

A wide-angle photograph of a concrete dam structure extending across a valley. The dam is a long, low wall with a metal railing on top. To the right, a reservoir of water reflects the sky and the surrounding mountains. The background features rugged, brownish-grey mountains under a clear blue sky with a few wispy clouds. The overall scene is bright and clear, suggesting a sunny day.

Annual media conference

2014 | 15 financial year

Andrew Walo | CEO Axpo Holding AG

Business results for 2014 | 15

Good operating result before special factors in a continued difficult market environment

- Total energy supplied of 100.6 TWh
- Normalised business result of CHF 575 million
- Programme to improve earnings contributes CHF 91 million

- Write-downs of CHF 1.3 billion net
- Loss for the period of CHF 990 million

2014 | 15 financial year: Consistent implementation of strategy



Emphasis on four action fields

Implementations countering negative general conditions

1. Optimising core business



2. Opening up new business fields



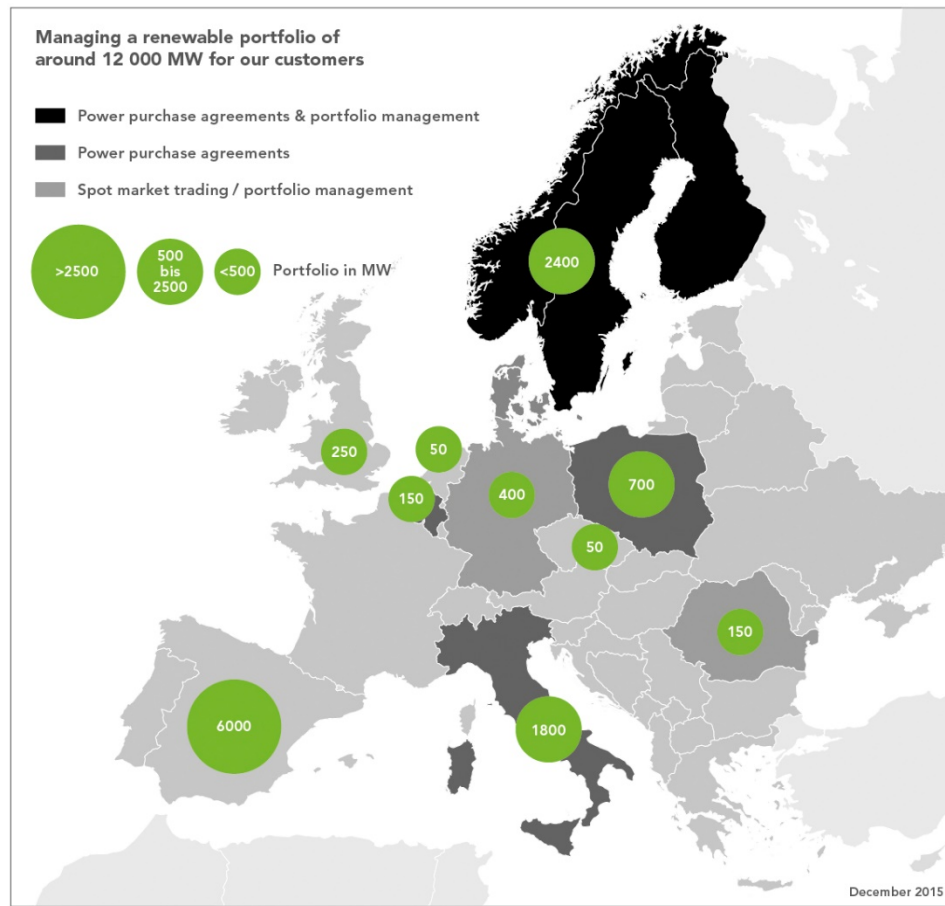
3. Cost savings



4. Targeted investments



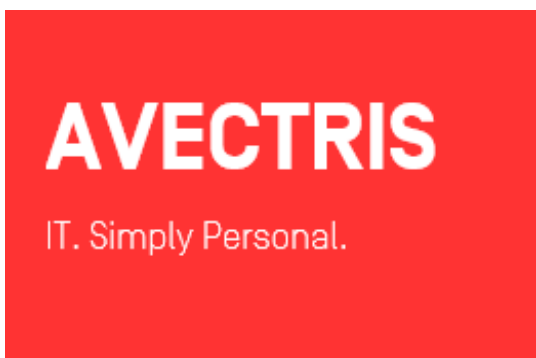
1. Optimising core business



- Electricity and gas sales of 100.6 TWh
- Renewable energies:
 - 4,000 MW installed output in Switzerland and Europe
 - Marketing of around 12000 MW of wind
- Focusing on the Renewable Energies segment by making adjustments to the organisational structure
- Sale of Kompogas plant construction and Axpo Contracting

