Media Release
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Alpiq with strong European and trading business

- **EBITDA from continuing operations before exceptional items: CHF 166 million**
  - **Swiss production operating at a loss in the market**
  - **International production makes substantial contributions**
  - **Strong trading and retail business**
- **Liquidity strengthened: CHF 1.25 billion**
- **Gross debt reduced from CHF 2.1 billion to CHF 1.5 billion**
- **Turnaround completed, Group stabilised both financially and strategically**
- **Earnings in 2019 down on previous year, recovery expected from 2020 onwards**

Lausanne – In the 2018 financial year, the Alpiq Group generated net revenue of CHF 5.2 billion (2017: CHF 5.5 billion) and EBITDA before exceptional items (EBITDA) of CHF 166 million (2017: CHF 242 million) from continuing operations. As announced, the lower EBITDA is mainly due to the electricity prices from previous years that had been hedged below production costs and which continue to burden Swiss power production. Power production in Europe as well as the energy trading, large-customer and retail business in Southern and Western Europe were very successful.

The financial result stands at CHF -94 million compared to CHF -92 million in the previous year. In the reporting year, the financial result was negatively impacted by one-off costs to repurchase bonds before maturity of CHF 300 million. The resulting lower gross debt reduced interest costs for the long term.

Earnings after tax from continuing operations before exceptional items amounted to CHF -83 million (2017: CHF -61 million) as a result of the lower EBITDA. Net income before exceptional items amounted to CHF -95 million (2017: CHF -36 million).

Systematic financial strategy strengthens liquidity

The company has liquidity of CHF 1.25 billion (as at 31 December 2017: CHF 1.4 billion) after closing the sale of the industrial business and the systematically continued capital management measures. Overall, Alpiq reduced gross debt further by around CHF 600 million to CHF 1.5 billion (as at 31 December 2017: CHF 2.1 billion) in line with its financial strategy. The equity ratio stands at a stable 43.5 % (as at 31 December 2017: 38.9 %).

Swiss production operating at a loss in the market
The Generation Switzerland business division, which comprises the production of electricity from hydropower and nuclear power, closed the year at a loss and down on the previous year. Alpiq systematically hedges Swiss power production in the market against price and currency fluctuations for future periods in advance on a rolling two- to three-year basis on average. With an average annual power production of around 10,000 gigawatt hours in Switzerland, this is customary sector practice in terms of the risk-bearing capacity.

Further milestones in the Nant de Drance project
The delivery and assembly of the spiral casings at the Nant de Drance pumped storage power plant, in which Alpiq holds a stake of 39 %, marked another milestone in the 2018 financial year. It is one of the most powerful pumped storage power plants in Europe, with an installed capacity of 900 megawatts, and is a necessary complement to the new renewable energies and vital for the stability of the Swiss and European electricity grid. Nant de Drance will be gradually commissioned in 2019.

International production makes substantial contributions
The Generation International business division made the biggest contribution to the Group's results of operations. International thermal production again made clearly positive contributions. Alpiq is currently reviewing the sale of its two Czech coal power plants Kladno and Zlín for strategic reasons. As always, this depends on all three criteria defined for the transaction – price, transaction security and contractual conditions – being fulfilled. The Renewable Energy Sources unit also generated strong earnings. Alpiq expanded its portfolio with wind power and photovoltaic plants in Italy. The three wind power projects in Switzerland – Bel Coster, Tous-Vents and EolJorat Nord – were driven forward. The aim is for the three wind power plants to provide the corresponding regions with environmentally-friendly electricity.

Strong trading and retail business in Southern and Western Europe
In the Digital & Commerce business division, Alpiq was successful in energy trading and was able to leverage its power plants in Switzerland and Italy on the ancillary services market. The expanded sales activities in France made a positive contribution to business development. Alpiq also won an award in this key market as the electricity supplier with the best service for industrial and large business consumers.

