzüglich eines Risikozuschlags von 35% an den Staat übertragen. Der Anteil der EnBW an den Zahlungen würde rund 20% betragen.</p> <p>Neben politischen beziehungsweise legislativen und regulatorischen Risiken bergen vertragliche Beziehungen eine Vielzahl von Risiken, die zu Rechtsstreitigkeiten führen können. Hierzu zählen, Streitigkeiten bezüglich der Kernbrennstoffsteuer sowie Streitigkeiten über die Wasserkonzessionen in Stuttgart.</p> <p><b>Finanzmarktrisiken</b></p> <p>Im Rahmen seiner gewöhnlichen Geschäftstätigkeit ist der EnBW-Konzern Finanzmarktrisiken ausgesetzt, wie z.B. Risiken im Zusammenhang mit dem Rating, der Entwicklung der Kurse von Kapitalanlagen und der Inflationsrate sowie Währungs-, Kredit- und Liquiditätsrisiken.</p> <p><b>Änderungen des Zinsniveaus</b></p> <p>Die unsichere künftige Zinsentwicklung mit ihren Auswirkungen auf die Pensions- und Kernenergierückstellungen kann sich mit negativen Effekten im mittleren bis sehr hohen dreistelligen Millionen-Euro-Bereich auf die</p> |

| Punkt | Beschreibung | Geforderte Angaben   |
|-------|--------------|--|
|       |              | <p>Entwicklung der Finanzlage auswirken.</p> <p><b>Kreditrisiken</b></p> <p>Der EnBW-Konzern ist Risiken in Verbindung mit der Insolvenz von Kunden oder Geschäftspartnern ausgesetzt, insbesondere, falls diese zahlungsunfähig werden. Die Insolvenz von Kunden oder Geschäftspartnern kann wesentliche nachteilige Effekte auf das Nettovermögen, die Finanzposition und das operative Ergebnis des EnBW-Konzerns haben, sowie Auswirkungen auf die Fähigkeit der Emittentin, ihre Verpflichtungen unter den Schuldverschreibungen zu erfüllen.</p> <p><b>Liquiditätsrisiko</b></p> <p>In dem Fall, in dem der EnBW-Konzern nicht über genügend Liquidität verfügt, hat dies wesentliche nachteilige Effekte auf das Nettovermögen, die Finanzposition und das operative Ergebnis des EnBW-Konzerns sowie auf die Fähigkeit der Emittentin, ihre Verpflichtungen aus den Schuldverschreibungen zu erfüllen.</p> <p><b>Personalrisiken</b></p> <p>Die Mitarbeiter der EnBW sind ein wesentlicher Erfolgsfaktor der operativen und strategischen Unternehmensentwicklung. Daraus entsteht für die EnBW das Risiko, nicht in ausreichendem Maß über Mitarbeiter mit den erforderlichen Qualifikationen beziehungsweise Kompetenzen zu verfügen.</p> <p><b>IuK-Risiken</b></p> <p>Informations- und Kommunikations- (IuK-) Technologien spielen in den Produktions- und Geschäftsprozessen des EnBW-Konzerns eine wichtige Rolle. EnBW ist in Verbindung mit der Entwicklung, der Implementierung und dem Einsatz (Plan, Build, Run) von IuK-Lösungen zur Unterstützung der Geschäftsprozesse Risiken ausgesetzt. Weitere Risiken bestehen in Verbindung mit der Speicherung und Nutzung von geschäftsbezogenen Daten.</p> <p><b>Strategische Risiken</b></p> <p>Wie bei jedem Unternehmen ist die strategische Entwicklung von EnBW mit Risiken behaftet. Entwicklungsmöglichkeiten bergen immer das Risiko eines potentiellen Ertragsverlusts.</p> <p>Insbesondere in Bezug auf die sogenannte "EnBW 2020"-Strategie bestehen Risiken durch mögliche Verzögerungen und zusätzliche Aufwendungen.</p> <p><b>Investitionen und Desinvestitionen</b></p> <p>Der EnBW-Konzern treibt Großprojekte voran, die von einer hohen Komplexität und dem Zusammenwirken zahlreicher Beteiligter gekennzeichnet sind. Es besteht das Risiko, dass bisher aufgelaufene Projektaufwendungen abgeschrieben werden müssen.</p> <p>Das Investitionsprogramm der EnBW beinhaltet den Verkauf von Vermögenswerten und Unternehmen. In diesem Zusammenhang besteht ein allgemeines Risiko, dass kein angemessener Verkaufspreis am Markt erzielt werden kann und deshalb Wertberichtigungen vorgenommen werden müssen,</p> |

| Punkt | Beschreibung                                 | Geforderte Angaben  |
|-------|--|---|
|       |  | <p>und das Risiko zeitlicher Verschiebungen.</p> <p><b>Risiken aus Kontrollwechselklauseln</b></p> <p>Einige Verträge der EnBW mit Dritten enthalten Kontrollwechsel-Klauseln, wonach der betreffende Vertragspartner berechtigt ist, den Vertrag bei Eintritt eines Kontrollwechsels zu kündigen. Falls die Vertragspartner zu keiner Einigung gelangen, besteht das Risiko, dass der Kaufpreis unter dem bei der EnBW geführten Buchwert liegt. Dies könnte nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage des EnBW-Konzerns haben.</p> <p><b>Compliance-Risiken</b></p> <p>Der EnBW-Konzern ist verschiedenen Compliance-Risiken, z.B. in den Bereichen Korruption und Datenschutz, ausgesetzt.</p> <p>Sollte sich eines der vorstehend genannten Risiken realisieren, könnte dies erhebliche nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage des EnBW-Konzerns und die Fähigkeit der Emittentin zur Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen haben.</p>   |
| D.3   | Zentrale Risiken bezogen auf die Wertpapiere | <p>Eine Anlage in die Schuldverschreibungen ist mit gewissen Risiken verbunden, die sich aus den typischen Eigenschaften, Spezifikationen und Arten der Schuldverschreibungen ergeben und zu erheblichen Verlusten für die Anleihegläubiger im Falle eines Verkaufs ihrer Schuldverschreibungen oder in Bezug auf den Erhalt von Zinszahlungen und die Rückzahlung von Kapital führen könnten. Zu diesen Risiken gehören insbesondere die folgenden:</p> <ul style="list-style-type: none"> <li>• Die Schuldverschreibungen sind möglicherweise keine für alle Anleger geeignete Anlage.</li> <li>• Die Schuldverschreibungen sind langfristige Wertpapiere. Die Emittentin ist nicht verpflichtet, die Schuldverschreibungen vor dem 5. Oktober 2077 zurück zu zahlen, und die Anleihegläubiger sind nicht berechtigt, die Rückzahlung zu verlangen.</li> <li>• Nach Wahl der Emittentin können die Schuldverschreibungen nach Eintritt eines Gross-up Ereignisses, eines Ratingagenturereignisses, eines Rechnungslegungsereignisses oder eines Steuerereignisses, wenn mehr als 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt wurden, oder zum Ersten Rückzahlungstermin (bzw. eine gewisse Zeit vor diesem Tag) oder jedem nachfolgenden Zinszahlungstag (bzw. eine gewisse Zeit vor diesem Tag) zurückgezahlt werden. In diesem Fall können die Anleihegläubiger die zurückgezählten Beträge möglicherweise nur in Wertpapiere mit einer niedrigeren Rendite investieren.</li> <li>• Die Anleihegläubiger tragen das Risiko, dass Zinszahlungen und/oder die Zahlung des Rückzahlungsbetrags durch die Emittentin ganz oder teilweise ausfallen.</li> <li>• Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen stellen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin dar.</li> <li>• Die Anleihebedingungen enthalten keine expliziten Kündigungsgründe für die Anleihegläubiger.</li> </ul> |



| Punkt | Beschreibung | Geforderte Angaben   |
|-------|--------------|--|
|       |              | <ul style="list-style-type: none"> <li>• Es besteht keine Beschränkung hinsichtlich der Ausgabe von Schuldtiteln durch die Emittentin, die den Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen im Rang gleichstehen oder gegenüber ihnen vorrangig sind.</li> <li>• Bei der Luxemburger Wertpapierbörse wurde die Zulassung der Schuldverschreibungen zum Handel im regulierten Markt der Luxemburger Wertpapierbörse beantragt. Es kann jedoch keine Zusicherung dafür abgegeben werden, dass sich ein liquider Sekundärmarkt für die Schuldverschreibungen entwickeln wird.</li> <li>• In dem Zeitraum bis zum Ersten Rückzahlungstermin (ausschließlich) kann nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.</li> <li>• Ab dem Ersten Rückzahlungstermin sollten Anleihegläubiger berücksichtigen, dass der Zinssatz mit Wirkung ab jedem Reset-Termin mit Bezug auf den 5-Jahres EURSFIX Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgesetzt wird. Die Entwicklung des 5-Jahres EURSFIX Swapsatzes und die Verzinsung der Schuldverschreibungen können nicht antizipiert werden und eine Rendite kann nicht berechnet werden. Zusätzlich kann in jedem Reset-Zeitraum nicht ausgeschlossen werden, dass der Kurs der Schuldverschreibungen infolge von Veränderungen des derzeitigen Zinssatzes auf dem Kapitalmarkt (Marktzins) fällt, da der Marktzins Schwankungen unterliegt.</li> <li>• Anleihegläubiger sollten berücksichtigen, dass Zinsen aufgeschoben werden können. Aufgeschobene Zinszahlungen werden nicht verzinst. Ein Zinsaufschub wird vermutlich nachteilige Auswirkungen auf den Marktpreis der Schuldverschreibungen haben. Der Marktpreis der Schuldverschreibungen kann volatiler sein als der Marktpreis anderer Wertpapiere.</li> <li>• Das Rating der Schuldverschreibungen, sofern vorhanden, reflektiert möglicherweise nicht sämtliche Risiken einer Investition in die Schuldverschreibungen und kann sich außerdem jederzeit verändern und stellt keine Empfehlung zum Kauf, Verkauf oder zum Halten der Schuldverschreibungen dar.</li> <li>• Die auf Euro lautenden Schuldverschreibungen könnten ein Währungsrisiko für einen Anleihegläubiger darstellen, wenn der Euro für den betreffenden Anleihegläubiger eine Fremdwährung ist; außerdem könnten Regierungen und zuständige Behörden künftig Devisenkontrollen verhängen.</li> <li>• Es kann keine Gewähr hinsichtlich der Auswirkungen möglicher Gerichtsentscheidungen oder einer Änderung gesetzlicher Vorschriften (einschließlich von deutschem Steuerrecht) oder der Verwaltungspraxis nach dem Datum dieses Prospekts gegeben werden.</li> <li>• Der Zinssatz der Schuldverschreibungen, welcher für den Zeitraum vom Ersten Rückzahlungstermin bis zum Endfälligkeitstag jeweils am Reset-Termin zum 5-Jahres EURSFIX Swapsatz für den betreffenden Reset-Zeitraum zuzüglich einer Marge festgelegt wird, kann dann beeinflusst</li> </ul> |

| Punkt | Beschreibung | Geforderte Angaben  |
|-------|--------------|---|
|       |              | <p>werden, wenn der Tag, an dem der Zinssatz festgelegt wird, in einen Zeitraum hoher Volatilität aufgrund der Staatsschuldenkrise bzw. aus anderen Gründen fällt.</p> <ul style="list-style-type: none"> <li>• Die Emittentin oder andere Personen in der Zahlungskette können gemäß den steuerlichen Bestimmungen über Auslandskonten des U.S. Hiring Incentives to Restore Employment Act of 2010 – FATCA – verpflichtet sein, U.S. Steuern in Höhe von 30 % auf alle Zahlungen oder anteilige Zahlungen einzubehalten, die nach dem 31. Dezember 2018 in Bezug auf (i) Schuldverschreibungen geleistet werden, die zu einem Datum ausgegeben oder wesentlich verändert wurden, das mehr als sechs Monate nach dem Datum liegt, an dem die auf ausländische durchlaufende Zahlungen ("<i>foreign passthru payments</i>") anwendbaren endgültigen Bestimmungen im Federal Register der USA eingetragen wurden, ausgegeben oder wesentlich verändert wurden; bzw. auf (ii) Schuldverschreibungen geleistet werden, die für U.S. Steuerzwecke als Eigenkapital behandelt werden, unabhängig davon, wann diese ausgegeben worden sind.</li> <li>• Die EU bzw. (bestimmte) EU Mitgliedstaaten könnten eine Finanztransaktionssteuer einführen. Die Tragweite solcher Regelungen ist im Moment nicht vollständig vorhersehbar.</li> <li>• Da die Globalurkunden von oder für Euroclear und Clearstream, Luxemburg gehalten werden, müssen sich Anleihegläubiger auf deren Verfahren zur Übertragung, Zahlung und Kommunikation mit der Emittentin verlassen.</li> <li>• Für einen Anleihegläubiger besteht das Risiko, dass er überstimmt wird und gegen seinen Willen Rechte gegenüber der Emittentin verliert, falls Anleihegläubiger mit einer Stimmenmehrheit gemäß dem SchVG ihre Zustimmung zu Änderungen der Anleihebedingungen erteilen. Im Falle der Ernennung eines gemeinsamen Vertreters aller Anleihegläubiger durch Mehrheitsbeschluss der Anleihegläubiger besteht das Risiko, dass ein einzelner Anleihegläubiger ganz oder teilweise sein individuelles Recht verliert, seine Rechte gegenüber der Emittentin unabhängig von den anderen Anleihegläubigern zu verfolgen und durchzusetzen.</li> <li>• Der Marktwert der Schuldverschreibungen könnte sinken, falls sich die Kreditwürdigkeit der Emittentin und/oder der Gruppe verschlechtert oder sich die Einschätzung der Marktteilnehmer hinsichtlich der Kreditwürdigkeit von Unternehmensschuldern allgemein oder von Schuldnern, die im selben Geschäftsbereich wie die Emittentin und/oder die Gruppe tätig sind, nachteilig verändert.</li> </ul> |

### Abschnitt E – Angebot

| Punkt | Beschreibung  | Geforderte Angaben  |
|-------|---|---|
| E.2b  | Gründe für das Angebot und Zweckbestimmung der Erlöse | Die Emittentin beabsichtigt, den Nettoemissionserlös aus der Begebung der Schuldverschreibungen zur Refinanzierung bestehender Verbindlichkeiten und zu allgemeinen Finanzierungszwecken der Gruppe zu verwenden. |

| Punkt | Beschreibung  | Geforderte Angaben   |
|-------|---|--|
| E.3   | Angebotskon-<br>ditionen  | <p>Die Schuldverschreibungen werden in Deutschland, Österreich, Luxemburg und den Niederlanden angeboten. Die Schuldverschreibungen werden innerhalb eines Angebotszeitraumes angeboten, der am Tag der Veröffentlichung des gebilligten Prospekts (30. September 2016) beginnt und jeweils mit Ablauf des 5. Oktober 2016, dem Ausgabetag der Schuldverschreibungen, endet, vorbehaltlich einer Verkürzung oder Verlängerung des Angebotszeitraums.</p> <p>Das Angebot unterliegt keinen Bedingungen.</p> <p>Anleger können Angebote zum Kauf der Schuldverschreibungen durch Nutzung des Informationssystems Bloomberg oder eines anderen üblicherweise verwendeten Informationssystems übermitteln. Jeder Anleger, der ein Angebot bezüglich der Schuldverschreibungen abgegeben hat und dessen Angebot angenommen wurde, erhält bezüglich der Zuteilung der Schuldverschreibungen eine Bestätigung per E-Mail, Fax oder über ein anderes üblicherweise verwendetes Informationssystem. Die Lieferung der Schuldverschreibungen erfolgt durch buchmäßige Übertragung über die Clearingsysteme und ihre Depotbanken gegen Zahlung von 99,399 % des Gesamtnominalbetrages der Schuldverschreibungen (der "<b>Emissionspreis</b>") am 5. Oktober 2016.</p> |
| E.4   | Für die Emission<br>wesentliche<br>Interessen                                   | Außer den Interessen der Emittentin bestehen keinerlei Interessen von natürlichen oder juristischen Personen an der Begebung, auch nicht solche Interessen, die im Widerspruch stehen und wesentlich für die Begebung wären.   |
| E.7   | Schätzung der<br>Ausgaben, die dem<br>Anleger in<br>Rechnung gestellt<br>werden | Entfällt. Die Emittentin wird den Anleihegläubigern in Verbindung mit den Schuldverschreibungen keine Kosten, Ausgaben oder Steuern direkt in Rechnung stellen. Anleihegläubiger müssen sich aber über etwaige Kosten, Ausgaben oder Steuern in Verbindung mit den Schuldverschreibungen informieren, die generell in ihrem jeweiligen Herkunftsstaat anfallen, einschließlich etwaiger Gebühren, die ihre eigenen Depotbanken für den Erwerb oder das Halten von Wertpapieren berechnen.  |

## RISK FACTORS

*Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders could lose all or part of their investments. Factors which the Issuer believe may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons than those described below. Additional risks of which EnBW Group is not presently aware could also affect the business operations of EnBW Group and have a material adverse effect on EnBW Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Words and expressions defined in the Terms and Conditions of the Notes below shall have the same meanings in this section.*

*Potential investors should, among other things, consider the following:*

### **Risks relating to the Issuer and EnBW Group**

**The following is a description of the risk factors, which may affect the ability of the Issuer to fulfil its obligations under the Notes. Potential investors should carefully read and consider these risk factors before deciding upon the purchase of the Notes.**

**Potential investors should consider these risk factors and all other information provided in this Prospectus and consult their own experts. In addition, the investors should bear in mind that several of the mentioned risks may occur simultaneously and that their implication can, possibly together with other circumstances, thus be intensified. The order in which the risks are described does neither represent a conclusion about their probability of occurrence nor the gravity or significance of the individual risks. The following information is not exhaustive. Indeed, further risks which have not been visible yet may also affect the business activities of the Group and the ability of the Issuer to fulfil its obligations arising from the Notes. Due to the occurrence of each individual risk described in the following, investors could lose their invested capital in whole or in part.**

The following description includes a disclosure of material risk factors which may affect the ability of EnBW AG to fulfil its obligations under the Notes. Potential investors should consider these risk factors before deciding on the purchase of Notes. There are a number of business and operational factors which might have a considerable adverse effect on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes. These include:

#### **Energy market risks**

In its electricity and gas transactions, the EnBW Group is exposed to pricing and sales risks. Since generation of electricity with its power plants is a cornerstone of the EnBW Group's business model, the market prices of electricity and fuels (including hard coal and gas) have a significant effect on the EnBW Group's financial performance. Increases in fuel prices may substantially and negatively impact the operating result and consequently the financial position of the EnBW Group, in particular if higher fuel prices cannot be passed on. The same applies to CO<sub>2</sub> allowances (EUA, CER) if these must be purchased. The EnBW Group is also exposed to the risk that a decline in electricity prices is not compensated by a corresponding decline in fuel prices leading to lower earnings. The EnBW Group is further exposed to the risk of a decrease in unit sales. For most of the electricity sales

volumes, there is no contractual obligation for customers to purchase the forecast consumption and, consequently, EnBW Group will not generate profits from quantities not purchased by the customer and may only be able to resell the difference between forecasted and actual consumption at a lower price or not at all. The earnings performance of EnBW is affected by falling electricity prices on wholesale markets. In the light of the current and anticipated long-term development of prices, EnBW expects over the medium term that it will have a negative impact on the net assets, financial position and results of operations.

**Hedging:** Despite its hedging strategy, when selling generated electricity volumes, EnBW is exposed to the long-term risk of falling electricity prices and the risk of the unfavourable development of fuel prices in relation to electricity prices. The hedging instruments utilised in 2015 were forwards, futures, swaps and options. The EnBW Group has exposure to foreign exchange risks from procurement and hedging of prices for its fuel requirements, as well as from gas and oil trading business. Where the hedge is concerned, EnBW is exposed to the risk due to the fact that electricity prices have fallen and remain low due to lower fuel prices on the wholesale market. Therefore, this could result in a negative effect on earnings in 2017 and 2018 in the low three-digit million euro range.

**Electricity procurement agreements and power plants:** As a result of the still unfavourable market prices at the present time and the considerably worsening expectations regarding long-term electricity prices, EnBW increased its provisions for onerous contracts for electricity procurement agreements which no longer cover costs during the course of 2015. In addition, impairments have been carried out on EnBW's power plants. Further there is a risk of additional impairments stemming from the review of the profitability of conventional power plants that may result in the early decommissioning of individual plants.

The occurrence of any of these risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Risks arising from economic development**

Forecasts of future economic development and the related demand for energy are essential components of EnBW's projection of unit sales of electricity and gas. Any significant negative deviation between actual and projected economic development exposes EnBW to numerous risks. A decline in industrial production may result in lower demand for electricity and gas and thus lower levels of demand from EnBW customers. A decline in sales volume also results in reduced transmissions via EnBW's grids and a decline in network revenues. Additionally, quantities already purchased will have to be resold and, depending on the then prevailing price levels, may have to be resold below procurement prices. Risks for EnBW could also arise from an unforeseen strengthening of the economy, as this could mean that additional primary energy sources and electricity must be procured at prices above the sales price contracted with customers. In case of a growing number of company insolvencies and companies experiencing financial difficulties, EnBW may face difficulties to recover customer claims and distressed debts may increase.

Procurement agreements adversely affect the financial position of EnBW Group when market price conditions are unfavourable and EnBW has been and may be forced in the future to recognise provisions for onerous contracts if it is foreseeable that the procured electricity can only be sold at a loss.

The realisation of any of these risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Competition risks in the energy markets**

A further risk arises from the intensifying competition in the gas and electricity market which may result in decreasing sales volumes and prices for EnBW. A significant part of EnBW's business is the sale of power, gas and water to consumers. Customers are very willing to switch suppliers. Price and margin risks exist in the low double-digit million euro range if energy costs (such as EEG cost allocations) cannot be passed on to customers.

The competition in energy markets might have significant adverse effects on the net assets, financial position and results of operations of the EnBW Group and on the Issuer's ability to fulfil its obligations under the Notes.

## Operating risks

The EnBW Group operates technologically complex production facilities with considerable supply chains and is thus exposed to the associated operational risks, such as unscheduled downtimes or the implementation of additional measures due to operational or regulatory reasons. EnBW's activities are also subject to obligations arising from environmental legislation and the associated risks. Furthermore, the EnBW Group's operations are exposed to seasonal and weather-related fluctuation, exposing it to the risk of fluctuation on the demand as well as on the supply side, depending on the development of the weather. In addition, EnBW's fossil fuel supply chain could also be affected by adverse weather conditions or changes in the regulatory environment.

The German Compensation Mechanism Ordinance (*Verordnung zum EEG-Ausgleichsmechanismus*, "AusglMechV") obliges the German transmission system operators to keep an account where revenues from the German renewables surcharge (*EEG-Umlage*) and support payments for RES-generators are settled. As of the reporting date on 31 December 2015, a net surplus in the mid three-digit million euro range existed on the EEG bank account. This EEG bank account is a separately managed bank account in accordance with section 5 of the AusglMechV and is thus kept separate from other areas of activity. In accordance with AusglMechV, a surplus or deficit on the account balance can have a temporary positive or negative effect on the calculation of the financial position of EnBW respectively.

Availability of power plants: Exogenous and endogenous factors have an influence on the availability of power plants. Depending on their duration, interruptions to the operation of the power plants can significantly impact the operating result. This could result in a negative effect in the medium term on earnings in the low double-digit million euro range.

