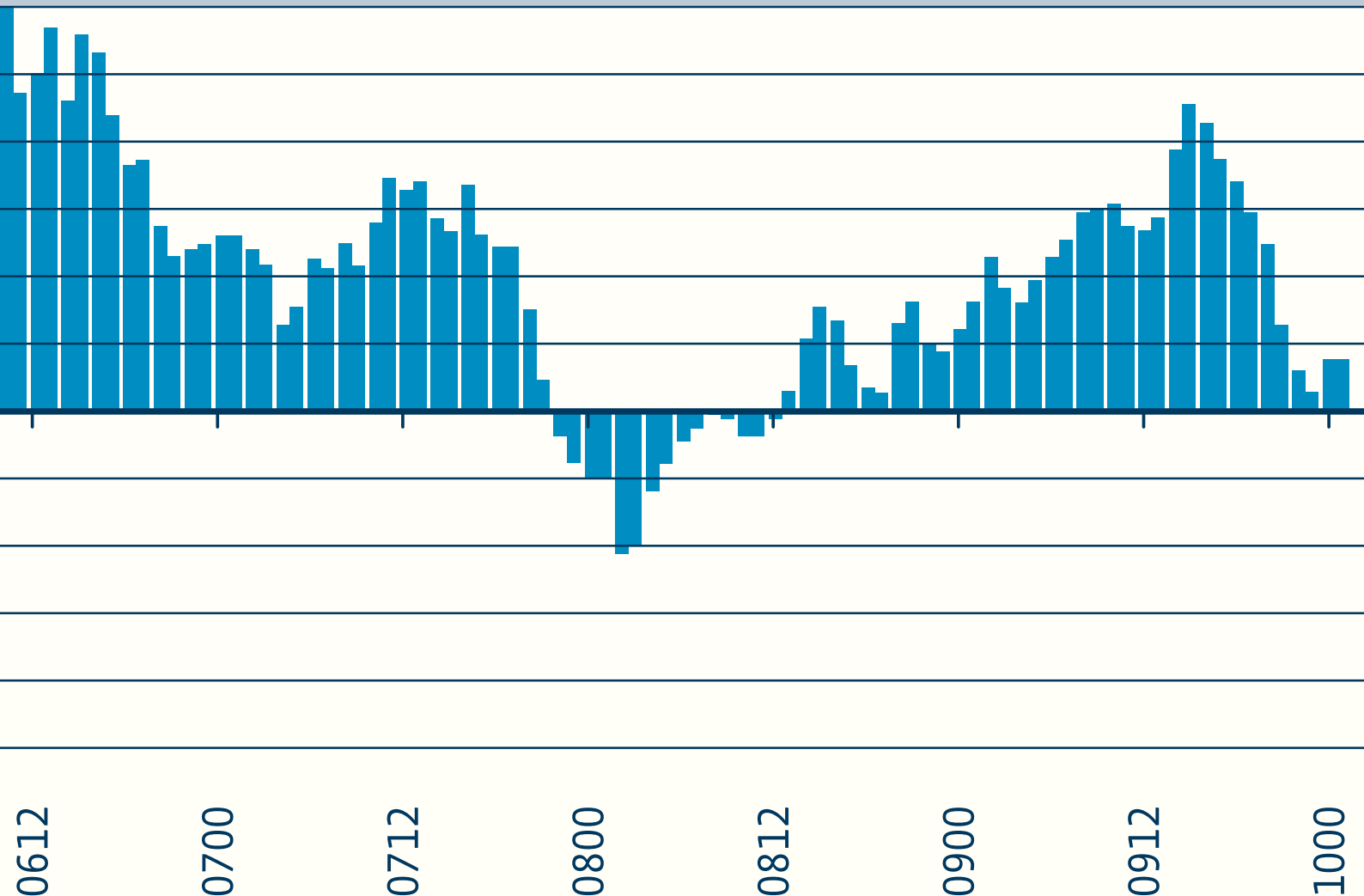


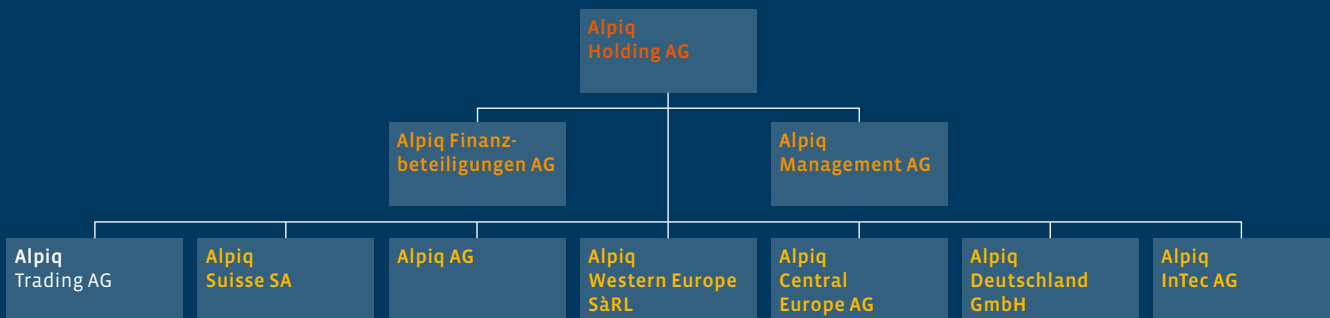
Energy and peak performance  
An introduction to Alpiq Trading





- Trading and sales subsidiaries
- Energy services
- Power generation

### Legal Structure of Alpiq Holding AG



Alpiq Trading AG is the trading arm of the Alpiq Group. The Alpiq Group was created in early 2009 as a result of the merger between the two energy pioneers Atel Holding Ltd and Energie Ovest Suisse SA (EOS). Active in 31 countries, it has subsidiaries in 27 countries, employs more than 10,000 staff, and in 2009 generated consolidated annual revenues of CHF 15 billion. Alpiq specialises in electricity generation and transmission, sales and trading, as well as energy services, and is responsible for around one-third of Switzerland's electricity supplies.

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# Welcome to Alpiq Trading

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Peter Heydecker

Dear business partners

Markets have become very unpredictable requiring a high degree of vigilance, expertise and responsibility from all participants.

I am often asked how Alpiq Trading sees the current situation and what might be the scenarios in the coming years.

I believe that the European energy market will open up further and that competition and trading will intensify. Meanwhile, the question of energy supply has gained a Europe-wide dimension. As trading brings the needed capacities to the right places at the right time, energy trade will actually be a fundamental pillar of the security of supply in the future.

At Alpiq Trading, we are well aware of this responsibility. Therefore, we not only actively support the development of transparent, liquid energy marketplaces, but also contribute to shaping the regulatory environment for the market of tomorrow.

Energy trade has a past and a future and will develop further, with lots of challenges and opportunities for all market participants.

