



## **Press release**

*Morges, 2 September 2014*

### H1 2014 RESULTS OF ROMANDE ENERGIE GROUP

## **Positive figures despite drop in earnings**

**Romande Energie Group reported stable revenues for the first six months of 2014 at CHF 286m and a sharp 15% rise in gross profit to CHF 142m. These encouraging results were reflected in substantial increases in EBITDA (+31%) and EBIT (+55%). However, net profit fell by 16% under the combined effect of lower profit from associates and a decline in net financial income.**

Romande Energie Group ended the first six months of 2014 with revenues of CHF 286m, which was stable relative to the prior-year period. The impact on the top line from lower electricity sales, resulting from mild weather in the initial months of 2014, was compensated for by a rise in other sources of income.

#### **Gross margin at 50% of revenues**

Gross profit rose by CHF18m to CHF142m, yielding a gross margin of 50%. This was thanks to a sizeable drop in expenses associated with wholesale power purchases that largely offset the 22% downswing in proprietary power production. The Group mainly generates hydroelectricity, which was hit by low rainfall in the initial months of the year. The decline in the Group's procurement costs was the driving force behind growth in EBITDA, which rose by 31% to CHF 75m, and EBIT, which was up 55% at CHF 49m.

In contrast, declines in profit from associates and net financial income together outweighed the positive trend in the Group's business. Consequently, net profit amounted to CHF 45m in the first six months of the year, down 16% relative to the prior-year period.

Furthermore, Romande Energie's efforts to keep a grip on costs and optimise its operations once again paid off, with operating expenses held steady at CHF 67m (+1%).

Consolidated equity was similarly stable at a fraction below CHF 2bn.

#### **Outlook**

Despite the uncertainty that continues to weigh down the electricity sector, Romande Energie Group is moving ahead with the various facets of its strategy.

The Group is getting ready for full market liberalisation by further increasing the quality of its services and diversifying price plans, which are designed to help customers through the energy transition. For example, new specialist services (building energy systems, lighting systems, advisory services and thermal systems) have been on offer since 1 January 2014 from the new Energy Services business unit. Cross-selling initiatives have also been put into place with Alpiq InTec and Holdigaz.

With a financial independence ratio of 81% as at 30 June 2014 versus 80% one year earlier, Romande Energie has plenty of financial leeway for expanding its generation portfolio. It is running several projects in Switzerland in the areas of hydro, solar and wind power. It is also developing biomass and geothermal solutions. Finally, it plans further acquisitions of hydro- and wind-power installations in France and Germany.

In addition, the Group is working even harder to improve the efficiency of production processes and infrastructure together with its overall standard of service. A case in point is the further reduction in the grid-usage component in the price of electricity that has been announced for 2015.

Key figures, Romande Energie Group			
	H1 2014	H1 2013	% change
Power distributed on the Group's network (GWh)	1,424	1,492	-4.5%
Power sold (GWh)	1,645	1,646	-0.1%
Net revenues (CHF 000)	285,799	284,860	+0.3%
Gross profit (CHF 000)	141,977	123,494	+15.0%
EBITDA (CHF 000)	75,089	57,186	+31.3%
Depreciation and amortisation (CHF 000)	-26,509	-25,866	+2.5%
EBIT (CHF 000)	48,580	31,320	+55.1%
Share of profit of associates	4,195	16,804	-75%
Group net profit (CHF 000)	45,016	53,487	-15.8%

The Interim Report of Romande Energie Group is available on the corporate website:

- in French: [rapport semestriel juin 2014](#)
- in English: [Interim Report 30 June 2014](#)

It is also available upon request from the Romande Energie head office in Morges. To order, call 021 802 91 11 or send an email to [info@romande-energie.ch](mailto:info@romande-energie.ch).

## Notes 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.

Pierre-Alain Urech, CEO, and Denis Matthey, CFO, will be taking questions from financial analysts, investors and the media on **Tuesday 2 September between 9am and 11am CET**.

Contact for financial analysts and investors: +41 (0) 21 802 97 00

Press contact: +41 (0) 21 802 95 67

## Contact

Karin Devalte  
Head of Communications

Direct line: +41 (0) 21 802 95 67

Mobile: +41 (0) 79 386 47 67

Email: [karin.devalte@romande-energie.ch](mailto:karin.devalte@romande-energie.ch)

## 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 together with **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)