

SEMI-ANNUAL REPORT 2015



Dedication

Whether they're in an office, outdoors, at a power plant or with customers, Repower's staff work hard for the company every single day.

For this reason the images in this report focus on our people and their work.

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Semi-annual report

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OVERVIEW

■ *Total operating revenue*

In the first six months the Repower Group generated total operating revenue of CHF 922 million (down 23 per cent on the prior-year period).

Factors in the results ■

The main factors behind the result were impairment on power generation assets and provisions on long-term agreements, the removal of the CHF 1.20 floor on the EUR/CHF exchange rate, and a further sharp decline in margins.

■ *EBIT and group profit*

*Operating income (EBIT) came to CHF -34 million in the first half of the year, well below the figure for the prior-year period.
The group posted a net loss of CHF 108 million.*

Structural measures ■

Repower is systematically implementing measures to boost cost-efficiency within the organisation, streamlining its portfolio of interests and projects, and reviewing its strategic focus with a view to future positioning.

■ *Swissgrid*

As previously announced, in July 2015 Repower sold its Swissgrid shares and the convertible loan granted to Swissgrid AG.

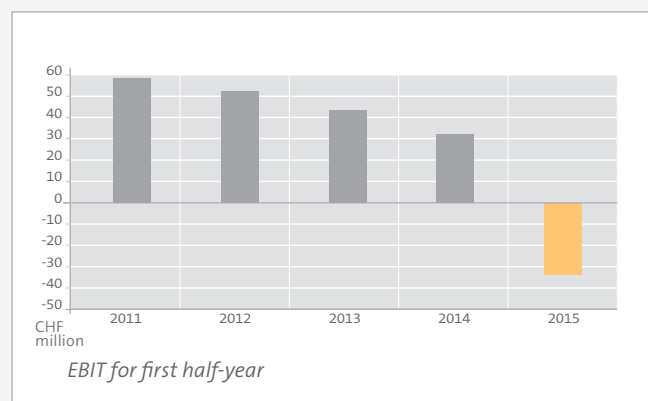
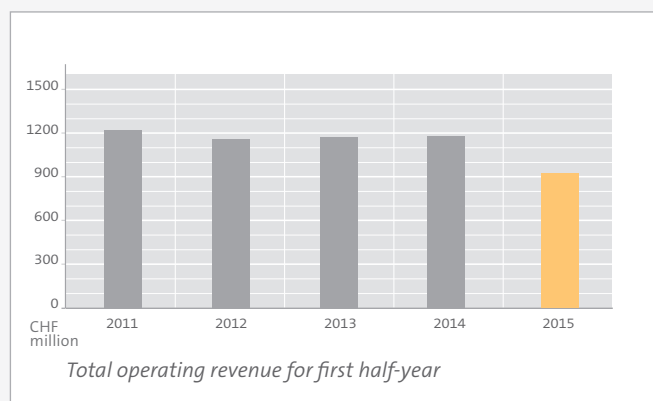
Electric transportation ■

In addition to Italy, Repower has now also launched products and services around electric transportation in Switzerland.

FINANCIAL HIGHLIGHTS

CHF million

	1 st half-year 2015	1 st half-year 2014
Revenue and income		
Total operating revenue	922	1,196
Income before interest, income taxes, depreciation and amortisation (EBITDA)	29	57
Depreciation/amortisation and impairment	- 63	- 25
Income before interest and income taxes (EBIT)	- 34	32
Group profit including minority interests	- 108	4
Balance sheet		
Balance sheet total at 30.06.	1,780	2,014
Equity at 30.06.	631	793
Equity ratio	35 %	39 %



SHARE INFORMATION

Share capital	2,783,115	shares	at CHF	1.00	CHF 2.8 million
	625,000	participation certificates (PC)	at CHF	1.00	CHF 0.6 million

CHF

Share price			1 st half-year 2015	1 st half-year 2014
Shares		High	118	157
		Low	90	112
Participation certificates (PC)		High	95	115
		Low	68	87

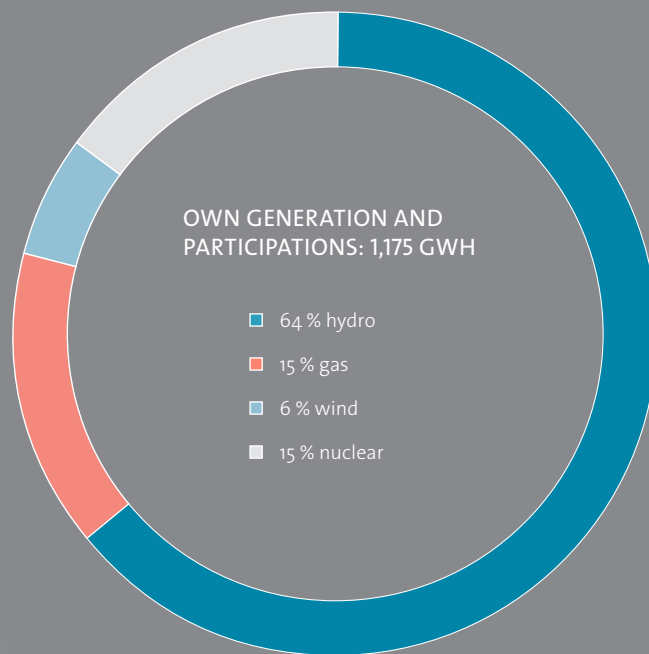
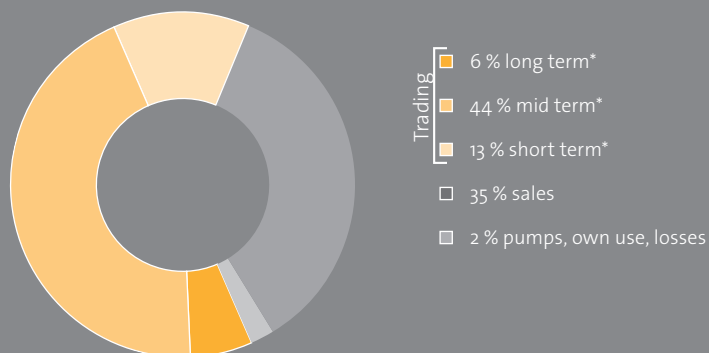
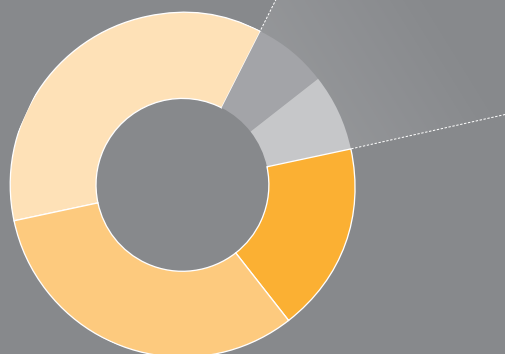
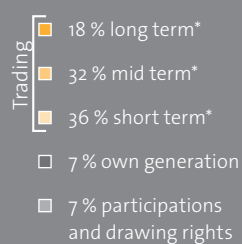
Dividend	2014	2013	2012	2011
Shares	0.00	2.00	2.50	5.00
Participation certificates (PC)	0.00	2.00	2.50	5.00

