Analysts' and investors' meeting on the 2016 financial year

Zurich, 4 April 2017

Agenda

- Areas of focus in 2016
- Financial results
- Strategic positioning
- Assessment of environment and outlook
- New communications media
- Questions

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2016 areas of focus at a glance

Positive operating income

Earnings

- Total operating revenue CHF 1.74 bn
- EBIT CHF 22 m
- Group result CHF -13 m
- Cash flow CHF 69 m

Positive

- Financial stability assured
- Morteratsch power plant on grid after record-quick construction
- Product range and consultant network in Italy expanded
- Energy supply agreement with Repartner
- Risks in business model and balance sheet reduced

Strategy

- Realignment of corporate organisation complete
- Efforts to boost sales component under way
- Successful steps on the way to safeguarding hydropower assets – but still a long way to go

REPOWER

2016 areas of focus at a glance

Impact of operating environment on results varies

Positive factors

- Teverola’s contribution to earnings way above expectations
- Results of sales in Italy include better-than-budgeted electricity and gas margins
- Earnings bolstered by supply business in Switzerland

Negative factors

- Long-term agreements hit earnings in a negative market environment (low prices in trading)
- Substantial decline in Italy/Switzerland price spreads erodes cross-border trading’s contribution to margin
- Small contribution to earnings from speculative trading

Exceptional items

- Impairment losses and gains on generation assets have positive net effect
- Results impacted by efforts to sort out overdue receivables in Italy
- Slight increase in provision for onerous contracts

REPOWER

Key fields of operation

Strategy being implemented step by step

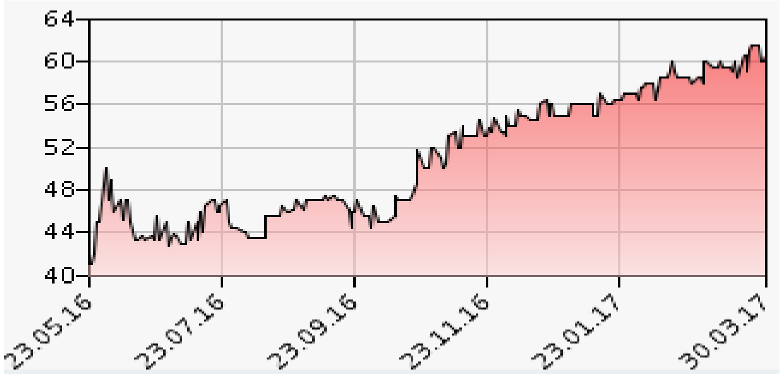
Concentration	> Efforts to narrow focus to Swiss (including business in Germany) and Italian markets complete > SEI wound up
Sustainability	> Teverola and nuclear power under consideration > Mixpower no longer offered in basic supply in Switzerland
Services	> Service business in Switzerland expanded > Service and product development efforts driven forward > Products successfully launched on Swiss and Italian markets
Partnerships	> Morteratsch financing and operating model proves its worth > Repartner collaboration stepped up even further > Optimisation of Repower/SWiBi partnership under way

Increase in capital via rights issue

Shareholder base expanded and equity base strengthened

Shareholder	Interest
Elektrizitätswerke des Kantons Zürich (EKZ)	28.32%
Canton Graubünden	21.96%
UBS Clean Energy Infrastructure KGK (UBS-CEIS)	18.88%
Axpo Holding	12.69%
Free float	18.15%

Share



- Successful capital increase via rights issue shows that market recognises expediency of Repower's strategy
- Proceeds of rights issue: CHF 171.3 m
- Equity base substantially stronger: equity ratio 44.8%

- Since start of trading in May, price has risen from CHF 42 to around CHF 60
- Number of transactions indicates lively interest

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Capital base strengthened, operating income above expectations

Key messages for 2016

- Successful rights issue raises CHF 171 million in additional capital
- Operating income well above expectations
- Comprehensive divestments have positive impact (property, Romanian business and connecta)
- Significant items resulting from efforts to sort out overdue receivables in Italy and from impairment gains on generation assets

