IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-US PERSONS AND ADDRESSEES OUTSIDE OF THE US

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND, SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to review this Prospectus or make an investment decision with respect to the securities described herein, investors must not be a US Person (as defined in Regulation S under the Securities Act). You have been sent the attached Prospectus on the basis that you have confirmed to UBS Investment Bank, being the sender of the attached, (i) that you and any customers that you represent are not US Persons, (ii) that the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States or the District of Columbia (where "possessions" include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) and (iii) that you consent to delivery by electronic transmission.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. Also, there are restrictions on the distribution of the attached Prospectus and/or the offer or sale of Notes in the member states of the European Economic Area. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction. The Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of UBS Investment Bank, the Syndicate Banks or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from UBS Investment Bank, if lawful.

Prospectus dated 25 June 2015

Services industriels de Genève
CHF 150,000,000 1.25% Bonds 2015 – 2025

(the "Bonds")

Issuer's Name and registered office:	Services industriels de Genève, chemin du Château-Bloch 2, 1219 Le Lignon, Switzerland (**"SIG"** or the **"Issuer"**)
Amount:	CHF 150,000,000
Interest Rate:	1.25% p.a., payable annually in arrears on 30 June, for the first time on 30 June 2016.
Issue Price:	The Syndicate Banks have purchased the Bonds at 100.869% of the nominal amount (before commission).
Placement Price:	The Placement Price of the Bonds will be fixed in accordance with supply and demand.
Payment Date:	30 June 2015
Maturity Date:	30 June 2025, redemption at par.
Reopening of the Issue:	The Issuer reserves the right to reopen this issue according to the terms and conditions of the Bonds.
Denominations:	CHF 5,000 nominal and multiples thereof.
Form of the Bonds:	The Bonds will be issued as uncertificated securities (*droits-valeurs; Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations and, upon registration in the main register (*registre principal; Hauptregister*) of SIX SIS Ltd., will constitute intermediated securities (*titres intermédiés; Bucheffekten*). Bondholders do not have the right to request the printing and delivery of definitive Bonds.
Covenants:	Pari Passu, Negative Pledge, Cross Default and Change of Control.
Listing and Trading:	Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange. The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange on 26 June 2015. The last trading date will be the second business day prior to the Maturity Date.
Governing Law and Jurisdiction:	The Bonds are governed by, and construed in accordance with Swiss law. Place of jurisdiction for the Bonds and all related contractual documentation shall be Geneva, Switzerland.
Selling Restrictions:	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom
Security Number/ ISIN/Common Code:	28.201.900 / CH0282019006 / 124947065

UBS Investment Bank **Credit Suisse**

Banque Cantonale de Genève / Banque Cantonale Vaudoise / Zürcher Kantonalbank

(the "Syndicate Banks")

SELLING RESTRICTIONS

General

Save for having listed the Bonds at the SIX Swiss Exchange, no action has been or will be taken in any jurisdiction by the Issuer or the Syndicate Banks that would permit a public offering of the Bonds, or possession or distribution of any offering material in relation thereto, in or from any country or jurisdiction where action for that purpose is required. In addition to the specific selling restrictions set out below, each Syndicate Bank undertakes to comply with all applicable laws and regulations in each country or jurisdiction in which it purchases or in or from which it offers, sells or delivers the Bonds or has in its possession or distributes any offering material in respect of the Bonds, in all cases at its own expense.

United States of America and United States Persons

Each Syndicate Bank understands that the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act).

Each Syndicate Bank has also represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States or to or for the account or benefit of U.S. persons except in accordance with Rule 903 of Regulation S under the Securities Act (**"Regulation S"**).

Each Syndicate Bank has also represented, warranted and agreed that it has offered and sold the Bonds, and will offer and sell the Bonds (i) as part of its distribution at any time, and (ii) otherwise until 40 days after the later of the commencement of the offering and the Payment Date (the **"Distribution Compliance Period"**), only in accordance with Rule 903 of Regulation S. Each Syndicate Bank agrees that, at or prior to confirmation of sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it during the Distribution Compliance Period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering and the Payment Date, except in either case in accordance with Regulation S under the Securities Act (**"Regulation S"**).

