

HALF-YEAR REPORT

2009/10

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KEY FIGURES

GROSS MARGIN down slightly to CHF 420.9 million (-4%)

NET PROFIT 69% lower at CHF 38.4 million due to higher costs

GEARING RATIO stable at 49.3%

CASH FLOW from operating activities at CHF -66.3 million

CASH AND CASH EQUIVALENTS down to CHF 423.9 million (-41%)

		1ST HALF-YEAR 2009/10	1ST HALF-YEAR 2008/09	1ST HALF-YEAR 2007/08	1ST HALF-YEAR 2006/07	1ST HALF-YEAR 2005/06
EGL GROUP						
Gross margin	CHF MILLIONS	420.9	437.0	343.5	328.0	209.1
Change relative to previous reporting period	%	-3.7	27.2	4.7	56.9	69.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	CHF MILLIONS	192.1	241.9	220.0	225.7	162.7
Earnings before interest and tax (EBIT)	CHF MILLIONS	154.5	193.3	198.6	209.1	150.1
Share of profit of associates	CHF MILLIONS	-9.3	-3.8	4.8	7.2	10.4
Financial result	CHF MILLIONS	-53.6	-43.2	-38.5	6.5	-3.1
Income tax expense	CHF MILLIONS	-53.2	-23.2	-39.0	-46.4	-24.5
Net profit incl. minority interests	CHF MILLIONS	38.4	123.1	125.9	176.4	132.9
Cash flow from operating activities	CHF MILLIONS	-66.3	-250.1	47.0	83.9	74.7
Total capital per 31 March	CHF MILLIONS	6,375.7	6,931.3	5,597.7	5,283.1	4,381.3
Total equity per 31 March	CHF MILLIONS	2,035.3	2,081.0	1,914.3	1,835.7	1,508.4
Net debt	CHF MILLIONS	1,003.1	1,076.5	756.9	599.9	359.7
Gearing ratio	%	49.3%	51.7%	39.5%	32.7%	23.8%
Cash and cash equivalents	CHF MILLIONS	423.9	615.8	611.1	571.4	362.1
Net liquidity per 31 March	CHF MILLIONS	115.8	174.9	634.0	473.6	315.1
Average number of employees	FTE	856	705	571	436	341
Number of employees at balance sheet date	FTE	872	729	594	453	357
EGL SHARE						
Earnings (without minority interests) per share	CHF	14.32	46.67	47.81	66.26	50.04
Equity (without minority interests) per share	CHF	760.76	777.69	717.98	688.93	568.34

SOLID GROSS MARGIN, DISAPPOINTING NET PROFIT

EGL ACHIEVED A SOLID GROSS MARGIN IN THE FIRST HALF OF 2009/10. HOWEVER, THE FOLLOWING SIGNIFICANT EFFECTS HAD A DISPROPORTIONATELY NEGATIVE IMPACT ON COSTS: TERMINATION FEES DUE TO THE FAILURE TO SELL THE ENERGY PLUS POWER PLANT PROJECT, ADDITIONAL EXPENDITURE FOR POWER PROCUREMENT DUE TO THE OUTAGE OF THE FRENCH NUCLEAR POWER PLANT IN BUGEY AND LOWER FINANCIAL RESULTS. EGL'S NET PROFIT WAS THEREFORE CHF 38.4 MILLION (-69%).

As expected by EGL, the 2009/10 financial year has so far proved a challenging one. Significant costs had a disproportionately high impact on EGL's gross margin, which was slightly below the prior-year period despite the difficult environment. The ongoing difficult economic situation led to a stronger focus on strategic implementation.

With the exception of the Scandinavian region, European energy markets have been marked by low spot and forward prices over the past six months, primarily as a result of weak demand in the real economy. Added to this, electricity prices have come under pressure due to falling prices for primary energy sources such as natural gas and coal as well as for CO₂ certificates. Moreover, the first half of 2009/10 saw a continuation of the trend towards the decoupling of natural gas prices from oil prices. This resulted

in negative margins for sales of natural gas under long-term supply contracts whose pricing structure is linked to the price of oil.

Focus on strategic implementation stepped up further

Despite the difficult economic situation, EGL continued to implement its strategy for the company as a whole and for the three divisions. However, as a result of the economic situation, the potential for returns from projects and business ideas has changed, leading to more selectivity. Opportunities for further growth will be carefully examined with a close eye on costs, and will be pursued within EGL's financial capabilities. EGL remains well positioned for the medium and long term.

Net profit significantly lower year-on-year

At CHF 420.9 million, the gross margin for the first half of 2009/10 was slightly below the prior-year period (-4%). However, various effects have placed a disproportionate strain on results: termination fees as a result of the failure to sell the Energy Plus power plant project, additional expenditure for power procurement due to the outage of the French nuclear power plant in Bugey, as well as lower financial results and higher income taxes. As a result, net profit dropped by 69% to CHF 38.4 million. In the first half-year, EGL generated cash flow from operating activities of CHF -66.3 million. The gearing ratio at the end of March 2010 was 49.3%. In view of the abovementioned effects EGL has already stepped up the cost reduction measures introduced in 2009.

Mixed success across the divisions

In the Trading division, EGL's hub strategy, based on the decentralised organisation of activities in various trading regions, proved its worth. This geographical diversification, coupled with EGL's proximity to markets and customers and its trading expertise, enabled the company to substantially improve its trading result despite difficult market conditions. EGL also took further steps to expand its origination portfolio by opening two new offices in Brussels and Düsseldorf.

In the Assets division, expenses in connection with the failure to sell the Energy Plus power plant project and the outage of the French nuclear power plant in Bugey diminished business performance. EGL's assets proved reliable in production and were successfully integrated in trading activities. The SE Ferrara gas-fired combined-cycle power plant underwent a test phase and is expected to go into full operation in July. At the end of 2009, EGL also acquired a 24.1% stake in the project to construct a 400 MW offshore wind farm in the North Sea off the coast of Germany.

EGL's natural gas business continued to be beset by low demand, a surplus on the market and the associated trend towards a decoupling of natural gas and oil prices. This had a negative impact on sales margins for natural gas from long-term procurement contracts, whose price structure is usually linked to the price of oil. EGL made progress in its move to further expand the Liquefied Natural Gas business and in negotiations with potential additional partners for the Trans Adriatic Pipeline project. It also stepped up negotiations for natural gas transit rights

through Turkey, following the signing by Swiss and Turkish Energy Ministries of a declaration of intent to cooperate on energy issues in November 2009.

Switzerland: Grid valuation and negotiations with the EU

A definitive evaluation of the EGL transmission system in Switzerland, which is crucial for defining chargeable costs, is still pending. EGL believes that the valuation of the grid carried out by the federal regulatory authority ElCom is too low. EGL Grid AG, a subsidiary of EGL AG and owner of the grid systems, has therefore lodged an appeal with the Federal Administrative Court against ElCom's ruling for 2010. A decision by the Federal Administrative Court regarding the chargeable costs for 2009 is also pending. Negotiations between Switzerland and the European Union regarding the electricity industry were continued in the reporting period. Among other things, these involved negotiations on grid access for cross-border electricity trading. Investments made by Swiss electricity companies such as EGL in power plants and the electricity grid in France for the procurement of electricity for Switzerland will also be taken into account. The outcome of the negotiations is of major importance for EGL.

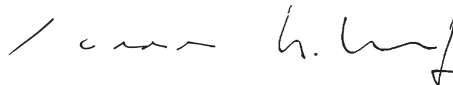
Name change and new member of the Board of Directors

At the Annual General Meeting in January 2010, EGL shareholders voted to change the name of the company from Elektrizitäts-Gesellschaft Laufenburg to EGL AG. Due to the increasing use of the abbreviated name EGL AG in recent

years, it was decided to make this the official name. The 53rd Annual General Meeting also elected Hansueli Sallenbach, Head of Legal at Axpo Holding AG, to the EGL Board of Directors. He replaces Manfred Thumann, who has stood down.

