



Press release for editorial desks

EOS Holding shareholders welcome the creation of Alpiq

Lausanne, 19 December 2008 – FMV, Groupe E, Services Industriels de Lausanne (SIL), Romande Energie and Services Industriels de Genève (SIG) hail the signing of the definitive transaction agreements that will lead to the creation of Alpiq in early 2009. EOS Holding, which will own 31% of Alpiq, will continue to exist in order to represent and defend the interests of Western Switzerland in the new group. It will also serve as a joint platform for providing financing aimed at encouraging energy efficiency and developing indigenous electricity production, particularly through the use of new renewable energies.

Alpiq, a Swiss company on a European scale

The shareholders of EOS Holding (EOSH) – FMV (5.87%), Groupe E (22.33%), the City of Lausanne (20.06%), Romande Energie (28.72%) and SIG (23.02%) – welcome the completion today of the link-up initiated by EOSH in 2004 to form the largest energy group in Switzerland. Alpiq will be a major player in Europe and majority-owned by the Swiss public sector. It will control extensive production facilities, which is a key factor for ensuring a secure and long-term energy supply for its shareholders.

EOS Holding's new role will be to invest on behalf of Western Switzerland

FMV, Groupe E, the City of Lausanne, Romande Energie and SIG decided not to dissolve this holding company. Its new purpose is twofold: to defend the interests of Western Switzerland within Alpiq and to support large-scale projects.

Thanks to its asset contribution, EOSH will hold 31% of Alpiq and receive compensation of approximately CHF 1.8 billion. CHF 720 million of this amount will be paid out in instalments over 4 years and CHF 450 million will be kept to cover guarantees agreed under the transaction agreements. EOSH will make a one-time payment to its shareholder-clients of CHF 400 million and will create a reserve fund along with a fund for joint investments including partial financing for the start of construction work on the Chavalon thermal power station.

Furthermore, an initial sum of CHF 30 million will be used by EOSH to meet current and future energy challenges: these funds will be allocated as a priority to research and development in geothermal production and to actions undertaken to promote energy efficiency.

EOSH's shareholders join in supporting local sustainable production

EOSH's asset contribution to Alpiq will give rise in 2009 to a one-time payment of CHF 400 million that will be divided up in respect of the shareholding structure, i.e. CHF 23.5 million for FMV, CHF 89.3 million for Groupe E, CHF 80.2 for the City of Lausanne, CHF 114.9 million for Romande Energie and CHF 92.1 million for SIG. These amounts, which derive from the significant investments made in the past that were valued as part of the link-up process between EOS and Atel, will be paid by EOSH to its shareholders. These proceeds will be used in accordance with the shareholders' respective regional priorities.

- **FMV**

In accordance with its mission to develop public-sector water resources in Valais Canton, FMV has a very diverse portfolio of acquisitions and projects that will require significant investments in the coming years. The proceeds from the EOSH payment will cover part of these investments. Examples include the acquisition of a stake in Nant de Drance, work on the Rhone between Gletsch and Oberwald and in Massongex-Bex, and the pumped-storage hydroelectricity project for the Rhone waters between Riddes and the Lac des Dix.

- **Groupe E**

Groupe E will direct its proceeds from EOSH to production projects, particularly in the area of renewable energies through its subsidiary Groupe E Greenwatt. In accordance with the Swiss Federal Energy Law, Groupe E Greenwatt aims to produce 250 GWh from new renewable energies by the year 2030; CHF 350 million will be invested in the coming years for this purpose. Groupe E Greenwatt is currently developing solar power stations in Fribourg, Düdingen and Marin, wind farms in Schwyberg, Buttes, Vue-des-Alpes and Charrat, and biogas facilities in Ménières and Seedorf (FR). Groupe E also plans to use the proceeds from the one-time EOSH payment for its planned power station in Cornaux. Finally, like other EOSH shareholders, Groupe E will purchase a part of the 125 kV grid from EOS.

- **City of Lausanne**

Thanks to the proceeds from EOSH, the City of Lausanne will announce the creation in the first half of 2009 of an investment company in the area of renewable energies with capital of CHF 30 million. The purpose of this company will be to develop production facilities with capacity of 100 GWh per year. The City of Lausanne also plans to acquire high-voltage assets from EOS to restructure its 125 kV grid. Such a deal will reduce operating costs on the high-voltage grid and, by decreasing transmission fees, sharply cut end-consumers' costs. These proposals have not yet been approved by the Lausanne Municipal Council.

- **Romande Energie**

Romande Energie has set itself the ambitious goal of producing 250 to 300 GWh of electricity – i.e. 10% of the power delivered to its customers – from "new" renewable energies by 2020-25. In pursuit of this goal, projects totalling CHF 570 million are currently being developed by its subsidiary Romande Energie Renouvelable SA in the areas of micro hydro, wind power, solar power and biomass. They should be completed over the next fifteen years. The CHF 114.9 million received in 2009 by Romande Energie following the creation of Alpiq will be used to finance some of these projects and to buy a part of its 125 kV grid from EOS.

- **Services Industriels de Genève**

SIG will apply the one-off proceeds from EOSH to energy savings and new renewable energies. Several projects totalling 250 GWh for CHF 350 million will receive part of this money through 2025. Because the best energy is the energy that we do not consume, the éco21 programme will be considerably bolstered; this programme has already led to 2 million kWh in energy savings. The geothermal programme in Thônex, the biogas facility in Aïre and the wind energy project in the Jura Mountains will all be financed. SIG, a pioneer in photovoltaic production (winner of the Swiss and European solar prize in 2008), will also invest in the City of Geneva: in Bernex, Meyrin and Vernier. In addition, the Conflan hydro project will be launched. Finally, SIG will pay down part of its debt in order to increase its investment capacity in new renewable energies.

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Note to editorial desks

This press release is being issued outside the trading hours of the SIX Swiss Exchange in compliance with the principles of ad hoc disclosure pursuant to the SIX Listing Rules.

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Available to the media beginning at 1:30pm

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