

Annual Report 2014 | 15

Axpo Trading AG



Key figures

		2014/15	2013/14 restated	2012/13	2011/12	2010/11
Axpo Trading Group						
Revenues	CHF millions	4 621.5	5 001.5	4 752.6	3 470.2	2 590.5
Gross margin ¹	CHF millions	437.9	445.7	655.4	416.9	502.1
Earnings before interest and tax (EBIT) ¹	CHF millions	-450.4	-440.8	192.6	-18.1	53.3
Net profit incl. non-controlling interests	CHF millions	-580.0	-454.9	123.9	-86.1	22.2
in % of revenues	%	-12.6	-9.1	2.6	-2.5	0.9
Cash flow from operating activities	CHF millions	-194.5	153.8	109.5	115.2	132.9
Total capital as at 30 September	CHF millions	6 616.5	6 666.7	6 925.9	5 926.8	5 407.9
Total equity as at 30 September	CHF millions	1 686.5	1 603.7	1 994.4	1 611.4	1 709.7
Gearing	%	3.4	26.2	24.6	39.8	33.0
Net debt	CHF millions	56.9	419.8	491.1	641.5	564.4
Cash and cash equivalents	CHF millions	438.8	460.8	450.3	350.2	301.6
Average number of employees	FTE	745	734	714	719	769
Axpo Trading AG						
Result for the period	CHF millions	-386.8	-680.4	190.6	-40.7	-85.5

¹ Currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency were included in the calculation of gross margin and hence EBIT. The previous year's figure was restated, the figures before the 2013/14 year-end closing remain unchanged.

Contents

Satisfactory result under consistently challenging conditions	4
Section A: Consolidated financial statements of Axpo Trading Group	
Consolidated income statement	8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
Consolidated statement of changes in equity	11
Consolidated cash flow statement	12
Notes to the consolidated financial statements	14
Report of the statutory auditor on the consolidated financial statements	64
Section B: Statutory financial statements of Axpo Trading AG	
Income statement	66
Balance sheet	67
Notes to the financial statements	68
Proposal for the appropriation of retained earnings	74
Report of the statutory auditor on the financial statements	75

Satisfactory result under consistently challenging conditions

In the 2014/2015 financial year, the Axpo Trading Group posted a satisfactory overall result in spite of consistently challenging market conditions. Profit for the period was, however, influenced by a number of exceptional items, some of which will continue to have an impact on results in the coming years. The strategy of broad diversification and consistent hedging once again proved its worth in the past financial year.

The EBIT generated by the Axpo Trading Group for the past financial year, adjusted for two material exceptionals – the hedging of exchange rate risks and impairments – amounted to CHF 119.2 million. In view of the extremely challenging overall market situation and many uncertainties that persisted, this EBIT is in line with expectations. The Axpo Trading Group's result for the period was CHF –580.0 million. The substantial difference compared with the adjusted EBIT is explained by two overlapping exceptional items.

Hedging of exchange rate risks

One of the important principles governing the Group's trading and origination business is the consistent hedging of the FX transaction exposure stemming from trading, origination and the power plants' energy hedging activities. Axpo Trading Group has therefore hedged the Axpo Group's production volume of some 70 TWh against exchange rate risks over three years.

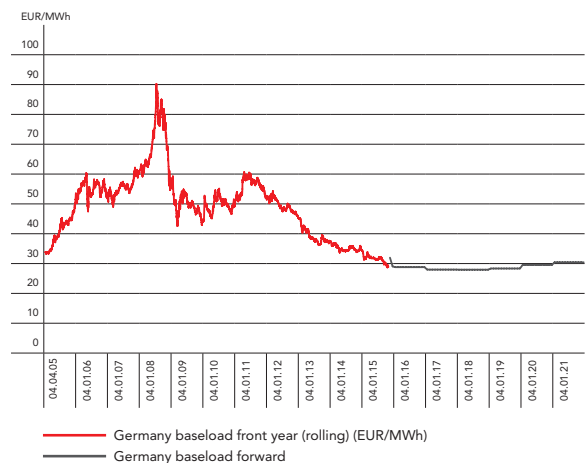
The scrapping of the euro floor in January 2015 and the resulting massive increase in the value of the Swiss franc led to gains on exchange rate hedging of CHF 292.5 million for the Axpo Trading Group. As the hedging period runs until 2018 but the gain has been posted as a one-off item, reported income will be reduced by a total of CHF 133.0 million over the next few years.

Impairments burden the result

The second exceptional item that requires explanation to judge this year's business result in relation to the Axpo Trading Group's actual performance concerns the value adjustments on own power plants and investments as well as energy procurement contracts of around CHF 702.6 million at EBIT level.

Given the continuing extremely low energy prices on the wholesale market and dampened expectations of a recovery in the next few years, the value of these assets had to be considerably impaired once again.

Overall, the Axpo Trading Group thus posted impairment losses of more than CHF 1 billion over the past two years. To maintain the Group's capital base and therefore its ability to act, Axpo Holding AG increased the equity of Axpo Trading AG by CHF 750.0 million, thereby providing it with appropriate capitalisation as an energy trading counterparty and enabling it to make acquisitions and investments in Trading and Sales. This move also expresses the company's determination to continue its current strategic focus on the business of customised energy solutions.



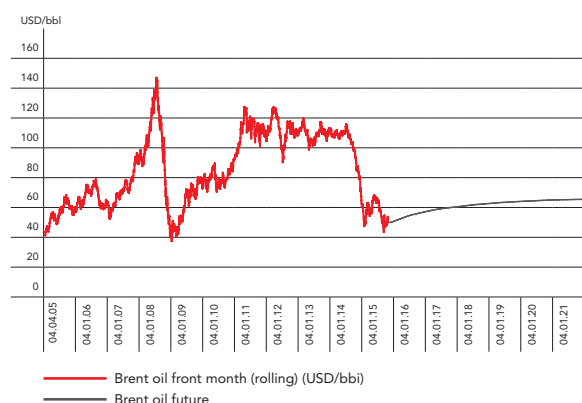
Development of wholesale market price for electricity | Source: EEX (European Energy Exchange)

Collapse of oil price leads to short-term hedging cash-out

Not only has the price of electricity collapsed in the past few years, the prices of oil and other commodities have seen similar slides. The power price reductions have mainly been driven by the coal price collapse. These global price losses are due to reduced demand from a weakening global economy on the one hand, and an energy overhang on the other, e.g. as a result of the production

of shale gas in the US and OPEC's decision to keep its production quotas intact.

The Axpo Trading Group always hedges its energy procurement contracts, some of them also with crude oil derivatives. The price losses suffered by this commodity resulted in book losses which, like the book gains on the currency hedges described above, will have to be evened out over the next few years. This will have a positive effect on the realised annual results for the coming years.



Development of oil price | Source: Thomson Reuters

Subsequent negotiations on a long-term procurement contract for Russian gas went well. The price adjustment led to a substantial increase in revenue in the double-digit millions.

The Group's negative operating cash flow of CHF -194.5 million (previous year: CHF 153.8 million) is explained by a number of factors, in particular net working capital growth due to increased customer business, margin calls at short notice (which will, however, be offset by future positive cash flows from the underlying transactions), and an additional VAT payment that was deferred in the previous year.

Customer business continues to do well

Business with the producers of renewable energies continued to do well. The Axpo Trading Group now markets energy from a total installed capacity of around 12,000 MW for these customers, making it one of the leading marketers of renewable energies from customer plants in Europe.

The company's own portfolio of renewable energies was also boosted substantially by additional wind energy capacity in the reporting year. In July 2015, the Axpo Trading Group announced the purchase of Volkswind GmbH. In September, Global Tech I, an offshore wind farm in the North Sea in which the Axpo Trading Group has a stake of 24.1% came on line, increasing Axpo's installed wind capacity to more than 420 MW.

Business with international industrial customers as well as with small and medium enterprises (SME) also reported growth. Long-term electricity supply contracts,

some of them with a term of up to 20 years, were agreed with several customers.

Finally, the progress made on the Trans Adriatic Pipeline TAP project is also encouraging. Initial preparations for the construction of the pipeline started in Albania in the reporting year. Of even greater importance, however, was the positive decision by Italy, where the building permit issued in May 2015 represented the last major regulatory hurdle.

Diversification and risk management as success factors

The coming years will remain challenging for the energy sector. There are no signs yet of a recovery, price trends remain uncertain, and the global economy is fragile. In this context two key elements of Axpo's strategy are crucially important: diversification, both in geographic and material terms, and institutionalised risk management.

Both are absolute strengths of the company. The planned entry into the US market will further broaden Axpo's geographic diversification. Today, Axpo has a direct presence in more than 25 countries and is active in more than 30 markets. In the next few years, Axpo will continue to grow by relentlessly investing in origination and in line with the opportunities that are opening up.

In 2015, the Axpo Trading Group was once again recognised for its expertise in risk management by the widely respected Energy Risk Commodity Rankings. Several subsidiaries received awards in different categories, and Axpo itself was honoured as the leading global power trader.

Market	Rank	Country
Power trading	1	Overall
Natural gas trading	1	Italy
Power trading	1	Iberia
Power trading	1	Netherlands
Power trading	1	Eastern Europe
Power trading	1	Northern Europe
Power trading	2	Italy
Research in European power	2	Europe
Power trading	3	Germany
Power trading	3	Belgium
Power trading	4	France
Power trading	5	Great Britain

Source: Risk.net

If these strengths can be upheld and expanded wherever possible, Axpo will continue to operate successfully in these times marred by many uncertainties.

Martin Schwab
Chairman of the Board
of Directors

Domenico De Luca
CEO

Contents

Financial Report

Section A: Consolidated financial statements of Axpo Trading Group

Consolidated income statement	8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
Consolidated statement of changes in equity	11
Consolidated cash flow statement	12
Notes to the consolidated financial statements	14
Report of the statutory auditor on the consolidated financial statements	64

Section B: Statutory financial statements of Axpo Trading AG

Income statement	66
Balance sheet	67
Notes to the financial statements	68
Proposal for the appropriation of retained earnings	74
Report of the statutory auditor on the financial statements	75

Consolidated income statement

CHF millions	Notes	2014/15	2013/14 restated ¹
Revenues from sales of energy	8	4 281.6	4 925.4
Changes in inventories		4.8	0.0
Capitalised production costs		1.5	0.1
Other operating income	9	333.6	76.0
Total income		4 621.5	5 001.5
Expenses for energy procurement and cost of goods purchased	10	-4 136.2	-4 514.9
Expenses for materials and third-party supplies		-34.6	-32.5
Personnel expenses	11	-131.0	-141.1
Other operating expenses	12	-166.5	-228.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)		153.2	84.3
Depreciation, amortisation and impairments	13	-603.6	-525.1
Earnings before interest and tax (EBIT)		-450.4	-440.8
Share of profit of partner plants and other associates	18	33.4	48.7
Financial income	14	48.0	28.7
Financial expense	14	-165.2	-88.2
Earnings before tax (EBT)		-534.2	-451.6
Income tax expense	15	-45.8	-3.3
Result for the period		-580.0	-454.9
Attributable to:			
Axpo Trading shareholders		-587.6	-454.2
Non-controlling interests		7.6	-0.7

1 Currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency were reclassified from financial result to other operating income.

CHF millions	2014/15	2013/14
Earnings per share		
Total average number of registered shares issued with a par value of CHF 50.00 ²	2 927 671	2 640 000
Result for the period in CHF millions	-587.6	-454.2
Earnings per share in CHF	-200.7	-172.0

2 In the reporting period the share capital of Axpo Trading AG was increased in the amount of CHF 750.0 million and 15,000,000 bearer shares were issued at nominal value.

Consolidated statement of comprehensive income

CHF millions	Notes	2014/15	2013/14
Result for the period		-580.0	-454.9
Cash flow hedges group companies		50.7	83.0
Fair value adjustments		262.7	68.4
Result transferred to the income statement		-192.3	41.1
Income taxes on fair value adjustments	15	-19.7	-26.5
Cash flow hedges other associates		-8.9	0.0
Fair value adjustments		-12.4	0.0
Income taxes on fair value adjustments	15	3.5	0.0
Currency translation differences group companies		-90.0	-15.9
Currency translation differences for the year		-90.0	-15.9
Currency translation differences other associates		-2.7	0.0
Currency translation differences for the year		-2.7	0.0
Income and expenses to be reclassified subsequently to profit or loss, net after income tax		-50.9	67.1
Remeasurement defined benefit plans group companies		-21.3	-7.9
Remeasurement defined benefit plans		-27.1	-9.9
Income taxes	15	5.8	2.0
Remeasurement defined benefit plans partner plants and other associates		-6.4	-4.7
Remeasurement defined benefit plans		-8.0	-5.9
Income taxes	15	1.6	1.2
Income and expenses not to be reclassified subsequently to profit or loss, net after income tax		-27.7	-12.6
Other comprehensive income after income tax		-78.6	54.5
Total comprehensive income		-658.6	-400.4
Attributable to:			
Axpo Trading shareholders		-663.6	-399.7
Non-controlling interests		5.0	-0.7

Consolidated balance sheet

CHF millions	Notes	30.9.2015	30.9.2014
Assets			
Property, plant and equipment	16	236.4	554.5
Intangible assets	17	88.9	97.3
Investments in partner plants and other associates	18	314.0	467.2
Derivative financial instruments	6	932.3	928.5
Other financial assets	20	187.6	336.4
Investment properties		0.0	0.1
Other receivables	24	99.8	139.8
Deferred tax assets	15	38.6	40.6
Total non-current assets		1 897.6	2 564.4
Assets held for sale	16	3.5	0.0
Inventories	21	390.4	426.4
Trade receivables	22	731.0	633.3
Financial receivables	23	406.0	22.9
Current tax assets		63.9	38.8
Derivative financial instruments	6	1 137.8	741.2
Other receivables	24	1 547.5	1 778.9
Cash and cash equivalents	25	438.8	460.8
Total current assets		4 718.9	4 102.3
Total assets		6 616.5	6 666.7
Equity and liabilities			
Share capital		882.0	132.0
Retained earnings		767.9	1 439.0
Total equity excluding non-controlling interests		1 649.9	1 571.0
Non-controlling interests		36.6	32.6
Total equity including non-controlling interests		1 686.5	1 603.6
Financial liabilities	26	731.2	1 089.3
Derivative financial instruments	6	598.4	526.7
Other liabilities	28	157.6	139.9
Deferred tax liabilities	15	61.3	16.5
Provisions	29	274.8	163.0
Total non-current liabilities		1 823.3	1 935.4
Trade payables		552.3	600.0
Financial liabilities	30	358.1	150.6
Current tax liabilities		35.1	97.7
Derivative financial instruments	6	723.9	555.2
Other liabilities	31	1 411.4	1 640.1
Provisions	29	25.9	84.1
Total current liabilities		3 106.7	3 127.7
Total liabilities		4 930.0	5 063.1
Total equity and liabilities		6 616.5	6 666.7

Consolidated statement of changes in equity

CHF millions	Share capital	Reserves from hedge accounting	Foreign currency translation reserve	Other retained earnings	Total retained earnings	Total equity excluding non-controlling interests	Non-controlling interests	Total equity including non-controlling interests
Equity as at 30.9.2013	132.0	189.4	-292.8	1 941.4	1 838.0	1 970.0	24.4	1 994.4
Change in cash flow hedges		108.8			108.8	108.8	0.7	109.5
Foreign currency translation			-15.8		-15.8	-15.8	-0.1	-15.9
Remeasurement of defined benefit plans				-15.6	-15.6	-15.6	-0.2	-15.8
Current and deferred taxes on other comprehensive income		-26.1		3.2	-22.9	-22.9	-0.4	-23.3
Total other comprehensive income after income tax		82.7	-15.8	-12.4	54.5	54.5	-0.0	54.5
Result for the period				-454.2	-454.2	-454.2	-0.7	-454.9
Total comprehensive income		82.7	-15.8	-466.6	-399.7	-399.7	-0.7	-400.4
Dividend				0.0	0.0	0.0	-2.5	-2.5
Change in scope of consolidation			-0.1	0.8	0.7	0.7	0.0	0.7
Increase and decrease in capital of non-controlling interests							11.4	11.4
Equity as at 30.9.2014	132.0	272.1	-308.7	1 475.6	1 439.0	1 571.0	32.6	1 603.6
Change in cash flow hedges		56.2			56.2	56.2	1.8	58.0
Foreign currency translation			-89.6		-89.6	-89.6	-3.1	-92.7
Remeasurement of defined benefit plans				-34.6	-34.6	-34.6	-0.5	-35.1
Current and deferred taxes on other comprehensive income		-15.3		7.3	-8.0	-8.0	-0.8	-8.8
Total other comprehensive income after income tax		40.9	-89.6	-27.3	-76.0	-76.0	-2.6	-78.6
Result for the period				-587.6	-587.6	-587.6	7.6	-580.0
Total comprehensive income		40.9	-89.6	-614.9	-663.6	-663.6	5.0	-658.6
Capital increase	750.0			-7.5	-7.5	742.5	0.0	742.5
Dividend				0.0	0.0	0.0	-0.1	-0.1
Increase and decrease in capital of non-controlling interests							-0.9	-0.9
Equity as at 30.9.2015	882.0	313.0	-398.3	853.2	767.9	1 649.9	36.6	1 686.5

The share capital is divided into 17,640,000 fully paid-up bearer shares issued with a par value of CHF 50.00 per share.

Consolidated cash flow statement

CHF millions	Notes	2014/15	2013/14 restated ¹
Earnings before tax (EBT)		-534.2	-451.6
Financial result	14	117.2	59.5
Share of profit of partner plants and other associates	18	-33.4	-48.7
Earnings before interest and tax (EBIT)		-450.4	-440.8
(Gains)/losses on disposal of non-current assets		0.0	0.6
Adjustment of non-cash expenses and income:			
Depreciation, amortisation and impairments	13	603.6	525.1
Increase and reversal of provisions (excluding interest, net)	29	136.0	160.4
Unrealised gain/loss on derivatives		-83.3	21.4
Increase and reversal of provisions on inventories and bad debt allowances		19.5	6.4
Other non-cash items		-16.1	-2.0
Change in net working capital:			
Change in inventories		-15.3	-22.2
Change in trade receivables		-145.8	-273.1
Change in other receivables		89.1	165.7
Change in trade payables		-20.1	162.4
Change in other liabilities (current)		-71.1	-134.5
Change in derivative financial instruments		46.8	82.5
Usage of provisions	29	-75.8	-39.1
Dividends received	18	6.4	5.6
Other financial result		-109.8	-14.1
Income taxes paid		-108.2	-50.5
Cash flow from/(used in) operating activities		-194.5	153.8
Property, plant and equipment:			
Investments net of capitalised borrowing costs	16	-11.5	-7.0
Disposals and cost contributions	16	0.2	0.1
Intangible assets:			
Investments (excluding goodwill)	17	-3.6	-3.4
Disposals of subsidiaries (net of cash transferred)	17	0.0	1.0
Investments in partner plants and other associates:			
Investments	18	-7.3	-43.2
Disposals and capital repayments	18	3.1	5.0
Other financial assets:			
Investments		-40.9	-35.0
Disposals and repayments		0.0	2.0
Financial receivables (current)		-369.4	9.6
Interest received		23.2	23.7
Cash flow used in investing activities		-406.2	-47.2

CHF millions	Notes	2014/15	2013/14 restated ¹
Financial liabilities (non-current):			
Proceeds		0.6	5.6
Financial liabilities (current):			
Proceeds		1 948.6	403.9
Repayment		-1 788.5	-439.4
Increase in capital ²		492.5	0.0
Changes in non-controlling interests		-0.9	11.4
Dividend payments (incl. non-controlling interests)		-0.1	-2.5
Interest paid		-55.8	-62.7
Cash flow from/(used in) financing activities		596.4	-83.7
Currency translation effect		-17.7	-12.4
Change in cash and cash equivalents		-22.0	10.5
Cash and cash equivalents at the beginning of the reporting period	25	460.8	450.3
Cash and cash equivalents at the end of the reporting period	25	438.8	460.8

1 Currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency were reclassified from financial result to other operating income.

2 During the reporting period the share capital of Axpo Trading AG was increased by CHF 750.0 million whereof an amount of CHF 250.0 million resulted from the conversion of a loan into share capital and an amount of CHF 500.0 million was contributed in cash. The stamp duty on the issue of new shares amounted to 1% (CHF 7.5 million).

Notes to the consolidated financial statements

1 | General information

Axpo Trading Group provides origination services for its customers and trades in energy. Its activities are targeted primarily at the European corporate customer and producer segment and increasingly also to the small and medium enterprise segment. Axpo Trading Group operates trading and sales companies in various European countries and in a number of neighbouring countries (see Note 38 “Investments”). In addition, Axpo Trading Group has investments in power plants in Switzerland as well as long-term procurement agreements with power plants in France and wind farms in various European countries. It also owns gas-fired combined-cycle power plants in Italy and wind farms in France, Germany, Italy and Spain. Axpo Trading AG is a wholly owned subsidiary of Axpo Holding AG, Baden.

