Half-Year Report 2008/09

NETWORKING ENERGIES

A company of axpo

Key figures

- **Gross margin 27% higher at CHF 437.0 million**
- **Net profit incl. minority interests decreased marginally by 2% to CHF 123.1 million**
- **Equity ratio at 30.0%**
- **Negative cash flow from operating activities of CHF 250.1 million in particular due to increased hedging of trading transactions**
- **Cash and cash equivalents down to CHF 615.8 million**

		1ST HALF-YEAR 2008/09	1ST HALF-YEAR 2007/08	1ST HALF-YEAR 2006/07	1ST HALF-YEAR 2005/06	1ST HALF-YEAR 2004/05
EGL GROUP						
Gross margin	CHF MILLIONS	437.0	343.5	328.0	209.1	123.7
Change relative to previous reporting period	%	27.2	4.7	56.9	69.0	– 39.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	CHF MILLIONS	241.9	220.0	225.7	162.7	63.5
Earnings before interest and tax (EBIT)	CHF MILLIONS	193.3	198.6	209.1	150.1	54.4
Share of profit of associates	CHF MILLIONS	– 3.8	4.8	7.2	10.4	10.3
Financial result	CHF MILLIONS	– 43.2	– 38.5	6.5	– 3.1	2.4
Income tax expense	CHF MILLIONS	– 23.2	– 39.0	– 46.4	– 24.5	– 11.0
Net profit incl. minority interests	CHF MILLIONS	123.1	125.9	176.4	132.9	56.1
Cash flow from operating activities	CHF MILLIONS	– 250.1	47.0	83.9	74.7	– 63.3
Total capital per 31 March	CHF MILLIONS	6,931.3	5,597.7	5,283.1	4,381.3	2,703.3
Total equity per 31 March	CHF MILLIONS	2,081.0	1,914.3	1,835.7	1,508.4	1,279.1
Equity ratio	%	30.0	34.2	34.7	34.4	47.3
Net liquidity per 31 March	CHF MILLIONS	174.9	634.0	473.6	315.1	146.8
Average number of employees	FTE	705.0	571	436	341	271
Number of employees at balance sheet date	FTE	729.0	594	453	357	300
EGL SHARE						
Earnings (without minority interests) per share	CHF	46.67	47.81	66.26	50.04	21.25
Equity (without minority interests) per share	CHF	777.69	717.98	688.93	568.34	484.47

Good result in a difficult climate

EGL continued to successfully implement its strategy in the first half of the 2008/09 financial year. The market environment was affected by falling demand, plummeting prices and high volatility. Despite this, all strategic divisions contributed to increasing EGL's gross margin. EGL showed a net profit of CHF 123.1 million for the first six months (–2%).

EGL made progress in all areas in the first half of the 2008/09 financial year despite the impact of the financial crisis on the real economy and on energy markets. It was able to leverage opportunities in the trading business and also achieved success in the Assets Division and in its natural gas business. EGL's growth was reflected in particular in the fact that around 70 new full-time positions were created in the first six months of the current financial year.

Impact of the financial crisis

The global financial crisis affected both the energy markets and EGL's activities in the period under review. While this resulted in increased credit and market risks for energy trading, EGL's tighter protective measures proved effective. The financial crisis and the resulting economic crisis also drove down demand for energy in the real economy: a trend which EGL experienced in various trading regions. Ultimately, the financial crisis meant that the project financing needed by EGL for its asset projects was not forthcoming in the period under review.

Net profit marginally below previous year

In the first half of 2008/09, EGL increased its gross margin by 27% to CHF 437.0 million. Net profit after tax decreased by 2% to CHF 123.1 million. Cash and cash equivalents amount to CHF 615.8 million.

Negative cash flow from operating activities was CHF 250.1 million. The main reason for this was a move towards increased hedging of credit risks for energy trading in consequence of the crisis on international financial markets. In this context EGL excluded several counterparties from trading activities and concentrated on counterparties with existing standardised contracts with credit insurance requirements (Credit Support Annexes, CSA). Further trading activities were shifted to the exchanges. Credit risks (payment and replacement risk) originating from the CSA deals are reduced through daily (bilateral) cash payments. Due to the drop in energy prices in the reporting period, EGL Group was obliged to secure its trading positions with CSA trading partners and standardised exchange transactions through very high cash payments. Furthermore, the latest trading positions showed an unrealised gain as of the reporting date, which also had an impact on the cash flow statement. Net current assets were also higher due to the increase in other receivables. These effects resulted in a negative cash flow from operating activities of CHF 250.1 million for the first six months of the current financial year.

Progress in all areas

All three of EGL's strategic divisions contributed to the encouraging results. In energy trading, various trading regions recorded excellent results in classical trading and in origination. In the period under review, EGL established the foundations on which to further expand its geographical reach as an energy trader. The new trading office in the UK and an origination office in Brussels are expected to be up and running in the second half of the year.

The availability of EGL's production facilities – i.e. its power plants in Italy and shareholdings in plants in Switzerland and France – was high in the period under review. EGL's asset projects were further pursued. Commissioning work on the SE Ferrara gas-fired combined-cycle

power plant has been completed, and the plant is expected to be fully operational in early 2010. EGL will be able to start building a wind farm in the Italian province of Campania this year. With the acquisition of 51.6% of Swedish wind farm developer HS Kraft AB in February 2009, EGL also secured access to a series of wind power projects in southern Sweden.
EGL also made further progress in its move to expand the natural gas business in the first half of the 2008/09 financial year, stepping up the related procurement and sales activities. EGL also strengthened its local presence and trading activities in South East Europe. Significant progress was made in the Trans Adriatic Pipeline project – both on a technical level and on a political level in the European Union and in the transit countries.

Liberalisation of the Swiss market
EGL's activities in Switzerland were dominated by the liberalisation of the electricity market, and the company made a successful start to the first phase of liberalisation.
A definitive evaluation of the EGL transmission system in Switzerland, which is crucial for defining grid usage tariffs in the liberalised market, is still pending. EGL believes that the evaluation carried out by the government's regulatory authority ElCom was disproportionately low. A depreciation on this scale jeopardises the economic future of EGL Grid AG, owner and operator of the grid. EGL Grid has filed an appeal with the Federal Administrative Court against ElCom's evaluation in the interests of its owners and to safeguard the value of the company. If the ElCom evaluation is upheld by the Federal Administrative Court, the majority of the depreciation of the grid installations can be recognised directly in equity as a revaluation reserve.

