



Press release

Progressed negotiations on the acquisition of the Champéry and Val d'Illeiez power distribution network

Romande Energie and Champéry (SEE) and the Val d'Illeiez (SHEVI) power distribution companies have signed a framework agreement on the acquisition by Romande Energie of the physical network which serves this region. The final agreement is due to take effect on 1 January 2008. It makes provision for all the staff concerned to be recruited by the new business. The shared aim is to perpetuate the power supply infrastructures, facilitate the economic development of the region and respond to the administrative requirements of the new federal Law on energy (LApEI), just a few months before the Swiss electricity market is opened to competition.

Morges, 5 November 2007 – Announced in April 2006, the strategy of Romande Energie provides for the development of its activities outside its historical distribution area, in particular through partnerships. Already present in Valais Canton via its subsidiary company SEBV (Société électrique du Bas-Valais), Romande Energie wished to extend its distribution network in a region which is experiencing substantial development, especially in the property sector.

A highly qualified, robust and dependable buyer

Société des Eaux et d'Electricité SA (SEE) of Champéry and Société Hydro Electricque de Val d'Illeiez (SHEVI), a wholly owned subsidiary of SEE, wanted to place the sensitive area of power distribution on a secure and sustainable basis on the eve of the opening of the Swiss electricity market to competition; this changed situation will impose new administrative requirements. The two Valais-based companies regard Romande Energie as the ideal partner because of its experience, reliability and strength.

The two networks concerned distribute some 22 million kilowatt hours annually and operate around 140 kilometres of power lines.

As the acquisition contract is confined to the power distribution activity, the historical shareholders of SEE and SHEVI will retain control over a substantial part of the business:

- hydropower generation (Grand-Paradis plant);
- distribution of drinking water.

A new company is now being formed

A new company which is responsible for management of the power distribution network in the Val d'Illeiez will be created after the formal decision of the General Meeting of Shareholders of the SEE. Its name will be announced later. The details and conditions for the acquisition are under discussion at present. The parties concerned have agreed not to disclose the value of the transaction.

Around ten employees of SEE and SHEVI are involved. They will all be taken on again by the new company.

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Note to the editors

For further information about the business strategy of Romande Energie, please consult the information announced on 6 April 2006 on our Internet site www.romande-energie.ch in the "press" section under the heading "press release ".

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