ENERGY BALANCE SHEET

Electricity business in GWh	1 st half-year 2015	1 st half-year 2014	Change
Trading	5,269	5,948	- 11 %
Supply/sales	2,894	2,956	- 2 %
Pumps, own use, losses	169	167	+ 1 %
Electricity sales	8,332	9,071	- 8 %
Trading	7,157	7,666	- 7 %
Own generation	619	837	- 26 %
Energy from participations	556	568	- 2 %
Electricity procurement	8,332	9,071	- 8 %
Gas business in 1,000 m³			
Sales to end customers	129,761	121,160	+ 7 %
Trading (sales)	1,162,541	889,305	+ 31 %
Gas sales	1,292,302	1,010,465	+ 28 %
Teverola power plant (Italy) consumption	30,110	61,280	- 51 %

HEADCOUNT

at 30.06.	2015	2014
Switzerland	456	458
Italy	160	168
Germany	4	19
Romania	28	30
Czech Republic	23	25
Total	671	700
Trainees	30	30
Sales consultants Italy	491	584

ELECTRICITY SALES 1ST HALF-YEAR 2015: 8,332 GWHELECTRICITY PROCUREMENT 1ST HALF-YEAR 2015: 8,332 GWH

* Trading contracts are classified based on the duration between the conclusion of the contract and the final delivery date (end of contract):

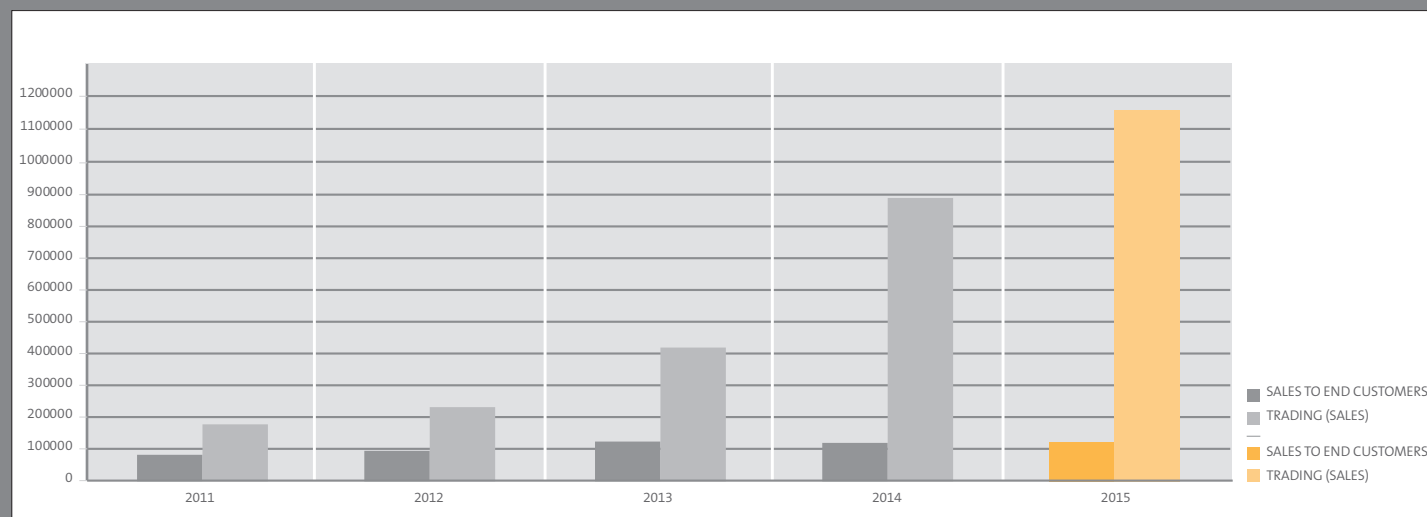
Short term = up to 3 months

Mid term = longer than 3 months and up to a maximum of 2 years following the year in which the contract was concluded

Long term = all contracts with durations beyond those of mid-term contracts

TOTAL GAS SALES 1ST HALF-YEAR 2015: 1.292 BILLION CUBIC METRES

in 1,000 m³





FOREWORD FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO

In the first half of 2015 Repower's group results were hit by the EUR/CHF exchange rate, impairment on generation assets and persistently low market prices. The group is endeavouring to reduce its dependence on the absolute price of electricity by further building its service and sales business.

OPERATING ENVIRONMENT AND RESULTS

The 2015 financial year began with the Swiss National Bank's decision to remove the 1.20 floor on the EUR/CHF exchange rate. The subsequent hardening of the franc has posed an enormous challenge for the Swiss export industry. Repower, which generates a large part of its revenues in euros but incurs a substantial portion of its costs in Swiss francs, has also felt the effects of this.

Although the possibility of stepping up the promotion of hydropower is being discussed at the political level, many important questions still remain open, and a stable political and regulatory framework is still lacking.

In the first six months of 2015 the Repower Group generated total operating revenue of CHF 922 million (down 23 per cent versus the first half of 2014). Operating income (EBIT) was down CHF 34 million, substantially lower than in the prior-year period. The result was a net loss of CHF 108 million. One-time effects totalling CHF -62 million from the removal of the 1.20 floor on the EUR/CHF exchange rate were a key factor in this result. Repower also took impairment charges totalling CHF 39 million on hydropower generation assets in Switzerland and the Teverola combined-cycle gas turbine plant in Italy. Added to this were additional provisions of CHF 3 million for long-term agreements. These were necessitated by a current market environment where market prices remain at very low levels – a situation that looks set to continue for some time.

Prices of Repower shares and participation certificates declined in the first half of 2015, reflecting the challenging market situation.

KEY EVENTS

To secure long-term financing and safeguard its euro exposure, in March Repower placed a registered bond issue totalling EUR 35 million in the European market. Repower had already placed a EUR 80 million registered bond issue in summer 2014.