Negative share performance

At the beginning of the 2009/10 financial year, EGL shares were at their six-month high of CHF 1,089 (closing price on 30.09.2009: CHF 1,100). At the end of March 2010 the shares were listed at CHF 807, corresponding to negative share performance of -26.6% in the first half-year or a negative total return (taking dividends into account) of -25.0%. Over the same period, the Swiss Performance Index SPI showed a positive performance of +10.0%. Compared to 31 March 2009, equity per share (excluding minority interests) dropped from CHF 777.69 to CHF 760.76 (-2.2%), while earnings per share dropped from CHF 46.67 (previous year) to CHF 14.32 (-69.3%).



HEINZ KARRER

HANS SCHULZ

Chairman of the Board of Directors

CEO

TRADING RESULT WELL ABOVE PRIOR-YEAR FIGURE

WITH THE ECONOMIC CRISIS AND LOW ELECTRICITY PRICES AGAIN CHARACTERISING ENERGY TRADING DURING THE FIRST HALF OF 2009/10, THE ENERGY TRADING & ORIGINATION DIVISION NEVERTHELESS POSTED RESULTS WELL ABOVE THOSE OF THE PREVIOUS YEAR.

The economic crisis continued to influence energy trading markets during the first half of 2009/10. Despite a very cold winter, demand for electricity in EGL's key markets was between 5% and 10% lower than in the previous year. With the exception of Scandinavia, energy prices dropped sharply throughout Europe.

Hub strategy proving successful

In this challenging environment, EGL operated successfully from its regional trading centres and continued to implement its strategy for the Energy Trading & Origination division, which exploited all available opportunities and ended the first half-year with an operating result of CHF 208.3 million (+36.7%).

In the Iberian market, which was characterised by falling prices, EGL expanded its activities in both energy trading and origination. It was one of the most active participants on local energy exchanges and in auctions for border capacities. Electricity production capacities managed by the company in Spain were increased to more than 6,500 MW. EGL also expanded its activities in the Portuguese market, which is in the process of liberalisation.

While the first quarter saw low trading activity in the Nordic markets and therefore few opportunities, greater volatility and record prices in the second quarter resulted in more opportunities for EGL. The origination business developed favourably, as did EGL's position in the marketing of energy from wind power.

In Central and Eastern Europe, the trading result remained below expectations in a difficult economic environment. As part of the move to substantially strengthen its position in the German market, EGL opened a site in Düsseldorf from which it aims to step up activities in Germany. EGL also established a new origination office in Brussels, from which related activities will be built up in the Benelux states and France.

In the partially liberalised Swiss electricity market, EGL established itself as a specialist for energy-related services. As a regular provider, it also contributed to increasing the market liquidity for ancillary services.

Italy: slow economic recovery

During the second half of the reporting period, the Italian market saw a slow but steady recovery in the economic situation. While demand for energy did not drop any further, prices remained low yet highly volatile. Against this backdrop, EGL scored successes in both local operations and in business across Italy's borders. In the local trading and origination business, EGL posted results even higher than its excellent figures of the previous year. In cross-border trading it benefited from increasingly large price differences between Central Europe and Italy, particularly towards the end of the reporting period. It

also exploited the synergies resulting from the overall optimisation of all Italian borders and the management of its own power plants.

Initial activities in the UK

From November 2009, EGL managed its fledgling activities from its newest trading centre in London in a highly volatile market environment. It also established the staffing and operational conditions required for the expansion of these activities.

Market players recognise EGL

EGL's Trading division was listed in the 2010 "Energy Risk" commodity rankings. In this study, around 1,500 market players evaluated counterparties according to criteria such as price, flexibility, reliability, integrity and processing speed. EGL was ranked first in the "Electricity" category for the Nordic and Iberian trading regions for the second year in a row, and second in the Italian trading region.

NEGATIVE EFFECTS DIMINISH RESULTS OF THE ASSETS DIVISION

ACQUISITION FEES DUE TO THE FAILURE TO SELL THE ENERGY PLUS POWER PLANT PROJECT, COUPLED WITH THE OUTAGE OF THE FRENCH NUCLEAR POWER PLANT IN BUGEY, IMPACTED THE RESULTS OF THE ASSETS DIVISION IN THE FIRST HALF-YEAR.

In the Assets division, the operating result decreased by 135% compared to the prior-year period to CHF -25.3 million as a result of two significant negative effects. Firstly, since the Energy Plus gas-fired combined-cycle power plant project in Italy could not be sold as planned in the reporting period, EGL had to bear the costs relating to non-performance of contracts.

Secondly, Block 3 of the French nuclear power plant in Bugey had to be shut down for the entire period due to unscheduled repairs and inspections, and Block 2 of the same plant was shut down temporarily for scheduled inspection work. Consequently, EGL lost out on some of the electricity to which it was entitled under long-term procurement contracts with *Électricité de France*, and had to purchase this energy on the market.

Reliable production portfolio

Other energy deliveries related to long-term contracts and participations in nuclear power plants in Switzerland and France were in line with expectations. In the first half-year, production from hydropower plants in which EGL has a

stake was slightly above the ten-year average. EGL's two gas-fired combined-cycle power plants in Italy collectively produced a total of 3.6 billion kilowatt hours of electricity, generating the expected amount of revenue.

Following trial operations in the first half of the 2009/10 financial year, the SE Ferrara gas-fired combined-cycle power plant in Italy (EGL stake: 49%) is scheduled to start commercial operations in July 2010.

Investing in wind power

As part of the move to expand its asset portfolio, EGL is also investing in new renewable energy projects. In December 2009 it acquired a 24.1% stake in *Wetfeet Offshore Windenergy GmbH*, which is planning to build a 400 MW offshore wind farm in the North Sea off the coast of Germany. Construction of the plant, which is expected to produce 1.6 billion kilowatt hours of electricity annually from 2013, is scheduled to commence in 2012.

Work continued on the planned 66 MW EGL wind farm in the Campania region of Italy. EGL's project company *Winbis* has now completed the demolition of old facilities on the complex, and construction of the wind farm is scheduled to commence at the end of 2010.

Work is about to begin on the first project in the portfolio of wind farm developer *HS Kraft AB*, in which EGL has a 51.6% stake. Construction of the 6 MW plant in *Klagerup* is due to begin before the end of 2010.

Status of other asset projects

Plans for the construction of the *Agroenergética de Pinzón* biomass power plant in Spain are

largely in place. Connection to the electricity grid has been approved, and construction is scheduled to commence once a local construction permit has been obtained. The approval procedure for the *La Zarza* gas-fired combined-cycle power plant in Spain is still ongoing. The project for the *NorGer* undersea cable between Norway and Germany is attracting keen interest on the market. The grid connection point in Germany has been secured, and the application for exemption regarding the use of auction proceeds was submitted to the relevant authorities at the end of March.

Definitive grid valuation still pending

A definitive valuation of the EGL transmission system in Switzerland, which is crucial for determining the chargeable costs, is still outstanding. EGL believes that the valuation by the federal regulatory authority *EiCom* of its grid infrastructure, in which it made renewed investments in the 2009/10 financial year, is still too low. EGL Grid AG, a subsidiary of EGL AG and owner of the grid systems, has therefore lodged an appeal with the Federal Administrative Court against *EiCom*'s 2010 valuation. The Federal Administrative Court's decision on chargeable costs for 2009 is still pending.