Axpo Trading Group acts as the single market access for Axpo Power AG and its power plant participations. The energy produced is transferred to Axpo Trading Group for the purpose of hedging in the liquid horizon. With effect from 1 January 2014, Axpo Trading Group manages the supply contracts with the Swiss cantonal utilities on behalf of Axpo Group. Axpo Power AG renders services to Axpo Trading Group with respect to the management of its power plants.

2 | Basis of accounting

General principles

The consolidated financial statements of Axpo Trading Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law. The consolidated financial statements were approved for publication by the Board of Directors of Axpo Trading Group on 11 December 2015 and are subject to the approval of the Annual General Meeting on 19 February 2016.

Measurement bases

The consolidated financial statements are based on the historic cost principle. Exceptions are described in Note 4 “Accounting policies”.

Significant changes in accounting policies

All standards and interpretations effective at the end of the reporting period were applied when preparing the consolidated financial statements.

Axpo Trading Group adopted the following new or revised standards and interpretations for the first time for the 2014/15 financial year:

- IAS 39 (amended) – Novation of Derivatives and Continuation of Hedge Accounting (1 January 2014)
- IFRIC 21 – Levies (1 January 2014)
- IFRSs (Cyclus 2010–2012) – Annual Improvements (1 July 2014)
- IFRSs (Cyclus 2011–2013) – Annual Improvements (1 July 2014)

The new and revised standards applied for the first time by the Axpo Trading Group had no significant effect on the consolidated financial statements.

Future application of new standards and interpretations

Axpo Trading Group is currently analysing the potential impact of the following new and revised standards and interpretations that have already been issued but whose adoption in the consolidated financial statements of Axpo Trading Group is not yet mandatory. They will be adopted by Axpo Trading Group no later than the financial year beginning on or after the date specified in brackets.

- IFRS 9 – Financial Instruments (1 January 2018)
- IFRS 10 and IAS 28 (amended) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (1 January 2016, the IASB decided in the August 2015 meeting to propose a postponement of the effective date for an indefinite period of time)
- IFRS 11 (amended) – Accounting for Acquisitions of Interests in Joint Operations (1 January 2016)
- IFRS 15 – Revenue from Contracts with Customers (1 January 2018)
- IAS 1 (amended) – Disclosure Initiative (1 January 2016)
- IAS 16 and IAS 38 (amended) – Clarification of Acceptable Methods of Depreciation and Amortisation (1 January 2016)
- IFRSs (Cyclus 2012–2014) – Annual Improvements (1 January 2016)

The impact on the consolidated financial statements of some standards and interpretations has not yet been determined on a sufficiently reliable basis. Based on current analysis and with the exception of the application of IFRS 9 and IFRS 15, Axpo Trading Group does not expect any material impact on the Group's financial position and results of operations.

IFRS 9 – Financial Instruments

IFRS 9 – Financial Instruments replaces the requirements of IAS 39 governing the classification and measurement of financial assets and liabilities, hedge accounting and impairments. The new standard reduces the number of measurement categories for financial assets. The aim of the new hedge accounting requirements is to better reflect risk management activities in the consolidated financial statements. For this purpose, IFRS 9 extends amongst others the qualifying transactions for hedge accounting and simplifies effectiveness testing. Impairments are no longer recognised on the basis of losses already incurred, but instead on the basis of expected losses. The impact of IFRS 9 on the consolidated financial statements of Axpo Trading Group is still being analysed.

IFRS 15 – Revenue from Contracts with Customers

In May 2014 the IASB published the new standard IFRS 15 – Revenue from Contracts with Customers. The new standard replaces IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. The standard defines when and at which amount revenues have to be recognised. According to IFRS 15 revenues will be recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The recognition occurs at a certain point of time (or over time) when the control of the underlying goods or services has been transferred from the entity to the client. The framework is given by a five level model. The new standard also contains new and extensive disclosure requirements. The impact of IFRS 15 on the consolidated statements of the Axpo Group has not yet been assessed.

Voluntary changes in accounting policies

Segment information

According to IFRS 8, an entity whose debt instruments are traded in a public market is obligated to present segment information. The repayment of the outstanding ten-year domestic bond in the amount of CHF 250 million which is listed on the SIX Exchange under security no. 2.326.262, takes place on 23 November 2015 at the latest, which is before the authorisation for publication of the consolidated financial statements by the Board of Directors. Therefore Axpo Trading Group does not disclose segment information as from the financial year 2014/15.

Foreign exchange hedges on energy transactions

To hedge exchange differences on future energy procurement or sales contracts in a foreign currency, derivative financial instruments are used. This is done in accordance with existing guidelines on hedging. In previous periods the gains and losses on these transactions were presented as part of the financial result. Since the reporting period 2014/15 foreign currency hedging transactions, which are used to hedge operating energy transactions, are included in EBIT and recognised in the line item "other operating income". Due to this change the operating result provides more reliable and relevant information about the effects of transactions on the entity's financial position. This change was applied retrospectively. Prior year figures in the consolidated income statement and the consolidated cash flow statement as well as in the notes to the consolidated financial statements were restated where necessary. Where changes were significant, explanations are provided.

Consolidated income statement 2013/14, restated

CHF millions	2013/14 published	Restatement	2013/14 restated
Revenues from sales of energy	4 925.4		4 925.4
Capitalised production costs	0.1		0.1
Other operating income	40.8	35.2	76.0
Total income	4 966.3	35.2	5 001.5
Expenses for energy procurement and cost of goods purchased	-4 514.9		-4 514.9
Expenses for materials and third-party supplies	-32.5		-32.5
Personnel expenses	-141.1		-141.1
Other operating expenses	-228.7		-228.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	49.1	35.2	84.3
Depreciation, amortisation and impairments	-525.1		-525.1
Earnings before interest and tax (EBIT)	-476.0	35.2	-440.8
Share of profit of partner plants and other associates	48.7		48.7
Financial income	60.9	-32.2	28.7
Financial expense	-85.2	-3.0	-88.2
Earnings before tax (EBT)	-451.6	0.0	-451.6
Income tax expense	-3.3		-3.3
Result for the period	-454.9	0.0	-454.9
attributable to:			
Axpo Trading shareholders	-454.2		-454.2
Non-controlling interests	-0.7		-0.7

Consolidated cash flow statement 2013/14, restated

CHF millions	2013/14 published	Restatement	2013/14 restated
Profit before tax	-451.6		-451.6
Financial result	24.3	35.2	59.5
Share of profit of partner plants and other associates	-48.7		-48.7
Earnings before interest and tax (EBIT)	-476.0	35.2	-440.8
(Gains)/losses on disposal of non-current assets	0.6		0.6
Adjustment of non-cash expenses and income:			
Depreciation, amortisation and impairments	525.1		525.1
Increase and reversal of provisions (excluding interest, net)	160.4		160.4
Unrealised gain on derivatives	71.4	-50.0	21.4
Increase and reversal of provisions on inventories and bad debt allowances	6.4		6.4
Other non-cash items	-2.0		-2.0
Change in net working capital:			
Change in inventories	-22.2		-22.2
Change in trade receivables	-273.1		-273.1
Change in other receivables	165.7		165.7
Change in trade payables	162.4		162.4
Change in other liabilities (current)	-134.5		-134.5
Change in derivative financial instruments	84.4	-1.9	82.5
Usage of provisions	-39.1		-39.1
Dividends received	5.6		5.6
Other financial result	-30.8	16.7	-14.1
Income taxes paid	-50.5		-50.5
Cash flow from operating activities	153.8	0.0	153.8
Cash flow used in investing activities	-47.2		-47.2
Cash flow used in financing activities	-83.7		-83.7
Currency translation effect	-12.4		-12.4
Change in cash and cash equivalents	10.5		10.5
Cash and cash equivalents at the beginning of the reporting period	450.3		450.3
Cash and cash equivalents at the end of the reporting period	460.8		460.8

3 | Consolidation principles

Scope of consolidation

The consolidated financial statements are based on the audited separate financial statements of the subsidiaries. Subsidiaries are companies controlled by the Group. The Group controls a company if it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company concerned. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ends.

Business combinations

Business combinations are accounted for at the date of acquisition using the acquisition method. Assets and liabilities of subsidiaries acquired are measured at their fair value. Transaction costs incurred in connection with an acquisition are recognised in the income statement.

Any positive amount arising from an acquisition is capitalised as goodwill. Goodwill corresponds to the excess of the sum of the purchase price, the amount of any non-controlling interest and the fair value of the previously held equity share in the acquired subsidiary less the balance of the acquired assets and liabilities measured at fair value. There is an option for measuring non-controlling interests in each transaction. These can be valued either at fair value or at the corresponding share of the non-controlling interests in the fair value of the net assets acquired.

If the fair value of the net assets acquired is in excess of the aggregated consideration transferred, the fair value of the net assets acquired is reassessed and any remaining excess is immediately recognised in the income statement.

Goodwill is tested for impairment at least annually, or earlier if there is any indication for impairment.

Non-controlling interests are reported separately from the equity of the Group. Changes in the Group's interest in a subsidiary that do not result in a loss of control are treated as equity transactions with owners. Any difference between the purchase price paid or the consideration received and the amount by which the minority interest is changed is recognised directly in equity.

Investments in partner plants and other associates

An associate is a company over which Axpo Trading Group exercises significant influence without having control over its financial and business policy. As of the date of acquisition, the fair value of the proportional net assets is calculated and, together with any goodwill, recognised in the balance sheet under investments in partner plants and other associates. In subsequent reporting periods, this amount is adjusted for any change in Axpo Trading Group's share of the capital and income earned as well as any dividends.

Partner plants are companies that design, construct, maintain or operate power plants, grids or nuclear storage facilities, or companies that administer energy procurement rights. The shareholders commit to purchase a pro-rata share of the energy and to pay a pro-rata share of the annual costs. Partner plants in which Axpo Trading Group does not hold a majority interest or does not have control are also classified as associates and accounted for using the equity method.

Due to the legal obligation to pay the annual costs, the acquisition of an investment in a partner plant may result in a provision for an onerous energy procurement contract rather than an asset for an energy procurement right.

Intragroup transactions

Electricity produced by partner plants is invoiced to the shareholders at annual production cost on the basis of existing partnership agreements and irrespective of market prices. Market prices generally apply for the invoicing of other goods and services between Group companies and related parties. Intercompany profits and transactions within Axpo Trading Group are eliminated in the consolidated financial statements.

Presentation currency and foreign currency translation

The presentation currency, which is the Axpo Trading AG's functional currency, is the Swiss franc. Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction or at an exchange rate which approximately corresponds to the transaction rate. At the end of the reporting period, monetary assets and liabilities in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Any resulting translation differences which arise are recognised in the income statement.

Assets and liabilities of subsidiaries and of associates accounted for using the equity method whose functional currency is not the Swiss franc are translated on consolidation into Swiss francs at the exchange rate prevailing on the balance sheet date. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are recognised in the balance sheet as assets of the acquired entity. The income statement, cash flow statement and other movement positions are translated at the average exchange rate for the reporting period. Exchange differences arising from the translation of the balance sheet and the income statement of foreign subsidiaries and associates accounted for using the equity method are recognised directly in other comprehensive income and accumulated in consolidated equity and reported separately as foreign currency translation reserve.

Non-current receivables or loans to group companies for which repayment is neither planned nor likely to occur in the foreseeable future are, in substance, a part of the Group's net investment in that group company. Foreign exchange differences resulting from such non-current receivables or loans are recognised in the other comprehensive income and recognised in the income statement on liquidation or disposal of the foreign operation.

Foreign currency exchange rates

The following exchange rates were applied:

Currency	Unit	Year-end rates		Average rates	
		30.9.2015	30.9.2014	2014/15	2013/14
ALL	100	0.7900	0.8600	0.7800	0.8600
BAM	100	55.8500	61.6900	56.1700	62.4000
BGN	100	55.8080	61.6780	56.1700	62.3100
CZK	100	4.0148	4.3870	4.0000	4.4700
EUR	1	1.0915	1.2063	1.0986	1.2207
GBP	1	1.4780	1.5519	1.4771	1.4901
HRK	100	14.2800	15.7900	14.4100	16.0000
HUF	100	0.3482	0.3880	0.3600	0.4000
MKD	100	1.8120	1.9650	1.7900	1.9700
NOK	100	11.4599	14.8580	12.5600	14.7500
PLN	100	25.7138	28.8750	26.3300	29.1800
RON	100	24.7080	27.3530	24.7500	27.4200
RSD	100	0.9100	1.0100	0.9100	1.0500
SEK	100	11.6015	13.1890	11.7500	13.5700
TRY	100	32.1948	41.9160	37.6700	42.3200
USD	1	0.9743	0.9587	0.9559	0.8995

Axpo Trading Group enters into forward contracts to hedge its exposure from certain foreign currency risks. The accounting policies applied to these derivative financial instruments are described below.

4 | Accounting policies

Revenue recognition

Revenue is recognised in the income statement upon delivery of goods or rendering of services to the customer or on the date on which the significant risks and rewards related to the sale are transferred to the purchaser. Revenue is presented based on energy sales effectively invoiced and revenue accrued during the reporting period. In general, sales are reported net after deduction of value added tax and trade discounts.

In the case of standardised forward contracts that are processed and invoiced in the same way as traditional energy contracts, the focus is often on managing a trading position rather than on the final physical supply of energy. Standardised forward contracts entered into mainly for trading purposes are measured at fair value, with the underlying sales revenue and procurement costs being offset against each other and reported as net gains or losses from energy trading.

Distinction between energy trading and other energy business

Recognition of revenue in energy business is based on the allocation of all trading transactions to one of two categories: “energy trading” or “other energy business”. Each transaction is assigned to a book that initiates the transaction (the term “book” stands for the smallest unit for which risk, profit and sales amount are recorded and managed). Transactions in the “energy trading” category are assigned to a trading book, and transactions in the “other energy business” category are assigned to an own-use book.

Other energy business covers the large-scale provision and procurement of electricity for physical delivery to customers. The sum of all invoiced supplies from these transactions flows entirely into net sales from the energy business for the reporting period.

In the case of transactions in energy trading, large volumes of energy are traded with counterparties for the purpose of building up and managing positions (the transactions are in derivatives such as options and swaps or have a derivative character as defined under IAS 39). Transactions in energy trading are therefore financial in nature.

Amounts invoiced in energy trading during the period are not included in net sales from energy business but instead reported as income from energy trading. These consist of two components. Firstly, the effectively realised gains or losses from completed transactions are recognised in the income statement. Secondly, unrealised valuation gains or losses based on current market prices are recognised in the income statement.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs directly related to the long-term acquisition or construction of a facility are capitalised for the period from the commencement of the acquisition or construction work until the facility is ready for operational use.

Property, plant and equipment

Items of property, plant and equipment are measured at acquisition or manufacturing cost and are subject to regular straight-line depreciation over the estimated useful life of each asset category or over the period to the date of reversion of the power plants. Unscheduled depreciation is an exception and is only recognised in the case of damage or impairment, as described under “impairment of non-financial assets” below. The acquisition or manufacturing costs of property, plant and equipment comprise the purchase price, including import duties and any non-recoverable purchase taxes, and all directly attributable costs incurred to make the asset ready for operational use. Further components are the estimated costs of dismantling and removing of the asset and the restoration of the site. In the case of long-term investment projects, borrowing costs are capitalised during the construction phase.

The estimated useful lives for the individual asset categories are reviewed annually and lie within the following ranges:

Land and assets under construction	Only in the case of impairment
Operational and administrative buildings	15–60 years
Power plants	10–80 years depending on the type of installation and the concession period
Distribution systems	10–80 years
Equipment and fixtures	3–15 years
IT hardware and software	3–5 years

If significant components of an item of property, plant and equipment have a different useful life, they are depreciated separately (component approach).

Ordinary repairs and maintenance of buildings and operating facilities are accounted for directly as expenses. Expenditures for extensions and replacements are capitalised if it is probable that the future economic benefits associated with the expenditures will flow to Axpo Trading Group and the cost of the investments can be measured reliably. Assets under construction are assets which are unfinished or not yet ready for operation. Depreciation of these assets begins upon completion or when they are ready for operational use.

Intangible assets

Intangible assets are recognised in the balance sheet at acquisition cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method over the estimated useful life of the asset, unless the useful life is indefinite. Goodwill and intangible assets with an indefinite useful life are not amortised, but tested for impairment annually. The accounting of goodwill is explained in detail in Note 3 “Consolidation principles”. Energy procurement rights comprise advance payments for the rights to the long-term supply of electricity including capitalised interest. These rights are amortised over the contract term using the straight-line method.

Rights of use for facilities comprise contractually agreed one-time payments to a contracting party as compensation for the use of that party’s transmission and distribution systems. These rights are amortised over the contract term using the straight-line method.

All intangible assets apart from goodwill have finite useful lives and are therefore amortised on a systematic basis.

Inventories

Emission certificates, green certificates and gas inventories that have been acquired for own use are measured at weighted average cost. If the net realisable value is below the purchase or production cost, an impairment loss is recognised in the income statement. Emission certificates issued by the government free of charge under the national allocation plan are initially recognised at their nominal value (zero).

Emission certificates, green certificates and gas inventories that have been acquired for resale in the near term with a view to generating a profit from price fluctuations or trading margins are measured at fair value less costs to sell. Changes in value are recognised net in the income statement.

Non-current assets held for sale and discontinued operations

A non-current asset or disposal group is classified as “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition and the sale must be highly probable within 12 months. Before being reclassified as “held for sale”, the asset or disposal group is measured in accordance with the applicable accounting policies. After reclassification, the assets are measured at the lower of their carrying amount or fair value less costs to sell. Any impairment losses are recognised in the income statement.

Provisions

Provisions are recognised when the Axpo Trading Group has a present obligation from past business transactions or events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably.

Long-term provisions are recognised at the present value of the expected cash outflow at the balance sheet date where the effect is significant. The provisions are reviewed annually at the balance sheet date and adjusted, taking into account current developments.

With regard to long-term energy procurement and supply contracts, identifiable losses from onerous contracts are provided for, taking into account market price developments, the effective costs of procurement and sales revenue. Additionally, the acquisition of an investment in a partner plant may result in a provision for an onerous energy procurement contract instead of an asset for the energy purchase right due to the legal obligation to assume the annual costs.

A provision is also recognised if CO₂ emissions exceed the emission certificates originally allocated free of charge. If emission certificates have already been purchased, a provision equivalent to the purchase cost of the certificates is recognised. The provision for CO₂ emissions in excess of the emission certificates already allocated is measured at fair value at the end of the reporting period.

Provisions are also recognised for the dismantling and removing of conventional thermal gas-fired combined-cycle power plants.

Leasing

Assets and liabilities under lease contracts are recognised in the balance sheet as finance leases if substantially all of the risk and rewards of ownership are transferred to the Axpo Trading Group. The measurement is at the lower of the fair value and the present value of the minimum lease payments less accumulated depreciation and accumulated impairment losses. The lease payments are divided into interest costs and repayment amounts using the annuity method. Leased assets are depreciated over the shorter of their estimated useful lives and the lease term. Payments for operating leases are recognised in the income statement over the duration of the lease.

Employee benefits

Axpo Trading Group operates pension plans in accordance with national legislation in each country. Swiss employees are insured with the PKE-CPE Vorsorgestiftung Energie, a legally independent pension fund which qualifies as a defined benefit plan under IAS 19. There are also defined contribution plans. Employer contributions paid or owed for pension funds with defined contribution plans are recognised in the income statement.

The defined benefit obligation attributable to Axpo Trading Group is calculated annually by an independent actuary using the projected unit credit method. The discount rate used for the calculation is based on the interest rate for high quality corporate bonds with virtually the same maturities as the liabilities. The market value of the plan assets is deducted from the liability.

Three components make up the pension costs:

- Service cost, recorded under personnel expenses in the income statement;
- Net interest expense, recorded under personnel expenses in the income statement, and
- Remeasurement components, recorded in other comprehensive income.

The service cost encompasses current service cost, past service cost, and gains and losses from plan settlements. Gains or losses from curtailments form part of the past service cost. Net interest expense is calculated by multiplying the net pension liability (or asset) at the beginning of the financial year with the discount rate, taking into account any changes during the year as a result of contributions and pension payments. Remeasurement components comprise actuarial gains and losses from the development in the present value of the defined benefit obligation arising from changes in the assumptions and experience adjustments, as well as the return on plan assets minus amounts included in the net interest expense, and changes in the asset ceiling minus effects included in net interest expense. Remeasurement components are recognised in other comprehensive income and cannot be recycled. The amount recognised in the consolidated financial statements corresponds to the surplus or deficit of the defined benefit plans (net pension liability or asset). The amount of any recognised asset arising from an overfunding is, however, limited to the present value of economic benefits available from reductions in future contributions.

Income taxes

These include current and deferred income taxes and are normally recognised in the income statement unless they are related to transactions that are recognised in other comprehensive income or directly in equity.

Current income taxes are calculated on taxable profits and accrued for the relevant period. The deferred tax assets and liabilities shown in the consolidated financial statements are calculated using the balance sheet liability method, where deferred taxes are recognised for all temporary differences. Temporary differences arise from differences between the carrying amount of an asset or liability and its relevant tax value. These differences will reverse in one or more future periods. Temporary differences resulting from the initial recognition of goodwill, from the initial recognition of assets or liabilities in a transaction

which impact neither the taxable results nor profit for the year, and from investments in subsidiaries, if it is likely that the temporary difference will not be reversed in the foreseeable future, are not recognised. Country-specific tax rates are used for calculating deferred taxes. Tax assets and liabilities are offset if they involve the same tax subject and the same tax jurisdiction. Deferred tax assets or liabilities are presented as non-current assets or liabilities. Deferred tax assets arising from losses carried forward and deductible temporary differences are capitalised only if it is likely that they can be realised in the future.