Terms used above have the meanings given to them by Regulation S."

Each Syndicate Bank has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any "directed selling efforts" with respect to the Bonds.

Terms used above have the meanings given to them by Regulation S.

European Economic Area

Each Syndicate Bank represents and agrees that it has not offered and will not offer any Bonds to persons in any member state of the European Economic Area (each a **"Member State"**), except that it may offer Bonds in any Member State:

(a) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive[1]; or

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive[2], 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant bank or banks nominated by the company for any such offer; or

[1] Prospectus Directive means Directive 2003/71/EC as amended by Directive 2010/73/EC.
[2] Amending Directive means Directive 2010/73/EC

(c) in any circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression "offer" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

United Kingdom

Each Syndicate Bank represents and agrees that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act, the **"FSMA"**) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

FORWARD LOOKING STATEMENTS

This Prospectus (as defined below) contains certain forward-looking statements and information relating to the Issuer that are based on the current expectations, estimates, plans, strategic aims, vision statements, and projections of their management and information currently available to the Issuer.

These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results of operations, financial condition, performance or achievements of the Issuer to be materially different from any future results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Terms and phrases such as "will", "believe", "expect", "anticipate", "intend", "plan", "predict", "estimate", "project", "target", "assume", "may" and "could", and variations of these words and similar expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Neither the Issuer nor the Syndicate Banks undertake an obligation to update any forward-looking statement, even if new information, future events or other circumstances have made them incorrect or misleading.

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RISK FACTORS

Prior to making an investment decision, prospective investors in the Bonds should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the Information of this Prospectus (as defined below) and, in particular, the risk factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Bonds. In addition, each of the risks highlighted below could adversely affect the market price of the Bonds or the rights of investors under the Bonds and, as a result, investors could lose some or all of their investment. This section is not intended to be comprehensive and prospective investors should make their own independent evaluation of all risk factors, consult their respective financial and legal advisors and also read the detailed information set out elsewhere in this Prospectus. Other risk factors and uncertainties unknown to the Issuer or considered insignificant at this time could equally have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer.

Words and expressions defined in the Terms of the Bonds shall have the same meanings in this section.

The order in which the following risk factors are presented is not an indication of the likelihood of their occurrence or their importance.

A. KEY RISKS RELATING TO THE ISSUER

<u>Business risks</u>

Competition

Since January 2009, customers can freely choose their electricity supplier. This opening in the Swiss electricity market has led to an increase of competition on one of the principal fields of activities of the Issuer. The Issuer's business will suffer if the Issuer does not adapt successfully to customers' needs or if it fails to satisfy market demand in an efficient manner in comparison with its main competitors. This risk is increased by the fact that the Issuer does not face the same supply constraints than some of its major competitors which can result in the Issuer's competitors offering more attractive conditions to customers. Furthermore, the Issuer's organizational structure and a potential inadequacy of its commercial and supply strategy could prevent it to adapt to fast changes of the market conditions. Increased competition from existing competitors or new entrants into the Issuer's business areas could result in cost increase, price reductions, reduced margins or loss of market share, any of which could materially affect the Issuer's business, operating results, financial condition and prospects.

Development of activities in new areas

The challenges associated with achieving the Issuer's strategic objectives in a rapidly changing environment (notably, the opening up of markets to competition, development of renewable energy sources, etc.) require the development of activities in new areas of competence. A lack of expertise or of qualified competences within the company in these new developing activities could lead to unbalanced partnerships and could result in contractual commitments which are not adequately aligned with the Issuer's interests. The Issuer uses its best efforts to recruit, retain, redeploy or renew its staff and skills in time and under satisfactory conditions. However, it cannot guarantee that such measures will always prove to be totally adequate, which may have an impact on its business and financial results.

