Analysts and investors conference on the 2015 financial year
Agenda

› Welcome
   Werner Steinmann

› Areas of focus in 2015
   Kurt Bobst

› Changing operating environment
   Kurt Bobst

› Financial results
   Stefan Kessler

› AGM/delisting/communications
   Kurt Bobst

› Positioning
   Kurt Bobst

› Outlook
   Kurt Bobst

› Questions
   All
Areas of focus in 2015

2015: major challenges and important strategic choices

Results
- EBIT CHF -69m (CHF 12m before exceptional items)
- Group result CHF -136m (CHF -46m before exceptional items)
- Positive cash flow of CHF 17m

Environment
- Energy prices continue to decline
- Floor on EUR/CHF exchange rate removed
- Italian ancillary services market under heavy pressure

Positive
- Further reduction in operating costs (CHF 25m versus 2012)
- Increase in earnings from regulated business and services
- Successful conclusion to ElCom examination of grid charges

Strategy
- New strategic positioning/delisting
- Focus on key markets Switzerland and Italy
- Transformation to service company
Changing operating environment

Tough market environment for energy producers

> Another serious decline in electricity prices
> EUR/CHF exchange rate still unfavourable
> Result: further decline in margins and pressure on value of assets

* Prices in Germany
Changing operating environment

Dramatic development in value of hydro

Market value (CHF) of hydropower generated in Graubünden

- Around 7,900,000 MWh of power generated in Graubünden per year
- Average price:
  - 2011: CHF 69.3/MWh
  - 2013: CHF 55.0/MWh
  - 2015: CHF 43.2/MWh
Changing operating environment

Production costs not covered by market

Costs of generating hydropower

- Controllable costs around 1/3 of total costs
- Concession charges have increased (water rates up 10%)
- Extraordinary depreciation not taken into account
Changing operating environment

Uncertainty dominates operating environment

- Energy strategy
  - Outcome of parliamentary debate on energy strategy still open
  - Some positive outcomes (e.g. efficiency requirements abandoned)...
  - ...but many points still open

- Hydro-power
  - Politicians have acknowledged hydro has a problem...
  - ...but no solutions have been defined so far
  - Water rates under growing pressure in political debate

- Market liberalisation
  - Market liberalisation for all customers not in sight
  - Procurement market for energy utilities works
  - Services for utilities and end-consumers increasingly important

- International
  - Agreement on electricity market still open
  - Impact not clear
  - Risk of restrictions on international market access
Changing operating environment

Digital revolution and networking creating future potential

<table>
<thead>
<tr>
<th>Old world</th>
<th>New world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralised generation</td>
<td>Distributed generation</td>
</tr>
<tr>
<td>Monopoly</td>
<td>Increasing competition</td>
</tr>
<tr>
<td>Plannable loads and physical grid connection</td>
<td>Flexibility and energy efficiency</td>
</tr>
<tr>
<td>Electricity distribution</td>
<td>Digital transformation systems convergence</td>
</tr>
</tbody>
</table>
Impairment charges and EUR/CHF have massive impact on results

Key messages for 2015

- EUR/CHF trend following removal of floor massively impacts results: around CHF 5m off operating income, around CHF 54m off financial income
- Impairment charges on generation assets in Switzerland and Italy totalling CHF 62m plus additional provisions of CHF 2m for long-term agreements
- Sales of Swissgrid interests completed 10 July 2015 (CHF 59 m)
Financial result

Gross margin still under pressure

<table>
<thead>
<tr>
<th></th>
<th>2015 before adjustments</th>
<th>2015 before adjustments</th>
<th>2014 restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating revenue</td>
<td>1,896</td>
<td>1,896</td>
<td>2,273</td>
</tr>
<tr>
<td>Gross margin</td>
<td>185</td>
<td>178</td>
<td>247</td>
</tr>
<tr>
<td>EBITDA</td>
<td>59</td>
<td>46</td>
<td>89</td>
</tr>
<tr>
<td>EBIT</td>
<td>12</td>
<td>-69</td>
<td>39</td>
</tr>
<tr>
<td>Group result</td>
<td>-46</td>
<td>-136</td>
<td>-22</td>
</tr>
<tr>
<td>FFO (funds from operations)</td>
<td>11</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>CFO (cash flow from operating activities)</td>
<td>17</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Investments (including own costs)</td>
<td>31</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>FFO/net debt</td>
<td>4.1%</td>
<td></td>
<td>26.8%</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>4.5</td>
<td></td>
<td>2.6</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>33%</td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>Headcount on December 31 (FTEs)</td>
<td>632</td>
<td></td>
<td>666</td>
</tr>
</tbody>
</table>
Financial result

