2013
Interim Report

ALPIQ

Contents

Dear Shareholder,

In view of its smaller post-divestment business portfolio, and the persistently difficult economic climate, Alpiq delivered satisfactory results for the first half of 2013.

Power generation volumes from new renewable energies were significantly higher than in the same period in 2012 and the thermal power stations in Spain delivered better results. In addition, the wholesale business in Central Europe as well as the sales business in France reported a positive trend. The cost-cutting measures initiated by Alpiq are also beginning to bear fruit.

Results were suppressed by lower marketing volumes owing to planned maintenance work in the nuclear power generation segment, and a year-on-year fall in off-take volumes from long-term contracts. Investment in improving the safety of nuclear power generation also resulted in higher prime costs. The performance of the Energy Services business division fell slightly short of the previous year's figure, mainly as a result of a decline in international plant construction.

We reached an important milestone in the first half of 2013 with the successful placement of the hybrid bond worth more than CHF 1 billion. The rapid uptake and completion of this bond reflects the confidence of our principal Swiss shareholders, and the market, in Alpiq.

Net debt has been almost halved, down to CHF 2.2 billion, by the steadfast pursuit of the divestment programme which began at the end of 2011, the hybrid bond, and the cash inflow from the company's business operations.

Taking into account the smaller post-divestment business portfolio, as well as regulatory adjustments and the longer-than-scheduled shut-down of the Gösgen nuclear power station, Alpiq is expecting full-year results to be lower than those for 2012.

As you are aware, the energy sector is currently undergoing enormous change. This is having a profound impact at a corporate level, and Alpiq is no exception. The Board of Directors and Executive Board have therefore launched an extensive review of the strategy, with a view to repositioning Alpiq so that it benefits from these changes in the medium and long term. We will be presenting the outcome of this process during 2014.

On behalf of the Board of Directors and the Executive Board, we would like to thank you for your confidence in us, particularly during this challenging period.

Hans E. Schweickardt, Chairman

Jasmin Staiblin, CEO

26 August 2013

2013 Interim Financial Highlights

Alpiq Group

CHF million	% Change (results of operations)	Results of operations (restated) Half-year H1 2012	Results under IFRS after exceptional items (restated) Half-year H1 2012	Results under IFRS Half-year H1 2013
Energy sales (TWh)	– 24.2	66.027	66.027	50.062
Net revenue	– 26.3	6,497	6,497	4,791
Profit before interest, tax, depreciation and amortisation (EBITDA)	– 22.4	517	468	401
As % of net revenue		8.0	7.2	8.4
Profit before interest and tax (EBIT)	– 6.9	276	151	257
Group profit / (loss) for the period	– 10.2	128	– 34	115
Total equity			5,934	5,976
As % of total assets			34.6	38.1
Employees [1]				
Alpiq InTec / Alpiq Anlagentechnik business units	– 31.0	8,836	8,836	6,093
Other business units	– 18.5	2,181	2,181	1,778

1 Average number of full-time equivalents.

Per share data

CHF	% Change	Half-year H1 2012 (restated)	Half-year H1 2013
Par value	–	10	10
Share price at 30 June	– 28.1	160	115
High	– 30.5	190	132
Low	– 30.7	153	106
Net profit / (loss)	> 100.0	– 1	4

Financial summary 2008 – 2013 on page 30.

Management Report

Net debt substantially reduced

Alpiq steadfastly pursued its restructuring programme throughout the first half of 2013. The effects of the action that has been taken so far are visible in these consolidated financial statements. At the end of 2012, Alpiq announced that, in view of the persistently difficult economic climate, the Group would have to become yet more competitive. To achieve the associated cost reduction of CHF 100 million annually from the end of 2014, the programme was expanded at the beginning of May 2013, with the focus on Alpiq's future market orientation.

Thanks to consistent progress with the programme of disposals announced at the end of 2011, Alpiq has been able to generate a CHF 512 million inflow of funds so far in 2013. This was achieved with the completion of the sale of the 24.6 % interest in Repower AG, the disposal of the holding in Romande Energie Holding SA, and the transfer of the grid operators to Swissgrid AG. The sales of the 60.89 % interest in Società Elettrica Sopracenerina SA and the remainder of the holding in Romande Energie Holding SA were concluded in July 2013.

Disposals have brought in over CHF 1.2 billion in total. These sales, together with the hybrid financing package and the positive inflow of funds from business activities have enabled us to reduce net debt to CHF 2.2 billion from CHF 4 billion at the same point in 2012.

Preliminary note

New financial reporting standards (IFRS 10 and 11; IAS 19 revised) have necessitated the restatement of prior-year results. The following remarks and comparisons refer to the amended figures.

Pleasing operating result generated in first half of 2013

Alpiq posted a satisfactory performance for the first six months of 2013. EBITDA of CHF 401 million (– 14 %) and EBIT of CHF 257 million (+ 70 %) was generated on revenues of CHF 4.8 billion (– 26 %). Results are therefore in line with the expectations of the Board of Directors and Executive Board. However, it is difficult to compare these results with prior-year figures because the results for the equivalent period in 2012 were influenced by a variety of extraordinary items, specifically impairment charges and losses on sales activities in Romania and Italy. Extraordinary items during the prior-year period amounted to a negative CHF 125 million in relation to EBIT and a negative CHF 162 million in relation to the Group's net result.

CHF million	Results of operations before exceptional items (restated)	Exceptional items	Half-year 2012 Results under IFRS after exceptional items (restated)	Half-year 2013 Results under IFRS
Net revenue	**6,497**		**6,497**	**4,791**
Other operating income	116		116	106
Total revenue and other income	**6,613**		**6,613**	**4,897**
Energy and inventory costs	– 5,380	– 29	– 5,409	– 3,851
Employee costs	– 489		– 489	– 406
Other operating expenses	– 227	– 20	– 247	– 239
Profit before interest, tax, depreciation and amortisation (EBITDA)	**517**	**– 49**	**468**	**401**
Depreciation, amortisation and impairment	– 241	– 76	– 317	– 144
Profit before interest and tax (EBIT)	**276**	**– 125**	**151**	**257**
Share of results of joint ventures and other associates	– 3		– 3	– 33
Net finance costs	– 96	– 48	– 144	– 78
Income tax expense	– 49	11	– 38	– 31
Group profit / (loss) for the period	**128**	**– 162**	**– 34**	**115**

As announced at the beginning of this year, results of operations before depreciation and amortisation (EBITDA) will be lower than in 2012. This is a result of changes to the scope of consolidation brought about by disposals, primarily the loss of income owing to the transfer of the grid companies to Swissgrid AG. Extended maintenance work in the nuclear generation segment, as well as a year-on-year fall in off-take volumes from long-term contracts at Switzerland's borders also made for lower earnings. Furthermore, investments in improving safety in nuclear power generation resulted in higher prime costs. The performance of the Energy Services business division fell slightly short of the previous year's figure mainly due to a decline in international plant construction.