NATURAL GAS TRADING MARGINS UNDER SEVERE PRESSURE

EGL'S NATURAL GAS BUSINESS WAS SIGNIFICANTLY IMPACTED BY THE ONGOING SURPLUS AND CONTINUING REDUCTION IN DEMAND. SALES OF NATURAL GAS RESULTED IN NEGATIVE MARGINS IN SOME AREAS OF EGL'S NATURAL GAS PORTFOLIO.

In the first half of the 2009/10 financial year, the activities of the Gas Supply & Southeast Europe division were impacted by the difficult economic environment and the decoupling of natural gas prices from the price of oil as a result of the fall in demand and the ongoing surplus situation in Europe. Although this division was able to exploit fewer opportunities as a result, its operating result improved by 11% year-on-year to CHF - 19.3 million.

Talks on price adjustment

Due to low demand and the resulting low prices for natural gas, sales margins for natural gas from long-term procurement contracts, whose price structure is usually linked to the price of oil, remained under severe pressure. EGL tackled this challenge by capitalising on the available opportunities under such contracts with producers, making full use of flexible purchase volumes and initiating price adjustment negotiations on better purchasing conditions. In the medium term, EGL still expects to see a moderate increase in demand for natural gas and is positioning its own natural gas portfolio to meet these future market requirements.

Negotiations on transit through Turkey

Following the signing by Turkish and Swiss Energy Ministries of a declaration of intent to cooperate on energy issues in November 2009, EGL negotiated an agreement in principle on a natural gas transit line with Turkish pipeline operator BOTAS. EGL secured pipeline and storage capacities in Northwest Europe, enabling it to expand and enhance the flexibility of its activities in this region.

EGL succeeded in procuring additional volumes of Liquefied Natural Gas (LNG) and reselling them to bulk customers in Spain. EGL is targeting prudent expansion of its LNG business based on procurement agreements with producers or suppliers. An important step in this direction was taken in October 2009, when EGL entered into a partnership with the LNG Japan Corporation aimed at long-term cooperation on the procurement and distribution of LNG in various markets.

In the first half of the 2009/10 financial year, the economic crisis continued to impact markets in Southeast Europe, where the Gas Supply & Southeast Europe division conducts electricity trading on behalf of EGL in addition to its natural gas business. During the same period, high water levels resulted in many countries that were traditionally importers of electricity becoming exporters, exerting further pressure on regional electricity prices. At the same time, these markets underwent further liberalisation, giving rise to a moderate increase in liquidity and creating additional opportunities for EGL. The company further expanded its presence in Southeast Europe through subsidiaries and trading licences, and increased its activities in

cross-border trading within the region as well as between Southeast Europe and Italy and Central Europe.

TAP applies for grid access in Italy

The Trans Adriatic Pipeline project (TAP) was further pursued in the period under review. Among other things, the project company conducted an evaluation of the optimal route in Italy and Albania and opened branch offices in Italy, Albania and Greece. In March 2010 it applied for TAP access to the Italian natural gas network of Rete Nazionale Gas. Negotiations with additional partners for the project are at an advanced stage.

COSTS PUTTING STRAIN ON RESULTS

THE EGL GROUP'S GROSS MARGIN FELL SLIGHTLY TO CHF 420.9 MILLION (-4%). AT CHF 38.4 MILLION (-69%), NET PROFIT, WHICH HAS BEEN HEAVILY HIT BY COSTS, WAS SIGNIFICANTLY LOWER THAN THE PRIOR-YEAR PERIOD.

In the first half of the 2009/10 financial year EGL achieved a gross margin of CHF 420.9 million (-4%), which included income from derivatives trading of CHF 180.5 million (+30%). The outage of the French nuclear power plant in Bugey had a negative impact on the gross margin since EGL had to procure alternative electricity on the market.

The marked reduction in EGL's net profit is also attributable to the following significant cost items: CHF 47.1 million incurred for termination costs related to the failure to sell the Energy Plus power plant project, the financial result fell by CHF 10.4 million or 24% to CHF -53.6 million compared to the prior-year period. Further substantially higher income taxes of CHF 53.2 million (+129%) were also incurred.

Slowdown in workforce growth, operating expenses stable

Compared with the prior-year period, average headcount increased by 21% to 856 employees. Staff costs increased accordingly to CHF 81.6 million (+20%). However, in the first half of 2009/10, EGL cut back on recruitment, as a result of which the number of employees increased by only 5% during this period.

Other operating expenses ended the reporting period at CHF 144.8 million. This includes expenses of CHF 39.4 million (+16%) for IT and consulting services and CHF 23.7 million (+2%) for scheduled maintenance work on the Calenia Energia and Rizziconi Energia gas-fired combined-cycle power plants. Termination costs in connection with the failure to sell the Energy Plus power plant project are also included under other operating expenses (CHF 47.1 million). Apart from this significant effect, other operating expenses increased at a much lower rate. Amongst other things, provisions for bad debts were reduced by 91% to CHF 1.6 million (prior-year period: CHF 17.9 million).

Depreciation and amortisation of CHF 37.6 million (-23%) mainly concerned the depreciation of CHF 23.5 million (+0%) in respect of the Calenia Energia and Rizziconi Energia gas-fired combined-cycle power plants, as well as grid installations and fixtures and fittings. This reduced the EGL EBIT to CHF 154.5 million (-20%). The share of profit from associates fell by 145% to CHF -9.3 million, primarily due to the delay in starting commercial operations at the SE Ferrara gas-fired combined-cycle power plant as well as commissioning costs.

Net profit substantially reduced by costs

At CHF -53.6 million on 31 March 2010, the financial result of the EGL was down CHF 10.4 million on the previous year. This lower financial result was primarily due to lower interest income of CHF 6.6 million (-73%) and negative currency effects amounting to CHF 35.2 million (-1%), due to the performance of the Swiss franc against the Euro. This produced an EBT of

CHF 91.6 million (-37%). During the reporting period, EGL accrued more income from subsidiaries which are subject to high tax rates. Moreover, losses were also reported by some subsidiaries whose economic situation does not enable loss carryforwards to be capitalised. The current earnings situation has therefore given rise to higher consolidated income taxes of CHF 53.2 million (+129%), as a result of which net profit after tax ended the first half of 2009/10 at CHF 38.4 million (-69%).

Volatile market environment reflected in fluctuating replacement values

EGL's total assets decreased to CHF 6,375.7 million (-6%) in the reporting period. Current assets declined to CHF 3,936.6 million (-9%), due mainly to lower short-term positive replacement values of CHF 1,200.1 million (-24%). On the liabilities side, short-term negative replacement values also fell to CHF 1,035.9 million (-25%).

