

Media Release
3 November 2014

First nine months reflect the continued challenging market environment

Lausanne – The Alpiq Group closed the first nine months of 2014 with net revenue of CHF 5,967 million and EBITDA of CHF 393 million. The results reflect the continued challenging market environment. In addition to low wholesale prices, the results mirror the typically, seasonally weaker third quarter, as well as one-time costs for restructuring and the buyback of bonds. Strategy implementation and cost reduction measures are progressing as planned.

In the first nine months, Alpiq generated consolidated net revenue of CHF 5,967 million (previous year: CHF 6,990 million) and EBITDA of CHF 393 million (previous year: CHF 544 million). EBIT amounted to CHF 208 million (previous year: CHF 336 million); net income totalled CHF -21 million (previous year: CHF 126 million). The main reasons for the weaker results are sustained low wholesale prices, which reduced the earning contribution from the entire power plant park, as well as one-off effects, such as the costs for on-going restructuring and the buyback of bonds before maturity amounting to CHF 543.4 million. Restructuring and the optimised financial structure will have a positive effect on the financial statements of Alpiq in the future.

Lower results in production, moderate performance in trading

In the first nine months of 2014, lower wholesale prices reduced income from conventional power plant production, particularly hydropower in Switzerland. The successful commissioning of the new K7 block at the Czech power plant Kladno had a positive effect on the results.

In the previous year, the wholesale business in Central and Eastern Europe benefited to a greater extent from extraordinary trading opportunities. The expansion of the 24/7 intraday business is moving forward under the strategy. Alpiq will be active on the market around the clock in order to successfully utilise opportunities stemming from the inadequate predictability of wind and solar production and the resulting demand for short-term flexibility.

Expansion in energy services

In building and transport technology, Alpiq took advantage of market opportunities. In particular, the demand for energy efficiency and photovoltaic solutions has increased. The power plant construction and services business developed stably. Alpiq diversifies in the industrial sector here. In the energy management business, Alpiq has strengthened its position under the strategy: The centrally controlled pooling for Xamax load optimisation solutions, primarily used by bulk consumers, is being expanded to industrial and commercial enterprises.

Outlook

Due to lower wholesale prices, the energy sector involved in electricity production expects lower EBITDA. In spring, Alpiq announced that EBITDA would be 30 to 40 percent lower as compared to the previous year. Owing to consistent cost management and operative performance, Alpiq expects an EBITDA decrease of slightly below 30 percent. The implementation of the strategy is progressing as planned.

Key financial indicators for the Alpiq Group	9M 2014	9M 2013
Energy sales (GWh)	74,304	75,650
Own production* (GWh)	14,419	14,827
Net revenue (CHF million)	5,967	6,990
EBITDA (CHF million)	393	544
as % of net revenue	6.6%	7.8%
EBIT (CHF million)	208	336
as % of net revenue	3.5%	4.8%
Net income (CHF million)	-21	126
as % of net revenue	-0.4%	1.8%

Employees (FTE; on 30 September 2014)	7,993	7,856
of these in Business Division Energy Services	6,563	6,291
Net debt (30 September 14/31 December 13)	1,988	2,050

**including long-term contracts*

Find more information on Alpiq under www.alpiq.com

Media Relations:

Richard Rogers
T +41 62 286 71 10
media@alpiq.com

Investor Relations:

Tamara Andenmatten
T +41 62 286 72 17
investors@alpiq.com