

Press release of 3 May 2005

by fax/e-mail

Atel operating results for Q1 2005

Successful start to 2005 financial year

The business results for Aare-Tessin Ltd. for Electricity (Atel) for the first quarter of 2005 were significantly better than the low yield for the corresponding period of the previous year. Special effects further boosted the positive performance. Turnover increased year-on-year by 12 percent to almost CHF 2 billion.

After a slow start to the year, Atel, an energy services provider active right across Europe, achieved a satisfactory overall result for the first three months of 2005. Compared to the low yield for the corresponding period of the previous year, the turnover of the energy services group grew by 12 percent to CHF 1,950 million in the first quarter of 2005. Energy sales rose by 12 percent to 24.2 TWh. The operating profit (EBIT) increased by 34 percent to CHF 135 million. From January to March 2005, the Atel group earned a group profit of CHF 103 million, a 45 percent increase year-on-year. These results include substantial extraordinary income from real estate sales, financial income from securities sales and positive currency effects.

Various amendments to the IFRS accounting principles took effect on 1 January 2005. These effects have been incorporated into the previous year's figures for comparison.

Outlook for 2005

Despite a slow start to 2005, Atel is expecting a slight increase overall in turnover and operating results on a par with the previous year. The stoppage of the Leibstadt nuclear power plant due to last several months will also have a

negative impact on results, the extent of which cannot yet be finally estimated. The company nevertheless expects to turn in a satisfactory performance for 2005.

Aare-Tessin Ltd. for Electricity
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Aare-Tessin Ltd. for Electricity (Atel)

Aare-Tessin Ltd. for Electricity (Atel), Switzerland's leading Energy Services provider, is active throughout Europe. Established in 1894, Atel now focuses on two core businesses: Energy Trading and Energy Services. The Olten-based Group, which employs approximately 7800 people, generated sales of 7 billion francs in 2004. Its principal markets in the Energy segment are Switzerland, Italy, Germany and the countries of central and eastern Europe. Products and services cover an extremely wide range: portfolio management, group energy supplies, energy derivatives and option contracts, distribution partnerships. Trading and distribution are supported by the Group's own hydro and thermal power stations, and by an extensive transmission grid. In the Energy Services segment Atel provides a full range of technical services relating to all aspects of energy (electricity, gas, oil, biomass) and their applications: power, light, cooling and heating, communication and security. Atel is among the leading providers of Energy Services in both Switzerland and Germany.