Digital energy services and e-mobility expanded further

Alpiq gradually expanded its digital energy services both in its own business as well as at key customers in Europe. The focus is on increasing the efficiency of its own activities and developing products and services for its customers in Europe, in particular in the areas of demand response services and flexibility services in energy trading. The Energy AI Platform developed by Alpiq is already being used for process optimisation purposes at Swiss industrial customers and also offers growth potential.

In the area of e-mobility, Alpiq won new orders for charging infrastructure from well-known industrial customers and automotive manufacturers. The first full-service e-mobility subscription Juicar was well received on the Swiss test market and is now planned to be rolled out in Germany, Italy and eventually France.

Recovery expected from 2020 onwards

The spin-off of the industrial business marked the completion of the turnaround, the Alpiq Group is financially and strategically stabilised. Alpiq expects results of operations before exceptional items in 2019 to be down on the previous year because recovering wholesale prices will only have a positive effect on earnings with a time lapse as a result of the rolling price and currency hedges. In the medium to long term, Alpiq confirms its assessment that electricity and CO2 prices on the wholesale markets will rise. From 2020 onwards, Alpiq will benefit from the upturn that is now emerging. In its international business, Alpiq currently anticipates stable contributions from the energy trading, large-customer and retail business as well as European power production.

Zero dividend and no interest on the hybrid loan of the consortium shareholders

Alpiq Holding Ltd.'s Board of Directors will submit a proposal to the Annual General Meeting that it distribute no dividend because of the continued negative results of Swiss production and the prevailing market asymmetry, which heavily distorts competition. In addition, Alpiq will pay no interest to the Swiss consortium shareholders on their hybrid loan. The hybrid bond that was placed publicly will, however, continue to be serviced. The next interest payment on this bond is due on 15 November 2019.

Change in the Board of Directors

As communicated, Claude Lässer, member of the Alpiq Board of Directors, will not be standing for re-election at the next Annual General Meeting of Alpiq Holding Ltd. Dominique Gachoud from EOS Holding SA will be proposed as the new member of the Board of Directors. Shareholders will vote on this nomination at the upcoming Annual General Meeting of Alpiq Holding Ltd. on 14 May 2019.

Key financial figures of the Alpiq Group as at 31 December 2018

CHF million	% change 2017–2018 (results of operations)	Results of operations before exceptional items 2018	Results of operations before exceptional items 2017	Results under IFRS 2018	Results under IFRS 2017
Net revenue[1]	-3.9	5,240	5,454	5,186	5,449
Earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	-31.4	166	242	9	343
Depreciation, amortisation and impairment[1]	-5.5	-155	-164	-169	-164
Earnings before interest and tax (EBIT)[1]	-85.9	11	78	-160	179
as % of net revenue		0.2	1.4	-3.1	3.3
Earnings after tax from continuing operations	-36.1	-83	-61	-261	4
as % of net revenue		-1.6	-1.1	-5.0	0.1
Earnings after tax from discontinued operations	>-100.0	-12	25	198	-88
Net income	>-100.0	-95	-36	-63	-84
as % of net revenue		-1.8	-0.7	-1.2	-1.5
Net investments[1]				-17	-73

1 Only continuing operations

CHF million	31 Dec 2018	31 Dec 2017
Total assets	9,074	10,197
Total equity	3,944	3,965
as % of total assets	43.5	38.9
Liquidity	1,255	1,403

	2018	2017
Own production[1] (GWh)	14,482	14,792
Number of employees[2] at the reporting date	1,548	1,504

1 Net (after deducting pumped energy), excluding long-term purchase contracts
2 Only continuing operations, full-time equivalents

You can find the current Annual Report as well as earlier reports at: www.alpiq.com/reports

Message for the media: The Annual Media Conference is taking place today, 4 March 2019, from 9.15 a.m. to 10.45 a.m., at Alpiq's registered offices in Olten. Message for analysts: The Financial Analyst Conference is taking place today, 4 March 2019, from 1.45 p.m. to 3.15 p.m., at Alpiq's registered offices in Olten.

You can find the dossier for the Annual Media Conference and Financial Analyst Conference here: https://www.alpiq.com/alpiq-group/about-alpiq/publications/

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