Organisation and processes
In order to exploit new business opportunities in Europe's changing electricity and gas markets and to develop more growth potential, EGL reorganised its trading activities at the start of the 2008/09 financial year. All trading activities within EGL's multi-commodity portfolio in Europe's liquid energy markets are now carried out by the Energy Trading & Origination Division.
The growth experienced by EGL in recent years has proved a major challenge for the company's IT systems. In the first half of 2008/09, EGL drew up the blueprint for a new IT strategy which is closely aligned to its business model and is intended to ensure that the IT systems can cope with the demanding requirements of a European trading house like EGL.

Changes in Executive Management
In December 2008, the Executive Board elected Markus Brokhof to the company's Executive Management and appointed him Head of Gas Supply & SEE. Markus Brokhof has been serving in both functions ad interim since June 2008.
The previous EGL Head of Trading, Harald von Heyden, decided to return to his former role as Head of EGL Nordic on 31 March 2009 for family reasons. As of 1 April 2009, Domenico De Luca is now responsible for EGL's trading activities as Head of Energy Trading & Origination. Prior to this he was head of EGL Italia for two years.

Share performance
At the beginning of the 2008/09 financial year, EGL shares stood at the six-month high of CHF 1,250. At the end of March 2009 they were listed at CHF 920, resulting in a negative share performance of – 26.4% in the first half-year or a negative total return (taking account of dividends) of – 25.0%. Over the same period, the Swiss Performance Index SPI showed a negative performance of – 25.6%. Compared to 31 March 2008, equity per share (excluding minority interests) rose from CHF 717.98 to CHF 777.69 (+ 8.3%). Earnings per share decreased from CHF 47.81 (previous year) to CHF 46.67 (– 2.4%).

HEINZ KARRER
Chairman of the Board of Directors

HANS SCHULZ
CEO

Respectable trading result

While the financial and economic crisis has left its mark on the European energy markets, the Energy Trading & Origination Division achieved a respectable result in this difficult climate.

EGL continued to pursue a consistent strategy for the Energy Trading & Origination Division in the first half of 2008/09, and was able to perform successfully through its regional trading centres even in the current difficult economic climate.

Operating effectively in volatile markets

EGL's focus in Central Europe was on expanding origination activities. These included preparations for the foundation of an origination office in Brussels which, from the third quarter of 2009, will be the base for origination activities in Benelux countries. Further growth in cross-commodity trading is another declared objective for the Central Europe trading region.

In the Iberian market, EGL reported excellent results and sustained growth in energy trading as well as in origination. The ability to correctly anticipate market and price changes contributed to the positive trading result, as did the increasingly liquid nature of this market. New customers were acquired in the area of origination. The installed capacity managed by EGL for customers in Iberia increased to more than 5,400 MW.

Scandinavian markets were subject to exceptionally high volatility in the first quarter. Trading prices fell by around 60%, but the market remained liquid and a high number of transactions were concluded. A challenging first quarter was followed by a strong second quarter in which results exceeded expectations. EGL also performed successfully in Scandinavia in the area of origination. New customers were acquired and new contracts concluded, enabling it to position itself as a solid partner with innovative solutions in a time of economic uncertainty.

Liberalisation of the Swiss market

The opening of the Swiss electricity market on 1 January 2009 meant that customers with an annual consumption of more than 100 MWh were now free to choose their supplier, and a market for ancillary services was created. EGL has been able to maintain almost all of its supply relationships with customers in Switzerland since 1 January 2009, and EGL's self-regulating power plants have continued to make an important contribution to grid stability in Switzerland.

Business with and in Italy: good results in a challenging climate

Plummeting energy prices in the first quarter posed a major challenge for cross-border trading with Italy. Nevertheless, EGL was able to successfully adapt its trading strategy to the new framework and to achieve favourable results in short-term cross-border trading. The effects of the so-called "decreto anticrisi" remain to be seen, as the Italian government is still working out the details.

As elsewhere, consumption declined in the local Italian energy markets in the first half of 2008/09 as a result of production cutbacks by industrial companies. This situation impacted EGL's retail business in the region, particularly in the large customer segment. The increasingly good results generated by trading and the sale of structured products compensated for the reduction in volume in the retail business. Optimised use of the Calenia Energia and Rizziconi Energia power plants also contributed to positive business performance in Italy.

New subsidiaries in the UK

In order to further strengthen its position as a pan-European energy trading company, EGL is expanding its trading activities in the UK. In the period under review it established two subsidiaries in London: EGL UK and EGL UK Trading. Initially the companies will focus purely on energy trading, but later will offer origination services as well.

Progress in asset projects

The EGL power plant park achieved high availability and good output in the first half-year. The Assets Division also continued to develop the company's asset projects and successfully entered the first phase of electricity market liberalisation in Switzerland.

For a new plant, the Rizziconi Energia gas-fired combined-cycle power plant started up by EGL in July 2008 proved to be extremely reliable in the first half-year of 2008/09. The newest plant in the EGL asset portfolio showed high availability and lived up to expectations.
The availability of the second EGL gas-fired combined-cycle power plant in Italy in the first half-year was also in line with expectations. Calenia Energia, which has been in operation since June 2007, produced reliable output and participated in the Italian control energy market.
The unfavourable economic situation in the period under review had a damping effect on electricity consumption in Italy, resulting in comparatively low operating hours for both of EGL's gas-fired combined-cycle power plants.

Asset projects on course

Commissioning work on the SE Ferrara gas-fired combined-cycle power plant, in which EGL has a 49% stake, has been completed. Commercial operation of the entire plant will not be possible until measures have been implemented for recycling the synthesis gas that accumulates at the site. This is expected to happen at the beginning of 2010.
Further progress was made in the preparations for construction of the Energy Plus power plant in Salerno. The project, including financing, is expected to be given the go-ahead some time this year.
Planning for the 66-MW EGL wind farm in Campania is progressing well. The EGL project company WinBis will start construction this year, and the wind farm is scheduled to go into operation in 2010.
EGL made further preparations for other asset projects such as the La Zarza gas-fired combined-cycle power plant and the Agroenergética de Pinzón biomass plant in Spain. With regard to the planned NorGer submarine power cable between Norway and Germany, an application for exemption from the use of auction proceeds was submitted to the authorities in both countries. Approval of these applications is one of the criteria for an investment decision, which is likely to be made in 2010 at the earliest. Commissioning of the cable, which will have a capacity of 1,400 MW, would then be possible in 2014.