Operating results impacted by exceptional items

Total impact on EBIT around CHF 81 million

CHF m

-7
-12
-62

Long-term agreements, energy-related liabilities
Impairment on overdue receivables
Impairment

Impairment on overdue receivables
Impairment

Impairment
EBIT reflects gross margin and cost savings

Comparison of 2014 and 2015 operating earnings before exceptional items

CHF m
EBIT from regulated business is a mainstay of earnings

Breakdown of EBIT contributions from regulated and unregulated business

<table>
<thead>
<tr>
<th>Country</th>
<th>2014 EBIT contribution, regulated (CHF m)</th>
<th>2014 EBIT contribution, non-regulated (CHF m)</th>
<th>2015 EBIT contribution, regulated (CHF m)</th>
<th>2015 EBIT contribution, non-regulated (CHF m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>18</td>
<td>17</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Italy</td>
<td>24</td>
<td>15</td>
<td>27</td>
<td>27</td>
</tr>
</tbody>
</table>

Switzerland

- Basic supply plus KEV feed-in remuneration at cost for hydropower
- EEG feed-in tariff for wind power

Italy

- Certificati verdi for wind power

Outlook

- Growing contributions to earnings thanks to inclusion of plants in KEV feed-in scheme
Financial result

Substantial increase in revenues from non-energy business

Income from services rendered, 2012-15, and outlook to 2020

- Stable revenues from services related to household connections
- Increase in revenues thanks to expansion of SWiBi's business; plans for further expansion
- Significant increase in volume of services to third parties thanks to good order books and competitive offerings
- New products and expanded market access will enable further increases in future years
Cost-cutting pursued systematically

Costs reduced by more than CHF 40m versus 2012

- Organisation further simplified; legal entities again reduced
- Headcount reduced by more than 110 FTEs versus 2012
- Operating expenses again reduced substantially thanks to cost management and greater efficiency

<table>
<thead>
<tr>
<th>Year</th>
<th>Delta personnel expense</th>
<th>Delta OPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 vs. 2011</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>2013 vs. 2012</td>
<td>2</td>
<td>-6</td>
</tr>
<tr>
<td>2014 vs. 2012</td>
<td>-11</td>
<td>-12</td>
</tr>
<tr>
<td>2015 vs. 2012</td>
<td>-17</td>
<td>-23</td>
</tr>
</tbody>
</table>
Financial result

Financial highlights, Market Switzerland

Market Switzerland before exceptional items

CHF m

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td>149</td>
<td>119</td>
</tr>
<tr>
<td>EBIT</td>
<td>39</td>
<td>32</td>
</tr>
</tbody>
</table>

Gross margin below prior-year level

- Long-term positions put sustained pressure on margins
- Margin of speculative trading higher than expected
- Sales and Grid within expectations

Decline in gross margin impacts operating results

- Operating expenses well below prior year
- Positive effects from disposal/withdrawal from projects
Financial result

Financial highlights, Market Italy

Market Italy before exceptional items

Gross margin

<table>
<thead>
<tr>
<th>CHF m</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td>116</td>
<td>76</td>
</tr>
<tr>
<td>-35%</td>
<td>76</td>
<td></td>
</tr>
</tbody>
</table>

Gross energy margin under heavy pressure

- Teverola combined-cycle gas plant’s revenues from ancillary service market (MSD) significantly below expectations
- Sales: Margins (electricity and gas) below expectations

Shrinking margin impacts EBIT

- Operating results primarily impacted by decline in margins
- EBIT before exceptional items only just positive
Financial result

Free cash flow also positive in 2015

Operating cash flow covers capex and dividend

CHF m

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends</th>
<th>Cash flow from investing activities (net)*</th>
<th>Cash flow from operating activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016e</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 2015 includes sale of Swissgrid interests for CHF 59m, hence negative capex
Financial result

