



SEMI-ANNUAL
REPORT
2018

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REPOWER

Overview

OVERVIEW OF THE FIRST HALF OF 2018

1,05

CHF billion

Total operating revenue 1st half-year 2018

9

CHF million

Operating income (EBIT) 1st half-year 2018

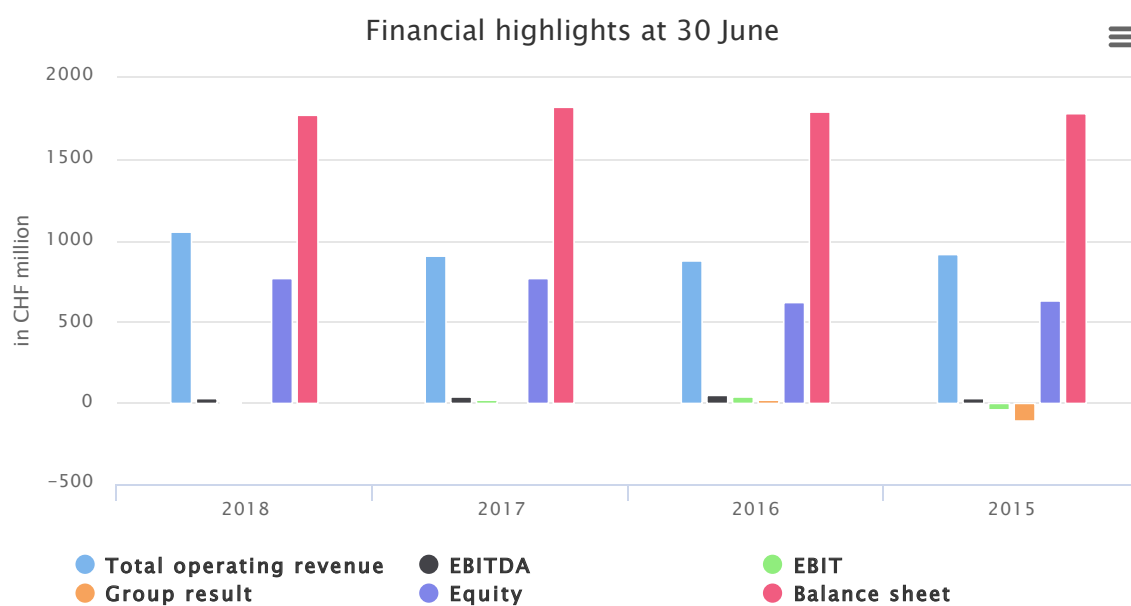
THE MOST IMPORTANT EVENTS OF THE FIRST HALF OF 2018

- In the first half of 2018 Repower Group generated **total operating revenue** of CHF 1,053 million (up 16% on the first half of 2017).
- **Operating income (EBIT)** was CHF 9 million. Earnings came in at practically the same level as in the prior-year period.
- The Market Switzerland and Market Italy segments both posted positive operating earnings.
- The organisational realignment has enabled Repower to continue execution of its strategy according to plan. In the first six months Repower scored successes in its core business, in contracts for third parties, and in new services.
- The annual general meeting held on 16 May 2018 elected Dr Monika Krüsi as the new chair of the board of directors.
- The company also made good progress in electric transportation in both Switzerland and in Italy. Many new partnerships are facilitating the expansion of the public PLUG'N ROLL network in Switzerland, and the introduction of a highly advanced remote control system for electric vehicle charging stations – a revolution in this sector – is creating a stir in Italy.

FINANCIAL HIGHLIGHTS

	1st half-year 2018	1st half-year 2017	1st half-year 2016	1st half-year 2015	1st half-year 2014
	Swiss GAAP FER	Swiss GAAP FER	IFRS	IFRS	IFRS
CHF million					
Revenue and income					
Total operating revenue	1,053	905	881	922	1,196
Income before interest, taxes, depreciation and amortisation (EBITDA)	32	42	51	29	57
Depreciation and value adjustments	-23	-22	-5	-63	-25
Income before interest and taxes (EBIT)	9	20	45	-34	32
Group result	0	1	18	-108	4
Balance sheet					
Balance sheet total at 30 June	1,771	1,822	1,792	1,780	2,014
Equity at 30 June	768	769	620	631	793
Equity ratio	43%	42%	35%	35%	39%
Further key figures					
Energy gross margin	104	109	113	93	125
Economic value added	-15	-6	8	-60	-15
Operating cash flow	15	22	44	11	46
Net debt	-38	-37	233	253	308
Debt factor	-0.6	-0.4	2,4	4	2,6
FFO / Net debt	< 0%	< 0%	23,0%	7,3%	17,8%
CAPEX*	12	11	9	9	11
Headcount (FTE)	575	569	627	671	700