Fluctuations in wind energy yield: The generation of electricity from onshore and offshore wind is subject to fluctuations dependent on the wind. In the first half of the year 2016, the wind strength was below the long-term average resulting in negative effects on earnings. The risk of lower than anticipated wind yield however exists throughout the lifetime of all of EnBW's onshore and offshore wind plants.

Power plant optimisation: Following the conclusion of the hedging of generation activities, the Trading business unit will continue to manage the further use of the generation assets. This is being carried out as part of power plant optimisation on the forward market, through the sale of system solutions and through placements on the spot and Intraday trading platforms. The result of these activities is dependent on price levels and volatility and could result in a negative effect in the short and medium term on earnings in the mid double-digit million euro range. In addition, regulatory interventions continue to have a strong influence.

There is a residual risk for the 2018 financial year that the associated organisational and restructuring projects – especially in the area of sales – will not be able to fully realise the planned efficiencies, resulting in lower earnings.

The realisation of any of the foregoing risks could result in material adverse effects on the net assets, financial position and results of operations of the EnBW Group and have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

## Regulatory and political risks

EnBW and its operations are subject to significant regulation and supervision by various regulatory bodies, including German municipal, state, federal and EU authorities. These regulations and supervision are subject to change (including the expansion to areas not yet regulated or subject to voluntary arrangements such as, for example, for balancing energy and grid loss energy) and it can be difficult to determine whether existing restrictions are fully complied with. Such governmental regulation and supervision, as well as future changes to laws, regulations or government policy (or in the interpretation or enforcement of existing laws or regulations) that affect EnBW, its competitors or the industry as a whole may result in increased operational and administrative expenses and thus adversely affect the net assets, financial position and results of operations of the EnBW Group and could have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

In the Generation and Trading segment, the sanctions against Russia could have a negative impact on existing business relations with Russian companies. In the Grids segment, there is a risk that EnBW will no longer be able

to supply gas due to an extended interruption in the delivery of gas from Russia. In the Sales segment, there is an increasing risk of default by German companies that are active in the Russian Federation due to a possible drop in sales and also the possible risk of shortfalls in electricity and gas deliveries as a result of corresponding cutbacks in production.

### **Renewal of franchise agreements**

The EnBW Group operates distribution grids. Significant parts of the relating services to customers are operated on the basis of franchise agreements with municipalities relating on the use of the relevant local infrastructure. There is an increasing trend among municipalities to return their electricity, gas and water supply networks to public ownership. For EnBW this could lead to lower earnings from the operation of these grids.

The realisation of the foregoing risks could result in material adverse effects on the net assets, financial position and results of operations of the EnBW Group and have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

### **Operation and decommissioning of nuclear technology plants**

The operation and decommissioning of nuclear technology plants involves various risks. These include the risk of missed deadlines due to delays in receiving approval for transport and storage, as well as risks from delays to dismantling projects due to a change in conditions or planning premises. As a result of the planned transfer of nuclear fuel rods from Obrigheim to Neckarwestheim, there is a risk, on the one hand, of delays to the implementation of the project and, on the other hand, of the possible failure of the project. In addition, there is a risk of a delay in the return of waste to the intermediate storage facilities with possible additional costs as a result of the reprocessed nuclear waste being stored for a longer period of time in Great Britain and France, as well as the risk of further costs for approval and authorisation procedures. This could have negative effects in the medium term in a mid double-digit million euro range.

The costs for identifying storage sites must be borne by the companies generating nuclear power such as EnBW. The legal obligation of operators to bear the costs of finding an alternative site to Gorleben is in dispute. Therefore, the possibility cannot be excluded that the costs for finding final storage sites and constructing the final storage itself could have negative effects after 2018 on the financial position. This may have a considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

According to the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the emplacement of low-level and intermediate-level radioactive waste in the Konrad repository is not expected to commence before 2022. In the event of further delays, resulting in increased intermediate storage requirements, EnBW may be exposed to additional costs.

The realisation of any of the foregoing risks could result in material adverse effects on the net assets, financial position and results of operations of the EnBW Group and have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

### **High-voltage DC transmission technology projects**

EnBW's transmission system operator (TSO), TransnetBW GmbH, plans to set up new high-voltage DC transmission technology (HVDC) with other TSOs. In the projects ULTRANET and SuedLink, there is generally a risk of potential delays and additional costs, as well as the risk that the necessity for these transmission lines might no longer be confirmed in a new Network Development Plan.

The realisation of any of these risks could result in material adverse effects on the net assets, financial position and results of operations of the EnBW Group and on the Issuer's ability to fulfil its obligations under the Notes.

### **Legal risks**

At the end of April 2016, a "Commission to examine the financing of the phase-out of nuclear energy" (*Kommission zur Überprüfung der Finanzierung des Kernenergieausstiegs* – "KFK") appointed by the German government issued recommendations for the amendment of the financing system for the phasing out of nuclear

power. The KFK proposes to transfer the intermediate and final storage of the radioactive waste and the necessary funds for these tasks to the federal state. 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 financing, should remain with the companies.

The KFK envisages that the utility companies should transfer the necessary funds of €17.2 billion plus a risk premium of 35% to the federal state in order to ensure the financing. EnBW would be responsible for around 20% of the payments. EnBW would be able to transfer the necessary amount from its existing financial assets managed to cover the Group's long-term pension and nuclear provisions within an economically feasible period of time. If the proposals made by the KFK are implemented in law, the risk premium then due would have material effects on the financial condition or profitability of EnBW AG or the EnBW Group.

In addition to political, legislative and regulatory risks, contractual relationships are subject to a number of risks which can result in legal disputes. There are also various proceedings, official investigations or procedures as well as other claims pending against EnBW, the success of which is considered very unlikely meaning neither contingent liabilities nor other financial obligations have been recognised. Major disputes include:

After the nuclear fuel rod tax for the years 2011 to 2014 was announced, EnBW submitted lawsuits for each year to the Freiburg Finance Court on the basis that the tax regulation breached German constitutional and European law. The European Court of Justice (ECJ) decided in its ruling of 4 June 2015 that the nuclear fuel rod tax does not contravene European law. The ruling by the German Federal Constitutional Court is independent of the ruling by the ECJ because it is examining whether the tax is compatible with German constitutional law. This ruling is expected during the course of 2016. In case the German Federal Constitutional Law decides this tax is compatible with German constitutional law, the tax might be prolonged. This could lead to an early shutdown of the remaining nuclear power plants. In this case, it would have material adverse effects on the financial position and results of operations of the EnBW Group and on the Issuer's ability to fulfil its obligations under the Notes.

Water concession in Stuttgart: In the court proceedings dealing with the takeover of the water concession, the City of Stuttgart and EnBW are still striving to reach an amicable settlement. The responsible chamber of the Regional Court had presented a proposal to both sides in January 2015 to be used as the basis for the settlement negotiations. The court proceedings have been suspended for the duration of these negotiations. Therefore, there continues to be a general risk in 2016 of losing the concession without receipt of adequate compensation.

The occurrence of one or more legal risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

## **Financial risks**

### **Financial market risks**

In the course of its ordinary operations, the EnBW Group is exposed to financial market risks such as financial asset price, interest rate and currency risks, or credit risks. The volatile financial markets mean that EnBW's financial assets are subject to price risks and other risks of potential losses. Impairment losses have to be recognised on securities if these risks lead to a significant or prolonged decline in the fair value of these investments below their cost.

EnBW's rating is a key driver for the costs of funding and therefore a key risk factor. There is a general risk that the rating agencies may downgrade the credit rating of EnBW if the economic and political conditions deteriorate further or EnBW cannot fulfil the expectations of the agencies.

Market prices of financial assets: The financial assets managed by the asset management are exposed to price changes and other loss risks as a result of the volatile financial market environment. If these risks lead to a significant or prolonged decline in the fair value of these assets, this needs to be recognised in the form of impairments on those securities affected. In the 2015 financial year, impairment losses stood at €35.2 million (previous year: €1.2 million). This could have negative effects in the medium-term on financial position in the medium to high three-digit million euro range.



Margin payments: As a result of fluctuating market prices, margin requirements for stock exchange transactions and bilateral margin agreements can lead to short-term cash outflows. These are settled at the latest when the underlying transactions are fulfilled. As a result, this could have corresponding effects on financial position in the low three-digit million euro range over the medium term.

The occurrence of such risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Changes in Interest Rates**

Key factors influencing the present value of nuclear power and pension obligations are interest and inflation rates.

The uncertain future development of interest rates with its impact on pension provisions may have a negative effect on the financial position in the coming years in the mid to very high three-digit million euro range. This may result in a rating downgrade.

A reduction in the discount rate of nuclear provisions will have a negative effect on the financial position. For this reason, there could be negative effects in the coming years on debt in the mid three-digit million euro range.

The occurrence of such risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Credit risks**

The EnBW Group is exposed to risks in connection with the default of customers or business associates, specifically in the case of them becoming insolvent. The default of customers or business associated risks may have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Liquidity risks**

Risks arise from the process of ensuring adequate liquidity to meet the EnBW Group's financial obligations in due time. The EnBW Group is dependent upon adequate committed and unutilized credit facilities at banks, capital market access as well as unrestricted cash and cash equivalents in order to meet its financial obligations. Margin regulations for stock exchange transactions and bilateral margin agreements may lead to short-term cash outflows as a result of unfavourable market developments.

In the event that the EnBW Group does not have sufficient liquidity, this would result in material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Other risks**

#### **Personnel risks**

A key success factor in EnBW's operating and strategic corporate development is its personnel. In this respect, EnBW is exposed to the risk of not having a sufficient number of employees with the necessary qualifications or skills. When recruiting in the relevant target groups, for example, this risk is primarily caused by competition on the labour market from other companies, exacerbated by demographic developments and stricter conditions for the utility industry. The risk also currently exists that EnBW's ability to respond sufficiently rapidly to changes in market conditions has not yet satisfactorily been formed.

Any of these risks could result in material adverse effects on the net assets, financial position and results of operations of the EnBW Group and on the Issuer's ability to fulfil its obligations under the Notes.

#### **ICT risks**

Information and communication technology ("ICT") has an important role in the production and business processes of the EnBW Group. Innovative and efficient ICT systems are a key success factor for the EnBW Group. For this reason, the security and availability of the ICT network and ICT applications employed are of special importance.

EnBW is exposed to ICT risks in connection with the development, deployment and usage (plan, build, run) of ICT solutions designed to support the business processes. Further risks exist in the context of the storing and usage of business-related data. Unauthorized access to sensitive data from outside, the improper use of such data, or the unintentional forwarding of such data by employees might lead not only to the loss of company secrets, they may also breach data privacy regulations and terms. These kinds of ICT security incidents in the form of an unauthorized flow of confidential information or contravention of the law further can also involve considerable reputational damage.

The occurrence of ICT risks may have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Strategic Risks**

As is the case with any business undertaking, EnBW's strategic development involves risks. Development opportunities always harbour the risk of a potential loss of income. In general, the latter arises from a misinterpretation of customer requirements and framework conditions as well as technological misjudgments.

In particular, the strategy known as "EnBW 2020" as described on page 101 also involves risks of delays and additional expenses.

The occurrence of any of these risks may have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Investments and divestitures**

The EnBW Group is pursuing large-scale projects that are highly complex and involve the interaction of a large number of participants. For this reason, it is impossible to rule out events in the construction process that will lead or could lead to deviations from the planned project schedules involving delays and cost increases. Furthermore, the implementation phase of a project generally entails quality, deadline and cost risks.

EnBW now develops the wind farm EnBW Hohe See in the North Sea. There is a risk that the project will not be pursued, leading to incurred project expenses will have to be written off.

EnBW's divestiture programme involves the sale of assets and companies. In this respect, there is a general risk of it not being able to obtain adequate purchase prices, which may result in write-downs, as well as time delays for the completion of these transactions.

Changes in assumptions concerning the profitability of new and existing shareholdings as well as changes on the evaluation parameters of projects may result in a lower fair value and require write-downs.

The occurrence of one or more of these risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

### **Risks resulting from a change of control**

Some of EnBW's agreements with third parties include change of control clauses, which entitle the relevant counterparty to terminate the agreement in the event of a change of control. In the event that the parties do not come to a mutual agreement, there is a risk that the purchase price will be below the current carrying amount at EnBW. This could result in an adverse effect on the net assets, financial position and results of operations of EnBW Group.

## **Compliance risks**

The EnBW Group is subject to compliance risks in the form of judicial or regulatory penalties; reputation losses due to non-compliance with laws; regulations or internal regulations; potential financial losses deriving from fraudulent activities; and compliance risks in the areas of corruption, data protection, competition and anti-trust law, and fraud.

The occurrence of one or more of these risks could have material adverse effects on the net assets, financial position and results of operations of the EnBW Group and the Issuer's ability to fulfil its obligations under the Notes.

## **Risks relating to the Notes**

An investment in the Notes involves certain risks associated with the characteristics of the Notes. Such risks could result in principal or interest not being paid on time or at all by the Issuer and/or a material impairment of the market price of the Notes. The following is a description of risk factors in relation to the Notes.

### **Notes may not be a suitable investment for all investors**

Each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks, and
- (vi) know that it might be impossible to dispose of the Notes for a substantial period of time, if at all.

### **Long-term securities, Risk of Early Redemption**

The Notes will be redeemed on 5 April 2077, unless they have been previously redeemed or repurchased and cancelled. The Issuer is under no obligation to redeem the Notes at any time before this date. The holders of the Notes (each a "**Holder**") have no right to call for their redemption. At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions of the Notes after the occurrence of a Gross-up Event, a Rating Agency Event, an Accounting Event, a Tax Event, or if 80 per cent. or more in principal amount of the Notes initially issued have been redeemed or purchased, or with effect as of and including 5 January 2022 to (and including) the First Call Date or any Interest Payment Date thereafter. In the event that the Issuer exercises the option to call and redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Certain market expectations may exist among investors in the Notes with regard to the Issuer making use of a right to call the Notes for redemption prior to their scheduled maturity. Should the Issuer's actions diverge from such expectations, the market value of the Notes and the development of an active public market may be adversely affected.

Prospective investors should be aware that they may be required to bear the financial risk of an investment in the Notes for a long period and may not recover their investment before the end of this period.

### **Risk of a partial or total failure of the Issuer to make interest and/or redemption payments**

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A materialisation of the credit risk (for example, because of the materialisation of any of the risks regarding the Issuer and/or the Group) may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

### **Subordination**

The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves and with any Parity Securities, subordinated to all present and future unsubordinated and subordinated obligations of the Issuer, at least *pari passu* with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by mandatory provisions of law; and senior only to the rights and claims of holders of Junior Securities. In a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer, the Holders may recover proportionately less than the holders of unsubordinated obligations of the Issuer. Holders of the Notes will have limited ability to influence the outcome of any insolvency proceeding or a restructuring outside insolvency. In particular, in insolvency proceedings over the assets of the Issuer, holders of subordinated debt, such as the Notes, will not have any right to vote in the assembly of creditors (*Gläubigerversammlung*) pursuant to the German Insolvency Code.

Investors should take into consideration that unsubordinated liabilities may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in winding-up or insolvency proceedings of the Issuer, become unsubordinated liabilities and will therefore be paid in full before payments are made to Holders.

In case of insolvency plan proceedings (*Insolvenzplanverfahren*) the Holders generally would have no voting right on the adoption of an insolvency plan presented by the Issuer, the relevant insolvency administrator or custodian (sections 237 and 246 of the German Insolvency Code). In addition, their claims would be waived after the adoption of the insolvency plan, unless the insolvency plan makes an exception to this general rule (section 225 paragraph 1 German Insolvency Code).

Investors should take into consideration that unsubordinated liabilities may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in winding-up or insolvency proceedings of the Issuer, become unsubordinated liabilities and will therefore be paid in full before payments are made to Holders.

### **No express Events of Default**

The Holders should be aware that the Terms and Conditions of the Notes do not contain any express events of default provisions.

### **No limitation on issuing further debt**

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Notes. The incurrence of any such additional indebtedness may significantly increase the likelihood of a deferral of payments of interest under the Notes and/or may reduce the amount recoverable by Holders in the event of insolvency or liquidation of the Issuer. In addition, under the Notes, the Issuer will not be restricted from issuing or repurchasing its other securities. Holders will not be protected under the terms of the Notes in the event of a

highly leveraged transaction, a reorganisation or a restructuring, merger or similar transaction that may adversely affect the Holders.

### **Liquidity risk**

There is currently no secondary market for the Notes. Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. There can, however, be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

### **Fixed Interest Rate Notes**

The Notes bear interest at a fixed rate to but excluding the First Call Date.

A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell their Notes.

### **Reset of Interest Rate linked to the 5-year EURSFIX swap rate**

From and including the First Call Date to but excluding the Maturity Date, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin.

Investors should be aware that the performance of the 5-year EURSFIX swap rate and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of the 5-year EURSFIX swap rate is an indication of the future development of the 5-year EURSFIX swap rate. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described in the section "Fixed Interest Rate Notes".

### **Optional deferral of interest payments**

The Issuer may elect in its discretion to defer the payment of interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Holders. Such interest will not be due and payable (*fällig*) on that Interest Payment Date.

Holders will not receive any additional interest or compensation for the optional deferral of payment. In particular, the resulting Deferred Interest Payments will not bear interest. Any failure to pay interest as a result of an optional deferral will not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. While the deferral of interest payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Notes.

Any deferral of interest payments or the perception that the Issuer will need to exercise its optional deferral right will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

**Ratings of the Notes, if any, may not reflect all associated risk and may be subject to change at all times**

The Notes are expected to be assigned credit ratings by Moody's and Standard & Poor's. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Other independent credit rating agencies could decide to assign credit ratings to the Notes and such credit ratings may be higher than, the same as or lower than the credit ratings provided by Moody's and Standard & Poor's which could adversely affect the market value and liquidity of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Rating agencies may also change their methodologies for rating securities with features similar to the Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes or the Issuer were to be lowered, this may have a negative impact on the market price of the Notes.

**Currency Risk**

The Notes are denominated in euro. If such currency represents a foreign currency to a Holder, such Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes measured in the Holder's currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

**No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the Interest Commencement Date**

The Terms and Conditions of the Notes are based on German law in effect as at Interest Commencement Date. No assurance can be given as to the impact of any possible judicial decision or change to German law (including German tax laws) or administrative practice or the official application or interpretation of German law after the Interest Commencement Date.

**Risks related to the Sovereign Debt Crisis or other circumstances leading to high volatility in the markets**

Increased government spending, high levels of national debt and loss of trust of market participants in the ability to repay these debts have led to the sovereign debt crisis, affecting the rating of various European States and the yield for sovereign bonds and leading to high volatility in the markets. From and including the First Call Date to but excluding the Maturity Date, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year EURSFIX swap rate for the relevant Reset Period plus a margin. Should a date on which the interest rate for the Notes is determined fall into times of such high volatility due to the sovereign debt crisis or for other reasons, this could have an effect on the interest rate then determined.

**Special Investment Risks- U.S. Foreign Account Tax Compliance Withholding**

Whilst the Notes are in global form and held within a clearing system in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing system. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or

consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA including any IGA legislation, if applicable), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer, nor any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

### **Financial Transaction Tax**

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**"). The FTT as provided under the Draft Directive was originally scheduled to be applicable as of 1 January 2014.

Pursuant to the original proposal under the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Notes should not be subject to the FTT.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Ten EU Member States (including Germany) had announced that they intend to reach an agreement with regard to the FTT by the end of June 2016, focussing initially on the taxation of shares and certain derivatives. Estonia decided that it will not participate. The FTT has not been implemented yet. As to the further implementation of any FTT there is currently no detailed plan or timetable available.

Nevertheless the FTT remains subject to negotiation between the EU Member States and was (and most probably will be) the subject of legal challenge. It may still be adopted and be altered prior to its adoption, the timing of which remains unclear. Moreover, once any directive has been adopted (the "**Directive**"), it will need to be implemented into the respective domestic laws of the participating EU Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

**Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer**

The Notes will be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial

interests only through Euroclear and Clearstream, Luxembourg and the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in the Global Notes.

**Risks in connection with the application of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen, SchVGJ*)**

Since the Terms and Conditions of the Notes provide for meetings of Holders or the taking of votes without a meeting, the Terms and Conditions of the Notes may be amended by majority resolution of the Holders and a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. The rules pertaining to resolutions of Holders are set out in the SchVG and are largely mandatory. Pursuant to the SchVG the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the Aggregate Principal Amount of the Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding. As such majority resolution is binding on all Holders, certain rights of a Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

Since the Terms and Conditions of the Notes provide that the Holders are entitled to appoint a Holders' Representative by a majority resolution of such Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Holders' Representative who is then exclusively responsible to claim and enforce the rights of all the Holders.

**The market value of the Notes could decrease if the creditworthiness of the Group worsens or for other reasons**

The market value of the Notes is, amongst others, influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including, but not limited to, economic and political events in Germany or elsewhere, factors affecting the capital markets in general and the stock exchanges on which the Notes are traded, market interest, rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption on the relevant First Call Date (or a certain period before) or any Interest Payment Date (or a certain period before) thereafter and the price at which a Holder can sell the Notes might be considerably below the issue price or the purchase price paid by such Holder.

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer and/or the Group, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Market participants may in particular have a different perception if market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group adversely change. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Notes is likely to decrease.



## **USE OF PROCEEDS**

In connection with the issue of the Notes, the Issuer will receive net proceeds of approximately EUR 718,105,250. The Issuer intends to use the net proceeds primarily to refinance existing indebtedness and for other general corporate purposes of the Group.

## TERMS AND CONDITIONS OF THE NOTES

### Anleihebedingungen

*Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

#### § 1

##### (Verbriefung und Nennbetrag)

- (1) Währung, Nennbetrag und Form.

Die EnBW Energie Baden-Württemberg AG (die "**Emittentin**") begibt auf den Inhaber lautende, nachrangige, resettable, festverzinsliche Schuldverschreibungen (die "**Schuldverschreibungen**") im Nennbetrag von je EUR 1.000 (der "**Nennbetrag**") und im Gesamtnennbetrag von EUR 725.000.000.

- (2) Globalurkunden und Austausch.

Die Schuldverschreibungen werden zunächst in einer vorläufigen Globalinhaberschuldverschreibung (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft und am oder um den Tag der Begebung der Schuldverschreibungen bei einer gemeinsamen Verwahrstelle für Clearstream Banking S.A., Luxemburg und Euroclear Bank SA/NV (beide gemeinsam nachstehend als "**Clearingsystem**" bezeichnet) hinterlegt. Die Vorläufige Globalurkunde wird nicht vor Ablauf von 40 und spätestens nach Ablauf von 180 Tagen nach dem Tag der Begebung der Schuldverschreibungen gegen Vorlage einer Bestätigung über das Nichtbestehen U.S.-amerikanischen wirtschaftlichen Eigentums (*beneficial ownership*) an den Schuldverschreibungen gemäß den Regeln und Betriebsabläufen des Clearingsystems gegen eine endgültige Globalinhaberschuldverschreibung (die "**Dauer-Globalurkunde**") und, gemeinsam mit der Vorläufigen Globalurkunde, jeweils eine "**Globalurkunde**") ohne Zinsscheine ausgetauscht. Zahlungen auf eine Vorläufige Globalurkunde erfolgen nur gegen Vorlage einer solchen Bestätigung. Einzelurkunden oder Zinsscheine werden nicht ausgegeben.

