
Corporate Centre

Financial Services

Financing the newly formed Group, setting up a centralised IT architecture management system, and implementing the first joint reporting and budget process: these three examples are indicative of the challenges that Financial Services had to address last year. Given that day-to-day business also had to be conducted alongside these and other demanding projects related to the merger of Atel and EOS to establish Alpiq, capacity was often stretched to the limit. Nevertheless, Financial Services remained on track with all important projects.

The merger between Atel and EOS was predicated on secure funding, which Alpiq achieved through several bond issues and loans totalling CHF 1.5 billion. This injection of funds was used to refinance the short-term funding raised in January 2009. In future, the Group will largely be centrally financed through Alpiq Holding Ltd.

Corporate IT had a particularly heavy workload. IT management, centres of competence and IT operations were further professionalised and internationalised during 2009. As a result, Corporate IT now has a pan-European organisation and structure allowing it to effectively manage the merger between Atel and EOS as well as planned acquisitions. In addition, last year saw the beginning of the roll-out of the new Murex trading system.

Another major project was the introduction of the new management information system (MIS) designed to enhance transparency and business steering. The MIS is to be implemented gradually in the course of 2010, and the budget has already been prepared using the new system.

Business Development

The Business Development functional division has existed in its present form since Atel and EOS joined forces to create Alpiq in February 2009. The main objective for Business Development in 2009 was to build up the functional division and define the tasks to be assigned to the new Market Intelligence, Strategy Development, and Mergers & Acquisitions functional units and to the Project Management & Business Consulting staff function. Processes and interfaces to other units within the Group were defined as part of the “Insieme” internal integration project (see page 8).

The most important projects involved the formulation of a business model for Group-wide activities in the areas of renewable energies, analysis and prioritisation of the Alpiq investment portfolio, and preparations for the strategy project to be

launched in 2010. The aim of Business Development is to perform steering functions within the Group with a view to the Group's long-term, sustainable development.

The two key projects for 2010 and subsequent years involve revising and consolidating the Alpiq Group's strategy with the related implementation plan and reducing corporate complexity by simplifying the organisational and process structure.

Management Services

The Alpiq Group's Human Resources Department was extremely busy during 2009, drawing up new common terms and conditions of employment for all staff of the Energy segment in Switzerland. Some 1,150 employees in Switzerland received a new contract of employment, and Alpiq remains a popular employer despite the many changes.

The speed with which Alpiq became an established brand is largely due to the efforts of Corporate Communications, which was responsible for the concept. The Europe-wide brand roll-out is scheduled for completion in 2010, by which time the Alpiq brand will be firmly established and appropriately positioned in Switzerland and throughout Europe.

Since May 2009, Alpiq has been supporting the Swiss Ski Association, Swiss-Ski, as its principal sponsor: a fitting partnership, since "Alp" stands for the Alps and "piq" brings to mind "peak", with its connotations of mountain tops and peak performance. Another thing that Alpiq and Swiss-Ski have in common is their close relationship with Switzerland's alpine cantons. Awareness of the young brand was significantly raised through the widespread presence of the Alpiq logo in the media and at competitions throughout Europe. The Swiss Alpine Club's new Monte-Rosa hut, a model of sustainability and innovation, was inaugurated on 25 September 2009. The project was implemented with major support from Alpiq.

In 2009, Public Affairs closely followed and monitored the definition and introduction of new regulatory provisions in Switzerland and across Europe. In Switzerland, the focus was on the Electricity Supply Act (StromVG), while in Europe the main issue was the EU's third regulatory package, which also had implications for Alpiq. In connection with the bilateral electricity trading agreement with the EU, the aim was to ensure protection of investments related to long-term contracts. The consequences of market liberalisation in Switzerland and across the EU will continue to be closely monitored in the course of 2010.