* Includes investments in tangible assets, intangible assets and associates, and loans for investment purposes



STOCK STATISTICS

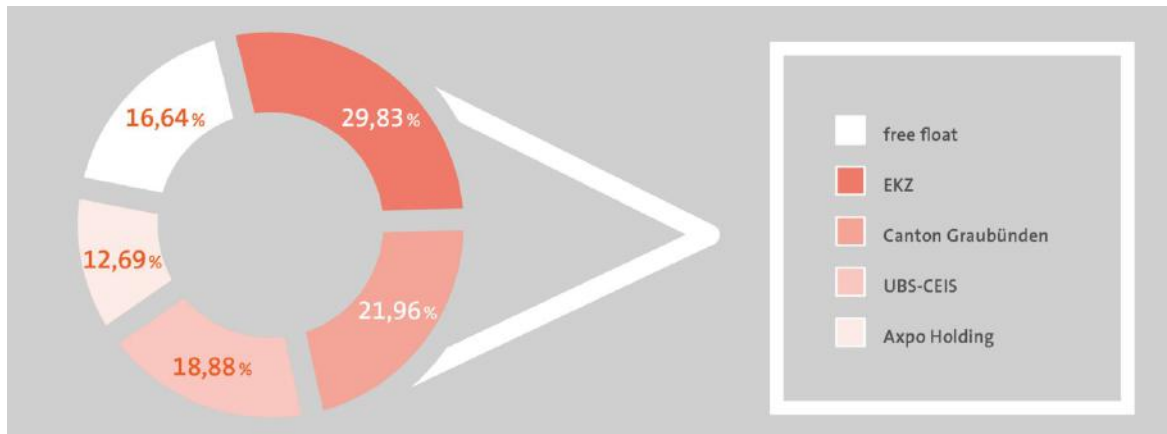
Share capital	7,390,968	registered shares	at CHF	1.00	CHF 7.4 million
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Prices (CHF) ¹	Registered share		1st half-year	
			2018	1st half-year 2017
		High	73	63
		Low	66	55

¹ Source: OTC-X, Berner Kantonalbank

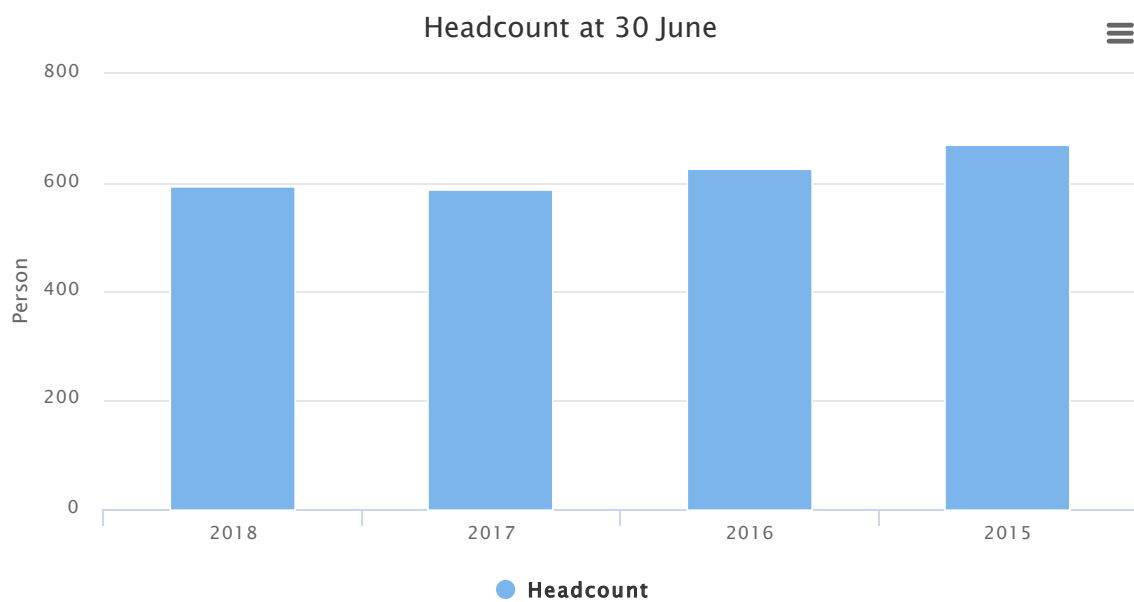
Dividend (CHF)	2017	2016	2015	2014	2013
Registered share	0.00	0.00	0.00	0.00	2.00