A handwritten signature in black ink, appearing to read 'P. Heydecker', followed by a horizontal line that ends in a small arrowhead pointing to the right.

Peter Heydecker  
Head of Alpiq Trading AG  
Member of the Executive Board Alpiq Holding AG

## Alpiq Trading at a glance

Alpiq Trading AG is one of Europe's major asset-backed and multi-commodity energy merchants. It is a wholly-owned subsidiary of Alpiq Holding AG and has trading floors in Olten, Lausanne and Oslo\*.



### Roots in Switzerland – active throughout Europe

Alpiq Trading is a leading force in the European energy markets. Our trading expertise is strengthened by the resources and reach of Alpiq, one of Europe's largest energy companies. Our partners in the energy business benefit from this powerful combination of primary capacity and commercial know-how. Our traders are active on all the major European exchanges and bilateral markets. We have built our leading position in Europe on the expert knowledge of highly experienced teams. We engage in bilateral trading with over 250 OTC counterparties in the wholesale power markets. Focusing on the most important markets, we contribute to managing generation from Alpiq's power stations, securing electricity procurement and reducing risk.

### Commodities and products

Our trading activities include gas, coal, oil products and fuels, as well as emissions allowances and green certificates.

We offer a complete range of standardised products, including base, peak, off-peak, blocks and single hours. Alpiq Trading also manages structured products, e.g. swings, virtual power plants (VPPs), hourly options and spread options.

### Key figures

No. of deals p.a.	40,000
No. of counterparties	250
No. of employees	200
Capitalisation	500 Mio. CHF

\* authorized representative



Grande Dixence dam, Switzerland

## Power assets and trading expertise.

In key markets, trading and sales are backed by Alpiq's generating capacity. This provides a natural hedge against volatility. Furthermore, professional fuel management ensures efficient provisioning of Alpiq's power plants.



