Press Release

H1 2012 RESULTS OF ROMANDE ENERGIE GROUP

Romande Energie stays on course despite sharply lower contribution from affiliated companies

Romande Energie Holding posted stable net income for the first half of 2012 compared with the year-earlier period, despite a marked drop in equity earnings from affiliated companies. Gross profit rose by 8%, while total revenues fell slightly (-1.3%) due to the reduction in the Group's tariffs.

Morges, 3 September 2012

Slight decline in net revenues

Total revenues edged down 1.3% to CHF 289 million, despite the higher volumes of electricity distributed (+1.2%) and marketed (+2.8%); this decline is explained by the reduction in the Group's tariffs. Moreover, contrary to HI 2011, there was no positive impact from the sale of a real estate asset in the period under review.

Energy costs down

The cost of energy supplies fell by 11% year-on-year, driven by lower selling prices on the European energy market and the weak Euro as well as by a strong rise in output (+54%) at the Group's plants, which climbed from 178 GWh at 30 June 2011 to 274 GWh at 30 June 2012.

Firm grip on costs

The Group's determination to keep costs under control is reflected in the fact that operating expenses, at CHF 23.3 million, were unchanged over the year.

Substantial fall in income from affiliated companies

Income from affiliated companies amounted to CHF 1.1 million, which was considerably below the figure of CHF 20 million for the same period of 2011. This situation is explained mainly by the results of EOS Holding SA, which depend on those of the Alpiq Group.

Net income stable and gross profit up

Net income was stable at CHF 44.4 million in H1 2012 compared with CHF 44.7 million a year earlier, despite the very sharp drop in earnings from affiliated companies. For its part, gross profit showed a positive trend, rising by 8% to CHF 136.4 million.

Outlook: justified optimism for H2 2012

Prices on the electricity markets and the CHF/EUR exchange rate are showing signs of stabilizing. Romande Energie Holding should therefore be able to consolidate its gross margin during the second half of the year.

Revenues from energy marketing activities also look set to remain stable thanks to the Group's efforts to develop customer loyalty and increase the number of its eligible clients.

In addition, the excellent reputation of Romande Energie's services in the field of energy efficiency – particularly offerings of heat pumps and thermal solar panels – is having a favourable impact on these products. This trend is likely to be confirmed in H2 2012.

On a more general note, the Group's equity capital of CHF 2 364 million constitutes the base necessary to implement the priority targets that form part of its strategy for 2011-2020.

Investments of CHF 1 billion are scheduled for the development of production projects. While the emphasis is on renewables, with a project portfolio worth around CHF 600 million in this area, shareholdings in hydro-electric and gas-fired plants are also envisaged with a view to guaranteeing security of supply over the medium and long term. By expanding its own-power generation facilities, the Group wants to limit its dependence on the electricity markets and thus ensure greater stability for its costs and tariffs.

Apart from pressing ahead with annual investments of some CHF 50 million to maintain and expand its grids and safeguard the excellent distribution quality provided to clients, Romande Energie also plans to finance operations designed to enhance the efficiency, functionality and security of its installations. It participates actively in the work of the Swiss Smart Grid Association, whose objective is to draw up standards for the country's future smart grid system.

Finally, driven by its determination to position itself favourably against a backdrop of ongoing market deregulation, the Group is constantly developing innovative solutions in order to adapt its offerings and advisory services to customer expectations.

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Romande Energie Group key figures	**H1 2012**	**H1 2011**	Change as %
Power distributed on the Group's grid (GWh)	**1 465**	1 448	*1.2*
Power sold (GWh)	**1 565**	1 522	*2.8*
Net revenues (CHF 000)	**289 040**	292 898	*-1.3*
Gross profit (CHF 000)	**136 433**	126 309	*8.0*
EBITDA (CHF 000)	**69 721**	62 499	*11.6*
Depreciation and amortization (CHF 000)	**26 450**	25 819	*2.4*
EBIT (CHF 000)	**43 271**	36 680	*18.0*
Equity in net income of affiliated companies (CHF 000)	**1 113**	20 079	*-94.5*
Net income (CHF 000)	**44 376**	44 651	*0.6*

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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 the SIX Listing Rules on ad hoc publicity.

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The interim report of Romande Energie Holding SA Group can be downloaded at http://investor.romande-energie.ch/investor-relations/information-roadshows-financial-reports/rr-2012.aspx?sc_lang=en or ordered from our head office in Morges by phone (+41 (0)21 802 91 11) or by email info@romande-energie.ch.

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Pierre-Alain Urech, CEO, and Denis Matthey, CFO, will take questions from analysts, investors and media representatives from 8am to 10:30am on Monday, 3 September 2012.

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Romande Energie at a glance

Romande Energie Group is the leading electricity supplier in Switzerland. Through its subsidiary, Romande Energie Commerce, it supplies power directly to more than 300,000 end-clients (representing a catchment population of 500,000 people) spread over more than 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 its clients 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