
PRESS RELEASE

20 September 2010

New power on Saxony's energy market

20 September 2010 - The gas company Erdgas Südsachsen GmbH and the energy provider Stadtwerke Chemnitz AG have merged, retroactively from 1 January 2010, to become "eins energie in sachsen GmbH & Co. KG". The company's registered office is in Chemnitz. Co-owners of the company - via affiliated companies - are the City of Chemnitz and the gas supply association Zweckverband Gasversorgung in South Saxony with shares of 25.5% each, Thüga Aktiengesellschaft with 39.85% and the energy services provider envia Mitteldeutsche Energie AG (enviaM) with 9.15%.

The new company has approximately 1,100 employees and a balance sheet total of approximately EUR 900m. As a result of the merger, a fourth power has now entered the energy market in Saxony, which mainly offers electricity and gas, above all to the South Saxony region. "eins energie sachsen" is the sixth biggest investment in Thüga's portfolio.

The shareholders are expecting sustainable synergy effects and an improvement on performance from the merger. In addition, the merger means the cooperation between the City of Chemnitz and the Zweckverband, which comprises 125 municipal members, will be intensified, since both bodies were previously each sole majority shareholders of Stadtwerke Chemnitz AG and Erdgas Südsachsen GmbH, respectively. The merger had been under discussion for years and was one of the largest corporate transactions to take place in East Germany in 2010.

On behalf of Erdgas Südsachsen:

Gleiss Lutz: Dr. Gabriele Roßkopf (Partner, Corporate), Dr. Stefanie Beinert (Partner, Tax, both Lead, both Stuttgart), Dr. Frithjof Behrens (Frankfurt), Nadine Woyte (Stuttgart, both Corporate), Dr. Olaf Otting (Partner), Dr. Udo Olgemöller (both Public Law, Frankfurt), Dr. Katrin Haußmann (Partner, Employment, Stuttgart), Dr. Martin Raible (Partner), Dr. Gregor Wecker (both Antitrust, Stuttgart), Dr. Stefan Mayer (Tax, Frankfurt)

Erdgas Südsachsen inhouse: Wolfgang Höffken (Lead), Jeannine Schneider (both Corporate)

On behalf of the City of Chemnitz and Stadtwerke Chemnitz

Luther Rechtsanwaltsgesellschaft mbH: Dr. Christian Ziche (Lead Partner, Dresden), Dr. Arndt Begemann (Partner, Essen), Dr. Frank Lohse, Dominik Hanus, Torsten Decker (all from Corporate, Dusseldorf und Dresden)

Ernst & Young: Alexandra Sausmekat, Dr. Chris Mössinger (both Tax)

Stadtwerke Chemnitz Inhouse: Tino Mehlhorn, Ralf Hering (both Corporate)

On behalf of Thüga Aktiengesellschaft:

Inhouse: Gabriele Aplenzen (Corporate), Roland Liebl (Tax)

On behalf of enviaM:

CMS Hasche Sigle: Frank Grünen (Lead), Juliane Stephan, Dr. Jörg Lips, Dr. Andreas Geist (all from Corporate), Dr. Christian Haellmigk (Energy Antitrust); all from Leipzig

enviaM Inhouse: Hans Schulze Dr. Holm Anders (both Corporate), Sven Richter (Tax)

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Background:

Gleiss Lutz is one of the leading international law firms in Germany.

Dr. Gabriele Roßkopf, a corporate partner, advises companies, amongst other things, on transactions and restructurings. She regularly advises clients from the energy sector. She recently provided corporate law advice to on- and off-shore wind farm projects.

Luther is one of the leading commercial law firms in Germany and provides advice in all legal and tax areas. Luther's partner from the Dresden office, Ziche, specialises in providing advice to the public sector and had previously dealt with the merger of the Brandenburg investment company GkEA into the Saxon energy provider KBE Kommunale Beteiligungsgesellschaft an der envia. As a result of the merger, the approximately 430 municipal shareholders, via KBE, now have a blocking minority in enviaM. The City of Chemnitz is one of the municipal members of KBE.

Thüga Aktiengesellschaft is now the nucleus of the largest municipal network of local and regional energy providers in Germany. The Thüga Group has a total of 16,800 employees. It provides over 3.1 million customers with electricity, around 2.2 million customers with gas and 1 million customers with tap water. The Thüga network's turnover in 2009 was EUR 15,3b. The roles in the Thüga Group are clearly defined: the partners do the active work on the market with their local and regional trademarks. Thüga deals with the network functions: acquiring new partners, coordinating and presenting projects and managing the working relationships.

CMS Hasche Sigle's team in Leipzig headed by Frank Grünen regularly provides advice to enviaM.

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