

Analyst Call 2016

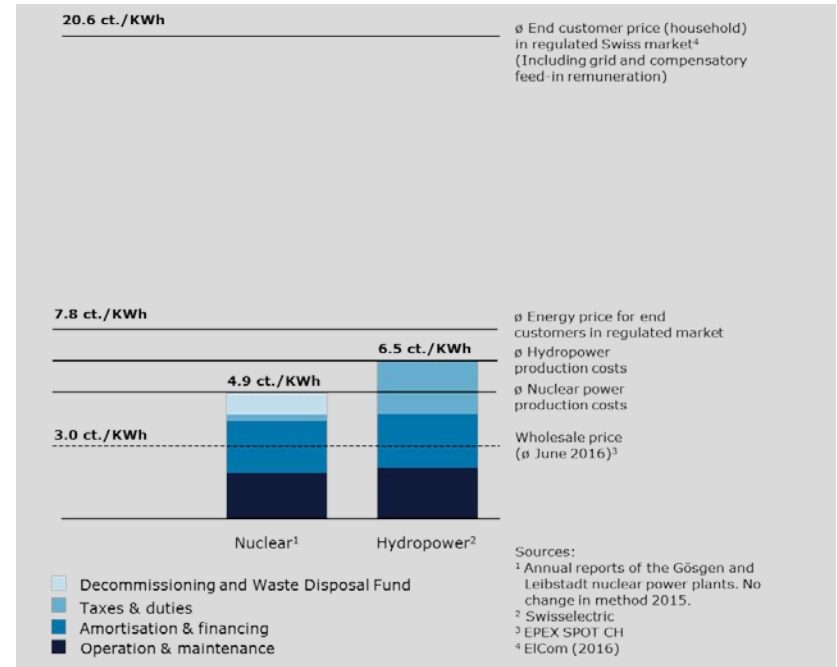
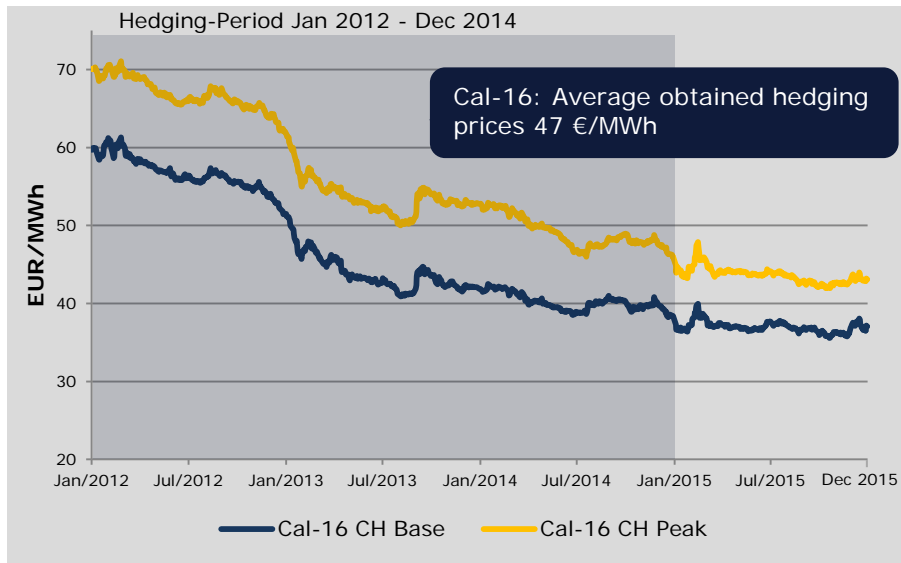
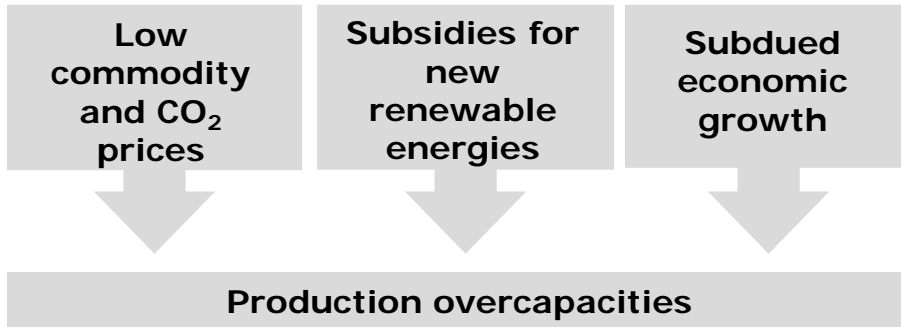
ALPIQ

Alpiq reports solid operating performance in demanding environment

Alpiq Holding AG
Olten, 26 August 2016



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1. Demanding environment
 2. Solid operating performance
 3. Financial results
 4. Group transformation - structural measures
 5. Outlook
 6. Questions & answers



Pressure on Swiss hydropower plants and nuclear power plants



EBITDA of CHF 239 million before exceptional items at the same level as in previous year



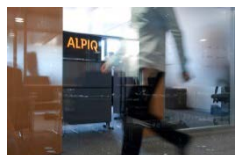
Cost-reduction programme showing long-term effects