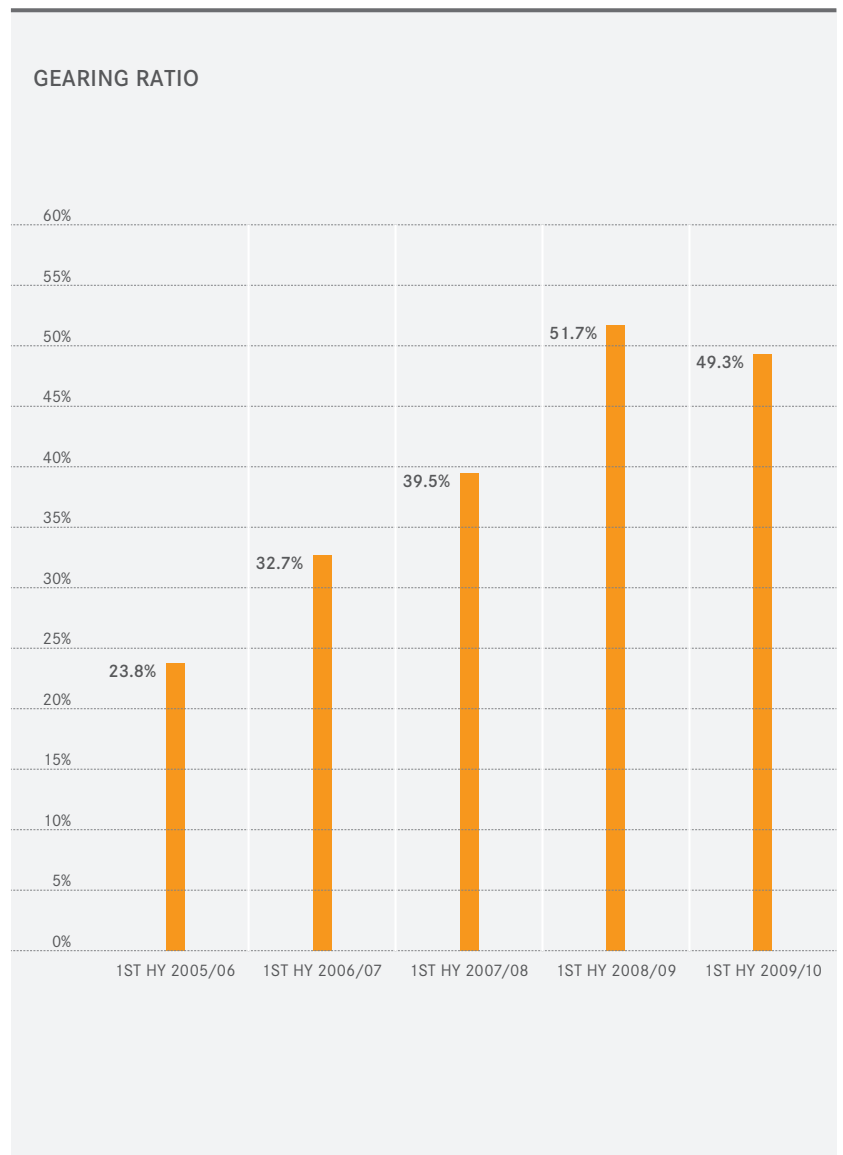
Negative cash flow from operating activities

The EGL posted a net cash outflow from operating activities of CHF -66.3 million, up CHF 183.8 million compared with the first six months of 2008/09 (CHF -250.1 million). The negative cash flow is mainly a result of changes in inventories (natural gas and certificates), trade receivables and other receivables. Cash outflow from investing activities - mainly concerning asset projects - amounted to CHF -137.7 million during the reporting period (prior-year period: CHF -70.0 million). Cash outflow from financing activities fell to CHF

– 77.5 million (prior-year period: CHF 169.9 million). Free cash drain amounted to CHF 141.1 million (prior-year period: CHF 330.9 million). As at 31 March 2010, cash and cash equivalents amounted to CHF 423.9 million, down CHF 294.5 million since the start of the financial year.

Gearing ratio stable at around 50%

EGL's gearing ratio for the reporting period was 49.3%, compared with 51.7% in the prior-year period. Net debt ended the first half-year at CHF 1,003.1 million, while equity including minority interests dipped from CHF 2,110.8 as at 30 September 2009 to CHF 2,035.3 million (– 4%), due primarily to the negative currency effects of CHF 57.7 million recognised in equity.



CONSOLIDATED INCOME STATEMENT

CHF MILLIONS	NOTES	OCTOBER - MARCH 2009/10	OCTOBER - MARCH 2008/09
Net sales	3	1,545.7	2,042.6
Own work capitalised		2.7	3.6
Other operating income		6.9	7.0
Revenues		1,555.3	2,053.2
Energy procurement and cost of goods	4	- 1,124.8	- 1,605.6
Material and third party supplies		- 12.0	- 6.8
Personnel expenses		- 81.6	- 68.1
Other operating expenses	5	- 144.8	- 130.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)		192.1	241.9
Depreciation and amortisation		- 37.6	- 48.6
Earnings before interest and tax (EBIT)		154.5	193.3
Share of profit of associates		- 9.3	- 3.8
Financial income	6	143.7	402.3
Financial expense	6	- 197.3	- 445.5
Financial result	6	- 53.6	- 43.2
Earnings before tax (EBT)		91.6	146.3
Income tax expense	7	- 53.2	- 23.2
Profit for the period		38.4	123.1
Attributable to:			
EGL shareholders		37.8	123.2
Minority interests		0.6	- 0.1
		OCTOBER - MARCH 2009/10	OCTOBER - MARCH 2008/09
EARNINGS PER SHARE			
Average number of issued bearer shares at a nominal value of CHF 50.00 each		2,640,000	2,640,000
Net profit in CHF millions		37.8	123.2
Earnings per share in CHF		14.32	46.67

Undiluted earnings per share are calculated on the basis of the weighted average number of shares outstanding. There are no circumstances that would result in a dilution of earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHF MILLIONS	OCTOBER - MARCH 2009/10	OCTOBER - MARCH 2008/09
Profit for the period	38.4	123.1
Effects from currency translation differences:		
changes unrealised in equity	-59.0	-58.9
Release of revaluation reserve:		
changes unrealised in equity	-	-
Changes in securities and other financial assets:		
changes unrealised in equity	-	0.8
Changes in hedge accounting:		
changes unrealised in equity	-11.2	-89.7
Deferred tax	3.8	29.6
Total other income after tax	-66.4	-118.2
Total comprehensive income	-28.0	4.9
Attributable to:		
EGL shareholders	-27.0	10.9
Minority interests	-1.0	-6.0