The Issuer's business, financial situation or prospect may also be adversely affected by changes in the laws and regulation to which its activities in new areas of competence are subject and by the incertitude regarding the development of the economics models relating to such new activities.

Necessity to attract and retain qualified personnel

The Issuer's success depends largely on its ability to attract and retain qualified employees, including engineers and other technical personnel with skills in the Issuer's business fields. With the increase of competition on the Swiss energy market, the competition to hire and retain such personnel may become more and more intense and there is no guarantee that the Issuer can successfully and consistently meet its personnel recruitment goals. Should the Issuer fail to recruit and retain the number and types of employees that is needed for the continuity and the development of its business, the quality of its services and the progress and execution of important projects, its business, operating results, financial condition and prospects could be adversely affected.

Risks relating to the strategic partnerships in which the Issuer holds a stake

As described in the Issuer's Financial Statements 2014 attached hereto as Annex A (see page 22 et seq.), the Issuer holds minority shareholdings in various entities. In such situations, the Issuer may find itself confronted with an impasse when partners disagree or decisions are made which are contrary to its interests. The absence of a controlling majority in strategic partnerships may limit the Issuer's ability to implement defined strategies and may have a material adverse impact on its business, financial situation or prospects.

Furthermore, the Issuer's consolidated financial statements include the financial statements of the Issuer and of the entities listed on page 22 of the Issuer's Financial Statements 2014 attached hereto as Annex A. Should the financial position of some of the Issuer's subsidiaries, joint ventures, associated companies or joint operations be affected by non-favourable energy market conditions or by any other negative event, the Issuer's consolidated financial statements would also be negatively impacted.

Charges due to the State of Geneva, the City of Geneva and the other municipalities of the State of Geneva

According to Article 32 of the Law on the Organization of Services industriels de Genève, the Issuer can use the public domain of Geneva for the installation of its transport and distribution networks against the payment of an annual fee to the relevant public entity. A decision of the State of Geneva, the City of Geneva or the other municipalities of the State of Geneva to increase substantially the charges that the Issuer has to pay for the use of the public domain of Geneva may have a material adverse impact on the Issuer's business and financial situation.

According to Article 3, para. 6 of the Law on the Organization of Services industriels de Genève, an interest of 5% per year is collected on the founding capital by the State of Geneva, the City of Geneva or the other municipalities of the State of Geneva. Should such interest be increased in the future, the Issuer's operating results and financial situation would be negatively impacted. Furthermore, amended or new obligations imposed to the Issuer to distribute a part of its annual benefits to the State of Geneva, the City of Geneva or the other municipalities of the State of Geneva or to invest in public interest projects which do not meet usual industrial return on investments may also have a material adverse impact on the Issuer's business and financial situation.

Risks relating to internal information technology systems

The Issuer operates internal information technology systems which are essential for the everyday operations of its commercial and industrial business. A problem with one of these systems, such as a breakdown caused by a human error, a technical failure, an act of sabotage or a hostile intrusion in the computer system, may have a material, negative impact on the activity, financial results and financial position of the Issuer.

Seasonal climatic conditions

Unsatisfying seasonal climatic conditions can affect the energy production or the energy consumption and, consequently, the Issuer's business, operating results, financial condition and prospects.

Natural disasters and other disruptive events

A natural disaster or other disruptive event (such as a major accident, an explosion, a fire, a release of toxic substances, etc.) could damage, cause operational interruptions or otherwise adversely affect the Issuer's production facilities. If any production facilities were to be damaged or destroyed, it could disrupt the Issuer's operations, delay production and result in costly repairs or even necessitate replacement of damaged or destroyed facilities. Any such disaster could thus have a material adverse effect on the Issuer's business, operating results, financial condition and prospects.

Changes to current accounting policies

The Issuer prepares its financial statements in conformity with IFRS accounting principles. Further developments of IFRS could adversely affect the Issuer's reported financial conditions or operating results.