By contrast, EBIT is considerably higher than in the previous year, principally as a result of extraordinary items. These concern the impairments on sales referred to above that were booked in the first half of 2012. At the same time, results were improved by lower write-downs on the power stations overall following the impairments made at the end of 2012, as well as at Alpiq Generation s.r.o. in the Czech Republic and Società Elettrica Sopracenerina SA, which are classified as assets held for sale.

Better wind conditions and greater capacity in new renewable energies, wholesale activities in Central Europe and temporary effects from the sales business in France also had a positive impact on results. A much better performance from the thermal power stations in Spain, and the cessation of the unprofitable Spanish sales business, were also factored into first-half results. The cost-cutting measures instituted in recent years continued to support performance. Income was also boosted by the high availability of hydraulic generation facilities in Switzerland, and an ideal market situation that allowed us to make the most of our short-term generation capacity.

There were non-recurring effects from court-ordered compensation, stemming from system service costs that were charged illegally in Switzerland in 2009, as well as impairments on individual projects and supply contracts.

After the first six months of this year, net finance costs stand at CHF 111 million, which is CHF 36 million lower than the prior-year figure. The higher charge in 2012 was attributable in particular to the loss on the sale of the A2A holding. The valuation of the Group's interest rate hedges was a further positive factor during the first half of 2013, although income from interests in associated companies and joint ventures kept results down.

The Alpiq Group currently pays tax at an average rate of 21.2 % (first-half 2012 on comparable basis: 27.7 %). Income tax expense fell by 18 % year-on-year to CHF – 31 million. The main reason for this was that some of the losses made by foreign Group companies in 2012 could not be set off against tax.

Group financial position and consolidated statement of cash flows

Total assets came to approximately CHF 15.7 billion as at 30 June 2013, compared with CHF 14.9 billion at the end of December 2012. The sale of grid infrastructure to Swissgrid AG, and of the interests in Repower AG and Romande Energie Holding SA reduced assets held for sale by approximately CHF 900 million compared with the beginning of the year. As expected, there was a rise in liquid funds – of CHF 1.3 billion – primarily because Alpiq took up hybrid capital, and made disposals. In addition, the increase in both positive and negative fair values for energy derivatives extended total assets by around CHF 300 million. By contrast, outstanding trade receivables were down by CHF 350 million as a result of lower revenues and other factors.

Equity increased in the first half of 2013 by CHF 1,159 million to CHF 5,976 million. Most of the rise originated from the take-up of the hybrid shareholder loan provided by the principal Swiss shareholders, in combination with the public hybrid bond, worth a total of CHF 1,017 million (gross). Other important factors were positive currency translation effects of around CHF 43 million when the assets of foreign subsidiaries were converted into Swiss francs, as well as CHF 115 million in bottom-line profit for the period. Set off against this are dividend payments of CHF 60 million, and a charge of CHF 14 million from the revaluation of cash flow hedging instruments, which was booked direct to equity. The equity ratio improved from 38.1 %, compared with 32.4 % on 31 December 2012.

The high inflow of funds from disposals and hybrid capital was used to repay borrowings of over CHF 500 million.

Cash flows from operating activities came to CHF 342 million in the first half of 2013. This consisted of operating EBITDA of CHF 401 million less cash outflows of CHF – 151 million for interest and tax paid, as well as adjustments of CHF – 55 million for non-cash items. The reduction in working capital netted an inflow of about CHF 147 million. The sale of interests, grid companies and current asset investments generated liquid assets of CHF 512 million during the same period. Some CHF 49 million was spent on replacement capital assets. The net change from the up-take of capital, as well as from borrowings raised and repaid, led to net cash inflows of approximately CHF 550 million.

Reported net debt was cut by CHF 1.8 billion to CHF 2.2 billion in comparison with the beginning of the year. Of this figure, CHF 400 million is due to the decline in debt, and CHF 1.3 billion to higher liquidity. Net debt is expected to fall further up to the end of 2013 owing to the completion of the sale of the Società Elettrica Sopracenerina Group, as well as operating cash flow.

Market conditions

The European economy has been in recession for six consecutive quarters now. The ongoing decline in industrial output had a negative effect on demand for electricity. At the same time, growing political instability in the Middle East drove the prices of oil and gas products higher.

Despite the long and cold winter, spot prices were generally lower than the corresponding period in 2012. The reason for this was further erosion in prices of CO_2 certificates. The global oversupply of much cheaper coal imports was another factor here resulting in a generally stable margin for coal-fired power stations, while gas-fired power station profitability on standard electricity products slipped into negative figures. Despite the continued expansion of photovoltaic capacity in Germany, poor weather conditions meant that the peak / off-peak spread remained almost constant.

Efforts from Brussels to intervene in the oversupplied CO_2 market (with proposals for back-loading and parliamentary votes), generated enormous volatility, without providing any lasting support for quotations.

The evolution of the markets will largely depend on whether or not the economic situation in crisis-hit countries will stabilise. The reduction in rates for solar energy that have been implemented to date in Germany have slowed the rate at which new capacity is being installed. No further reduction in the growth of new and renewable energies can be expected until after the parliamentary elections in Germany, and the revision of the Renewable Energies Act (EEG), at the earliest. The expected introduction of flow-based market coupling in Western Europe will also impact on future electricity prices at the national level.

There has been a decline in capital spending in energy supply and transport technology in urban public transport in Switzerland, although the trend in the railway and infrastructure segments is positive. Meanwhile, investment is stagnating in construction-related trades in the upper price segment and in high-price regions. Political uncertainty with regard to energy strategy and regulation in Switzerland is holding back demand for energy efficiency in the short term.

The energy generation and power plant technology segments continue to be affected to different degrees by the shift towards more renewable energy sources. In particular, this is impacting capital spending on conventional power plant technology. Meanwhile, there is a growing demand for smaller, local energy generation plants in the energy and environmental technology segment. The few enquiries we have received about major projects largely concern gas and steam power stations in combination with district heating supplies and heat storage systems. Overall, competition with providers throughout Europe has become tougher once again. Where nuclear technology is concerned, declining demand from the German market must be offset with orders from neighbouring countries. We expect business to be mainly with France in the short term, as the safety measures determined by recent European stress tests are put in place. Decommissioning in Germany is not expected to start before 2016. Demand in the energy supply technology segment is stable, even though margins continue to contract. European demand in the industrial facilities segment is also steady.

Performance of the business divisions

As expected, the new Generation business division, formed as part of the restructuring programme, posted a year-on-year decline in results in the first half of 2013. Market conditions for electricity generation and trading were generally even weaker than in previous years. The price level in the forward and spot markets fell sharply once again, although hedging transactions from prior years were able to offset the negative price effect to some degree. 2012 results had also been boosted by high prices during the February cold snap. Furthermore, higher prime costs related to capital spending, especially in nuclear generation, resulted in lower margins. The extended annual overhaul of the Gösgen nuclear power station in May / June, and a year-on-year fall in off-take volumes from long-term contracts resulted in significantly lower sale volumes during the reporting period. The sale of the transmission network to Swissgrid AG in early 2013, which was necessitated by new regulatory requirements, led to a sharp drop in results compared with the same period in 2012.