Structural measures on schedule



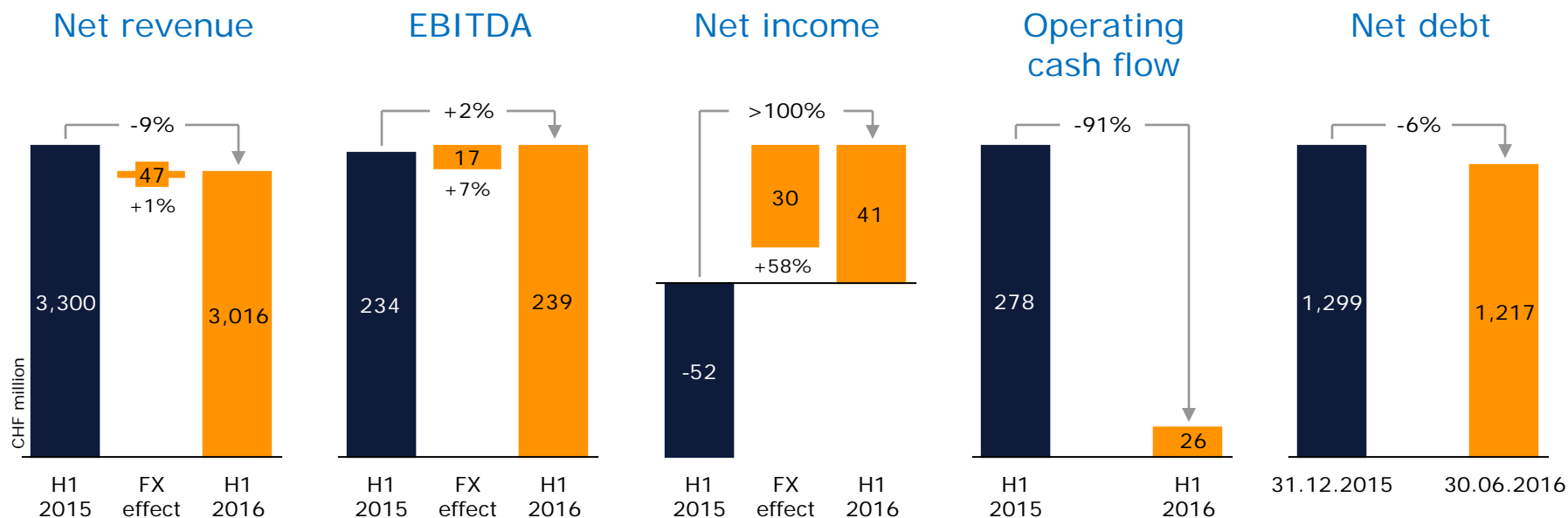
Net debt reduced to CHF 1.2 billion



Solid liquidity of CHF 1.6 billion



Commerce & Trading and Energy Services expanded

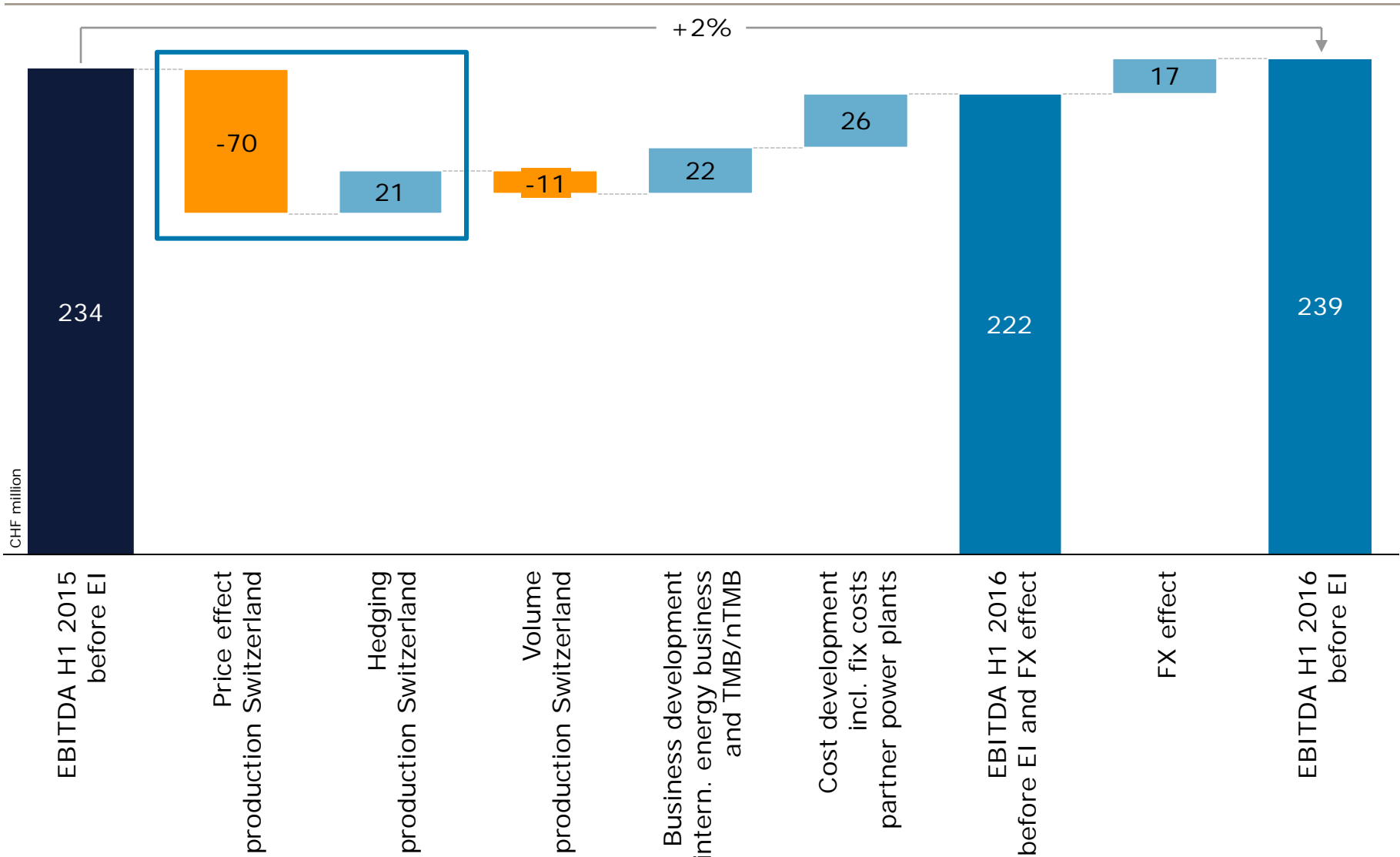


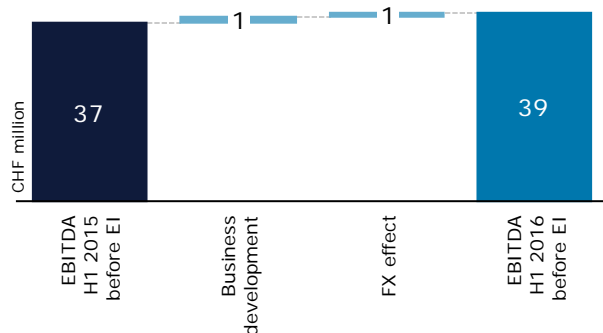
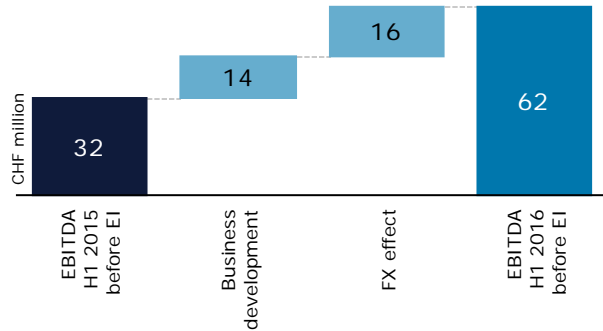
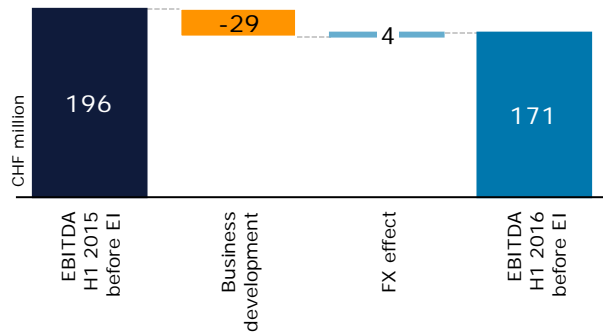
Operating result before exceptional items

- EBITDA comes in at CHF 239 million; CHF 5 million up year-on-year
- Net income at CHF 41 million; CHF 93 million up year-on-year
- Cash flow from operating activities amounts to CHF 26 million; CHF -93 million effect from change of valuation method regarding claims to the federal decommissioning and waste disposal fund
- Net debt at CHF 1,217 million; reduced by CHF 82 million compared to 31.12.2015 due to completed divestments

Development of EBITDA

Stringent cost management is having a sustainable impact





Generation

- Lower wholesale prices and production volumes
- High power plant availability
- Stringent cost management and initiated restructuring measures

