

Media Release

Preliminary results for fiscal 2012

Solid operating result in a difficult environment

Berne, 26 February 2013

The BKW Group has reported a solid operating profit despite last year's difficult economic and regulatory environment. Consolidated revenue rose by 8.6% to CHF 2,860 million. The operating result (EBITDA) was CHF 273 million higher at CHF 411 million and contains special provisions for onerous energy procurement contracts. Adjusted for these special charges, EBITDA amounted to CHF 523 million. The trend on international financial markets had a positive impact on the financial result and consequently on net profit, which ended the year at CHF 135 million. Adjusted by the special provisions, net profit was CHF 205 million.

Business performance was characterised by the ongoing challenging economic environment, low electricity prices and the persistently strong Swiss franc. The results also reflect the initial positive effects of the cost reduction and efficiency enhancement measures launched last year.

In 2012 the BKW Group generated 10,811 GWh of electricity, corresponding to an increase of 946 GWh compared to the previous year (9,865 GWh). This was mainly due to increased feed-ins from hydroelectric power plants (+557 GWh), the high availability of nuclear power plants (+396 GWh) and the sizeable share of electricity generated by new renewable energies (+221 GWh). Another positive factor was the gross volume of 3,117 GWh produced by Mühleberg nuclear power plant: its best result since going into operation. By contrast, the electricity generated by thermal power plants in Italy remained dampened by the difficult economic situation (-228 GWh).

The volume of electricity sold in Switzerland fell by 8.8% to 7,465 GWh (8,186 GWh). This development is attributable to the reduction in business with sales partners, in particular those outside BKW's supply region. In terms of international sales, the volume of electricity sold in Italy rose by 4.0% to 1,696 GWh (1,630 GWh). The volume of electricity traded remained stable, growing by 0.5% to 10,384 GWh (10,332 GWh). Overall, electricity sales totalled 20,040 GWh (20,721 GWh), corresponding to a reduction of 3.3%. The grid business performed positively despite a difficult regulatory environment.

Charges for special provisions

Impairment tests performed on production facilities when finalising the financial statements necessitated a pre-tax correction of CHF 112 million. These adjustments concerned Hagneck hydroelectric power plant and thermal power plants outside Switzerland (Wilhelmshaven, Tamarete, Livorno Ferraris and Fessenheim), from which BKW purchases electricity at production cost. Based on



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an updated estimate of future market developments, BKW expects that these production costs will be higher than the recoverable market prices in future. For this reason the impairment adjustment was recorded as a provision for onerous energy procurement contracts and thus as operating expense.

The special provisions impact the operating result (EBITDA) and net profit, which ended the year at CHF 411 million (CHF 138 million) and CHF 135 million (- CHF 66 million) respectively. Adjusting for the special provisions, EBITDA for 2012 amounted to CHF 523 million, corresponding to an increase of 25.1% versus the adjusted prior-year figure, while the adjusted net profit was 66.6% higher than the adjusted prior-year result at CHF 205 million.



Dividend

Due to the solid results, a dividend of CHF 1.20 per share (previous year CHF 1 per share) will be proposed to the Annual General Meeting on 17 May 2013.

Facts & Figures

Income Statement CHF million	2012 Report- ed	2012 Adjust- ment	2011 Adjust- ed	2011 Report- ed	2011 Adjust- ment	2011 Adjusted	% change
Total operating revenue	2,860	0	2,860	2,633	0	2,633	8.6%
Operating income (EBITDA)	411	112	523	138	280	418	25.1%
Net profit/loss(-)	135	70	205	-66	189	123	66.6%

Detailed information on the 2012 financial year will be presented at the Annual Press Conference on 21 March 2013, along with the BKW Group's 2012 annual report and financial report.

Forthcoming dates

- Annual Press Conference on the 2012 Financial Results: 21 March 2013
- Annual General Meeting: 17 May 2013
- Presentation of 2013 Interim Results: 12 September 2013