

Media release of 5 May 2006

fax/e-mail

Results for the first quarter of 2006

Atel: an encouraging start to the new year

Aare-Tessin Ltd. for Electricity (Atel) completed the first three months of 2006 with an increase in turnover and encouraging earnings. The significant rise in turnover was due to higher market prices and vigorous growth in trading and distribution in all market regions.

Energy-services provider Atel generated turnover of CHF 2.982 billion in the first three months of 2006 – 53 percent more than in the first quarter of 2005. This growth was facilitated by higher prices in the electricity market, higher delivery volumes in all sales and distribution regions and robust growth in trading. Energy sales rose by 29 percent to 31.3 TWh. Operating profit (EBIT) was CHF 140 million, the same as the previous year (2005: CHF 140 million). Between January and March 2006 the Atel Group generated consolidated profits of CHF 101 million (2005: CHF 103 million). The previous year's earnings were boosted by extraordinary revenue totalling some CHF 15 million, while this year's first-quarter earnings were depressed by regulatory restrictions and dry weather in Switzerland.

The outlook for 2006: based on its encouraging operating performance in the first quarter and its expectations for the rest of the year, and subject to extraordinary events, the Atel Group believes its turnover this year will be higher than in 2005, and earnings comparable.

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Aare-Tessin Ltd. for Electricity (Atel)

Aare-Tessin Ltd. for Electricity (Atel) is the leading production-based energy service provider in Switzerland and operates at a pan-European level. Founded in 1894, Atel focuses on the two core businesses of production-based Energy Trading and Energy Services. The group of companies, domiciled in Olten, employs a staff of around 8400 and generated a turnover of CHF 8.6 billion in 2005. Its main markets in the energy sector are Switzerland, Italy, Germany and the Central and Eastern European countries. Its goods and services range from portfolio management and group energy supplies, to energy derivatives and option contracts, to establishing distribution concepts involving other partners. Trading and sales are supported by a number of proprietary hydraulic and thermal power stations plus a broadly ramified transmission grid. With its Energy Services Division, Atel provides all technical services pertaining to energy (electricity, gas, oil and biomass) and its uses as power, lighting, cooling and heating, communication and security. Atel is among the leading providers of Energy Services in both Switzerland and Germany.