CONSOLIDATED BALANCE SHEET

CHF MILLIONS	NOTES	31.03.2010	30.09.2009	30.09.2008
ASSETS				
Property, plant and equipment	8	1,390.9	1,469.8	1,580.5
Intangible assets		148.7	159.5	133.8
Investments in associates and partner plants		548.2	512.7	486.1
Other financial assets		310.5	293.9	281.8
Non-current derivatives (positive replacement value)	12	14.1	6.9	56.1
Deferred tax assets		26.7	29.1	3.4
Total non-current assets		2,439.1	2,471.9	2,541.7
Inventories		93.3	65.2	119.6
Trade receivables		907.1	845.1	751.8
Financial receivables		70.0	28.7	7.3
Current tax assets		35.7	52.3	24.6
Other receivables	9	1,170.8	990.7	915.9
Current derivatives (positive replacement value)	12	1,200.1	1,584.1	1,983.5
Securities		35.7	32.0	49.2
Cash and cash equivalents	10	423.9	718.4	786.5
Total current assets		3,936.6	4,316.5	4,638.4
Total assets		6,375.7	6,788.4	7,180.1
EQUITY AND LIABILITIES				
Share capital		132.0	132.0	132.0
Retained earnings		1,876.4	1,950.9	1,957.7
Total equity attributable to the equity holders of the parent		2,008.4	2,082.9	2,089.7
Minority interests		26.9	27.9	20.4
Total equity		2,035.3	2,110.8	2,110.1
Financial liabilities	11	1,083.2	1,155.9	1,278.4
Other liabilities		60.0	52.8	53.9
Non-current derivatives (negative replacement value)	12	55.8	48.4	-
Deferred tax liabilities		70.2	73.6	112.7
Provisions	14	24.8	31.9	41.5
Total non-current liabilities		1,294.0	1,362.6	1,486.5
Trade payables		760.3	728.2	611.2
Financial liabilities	13	343.8	319.8	209.2
Current tax liabilities		94.5	79.2	53.0
Other liabilities		793.1	775.9	710.9
Current derivatives (negative replacement value)	12	1,035.9	1,382.5	1,981.4
Provisions	14	18.8	29.4	17.8
Total current liabilities		3,046.4	3,315.0	3,583.5
Total liabilities		4,340.4	4,677.6	5,070.0
Total equity and liabilities		6,375.7	6,788.4	7,180.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF MILLIONS	SHARE CAPITAL	REVALU- ATION RESERVE ¹⁾	AFS REVALU- ATION RESERVE	RESERVE FROM HEDGE ACCOUNT- ING	ACCUMU- LATED FOREIGN CURRENCY DIFFER- ENCES	OTHER RESERVES	RETAINED RESERVES	HOLDERS OF THE PARENT	MINORITY INTERESTS	TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY	TOTAL EQUITY
Equity at 1 October 2008	132.0	229.2	0.5	27.0	-0.7	1,701.7	1,957.7	2,089.7	20.4	2,110.1	
Changes in securities and other financial assets			0.8				0.8	0.8		0.8	
Changes in hedge accounting				-83.5			-83.5	-83.5	-6.2	-89.7	
Deferred taxes on other result			-0.1	27.6			27.5	27.6	2.1	29.6	
Effects from currency translation differences					-57.1		-57.1	-57.1	-1.8	-58.9	
Total recognised income and expenses for the period	-	-	0.7	-55.9	-57.1	-	-112.3	-112.3	-5.9	-118.2	
Profit for the period						123.2	123.2	123.2	-0.1	123.1	
Total comprehensive income for the period	-	-	0.7	-55.9	-57.1	123.2	10.9	10.9	-6.0	4.9	
Dividend						-47.5	-47.5	-47.5	-	-47.5	
Transactions with minorities						-	-	-	13.5	13.5	
Equity at 31 March 2009	132.0	229.2	1.2	-28.9	-57.8	1,777.4	1,921.1	2,053.1	27.9	2,081.0	
Equity at 1 October 2009	132.0	197.4	0.8	-33.2	-58.0	1,843.9	1,950.9	2,082.9	27.9	2,110.8	
Changes in hedge accounting				-10.8			-10.8	-10.8	-0.4	-11.2	
Deferred taxes on other result				3.7			3.7	3.7	0.1	3.8	
Effects from currency translation differences					-57.7		-57.7	-57.7	-1.3	-59.0	
Total recognised income and expenses for the period	-	-	-	-7.1	-57.7	-	-64.8	-64.8	-1.6	-66.4	
Profit for the period						37.8	37.8	37.8	0.6	38.4	
Total comprehensive income for the period	-	-	-	-7.1	-57.7	37.8	-27.0	-27.0	-1.0	-28.0	
Dividend						-47.5	-47.5	-47.5	-	-47.5	
Equity at 31 March 2010	132.0	197.4	0.8	-40.3	-115.7	1,834.2	1,876.4	2,008.4	26.9	2,035.3	

¹⁾ see Note 8 Property plant and equipment "grid"

The share capital is divided into 2,640,000 fully paid bearer shares with a par value of CHF 50.00 each.

The non-distributable portion of reserves under Swiss law amounts to CHF 75.4 million.

CONSOLIDATED CASH FLOW STATEMENT

CHF MILLIONS	NOTES	OCTOBER - MARCH 2009/10	OCTOBER - MARCH 2008/09
Earnings before tax (EBT)		91.6	146.3
Interest, other financial income/expense, dividends, capitalised borrowing costs		25.6	19.4
Loss/(profit) from disposal of tangible assets		-0.7	1.4
Adjustment of non-cash expenses and income:			
Depreciation and amortisation		37.6	48.6
Share of profit of associates		9.3	3.8
Change in provisions (excl. interest, net)	14	-4.4	24.5
Unrealised gain/loss derivatives		26.9	-251.3
Other non-cash items		-5.5	20.5
Change in inventories		-31.9	35.5
Change in trade receivables		-66.2	-87.7
Change in other receivables (current)		-223.1	-380.2
Change in trade payables		46.6	63.8
Change in other liabilities (current)		50.8	137.2
Change in derivatives		0.1	0.5
Use of provisions	14	-5.8	-3.9
Income taxes paid		-17.2	-28.5
Cash flow from operating activities		-66.3	-250.1
Property, plant and equipment:			
Acquisitions (excl. capitalised borrowing costs and dismantling costs)		-14.6	-24.9
Disposals		-	0.1
Intangible assets:			
Acquisitions (excl. goodwill)		-10.3	-18.7
Disposals		11.0	-
Investments in subsidiaries, net of cash acquired		-	-14.1
Investments in associates:			
Acquisitions		-58.3	-22.2
Other financial assets:			
Acquisitions		-51.7	-14.8
Disposals and repayments		18.3	-
Change in securities (current)		-3.7	-
Change in current financial assets		-43.1	-7.5
Dividends received		5.0	5.2
Interest received		9.7	26.9
Cash flow from investing activities		-137.7	-70.0

CHF MILLIONS	NOTES	OCTOBER - MARCH 2009/10	OCTOBER - MARCH 2008/09
Change in other liabilities (non-current)		1.1	- 1.6
Proceeds from financial liabilities (current)		39.8	376.1
Repayments of financial liabilities (current)		- 33.0	- 120.3
Change in minority interests		-	13.5
Dividends paid		- 47.5	- 47.5
Interest paid		- 37.9	- 50.3
Cash flow from financing activities		- 77.5	169.9
Foreign exchange differences		- 13.0	- 20.5
Change in cash and cash equivalents		- 294.5	- 170.7
Cash and cash equivalents at the beginning of the reporting period	10	718.4	786.5
Cash and cash equivalents at the end of the reporting period	10	423.9	615.8
FREE CASH FLOW			
Cash flow from operating activities		- 66.3	- 250.1
Net investment in property, plant and equipment		- 14.6	- 24.8
Net investment in intangible assets		0.7	- 18.7
Investments in subsidiaries, net of cash acquired		-	- 14.1
Investments in associates		- 58.3	- 22.2
(Investments in) divestments of other financial assets (excl. financial loans)		- 2.6	- 1.0
Free cash drain		- 141.1	- 330.9

EGL has aggregated credit facilities of CHF 1,408.0 million available from banks and financial institutions (30 September 2009: CHF 1,343.4 million). As at 31 March 2010, CHF 543.0 million of this amount was used for guarantees (30 September 2009: CHF 554.8 million).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

01

General information

The EGL Group is a European energy trader whose target segment consists of industrial consumers throughout Europe. The Axpo Group holds 91.00% of the shares in EGL AG. EGL operates trading and sales companies in various European countries (see 2008/09 financial statements, "Group subsidiaries, associates and other investments"). In addition, EGL has investments in power plants in Switzerland, gas-fired combined-cycle power plants in Italy and long-term procurement agreements with power plants in France. EGL also develops projects aimed at building up its assets in other key markets.

02

Basis of preparation of the consolidated interim financial statements

General principles. The unaudited consolidated interim financial statements at 31 March 2010 were prepared in accordance with the International Financial Reporting Standards (IFRS) on Interim Financial Reporting (IAS 34). The accounting principles of the EGL Group applied in the consolidated interim financial statements correspond to the principles described in the 2008/09 financial statements (pages 35 – 42), with the exception of the explanations outlined below.

Changes in the group of consolidated companies are listed under Note 16.

Significant changes to the accounting and valuation principles. All standards and interpretations in force on the balance sheet date were applied in the preparation of the consolidated financial statements.