Conventional thermal generation facilities, most of which are installed outside Switzerland, suffered generally from tighter spreads between the cost of primary energy and the electricity price. In Spain, an upbeat market for transmission system services enabled the Plana del Vent power station to improve on its prior-year result. Generation facilities in the Czech Republic produced stable results, and the Csepel power station in Hungary benefited from higher demand for heat owing to the cold winter temperatures. The stronger euro exchange rate also had a positive currency translation effect against the Swiss franc.

Energy generation from new and renewable sources benefited from excellent wind conditions, and thus high generation volumes. The wind generation facilities in Italy that were acquired in 2012 were consolidated in full for the first time during the reporting period, and also contributed strongly to results.

The impairments made to the Alpiq Group's power stations overall in the 2012 financial statements resulted in lower depreciation and amortisation than the previous year. The effect on the operating result (EBIT) was correspondingly positive.

The two major investment projects – the Nant de Drance pumped storage facility in Switzerland, and the new K7 power station block in Kladno in the Czech Republic – are progressing on schedule.

In line with Alpiq's continued efforts to streamline its structure, market operations in Switzerland, Italy, France and Central Europe have been amalgamated with power station-related optimisation and trading activities for Switzerland and western Europe to create the new Commerce & Trading business division.

In the Swiss market, the absence of write-downs on the Società Elettrica Sopracenerina group, which had been held for sale, resulted in a higher contribution to EBIT. The disposal of Società Elettrica Sopracenerina SA was completed successfully in early July 2013.

In Italy, the first half of the year was characterised by stable sales and revenue growth in comparison with the previous year, as well as better results from optimisation activities. In addition, the sale of Energit S.p.A. in November 2012 marked Alpiq's withdrawal from its unprofitable business with small and medium-sized companies in Italy.

A change in the structure of contracts and clients resulted in a higher average price in sales operations in France (based on differing winter and summer prices), producing a year-on-year improvement in results.

Energy trading in Central Europe generated significantly higher margins than in 2012. One of the reasons for this is that Alpiq consistently made the most of the opportunities that arose. Another is that results for 2012 were held back by two factors: the extremely cold winter resulted in considerably lower capacities in cross-border trading in South-Eastern Europe, and Alpiq was forced to repurchase energy volumes lost in Romania at higher cost on the market (owing to force majeure at Hidroelectrica).

Following the sale of the energy supply technology business last year, the Energy Services business division now comprises the Alpiq Energie- und Anlagentechnik group (EAT) in Germany, which operates in energy plant construction markets, and the Alpiq InTec Group (AIT), which specialises in services for building systems, as well as energy and transport technology.

EAT results were down year-on-year. Lower volumes in industrial plant construction in Romania and in nuclear technology had a slightly negative effect on performance. Impairments also had to be made on loss-making projects in the energy and environmental technology segment in Hungary. Work has since begun on implementing the decision to close the Hungarian legal entity.

AIT’s building systems business recorded a modest decline in results compared with H1 2012, owing to lower output overall from projects and construction sites. A higher order intake in the energy and transport technology segment produced better overall results year-on-year.

Outlook

The operating climate will remain extremely demanding in 2013 and 2014. As announced, Alpiq anticipates a lower operating result for the full year in comparison with 2012. The reasons are consistently difficult structural market conditions, coupled with a sustained downward price trend and an unpredictable regulatory environment as well as the absence of shares of results from interests sold under the ongoing programme of disposals. The political and regulatory framework makes the outlook difficult to predict. Examples here include the forthcoming decisions on financing for the decommissioning and waste disposal fund, and the related prime costs, in addition to the Spanish energy reform act which recently came into force. At the same time, electricity prices have fallen again compared with 2012, by more than 20 % during the current reporting period. If this development continues, it will have a negative impact on the intrinsic value of power plant networks and overall profitability of energy companies.

Consolidated Financial Statements of the Alpiq Group

Consolidated Income Statement (condensed)

CHF million	Note	Half-year H1 2012 (restated)	Half-year H1 2013
Net revenue	2	**6,497**	**4,791**
Other operating income		116	106
Total revenue and other income		**6,613**	**4,897**
Energy and inventory costs		– 5,409	– 3,851
Employee costs		– 489	– 406
Other operating expenses		– 247	– 239
Profit before interest, tax, depreciation and amortisation (EBITDA)		**468**	**401**
Depreciation and amortisation		– 241	– 128
Impairment charges	3	– 76	– 16
Profit before interest and tax (EBIT)		**151**	**257**
Share of profit of joint ventures and other associates		– 3	– 33
Net finance costs		– 144	– 78
Profit before income tax		**4**	**146**
Income tax expense		– 38	– 31
Group profit / (loss) for the period		**– 34**	**115**
Attributable to non-controlling interests		6	8
Attributable to equity investors of Alpiq Holding		– 40	107

Attributable to equity investors of Alpiq Holding		– 40	107
Interest accumulated on hybrid capital	5		– 6
Attributable to owners of Alpiq Holding		**– 40**	**101**
Total shares issued (in thousands)		27,190	27,190
Weighted average number of shares outstanding (in thousands)		27,190	27,190
Earnings per share in CHF		**– 1.47**	**3.71**

There are no circumstances that could have a dilutive effect on earnings per share.

Consolidated Statement of Comprehensive Income

CHF million	Half-year H1 2012 (restated)	Half-year H1 2013
Group profit / (loss) for the period	**– 34**	**115**
Cash flow hedges	– 28	– 15
Income tax expense	5	1
Net of income tax	– 23	– 14
IAS 39 effects of changes in equity of joint ventures and other associates		31
Income tax expense		– 7
Net of income tax		24
Exchange differences on translation of foreign subsidiaries	– 34	43
Items that are or may be reclassified subsequently to Income Statement, net of tax	**– 57**	**53**
Actuarial profit / (loss) from pension schemes	36	43
Income tax expense	– 7	– 11
Net of income tax	29	32
IAS 19 effects of changes in equity of joint ventures and other associates	8	18
Income tax expense	– 2	– 4
Net of income tax	6	14
Items that will not be reclassified to Income Statement, net of tax	**35**	**46**
Other comprehensive income for the period, net of income tax	**– 22**	**99**
Total comprehensive income for the period	**– 56**	**214**
Attributable to non-controlling interests	5	11
Attributable to equity investors of Alpiq Holding	– 61	203

Consolidated Statement of Financial Position (condensed)

Assets

CHF million	Note	31 Dec 2012 (restated)	30 Jun 2013
Property, plant and equipment		3,628	3,567
Goodwill		333	334
Other intangible assets		787	776
Investments in joint ventures and other associates		3,585	3,766
Other financial assets		103	323
Deferred income tax assets		103	102
Retirement benefit assets		15	14
Non-current assets		**8,554**	**8,882**
Cash and cash equivalents		1,249	2,178
Current asset investments		17	1
Term deposits		120	533
Derivative financial instruments		733	1,060
Other current assets		2,341	2,096
Current assets		**4,460**	**5,868**
Assets held for sale	4	**1,849**	**924**
Total assets		**14,863**	**15,674**