Legal and regulatory risks

Compliance with the legal and regulatory framework

The activities of the Issuer are subject to laws and regulations. An amendment to those laws and regulations that is detrimental to the Issuer's activities could harm its business and, accordingly, could adversely affect the Issuer's operating results, financial condition and prospects. In particular, there are currently various processes and law revisions which could affect the Issuer's business, such as:

- the Energy Strategy 2015 of the Swiss Confederation;
- the negotiation of a bilateral agreement on electricity between the Swiss Confederation and the European Union;
- the opening of the electricity market and of the natural gas market;
- Climate policy;
- Energy policy;
- Developments of the regulations regarding the electricity networks;
- Developments of the regulations regarding renewable energy.

Changes in the laws and regulations to which the Issuer's activities are subject could result in cost increase, increased competition, price reductions, reduced margins or loss of market share, any of which could materially affect the Issuer's business, operating results, financial condition and prospects.

Failure to comply with the laws and regulations to which the Issuer's activities are subject, in particular with regulations for the protection of the environment, could lead to official investigations conducted against the Issuer and, potentially, to the loss of certifications and other special authorizations granted to the Issuer, which could adversely affect the Issuer's business results and financial condition and harm its reputation towards the public.

Limitation of creditor's rights within foreclosure proceedings against the Issuer

The Issuer being a public law entity, it cannot be subject to bankruptcy proceedings. The debt collection against the Issuer would need to be taken in the form of attachment and/or seizure of singular assets subject to forced realization or foreclosure of such assets granted as collateral. Furthermore, no debt collection proceedings are allowed on its administrative assets, i.e. the use of which is directly dedicated to its public interest tasks. Only the Issuer's assets that are not considered as administrative assets can therefore be the object of debt collection proceedings against the Issuer.

Financial risks

Recapitalization of the Issuer's pension fund and refinancing needs

As mentioned below (see the section "Information on the Bonds" below), the net proceeds of the Bonds will be used by the Issuer to cover the recapitalization of its pension fund as well as maturing loans. The recapitalization of said pension fund and the refinancing needs of the Issuer will require additional debts to be contracted by the Issuer in the future. It could however happen that required financing at the requested time may not be available due to events that disrupt the capital markets. It could also happen that the required financing process would not be finalized for factors beyond the Issuer's control. In such events, the Issuer might have to support important additional financial charges to satisfy its refinancing needs.

Foreign currency exchange rate risk

The Issuer buys energy on markets quoted in Euro and then sells such energy to its customers in Swiss francs. Further, the Issuer prepares its financial statements in Swiss francs. The Issuer's results of operations and financial condition, as reported in its financial statements, are thus subject to fluctuations in the exchange rates between the Euro and the Swiss franc. The volatility of such fluctuations has increased due to, among other reasons, policy decisions by the Swiss National Bank and the European Central Bank. While the Issuer attempts to reduce such risk through entering into currency transactions to hedge some of its foreign currency exchange risks, this cannot however eliminate all such risk. Furthermore, an important volatility on the fluctuation of the currency exchange rates leads to difficulties in implementing hedging operations. Changes in the supply and commercial strategy have also a direct impact on the determination of the hedging needs. Should such changes not be taken adequately into account, the level of hedging could prove to be inadequate, which may have a negative impact on the Issuer's financial situation.

Interest rate risk

The direct Issuer's exposure, however currently limited, to interest rate fluctuations could have a material adverse effect on the business, financial conditions or prospects of the Issuer.

Counterparty risk

The Issuer's businesses are subject to the risk that customers and other counterparties are unable to meet their contractual obligations resulting in financial loss to the Issuer.

Liquidity risk

The Issuer's liquidity needs may fluctuate significantly during the year. The Issuer's policy in terms of liquidity is to ensure an adequate level of liquidity for the operation of its business, while optimizing the profitability of its surplus funds in accordance with the principle of capital preservation. An inefficient cash management may have a negative impact on the Issuer's financial results.