Financial results

Operating income well above prior year

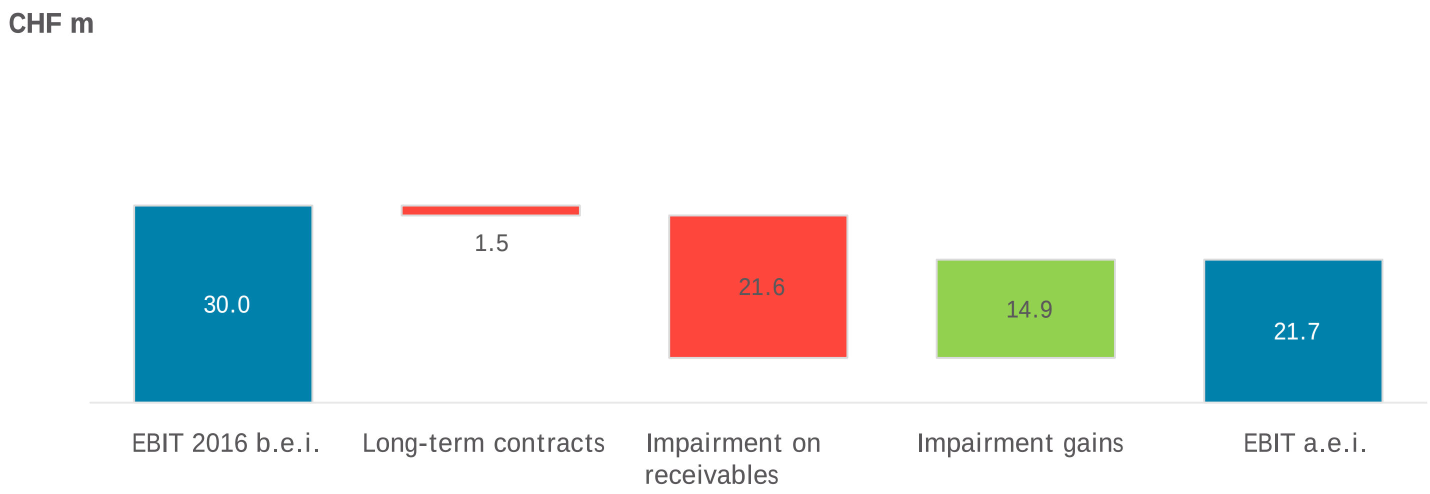
CHF m	2016 before exceptional items	2016	2015 before exceptional items	2015
Total operating revenue	1,740	1,740	1,890	1,890
Gross margin	196	195	185	178
EBITDA	75	52	59	41
EBIT	30	22	12	-69
Group result	-5	-13	-46	-136
FFO (funds from operations)		22		11
CFO (cash flow from operating activities)		69		17
Investments*		24		24
FFO/net debt		55%		4.1%
Net debt/EBITDA		0.5		4.5
Equity ratio		45%		33%
Headcount on December 31 (FTEs)		563		632

* Includes investment in tangible assets, intangible assets and associates, and investment-type loans

Financial results

Exceptional items impact operating results

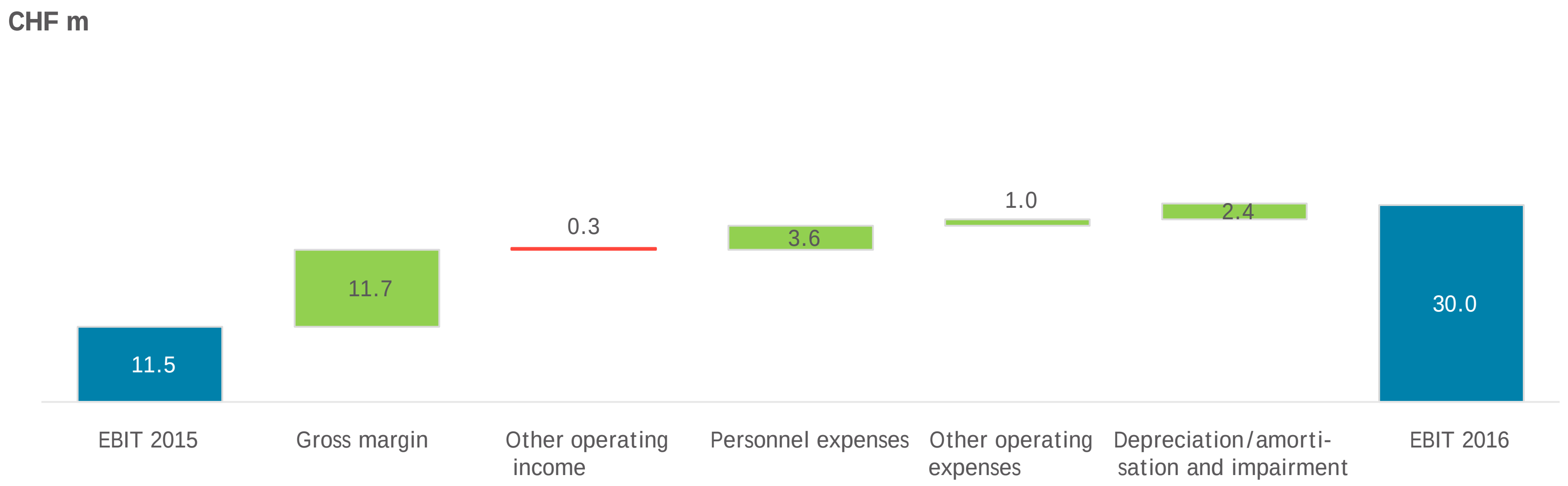
Total impact on EBIT around CHF -8 million