In May Repower sold its combined-cycle gas turbine project in Leverkusen to STEAG GmbH. In July the company will also complete its withdrawal from the retail sales business in Germany by selling its customer portfolio to Enovos.

Since the beginning of the year Repower has also offered a green power product in Romania: "Naturepower" is 100 per cent renewable and TÜV Rheinland-certified. In Italy, Repower launched a new offering for large customers called BIG, plus VAMPA, a thermal imaging service enabling faults in electrical equipment to be identified. A restructuring of the Italian sales network has made Repower's customer advisory services even more efficient.

In Switzerland, Repower has joined forces with Axpo and City of Zurich electricity utility ewz to create a grid alliance: the three companies have connected their high-voltage grids in northern and central Graubünden to generate synergy in an effort to enhance the grid and increase the security of supply. Repower also successfully put into operation the asset optimisation tool it developed on behalf of the Swiss Federal Railways (SBB). It has

CHAIRMAN OF THE BOARD OF DIRECTORS DR EDUARD RIKLI (LEFT) AND CEO KURT BOBST:

“Repower’s business has been hit hard by the currency situation and extremely low prices. One of the ways we’re responding to these challenges is by strengthening our service business.”

also launched innovative products and services related to electric transportation. In addition to this, the group has further expanded its partnership portfolio. This has included the acquisition of a new shareholder for Repartner Produktions AG.

At the beginning of July Repower will be completing the previously announced sale of an interest in Swissgrid AG comprising shares in Swissgrid and a convertible loan granted to Swissgrid AG. These transactions will generate proceeds of around CHF 59 million for Repower.

STRUCTURAL MEASURES

Repower continues to systematically pursue its programme to improve cost-efficiency. It is simplifying structures, streamlining its portfolio of interests and projects and reviewing its strategic focus to sharpen its positioning going forward. The group is also looking into further measures in response to the weak euro; any firm decisions will be announced on a case-by-case basis.

OUTLOOK

As already communicated in conjunction with the 2014 annual results, operating earnings (EBIT) for the full 2015 year will fall below the prior year’s adjusted operating earnings. Following the Swiss National Bank’s decision to remove the floor on the EUR/CHF exchange rate, the euro can be expected to remain weak versus the franc. This currency situation, and the impairment charges taken at the end of the first half of 2015, will impact the annual results for 2015.

In addition to this, Repower does not expect energy prices to recover from

their low levels in the short to medium term. The group will continue to build its sales and service business in an effort to reduce its dependence on low electricity prices. To this end it has initiated projects in areas such as electric transport and energy efficiency, some of which have already been implemented. Repower also intends to optimise structures in its trading business and build on its successful cooperation with large customers and energy providers. When renovating its hydropower assets in Graubünden, Repower is endeavouring to take advantage of contributions under the feed-in remuneration at cost (KEV) scheme. Last but not least, the company will continue to expand its innovation portfolio to equip itself for the energy business of the future.



Dr Eduard Rikli
Chairman of the Board of Directors



Kurt Bobst
CEO

MARKET SWITZERLAND

Reducing dependence on low electricity prices by strengthening the sales and service business: in the first half of 2015 Repower in Switzerland redoubled its efforts to achieve this strategic objective.

CONTRIBUTION TO EBIT

The Market Switzerland segment's contribution to operating income (EBIT) in the first half of 2015 was CHF -5 million. This included impairments on hydropower generation assets totalling CHF 16 million and additional provisions on long-term agreements amounting to CHF 3 million. The extremely low price of electricity thus led to another drop in margins in the period under review. Trading in particular saw another sharp decline in margins compared with the prior-year period.

GENERATION AND PROJECTS

Repower's hydropower assets in Canton Graubünden generated large amounts of electricity in the first six months of the year. However, this good utilisation could not make up for the fact that it was more or less impossible to sell this renewable electricity at a price sufficient to cover costs.

To improve the revenue situation, Repower is now endeavouring to take advantage of feed-in remuneration at cost (KEV) contributions when doing renovation work and making replacement investments, and is currently looking into how various generation assets could meet the criteria for the scheme.

Repower's Chlus hydropower project in the Prättigau/Graubünden Rhine Valley achieved another milestone in the first half of 2015 with submission of the request for concession approval. However, without subsidies the Chlus project lacks prospects of operating profitably and is not feasible as things stand.

GRID

Repower maintains and optimises its electricity grid in Graubünden on an ongoing basis to assure security of supply. The northern Graubünden grid alliance set up by Repower, Axpo and ewz is another step in this direction, helping reduce the costs of the transmission grid and creating synergy in terms of grid planning and expansion.

Work on a joint project with ewz to build a merchant line between Castasegna in Val Bregaglia (Bergell) and Mese in Italy is moving ahead, and is now at the approval phase.

Repower has also refined its existing ripple control system to optimise grid utilisation by allowing more effective distribution of load.

Results of the ElCom proceedings relating to grid tariffs are still pending.

TRADING

In the first half of 2015 margins continued to shrink at Trading in Poschiavo. Highlights of the period include the recent commissioning of the asset optimisation tool developed by Trading on behalf of the Swiss Federal Railways (SBB), and new partnerships with Swiss municipal utilities for wholesale market access and balance group management.

SALES & MARKETING

A closer strategic focus on offering other energy providers and large customers services is paying off, and Repower has managed to extend its network in large parts of Switzerland.

Repartner Produktions AG has acquired a new shareholder: Thurgau utility Elektrizitätswerk des Kantons Thurgau (EKT) will hold a one per cent interest in the generation investment company.

In response to targeted communications, new customers have signed up for the intelligent storage network tiko. Repower is endeavouring to extend the network, which has been designated a flagship project by the federal government.

In June Repower presented its BITTA and PALINA charging stations and launched new electric vehicle subscriptions geared to corporations, commercial establishments, hotels, municipalities and private customers.

NEWTECH

In the first half of 2015 Repower maintained intensive efforts to build its strategy and innovation team. The NewTech team's goal is to boost the entire organisation's powers of innovation and drive the development of new products and services.

To identify new areas of growth, NewTech is doing systematic trend, market and customer research, as well as screening start-ups and partner companies. Negotiations are currently under way with a number of companies. NewTech is also collaborating closely with individual business units to develop services around electric transportation, the digital transformation of the service landscape, and new tariff structures.