# Asset Trading plays a key role in capturing the value of the Alpiq Group's assets and in managing the corresponding market risks

## Asset Trading

Our asset traders use the flexibility of Alpiq's assets to enhance the value of trading. The assets include power plants in Switzerland, Germany, Italy, France and Spain, as well as storage capacities and long-term contracts.



Switzerland – Alpiq's power plants

### Capacities

■ Nuclear	765 MW
■ Thermal	55 MW
■ Hydro	2807 MW
■ New renewables	13 MW

### Volumes generated p.a.

■ Nuclear	6226 GWh
■ Hydro	5885 GWh

### Profitable integration of assets into trading activities

Alpiq has a generation capacity of 6,500 MW in Europe, with a strong focus on hydro power in Switzerland. In addition to the very flexible hydro portfolio, Alpiq owns gas-fired combined-cycle and nuclear plants, wind power facilities and long-term contracts with key European players. These assets are commercially optimised to maximise their value while hedging the related risks. Trading around the assets leverages the profitability.

### Strong market presence

Our Asset Trading teams are active over all time frames, closing deals either OTC or at European exchanges and major gas hubs. In addition, Alpiq's assets are geared to providing optimal support for grid operators' ancillary services. Operating 24/7, Asset Trading has a strong presence in intraday trading and takes all short-term decisions on the operation of the plants.



#### **Asset-related products**

Alpiq owns many different types of production plants. The wider the range of our actively traded products, the better the production-related risks can be managed. Therefore, our Asset Trading experts not only trade electricity, but also gas, coal, oil and certificates such as CO<sub>2</sub> and all forms of green certificates. They also manage options on gas, power, transport and storage capacities. This is a growing field, as the number of gas-fired plants increases and the storage of energy becomes more important with regard to highly variable and unpredictable forms of energy generation such as wind and solar.

Alpiq's hydro plants in Switzerland provide a high-capacity storage infrastructure for energy generated all over Europe, for example in distant wind parks on the coasts of northern Europe or windy areas of southern Italy.

These products are supplemented by financial derivatives to hedge and manage the risk related to our portfolio.

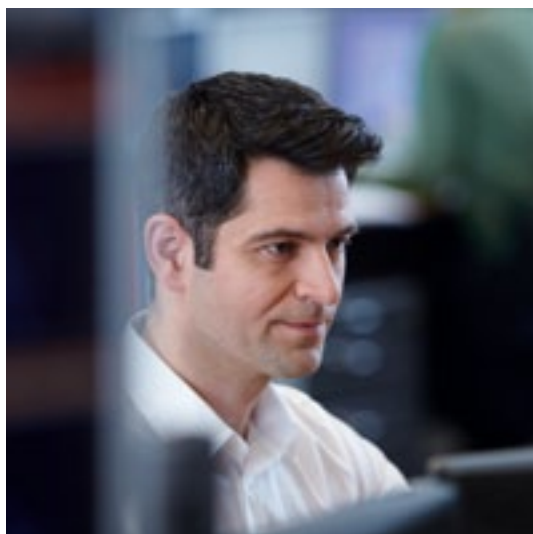
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# Our Proprietary Trading teams base their decisions on detailed fundamental and technical analysis, drawing on first-hand experience of trading in the European wholesale markets

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## Proprietary Trading

With their deep market knowledge and active trading presence, our proprietary traders anticipate market behaviour and help take the right decisions for commercial transactions.



### **Trading within clearly defined limits**

Our proprietary traders buy and sell electrical power, gas, oil, coal and CO<sub>2</sub>, spot, forwards, futures, standard, blocks, profiles, structured products, options and swaps.

Our team of experts is subject to regular performance measurement. Trading, and thus the generation of profit, is executed within clearly defined limits.