### Terms and Conditions

*These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.*

#### § 1

##### (Form and Denomination)

- (1) Currency, Denomination and Form.

EnBW Energie Baden-Württemberg AG (the "**Issuer**") issues subordinated, resettable, fixed rate bearer notes (the "**Notes**") in a denomination of EUR 1,000 each (the "**Principal Amount**") in the aggregate principal amount of EUR 725,000,000.

- (2) Global Notes and Exchange.

The Notes will initially be represented by a temporary global bearer note (the "**Temporary Global Note**") without coupons which will be deposited with a common depositary for Clearstream Banking S.A., Luxembourg and Euroclear Bank SA/NV (together hereinafter referred to as the "**Clearing System**") on or around the date of issue of the Notes. The Temporary Global Note will be exchangeable for a permanent global bearer Note (the "**Permanent Global Note**") and, together with the Temporary Global Note, each a "**Global Note**") without coupons not earlier than 40 and not later than 180 days after the date of issue of the Notes upon certification as to non-U.S. beneficial ownership in accordance with the rules and operating procedures of the Clearing System. Payments on a Temporary Global Note will only be made against presentation of such certification. No definitive Notes or interest coupons will be issued.

- (3) Den Inhabern der Schuldverschreibungen (die "Anleihegläubiger") stehen Miteigentumsanteile bzw. Rechte an der Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

**§ 2  
(Status)**

- (1) Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die
- (a) untereinander und mit Gleichrangigen Wertpapieren gleichrangig sind,
  - (b) nachrangig gegenüber allen gegenwärtigen und zukünftigen nicht nachrangigen und nachrangigen Verbindlichkeiten der Emittentin sind,
  - (c) mit allen anderen gegenwärtigen und zukünftigen nicht besicherten Verbindlichkeiten, die nachrangig gegenüber allen nicht nachrangigen Verbindlichkeiten der Emittentin sind, gleichrangig sind, soweit nicht zwingende gesetzliche Bestimmungen solche anderen nachrangigen Verbindlichkeiten nicht im Rang besser stellen; und
  - (d) im Rang nur den Ansprüchen und Rechten von Inhabern von Nachrangigen Wertpapieren vorgehen.

Im Fall der Auflösung, der Liquidation, der Insolvenz oder eines der Abwendung der Insolvenz der Emittentin dienenden Verfahrens stehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen allen nicht nachrangigen und allen nachrangigen Verbindlichkeiten der Emittentin im Rang nach, so dass Zahlungen auf die Schuldverschreibungen erst erfolgen, wenn alle Ansprüche gegen die Emittentin aus Verbindlichkeiten, die den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nach Maßgabe dieses § 2 oder kraft Gesetzes im Rang vorgehen, vollständig befriedigt sind; erst nach Befriedigung aller der vorgenannten Ansprüche und der Verbindlichkeiten aus den Schuldverschreibungen können die

- (3) The holders of the Notes (the "**Holders**") are entitled to proportional co-ownership interests or rights in the Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

**§ 2  
(Status)**

- (1) The obligations of the Issuer under the Notes constitute unsecured obligations of the Issuer ranking
- (a) *pari passu* among themselves and with any Parity Securities,
  - (b) subordinated to all present and future unsubordinated and subordinated obligations of the Issuer,
  - (c) *pari passu* with all other present and future unsecured obligations of the Issuer ranking subordinated to all unsubordinated and subordinated obligations of the Issuer, except for any subordinated obligations required to be preferred by mandatory provisions of law; and
  - (d) senior only to the rights and claims of holders of Junior Securities.

In the event of the dissolution, liquidation, insolvency or any proceeding to avoid insolvency of the Issuer, the obligations of the Issuer under the Notes will be subordinated to all unsubordinated and all subordinated obligations of the Issuer so that in any such event payments will not be made under the Notes until all claims against the Issuer which pursuant to this § 2 are expressed to, or by operation of law, rank senior to the obligations of the Issuer under the Notes will first have been satisfied in full; only after all of the aforementioned claims and claims under the Notes will first have been satisfied any remaining assets may be distributed to the holders of the Junior Securities of the Issuer.

verbleibenden Vermögenswerte an die Eigner der Nachrangigen Wertpapiere der Emittentin verteilt werden.

**"Gleichrangiges Wertpapier"** jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das (i) von der Emittentin begeben ist und gleichrangig mit den Schuldverschreibungen ist oder als im Verhältnis zu den Schuldverschreibungen gleichrangig vereinbart ist, einschließlich der Subordinated Resettable Fixed Rate Notes fällig 2072 der Emittentin, ISIN XS0674277933, der Subordinated Resettable Fixed Rate Notes fällig 2076, ISIN XS1044811591 und der Subordinated Resettable Fixed Rate Notes fällig 2077, ISIN XS1498442521, oder (ii) von einer Tochtergesellschaft begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verpflichtungen der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme im Verhältnis zu den Verpflichtungen der Emittentin aus den Schuldverschreibungen gleichrangig sind.

**"Nachrangiges Wertpapier"** bezeichnet (i) die Stammaktien der Emittentin, (ii) jede Aktie einer anderen Gattung von Aktien der Emittentin, die mit den Stammaktien der Emittentin gleichrangig ist, (iii) jedes andere Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den unter (i) und (ii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft begeben ist, und das von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) beschriebenen Instrumenten der Emittentin gleichrangig oder als gleichrangig vereinbart sind.

**"Parity Security"** means any present or future security, registered security or other instrument which (i) is issued by the Issuer and ranks or is expressed to rank *pari passu* with the Notes, including the Issuer's Subordinated Resettable Fixed Rate Notes due 2072, ISIN XS0674277933, the Subordinated Resettable Fixed Rate Notes due 2076, ISIN XS1044811591 and the Subordinated Resettable Fixed Rate Notes due 2077, ISIN XS1498442521, or (ii) is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer's obligations under the Notes.

**"Junior Security"** means (i) the ordinary shares of the Issuer, (ii) any share of any other class of shares of the Issuer ranking *pari passu* with the ordinary shares of the Issuer, (iii) any other security, registered security or other instrument of the Issuer the Issuer's obligations under which rank or are expressed to rank *pari passu* with the instruments of the Issuer described under (i) and (ii) and (iv) any present or future security, registered security or other instrument which is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee or other assumption of liability rank or are expressed to rank *pari passu* with the instruments of the Issuer described under (i), (ii) and (iii).

**"Tochtergesellschaft"** bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

- (2) Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen, und die Emittentin ist nicht berechtigt, etwaige Forderungen, welche sie gegen einen Anleihegläubiger hat, gegen Forderungen dieses Anleihegläubigers aus den Schuldverschreibungen aufzurechnen.

### § 3 (Zinsen)

- (1) Zinslauf

Im Zeitraum ab dem 5. Oktober 2016 (der **"Zinslaufbeginn"**) (einschließlich) bis zum Zinslaufende gemäß § 3(3) werden die Schuldverschreibungen bezogen auf den Gesamtnennbetrag in Höhe des Zinssatzes (wie nachstehend definiert) verzinst. Während dieses Zeitraums sind Zinsen nachträglich am 5. April eines jeden Jahres zur Zahlung vorgesehen, erstmals am 5. April 2017 (kurze erste Zinsperiode) und vorbehaltlich einer vorzeitigen Rückzahlung oder eines Rückkaufs und anschließenden Entwertung letztmals am Endfälligkeitstermin (jeweils ein **"Zahlungstag"**), und werden nach Maßgabe der in § 4(1) dargelegten Bedingungen fällig.

- (2) Zinssatz.

- (a) Der **"Zinssatz"** entspricht

- (i) vom Zinslaufbeginn (einschließlich) bis zum 5. April 2022 (der **"Erste Rückzahlungstermin"**) (ausschließlich) einem Zinssatz in Höhe von jährlich 3,375 %;
- (ii) vom Ersten Rückzahlungstermin (einschließlich) bis zum 5. April 2027 (der **"Erste Modifizierte Reset-Termin"**) (ausschließlich) dem Reset-Zinssatz für den betreffenden Reset-Zeitraum;
- (iii) vom Ersten Modifizierten Reset-Termin

**"Subsidiary"** means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50 per cent. of the capital or the voting rights.

- (2) The Holders may not set off any claim arising under the Notes against any claim that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Holder against any claims of such Holder under the Notes.

### § 3 (Interest)

- (1) Interest accrual.

In the period from and including 5 October 2016 (the **"Interest Commencement Date"**) to the cessation of interest accrual in accordance with § 3(3) the Notes bear interest on their aggregate principal amount at the Rate of Interest (as defined below). During such period, interest is scheduled to be paid annually in arrear on 5 April of each year, commencing on 5 April 2017 (short first coupon) with the last interest payment scheduled to be paid on the Maturity Date (subject to early redemption or repurchase and cancellation) (each an **"Interest Payment Date"**), and will be due and payable (*fällig*) in accordance with the conditions set out in § 4(1).

- (2) Interest rate.

- (a) The **"Rate of Interest"** will be

- (i) from and including the Interest Commencement Date to but excluding 5 April 2022 (the **"First Call Date"**) a rate of 3.375 per cent. per annum;
- (ii) from and including the First Call Date to but excluding 5 April 2027 (the **"First Modified Reset Date"**) the Reset Interest Rate for the relevant Reset Period;
- (iii) from and including the First Modified

- (einschließlich) bis zum 5. April 2042 (der "**Zweite Modifizierte Reset-Termin**") (ausschließlich) dem Ersten Modifizierten Reset-Zinssatz für den betreffenden Reset-Zeitraum; und
- (iv) vom Zweiten Modifizierten Reset-Termin (einschließlich) bis zum Endfälligkeitstermin (ausschließlich) dem Zweiten Modifizierten Reset-Zinssatz für den betreffenden Reset-Zeitraum.
- (b) Der "**Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 362,9 Basispunkte per annum, wie von der Berechnungsstelle festgelegt.
- (c) Der "**Erste Modifizierte Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 387,9 Basispunkte per annum, wie von der Berechnungsstelle festgelegt.
- (d) Der "**Zweite Modifizierte Reset-Zinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich 462,9 Basispunkte per annum, wie von der Berechnungsstelle festgelegt.
- (e) Die Berechnungsstelle wird den Reset-Zinssatz für die Schuldverschreibungen am Zinsfeststellungstag bestimmen und veranlassen, dass dieser der Emittentin, der Hauptzahlstelle und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 11(2) unverzüglich, aber keinesfalls später als am achten auf dessen Bestimmung folgenden Geschäftstag mitgeteilt wird.
- (f) Die Zinsen für einen beliebigen Zeitraum werden auf der Grundlage des Zinstagequotienten berechnet.
- "**Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**"):
- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die
- Reset Date to but excluding 5 April 2042 (the "**Second Modified Reset Date**") the First Modified Reset Interest Rate for the relevant Reset Period; and
- (iv) from and including the Second Modified Reset Date to but excluding the Maturity Date the Second Modified Reset Interest Rate for the relevant Reset Period.
- (b) The "**Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 362.9 basis points per annum, as determined by the Calculation Agent.
- (c) The "**First Modified Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 387.9 basis points per annum, as determined by the Calculation Agent.
- (d) The "**Second Modified Reset Interest Rate**" will be the Reference Rate for the relevant Reset Period plus 462.9 basis points per annum, as determined by the Calculation Agent.
- (e) The Calculation Agent will, on the Interest Determination Date, determine the Reset Rate of Interest and cause the same to be notified to the Issuer, the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are then listed, to such stock exchange, and to the Holders in accordance with § 11(2) without undue delay, but, in any case, not later than on the eighth Business Day after its determination.
- (f) Interest for any period of time will be calculated on the basis of the Day Count Fraction.
- "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (the "**Calculation Period**"):
- (i) if the Calculation Period is equal to or shorter than the Determination Period

er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl von Tagen in der betreffenden Feststellungsperiode; und

(ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

(A) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (x) der Anzahl der Tage in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und

(B) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (x) der Anzahl der Tage in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.

Dabei gilt folgendes:

**"Feststellungsperiode"** bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

**"Feststellungstermin"** bezeichnet jeden 5. April.

(3) Zinslaufende.

Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf diese Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages der tatsächlichen Zahlung. Der in einem

during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year.

Where:

**"Determination Period"** means each period from and including a Determination Date in any year to but excluding the next Determination Date.

**"Determination Date"** means each 5 April.

(3) Cessation of interest accrual.

The Notes will cease to bear interest from the beginning of the day their principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is made. In such case the applicable rate of interest will be determined pursuant to

solchen Fall jeweils anzuwendende Zinssatz wird gemäß diesem § 3 bestimmt.

(4) Definitionen.

Der "**Referenzsatz**" für einen Reset-Zeitraum wird von der Berechnungsstelle an dem jeweiligen Zinsfeststellungstag (wie nachstehend definiert) vor dem Reset-Termin, an dem der betreffende Reset-Zeitraum beginnt (der "**Referenz-Reset-Termin**"), festgelegt und ist

- (i) der als Prozentsatz ausgedrückte 5-Jahres EURSFIX Swapsatz per annum; oder
- (ii) falls eine für die Festlegung des 5-Jahres EURSFIX Swapsatzes benötigte Information am jeweiligen Zinsfestlegungstag nicht auf der Bildschirmseite erscheint, der 5-Jahres Reset-Referenzbankensatz an diesem Zinsfestlegungstag,

wobei alle Festlegungen durch die Berechnungsstelle vorgenommen werden.

Dabei gilt Folgendes:

"**5-Jahres EURSFIX Swapsatz**" bezeichnet den um 11:00 Uhr (Frankfurter Zeit) gefixten, als Prozentsatz ausgedrückten Swapsatz per annum bezüglich in Euro denominierter Swap-Transaktionen mit einer Laufzeit von 5 Jahren, der auf der Bildschirmseite am jeweiligen Zinsfestlegungstag gegen 11:00 Uhr (Frankfurter Zeit) angezeigt wird.

Der "**5-Jahres Reset-Referenzbankensatz**" ist der Prozentsatz, der auf Basis der 5-Jahres Mid Swapsatz-Quotierungen, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden Swap-Händlern im Interbankenhandel (die "**Reset-Referenzbanken**") gestellt werden, am Zinsfestlegungstag von der Berechnungsstelle festgelegt wird. Wenn mindestens drei 5-Jahres Mid Swapsatz-Quotierungen genannt werden, wird der 5-Jahres Reset-Referenzbankensatz das arithmetische Mittel der 5-Jahres Mid Swapsatz-Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung

this § 3.

(4) Definitions.

The "**Reference Rate**" for a Reset Period will be determined by the Calculation Agent on the relevant Interest Determination Date (as defined below) prior to the Reset Date on which the relevant Reset Period commences (the "**Reference Reset Date**") and will be

- (i) the 5-year EURSFIX Swap Rate expressed as a percentage per annum; or
- (ii) in the event that any of the information required for the purposes of the determination of the 5-year EURSFIX Swap Rate does not appear on the Screen Page on the relevant Interest Determination Date, the 5-year Reset Reference Bank Rate on that Interest Determination Date,

in each case as determined by the Calculation Agent.

Where:

"**5-year EURSFIX Swap Rate**" means the annual swap rate which is fixed at 11:00 a.m. (Frankfurt time) and is expressed as a percentage per annum for euro swap transactions with a maturity of 5 years which appears on the Screen Page on the relevant Interest Determination Date at or around 11:00 a.m. (Frankfurt time).

"**5-year Reset Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the basis of the 5-year Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market (the "**Reset Reference Banks**") to the Calculation Agent at approximately 11.00 a.m. (Frankfurt time) on the Interest Determination Date. If at least three 5-year Mid Swap Rate Quotations are provided, the 5-year Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two 5-year Mid Swap Rate Quotations are



(bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Falls nur zwei 5-Jahres Mid Swapsatz-Quotierungen zur Verfügung gestellt werden, ist der 5-Jahres Reset-Referenzbankensatz das rechnerische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine 5-Jahres Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der 5-Jahres Reset-Referenzbankensatz die zur Verfügung gestellte Quotierung. Falls keine 5-Jahres Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der 5-Jahres Reset-Referenzbankensatz der letzte Mid Swap-Satz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren, ausgedrückt auf jährlicher Basis, der auf der Bildschirmseite verfügbar ist.

Dabei bezeichnet "**5-Jahres Mid Swapsatz-Quotierungen**" das arithmetische Mittel der nachgefragten und angebotenen Prozentsätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-Berechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am jeweiligen Reset-Termin beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite EURSFIXA. Hat die Bildschirmseite dauerhaft aufgehört, den 5-Jahres EURSFIX Swapsatz anzugeben, ist diese Quotierung jedoch auf einer anderen von der Berechnungsstelle nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die "**Ersatzbildschirmseite**"), wird die Ersatzbildschirmseite zum Zweck der Festlegung des 5-Jahres EURSFIX Swapsatzes eingesetzt.

"**Geschäftstag**" bezeichnet einen Tag, an dem alle maßgeblichen Stellen des Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) Systems Geschäfte tätigen.

provided, the 5-year Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one 5-year Mid Swap Rate Quotation is provided, the 5-year Reset Reference Bank Rate will be the quotation provided. If no 5-year Mid Swap Rate Quotation is provided, the 5-year Reset Reference Bank Rate will be equal to the last available 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Screen Page.

Where "**5-year Mid Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of 5 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis).

"**Screen Page**" means Reuters Screen Page EURSFIXA. If the Screen Page permanently ceases to quote the 5-year EURSFIX Swap Rate but such quotation is available from another page selected by the Calculation Agent in equitable discretion (the "**Replacement Screen Page**"), the Replacement Screen Page must be used for the purpose of the calculation of the 5-year EURSFIX Swap Rate.

"**Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) system are operational.

**"Reset-Termin"** bezeichnet jeweils den Ersten Rückzahlungstermin, den 5. April 2027, den 5. April 2032, den 5. April 2037, den 5. April 2042, den 5. April 2047, den 5. April 2052, den 5. April 2057, den 5. April 2062, den 5. April 2067 und den 5. April 2072.

**"Reset-Zeitraum"** bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich) und, im Fall des letzten Reset-Zeitraums ab dem letzten Reset-Termin (einschließlich) bis zu dem Endfälligkeitstag (ausschließlich).

**"Zinsfeststellungstag"** bezeichnet den zweiten Geschäftstag vor dem jeweiligen Referenz-Reset-Termin.

#### § 4

##### **(Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen; Zahlung Aufgeschobener Zinszahlungen)**

- (1) Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.
- (a) Zinsen werden für jede Zinsperiode an dem unmittelbar auf diese Zinsperiode folgenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 11 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung auszusetzen.

Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 4(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen (**"Aufgeschobene**

**"Reset Date"** means each of the First Call Date, 5 April 2027, 5 April 2032, 5 April 2037, 5 April 2042, 5 April 2047, 5 April 2052, 5 April 2057, 5 April 2062, 5 April 2067 and 5 April 2072.

**"Reset Period"** means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date and, in the case of the final Reset Period, from and including the final Reset Date to but excluding the Maturity Date.

**"Interest Determination Date"** means the second Business Day prior to the relevant Reference Reset Date.

#### § 4

##### **(Due date for interest payments; Deferral of interest payments; Payment of Deferred Interest Payments)**

- (1) Due date for interest payments; optional interest deferral.
- (a) Interest for each Interest Period will be due and payable (*fällig*) on the Interest Payment Date immediately following such Interest Period, unless the Issuer elects, by giving not less than 10 and not more than 15 Business Days' notice to the Holders prior to the relevant Interest Payment Date in accordance with § 11, to defer the relevant payment of interest.

If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay interest on such Interest Payment Date. Any such failure to pay interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 4(1)(a) will constitute deferred interest payments (**"Deferred Interest**

**Zinszahlungen").**

"**Zinsperiode**" bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinszahlungstag (ausschließlich).

- (b) Aufgeschobene Zinszahlungen werden nicht verzinst.
- (2) Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.

Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt oder teilweise nach Bekanntmachung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen nachzuzahlen, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin (der "**Freiwillige Nachzahlungstermin**") enthalten muss.

- (3) Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.

Die Emittentin ist verpflichtet, ausstehende Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am nächsten Pflichtnachzahlungstag zu zahlen.

"**Pflichtnachzahlungstag**" bezeichnet den frühesten der folgenden Tage:

- (i) den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem ein Obligatorisches Nachzahlungsereignis eingetreten ist;
- (ii) den Tag, an dem die Emittentin aufgelaufene Zinsen, die keine Aufgeschobenen Zinszahlungen sind, auf die Schuldverschreibungen zahlt;
- (iii) den Tag, an dem die Emittentin oder eine Tochtergesellschaft eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Gleichrangiges Wertpapier zahlt;
- (iv) den Tag, an dem die Emittentin oder

**Payments").**

"**Interest Period**" means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date.

- (b) Deferred Interest Payments will not bear interest.
- (2) Optional Settlement of Deferred Interest Payments.

The Issuer will be entitled to pay outstanding Deferred Interest Payments (in whole or in part) at any time on giving not less than 10 and not more than 15 Business Days' notice to the Holders in accordance with § 11 which notice will specify (i) the amount of Deferred Interest Payments to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

- (3) Mandatory payment of Deferred Interest Payments.

The Issuer must pay outstanding Deferred Interest Payments (in whole but not in part) on the next Mandatory Settlement Date.

"**Mandatory Settlement Date**" means the earliest of:

- (i) the date falling five Business Days after the date on which a Compulsory Settlement Event has occurred;
- (ii) the date on which the Issuer pays scheduled interest on the Notes which does not constitute a Deferred Interest Payment;
- (iii) the date on which the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Parity Security;
- (iv) the date on which the Issuer or any

eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückzahlt, oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft ein Gleichrangiges Wertpapier zurückkauft oder anderweitig erwirbt (jeweils direkt oder indirekt);

(v) den Tag an dem die Emittentin Schuldverschreibungen gemäß diesen Anleihebedingungen zurückzahlt oder den Tag, der fünf Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) Schuldverschreibungen zurückkauft oder anderweitig erwirbt; und

(vi) den Tag, an dem eine Entscheidung hinsichtlich der Auseinandersetzung, Liquidation oder Auflösung der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt),

mit der Maßgabe, dass

(x) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Gleichrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;

(y) in den vorgenannten Fällen (iv) und (v) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder die betreffende Tochtergesellschaft (jeweils direkt oder indirekt) ein Gleichrangiges Wertpapier oder Schuldverschreibungen (insgesamt oder teilweise) nach einem

Subsidiary redeems any Parity Security, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security;

(v) the date on which the Issuer redeems Notes in accordance with these Terms and Conditions, or the date falling five Business Days after the date on which the Issuer or any Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) Notes; and

(vi) the date on which an order is made for the winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer),

provided that

(x) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition;

(y) in the cases (iv) and (v) above no Mandatory Settlement Date occurs if the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any Parity Security or any Notes (in whole or in part) in a public tender offer or

öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot mit einer unter dem Nennwert liegenden Gegenleistung je Gleichrangigem Wertpapier bzw. je Schuldverschreibung zurückkauft oder anderweitig erwirbt; und

- (z) in den vorgenannten Fällen (iii) und (iv) kein Pflichtnachzahlungstag vorliegt, wenn die betreffenden Zahlungen auf oder in Bezug auf ein Gleichrangiges Wertpapier Konzerninterne Zahlungen sind.

(4) Definitionen.