**Equity ratio reduced because of exceptional items**

Development of balance sheet assets, equity and equity ratio since 2013

CHF m

**Equity in decline since 2013**

- Exceptional items have major impact on equity in FY 2015

**Equity ratio falls short of target range**

- Target range 35% to 45%
Financial result

Debt factor higher than 4 because of decline in EBITDA

Development of net debt, EBITDA and debt factor since 2013

Net debt slightly increased

➤ Sale of non-operational assets continues according to plans

➤ Further progress in working capital management in 2015

Debt factor also increased

➤ Further efforts needed in 2016 - consistently moving forward with divestments in particular

➤ Debt factor 2016 decreasing again thanks to divestments and stabilised EBITDA
Annual General Meeting, 12 May 2016

- Introduction of standard registered share
- Amendments to articles of association following delisting
- Reduction in Board of Directors (from 12 to 8 members)
- No dividend paid
Delisting and conversion to standard registered shares

**Repower shares still to be tradeable**

- 28 April 2016: last day of trading on SIX (bearer shares and participation certificates)
- Securities then delisted
- Traded on BEKB OTC-X and other platforms from 29 April 2016
- AGM decides on introduction of standard registered shares
- Start of trading in standard registered shares*: 23 May 2016
- Holders of shares in safekeeping accounts do not have to take action
- People who hold shares themselves must present them at a bank well before the AGM

* Subject to resolution of AGM
Information policy

Repower will remain accountable

- Ad hoc publicity requirement doesn’t end with delisting shares, because Repower still has listed bonds
- Repower will continue to respect shareholders’ and media’s need for open, transparent and non-discriminatory information in the future
- No share-price-relevant communication during trading hours
### Positioning

**Implementation of strategy successfully driven forward**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Concentration</strong></td>
<td>- Exit from Germany concluded</td>
</tr>
<tr>
<td></td>
<td>- Exit from Prague concluded</td>
</tr>
<tr>
<td></td>
<td>- Looking into divesting Romania</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>- Looking into divesting Teverola</td>
</tr>
<tr>
<td></td>
<td>- Looking into divesting nuclear interests</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>- Service business in Switzerland expanded</td>
</tr>
<tr>
<td></td>
<td>- Service and product development efforts driven forward</td>
</tr>
<tr>
<td></td>
<td>- Products successfully launched on Swiss and Italian markets</td>
</tr>
<tr>
<td><strong>Partnerships</strong></td>
<td>- Sales cooperations on Swiss market prepared</td>
</tr>
<tr>
<td></td>
<td>- Service partnerships established in Italy</td>
</tr>
<tr>
<td></td>
<td>- Innovative financing model implemented for generation project</td>
</tr>
<tr>
<td></td>
<td>- New shareholder acquired for Repartner</td>
</tr>
</tbody>
</table>
### Outlook

**Extremely challenging conditions medium term**

<table>
<thead>
<tr>
<th>Operating environment</th>
<th>Clarity on next steps in energy strategy expected this year (referendum?)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Still no clarity on international relations</td>
</tr>
<tr>
<td></td>
<td>Despite reduction in WACC, stable contributions to earnings still expected from distribution grid business in Switzerland</td>
</tr>
<tr>
<td></td>
<td>No distortions expected in Italian market</td>
</tr>
<tr>
<td>Market</td>
<td>Primary energy prices unpredictable</td>
</tr>
<tr>
<td></td>
<td>Electricity prices will remain low</td>
</tr>
<tr>
<td></td>
<td>No significant change in EUR/CHF rate</td>
</tr>
<tr>
<td>Results</td>
<td>Realignment will gradually yield improvements</td>
</tr>
<tr>
<td></td>
<td>Long position progressively reduced over strategy horizon</td>
</tr>
<tr>
<td></td>
<td>2016 operating results expected to be around 2015 levels</td>
</tr>
<tr>
<td></td>
<td>Results will continue to depend on market prices medium term</td>
</tr>
</tbody>
</table>
Outlook

The path is rocky, but the opportunities are there
For your diary

**Key dates**

- Annual general meeting 12 May 2016, Landquart
- 2016 interim results 24 August 2016
- Results for 2016: 4 April 2017
- Annual general meeting 17 May 2017
Many thanks for your interest!