

Media release

17 March 2017

Axpo sells non-controlling interest in Argessa AG

Axpo sold its interest in Argessa AG to Energie Service Biel (ESB) on 16 March 2017. This sale of its interest in a hydro power plant that is considered non-strategic is part of a portfolio adjustment by Axpo.

With its large production fleet in Switzerland, Axpo is strongly exposed to the risks associated with the very low level of current wholesale prices for electricity. Already more than one year ago, Axpo announced that it needs to reduce this dependence on the electricity price. In doing so, Axpo also considered selling production assets (conventional power plants, investments in other power plants and energy supply contracts) that are not central to the Group's strategy. As part of this review, Axpo identified a portfolio of its own hydro power plants and hydro power plants in which it has an interest that should be offered for sale. This included the interest in Argessa AG.

Argessa AG is a hydro power plant in the Leuk region in Canton Valais that is owned by the concession municipalities Oberems, Turtmann, Agarn, Leuk and Ergisch as well as Axpo Power AG, which held 35% of the power plant. The operational plants of Argessa AG run along the river from Illsee at 2,360 metres above sea level down to Turtmann in the Rhone valley at 630 metres above sea level. The power plant processes running river water from the Turtmann valley as well as stored energy from the Illsee and the Meretschi lakes. It produces an average of around 90 GWh of electricity per year.

Following the sale of its non-controlling interest in Rheinkraftwerk Albruck-Dogern (RADAG) at the end of 2016, the sale of Axpo's interest in Argessa AG to ESB represents the next step in the process of optimising its production portfolio.

Axpo and ESB concluded the transaction to transfer 35% of the shares in Argessa AG on 16 March 2017. The agreement between the two companies also includes the assignment of energy supply contracts for 2% of the energy that is generated. Axpo will continue to utilise the energy that is produced until the end of the 2017 calendar year. Axpo and ESB have agreed not to disclose the purchase price.

Additional information

Axpo Holding AG | Corporate Communications

Media Hotline: 0800 44 11 00 (Switzerland) | T +41 56 200 41 10 (international)

www.axpo.com

Axpo Holding AG

Corporate Communications

Parkstrasse 23 | CH-5401 Baden

T 0800 44 11 00 (Switzerland) | T +41 56 200 41 10 (international)

medien@axpo.com | www.axpo.com



About Axpo

The Axpo Group produces, trades and distributes energy reliably for more than 3 million people and several thousand companies in Switzerland and in over 30 countries throughout Europe. Around 4500 employees combine the expertise from 100 years of climate-friendly power production with innovative strength for a sustainable energy future. Axpo is an international leader in energy trading and in the development of tailor-made energy solutions for its customers.