Financial results

EBIT reflects better gross margin and further cost reductions

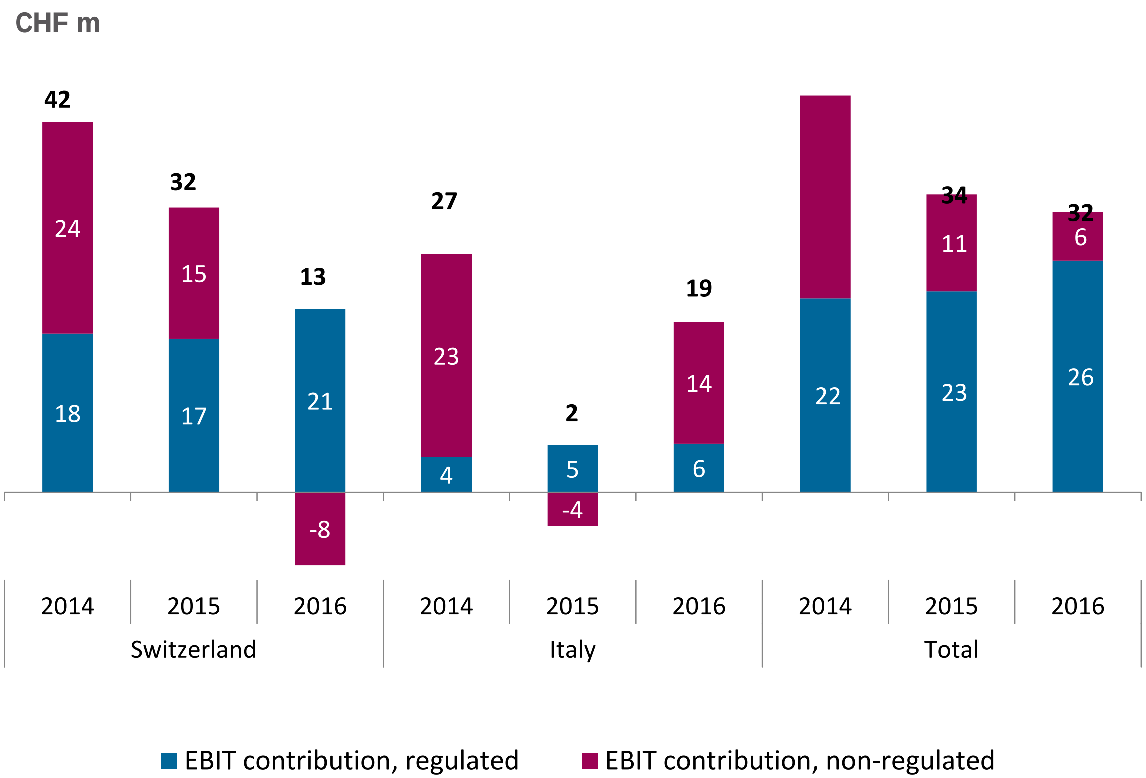
Comparison of 2015 and 2016 operating earnings before exceptional items



Financial results

The share of EBIT contributions from “regulated” businesses increases further

Breakdown of EBIT contributions from regulated and unregulated business

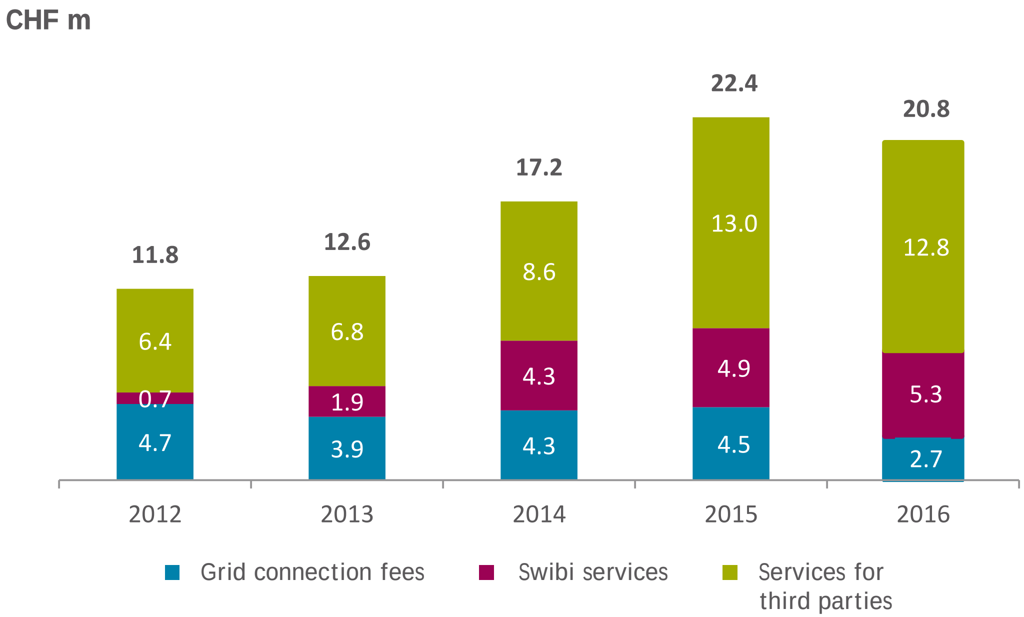


EBIT CONTRIBUTION FROM REGULATED BUSINESS

- 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
  - Higher feed-in remuneration at cost (KEV) payments anticipated in the future (Cavaglia and Trun plants fully included in scheme and two smaller generation assets expected to be brought in in 2018)

