Press Release

2011 RESULTS OF ROMANDE ENERGIE GROUP

Good operating results adversely affected by major valuation adjustments at affiliated companies

Romande Energie Group's good operating performance is reflected in EBITDA, which grew by 12.2%. Total revenues were also higher (up 1.9%) at CHF 590 million, with the development of energy-efficient products and services contributing to this rise. However, income from affiliated companies had an extremely negative impact on overall earnings for 2011, especially that from EOS Holding, which was itself influenced by the Alpiq Group's results. Consequently, Romande Energie reported a net loss of CHF 235 million. Without this adjustment, the Group would have posted net income of CHF 57 million.

Morges, 26 March 2012 – The 2011 results of Romande Energie Group were presented today. The most significant figures are as follows:

- Increase in total revenues of 1.9% to CHF 590 million
- Gross margin up 6.2% to CHF 254 million
- Significant rise in EBITDA (up 12.2%) to CHF 121 million
- Marked fall in EBIT (down 28%) to CHF 35 million
- Negative net income of CHF -235 million
- Shareholders' equity of CHF 2.4 billion, attesting to the Group's solid finances

Increase in revenues

Revenues rose by CHF 11 million (1.9%) to CHF 590 million in 2011, compared with CHF 579 million for the 2010 financial year. As both electricity sales to end-clients (-0.4%) and sales on the markets and powerbalancing activities were down slightly, this increase was chiefly due to the development of product and service offerings in the energy efficiency sector. The simplified price system introduced in 2011 enabled clients to benefit from a reduction in the regional grid usage fee. While the volume of energy distributed on the Group's grid remained stable year-on-year, revenues from distribution activities fell 3.3% owing to the decline in grid maintenance costs and the return on operating assets.

Decrease in energy costs

The reporting year saw a drop of over 13% in output at the Group's hydropower plants as a result of particularly low rainfall. Despite the additional purchases which this necessitated, the Group was able to reduce the cost of energy supplies by 5.1% thanks to the fall in the euro combined with the downturn in prices on the Swiss and European electricity markets.

Gross margin up

The decline in energy costs and the growth in revenues from products and services explain the 6.2% increase in gross margin to CHF 254 million.

Significant rise in EBITDA

At CHF 121 million, EBITDA was 13 million higher than in 2010. This increase of 12.2% attests to the Group's good operating performance.

Marked fall in EBIT

EBIT registered a considerable decline (-28%), falling from CHF 49 million en 2010 to CHF 35 million. This was mainly due to a substantial impairment charge on a renewable energy plant.

Personnel expenses higher and other operating expenses lower

As part of the Group's strategy, the expansion of activities dedicated to efficient energy use and projects in the renewable energy field called for additional resources in 2011. This led to an overall increase of CHF 6 million in personnel expenses compared with the previous year. At the same time, the Group's stern cost-control policy resulted in a marked reduction in other operating expenses (-8.1%), representing savings of almost CHF 5 million.

Sharp fall in income from affiliated companies

Alpiq booked substantial valuation adjustments of CHF 1.7 billion during the 2011 financial year. This caused EOS Holding (EOSH) to revalue its shareholding in Alpiq in the amount of CHF 485 million, of which CHF 281 million was charged to the 2011 income statement. As Romande Energie Group owns 28.7% of EOSH, the negative impact of these valuation adjustments on its 2011 income statement was CHF 292 million. However, this negative impact was reduced to CHF 254 million on the back of the positive results generated by the operating activités of Alpiq and EOSH.

Negative net income

The Group reported a net loss of CHF 235 million at 31 December 2011 as a result of the above factors. It is worth recalling, however, that the financial statements for 2009, which closed with net income of CHF 713 million, were marked by an extraordinary contribution of CHF 612 million from EOSH following the creation of Alpiq.

2011 dividend

The Annual General Meeting of Shareholders will be held on 25 May 2012. Given the good operating performance, the Board of Directors will be seeking approval from the General Meeting of Shareholders to pay an ordinary dividend of CHF 25 per share, as was the case for the 2010 financial year. If this recommendation is adopted, the total distribution for 2011 will be CHF 27.4 million, taking into account the number of own shares held.

