

H1 2013 RESULTS OF ROMANDE ENERGIE GROUP

Respectable half-year figures featuring strong growth in net income

Net income for the first six months of the year amounted to CHF 53 million, representing an increase of 20.5% relative to the same period in 2012. Shareholders' equity was stable at CHF 1.9 billion, underpinning the Group's ambitious plans to expand renewable power generation and develop innovative energy offerings.

Morges, 2 September 2013

Romande Energie Group ended the first-half of 2013 with a net income of CHF 53 million. The 20.5% increase relative to the first six months of 2012 stemmed from two factors. The first was a rise in net financial income stemming from marginal appreciation in the value of the euro relative to the Swiss franc, which resulted in a mark-to-market gain of CHF 11.4 million on currency hedges.

The second factor was an increase of CHF 16 million in profit from associates, thanks chiefly to the solid showing by Alpiq in H1 2013 — in contrast to the financial difficulties it had encountered in the year-earlier period. Accordingly, income from EOS Holding (EOSH), which owns a 31% interest in Alpiq, came to CHF 14.3 million in H1 2013 versus a negative contribution of CHF 1.2 million in H1 2012.

Top line marginally impacted by stable electricity tariffs

Revenues for the Group totalled CHF 284.9 million, representing a contraction of 1.4% relative to H1 2012 and chiefly reflecting a small drop (-0.5%) in the volume of power sold to end-customers as well as the Group's determination to keep electricity tariffs unchanged, or where possible to reduce them slightly, for the whole customer base in spite of changes in procurement costs.

Gross profit was in line with estimates, falling by CHF 12.9 million (-9.5%) to CHF 123.5 million as a result of long-term energy purchases conducted on less favourable terms than at present.

Operating costs fell to CHF 66.3 million compared with CHF 66.7 million in the same period last year, reflecting Romande Energie's efforts to keep a tight grip on costs and optimise its operations.

Outlook

Shareholders' equity, amounting to CHF 1,899 million as at 30 June 2013, represented 80% of total assets. This high degree of financial independence bestows Romande Energie with ample leeway for carrying out its planned investments in the fields of renewable power generation — encompassing solar power, biomass energy, wind power, geothermal heat, and small and large-scale hydropower.

In connection with plans to increase proprietary generation, the Group founded Romande Energie France SAS in January 2013 as a prelude to the acquisition of a first structure in July this year: the Meyronnes hydropower plant (Alpes de Haute-Provence). Though Romande Energie remains chiefly focused on Swiss projects, it is henceforth keen to seize opportunities in France and Germany in the fields of wind power and hydroelectricity. Further acquisitions for strengthening energy procurement are planned in the months ahead.

As the Group implements its 2011-2020 Strategy it will be putting in place partnerships and synergies with other prime movers from within the energy industry. By acquiring its own shares from Alpiq SA (in several stages) in the context of the latter's restructuring, Romande Energie has availed itself of the resources for seizing new opportunities for strategic collaboration. A transaction was recently carried out to set up a cross-shareholding with Holdigaz SA with a view to unlocking synergies with this company, which has many customers in common with Romande Energie and which operates in the same geographical area.

Romande Energie's industry positions and its business prospects are set to gain from soon-to-be-unveiled innovative price-plans promoting local procurement along with the extension and optimisation of commercial strategies and a broader range of energy services — enshrined in the creation of a new eponymous business unit as from 1 January 2014. Correspondingly, we expect a positive impact on revenues in the medium term.

Key figures			
	H1 2013	H1 2012	% change
Power distributed over the Group's network (GWh)	1,492	1,458	2.3%
Power sold (GWh)	1,422	1,429	-0.5%
Net revenues (CHF 000)	284,860	289,040	-1.4%
Gross profit (CHF 000)	123,494	136,433	-9.5%
EBITDA (CHF 000)	57,186	69,721	-18.0%
Depreciation and amortisation (CHF 000)	25,866	26,450	-2.2%
EBIT (CHF 000)	31,320	43,271	-27.6%
Share of profit of associates (CHF 000)	16,804	1,113	1,409.8%
Net income (CHF 000)	53,487	44,376	20.5%

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

- French original:

http://investor.romande-energie.ch/investor-relations/information-roadshows-financial-reports/rr-2013.aspx?sc_lang=fr-FR

- English translation:

http://investor.romande-energie.ch/investor-relations/information-roadshows-financial-reports/rr-2013.aspx?sc_lang=en

A paper copy of the report can be obtained by contacting the head office in Morges, either by calling 021 802 91 11 or by sending an email to info@romande-energie.ch.

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Note to editorial desks

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

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Pierre-Alain Urech, CEO, and Denis Matthey, CFO, will be taking questions from financial analysts, investors and the media on Monday 2 September between 8am and 10.30am CET.

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Romande Energie Group 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 (representing a catchment population of over 500,000 people) in over 300 municipalities in the cantons of Vaud, Valais, Fribourg and Geneva. Its core businesses are the production, distribution and marketing of electricity. The Group's priorities are to provide customers with high-quality services and guarantee reliable, competitively priced electricity supplies on a long-term basis; to expand its own-power production by investing primarily in new renewable energy sources; and to promote innovative solutions in the field of energy efficiency.

For more information on Romande Energie Group visit www.romande-energie.ch