In diesen Anleihebedingungen gilt Folgendes:

**"Konzerninterne Zahlungen"** sind Zahlungen, die ausschließlich an die Emittentin und/oder an eine oder mehrere ihrer Tochtergesellschaften erfolgen.

Ein **"Obligatorisches Nachzahlungsereignis"** bezeichnet vorbehaltlich des nachstehenden Satzes 2 jedes der folgenden Ereignisse:

- (i) die ordentliche Hauptversammlung der Emittentin beschließt, eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf eine Aktie einer beliebigen Gattung der Emittentin zu leisten (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin);
- (ii) die Emittentin oder eine Tochtergesellschaft zahlt eine Dividende, sonstige Ausschüttung oder sonstige Zahlung auf ein Nachrangiges Wertpapier (mit Ausnahme einer Dividende, Ausschüttung oder Zahlung in Form von Stammaktien der Emittentin); oder
- (iii) die Emittentin oder eine Tochtergesellschaft (jeweils direkt oder indirekt) zahlt oder kauft ein Nachrangiges Wertpapier zurück oder erwirbt es auf andere Weise.

In den vorgenannten Fällen (ii) und (iii) tritt

public exchange offer at a consideration per Parity Security or, as applicable, per Note below its par value; and

- (z) in the cases (iii) and (iv) above no Mandatory Settlement Date occurs if the relevant payments on, or in respect of, any Parity Security are Intra-Group Payments.

(4) Definitions.

For the purposes of these Terms and Conditions:

**"Intra-Group Payments"** means payments made exclusively to the Issuer and/or one or more of its Subsidiaries.

**"Compulsory Settlement Event"** means any of the following events, subject to the proviso in sentence 2 below:

- (i) the ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer resolves on the payment of any dividend, other distribution or other payment on any share of any class of the Issuer (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer);
- (ii) the Issuer or any Subsidiary pays any dividend, other distribution or other payment in respect of any Junior Security (other than a dividend, distribution or payment which is made in the form of ordinary shares of the Issuer); or
- (iii) the Issuer or any Subsidiary redeems, repurchases or otherwise acquires (in each case directly or indirectly) any Junior Security.

The cases (ii) and (iii) above are subject to the

jedoch kein Obligatorisches Nachzahlungsereignis ein, wenn

- (x) die Emittentin oder die betreffende Tochtergesellschaft nach Maßgabe der Bedingungen des betreffenden Nachrangigen Wertpapiers zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist;
- (y) die Emittentin oder die betreffende Tochtergesellschaft eine Aktie einer beliebigen Gattung der Emittentin oder ein Nachrangiges Wertpapier nach Maßgabe eines bestehenden oder zukünftigen Aktienoptions- oder Aktienbeteiligungsprogramms oder ähnlichen Programms für Mitglieder des Vorstands oder des Aufsichtsrats (oder, im Falle verbundener Unternehmen, ähnlicher Gremien) oder Mitarbeiter der Emittentin oder mit ihr verbundener Unternehmen (jeweils direkt oder indirekt) zurückkauft oder anderweitig erwirbt; oder
- (z) die betreffenden Zahlungen auf oder in Bezug auf ein Nachrangiges Wertpapier Konzerninterne Zahlungen sind.

## § 5

### (Rückzahlung und Rückkauf)

- (1) Rückzahlung des Kapitals bei Endfälligkeit.  
Sofern nicht bereits zuvor zurückgezahlt oder zurückgekauft, wird die Emittentin den Gesamtnennbetrag der ausstehenden Schuldverschreibungen am 5. April 2077 (der "**Endfälligkeitstag**") zurückzahlen.
- (2) Rückkauf.  
Die Emittentin oder eine Tochtergesellschaft, soweit gesetzlich zulässig, jederzeit Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.
- (3) Rückzahlung nach Wahl der Emittentin.  
Die Emittentin kann die Schuldverschreibungen (insgesamt und nicht

proviso that no Compulsory Settlement Event occurs if

- (x) the Issuer or the relevant Subsidiary is obliged under the terms and conditions of such Junior Security to make such payment, such redemption, such repurchase or such other acquisition;
- (y) the Issuer or the relevant Subsidiary repurchases or otherwise acquires (in each case directly or indirectly) any share of any class of the Issuer or any Junior Security pursuant to the obligations of the Issuer under any existing or future stock option or stock ownership programme or similar programme for any members of the executive board or supervisory board (or, in the case of affiliates, comparable boards) or employees of the Issuer or any of its affiliates; or
- (z) the relevant payments on, or in respect of, any Junior Securities are Intra-Group Payments.

## § 5

### (Redemption and Repurchase)

- (1) Repayment of Principal at Maturity.  
Unless previously redeemed or repurchased, Issuer will repay the aggregate principal amount of the Notes outstanding on 5 April 2077 (the "**Maturity Date**").
- (2) Repurchase.  
Subject to applicable laws, the Issuer or any Subsidiary may at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.
- (3) Redemption at the Option of the Issuer.  
The Issuer may, upon giving notice in accordance with § 5(5), call the Notes for

nur teilweise) mit Wirkung zu jedem Tag während des Zeitraums ab dem 5. Januar 2022 (einschließlich) bis zum Ersten Rückzahlungstermin (einschließlich) oder mit Wirkung zu jedem nachfolgenden Zinszahlungstag durch Erklärung gemäß § 5(5) kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

- (4) Rückzahlung nach Eintritt eines Gross-up Ereignisses, eines Steuerereignisses, eines Rechnungslegungsereignisses oder eines Ratingagenturereignisses oder bei geringem ausstehenden Gesamtnennbetrag

(a) *Gross-up Ereignis.*

Die Emittentin ist jederzeit berechtigt, durch Erklärung gemäß § 5(5) die Schuldverschreibungen (insgesamt und nicht nur teilweise) nach Eintritt eines Gross-Up Ereignisses mit Wirkung zu dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Ein "**Gross-up Ereignis**" tritt ein, wenn die Emittentin am oder nach dem Tag der Begebung der Schuldverschreibungen ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer ihrer

redemption (in whole but not in part) with effect as of any date during the period from and including 5 January 2022 to and including the First Call Date or with effect as of any Interest Payment Date thereafter. In the case such call notice is given, the Issuer will redeem the remaining Notes at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3) on the specified redemption date.

- (4) Redemption following a Gross-up Event, a Tax Event, an Accounting Event or a Rating Agency Event, or in case of minimal outstanding aggregate principal amount.

(a) *Gross-up Event.*

At any time the Issuer may upon giving notice in accordance with § 5(5) call the Notes for redemption (in whole but not in part) following the occurrence of a Gross-Up Event with effect as of the date fixed for redemption in the notice pursuant to § 5(5). In the case such call notice is given, the Issuer will redeem the remaining Notes on the specified redemption date at the Principal Amount plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred Interest Payments payable pursuant to § 4(3).

A "**Gross-up Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to § 7 as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any authority of or in the

Gebietskörperschaften oder Behörden oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 7 zu zahlen und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

Die Bekanntmachung der vorzeitigen Rückzahlung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge gemäß § 7 zu zahlen.

- (b) Rückzahlung nach Eintritt eines Steuerereignisses, eines Rechnungslegungsereignisses oder eines Ratingagenturereignisses oder bei geringem ausstehenden Gesamtnennbetrag.

Wenn

- (i) ein Ratingagenturereignis eintritt; oder
- (ii) ein Rechnungslegungsereignis eintritt; oder
- (iii) ein Steuerereignis eintritt; oder
- (iv) die Emittentin oder eine Tochtergesellschaft Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben oder zurückgezahlt hat,

dann ist die Emittentin berechtigt, durch Erklärung gemäß § 5(5) die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Erklärung gemäß § 5(5) für die Rückzahlung festgelegten Tag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin (i) zu 101 % des Nennbetrages, falls die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, und (ii) zum Nennbetrag, falls die Rückzahlung an oder nach dem Ersten Rückzahlungstermin erfolgt, jeweils zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibungen aufgelaufenen, aber

Federal Republic of Germany, or as a result of any change in or amendment to any official interpretation or application of those laws or rules or regulations, and that obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

No such notice of early redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts pursuant to § 7.

- (b) Redemption following the occurrence of a Tax Event, an Accounting Event or a Rating Agency Event or in case of minimal outstanding aggregate principal amount.

If

- (i) a Rating Agency Event occurs; or
- (ii) an Accounting Event occurs; or
- (iii) a Tax Event occurs; or
- (iv) the Issuer or any Subsidiary has purchased or redeemed Notes equal to or in excess of 80 per cent. of the aggregate Principal Amount of the Notes initially issued,

the Issuer may, upon giving notice in accordance with § 5(5), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice pursuant to § 5(5). In the case such call notice is given, the Issuer will redeem the remaining Notes on the specified redemption date (i) at 101.00 per cent. of the Principal Amount if the redemption occurs prior to the First Call Date and (ii) at the Principal Amount if the redemption occurs on or after the First Call Date, in each case plus any accrued and unpaid interest on the Notes to but excluding the date of redemption and, for the avoidance of doubt, any Deferred



noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 4(3) fälligen Aufgeschobenen Zinszahlungen, zurückzuzahlen.

Ein "**Ratingagenturereignis**" tritt ein, wenn entweder:

- (x) eine Ratingagentur eine Veränderung in der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie veröffentlicht, wodurch die Schuldverschreibungen nicht mehr länger in derselben oder einer höheren Eigenkapitalanrechnung (oder eine vergleichbare Beschreibung, die von der Ratingagentur in Zukunft genutzt wird, um zu beschreiben in wieweit die Bedingungen eines Instruments die vorrangigen Verbindlichkeiten der Emittentin unterstützen) wie an dem Tag der Begebung der Schuldverschreibungen einzuordnen sind oder, wenn keine Eigenkapitalanrechnung zum Zinslaufbeginn von der Ratingagentur bestimmt wurde, zu dem Tag, an dem erstmals die Eigenkapitalanrechnung von der Ratingagentur bestimmt wird (ein "**Verlust der Eigenkapitalanrechnung**"), oder
- (y) die Emittentin eine schriftliche Bestätigung von einer Ratingagentur erhalten und diese an die Hauptzahlstelle in Kopie weitergegeben hat, welche besagt, dass aufgrund einer Änderung der Methodologie für Hybridkapital oder der Interpretation dieser Methodologie, ein Verlust der Eigenkapitalanrechnung erfolgt ist,

und die Emittentin die Gläubiger über das Ratingereignis gemäß § 13 informiert hat bevor die Mitteilung der Rückzahlung (wie oben beschrieben) bekanntgemacht wurde.

"**Ratingagentur**" bezeichnet jeweils Moody's und S&P, wobei "**Moody's**" Moody's Investors Services Limited oder eine ihrer Nachfolgesellschaften bezeichnet und "**S&P**" Standard & Poor's Rating Services, eine Abteilung der McGraw-Hill Companies, Inc., bezeichnet, oder eine andere durch die

Interest Payments payable pursuant to § 4(3).

A "**Rating Agency Event**" will occur if either:

- (x) any Rating Agency publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Notes would no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Notes at the date of issue of the Notes, or if "equity credit" is not assigned on the Interest Commencement Date by such Rating Agency, at the date when the equity credit is assigned for the first time by such Rating Agency (a "**Loss in Equity Credit**"), or
- (y) the Issuer has received, and has provided the Principal Paying Agent with a copy of, a written confirmation from any Rating Agency that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred,

and the Issuer has given notice to the Holders in accordance with § 13 of such Rating Event prior to giving the notice of redemption referred to above.

"**Rating Agency**" means each of Moody's and S&P, where "**Moody's**" means Moody's Investors Services Limited or any of its successors, and "**S&P**" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any other rating agency of equivalent international

Emittentin bezeichnete Ratingagentur mit gleichwertiger internationaler Anerkennung sowie jeweils ihre Tochter- oder Nachfolgegesellschaften.

Ein "**Rechnungslegungsereignis**" liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin handelt, der Emittentin ein Gutachten übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze die durch die Ausgabe der Schuldverschreibungen beschafften Gelder nicht oder nicht mehr als "Verbindlichkeit" gemäß den International Financial Reporting Standards ("**IFRS**") bzw. anderen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihrer konsolidierten Jahresabschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen.

Ein "**Steuerereignis**" liegt vor, wenn am oder nach dem Tag der Begebung der Schuldverschreibungen der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin der Zahlstelle eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder einer ihrer Steuerbehörden, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der deutschen Ertragsteuer voll abzugsfähig sind und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

standing specified from time to time by the Issuer and, in each case their respective subsidiaries or successors.

An "**Accounting Event**" will occur if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered an opinion to the Issuer, stating that as a result of a change in accounting principles the funds raised through the issuance of the Notes must not or must no longer be recorded as "liability" pursuant to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

A "**Tax Event**" will occur if on or after the date of issue of the Notes an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Paying Agent with a copy thereof) stating that, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority thereof or therein, or as a result of any amendment to, or change in, an official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), interest payable by the Issuer in respect of the Notes is no longer fully deductible by the Issuer for German income tax purposes, and that risk cannot be avoided by the Issuer taking such reasonable measures as it (acting in good faith) deems appropriate.

- (5) Bekanntmachung der Vorzeitigen Rückzahlung.

Die Emittentin kann ein Recht zur vorzeitigen Rückzahlung gemäß § 5(3) und (4) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 11 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen ausüben. Die Bekanntmachung soll in den Fällen des § 5(4) diejenigen Tatsachen enthalten, auf welche die Emittentin ihr Kündigungsrecht stützt, und den für die Rückzahlung festgelegten Tag bezeichnen.

**§ 6  
(Zahlungen)**

- (1) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen erfolgt, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder nach dessen Weisung zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an das Clearingsystem oder nach dessen Weisung befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen. Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen der Schuldverschreibungen schließt jegliche Zusätzlichen Beträge gemäß § 7 ein.
- (2) Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

**§ 7  
(Besteuerung)**

Sämtliche Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten

- (5) Notification of Early Redemption.

The Issuer will give not less than 30 nor more than 60 days' notice to the Holders in accordance with § 11 of any early redemption pursuant to § 5(3) and (4). In the case of § 5(4) such notices will set forth the underlying facts of the Issuer's right to early redemption and specify the date fixed for redemption.

**§ 6  
(Payments)**

- (1) The Issuer undertakes to pay, as and when due, principal and interest on the Notes in euro. Payment of principal and interest on the Notes will be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Payments to the Clearing System or to its order will to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § 7.
- (2) If the due date for any payment of principal and/or interest is not a Business Day, payment will be effected only on the next Business Day. The Holders will have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

**§ 7  
(Taxation)**

All payments of principal and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or in or for the account of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless the

Gebietskörperschaft oder Behörde in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, die Emittentin ist gesetzlich zu einem solchen Einbehalt oder Abzug verpflichtet. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge ("**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (i) auf andere Weise als durch Einbehalt oder Abzug von zahlbaren Beträgen zu entrichten sind; oder
- (ii) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (iii) aufgrund (x) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (y) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (z) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Verständigung oder dieses Abkommen umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (iv) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 11 wirksam wird; oder
- (v) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere

Issuer is required is required by law to make such withholding or deduction. In such event, the Issuer will pay such additional amounts ("**Additional Amounts**") as will be necessary in order that the net amounts received by the Holders, after such withholding or deduction will be equal to the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts will be payable on account of any taxes or duties which:

- (i) are payable otherwise than by withholding or deduction from amounts payable; or
- (ii) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany; or
- (iii) are to be withheld or deducted pursuant to (x) any European Union Directive or Regulation concerning the taxation of interest income, or (y) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (z) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding.; or
- (iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if later, is duly provided for and notice thereof is published in accordance with § 11; or
- (v) are deducted or withheld by a Paying Agent from a payment if the payment could have

Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können.

Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

### § 8

#### (Vorlegungsfrist, Verjährung)

Die Vorlegungsfrist der Schuldverschreibungen wird auf zehn Jahre reduziert. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

### § 9

#### (Zahlstellen und Berechnungsstelle)

(1) Bestellung.

Die Emittentin hat BNP Paribas Securities Services, Luxembourg Branch als Hauptzahlstelle in Bezug auf die Schuldverschreibungen (die "**Hauptzahlstelle**" und gemeinsam mit jeder etwaigen von der Emittentin nach § 9(2) bestellten zusätzlichen Zahlstelle, die "**Zahlstellen**") bestellt.

Die Emittentin hat BNP Paribas Securities Services, Luxembourg Branch als Berechnungsstelle in Bezug auf die Schuldverschreibungen (die "**Berechnungsstelle**" und, gemeinsam mit den Zahlstellen, die "**Verwaltungsstellen**") bestellt.

Die Geschäftsräume der Verwaltungsstellen befinden sich unter den folgenden Adressen:

been made by another Paying Agent without such deduction or withholding.

In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any FATCA Withholding.

### § 8

#### (Presentation Period, Prescription)

The period for presentation of the Notes will be reduced to 10 years. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

### § 9

#### (Paying and Calculation Agent)

(1) Appointment.

The Issuer has appointed BNP Paribas Securities Services, Luxembourg Branch as principal paying agent with respect to the Notes (the "**Principal Paying Agent**" and, together with any additional paying agent appointed by the Issuer in accordance with § 9(2), the "**Paying Agents**").

The Issuer has appointed BNP Paribas Securities Services, Luxembourg Branch as calculation agent with respect to the Notes (the "**Calculation Agent**" and, together with the Paying Agents, the "**Agents**").

The addresses of the specified offices of the Agents are:

*Hauptzahlstelle:*

**BNP Paribas Securities Services,  
Luxembourg Branch**  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postanschrift: L-2085 Luxembourg)  
Großherzogtum Luxemburg

*Berechnungsstelle:*

**BNP Paribas Securities Services,  
Luxembourg Branch**  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postanschrift: L-2085 Luxembourg)  
Großherzogtum Luxemburg

(2) Änderung oder Beendigung der Bestellung.

Die Emittentin behält sich das Recht vor, jederzeit die Benennung einer Zahlstelle zu verändern oder zu beenden und Nachfolger bzw. zusätzliche Zahlstellen zu ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen, deren angegebenen Geschäftsstellen umgehend gemäß § 11 bekannt gemacht.

(3) Status der beauftragten Stellen.

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Vertreter der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet. Die Zahlstellen sind von den Beschränkungen des § 181 des Bürgerlichen Gesetzbuchs befreit.

**§ 10**

**(Weitere Emissionen)**

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (mit Ausnahme der ersten Zinszahlung) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einzige Anleihe bilden.

**§ 11**

**(Bekanntmachungen)**

(1) Alle Bekanntmachungen, die die

*Principal Paying Agent:*

**BNP Paribas Securities Services,  
Luxembourg Branch**  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postal address: L-2085 Luxembourg)  
Grand Duchy of Luxembourg

*Calculation Agent:*

**BNP Paribas Securities Services,  
Luxembourg Branch**  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
(Postal address: L-2085 Luxembourg)  
Grand Duchy of Luxembourg

(2) Variation or Termination of Appointment.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint successor or additional Paying Agents. Notice of any change in the Paying Agents or in the specified office of any Paying Agent will promptly be given to the Holders pursuant to § 11.

(3) Status of the Agents.

The Paying Agents and Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Holders. The Paying Agents are exempt from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

**§ 10**

**(Further Issues)**

The Issuer may from time to time, without the consent of the Holders, create and issue further Notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes.

**§ 11**

**(Notices)**

(1) All notices regarding the Notes, other than any

Schuldverschreibungen betreffen, außer den in § 13 vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") erfolgen, sind von der Emittentin im Bundesanzeiger zu veröffentlichen. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

- (2) Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange die Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.
- (3) Die Emittentin ist berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Gläubiger zu übermitteln.

## § 12 (Ersetzung)

- (1) Ersetzung.  
Die Emittentin (oder die Nachfolgeschuldnerin) ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen oder einer anderen Zahlung aus den Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger jede andere Gesellschaft, deren stimmberechtigte Gesellschaftsanteile zu mehr als 90 % direkt oder indirekt von der Emittentin gehalten werden und deren Geschäftszweck in der Aufnahme von Mitteln für die Refinanzierung von verbundenen Unternehmen besteht und die keine wesentlichen operativen Vermögenswerte hält oder Anteile an operative Gesellschaften der Emittentin oder deren Tochtergesellschaften hält, an Stelle der Emittentin als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen,

notices stipulated in § 13 which will be made exclusively pursuant to the provisions of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**SchVG**"), will be published in the Federal Gazette (*Bundesanzeiger*) by the Issuer. Any notice will be deemed to have been validly given on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).

- (2) All notices regarding the Notes will be published (so long as the Notes are listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.
- (3) The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders.

## § 12 (Substitution)

- (1) Substitution.  
The Issuer (or the Substitute Debtor) may, without the consent of the Holders, if no payment of principal or of interest or any other amount in respect of the Notes is in default, at any time substitute for the Issuer, any other company of which more than 90 per cent of the voting shares or other equity interests are directly or indirectly owned by the Issuer and which has the corporate function of raising financing and passing it on to affiliates and which holds no significant operating assets or has any ownership in the operating companies of the Issuer or its Subsidiaries as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

vorausgesetzt, dass:

- |  |  |
|--|--|
| <p>(i) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;</p> <p>(ii) die Nachfolgeschuldnerin alle erforderlichen behördlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen auf die Schuldverschreibungen zu zahlenden Beträge in Euro zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;</p> <p>(iii) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger infolge der Ersetzung auferlegt werden;</p> <p>(iv) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge auf nachrangiger Basis garantiert;</p> <p>(v) aufgrund der Ersetzung kein Ereignis eintreten würde, welches die Nachfolgeschuldnerin dazu berechtigen würde, die Schuldverschreibung gemäß § 5(4) zu kündigen und zurückzuzahlen; und</p> <p>(vi) der Hauptzahlstelle jeweils ein oder mehrere Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt werden, das bestätigt bzw. die bestätigen, dass die Bestimmungen in diesem § 12(1) erfüllt wurden.</p> | <p>(i) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;</p> <p>(ii) the Substitute Debtor has obtained all necessary governmental authorisations and may transfer to the Principal Paying Agent in Euro and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;</p> <p>(iii) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder as a result of such substitution;</p> <p>(iv) the Issuer irrevocably and unconditionally guarantees on a subordinated basis in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes;</p> <p>(v) no event would occur as a result of the substitution that would give rise to the right of the Substitute Debtor to call the Notes for redemption pursuant to § 5(4); and</p> <p>(vi) there will have been delivered to the Principal Paying Agent an opinion or opinions with respect to the relevant jurisdictions of lawyers of recognised standing to the effect that the provisions of this § 12(1) above have been satisfied.</p> |
| <p>(2) Bezugnahmen.</p> <p>Im Fall einer Schuldnerersetzung gemäß § 12(1) gilt jede Bezugnahme in diesen</p>   | <p>(2) References.</p> <p>In the event of a substitution pursuant to § 12(1), any reference in these Terms and</p>   |



Anleihebedingungen auf die Emittentin als eine solche auf die Nachfolgeschuldnerin und jede Bezugnahme auf die Bundesrepublik Deutschland als eine solche auf den Staat (die Staaten), in welchem die Nachfolgeschuldnerin steuerlich ansässig ist. Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die EnBW Energie Baden-Württemberg AG erfolgen soll (also insbesondere im Hinblick auf Abschnitt (i) der Definition des Begriffs Obligatorisches Nachzahlungsereignis und das Ratingagenturereignis), oder dass die Bezugnahme auf die Nachfolgeschuldnerin und gleichzeitig auch auf die EnBW Energie Baden-Württemberg AG, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 12(1)(iv), erfolgen soll (Gross-up Ereignis, Steuerereignis und § 7).