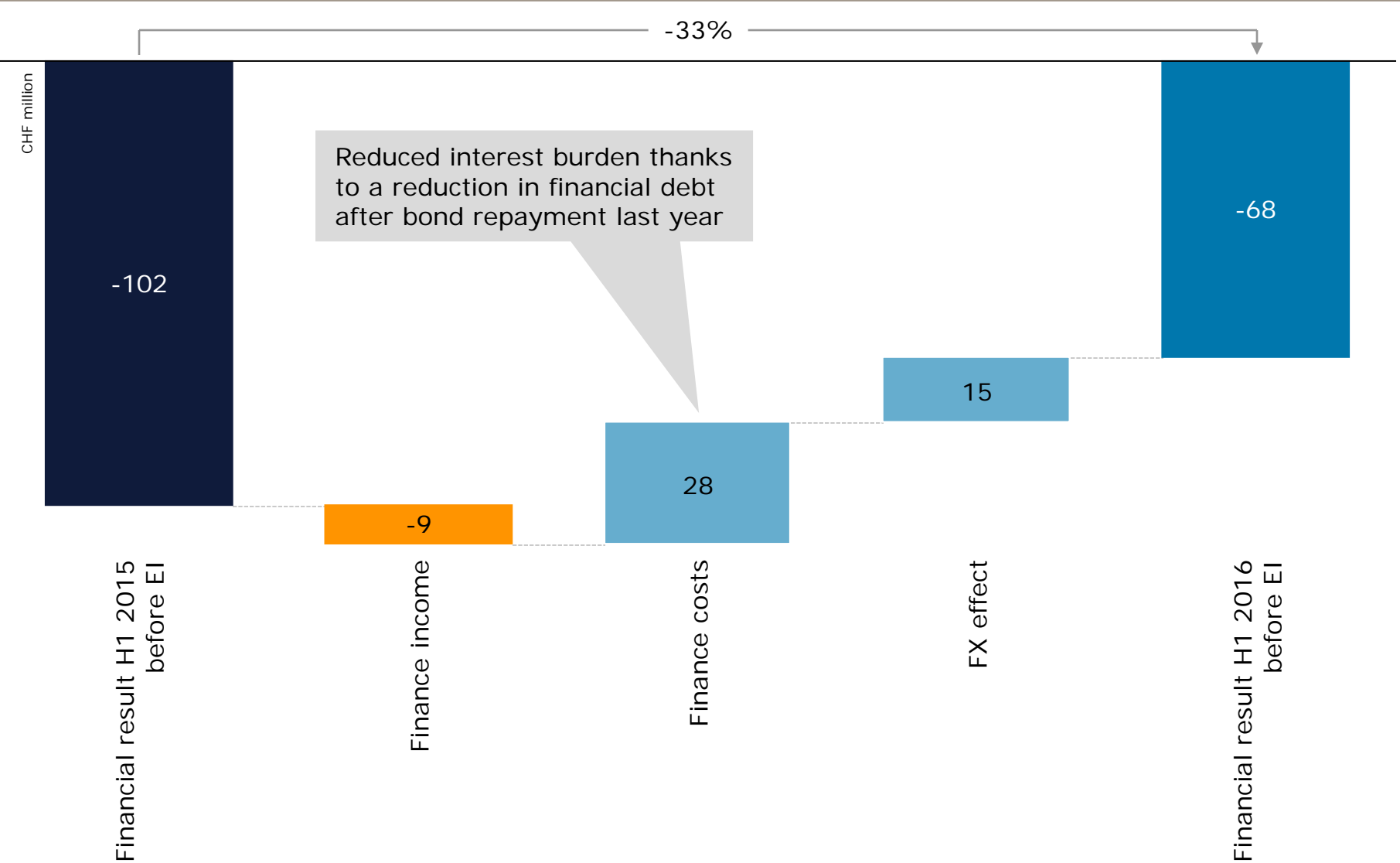
Commerce & Trading

- Successfully leveraged the price volatility at the beginning of the year
- Positive contribution from optimisation in Spain, ancillary services market in Italy and market France
- Lower margins in the forward and spot business in Eastern and South-Eastern Europe

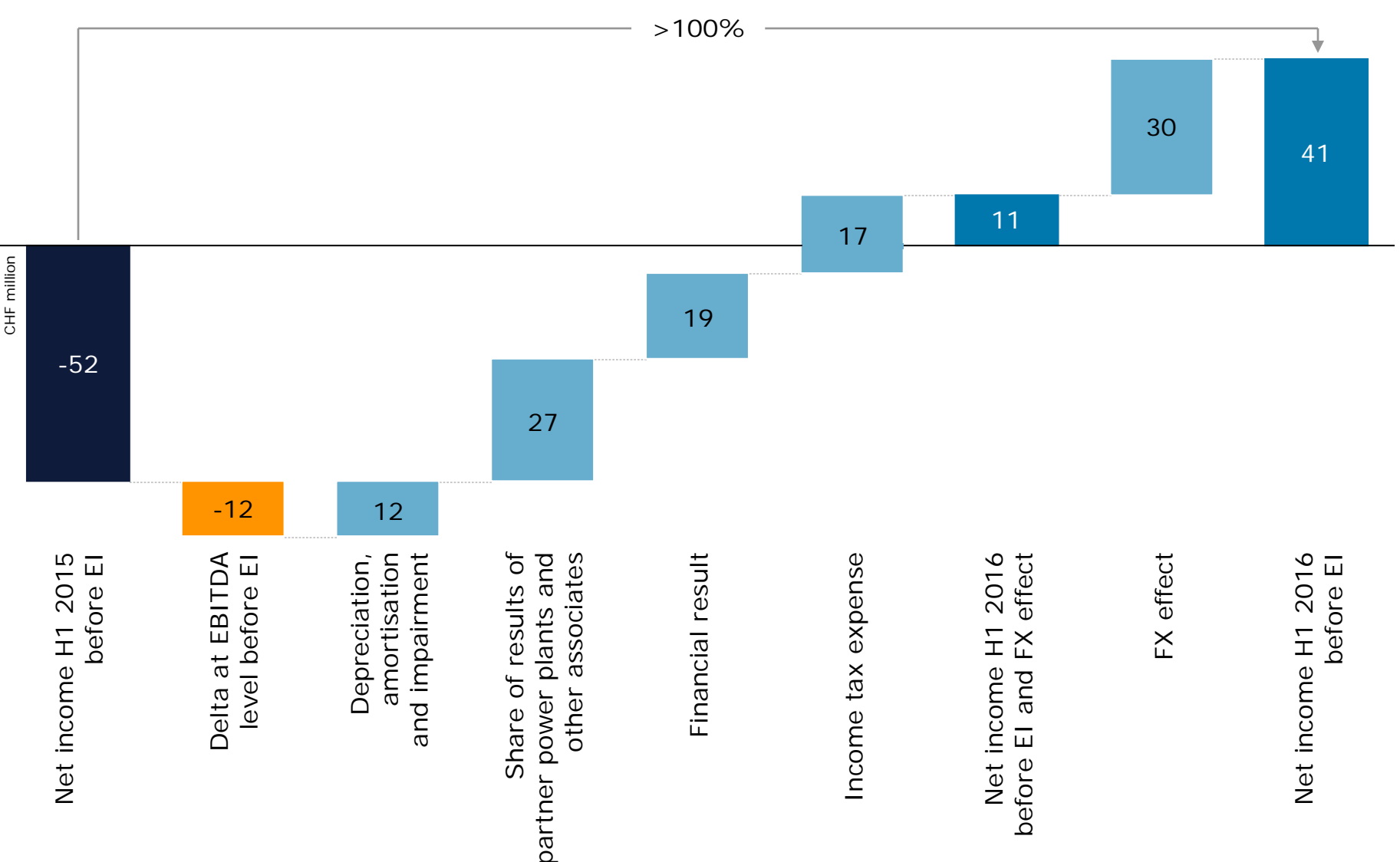
Energy Services

- Order intake and backlog at a high level
- Higher operating performance year-on-year
- Integration of acquisitions and tapping into new business areas on track
- Successful completion of the Gotthard Base Tunnel project