Liberalisation of the Swiss market

In the first half of 2008/09, the Assets Division made intensive preparations ahead of the liberalisation of the Swiss market on 1 January 2009. Technical modifications were made and systems and processes were adjusted at power plants and in the grids.
These focussed preparations for market liberalisation paid off for EGL, and the changeover on 1 January 2009 went without a hitch. Since then, EGL's partner plants have been participating in the Swiss market for ancillary services and providing control capacities for the Swiss grid operator swissgrid.
A definitive evaluation of the EGL transmission system in Switzerland, which is crucial for defining grid usage tariffs in the liberalised market, is still pending. EGL believes that the evaluation carried out by the government's regulatory authority ElCom was disproportionately low. EGL Grid AG, a subsidiary of EGL AG and owner of the grid installations, has filed an appeal with the Federal Administrative Court against this evaluation.

Further expansion of the natural gas business

EGL has further expanded its procurement and sales activities in the natural gas business, and also strengthened its regional presence in South East Europe.

EGL's natural gas business recorded further growth in the first half of 2008/09. The Gas Supply & SEE Division expanded the natural gas procurement portfolio and was also able to intensify sales activities, in addition to supplying its own Calenia Energia and Rizziconi Energia gas-fired combined-cycle power plants in Italy. The positive development of the division is also reflected in the new jobs that have been created. The main purpose of the extra staff is to drive the further diversification of the procurement portfolio.

Natural gas portfolio expanded

In the period under review, EGL continued to position itself successfully as a key player in the natural gas midstream business by strengthening its relationships with producers and wholesalers of natural gas. EGL stepped up efforts to expand its long-term procurement portfolio by signing additional supply contracts with producers with a view to supporting its regional and European trading activities. It is also focussing on the secure transportation of natural gas to the relevant markets.

In early 2008 EGL concluded a long-term procurement contract for natural gas with the National Iranian Gas Export Company (NIGEC), the details of which were agreed during the period under review. In December 2008 the two companies signed operating agreements covering the operational implementation of the contract. In the period under review, progress was made on the arrangements for transporting this natural gas through Turkey. A positive decision on this matter is a prerequisite for the planned preliminary supplies to South East Europe.

In the logistics area, the Gas Supply & SEE Division was able to conclude a long-term contract with a storage operator in Germany. This storage capacity will be the basis for creating a sales channel in the German market.

Further steps in the LNG business

EGL is further pursuing its activities in the Liquefied Natural Gas (LNG) business. This will support diversification as well as increase the flexibility of EGL's procurement portfolio, and will potentially create future synergies in the Trans Adriatic Pipeline (TAP) corridor. In the period under review, more quantities of the LNG sourced by EGL were delivered to Spain. The regasified LNG was distributed to wholesalers by EGL España. At the same time, EGL also negotiated with LNG producers with regard to the supply of LNG on a medium- to long-term basis. Various agreements were concluded governing the procurement of LNG for the spot market.

Additional trading activities in South East Europe

The economic crisis has led to a substantial decline in electricity consumption in South East Europe, where the Gas Supply & SEE Division oversees EGL's electricity trading. However, EGL has managed to continue expanding its trading activities in the region, mainly in the area of cross-border trading. It has expanded and optimised its own portfolios in various countries throughout South East Europe. EGL established a new energy trading department in Bulgaria and made additional reinforcements to its subsidiary in Serbia, where it consolidates its activities on the main transit routes throughout South East Europe. In the period under review, preparations were also made to enable EGL to operate in future in the Macedonian energy market through a subsidiary in Skopje. As well as pursuing the sustainable and geographic expansion of trading operations in South East Europe, EGL also stepped up market monitoring and analysis activities in the region. This will benefit the company both in terms of short-term trading and the long-term implementation of its strategy for South East Europe.

Progress in the TAP project

The Trans Adriatic Pipeline project is making rapid progress. The activities are all bundled within TAP AG, in which EGL has a 50% stake. Based in Baar (Switzerland), the project team comprises around 50 employees from 16 different countries and draws on resources from various technical consultancies. The project is currently in the detailed planning stage. An investigation into the offshore route for the TAP via the Adriatic was successfully completed in January/February 2009. Various approval processes are currently underway in the individual transit countries. In Tirana, for example, an international agreement between Italy and Albania was signed on 10 March 2009. And in Greece, TAP AG submitted applications concerning pipe construction and transmission rights. The TAP project is supported by the European Union as part of the “fourth corridor” supplying gas to Europe, and is classified as a “project of common interest”.

Gross margin higher despite difficult market conditions

In the first half of 2008/09, the EGL Group increased its gross margin by 27% to CHF 437.0 million compared to the previous half-year and achieved a net profit of CHF 123.1 million (– 2%).

The first half of the 2008/09 financial year was characterised by an extremely challenging environment and volatile markets. In this climate, EGL achieved a gross margin of CHF 437.0 million (+ 27%). This includes income of CHF 163.2 million (– 9%) from energy derivatives trading.

The growth of the EGL Group is reflected, among other things, in the 23% rise in average headcount to 705 full-time equivalents, which increased personnel expenses to CHF 68.1 million (+ 18%). Other operating expenses rose to CHF 130.8 million (+ 90%), due primarily to IT and consulting services amounting to CHF 27.3 million as well as regular maintenance and repair work on the Calenia Energia and Rizziconi Energia gas-fired combined-cycle power plants totalling CHF 23.2 million. Depreciation and amortisation of CHF 48.6 million (+ 127%) mainly concerned the depreciation of CHF 23.5 million 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 Group EBIT to CHF 193.3 million (– 3%). Share of profit from associates amounted to CHF – 3.8 million (– 179%). This is largely due to the delay in starting up commercial operations and the commissioning of the SE Ferrara gas-fired combined-cycle power plant.

