



Press release

Morges, 8 September 2016

ROMANDE ENERGIE GROUP HALF-YEAR RESULTS

Solid results

For the first half of 2016, Romande Energie Group's revenues edged up to CHF 292m and operating expenses fell by CHF 12m. As a result, EBITDA and EBIT increased by 8% and 14%, respectively. Net profit amounted to CHF 55m, up from a loss of CHF 53m one year earlier. Shareholders' equity, unchanged at CHF 1.6bn, has given Romande Energie the means to enact its ambitions in renewable-power generation, network modernisation and the expansion of its energy services business.

Revenues in the first half of 2016 edged up by 1%, or CHF 3m, to CHF 292m. The 4% decline in gross profit to CHF 141m was the result of higher procurement costs, which increased by CHF 9m or 6% relative to the same period in 2015. The higher procurement costs can be traced back to wholesale market trading, the partial deconsolidation of Forces Motrices du Grand-Saint-Bernard's generation facilities and increased non-power purchases associated with the development of additional energy services.

Operating expenses decreased by 17%, or CHF 12m, after the Group recognised an adjustment to pension liabilities in its financial statements, in response to a change in the technical interest rate by the Occupational Pension Foundation. Combined with the marginally higher revenues, this resulted in an 8% increase in EBITDA to CHF 84m and a 14% rise in EBIT to CHF 57m.

Share of profit from associates in positive territory

Output from Romande Energie's own facilities rose by 41% relative to the same period in 2015 as a result of heavy rainfall. Proprietary production totalled 346 GWh – accounting for 18% of the Group's customer demand.

The share of profit from associates was CHF 3m compared with a loss of CHF 81m in H1 2015. The prior-year loss from associates was attributed to a substantial impairment charge (CHF 834m) that was booked by Alpiq. This impacted Romande Energie Group through its 29.7% equity interest in EOS Holding SA (EOSH), which in turn has a 31.4% ownership interest in Alpiq.

Additionally, the Group's net financial income is in the red, showing an expense of CHF 2m versus an expense of CHF 13m in the prior-year period following abandonment of the minimum EUR/CHF exchange rate.

For the first half of 2016, Romande Energie Group reported a net profit of CHF 55m, up from a loss of CHF 53m one year earlier, which had been due to losses from associates and the prevailing EUR/CHF exchange rate.

The Group's balance sheet remained solid, with shareholders' equity amounting to CHF 1.6bn.

Outlook

The Swiss Federal Council has stated that full liberalisation of the Swiss electricity industry will be timetabled in accordance with progress made towards achieving an electricity-market agreement in bilateral EU negotiations. As political and economic uncertainty across Europe has been

heightened by the UK's decision to leave the EU, full liberalisation seems improbable in the near future.

Convinced that developing the proprietary generation network will create value in the long run, Romande Energie Group remains on the lookout for opportunities to buy generation facilities, both in Switzerland and abroad. At the same time, it continues to develop and implement renewable-power projects. These plans are substantiated by a solid financial independence ratio, which stood at 77% as at 30 June 2016.

Additionally, with the formation of Romande Energie Services SA as a separate company on 1 July 2016, the Group is steadily gaining impetus in its energy services (building energy systems, lighting systems and thermal systems) – in terms of both the range of solutions on offer and its share of the market.

Finally, Romande Energie expects to achieve a full-year business performance in line with the first six months of this year.

Key figures, Romande Energie Group					
	H1 2016	H1 2015			% change
Power distributed on the Group's network (GWh)	1,452	1,445			0.5
Power sold (GWh)	1,901	1,599			18.9
	Results under IFRS	Results before exceptional items	Exceptional items ¹	Results under IFRS	
Net revenues (CHF 000)	291,683	288,553		288,553	1.1
Gross profit (CHF 000)	141,408	147,225		147,225	-4.0
EBITDA (CHF 000)	83,532	77,634		77,634	7.6
Depreciation and amortisation (CHF 000)	-26,125	-27,409		-27,409	-4.7
EBIT (CHF 000)	57,407	50,225		50,225	14.3
Share of profit of associates (CHF 000)	2,604	-3,142	-77,889	-81,031	n/a
Group net profit (CHF 000)	55,322	24,686	-77,889	-53,203	n/a

¹ Impairment recognised by Alpiq (CHF 834m) and other exceptional items

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

- in French: [Rapport semestriel](#)

- in English: [Interim Report](#)

It can also be requested from the Romande Energie head office in Morges by calling +41 (0) 21 802 91 11 or by writing to 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, will be taking questions from financial analysts, investors and the media on **Thursday 8 September between 9am and 11am CET**.

Financial analysts and investors: +41 (0) 21 802 97 00

Members of the press: +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

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