Equity and liabilities

CHF million	Note	31 Dec 2012 (restated)	30 Jun 2013
Equity attributable to equity investors of Alpiq Holding		4,692	5,846
Non-controlling interests		125	130
Total equity	5	**4,817**	**5,976**
Long-term borrowings		4,487	4,224
Deferred income tax liabilities		1,263	1,241
Retirement benefit obligations		305	273
Other non-current liabilities		218	215
Non-current liabilities		**6,273**	**5,953**
Short-term borrowings		888	712
Derivative financial instruments		777	1,106
Other current liabilities		1,844	1,712
Current liabilities		**3,509**	**3,530**
Liabilities held for sale	4	**264**	**215**
Total equity and liabilities		**14,863**	**15,674**

Consolidated Statement of Changes in Equity

CHF million	Share capital	Share premium	Hybrid capital	Unrealised gains and losses under IAS 39	Foreign currency translation reserve	Retained earnings	Attributable to equity investors of Alpiq Holding	Non-controlling interests	Total equity
Equity at 31 December 2011	272	4,431	0	– 32	– 673	2,043	6,041	164	6,205
Restatement (see page 17)						– 169	– 169	20	– 149
Equity at 1 January 2012[1]	**272**	**4,431**	**0**	**– 32**	**– 673**	**1,874**	**5,872**	**184**	**6,056**
Profit / (loss) for the period[1]						– 40	– 40	6	– 34
Other comprehensive income[1]				– 22	– 34	35	– 21	– 1	– 22
Total comprehensive income[1]				**– 22**	**– 34**	**– 5**	**– 61**	**5**	**– 56**
Transfer from share premium to retained earnings		– 54				54	0		0
Dividends[1]						– 54	– 54	– 12	– 66
Equity at 30 June 2012[1]	**272**	**4,377**	**0**	**– 54**	**– 707**	**1,869**	**5,757**	**177**	**5,934**
Equity at 31 December 2012[1]	**272**	**4,377**	**0**	**– 59**	**– 681**	**783**	**4,692**	**125**	**4,817**
Profit / (loss) for the period						107	107	8	115
Other comprehensive income				9	43	44	96	3	99
Total comprehensive income				**9**	**43**	**151**	**203**	**11**	**214**
Proceeds from hybrid capital			1,005				1,005		1,005
Transfer from share premium to retained earnings		– 54				54	0		0
Dividends						– 54	– 54	– 6	– 60
Equity at 30 June 2013	**272**	**4,323**	**1,005**	**– 50**	**– 638**	**934**	**5,846**	**130**	**5,976**

1 Restated, see page 17.

Consolidated Statement of Cash Flows (condensed)

CHF million	Half-year H1 2012 (restated)	Half-year H1 2013
Profit before interest and tax (EBIT)	**151**	**257**
Changes in working capital (excl. current financial assets / liabilities)	12	147
Other adjustments to reconcile to net cash flows from operating activities	33	– 62
Net cash flows from operating activities	**196**	**342**
Investing activities:		
Property, plant and equipment and intangible assets	– 82	– 49
Subsidiaries		
Acquisitions	28	
Proceeds from disposal	9	223
Joint ventures and other associates		
Acquisitions	– 3	– 1
Proceeds from disposal	253	275
Other non-current financial assets		
Purchases	– 3	– 3
Proceeds from sale / repayments	9	14
Change in term deposits	196	– 393
Purchases / proceeds from sale of current asset investments	2	17
Net cash flows (used in) / from investing activities	**409**	**83**
Dividends paid	– 66	– 60
Proceeds from borrowings	575	51
Proceeds from hybrid capital		1,005
Repayment of borrowings	– 826	– 503
Net cash flows from / (used in) financing activities	**– 317**	**493**
Effect of exchange rate changes	**– 3**	**5**
Change in cash and cash equivalents	**285**	**923**
Analysis:		
Cash and cash equivalents at 1 January	1,037	1,276
Cash and cash equivalents at 30 June	1,322	2,199
Change	**285**	**923**

The amounts reported above also include cash flows of operations held for sale. Cash and cash equivalents held by these operations amounted to CHF 21 million at 30 June 2013 (1 January 2013: CHF 27 million).

Notes on the Condensed Interim Consolidated Financial Statements

Basis of preparation

The interim consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. With the exception of the changes listed below, they are presented on a basis consistent with the Alpiq Group’s accounting policies set out in the Financial Report 2012 and should be read in conjunction with that report, as the interim consolidated financial statements are an update of information previously published. The Board of Directors of the Alpiq Group authorised the consolidated interim financial statements as at 30 June 2013 on 23 August 2013.

The Alpiq Group has adopted the following International Financial Reporting Standards (IFRS), which became effective on 1 January 2013.

- IAS 1 amendments: Presentation of items of Other Comprehensive Income (1 July 2012)
- IAS 19 rev.: Employee Benefits (1 January 2013)
- IAS 27 rev.: Separate Financial Statements (1 January 2013)
- IAS 28 rev.: Investments in Associates and Joint Ventures (1 January 2013)
- IFRS 7 amendments: Disclosures – Offsetting Financial Assets and Financial Liabilities (1 January 2013)
- IFRS 10: Consolidated Financial Statements (1 January 2013)
- IFRS 11: Joint Arrangements (1 January 2013)
- IFRS 12: Disclosure of Interests in Other Entities (1 January 2013)
- IFRS 13: Fair Value Measurement (1 January 2013)

Other new or revised standards and interpretations that have been published but are not yet mandatory have not yet been adopted by Alpiq.

As described in the Annual Report 2012, Alpiq has amended the statement of the “results of joint ventures and other associates” in the Income Statement, as well as the way in which pension schemes are presented in the Statement of Financial Position. Please refer to the Annual Report 2012 for details of the changes in presentation.

The main ways in which the new and revised standards adopted by the Group have influenced Alpiq's Interim Financial Statements are described below.

IAS 19 rev. Employee Benefits

The revised IAS 19 "Employee Benefits" standard came into effect on 1 January 2013. The Alpiq Group has applied the standard with retroactive effect as of 1 January 2012. The most important change here is that the corridor approach is no longer permitted. This means that actuarial gains and losses are now recognised outside profit and loss in other comprehensive income as part of equity for the period in which they occur. Furthermore, the key parameters / performance drivers used so far – "interest cost" and "expected return on plan assets" – are replaced with a net interest amount. The net interest effect is calculated by applying the discount rate to the net pension liability or plan asset. Furthermore, past service cost must be recognised in profit and loss immediately when it is incurred.

Alpiq has amended the presentation of its Income Statement with retroactive effect in conjunction with its adoption of the revised IAS 19 "Employee Benefits" standard. Net interest is now reported under net finance costs, rather than under employee costs. This presentation is aligned with the new interest concept laid down in the standard.