2. Opening up new business fields

Focus on customer business



3. Cost savings

Taking measures under the programme launched in 2013



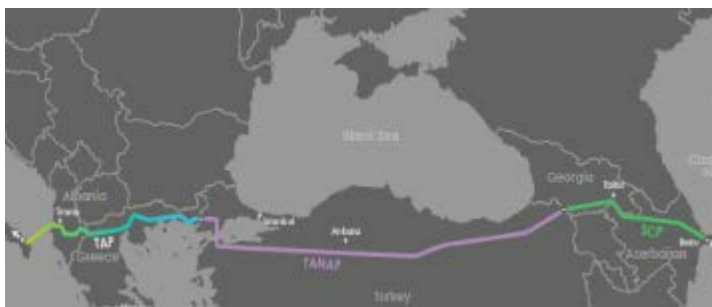
Savings totalling CHF 91 million in FY 2014 | 15 achieved mainly through:

- Reduction in personnel expenses (193 net jobs in total)
- More flexible, efficient structures and optimised procurement management
- Lower property and IT costs
- Revised maintenance concepts

➔ **Group-wide cost optimisation of CHF 200 million by 2016 | 17 financial year**

4. Targeted investments

Major projects contributing to fulfilment of strategy



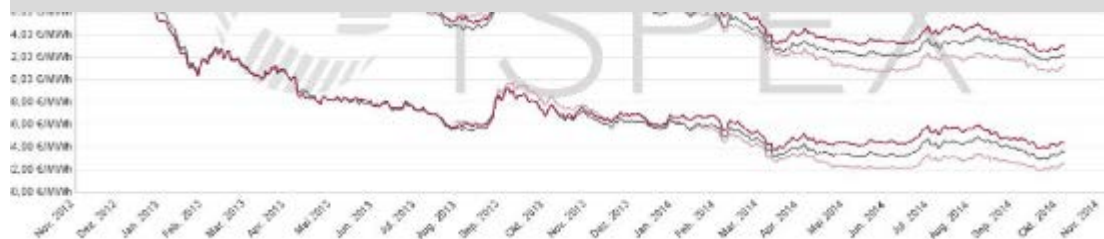
Our challenges and opportunities in 2015 | 2016