B. KEY RISKS RELATING TO THE BONDS

The specific risks of investing in the Bonds can only be assessed on the basis of a thorough and detailed assessment and analysis of the Terms of the Bonds and the individual situation of the investor. To understand the risks associated with an investment in the Bonds, each potential investor has to thoroughly and in detail assess and analyse the Terms of the Bonds and the implications the various features of the Bonds have for the potential investor in its individual situation.

No prior market for the Bonds

Prior to the offering and listing of the Bonds, there has been no public market for the Bonds. Application will be made for listing of the Bonds on the SIX Swiss Exchange. The Issuer cannot be certain that an active and liquid trading market for the Bonds will develop or be sustained or that the market price of the Bonds will not decline.

The liquidity of any market will depend on the number of Bondholders, the market for similar securities, the interest of securities dealers in making a market in the Bonds and other factors. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Volatility of the market price of the Bonds

The market price at which the Bonds will trade will depend upon a number of factors, some of which are beyond the Issuer's control. These factors include, but are not limited to:

- the trading liquidity of the Bonds;
- the historical and/or anticipated operating results and financial condition of the Group (being the Issuer and its consolidated subsidiaries) or those of other companies in its industry;
- fluctuations in the Group's financial position or operating results;
- fluctuations of interest rates and spreads for corporate issuers in general;
- general market and economic conditions;
- changes in analysts' recommendations and/or a downgrade or potential downgrade of the Issuer's credit ratings, if any;
- announcements by the Group and developments affecting the Group, its business and customers and suppliers and the markets in which the Group competes; and/or
- the factors listed herein under "Risk Factors A and B".

In addition, bond markets have from time to time experienced substantial price and volume fluctuations. Such broad market fluctuations may lead to a drop in the market price of the Bonds.

Interest rate risk

An investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect their value.

Absence of voting right

The Bonds do not carry any voting right in relation with the Issuer. Accordingly, Bondholders have no possibility to influence the decisions of the Group, for example with regard to the delay of interest payments or the Issuer's capital structure.

Legal and tax risks

Investors who consider the purchase of Bonds should seek their own advice from their legal and tax advisers prior to any purchase decision. The actual return of the Bonds can be reduced due to taxes incurred by the investors.

Suitability

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

I. have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;

II. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

III. have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;

IV. understand thoroughly the Terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and

V. be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Sales restrictions

Investors who consider the purchase of Bonds should seek advice from their advisor and clarify (i) if there are any legal or regulatory restrictions, (ii) if Bonds can be pledged or (iii) if there are any other restrictions in connection with the purchase or the pledge of Bonds. Furthermore, financial institutions should seek advice from their advisors or the respective authorities in order to ensure the correct treatment of the Bonds according to the applicable risk capital requirements or similar rules.

Change of law

The Terms of the Bonds are based on Swiss law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice after the date of this Prospectus.

GENERAL INFORMATION

Notice to Investors

This Swiss prospectus (the **"Prospectus"**) shall be read and construed on the basis that the annex hereto is deemed to be incorporated in, and to form part of, this Prospectus.

The financial institutions involved in the issuance and offering of the Bonds are banks, which directly or indirectly have participated, or may participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Investors are advised to familiarise themselves with the entire content of this Prospectus.

Documents Available

Copies of this Prospectus are available at UBS AG, Swiss Prospectus, P.O. Box, CH-8098 Zurich, Switzerland, or can be ordered by telephone (+41-44-239 47 03), fax (+41-44-239 69 14) or by e-mail swiss-prospectus@ ubs.com.

Prospectus

This Prospectus is available in English language only and provides information about the Issuer and the Bonds. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

No person has been authorized to give any information or make any representation in connection with the offering of the Bonds other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorised by the Issuer or the Syndicate Banks. Neither the delivery of this Prospectus, nor the issue of the Bonds nor any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of the Issuer since the date hereof.