The EGL Group has adopted the following new and revised standards and interpretations for the first time for the 2009/10 financial year:

IAS 1 rev.	Presentation of Financial Statements (1 January 2009)
IAS 23 rev.	Borrowing Costs (1 January 2009)
IAS 27 rev.	Consolidated and Separate Financial Statements according to IFRS (1 July 2009)
IAS 32	Amendment relating to Puttable Instruments and Obligations Arising on Liquidation (1 January 2009)
IAS 39 rev.	Financial Instruments: Recognition and Measurement (eligible hedged items) (1 July 2009)
IFRS 1 rev.	First-time Adoption of International Financial Reporting Standards (1 July 2009)
IFRS 2 rev.	Amendment to Share-based Payment: Vesting Conditions and Cancellations (1 January 2009)
IFRS 3 rev.	Business Combinations (1 July 2009)
IFRS 5 rev.	Shares held for sale (1 July 2009)
IFRS 7 rev.	Disclosure of financial instruments (fair value hierarchy) and disclosures relating to fair value and liquidity risks (1 January 2009)
IFRS 8	Operating Segments (1 January 2009)
IFRIC 15	Agreements for the Construction of Real Estate (1 January 2009)
IFRIC 17	Distributions of Non-cash Assets to Owners (1 July 2009)
	Changes in IFRSs (1 July 2009)

Adoption of these revised principles had no material impact on the Group's financial position and results of operations.

However, the following changes lead to additional disclosures in the consolidated financial statements:

- IAS 1 contains the principles governing the presentation of financial statements. The main changes in IAS 1 concern the requirement to disclose changes in equity other than those arising from transactions with shareholders (non-owner changes in equity) either as a separate component of the income statement or in a separate statement of comprehensive income. The EGL Group has opted to present them in a separate consolidated statement of comprehensive income.
- The distinction made by IAS 1 rev. Presentation of Financial Statements between current and non-current derivative financial instruments is relevant for the EGL Group. This amendment states that not all financial assets and liabilities which are classified as "held for trading" constitute current assets. As a result of this amendment, the EGL Group now classifies as non-current all derivatives which have a term of more than 12 months and are not used for speculative purposes. All transactions of a speculative nature which are primarily held for trading and thus with the intention of realising short-term gains are classified as current, irrespective of their term to maturity. This change was applied retroactively and the prior-year balance sheets were adjusted accordingly. As a result of this amendment and in accordance with the new principles of IAS 1, two prior-year balance sheets are presented (see Consolidated Balance Sheet, page 14).
- IFRS 8 Operating Segments governs the disclosure of segment reporting and thus replaces the so far relevant standard IAS 14. IFRS 8 requires segments and segment results to be defined on the basis of the management approach, i.e. based on the organisational structure and internal reporting. Accordingly, the EGL Group now provides segment reporting by business division. Information on the segments is provided in Note 15 (see Segment Information, page 27). IFRS 8 is applied retroactively and the prior-year information is presented accordingly.

Foreign currency exchange rates:

The following rates were applied for the translation of income statement and balance sheet figures into CHF:

CURRENCY	UNIT	PERIOD-END EXCHANGE RATE IN BALANCE SHEET		AVERAGE RATES IN INCOME STATEMENT	
		31.03.2010	30.09.2009	OCTOBER - MARCH 2009/10	OCTOBER - MARCH 2008/09
ALL	100	1.0490	1.1440	1.0980	1.2290
BGN	100	72.9900	77.0900	76.0260	77.3950
CZK	100	5.6100	5.9900	5.7480	5.7440
EUR	1	1.4276	1.5078	1.4869	1.5117
GBP	1	1.6044	1.6582	1.6595	1.7369
HUF	100	0.5400	0.5600	0.5520	0.5470
NOK	100	17.8100	17.8200	18.0200	16.9060
MKD	100	2.3430	2.4710	2.4360	-
PLZ	100	36.9100	35.6500	36.4530	37.1870
RON	100	34.8500	35.7500	35.5650	37.7930
RSD	100	1.4410	1.6320	1.5510	1.7110
SEK	100	14.7000	14.7400	14.6540	14.3120
SKK ¹⁾	100	-	5.0250	-	5.0060
TRY	100	69.6000	69.3800	69.3630	72.5030

¹⁾ The Slovak Koruna was replaced by the Euro as of 1 January 2009.

03

Net sales

CHF MILLIONS	OCTOBER - MARCH 2009/10	OCTOBER - MARCH 2008/09
Net sales from energy business	1,320.1	1,866.1
Income from energy derivatives trading	180.5	138.7
Income from emission certificates trading	15.7	24.5
Other net sales	29.4	13.3
Total	1,545.7	2,042.6

In addition to consolidated net sales, there are also energy sales under ceded energy procurement rights and sub-participations. The sales from so-called "quota transactions" are not included in the above total since they are netted against any similarly ceded energy procurement. They amount to CHF 155.3 million (previous reporting period: CHF 145.4 million; see Note 4).

04 Energy procurement and cost of goods

CHF MILLIONS	OCTOBER – MARCH 2009/10	OCTOBER – MARCH 2008/09
Energy procurement from third parties	- 995.1	- 1,478.2
Energy procurement from partner plants	- 113.8	- 117.5
Energy procurement from related parties	- 15.9	- 9.9
Total	- 1,124.8	- 1,605.6

Energy procurement from quota transactions is not included in the above total since it is netted against any similarly ceded sales. The amount is CHF 155.3 million (previous reporting period: CHF 145.4 million; see Note 3).

05 Other operating expenses

Other operating expenses include planned maintenance and repair costs for the two gas-fired combined-cycle power plants in Italy totalling CHF 23.7 million (previous reporting period: CHF 23.2 million), IT and consulting services totalling CHF 39.4 million (previous reporting period: CHF 34.1 million), as well as rent expenses, insurance, telephone costs, travel expenses, general administrative costs and other services. It also includes provisions of CHF 1.6 million for bad debt (previous reporting period: CHF 17.9 million). The increase in operating expenses in the current reporting year is attributable to termination costs of CHF 47.1 million related to the failure to sell the Energy Plus power plant project.

06 Financial result

CHF MILLIONS	OCTOBER – MARCH 2009/10	OCTOBER – MARCH 2008/09
Interest income	6.6	24.0
Dividend income	-	0.7
Exchange rate gains	109.1	354.7
Other financial income	28.0	22.9
Total financial income	143.7	402.3
Interest expense	- 30.6	- 43.6
Exchange rate losses	- 144.3	- 389.7
Other financial expense	- 22.4	- 12.2
Total financial expense	- 197.3	- 445.5
Total financial result	- 53.6	- 43.2

The financial result includes realised and unrealised exchange rate gains and losses as well as realised and unrealised gains and losses on derivatives. The lower exchange rate gains and losses compared to the prior-year period are a result of lower volatility on the currency market.

07 Income tax expense

CHF MILLIONS	OCTOBER – MARCH 2009/10	OCTOBER – MARCH 2008/09
Current income taxes	- 50.9	- 50.7
Deferred income taxes	- 2.3	27.5
Total income tax expense	- 53.2	- 23.2

Current income taxes consist of taxes paid or due on the results of the individual companies for the financial year in accordance with local regulations, as well as charges and credits from previous periods. In the reporting period, EGL accrued more income from subsidiaries which are subject to high tax rates. Moreover, losses were recorded by some subsidiaries whose economic situation does not enable loss carryforwards to be capitalised. Consequently, the earnings situation resulted in higher consolidated income tax of CHF 53.2 million.

08 Property, plant and equipment

Investments in equipment amount to CHF 2.1 million (previous reporting period: CHF 1.4 million), while investments in assets under construction amount to CHF 11.0 million (previous reporting period: CHF 22.0 million) and in real estate CHF 1.2 million (previous reporting period: CHF 1.4 million). The increase in assets under construction in the current reporting period concerns investments in grid installations in Switzerland, wind farm projects in Italy and Sweden, gas-fired combined-cycle power plants and infrastructure improvements at head office.