Revenues from non-energy business maintained at a good level

Development of revenues from services, 2012-16



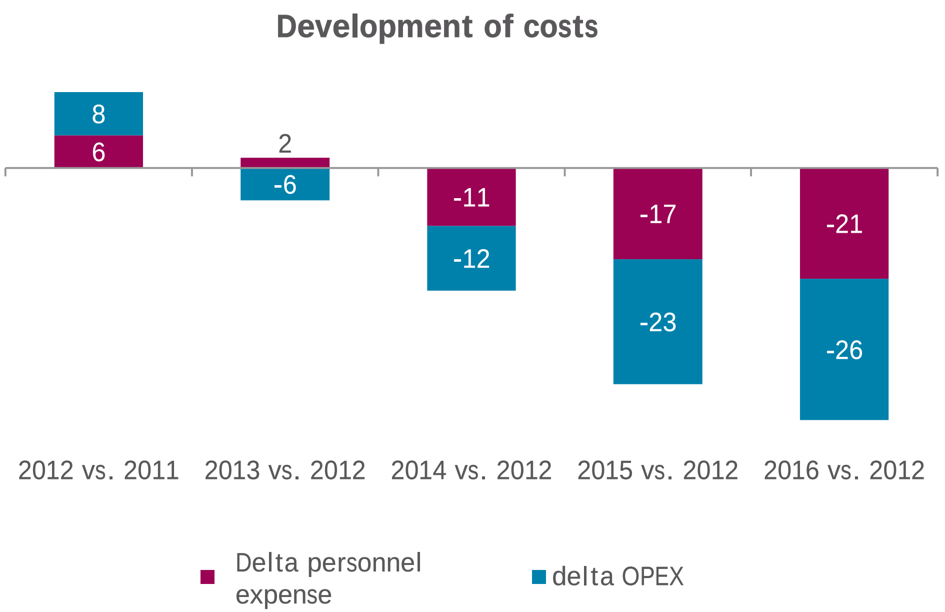
- Revenues from services related to household connections depend on general construction activity
- Increase in revenues thanks to expansion of SWiBi's business; plans for further expansion
- The volume of services to third parties could be maintained at a high level thanks to good order books and competitive offerings
- New products and extended market access are designed to achieve a further increase in the coming years

Financial results

Cost reductions continue

Costs reduced by almost CHF 50 m versus 2012

CHF m



- Continued efforts to streamline organisation, withdrawal from Eastern Europe virtually complete
- Operating expense continues to decline thanks to cost management and greater efficiency
- Headcount reduced by more than 180 FTEs versus 2012

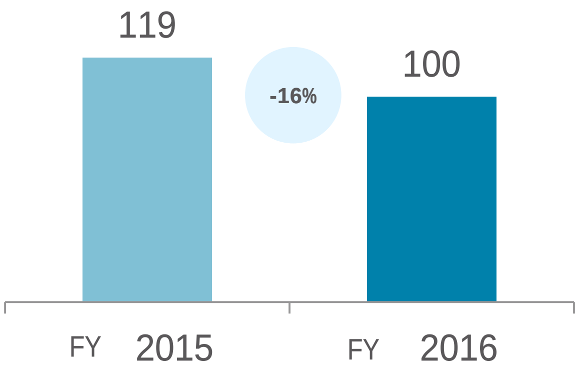
Financial results

Negative gross margin impacts Swiss market

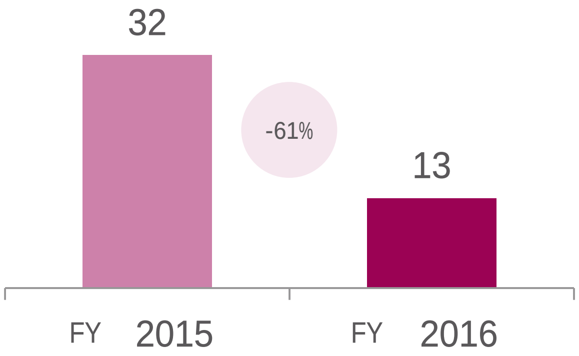
Market Switzerland before exceptional items

CHF m

Gross margin



EBIT



Gross margin again well below prior year

- Long-term items continue to put pressure on margins
- Speculative trading margin well below expectations
- Sales slightly better than expected, Grid in line with expectations

Decline in gross margin impacts operating results

- Another year-on-year decline in operating expenses
- Other operating revenues in line with expectations

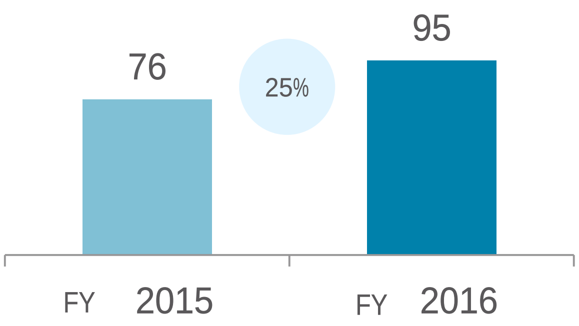
Financial results

Positive contribution from ancillary services in Italian market

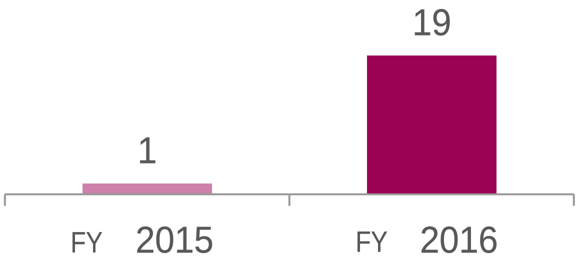
Market Italy before exceptional items

CHF m

Gross margin



EBIT



Gratifying increase in gross energy margin

- Revenues from ancillary services at Teverola combined-cycle gas turbine plant well above expectations
- Sales margins (electricity and gas) well above expectations
- Trading margins better than expected, thanks in particular to deployment of Teverola plant

