

## **2009 RESULTS FOR ROMANDE ENERGIE GROUP**

### **Numbers strongly influenced by an exceptional contribution**

**Although EBIT declined due to the increasing cost of energy supplies, Romande Energie Group registered exceptional net income of over CHF 713 million as a result of the transaction that led to the creation of the Alpiq Group in January 2009. The funds generated by this operation will be invested in the production of electricity derived, inter alia, from new renewable energies.**

Morges, 30 March 2010 – While the Group's results for 2009 may be described as exceptional, they should nevertheless be interpreted with caution in the light of the following major factors:

- A slight increase of CHF 11 million in net revenues to CHF 584 million, mainly attributable to higher energy revenues.
- A continuing rise in the cost of energy supplies, which has caused a decline in gross margin since 2004; in 2009, gross margin fell by CHF 27 million year-on-year.
- An unprecedented increase in equity in net income of affiliated companies following the creation of the Alpiq Group, which explains the exceptional level of net income reported by Romande Energie Group (CHF 713 million).

#### **Net revenues up slightly**

Net revenues amounted to CHF 584 million, growing by CHF 11 million (+2%) compared with 2008. This was chiefly due to a rise of some CHF 12 million in energy revenues generated by synergies arising from the creation of Romande Energie Commerce, and by price adjustments for certain categories of clients that took effect on 1 July 2008. It should be noted that despite the higher cost of energy supplies, the Group did not raise its prices in 2009. Furthermore, the volumes sold to end-clients and resellers contracted by 2% last year as a result of the gloomy economic climate. For the record, Romande Energie Commerce SA, which commenced operations on 1 April 2008, brings together the marketing activities of several electricity distributors in Vaud Canton.

#### **Continuous rise in energy costs**

The costs related to energy purchases continued to rise in 2009, exceeding the 2008 figure by CHF 28 million. This may be explained by two factors. First, a decline of 14% in the energy produced by the Group's hydro power plants, owing to particularly low rainfall levels. Second, an increase in the cost of energy supplies: the average price per kilowatt-hour purchased by the Group was 6.6% higher than a year earlier.

#### **Fall in gross margin**

At CHF 221 million, gross margin was down CHF 27 million compared with 2008. This decline reflects the growing pressure exerted on the Group by the rise in energy costs and an unchanged level of prices in 2009.

#### **Operating expenses under control**

Operating expenses totalled CHF 122 million, showing a slight rise of CHF 3.5 million over the year. This was due to the acquisitions made by the Group in 2009 and the expansion of activities undertaken by the Environment Business Unit. These figures attest to the Group's determination to hold down its costs.

### Exceptional income from affiliated companies

The transaction which led to the creation of the Alpiq Group in January 2009 – the merger of EOS and Atel – resulted in a significant revaluation of the assets of EOS. This generated an exceptional profit for the shareholders of EOS Holding SA (EOSH). As Romande Energie owns 28.72% of EOSH, its share of this operation amounts to CHF 612 million. However, it should be borne in mind that a substantial part of this income did not generate any liquid funds in 2009. The sum received in cash that year was CHF 115 million. It is allocated to projects designed to expand the Group's own-power production, primarily in the area of new renewable energies.

### Equally exceptional net income

The Group's net income reached an exceptional level of CHF 713 million owing to the above transaction.

### 2009 dividend

On 21 May, the Board of Directors will be seeking approval from the General Meeting of Shareholders for a dividend of CHF 22 per share, together with an extraordinary dividend of CHF 10. Based on the number of shares outstanding, the total distribution will be CHF 35 million.

### Outlook for 2010: implementing an ambitious strategy focusing primarily on client satisfaction

Romande Energie Group seeks to guarantee its clients reliable supplies on a long-term basis, while providing high-quality services at competitive prices both in energy activities and in the field of distribution. This is why it has chosen to hold its 2010 tariffs at the same level as 2009, which will probably mean another slight fall in gross margin this year. By the same token, it will press ahead with efforts to hold down costs and expand its own production in order to become less dependent on the electricity markets and have more control over its tariffs. The Group expects a slight increase in the marketing and distribution of kilowatt-hours in 2010, particularly as a result of new partners teaming up with Romande Energie Commerce. Far from focusing purely on selling kilowatt-hours, the Group will continue to offer its clients solutions that enable them to consume less and consume better, and will further intensify its efforts to provide them with comprehensive information and support. As in previous years, it will also invest around CHF 60 million in 2010 to ensure the surveillance, maintenance and upgrading of its distribution installations. Finally, it will continue with the strategy adopted by its Environment Business Unit, which is essentially active in hydraulic power generation, the promotion of energy efficiency and production based on new renewable energies. With regard to the latter sector, Romande Energie aims to be producing 250-300 GWh of electricity thanks to these new technologies by 2020-2025, meeting the needs of 10% of its clients.

<b>Romande Energie Group Key Figures</b>	<b>2009</b>	2008	Change as %
Energy distributed on the Group's grid (GWh)	<b>2 649</b>	2 679	-1.12
Energy sold to end-clients (GWh)	<b>2 775</b>	2 832	-2.01
Net revenues (CHF 000)	<b>583 745</b>	572 455	1.97
Gross margin (CHF 000)	<b>220 784</b>	248 137	-11.02
EBITDA (CHF 000)	<b>98 923</b>	129 794	-23.78
Depreciation and valuation adjustments (CHF 000)	<b>(47 393)</b>	(45 075)	5.14
EBIT (CHF 000)	<b>51 530</b>	84 719	-39.18
Equity in net income of affiliated companies (CHF 000)	<b>675 163</b>	63 835	957.67
Consolidated net income (CHF 000)	<b>713 037</b>	122 669	481.27
Staff numbers at 31 December	<b>660</b>	640	3.13

## Note to editorial desks

This press release is being issued outside the trading hours of the SIX Swiss Exchange as required by the SIX Listing Rules on ad hoc publicity.

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Pierre-Alain Urech, CEO, and Denis Matthey, CFO, will take questions:

### From the media

At the press conference to be held on the premises of Romande Energie (rue de Lausanne 53, Morges) at 10:30 am on Tuesday, 30 March 2010.

### From analysts and investors

- At the Hotel Alpha-Palmiers in Lausanne (rue du Petit-Chêne 34) at 4 pm on Tuesday, 30 March 2010.
- At the SIX Swiss Exchange, ConventionPoint, in Zurich (Selnaustrasse 30) at 10 am on Wednesday, 31 March 2010.

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The 2009 Financial Review of Romande Energie Holding SA Group (in French) can be downloaded at [www.romande-energie.ch](http://www.romande-energie.ch) or ordered from the Group's head office in Morges by phone (+41 (0)21 802 91 11) or by email ([info@romande-energie.ch](mailto:info@romande-energie.ch)).

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