REPOWER'S SHAREHOLDER STRUCTURE



HEADCOUNT

at 30 June	2018	2017
Switzerland	432	428
Italy	162	161
Total	594	589
Trainees	30	30
Sales consultants Italy	600	606





Semi-annual report

Foreword from the chair of the board of directors and CEO



Repower posted operating income (EBIT) of CHF 9 million in the first half of 2018. Despite a volatile environment, Repower scored outstanding successes in new services.

Foundation in place for continued success!

After a successful repositioning the company is holding its own in a very volatile and competitive marketplace, helped by slightly higher energy prices and a marginally more advantageous EUR/CHF exchange rate. Repower's organisational realignment in Switzerland is creating the basis for further successful execution of the strategy. In the first six months we scored successes in our core business, in contracts for third parties, and in new services.

The scheduled overhaul of the Teverola power plant, postponed until the first quarter, took considerably longer than expected owing to technical problems, but the asset has been back on the grid since mid-June. The planned downtime coupled with the unscheduled delay in getting the plant up and running again had a substantial negative impact on results for the first half year.

Thanks to the innovativeness and dedication of staff, however, Repower achieved a positive result despite this. This enables us to look forward with optimism to a future where major challenges remain in the marketplace.

The annual general meeting held on 16 May 2018 elected Dr Monika Krüsi as the new chair of the board of directors. Dr Krüsi, a seasoned expert in digital transformation and strategic development, will work with the management and board of directors to steer Repower into the future.

OPERATING ENVIRONMENT AND RESULTS

The market environment remains very challenging and volatile. While energy prices continued to recover in the first half year and the EUR/CHF exchange rate situation eased somewhat, we are experiencing a high level of volatility in these key drivers of earnings. The energy industry still has to contend with political discussion and regulatory uncertainty. Repower is confident that both Energy Strategy 2050 and liberalisation of the electricity market are steps in the right direction.

1,05

CHF billion

Total operating revenue 1st half-year 2018

9

CHF million

Operating income (EBIT) 1st half-year 2018

THANK YOU

We would like to express our warm thanks to all our staff for their hard work and commitment over the last half year. Thanks also go to our shareholders, customers and partners for the trust they place in us.

OUTLOOK AND OBJECTIVES

Market conditions will remain challenging in the next few years, and there will be no tangible easing in the pressure on margins. Despite this, Repower can look to the future with confidence. The company has a very solid capital base and the realignment is already starting to bear fruit. We are convinced that Repower will be able to innovate within the organisation to make optimum use of the opportunities digitalisation is bringing, as well as continue to operate successfully in its core business. We're also certain that we will be able to draw on know-how gathered and refined over the course of more than a century to deliver even more contracts for other energy utilities.



Dr Monika Krüsi
Chairwoman of the
Board of Directors



Kurt Bobst
CEO



Semi-annual report

Market Switzerland segment

In the first half of 2018 Repower continued to follow through on its promise of “made by the pros for the pros” to acquire very attractive work from third parties. To be able to better meet customer needs, at the end of 2017 the old Grid, Generation and Trading units were merged to create a new Service Provision unit. This way Repower has bundled its expertise to the benefit of its customers, offering individual service from A to Z in areas from planning and delivery to operation and management.

Merger of wind power companies in Germany

In 2017 Repower decided to streamline the structure of its wind power companies in Germany and merge them into a single legal entity. The new company is called Repartner Wind GmbH. The merger achieves the goal of simplifying structures and further boosting efficiency and cost effectiveness.

Premature repurchase of outstanding bonds

On 10 January 2018 Repower launched an offer for the premature repurchase of an outstanding bond maturing on 20 July 2022. The offer closed on 24 January 2018 with bonds worth a total of CHF 18.55 million repurchased. In this connection a new financing instrument had been launched at the end of 2017: two so-called green bonds totalling EUR 50 million issued to fund various renewable electricity generation assets even garnered international recognition, receiving the Green Bond Pioneer Award in London. Repower is the first Swiss company to conduct financing in this form. The two transactions underpin the execution of Repower’s strategy and further optimise its financing profile.