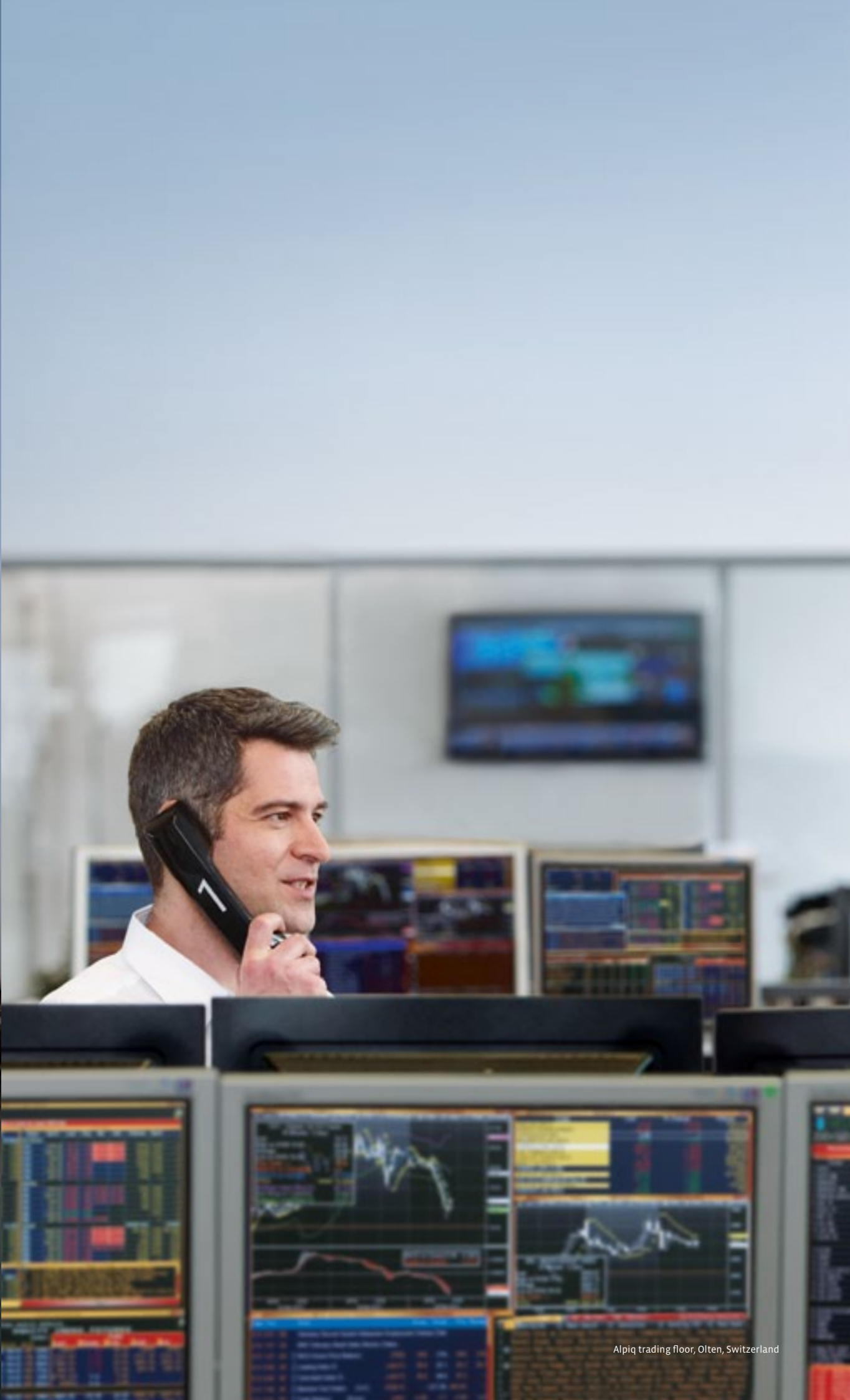
The Proprietary Trading teams focus on products with a high return/risk profile. In their daily work, which is marked by transparent and approved processes and extends to other commodities and markets, they are striving for solid and sustainable growth.



## Generating power and market performance.

Our expertise in energy trading is reinforced by the resources and reach of Alpiq – one of Europe's largest energy companies. Our partners in the energy business benefit from this powerful combination of primary capacity and commercial know-how.