Contingent liabilities

These are obligations for which an outflow of cash is considered unlikely but possible and obligations which are possible but whose existence is not yet confirmed. They are not recognised in the balance sheet unless they were acquired as part of the acquisition of a subsidiary. In contrast, the amount of a possible obligation is disclosed at the balance sheet date as a contingent liability in the notes to the consolidated financial statements.

Impairment on non-financial assets

At the balance sheet date, Axpo Trading Group reviews the carrying amounts of tangible and intangible assets or investments in partner plants and other associates to determine whether there is any indication of impairment. If any such indications exist, the recoverable amount of the asset or, if this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is estimated and compared with the carrying amount (impairment test). If the carrying amount exceeds the estimated recoverable amount, an impairment loss is recognised in the amount of the difference. The recoverable amount is equivalent to the higher of the value-in-use and the fair value less costs to sell. When calculating the value-in-use, the estimated future cash flows are discounted using a pre-tax interest rate. This pre-tax interest rate takes into account the current market estimate of the time value of money and the risks inherent in the asset, insofar as these risks have not already been included in the estimate of the cash flows. Once impaired, the carrying amount of assets is adjusted annually to the amount obtained using the discounted cash flow method, but in the case of a reversal the carrying amount is increased to the depreciated amount that would have been determined if no impairment loss had been recognised. This excludes reversals of impairment in respect of goodwill. Goodwill arising from business combinations is allocated on the acquisition date to the cash-generating units that are expected to benefit from the synergies of the business combination. Regardless of indicators, goodwill is tested for impairment annually.

Financial assets and liabilities

Financial assets and liabilities comprise other financial assets, financial receivables, cash and cash equivalents, current and non-current derivative financial instruments, trade receivables and payables, current and non-current financial liabilities and, to some extent, other current and non-current receivables and liabilities.

Financial assets and liabilities are categorised according to IAS 39 as:

- Financial assets and liabilities at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets
- Other liabilities measured at amortised cost.

The financial assets and liabilities are consistently measured within each category of financial assets and liabilities. They are initially recognised at fair value and, in the case of financial instruments which are not classified as “at fair value through profit or loss”, including directly attributable transaction costs. The subsequent measurement is based on the category to which the financial assets and liabilities are assigned.

Financial assets and liabilities are classified as at fair value through profit or loss if they were designated as such upon initial recognition or if they are held for trading. Financial assets held for trading also include derivative financial instruments. Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at their fair value and changes therein are recognised in the income statement. Purchases and sales are recognised in the balance sheet at the time when the relevant agreement is concluded (closing date).

Subsequent to initial recognition, loans and receivables of Axpo Trading Group are measured at amortised cost using the effective interest method, less any impairment. An impairment loss is calculated as the difference between the carrying amount and the present value of expected recoverable future cash flows discounted using the original effective interest rate.

Available-for-sale financial assets are remeasured at fair value subsequent to initial recognition, and the difference is recognised in other comprehensive income, taking into account deferred taxes. Realised gains or losses are recognised in the income statement. Impairment losses are recognised in the income statement after an analysis of the individual securities. An impairment exists in particular if the fair value of a share either remains below the purchase price for an extended period or is significantly below the purchase price. Debt instruments such as bonds are regarded as impaired if there is objective evidence such as insolvency, default of payment or other significant financial difficulties of the issuer. In contrast to debt instruments, subsequent reversals of impairment losses on equity instruments are not recognised in the income statement.

Other financial assets

All equity investments in which Axpo Trading Group does not have significant influence or control but which are held over the long term are recorded under other investments. These investments are classified as “available for sale” and measured in the balance sheet at their fair value or, if that cannot be reliably determined, at their acquisition cost less impairments. Changes in the fair value are recognised in other comprehensive income. On disposal, the gains or losses accumulated in equity are reclassified to the income statement.

Long-term loans to third parties, as well as to associates, are measured at amortised cost using the effective interest method. If, when the loan is paid out, the agreed interest rate equals the market interest rate and both the disbursement and the repayment are made at nominal value, the amortised cost is equal to the nominal value of the loan.

Trade receivables, other receivables and financial receivables

Trade receivables as well as other receivables are recorded at amortised cost, which is generally equivalent to their nominal value, less any appropriate allowances for estimated irrecoverable amounts. In principle, bad debt allowances are recognised for specifically identified risks for individual receivables. However, in addition to specific bad debt allowances, allowances are also made on a portfolio basis for losses not yet known based on statistical calculations of default risk.

Cash and cash equivalents

Cash and cash equivalents comprise petty cash and credit balances at banks, as well as sight deposits and deposits with a term of no more than 90 days from the time of acquisition.

Financial liabilities

Financial liabilities consist of loans from third parties and associates as well as bonds. On initial recognition, they are measured at fair value less transaction costs and thereafter at amortised cost. Amortisation of the difference between the fair value of the consideration received less transaction costs and the repayment value is calculated using the effective interest method and recorded in the income statement over the duration of the finance term.

Other liabilities (non-current)

This position includes all other liabilities which will become due more than twelve months after the balance sheet date and which cannot be assigned to any other position of non-current liabilities. It also includes liabilities from assigned rights of use. Payments received from third parties in consideration for rights to use facilities and procure energy are recognised under this position and released to the income statement on a straight-line basis over the life of the respective rights of use. The respective useful life is reviewed at the end of each financial year. The individual contractual useful life applies in all cases.

Derivative financial instruments

Derivative financial instruments are accounted for as assets or liabilities and measured at fair value. Changes in fair value are recorded in the income statement unless the derivative financial instrument forms part of a hedging relationship (derivatives designated as hedging instruments). In that case the recording of the change in fair value is recognised in accordance with the underlying hedge type.

Energy derivatives

Axpo Trading Group trades with contracts in the form of forward transactions (forwards, futures, swaps) and options with energy as underlying (electricity, gas, oil, coal, LNG, biomass and certificates). Contracts which are entered into solely with the intention of generating a profit from short-term fluctuations in price or dealer's margin are presented as current independent of their contract term. Derivatives which have a term to maturity of more than twelve months and have no speculative intention are presented as non-current.

The management of the production portfolio of Axpo is usually carried out using energy derivatives, which are designated as hedging instruments in a cash flow hedge relationship. Cash flow hedges are applied to hedge future cash flow risks from existing underlying transactions or highly probable forecast transactions. The effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income taking into account the deferred taxes. The ineffective portion of the hedging relationship is recognised in profit or loss in the line item “revenues from sales of energy”. As soon as the underlying transaction is recognised in “revenues from sales of energy”, the accumulated changes in fair value of the hedging instrument are transferred from equity to the same line item.

Contracts which were entered into for the purpose of the receipt or supply of energy in accordance with Axpo Trading Group's expected purchase, sale or usage requirements are classified as own use contracts. They are not measured at fair value according to IAS 39 but accounted for as executory contracts according to IAS 37.

If a framework agreement with a netting clause exists for a counterparty and if there is an enforceable legal right to offset and the intention to settle net, the positive and negative replacement values which fall due simultaneously are netted. However no netting is applied between derivative financial instruments which are “held for trading” and derivative financial instruments which are designated as hedging instruments.

Foreign currency and interest rate derivatives

To hedge exchange and interest rate risks, derivative financial instruments are used when required. This is done in accordance with existing guidelines on hedging.

Financial instruments, which are entered into to hedge foreign exchange risks of the current operating activities, are classified as “held for trading”. Realised and unrealised changes in fair value are recognised in other operating income.

Cash flow hedge accounting is applied to hedge future cash flow risks from interests on long-term loans. The effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income taking into account the deferred taxes. The ineffective portion of the hedging relationship is recognised in “financial income” or “financial expense”. As soon as the underlying transaction is recognised in the income statement, the accumulated changes in fair value of the hedging instrument are transferred from equity to “financial income” or “financial expense”.

5 | Estimation uncertainties and significant judgements in the application of accounting policies

In the process of preparing the consolidated financial statements in accordance with IFRS, Axpo Trading Group management made judgements, estimates and assumptions which have an effect on the applicable accounting policies and the amounts recognised under assets, liabilities, income and expenses as well as their presentation. The estimates and assumptions are based on existing knowledge and various other factors which are regarded as appropriate under the given circumstances. These serve as a basis for recognition of assets and liabilities which cannot be measured directly through any other source. The actual values may deviate from these estimates.

The estimates and assumptions are regularly reviewed. Where necessary, adjustments are made to estimates if the circumstances on which they were based have changed or if new information and additional facts become known. Such adjustments are recognised in the period in which the estimates were adjusted.

The key assumptions concerning the future development and other key sources of estimation uncertainty which could result in material adjustments to the carrying amounts of assets and liabilities are described below.

Significant judgements in the application of accounting policies

Classification of partner plants

Investments in partner plants have been acquired since Axpo Trading Group was established and had also been acquired by predecessor companies of Axpo Trading. Since the introduction of IFRS 10 and IFRS 11, one partner plant in which Axpo Trading holds a majority interest is included in the scope of consolidation.

The definition of control in accordance with IFRS 10 requires an investor to hold rights that give it power over the relevant activities of the investee. In the case of a corporation, the voting rights constitute such rights. However, IFRS 10 also makes clear that the (voting) rights must not only exist in principle, but also represent (economically) substantive rights. This means that the holder of the rights must have the practical ability to exercise such rights. Therefore when assessing whether Axpo Trading has control over individual partner plants, other factors in addition to the proportion of voting rights must be considered. Axpo Trading holds a majority interest in certain partner plants and operates these plants jointly with other commercial energy companies in the Swiss market. At the same time, these partners also hold interests in other partner plants in which Axpo Trading does not hold a majority interest. Given these mutual dependencies/interests and the conditions governing the Swiss energy market, Axpo Trading has concluded that the voting rights it holds in some cases do not represent substantive rights, despite a majority interest being held, and that it therefore does not have control. These partner plants are classified as associates and are accounted for using the equity method. The assessment if and in which cases the factors mentioned above prevent Axpo Trading as a majority shareholder from exercising control is a management judgement.

Estimation uncertainties

Property, plant and equipment

Axpo Trading Group has property, plant and equipment with a carrying amount of CHF 236.4 million. These are tested for impairment annually. To determine whether there is an impairment, these asset values are assessed based on the expected future cash flows from the use of these assets. The actual cash flows may differ significantly from the future cash flows based on these estimates. Significant parameters such as useful life, electricity price movements and the discount rate are by their nature subject to major uncertainties.

Transmission systems

The Swiss Electricity Supply Act (StromVG) entered into force on 1 January 2008. The law requires all transmission systems to be transferred to the national grid operator Swissgrid AG within five years. On 3 January 2013, transmission system owner EGL Grid AG was transferred to Swissgrid AG on the basis of an agreement for a contribution in kind at the provisional transfer value (2012 tariff ruling by the Federal Electricity Commission, ElCom).

The previous owners of the transmission systems were compensated in the form of shares of Swissgrid AG and loans to Swissgrid AG. The final valuation of the transmission system will be made as part of a further valuation adjustment or purchase price adjustment (valuation adjustment 2), respectively, with the participation of all former transmission system owners. This requires binding decisions for all open proceedings relevant for the valuation (tariff proceedings for the years 2009 to 2012, proceedings concerning cover differences in 2011 and 2012 as well as the proceedings for determining the asset value for the transfer of the transmission system to Swissgrid). Depending on the outcome of these pending proceedings, the definitive transfer values of the transmission systems may in some cases differ from the provisional transfer values. The duration and outcome of these proceedings are still uncertain. In addition the outcome of the pending proceedings for determining the material value of the transmission system is still open.

Goodwill

As at 30 September 2015, the net carrying value of goodwill from business combinations was CHF 74.4 million. Goodwill is tested for impairment in the fourth quarter of each year, or earlier if there are indications of impairment. The value of the goodwill is largely determined by expected future cash flows, the discount rate and long-term growth rates. The key assumptions are explained in Note 17. A change in the assumptions in future periods can result in an impairment loss.

Employee benefits

Employees in Switzerland are insured with PKE-CPE Vorsorgestiftung Energie, a pension fund which meets the criteria of a defined benefit plan under IAS 19. The reported asset or liability for this pension plan is calculated on the basis of an actuarial calculation by an actuary. In particular, the present value of the defined benefit obligation is dependent on assumptions such as the discount rate, future wage and salary increases and the expected increase in pension benefits. In addition, independent actuaries base their assumptions on statistical data such as the probability of employees leaving the company and the life expectancy of insured members. The assumptions may deviate substantially from actual results due to changes in market conditions and the economic environment, higher or lower exit rates, longer or shorter lives of insured members and other estimated factors. These deviations may have an impact on pension assets and liabilities reported in future reporting periods. The key assumptions are explained in Note 32.

Fair values of financial instruments

Financial assets and liabilities as well as derivatives are recognised in the balance sheet at their fair value. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As at 30 September 2015, Axpo Trading Group had derivative financial instruments with positive and negative replacement values totalling CHF 2,070.1 million (previous year: CHF 1,669.7 million) and CHF 1,322.3 million (previous year: CHF 1,081.9 million) respectively. Wherever possible, the fair value applied to financial instruments is based on rates and prices quoted on active markets. The fair value of financial instruments for which no active market or official quoted prices exist is determined using valuation models, applying observable market data, if available, as input factors. If no observable market data are available, the input factors are estimated based on reasonable assumptions.

Models always provide an estimation or approximation of a value which cannot be determined with certainty. The fair value obtained using this method reflects the assumptions of management and may vary depending on the choice of input factors and model. The actually realisable cash flows may therefore deviate from the model values based on estimates and assumptions (see Note 6 "Financial risk management").

6 | Financial risk management

General principles

Axpo Trading Group is exposed to various financial risks in the course of its business activities: market risks (including exchange rate, interest and energy price risks), credit risks and liquidity risks. Financial risk management complies with the principles and directives drawn up by the Board of Directors and Executive Management governing the management of market, credit and liquidity risks. The responsible units within Risk Management & Valuation monitor the risks of the front division of the business area Trading & Sales, which is managed by Axpo Trading Group. The Axpo Trading Risk Management Directive approved by Axpo Group Management describes the aims and principles of risk management for Axpo Trading Group. It also includes information on the organisation (governing bodies, tasks, responsibilities and authorities), risk measurement and management, and implementation of limit systems. Executive Management is responsible for drawing up the concrete details and for implementation. The Risk Management & Valuation department is responsible for measuring and monitoring market price risks, as well as credit risks, and for the provision of timely and relevant risk reports to the relevant units.

Risks of the assets of Axpo Trading Group are monitored by Axpo's Group-wide risk management. Risk in the Axpo Group is managed in accordance with the Axpo Group Risk Management Manual.

The Treasury department of Axpo Group is responsible for monitoring and managing financial market risks, such as interest risks, exchange rate risks and liquidity risks.

Capital management

Gearing is the controlling instrument which is actively monitored by the Board of Directors. The maximum acceptable level of gearing is approximately 70%. As at 30 September 2015 gearing amounted to 3.4% (previous year: 26.2%). As the calculation of the net debt ratio results in a net debt of CHF 56.9 million (previous year: CHF 419.8 million), the key figure is positive (see Note 27, "Net financial assets").

Axpo Trading Group also obtains financing through interest-bearing financial liabilities, ensuring that the amount of financing does not have an unreasonable impact on profitability. An optimal capital structure keeps interest costs at a reasonably low level.

In addition, two Axpo Trading Group subsidiaries are subject to regulatory equity requirements and supervision of a local supervisory authority. The regulatory equity requirements were complied with at all times in both the 2013/14 and 2014/15 financial years.

Carrying amount and fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of the financial instruments held by Axpo Trading Group, grouped according to the categories defined in IAS 39:

CHF millions	Notes	Carrying amount 30.9.2015	Fair value 30.9.2015	Carrying amount 30.9.2014	Fair value 30.9.2014
Financial assets at fair value through profit or loss (held for trading)					
		1 629.5	1 629.5	1 225.6	1 225.6
Derivative financial instruments with positive replacement values		1 629.5	1 629.5	1 225.6	1 225.6
Energy derivatives		1 285.0	1 285.0	1 052.1	1 052.1
Currency forward contracts		271.1	271.1	119.8	119.8
Other derivative financial instruments		73.4	73.4	53.7	53.7
Derivatives designated as hedges		440.6	440.6	444.1	444.1
Derivative financial instruments with positive replacement values		440.6	440.6	444.1	444.1
Energy derivatives		440.6	440.6	444.1	444.1
Loans and receivables		3 059.5	3 070.9	2 923.8	2 933.1
Other financial assets (non-current)		187.5	198.9	336.3	345.6
Other receivables (current and non-current)		246.3	246.3	207.8	207.8
Trade receivables		731.0	731.0	633.3	633.3
Financial receivables (current)		406.0	406.0	22.9	22.9
Revenues not yet invoiced		1 049.9	1 049.9	1 262.7	1 262.7
Cash and cash equivalents		438.8	438.8	460.8	460.8
Available-for-sale financial assets		0.1	0.1	0.1	0.1
Other financial assets (current and non-current)		0.1	0.1	0.1	0.1
Total financial assets		5 129.7	5 141.1	4 593.6	4 602.9
Financial liabilities at fair value through profit or loss (held for trading)					
		1 248.5	1 248.5	979.3	979.3
Derivative financial instruments with negative replacement values		1 248.5	1 248.5	979.3	979.3
Energy derivatives		1 116.1	1 116.1	890.5	890.5
Currency forward contracts		132.4	132.4	83.1	83.1
Other derivative financial instruments		0.0	0.0	5.7	5.7
Derivatives designated as hedges		73.8	73.8	102.6	102.6
Derivative financial instruments with negative replacement values		73.8	73.8	102.6	102.6
Energy derivatives		37.1	37.1	44.6	44.6
Other derivative financial instruments		36.7	36.7	58.0	58.0
Financial liabilities measured at amortised cost		2 953.7	2 975.4	3 415.9	3 431.6
Financial liabilities (current and non-current)		1 089.3	1 111.0	1 239.9	1 255.6
Other liabilities (current and non-current)		286.1	286.1	259.1	259.1
Trade payables		552.3	552.3	600.0	600.0
Operating expenses not yet invoiced		1 026.0	1 026.0	1 316.9	1 316.9
Total financial liabilities		4 276.0	4 297.7	4 497.8	4 513.5

Net results from financial assets and liabilities

CHF millions	Income statement 2014/15	Other comprehensive income 2014/15	Income statement 2013/14 restated ¹	Other comprehensive income 2013/14 restated ¹
Net profit/losses included in revenues from sales of energy				
On financial assets and liabilities at fair value through profit or loss (held for trading)	-92.0	0.0	137.4	0.0
On derivatives designated as hedges	192.3	246.8	-41.1	63.7
Net profit/losses included in other operating income				
On financial assets and liabilities at fair value through profit or loss (held for trading)	292.5	0.0	35.2	0.0
Net profit/losses included in the financial result				
On financial assets and liabilities at fair value through profit or loss (held for trading)	17.7	0.0	-3.3	0.0
On derivatives designated as hedges	0.0	3.5	0.0	4.7
On loans and receivables	-8.9	0.0	-9.7	0.0
Interest income and expense				
Interest income from financial assets not accounted for at fair value through profit or loss	22.2	0.0	21.8	0.0
Interest expense from financial liabilities not accounted for at fair value through profit or loss	51.7	0.0	60.9	0.0
Currency effects on financial assets and liabilities				
Currency effects on financial assets and liabilities	-87.3	0.0	-7.9	0.0

¹ Currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency were reclassified from financial result to other operating income.

Derivative financial instruments

Axpo Trading Group trades in forwards, futures and swaps as well as options with energy as the underlying asset on behalf of customers (back-to-back contracts) and for its own account. A distinction is made between products with physical settlement and purely financial trading products. With regard to term to maturity, a distinction is made between short-term and long-term markets.

The following tables show the derivative financial instruments measured at fair value.

CHF millions	Replacement values	
	positive 30.9.2015	negative 30.9.2015
Energy trading		
Forward contracts	2 287.1	1 702.9
Futures	4.0	4.0
Options	140.6	128.6
Swaps	92.0	97.1
Emission certificates	86.3	105.0
Total energy trading before netting	2 610.0	2 037.6
Currency, interest rates and credit		
Currency forward contracts	271.1	132.4
Interest rate swaps	0.0	36.7
Other derivative financial instruments	73.4	0.0
Total currency, interest rates and credit	344.5	169.1
Total before netting	2 954.5	2 206.7
./. effect of netting agreements	-884.4	-884.4
Total after netting	2 070.1	1 322.3
thereof:		
Non-current derivative financial instruments	932.3	598.4
Current derivative financial instruments	1 137.8	723.9
Energy trading		
Forward contracts	1 711.9	1 204.5
Options	98.6	50.3
Swaps	55.4	87.8
Emission certificates	93.2	55.4
Total energy trading before netting	1 959.1	1 398.0
Currency, interest rates and credit		
Currency forward contracts	119.8	83.1
Interest rate swaps	0.0	63.7
Other derivative financial instruments	53.7	0.0
Total currency, interest rates and credit	173.5	146.8
Total before netting	2 132.6	1 544.8
./. effect of netting agreements	-462.9	-462.9
Total after netting	1 669.7	1 081.9
thereof:		
Non-current derivative financial instruments	928.5	526.7
Current derivative financial instruments	741.2	555.2

Three-level hierarchy

The fair value of derivative financial instruments is dependent on the development of the underlying market factors. For the measurement of derivatives prices from active markets, such as stock exchange prices, are used where possible. The relevant fair values are calculated and monitored at regular intervals. If there are no such prices available, fair value is determined using measurement methods accepted and customary in the markets. If available, observable market data are used as input factors. If no observable market data are available, company-specific valuation assumptions are applied. The fair value calculated for all derivative financial instruments is the price at which one party would take over the rights and/or obligations of another party.