GERMANY

In May Repower sold its project to build a combined-cycle gas turbine plant in Leverkusen to STEAG GmbH. In the light of low energy prices, uncertainty surrounding subsidies and promotional mechanisms, and the removal of the floor on the EUR/CHF exchange rate, Repower opted to sell the project in its entirety.

At the beginning of July, Repower will complete the announced sale of its retail sales business in Germany, with Enovos Deutschland SE acquiring the sales portfolio from Repower Deutschland GmbH.

Germany remains very important for Repower as the biggest trading market in Europe. In addition to this, the company still has a portfolio of large customers in Germany that it serves from Switzerland, and it continues to operate its two wind farms in Lübbenau (Brandenburg) and Prettin (Saxony-Anhalt), which generated above-average volumes of electricity in the first six months of 2015.

MARKET ITALY

Repower in Italy is increasingly evolving into a full-service provider to businesses. Thanks to an internal reorganisation, the sales network is now even closer to customers.

CONTRIBUTION TO EBIT

The Market Italy segment's contribution to operating income (EBIT) in the first half of 2015 was CHF -23 million. This figure includes impairment of CHF 23 million on the Teverola combined-cycle gas turbine plant. There has been an important development on the tax front: in February the Italian constitutional court abolished a "Robin Hood" tax on energy companies that had a serious impact on the industry.

GENERATION AND PROJECTS

In the first half of 2015 the Teverola combined-cycle gas turbine plant operated by Repower in the Campania region in southern Italy was deployed less frequently than last year for the balancing energy market. The reason for this was a decline in demand for ancillary services on the part of grid operator Terna, which has affected all thermal electricity generation assets in Italy.

Total revenues from the Corleto Perticara (Basilicata), Lucera (Apulia) and Giunchetto (Sicily) wind farms were better than expected, thanks in particular to an increase in revenues on green power certificates and better-than-anticipated volumes of electricity generated.

As for the Saline Joniche coal-fired power plant, by the end of this year at the latest Repower will have completely withdrawn from the project while complying with the relevant contractual obligations.

TRADING IN MILAN

The trading business in Milan failed to generate the anticipated revenues in the first half of 2015. The main reasons for this were reduced deployment of the Teverola power plant and narrower electricity and gas margins due to negative price developments. The volumes of energy sold in trading came to 0.8 terawatt hours of electricity (down 55 per cent on the prior-year period) and 10.6 terawatt hours of gas (up 13 per cent on the prior-year period).

In the first six months Repower launched BIG, a new offering geared to large electricity and gas customers. The main motivation for developing this product was to extend Repower's gas portfolio to include large consumers and thus give traders more leeway for exploiting market opportunities.

SALES

In the first half of 2015 the Italian sales business made a pleasing contribution to group EBIT thanks to lower internal costs – with the volumes of electricity sold more or less unchanged. Repower Vendita Italia S.p.A. sold around 1.8 terawatt hours of electricity (up 3 per cent on the prior-year period) and 1.4 terawatt hours of gas (up 27 per cent on the prior-year period) to consumers.

In addition to BIG, Repower in Italy officially launched VAMPA, a new thermal imaging service that after being marketed to select pilot customers is now available across the board. The thermal images it produces give an early indication of any faults in electrical equipment and production facilities.

In the first half of this year Repower reorganised its network of sales consultants in Italy to create a platform for future growth. Selected consultants are now responsible for recruiting new salespeople, and training for consultants has also been redesigned. All these projects pursue the same goal of further intensifying Repower's presence in all areas of the country.

Repower's 2015 communications campaign could be seen and heard between March and June. In a campaign spanning radio, billboards, print ads and – for the first time – TV commercials, Repower portrayed itself as a personal trainer to companies seeking professional advice on how to get fit in terms of energy efficiency. Following the success of the campaign, which featured images from American photographer Howard Schatz, Repower staged the first personal exhibition of the artist's work in Italy.

INNOVATION

The two products DIODA (LED lighting) and eFFettiva (a service designed to improve energy efficiency) have been developed further in recent months. They are already available to consumers in certain regions on a pilot basis.

Repower Italy has developed a new offering called FOCUS featuring an energy diagnosis which enables companies to have their energy performance analysed as the basis for recommendations for optimising their consumption.

OTHER SEGMENTS AND ACTIVITIES

CONTRIBUTION TO EBIT

Other segments and activities posted operating income (EBIT) of CHF -5 million.

ROMANIA

At the beginning of the year Repower in Romania launched a new electricity product called Naturepower that originates from 100% renewable resources. The country's first certified green power offering, it has been brought to market in response to the growing environmental awareness of the country's electricity consumers.

Despite substantial competition on the free market, Repower managed to maintain price levels in the first half of 2015. This has enabled the company to position itself even more firmly as a quality-conscious supplier offering outstanding service and additional benefits for customers. In recent months Repower has also continued to optimise its sales portfolio and make electricity procurement more flexible by increasingly working with independent producers.

Repower is also pursuing its first projects around electric transportation in Romania, making this the third market after Italy and Switzerland where the group is contributing to sustainable transportation.

Last but not least, Repower in Romania has been recognised for its corporate responsibility efforts, winning a silver award by ranking in the top third of all companies reviewed in an analysis of environmental factors, working conditions, fair conditions of employment and sustainable procurement, conducted by management platform EcoVadis.

TRADING IN PRAGUE

Repower's trading activities in the Eastern European region are coordinated from the trading floor in Prague. While business at Trading in Prague recovered slightly in the first six months of 2015, it still fell short of expectations because of the lack of opportunities in the Eastern European trading market.

GROUP FUNCTIONS

In the first half of 2015 group functions (Legal & Risk, Human Resources, Communications, Finance, IT and Services) continued to provide centralised services to the entire organisation and ensure that processes ran on a lean basis. Measures to boost cost-efficiency were implemented systematically.



Tables show values in TCHF unless otherwise noted.

CONSOLIDATED INCOME STATEMENT

		1.1.-30.06.2015 unaudited	1.1.-30.06.2014 unaudited
	Note		
Net sales		897,027	1,178,105
Own costs capitalised		2,912	3,684
Other operating income		22,477	14,095
Total operating revenue		922,416	1,195,884
Energy procurement		-804,424	-1,052,980
Concession fees		-9,148	-8,662
Personnel expenses		-37,386	-35,050
Material and third party services		-15,968	-14,108
Other operating expenses		-26,845	-27,804
Income before interest, income taxes, depreciation and amortisation (EBITDA)		28,645	57,280
Depreciation/amortisation and impairment	4	-62,794	-25,090
Income before interest and income taxes (EBIT)		-34,149	32,190
Financial income		2,859	1,945
Financial expenses	9	-75,589	-20,603
Share of results of associates		-9,200	-3,043
Income before income taxes		-116,079	10,489
Income taxes		8,256	-6,838
Group profit including minority interests		-107,823	3,651
Share of Group profit attributable to Repower shareholders and participants		-97,629	3,805
Share of Group profit attributable to minority interests		-10,194	-154
Earnings per share (undiluted)		CHF -28.65	CHF 1.12

There are no factors resulting in a dilution of earnings per share.