Net profit marginally below previous year

The financial result of the EGL Group dropped by CHF 4.7 million compared with the first six months 2007/08 and amounts to CHF – 43.2 million as at 31 March 2009. This lower financial result was mainly due to the interest expense of CHF 31.7 million for Calenia Energia and Rizziconi Energia, as well as negative currency effects amounting to CHF 35.2 million as a result of the weak Euro. This reduced EBT by 11% to CHF 146.3 million compared with the first six months 2007/08.

The current earnings situation led to a consolidated income tax expense of CHF 23.2 million (previous reporting period: CHF 39.0 million). Consequently, net profit after tax for the first half of 2008/09 is CHF 123.1 million (– 2%).

Volatile market environment reflected in fluctuating replacement values

EGL's total assets decreased slightly to CHF 6,931.3 million (– 3%) compared to the previous year. Current assets declined to CHF 4,463.8 million (– 5%), due mainly to lower positive replacement values of CHF 1,606.1 million (– 21%). On the liabilities side, negative replacement values also fell to CHF 1,392.6 million (– 30%).

Negative cash flow from operating activities

The EGL Group recorded CHF – 250.1 million in cash flow from operating activities, down CHF 297.1 million compared with the same period in 2007/08 (CHF 47.0 million).

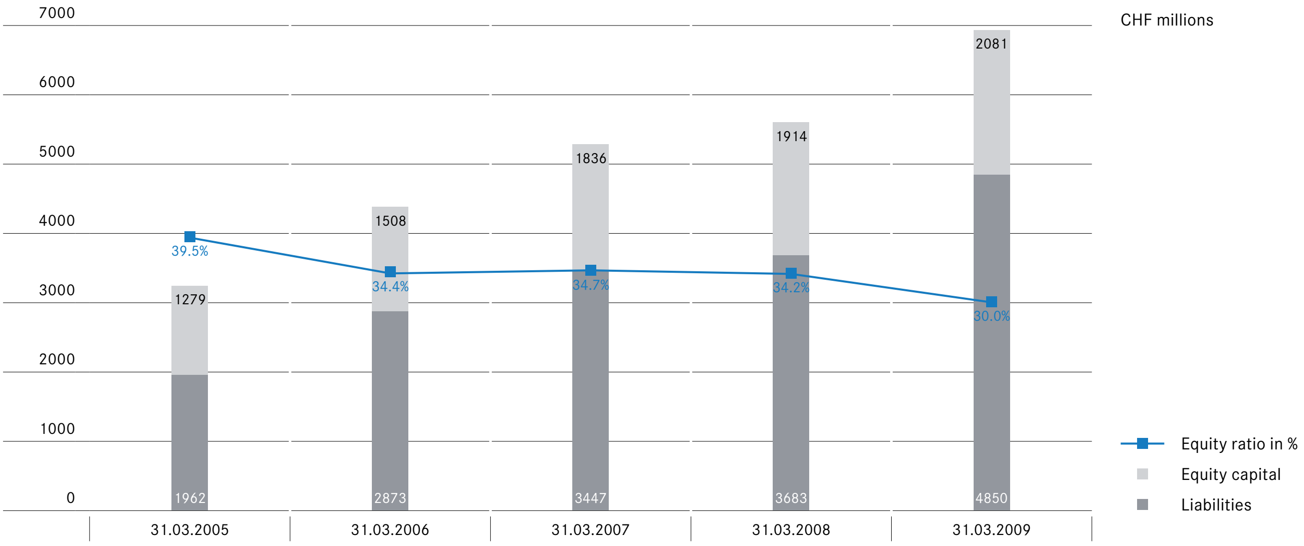
The crisis on international financial markets led to a move towards increased hedging of credit risks for energy trading. In this context EGL excluded several counterparties from trading activities and concentrated on counterparties with existing standardised contracts with credit insurance requirements (Credit Support Annexes, CSA). Further trading activities were shifted to the exchanges. These credit risks (payment and replacement risk) originating from the CSA deals are reduced through daily

(bilateral) cash payments. Due to the drop in energy prices in the reporting period, EGL Group was obliged to secure its trading positions with CSA trading partners and standardised exchange transactions through very high cash payments. Furthermore, the latest trading positions showed an unrealised gain as of the reporting date, which also had an impact on the cash flow statement. Net current assets were also higher due to the increase in other receivables. These effects resulted in a cash flow from operating activities of CHF – 250.1 million for the first six months of the current financial year.
Cash flow was refinanced by Axpo Holding AG.
Cash outflow from investing activities amounted to CHF – 70.0 million in the reporting period (previous reporting period: CHF – 110.5 million). Cash inflow from financing activities increased to CHF 169.9 million (previous reporting period: CHF 6.2 million). Free cash flow amounts to CHF – 330.9 million (previous reporting period: CHF – 57.9 million).
As at 31 March 2009, cash and cash equivalents amounted to CHF 615.8 million, which imply a reduction of CHF 170.7 million since the start of the financial year.

Equity ratio at 30%

Since 30 September 2008, equity including minority interests has dipped from CHF 2,110.1 million to CHF 2,081.0 million (– 1.4%). This is due in particular to the negative currency effects of CHF 57.1 million recognised in equity, as well as the reduction of CHF 55.9 million in reserves from hedge accounting. At 30.0%, the equity ratio is at a solid level.

Equity ratio development



Consolidated income statement

CHF MILLIONS	NOTES	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Net sales	3	**2,042.6**	**2,568.7**
Own work capitalised		3.6	3.4
Other operating income		7.0	8.3
Revenues		**2,053.2**	**2,580.4**
Energy procurement and cost of goods	4	– 1,605.6	– 2,225.2
Material and third party supplies		– 6.8	– 8.7
Personnel expenses		– 68.1	– 57.7
Other operating expenses	5	– 130.8	– 68.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**241.9**	**220.0**
Depreciation and amortisation		– 48.6	– 21.4
Earnings before interest and tax (EBIT)		**193.3**	**198.6**
Share of profit of associates		**– 3.8**	**4.8**
Financial income	6	402.3	198.3
Financial expense	6	– 445.5	– 236.8
Financial result	6	**– 43.2**	**– 38.5**
Earnings before tax (EBT)		**146.3**	**164.9**
Income tax expense	7	– 23.2	– 39.0
Profit for the period		**123.1**	**125.9**
Attributable to:			
EGL shareholders		**123.2**	**126.2**
Minority interests		**– 0.1**	**– 0.3**