General conditions for the coming financial year

Continued difficult market conditions

- Energy industry



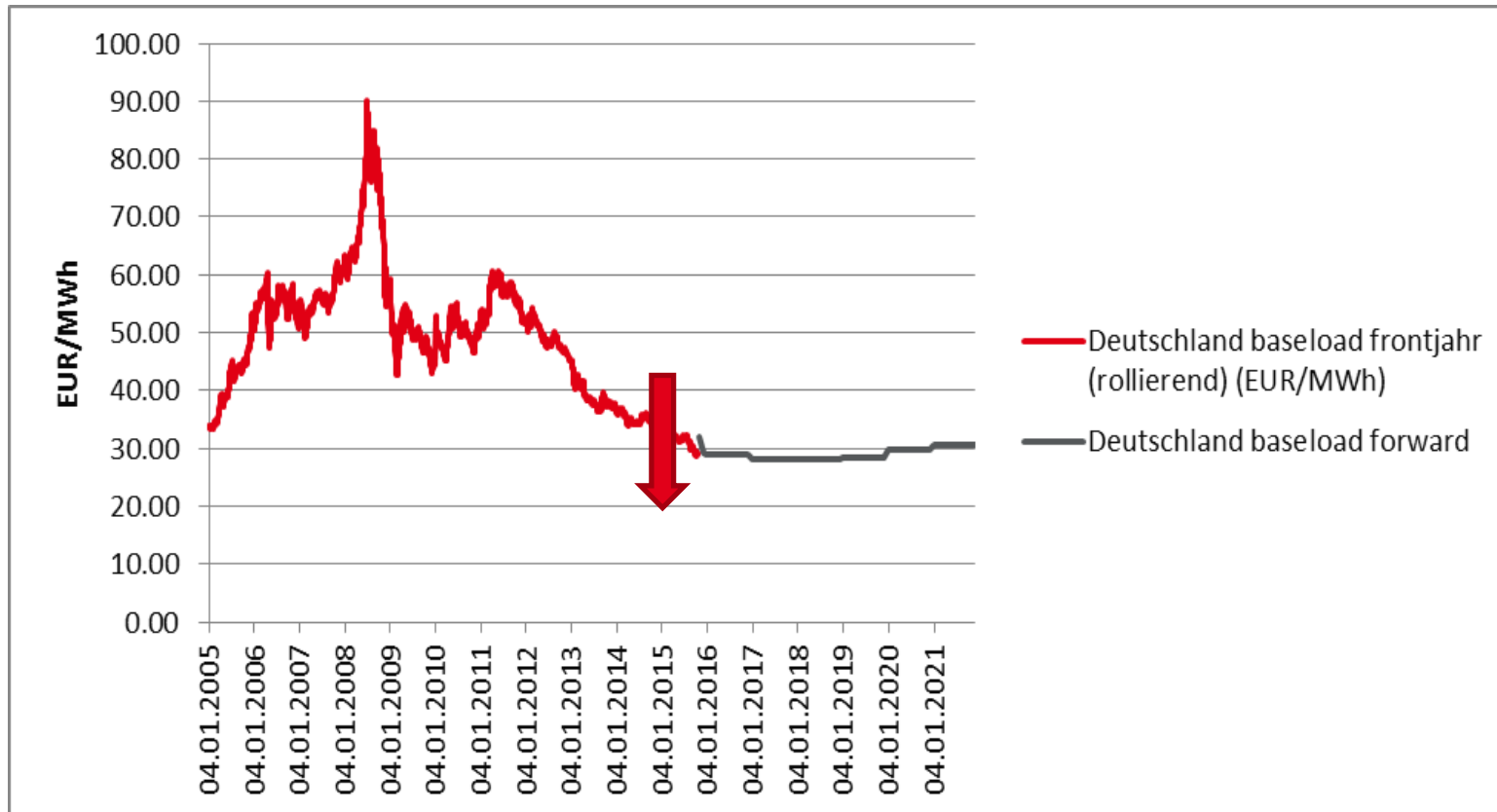
- Politics



- Market & technology



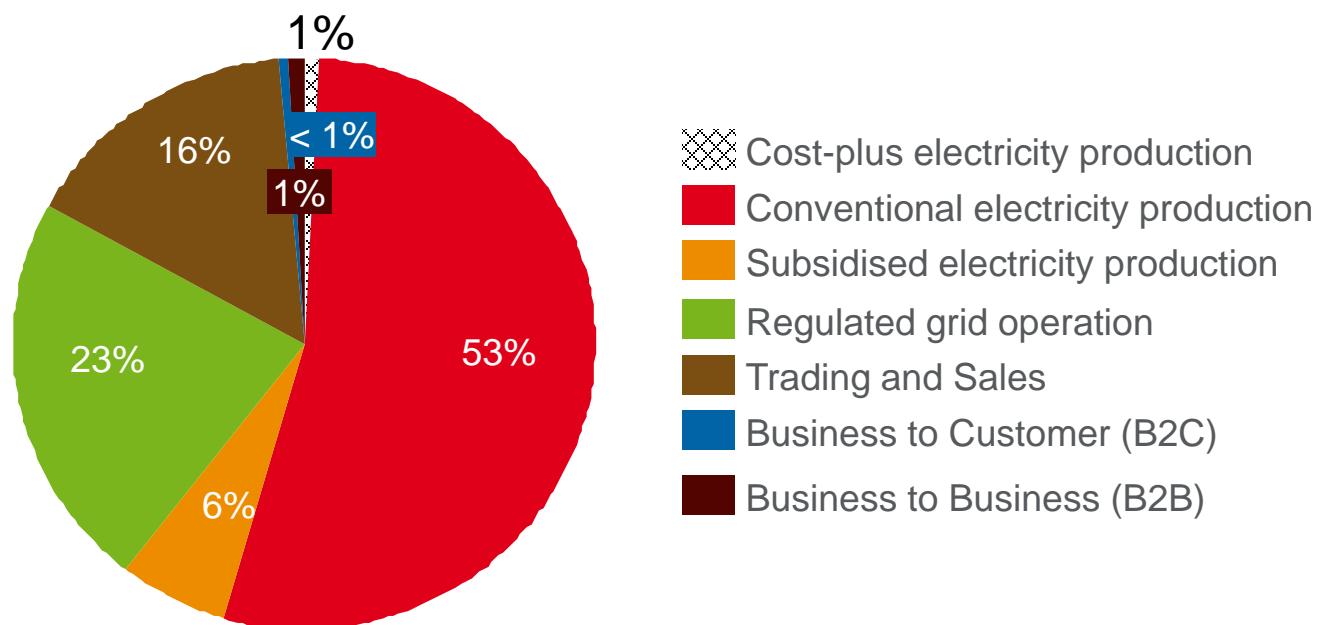
Outlook for electricity prices remains negative



- We must assume that the electricity price, price volatility and the clean spark spread will stagnate over the next ten years. A further fall in prices is possible.
- The situation is compounded by negative impact of the low EUR/CHF exchange rate

Axpo must become less dependent on the electricity price

Axpo capital investment



Strategically, Axpo is highly dependent on the electricity price.



Further diversification of the portfolio is a strategic necessity.

Our priorities in 2016 | 17

Increasing profitability and securing liquidity



- Investment management with clear prioritisation
- Opening up new, more profitable business fields through further development and innovation
- Optimising core business and improving cost efficiency
- Reducing dependence on electricity price