Forward contracts and derivatives are measured based on the following general principles:

- Electricity, gas, oil, coal, certificates and currency forward contracts are measured at the balance sheet date based on forward rates. The rates used are rates noted at the respective exchanges or provided by various brokers. If no published prices are available, internal measurement models are used.
- Futures are not measured, since due to the exchange listing they are offset daily via a margin account.

The following overview describes the key parameters used for the measurement of assets and liabilities at fair value. The individual levels are defined in accordance with IFRS 13 as follows:

Level 1

Financial assets/liabilities measured using quoted and market prices in active markets (without adjustments or change in composition).

Level 2

Financial assets/liabilities measured using observable market data that flow either directly or indirectly (i.e. derived from prices) into the valuation models.

Level 3

Financial assets/liabilities whose value is determined using valuation methods where significant input parameters are based on non-observable data.

Three-level hierarchy as at 30 September 2015

CHF millions	Level 1	Level 2	Level 3	Fair value ¹
Assets measured at fair value				
Financial assets at fair value through profit or loss (held for trading)				
Energy derivatives	33.3	1 957.2	144.4	2 134.9
Currency forward contracts	0.0	271.1	0.0	271.1
Other derivative financial instruments	0.0	73.4	0.0	73.4
Derivatives designated as hedges				
Energy derivatives	0.0	475.1	0.0	475.1
Available-for-sale financial assets	0.0	0.0	0.1	0.1
Assets held for sale	0.0	3.5	0.0	3.5
Inventories	0.0	373.8	0.0	373.8
Assets not measured at fair value				
Other financial assets (non-current)	0.0	198.9	0.0	198.9
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss (held for trading)				
Energy derivatives	26.4	1 778.1	161.4	1 965.9
Currency forward contracts	0.0	132.4	0.0	132.4
Derivatives designated as hedges				
Energy derivatives	0.0	71.7	0.0	71.7
Other derivative financial instruments	0.0	36.7	0.0	36.7
Liabilities not measured at fair value				
Financial liabilities (non-current)	0.0	751.6	0.0	751.6
Financial liabilities (current)	250.9	108.5	0.0	359.4

¹ Gross values without considering the netting agreements.

Three-level hierarchy as at 30 September 2014

CHF millions	Level 1	Level 2	Level 3	Fair value ¹
Assets measured at fair value				
Financial assets at fair value through profit or loss (held for trading)				
Energy derivatives	49.8	1 278.0	173.7	1 501.5
Currency forward contracts	0.0	119.8	0.0	119.8
Other derivative financial instruments	0.0	53.7	0.0	53.7
Derivatives designated as hedges				
Energy derivatives	0.0	457.6	0.0	457.6
Available-for-sale financial assets	0.0	0.0	0.1	0.1
Inventories	0.0	419.1	0.0	419.1
Assets not measured at fair value				
Other financial assets (non-current)	0.0	345.6	0.0	345.6
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss (held for trading)				
Energy derivatives	9.2	1 151.9	178.8	1 339.9
Currency forward contracts	0.0	83.1	0.0	83.1
Other derivative financial instruments	0.0	5.7	0.0	5.7
Derivatives designated as hedges				
Energy derivatives	0.0	58.1	0.0	58.1
Other derivative financial instruments	0.0	58.0	0.0	58.0
Liabilities not measured at fair value				
Financial liabilities (non-current)	255.5	849.5	0.0	1 105.0

¹ Gross values without considering the netting agreements.

For all other financial instruments which are not included in the tables above, the fair value corresponds to the carrying amount.

Movements in level 3 instruments

CHF millions	Assets	Liabilities	Total
Balance as at 30.9.2013	141.8	121.8	20.0
Currency translation effect on opening balance	0.0	-0.2	0.2
Purchases	42.0	27.0	15.0
Sales	-1.0	0.0	-1.0
Profit or loss recognised in the income statement	-3.2	8.1	-11.3
Transfer to Level 3	3.1	26.6	-23.5
Transfer out of Level 3	-9.0	-4.5	-4.5
Currency translation effect on movements	0.1	0.0	0.1
Balance as at 30.9.2014	173.8	178.8	-5.0
Currency translation effect on opening balance	-2.4	-5.6	3.2
Purchases	26.8	0.0	26.8
Profit or loss recognised in the income statement	-13.2	34.7	-47.9
Transfer to Level 3	6.5	7.2	-0.7
Transfer out of Level 3	-46.6	-47.5	0.9
Currency translation effect on movements	-0.4	-6.2	5.8
Balance as at 30.9.2015	144.5	161.4	-16.9

The table shows the financial instruments whose fair value is measured using valuation models in which significant parameters are based on non-observable market data. On initial recognition, financial instruments of this type are accounted for at fair value using the valuation model on day one, although this value may deviate from the transaction price. Any material deviation from the transaction price is accrued as a day-one profit or loss. The transfer from level 3 to level 2 relates to financial instruments whose measurement is now based on observable market data, and the transfer from level 2 to level 3 relates to financial instruments whose measurement is no longer based on observable market data. There were no transfers between level 1 and 2 in the current financial year or the previous year.

A change in price levels of +/- 10% would lead to an increase/decrease in fair value of level 3 instruments of CHF 5.8 million and CHF -9.9 million respectively.

Movements in day-one profits or losses

CHF millions	Day-one loss	Day-one profit	Total
Balance as at 30.9.2013	1.7	60.0	-58.3
Deferred profit/loss arising from new transactions	12.9	27.6	-14.7
Profit or loss recognised in the income statement	0.0	-4.0	4.0
Currency translation effect	0.0	-0.1	0.1
Balance as at 30.9.2014	14.6	83.5	-68.9
Deferred profit/loss arising from new transactions	0.0	26.8	-26.8
Profit or loss recognised in the income statement	-11.9	-28.3	16.4
Currency translation effect	-2.0	-4.2	2.2
Balance as at 30.9.2015	0.7	77.8	-77.1

The table shows the accrued day-one profits or losses not yet recognised in the income statement and a reconciliation of changes.

The accrued day-one profits or losses are amortised based on the terms and conditions of the contract and are recognised in net sales from energy business. They are also reclassified to the income statement if the transaction is settled.

Profits and losses on Level 3 instruments including day-one profits or losses

CHF millions	Net sales 2014/15	Net sales 2013/14
Total profit or loss for the financial year recognised in the income statement	-31.5	-7.3
Total profit or loss recognised in the income statement on financial instruments held at financial year end	-32.4	-2.5

Hedge accounting

Some of the energy derivatives concluded by Axpo Trading are designated as hedging instruments in cash flow hedges for the purpose of hedging procurement contracts. At the balance sheet date, these derivatives had a contract volume of CHF 2,383.0 million and were 100% effective during the reporting period.

Variable interest-bearing financial liabilities relating to the construction of gas-fired combined cycle power plants in Italy expose Axpo Trading Group to an interest rate risk. This risk is reduced through an adequate use of derivative financial instruments in the form of interest rate swaps. As at 30 September 2015, interest rate swaps with a contract value of EUR 391.9 million (previous year: EUR 466.8 million) were designated as hedging instruments in cash flow hedges and were 100% effective during the reporting period. The cash flows from these swaps will occur in the next one to three years and will be recognised in the income statement during these periods.

The following table shows the expected amounts of reclassifications to profit or loss relating to cash flow hedges from energy hedging transactions:

CHF millions	Effect on profit or loss 30.9.2015	Contract value 30.9.2015	Effect on profit or loss 30.9.2014	Contract value 30.9.2014
2014/15	-	-	170.3	591.5
2015/16	232.5	846.0	163.0	839.6
2016/17	135.7	762.3	66.3	699.0
2017/18	77.5	622.3	0.1	197.4
2018/19	8.2	151.6	0.0	0.0
2019/20	0.0	0.8	0.0	0.0
Total	453.9	2 383.0	399.7	2 327.5

Credit risks

Credit risk concentration of trade receivables by geographical area

CHF millions	Carrying amount 30.9.2015	Carrying amount 30.9.2014
Western Europe	168.2	262.1
Southern Europe	347.4	135.2
Central Europe	179.3	189.9
Northern Europe	18.1	21.4
Southeast Europe	18.0	24.6
Outside Europe	0.0	0.1
Total	731.0	633.3

The need for credit risk management arises from the fundamental risk of trading partners of Axpo Trading Group not being able to meet all or part of their obligations, which could result in a financial loss. To avoid this risk, receivables and replacement values from trading partners are monitored and future developments analysed. In addition creditworthiness is analysed on an ongoing basis. Business units and subsidiaries are involved in credit risk management.

Credit risks are managed by establishing internal credit limits. The credit limits are based on the rating of the trading partners and define the limit for the exposure to each business partner. These limits are established by the independent Credit Risk Department as the maximum total exposure and are applicable throughout the Axpo Trading Group. The rating of trading partners is based on their creditworthiness, which defines the probability of default. The internal score resulting from the rating process is converted into external credit rating classes. At the balance sheet date, 5% of the total exposure was classified as AAA (previous year: 3%), 6% as AA (previous year: 5%), 19% as A (previous year: 21%) and 36% as BBB (previous year: 43%). Trading transactions may only be entered into with business partners that have been subject to prior analysis. The existing limits of trading partners may be increased through guarantees, collateral and advance payments received. Receivables from counterparties are monitored through regular reporting on a daily basis. In addition, a formalised process is applied to introduce countermeasures in due time in the event that negative trends are identified.

Under IFRS 7, the maximum default risk to which Axpo Trading Group is exposed at the balance sheet date is represented by the carrying amount of the financial assets which expose Axpo Trading Group to a credit risk. As at 30 September 2015, the maximum credit risk amounted to CHF 5,129.6 million (previous year: CHF 4,593.5 million). Details are provided in the table "Carrying amounts and fair values of financial assets and liabilities" of Note 6. As mentioned above, the credit risk is reduced by any collateral received and by concluding framework agreements whenever possible. Due to the fact that risk is distributed among various counterparties and countries in Europe, the credit risk is spread accordingly.

Cash and cash equivalents and time deposits are preferably held with banks which have been rated at least "BBB" by an internationally recognised rating agency. Cash deposits are held in a limited amount, with sliding maturities and are diversified among different banks. The limits on these deposits are reviewed on a regular basis. No write-downs have been necessary to date.

Ageing analysis of trade receivables

The following disclosures relate to trade receivables:

CHF millions	Gross 30.9.2015	Bad debt allowances 30.9.2015	Gross 30.9.2014	Bad debt allowances 30.9.2014
Not yet due	507.9	0.0	479.5	-0.2
Past due 1-60 days	177.6	-2.2	126.8	-10.1
Past due 61-150 days	21.8	-4.1	16.5	-4.9
Past due 151-360 days	33.8	-12.4	19.7	-6.2
Past due more than 360 days	68.4	-59.8	60.9	-48.7
Total	809.5	-78.5	703.4	-70.1

Bad debt allowances created, released or no longer required for trade receivables in the 2013/14 and 2014/15 reporting years:

CHF millions	Trade receivables	
	General allowances	Specific allowances
Bad debt allowances as at 30.9.2013	-3.3	-96.9
Net increase	-2.8	-9.2
Uncollectible receivables written off	0.0	5.4
Reclassification to "other non-current receivables"	0.0	36.1
Currency effects	0.0	0.6
Bad debt allowances as at 30.9.2014	-6.1	-64.0
Net increase	-10.3	-10.8
Uncollectible receivables written off	0.1	6.2
Currency effects	0.4	6.0
Bad debt allowances as at 30.9.2015	-15.9	-62.6

All bad debt allowances relate to smaller receivables with various counterparties that were impaired. Due to the financial difficulties of these counterparties, the management of Axpo Trading Group no longer expects these receivables to be fully collectible.

In the previous year a medium-term payment plan was agreed with two counterparties. As a result, receivables of CHF 45.1 million which had originally been recognised under trade receivables and bad debt allowances of CHF 36.1 million were reported under non-current other receivables (see Note 24, "Other receivables").

An impairment loss in the amount of CHF 166.2 million was recognised in loans due from other associates (see Note 20, "Other financial assets").

Based on past experience, the Axpo Trading Group does not expect any significant impairment losses on trade receivables not yet due. The bad debt allowances consist of individual allowances and allowances on a portfolio basis.

Collateral

A significant portion of the energy transactions in the Axpo Trading Group are concluded on the basis of framework agreements such as the EFET (European Federation of Energy Traders) General Agreement on Power or Gas, the ISDA (International Swaps and Derivatives Association) or the DRV (German Master Agreement for Financial Forward Transactions). In the event of the insolvency of a business partner, these provide for an offsetting of open transactions. Transactions may only be netted in the balance sheet if there is a currently legally enforceable right under national law to net the amounts in the balance sheet and the parties also have the intention to settle on a net basis. Axpo Trading Group divides derivative financial instruments into time bands based on the payment date of the underlying energy flows. The replacement values calculated for each time band are reported net, split in positive and negative replacement values and added up. In individual cases, this can cause the net value after netting to be higher than the gross value prior to netting. The "Additional netting potential" column largely includes offsets that are permitted in the event of insolvency but not in the normal course of business as well as additional netting potential that arises when all open transactions are netted for which a legally enforceable right exists without a breakdown into time bands.

In addition, the credit risk is reduced by the collateral received. In the case of major credit risks, credit support annexes (CSAs) are attached to the framework agreements in which regular reciprocal margin payments are agreed as additional collateral, mostly in the form of cash. Since such collateral is not only received for transactions allocated to a trading book but also for off-balance-sheet items that are assigned to an "own use" book, the collateral cannot be meaningfully allocated to individual balance sheet items. As at 30 September 2015, Axpo Trading Group has received credit support annexes (CSAs) totalling CHF 185.6 million (previous year: CHF 131.7 million), guarantees in the amount of CHF 196.3 million (previous year: CHF 215.7 million) and other assets in the amount of CHF 59.3 million (previous year: CHF 15.7 million). At the same time, it has issued credit support annexes (CSAs) totalling CHF 118.3 million (previous year: CHF 106.1 million). For guarantees issued please refer to Note 35 "Contingent liabilities and future financial obligations, legal disputes" and for other pledged assets please refer to Note 34 "Pledged assets".

Netting of positive and negative replacement values as at 30 September 2015

	Assets which are subject to legally enforceable netting agreements			Assets that are not subject to master netting agreements or are not subject to legally enforceable master netting agreements	Total assets recognised on the balance sheet	Additional netting potential	
	Gross assets before balance sheet netting	Netting	Net assets after balance sheet netting			Netting potential not reported on the balance sheet	Assets after recognition of the netting potential
CHF millions							
Financial assets at fair value							
Financial assets at fair value through profit or loss (held for trading)							
Energy derivatives	1 464.0	-849.9	614.1	670.9	1 285.0	-237.2	1 047.8
Currency forward contracts	0.0	0.0	0.0	271.1	271.1	0.0	271.1
Other derivative financial instruments	0.0	0.0	0.0	73.4	73.4	0.0	73.4
Derivatives designated as hedges							
Energy derivatives	424.3	-34.5	389.8	50.8	440.6	-21.1	419.5

	Liabilities which are subject to legally enforceable netting agreements			Liabilities that are not subject to master netting agreements or are not subject to legally enforceable master netting agreements	Total liabilities recognised on the balance sheet	Additional netting potential	
	Gross liabilities before balance sheet netting	Netting	Net liabilities after balance sheet netting			Netting potential not reported on the balance sheet	Liabilities after recognition of the netting potential
CHF millions							
Financial liabilities at fair value							
Financial liabilities at fair value through profit or loss (held for trading)							
Energy derivatives	1 467.6	-849.9	617.7	498.4	1 116.1	-237.2	878.9
Currency forward contracts	0.0	0.0	0.0	132.4	132.4	0.0	132.4
Derivatives designated as hedges							
Energy derivatives	65.4	-34.5	30.9	6.2	37.1	-21.1	16.0
Other derivative financial instruments	0.0	0.0	0.0	36.7	36.7	0.0	36.7

Netting of positive and negative replacement values as at 30 September 2014

CHF millions	Assets which are subject to legally enforceable netting agreements			Assets that are not subject to master netting agreements or are not subject to legally enforceable master netting agreements	Total assets recognised on the balance sheet	Additional netting potential	
	Gross assets before balance sheet netting	Netting	Net assets after balance sheet netting			Netting potential not reported on the balance sheet	Assets after recognition of the netting potential
Financial assets at fair value							
Financial assets at fair value through profit or loss (held for trading)							
Energy derivatives	1 027.9	-449.4	578.5	473.6	1 052.1	-311.9	740.2
Currency forward contracts	0.0	0.0	0.0	119.8	119.8	-0.5	119.3
Other derivative financial instruments	0.0	0.0	0.0	53.7	53.7	0.0	53.7
Derivatives designated as hedges							
Energy derivatives	406.5	-13.5	393.0	51.1	444.1	-31.3	412.8

CHF millions	Liabilities which are subject to legally enforceable netting agreements			Liabilities that are not subject to master netting agreements or are not subject to legally enforceable master netting agreements	Total liabilities recognised on the balance sheet	Additional netting potential	
	Gross liabilities before balance sheet netting	Netting	Net liabilities after the balance sheet netting			Netting potential not reported on the balance sheet	Liabilities after recognition of the netting potential
Financial liabilities at fair value							
Financial liabilities at fair value through profit or loss (held for trading)							
Energy derivatives	985.0	-449.4	535.6	354.9	890.5	-311.9	578.6
Currency forward contracts	0.0	0.0	0.0	83.1	83.1	-0.5	82.6
Other derivative financial instruments	0.0	0.0	0.0	5.7	5.7	0.0	5.7
Derivatives designated as hedges							
Energy derivatives	53.6	-13.5	40.1	4.5	44.6	-31.3	13.3
Other derivative financial instruments	0.0	0.0	0.0	58.0	58.0	0.0	58.0

Liquidity risks

A large portion of receivables in European energy trading are offset (so-called netting) and settled at fixed dates. Advance margin payments are standard practice among large energy traders and at energy exchanges to reduce the counterparty risk. This may result in large cash outflows arising at short term due to energy price movements. Axpo Trading Group meets this potential need with cash and cash equivalents as well as through agreed credit lines. Axpo Group Treasury is responsible for the Axpo Trading Group's financing flexibility. This task includes the planning, monitoring, provision and optimisation of liquidity for the entire Group. Liquidity is ensured through cash flows from operating activities, credit lines, project financing and through the capital market. Axpo Trading Group has aggregated credit lines totalling CHF 1,739.5 million (previous year: CHF 1,845.2 million) available from banks and financial institutions. Of these amounts, at 30 September 2015, CHF 667.8 million (previous year: CHF 832.1 million) was used for guarantees and CHF 79.6 million (previous year: CHF 103.3 million) for loans. There is also a credit line of CHF 1,841.5 million (previous year: CHF 1,706.3 million) from Axpo Holding AG. In the reporting period, all covenants relating to significant credit agreements were complied with.