Tables show values in TCHF unless otherwise noted.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		1.1.-30.06.2015 unaudited	1.1.-30.06.2014 unaudited
	Note		
Group profit including minority interests		-107,823	3,651
Actuarial profit/loss from pension plans of fully consolidated companies		-4,734	-7,866
Actuarial profit/loss from pension plans of associates		-310	-224
Income taxes		790	1,312
Other comprehensive income after taxes, non-recyclable		-4,254	-6,778
Currency translation			
Effect from currency translation of fully consolidated companies		-18,777	-2,414
Reclassified into profit or loss statement	3	-2,253	-
Effect from currency translation of associates		-1,116	-99
Fair value adjustments of financial instruments		-	1,127
Income taxes		-	-383
Other comprehensive income after taxes, recyclable		-22,146	-1,769
Other comprehensive income		-26,400	-8,547
Total comprehensive income		-134,223	-4,896
Share of profit or loss and other comprehensive income attributable to Repower shareholders and participants		-121,026	-4,402
Share of profit or loss and other comprehensive income attributable to minority interests		-13,197	-494

Tables show values in TCHF unless otherwise noted.

CONSOLIDATED BALANCE SHEET

		30.06.2015 unaudited	31.12.2014
	Note		
Assets			
Tangible assets		798,161	889,621
Intangible assets		9,163	10,376
Investments in associates		26,258	34,866
Other financial assets		18,662	9,369
Deferred tax assets		46,353	44,122
Non-current assets		898,597	988,354
Inventories		23,458	32,220
Receivables		369,516	492,046
Current income tax receivables		8,537	10,880
Prepaid expenses and accrued income		7,911	5,136
Securities and other financial instruments		67,467	156,693
Positive replacement values held for trading positions		49,805	109,838
Cash and cash equivalents	5	288,728	247,034
Current assets		815,422	1,053,847
Assets held for sale	7	65,555	61,694
Total assets		1,779,574	2,103,895

Tables show values in TCHF unless otherwise noted.

		30.06.2015 unaudited	31.12.2014
	Note		
Liabilities and shareholders' equity			
Share capital		2,783	2,783
Participation capital		625	625
Retained earnings (including Group profit)		642,888	740,517
Actuarial profit/loss from pension plans		3,564	7,749
Accumulated translation differences		-59,507	-40,295
Shareholders' equity excluding minority interests		590,353	711,379
Minority interests		40,491	54,577
Shareholders' equity		630,844	765,956
Pension provisions		33,005	28,664
Other non-current provisions		27,342	24,603
Deferred tax liabilities		33,731	40,633
Non-current financial liabilities		629,950	568,724
Non-current liabilities		724,028	662,624
Current income tax liabilities		10,551	9,739
Current financial liabilities		261	84,069
Negative replacement values held for trading positions		51,138	99,399
Other current provisions		2,851	3,780
Other current liabilities		316,926	440,979
Deferred income and accrued expenses		26,857	24,696
Current liabilities		408,584	662,662
Liabilities		1,132,612	1,325,286
Liabilities held for sale	7	16,118	12,653
Total liabilities and shareholders' equity		1,779,574	2,103,895

Tables show values in TCHF unless otherwise noted.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Participa- tion capital	Treasury shares	Retained earnings	Actuarial profit/loss from pension plans	Fair value adj. of fin. instr.	Accu- mulated transla- tion differ- ences	Sharehold- ers' equity excluding minority interests	Minority interests	Total share- holders' equity
unaudited										
Equity at 1 January 2014	2,783	625	-12	778,219	11,858	-454	-44,192	748,827	56,124	804,951
Comprehensive income for the period				3,805	-6,670	454	-1,991	-4,402	-494	-4,896
Dividends (excl. treasury shares)				-6,802				-6,802	-816	-7,618
Purchase/sale of treasury shares			6	691				697		697
Tax effect treasury shares				7				7		7
Purchase/sale of minority interests			1	405				406	-591	-185
Equity at 30 June 2014	2,783	625	-5	776,325	5,188	-	-46,183	738,733	54,223	792,956
unaudited										
Equity at 1 January 2015	2,783	625	-	740,517	7,749	-	-40,295	711,379	54,577	765,956
Comprehensive income for the period				-97,629	-4,185		-19,212	-121,026	-13,197	-134,223
Dividends (excl. treasury shares)								-	-889	-889
Equity at 30 June 2015	2,783	625	-	642,888	3,564	-	-59,507	590,353	40,491	630,844

Tables show values in TCHF unless otherwise noted.

CONSOLIDATED CASH FLOW STATEMENT

		1.1.-30.06.2015	1.1.-30.06.2014
		unaudited	Restated* unaudited
	Note		
Income before income taxes		-116,079	10,489
Change in			
Result from sales of subsidiaries / disposal groups		-3,105	-
Own costs capitalised		-2,912	-3,684
Depreciation/amortisation and impairment		62,794	25,090
Net financial result		72,730	18,658
Share of results of associates		9,200	3,043
Change in pension provisions (without interests)		224	-3,101
Change in other long term provisions (without interests)		2,945	-170
Other income and expenses not affecting cash		1,282	-1,803
Change in net-current assets (without securities and other financial instruments)		1,244	11,371
Other financial cash outflow and inflow		-14,517	-1,841
Income taxes paid		-3,285	-7,291
Cash flow from operating activities		10,521	50,761
Additions of tangible and intangible assets	9	-7,097	-7,859
Sales of tangible and intangible assets		1,682	1,904
Disposal of subsidiaries / disposal groups		1,686	-
Granting of active loans		-12,000	-3,500
Repayments of non current financial assets		309	596
Additions of current and non-current financial assets		-11,639	-
Disposals of current and non-current financial assets		84,038	-
Dividends received		112	519
Interest received		2,136	1,045
Cash flow from investing activities		59,227	-7,295
Additions to financial liabilities		59,065	-
Repayment of financial liabilities		-58,287	-12,527
Dividend payments		-889	-7,618
Sale of treasury shares		-	697
Purchase of minority interests		-	-185
Interest paid		-4,810	-4,963
Cash flow from financing activities		-4,921	-24,596
Translation differences		-24,887	-2,312
Change in cash and cash equivalents		39,940	16,558
Cash and cash equivalents at 1 January		250,701	273,064
Cash and cash equivalents at 30 June	5	290,641	289,622

* See page 21

Tables show values in TCHF unless otherwise noted.