Prospective launch of the Customer Value Centre

The launch of a new Customer Value Centre, a competence centre serving as a single, straightforward point of contact, will enable us to serve and support our customers even better in the future and facilitate meaningful and effective dialogue. The Customer Value Centre is scheduled to commence operation in the fourth quarter of 2018.

Repower on social media

In the first half of 2018 Repower expanded its social media presence. Managing the professional networks on LinkedIn and XING enables us to keep our communities up to speed on developments at Repower. We have also created new platforms for incoming applications. Going with the times, we now communicate with current and prospective apprentices – our employees of the future – via the online photo platform Instagram. Electric vehicle (EV) drivers and hosts on PLUG’N ROLL can get regular information via Facebook, Twitter, our newsletter and our blog. The social media team ensures that the processes for marketing and responding to enquiries run smoothly. This year Repower plans to launch an online blog and a newsletter to persuasively communicate our know-how and expertise with different energy utilities in line with our “made by the pros for the pros” strategy.

TRADING

Repower was able to benefit from favourable price developments with a long portfolio consisting mainly of hydroelectric generation assets, interests and drawing agreements. May and June in particular had a positive impact thanks to above-average production of hydropower. Added to this, there was a substantial year-on-year increase in the price differential between Switzerland and Italy. Repower also generated positive margins in pure trading owing to very high levels of price volatility. However, at mid-year these margins are running below expectations.

PRODUCTS AND SERVICES

SMARTPOWER pilot project

As part of the upcoming launch of the SMARTPOWER smart metering product, at the end of June Repower initiated a pilot project in the municipality of Landquart, linking 77 electricity meters with a total of 50 smart managers. Among other things this allows pilot customers to monitor their electricity consumption in real time, switch controllable equipment on and off, and receive alarms (for example when their electricity consumption is too high) via text or email. The Landquart pilot will run until the end of December 2018, following which the experience will be evaluated. In field trials conducted in Repower's area in 2016 and 2017, the customers involved were able to reduce their power consumption by up to 9% on average. SMARTPOWER is scheduled for market launch in early 2019.

PLUG'N ROLL in a new light

Repower continues to make progress on the electric vehicle (EV) side. The company has presented "PLUG'N ROLL powered by Repower" in a new light with new charging points, an improved app, a new website, personalised solutions and worry-free operation. With technical refinements and the integration of actual experience and customer feedback, Repower launched various new features which it showcased to the public for the first time at the Geneva International Motor Show in March 2018.

The expansion of the public PLUG'N ROLL network for electric vehicles is proceeding at full speed, and not just in Canton Graubünden. This is thanks to various new partnerships, and means that from this summer EV drivers will be able to charge their vehicles at 25 publicly accessible locations in Canton Zurich. This project is backed by the Zurich utility Elektrizitätswerke des Kantons Zürich (EKZ) and the electrical installation company EKZ Eltop. Cooperation agreements have also been signed with Swiss Prime Site (real estate), Raststätte Thurau AG (service areas), the Rhaetian Railway and various local authorities including Andeer and St. Antönien.

Repower is now also offering a green power sticker for sale. It indicates environmental friendliness and is geared to EV drivers who are uncompromising in their desire for "renewable" transportation. The price of the sticker enables Repower to cover the desired volume of green power needed to drive the EV for one year.

E-LOUNGE generates great interest

E-LOUNGE, a multipurpose bench/charging station brought to market by Repower last year, is generating a great deal of interest. The first six months saw the genesis of promising partnerships: the Upper Engadine Region decided to buy more than 20 of the benches. The product is also creating waves outside Canton Graubünden, and even outside Switzerland, in Italy. In addition, E-LOUNGE has been nominated for the German Design Award 2019, which goes to products and projects, and their manufacturers and designers, that lead the way in the German and international design landscape.

GENERATION/GRID

On the generation side, Repower was able to operate existing assets on an optimum basis. Thanks to good snow conditions, the first six months saw above-average levels of production. The company took further steps to secure production and the concession for the Valposchiavo power station cascade. This is very important in terms of renovation and refurbishment. Repower is also currently working on options to support the funding of the Chlus hydropower project.

In 2017 and 2018 Repower constructed additional grids in the Landquart-Prättigau-Davos area. These constitute important extensions to the pan-regional high-voltage grid to assure grid capacity and security of supply. Worthy of mention from an environmental point of view is the fact that these lines run underground, which is a great advantage for built-up areas and the landscape. Commissioning of these assets is complete. Now the overhead lines will be dismantled.