Maturity analysis of financial liabilities and derivative financial instruments as at 30 September 2015

CHF millions	Carrying amount	Cash flows	at sight	< 3 mths	3–12 mths	1–5 years	> 5 years
Non-derivative financial liabilities							
Trade payables	552.3	552.3	0.0	540.9	11.4	0.0	0.0
Financial liabilities (current and non-current)	1 089.3	1 178.7	3.8	312.8	62.0	370.8	429.3
Other liabilities (current and non-current)	286.1	286.1	8.2	215.6	31.4	17.4	13.5
Operating expenses not yet invoiced	1 026.0	1 026.0	0.0	1 026.0	0.0	0.0	0.0
Derivative financial instruments							
Net carrying amount of energy derivatives	572.4						
Gross cash inflow		18 538.8	9 769.7	1 522.7	3 140.4	3 626.0	480.0
Gross cash outflow		15 638.4	9 367.6	1 261.2	2 114.5	2 185.7	709.4
Net carrying amount of currency forward contracts	138.7						
Gross cash inflow		3 642.0	718.8	1 286.0	763.5	873.7	0.0
Gross cash outflow		3 573.2	751.0	1 267.4	767.8	787.0	0.0
Net carrying amount of other derivative financial instruments	36.7						
Gross cash inflow		256.3	0.0	256.3	0.0	0.0	0.0
Gross cash outflow		219.9	0.0	187.3	12.1	20.5	0.0

Maturity analysis of financial liabilities and derivative financial instruments as at 30 September 2014

CHF millions	Carrying amount	Cash flows	at sight	< 3 mths	3–12 mths	1–5 years	> 5 years
Non-derivative financial liabilities							
Trade payables	600.0	600.0	0.0	599.9	0.1	0.0	0.0
Financial liabilities (current and non-current)	1 239.9	1 372.1	0.0	132.7	48.6	558.0	632.8
Other liabilities (current and non-current)	259.1	259.1	0.0	183.1	36.8	22.5	16.7
Operating expenses not yet invoiced	1 316.9	1 316.9	0.0	1 311.6	5.3	0.0	0.0
Derivative financial instruments							
Net carrying amount of energy derivatives	561.1						
Gross cash inflow		21 211.9	7 732.2	1 340.5	6 186.6	5 496.6	456.0
Gross cash outflow		18 007.9	7 447.6	1 215.6	5 243.9	3 398.0	702.8
Net carrying amount of currency forward contracts	36.7						
Gross cash inflow		6 861.4	0.9	484.8	4 367.3	2 008.4	0.0
Gross cash outflow		6 708.0	0.5	485.3	4 205.4	2 016.8	0.0
Net carrying amount of other derivative financial instruments	-10.0						
Gross cash inflow		53.6	0.0	0.0	0.0	53.6	0.0
Gross cash outflow		67.4	0.0	5.3	14.4	44.5	3.2

Cash flows are not discounted for the maturity analysis. In accordance with the applicable standard, the liquidity risk relates exclusively to financial liabilities. In order to show the effective liquidity risk arising from derivative financial instruments, the cash inflow/outflow in the above table relates to contracts with positive and negative replacement values.

However Axpo Trading Group enters into energy sales and purchase contracts, which are assigned to hedge or trading books in order to hedge energy production, long-term energy sales and purchase contracts assigned to own use books. As contracts assigned to own use books are executory contracts no cash flow is presented in the table above for these contracts, thus generating significant mismatches in cash inflow and outflow presentation. Moreover in some cases, Axpo Trading Group enters into stack and roll hedges to hedge long-term contracts. These hedges are assigned to trading books. Cash flows from these hedges are not presented in the same time period as cash flows from long-term contracts.

Market price risks

Market price risks arise from price and exchange rate movements in respect of unhedged positions held in energy and financial transactions.

Energy price risks

Axpo Trading Group defines energy price risks as the impact from unexpected changes in energy prices. Price fluctuations and correlations between the various markets and products may affect Axpo Trading Group negatively. These risks are therefore monitored and reported on a daily basis by Risk Management & Valuation of the business area Trading & Sales. Monitoring follows the principles set out in the Risk Management Directive as well as the trading mandates based thereon.

Energy price risks are quantified using the Value-at-Risk (VaR) method, assuming a holding period of five days and a confidence interval of 99%. The VaR method defines a potential loss which, with 99% probability, will not be exceeded, taking into account the historic market developments.

The market price risk is limited using a transparent limit system consisting of a VaR and volume limits. The total risk limit for energy derivatives trading is approved annually by the Board of Directors at the request of Executive Management, and broken down by individual divisions, departments and books.

Sensitivity analysis of energy price risks

CHF millions	30.9.2015	30.9.2014
VaR business area Trading & Sales	24.7	36.7

Currency risks

Due to the international nature of its operations and the involvement in various foreign currencies, Axpo Trading Group is exposed to exchange rate risks, particularly with regard to the euro and the US dollar. Currency risk arises from business transactions, recognised assets and liabilities, if these are not denominated in the functional currency of the respective subsidiary and from net investments in foreign operations.

To reduce the currency risk related to business transactions as well as the recognised assets and liabilities, Group entities mainly use forward contracts in compliance with the Group's principles governing currency risks. The currency risk arising from trading, origination and sales activities are managed by the front office staff. Axpo Group Treasury, in close coordination with Axpo Trading Group's operating entities, is responsible for managing the amount of the remaining net positions in all foreign currencies through appropriate hedging transactions.

The Axpo Group's policy for exchange rate risks is to hedge net foreign currency positions in all main currencies (mainly transaction risk).

Sensitivity analysis of the currency risks

CHF millions	30.9.2015			30.9.2014	
	+/- change	+/- effect on income statement	+/- effect on equity	+/- effect on income statement restated ¹	+/- effect on equity restated ¹
CHF / EUR foreign currency risk	10%	-76.5	-40.4	-45.8	-40.0

¹ The energy derivatives and other derivative financial instruments are included in the sensitivity analysis of the currency risk.

Interest rate risks

Financial assets and liabilities subject to variable interest rates, as well as cash and cash equivalents, expose the Group to a cash flow interest rate risk. Financial liabilities issued with fixed interest rates do not expose the Group to any interest rate risk, since they are measured at amortised cost.

It is the Axpo Group's policy to manage interest rate expenses by means of variable- and fixed-rate interest-bearing liabilities and interest-based derivatives in the form of interest rate swaps. Axpo Group Treasury monitors the ratio between variable and fixed-rate interest-bearing net debts on an ongoing basis.

Interest-bearing financial assets and liabilities

CHF millions	Fixed-rate 30.9.2015	Variable-rate 30.9.2015	Fixed-rate 30.9.2014	Variable-rate 30.9.2014
Loans and receivables	148.5	883.8	169.5	650.5
Petty cash and cash at banks	0.0	438.8	0.0	460.8
Other financial assets (non-current)	134.8	52.7	169.5	166.8
Financial receivables (current)	13.7	392.3	0.0	22.9
Financial liabilities at fair value through profit or loss (held for trading)	0.0	36.7	0.0	63.7
Financial liabilities measured at amortised cost	301.4	787.9	540.7	699.2
Financial liabilities (current and non-current) ¹	301.4	787.9	540.7	699.2

1 The interest rate risk on variable interest-bearing loans in the amount of EUR 391.9 million (previous year: EUR 466.8 million) is reduced by existing interest rate swaps with a carrying amount of CHF 36.7 million (previous year: CHF 63.7 million), which are accounted for as cash flow hedges (see Note 6 "Financial risk management", section "Hedge accounting").

Sensitivity analysis of interest rate risk

CHF millions	30.9.2015			30.9.2014	
	+/- change	+/- effect on income statement	+/- effect on equity	+/- effect on income statement	+/- effect on equity
Interest rate risk	1%	3.1	-0.4	0.0	-0.5

7 | Changes in scope of consolidation

2014/15 reporting year:

	Remarks	Ownership interest
Fully consolidated companies		
Axpo Netherlands BV	Company formation	100.0%
Axpo Renewables Germany GmbH	Acquisition	100.0%
Axpo Servizi Produzione Italia S.p.A.	Company formation	100.0%
Compagnie des Energies Renouvelables Villiers le Pré SARL	Merger	0.0%

On 1 October 2014 Compagnie des Energies Renouvelables Villiers le Pré SARL was merged with Axpo Renewables France SAS. Axpo Renewables France SAS is 100% owned by Axpo Trading Group.

Moreover on 25 August 2015 Axpo Renewables Germany GmbH was acquired and the companies Axpo Netherlands BV and Axpo Servizi Produzione Italia S.p.A. were founded.

Previous year 2013/14:

The subsidiary Axpo CKW France SAS was founded in the previous year. Axpo Trading Group holds a 60% share of this company. Axpo CKW France SAS purchased a 49% stake in an onshore wind farm portfolio from EDP Renewables (EDPR) in France.

8 | Revenues from sales of energy

CHF millions	2014/15	2013/14
Net sales from energy business	4 366.6	4 779.5
Income from energy trading	-92.0	137.4
Other net sales	7.0	8.5
Total	4 281.6	4 925.4

In addition to consolidated net sales, there are also energy sales under ceded energy procurement rights and sub-participations. Revenues from so-called “quota transactions” are not included in the above total, since they are offset against any energy procurement also ceded. They amount to CHF 404.8 million (previous year: CHF 459.1 million; see Note 10 “Expenses for energy procurement and cost of goods purchased”).

9 | Other operating income

CHF millions	2014/15	2013/14 restated ¹
Income from currency forward contracts	292.5	35.2
Other operating income	41.1	40.7
Total	333.6	76.0

¹ Currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency were reclassified from financial result to other operating income.

10 | Expenses for energy procurement and cost of goods purchased

CHF millions	2014/15	2013/14
Expenses for energy procurement from third parties and associates	-3 823.7	-4 211.5
Expenses for energy procurement from partner plants (Note 33)	-183.1	-212.9
Increase in provisions (excluding interest) for onerous energy procurement contracts (Note 29)	-131.0	-90.7
Reversal of provisions (excluding interest) for onerous energy procurement contracts (Note 29)	1.6	0.2
Total	-4 136.2	-4 514.9

Expenses for energy procurement from quota transactions are not included in the above total since they are offset against any revenues also ceded. They amount to CHF 404.8 million (previous year: CHF 459.1 million; see Note 8 “Revenues from sales of energy”).

11 | Personnel expenses

CHF millions	2014/15	2013/14
Salaries and wages	-103.4	-112.7
Employee benefit expense for defined benefit plans (Note 32)	-8.8	-7.6
Employee benefit expense for defined contribution plans	-2.0	-2.4
Social security and other personnel expenses	-16.8	-18.4
Total	-131.0	-141.1
Number of employees at the balance sheet date:		
Full-time equivalents	745	740
Total	745	740

12 | Other operating expenses

CHF millions	2014/15	2013/14
Charges, fees and capital taxes	-15.5	-18.1
Other operating expenses	-151.0	-210.6
Total	-166.5	-228.7

Other operating expenses mainly include IT expenses, consulting expenses, brand license costs as well as the increase and reversal of allowances for bad debts.

The higher other operating expense in the previous year compared to the reporting period resulted from the recognition of a provision for subsequent payment for VAT (see Note 29 "Provisions").

13 | Depreciation, amortisation and impairments

CHF millions	2014/15	2013/14
Depreciation of property, plant and equipment (Note 16)	-26.9	-49.1
Impairment losses on property, plant and equipment (Note 16)	-276.7	-358.5
Impairment reversals on property, plant and equipment (Note 16)	17.4	0.0
Amortisation of intangible assets (Note 17)	-3.5	-5.6
Impairment losses on intangible assets (Note 17)	0.0	-15.5
Impairment losses on investments in other operating associates (Note 18)	-147.7	-96.4
Impairment losses on loans to other operating associates (Note 20)	-166.2	0.0
Total	-603.6	-525.1

The net impairment loss amounts to CHF 573.2 million (previous year: CHF 470.4 million). This comprises an amount of CHF 259.3 million (previous year: CHF 358.5 million) relating to property, plant and equipment and CHF 313.9 million (previous year: CHF 96.4 million) relating to investments in and loans to other associates.

14 | Financial result

CHF millions	2014/15	2013/14 restated ¹
Interest income	22.8	23.0
Realised gains from disposals of investments in other operating associates	0.0	5.1
Other financial income	25.2	0.6
Total financial income	48.0	28.7
Interest expense	-60.0	-67.0
Impairment losses on financial investments	-1.9	0.0
Investment property expense	-0.1	-0.1
Net exchange rate gains (losses)	-87.0	-7.8
Other financial expense	-16.2	-13.3
Total financial expense	-165.2	-88.2
Total	-117.2	-59.5

¹ Currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency were reclassified from financial result to other operating income. Realised and unrealised gains and losses from changes in fair value of financial instruments, which are used to hedge exchange rate risks on financial assets or debt financing remain in the financial result.

Realised and unrealised gains and losses from other financial instruments are reported net in the line item "other financial income" or "other financial expense" respectively.

15 | Income taxes

CHF millions	2014/15	2013/14
Current income taxes	-24.9	-97.0
Deferred income taxes	-20.9	93.7
Total income taxes	-45.8	-3.3
Deferred taxes recognised in other comprehensive income	-8.8	-23.2
Total income taxes recognised in other comprehensive income	-8.8	-23.2

Current income taxes consist of taxes paid or due on the results of the individual companies for the financial year in accordance with local regulations, as well as charges and credits from previous periods.

Reconciliation between expected tax expense and effective tax expense

The expected income tax of CHF 114.9 million (previous year: CHF 97.1 million) can be reconciled to the effective income tax of CHF -45.8 million (previous year: CHF -3.3 million) as follows:

CHF millions	2014/15	2013/14
Earnings before tax (EBT)	-534.2	-451.6
Expected tax rate (ordinary tax rate at head office)	21.5%	21.5%
Income tax at expected tax rate	114.9	97.1
Non-tax-deductible expenses	-53.5	-40.5
Effect of income not subject to tax or tax privileged	12.2	5.7
Unrecorded tax-loss carry forward	-82.1	-41.7
Earnings taxable at different tax rates	-24.1	-24.1
Reassessment of deferred tax assets	-13.6	0.0
Other effects	0.4	0.2
Total income taxes (current and deferred)	-45.8	-3.3

Deferred taxes by origin of temporary differences

CHF millions	Assets 30.9.2015	Liabilities 30.9.2015	Assets 30.9.2014	Liabilities 30.9.2014
Property, plant and equipment	134.8	19.3	87.9	24.9
Intangible assets	0.2	0.9	0.9	1.1
Investments	0.4	45.7	26.3	26.1
Derivative financial instruments (current and non-current)	0.0	111.0	0.0	92.8
Other assets (non-current)	0.8	0.9	0.1	0.0
Trade receivables	14.1	1.5	12.2	3.7
Other receivables (current)	0.6	12.2	1.0	13.0
Provisions (current and non-current)	1.6	195.6	0.2	139.7
Derivative financial instruments (current and non-current)	28.6	0.0	29.6	0.0
Other liabilities (non-current)	11.6	0.0	4.8	1.0
Other liabilities (current)	18.9	0.6	13.1	0.8
Tax-loss carry forwards capitalised	153.4	0.0	151.1	0.0
Deferred taxes, gross	365.0	387.7	327.2	303.1
Offsetting of assets and liabilities	-326.4	-326.4	-286.6	-286.6
Deferred taxes, net	38.6	61.3	40.6	16.5

Expiry dates of tax-loss carry forwards for which no deferred tax assets are recognised

CHF millions	30.9.2015	30.9.2014
Expiring in the following year	1.1	0.2
Expiring within 2 to 5 years	0.4	1.8
Expiring in more than 5 years	656.7	254.9
Total	658.2	256.9

16 | Property, plant and equipment

CHF millions	Power plants	Land and buildings	Other property, plant and equipment	Assets under construction	Total
Acquisition cost					
Balance as at 30.9.2013	1 462.6	32.7	18.2	42.3	1 555.8
Change in scope of consolidation	0.0	0.0	0.0	-1.7	-1.7
Additions (investments)	1.2	0.1	1.2	4.5	7.0
Disposals	0.0	0.0	-0.4	-0.3	-0.7
Reclassifications	1.0	0.0	0.3	-1.6	-0.3
Currency translation effect	-15.7	-0.1	0.0	-0.7	-16.5
Balance as at 30.9.2014	1 449.1	32.7	19.3	42.5	1 543.6
Additions (investments)	4.1	0.0	0.6	6.8	11.5
Disposals	0.0	0.0	-0.5	0.0	-0.5
Reclassification to "assets held for sale"	0.0	-10.4	0.0	0.0	-10.4
Reclassifications	-0.5	0.0	0.8	-1.4	-1.1
Currency translation effect	-111.6	-1.2	-0.7	-4.0	-117.5
Balance as at 30.9.2015	1 341.1	21.1	19.5	43.9	1 425.6
Accumulated depreciation					
Balance as at 30.9.2013	-530.0	-14.0	-11.3	-36.7	-592.0
Depreciation in the reporting period	-46.9	-0.5	-1.7	0.0	-49.1
Impairment losses	-358.3 ¹	-0.2	0.0	0.0	-358.5
Disposals	0.0	0.0	0.3	0.0	0.3
Reclassifications	0.0	0.0	0.1	0.0	0.1
Currency translation effect	9.5	0.1	0.0	0.5	10.1
Balance as at 30.9.2014	-925.7	-14.6	-12.6	-36.2	-989.1
Depreciation in the reporting period	-24.6	-0.5	-1.8	0.0	-26.9
Impairment losses	-275.6 ¹	-1.1	0.0	0.0	-276.7
Impairment reversals	17.4	0.0	0.0	0.0	17.4
Disposals	0.0	0.0	0.3	0.0	0.3
Reclassification to "assets held for sale"	0.0	6.9	0.0	0.0	6.9
Currency translation effect	73.9	0.6	0.5	3.9	78.9
Balance as at 30.9.2015	-1 134.6	-8.7	-13.6	-32.3	-1 189.2
Carrying amount as at 1.10.2013	932.6	18.7	6.9	5.6	963.8
Carrying amount as at 30.9.2014	523.4	18.1	6.7	6.3	554.5
Carrying amount as at 1.10.2014	523.4	18.1	6.7	6.3	554.5
Carrying amount as at 30.9.2015	206.5	12.4	5.9	11.6	236.4

¹ As in the prior year, Axpo Trading AG recognised in the separate financial statements provisions for onerous energy procurement contracts instead of an impairment loss on the production facilities.

Assets held for sale

In the reporting period it was decided to sell land in Italy, which was previously acquired in the context of a power plant project that was since abandoned. Discussions with possible buyers were started. A sale is expected within the next 12 months. The net carrying amount as per 30 September 2015 is CHF 3.5 million. Before the land was classified as held for sale a market valuation was performed. As the fair value less costs to sell was below the carrying value of the land an impairment loss of CHF 1.1 million had to be recognised.

Pledged assets

Property, plant and equipment of CHF 909.9 million (previous year: CHF 996.8 million) was pledged as collateral for financial liabilities (see Note 34 "Pledged assets") during the reporting year.

Capital commitments

As in the previous year, there were no contractual obligations to purchase property, plant and equipment as at 30 September 2015.

Fire insurance value

As at 30 September 2015, the fire insurance value of property, plant and equipment totalled CHF 1,001.2 million (previous year: CHF 1,119.2 million).

Impairment losses and impairment reversals**Value-in-use calculation**

Impairment tests are based on a value-in-use calculation performed for each power plant. For the first three years, the value-in-use corresponds to the present value of cash flows based on the budget planning. From year four, the projected cash flows used for the determination of the value-in-use are based on assumptions for future electricity and gas prices, future capital expenditures, the regulatory environment, growth rates and discount and exchange rates. The period taken into account comprises the entire time of operation of the power plant. The cash flows are discounted using a risk-adjusted after-tax interest rate commensurate with the level of risk. The discount rate is based on a WACC calculated using the Capital Asset Pricing Model (CAPM). The applicable parameters used were determined considering the risk profile of the respective cash-generating unit.

Impairment test on power plants

The impairment tests for power plants are based on value-in-use calculations using different discount rates for the different production types.

The following after-tax real discount rates were used:

in %	30.9.2015	30.9.2014
	After-tax real discount rate	After-tax real discount rate
Gas-fired combined-cycle power plants, Italy	4.2	3.8
Wind production, Italy	3.9	3.7
Wind production, France	3.1	3.2
Hydraulic plants, Switzerland	4.0	5.0

As in the previous year, the key parameters used for the impairment tests of the production facilities were reviewed and adjusted in the reporting period. The decline in the EUR exchange rate against the CHF as well as persistently low wholesale prices on the European energy market and associated cash flows resulted in the carrying amount exceeding the recoverable amount for several power plants. Therefore, an impairment loss of CHF 233.4 million on Italian power plants (previous year: CHF 334.2 million) and an impairment loss of CHF 42.2 million on Swiss power plants (previous year: CHF 23.6 million) had to be recognised in the reporting period. In the previous year the value-in-use calculation also resulted in an impairment loss of CHF 0.5 million on French power plants.

The impairment reversals of CHF 17.4 million relate to a wind farm in Italy, where lower investment costs were newly planned, which had a positive impact on the value-in-use.

17 | Intangible assets

CHF millions	Energy procurement rights, rights of use for facilities and concessions	Goodwill	Other	Total
Acquisition cost				
Balance as at 30.9.2013	26.3	88.9	66.5	181.7
Additions (investments)	0.0	0.0	3.4	3.4
Disposals	0.0	0.0	-5.4	-5.4
Reclassifications	1.5	0.0	30.4	31.9
Currency translation effect	-0.3	-1.4	-0.7	-2.4
Balance as at 30.9.2014	27.5	87.5	94.2	209.2
Additions (investments)	0.4	0.0	3.2	3.6
Disposals	0.0	0.0	-1.9	-1.9
Currency translation effect	-2.0	-8.3	-5.0	-15.3
Balance as at 30.9.2015	25.9	79.2	90.5	195.6
Accumulated amortisation				
Balance as at 30.9.2013	-1.5	-5.7	-58.5	-65.7
Amortisation in reporting period	-1.5	0.0	-4.1	-5.6
Impairment losses	-15.3	0.0	-0.2	-15.5
Disposals	0.0	0.0	5.3	5.3
Reclassifications	-0.6	0.0	-31.1	-31.7
Currency translation effects	0.2	0.3	0.8	1.3
Balance as at 30.9.2014	-18.7	-5.4	-87.8	-111.9
Amortisation in reporting period	-0.5	0.0	-3.0	-3.5
Disposals	0.0	0.0	1.9	1.9
Currency translation effects	1.6	0.6	4.6	6.8
Balance as at 30.9.2015	-17.6	-4.8	-84.3	-106.7
Carrying amount as at 1.10.2013	24.8	83.2	8.0	116.0
Carrying amount as at 30.9.2014	8.8	82.1	6.4	97.3
Carrying amount as at 1.10.2014	8.8	82.1	6.4	97.3
Carrying amount as at 30.9.2015	8.3	74.4	6.2	88.9

Reclassifications in the previous year were made over the course of the year following a detailed review of the allocation to categories in the roll-forward of fixed assets.