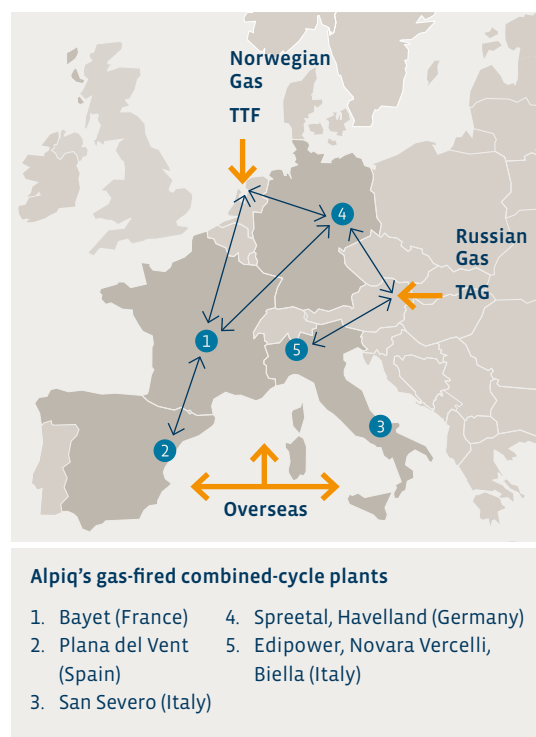




# Alpiq Trading has a key role to play in the structuring of Alpiq's gas portfolio

## Gas Portfolio Management

Alpiq Trading's pan-European gas portfolio is a strong pillar of the company's business activities. Alpiq Trading works closely together with the Alpiq Group's regional divisions across the value chain.



Alpiq Trading plays an active role in the European gas markets, trading on all the major gas hubs throughout Europe. The Alpiq gas portfolio consists of a well-balanced mix of short-, mid- and long-term sourcing deals. Our teams exploit equity and contracted storage capacities and own a portfolio of long-term transportation rights at strategic positions on the gas grid across Europe.

Our European gas portfolio trading is strongly marked by hedging executed at the liquid gas hubs. Together with the Alpiq Group's regional divisions, Alpiq Trading aims at capturing optimisation opportunities through arbitrage between markets and supply sources (spot gas and LNG). A key strength of Alpiq's optimisation strategy is to utilise skill sets across all business divisions, minimising risk while maximising gas portfolio value.



## Origination

Our Origination team structures innovative products for the benefit of wholesale players in the European energy markets.



### **Customised forward thinking**

The Origination team within Alpiq Trading generates revenues through high-level structuring capabilities, combined with a pan-European market vision. The Origination desk tracks opportunities and seizes the right moment to negotiate and conclude standard and structured energy deals with trading floors across Europe.

Its products are designed according to the specific requirements of commercial counterparties and Alpiq traders, with a clear focus on the optimisation of complex international asset portfolios.

### **Our Origination team applies its expertise to**

- negotiate and conclude structured energy deals
- close deals in wholesale markets relevant to our proprietary and asset trading activities
- develop complex and cross-commodity energy structures
- provide access to non-liquid products

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# Middle Office and Operations provides strong analytical and operational support to Alpiq's front offices and corporate centre

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## Middle Office & Operations

Middle Office and Operations is close to traders and other commercial teams and also well-connected to corporate functions. It covers Market Analysis, Scheduling, Middle Office Portfolio and Technical Support.



### **Market Analysis**

Our market analysts collect and evaluate all data relevant to trading on a daily basis (electricity, gas, oil, coal, CO<sub>2</sub> and FX). They support the decision-making of traders and other commercial teams with timely analysis of market prices, macroeconomic trends, weather forecasts, demand and supply scenarios, as well as cross-border flows. The team develops and maintains price forecasting, asset valuation and optimisation models.

### **Scheduling**

The Scheduling team is in charge of energy schedule nomination across Europe. This means making sure that Alpiq's energy positions are balanced, supervising cross-border flows and transmitting information to electricity and gas network operators. Round-the-clock availability is ensured by seven-day shift working.



#### **Middle Office Portfolio**

Our portfolio analysts provide transparency by independently reporting positions, profit and loss accounts, and risks of all portfolios to traders, optimisers and commercial management. The team also checks the consistency of the entire portfolio, supervises the book structure, coordinates the deal capture and checks compliance with internal guidelines.

#### **Technical Support**

Technical Support coordinates all IT-related tasks within Alpiq Trading. It gathers customer requirements, establishes specifications, coordinates projects, configures trading systems and monitors data flows, applications and interfaces. It supports Alpiq Trading in its daily operations, with user-support, documentation, troubleshooting, training and budgeting.

## Renewable energies and sustainable returns.

Climate change and the urgent need to reduce emissions are posing major challenges to countries throughout the world. Alpiq has built up extensive expertise in emerging environmental markets through its sales and trading activities across Europe.