Due to the difficult economic environment, the planned disposal of the Energy Plus power plant project in Italy failed. Project-related assets with no value in use were already adjusted in the previous year.

The Federal Electricity Supply Act (StromVG) and the related Ordinance (StromVV) came into force on 1 January and 1 April 2008 respectively. The new legislation requires all transmission systems to be transferred to the national grid operator, swissgrid ag, within five years. The value at which these grids are to be transferred has not yet been definitively defined.

On 6 March 2009 the Federal Electricity Commission (EiCom) issued a decree concerning costs and tariffs for Level 1 grid usage and ancillary services. To calculate the chargeable costs, EiCom in its decree estimated the value of EGL Grid AG's transmission grids at around CHF 100 million. On 4 March 2010 EiCom issued a second decree valuing EGL Grid's assets at around CHF 143 million. This is significantly below the value disclosed in the balance sheet of around CHF 264 million. Since management takes the view that the value disclosed in the balance sheet reflects the correct value of the transmission grids, EGL Grid AG filed an appeal with the Federal Administrative Court on 23 April 2009 against the EiCom decree of March 2009, and filed another appeal on 22 April 2010 against the EiCom decree of March 2010. Depending on the outcome of the appeal process, however, the value of the transmission grids may deviate substantially from the value disclosed in the balance sheet. Any possibly necessary future depreciation of the grid installations could for the most part be recognised directly in equity (revaluation reserve), thereby not affecting net income.

09 Other receivables

CHF MILLIONS	31.03.2010	30.09.2009
From third parties	1,114.9	917.8
From partner plants and other associates	52.4	56.7
From related parties	0.7	2.2
Prepayments to suppliers	2.8	14.0
Total	1,170.8	990.7
Thereof accrued income and prepaid expenses	653.0	614.4

Electricity supplies not yet billed are included in the balance sheet under accrued income and prepaid expenses.

10 Cash and cash equivalents

CHF MILLIONS	31.03.2010	30.09.2009
Petty cash, cash at banks and post office	384.0	621.8
Short-term cash deposits	39.9	96.6
Total	423.9	718.4

Short-term cash deposits are available within 90 days.

11 Financial liabilities (non-current)

CHF MILLIONS	31.03.2010	30.09.2009
Bond	247.1	246.8
Long-term loans:		
From third parties	835.8	908.8
From partner plants and other associates	0.3	0.3
Total	1,083.2	1,155.9

A ten-year domestic bond for an amount of CHF 250 million was issued on 23 November 2005, with a coupon of 2.5%. The bond is listed on the SIX Exchange under Securities No. 2.326.262.

The long-term loan liability to third parties relates to financing for the gas-fired combined-cycle power plants of Calenia Energia S.p.A. and Rizziconi Energia S.p.A. in Italy. The loan liability in respect of Calenia Energia S.p.A. amounts to EUR 271.9 million (previous year: EUR 279.8 million) at a variable interest rate of 1.99% (previous year: 2.47%). The loan liability in respect of Rizziconi Energia S.p.A. amounts to EUR 313.5 million (previous year: EUR 321.4 million) at a variable interest rate of 1.98% (previous year: 2.22%). The loans will be repaid by 2019 and 2023 respectively. They are largely secured by interest rate swaps.

12 Derivative financial instruments

CHF MILLIONS	REPLACEMENT VALUES	
	POSITIVE 31.03.2010	NEGATIVE 31.03.2010
ENERGY TRADING		
Standard forward contracts	3,527.5	3,352.5
Options	87.5	97.1
Swaps	242.2	230.8
Emission certificates	20.5	21.2
Total energy trading	3,877.7	3,701.6
CURRENCY AND INTEREST RATES		
Currency swaps	2.4	9.7
Interest rate swaps and options	18.1	64.4
Total currency and interest rates	20.5	74.1
Total before netting	3,898.2	3,775.7
./. Consideration of netting agreements	-2,684.0	-2,684.0
Total after netting	1,214.2	1,091.7
thereof:		
non-current derivatives	14.1	55.8
current derivatives	1,200.1	1,035.9

CHF MILLIONS	REPLACEMENT VALUES	
	POSITIVE 30.09.2009	NEGATIVE 30.09.2009
ENERGY TRADING		
Standard forward contracts	3,790.4	3,501.4
Options	226.1	327.1
Swaps	288.1	272.5
Emission certificates	79.3	71.3
Total energy trading	4,383.9	4,172.3
CURRENCY AND INTEREST RATES		
Currency swaps	6.0	5.5
Interest rate swaps and options	4.3	56.3
Total currency and interest rates	10.3	61.8
Total before netting	4,394.2	4,234.1
./.. Consideration of netting agreements	-2,803.2	-2,803.2
Total after netting	1,591.0	1,430.9
thereof:		
non-current derivatives	6.9	48.4
current derivatives	1,584.1	1,382.5

Gains and losses on derivatives which qualify as hedges of future cash flows have been recognised directly in equity, in accordance with IAS 39 hedge accounting. They will be recognised in the income statement over the next 1 to 8 years.

13

Financial liabilities (current)

CHF MILLIONS	31.03.2010	30.09.2009
To third parties	89.5	96.8
To related parties	220.0	220.0
To partner plants and other associates	34.3	3.0
Total	343.8	319.8

Current financial liabilities to related parties include a loan from Axpo Holding AG amounting to CHF 220.0 million, which is subject to a fixed interest rate of 1.2%. In the reporting period the EGL Group repaid loans from third parties of EUR 13.5 million related to the construction of the gas-fired combined-cycle power plants in Italy.

14

Provisions

CHF MILLIONS	DECOMMISSIONING POWER PLANTS	PROVISIONS CONSTRUCTION OF POWER PLANTS	OTHER PROVISIONS	TOTAL
Balance at 1 October 2009	11.8	6.6	42.9	61.3
Allocation	0.2	-	4.2	4.4
Release	-	-	-8.8	-8.8
Usage	-	-	-5.8	-5.8
Reclassification	-	-6.6	-	-6.6
Effect from currency translation differences	-0.6	-	-0.3	-0.9
Balance at 31 March 2010	11.4	-	32.2	43.6
Current portion of provisions	-	-	18.8	18.8
Non-current portion of provisions	11.4	-	13.4	24.8
Total	11.4	-	32.2	43.6
EXPECTED OUTFLOW OF FUNDS				
Within 1 year	-	-	18.8	18.8
Between 1 and 5 years	-	-	13.3	13.3
In more than 5 years	11.4	-	0.1	11.5
Total	11.4	-	32.2	43.6

In connection with the commissioning of the gas-fired combined-cycle power plants of Calenia Energia S.p.A. and Rizziconi Energia S.p.A, provisions were allocated for the dismantling of the operating facilities.

For the obligation towards the province of Reggio Calabria in connection with the construction of the gas-fired combined-cycle power plant of Rizziconi Energia S.p.A., a contractual agreement was reached in the current reporting period. The provision was therefore reclassified as a liability.

Other provisions: Due to the failure to sell the Energy Plus gas-fired combined-cycle power plant project and the relating termination costs for contracts already concluded and the associated penalties, provisions were increased by CHF 4.2 million in the reporting period. Of the provisions related to onerous contracts for gas supply, CHF 5.0 million was used and CHF 4.1 million was released due to new market developments. In addition, a provision has been allocated for a de facto obligation to transfer a sub-participation in 2011.