IFRS 10 Consolidated Financial Statements / IFRS 11 Joint Arrangements

In May 2011, the IASB issued the new IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements" standards. These came into force on 1 January 2013 and are applied by Alpiq with retroactive effect as of 1 January 2012. IFRS 10 "Consolidated Financial Statements" introduces a new definition of control, which also includes the consolidation of special purpose entities and de facto control. IFRS 11 governs accounting for arrangements where an entity has joint control over a joint venture or a joint operation. The main difference from IAS 31 "Interests in Joint Ventures" is that IFRS 11 no longer focuses on the legal form of a jointly controlled operation. Under the new standard, the classification depends on the specific rights and obligations of the parties involved in respect of the assets and liabilities, and corresponding revenue and expenses, relating to the joint arrangement. An entity must account for its interest in the assets, liabilities, revenue and expenses of joint operations. Joint ventures must be accounted for using the equity method.

As a result of the adoption of IFRS 10, Kraftwerke Gougra AG is now fully consolidated. The adoption of IFRS 11 means that the members of the consortia which are affected will now account for their interests in assets, liabilities, revenue and expenses.

In the past, Kraftwerke Gougra AG, in which Alpiq holds a 54 % interest, has been included in the consolidated financial statements as a joint venture, using the equity method. The new definition of control laid down in IFRS 10 means that the company must now be consolidated in full. Kraftwerke Gougra AG is a business in accordance with IFRS 3. Identifiable assets and liabilities have been recognised at fair value, backdated to the date on which control was transferred.

In the past, the consortia concerned have been reported using the equity method. Alpiq now recognises its interests in the assets, liabilities, revenue and expenses of these consortia, with retroactive effect.

Restatements for prior periods necessitated by the application of IAS 19 rev., IFRS 10 and IFRS 11

Changes to the Consolidated Income Statement

CHF million	Half-year[1] H1 2012 (reported)	Changes IAS 19 rev.	Changes IFRS 10/11	Half-year H1 2012 (restated)
Net revenue	**6,490**		**7**	**6,497**
Total revenue and other income	**6,606**		**7**	**6,613**
Energy and inventory costs	– 5,410		1	– 5,409
Employee costs	– 496	7		– 489
Other operating expenses	– 246		– 1	– 247
Profit before interest, tax, depreciation and amortisation (EBITDA)	**454**	**7**	**7**	**468**
Depreciation and amortisation	– 237		– 4	– 241
Profit before interest and tax (EBIT)	**141**	**7**	**3**	**151**
Share of profit of joint ventures and other associates		– 2	– 1	– 3
Net finance costs	– 141	– 2	– 1	– 144
Profit before income tax		**3**	**1**	**4**
Income tax expense	– 36	– 2		– 38
Group profit / (loss) for the period	**– 36**	**1**	**1**	**– 34**
Attributable to non-controlling interests	5		1	6
Attributable to equity investors of Alpiq Holding	– 41	1		– 40
Earnings per share in CHF	**– 1.51**	**0.04**		**– 1.47**

1 Factoring in the 2012 reclassification of "Share of results of joint ventures and other associates".

Changes to the Consolidated Statement of Comprehensive Income

CHF million	Half-year H1 2012 (reported)	Changes IAS 19 rev.	Changes IFRS 10/11	Half-year H1 2012 (restated)
Group profit / (loss) for the period	**– 36**	**1**	**1**	**– 34**
Actuarial profit / (loss) from pension schemes		36		36
Income tax expense		– 7		– 7
Net of income tax		29		29
IAS 19 effects of changes in equity of joint ventures and other associates		8		8
Income tax expense		– 2		– 2
Net of income tax		6		6
Items that will not be reclassified to Income Statement, net of tax		**35**		**35**
Other comprehensive income for the period, net of income tax	**– 57**	**35**		**– 22**
Total comprehensive income for the period	**– 93**	**36**	**1**	**– 56**
Attributable to non-controlling interests	4		1	5
Attributable to equity investors of Alpiq Holding	– 97	36		– 61

Changes to the Consolidated Statement of Financial Position

Assets

CHF million	31.12.2012 (reported)	Changes IAS 19 rev.	Changes IFRS 10/11	31.12.2012 (restated)
Property, plant and equipment	3,476		152	3,628
Goodwill	321		12	333
Investments in joint ventures and other associates	3,698	– 71	– 42	3,585
Retirement benefit assets	17	– 2		15
Non-current assets	**8,505**	**– 73**	**122**	**8,554**
Cash and cash equivalents	1,222		27	1,249
Other current assets	2,338		3	2,341
Current assets	**4,430**		**30**	**4,460**
Total assets	**14,784**	**– 73**	**152**	**14,863**

Equity and liabilities

CHF million	31.12.2012 (reported)	Changes IAS 19 rev.	Changes IFRS 10/11	31.12.2012 (restated)
Equity attributable to equity investors of Alpiq Holding	4,904	– 212		4,692
Non-controlling interests	106	– 8	27	125
Total equity	**5,010**	**– 220**	**27**	**4,817**
Long-term borrowings	4,407		80	4,487
Deferred income tax liabilities	1,303	– 40		1,263
Retirement benefit obligations	116	189		305
Other non-current liabilities	220	– 2		218
Non-current liabilities	**6,046**	**147**	**80**	**6,273**
Short-term borrowings	863		25	888
Other current liabilities	1,844	– 20	20	1,844
Current liabilities	**3,484**	**– 20**	**45**	**3,509**
Liabilities held for sale	**244**	**20**		**264**
Total equity and liabilities	**14,784**	**– 73**	**152**	**14,863**

Changes to the Consolidated Statement of Changes in Equity

CHF million	Half-year H1 2012 (reported)	Changes IAS 19 rev.	Changes IFRS 10/11	Half-year H1 2012 (restated)
Equity attributable to equity investors of Alpiq Holding				
Equity at 1 January 2012	**6,041**	**– 169**		**5,872**
Profit / (loss) for the period	– 41	1		– 40
Other comprehensive income	– 56	35		– 21
Total comprehensive income	**– 97**	**36**		**– 61**
Equity at 30 June 2012	**5,890**	**– 133**		**5,757**
Non-controlling interests				
Equity at 1 January 2012	**164**	**– 7**	**27**	**184**
Profit / (loss) for the period	5		1	6
Other comprehensive income	– 1			– 1
Total comprehensive income	**4**		**1**	**5**
Dividends	– 11		– 1	– 12
Equity at 30 June 2012	**157**	**– 7**	**27**	**177**

Changes to the Consolidated Statement of Cash Flows

CHF million	Half-year H1 2012 (reported)	Changes IAS 19 rev.	Changes IFRS 10/11	Half-year H1 2012 (restated)
Profit before interest and tax (EBIT)	**141**	**7**	**3**	**151**
Changes in working capital (excl. current financial assets / liabilities)	19		– 7	12
Other adjustments to reconcile to net cash flows from operating activities	39	– 7	1	33
Net cash flows from operating activities	**199**		**– 3**	**196**
Investing activities:				
Property, plant and equipment and intangible assets	– 78		– 4	– 82
Net cash flows (used in) / from investing activities	**413**		**– 4**	**409**
Dividends paid	– 65		– 1	– 66
Proceeds from borrowings	560		15	575
Net cash flows from / (used in) financing activities	**– 331**		**14**	**– 317**
Change in cash and cash equivalents	**278**		**7**	**285**
Analysis:				
Cash and cash equivalents at 1 January	1,013		24	1,037
Cash and cash equivalents at 30 June	1,291		31	1,322
Change	**278**		**7**	**285**