	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
EARNINGS PER SHARE		
Average number of issued bearer shares at a nominal value of CHF 50.00 each	2,640,000	2,639,614
Net profit in CHF millions	123.2	126.2
Earnings per share in CHF	**46.67**	**47.81**

Undiluted earnings per share are determined 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 balance sheet

CHF MILLIONS	NOTES	31.03.2009	30.09.2008
ASSETS			
Property, plant and equipment	8	1,515.1	1,580.5
Intangible assets		154.3	133.8
Investments in associates and partner plants		495.7	486.1
Other financial assets		284.0	281.8
Deferred tax assets		18.4	3.4
Total non-current assets		**2,467.5**	**2,485.6**
Inventories		82.4	119.6
Trade receivables		799.3	751.8
Financial receivables		14.5	7.3
Current tax assets		30.3	24.6
Other receivables	9	1,265.4	915.9
Derivatives (positive replacement value)	13	1,606.1	2,039.6
Securities		50.0	49.2
Cash and cash equivalents	10	615.8	786.5
Total current assets		**4,463.8**	**4,694.5**
Total assets		**6,931.3**	**7,180.1**
EQUITY AND LIABILITIES			
Share capital		132.0	132.0
Retained earnings		1,921.1	1,957.7
Total equity attributable to the equity holders of the parent	11	**2,053.1**	**2,089.7**
Minority interests		27.9	20.4
Total equity		**2,081.0**	**2,110.1**
Financial liabilities	12	1,201.3	1,278.4
Other liabilities		54.6	53.9
Deferred tax liabilities		68.2	112.7
Provisions	15	51.7	41.5
Total non-current liabilities		**1,375.8**	**1,486.5**
Trade payables		665.1	611.2
Financial liabilities	14	490.9	209.2
Current tax liabilities		79.7	53.0
Other liabilities		822.3	710.9
Derivatives (negative replacement value)	13	1,392.6	1,981.4
Provisions	15	23.9	17.8
Total current liabilities		**3,474.5**	**3,583.5**
Total liabilities		**4,850.3**	**5,070.0**
Total equity and liabilities		**6,931.3**	**7,180.1**

Consolidated statement of changes in equity

CHF MILLIONS	SHARE CAPITAL	REVALUATION RESERVE[1]	AFS REVALUATION RESERVE	RESERVE FROM HEDGE ACCOUNTING	ACCUMULATED FOREIGN CURRENCY DIFFERENCES	OTHER RESERVES	TREASURY SHARES	RETAINED RESERVES	TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	MINORITY INTERESTS	TOTAL EQUITY
Equity at 1 October 2007	**132.0**	**229.2**	**1.5**	**29.9**	**60.2**	**1,452.8**	**– 0.3**	**1,773.3**	**1,905.3**	**23.0**	**1,928.3**
Changes from securities and other financial assets			0.5					0.5	0.5		0.5
Changes hedge accounting				– 20.6				– 20.6	– 20.6	– 1.6	– 22.2
Deferred taxes on IAS 39 values			– 0.1	8.2				8.1	8.1	0.6	8.7
Effects from currency translation differences					– 57.6			– 57.6	– 57.6	– 0.3	– 57.9
Total recognised income and expenses for the period	**–**	**–**	**0.4**	**– 12.4**	**– 57.6**	**–**	**–**	**– 69.6**	**– 69.6**	**– 1.3**	**– 70.9**
Profit for the period						126.2		126.2	126.2	– 0.3	125.9
Total profit for the period	**–**	**–**	**0.4**	**– 12.4**	**– 57.6**	**126.2**	**–**	**56.6**	**56.6**	**– 1.6**	**55.0**
Dividend						– 47.5		– 47.5	– 47.5	– 3.2	– 50.7
Transactions with minorities						– 19.2		– 19.2	– 19.2	0.9	– 18.3
Equity at 31 March 2008	**132.0**	**229.2**	**1.9**	**17.5**	**2.6**	**1,512.3**	**– 0.3**	**1,763.2**	**1,895.2**	**19.1**	**1,914.3**
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 from securities and other financial assets			0.8					0.8	0.8		0.8
Changes hedge accounting				– 83.5				– 83.5	– 83.5	– 6.2	– 89.7
Deferred taxes on IAS 39 values			– 0.1	27.6				27.5	27.5	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 profit 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**

[1] See Note 8 Property, plant and equipment “grid”

The non-distributable portion of reserves under Swiss Law amounts to CHF 73.2 million.

Consolidated cash flow statement

CHF MILLIONS	NOTES	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Earnings before tax (EBT)		**146.3**	**164.9**
Interest, other financial income/expense, dividends, capitalised borrowing costs		19.4	9.2
Profit from disposal of tangible assets		1.4	0.1
Adjustment of non-cash expenses and income:			
Depreciation and amortisation		48.6	21.4
Share of profit of associates		3.8	– 4.8
Change in provisions (excl. interest, net)	15	24.5	1.9
Unrealised result derivatives		– 251.3	– 61.5
Other non-cash items		20.5	12.0
Change in inventories		35.5	2.4
Change in trade receivables		– 87.7	– 73.9
Change in other receivables		– 380.2	105.3
Change in trade payables		63.8	– 7.7
Change in other liabilities (current)		137.2	– 45.9
Change in derivatives		0.5	– 2.5
Usage of provisions	15	– 3.9	– 3.2
Income taxes paid		– 28.5	– 70.7
Cash flow from operating activities		**– 250.1**	**47.0**
Property, plant and equipment:			
Acquisitions (excl. capitalised borrowing costs and dismantling costs)		– 24.9	– 56.7
Disposals		0.1	0.1
Intangible assets:			
Investments (excl. goodwill)		– 18.7	– 3.2
Investments in subsidiaries, net of cash acquired		– 14.1	– 0.3
Investments in associates:			
Acquisitions		– 22.2	– 16.9
Other financial assets and investment properties			
Acquisitions		– 14.8	– 39.5
Income taxes paid on sale of financial assets		–	– 26.3
Change in securities (current)		–	9.5
Change in current financial assets		– 7.5	– 2.0
Dividends received		5.2	6.6
Interest received		26.9	18.2
Cash flow from investing activities		**– 70.0**	**– 110.5**

