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EWE's review of first half of year positive

- EBIT 70 per cent up on last year
- Gas operations recover strongly after troubled previous year
- Turkish companies make first contribution to sales and earnings
- Outlook 2009: Increase in sales
- Constant capital expenditure on future projects

Oldenburg, Germany 28 August 2009. Despite the economic crisis, the Oldenburg-based energy group EWE can report a positive review of the first half of 2009. The decline in industrial customer business caused by the economic situation was more than compensated for by other, positive aspects of business development in the Group's energy operations. In the first half of the year, Group sales increased by 12 per cent over the same period last year to €2.9 billion (previous year: €2.6 billion). Earnings before interest and taxes (EBIT) grew by 70 per cent to €391.8 million (€229.8 million). Earnings after tax doubled to €256.5 million (€127.2 million).

"Gas operations, in particular, have recovered strongly in comparison with last year", explains Dr. Werner Brinker, CEO of EWE AG. In the corresponding period last year, earnings had been under a great deal of pressure because the sharp increases in procurement prices for natural gas could not be passed on in full to customers due to intensified competition. As well as these price effects, the first full inclusion of EWE's Turkish associated companies in the consolidated financial statements brought growth in sales and earnings. Brinker is maintaining his optimistic outlook: "Even without the planned acquisition of swb, the current likelihood is that sales will be higher than last year in 2009."

Seasonal effects and cost efficiency overcome negative economic factors

In the Energy business area, EWE increased its sales by 18 per cent. The increases in natural gas sales as a result of higher volumes and prices had a positive impact. The cooler weather conditions, compared with the previous year, and the first-time inclusion of the gas volumes sold by the Turkish associated companies Bursagaz and Kayserigaz increased gas sales by 22 per cent. The pricing measures resulting from the oil price peak in 2008, too, contributed to the increase in sales. Electricity sales fell by 8 per cent in the same period. This was caused primarily by decreasing electricity supplies to industry customers as a consequence of the economic crisis. EBIT in the Energy business area increased by a substantial 80 per cent.

In the Network business area, the operating result increased by 21 per cent to €92.4 million despite lower income within electricity networks. EWE NETZ GmbH had introduced extensive cost optimisation measures in recent years.

In the ICT business area sales increased by 3 per cent to €295.2 million (€285.6 million). In particular, the sharp drop in prices in landline services, accompanied by increased personnel expenses and higher organisational development costs, caused EBIT to fall sharply to €3.1 million (€20.1 million).

The Corporate Centre business area benefited from higher earnings contributions from the Energy and Network business areas and the earnings contribution from VNG, which also increased sharply. While VNG's earnings in the previous year were put under pressure by negative price effects resulting from increasing oil

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prices, the current semi-annual result is benefiting from contrary price effects. EBIT in the Corporate Centre business area increased by 96 per cent to €370.8 million (€189.3 million).

The EWE Group continues to invest in important projects for the future. Total capital expenditure was at its previous year's level of €255.3 million in the second half of the year. The funds flowed into, among other things, the construction of gas storage operations and offshore technology. "It is precisely in times of economic crisis such as these that research and development should not be neglected, for this is where the key to future corporate success lies", says Brinker.

EWE key figures for first half of 2009

| | H1 2009 | H1 2008 | Change |
|---------------------------------------|----------------------|----------------------|----------|
| Group | | | |
| Sales | €2,923.3 million | €2,599.7 million | 12,4 % |
| EBIT | €391.8 million | €229.8 million | 70,5 % |
| Net profit for the year | €256.5 million | €127.2 million | 101,7 % |
| Capital expenditure | €255.3 million | €257.2 million | - 0,7 % |
| Average staff numbers | 5.801 | 5,347 (Ø 2008) | 8,5 % |
| Energy business area | | | |
| Natural gas sales | 25,820.7 million kWh | 21,081.3 million kWh | 22,5 % |
| Electricity sales | 6,291.7 million kWh | 6,845.6 million kWh | - 8,1 % |
| Sales | €2,278.6 million | €1,934.2 million | 17,8 % |
| EBIT | €165.1 million | €91.9 million | 79,7 % |
| Network business area | | | |
| Sales | €892.1 million | €830.0 million | 7,5 % |
| EBIT | €92.4 million | €76.3 million | 21,1 % |
| ICT business area | | | |
| Sales | €295.2 million | €285.6 million | 3,4 % |
| EBIT | €3.1 million | €20.1 million | - 84,6 % |
| Corporate Centre business area | | | |
| Sales | €4.3 million | €3.8 million | 13,2 % |
| EBIT | €370.8 million | €189.3 million | 95,9 % |

EWE, with its head office in Oldenburg, is one of Germany's largest utility companies. Its range of goods and services includes electricity, gas and water supplies, energy and environmental technology, gas transportation and trading, and telecommunications and information technology. Thus, EWE provides a range of classical and innovative services at one source. EWE's network infrastructure is characterised by a high level of technical quality, security of supply and economically efficient operation. EWE extended its core competencies at an early stage to include the operation of complex networks and provide comprehensive control and telecontrol engineering know-how in a future-oriented, multi-service offering. In addition to its established business activities in northern Germany, EWE also conducts business successfully in eastern Germany, Poland and Turkey. The EWE Group employed around 5,300 staff members in 2008 and recorded sales of €5.3 billion.