INFORMATION ON THE BONDS

Authorisation

Pursuant to a decision of the Board of Directors of the Issuer of 31 October 2014, which is based on a decree of the State Council of Geneva, dated 27 November 2013, authorising the Issuer to borrow a maximal amount of CHF 500 million, and the Bond Purchase and Paying Agency Agreement dated 25 June 2015 between the Issuer on one side and UBS AG, acting through its business division UBS Investment Bank (**"UBS AG"**) and Credit Suisse AG (together the **"Joint-Lead Managers"**) and Banque Cantonale de Genève, Banque Cantonale Vaudoise and Zürcher Kantonalbank (together with UBS AG and Credit Suisse AG the **"Syndicate Banks"**) on the other side the Issuer has decided to issue the Bonds of CHF 150,000,000 to be paid on 30 June 2015 and maturing on 30 June 2025.

Use of Net Proceeds

The net proceeds of the Bonds, being the amount of CHF 150,751,000 (the **"Net Proceeds"**) will be used by the Issuer to cover the recapitalization of its pension fund as well as maturing loans. None of the Syndicate Banks shall have any responsibility for, or be obliged to concern itself with, the application of the Net Proceeds of the Bonds.

Notices

All notices in relation to the Bonds will be published in electronic form on the internet site of the SIX Swiss Exchange under the section headed Official Notices
(http://www.six-exchange-regulation.com/publications/published_notifications/official_notices_en.html).

Representation

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, UBS AG has been appointed by the Issuer as representative to lodge the listing application with the SIX Swiss Exchange.

INFORMATION ON THE ISSUER

Name, registered office, location

Services industriels de Genève has its registered office and headquarter at chemin du Château-Bloch 2, 1219 Le Lignon, Switzerland

Incorporation, duration and register

The Issuer has been incorporated on 1 January 1974 for an undefinite duration and has been registered in the commercial register of canton Geneva on 13 November 2009. The registration number is CH-660.1.210.009-7 respectively CHE-108.955.185.

System of law, legal form

The Issuer is a Geneva public law entity (*"établissement de droit public genevois"*) governed by the Law on the Organization of Services industriels de Genève (*"loi sur l'organisation des Services industriels de Genève"*) dated 5 October 1973 resulting from the articles 158 to 160 of the then applicable Constitution of the Republic and Canton of Geneva (*"Constitution de la République et canton de Genève"*) dated 24 Mai 1847. Said law is henceforth based on the article 168 of the Constitution of the Republic and Canton of Geneva (as in force at the date of this Prospectus).

Purpose

The Law on the Organization of Services industriels de Genève establishes the objective for the Issuer to provide water, gas, electricity and thermal energy and to undertake waste treatment in the Canton of Geneva. The Issuer's tasks also include the disposal and treatment of polluted water within the scope established by the law. Furthermore, the Issuer may develop activities in areas that are linked to the above-mentioned objective and provide services in the field of telecommunications.

Please find below the text of Article 1 of the Law on the Organization of Services industriels de Genève which states the objectives of said law and of the Issuer (only available in French language):

> *"[1] Les Services industriels de Genève (ci-après: Services industriels), établissement de droit public genevois fondé sur les articles 158 à 160 de la constitution de la République et canton de Genève, du 24 mai 1847, ont pour but de fournir dans le canton de Genève l'eau, le gaz, l'électricité, de l'énergie thermique, ainsi que de traiter des déchets. Les Services industriels ont également pour tâche d'évacuer et de traiter les eaux polluées dans le cadre fixé par la loi; cette activité ne peut pas être sous-traitée à des tiers. Ils peuvent en outre développer des activités dans des domaines liés au but décrit ci-dessus, exercer leurs activités à l'extérieur du canton et fournir des prestations et des services en matière de télécommunications.*
>
> *[2] Les prestations et services fournis par les Services industriels, en matière de télécommunications sont strictement limités à la fourniture de l'infrastructure et à la gestion de bandes passantes, ainsi qu'aux services y associés, à l'exclusion de toute activité liée à la création de contenu.*
>
> *[3] Les Services industriels exercent leurs activités dans le respect de la législation applicable en matière d'énergie et conformément aux principes de la conservation de l'énergie, du développement prioritaire des énergies renouvelables et du respect de l'environnement, énoncés à l'article 160E de la constitution de la République et canton de Genève, du 24 mai 1847.*
>
> *[4] Les Services industriels de Genève assurent l'exploitation de l'usine d'incinération des ordures ménagères et centre de traitement des déchets spéciaux des Cheneviers, ainsi que des installations accessoires de cette usine conformément aux dispositions de la loi sur la gestion des déchets, du 20 mai 1999.*