Recovery in margin impacts EBIT

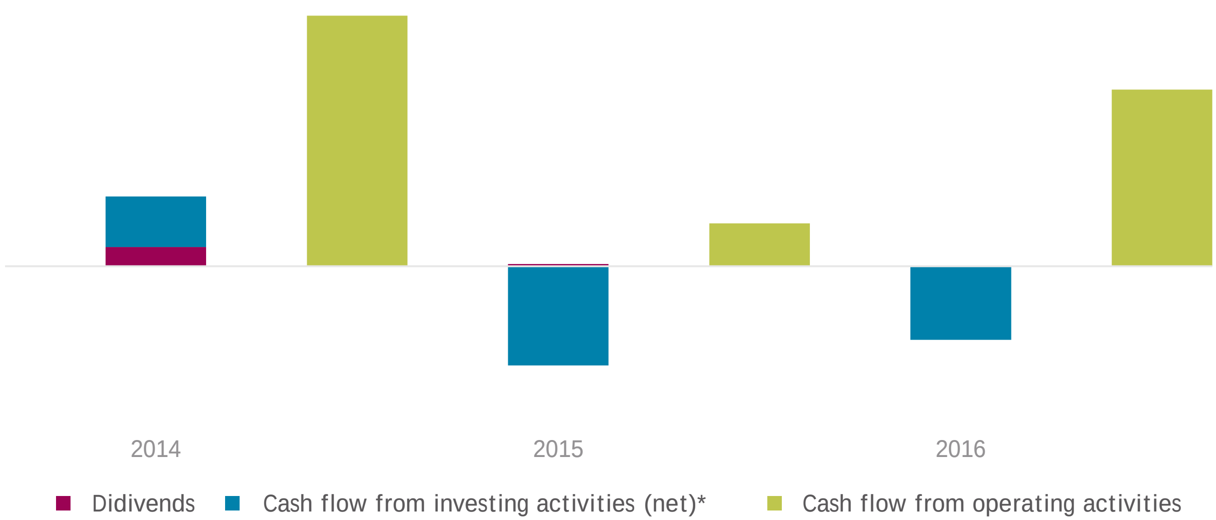
- Higher energy margin directly impacts operating income
- EBIT before exceptional items much better than expected

Financial results

Free cash flow again positive in 2016

Operating cash flow covers capex and dividend

CHF m



Financing principle

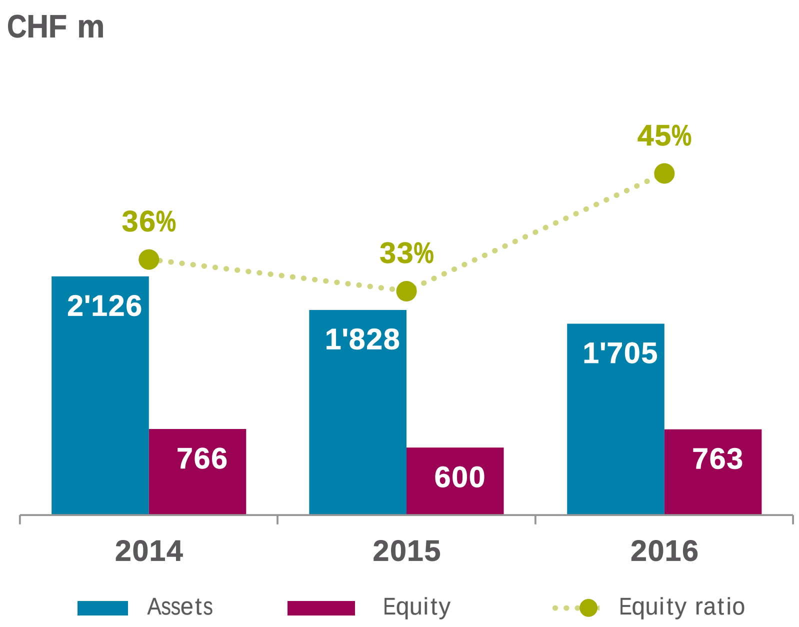
- Investment will continue to be key in the future for existing business and realignment
- Future investment and any dividends to be funded from current cash flow

* 2015 includes proceeds of sale of Swissgrid interests for CHF 59 m, hence negative cash flow
* 2016 includes proceeds of sale of properties and group companies (totalling CHF 42 m), hence negative cash flow
* Excludes investment/divestment in financial assets