Impairment losses and impairment reversals

Impairment test – goodwill

The goodwill is subject to annual impairment testing based on a value-in-use calculation.

Value-in-use calculation

The recoverable amount is based on a value-in-use calculation on the basis of the budget planning. The value-in-use corresponds to the present value of cash flows for five years and a residual value without taking into account any growth rate. Cash flow projections are prepared taking into account past experience and management's estimate of the market development. The significant assumptions used for the determination of the value-in-use include forecasts of future electricity and gas prices, assumptions for capital expenditures, the regulatory environment, growth rates, discount and exchange rates.

WACC rates

The cash flows are discounted using a risk adjusted after-tax interest rate of 4.7% (previous year: 4.5%) commensurate with the risk. The discount rate is based on a WACC calculated using the Capital Asset Pricing Model (CAPM). The applicable parameters used were determined considering the risk profile of each cash-generating unit.

Impairments and impairment reversals

Since the recoverable amount of the Goodwill on the investment in Axpo Italia S.p.A. of CHF 74.4 million (previous year: CHF 82.1 million) exceeds the carrying amount, no impairment loss was recognised.

Sensitivities

No reasonable possible change in the key assumptions would result in the carrying amount exceeding the recoverable amount.

Impairment losses and impairment reversals – rights for energy procurement, rights of use for facilities and concessions and other intangible assets

No impairment was identified for rights for energy procurement, right of use for facilities and concessions and other intangible assets during the reporting period (previous year: CHF 15.5 million relating to energy procurement rights and rights of use for facilities and concessions outside Switzerland and other intangible assets, after-tax discount rate used: 3.2%).

Capital commitments

As in the previous year there were no contractual obligations to purchase intangible assets as at 30 September 2015.

18 | Investments in partner plants and other associates

CHF millions	Partner plants	Other associates	Total
Carrying amount as at 30.9.2014	195.9	271.3	467.2
Additions	0.0	6.8	6.8
Disposals	0.0	-3.1	-3.1
Impairment losses	0.0	-147.7	-147.7
Dividend	-5.5	-0.9	-6.4
Share of profit	5.5	27.9	33.4
Cash flow hedges (other comprehensive income)	0.0	-8.9	-8.9
Currency translation differences (other comprehensive income)	0.0	-2.7	-2.7
Remeasurement defined benefit plans (other comprehensive income)	-4.9	-1.5	-6.4
Foreign currency translation	-0.2	-18.0	-18.2
Carrying amount as at 30.9.2015	190.8	123.2	314.0

All significant partner plants and other associates are measured using uniform principles in accordance with IFRS. Where no financial statements prepared in accordance with IFRS were available, a reconciliation to IFRS accounts was prepared.

The reporting date of certain partner plants and other associates deviates from that of Axpo Trading Group. The most recent financial statements available for these companies were used for the preparation of the consolidated financial statements of Axpo Trading Group. Adjustments were made in the consolidated financial statements for the effect of significant transactions and events which took place between the balance sheet date of the most recent financial statements and 30 September.

Partner plants

In accordance with existing partnership agreements, shareholders in partner plants are obliged during the term of the concession to purchase the pro rata output of energy produced and to pay the pro rata annual costs (incl. interest and repayment of loans). The partnership agreements run for the useful life of the power plant or for the duration of the concession and cannot be terminated. A list of partner plants can be found in the Note 38 "Investments".

The proportional annual costs for Axpo Trading Group amount to CHF 183.1 million (previous year: CHF 212.9 million). These costs are included in expenses for energy procurement costs and cost of goods purchased (see Note 10, "Expenses for energy procurement and cost of goods purchased"). Details of the equity-accounted partner plants are given in the annual reports of the individual partner plants.

Owners of nuclear power plants have a limited obligation to make additional contributions to the Decommissioning and Waste Disposal Fund in the event that one of the primary obligated parties is unable to meet its payment obligations.

Other associates

Axpo Trading Group holds material investments in Società EniPower Ferrara S.r.l. and Global Tech I Offshore Wind GmbH. A list of other associates is included in the Note 38 "Investments".

During the reporting period the Axpo Trading Group acquired additional shares in Swissgrid AG in the amount of CHF 7.3 million. Furthermore, Swissgrid AG took over additional transmission systems, for which a capital increase was necessary. The capital increase resulted in a dilution of the present ownership interests of the Axpo Trading Group in the amount of CHF – 0.5 million. The dilution effect is included in the row "Additions".

Impairment losses and impairment reversals on investments in other associates

Impairment tests are based on a value-in-use calculation for the individual associates. They are based on the budget planning for the first three years and a residual value for the remaining period without taking into account any growth rate. The discount rate is based on a WACC. For the other assumptions used see Note 16 "Property, plant and equipment".

The following after-tax real discount rates are used:

in %	30.9.2015	30.9.2014
	After-tax real discount rate	After-tax real discount rate
Investments, Italy	4.2	3.8
Investments, Germany	3.2	3.1
Investments, Spain	4.0	4.1
Investments, France	3.1	3.2

As in the previous year, key parameters used for the impairment tests of the investments, such as the future development of energy prices, the production costs and the exchange rates, were reviewed and adjusted in the reporting period. The decline in the EUR exchange rate against the CHF as well as persistently low wholesale prices on the European energy market and associated cash flows resulted in the carrying amount of certain foreign associates exceeding the recoverable amount. Therefore, an impairment loss of CHF 147.7 million (previous year: CHF 96.4 million) had to be recognised. From this amount, CHF 51.1 million (previous year: CHF 70.3 million) were attributable to companies in Italy and CHF 96.6 million (previous year: CHF 14.7 million) to companies in Germany. Of the previous year's impairment loss, an additional CHF 10.2 million was attributable to companies in Spain and CHF 1.2 million to companies in France.

The tables below summarise the financial information of the material investments in other associates mentioned before, as included in their own financial statements and adjusted to comply with IFRS.

Financial information of material other associates

CHF millions	Gross value 30.9.2015		Gross value 30.9.2014
	Global Tech I Offshore Wind GmbH	Società EniPower Ferrara S.r.l.	Società EniPower Ferrara S.r.l.
Balance sheet			
Non-current assets	2 170.8	422.1	497.1
Current assets	103.2	65.1	65.4
Non-current liabilities	1 861.5	237.7	295.8
thereof non-current financial liabilities	1 729.1	237.7	295.8
Current liabilities	14.3	0.0	18.6
thereof current financial liabilities	14.3	0.0	18.6
Equity	398.2	249.5	248.1
Share (in %)	24.10%	49.00%	49.00%
Accumulated impairments	-96.0	-122.2	-79.0
Carrying amount of the investment	0.0	0.0	42.6

CHF millions	Gross value 2014/15		Gross value 2013/14
	Global Tech I Offshore Wind GmbH	Società EniPower Ferrara S.r.l.	Società EniPower Ferrara S.r.l.
Income statement			
Income	83.9	214.8	215.6
Expenses	-52.3	-189.7	-189.6
Profit	31.6	25.1	26.0
Statement of comprehensive income			
Other comprehensive income	-39.8	0.0	0.0
Total comprehensive income	-8.2	25.1	26.0
Share (in %)	24.10%	49.00%	49.00%
Share of profit	7.6	12.3	12.7
Share of other comprehensive income	-9.6	0.0	0.0
Share of total comprehensive income	-2.0	12.3	12.7

Global Tech I Offshore GmbH is regarded as material other associate for the first time in this reporting period as it went into operation on September 2, 2015.

Axpo Trading Group sells the energy produced by Società EniPower Ferrara S.r.l. in proportion to its participation share through means of a tolling contract, thus bearing the energy price risk. Therefore, Società EniPower Ferrara S.r.l. as the energy generator is not impacted by the persistently low wholesale prices on the European energy market, but the respective losses are borne by Axpo Trading Group. For this reason the impairment for the Società EniPower Ferrara S.r.l. investment is booked at shareholder level.

Global Tech I Offshore GmbH on the other hand bears price risks, volume risks and other risks by itself. However, in the 2014/15 reporting year Axpo Trading Group carried out an impairment test applying the assumptions and estimates of Axpo Management.

As for both companies the carrying amount exceeded the recoverable amount, impairment losses were recognised on the investments as well as on the loans with these entities (see Note 20 "Other financial assets").

The table below shows the aggregated financial information for the other, individually immaterial investments in partner plants and other associates (proportional):

Financial information for individually immaterial partner plants and other associates 2014/15

CHF millions	Individually disclosed investments aggregated ¹	Partner plants	Other associates	Total
Carrying amount of the investments	0.0	190.8	123.2	314.0
Balance sheet				
Non-current assets	730.0	923.6	356.2	2 009.8
Current assets	56.7	54.5	83.1	194.3
Non-current liabilities	565.1	676.7	276.4	1 518.2
thereof non-current financial liabilities	533.2	476.6	266.2	1 276.0
Current liabilities	3.4	110.7	63.3	177.4
thereof current financial liabilities	3.4	109.6	63.1	176.1
Equity	218.2	190.7	99.6	508.5
Income statement				
Income	125.5	206.1	122.6	454.2
Expenses	-105.6	-200.6	-114.6	-420.8
Profit	19.9	5.5	8.0	33.4
Statement of comprehensive income				
Total other comprehensive income	-9.6	-4.9	-3.5	-18.0
Total comprehensive income	10.3	0.6	4.5	15.4

1 The individually disclosed investments aggregated include the values of Societa EniPower Ferrara S.r.l. and Global Tech I Offshore Wind GmbH proportionately.

Financial information for individually immaterial partner plants and other associates 2013/14

CHF millions	Individually disclosed investments aggregated ¹	Partner plants	Other associates	Total
Carrying amount of the investments	42.6	195.9	228.7	467.2
Balance sheet				
Non-current assets	243.6	988.3	917.7	2 149.6
Current assets	32.0	70.9	109.0	211.9
Non-current liabilities	144.9	759.8	580.4	1 485.1
thereof non-current financial liabilities	144.9	543.3	517.9	1 206.1
Current liabilities	9.1	103.5	243.3	355.9
thereof current financial liabilities	9.1	103.5	196.3	308.9
Equity	121.6	195.9	203.0	520.5
Income statement				
Income	105.6	217.1	208.8	531.5
Expenses	-92.9	-211.3	-178.6	-482.8
Profit	12.7	5.8	30.2	48.7
Statement of comprehensive income				
Total other comprehensive income	0.0	-2.5	-2.2	-4.7
Total comprehensive income	12.7	3.3	28.0	44.0

1 The individually disclosed investments aggregated include the values of Societa EniPower Ferrara S.r.l. proportionately.

19 | Subsidiaries with material non-controlling interests

A list of subsidiaries can be found in the Note 38 “Investments”. Axpo Trading Group holds Calenia Energia S.p.A. which has material non-controlling interests. The table below summarises the financial information of this subsidiary. The information represents amounts as included in the subsidiary’s financial statements before any intercompany eliminations.

CHF millions	2014/15	2013/14
	Calenia Energia S.p.A.	Calenia Energia S.p.A.
Non-controlling interests (in %)	15.00%	15.00%
Balance sheet		
Non-current assets	305.8	346.3
Current assets	85.3	92.6
Non-current liabilities	211.9	267.7
thereof non-current financial liabilities	183.2	227.9
Current liabilities	61.0	66.8
thereof current financial liabilities	23.0	24.0
Equity	118.2	104.4
Equity attributable to Axpo Trading Group shareholders	100.5	88.7
Equity attributable to non-controlling interests	17.7	15.7
Income statement		
Total income	85.3	91.7
Operating expenses	-31.2	-33.4
Depreciation, amortisation and impairments	-17.0	-18.8
Financial result	-11.7	-14.5
Income tax expense	-5.8	-7.2
Profit of the period	19.6	17.8
Profit of the period attributable to Axpo Trading Group shareholders	16.7	15.1
Profit of the period attributable to non-controlling interests	2.9	2.7
Statement of comprehensive income		
Total comprehensive income	13.8	18.4
Total comprehensive income attributable to Axpo Trading Group shareholders	11.7	15.6
Total comprehensive income attributable to non-controlling interests	2.1	2.8
Dividends paid to non-controlling interests	0.0	2.4
Cash flow statement		
Cash flows from operating activities	39.5	41.7
Cash flows from investing activities	-6.2	-0.3
Cash flows from financing activities	-33.5	-69.6
Currency translation effect	-4.3	-0.5
Change in cash and cash equivalents	-4.5	-28.7

20 | Other financial assets

CHF millions	30.9.2015	30.9.2014
Available-for-sale financial assets	0.1	0.1
Loans	353.7	336.3
Impairment losses on loans	-166.2	0.0
Total	187.6	336.4

All other equity investments are classified as “available-for-sale” and are measured at fair value with changes in fair value recognised in other comprehensive income.

The prior owners were compensated for the transfer of their transmission systems to Swissgrid AG based on the provisional transfer values. Seventy percent of the compensation paid in the previous year took the form of loans to Swissgrid AG (see also Note 5 “Estimation uncertainties and significant judgements in the application of accounting policies”, section “Transmission systems”). The loans include a unilateral conversion right of Swissgrid AG to convert the loan into Swissgrid AG shares in the event certain conditions arise.

Impairment on loans

Based on the impairment review performed for the investments in Società EniPower Ferrara S.r.l. and Global Tech I Offshore Wind GmbH the respective long-term loans had to be impaired by CHF 97.9 million and CHF 68.3 million respectively (see also Note 18 “Investments in partner plants and other associates”). As both shareholder loans are loans of an equity nature the impairment losses were charged to the operating result and recognised in the line item “Depreciation, amortisation and impairments” (see Note 13 “Depreciation, amortisation and impairments”).

Non-current loan receivables (carrying amount > CHF 10 million) outstanding at the balance sheet date

CHF millions	Maturity date	Interest rate %	Carrying amount 30.9.2015	Carrying amount 30.9.2014
AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern	31.12.2016	0.30%	14.1	0.0
Global Tech I Offshore Wind GmbH	31.12.2030	6.0%	33.8	83.8
Società EniPower Ferrara S.r.l.	20.12.2023	resp. 10.0%	19.3	146.3
Swissgrid AG	03.01.2022	1.25% ¹	71.3	71.3
Terravent AG	31.03.2042	3.93%	13.8	13.8
Trans Adriatic Pipeline AG	12.02.2038	0.75%	20.9	6.8
		2.00% ²		

¹ Variable interest rate linked to 6-month EURIBOR plus 1.2%.

² Variable interest rate linked to EUR 12-month-interest rate for cross border shareholder loans.

21 | Inventories

CHF millions	30.9.2015	30.9.2014
Materials	0.1	0.0
Certificates held for own use	14.9	4.9
Inventories of other energy sources held for own use	1.6	2.4
Gas inventories held for trading	204.8	240.5
Certificates held for trading	169.0	178.6
Total	390.4	426.4

Certificates and gas inventories acquired for resale in the near term with a view to generating a profit from fluctuations in prices or broker-traders’ margins are measured at fair value less costs to sell. Materials, certificates and inventories of other energy sources held for own use are measured at the lower of cost or net realisable value.

In case that at the time of purchase it is not yet certain whether these certificates will be used for own use or resold, depending on the market situation, they are allocated to a trading book and measured at fair value.

22 | Trade receivables

CHF millions	30.9.2015	30.9.2014
Trade receivables	809.5	703.4
Impairment allowances for bad debts	-78.5	-70.1
Total	731.0	633.3

The necessary allowances for bad debts were calculated based on past experience and based on an assessment of individual receivables. A detailed analysis of trade receivables and allowances for bad debts is presented in Note 6 "Financial risk management".

23 | Financial receivables (current)

CHF millions	30.9.2015	30.9.2014
Financial receivables	406.0	22.9
Total	406.0	22.9

In the reporting period Axpo Trading AG entered into a Cash Pool Agreement with Axpo Holding AG to balance the variable cash requirements from trading activities. As of 30 September 2015 an amount of CHF 394.1 million was recorded in favour of Axpo Trading AG.

24 | Other receivables (current and non-current)

CHF millions	30.9.2015	30.9.2014
Receivables from pension plans	3.1	3.0
Advance payments to suppliers (non-financial instruments)	0.0	6.7
Other (financial instruments)	75.6	59.8
Other (non-financial instruments)	59.1	106.4
Impairment allowances on financial instruments	-38.0	-36.1
Total non-current other receivables	99.8	139.8
Advance payments to suppliers (non-financial instruments)	69.0	50.4
Revenues not yet invoiced	1 049.9	1 262.7
Other (financial instruments)	208.7	184.1
Other (non-financial instruments)	219.9	281.7
Total current other receivables	1 547.5	1 778.9
Total	1 647.3	1 918.7

Revenues not yet invoiced relate to energy supplied in traditional energy business and in energy trading. Trade receivables from customers who are simultaneously suppliers are set off against trade payables, provided a netting arrangement has been agreed. The offset receivables and payables included in revenues not yet invoiced and in operating expenses not yet invoiced amount to CHF 1,327.0 million (previous year: CHF 1,383.2 million; see Note 31 "Other liabilities").

In the previous year a medium-term payment plan was agreed with two counterparties. As a result, CHF 45.1 million which had originally been recognised under trade receivables and bad debt allowances of CHF 36.1 million were reported under non-current other receivables.

25 | Cash and cash equivalents

CHF millions	30.9.2015	30.9.2014
Petty cash and cash at banks	438.8	460.8
Total	438.8	460.8

As at the end of the reporting period, cash and cash equivalents held in Swiss francs and EUR amounted to CHF 95.8 million (previous year CHF 17.3 million) and CHF 296.7 million (previous year: CHF 405.2 million) respectively.

Further Axpo Trading AG inserted cash into the Cash Pool with Axpo Holding AG in the amount of CHF 394.1 million (see Note 23 "Financial receivables").

26 | Financial liabilities (non-current)

CHF millions	30.9.2015	30.9.2014
Bonds at carrying amount	0.0	249.4
Non-current loans	731.2	839.9
Total	731.2	1 089.3
Maturities at the end of the financial year:		
Due within 1 to 5 years	313.5	485.5
Due in more than 5 years	417.7	603.8
Total	731.2	1 089.3

The bond due for repayment on 23 November 2015 was reclassified to current financial liabilities (see Note 30 "Financial liabilities").

Non-current loans (carrying amount > CHF 10 million) outstanding at the balance sheet date

CHF millions	Maturity date	Interest rate %	Carrying amount 30.9.2015	Carrying amount 30.9.2014
Agent BNP Paribas Milano	30.11.2019	1.25%	183.3	228.0
Agent BNP Paribas Milano	30.06.2023	1.25%	256.7	303.5
Graubündner Kantonalbank	02.08.2022	2.42%	20.0	20.0
PAX, Schweizerische Lebensversicherungsgesellschaft AG	13.08.2020	2.25%	20.0	20.0
Zürcher Kantonalbank	28.05.2018	3.75%	10.0	10.0
Zürcher Kantonalbank	13.08.2025	2.63%	20.0	20.0
Zürcher Kantonalbank	16.08.2030	2.68%	20.0	20.0
Axpo Holding AG	03.01.2022	2.98%	171.6	171.6

27 | Net financial assets

CHF millions	30.9.2015	30.9.2014
Current financial liabilities (Note 30)	358.1	150.6
Non-current financial liabilities (Note 26)	731.2	1 089.3
Total eligible debt	1 089.3	1 239.9
Cash and cash equivalents (Note 25)	438.8	460.8
Other financial assets (Note 20)	187.6	336.4
Current financial receivables (Note 23)	406.0	22.9
Total liquidity	1 032.4	820.1
Total	-56.9	-419.8

28 | Other liabilities (non-current)

CHF millions	30.9.2015	30.9.2014
Employee benefit liability (Note 32)	47.7	17.5
Other (financial instruments)	30.9	39.2
Other (non-financial instruments)	79.0	83.2
Total	157.6	139.9
Maturities at the end of the financial year:		
Due within 1 to 5 years	60.6	65.2
Due in more than 5 years	97.0	74.7
Total	157.6	139.9

Other non-current liabilities mainly relate to the sale of electricity procurement rights. Payments received are recognised as a liability and are subsequently reclassified to the income statement over the life of the rights.

In addition, other non-current liabilities include day-one profits resulting from long-term contracts whose valuation is partly based on non-observable input data (see Note 6 “Financial risk management”).