[5] Les Services industriels assurent l'exploitation du réseau primaire au sens de la loi sur les eaux, du 5 juillet 1961, conformément à ladite loi. Cette activité qui leur est déléguée ne peut être supprimée sans l'accord du Grand Conseil.

[6] Les Services industriels peuvent créer, acquérir, louer, exploiter tout moyen de production, de transport, de distribution et de vente, assurer tout service se rapportant à la réalisation de leur but. Ils peuvent de même participer à toute entreprise suisse ou étrangère de fourniture d'eau, de gaz, d'électricité, d'énergie thermique, de télécommunications, et passer toute convention destinée à faciliter et garantir l'approvisionnement en eau et en énergie et proposer au Conseil d'Etat tout contrat concernant le traitement des déchets ou des eaux polluées provenant de l'extérieur du canton de Genève ou devant être traitées à l'extérieur de celui-ci.

Zone de desserte
[7] La zone de desserte des Services industriels comprend l'ensemble du territoire du canton de Genève.

Siège
[8] Les Services industriels ont leur siège à Genève.

Surveillance
[9] Ils sont placés sous la surveillance du Conseil d'Etat."

Group

Please refer to page 22 of the Issuer's Financial Statements 2014 attached hereto as Annex A, which states the various subsidiaries of the Issuer and the companies in which the Issuer holds shareholdings.

Board of Directors / Management

Board of Directors

Michel Balestra	President
René Longet	Vice President
Pierre Vanek	Member
Félix Danang	Member
Laurence De la Serna	Member
Yves Gallay	Member
Pierre Gautier	Member
François Gillet	Member
Robert Pattaroni	Member
Frédéric Hiller	Member
Eric Leyvraz	Member
Pierre-Yves Malagoli	Member
Patrick Malek-Asghar	Member
Martial Cosandier	Member
Rémy Pagani	Member
Eric Peytremann	Member
Pierre Kunz	Member
Barthélémy Roch	Member
Alexandra Rys	Member
Carlos Saraiva Medeiros	Member
Hugo Zbinden	Member
Antonio Hodgers	Member
Marc Michela	Member

General Management

Christian Brunier	CEO
Alain Zbinden	Deputy CEO, Law and Risks
Vincent Collignon	Commercial Department
Alain Pittet*	Distribution System Operator (a.i.)
Gilles Garazi	Energy Transition
Yves de Siebenthal	Environment
Peter Ruesch**	Finance (a.i.)
Robert Monin	Human Resources
Patricia Solioz Mathys	Shared Services

* Stephane Maret has been appointed as new Distribution System Operator and will replace Alain Pittet. The Issuer will make more detailed information publicly available on a later date.

** Céline Gauderlot has been appointed as new Chief Financial Officer and will replace Peter Ruesch. The Issuer will make more detailed information publicly available on a later date.

The members of the Board of Directors and the General Management may be contacted at the registered office of the Issuer.

Auditors

KPMG SA, Rue du Lyon 111, 1201 Geneva

Business activities

Please refer to pages 19 to 21 of the Issuer's Financial Statements2014 attached hereto as Annex A which mention the various fields in which the Issuer is active.

Patents and licenses

The Issuer is not dependent on patents or licences.

Court, arbitral and administrative proceedings

Save as disclosed in this Prospectus, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

Capital structure

The founding capital (*"capital de dotation"*) of the Issuer amounts to CHF 100,000,000. This capital is divided between the State of Geneva (55%), the City of Geneva (30%) and the other municipalities of the State of Geneva (15%) (according to art. 3 of the Law on the Organization of Services industriels de Genève).