Development of financial result

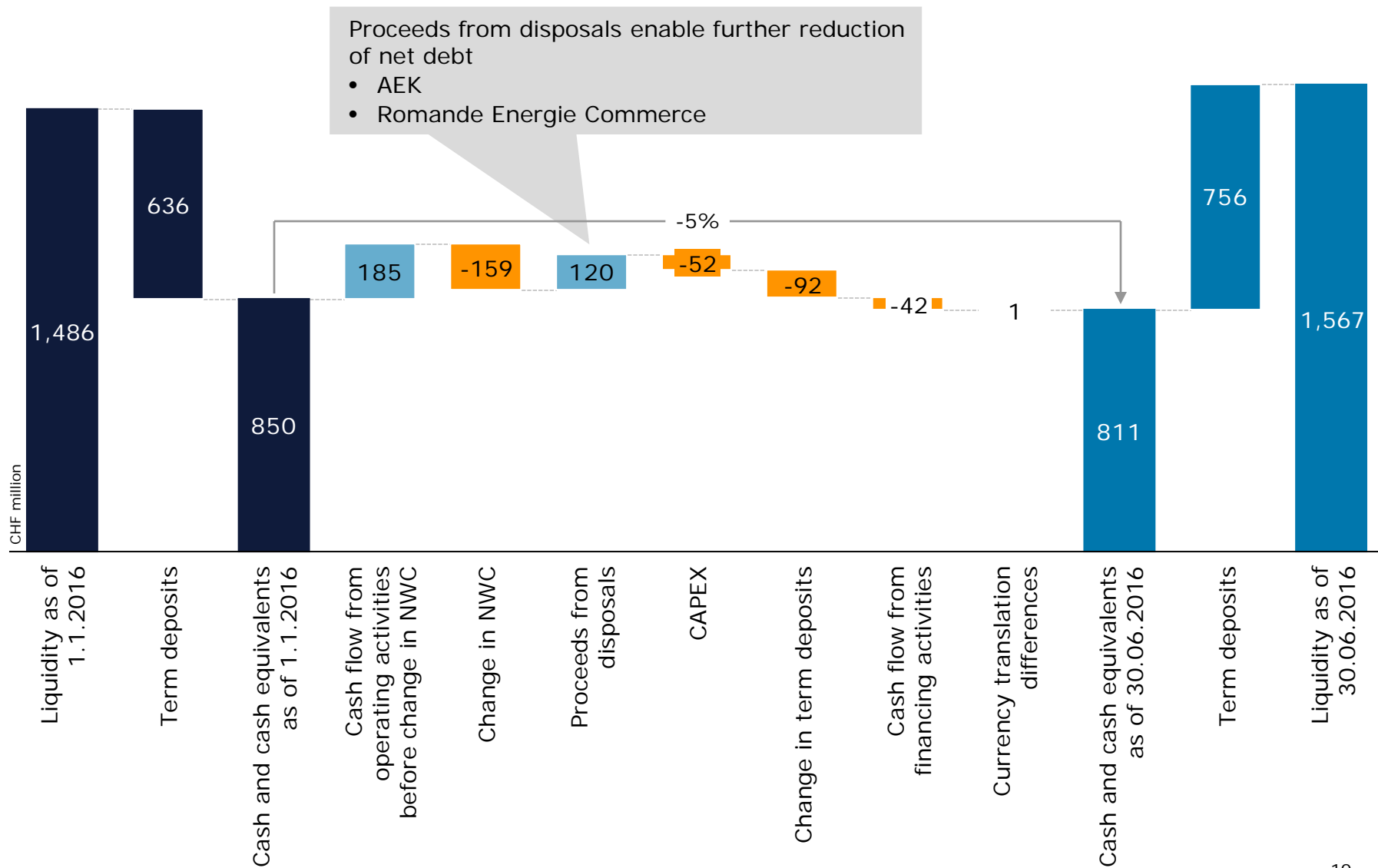


Development of net income

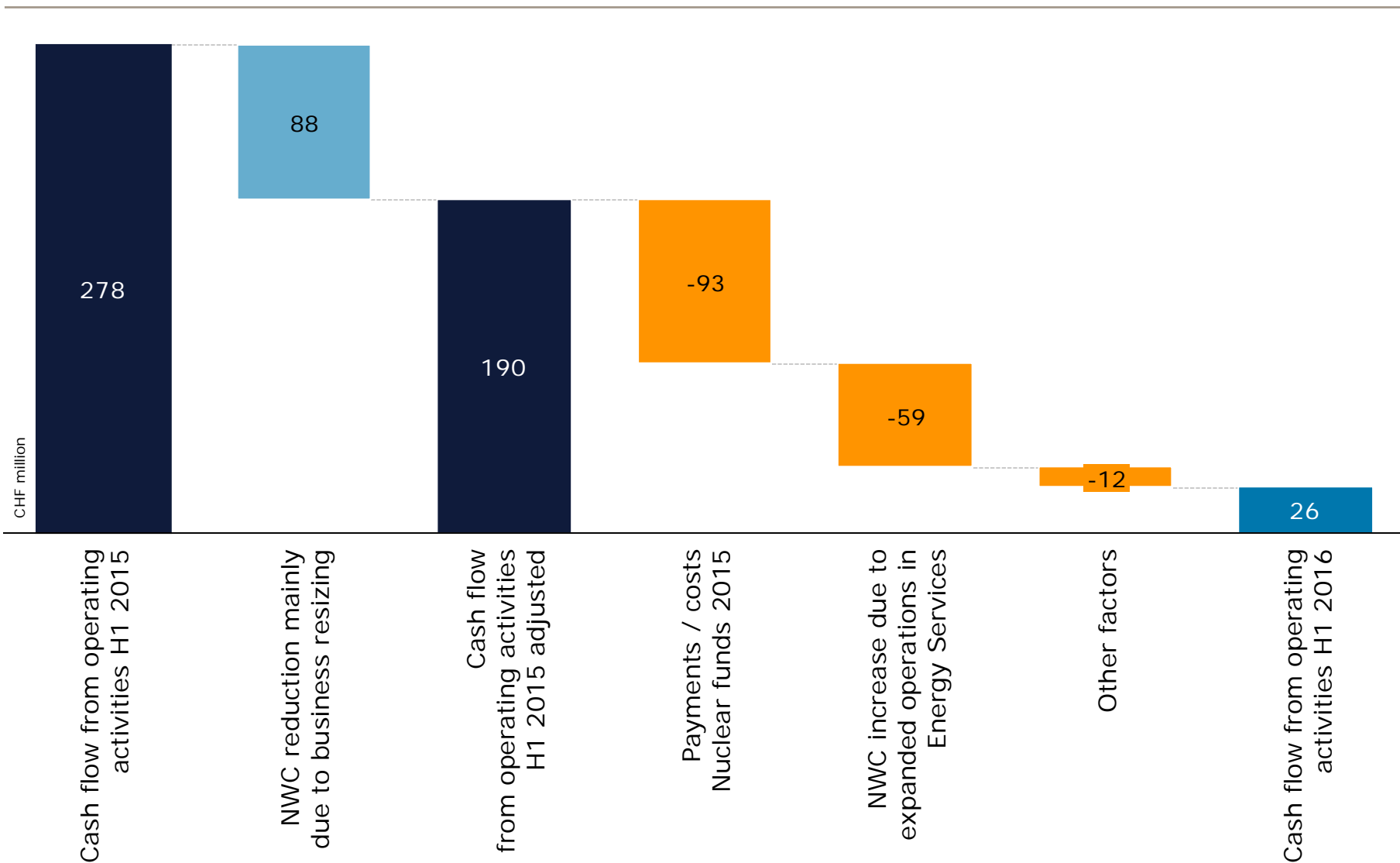


Statement of cash flows

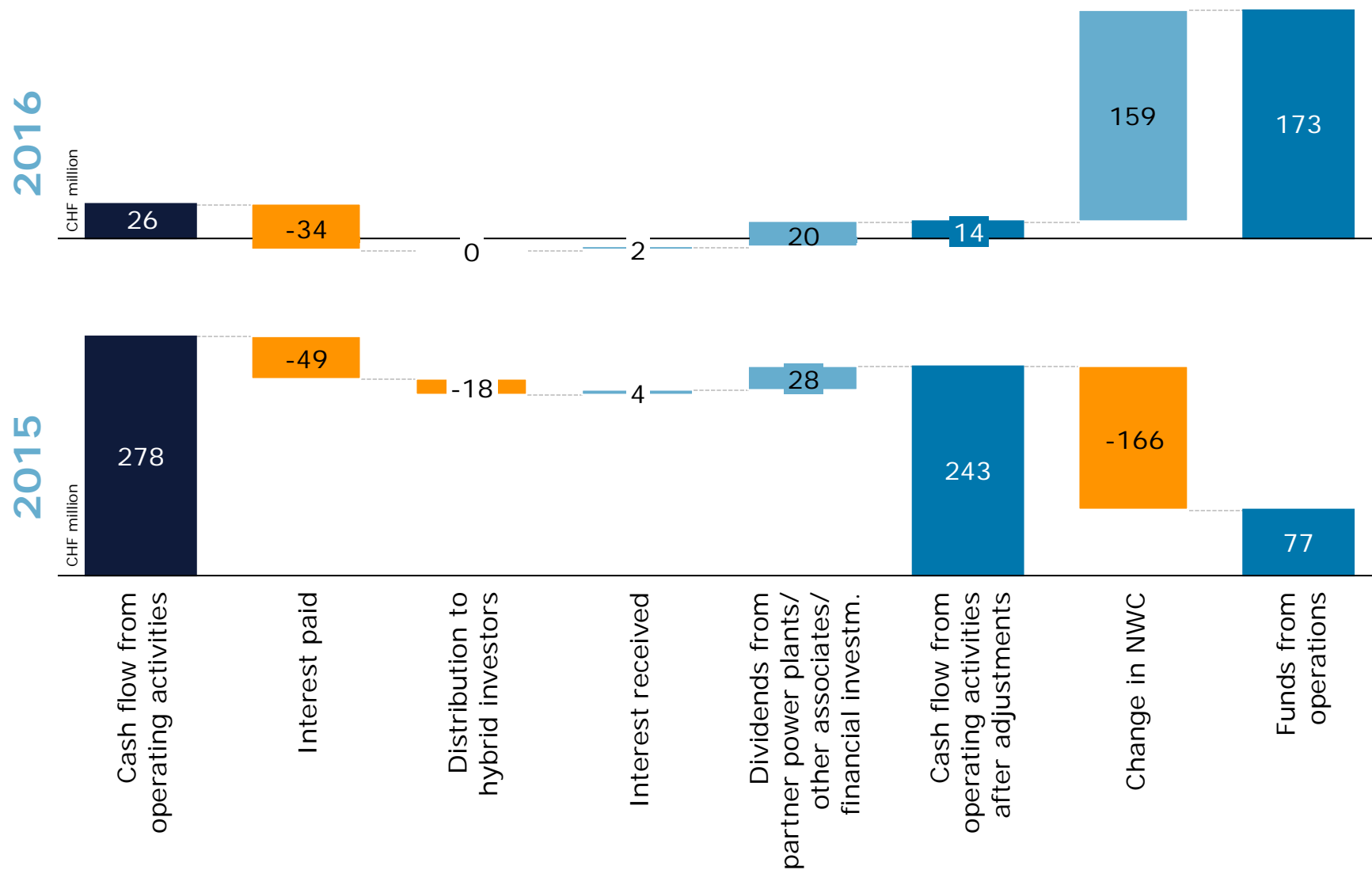
Active balance sheet management



Cash flow from operating activities



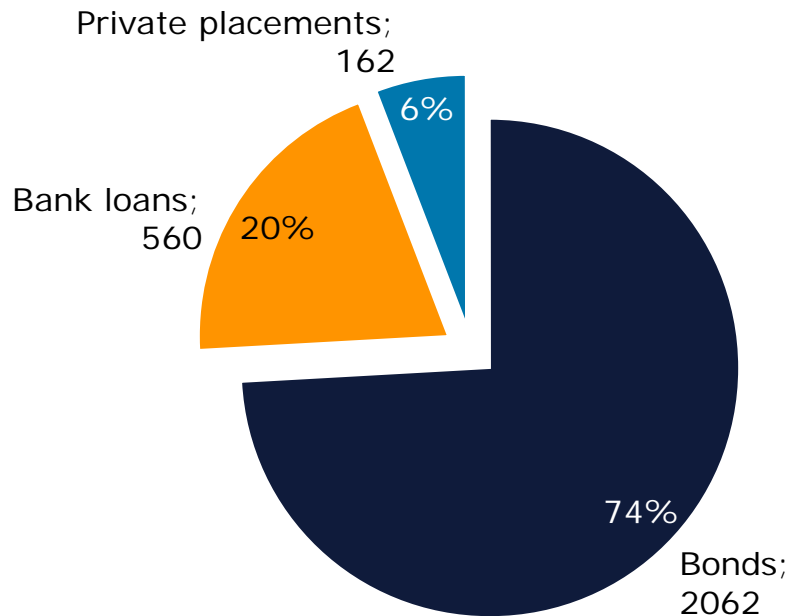
Funds from operations June 2016 versus June 2015