Index	Value	Change	% Change
NIKKEI 225	3135	-100	-2.21%
HANG SENG	760	-103	-2.26%
SHANGHAI	10	-107	-1.21%
DAX INDEX	7673	+360	+1.21%
ESTX 50	3991	-0.30	-1.0%
	8116	-280	-9.6%
	7673	+87	+4.1%
	3991	+76	+3.6%
	2430	+50	+0.8%
	7673	+87	+4.1%
	3991	+76	+3.6%
	2430	+86	+4.1%
	74.50	+2.50	+3.47%
	75.00	-	-
	75.00	-1.09	-1.43%

News/Research for energy

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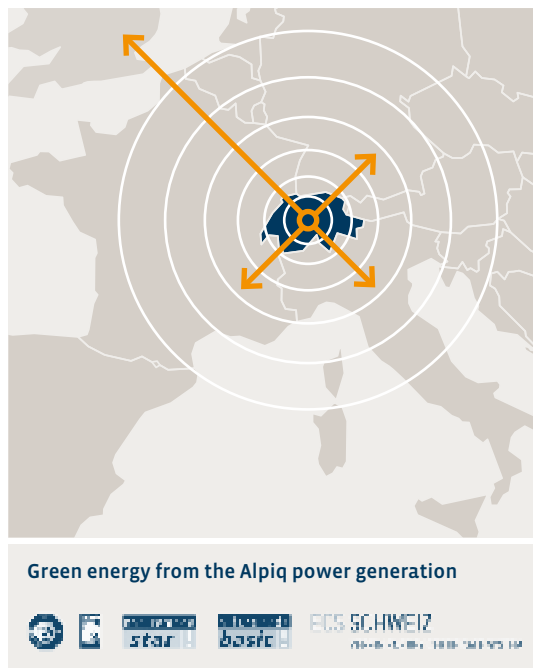
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# Alpiq Trading provides a wide range of green energy services for aggregators across Europe

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## Environmental Markets

Our Environmental Markets team plays a leading role in the international trade in renewable energies. Our customers on the supply as well as the demand side enjoy privileged access to all major markets.



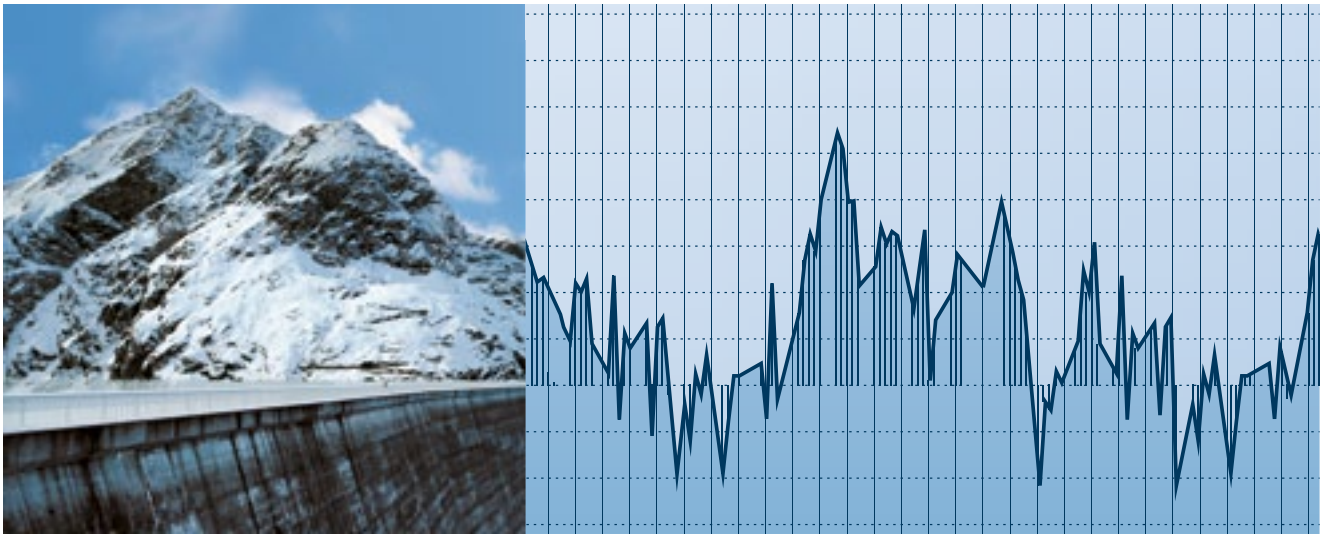
### Physical energy and green certificates

Our Environmental Markets team supplies green energy as well as green certificates to Alpiq's industrial customers and regional resellers across Europe. We offer environmentally compliant quality labels for electricity derived from various renewable sources, mainly hydro and wind.