29 | Provisions

CHF millions	Provisions for certificates	Onerous energy procurement contracts	Other provisions	Total
Balance as at 30.9.2014	25.0	143.3	78.8	247.1
Increase in provisions	7.6	131.0	2.4	141.0
Interest	0.0	5.2	0.2	5.4
Reversal of provisions	-1.5	-1.6	-1.9	-5.0
Usage of provisions	-16.7	-9.2	-55.1	-81.0
Currency translation effect	0.0	0.0	-6.8	-6.8
Balance as at 30.9.2015	14.4	268.7	17.6	300.7
Current portion of provisions	14.4	9.2	2.3	25.9
Non-current portion of provisions	0.0	259.5	15.3	274.8
Total	14.4	268.7	17.6	300.7
Due within 1 year	14.4	9.2	2.3	25.9
Due between 1 and 5 years	0.0	149.5	8.7	158.2
Due in more than 5 years	0.0	110.0	6.6	116.6
Total	14.4	268.7	17.6	300.7

As the greenification quota for the north-south line was reduced in 2015 from 2.52% to 0% the increase of the “Provision for certificates” is much lower than in the past. To achieve the greenification compliance for the 2013 financial year, provisions for certificates in the amount of CHF 16.7 million were used.

The provisions for “Onerous energy procurement contracts” in the amount of CHF 268.7 million relate to identifiable losses from the procurement of electricity from power-generation plants and from long-term supply contracts (previous year: CHF 143.3 million). The expected losses are calculated using the discounted cash flow method. For a description of the method used please refer to Note 16, “Property, plant and equipment”. The increase of the provisions in the amount of CHF 131.0 million during the reporting period is primarily attributable to reduced cash flows due to a change in the assumptions concerning expected exchange rates and energy prices (previous year: CHF 90.7 million). The use of the provision for “Onerous energy procurement contracts” led to a reduction in energy procurement expenses of CHF 9.2 million (previous year: CHF 11.3 million), of which CHF 5.2 million are non-cash related.

In the reporting period a provision of CHF 53.8 million was used for subsequent payment for VAT. It was related to an investigation against employees of Axpo Italia S.p.A. and the company itself in connection with the taxation of European CO₂ allowances. This payment marked the conclusion of the investigation against Axpo Italia S.p.A.

30 | Financial liabilities (current)

CHF millions	30.9.2015	30.9.2014
Bonds at carrying amount	249.9	0.0
Financial liabilities (current)	108.2	150.6
Total	358.1	150.6

A ten-year domestic bond with a principal amount of CHF 250 million was issued on 23 November 2005, with an interest rate of 2.5%. The bond is listed on the SIX Swiss Exchange under security no. 2.326.262. As at 30 September 2015, the bond had a fair value of CHF 250.85 million (previous year: CHF 255.5 million), and the market yield was 0.098% (previous year: 0.556%). The bond is measured at amortised cost using the effective interest method. As the bond is due for repayment on 23 November 2015 it was reclassified from non-current to current financial liabilities in the reporting period.

Axpo Holding AG issued a loan in the amount of CHF 250.0 million during the reporting period which was subsequently converted into share capital (see “Consolidated statement of changes in equity”).

In the reporting period, EUR 37.6 million of the current financial liabilities related to the construction of the gas-fired combined-cycle power plants in Italy was repaid.

The decrease in current financial liabilities is primarily attributable to lower negative current account balances with partner plants at the end of the reporting period.

31 | Other liabilities (current)

CHF millions	30.9.2015	30.9.2014
Operating expenses not yet invoiced	1 026.0	1 316.9
Advance payments from customers	16.9	6.5
Other (financial instruments)	255.2	219.9
Other (non-financial instruments)	113.3	96.8
Total	1 411.4	1 640.1

Operating expenses not yet invoiced relate to accruals for electricity purchases, both in traditional energy business and energy trading. Trade receivables from customers who are simultaneously suppliers are set off against trade payables, provided a netting arrangement has been agreed. The offset receivables and payables included in operating expenses not yet invoiced and in revenues not yet invoiced amount to CHF 1,327.0 million (previous year: CHF 1,383.2 million; see Note 24 “Other receivables”).

32 | Employee benefits

Axpo Trading Group has several pension plans in accordance with national legislation. The Swiss subsidiaries are affiliated to PKE-CPE Vorsorgestiftung Energie, a legally independent collective pension fund which qualifies as a defined benefit plan under IAS 19. Defined contribution plans also exist.

PKE-CPE Vorsorgestiftung Energie is a pension fund with the legal form of a foundation under the Swiss Civil Code (ZGB) and the Swiss Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plans (BVG). The objective of the foundation is to provide occupational benefits in accordance with the BVG and its ordinances, protecting the employees of the affiliated companies and their family and survivors against the financial consequences of old age, invalidity and death. The pension fund is an independent pension fund and the contributions and benefits exceed the minimum legal requirements. The Board of Trustees is the most senior governing body of the PKE-CPE Vorsorgestiftung Energie. It is composed of an equal number of employee and employer representatives of the affiliated companies and constitutes itself. The pension fund regulations and the organisational regulations define the benefits provided by PKE-CPE Vorsorgestiftung Energie and their financing, the organisation and administration, and the relationship with the affiliated companies and with the active insured members and the pensioners.

The employer and employee contributions are defined as a percentage of the insured salary. The old-age pension is determined by multiplying the balance of the retirement savings capital at retirement with the conversion rate defined in the regulations. The employee may draw the pension benefits as a lump payment. The invalidity pension and the spouse’s pension are defined as a percentage of the insured salary. The plan assets are invested by the PKE-CPE Vorsorgestiftung Energie jointly for all affiliated companies, which share the actuarial and the investment risks of the pension fund. The Board of Trustees is responsible for the investment of the plan assets. The organisation of the investment activities and the related competencies are specified in the investment regulations and investment strategy. The pension fund is exposed to actuarial and investment risks. The investments are made such that the benefits can be paid when they come due.

In the event of an underfunding, the Board of Trustees, in collaboration with the recognised actuarial expert, implement measures suitable to eliminate the underfunding. If necessary, the interest rate on the retirement savings capital, the benefits in excess of the minimum requirement under BVG and their financing may be adjusted to bring them into line with the funds available. If other measures are not sufficient, PKE-CPE Vorsorgestiftung Energie may require the employer to pay additional contributions to eliminate the underfunding.

Employee benefits of Axpo Trading Group were as follows:

Pension liabilities according to balance sheet

CHF millions	2014/15	2013/14
Present value of defined benefit obligations as at 30.9.	237.1	221.3
Fair value of plan assets as at 30.9.	189.4	203.8
Deficit as at 30.9.	47.7	17.5
Adjustment due to asset ceiling	0.0	0.0
Pension liabilities recognised in the balance sheet as at 30.9.	47.7	17.5

Pension costs in income statement

CHF millions	2014/15	2013/14
Current service cost	8.4	7.3
Past service cost	0.0	0.0
Interest expense on defined benefit obligation	3.3	4.4
Interest income on plan assets	-3.0	-4.2
Administration cost excluding asset management cost	0.1	0.1
Pension cost for the period recognised in profit or loss (Note 11)	8.8	7.6
thereof service cost and administration cost	8.5	7.4
thereof net interest expense (income)	0.3	0.2

Pension costs in other comprehensive income

CHF millions	2014/15	2013/14
Actuarial losses/(gains) on defined benefit obligation	18.9	19.5
Return on plan assets excluding interest income	8.2	-9.6
Pension cost for the period recognised in other comprehensive income	27.1	9.9

Change in employee benefit liability reported in the balance sheet

CHF millions	2014/15	2013/14
Employee benefit liability as at 1.10.	17.5	7.1
Pension cost for the period recognised in profit or loss	8.8	7.6
Pension cost for the period recognised in other comprehensive income	27.1	9.9
Employer contributions	-5.7	-7.1
Employee benefit liability as at 30.09.	47.7	17.5

Change in the present value of the defined benefit obligation

CHF millions	2014/15	2013/14
Present value of defined benefit obligation as at 1.10.	221.3	196.8
Interest expense on defined benefit obligation	3.3	4.4
Current service cost	8.4	7.3
Employee contributions	3.3	3.6
Benefits paid	-18.2	-10.4
Past service cost	0.0	0.0
Administration cost excluding asset management cost	0.1	0.1
Actuarial losses/(gains) on defined benefit obligation	18.9	19.5
Present value of defined benefit obligation as at 30.9.	237.1	221.3

Breakdown of defined benefit obligation

CHF millions	30.9.2015	30.9.2014
Present value of defined benefit obligation for active members	128.0	122.6
Present value of defined benefit obligation for pensioners	109.1	98.7

Actuarial gains/losses on defined benefit obligation

CHF millions	2014/15	2013/14
Actuarial (gains)/losses on defined benefit obligation from:		
changes in financial assumptions	20.1	16.1
changes in demographic assumptions	0.0	0.0
experience adjustments	-1.2	3.4
Actuarial losses/(gains) on defined benefit obligation	18.9	19.5

Change in the fair value of plan assets

CHF millions	2014/15	2013/14
Fair value of plan assets as at 1.10.	203.8	189.7
Interest income on plan assets	3.0	4.2
Employer contributions	5.7	7.1
Employee contributions	3.3	3.6
Benefits paid	-18.2	-10.4
Return on plan assets excluding interest income	-8.2	9.6
Fair value of plan assets as at 30.9.	189.4	203.8

Actuarial assumptions

	30.9.2015	30.9.2014
Discount rate for active members (in %)	1.0	1.5
Discount rate for pensioners (in %)	0.4	1.5
Expected future salary increase (in %)	2.0	2.0
Expected future pension increase (in %)	0.0	0.0

The calculation of life expectancy for the Swiss pension plans is based on the BVG 2010 generation tables.

In the past Axpo Trading Group used a uniform discount rate for the valuation of the total pension liabilities (active insured members as well as pension recipients). As of the reporting period, Axpo Trading Group uses two different discount rates for the calculation of the proportionate defined benefit obligation of PKE-CPE Vorsorgestiftung. For active insured members a discount rate of 1.0% and for pension recipients a discount rate of 0.4% is used for the actuarial calculation. The application of two different discount rates compared to a calculation with a uniform discount rate does not have an effect on the sum of the present value of the defined pension obligation of active insured members and pension recipients. However, current service costs for the following year will be CHF 0.5 million lower due to the higher discount rate used for active insured members.

Sensitivities of the key actuarial assumptions

The calculation of the defined benefit obligation is especially sensitive to changes in the discount rate, assumptions regarding salary trends and changes in life expectancy. The discount rate and the expected salary change were reduced/increased by 0.25%. Sensitivity to mortality rates was calculated by reducing/raising the mortality rate by a fixed factor such that the life expectancy for the majority of age categories was raised/reduced by approximately one year. The following table summarises the effects that changing these assumptions has on the present value of the defined benefit obligation:

CHF millions	30.9.2015	30.9.2014
Discount rate (-0.25% change)	246.7	229.5
Discount rate (+0.25% change)	228.1	213.5
Salary increase (-0.25% change)	235.9	220.7
Salary increase (+0.25% change)	238.3	221.9
Life expectancy (-1 year change)	229.8	214.9
Life expectancy (+1 year change)	244.3	227.5

Estimate of employer and employee contributions for subsequent period

CHF millions	30.9.2015	30.9.2014
Expected employer contributions	5.4	6.3
Expected employee contributions	3.0	3.4

Major categories of plan assets

CHF millions	30.9.2015	30.9.2014
Cash and cash equivalents	5.3	8.6
Equity instruments	72.5	80.9
Debt instruments	58.4	67.4
Real estate	13.8	25.3
Others	16.1	7.5
Total plan assets at fair value (quoted market price)	166.1	189.7
Real estate	23.3	14.1
Total plan assets at fair value (non-quoted market price)	23.3	14.1
Total plan assets at fair value	189.4	203.8

Maturity profile of the defined benefit obligation

	30.9.2015	30.9.2014
Weighted average duration of the defined benefit obligation in years	15.6	14.5

33 | Transactions with related parties**Majority shareholder**

Axpo Holding AG, Baden, directly holds 100% of the share capital of Axpo Trading AG. Axpo Holding AG, the sister companies of Axpo Trading AG (Axpo Power AG, AVECtris AG (former Axpo Informatik AG), Axpo Services AG and Centralschweizerische Kraftwerke AG) and their fully consolidated subsidiaries, and companies and public agencies whose ownership interest allow them to exercise significant influence over Axpo Holding AG are all treated as shareholders and parties related to shareholders.

Subsidiaries and associates

Transactions between Axpo Trading AG and its subsidiaries were eliminated during consolidation and are not explained in this note, while transactions between Axpo Trading AG and its associates and partner plants are disclosed below. Transactions between Axpo Trading AG and its subsidiaries are disclosed in the separate financial statements of Axpo Trading AG. The principal terms and conditions governing relationships with related parties are explained under "Intragroup transactions" (see Note 3 "Consolidation principles").

Management Board and Board of Directors

The Management Board and the Board of Directors of Axpo Trading AG are also considered related parties. Transactions with related parties are conducted at arm's length.

Other related parties

Other related parties include the PKE-CPE Vorsorgestiftung Energie.

Remuneration to current members of the Board of Directors and the Management Board

CHF millions	2014/15	2013/14
Board of Directors		
Current employee benefits	0.0	0.0
Total	0.0	0.0
Management Board		
Current employee benefits	6.9	3.5
Pension fund contributions	0.8	0.6
Total	7.7	4.1

Since 1 October 2014 the business area Trading & Sales, which is managed by Axpo Trading Group, is working under a new organisational structure. The heads of the new divisions as well as the head of Controlling/Services and the head of Risk Management & Valuation are appointed as members of the Management Board. Thus for the financial year 2014/15 the Management Board includes 10 members (previous year: 5 members).

Transactions between Axpo Trading Group and related parties in 2014/15

CHF millions	Shareholders	Partner plants	Associates	Other related parties
Total income				
Revenues from sales of energy	494.2	2.0	87.0	0.0
Other operating income	266.1	4.3	2.1	0.0
Operating expenses				
Expenses for energy procurement and cost of goods purchased	-1 346.3	-183.1	-40.0	0.0
Expenses for materials and third-party supplies	-0.8	0.0	0.0	0.0
Personnel expenses	0.0	0.0	0.0	-8.8
Other operating expenses	-65.7	0.2	-0.3	0.0
Financial result				
Financial result	-2.3	-4.9	13.5	0.0

Open positions with related parties as at the balance sheet date:

CHF millions	Shareholders	Partner plants	Associates	Other related parties
Non-current assets				
Derivative financial instruments	94.2	0.0	13.0	0.0
Other financial assets	0.0	15.9	171.6	0.0
Current assets				
Trade receivables	82.6	1.3	7.8	0.0
Financial receivables	395.4	0.9	9.4	0.0
Current tax assets	0.3	0.0	0.0	0.0
Derivative financial instruments	165.9	0.0	3.7	0.0
Other receivables	96.8	51.5	12.2	0.0
Liabilities (non-current)				
Financial liabilities	176.3	0.0	0.0	0.0
Derivative financial instruments	61.3	0.0	2.3	0.0
Other liabilities	0.0	16.2	1.3	47.7
Liabilities (current)				
Trade payables	146.0	0.7	3.6	0.0
Financial liabilities	0.0	3.1	0.0	0.0
Derivative financial instruments	52.4	0.0	5.1	0.0
Other liabilities	135.0	67.5	10.6	0.0

Transactions between Axpo Trading Group and related parties in 2013/14

CHF millions	Shareholders	Partner plants	Associates	Other related parties
Total income				
Revenues from sales of energy	509.3	-5.0	175.9	0.0
Other operating income	32.6	5.6	1.7	0.0
Operating expenses				
Expenses for energy procurement and cost of goods purchased	-1 216.4	-212.9	-36.3	0.0
Expenses for materials and third-party supplies	-1.3	0.0	0.0	0.0
Personnel expenses	0.0	0.0	0.0	-7.6
Other operating expenses	-65.5	-0.2	0.0	0.0
Financial result				
Financial result	3.9	-1.6	13.1	0.0
Income tax				
Income tax expense	-0.1	0.0	0.0	0.0

Open positions with related parties as at the balance sheet date:

CHF millions	Shareholders	Partner plants	Associates	Other related parties
Non-current assets				
Derivative financial instruments	58.2	0.0	17.2	0.0
Other financial assets	0.0	1.8	334.5	0.0
Current assets				
Trade receivables	89.7	21.7	9.3	0.0
Financial receivables	4.4	11.5	6.6	0.0
Derivative financial instruments	3.2	0.0	2.8	0.0
Other receivables	47.7	51.3	17.4	0.0
Liabilities (non-current)				
Financial liabilities	176.1	0.0	0.0	0.0
Derivative financial instruments	26.3	0.0	4.7	0.0
Other liabilities	0.0	15.1	1.2	17.5
Liabilities (current)				
Trade payables	163.1	5.4	1.4	0.0
Financial liabilities	24.3	42.0	0.0	0.0
Derivative financial instruments	5.4	0.0	3.4	0.0
Other liabilities	118.9	103.3	-1.7	0.9

34 | Pledged assets

CHF millions	30.9.2015	30.9.2014
Property, plant and equipment	909.9	996.8
Other	200.7	206.3
Total	1 110.6	1 203.1

Pledged property, plant and equipment are related to the gas-fired combined-cycle power plants in Italy.

35 | Contingent liabilities and future financial obligations, legal disputes

CHF millions	30.9.2015	30.9.2014
Guarantees	0.4	0.4
Sureties	388.2	85.3
Total	388.6	85.7

Guarantees and parent company guarantees within Axpo Trading Group are only presented in the separate financial statements of the company that granted them.

The sureties include short-term sureties of CHF 259.7 million which were already waived in October 2015.

In the 1998/99 and 1997/98 financial years, Misoxer Kraftwerke AG concluded financial transactions to lease out its facilities over the long term and simultaneously lease them back (lease-and-lease-back transactions). In connection with these transactions, assurance was given to American investors that all contractual obligations arising from these transactions would be guaranteed. The risk from these transactions is covered by provisions in the company mentioned. Since the risk declines over the term of the transactions, this provision is reversed on a straight-line basis.

Other contingent liabilities

There is an ongoing investigation concerning CO₂ certificate transactions in Spain, the risk of which is assessed as low by Axpo Trading Group. Axpo Trading Group is involved in several other legal disputes related to its ordinary business activities. For obligations in connection with partner plants, see Note 18, "Investments in partner plants and other associates".

36 | Operating leases

CHF millions	30.9.2015	30.9.2014
Future minimum lease payments		
Leasing liabilities up to 1 year	6.5	6.6
Leasing liabilities between 1 and 5 years	16.8	19.8
Leasing liabilities more than 5 years	0.0	0.6
Total	23.3	27.0
Lease expense for the current period	7.0	6.3

The table shows the expiry dates of future leasing liabilities. Operating leases consist mainly of lease agreements for office premises and IT hardware.

37 | Events after the balance sheet date

Under an agreement dated 15 July 2015 and with economic effect from 15 October 2015, Axpo Trading Group acquired via the Group company Axpo Renewables Deutschland GmbH, 100.0 percent of the shares and thus the control over Volkswind GmbH (with domicile in Ganderkesee). The company is a leading wind farm developer and operator in Germany and France. With this acquisition Axpo strengthens its position in the renewable energy sector and is moving into the business of building and development of wind farms in Germany and France.

The Volkswind Group shows at the end of the last ordinary financial year as per 31 December 2014, total assets of EUR 255.2 million and a consolidated net profit of EUR 16.8 million.

There were no further events after the balance sheet date which would have to be disclosed.

