

Press release

Morges, 27 November 2015

First step towards early prolongation of the hydropower concession operated by Forces Motrices du Grand-Saint-Bernard

Liddes and Bourg-St-Pierre will ask their registered electors to approve an agreement under the terms of which the two municipalities will obtain a 64% holding in the share capital of Forces Motrices du Grand-Saint-Bernard (FGB SA), in Valais canton. Romande Energie at the moment owns FGB SA outright. The agreement further stipulates prolongation of the hydropower concession agreement authorising FGB SA to operate the Toules dam and the Pallazuit plant, which supply the power needs of over 26,000 households.

Forces Motrices du Grand-Saint-Bernard (FGB SA) has been wholly owned by Romande Energie since 2 July after it acquired a 25% stake from Alpiq. FGB SA has a concession to use water from the Dranse d'Entremont and its tributaries in the municipalities of Liddes and Bourg-St-Pierre to produce electricity. The concession is due to expire at the end of 2040.

FGB SA owns two installations situated along the upper Dranse d'Entremont river: the Toules dam and the Pallazuit hydropower station. Fed by waters from the dam, the power station generates over 98 million kilowatt-hours annually, which corresponds to the average demand of over 26,000 households.

Joining forces with municipal concession owners to extend partnership until 2120

The partnership between Liddes and Bourg-St-Pierre, which own the concession, and FGB SA, which operates it, has to date been fruitful. Keen to secure these installations and the power produced over the long term, the three parties have entered into negotiations to prolong the concession period.

Under the terms of the agreement, Liddes and Bourg-St-Pierre will become shareholders in FGB SA on 1 January 2016, with a 64% holding. In return, they pledge to sell the amount of power corresponding to this ownership interest to Romande Energie until 2040 and grant FGB SA an extended concession period running from 2041 to 2120.

Next stages

The concession agreement will be submitted to the popular assemblies of the two municipalities on 17 December. The concession-renewal procedure will then be initiated. Lastly, the concession granted by the two municipalities will be submitted to the Valais cantonal government for official approval.

Through their joint shareholding in FGB SA, Liddes and Bourg-St-Pierre together with Romande Energie mean to signal a commitment in favour of renewable power generation as they seek to guarantee regional-level power provision. As a further example of this commitment, FGB SA began construction of small hydropower plant in the locality of La Delise (Bourg-St-Pierre) in May this year.

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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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