

Media Release

BKW Group reports successful first half-year 2004

Higher operating result and expanded market position

Berne, 21 September 2004

The BKW Group consistently strengthened its market position in the first half of 2004, increasing revenue to CHF 1,552 million and improving its operating result (EBIT) year-on-year by 14 percent to CHF 159.8 million. This positive result is attributable first and foremost to developments in the electricity business. Profit rose by 2 percent to CHF 128 million.

In the first half-year 2004 the BKW Group reported higher total consolidated operating revenue of CHF 1,552 million compared to the previous-year period. This increase reflects a rise in revenue from trading activities. There was a partial shift in revenue towards trading as a result of consolidation in international sales. Sales in Switzerland continued to perform well, with revenue stable overall.

In the first half of 2004, electricity sales rose by 19.8 percent to 22,995 GWh compared with the previous-year period. Higher sales from energy trading led to an increase in energy procurement from third parties. Despite the resultant higher operating expenses, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 11 percent to CHF 202.1 million. In addition, the operating result (EBIT) rose year-on-year by CHF 19.3 million. However, since the extraordinary exchange rate gains in Euros and securities recorded in the previous-year period did not recur in the first half of 2004, the financial result fell by CHF 26 million to minus CHF 8.7 million. Overall, at CHF 127.65 million the BKW Group's half-year result was slightly higher (1.6 percent) than the first half of 2003. At CHF 263 million, cash flow provided by operating activities was approximately CHF 57 million above the prior-year figure due to higher earnings before interest, taxes, depreciation and amortisation (EBITDA) and the larger drop in net current assets.

Outlook

BKW expects to close 2004 with a higher profit than in 2002. However, the year-end result will not match the extraordinary figures posted in 2003 due to the impact of the price reductions announced to take effect in the fourth quarter, as well as an absence of the special effects which influenced last year's results.



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Facts & Figures

Financials	1st half-year	1st half-year	
	2004	2003	2003
	CHF million	CHF million	CHF million
Total operating revenue	1,552.0	1,256.3	2,944.5
Operating result	159.8	140.5	285.5
Net profit	127.6	125.6	252.8
Cash flow provided by operating activities	262.7	205.6	217.3
Purchase of property, plant and equipment	55.2	29.5	78.3
Balance sheet total	4,897.3	4,571.5	4,810.9
Shareholders' equity	2,253.2	2,070.5	2,199.1
as % of balance sheet total	46.0	45.3	45.7
Electricity business			
	GWh	GWh	GWh
Electricity sales Switzerland	3,497	3,407	6,708
Electricity sales International	1,849	2,224	4,437
Electricity trading	17,272	13,040	32,063
Pump/substitution energy	183	370	678
Transmission losses/own consumption	194	146	350
Total sales	22,995	19,187	44,236
Volume generated by hydroelectric plants	1,585	1,925	3,915
Volume generated by nuclear power plants	3,052	3,048	5,786
Volume generated from decentral plants	7	6	14
Trade (purchases) and energy buy-backs	18,351	14,208	34,521
Total purchases	22,995	19,187	44,236
Employees (Full Time Equivalent)	2,063	1,990	2,032
Information on shares			
	CHF	CHF	CHF
Par value	25.00	25.00	25.00
Share price (day-end)			
End of period	560.00	327.00	479.00
Period high	655.00	380.00	479.00
Period low	479.00	300.00	300.00
Earnings per share	24.40	24.32	48.68
Shareholders' equity per share	430.45	396.75	420.89
Market capitalisation in CHF million	2,931.3	1,707.9	2,502.7

The 2004 Half-Year Report is available from the BKW website
www.bkw-fmb.ch