1) INFORMATION ON THE COMPANY

Repower AG, Poschiavo, is a listed stock company with its registered office in Switzerland. Repower is a vertically integrated group operating in the generation, management, trading, sales, transmission and distribution of electricity in Switzerland and abroad. The company also trades and sells gas, emission certificates and certificates of origin in selected European markets.

DIVIDENDS PAID

	1.1.-30.06.2015	1.1.-30.06.2014
Approved and paid dividends per share	-	CHF 2.00
Approved and paid dividends (including dividends on treasury shares)	-	TCHF 6,816

By resolution of the annual general meeting held on 29 April 2015, no dividend will be paid for the 2014 financial year.

2) PRINCIPLES OF CONSOLIDATION

PRINCIPLES

The unaudited interim consolidated financial statements of the Repower Group as at 30 June 2015 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information disclosed in the consolidated annual financial statements, and should therefore be read in conjunction with the consolidated annual financial statements as at 31 December 2014.

Foreign currencies have been translated into Swiss francs at the following closing exchange rates and average exchange rates:

Currency	Unit	Closing exchange rate	Average exchange rate
		30.06.2015	1.1.-30.06.2015
BAM	1	0.53180	0.54083
CZK	100	3.82000	3.84261
EUR	1	1.04130	1.05813
GBP	1	1.46700	1.44194
HRK	100	13.70800	13.87253
HUF	100	0.33030	0.34377
MKD	100	1.68040	1.71361
PLN	100	24.84000	25.53422
RON	100	23.31491	23.77341
RSD	1	0.00868	0.00876
USD	1	0.93530	0.94685

Unrealised gains and losses on transactions resulting from exchange rate fluctuations between group companies are recognised in the consolidated cash flow statement under other income and expenses not affecting cash.

ACCOUNTING AND VALUATION PRINCIPLES

With the exception of the new or revised standards applied for the first time that are outlined in the following section, the accounting and valuation principles used in these interim consolidated financial statements correspond to the principles applied in the consolidated annual financial statements as at 31 December 2014:

NEW AND REVISED ACCOUNTING AND VALUATION PRINCIPLES

The revised IAS 19 Employee Benefits is to be applied for the 2015 financial year. The amended standard offers the option of measuring pension fund obligation without applying risk sharing. Repower has not made use of this option.

The 2010-12 and 2011-13 improvements cycles have no material impact on Repower's financial reporting.

Tables show values in TCHF unless otherwise noted.

RESTATEMENT OF THE CONSOLIDATED CASH FLOW STATEMENT

In the 2015 financial year Repower has revised the presentation of the cash flow statement in the interests of better comparability. The changes in the presentation (restatement) of the consolidated cash flow statement reflect standard industry practice. Prior-year information has been adapted to the modified structure, and corrections have been made.

Dividends and interest received, and interest paid out, are no longer recognised as cash flow from operating activities; instead they are recognised separately under cash flow from investing activities and cash flow from financing activities. The calculation of cash flow from operating activities is now done on the basis of income before income taxes, and income taxes paid are recognised as a separate item within cash flow from operating activities.

3) CHANGES IN CONSOLIDATIONS

BUSINESS DISPOSALS

The complete disposal of interests in Repower GuD Leverkusen GmbH und Co. KG and the associated disposal of its subsidiary Repower GuD Leverkusen Verwaltungs-GmbH on 23 June 2015 had the following influence on the assets and debts of the Repower Group in the first half of 2015:

	Total
Receivables	35
Cash and cash equivalents	904
Other current liabilities	-37
Accumulated translation differences	-2,253
Profit	3,105
Selling price	1,754
Cash consideration received	1,754
Outflow of cash and cash equivalents	-904
Net cash inflow related to the disposal	850

The pre-tax gain on the disposal of the two group companies is recognised under other operating income in the Market Switzerland segment.

INTRAGROUP RESTRUCTURING

In the first half of 2015 the legal structure of Repower in Switzerland was modified retroactively with effect 1 January 2015. Repower Schweiz AG, a wholly-owned subsidiary of Repower AG, was merged into Repower AG.

4) IMPAIRMENT OF ASSETS

In the first half of 2015 there were impairments on generation assets which break down by segment as follows:

Market Switzerland segment

In the first half of 2015 impairment losses of TCHF 15,649 were recognised on generation assets (hydropower). They applied to the Taschinas (TCHF 12,229), Ladril (TCHF 1,458) and Ferrera (TCHF 1,962) plants.

These impairment losses were prompted by a renewed year-on-year decline in prices on the electricity market. Given that trading in electricity takes place in euros all over Europe, this effect was amplified by the Swiss National Bank's decision to abolish the 1.20 floor on the EUR/CHF exchange rate on 15 January 2015.

Individual generation assets are valued on the basis of their value in use calculated on a discounted cash flow basis. Discount rates before taxes vary between 5.5 per cent and 5.8 per cent depending on the generation asset.

Tables show values in TCHF unless otherwise noted.

Market Italy segment

In the first half of 2015 impairment losses of TCHF 23,184 were recognised on generation assets. They applied to the Teverola combined-cycle gas turbine plant (TCHF 22,986) and the Giunchetto wind farm (TCHF 198).

The impairment on the Teverola combined-cycle gas turbine plant was prompted by a decline in the clean spark spread combined with a drop in revenues from ancillary services. The generation asset is valued on the basis of its value in use calculated on a discounted cash flow basis. The discount rate before taxes is 10.3 per cent.

The impairment on the Giunchetto wind farm (at equity consolidation method) was the result of a decline in expected revenues on wind power due to lower energy prices, and lower night-time output in an effort to reduce noise emissions. The generation asset is valued on the basis of its value in use calculated on a discounted cash flow basis. The discount rate before taxes is 11.2 per cent.