- (3) Bekanntmachung und Wirksamwerden der Ersetzung.

Die Ersetzung der Emittentin ist gemäß § 11 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Falle einer wiederholten Anwendung dieses § 12 jede frühere Nachfolgeschuldnerin von ihren sämtlichen Verbindlichkeiten aus den Schuldverschreibungen frei.

### § 13

#### **(Änderung der Anleihebedingungen durch Beschluss der Anleihegläubiger; Gemeinsamer Vertreter)**

- (1) Die Emittentin kann mit den Anleihegläubigern Änderungen der Anleihebedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG in seiner jeweils geltenden Fassung beschließen. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit den in dem nachstehenden § 13(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger gleichermaßen

Conditions to the Issuer will be a reference to the Substitute Debtor and any reference to the Federal Republic of Germany will be a reference to the Substitute Debtor's country (countries) of domicile for tax purposes. For the avoidance of doubt this will apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference will continue to be a reference only to EnBW Energie Baden-Württemberg AG (i.e. in particular in relation to limb (i) of the definition of the term Compulsory Settlement Event and the Rating Agency Event), or that the reference will be to the Substitute Debtor and EnBW Energie Baden-Württemberg AG, in relation to EnBW Energie Baden-Württemberg AG's obligations under the guarantee pursuant to § 12(1)(iv), at the same time (Gross-up Event, Tax Event and § 7)).

- (3) Notice and Effectiveness of Substitution.

Notice of any substitution of the Issuer will be given by publication in accordance with § 11. Upon such publication, the substitution will become effective, and the Issuer and in the event of a repeated application of this § 12, any previous Substitute Debtor will be discharged from any and all obligations under the Notes.

### § 13

#### **(Amendments to the Terms and Conditions by resolution of the Holders; Joint Representative)**

- (1) The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Holders pursuant to § 5 et seqq. SchVG, as amended. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 13(2) below. A duly passed majority resolution will be binding equally upon all Holders.

verbindlich.

- (2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").
- (3) Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und § 5 ff. SchVG fassen.
- (4) Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dem dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (5) Bei einer Abstimmung ohne Versammlung müssen die Anleihegläubiger zusammen mit der Stimmabgabe ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(4) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis
- (2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and § 5 et seqq. of the SchVG.
- (4) Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (5) In the event of a vote without a meeting, Holders must, together with casting their votes, demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(4) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from and including the day such registration has been sent until and including the day the

zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

- (6) Wird für die Gläubigerversammlung gemäß § 13(4) oder die Abstimmung ohne Versammlung gemäß § 13(5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Falle der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 2 SchVG und – im Falle der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Für die Anmeldung der Anleihegläubiger zu einer zweiten Versammlung gelten die Bestimmungen des § 13(4) entsprechend.
- (7) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 13(2) zuzustimmen.
- (8) Bekanntmachungen betreffend diesen § 13 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 11.
- (9) Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen einer etwaigen Garantie gemäß § 12(1)(iv).

#### **§ 14 (Schlussbestimmungen)**

- (1) Anzuwendendes Recht.  
Form und Inhalt der Schuldverschreibungen bestimmen sich nach dem Recht der

voting period ends.

- (6) If it is ascertained that no quorum exists for the meeting pursuant to § 13(4) or the vote without a meeting pursuant to § 13(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in § 13(4) will apply *mutatis mutandis* to the Holders' registration for a second meeting.
- (7) The Holders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorised to consent, in accordance with § 13(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.
- (8) Any notices concerning this § 13 will be made in accordance with § 5 et seq. of the SchVG and § 11.
- (9) The provisions set out above applicable to the Notes will apply *mutatis mutandis* to any guarantee granted pursuant to § 12(1)(iv).

#### **§ 14 (Final Provisions)**

- (1) Applicable Law.  
The Notes are governed by, and construed in accordance with, the laws of the Federal

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| <p>Bundesrepublik Deutschland.</p> <p>(2) Gerichtsstand.</p> <p>Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist Frankfurt am Main nicht ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten. Die Emittentin verzichtet unwiderruflich darauf, gegenwärtig oder zukünftig gegen die Gerichte in Frankfurt am Main als Forum für Rechtsstreitigkeiten Einwände zu erheben, und versichern, keines der Gerichte in Frankfurt am Main als ungelegenes oder unangemessenes Forum zu bezeichnen.</p> <p>(3) Erfüllungsort.</p> <p>Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.</p> <p>(4) Geltendmachung von Rechten.</p> <p>Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen geltend zu machen gegen Vorlage:</p> <p>(i) einer Bescheinigung der Depotbank, die (A) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (B) den gesamten Nennbetrag von Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung den bei dieser Depotbank bestehenden Depots dieses Anleihegläubigers gutgeschrieben sind und (C) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung gemacht hat, die die Angaben gemäß (A) und (B) enthält und Bestätigungsvermerke des Clearingsystems sowie des betroffenen Kontoinhabers bei dem Clearingsystem trägt sowie</p> <p>(ii) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle bestätigten Ablichtung</p> | <p>Republic of Germany.</p> <p>(2) Place of Jurisdiction.</p> <p>Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the non-exclusive place of jurisdiction for all proceedings arising from matters provided for in these Terms and Conditions will be Frankfurt am Main. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any proceedings and to settle any disputes, and agrees not to claim that any of those courts is not a convenient or appropriate forum.</p> <p>(3) Place of Performance.</p> <p>Place of performance will be Frankfurt am Main, Federal Republic of Germany.</p> <p>(4) Enforcement of Rights.</p> <p>Any Holder may in any proceedings against the Issuer or to which the Holder and the Issuer are parties protect and enforce in his own name his rights arising under his Notes on the basis of:</p> <p>(i) a certificate issued by his Custodian (A) stating the full name and address of the Holder, (B) specifying an aggregate Principal Amount of Notes credited on the date of such statement to such Holder's securities account(s) maintained with his Custodian and (C) confirming that his Custodian has given a written notice to the Clearing System and the Principal Paying Agent containing the information specified in (A) and (B) and bearing acknowledgements of the Clearing System and the relevant account holder in the Clearing System and</p> <p>(ii) a copy of the Global Note relating to the Notes, certified as being a true copy by a duly authorised officer of the Clearing System or the Principal Paying Agent;</p> |
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der Globalurkunde; oder

- (iii) eines anderen, in Rechtsstreitigkeiten in dem Land der Geltendmachung zulässigen Beweismittels.

**"Depotbank"** bezeichnet ein Bank- oder sonstiges Finanzinstitut, bei dem der Anleihegläubiger Schuldverschreibungen im Depot verwahren lässt und das ein Konto bei dem Clearingsystem hat, einschließlich des Clearingsystems.

**§ 15**  
**(Sprache)**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

or

- (iii) any other means of evidence permitted in legal proceedings in the country of enforcement.

**"Custodian"** means any bank or other financial institution with which the Holder maintains a securities account in respect of any Notes and having an account maintained with the Clearing System, including the Clearing System.

**§ 15**  
**(Language)**

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.

The following paragraphs in italics do not form part of the Terms and Conditions.

*Restrictions regarding redemption and repurchase of the Notes*

*Unless*

- (a) the Stand Alone Credit Profile assigned by S&P to the Issuer is at least bbb+ (or such similar nomenclature then used by S&P) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*
- (b) the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P), at the time of such redemption or repurchase; or*
- (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology,*

*the Issuer intends (without thereby assuming a legal obligation), during the period from and including the Interest Commencement Date of the Notes to but excluding the Second Modified Reset Date, in the event of:*

- (x) an early redemption of the Notes pursuant to § 5(3) of the Terms and Conditions, or*
- (y) a repurchase of Notes pursuant to § 5(2) of the Terms and Conditions of more than (i) 10 per cent. of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months or (ii) 25 per cent. of the aggregate principal amount of the Notes originally issued in any period of 10 consecutive years,*

*to redeem or repurchase any Notes only to the extent that such part of the aggregate principal amount of the Notes to be redeemed or repurchased as was characterised as equity by S&P at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) does not exceed such part of the net proceeds which is received by the Issuer or any Subsidiary during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any Subsidiary to third party purchasers (other than Subsidiaries of the Issuer) of securities as is characterised by S&P at the time of sale or issuance, as equity.*

*Terms used but not defined in the preceding sentence shall have the meaning set out in the Terms and Conditions.*

## GENERAL INFORMATION ON THE ISSUER AND THE GROUP

### General Information about EnBW Energie Baden-Württemberg AG

EnBW Energie Baden-Württemberg AG (hereinafter also referred to as "**EnBW AG**" and together with its consolidated subsidiaries, "**EnBW**" or the "**EnBW Group**") is a stock corporation (*Aktiengesellschaft*) organized under the laws of Germany, and was formed on 1 January 1997 for an indefinite period of time from the merger of Energie-Versorgung Schwaben AG and Badenwerk AG, two integrated groups based in Baden-Württemberg. The predecessor of Badenwerk AG was Badische Elektrizitätsversorgungs AG, founded in 1921. Energie-Versorgung Schwaben was founded in 1939 as a public utility for the state of Württemberg. In 1973, private shareholders were brought into Badenwerk AG by way of a capital increase and the company was admitted to the stock exchange. The listing on the stock exchange was maintained following the merger of Badenwerk AG and Energie-Versorgung Schwaben AG. EnBW AG is listed on the regulated market, both on the Frankfurt Stock Exchange (General Standard) and on the Stuttgart Stock Exchange.

EnBW AG has its registered office at Durlacher Allee 93, 76131 Karlsruhe, Germany (tel. +49 (0)721 6300). It is registered with the commercial register at the Mannheim local court under the number HRB 107956 and the name "EnBW Energie Baden-Württemberg AG". It also trades under the commercial name "EnBW".

### Business overview – main activities

The EnBW Group is one of the major German energy groups with international operations, and one of four companies in Germany operating the electricity transmission grid. In total, EnBW supplies and advises around 5.5 million customers group-wide. In the first half of 2016, unit sales of energy came to 128.5 billion kWh (first half of 2015: 150.5 billion kWh). In the fiscal year 2015, unit sales of energy came to 250.8 billion kWh (2014: 242.6 billion kWh). Since the beginning of 2015, electricity sales from the Grids segment will no longer be disclosed because the Independent Transmission Operators (ITO) no longer report their data (primarily throughput volumes from the German Renewable Energies Act (*Gesetz für den Ausbau erneuerbarer Energien*, "**EEG**")). The previous year's figures have been restated accordingly. About 92 per cent of group revenue in 2015 was generated by EnBW in Germany (2014: 93 per cent.). EnBW's vertically integrated activities are subdivided into four segments: sales, grids, renewable energies and generation and trading. Furthermore, "other/consolidation" combines EnBW AG's other activities which are not allocated to the individual segments reported separately.

As an integrated energy supplier, the EnBW Group operates along the entire value chain, offering an extensive portfolio of services. The sales segment encompasses the distribution of electricity and gas, and the provision of energy-related services, such as billing services and energy supply as well as energy savings contracting. The grids segment comprises stages along the value chain entailing the transportation and distribution of electricity and gas, the providing of grid-related services, for instance the operation of grids for third parties, and water supply services. Activities in the field of renewable energies generation are combined under the renewable energies segment. The generation and trading segment includes power generated from other sources and trading in electricity, provision of system services, gas midstream operations, district heating, environmental services and the area dealing with the dismantling of power plants.

### Business overview – markets and customer base

The EnBW Group's home market is Baden-Württemberg, where the group considers itself to be a market leader. In the process, EnBW is supported by a series of important subsidiaries: Netze BW GmbH is responsible for the planning, construction and operation of distribution grids. EnBW Kommunale Beteiligungen GmbH cooperates with more than 40 municipal utilities and regional suppliers in the supply of energy and water. As an independent transmission operator (ITO), TransnetBW GmbH is responsible for transporting electricity and for the sale of feed-ins from renewable energies. ZEAG Energie AG, in which EnBW is the majority shareholder, is primarily active as an energy supplier in the Heilbronn region. EnBW Ostwürttemberg DonauRies AG sells electricity and gas in the Ostwürttemberg region and the Donau-Ries region of Bavaria. terranets bw GmbH, another ITO, operates a transmission grid for natural gas as well as high pressure gas plants in Baden-Württemberg. GasVersorgung Süddeutschland GmbH delivers natural gas to municipal utilities, regional gas suppliers, industrial customers and

power plants. Additionally, Erdgas Südwest GmbH supplies the EnBW municipal utilities in northern Baden, upper Swabia, the Swabian Alb region and the western part of Lake Constance. The operation, post-operation, decommissioning and dismantling of EnBW's nuclear power plants is handled by EnBW's subsidiary EnBW Kernkraft GmbH.

EnBW operates throughout Germany and in Europe. Customers all over Germany are supplied through EnBW's subsidiaries Yello Strom GmbH and Sales & Solutions GmbH. Energiedienst Holding AG, in which EnBW is a 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, while EWE Aktiengesellschaft, in which EnBW is a minority shareholder, supplies Oldenburg in Lower Saxony. 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. Through its shareholding in Pražská energetika a.s., the third-largest electricity supply company in the Czech Republic, EnBW is also active on the Czech market. Further, EnBW participates in the Turkish market through its joint venture with the Borusan Group. In addition, EnBW is active in Austria.

The approximately 5.5 million customers to whom EnBW supplies energy are assigned to two customer groups: the B2C (business to customer) group includes private customers, commercial, housing industry and agricultural customers. The B2B (business to business) comprises large commercial enterprises, industrial customers as well as redistributors, municipal utilities, local authorities and public entities.

### Organisational Structure

EnBW largely corresponds to the model of an integrated company. The structure of the EnBW Group was substantially streamlined through the merger of important Group companies as part of the management concept ONE EnBW which was implemented in 2014. EnBW AG is now managed through business units and functional units: Core operating activities along the entire utility industry value chain will be concentrated in the business units. The functional units will assume Group-wide support and governance tasks.

### Description of major operative segments of the EnBW Group

The EnBW Group consists of EnBW AG as the parent company and 117 fully consolidated companies, 17 companies accounted for using the equity method and three joint operations. The operating activities of the EnBW Group are divided into the four segments of Sales, Grids, Renewable Energies and Generation and Trading.

### Sales

The electricity and gas volume sold as well as key figures for this segment are shown in the table below:

| Key figures of EnBW's sales segment | 1 January to 30 June |                     | 1 January to 31 December |                      |
|-------------------------------------|----------------------|---------------------|--------------------------|----------------------|
|                                     | 2016                 | 2015                | 2015                     | 2014                 |
| Sales in bn kWh                     |                      |                     |                          |                      |
| Electricity (B2C/B2B)               | 22.0 <sup>3</sup>    | 23.9 <sup>3</sup>   | 47.0 <sup>1</sup>        | 47.0 <sup>1</sup>    |
| Gas (B2C/B2B)                       | 28.7 <sup>3</sup>    | 51.5 <sup>3</sup>   | 80.4 <sup>1</sup>        | 71.1 <sup>1</sup>    |
| Key Figures                         |                      |                     |                          |                      |
| Number of Employees <sup>2</sup>    | 3,264 <sup>3</sup>   | 3,268 <sup>3</sup>  | 3,300 <sup>1</sup>       | 3,322 <sup>1</sup>   |
| Amount Invested                     | €19.7m <sup>3</sup>  | €13.3m <sup>3</sup> | €71.5m <sup>1</sup>      | €274.3m <sup>1</sup> |

1 Figures are taken from the Management Report contained in the Combined Management Report of the EnBW Group and EnBW AG for 2015 included in the Integrated Report 2015 of EnBW Energie Baden-Württemberg AG (condensed version).

2 Values for the period 1 January to 30 June refer to the actual figures on 30 June; Values for the period 1 January to 31 December refer to the actual figures on 31 December.

3 Figures are taken from the Management Report contained in the interim condensed consolidated financial statements of EnBW for the six month period from 1 January to 30 June 2016.

The Sales segment encompasses 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. In this area, EnBW



exploits its broad energy industry and process-based expertise in particular, as well as its existing relationships with its customers. EnBW also offers companies to outsource billing services to third parties. EnBW aims to quickly and flexibly meet the wishes of its customers in future e.g. through the further development of its existing and new contracting services.

## Grids

The electricity and gas grid lengths of the EnBW Group as well as key figures for this segment are shown in the table below:

| Key figures of EnBW's grids segment  | 1 January to 30 June |                      | 1 January to 31 December |                      |
|--|----------------------|----------------------|--------------------------|----------------------|
|  | 2016                 | 2015                 | 2015                     | 2014                 |
| Grid Lengths   |                      |                      |                          |                      |
| Electricity grid length (transmission and distribution) <sup>1,2</sup>       |                      |                      | 152,000km                | 153,000km            |
| Gas grid length (long-distance transmission and distribution) <sup>1,2</sup> |                      |                      | 16,000km                 | 17,000km             |
| Key Figures  |                      |                      |                          |                      |
| Number of Employees <sup>3</sup>   | 8,245 <sup>4</sup>   | 7,765 <sup>4</sup>   | 8,086 <sup>2</sup>       | 7,824 <sup>2</sup>   |
| Amount Invested  | €232.1m <sup>4</sup> | €219.5m <sup>4</sup> | €732.8m <sup>2</sup>     | €531.5m <sup>2</sup> |

- 1 The key figures for the grids segment "Electricity grid length" and "gas grid length" will be exclusively collected with respect to full financial year.
- 2 Figures are taken from the Management Report contained in the Combined Management Report of the EnBW Group and EnBW AG for 2015 included in the Integrated Report 2015 of EnBW Energie Baden-Württemberg AG (condensed version).
- 3 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 respectively 31/12/2014 is carried forward. Values for the period 1 January to 30 June refer to the actual figures on 30 June; values for the period 1 January to 31 December refer to the actual figures on 31 December.
- 4 Figures are taken from the Management Report contained in the interim condensed consolidated financial statements of EnBW for the six month period from 1 January to 30 June 2016.

The Grids segment encompasses the transmission and distribution of electricity and gas, the provision of grid-related services (e.g. the operation of grids for third parties) and the supply of water. Value added in the Grids segment is based on the existing infrastructure and process know-how which enables EnBW to operate and expand said infrastructure efficiently. Furthermore, value added is anchored in existing relationships with local authorities and citizens. EnBW intends to further expand its grid business at all voltage levels in the course of the *Energiewende* and thus to contribute to supply reliability. For example, EnBW's subsidiary TransnetBW GmbH is currently involved together with its partners in planning two high-performance north-south connections based on high-voltage DC (Direct Current) transmission technology (HVDC). Partnerships will also play a more important role in the distribution grid in future as EnBW efficiently manages its customers' grid installations and infrastructures and prepare them to meet the new requirements.

## Renewable Energies

The generation in 2015, total generation capacity from renewables as well as key figures for this segment are shown in the table below:

| Key figures of EnBW's renewables segment | 1 January to 30 June |                      | 1 January to 31 December |                      |
|--|----------------------|----------------------|--------------------------|----------------------|
|  | 2016                 | 2015                 | 2015                     | 2014                 |
| Generation portfolio <sup>1</sup>        |                      |                      |                          |                      |
| Generation <sup>2,3</sup>                |                      |                      | 6,590 GWh                | 6,109 GWh            |
| Installed capacity <sup>2,3</sup>        |                      |                      | 1,458 MW                 | 1,094 MW             |
| Key Figures                              |                      |                      |                          |                      |
| Number of Employees <sup>4</sup>         | 823 <sup>5</sup>     | 764 <sup>5</sup>     | 815 <sup>3</sup>         | 519 <sup>3</sup>     |
| Amount Invested                          | €50.6m <sup>5</sup>  | €180.0m <sup>5</sup> | €455.0m <sup>3</sup>     | €646.6m <sup>3</sup> |

- 1 Total generation and installed capacity in the "Renewable energies" and "Generation and trading" segments is not identical to EnBW Group totals. Part of the generation plants is assigned to other segments. Total EnBW Group generation is 55,973GWh, of which 7,725GWh or 13.8% is generation based on renewable energies. Total EnBW Group installed capacity is 12,927MW of which 3,055MW or 23.6% is from renewable plants.
- 2 The key figures for the grids segment "Generation" and "Installed capacity" will be exclusively collected with respect to full financial year.
- 3 Figures are taken from the Management Report contained in the Combined Management Report of the EnBW Group and EnBW AG for 2015 included in the Integrated Report 2015 of EnBW Energie Baden-Württemberg AG (condensed version).
- 4 Values for the period 1 January to 30 June refer to the actual figures on 30 June; Values for the period 1 January to 31 December refer to the actual figures on 31 December.
- 5 Figures are taken from the Management Report contained in the interim condensed consolidated financial statements of EnBW for the six month period from 1 January to 30 June 2016.

The company's activities in the area of power generation from renewable energy sources – where EnBW utilises the natural resources of water, wind and sun – are combined under the Renewable Energies segment. EnBW intends to expand renewable energies as part of its business model and to broaden its activities along the value chain. The principle of partnership plays a central role in this context and EnBW intends to attract potential investors such as local authorities and private citizens in a targeted manner with the aid of appropriate models. The value EnBW adds in this segment encompasses project development and the construction and efficient operation of the plants, as well as the repowering of the plants in the future.

### Generation and Trading

The generation in 2015, generation capacity from conventional generation as well as key figures for this segment are shown in the table below:

| Key figures of EnBW's generation and trading segment | 1 January to 30 June |                      | 1 January to 31 December |                      |
|--|----------------------|----------------------|--------------------------|----------------------|
|  | 2016                 | 2015                 | 2015                     | 2014                 |
| Generation portfolio <sup>1</sup>                    |                      |                      |                          |                      |
| Generation <sup>2,3</sup>                            |                      |                      | 48,893 GWh               | 51,189 GWh           |
| Installed capacity <sup>2,3</sup>                    |                      |                      | 11,413 MW                | 12,548 MW            |
| Key Figures  |                      |                      |                          |                      |
| Number of Employees <sup>4</sup>                     | 5,137 <sup>5</sup>   | 5,219 <sup>5</sup>   | 5,167 <sup>3</sup>       | 5,432 <sup>3</sup>   |
| Amount Invested                                      | €51.1m <sup>5</sup>  | €103.1m <sup>5</sup> | €174.3m <sup>3</sup>     | €476.6m <sup>3</sup> |

- 1 Total generation and installed capacity in the "Renewable energies" and "Generation and trading" segments is not identical to EnBW Group totals. Part of the generation plants is assigned to other segments. Total EnBW Group generation is 55,973GWh, of which 7,725GWh or 13.8% is generation based on renewable energies. Total EnBW Group installed capacity is 12,927MW of which 3,055MW or 23.6% is from renewable plants.
- 2 The key figures for the grids segment "Generation" and "Installed capacity" will be exclusively collected with respect to full financial year.
- 3 Figures are taken from the Management Report contained in the Combined Management Report of the EnBW Group and EnBW AG for 2015 included in the Integrated Report 2015 of EnBW Energie Baden-Württemberg AG (condensed version).
- 4 Values for the period 1 January to 30 June refer to the actual figures on 30 June; Values for the period 1 January to 31 December refer to the actual figures on 31 December.
- 5 Figures are taken from the Management Report contained in the interim condensed consolidated financial statements of EnBW for the six month period from 1 January to 30 June 2016.