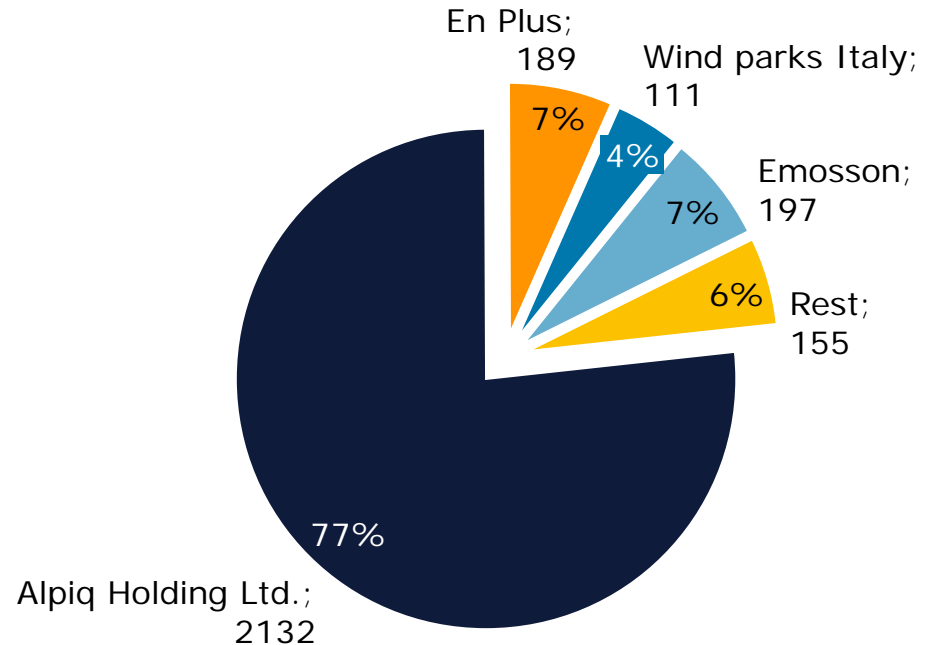
Financing mix as of 30 June 2016

Degree of centralisation remains high

Instruments (CHF million)



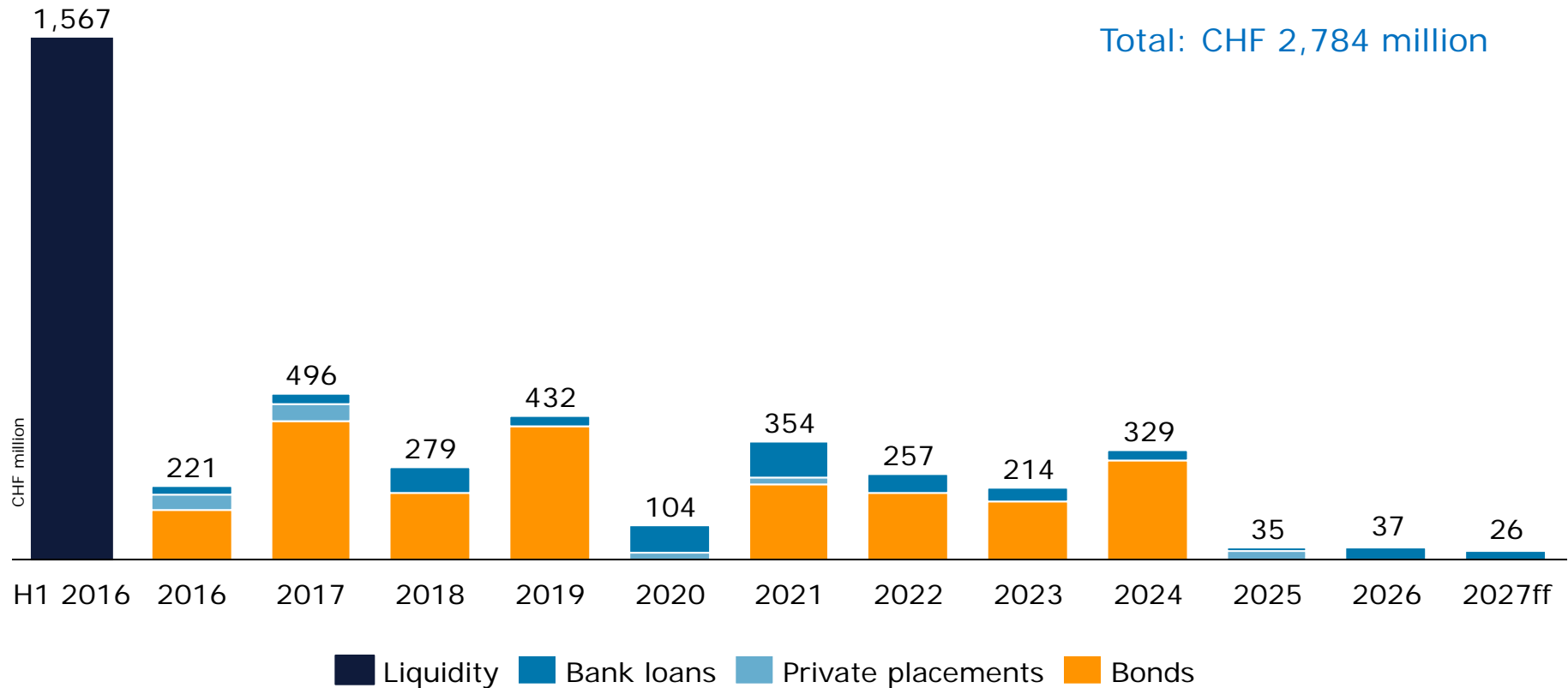
Financing (CHF million)



- Bonds account for around three quarters of debt outstanding
- Around 80% of borrowings accounted for by Alpiq Holding Ltd.