St. Moritz Energie's Islas substation is undergoing work for a new 60 kV cable connection. Further work is planned in the Champfèr-Silvaplana area. The approval procedure and final evaluation for approval by the Federal Inspectorate for Heavy Current Installations (ESTI) are under way. The planned 110 kV/60 kV grid interconnection in Bever is currently at the tender stage, with the evaluation for the contract in progress. Preliminary work is scheduled for August 2018, assembly for May 2019, and commissioning for September 2019.

SERVICES FOR THIRD PARTIES

Engadiner Kraftwerke

In the first half of 2018 Repower focused on services for third parties, and was able to continue or acquire major contracts. The company delivered various projects on behalf of the utility Engadiner Kraftwerke: In the Martina plant retrofit project, the overhauled 110 kV gas insulated switchgear installation, including new secondary systems, was put into operation successfully. In Pradella another major stage in the Swissgrid project to upgrade the 380 kV switchyard's secondary systems was successfully completed with two generators at the Pradella power plant connected to the 380 kV switching station's new control system. In addition to this, extensive modifications were made to the plant's existing machine control systems. The contract is due for completion by 2021.

Swissgrid

In May Repower put the last transformer segment into operation to hand over the new Avegno substation to Swissgrid on schedule. Planning for the new substation was begun in August 2014 and construction work in October 2016, and 18 months later the installation has now been handed over to the client, Swissgrid. In the course of planning and construction Repower was also able to perform a number of smaller contracts for Swissgrid. The last phase now involves dismantling the old switchyard and completing work on the surroundings of the installation.

In the first half of the year Repower received additional work from Swissgrid: a contract to deliver the secondary systems for the expansion of the 380 kV switching station at the Pradella substation, involving engineering, delivering, assembling and commissioning the secondary systems. The contract is scheduled for completion by 2022. Repower has also been granted the contract to service, maintain and provide the standby service for the transmission line routes in southern Graubünden for the next four years. In mid-January a high-voltage pylon on the Fuorn Pass was completely destroyed by an avalanche. Swissgrid gave the repair contract to Repower. In mid-February the line was handed over for management by Swissgrid at the Pradella control room.

Swiss Federal Railways (SBB)

In June Repower was granted a major general contractor job by Swiss Federal Railways (SBB). The contract is worth around CHF 19 million. In January 2019 work to construct the first substation will commence, with a second substation to follow. This substation is due to go into operation at the end of 2021 to assure the power supply for the north-south rail route. The contract is due for completion in 2023.

The service contract for an optimisation system for SBB's trading, which has been running since 2014, was extended on the same terms for another year. Added to this, Repower has successfully installed a new version of the system (Release 3.0) this year.

EBIT CONTRIBUTION

In the first half of 2018 Repower's Market Switzerland segment posted **operating income (EBIT)** of CHF 5.5 million (versus CHF -1.1 million in the first half of 2017).



Semi-annual report

Market Italy segment

SALES

Overall, prevailing market conditions for Sales in Italy were good in the first six months of 2018, with the gas business in particular able to profit.

Sales network stable

The Italian sales network remains stable, with around 600 consultants nationwide. At the beginning of the year a new training course for new agents was launched, and the training programmes for senior consultants and managers were intensified in terms of both products and the planning and designing of activities.

Important partnerships

In the course of the first half of 2018 important partnerships with associations and authorities in the industry and service sectors were initiated, with a special emphasis on tourism to drive the EV business forward and promote sales of related products offered by Repower.

VAMPA most successful product

Of the various products in Repower Italy's offering, VAMPA deserves especial mention. VAMPA involves using thermal imaging to detect faults in electrical equipment. In 2018 the product has continued to benefit from efforts to meet the norms and reduce risks at the workplace.

TRADING IN MILAN

Thanks to a high level of volatility on the commodities markets in the first six months of the year, the asset optimisation side of trading in Italy made a good contribution to value creation.

GENERATION

Teverola plant

The overhaul of the Teverola plant, originally scheduled for 2017, was begun in the first quarter of 2018. Technical problems meant that the plant was out of action for longer than planned. It has been back on the grid since mid-June. This downtime had a substantial negative impact on half-year results. From Repower's point of view there is a receivable from the insurance company for lost sales revenues.

Wind farms

The Corleto Peticara wind farm in Basilicata and the Lucera farm in Apulia generated less electricity than in the prior-year period. However, thanks to good market conditions their economic performance came in slightly better than expected. By contrast the volumes generated by the Giunchetto wind farm were below expectations.

