



## **Press release**

*Morges, 31 March 2014*

### **2013 results of Romande Energie Group**

## **Solid profits and proven investment capabilities**

**In spite of an increasingly competitive energy environment and framework conditions that are still in a state of flux, Romande Energie Group ended 2013 with a net profit of CHF 68m, earned from net revenues of CHF 578m, which were virtually unchanged relative to 2012 (-0.3%). Consolidated equity edged up to just below CHF 2bn, placing the Group on a firm footing to crystallise several projects in the fields of networks, renewable power generation and energy services.**

The net revenues of Romande Energie Group came to CHF 578m in 2013, virtually unchanged relative to the previous year (-0.3%). This was primarily the result of two factors: the slight upturn in the volume of power distributed and marketed, and the Group's determination to keep power tariffs stable, or reduce them where possible, for its customers.

#### **Drop in energy procurement costs**

In 2013, power generation by the Group's own installations rose by close to 4% thanks to supportive weather conditions, representing 17% of total power distributed by Romande Energie to its customers. Coupled with price declines on wholesale markets, the rise in proprietary power generation led to a 4.5% drop in total energy-purchasing costs to CHF 218m.

#### **Grip on expenses**

Whereas gross profit was stable at CHF 260m, operating expenses reflected the Group's efforts to keep its costs in check and to streamline operations.

#### **Slight increases in EBITDA and EBIT**

EBITDA edged up by 0.8% to CHF 123m, while EBIT rose by 1.7% to CHF 69m.

#### **Positive bottom line**

Net profit stood at CHF 68m, marking a return to positive territory after two years overshadowed by significant impairment charges in relation to Alpiq (net loss of CHF -278m in 2012 and CHF -235m in 2011). These valuation allowances had impacted Romande Energie Group through its equity interest in EOS Holding SA (EOSH), which has a 31.4% ownership interest in Alpiq. In 2013, the share of profit of associates came to CHF 7m, to which EOS Holding SA contributed CHF 2m.

#### **Consolidated equity of CHF 2bn**

On the strength of profits in 2013, in spite of purchases of own shares from Alpiq in H1 2013, consolidated equity edged up by 0.6% to just below CHF 2bn. Under its divestment programme, Alpiq sold the Group 119,994 shares that it held in Romande Energie Holding SA. To avoid breaching the 10% ownership threshold in regard to the share capital, Romande Energie Group beforehand sold 48,917 actions to external parties and to Holdigaz SA, marking the establishment of a cross-shareholding with the latter. As a result of these transactions, the Group held 9.95% of its share capital at the end of the year. This has not resulted in changes to the long-standing ownership structure.

#### **Outlook on 2014**

For several years, the energy industry has ebbed and flowed in response to changes in the economic environment, framework conditions and the shifts in customers' expectations. The Group has adapted to these trends by putting in place initiatives and structures that lay a foundation for future growth.

### **Ambitious commercial vision**

In 2014, a new strategy is being implemented, focusing on the goal to make Romande Energie the reference in Western Switzerland for guiding households and firms through the current energy transition. This commercial vision spans all possible businesses deemed strategic, leading to the inception of a new business unit, Energy Services, which has been up and running since 1 January this year.

### **Priority given to generation from renewable sources**

The Group is continuing initiatives to expand proprietary power generation. Priority is being given to generation from renewable sources and projects situated in Switzerland. However, Romande Energie is also ready to seize any wind- or hydro-power opportunities that may arise in France and Germany. The founding of Romande Energie France SAS in early 2013 along with its first-ever acquisition, the Meyronnes hydro-power plant (Alpes-de-Haute-Provence administrative department) in July, marks the first step in this direction. The Group's considerable capital provides it with significant leeway in regard to the sizeable investments that it has planned.

### **Energy supply**

Proprietary power generation by the Group represented 17% of the power that it distributed. As the purchasing of electricity from power firms and the wholesale market is a core business, the Group continued optimising management of its energy portfolio. The drop in wholesale power prices over recent months is unlikely to be reversed in 2014, and that is likely to produce a positive trend in gross margin. Furthermore, the lower limit on the EUR/CHF exchange rate enforced by the Swiss National Bank provides stability for transactions and operations conducted outside Switzerland.

### **Even more "network" performance**

The Group plans to invest a further CHF 50m in its networks this year for purposes of maintenance and modernisation, but also as it steadily adapts to new, ever more decentralised generation methods and shifts in the expectations of customers, who want to be able to track and keep control of their consumption. The Group will continue paying close attention to cost control and, thus, the cost component of electricity tariffs.

### **More than simply raw power**

Romande Energie will continue promoting its new price plans, *contrats Energies Libres*, which place importance on the geographical source of the power and the way it is produced, as well as offering energy-efficiency solutions. In addition, the Group will continue developing innovative offers that represent genuine added value for customers, all the while placing itself in a solid position ahead of potential full market liberalisation in the future.

<b>Key figures, Romande Energie Group</b>			
	<b>2013</b>	<b>2012</b>	<b>% change</b>
Power distributed on the Group's network (GWh)	2,899	2,856	1.5
Power sold (GWh)	3,171	3,158	0.4
Net revenues (CHF 000)	577,814	579,412	-0.3
Gross profit (CHF 000)	260,122	259,682	0.2
EBITDA (CHF 000)	122,579	121,594	0.8
Depreciation and amortisation (CHF 000)	53,662	53,805	-0.3
EBIT (CHF 000)	68,917	67,789	1.7
Share of profit of associates (CHF 000)	7,075	(343,210)	n/a
Net profit (CHF 000)	67,922	(278,211)	n/a

The annual report, the financial statements of Romande Energie Holding SA and the financial statements of Romande Energie Group, along with the auditor's reports, will be available for inspection by shareholders from 26 April 2014 at the registered office of Romande Energie Holding SA, rue de Lausanne 53, 1110 Morges. They will also be consultable on the Company's website: [Annual report \(in French\)](#)

From this date, reports can also be sent to shareholders requesting copies, in either electronic or paper form.

The English translation of the financial statements is available as from now, in electronic or paper format : [Financial report](#)

The English translation of the corporate governance report will be available at a later date at the following address : [Corporate governance](#)

## 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 be available to take questions:

### From the media

At the press conference starting at 11am (arrival possible from 10.45am) on Monday 31 March at the Hotel Mirabeau, Lausanne (Avenue de la Gare 31).

### From analysts and investors

- On Monday 31 March:
    - Between 7.30am and 8.30am. Please call the following number to participate: +41 (0) 21 341 42 76
    - At 8.30am, at the Hotel Mirabeau, Lausanne (Avenue de la Gare 31)
  - On Tuesday 1 April at 10am in the Au Premier conference room, Zurich main station.
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### **Romande Energie at a glance**

Romande Energie Group is the leading electricity distributor in Western Switzerland. Through its subsidiary Romande Energie Commerce, it supplies more than 300,000 end-customers directly in approximately 300 municipalities in the cantons of Vaud, Valais, Fribourg and Geneva. Its core business lines are the **generation, distribution and marketing** of power, alongside **energy services**.

Priorities are liaising with customers to ensure high-quality services in line with expectations; guaranteeing a reliable, sustainable and competitive supply of energy; developing proprietary power generation through priority investments in renewable energy; and promoting innovative energy-efficiency solutions.

Romande Energie's corporate social responsibility policy systematically guides its approach to business.

**For more information on Romande Energie Group, visit [www.romande-energie.ch](http://www.romande-energie.ch)**