Note 1: Foreign currency translation

The consolidated financial statements are presented in Swiss francs. The following exchange rates were used for currency translation:

Unit		Closing rate at 30 Jun 2012	Closing rate at 31 Dec 2012	Closing rate at 30 Jun 2013	Average rate for H1 2012	Average rate for H1 2013
1	USD	0.96	0.92	0.94	0.93	0.94
1	EUR	1.203	1.207	1.234	1.205	1.230
100	CZK	4.69	4.80	4.75	4.79	4.79
100	HUF	0.42	0.41	0.42	0.41	0.42
100	NOK	15.97	16.43	15.65	15.91	16.35
100	PLN	28.32	29.63	28.44	28.40	29.44
100	RON	27.03	27.16	27.66	27.44	28.00

Note 2: Segment information

The Alpiq Group's segment reporting is based on the Group's internal organisational and management structure and the internal financial information reported to the chief operating decision maker. The reportable segments under IFRS 8 consist of three business divisions, as shown in the organisation chart on page 29. The Executive Board evaluates each of these separately for the purpose of assessing performance and allocating resources. The CEO has ultimate responsibility. The key measure of performance used for internal management and assessment at the Alpiq Group is segment profit (EBITDA). Operating costs comprise energy purchase and generation costs as well as all other operating costs, including employee benefits and services used. Amounts derived from management reporting require no adjustment for financial reporting as the same accounting policies are used for internal and external reporting.

Alpiq amended its organisational and management structure effective 1 January 2013. The Energy Switzerland, Energy International and Optimisation & Trading segments presented in the Financial Report 2012 were replaced by a structure which reflects Alpiq's value chain. Alpiq is now managed in three new business divisions: Generation, Commerce & Trading, and Energy Services. Prior-year segment information has been restated for comparability.

- The Generation business division comprises power generation at power stations operated both by Alpiq alone and as joint ventures in Switzerland, as well as all foreign power generation units in France, Italy, Spain, the Czech Republic and Hungary. It also includes renewable energies capacity in Switzerland, Bulgaria, France, Italy and Scandinavia.

- The Commerce & Trading business division is made up of energy sales and distribution in the Swiss, French, Italian, Polish, Czech and Hungarian markets, as well as in other countries in central Europe. Trading operations in electricity, gas and other commodities and certificates in Switzerland and Europe are also allocated to this division.

- The Energy Services business division covers the operations of the two energy service group companies Alpiq InTec (AIT) and Alpiq Energie- und Anlagentechnik (EAT). The Swiss AIT Group focuses primarily on building systems and transport technology in Switzerland and Italy. Meanwhile, the German EAT Group concentrates on its core business of energy generation technology and power plant engineering in various parts of Europe.

Results from units which do not have market operations (including Alpiq Holding Ltd., Group Centre, and financing companies) are included in the reconciliation of business division results to the consolidated figures for the Alpiq Group, as are consolidation adjustments at Group level. This includes results of investments which cannot be allocated directly to the business divisions (financial and non-strategic investments), the activities of the corporate headquarters, including the group-wide Financial Services and Management Services units, consolidation adjustments and eliminations, as well as items of expense and income that cannot be influenced at business division level.

2013: Information by business division

CHF million	Generation division	Commerce & Trading division	Energy Services division	Group holding company, Group Centre, other and consolidation	Alpiq Group
External revenue from energy sales / construction contracts	1,614	2,466	699	3	4,782
Revenue from energy and financial derivatives					
– Proprietary trading		6			6
– Hedges	– 8	7		4	3
Total external net revenue	**1,606**	**2,479**	**699**	**7**	**4,791**
Inter-segment transactions	595	227	46	– 868	0
Total net revenue	**2,201**	**2,706**	**745**	**– 861**	**4,791**
Other income	35	11	10	50	106
Total revenue and other income	**2,236**	**2,717**	**755**	**– 811**	**4,897**
Operating costs	– 1,849	– 2,627	– 722	702	– 4,496
EBITDA	**387**	**90**	**33**	**– 109**	**401**
Depreciation, amortisation and impairment	– 114	– 7	– 11	– 12	– 144
EBIT	**273**	**83**	**22**	**– 121**	**257**
Net assets	7,867	612	386	971	9,836
Employees	802	470	6,093	506	7,871

The reconciliation of the business divisions’ operating profit (EBITDA) to the Alpiq Group’s consolidated figures comprises the results of the holding company, Group Centre and other activities. The increase in net assets at holding company and Group Centre level is attributable to higher liquidity as a result of the hybrid financing deal.

2012: Information by business division (restated)

CHF million	Generation division	Commerce & Trading division	Energy Services division	Group holding company, Group Centre, other and consolidation	Alpiq Group
External revenue from energy sales / construction contracts	2,511	3,023	1,019	– 53	6,500
Revenue from energy and financial derivatives					
– Proprietary trading		3			3
– Hedges	– 10	– 5		9	– 6
Total external net revenue	**2,501**	**3,021**	**1,019**	**– 44**	**6,497**
Inter-segment transactions	251	– 181	18	– 88	0
Total net revenue	**2,752**	**2,840**	**1,037**	**– 132**	**6,497**
Other income	27	10	9	70	116
Total revenue and other income	**2,779**	**2,850**	**1,046**	**– 62**	**6,613**
Operating costs	– 2,336	– 2,789	– 1,005	34	– 6,096
Impairment charges and provisions	– 9	– 40			– 49
EBITDA before impairment charges and provisions	**443**	**61**	**41**	**– 28**	**517**
EBITDA after impairment charges and provisions	**434**	**21**	**41**	**– 28**	**468**
Depreciation and amortisation	– 188	– 20	– 16	– 17	– 241
Impairment of property, plant and equipment and intangible assets		– 76			– 76
EBIT before impairment charges and provisions	**255**	**41**	**25**	**– 45**	**276**
EBIT after impairment charges and provisions	**246**	**– 75**	**25**	**– 45**	**151**
Net assets [1]	9,316	816	360	113	10,605
Employees [2]	854	714	8,836	613	11,017

1 Non-current assets, current assets / current liabilities, excluding financial assets, securities and deferred income tax.
2 Average number of full-time equivalents.

Note 3: Impairment charges

An impairment was made to capitalised project expenses during the first half of 2013. This resulted in an impairment charge of CHF 16 million. In the previous year, an impairment charge of CHF 76 million was reported in the interim financial statements in connection with the cancellation of long-term power off-take contracts in Romania following the counterparty’s insolvency.