COMMUNICATIONS

Social media

In the first half of the year Repower Italy made its debut on social media with HOMO MOBILIS by Repower, its vision of electric transportation, with profiles on Facebook, Instagram and Twitter since February 2018. Repower will use social media to share the latest news on its successful products and recent market developments.

Since April 2018 the “Una vita di trainer” television campaign has been run again, this time with the topic of electric vehicles. Once more, the character of a personal trainer for energy plays a main role.

Fleet Manager Academy

On 14 March 2018 Repower Italy took part in the Fleet Manager Academy in Milan. Experts and representatives of the auto industry met to talk about the latest developments in electric vehicle technology. Particularly interesting were the findings of a survey which showed that many corporate fleet managers are sceptical about electric vehicles primarily because of a lack of available charging stations. Providing an adequate charging infrastructure is the main key to more widespread adoption of electric transportation by companies.

Salone del Mobile 2018

Visitors to the Salone del Mobile 2018 were impressed by Repower’s presentation of its E-LOUNGE multifunctional bench/charging point, as well as by the Nuova Accademia delle Belli Arti, an educational establishment concentrating on art and design with which Repower is collaborating on a joint project on the future of electric transport.

INNOVATION

New developments in electric transport

In the first half of 2018 Repower hit the market with an innovation in electric vehicles: a highly advanced remote control system that enables customers choosing a PALINA EV charging station to configure and operate it themselves, also using their smartphone. Repower is one of the first companies to offer a system of this sort.

The new app for EV drivers, which displays the nearest charging points, has got a very good response in the marketplace and close media coverage. Thanks to efforts to continuously refine its functions, the app is highly valued by customers.

Premio Gaetano Marzotto

The first half of 2018 saw the presentation of the collaboration with the Gaetano Marzotto Prize, the most important start-up initiative at the European level. The 2018 edition features the Premio Speciale Repower, a special prize awarded to the start-up with the most interesting business idea. The winner gets to do a three-month mentoring programme offered and run by Repower.

EBIT CONTRIBUTION

The Market Italy segment’s contribution to group **operating income (EBIT)** in the first half of 2018 was CHF 6.8 million (versus CHF 23 million in the first half of 2017).



Semi-annual report

Other activities

GREAT PLACE TO START

Repower has been awarded the “Great place to start” label indicating that it’s one of best places in Switzerland to do an apprenticeship. The label is conferred on the basis of a unique certification procedure taking equal account of the company’s training concept and feedback from apprentices. Repower consciously endeavours to promote and develop young professionals and tradespeople so that it has a pool of well-trained and motivated staff to draw on in the future. The ways the company pursues this goal include a specially designed communications campaign.

THE ASSOCIATION OF SWISS ELECTRICITY COMPANIES (VSE) HONOURS LONGSTANDING EMPLOYEES

At its traditional anniversary of service celebration at the Ebianum in Fisibach, the VSE honoured 145 longstanding employees for their contribution to assuring a secure supply of electricity to Switzerland. They included Repower men Paul Manetsch and Josef (Sepp) Janett, both of whom celebrated 25 years of service. Others who can look back on 25 years in the service of the electricity industry are Mauro Balsarini, Ilario Costa, Peter Jäger, Caterina Pagnoncini, Michele Sala, Marco Schröttenthaler and Paolo Zanetti.

Consolidated income statement

CHF thousand	01.01.-30.06.2018 unaudited	01.01.-30.06.2017 unaudited
Net sales from goods and services	1,047,122	897,374
Own costs capitalised	2,744	2,499
Change in inventory of sales orders	2,002	1,605
Other operating income	1,106	3,726
Total operating revenue	1,052,974	905,204
Share of earnings from associates and joint ventures	-1,843	-1,999
Energy procurement	-933,024	-778,604
Concession fees	-9,258	-8,925
Personnel expenses	-36,846	-33,512
Materials and third party services	-14,516	-15,892
Other operating expenses	-25,860	-24,265
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	31,627	42,007
Depreciation and value adjustments of tangible assets	-20,899	-20,386
Amortisation and value adjustments of intangible assets	-1,636	-1,701
Earnings before interest and taxes (EBIT)	9,092	19,920
Financial income	2,736	4,296
Financial expenses	-11,519	-14,069
Earnings before taxes	309	10,147
Income taxes	-84	-9,195
Group earnings	225	952
Share of group earnings attributable to Repower shareholders	-1,028	-56
Share of group earnings attributable to minorities	1,253	1,008
Share of group earnings attributable to Repower shareholders per registered share (in CHF) *	-0.14	-0.01
Average number of registered shares in circulation	7,390,747	7,390,328

* The undiluted group earnings are calculated on the basis of the weighted average number of shares. There are no factors resulting in a dilution of earnings per share.