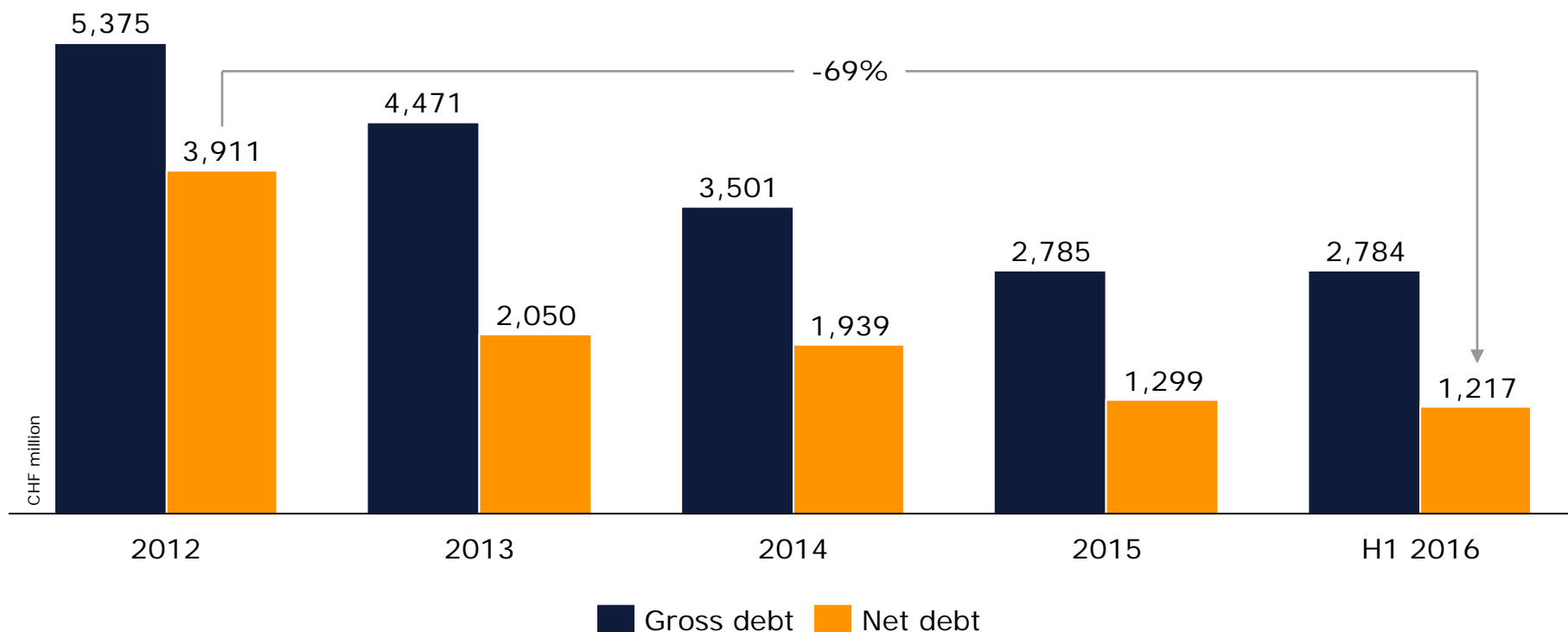
Maturity profile as of 30 June 2016

Long-term staggered



- Maturities are matched with sound liquidity of around CHF 1.6 billion
- Long-term staggered maturity profile without significant fractional amounts

Continuous improvement of debt situation



- Further reduction of net debt by CHF 82 million to around CHF 1.2 billion
- Net debt/EBITDA before exceptional items is at 2.5x (31.12.2015: 2.7x)
- Net debt expected to be below CHF 1 billion by end of 2016

Balance sheet

Liquidity remains sound

CHF million	30.06.2016	31.12.2015	Change
Liquidity (incl. term deposits)	1,567	1,486	5%
Other current assets	1,986	2,023	-2%
Property, plant and equipment	2,780	2,928	-5%
Other non-current assets	2,992	3,453	-13%
Assets held for sale	561	545	3%
Total assets	9,886	10,435	-5%
Equity	3,722	3,819	-3%
Borrowings	2,784	2,785	0%
Other liabilities	3,317	3,774	-12%
Liabilities held for sale	63	57	11%
Total equity and liabilities	9,886	10,435	-5%
Net debt	1,217	1,299	-6%
Equity ratio	37.6%	36.6%	3%

- **Total assets** 5% below year end 2015, **current assets** stable
- 5% increase of **liquidity** thanks to disposals
- Change in **equity** owing to
 - Net income (CHF +41 million)
 - Impairment losses, provisions and other exceptional items (CHF -43 million)
 - Dividends (CHF -3 million)
 - IAS 19 (CHF -77 million)
- **Equity ratio at 37.6%**

Stringent cost and balance sheet management continued to maintain capital market viability

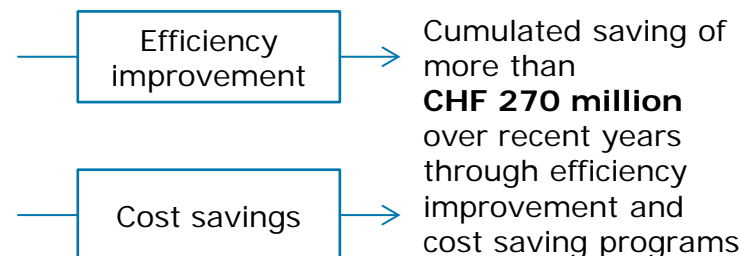
Effects of low wholesale prices

- Lower **wholesale prices** burden results
- The negative effect was largely offset by consistent implementation of the **hedging strategy**



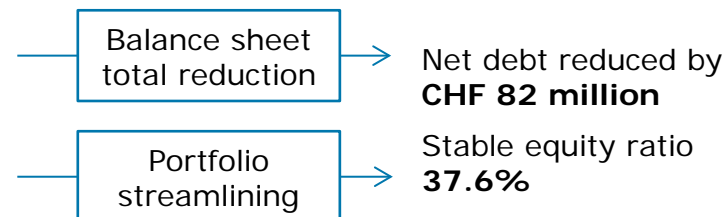
Cost savings have a positive impact

- Processes and systems permanently **simplified**
- Historical **complexity reduced**
- **Nearshoring**

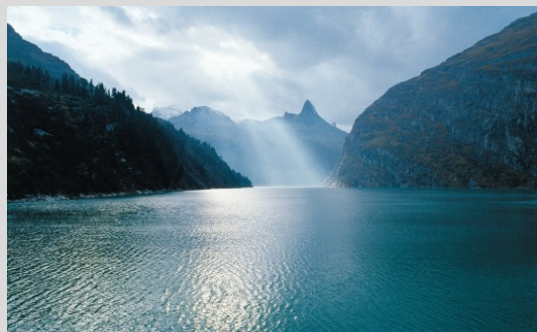


Balance sheet management intensified

- **Sale** of non-strategic investments
- Selective **growth investments**
- Reduction of **net debt** to CHF 1,217 million



Group transformation – structural measures



Opening up 49 % of the hydropower portfolio

- In progress
- H1: Bidding phase concluded
- H2: Due diligence commenced



Streamlining of the portfolio and cost management

- H1: AEK, Romande Energie Commerce divested
- H2: AVAG divested, cash inflow: CHF 312 million
- H2: Other divestments
- Cost management continues