Financial results

Powerful recovery in equity ratio thanks to successful rights issue

Development of balance sheet assets, equity and equity ratio since 2014



New shareholders on board

- 2016 rights issue raises around CHF 171 m

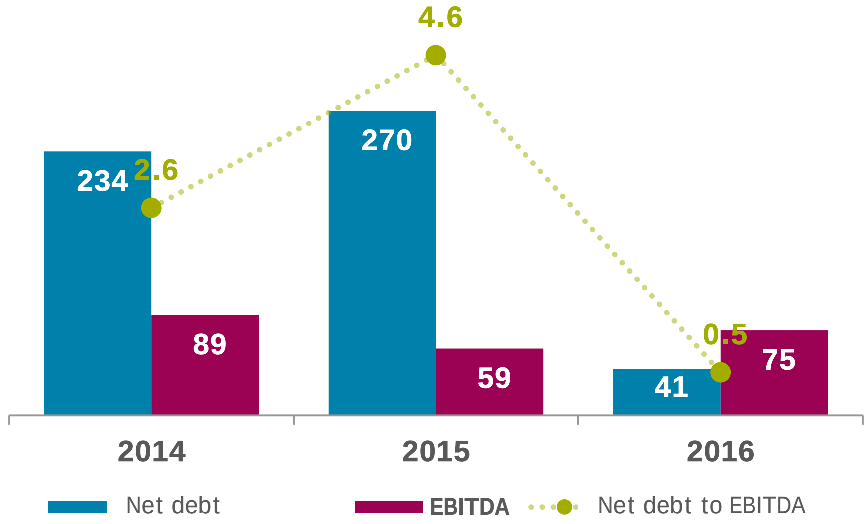
Boost to equity ratio

- Target range 35% to 45%

Net debt to EBITDA down substantially thanks to influx of capital and higher EBITDA

Development of net debt, EBITDA and net debt to EBITDA since 2014

CHF m



Net debt practically eliminated

- Rights issue and divestment making an impact
- Additional positive impact from working capital management

Net debt to EBITDA at comfortable level

- Besides the items described above, better operating income further reduces net debt
- 2017 outlook
  - Additional liquidity when energy purchase rights based on Prättigau cascade brought under Repartner
  - Operating environment will remain challenging

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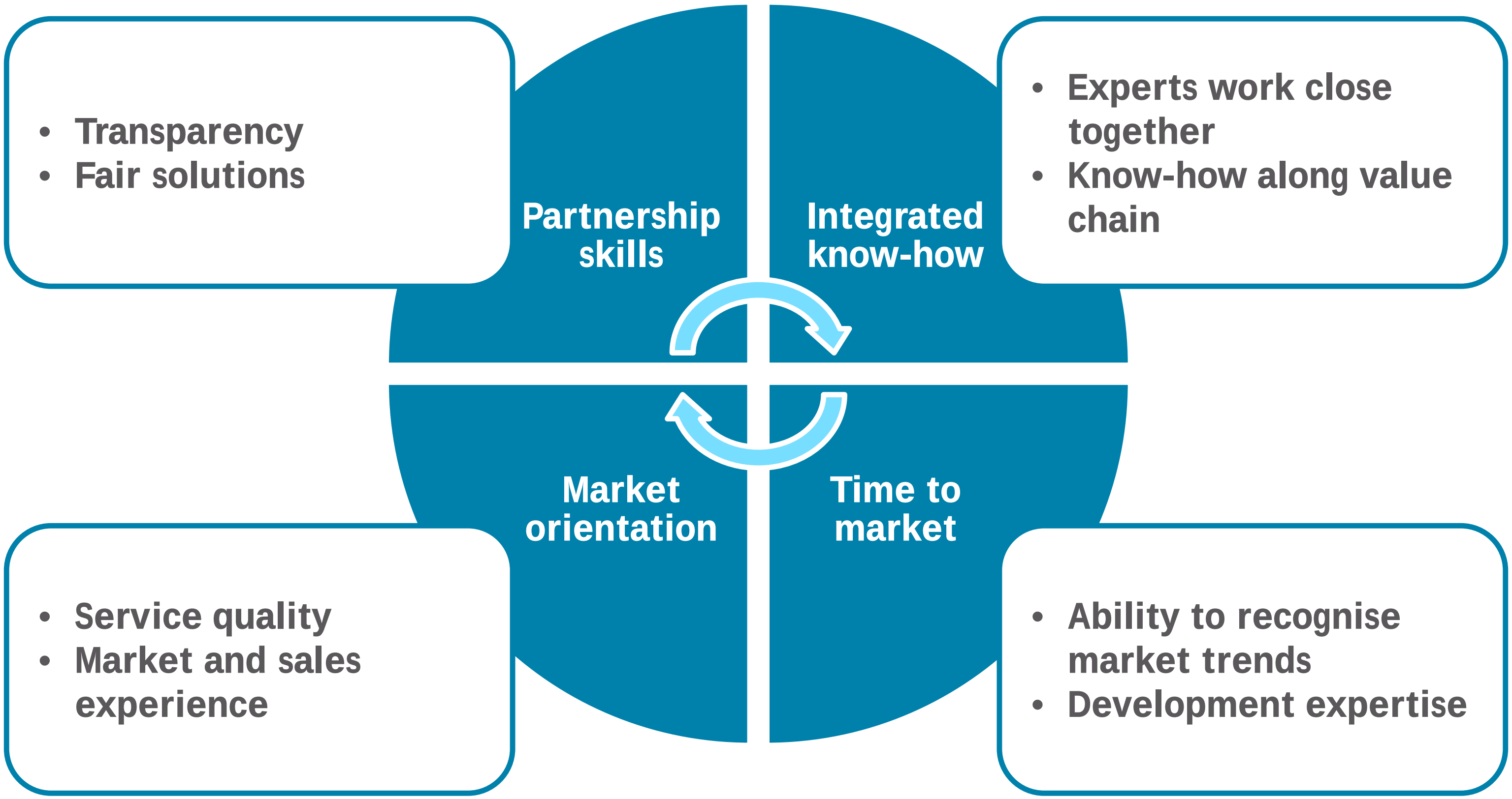
The status quo

USP: we have strong success factors



Where to next?