5) CASH AND CASH EQUIVALENTS FOR THE CASH FLOW STATEMENT

	30.06.2015	30.06.2014
Cash and cash equivalents	288,728	289,536
Cash and cash equivalents held for sale	1,913	86
Total	290,641	289,622

6) ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS AND POSITIONS MEASURED AT FAIR VALUE

	30.06.2015 Carrying amount	31.12.2014 Carrying amount
Assets		
Derivative financial instruments	53,605	110,036
Held for trading	53,605	110,036
Forward foreign currency contracts	3,800	198
Positive replacement values held for trading positions	49,805	109,838
Non-derivative financial instruments	741,715	905,262
Loans and receivables	736,461	899,526
Active loans	13,556	3,815
Fixed term deposits (4-12 months)	63,519	156,313
Receivables	369,516	492,046
Trade accounts receivable	334,613	443,537
Other receivables	34,903	48,509
Accrued income	1,142	318
Cash and cash equivalents	288,728	247,034
Held for trading	148	182
Shares, bonds, other securities	148	182
Held for sale	5,106	5,554
Other financial assets	5,106	5,554
Total	795,320	1,015,298

Tables show values in TCHF unless otherwise noted.

	30.06.2015 Carrying amount	31.12.2014 Carrying amount
Liabilities		
Derivative financial instruments	69,167	116,648
Held for trading	69,167	116,648
Forward foreign currency contracts	24	263
Negative replacement values held for trading positions	51,138	99,399
Interest rate swaps	18,005	16,986
Hedge accounting	-	-
Interest rate swaps	-	-
Non-derivative financial instruments	854,305	1,098,451
Other financial liabilities	854,305	1,098,451
Received loans	611,816	551,585
Current financial liabilities	-53	83,414
Liabilities for financial leasing	419	545
Other current liabilities	216,926	440,979
Trade accounts payable	194,676	386,851
Other liabilities	22,250	54,128
Accrued expenses	25,197	21,928
Total	923,472	1,215,099

Change in positions reported under assets

The forward exchange transactions recognised under derivative financial instruments, and the time deposits (4-12 months) and shares, bonds, other securities recognised under non-derivative financial instruments, are components of the balance sheet item securities and other financial instruments. The active loans recognised under loans and receivables and the other securities classified as held for sale are components of the balance sheet item other financial assets. The trade accounts receivable and other receivables recognised under loans and receivables correspond to the balance sheet item receivables. The cash and cash equivalents correspond to the balance sheet item of the same name (cash and cash equivalents), and the prepaid expenses and accrued income (financial assets) are components of the balance sheet item prepaid expenses and accrued income.

Change in positions reported under liabilities

The forward exchange transactions and interest rate swaps recognised as derivative financial instruments, and the current financial liabilities and liabilities for financial leasing recognised as other financial liabilities, are components of the balance sheet items current financial liabilities and non-current financial liabilities. The received loans recognised under other financial liabilities are also a component of the balance sheet item non-current financial liabilities. The trade accounts payable and other liabilities correspond to the balance sheet item other current liabilities. The deferred income and accrued expenses (financial debts) are a component of the balance sheet item deferred income and accrued expenses.

Tables show values in TCHF unless otherwise noted.

The carrying amount of each financial instrument represents a reasonable estimate for the fair value, with the exception of the following positions:

	30.06.2015 Carrying amount	30.06.2015 Fair value	31.12.2014 Carrying amount	31.12.2014 Fair value
Received loans (incl. long term leasing)	611,945	700,849	551,738	617,231

Measurement hierarchy

Measurements at fair value in the balance sheet are classified using a three-level hierarchy based on the type and quality of the fair values (market prices). The three levels are as follows:

Level 1: Publicly quoted market prices for the respective financial instrument (e.g. stock market prices).

Level 2: Market prices that are not generally accessible and possibly derived from prices for similar financial instruments or underlying goods.

Level 3: Prices that are not based on market data.

FAIR VALUE HIERARCHY

Recurring measurement of

	30.06.2015	Level 1	Level 2	Level 3
Assets				
Derivative financial instruments	53,605	-	53,605	-
Held for trading	53,605	-	53,605	-
Forward foreign currency contracts	3,800	-	3,800	-
Energy trading transactions	49,805	-	49,805	-
Interest rate swaps	-	-	-	-
Non-derivative financial instruments	148	-	148	-
Shares, bonds, other securities	148		148	

	30.06.2015	Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments	69,167	-	69,167	-
Forward foreign currency contracts	24	-	24	-
Energy trading transactions	51,138	-	51,138	-
Interest rate swaps	18,005	-	18,005	-
Hedge accounting	-	-	-	-
No hedge accounting	18,005	-	18,005	-
Financial instruments that are not measured at fair value	700,849	-	700,849	-
Received loans (incl. long term leasing)	700,849	-	700,849	-

Tables show values in TCHF unless otherwise noted.

Recurring measurement of

	31.12.2014	Level 1	Level 2	Level 3
Assets				
Derivative financial instruments	110,036	-	110,036	-
Held for trading	110,036	-	110,036	-
Forward foreign currency contracts	198	-	198	-
Energy trading transactions	109,838	-	109,838	-
Interest rate swaps	-	-	-	-
Non-derivative financial instruments	182	-	182	-
Shares, bonds, other securities	182	-	182	-
	31.12.2014	Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments	116,648	-	116,648	-
Forward foreign currency contracts	263	-	263	-
Energy trading transactions	99,399	-	99,399	-
Interest rate swaps	16,986	-	16,986	-
Hedge accounting	-	-	-	-
No hedge accounting	16,986	-	16,986	-
Financial instruments that are not measured at fair value	617,231	-	617,231	-
Received loans (incl. long term leasing)	617,231	-	617,231	-

There are currently no indications for a one-time measurement of a fair value.

In the Repower Group, transfers of positions measured at fair value to and from a level generally take place at the end of the period. There were no transfers between levels in the first half of 2015. There were no changes in the measurement methods, nor were items measured at fair value shifted within the individual categories.

Basic measurement methods and assumptions

Fair values for Level 2 are determined by applying standard market measurement methods taking into account the market data available on the measurement date. The measurement methods and assumptions used to calculate fair values are as follows:

The price curves of the last trading day for the various products and maturities on stock exchanges or with brokers are incorporated into the measurement of the positive/negative replacement values of the held-for-trading positions.

Market-observable currency curves of active markets are incorporated into the fair value measurement of forward exchange transactions. Interest differences between individual currencies are taken into account when determining the fair value.

Market-observable yield curves of active markets are incorporated into the fair value measurement of interest rate swaps.

A present value calculation is used to determine the fair value of the non-current credits. Market-observable capital market rates on active markets are used as input parameters and increased by Repower's market-observable credit risk. Credits in euros are converted to Swiss francs at the closing rate.