Note 4: Assets held for sale

As at the balance sheet date of 31 December 2012, operations earmarked for sale – Società Elettrica Sopracenerina SA, Alpiq Generation s.r.o.'s power generation facilities in the Czech Republic, the interests in Repower AG and Romande Energie Holding SA, as well as the operations of the transmission network companies (in view of the legal situation) – were presented as "assets held for sale".

The transmission network companies were transferred to the Swissgrid national grid company on 3 January 2013 (see Note 6). On 28 March 2013, Alpiq also sold its entire 24.6 % holding in Repower AG. In addition, a 7.5 % interest in Romande Energie Holding SA was sold in two tranches during the first half of the year. The buyer was granted a purchase option, valid until 31 January 2014, for the remaining interest of 2.5 %. This option was exercised on 22 July 2013.
On 29 May 2013, Alpiq announced that it had signed an agreement to sell its 60.9 % interest in Ticino-based energy supply company Società Elettrica Sopracenerina SA. Since the transaction was not approved by the competent competition authority until 9 July 2013, the company is still reported, as at 30 June 2013, as an asset held for sale.

Alpiq still intends to sell the power generation facilities belonging to Alpiq Generation s.r.o. in the Czech Republic, and this project is currently being pursued by management.

No new companies were included under "assets held for sale" during the first half of 2013.

Note 5: Proceeds from hybrid capital

On 24 April 2013, the principal Swiss shareholders gave the go-ahead for a hybrid loan of CHF 367 million. In addition, on 2 May 2013, Alpiq placed a public hybrid bond of CHF 650 million on the Swiss capital market. The hybrid capital, which totals CHF 1,017 million, is unlimited in duration and is classified under the IFRS financial reporting guidelines as equity. Alpiq, however, has the right to repay the public hybrid bond early, on 15 November 2018 at the earliest, and annually thereafter. The hybrid loan from the principal Swiss shareholders cannot be repaid until the public hybrid bond has been repaid and is subsidiary to it. Provided certain conditions are met, Alpiq is able to replace the hybrid loan from the principal Swiss shareholders with shares or with hybrid instruments of the same status.

Up to the first redemption date of 15 November 2018, interest may be paid on the hybrid capital with a coupon of 5 %. On this date and every five years thereafter, interest will be adjusted in line with prevailing market conditions. The interest rate will be raised by an additional 25 bps and 75 bps in 2023 and 2043 respectively.

Interest payments on the hybrid loan from the principal Swiss shareholders may be suspended at Alpiq's discretion, without Alpiq having subsequently to make up the suspended interest. Alpiq may also suspend the payment of interest on the public hybrid bond. Interest claims remain valid for three years in such cases.

The hybrid capital was paid in on 15 May 2013, resulting in an inflow of funds, less transaction costs, of CHF 1,005 million. As at 30 June 2013, the after-tax interest due to the hybrid capital lenders stood at CHF 6 million. In the absence of any legal obligation to pay the accrued interest, no accrual was made for the first half of 2013. In view of the equity nature of the hybrid capital, any interest payment will be recorded outside of profit and loss in equity (retained earnings).

According to IFRS, regardless of whether or not a legal payment obligation exists, accumulated interest satisfies the criteria for a preference dividend, and is deducted from the share of net profit/loss due to Alpiq Holding shareholders when undiluted earnings per share are calculated.

Note 6: Business disposals

On 3 January 2013, Alpiq transferred its interest in the Swiss extra-high voltage transmission system to Swissgrid AG, the national grid company. Alpiq Netz AG Gösgen and Alpiq Réseau SA Lausanne were then deconsolidated as a result. For this transaction, Alpiq received Swissgrid shares and a loan receivable of around CHF 480 million, which will be paid off in stages. The initial tranche, of CHF 223 million, was repaid in January 2013. Depending on which criteria are fulfilled Swissgrid AG will have the choice, or the obligation, to convert the remaining shareholder loan into equity.

As at 30 June 2013, the Alpiq Group's share allocation and the amounts used in the financial statements at transfer were based on provisional figures. It is expected that the valuation and the share allocation will be adjusted in the second half of 2013.

Note 7: Financial instruments

The following table shows an overview of financial instruments, excluding cash and cash equivalents and short-dated term deposits.

CHF million	Carrying amount at 31 Dec 2012	Fair value at 31 Dec 2012	Carrying amount at 30 Jun 2013	Fair value at 30 Jun 2013
Financial assets at fair value through profit or loss				
Securities held for trading	17	17	1	1
Positive fair values of derivatives				
Currency and interest rate derivatives	13	13	8	8
Energy derivatives	720	720	1,052	1,052
Total financial assets at fair value through profit or loss (excl. financial assets designated in this category)	**750**	**750**	**1,061**	**1,061**
Financial assets designated in this category				
Financial investments	3	3	3	3
Total financial assets designated in this category	**3**	**3**	**3**	**3**
Available-for-sale financial assets				
Financial investments	13	13	15	15
Total available-for-sale financial assets	**13**	**13**	**15**	**15**
Loans and receivables				
Trade receivables	1,695	1,695	1,339	1,339
Other financial receivables	428	428	427	427
Loans receivable	87	87	305	305
Total loans and receivables	**2,210**	**2,210**	**2,071**	**2,071**
Total financial assets	**2,976**	**2,976**	**3,150**	**3,150**
Financial liabilities at fair value through profit or loss				
Negative fair values of derivatives				
Currency and interest rate derivatives	120	120	104	104
Energy derivatives	657	657	1,002	1,002
Total financial liabilities at fair value through profit or loss	**777**	**777**	**1,106**	**1,106**
Other financial liabilities				
Trade payables	806	806	745	745
Bonds	3,283	3,443	3,086	3,202
Loans payable	1,204	1,204	1,138	1,138
Other financial liabilities, incl. put options	1,233	1,238	1,043	1,047
Total other financial liabilities	**6,526**	**6,691**	**6,012**	**6,132**
Total financial liabilities	**7,303**	**7,468**	**7,118**	**7,238**

The increase in loans receivable resulted from the transfer of the grid companies, as part of which Alpiq granted a loan to Swissgrid AG (see Note 6). The fair values given for derivatives are higher because holdings were higher on the balance sheet date. However, most of these positions are hedged, which means that positive and negative fair values cancel each other out.

CHF million	30 Jun 2013	Level 1	Level 2	Level 3
Assets measured at fair value				
Securities held for trading	1	1		
Currency and interest rate derivatives	8		8	
Energy derivatives	1,052		1,052	
Financial investments	3		3	
Financial liabilities measured at fair value				
Currency and interest rate derivatives	104		104	
Energy derivatives	1,002		1,002	

CHF million	31 Dec 2012	Level 1	Level 2	Level 3
Assets measured at fair value				
Securities held for trading	17	17		
Currency and interest rate derivatives	13		13	
Energy derivatives	720		720	
Financial investments	3		3	
Financial liabilities measured at fair value				
Currency and interest rate derivatives	120		120	
Energy derivatives	657		657	

Alpiq regards financial instruments as a relevant – indeed significant – part of any assessment of the company's financial situation. This is why the above tables are integrated into the Interim Report.