Thanks to Alpiq's certified power plants and reliable certification systems, customers have a solid proof of the origin of the renewable energies they purchase and of the environmental added value. Customers can obtain specific production profiles, which are fed into the grid on the basis of clearly defined production criteria.

Our product range includes all renewable products, such as Guarantees of Origin (GoO/HKN/Disclosure GoO), LECS and RECS certificates, TÜV certificates, naturemade basic and naturemade star certificates, as well as carbon certificates.

Other types of certificates are available on request.



## Market and Financial Regulations

Our Regulation teams monitor regulatory frameworks that determine the energy market structure. We provide our traders with analysis and forecasts of how new laws will affect Alpiq's business and trading activities.



### **Supporting the operative business**

The main objective of the Regulation teams is to keep our traders informed about changes in the regulatory environment. A correct and timely understanding of developments in this area is essential, as new laws have a direct impact on market dynamics. Market rules must also be considered when our corporate strategy is formed and deployed.

### **Shaping the regulatory environment**

Besides monitoring the regulatory framework, we are active in the law-making process related to the energy industry on a national as well as a European level.

### **Creating a regulatory community**

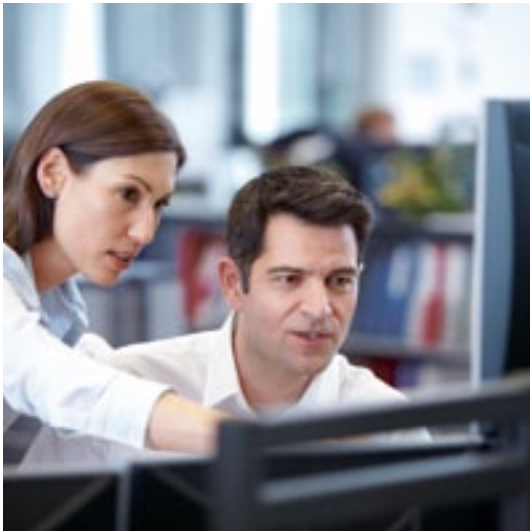
In unity lies strength. This is particularly true within the regulatory environment. We are active and make an effort in reaching a common position among industry members and within various Swiss and European associations. Speaking "with one voice" increases our influence and strengthens our negotiating position with regulators.

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# Our people

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Our teams are a vital asset and a key factor in our success. Alpiq Trading offers attractive conditions of employment, a performance-based reward scheme, and opportunities for personal and career development.



## **Multi-national working environment**

Our people have a wide range of professional and cultural backgrounds, contributing to a cosmopolitan working spirit, based on respect and understanding. At Alpiq Trading we also thrive on ensuring the right balance between juniors and more experienced employees. We foster an entrepreneurial spirit, encouraging initiative and innovation through a culture of openness, transparency and critical dialogue.

## **Multi-disciplinary expertise**

Our trading teams possess in-depth experience of the different traded commodities and energy products. They are complemented by originators, analysts and schedulers, as well as middle-office and back-office staff. Our continued success depends on our people and we are constantly seeking to attract and retain the best in the market. Individuals are encouraged to grow and develop. To employees joining from abroad, Alpiq Trading offers attractive relocation packages.

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# Life and work in Switzerland

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Switzerland offers natural beauty and picturesque villages, but also busy city life with a lot of attractions. On its limited surface area of only 40,000 square kilometres, it is packed with historic landmarks and a wide range of landscapes and climatic zones.



## **High quality of life**

When it comes to ranking the countries with the best quality of life, Switzerland is always at the top of the list. It is family-friendly, offers economic and political stability and has a low rate of crime and unemployment. It consists of 26 small, individual states (cantons), each having its own laws and school and governmental systems. Four different languages are spoken – Swiss-German, French, Italian and Rhaeto-Romanic – contributing to the country's cultural diversity, which also marks our daily working life at Alpiq Trading.

## **Attractive working conditions**

Switzerland offers good working conditions, attracting employees from all over the world.



Alpiq Trading AG  
Bahnhofquai 12  
CH-4601 Olten  
T +41 62 286 71 11

[www.alpiq-trading.com](http://www.alpiq-trading.com)