Our know-how is our foundation – our customers are our focus

We offer our customers energy and services

We strengthen our position by building strategic partnerships

We develop innovative solutions

We maintain our hydropower capabilities and focus on renewable electricity generation	We operate and optimise our supply grid	We operate in international trading

Repower leads the way in terms of know-how, quality and efficiency in trading, generation and grids

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How will the operating environment develop?

The environment will remain challenging

Economic environment

- Despite an increase in spot prices, prices will only rise slightly in the longer term
- The EUR/CHF exchange rate remains a big challenge
- There is still a lack of economic growth in Europe

Domestic & international politics

- International uncertainty continues to be a problem
- An agreement with the EU on electricity seems a long way off
- Political reliability in Switzerland in question (referenda, EU/Swiss relations, etc.)
- Outcome of debate on water rates unclear

Market liberalisation

- What's going to happen in terms of the liberalisation of the retail market? We're preparing for both scenarios
- Repower is operating increasingly successfully in liberalised markets (Italy and services in Switzerland)
- Energy providers producing little of their own energy currently have the upper hand

Outlook

Slight recovery expected starting 2019

Environment	> We expect conditions to be stable in Italy, in the Swiss basic supply business and on the grid side > We will continue to develop our new fields of business, but the market is very competitive > We see good opportunities for developing our partner strategy > Repower has a vested interest in the resolution of open political and legal issues
Market	> Markets remain highly volatile > Prices have only improved slightly medium term > Exchange rates likely to remain unfavourable
Results	> 2017 operating income expected to be around 2015 levels > From 2019 there are signs that there will be a slight recovery (German nuclear and coal-fired plants removed from the grid) > Market prices remain an important factor even with increased contribution of new and further developed fields of business

Federal referendum on 21 May

Repowerr supports Energy Strategy 2050

The bill reflects what is currently possible politically, with all the positive and negative aspects

→ Positive aspects dominate

1. The value of hydropower is basically acknowledged
2. Large hydro will receive at least some support
3. The days of the KEV feed-in scheme are numbered
4. At last we have legal and planning security

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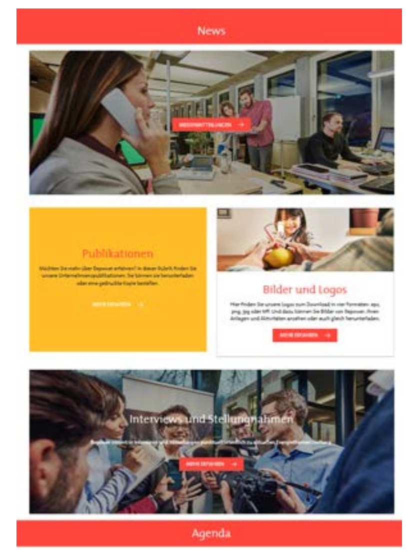
New website

www.repower.com completely overhauled

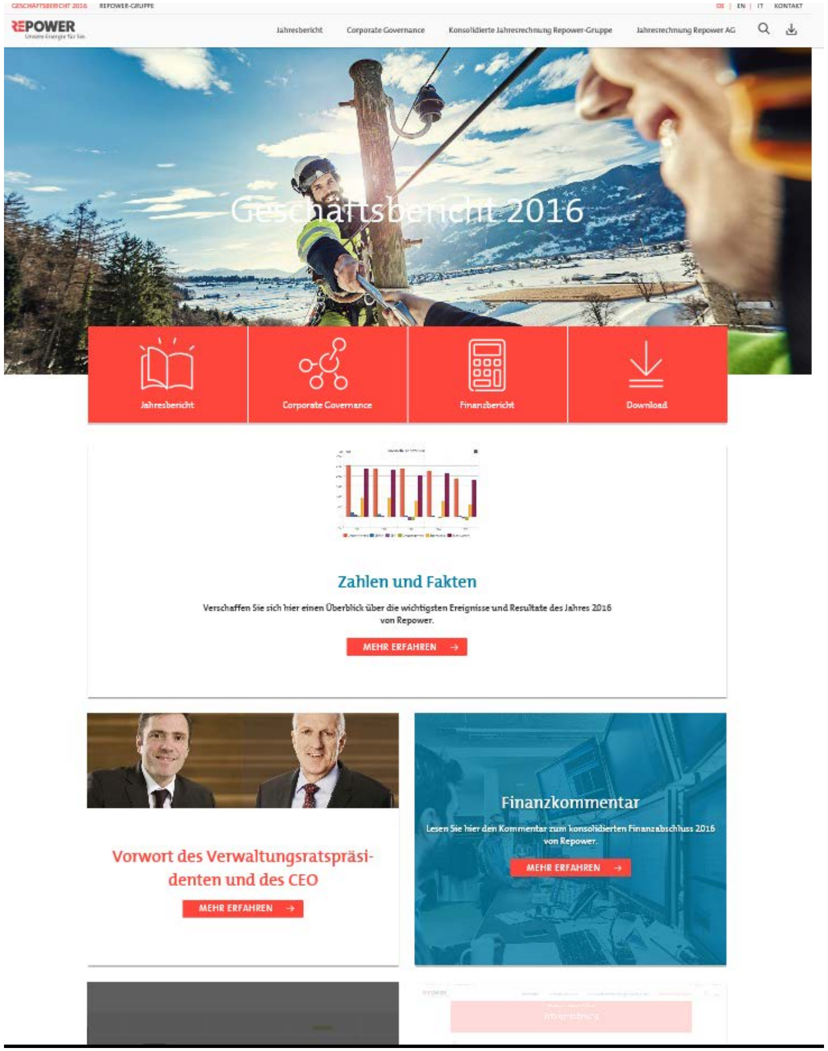
- Customer focused
- Adapted to changing user behaviour
- Easier to navigate and read
- New imagery adopts customer's point of view
- New illustrations
- Capable of development
- Ready for new web-based tools
- Optimised for all mobile devices
- Institutional information on separate level