Commerce & Trading, Energy Services

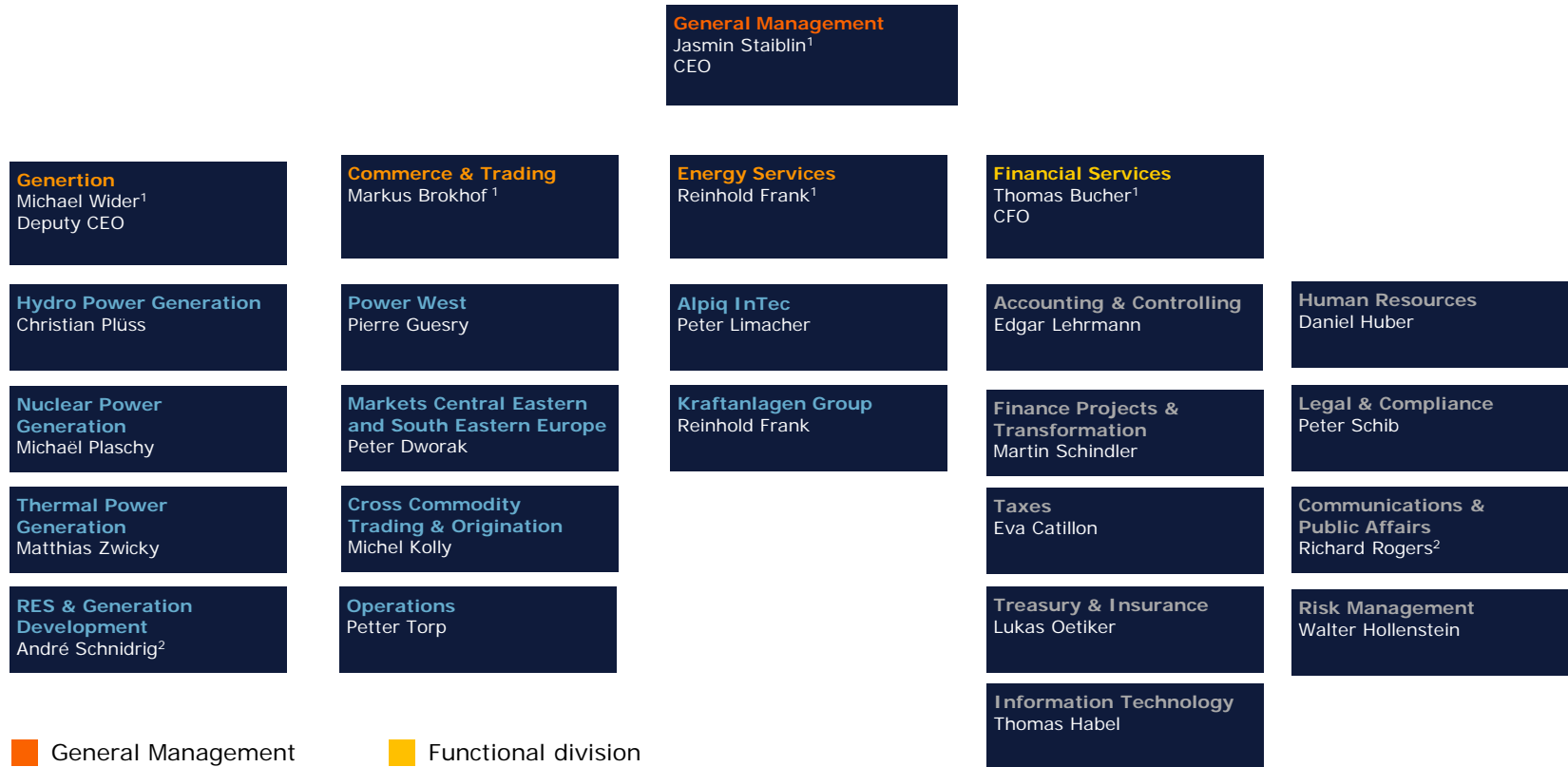
- Selective investments
- Careful integration of acquisitions
- Strategic partnerships and contracts

-
- Market environment remains highly challenging
 - EBITDA before exceptional items expected to be down on the previous year
 - Structural measures systematically implemented
 - Opening up the hydropower portfolio
 - Clearing the portfolio of non-strategic assets
 - Stringent cost management
 - Net debt below CHF 1 billion for the first time
 - Company making the most of opportunities for growth in C&T and Energy Services

You ask. We answer.



Organisation as of 30 June 2016



- General Management
- Functional division
- Business division
- Functional unit
- Business unit

1) Member of the Executive Board

2) From 1 September 2016

6 March 2017

Annual Results 2016

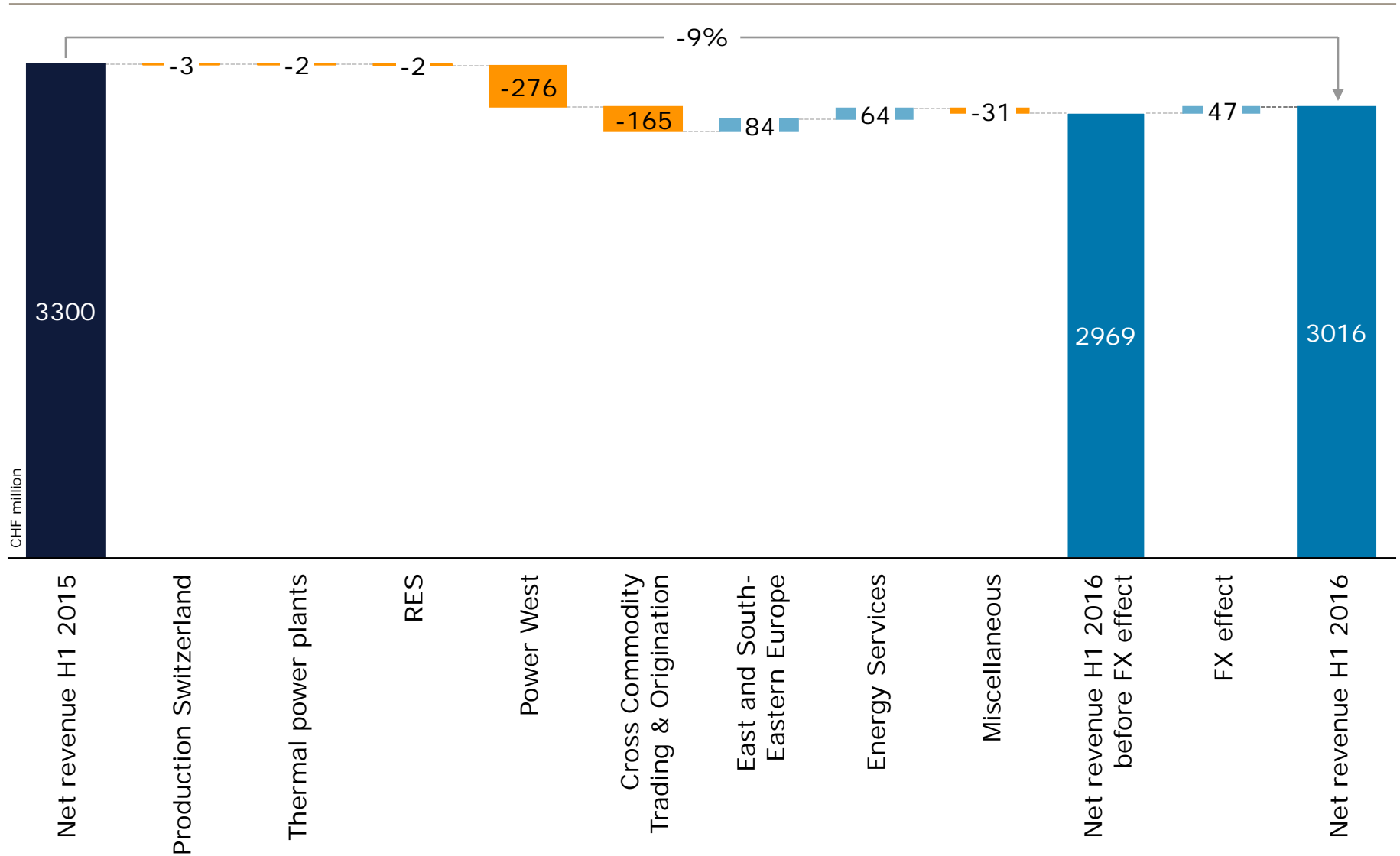
Annual Results Media and Financial Analyst Conference