The Alpiq Group is exposed to market risks with regard to energy prices, interest rates, and the fluctuations of the Swiss franc against foreign currencies, particularly the euro.

Energy price risk refers to potential price fluctuations that could have an adverse impact on the Alpiq Group. They can arise from factors such as variations in price volatility, market price movements, or changing correlations between markets and products. Energy liquidity risks also belong in this category. These occur when an open energy position cannot be closed out or can only be closed out on very unfavourable terms due to a lack of market bids.

Own-use energy transactions are not reported in the financial statements. Energy transactions are also conducted as part of the programme to optimise Alpiq's power stations. A large proportion of the fair values for energy derivatives shown as at the balance sheet date are attributable to this optimisation programme, with positive and negative fair values generally cancelling each other out.

Alpiq also engages in limited energy derivatives trading.

Energy derivatives are assessed and recorded on a market-to-market basis, in line with the energy market prices available on the electricity markets. The risks associated with trading and optimisation transactions are managed via clearly defined responsibilities and the risk limits laid down in the Alpiq Energy Risk Policy. Group Risk Management reports compliance with these limits regularly to the Risk Management Committee and Executive Board using a formalised risk reporting system. Risk items are monitored using the “Value at Risk (VaR)” industry standard.

The Alpiq Group is exposed to risks arising from volatility in interest rates. Under its Financial Risk Policy, liquid assets are invested at short-term interest rates for a maximum of 365 days. However, the funding necessary for the business is obtained on a long-term basis at fixed interest rates. Financing instruments with variable interest rates are generally hedged by means of interest rate swaps. This means that a change in interest rates on interest-bearing assets has a direct impact on finance income. A change in interest rates on interest-bearing financial liabilities does not significantly affect finance costs.

The Alpiq Group seeks to mitigate foreign currency risk wherever possible by hedging income and expenses denominated in foreign currencies naturally, i.e. by setting them off against each other. The remaining foreign currency risk is hedged in accordance with the Finance Risk Policy by means of foreign exchange contracts (forward transactions and standard options).

Interest rate and currency derivatives are, without exception, OTC products which are valued on the basis of empirical market data (exchange rates, yield curves) and carried in the financial statements.

Note 8: Events after the reporting period

The sale of Alpiq’s interest in Società Elettrica Sopracenerina SA was approved by the competent competition authority on 9 July 2013, allowing the transaction to be completed successfully.

On 22 July 2013, the option to purchase the remaining 2.5 % interest in Romande Energie Holding SA was exercised. Alpiq has therefore successfully sold all of its holding in Romande Energie Holding SA and is no longer a shareholder.

Please refer to Note 4 for more details of these two transactions.

As part of the revision of the Decommissioning and Waste Disposal Fund Ordinance (SEFV), in its Message of 14 August 2013 the Federal Council proposed changes to the parameters used to assess contributions intended to build up the fund. Companies such as Alpiq will be required to pay higher amounts into the fund if these amendments come into force. This would have a negative impact on Alpiq’s annual results and total assets. According to the Federal Council, the consultation phase for the revision of the Ordinance is due to begin before the end of August 2013. An accurate estimate of the effects on Alpiq is not yet possible.

Organisation at 1st August 2013

Board of Directors

- **Board of Directors** – Hans E. Schweickardt, Chairman
  - Secretary Board of Directors – Roger Schoch
  - Group Compliance – Frank Schwabe
  - Group Internal Audit – Werner Schmucki

- **General Management** – Jasmin Staiblin*, CEO
  - **Generation** – Michael Wider*, Deputy CEO
    - Hydro Power Generation – Nicolas Rouge a.i.
    - Nuclear Power Generation – Michaël Plaschy
    - Thermal Power Generation – Matthias Zwicky
    - RES & Generation Development – Daniel Spinnler
  - **Commerce & Trading** – Erik Saether a.i.*
    - Asset Optimisation – Pierre Guesry
    - Portfolio Optimisation CEE – Peter Dworak
    - Markets Western Europe – Martin Eschle
    - Back Office – Petter Torp
  - **Energy Services** – Reinhold Frank*
    - Alpiq InTec (AIT) – Peter Limacher
    - Energie- und Anlagetechnik (EAT) – Reinhold Frank
  - **Financial Services** – Patrick Mariller*, CFO
    - Group Accounting & Controlling – Edgar Lehrmann
    - Group Finance Projects & Transformation – tbn
    - Group Taxes – Giuseppe Giglio
    - Group Treasury & Insurance – Lukas Oetiker
  - **Management Services** – Benoît Revaz*
    - Group Human Resources – Renato Merz a.i.
    - Group Legal – Peter Schib
    - Group Strategy & Development – Vlada Spasic
    - Group Communications – Adrienne Develey
    - Group Public Affairs – Stefan Aeschimann
    - Group IT – Thomas Habel
  - Group Risk Management – Walter Hollenstein

General Management
Business Division
Functional Division
Business Unit
Functional Unit
* Membre de la Direction générale

Financial Summary 2008 – 2013

Alpiq Group

CHF million	Full year 2008	Full year 2009	Full year 2010	Full year 2011	Full year[3] 2012	Half-year[3] H1 2012	Half-year H1 2013
Net revenue	12,897	14,822	14,104	13,961	12,723	6,497	4,791
EBITDA before exceptional items	1,251	1,546	1,498	1,209	997	517	401
As % of net revenue	9.7	10.4	10.6	8.7	7.8	8.0	8.4
EBITDA after exceptional items				937	1,212	468	401
Group profit for the period[1] before exceptional items	733	676	645	258	212	128	115
As % of net revenue	5.7	4.6	4.6	1.8	1.7	2.0	2.4
Group profit / (loss) for the period after exceptional items				– 1,346	– 1,094	– 34	115
Net capital expenditure / (disposals)	1,050	1,186	587	669	– 374	– 211	– 459
Employees[2]	9,944	10,629	11,033	11,009	10,039	11,017	7,871

1 Including profit / (loss) attributable to non-controlling interests.
2 Average number of full-time equivalents.
3 Restated, see page 17.

Per share data[1]

CHF	Full year 2008	Full year 2009	Full year 2010	Full year 2011	Full year[1] 2012	Half-year[1] H1 2012	Half-year H1 2013
Par value	10	10	10	10	10	10	10
Share price at 31 December / 30 June	535	430	360	170	131	160	115
High	765	567	453	381	189	190	132
Low	376	328	339	150	126	153	106
Weighted average number of shares outstanding (in thousands)	21,261	26,749	27,190	27,190	27,190	27,190	27,190
Net profit / (loss)	34	25	23	– 49	– 39	– 1	4
Dividend	10.00	8.70	8.70	2.00	2.00		

1 Restated, see page 17.

2008: figures of the former Atel Group excluding EOS and Emosson.

Financial Calendar

8 November 2013:
2013 third-quarter results

5 March 2014:
Release of 2013 annual results
Annual media conference

24 April 2014:
Annual General Meeting

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For the sake of simplicity and easier reading, we have not always included the feminine form in this report; references to the masculine should be taken to include persons of both genders where appropriate.

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