Outlook for 2012

The supply challenge…

While all the production of Romande Energie is derived from renewable sources (hydraulic, solar, biomass), part of the electricity that it buys from other power companies and on the markets corresponds to the European energy mix, which is partly nuclear. The measures that will enable it to ensure supplies for its clients in an environment marked by the gradual phasing-out of nuclear power plants form part of its corporate strategy. *"Concretely, it is a matter of pursuing our policy of investing in hydroelectric and natural gas production installations based on new renewable energies, while encouraging energy efficiency and proposing concrete solutions in this field",* says Pierre-Alain Urech, CEO.

Stepping up actions in the energy efficiency sector

"Like the Swiss government, we believe that cutting down on consumption is essential to overcome the energy challenges we face today", notes Pierre-Alain Urech. In addition to well-established services such as energy audits and heat pump solutions, we now have a new range of services in the solar energy field. The current year also sees the launch of a broad-based travelling exhibition and interactive campaign to make people more aware of what they can do to save energy on a daily basis. The Group intends to place more emphasis on developing energy services in the coming months.

Anticipating trends in electricity distribution grids

Romande Energie invests continuously in its grids, setting aside some CHF 50 million annually in order to ensure excellent quality of supply. It also conducts an asset management strategy geared to optimising investments and offering a competitive grid usage tariff. With this in mind, the Group will pool its stock management and logistics with other players in the electricity field from 1 January 2013. Romande Energie participates in several research programmes aimed at anticipating grid trends, including development of the Smart grid.

Pressing ahead with the Group's strategy

Romande Energie's corporate strategy was adapted at the end of 2010 to take account of ongoing changes in the electricity market. It embraces all the business units and focuses on the following fundamental objectives: expansion of grids, price competitiveness, development of own-power generation and launch of multi-energy activities. *"Romande Energie Group's commitment to civil society and its client orientation are of course confirmed, and they are a leitmotif for all our units and services"* affirms Pierre-Alain Urech.

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Romande Energie Group key figures	**2011**	2010	Change as%
Power distributed on the Group's grid (GWh)	**2 777**	2 777	*0.0%*
Power sold to end-clients (GWh)	**2 831**	2 843	*-0.4%*
Headcount at 31 December	**687**	674	*1.9%*

Financial data ***CHF 000***	**2011**			**2010**	**Change as %**
	Operating income	Exceptional valuation adjustments	Income after exceptional valuation adjustments		
Net revenues	**590 165**		**590 165**	579 413	*1.9%*
Gross margin	**254 165**		**254 165**	239 419	*6.2%*
EBITDA	**120 718**		**120 718**	107 592	*12.2%*
Depreciation, amortization and valuation adjustments	**(85 563)**		**(85 563)**	(58 767)	*45.6%*
EBIT	**35 155**		**35 155**	48 825	*-28.0%*
Equity in net income of affiliated companies	**41 495**	**(292 307)**	**(250 812)**	65 738	*-481.5%*
Consolidated net income	**57 127**	**(292 307)**	**(235 180)**	83 994	*-380.0%*

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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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Pierre-Alain Urech, CEO, and Denis Matthey, CFO, will take questions

From the media:

At the press conference to be held at 10:30am on Monday 26 March 2012, at the Hotel Mirabeau in Lausanne (Avenue de la Gare 31).

From analysts and investors:

- on Monday 26 March
  - Between 7:30 am and 8:30 am, by telephone, on +41 (0) 21 341 42 76
  - From 8:30 am, at the Hotel Mirabeau in Lausanne (Avenue de la Gare 31)
- on Tuesday 27 March at 10:00 am in the Au Premier conference room, Les Trouvailles, Zurich main station, Zurich

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The Financial Review of Romande Energie Holding SA can be downloaded at www.romande-energie.ch or ordered from the Group's head office in Morges by phone (+41 (0)21 802 91 11) or by email (info@romande-energie.ch).

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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 around 300,000 end-clients directly (representing a catchment population of 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 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