18 May 2017

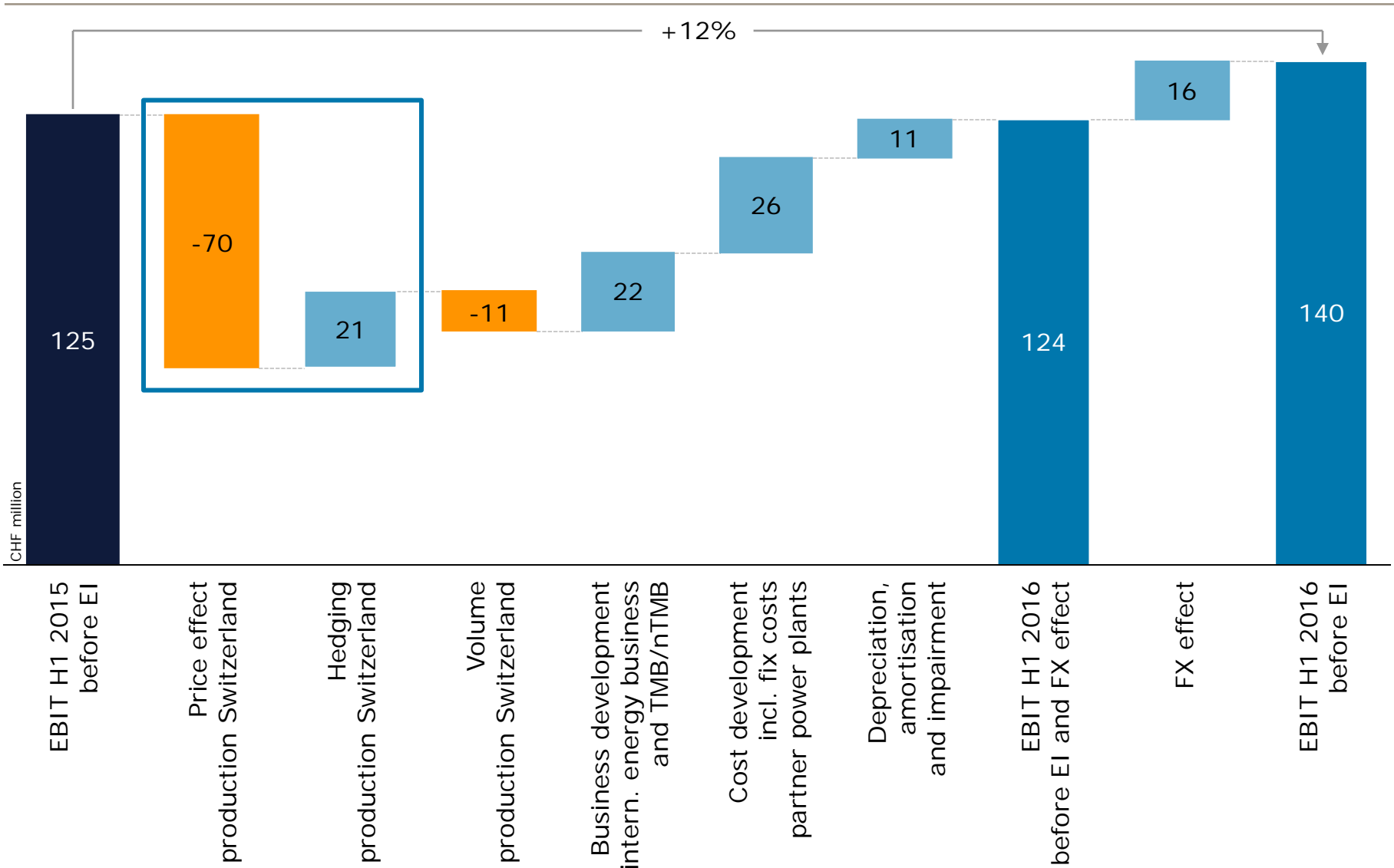
Annual General Meeting of Alpiq Holding AG

Development of net revenue

Reduced net revenue reflects low wholesale prices



Development of EBIT



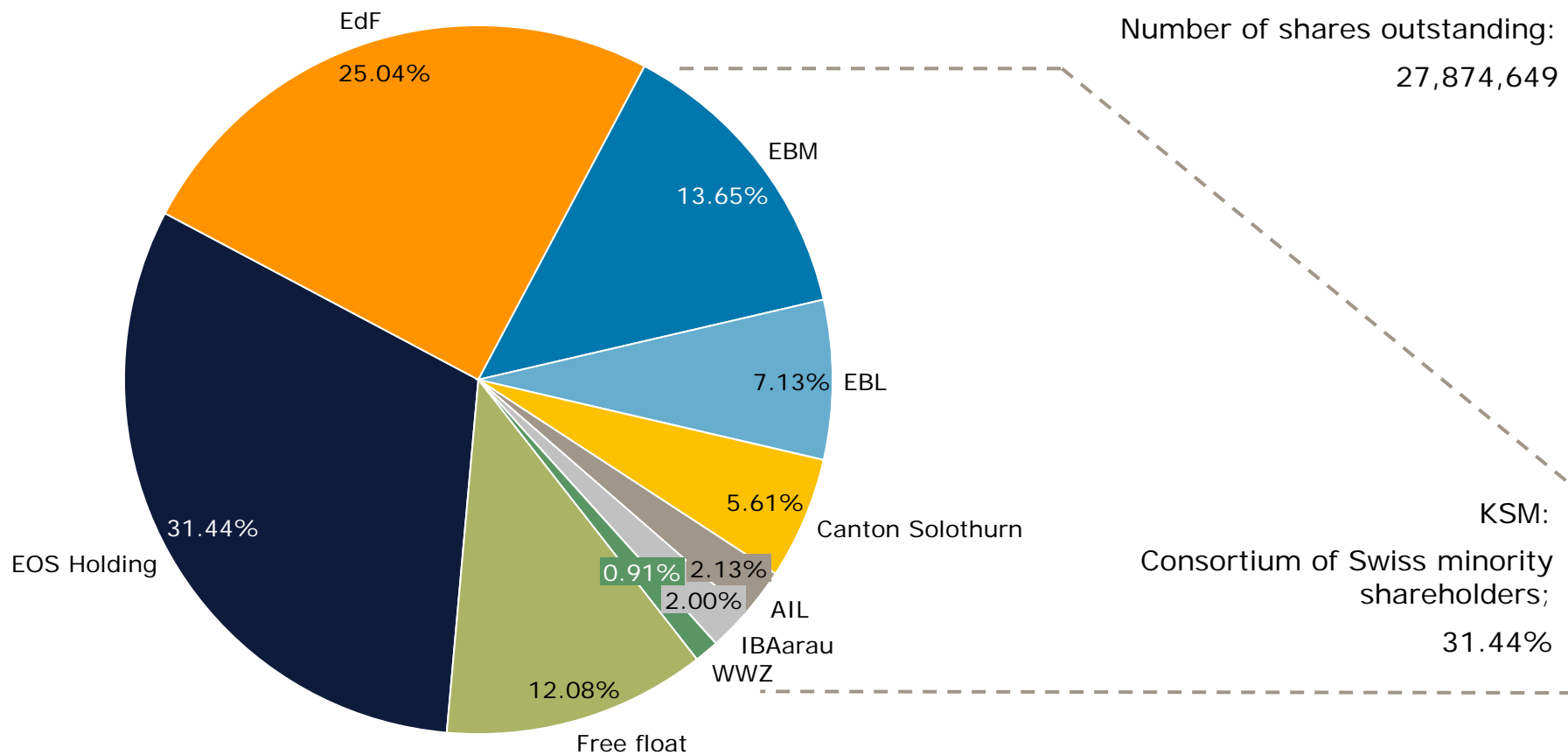
Allocation of IFRS impairment losses and provisions

CHF million	Total
Power Generation Switzerland	361
Renewable Energy France	1
Renewable Energy Italy	39
Total impairment losses for assets	401
Provision for onerous contracts	-234
Liabilities for purchase and supply contracts	3
Total impairment losses and provisions	170

Due to the anticipated development of electricity prices, which are expected to remain low in the long term, impairment losses were recognised and provisions were formed:

- Power Generation Switzerland:
 - Hydropower plants and projects
 - Contracts
- Renewable Energy:
 - Wind farms in France and Italy
 - Project companies and projects

Shareholder structure as of 30 June 2016



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In particular, these include statements regarding management goals, financial result trends, profit margins, costs, returns on equity, risk management or the competitive situation, and which are speculative in their nature. Terms such as "expect", "assume", "target", "goals", "projects" "intend", "plan", "believe", "attempt", "estimate" and their variations, as well as similar expressions, serve to clarify long-term statements. These statements are based on our current assessments, as well as certain assumptions, and, therefore, bear risks and uncertainties to some degree.

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