CHF MILLIONS	NOTES	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Proceeds from long-term borrowings		–	102.8
Repayments of long-term borrowings		– 37.1	– 0.1
Change in other liabilities (non-current)		– 1.6	21.0
Change in financial liabilities (current)		292.9	3.2
Change in minority interests		13.5	– 18.3
Dividends paid		– 47.5	– 50.7
Interest paid		– 50.3	– 51.7
Cash flow from financing activities		**169.9**	**6.2**
Foreign exchange differences		– 20.5	– 15.4
Change in cash and cash equivalents		– 170.7	– 72.7
Cash and cash equivalents at the beginning of the reporting period	10	786.5	683.8
Cash and cash equivalents at the end of the reporting period	10	**615.8**	**611.1**
FREE CASH FLOW			
Cash flow from operating activities		**– 250.1**	**47.0**
Net investment in property, plant and equipment		– 24.8	– 56.6
Net investment in intangible assets		– 18.7	– 3.2
Investments in subsidiaries, net of cash acquired		– 14.1	– 0.3
Investments in associates		– 22.2	– 16.9
(Investments in) divestments of other financial assets (excl. financial loans)		– 1.0	– 27.9
Free cash flow (drain)		**– 330.9**	**– 57.9**

EGL has aggregated credit facilities of CHF 1,340.3 million available from banks and financial institutions (30 September 2008: CHF 1,180.6 million). As of 31 March 2009, CHF 536.8 million of this amount was used for guarantees (30 September 2008: CHF 515.8 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 the majority of the shares in EGL AG. EGL operates trading and sales companies in Albania, Austria, Belgium, Bulgaria, the Czech Republic, Germany, Greece, Hungary, Italy, Norway, Poland, Romania, Serbia, Slovakia, Spain, Sweden, Turkey and the United Kingdom. In addition, EGL has investments in power plants in Switzerland and long-term procurement agreements with power plants in France. The Group is also expanding its production portfolio with gas-fired combined-cycle power plants in Italy, and is developing 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 as of 31 March 2009 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 2007/08 annual financial statements (pages 33 – 40), with the exception of the explanations outlined below.
Changes in the group of consolidated companies are listed under Note 17.

Significant changes to the accounting and valuation principles. The EGL Group has adopted the following new and revised standards and interpretations for the first time for the 2008/09 financial year:

IAS 39 and IFRS 7 revised “Disclosures relating to the Reclassification of Financial Assets”
IFRIC 12 “Service Concession Agreements”
IFRIC 13 “Customer Loyalty Programmes”
IFRIC 14 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”
IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”

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

In addition, from 1 July 2009 the EGL Group will adopt the IFRIC 18 “Transfers of Assets from Customers” for new household connection fees which the Group receives on or after this date. The EGL Group is currently reviewing the potential impact of the application of this interpretation. Based on current analysis, the EGL Group expects no significant impact on the consolidated balance sheet and income statement.

Foreign currency exchange rates:

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

		PERIOD-END EXCHANGE RATE IN BALANCE SHEET		AVERAGE RATES IN INCOME STATEMENT	
CURRENCY	UNIT	31.03.2009	30.09.2008	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
ALL	100	1.1780	1.2960	1.2290	1.3580
BGN	100	77.4700	80.6500	77.3950	83.4790
CSD	100	1.6050	2.0760	1.7110	2.0480
CZK	100	5.5300	6.4000	5.7440	6.2410
EUR	1	1.5152	1.5774	1.5117	1.6307
GBP	1	1.6279	–	1.7369	–
HUF	100	0.4900	0.6500	0.5470	0.6390
NOK	100	17.0400	18.9300	16.9060	20.6160
PLZ	100	32.3200	46.4400	37.1870	45.1730
RON	100	35.7500	42.1600	37.7930	46.0060
SEK	100	13.8500	16.1100	14.3120	17.4680
SKK[1]	100	–	5.2060	–	4.9190
TRY	100	68.2200	86.9800	72.5030	92.8840

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

03 Net sales

CHF MILLIONS	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Net sales from energy business	1,866.1	2,385.5
Income from energy derivatives trading	163.2	179.3
Other net sales	13.3	3.9
Total	**2,042.6**	**2,568.7**

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 total mentioned above since they are netted against any similarly ceded energy procurement. They amount to CHF 145.4 million (previous reporting period: CHF 139.2 million; see Note 4).

04 Energy procurement and cost of goods

CHF MILLIONS	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Energy procurement from third parties	– 1,478.2	– 2,096.8
Energy procurement from partner plants	– 117.5	– 105.6
Energy procurement from related parties	– 9.9	– 22.8
Total	**– 1,605.6**	**– 2,225.2**

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 145.4 million (previous reporting period: CHF 139.2 million; see Note 3).

05 Other operating expenses

The increase in other operating expenses is attributable on the one hand to the commissioning of the gas-fired combined-cycle power plant of Rizziconi Energia S.p.A. in Italy. The maintenance and repair work carried out as planned on the two gas-fired combined-cycle power plants of Calenia Energia S.p.A. and Rizziconi Energia S.p.A. amounted to CHF 23.2 million in the reporting period. Provisions for the project company WinBis S.p.A. were also recognised in this position (see Note 15). Further IT and consulting services totalling CHF 27.3 million are also included.

06 Financial income and expense

CHF MILLIONS	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Interest income	24.0	19.1
Dividend income	0.7	1.2
Exchange rate gains	354.7	151.7
Other financial income	22.9	26.3
Total financial income	**402.3**	**198.3**
Interest expense	– 43.6	– 29.3
Exchange rate losses	– 389.7	– 189.1
Other financial expense	– 12.2	– 18.4
Total financial expense	**– 445.5**	**– 236.8**
Total financial result	**– 43.2**	**– 38.5**

The financial result includes realised and unrealised exchange rate gains and losses as well as realised and unrealised gains and losses on other derivatives.

07 Income tax expense

CHF MILLIONS	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Current income taxes	– 50.7	– 34.0
Deferred income taxes	27.5	– 5.0
Total income tax expense	**– 23.2**	**– 39.0**

Current income taxes consist of taxes paid or due on the results of the individual companies for the reporting period in accordance with local regulations, as well as charges and credits from previous periods. The change in income taxes results from the different profits posted by the Group companies compared with the previous reporting period and the different tax rates applicable.