The Generation and Trading segment encompasses generation and trading of electricity, provision of system services, gas midstream business, district heating, environmental services and the dismantling of power plants. This

business is primarily based on the generation of electricity and heat from EnBW's coal, gas, pumped storage and nuclear power plants and EnBW's operational and optimisation expertise. EnBW organises the procurement of fuels particularly coal in a sustainable manner. Due to falling wholesale prices and spreads, EnBW intends to reduce its power plant capacities in the area of conventional generation (coal, oil, gas) in the medium term. Some of the power plants, which were earmarked for decommissioning due to economic reasons, will need to remain available in reserve to ensure the stability of the system as part of the new design of the electricity market. In combination with the power plants that remain on the market, these power plants shall guarantee the security of supply in Baden-Württemberg. Moreover, EnBW intends to exploit the growth opportunities presented by the Energiewende with greater intensity in this segment. EnBW aims to support its customers in the integration of their power plants into the market by using its services and expertise such as in the area of direct marketing.

The generation portfolio of EnBW consists of renewable and conventional generation assets. In the 2015 fiscal year, installed output from renewable energies increased significantly compared to 2014 to 3.1 GW and thus slightly exceeded the forecast. The most important reason for this was the full commissioning of the offshore wind farm EnBW Baltic 2. In addition, the onshore wind farm "Harthäuser Wald" operated by EnBW's subsidiary ZEAG Energie the largest wind farm in Baden-Württemberg to date was connected to the grid at the end of October 2015. The share of the generation capacity accounted for by renewable energies at EnBW increased accordingly to 23.6%. Adjustments in the portfolio due to the sale of EnBW's shares in the Bexbach power plant (hard coal) and an expired electricity procurement agreement in the nuclear sector, the transfer of two blocks at the Heilbronn power plant into the network reserve (hard coal) together with the commissioning of EnBW Baltic 2 and the onshore wind farm "Harthäuser Wald" with an output of 42 MW in 2015 led on balance to a reduction in the installed output to 12.9 GW and in own generation to 56.0 TWh. The thermal generation portfolio of EnBW continues to be well balanced in its mix of energy sources and the age structure of the facilities. The proportion of own generation from renewable energy sources increased significantly in 2015, which was attributable to higher production in the area of wind power. This was offset by the effect of lower water levels on own generation from run-of-river power plants.

The data presented in the below table will be exclusively collected with respect to full financial year.

| <b>Breakdown of the EnBW Group's generation portfolio<sup>1</sup> Electrical output<sup>2</sup> in MW (as of 31/12)</b> | <b>2015</b> | <b>2014</b> |
|---|-------------|-------------|
| Renewable Energies  | 3,055       | 2,632       |
| Run-of-river power plants   | 1,036       | 947         |
| Storage/pumped storage plants using the natural flow of water <sup>2</sup>  | 1,322       | 1,322       |
| Onshore wind  | 247         | 194         |
| Offshore wind   | 336         | 48          |
| Other renewable energies  | 114         | 121         |
| Thermal power plants <sup>3</sup>   | 9,872       | 11,116      |
| Brown coal  | 875         | 875         |
| Hard coal   | 3,956       | 4,776       |
| Gas   | 1,180       | 1,191       |
| Other thermal power plants  | 383         | 396         |
| Pumped storage power plants that do not use the natural flow of water <sup>2</sup>                                      | 545         | 545         |
| Nuclear power plants  | 2,933       | 3,333       |
| Installed capacity of EnBW Group (without standby reserve)  | 12,927      | 13,748      |
| of which renewable in %   | 23.6        | 19.1        |
| of which low carbon in % <sup>4</sup>   | 13.3        | 12.6        |

1 Generation portfolio includes long-term procurement agreements and generation from partly owned power plants.

2 Capacity values irrespective of marketing channel, for storage: generation capacity.

3 Including pumped storage power plants that do not use the natural flow of water.

4 Excluding renewable energies; only gas power plants and storage power plants that do not use the natural flow of water.

The data presented in the below table will be exclusively collected with respect to full financial year.

| <b>EnBW Group's<sup>1</sup> own generation by primary energy source in GWh</b>   | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|
| Renewable Energies   | 7,725       | 7,163       |
| of which subsidised under the German Renewable Energies Act (EEG)                | 467         | 519         |
| Run-of-river power plants  | 5,270       | 5,466       |
| Storage power plants/pumped storage power plants using the natural flow of water | 994         | 829         |
| Onshore wind   | 385         | 308         |
| Offshore wind  | 760         | 196         |
| Other renewable energies   | 316         | 364         |
| Thermal power plants <sup>2</sup>  | 48,248      | 50,615      |
| Brown coal   | 5,734       | 6,563       |
| Hard coal  | 14,330      | 16,401      |
| Gas  | 817         | 742         |
| Other thermal power plants   | 285         | 295         |
| Pumped storage power plants that do not use the natural flow of water            | 1,799       | 1,528       |
| Nuclear power plants   | 25,283      | 25,086      |
| EnBW Group's own generation  | 55,973      | 57,778      |
| of which renewable in %  | 13.8        | 12.4        |
| of which low carbon in % <sup>3</sup>  | 4.7         | 3.9         |

1 Long-term procurement agreements and partly owned power plants are included in own generation.

2 Including pumped storage power plants that do not use the natural flow of water.

3 Excluding renewable energies; only gas power plants and storage power plants that do not use the natural flow of water.

## Management and Supervisory Bodies

### Board of Management

The members of the Board of Management are set out below together with (1) membership in other statutory supervisory boards and (2) comparable domestic and foreign control bodies of business organisations:

Dr. Frank Mastiaux

(Member and chairman of the Board of Management/Chief Executive Officer)

| (1)                    | (2) |
|------------------------|-----|
| EWE Aktiengesellschaft | -   |

Dr. Bernhard Beck, LL.M.

(Member of the Board of Management, Chief Personnel Officer)

| (1)   | (2)   |
|---|---|
| EnBW Kernkraft GmbH (chairman)                            | BKK VerbundPlus, Körperschaft des öffentlichen Rechts |
| EnBW Perspektiven GmbH, (chairman until 15 December 2015) | Energiedienst Holding AG                              |
| Energiedienst AG  | Pražská energetika, a.s.                              |
| Stadtwerke Düsseldorf AG (chairman)                       |   |

Thomas Kusterer  
(Member of the Board of Management and Chief Financial Officer)

| (1)           | (2)    |
|---------------|--------|
| Netze BW GmbH | EVN AG |

Dr. Hans-Josef Zimmer  
(Member of the Board of Management, Chief Technical Officer)

| (1)   | (2)                      |
|---|--------------------------|
| EnBW Kernkraft GmbH<br>EWE Aktiengesellschaft<br>Netze BW GmbH (chairman)<br>TransnetBW GmbH (chairman)<br>terranets bw GmbH (chairman) | Vorarlberger Illwerke AG |

EnBW AG is not aware of any conflicts of interest on the part of the aforementioned members of the Board of Management between their duties to EnBW AG and their private interests or other commitments.

The members of the Board of Management can be contacted at EnBW AG's business address: Durlacher Allee 93, 76131 Karlsruhe.

### Supervisory Board

The members of the Supervisory Board are set out below together with (1) membership in other statutory supervisory boards or (2) comparable domestic and foreign control bodies of business organisations:

Lutz Feldmann  
(chairman)

| (1)  | (2) |
|--|-----|
| Villa Claudius gGmbH<br>Thyssen'sche Handelsgesellschaft mbH | -   |

Dietrich Herd\*  
(deputy chairman)

| (1)                 | (2) |
|---------------------|-----|
| EnBW Kernkraft GmbH | -   |

Dr. Dietrich Birk

| (1)                | (2) |
|--------------------|-----|
| SRH Holding (SdbR) | -   |

Stefanie Bürkle

| (1)   | (2)   |
|---|---|
| Hohenzollerische Landesbahn AG<br>Hohenzollerische Landesbank Kreissparkasse<br>Sigmaringen (chairwoman)<br>SRH Kliniken Landkreis Sigmaringen GmbH<br>(chairwoman)<br>SV Lebensversicherung AG | Flugplatz Mengen-Hohentengen GmbH<br>(chairwoman)<br>Verkehrsverbund Neckar-Alb-Donau GmbH<br>(chairwoman)<br>Wirtschaftsförderungs- und<br>Standortmarketinggesellschaft Landkreis<br>Sigmaringen mbH (chairwoman) |

|  |   |
|--|---|
|  | Zweckverband Oberschwäbische Elektrizitätswerke<br>Zweckverband Thermische Abfallverwertung<br>Donautal (deputy chairwoman) |
|--|---|

Stefan Paul Hamm\*

|  |     |
|--|-----|
| (1)  | (2) |
| TransnetBW GmbH<br>Netze BW GmbH (since 23 September 2015) | -   |

Michaela Krütter

|     |                |
|-----|----------------|
| (1) | (2)            |
| -   | NetCom BW GmbH |

Silke Krebs

|     |   |
|-----|---|
| (1) | (2)   |
| -   | Baden-Württemberg Stiftung gGmbH<br>Stiftung Kinderland Baden-Württemberg<br>(chairwoman) |

Marianne Kugler-Wendt\*

|   |   |
|---|---|
| (1)   | (2)   |
| Bausparkasse Schwäbisch-Hall AG<br>EnBW Kernkraft GmbH<br>SLK-Kliniken Heilbronn GmbH | Heilbronner Versorgungs GmbH<br>Stadtwerke Heilbronn GmbH |

Thomas Landsbek\*

|     |                                       |
|-----|---------------------------------------|
| (1) | (2)                                   |
| -   | Gemeindewerke Bodanrück GmbH & Co. KG |

Dr. Hubert Lienhard

|   |  |
|---|--|
| (1)   | (2)  |
| Heraeus Holding GmbH<br>SGL Carbon SE<br>SMS Group GmbH<br>Voith Turbo Beteiligungen GmbH (chairman)<br>Kuka Aktiengesellschaft (since 1 June 2015) | Voith Hydro Holding GmbH & Co. KG (chairman)<br>Voith Industrial Services Holding GmbH & Co. KG<br>(chairman)<br>Voith Paper Holding GmbH & Co. KG (chairman)<br>Voith Turbo GmbH & Co. KG<br>(chairman) |

Sebastian Maier\*

|                                  |  |
|----------------------------------|--|
| (1)                              | (2)  |
| EnBW Ostwürttemberg DonauRies AG | NetCom BW GmbH<br>Netzgesellschaft Ostwürttemberg GmbH |

Arnold Messner\*

|               |     |
|---------------|-----|
| (1)           | (2) |
| Netze BW GmbH | -   |

Dr. Wolf-Rüdiger Michel

|   |   |
|---|---|
| (1)   | (2)   |
| Kreisbaugenossenschaft Rottweil e.G. (chairman) | Kreissparkasse Rottweil, Anstalt des öffentlichen Rechts (chairman)<br>Schwarzwald Tourismus GmbH<br>SMF Schwarzwald Musikfestival GmbH<br>Sparkassen-Beteiligungen Baden-Württemberg GmbH<br>Sparkassenverband Baden-Württemberg, Körperschaft des öffentlichen Rechts<br>Wirtschaftsförderungsgesellschaft Schwarzwald-Baar-Heuberg mbH<br>Zweckverband Bauernmuseum Horb/Sulz<br>Zweckverband Kommunale Informationsverarbeitung Reutlingen-Ulm<br>Zweckverband Oberschwäbische Elektrizitätswerke (deputy chairman)<br>Zweckverband Protec<br>Zweckverband Ringzug Schwarzwald-Baar-Heuberg |

Gunda Röstel

|  |   |
|--|---|
| (1)  | (2)   |
| Universitätsklinikum Carl Gustav Carus Dresden an der Technischen Universität Dresden, Anstalt des öffentlichen Rechts (deputy chairwoman) | University council of Technische Universität Dresden, Körperschaft des öffentlichen Rechts (chairwoman)<br>Stadtwerke Burg GmbH |

Klaus Schörnich\*

|  |     |
|--|-----|
| (1)  | (2) |
| AWISTA GmbH<br>Stadtwerke Düsseldorf AG<br>Netzgesellschaft Düsseldorf mbH | -   |

Heinz Seiffert

|  |   |
|--|---|
| (1)  | (2)   |
| Krankenhaus GmbH Alb-Donau-Kreis (chairman)<br>LBS Landesbausparkasse Baden-Württemberg, Anstalt des öffentlichen Rechts | ADK GmbH für Gesundheit und Soziales (chairman)<br>Donau-Iller-Nahverkehrsverbund-GmbH<br>Fernwärme Ulm GmbH<br>Kreisbaugesellschaft mbH Alb-Donau (chairman)<br>Pflegeheim GmbH Alb-Donau-Kreis (chairman)<br>Regionalverband Donau-Iller<br>Sparkasse Ulm, Anstalt des öffentlichen Rechts (chairman) |

|  |  |
|--|--|
|  | Zweckverband Oberschwäbische Elektrizitätswerke (chairman)<br>Zweckverband Thermische Abfallverwertung Donautal (chairman)<br>Regionale Energieagentur Ulm gGmbH |
|--|--|

Edith Sitzmann MdL (as of 1 August 2016)

|     |  |
|-----|--|
| (1) | (2)  |
| -   | Landesbank Baden-Württemberg (LBBW), Anstalt des öffentlichen Rechts (deputy chairwoman)<br>Landeskreditbank Baden-Württemberg - Förderbank (L-Bank), Anstalt des öffentlichen Rechts (chairwoman)<br>Baden-Württemberg Stiftung gGmbH (deputy chairwoman) |

Ulrike Weindel\*

|     |     |
|-----|-----|
| (1) | (2) |
| -   | -   |

Lothar Wölfle

|     |  |
|-----|--|
| (1) | (2)  |
|     | Abfallwirtschaftsgesellschaft der Landkreise Bodenseekreis und Konstanz (deputy chairman)<br>Bodenseefestival GmbH (deputy chairman)<br>Bodensee-Oberschwaben-Bahn Verkehrsgesellschaft mbH<br>Sparkasse Bodensee (deputy chairman)<br>Verkehrsverbund Bodensee-Oberschwaben der Landkreise Ravensburg und Bodenseekreis (chairman)<br>Wirtschaftsförderungsgesellschaft Bodenseekreis GmbH (chairman)<br>Zweckverband Oberschwäbische Elektrizitätswerke (deputy chairman)<br>Zweckverband Tierkörperbeseitigung Protec (deputy chairman) |

Dr. Bernd-Michael Zinow

|  |     |
|--|-----|
| (1)                                    | (2) |
| EnBW Kernkraft GmbH<br>TransnetBW GmbH | -   |

\* Employee representative



EnBW AG is not aware of any conflicts of interest on the part of the aforementioned members of the Supervisory Board between their duties to EnBW AG and their private interests or other commitments.

The members of the Supervisory Board can be contacted at EnBW AG's business address: Durlacher Allee 93, 76131 Karlsruhe, Germany.

### **Committees of the Supervisory Board**

The Supervisory Board has formed the following standing committees: a personnel committee, a finance and investment committee, an audit committee, a nomination committee and a mediation committee in accordance with Sec. 27 (3) of the German Co-determination Act (*Mitbestimmungsgesetz*), as well as an ad-hoc committee. The Supervisory Board has delegated issues of accounting, risk management and compliance to the audit committee. The audit committee is responsible for monitoring the accounting process, the effectiveness of the internal control system, the internal risk management system, the internal audit system, and for monitoring the statutory audit, including but not limited to the auditor's independence and additional services rendered by the independent auditor. The audit committee also decides on auditor engagement, the determination of audit priorities and auditor remuneration. The committee also prepares the Supervisory Board meeting dealing with the annual and consolidated financial statements, however, without authority to make decisions. The chair of the audit committee is independent and possesses special knowledge and experience regarding accounting principles and internal control procedures.

The members of the audit committee are:

- 1) Gunda Röstel (chairwoman)
- 2) Marianne Kugler-Wendt
- 3) Sebastian Maier
- 4) Dr. Wolf-Rüdiger Michel
- 5) Dr. Nils Schmid MdL
- 6) Klaus Schörnich
- 7) Heinz Seiffert
- 8) Ulrike Weindel

Following the obligatory review, the Supervisory Board and the Management Board jointly issued a declaration of compliance with the German Corporate Governance Code in accordance with Sec. 161 AktG on 17 December 2015.

### **Compliance Declaration under the German Corporate Governance Code**

The most recent compliance declaration of the Board of Management and Supervisory Board of EnBW Energie Baden-Württemberg AG in accordance with Sec. 161 AktG is as follows:

"Since its last declaration of compliance on 4 December 2014, EnBW Energie Baden-Württemberg AG has without exception complied with the recommendations made by the government commission on the German Corporate Governance Code published in the German Federal Gazette (*Bundesanzeiger*) in the respective current version, and will continue to comply in the version dated 5 May 2015 without any exception."

### **Shareholder composition**

To the knowledge of EnBW AG, EnBW AG had the following shareholders as of 30 June 2016.

|   |        |
|---|--------|
| OEW Energie-Beteiligungs GmbH           | 46.75% |
| NECKARPRI Beteiligungsgesellschaft mbH* | 46.75% |

|   |       |
|---|-------|
| Badische Energieaktionärs-Vereinigung ("BEV")             | 2.45% |
| EnBW Energie Baden-Württemberg AG                         | 2.08% |
| Gemeindeelektrizitätsverband Schwarzwald-Donau ("G.S.D.") | 0.97% |
| Neckar-Elektrizitätsverband ("NEV")                       | 0.63% |
| Other shareholders  | 0.39% |

\* 100 per cent. subsidiary of NECKARPRI GmbH which is a 100 per cent. subsidiary of the Federal State of Baden-Württemberg.

The State of Baden-Württemberg, NECKARPRI GmbH and NECKARPRI Beteiligungsgesellschaft mbH, as well as Zweckverband OEW and OEW Energie-Beteiligungs GmbH, annulled their shareholder agreement with which they had previously regulated their cooperation as shareholders of EnBW AG with mutual consent on 22 December 2015. The aim of this measure is to prevent any future additional liability of the main shareholders of EnBW AG for the dismantling and disposal costs in the nuclear power sector. The involvement of shareholders in this extended liability is linked in accordance with a draft law by the German government to a controlling interest in a company. As a result of the annulment of this agreement, this controlling influence no longer exists in a legal sense. In this context, the main shareholders have publicly declared that they completely and fully support the obligations of EnBW AG in relation to nuclear energy.

## **Financial information about Net Assets, Financial Position and Results of Operations of EnBW AG**

### **Historical Financial Information**

The consolidated financial statements of EnBW AG for the fiscal years ended on 31 December 2014 and 31 December 2015 and the interim condensed consolidated financial statements of EnBW AG for the six month period from 1 January to 30 June 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) German Commercial Code (*Handelsgesetzbuch*).

The consolidated financial statements of EnBW AG for the fiscal years ended on 31 December 2014 and 31 December 2015 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Mannheim and Frankfurt am Main, respectively, that issued unqualified audit opinions thereon.

The consolidated financial statements of EnBW AG for the fiscal years ended on 31 December 2014 and 31 December 2015 and the interim condensed consolidated financial statements of EnBW AG for the six month period from 1 January to 30 June 2016, are incorporated by reference into this Prospectus.

### **Investments**

The investment volume of the EnBW Group increased significantly in the first half of 2016 compared to the same period of the previous year due to the completion of the acquisition of 74.2% of the shares in VNG-Verbundnetz Gas Aktiengesellschaft (VNG) in April 2016.

Around 89.7% of the overall gross investment was attributable to growth projects; the proportion of investments in existing facilities stood at 10.3% and was primarily allocated to existing power stations and grid infrastructure.

In the Sales segment, €19.7 million was invested in the reporting period. In the previous year, investment in this segment stood at €13.3 million.

Investment of €232.1 million in the Grids segment was slightly higher than the figure in the previous year (€219.5 million), which was mainly allocated for the expansion and upgrade of the grids and the connection of facilities for the generation of renewable energies.

Investment in the Renewable Energies segment of €50.6 million was lower than in the previous year (€180.0 million) because the offshore wind farm EnBW Baltic 2 was completed in the summer of 2015 and the Hohe See wind farm is still in the design phase.

Investment in the Generation and Trading segment stood at €51.1 million, which was significantly lower than in the previous year (€103.1 million) due to the completion of the Lausward CCGT power plant.

Other investments of €1,309.9 million were significantly above the level in the previous year (€10.4 million) because the acquisition of the shares in VNG accounted for using the equity method as part of the reorganisation of shareholding structures was completed in April 2016.

The divestitures were significantly above the figure in the previous year due to the associated disposal of a 20% share of EWE Aktiengesellschaft, as well as the sale of EnBW Propower GmbH together with the Eisenhüttenstadt CHP plant as of 31 December 2015, for which the purchase price was only received in January 2016.

### **Trend information, recent developments and strategy**

A wide variety of external factors such as developments in the macroeconomic, political and regulatory environments, the market prices for primary energy sources, CO<sub>2</sub> allowances and electricity, as well as the weather conditions, has a significant influence on the business performance of EnBW. Demand from industry for electricity and gas is strongly influenced by phases of growth and decline in the macroeconomic environment. In contrast, energy consumption in private households develops largely independent of the economy. In addition, gas sales depend heavily on weather conditions.

Political decisions at a European and national level particularly market and competition-oriented regulations have an influence on the utility sector. The sociopolitical will to, for example, strengthen the area of climate protection or preserve natural resources, shapes the political and regulatory requirements and the extensive legislative intervention into the utility sector. As a result, EnBW constantly faces new challenges, which it tackles with flexible concepts that are sustainable in the long term.

Market prices for fuel and CO<sub>2</sub> allowances, as well as prices on the electricity wholesale market, influence the business performance of EnBW in terms of its costs and income. Therefore EnBW strives to reduce the uncertainty in the generation margin. The quantities of primary energy sources and CO<sub>2</sub> allowances required for generating electricity are thus procured in advance on the forward market. EnBW sells the planned electricity production on the forward market and through the sales channels utilised by EnBW. Consequently, the terms and conditions of the supply contracts agreed upon in previous years formed the basis for the costs and income in 2015. On the other hand, the development of prices on the forward market in the 2015 financial year will impact earnings in following periods. This relationship is also true on the sales side of the business for the quantities of electricity procured from the company on the forward market.

The utility sector is experiencing a period of fundamental change especially in Germany due to the Energiewende. The politically desired expansion of renewable energies is increasingly calling into question the business models of the established large utility companies whose generation infrastructure is still primarily based around large power plants.

The pressure on conventional generation, particularly in Germany, has intensified to an unprecedented level. Already, the electricity generated by large power plants is sometimes forced out of the market entirely by renewable energies so that it is becoming ever more difficult to operate these power plants economically. Furthermore, new competitors are emerging in all subsectors of the market, such as the owners of decentralised generation units or providers of autonomous generation solution systems. Against this background, the price of electricity has fallen continuously on the electricity exchanges so that today it barely covers the costs of fuel and emission allowances. At the same time, electricity prices for consumers are rising year after year due to taxes and levies as an increasing amount of electricity is generated from state-subsidised renewable energy sources. In this challenging environment, companies in the sector need to review their business models and orientate themselves to the new market conditions.