Consolidated balance sheet

CHF thousand	30.06.2018 unaudited	31.12.2017
Assets		
Tangible assets	730,625	745,166
Intangible assets	11,560	10,588
Investments in associates and joint ventures	3,680	3,632
Financial assets	22,041	62,783
Deferred tax assets	33,075	34,141
Non-current assets	800,981	856,310
Inventories	36,944	24,745
Trade accounts receivable	323,577	382,940
Other receivables	30,597	32,513
Prepaid expenses and accrued income	4,136	2,876
Securities	101,467	20,530
Positive replacement values of held for trading positions	169,621	108,028
Cash and cash equivalents	303,921	394,479
Current assets	970,263	966,111
Total assets	1,771,244	1,822,421

CHF thousand	30.06.2018 unaudited	31.12.2017
Liabilities and shareholders' equity		
Share capital	7,391	7,391
Treasury shares	-16	-15
Capital reserves	202,007	202,004
Retained earnings (including group earnings)	510,597	511,625
Accumulated translation differences	4,718	5,498
Shareholders' equity excluding minorities	724,697	726,503
Minorities	43,087	42,953
Shareholders' equity	767,784	769,456
Non-current provisions	20,564	19,537
Deferred tax liabilities	19,805	21,368
Non-current financial liabilities	356,562	378,452
Other non-current liabilities	62,167	63,081
Non-current liabilities	459,098	482,438
Current financial liabilities	6,425	40,151
Negative replacement values of held for trading positions	169,201	107,153
Current provisions	-	259
Trade accounts payable	324,796	380,401
Other current liabilities	27,984	26,102
Deferred income and accrued expenses	15,956	16,461
Current liabilities	544,362	570,527
Liabilities	1,003,460	1,052,965
Total liabilities and shareholders' equity	1,771,244	1,822,421

Consolidated cash flow statement

	01.01.-30.06.2018 unaudited	01.01.-30.06.2017 unaudited
CHF thousand		
Group earnings	225	952
Income taxes	84	9,195
Share of earnings from associates and joint ventures	1,843	1,999
Dividends from associates and joint ventures	1	-
Net financial income	8,783	9,773
Depreciation/amortisation, impairment and reversal of impairment of tangible and intangible assets	22,535	22,087
Gain/loss on the disposals of tangible and intangible assets	-251	-2,162
Change in non-current provisions (without interest)	578	-630
Change in replacement values of held for trading positions	500	-533
Other non-cash income and expenses	-1,483	-392
Other financial cash outflow and inflow	-9,844	-3,330
Funds from operations (FFO)	22,971	36,959
Changes		
Inventory	-12,447	-2,619
Trade accounts receivable	55,840	45,213
Other receivables (without income taxes)	2,143	3,770
Prepaid expenses and accrued income	-1,575	-614
Current provisions	-259	51
Trade accounts payable	-53,444	-56,492
Other current liabilities (without taxes)	2,768	-3,036
Deferred income and accrued expenses	-60	-2,234
Income taxes	-539	858
Cash flow from operating activities	15,398	21,856

	01.01.-30.06.2018 unaudited	01.01.-30.06.2017 unaudited
CHF thousand		
Additions of tangible assets	-8,426	-9,326
Disposals of tangible assets	400	13,299
Additions of current and non-current financial assets	-91,000	-108,000
Disposals of current and non-current financial assets	49,566	15,318
Additions of intangible assets	-2,660	-1,495
Disposals of group companies (less cash and cash equivalents disposed of)	-	4,612
Dividends received from third parties	3	3
Interest received	102	98
Cash flow from investing activities	-52,015	-85,491
Increase in financial liabilities	-	115,126
Repayment of financial liabilities	-46,677	-32,348
Dividend payments	-841	-553
Purchase/sale of treasury shares	2	-18
Sale of minorities	-	5,721
Interest paid	-4,575	-3,297
Cash flow from financing activities	-52,091	84,631
Effect of currency translation	-1,850	2,966
Change in cash and cash equivalents	-90,558	23,962
Cash and cash equivalents at 1 January	394,479	318,171
Cash and cash equivalents at 30 June	303,921	342,133