Tables show values in TCHF unless otherwise noted.

7) ASSETS AND LIABILITIES HELD FOR SALE

In June 2015 Connecta AG and associated fully-consolidated assets and liabilities with a total carrying value of TCHF 3,341 were classified as held for sale in the Market Switzerland segment. Connecta AG operates communications networks in Canton Graubünden.

Assets and liabilities totalling TCHF 51,682 held for sale with respect to Swissgrid, and the net assets of the sales business in Germany, totalling TCHF 2,082, are recognised in the Market Switzerland segment. Accrued translation gains for activities in Germany come to TCHF 21. The disposals of these two disposal groups in July 2015 are explained in the section on events occurring after the balance sheet date.

The net assets of the SEI disposal group come to TCHF -7,668, and are recognised in the Market Italy segment. Translation gains for SEI S.p.A., which are contained in Repower Group's equity, amount to TCHF 3,079 for the Repower Group and TCHF 2,001 for the minority interests.

Neither impairment losses nor impairment gains were recognised in the first half of 2015.

Assets and liabilities held for sale break down as follows:

	30.06.2015	31.12.2014
Tangible assets	3,322	-
Intangible assets	106	-
Other financial assets	51,682	51,682
Deferred tax assets	79	-
Inventories	53	-
Receivables	8,393	6,341
Accrued income and prepaid expenses	7	4
Cash and cash equivalents	1,913	3,667
Assets held for sale	65,555	61,694
Pension provisions	402	-
Other non-current provisions	55	63
Deferred tax liabilities	136	-
Current financial liabilities	7,018	8,067
Other current liabilities	7,395	3,397
Deferred income and accrued expenses	1,112	1,126
Liabilities held for sale	16,118	12,653

Tables show values in TCHF unless otherwise noted.

8) SEGMENT REPORTING

	Market Switzerland	Market Italy	Other segments and activities and consolidation	Group
1.1.-30.06.2015				
Net sales from energy sales – third parties	267,904	556,873	70,493	895,270
Net sales from energy sales between segments	38,753	15,980	-54,733	-
Income from held for trading positions – third parties	8,286	-3,373	-3,156	1,757
Income from held for trading positions between segments	-6,931	4,538	2,393	-
Operating revenue	308,012	574,018	14,997	897,027
Income before interest and income taxes (EBIT)	-5,410	-23,369	-5,370	-34,149
Financial income				2,859
Financial expenses				-75,589
Share of results of associates and partner plants				-9,200
Income before income taxes				-116,079

On 30 June 2015 the non-current assets are allocated to the segments as follows:

	Market Switzerland	Market Italy	Other segments and activities and consolidation	Group
Tangible assets	603,873	164,111	30,177	798,161
Intangible assets	4,656	3,636	871	9,163
Investments in associates	17,355	4,769	4,134	26,258
Total non-current assets	625,884	172,516	35,182	833,582

	Market Switzerland	Market Italy	Other segments and activities and consolidation	Group
1.1.-30.06.2014				
Net sales from energy sales – third parties	327,331	773,310	77,078	1,177,719
Net sales from energy sales between segments	69,454	43,397	-112,851	-
Income from held for trading positions – third parties	-6,311	13,366	-6,669	386
Income from held for trading positions between segments	6,380	-1,305	-5,075	-
Operating revenue	396,854	828,768	-47,517	1,178,105
Income before interest and income taxes (EBIT)	18,810	21,769	-8,389	32,190
Financial income				1,945
Financial expenses				-20,603
Share of results of associates and partner plants				-3,043
Income before income taxes				10,489

As of the 2015 financial year the sales and generation activities in Germany, previously recognised under other segments and activities, and the project to build a merchant line between Val Bregaglia (Bergell) and Valchiavenna, previously recognised in the Market Italy segment, have been recognised in the Market Switzerland segment. The comparative figures for the prior period were adjusted retroactively.

Tables show values in TCHF unless otherwise noted.

9) ADDITIONAL DISCLOSURES

There has been a further deterioration in the energy policy environment since the end of last year. The political debate continues on the extent to which investment in hydropower is to be promoted. Investment in tangible and intangible assets totalled CHF 7 million in the first half of 2015. Most of this went to investment in or the renovation of various grid assets, the Campocologno generation plant, and the ongoing development of software. Work was also done to modernise operational properties.

The hardening of the Swiss franc following the removal of the 1.20 floor on the EUR/CHF exchange rate resulted in lower closing exchange rates on 30 June 2015 than on 31 December 2014. This was reflected in substantial translation losses, and has had a serious impact on the financial results.

10) CONTINGENT LIABILITIES AND WARRANTY LIABILITIES

The Repower Group is involved in various legal disputes arising from its day-to-day business operations. However, as things stand at present these are not expected to give rise to any significant risks and costs for the group. The Executive Board has made the requisite provisions based on currently available information and estimates. There are no other contingent liabilities or guarantees.

11) ESTIMATION UNCERTAINTY

Management makes estimates and assumptions in line with IFRS accounting rules that affect the assets, liabilities, income and expenses of the reported figures and how they are presented. The actual values may deviate from the estimated values.

12) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The consolidated interim financial statements were approved by the Board of Directors on 24 August 2015.

A persistently challenging situation on the European energy markets prompted Repower to withdraw from the sales business in Germany in July 2014. On 2 July 2015, Enovos Deutschland SE will be taking over the sales activities of Repower Deutschland GmbH. This transaction affects the Market Switzerland segment.

On 23 December 2014 Repower announced that it had signed an agreement with an intercantonal consortium to sell its interest in Swissgrid AG, consisting of Swissgrid shares and a convertible loan granted to Swissgrid AG. Following signature of the agreement, Axpo Power AG, Axpo Trading AG and Centralschweizerische Kraftwerke AG exercised their preemptive rights to acquire the Swissgrid shares (constituting an interest of 3.21 per cent in Swissgrid AG) held by Repower. The convertible loan granted to Swissgrid AG has been acquired by a consortium comprising Canton Graubünden, Elektrizitätswerk des Kantons Thurgau (EKT Holding AG), Kantonales Elektrizitätswerk Nidwalden and UBS Clean Energy Infrastructure Switzerland KGK. The carrying value of Swissgrid AG shares and of the convertible bond granted to Swissgrid AG, which are included in the Market Switzerland segment, have a carrying value of TCHF 51,682, and were sold for a purchase price of TCHF 58,999. The cash flow will take place in July 2015.

Since 30 June 2015 there have been no other events which require disclosure.



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