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 its onshore wind farms will be increased in the target markets of Germany and Turkey. Offshore wind power represents a further opportunity for growth. By investing extensively in grid expansion, EnBW will be making a substantial contribution to the infrastructure required by the German energy system and thus to the security of supply.

By 2020, a significant share of the Group's earnings is to be raised from strategic initiatives within the regulated grid business and renewable energies. Innovative products and services will form another important pillar of the company's business. This will improve the risk-return profile of EnBW.

EnBW intends to invest €14.1 billion in total by 2020 in capital expenditure (based on the reference year of 2012). In this context, the focus will be placed on expanding renewable energies on an industrial scale. Moreover, EnBW will also concentrate on the expansion and upgrading of its transmission and distribution grids right through to so-called smart grids. Beyond its core market of Baden-Württemberg, EnBW will be focusing its investment activities on Germany, Switzerland, the Czech Republic and Turkey. In order to obtain the financial headroom required for such capital expenditure, EnBW has extended its divestiture programme involving asset sales, cash inflows from participation models and subsidies to around €5.1 billion by 2020 (based on the reference year of 2012).

Around €7.1 billion of the overall investments planned up to 2020 have already been realised as of 30 June 2016, while approximately €3.4 billion of EnBW's divestiture programme was implemented as of the same date.

As part of the reorganization 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 reorganization of shareholding structures and further development of EnBW, both strategically and economically.

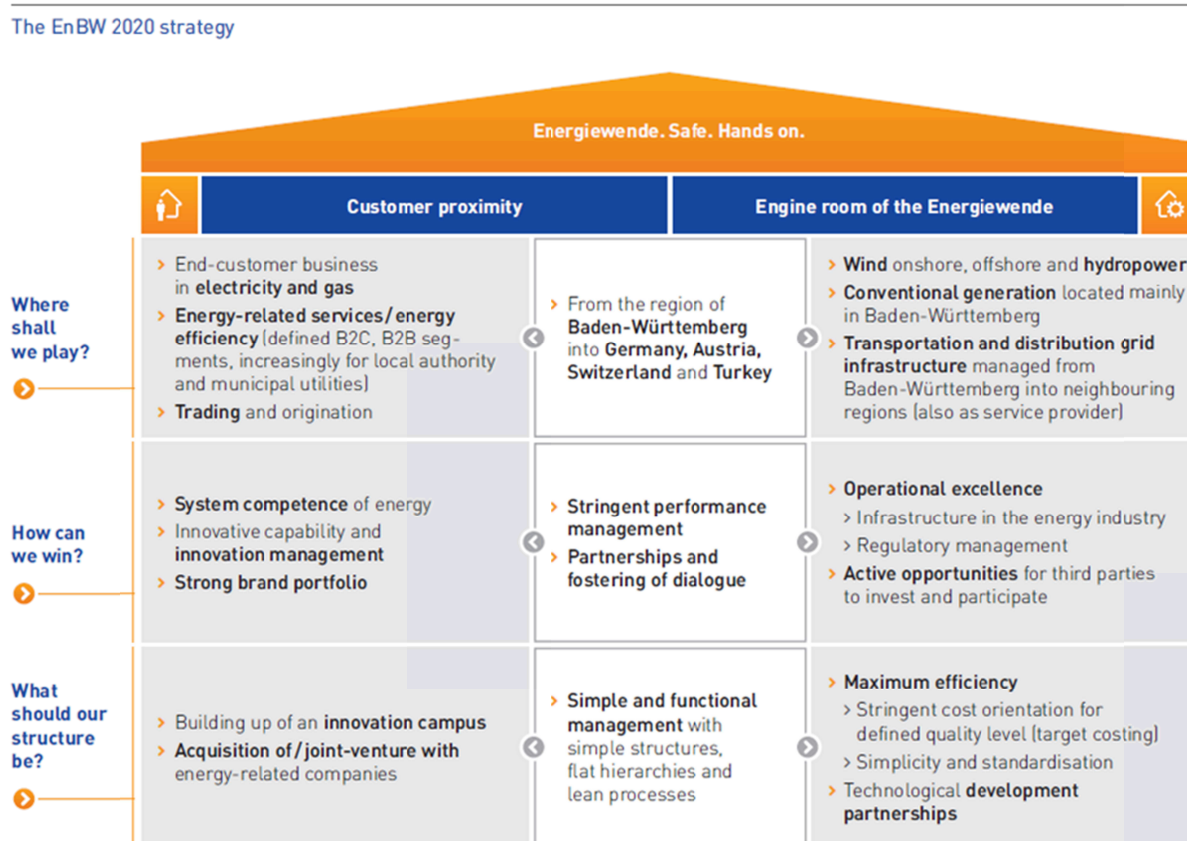
EnBW is increasing the tempo of its realignment with further measures to achieve targeted improvements in earnings. This is taking place against the background of falling electricity prices, additional expected burdens in the area of nuclear power due to the proposal by the "Commission to examine the financing of the phase-out of nuclear energy" (*Kommission zur Überprüfung der Finanzierung des Kernenergieausstiegs* – "**KFK**") and intensive competition particularly in the sales business. Following on from the significant improvements in efficiency achieved up to now, the aim is to achieve further cost reductions in the order of around €250 million by 2020. The planned measures primarily focus on the areas of sales, generation and trading as well as administrative functions and will be implemented within different time frames. Customer oriented business will be concentrated more directly on profitable activities, the faster development of new business models and the rigorous application of digital technology. In the first stage, it was decided that the brands EnBW and Watt will withdraw from the traditional electricity and gas sales to large customers (B2B). Financial resources will thus be focussed on those business fields in the sales sector that have sufficient growth potential and whose profitability EnBW can increase in a sustained manner.

At the end of April 2016, the KFK appointed by the German government, issued recommendations for the amendment of the financing system for the phasing out of nuclear power. The KFK proposes to transfer the intermediate and final storage of the radioactive waste and the necessary funds for these tasks to the federal state. 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 financing, should remain with the companies.

Overall, the utility companies should transfer the necessary funds of €17.2 billion plus a risk premium of 35% to the federal state in order to ensure the financing. The operators will be discharged from their liability as a result of the gradual payment of the risk premium. EnBW would be responsible for around 20% of the payments. EnBW would be able to transfer the necessary amount from its existing financial assets managed to cover the Group's long-term pension and nuclear provisions within an economically feasible period of time. If the proposals made by the KFK are implemented in law, the risk premium will lead to an extraordinary negative impact on earnings.

The investment and divestiture programme for the 2016 to 2018 period has to date been implemented as planned. In the context of the above-mentioned challenges, countermeasures for ensuring the investment programme and medium-term earnings targets will be taken into account.

The following chart provides an overview of the main goals of the EnBW 2020 strategy:



The following two operating models form a part of the EnBW 2020 strategy:

- (1) Customer proximity: The EnBW 2020 strategy places the focus on customers to an even greater degree. Targeted innovation management and short development times for new products and services will become key components. Cooperation with municipal utilities and local authorities should be expanded, primarily on the basis of partnership cooperation models. EnBW aims to gain an advantage over its competitors through the development of system and complete solutions for specific customer segments and a strong brand portfolio. An Innovation Campus supports the rapid development of forward-looking products. It is characterised by its focus on market proximity, bringing together the necessary expertise from the areas of research and development right through to sales and also by its entrepreneurial thinking. In the area of energy-related services in particular, selective company acquisitions shall complement existing expertise and round off the range of products and services offered.
- (2) Engine room of the Energiewende: Safety, simplicity and flexibility are crucial when it comes to operating system-relevant infrastructure. EnBW relies on operational excellence and a strict focus on efficiency and cost-orientation to achieve defined standards and levels of quality. Partnerships formed in the area of technological development serve to minimise costs and risks. In addition, EnBW actively offers the opportunity to invest in grids and power plants, especially to local authorities. In the "Engine room of the Energiewende", EnBW uses its expertise to guarantee a reliable supply of energy which also needs to be ensured during the transformation of the energy environment.

There has been no material adverse change in the prospects of EnBW AG since 31 December 2015.

There have been no significant changes in the financial or trading position of EnBW AG since 30 June 2016.

## Auditor

KPMG AG Wirtschaftsprüfungsgesellschaft, Mannheim and Frankfurt am Main respectively, has been EnBW AG's auditor since the fiscal year 2010. The address of the Mannheim office is Schlossgartenstraße 1, 68161 Mannheim. The address of the Frankfurt office is The SQUAIRE / Am Flughafen, 60549, Frankfurt am Main. KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstrasse 26, 10787 Berlin.

## Selected Financial Information

The financial information presented below is taken from the interim condensed consolidated financial statements of EnBW for the six month period from 1 January to 30 June 2016 and from the consolidated financial statements of EnBW AG for the fiscal years ended 31 December 2014 and 31 December 2015, unless otherwise indicated. The consolidated financial statements have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. Certain figures pertaining to 2014 differ from the audited consolidated financial statements of EnBW for the fiscal year ended 31 December 2014 due to the fact that such figures have been restated due to correction of an error disclosed in the notes of the IFRS Consolidated Financial Statements of EnBW for the fiscal year ended 31 December 2015 in the exposition of comparative period balances.

## Balance sheet of the EnBW Group

| €million  | As at 30 June |          | As at 31 December |          |
|---|---------------|----------|-------------------|----------|
|   | 2016          | 2015     | 2015              | 2014     |
|   | unaudited     |          | audited           |          |
| Assets  |               |          |                   |          |
| Non-current assets  | 26,444.3      | 27,605.7 | 25,587.8          | 27,382.6 |
| Current assets  | 11,112.0      | 11,820.7 | 11,554.5          | 10,825.0 |
| Assets held for sale  | 17.1          | 33.6     | 1,015.9           | 104.5    |
| Assets, total   | 37,573.4      | 39,460   | 38,158.2          | 38,312.1 |
| Equity and liabilities  |               |          |                   |          |
| Equity  | 3,806.9       | 5,334.9  | 5,089.5           | 4,545.6  |
| Non-current liabilities   | 23,865.8      | 24,365.1 | 23,791.7          | 24,146.7 |
| Current liabilities   | 9,899.2       | 9,760.0  | 9,276.2           | 9,571.3  |
| Liabilities directly associated with assets classified as held for sale | 1.5           | 0.0      | 0.8               | 48.5     |
| Equity and liabilities, total   | 37,573.4      | 39,460.0 | 38,158.2          | 38,312.1 |

## Income statement of the EnBW Group

| €million   | 1 January to 30 June |                 | 1 January to 31 December |                     |
|--|----------------------|-----------------|--------------------------|---------------------|
|  | 2016                 | 2015            | 2015                     | 2014                |
|  | unaudited            |                 | audited                  |                     |
| Revenue  | 9,811.4              | <b>10,913.8</b> | 21,166.5                 | 21,002.5            |
| Group net profit/loss <sup>2</sup>                             | -194.2               | 1,056.5         | 124.9                    | -465.9 <sup>1</sup> |
| Shares outstanding (millions), weighted average                | 270.855              | 270.855         | 270.855                  | 270.855             |
| Earnings per share from Group net profit/loss (€) <sup>3</sup> | -0.72                | 3.90            | 0.46                     | -1.72 <sup>1</sup>  |

<sup>1</sup> Restated.

<sup>2</sup> In relation to the profit/loss shares attributable to the shareholders of EnBW AG.

<sup>3</sup> Diluted and basic; in relation to the profit/loss shares attributable to the shareholders of EnBW AG.

### Statement of comprehensive income of the EnBW Group

| €million   | 1 January to 30 June |         | 1 January to 31 December |                       |
|--|----------------------|---------|--------------------------|-----------------------|
|  | 2016                 | 2015    | 2015                     | 2014                  |
|  | unaudited            |         | audited                  |                       |
| Group net profit/loss  | -138.5               | 1,099.7 | 200.5                    | -402.8 <sup>1</sup>   |
| Total of other comprehensive income and expenses without future reclassifications impacting earnings | -930.9               | 256.2   | 143.9                    | -962.9 <sup>1</sup>   |
| Total of other comprehensive income and expenses with future reclassifications impacting earnings    | 4.8                  | -321.1  | -245.1                   | 212.2                 |
| Total comprehensive income <sup>2</sup>  | -1,115.2             | 977.4   | 11.2                     | -1,191.5 <sup>1</sup> |

<sup>1</sup> Restated.

<sup>2</sup> In relation to the profit/loss shares attributable to the shareholders of EnBW AG.

### Cash flow statement of the EnBW Group

| €million   | 1 January to 30 June |         | 1 January to 31 December |          |
|--|----------------------|---------|--------------------------|----------|
|  | 2016                 | 2015    | 2015                     | 2014     |
|  | unaudited            |         | audited                  |          |
| Cash flow from operating activities                | -362.4               | 794.7   | 1,918.3                  | 1,775.7  |
| Cash flow from investing activities                | 86.3                 | -137.4  | -814.2                   | -2,776.6 |
| Cash flow from financing activities                | -516.3               | -527.7  | -798.5                   | 1,760.9  |
| Net change in cash and cash equivalents            | -792.4               | 129.6   | 305.6                    | 760.0    |
| Change in cash and cash equivalents                | -793.9               | 136.3   | 315.9                    | 760.3    |
| Cash and cash equivalents at the end of the period | 2,707.2              | 3,321.5 | 3,501.1                  | 3,185.2  |

### Consolidated key figures of the EnBW Group

| €million                       | 1 January to 30 June |                 | 1 January to 31 December |                 |
|--------------------------------|----------------------|-----------------|--------------------------|-----------------|
|                                | 2016                 | 2015            | 2015                     | 2014            |
|                                | unaudited            |                 | audited                  |                 |
| <b>Revenue</b>                 |                      |                 |                          |                 |
| Sales                          | 4,070.8              | 4,920.2         | 9,061.2                  | 9,066.8         |
| Grids                          | 3,234.1              | 3,156.8         | 6,350.6                  | 6,230.5         |
| Renewable Energies             | 254.5                | 163.2           | 447.0                    | 407.4           |
| Generation and Trading         | 2,246.9              | 2,669.5         | 5,300.4                  | 5,290.1         |
| Other/consolidation            | 5.1                  | 4.1             | 7.3                      | 7.7             |
| <b>External revenue, total</b> | <b>9,811.4</b>       | <b>10,913.8</b> | <b>21,166.5</b>          | <b>21,002.5</b> |
| Investments <sup>1</sup>       | 1,663.4              | 526.3           | 1,461.6                  | 1,956.7         |

<sup>1</sup> The Investments figures for the full year are taken from the Management Report contained in the Combined Management Report of the EnBW Group and EnBW AG for 2015 included in the Integrated Report 2015 of EnBW Energie Baden-Württemberg AG (condensed version). The investment figures as at 30 June are taken from the Management Report contained in the interim condensed consolidated financial statements of EnBW for the six month period from 1 January to 30 June 2016.

## Energy sales of the EnBW Group<sup>1</sup>

| billions of kWh | 1 January to 30 June |      | 1 January to 31 December |       |
|-----------------|----------------------|------|--------------------------|-------|
|                 | 2016                 | 2015 | 2015                     | 2014  |
|                 | unaudited            |      | audited                  |       |
| Electricity     | 56.9                 | 60.1 | 115.6                    | 126.1 |
| Gas             | 71.6                 | 90.4 | 135.2                    | 116.5 |

## Employees of the EnBW Group<sup>2,3</sup>

| Number    | As at 30 June |        | As at 31 December |        |
|-----------|---------------|--------|-------------------|--------|
|           | 2016          | 2015   | 2015              | 2014   |
|           | unaudited     |        | audited           |        |
| Employees | 20,263        | 20,061 | 20,288            | 20,092 |

<sup>1</sup> Without grids.

<sup>2</sup> Number of employees excluding marginally employed persons, apprentices/trainees and inactive employees; figures are taken from the Management Report contained in the Combined Management Report of the EnBW Group and EnBW AG for 2015 included in the Integrated Report 2015 of EnBW Energie Baden-Württemberg AG (condensed version).

<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 respectively 31/12/2014 is carried forward. Values for the period 1 January to 30 June refer to the actual figures on 30 June.

## Governmental, Legal and Arbitration Proceedings

Other than as described under "*Risk Factors – Risk factors with regard to the Issuer – Legal Risks*", neither EnBW AG nor any of its subsidiaries is currently involved in any governmental, legal or arbitration proceedings directed against or affecting EnBW AG or any of its subsidiaries, nor was EnBW AG or any of its subsidiaries involved in any such proceedings in the past 12 months, nor is EnBW AG aware of any proceedings, whether pending or threatened, that have recently had, or that EnBW AG expects to have, material effects on the financial condition or profitability of EnBW AG or the EnBW Group.

## Additional Information

### Material Contracts

EnBW AG as borrower entered into a syndicated revolving credit facility agreement ("Credit Agreement") dated 29 March 2011 with several banks as mandated lead arrangers and Bayerische Landesbank as the facility agent amended and restated on 21 July 2014. Pursuant to the amended and restated Credit Agreement, a revolving credit facility in an aggregate amount equal to € 1.5 billion is made available until 21 July 2020. After exercising a second extension option with effect from 21 July 2016, a partial amount of approx € 1.38 bn was extended until 21 July 2021.

In July 2012, EnBW entered into a long-term gas supply agreement with Novatek. This agreement has a minimum term of ten years with an annual volume of around 21 bn kWh.

### Subscribed Capital

The subscribed capital of EnBW Energie Baden-Württemberg AG amounts to € 708,108,042.24 and is divided into 276,604,704 no par value bearer shares with an imputed value of € 2.56 each. The subscribed capital of EnBW AG has been fully paid in. Each share entitles the holder to one vote at EnBW AG's annual general meeting.

### Articles of incorporation and bylaws

According to Article 2 of the articles of incorporation and bylaws, EnBW AG has the following purpose:



- (1) The purpose of the Company is to supply energy and water and to dispose of waste, including all the respectively associated activities, as well as providing services in these areas of business. The Company may also operate in related sectors of the economy or purchase and manage participating investments, particularly in the sectors of information processing, communications technology, transport and real estate. The Company is entitled to conduct all business and to undertake activities and measures which pertain to the purpose of the Company or that are suitable to promote it, either directly or indirectly.
- (2) The Company may operate in the aforementioned businesses itself or through subsidiaries, participations and jointly-held companies. It may hive off of its business activities, either partly or in their entirety, and incorporate them into or assign them to associated companies and restrict itself to the management and administration of its associated companies. The Company may change the structure of companies in which it holds a participating interest and combine them under uniform management.
- (3) The company is authorised to establish branches in Germany and abroad, to found, acquire or invest in other companies, in particular in companies whose business purpose encompasses the areas of business sited in Para. 1, either partly or fully.

### **Ratings<sup>1</sup>**

Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") has assigned the credit rating of A-<sup>2</sup> to EnBW AG.

Moody's Investors Service Ltd ("**Moody's**") has assigned the credit rating of A3<sup>3</sup> to EnBW AG.

Fitch Ratings Ltd. ("**Fitch**") has assigned the credit rating of A-<sup>4</sup> to EnBW AG.

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<sup>1</sup> Credit ratings included or referred to in this Prospectus have been issued by S&P, Moody's and Fitch, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

<sup>2</sup> Standard & Poor's defines "A" as follows: "strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances". Ratings by Standard & Poor's from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>3</sup> Moody's defines "A" as follows: "obligations rated A are judged to be upper-medium grade and are subject to low credit risk". Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>4</sup> Fitch defines "A" as follows: "'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings." The modifiers "+" or "-" may be appended to a rating by Fitch from "AA" to "B" to denote relative status within major rating categories.

## TAXATION

*The following is a general overview of certain tax considerations relating to the purchasing, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Holder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.*

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

**Prospective holders of Notes ("Holders") should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Notes, including the application and effect of any federal, state or local taxes, under the tax laws of the Federal Republic of Germany ("Germany"), the Grand Duchy of Luxembourg, the Republic of Austria ("Austria"), The Netherlands and each country of which they are residents or citizens.**

### **U.S. Foreign Account Tax Compliance Withholding**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("FATCA") impose a withholding tax of 30% on (i) certain U.S. source payments, (ii) payments of gross proceeds from the disposition of assets that produce U.S. source interest or dividends made to persons that fail to meet certain certification or reporting requirements and (iii) certain other payments by entities that qualify as financial institutions pursuant to FATCA. The Issuer does not expect to be treated as a foreign financial institutions. The United States of America have entered into intergovernmental agreements in relation to FATCA (the "**Intergovernmental Agreements**") with various states, including Germany.

Whilst the Notes are in global or dematerialised form and held within a clearing system respectively, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and a clearing system, given that each of the entities in the payment chain from (but excluding) the Issuer and to (but including) the clearing system is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an Intergovernmental Agreement will be unlikely to affect the Notes. Additionally, it is generally not expected that foreign financial institutions in a jurisdiction that entered into an Intergovernmental Agreement will be required to withhold any amounts on any of their payments pursuant to FATCA or Intergovernmental Agreement (or a law implementing such Intergovernmental Agreement).

It is yet unclear how the United States of America and Germany will implement a withholding on "foreign passthru payments" (as described in FATCA) or if such withholding will be required at all.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER SHOULD CONSULT ITS OWN TAX**

**ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

**Taxation in Germany**

The following general overview does not consider all aspects of income taxation in Germany that may be relevant to a Holder of the Notes in the light of the Holder's particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

**German residents holding the Notes as private assets**

**Taxation of income from the Notes**

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld other than by virtue of a withholding tax exemption request (*Freistellungsauftrag*) (e.g., in case there is no Domestic Paying Agent as defined in the subsequent paragraph – *Withholding Tax*), the investor will have to include the income received with respect to the Notes in its income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate on all taxable income including the investment income determined by generally applicable individual progressive tax rates is lower than 25 per cent., the investor may opt to be taxed at individual progressive tax rates with respect to its investment income.

Capital losses from the Notes held as private assets are generally tax-recognised irrespective of the holding period of the Notes. The losses may, however, not be used to offset other income like employment or business income but may only be offset against investment income subject to certain limitations. Losses not utilised in one year may be carried forward into subsequent years but may not be carried back into preceding years. According to the view of German tax authorities losses suffered upon a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be deductible for tax purposes. With respect to a bad debt loss a German lower fiscal court has recently confirmed the view of the German tax authorities in a non-final decision. Furthermore capital losses might not be recognised by the German tax authorities if the Notes are sold at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of EUR 801 per year (EUR 1,602 for jointly assessed investors). The saver's lump sum tax allowance is considered for purposes of the withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not possible.

## **Withholding tax**

If the Notes are kept or administered in a domestic securities deposit account by a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or by a German branch of a foreign credit or financial services institution), or by a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure as of 1 January 2015 unless the Holder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case the investor has to include the investment income in the tax return and will then be assessed to church tax.

Capital gains from the sale (including the redemption) of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure as of 1 January 2015 unless the Holder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

## **German resident investors holding the Notes as business assets**

### **Taxation of income from the Notes**

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable to the individual investor) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Losses from the disposal or redemption of the Notes will generally be tax-recognised and may generally be offset against other income subject to certain limitations.

### **Withholding tax**

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure as of 1 January 2015 unless the Holder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case the investor has to include the investment income in the tax return and will then be assessed to church tax.