08 Property, plant and equipment

Investments in equipment amount to CHF 1.4 million (first half-year 2007/08: CHF 1.3 million) and in assets under construction to CHF 22.0 million (first half-year 2007/08: CHF 68.5 million). Additions to assets under construction in the reporting period mainly concern gas-fired combined-cycle power plants and power plant projects in Italy as well as investments in grid installations in Switzerland. Property, plant and equipment fell from CHF 1,580.5 million to CHF 1,515.1 million due to exchange rate effects and higher depreciation compared with the previous reporting period as a result of the commissioning of the Rizziconi Energia S.p.A gas-fired combined-cycle power plant.

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

On 6 March 2009 the Electricity Commission (ElCom) issued a decree concerning costs and tariffs for level 1 grid usage and ancillary services. In its decree, ElCom applies a value of around CHF 100 million to the transmission grid installations of EGL Grid AG as a basis for calculating the allowable costs. This value is significantly below the book value of around CHF 285 million. It is the view of EGL management that the value for transmission grid installations disclosed in the balance sheet is correct. Therefore on 23 April 2009 EGL Grid AG filed an appeal with the Federal Administrative Court against the ElCom decree. Depending on the outcome of the appeal process, however, the value of the transmission grid installations may differ substantially from the value disclosed in the balance sheet. Any necessary 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	31.03.2009	30.09.2008
From third parties	1,173.0	848.0
From partner plants and other associates	88.2	66.6
From related parties	0.5	0.3
Prepayments to suppliers	3.7	1.0
Total	**1,265.4**	**915.9**
Attributable to accrued income	767.3	455.8

Electricity supplies not yet billed are included in the balance sheet under accrued income. Due to the high trading volume in March, more bills were outstanding at the end of the reporting period than in the previous year.

10 Cash and cash equivalents

CHF MILLIONS	31.03.2009	30.09.2008
Petty cash, cash at banks and post office	544.7	609.1
Short-term cash deposits	71.1	177.4
Total	**615.8**	**786.5**

Short-term cash deposits are available within 90 days.

11 Equity

Changes in the value of financial instruments are recognised in equity according to IAS 39 ("Available-for-sale" revaluation reserve and hedge accounting reserve):

CHF MILLIONS	2008/09	2007/08
Balance at 1 October	**27.5**	**31.4**
Financial assets available for sale:		
Change in fair value of securities (current assets)	0.8	0.5
Change in fair value of cash flow hedge accounting	– 83.5	– 20.6
Deferred tax thereon	27.5	8.1
Balance at 31 March	**– 27.7**	**19.4**

The share capital is divided into 2,640,000 fully paid bearer shares at a par value of CHF 50.00. In the previous year EGL AG sold its entire portfolio of treasury shares.

12 Financial liabilities (non-current)

CHF MILLIONS	31.03.2009	30.09.2008
Bond	246.4	246.2
Long-term loans:		
From third parties	954.7	1,031.9
From partner plants and other associates	0.2	0.3
Total	**1,201.3**	**1,278.4**

A ten-year domestic bond for a nominal amount of CHF 250 million was issued on 23 November 2005, with a coupon of 2.5%. The bond is listed on the SIX 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 290.5 million (previous year: EUR 299.1 million) at a variable interest rate of 3.892% (previous year: 5.922%). The loan liability in respect of Rizziconi Energia S.p.A. amounts to EUR 339.6 million (previous year: EUR 335.1 million) at a variable interest rate of 4.037% (previous year: 6.142%). The loans will be repaid by 2019 and 2023 respectively and are largely secured by interest rate swaps (see Notes 11 and 13).

13 Derivative financial instruments

CHF MILLIONS	REPLACEMENT VALUES POSITIVE 31.03.2009	REPLACEMENT VALUES NEGATIVE 31.03.2009	CONTRACT VOLUME 31.03.2009
ENERGY TRADING			
Standard forward contracts	7,182.5	6,809.7	63,684.3
Futures	–	–	112.3
Options	253.3	317.0	1,547.5
Swaps	549.6	608.1	5,544.7
Emission certificates	87.1	77.5	416.9
Total before netting	**8,072.5**	**7,812.3**	**71,305.7**
./. Consideration of netting agreements	– 6,480.3	– 6,480.3	– 51,371.0
Total after netting	**1,592.2**	**1,332.0**	**19,934.7**
CURRENCY AND INTEREST RATES			
Currency swaps	13.9	11.3	195.5
Interest rate swaps and options	–	49.3	959.3
Derivatives	**1,606.1**	**1,392.6**	**21,089.5**

CHF MILLIONS	REPLACEMENT VALUES POSITIVE 30.09.2008	REPLACEMENT VALUES NEGATIVE 30.09.2008	CONTRACT VOLUME 30.09.2008
ENERGY TRADING			
Standard forward contracts	6,866.6	6,717.5	63,132.4
Futures	–	–	449.1
Options	342.2	464.1	836.1
Swaps	257.9	266.2	6,346.6
Emission certificates	58.2	58.5	1,098.2
Total before netting	**7,524.9**	**7,506.3**	**71,862.4**
./. Consideration of netting agreements	– 5,535.8	– 5,535.8	– 49,400.6
Total after netting	**1,989.1**	**1,970.5**	**22,461.8**
CURRENCY AND INTEREST RATES			
Currency swaps	8.2	10.9	259.2
Interest rate swaps and options	42.3	–	1,017.4
Derivatives	**2,039.6**	**1,981.4**	**23,738.4**

Gains and losses on derivatives which have been accounted for in accordance with IAS 39 hedge accounting and therefore where recognised directly in equity arise from the consolidated statement of changes in equity (see also Note 11). They will be recognised in the income statement over the next 1 to 9 years.

14 Financial liabilities (current)

CHF MILLIONS	31.03.2009	30.09.2008
Short-term financial liabilities:		
To third parties	119.8	209.2
To related parties	370.0	–
To partner plants and other associates	1.1	–
Total	**490.9**	**209.2**

Current financial liabilities to related parties include various loans from Axpo Holding AG amounting to CHF 370.0 million, which are subject to a fixed average interest rate of 0.898% . In the reporting period the EGL Group repaid loans from third parties of CHF 83.2 million related to construction of the gas-fired combined-cycle power plants in Italy.