Changes in consolidated shareholders' equity

	Share capital	Treasury shares	Capital reserves	Retained earnings	Accumulated translation differences	Shareholders' equity excluding minorities	Minorities	Total shareholders' equity
CHF thousand								
Equity at 1 January 2017	7,391	-21	201,998	491,169	-649	699,888	37,047	736,935
Group earnings				-56		-56	1,008	952
Effect of currency translation					1,205	1,205	359	1,564
Dividends						-	-553	-553
Purchase/sale of treasury shares		-20	2	-		-18		-18
Changes in consolidation				-30	30	-		-
Purchase/sale of minorities				2,825	-5	2,820	2,901	5,721
Capital increase at minorities						-		-
Equity at 30 June 2017 unaudited	7,391	-41	202,000	493,908	581	703,839	40,762	744,601
Equity at 1 January 2018	7,391	-15	202,004	511,625	5,498	726,503	42,953	769,456
Group earnings				-1,028		-1,028	1,253	225
Effect of currency translation					-780	-780	-278	-1,058
Dividends						-	-841	-841
Purchase/sale of treasury shares		-1	3			2		2
Equity at 30 June 2018 unaudited	7,391	-16	202,007	510,597	4,718	724,697	43,087	767,784

Notes to the interim consolidated financial statements

1 ACCOUNTING AND VALUATION PRINCIPLES

General information

The consolidated semi-annual financial statements presented here comprise the unaudited semi-annual financial statements for the six months to 30 June 2018. This interim report has been prepared in accordance with Swiss GAAP FER 31 Complementary Recommendation for Listed Companies in abridged form, and should therefore be read in conjunction with the consolidated financial statements for the year to 31 December 2017.

The presentation of the derivation of cash flow from operating activities has been revised. Instead of the subtotal for cash flow from operating activities before change in net current assets, the key performance indicator (KPI) funds from operations (FFO) is stated as a subtotal. This figure includes the change in replacement values of held-for-trading positions.

Currencies

The following exchange rates were used as a basis for converting the figures in the income statement and balance sheet into CHF:

Currency	Unit	Closing exchange rate		Average exchange rate	
		30.06.2018	31.12.2017	01.01.-30.06.2018	01.01.-30.06.2017
EUR	1	1.15690	1.17020	1.16975	1.07650

2 SEGMENT REPORTING

	Market Switzerland	Market Italy	Other segments and activities	Group
CHF thousand				
30.06.2018 unaudited				
Net sales from goods and services	328,976	741,423	-23,277	1,047,122
Net sales from goods and services	318,715	728,353	54	1,047,122
Net sales from goods and services between segments	10,261	13,070	-23,331	-
Earnings before interest and taxes (EBIT)	5,463	6,839	-3,210	9,092
CHF thousand				
30.06.2017 unaudited				
Net sales from goods and services	305,163	623,477	-31,266	897,374
Net sales from goods and services	294,389	602,880	105	897,374
Net sales from goods and services between segments	10,774	20,597	-31,371	-
Earnings before interest and taxes (EBIT)	-1,054	23,122	-2,148	19,920

3 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Changes in consolidations

There were no changes in consolidations in the first half of 2018.

Changes in financial assets and securities

The changes in the financial assets essentially relate to TCHF 40,000 reclassified as securities in current assets. A further TCHF 40,000 net was reinvested in investments with a term of up to one year.

Material events and business transactions

In January 2018 Repower prematurely repurchased and destroyed TCHF 18,555 in bonds. This resulted in a loss of TCHF 1,595 in net financial income.

The overhaul of the Teverola power plant scheduled for the first quarter took considerably longer than expected owing to technical problems. The asset has been back on the grid since mid-June. The planned downtime coupled with the unscheduled delay in getting the plant up and running again had a substantial negative impact on results for the first half year.

The interruption in the operation of the plant is insured. From Repower's point of view there is a receivable from the insurance company for lost sales revenues. However, at the time the Repower semi-annual financial statements were prepared it was not possible to determine the amount of this receivable, which is why a contingent asset is recognised.

4 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The consolidated interim financial statements were approved by the board of directors on 14 August 2018.

Since 30 June 2018 there have been no other events which require disclosure.



Semi-annual report

Events

The next dates in Repower's financial calendar:

- **30 October 2018:** Analyst and investor conference
- **9 April 2019:** Annual media conference
- **15 May 2019:** Annual general meeting in Pontresina

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August 2018