38 | Investments

	Domicile	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Group companies							
Axpo Trading AG	Dietikon (CH)	30.09.	CHF	882.0			H
Axpo Albania sh.a.	Tirana (AL)	30.09.	ALL	19.2	100.0	100.0	H
Axpo Austria GmbH	Vienna (AT)	30.09.	EUR	0.04	100.0	100.0	H
Axpo Benelux SA	Brussels (BE)	30.09.	EUR	0.5	100.0	100.0	H
Axpo BH d.o.o.	Sarajevo (BA)	31.12.	BAM	1.0	100.0	100.0	H
Axpo Bulgaria EAD	Sofia (BG)	31.12.	BGN	9.0	100.0	100.0	H
Axpo CKW France SAS	Lyon (FR)	30.09.	EUR	26.4	60.0	60.0	D
Axpo d.o.o. Beograd	Belgrade (RS)	30.09.	CSD	49.3	100.0	100.0	H
Axpo Deutschland GmbH	Leipzig (DE)	30.09.	EUR	3.5	100.0	100.0	H
Axpo Energy Romania S.A.	Bucharest (RO)	30.09.	RON	3.2	100.0	100.0	H
Axpo Finance Luxembourg S.à.r.l.	Luxembourg (LU)	30.09.	EUR	0.03	100.0	100.0	D
Axpo France SAS	Paris (FR)	30.09.	EUR	0.1	100.0	100.0	H
Axpo Finland Oy	Helsinki (FI)	30.09.	EUR	0.3	100.0	100.0	H
Axpo Gas Italia Service S.r.l.	Genoa (IT)	30.09.	EUR	0.1	100.0	100.0	H
Axpo Gen Hellas S.A.	Athens (GR)	30.09.	EUR	0.8	100.0	100.0	I
Axpo Hellas S.A.	Athens (GR)	30.09.	EUR	0.3	100.0	100.0	H
Axpo Hungary Kft.	Budapest (HU)	30.09.	HUF	3.0	100.0	100.0	H
Axpo Hydro France SAS	Paris (FR)	30.09.	EUR	0.1	100.0	100.0	D
Axpo Iberia S.L.	Madrid (ES)	30.09.	EUR	0.5	100.0	100.0	H
Axpo International S.A.	Luxembourg (LU)	30.09.	EUR	2.6	100.0	100.0	D
Axpo Italia S.p.A.	Genoa (IT)	30.09.	EUR	3.0	100.0	100.0	H
Axpo Kosovo L.L.C	Pristina (KOS)	31.12.	EUR	0.1	100.0	100.0	H
Axpo MK doool Skopje	Skopje (MK)	31.12.	MKD	6.1	100.0	100.0	H
Axpo Netherlands BV	Amsterdam (NL)	30.09.	EUR	0.1	100.0	100.0	H
Axpo New Energy GmbH	Düsseldorf (DE)	30.09.	EUR	0.03	100.0	100.0	H
Axpo Nordic AS	Oslo (NO)	30.09.	NOK	58.0	100.0	100.0	H
Axpo Polska Sp.z.o.o.	Warsaw (PL)	30.09.	PLZ	1.3	100.0	100.0	H
Axpo Renewables France SAS	Lyon (FR)	30.09.	EUR	17.2	100.0	100.0	D
Axpo Renewables Germany GmbH	Leipzig (DE)	30.09.	EUR	0.2	100.0	100.0	D
Axpo Servizi Produzione Italia S.p.A.	Genoa (IT)	30.09.	EUR	0.3	100.0	100.0	D
Axpo Sverige AB	Malmö (SE)	30.09.	SEK	52.0	100.0	100.0	H
Axpo Trgovina d.o.o.	Zagreb (HR)	30.09.	HRK	0.8	100.0	100.0	H
Axpo Tunisia S.L.	Tunis (TN)	30.09.	TND	0.2	100.0	100.0	H
Axpo UK Limited	London (GB)	30.09.	GBP	9.5	100.0	100.0	H
Axpo UK Trading Limited	London (GB)	30.09.	GBP	0.2	100.0	100.0	H
Albula-Landwasser Kraftwerke AG	Filisur (CH)	30.09.	CHF	22.0	75.0	75.0	P
Calenia Energia S.p.A.	Genoa (IT)	30.09.	EUR	0.1	85.0	85.0	P
Consorzio Energie Rinnovabili	Napels (IT)	30.09.	EUR	0.02	49.0	49.0	P
Energia de la Zarza S.L.	Madrid (ES)	30.09.	EUR	0.1	100.0	100.0	I
Energy Plus S.p.A.	Genoa (IT)	30.09.	EUR	0.3	100.0	100.0	I
FREA Axpo OOD	Sofia (BG)	31.12.	BGN	0.6	100.0	100.0	H
Parc éolien de St Riquier 2 SAS	Paris (FR)	31.12.	EUR	0.2	100.0	100.0	P
Parc éolien Plaine Dynamique SARL	Paris (FR)	31.12.	EUR	0.0	100.0	100.0	P
Rizziconi Energia S.p.A.	Genoa (IT)	30.09.	EUR	0.5	100.0	100.0	P
WinBis S.r.l.	Genoa (IT)	30.09.	EUR	0.1	100.0	100.0	P

D = Services / H = Trading and supply / I = Project companies / E = Energy transmission / P = Production

	Domicile	Balance sheet date	Currency	Registered capital in millions	Share of capital in %	Share of votes in %	Purpose
Significant associated companies (partner plants)							
AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern	Lucerne (CH)	31.12.	CHF	90.0	26.4	31.0	P
ENAG Energiefinanzierungs AG	Schwyz (CH)	31.12.	CHF	100.0	33.2	50.0	P
Engadiner Kraftwerke AG	Zernez (CH)	30.09.	CHF	140.0	15.0	15.0	P
Etrans AG	Laufenburg (CH)	31.12.	CHF	7.5	13.2	13.2	E
Kernkraftwerk Gösgen-Däniken AG	Däniken (CH)	31.12.	CHF	350.0	4.5	0.0	P
Kernkraftwerk Leibstadt AG	Leibstadt (CH)	31.12.	CHF	450.0	0.5	16.3	P
Kraftwerke Mattmark AG	Saas-Grund (CH)	30.09.	CHF	90.0	30.5	38.9	P
Kraftwerke Mauvoisin AG	Sion (CH)	30.09.	CHF	100.0	29.3	29.3	P
Lizerne et Morge SA	Sion (CH)	31.03.	CHF	10.0	50.0	50.0	P
Rheinkraftwerk Albrück-Dogern AG	Waldshut (DE)	31.12.	EUR	27.8	5.0	5.0	P

	Domicile	Balance sheet date	Currency	Registered capital in millions	Share of capital in %	Share of votes in %	Purpose
Associated companies (other associates)							
Centrale Eolienne Canet – Pont de Salars SAS	Paris (FR)	31.12.	EUR	0.1	29.4	29.4	P
Centrale Eolienne Gueltas Noyal-Pontivy SAS	Paris (FR)	31.12.	EUR	0.8	29.4	29.4	P
Centrale Eolienne Patay SAS	Paris (FR)	31.12.	EUR	0.1	29.4	29.4	P
Centrale Eolienne Saint Barnabé SAS	Paris (FR)	31.12.	EUR	0.1	29.4	29.4	P
Centrale Eolienne Ségur SAS	Paris (FR)	31.12.	EUR	0.1	29.4	29.4	P
Compagnie Concessionnaire des Eaux de France-Ossau SAS	Paris (FR)	31.12.	EUR	0.04	50.0	50.0	D
Demirören Axpo Enerji Toptan Ticaret A.S.	Istanbul (TR)	30.09.	TRL	4.6	50.0	50.0	H
Demirören EGL Gaz Toptan Ticaret A.S.	Istanbul (TR)	31.12.	TRL	3.4	50.0	50.0	H
Eolienne de Saugueuse S.à.r.l.	Paris (FR)	31.12.	EUR	0.0	29.4	29.4	P
Global Tech I Offshore Wind GmbH	Hamburg (DE)	31.12.	EUR	1.0	24.1	24.1	P
Grischelectra AG	Chur (CH)	30.09.	CHF	1.0	20.0	20.0	H
Parc Eolien des Vatines SAS	Paris (FR)	31.12.	EUR	0.8	29.4	29.4	P
Parc Eolien du Clos Bataille SAS	Paris (FR)	31.12.	EUR	0.4	29.4	29.4	P
Parc Eolien de Varimpré SAS	Paris (FR)	31.12.	EUR	0.04	29.4	29.4	P
Parque Eólico la Peñuca S.L.	Ponferrada (ES)	31.12.	EUR	3.3	46.0	46.0	P
Società EniPower Ferrara S.r.l.	San Donato Milanese (IT)	31.12.	EUR	170.0	49.0	49.0	P
Sogesa SA	Le Chable (CH)	30.09.	CHF	2.0	30.0	30.0	H
Swissgrid AG	Laufenburg (CH)	31.12.	CHF	312.1	8.98	8.98	E
Terravent AG	Dietikon (CH)	30.09.	CHF	15.0	25.0	25.0	D
Trans Adriatic Pipeline AG	Baar (CH)	31.12.	CHF	274.3	5.0	5.0	I

D = Services / H = Trading and supply / I = Project companies / E = Energy transmission / P = Production


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 Report of the Statutory Auditor to the General Meeting of Shareholders of
Axpo Trading AG, Dietikon

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Axpo Trading AG, as presented on pages 8 to 63, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes for the year ended 30 September 2015.

Board of Directors' Responsibility

The board of directors is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 30 September 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.



*Axpo Trading AG, Dietikon
Report of the Statutory Auditor
on the Consolidated Financial Statements
to the General Meeting of Shareholders*

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

A handwritten signature in black ink, appearing to read 'D. Haas'.

Daniel Haas
*Licensed Audit Expert
Auditor in Charge*

A handwritten signature in black ink, appearing to read 'B. Vazquez'.

Beatriz Vazquez
Licensed Audit Expert

Basel, 11 December 2015

Income statement

CHF millions	Notes	2014/15	2013/14
Revenues from sales of energy	2	2 346.6	3 543.3
Other operating income	3	299.5	49.3
Total income		2 646.1	3 592.6
Expenses for energy procurement and cost of goods purchased	4	-2 600.1	-4 118.6
Expenses for materials and third-party supplies	5	-0.1	-0.2
Personnel expenses	6	-64.5	-71.9
Other operating expenses	7	-102.6	-121.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)		-121.2	-719.6
Depreciation and amortisation		-161.9	-5.5
Earnings before interest and tax (EBIT)		-283.1	-725.1
Financial income		743.3	286.9
Financial expense		-847.0	-241.9
Financial result	8	-103.7	45.0
Earnings before tax (EBT)		-386.8	-680.1
Income tax expense		0.0	-0.3
Result for the period		-386.8	-680.4

Balance sheet

CHF millions	Notes	30.9.2015	30.9.2014
Assets			
Property, plant and equipment		14.0	15.2
Intangible assets	9	5.8	6.5
Investments in partner plants and other associates	10	1 454.4	1 606.4
Other financial assets	11	121.9	97.6
Derivative financial instruments	12	521.4	571.3
Other receivables	13	16.6	29.6
Total non-current assets		2 134.1	2 326.6
Inventories	14	189.8	250.7
Trade receivables	15	382.4	355.0
Financial receivables	16	769.0	73.2
Other receivables	17	815.5	838.4
Derivative financial instruments	18	847.3	456.6
Cash and cash equivalents		206.8	219.9
Total current assets		3 210.8	2 193.8
Total assets		5 344.9	4 520.4
Equity and liabilities			
Share capital	19	882.0	132.0
General legal reserves		66.0	66.0
Other reserves and retained earnings		480.2	867.0
Total equity		1 428.2	1 065.0
Financial liabilities	20	171.6	421.0
Other liabilities	21	77.1	88.3
Derivative financial instruments	12	475.5	412.2
Provisions		1 178.8	819.9
Total non-current liabilities		1 903.0	1 741.4
Trade payables	22	312.0	334.8
Financial liabilities	23	296.7	123.1
Other liabilities	24	754.4	822.8
Derivative financial instruments	18	650.6	433.3
Total current liabilities		2 013.7	1 714.0
Total liabilities		3 916.7	3 455.4
Total equity and liabilities		5 344.9	4 520.4

Notes to the financial statements

1 | Preliminary remarks

Related parties pursuant to Art. 663a Para. 4 of the Swiss Code of Obligations are considered to be Axpo Holding AG and its associates, the associates of Axpo Trading AG as well as all companies accounted for using the equity method in accordance with the list of "Investments" in the consolidated financial statements (see Note 38). The following notes also include the information prescribed in Art. 663b of the Swiss Code of Obligations.

2 | Revenues from sales of energy

CHF millions	2014/15	2013/14
With related parties	882.8	2 301.0
With third parties	1 463.8	1 242.3
Total	2 346.6	3 543.3

On 1 January 2014 the supply contracts with the Swiss cantonal utility companies were transferred from Axpo Power AG to Axpo Trading AG. The purchases and resales of energy between the two companies, caused through the transfer of the contracts, were presented net in the reporting period. In the previous year revenues from sales of energy would have decreased by CHF 548.6 million if the netting had been applied (see Note 4).

3 | Other operating income

CHF millions	2014/15	2013/14
With related parties	278.4	49.1
With third parties	21.1	0.2
Total	299.5	49.3

In the reporting period, currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency in the amount of CHF 254.5 million were reclassified from financial result to other operating income. In the previous year CHF 103.0 million were reported in financial income and CHF 86.9 million in financial expense (see Note 8).

4 | Expenses for energy procurement and cost of goods purchased

CHF millions	2014/15	2013/14
With related parties	1 804.9	2 789.8
With third parties	795.2	1 328.8
Total	2 600.1	4 118.6

On 1 January 2014 the supply contracts with the Swiss cantonal utility companies were transferred from Axpo Power AG to Axpo Trading AG. The purchases and resales of energy between the two companies, caused through the transfer of the contracts, were presented net in the reporting period. In the previous year expenses for energy procurement and cost of goods purchased would have decreased by CHF 548.6 million if the netting had been applied (see Note 2).

5 | Expenses for materials and third-party supplies

CHF millions	2014/15	2013/14
With third parties	0.1	0.2
Total	0.1	0.2

6 | Personnel expenses

CHF millions	2014/15	2013/14
Salaries and wages	52.5	58.5
Social security expenses	4.1	5.3
Pension fund expenses	5.5	5.9
Other personnel expenses	2.4	2.2
Total	64.5	71.9

7 | Other operating expenses

CHF millions	2014/15	2013/14
With related parties	73.7	74.1
With third parties	28.9	47.4
Total	102.6	121.5

Other operating expenses contain capital and property tax expenses in the amount of CHF 0.4 million (previous year: CHF 0.5 million release).

8 | Financial result

CHF millions	2014/15	2013/14
Interest income		
with related parties	7.7	8.4
with third parties	4.3	4.7
Dividend income		
with related parties	36.7	39.1
Exchange rate gains	663.0	118.0
Other financial income		
with related parties	18.2	95.5
with third parties	13.4	21.2
Total financial income	743.3	286.9
Interest expense		
with related parties	-20.6	-10.7
with third parties	-54.8	-13.0
Exchange rate losses	-762.1	-122.6
Other financial expense		
with related parties	-0.9	-74.2
with third parties	-8.6	-21.4
Total financial expense	-847.0	-241.9
Total financial result	-103.7	45.0

Currency hedging transactions entered into to hedge exchange differences on future energy procurement or sales contracts in a foreign currency were reclassified from financial result to other operating income in the reporting period (see Note 3).

9 | Intangible assets

Intangible assets contain rights of use for foreign gas supply networks and capitalised costs for software applications.

10 | Investments in partner plants and other associates

The overview of "Investments" in the consolidated financial statements (see Note 38) provides information on the investments held either directly or indirectly by Axpo Trading AG.

11 | Other financial assets

CHF millions	30.9.2015	30.9.2014
Other investments	0.1	0.1
Loan receivables to related parties	121.8	97.5
Total	121.9	97.6

This position includes loans granted with a term to maturity of more than 12 months. The loans are recognised in the balance sheet at nominal value.

12 | Derivative financial instruments (non-current)

Derivative financial instruments which have a term to maturity of more than 12 months and have no speculative intention are presented as non-current.

13 | Other receivables (non-current)

Receivables with a term to maturity of more than 12 months are reported as non-current other receivables.

14 | Inventories

This position includes green certificates, emission certificates and gas inventories.

15 | Trade receivables

CHF millions	30.9.2015	30.9.2014
With related parties	178.7	165.4
With third parties	203.7	189.6
Total	382.4	355.0

Trade receivables are recognised in the balance sheet at nominal value. Receivables in foreign currencies are measured at the exchange rate prevailing at the balance sheet date. Allowances for bad debts amount to CHF 12.8 million (previous year: CHF 21.0 million).

16 | Financial receivables

CHF millions	30.9.2015	30.9.2014
With related parties	769.0	73.2
Total	769.0	73.2

This position contains loans granted by Axpo Trading AG with a remaining term to maturity of less than 12 months.

17 | Other receivables (current)

CHF millions	30.9.2015	30.9.2014
Other receivables	183.1	153.1
Accrued income and prepaid expenses	632.4	685.3
Total	815.5	838.4
Thereof		
related parties	182.8	174.6
third parties	632.7	663.8

Trade receivables from customers who are simultaneously suppliers are set off against trade payables, provided a netting arrangement has been agreed. The offset receivables and payables included in accrued income and prepaid expenses and accrued expenses and deferred income amount to CHF 1,327.0 million (previous year: CHF 1,532.9 million; see Note 24).

18 | Derivative financial instruments (current)

This position contains contracts (options, forwards, certificates and swaps) from energy trading and foreign exchange forward contracts measured at fair value and a term to maturity of less than 12 months. Contracts which are entered into solely with the intention of generating a profit from short-term fluctuations in price or dealer's margin are presented as current independent of their contract term.

19 | Share capital

The share capital of Axpo Trading AG was increased by CHF 750.0 million. The share capital is divided into 17,640,000 bearer shares issued with a par value of CHF 50 per share. Axpo Holding AG, Baden, is the sole shareholder.

20 | Financial liabilities (non-current)

CHF millions	30.9.2015	30.9.2014
To related parties	171.6	171.6
To third parties	0.0	249.4
Total	171.6	421.0

This position relates to a loan from Axpo Holding AG amounting to CHF 171.6 million. The loan has an interest rate of 2.98% and matures on 3 January 2022. The ten year domestic bond was reclassified to current financial liabilities (see Note 23).

21 | Other liabilities (non-current)

This position includes, among others, advance payments totalling CHF 18.1 million (previous year: CHF 25.8 million). It also includes day-one profits of CHF 50.4 million (previous year: CHF 54.2 million) resulting from long-term contracts, whose valuation is partly based on non-observable input data.

Advance payments due within one year amounting to CHF 21.4 million (previous year: CHF 5.6 million) are reported in Note 24 "Other current liabilities".

22 | Trade payables

CHF millions	30.9.2015	30.9.2014
To related parties	186.5	192.7
To third parties	125.5	142.1
Total	312.0	334.8

Trade payables are recognised in the balance sheet at nominal value. Trade payables in foreign currencies are measured at the exchange rate prevailing at the balance sheet date.

23 | Financial liabilities (current)

CHF millions	30.9.2015	30.9.2014
To related parties	46.7	123.1
To third parties	250.0	0.0
Total	296.7	123.1

Current account liabilities and cash pool positions with related parties and banks are recognised in the balance sheet as financial liabilities.

In the reporting period, the ten-year domestic bond with a principal amount of CHF 250.0 million and a coupon of 2.5%, was reclassified from non-current to current financial liabilities. The bond was issued on 23 November 2005 and is due for repayment on 23 November 2015.

24 | Other liabilities (current)

CHF millions	30.9.2015	30.9.2014
Other liabilities	184.3	134.2
Accrued expenses	570.1	688.6
Total	754.4	822.8
Thereof		
related parties	207.4	283.4
third parties	547.0	539.4

Accrued expenses and deferred income mainly include payables that have not yet been charged and accruals for taxes as well as personnel-related accruals.

Trade payables to suppliers who are simultaneously customers are set off against trade receivables, provided a netting arrangement has been agreed. The offset receivables and payables included in accrued income and prepaid expenses and accrued expenses and deferred income amount to CHF 1,327.0 million (previous year: CHF 1,532.9 million; see Note 17).

Other liabilities, accrued expenses and deferred income include pension fund liabilities totalling CHF 0.8 million (previous year: CHF 0.9 million).

25 | Pledged assets

Assets in the amount of CHF 22.2 million are pledged (previous year: CHF 16.6 million). They serve mainly as collateral for transactions carried out on European energy exchanges.

26 | Contingent liabilities and future financial obligations

CHF millions	30.9.2015	30.9.2014
Guarantees	23.4	45.7
Parent company guarantees	561.4	421.4
Liability to capital payment	5.3	2.7
Other delivery & acceptance obligations	2.4	2.4
Total	592.5	472.2

Guarantees granted by banks for Axpo Trading AG in favour of third parties are not reported.

27 | Fire insurance values

The fire insurance value of property, plant and equipment of Axpo Trading AG remains the same as in the previous year (CHF 96.2 million).

28 | Net release of hidden reserves

In the reporting period the income statement contains a net release of hidden reserves in the amount of CHF 9.7 million (previous year: no net release of hidden reserves).

29 | Risk assessment in accordance with Art. 663b of the Swiss Code of Obligations

Axpo Trading AG has implemented a risk management system aimed at creating as much transparency as possible regarding the company's risk situation and enabling the company to manage its risk exposure in a targeted manner. Risks are identified across the entire spectrum, including market, counterparty, operational and general risks, and evaluated according to their probability of occurrence and impact. Risk-reducing measures are agreed and implemented if necessary.

The Risk Management unit of the Axpo Group is responsible organisationally for carrying out the risk assessment process and informing the Board of Directors at regular intervals regarding the risk situation and any measures taken. The Board of Directors discussed the risk situation of Axpo Trading AG twice in the 2014/15 financial year.

30 | Events after the balance sheet date

There are no events after the balance sheet date to be disclosed.

Proposal for the appropriation of retained earnings

The Board of Directors proposes to the Annual General Meeting that earnings be appropriated as follows:

CHF millions	30.09.2015	30.9.2014
Result for the period	-386.8	-680.4
Result brought forward from previous year	867.0	1 547.4
Retained earnings	480.2	867.0
Result to be carried forward	480.2	867.0

On behalf of the Board of Directors
Chairman: Martin Schwab

Dietikon, 11 December 2015


**KPMG AG
Audit**

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Report of the Statutory Auditor to the General Meeting of Shareholders of
Axpo Trading AG, Dietikon

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Axpo Trading AG, as presented on pages 66 to 73, which comprise the income statement, balance sheet and notes for the year ended 30 September 2015.

Board of Directors' Responsibility

The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 30 September 2015 comply with Swiss law and the company's articles of incorporation.



*Axpo Trading AG, Dietikon
Report of the Statutory Auditor
on the Financial Statements
to the General Meeting of Shareholders*

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

A handwritten signature in black ink, appearing to read 'D. Haas'.

Daniel Haas
*Licensed Audit Expert
Auditor in Charge*

A handwritten signature in black ink, appearing to read 'C. Wipfler'.

Corina Wipfler
Licensed Audit Expert

Basel, 11 December 2015

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