15 Provisions

CHF MILLIONS	DECOMMISSIONING POWER PLANTS	PROVISIONS CONSTRUCTION OF POWER PLANTS	OTHER PROVISIONS	TOTAL
Balance at 1 October 2008	**11.8**	**33.0**	**14.5**	**59.3**
Allocation	0.2	5.1	21.0	26.3
Release	–	– 1.8	–	– 1.8
Usage	–	– 2.8	– 1.1	– 3.9
Reclassification	–	– 2.7	–	– 2.7
Effect of currency translation differences	– 0.4	– 1.1	– 0.1	– 1.6
Balance at 31 March 2009	**11.6**	**29.7**	**34.3**	**75.6**
Current portion of provisions	–	20.7	3.2	23.9
Non-current portion of provisions	11.6	9.0	31.1	51.7
Total	**11.6**	**29.7**	**34.3**	**75.6**
EXPECTED OUTFLOW OF FUNDS				
Within 1 year	–	20.7	3.2	23.9
Between 1 and 5 years	–	9.0	30.5	39.5
In more than 5 years	11.6	–	0.6	12.2
Total	**11.6**	**29.7**	**34.3**	**75.6**

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 dismantling of the operating facilities.
Provisions related to the construction of power plants include provisions in respect of an investigation, still to be formally concluded by the Italian authorities, concerning the project company Energy Plus S.p.A. in Salerno. Provisions are also recognised for obligations towards the provinces of Caserta and Reggio Calabria in connection with the construction and operation of the Calenia Energia S.p.A. and Rizziconi Energia S.p.A gas-fired combined-cycle power plants.
Other provisions: A provision of CHF 18.2 million was allocated for the project company WinBis S.p.A. in connection with the construction of a wind farm. In addition, a provision has been allocated for a factual obligation to transfer a sub-investment in 2011.

16 Segment information

Since the core business of the EGL Group consists primarily of energy trading, separate segment reporting is unnecessary. The Group's gas business is being built up and its presentation under IAS 14 is reviewed on an ongoing basis. The EGL Group will adopt the new standard IFRS 8 "Operating Segments" by the 2009/10 financial year at the latest.

17 Changes in the scope of consolidation

	REMARKS	INVESTMENT RATIO	PURCHASE PRICE CHF MILLIONS
FULLY CONSOLIDATED COMPANIES			
EGL UK Limited	Formation	100.0%	
EGL UK Trading Limited	Formation	100.0%	
EGL Benelux SA	Formation	100.0%	
HS Kraft AB	Purchase	51.6%	14.2

	REMARKS	INVESTMENT RATIO	CHF MILLIONS
OTHER EQUITY ACCOUNTED INVESTMENTS			
Società EniPower Ferrara S.r.l.	Capital increase	49.0%	15.5
NorGer AS	Capital increase	33.3%	0.3
NorGer KS	Capital increase	33.3%	1.4
Trans Adriatic Pipeline AG	Capital increase	50.0%	5.0
Rheinkraftwerk Albbruck-Dogern AG	Capital increase	5.0%	1.5
GerNor 2008 AS	Liquidation	–	

Impact of business combinations

CHF MILLIONS	31.03.2009	30.09.2008
Non-current assets	0.7	0.4
Current assets excl. cash and cash equivalents	0.3	–
Cash and cash equivalents	0.1	–
Non-current liabilities	0.6	0.1
Current liabilities	0.9	–

Notes

CHF MILLIONS	OCTOBER – MARCH 2008/09	OCTOBER – MARCH 2007/08
Revenue	0.8	–
Loss	1.7	–

In the reporting period, EGL UK Limited, EGL UK Trading Limited and EGL Benelux SA were founded. On 9 February 2009, EGL Renewable Luxembourg AG acquired a 51.6% stake in HS Kraft AB, a company specialising in the development of wind farm projects in Sweden. The cost of the acquisition was SEK 100.9 million. At the time of purchase, the company had negative net assets of SEK 2.4 million. The goodwill of SEK 102.2 million arising from the acquisition corresponds to the expected future benefits from the business model. These expected benefits cannot be identified individually or disclosed separately. Between the date of acquisition and the balance sheet date a loss of SEK 9.4 million has been accumulated, which was taken into account upon the company's consolidation.

Società EniPower Ferrara S.r.l., Trans Adriatic Pipeline AG, NorGer AS and NorGer KS, which are consolidated at equity, as well as the partner plant Rheinkraft Albbruck-Dogern AG, carried out capital increases during the reporting period. As announced in the previous year, Gernor 2008 AS was liquidated.

18 Contingent liabilities and future financial liabilities; legal disputes

CHF MILLIONS	31.03.2009	30.09.2008
Guarantees	536.8	568.4
Parent company guarantees	303.5	204.6
Total to third parties	840.3	773.0

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 transactions, these provisions are released on a straight-line basis.

In the 2004/05 financial year, EGL Austria GmbH 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. In April 2008 the EGL Group filed a civil claim with the competent court against the arbitration. The costs for these proceedings are reported under accrued expenses.

The EGL Group is involved in several other legal disputes related to ordinary business.

19 Events after the balance sheet date

These consolidated interim financial statements were approved by the Board of Directors on 28 May 2009. No other significant events have occurred since the balance sheet date and up to 28 May 2009 which could have an impact on the 2008/09 consolidated interim financial statements or which require disclosure.

Head Office and Trading Center

EGL Elektrizitäts-Gesellschaft Laufenburg AG
Lerzenstrasse 10
CH-8953 Dietikon
Tel. +41 44 749 41 41
www.egl.ch

Registered Office

Elektrizitäts-Gesellschaft Laufenburg AG
Werkstrasse 10
CH-5080 Laufenburg
Tel. +41 62 869 63 63
www.egl.ch

Contact

EGL Elektrizitäts-Gesellschaft Laufenburg AG
Corporate Communications
Lerzenstrasse 10
CH-8953 Dietikon
Tel. +41 44 749 40 10
E-Mail media@egl.ch
www.egl.ch

Calendar

2008/09 Annual Results	15.12.2009
EGL AG Annual General Meeting	25.01.2010

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 forward-looking statements are subject to 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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Cover photo: EGL trading floor in Dietikon