Annual report

Online annual report at onlinereport.repower.com

- Customer-oriented; adapted to changing user behaviour
- Optimised for all mobile devices
- Clear presentation; focus on services sought by the customer
- New imagery adopts customer's point of view; new illustrations
- Capable of development; ready for new web-based tools
- No more print version of the full annual report
- Concise version available in printed form (in German and Italian)



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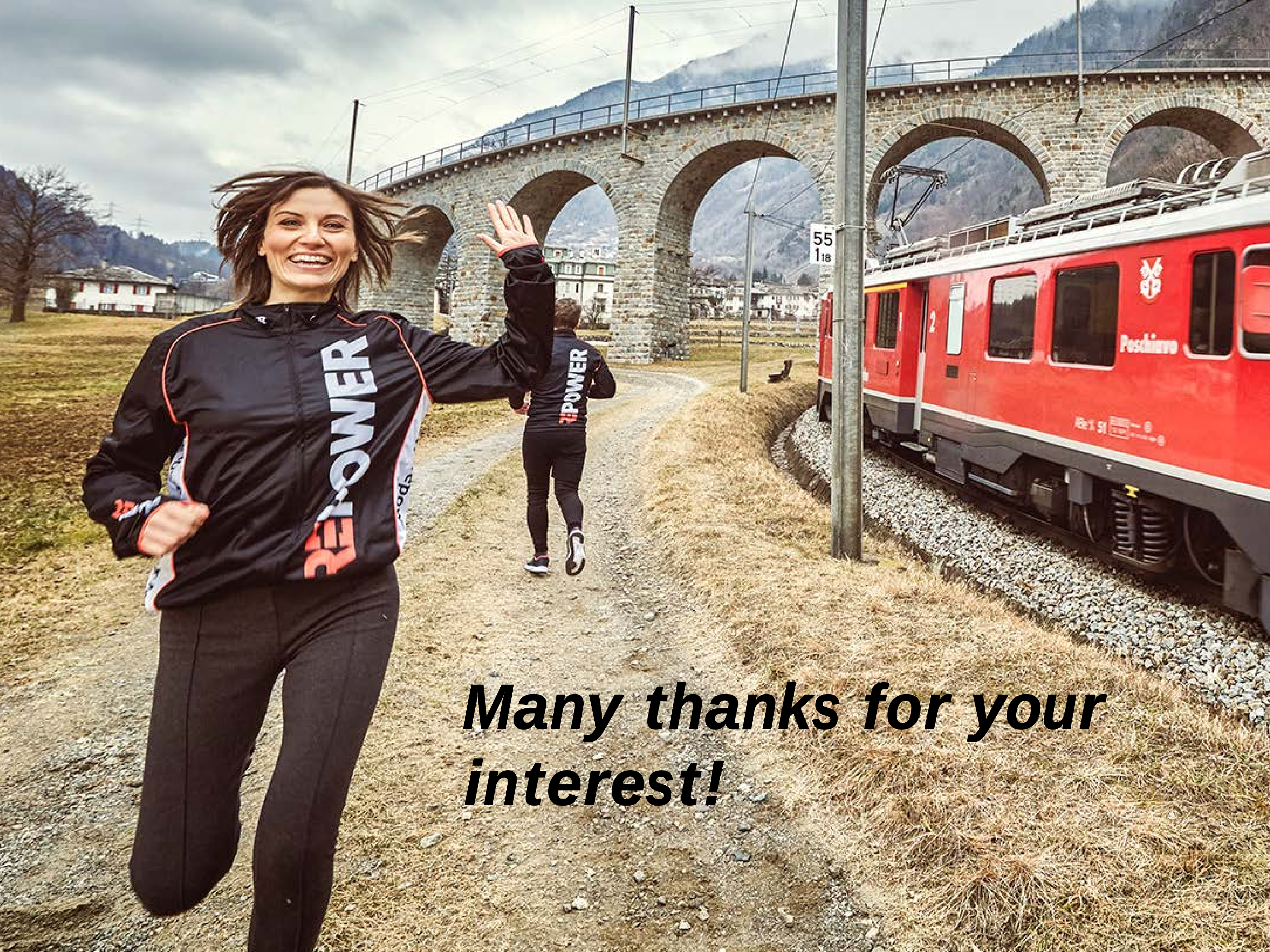
Notes

Key dates

2017 annual general meeting:	17 May 2017 in Pontresina
2017 interim results:	23 August 2017
2018 annual press conference:	10 April 2018, Landquart
2018 analysts' meeting:	10 April 2018, Zurich
2018 annual general meeting:	16 May 2018, Landquart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Many thanks for your interest!