15

Segment information

The EGL Group's activities are divided into three operating divisions. An operating division is a Group business unit in which revenues are generated and expenses incurred. These operating divisions constitute reportable segments:

Energy Trading & Origination (ET & O). The ET & O segment comprises the trading hubs Central and Eastern Europe, Northern Europe, Iberia, Italy and the UK as well as parts of the Swiss business. These units are active in the fields of energy trading, the development of structured services related to energy trading and portfolio management, cross-border trading, cross-commodity trading, power plant production optimisation, and origination. Trading is conducted in physical as well as financial products. The energy-related traded commodities include electricity, natural gas, oil, coal and emission certificates.

Assets. Assets covers the planning, construction, operation, maintenance and long-term economic optimisation of assets. EGL's assets portfolio comprises power plants, long-term contracts and transport installations in Switzerland and abroad.

Gas Supply & Southeast Europe (GS & SEE). The long-term natural gas business (with a time horizon of more than three years) covers procurement, import, transport and storage, wholesaling, sales to bulk customers as well as the centre of competence for Liquefied Natural Gas (LNG). EGL primarily procures natural gas directly from producers and uses it to supply its own gas-fired combined-cycle power plants as well as for short-term trading transactions or long-term sales to customers. This segment also includes electricity and gas trading activities in the illiquid markets of Southeast Europe (SEE), including wholesale trading and cross-border trading in electricity.

These three divisions, defined by the Board of Directors, provide the basis for the company's organisational and reporting structure. The CEO is responsible for the operating management of the EGL Group. He is supported in this task by the other members of the Executive Board. The earnings capability of each operating division is regularly reviewed by the responsible corporate body on the basis of separate financial information.

The operating result serves as the indicator for each division's long-term earnings capability. While the operating result in segment reporting contains the results of partner plants and changes in the market valuation of receivables from the federal fund for nuclear power plants, these items are accounted for below EBIT in the consolidated Group income statement. The reconciliation to EBIT therefore contains a correction of these items.

Property, plant and equipment, intangible assets and investments are allocated to the segments and to Management Support. Associated project companies and investments not held for operating purposes, as well as property, plant and equipment and intangible assets under construction are not allocated to any specific division.

Consolidation effects as well as Management Support are disclosed under the column "Other/Consolidation".

CHF MILLIONS	OCTOBER - MARCH 2009/10					OCTOBER - MARCH 2008/09				
	ET & O	ASSETS	GS & SEE	OTHER/ CONSOLI- DATION	GROUP	ET & O	ASSETS	GS & SEE	OTHER/ CONSOLI- DATION	GROUP
SEGMENT INCOME STATEMENT										
External sales	1,433.4	83.5	28.8	-	1,545.7	1,859.7	115.5	67.4	-	2,042.6
Internal sales	505.9	680.7	89.7	-1,276.3	-	710.8	950.5	16.3	-1,677.6	-
Net sales	1,939.3	764.2	118.5	-1,276.3	1,545.7	2,570.5	1,066.0	83.7	-1,677.6	2,042.6
Operating result	208.3	-25.3	-19.3	-3.9	159.8	152.4	72.2	-21.7	-0.7	202.2
Reconciliation					-5.3					-8.9
Earnings before interest and tax (EBIT)					154.5					193.3
Share of profit of associates					-9.3					-3.8
Financial result					-53.6					-43.2
Earnings before tax (EBT)					91.6					146.3

CHF MILLIONS	31.03.2010					30.09.2009				
	ET & O	ASSETS	GS & SEE	OTHER/ CONSOLI- DATION	GROUP	ET & O	ASSETS	GS & SEE	OTHER/ CONSOLI- DATION	GROUP
SEGMENT BALANCE SHEET										
Non-current segment assets	117.2	1,696.8	5.1	27.4	1,846.5	116.0	1,644.3	3.0	30.8	1,794.1
Segment assets	6,992.4	2,002.5	38.7	-3,808.8	5,224.8	8,443.4	1,979.6	42.7	-5,192.3	5,273.4
Other non-current assets					241.4					350.2
Other non-current financial assets					310.5					293.9
Deferred tax assets					26.7					29.1
Other non-current assets					572.3					841.8
Total assets					6,375.7					6,788.4

16

Changes in the group of consolidated companies

	REMARKS	INVESTMENT RATIO
FULLY CONSOLIDATED COMPANIES		
EGL Wind Cantabria S.L.	Sale	52.0%
Elektrizitäts-Gesellschaft Laufenburg Austria GmbH	Merger	-
OTHER EQUITY ACCOUNTED INVESTMENTS		
Agroenergética de Pinzón S.L.	Capital increase	39.7%
NorGer KS	Capital increase	33.3%
Trans Adriatic Pipeline AG	Capital increase	50.0%
Wetfeet Offshore Windenergy GmbH	Purchase	24.1%

In the first half-year of 2009/10, Elektrizitäts-Gesellschaft Laufenburg Austria GmbH was merged with EGL AG. Further 48% of the shares in the project company EGL Wind Cantabria S.L. were sold. This transaction had no material impact on the EGL Group's interim financial statements.

Capital increases were carried out for Trans Adriatic Pipeline AG, NorGer KS and Agroenergética de Pinzón S.L., all of which are accounted for using the equity method. The capital increase for Agroenergética de Pinzón S.L. took the form of a debt-equity swap. Since the EGL Group injected more capital than was required in relation to its share, its stake in the company has increased.

In December 2009, EGL Renewable Luxembourg AG acquired a 24.1% stake in Wetfeet Offshore Windenergy GmbH of Germany, which is planning to construct a wind farm off Germany's North Sea coast.

17 Contingent liabilities and future financial liabilities; legal disputes

CHF MILLIONS	31.03.2010	30.09.2009
Guarantees	543.0	554.8
Parent company guarantees	260.9	317.5
Total to third parties	803.9	872.3

In the 1998/99 and 1997/98 financial years, Albula-Landwasser Kraftwerke AG and Misoxer Kraftwerke AG concluded financial transactions to lease their facilities long-term and simultaneously lease them back (lease-and-lease-back transactions). In connection with those transactions, assurance was given to American investors that all contractual obligations arising therefrom would be guaranteed. The risk from these transactions is secured by appropriate provisions at the companies mentioned. Since the risk declines over the term of the transaction, these provisions are released on a straight-line basis.

In the 2004/05 financial year, Elektrizitäts-Gesellschaft Laufenburg Austria GmbH, which was merged with EGL AG in the reporting period (see Note 16), acquired the remaining 20% stake in EGL Italia S.p.A. The definitive purchase price was subject to arbitration proceedings which concluded with a negative outcome for the EGL Group. The EGL Group filed a claim against the arbitration to the courts in April 2008. The costs for these proceedings are reported under accrued expenses.

18 Events after the balance sheet date

EGL AG and Statoil ASA each sold 7.5% of their shares in the project company Trans Adriatic Pipeline AG, Baar, to the new shareholder E.ON Ruhrgas AG. The new partner holds 15% of the shares, and Statoil ASA and EGL AG now hold 42.5% each. The transfer of the shares took place on 20 May 2010. The transaction has no significant impact on the consolidated balance sheet or income statement of the EGL Group.

These consolidated interim financial statements were approved by the Board of Directors on 25 May 2010. No other significant events have occurred between the balance sheet date and 25 May 2010 which could have an impact on the 2009/10 consolidated interim financial statements or which require disclosure.

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Financial calendar

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Cautionary statement regarding forward-looking statements

This document may contain forward-looking statements on the business activities, development and profitability of the EGL Group. Because these statements may be subject to a number of risks, uncertainties and other important factors, actual future developments and results may differ materially from those expressed in or implied by the statements in this document. Except as required by law, EGL assumes no obligation to update these forward-looking statements.

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