No withholding is generally required on capital gains from the disposal or redemption of the Notes which is derived by German resident corporate investors and, upon application, by individual investors holding the Notes as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. If withholding tax is levied, the withholding tax does not satisfy the investor's personal

or corporate income tax liability with respect to the Notes. The income from the Notes will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

### **Non-German resident Holders**

Income derived from the Notes by Holders who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Notes are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, (ii) the income derived from the Notes does otherwise constitute German source income (such as income derived from Notes that are secured by German real estate or vessels subject to certain exceptions or income from the letting and leasing of certain property located in Germany) or (iii) the income is paid by a Domestic Paying Agent against presentation of the Notes or interest coupons (so-called over-the-counter transaction, *Tafelgeschäfte*).

If the income derived from the Notes is subject to German taxation according to (i) to (iii) above, the income is subject to German income taxation and withholding tax similar to that described above for German resident Holders. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

### **Inheritance and gift tax**

The transfer of Notes to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association of persons (*Personenvereinigung*) or asset pool (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to a business asset attributable to a permanent establishment or a permanent representative in Germany.

Special regulations apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

### **Other taxes**

The purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

### **Taxation in the Grand Duchy of Luxembourg**

The comments below do not relate to any form of Luxembourg taxation other than certain taxes withheld at source with respect to the Notes.

### **Withholding tax and self-applied tax**

Under Luxembourg tax law currently in effect and subject to the exception (below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 23 December 2005, as amended, on the introduction of a withholding tax on certain interest payments on savings income, interest on Notes paid by Luxembourg paying agents to or to the benefit of Luxembourg individual residents are subject to a 10 per cent withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Furthermore, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents located in

an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in certain dependent or associated territories of EU Member States.

## **Taxation in the Republic of Austria**

This summary is based on Austrian tax laws as currently in force and as applied on the date of this Prospectus. The following comments reflect the Issuer's understanding of certain aspects of Austrian tax laws in connection with the acquisition, ownership and disposition of the Notes. They are of rather general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. For their particular case, prospective investors should consult their professional legal and tax advisors.

### **General Remarks**

Individuals resident in Austria are subject to Austrian income tax (*Einkommensteuer*) on their world-wide income (unlimited income tax liability). Individuals qualify as residents if they have either their permanent domicile and/or their habitual abode in Austria. Otherwise they are non-resident individuals subject to income tax only on income from certain Austrian sources (limited income tax liability).

Companies resident in Austria are subject to Austrian corporate income tax (*Körperschaftsteuer*) on their worldwide income (unlimited corporate income tax liability). Companies qualify as residents if they have their place of effective management and/or their legal seat in Austria. Otherwise they are non-residents subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability).

Under Austrian tax law, individuals are subject to income tax pursuant to the Austrian Income Tax Act 1988 (*Einkommensteuergesetz 1988*, Federal Law Gazette 1988/400 – "ITA") generally at progressive tax rates between 0 per cent. and 55 per cent. Corporate entities are subject to a corporate income tax at a rate of 25 per cent. pursuant to the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz 1988*, Federal Law Gazette 1988/401 – "CITA").

In case of unlimited and limited (corporate) income tax liability, Austria's right to levy taxes may be restricted by double taxation treaties.

There is no transfer tax, registration tax or similar tax payable in Austria by the holders of Notes as a consequence of the acquisition, ownership, disposition or redemption of Notes (when issued in bearer form only). The sale and purchase of Notes is not subject to Austrian stamp duty provided that no other transaction potentially taxable under the Federal Stamp Duty Act (*Gebührengesetz 1957*, Federal Law Gazette 1957/267 as amended) such as an assignment is entered into for which a document (Urkunde) within the meaning of the Stamp Duty Act is executed.

### **Fiscal Reform 2015/2016**

Due to the latest fiscal reform enacted by Federal Law Gazette I 2015/118, certain tax rates have been changed with effect as of 1 January 2016. Inter alia, the highest progressive income tax rate has been raised to 55 per cent. for yearly taxable income exceeding EUR 1.000.000 (limited in time for the years 2016 to 2020). Furthermore, the special tax rate applicable to investment income and capital gains derived from debt instruments such as the Notes has been raised to 27.5 per cent.

### **Austrian Residents**

Income derived from the Notes by individuals with a permanent domicile or their habitual abode in Austria or corporate entities having their corporate seat or place of management in Austria is taxable in Austria pursuant to the ITA or the CITA.

#### *Austrian Resident Individuals*

Income derived from debt instruments such as the Notes qualifies as investment income (*Einkünfte aus Kapitalvermögen*). Such income comprises not only current income, i.e. interest payments and similar earnings, but also "realised" capital gains (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*) stemming from the sale or redemption of debt instruments, irrespective of whether they have been held as business or non-business assets and irrespective of whether the profits have been realised within a particular holding period (formerly, in

case of individuals, only such profits stemming from securities which were held only for a period not exceeding one year were taxed). According to the relevant provisions of the ITA, "realised" capital gains principally consist in the difference (sur-plus) between the proceeds from the sale or redemption of the debt instruments, i.e. their selling or redemption price, and their purchase price.

Such profits, i.e. current income and "realised" capital gains, are in principle subject to a special tax rate of 27.5 per cent. and will be deducted by the custodian bank or the paying office (*Kapitalertragsteuer*, Capital Proceeds Tax – "CPT"). However, as regards profits from debt instruments such as the Notes, the special tax rate will only apply in cases where the instruments have in the primary offering been offered to an undetermined number of people ("public offer"). This tax is in principle "final", which means that no further taxation will be allowed on such capital gains and that they do not have to be declared in other tax declarations of the taxpayer (in particular, a personal tax rate exceeding 27.5 per cent. will not apply). In case the taxpayer applies for regular taxation (*Regelbesteuerungsoption* – which he might do in case his personal tax rate is below 27.5 per cent.) or for the offsetting of losses (*Verlustausgleichsoption*), taxation is not final. The option for regular taxation may be exercised independently from the option for the offsetting of losses by filing a respective request to the tax office. It leads to an assessment for income tax and to the application of the regular, progressive income tax rate (currently amounting to a maximum of 55 per cent. for yearly taxable income exceeding EUR 1,000,000) on all taxable capital gains.

Further, pursuant to the relevant provisions of the ITA also the withdrawal or transfer of debt instruments such as the Notes from their current investor's securities account shall, as a general rule, equally trigger CPT, unless one of the exemptions contained in the ITA applies. These exemptions are all based on the idea that no CPT shall be deducted, in cases where the taxation of potential future profits stemming from the sale or redemption of the transferred debt instruments remains in fact possible. In addition, since 1 April 2012 amended exit tax rules (*Wegzugsbesteuerung*) apply, which are not discussed herein.

In its international dimension, the capital gains tax applies only and CPT will only be deducted, if either the custodian bank (*depotführende Stelle*) or – under certain conditions – the paying office (*auszahlende Stelle*) is located in Austria. A paying office may be any organisational entity of a bank which is capable to credit amounts of money to cash accounts of clients or to pay in cash. In most cases the paying office will be the bank with which the investor maintains his securities account. It is not the Paying Agent (as defined in the Prospectus). The term "custodian bank" refers to banks (its branches and offices) providing the securities account to the investor and not to any other bank up in the holding chain. The custodian bank or, if applicable, the paying office will be responsible for the deduction of the capital gains tax (CPT) and its transfer to the respective Austrian tax office.

To the extent that no CPT is deducted due to the lack of a custodian bank or a paying office located in Austria, the income derived from debt instruments such as the Notes must be included into the respective taxpayer's tax declaration, if such profits are received by an Austrian resident individual subject to unlimited income tax liability. In this case, the special tax rate of 27.5 per cent. applies equally.

#### *Austrian Resident Corporate Investors*

Resident corporate investors deriving business income from the Notes may avoid the deduction of CPT by filing a statement of exemption with the securities account keeping bank (or the paying office) and with the competent Austrian tax office to the fact that the payment received is due to a commercial enterprise subject to taxation in Austria (*Befreiungserklärung*). Income derived from the Notes by corporate investors (including any capital gains) is subject to corporate income tax at the general corporate income tax rate of 25 per cent. A special tax regime applies for private foundations (*Privatstiftungen*).

#### *Non-Resident Individuals of an EU Member State*

Non-resident investors who are resident individuals of an EU Member State have to consider EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**") regarding particular withholding tax rules. In Austria, provisions for implementing the EU Savings Tax Directive have been enacted by the EU Withholding Tax Act (*EU-Quellensteuergesetz*, Federal Law Gazette I 2004/33 – "**EU-QuStG**"). Section 1 of the EU-QuStG provides that interest payments paid out or credited by a paying office located in Austria to a beneficial owner who is an individual resident in another EU Member State (or certain dependent or associated territories) is

subject to a withholding tax if no exemption from such withholding applies. Pursuant to the EU-QuStG, tax from interest payments must be deducted on a time scaled basis. For the first three years after the EU-QuStG came into force (i.e. from 1 July 2005 onwards) 15 per cent. on paid interest has been deducted, for the subsequent three years (i.e. from 1 July 2008 onwards) a tax of 20 per cent. applied. Since 1 July 2011, the tax to be deducted amounts to 35 per cent. This tax is not deducted in case the beneficial owner of the interest provides a certificate of the competent tax authority of the EU Member State where he is resident. The certificate must include the beneficial owner's name, address, tax number or other identification number or if such number is not available, the date of birth and the paying bank's registered office. In addition, the name and address of the paying bank, as well as the account number of the beneficial owner or, if an account number is unavailable, the security identification number must be included.

In this context it is of note that on 10 November 2015, the Council of the European Union adopted Council Directive (EU) 2015/2060 by which the EU Savings Tax Directive has been repealed with effect of 1 January 2016. The repeal was adopted as a consequence of the adoption by the Council in December 2014 of Directive 2014/107/EU amending provisions on the mandatory automatic exchange of information between tax administrations. In respect of Austria, however, special transitional periods apply and the EU Savings Tax Directive shall continue to apply until 31 December 2016. Legislation implementing the repeal of the EU Savings Tax Directive and of the EU-QuStG with effect of 1 January 2017 as well as other statutory adjustments regarding the limited income tax liability for interest income applicable to non-resident individuals (see below) has been adopted on 14 July 2016 by the EU Federal Tax Amendment Act 2016 (*EU-Abgabenänderungsgesetz 2016*, Federal Law Gazette I 2016/77 – "**EU-AbgÄG 2016**").

#### *Other Non-Resident Individuals and Non-Resident Corporate Investors*

Pursuant to the Federal Tax Amendment Act 2014 (*Abgabenänderungsgesetz 2014*, Federal Law Gazette I 2014/13) and the Second Federal Tax Amendment Act 2014 (*2. Abgabenänderungsgesetz 2014*, Federal Law Gazette I 2014/105) the ITA has been amended. Amongst other amendments, since 1 January 2015, interest income within the meaning of the EU Savings Tax Directive and the EU-QuStG falls within the limited income tax liability applicable to non-resident individuals (within the meaning of the ITA), provided that CPT has to be deducted. This is the case if either the custodian bank (*depotführende Stelle*) or – under certain conditions – the paying office (*auszahlende Stelle*) is located in Austria. Accordingly, since 1 January 2015, income of non-resident individuals derived from debt instruments such as the Notes (interest payments, realised capital gains) is subject to Austrian income tax at a rate of 27.5 per cent., unless one of the exemptions contained in amended section 98 para 1 no. 5 of the ITA applies, e.g. inter alia in case interest income is paid out or credited to an individual resident in an EU Member State in which case the EU-QuStG applies (see above). Another exemption applies in case the debtor's domicile, legal seat and/or place of effective management is not located in Austria.

For non-resident corporate entities deriving business income from Notes, an exemption applies as pursuant to section 98 para 1 no. 5 of the ITA interest payments which are not received by natural persons are exempt from the limited income tax liability. In addition, non-resident corporate investors deriving business income from Notes may avoid the deduction of CPT by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian paying office, as section 94 no. 5 of the ITA has not been changed or amended.

Applicable double taxation treaties may provide for a reduction of or relief from CPT. In case non-residents receive income from Notes through an Austrian permanent establishment, they are to a large extent subject to the same tax treatment as resident investors. Investors should consult their professional advisers to clarify their position.

In this context it should be mentioned that due to the changes of the ITA by the EU-AbgÄG 2016 (see above) as of 1 January 2017 interest income will fall within the limited income tax liability applicable to non-resident individuals in case the interest payment is qualified "domestic" (section 98 para 1 no. 5 of the ITA as amended by the EU-AbgÄG 2016) and provided that CPT has to be deducted. Interest payments will be qualified domestic in case the debtor's domicile, legal seat or place of effective management is located in Austria or in case the debtor is an Austrian branch of a foreign bank. Interest income derived from debt instruments (interest payments, realised capital gains) will be qualified domestic in case the debt securities have been issued by an Austrian issuer. For non-resident corporate entities deriving business income from Notes the current exemption in section 98 para 1 no. 5 of the ITA will continue to apply pursuant to which interest payments which are not received by natural persons are



exempt from the limited income tax liability. In addition, a new exemption will apply in case interest in-come is received by individuals which are resident in countries in respect of which an automatic exchange of financial account information with Austria is implemented. The justification of residence in such a country must be proven by a certificate of residence.

### **Other Taxes**

Due to a decision of the Austrian Constitutional Court (*Verfassungsgerichtshof*), the Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) has been abolished with effect of 1 August 2008. However, pursuant to section 121a of the Federal Fiscal Code (*Bundesabgabenordnung*, Federal Law Gazette 1961/194 as amended), gifts exceeding certain amounts must be notified to the Austrian tax authorities within a three-month notification period. In addition, it should be mentioned that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and com-parable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Federal Foundation Transfer Act (*Stiftungseingangssteuergesetz*, Federal Law Gazette I 2008/85). This tax is triggered, if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. The tax is based on the market value of the transferred assets less any debt economically linked to these assets. In general, the applicable tax rate amounts to 2.5 per cent. However, in certain cases a higher tax rate of 25 per cent. applies.

### **Taxation in The Netherlands**

The summary below does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this summary should be treated with corresponding caution. Holders or prospective holders of Notes should consult with their tax advisors with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.

For the purposes of this section, "The Netherlands" shall mean that part of the Kingdom of the Netherlands that is in Europe.

### **Withholding tax**

All payments made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

### **Taxes on Income and Capital Gains**

#### **Residents of The Netherlands**

Generally speaking, if the holder of the Notes is an entity that is a resident or deemed to be resident of The Netherlands for Netherlands corporate income tax purposes, any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is subject to Netherlands corporate income tax at a rate of 20% with respect to taxable profits up to €200,000 and 25% with respect to taxable profits in excess of that amount.

If a holder of the Notes is an individual, resident or deemed to be resident of The Netherlands for Netherlands income tax purposes, any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is taxable at progressive income tax rates (with a maximum of 52%), if:

- (i) the Notes are attributable to an enterprise ("*onderneming*") from which the holder of the Notes derives a share of the profit, whether as an entrepreneur ("*ondernemer*") or as a person who has a co-entitlement to the net worth ("*mede-gerechtigde tot het vermogen*") of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or

- (ii) the holder of the Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (in Dutch: "*normaal, actief vermogensbeheer*") or derives benefits from the Notes that are taxable as benefits from other activities (in Dutch: "*resultaat uit overige werkzaamheden*").

If the above mentioned conditions (i) and (ii) do not apply to the individual holder of the Notes, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year (in Dutch: "*rendementsgrondslag*") are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year, to the extent that a certain threshold (in Dutch: "*heffingsvrij vermogen*") is exceeded. The Notes are included as investment assets. Actual income gains or losses in respect of the Notes are as such not subject to Netherlands income tax.

### **Non-residents of The Netherlands**

A holder of Notes that is neither resident nor deemed to be resident of The Netherlands will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, provided that:

- (i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in The Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and
- (ii) in the event the holder is an individual, such holder does not carry out any activities in The Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in The Netherlands.

## OFFER, SALE AND SUBSCRIPTION OF THE NOTES

### Offer of the Notes

The offer will be coordinated and the Notes will be offered to investors by BNP Paribas S.A., HSBC Bank plc and J.P. Morgan Securities plc (the "**Joint Structuring Agents**") and Banco Bilbao Vizcaya Argentaria, S.A., The Royal Bank of Scotland plc and UniCredit Bank AG (together with the Joint Structuring Agents, the "**Joint Lead Managers**") during an offer period which will commence on the date of the publication of the approved Prospectus (30 September 2016) and which, in each case, will end with the expiry of 5 October 2016 (being the date of issuance of the Notes) (the "**Offer Period**"), subject to a shortening or extension of the Offer Period.

Should the Issuer and the Joint Lead Managers determine any shortening or extension of the Offer Period (e.g., due to changing market conditions), a supplement to the Prospectus will be prepared and published in accordance with Article 13 of the Luxembourg Prospectus Law..

The Notes will be offered to institutional and retail investors in compliance with public offer restrictions. The Notes may be offered to the public in Luxembourg, Austria, Germany and The Netherlands during the Offer Period. Any investor will receive relating to the respective allotment of the Notes a confirmation relating to the results of the offer. There is no minimum or maximum amount of Notes to be purchased.

### Subscription by the Joint Lead Managers

The Joint Lead Managers will enter into a subscription agreement on or about 30 September 2016 (the "**Subscription Agreement**") in which they agree to subscribe for the Notes on a firm commitment basis. The Joint Lead Managers will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree in the Subscription Agreement to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

The fees payable to the Joint Lead Managers in connection with the offering, placement and subscription of the Notes will be up to 0.45 per cent. of the aggregate principal amount of the Notes.

The Joint Lead Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Lead Managers or their affiliates have received or will receive customary fees and commissions.

### Offers to purchase Notes by the investors

During the Offer Period, the Joint Lead Managers will offer the Notes upon request through banking institutions in Germany, Austria, The Netherlands and Luxembourg. These institutions will supply investors with the relevant information on such offers. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

### Confirmation of offers placed by, and allotments to, investors

Any investor who has submitted an order in relation to the Notes and whose order is accepted by the Joint Lead Managers will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Notes. Before an investor receives a confirmation from the Joint Lead Managers that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order.

### Delivery of the Notes to investors

Delivery and payment of the Notes will be made on the Interest Commencement Date (5 October 2016). The Notes so purchased will be delivered via book-entry through the Clearing Systems and their depository banks against payment of the Issue Price therefor.

## **Costs and expenses relating to the offer**

The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

## **Selling Restrictions**

### **General**

Each Joint Lead Manager has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Joint Lead Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

### **European Economic Area**

In relation to each Member State of the European Economic Area (each, a "**Member State**"), each Joint Lead Manager has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Member State other than the offers contemplated in this Prospectus in Luxembourg from the time this Prospectus has been approved by the competent authority in Luxembourg and published and, in Austria, Germany and The Netherlands from the day following the day on which this Prospectus has been notified to the relevant competent authorities in Austria, Germany and The Netherlands in accordance with the Prospectus Directive as implemented in Luxembourg, Austria, Germany and The Netherlands until the expiry of the Interest Commencement Date, and provided that the Issuer has consented in writing to the use of this Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Lead Managers; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Notes shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Member State.

### **United States of America and its Territories**

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the

registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom of Great Britain and Northern Ireland**

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

**Authorisations:** The creation and issue of the Notes has been authorised by a resolution of the Executive Board (*Vorstand*) of the Issuer on 7 June 2016 and of the Supervisory Board (*Aufsichtsrat*) of the Issuer on 6 July 2016.

**Expenses of the Issue:** The expenses of the issue of the Notes are expected to amount to approximately EUR 755,000 plus the commission of up to 0.45 per cent. of the aggregate principal amount of the Notes payable to the Joint Lead Managers in connection with the offering, placement and subscription of the Notes.

**Clearing System:** Payments and transfers of the Notes will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Notes have the following securities codes:

ISIN: XS1405770907

Common Code: 140577090

German Securities Code (*WKN*): A2BPF0

**Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

**Interest of Natural and Legal Persons involved in the Issue/Offer:** There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

**Notices to Holders:** For so long as the Notes are listed on the Luxembourg Stock Exchange, all notices to the Holders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Furthermore, all notices to the Holders regarding the Notes will be published in the Federal Gazette (*Bundesanzeiger*). The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders to the extent that the rules of the stock exchange on which the Notes are listed so permit.

**Documents on Display:** For so long as any Note is outstanding, copies of the following documents may be inspected in physical form during normal business hours at the registered office of the Issuer:

- (a) the Articles of Incorporation (*Satzung*) of the Issuer;
- (b) this Prospectus and any supplement to this Prospectus (if any); and
- (c) the documents specified in the section "Documents incorporated by reference" below.

This Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**Yield to Maturity:** For the subscribers, the yield of the Notes until the First Call Date is 3.500 per cent. per annum, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. The ICMA method determines the effective interest rate on notes by taking into account accrued interest on a daily basis. The yield of the Notes for the Reset Periods thereafter may not be determined as of the date of this Prospectus.

**Ratings<sup>15</sup>:** Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") has assigned the credit rating of A-<sup>16</sup> to EnBW AG.

Moody's Investors Service Ltd ("**Moody's**") has assigned the credit rating of A3<sup>17</sup> to EnBW AG.

Fitch Ratings Ltd. ("**Fitch**") has assigned the credit rating of A-<sup>18</sup> to EnBW AG.

**Consent to the use of the Prospectus:** The Issuer consents to the use of this Prospectus during the offer period which will commence on 30 September 2016 and will be open until 5 October 2016 by the Joint Lead Managers and by all financial intermediaries (general consent) for the offers in compliance with the Selling Restrictions (see "**Selling Restrictions**") by all financial intermediaries (general consent) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use the Prospectus.

Financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Austria, Germany and The Netherlands.

The subsequent resale or final placement of Notes by financial intermediaries can be made during the Offer Period.

**In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.**

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<sup>15</sup> Credit ratings included or referred to in this Prospectus have been issued by Standard & Poor's, Moody's and Fitch, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "CRA Regulation"). A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-andcertified-CRAs>.

A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

<sup>16</sup> Standard & Poor's defines "A" as follows: "strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances". Ratings by Standard & Poor's from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>17</sup> Moody's defines "A" as follows: "obligations rated A are judged to be upper-medium grade and are subject to low credit risk". Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>18</sup> Fitch defines "A" as follows: "'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings." The modifiers "+" or "-" may be appended to a rating by Fitch from "AA" to "B" to denote relative status within major rating categories.

## Documents incorporated by reference

The following documents which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF are incorporated by reference into this Prospectus: (i) the audited consolidated financial statements of EnBW AG for the fiscal year ended on 31 December 2015 included in the Financial Statements of EnBW Group 2015, (ii) the audited consolidated financial statements of EnBW AG for the fiscal year ended on 31 December 2014 included in the Financial Statements of EnBW Group 2014 and (iii) the Half-Yearly Financial Report of the Group for the six-month period ended 30 June 2016. Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross reference list below is either not relevant for the investor or covered in another part of this Prospectus.

- (1) Financial Statements of EnBW Group 2015
  - Income statement..... page 2
  - Statement of comprehensive income ..... page 3
  - Balance sheet..... page 4
  - Cash flow statement ..... page 5
  - Statement of changes in equity ..... page 6
  - Notes to the financial statements ..... pages 7 to 100
  - Audit Opinion\* ..... page 101
- (2) Financial Statements of EnBW Group 2014
  - Income statement..... page 2
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Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the business address of the Issuer and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

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\* The Audit Opinion and the Review Report refer to the respective consolidated financial statements/Half-Yearly Financial Report of the Group and the combined management report of the Group and the Issuer as a whole and not solely to the respective consolidated financial statements/Half-Yearly Financial Report of the Group incorporated by reference.



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