	2014	**2013**
State of Geneva	55'000	55'000
City of Geneva	30'000	30'000
Other municipalities	15'000	15'000
Total capital	**100'000**	**100'000**

Outstanding conversion and option rights and bonds

As the date of this Prospectus, the Issuer has neither conversion or option rights nor bonds outstanding.

Own equity securities

The Issuer does not hold any own equity securities.

Dividends

The Issuer does not pay any dividends.

Information on the Issuer's most recent business performance

Save as disclosed in this Prospectus there have been no significant changes in the performance of the Issuer's business since 31 January 2014.

Material changes since the most recent annual financial statements

Except as disclosed in this Prospectus, there has been no material adverse change in the financial condition or operations of the Issuer since 31 December 2014, which would materially affect its ability to carry out its obligations under the Bonds.

TAXATION

The following is a general description of certain tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. Prospective purchasers of Bonds who are in any doubt as to their tax positions should consult their professional advisers.

Swiss Withholding Tax

According to the present Swiss law and practice of the Swiss Federal Tax Administration, payments of interest on the Bonds and payments which qualify as interest for Swiss Issuer withholding tax purposes, are subject to Swiss withholding tax at a rate of currently 35 per cent. If the respective requirements are met, the holder of a Bond residing in Switzerland is entitled to a full refund or tax credit for the Swiss withholding tax whereas a holder of a Bond who is not resident in Switzerland may be entitled to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of an applicable double taxation treaty, if any, concluded between Switzerland and the country of residence of such holder, subject to qualifications mentioned below.

On 17 December 2014 the Swiss Federal Council re-initiated draft legislation regarding an amendment to the Swiss Federal Withholding Tax Act, which if enacted, may require a Swiss domestic paying agent (as defined in the proposed amendment to the Swiss Federal Withholding Tax Act) to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest on the Bonds to any investor resident in Switzerland. If such withholding tax or similar legislation were enacted and a payment in respect of the Bonds were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer nor any paying agent nor any other person would pursuant to the Bond Purchase and Paying Agency Agreement be obliged to pay additional amounts with respect to the Bonds as a result of the deduction or imposition of such withholding tax.

Transfer Stamp Tax

There is no transfer stamp tax liability in Switzerland in connection with the issue and redemption of the Bonds.

Bonds with a term of more than 12 months which are sold through a Swiss or a Liechtenstein domestic bank or a Swiss or a Liechtenstein domestic securities dealer (as defined in the Swiss Federal Stamp Duty Law), are subject to the Swiss securities transfer stamp tax (turnover tax) of presently 0.15 per cent. with some exceptions as detailed in the Swiss Federal Stamp Duty Law.

European Union Directive on Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income (the **"EU Savings Directive"**), Member States are required to provide to the tax or other relevant authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in that Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. For a transitional period, Austria has instead opted (unless during that period it elects otherwise) to operate a withholding system in relation to such payments deducting tax at the rate of 35%. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding).

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the **"Amending Directive"**). Member States are required to adopt national legislation necessary to comply with this Amending Directive by 1 January 2016.

The European Commission has proposed that the EU Savings Directive should be repealed generally with effect from 1 January 2016 or, in the case of Austria, from 1 January 2017, in order to avoid overlap with Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU), pursuant to which Members States will be required to apply new measures on mandatory automatic exchange of information. The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

On 27 May 2015, the Swiss Federal Council initiated the consultation process on the agreement between the European Union and Switzerland regarding the introduction of the automatic exchange of information in tax matters which was signed on the same date, and by which, if approved and ratified, the existing agreement between the European Union and Switzerland on the taxation of savings income will be amended. It is currently expected that the agreement regarding the introduction of the automatic exchange of information in tax matters will come into effect on 1 January 2017 and the first set of data thereunder will be exchanged from 2018.

Prospective purchasers of these Notes should consult their advisors concerning the impact of the EU Savings Directive.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for all information contained in this Prospectus and has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading, whether of fact or opinion.

Le Lignon, 25 June 2015

SERVICES INDUSTRIELS DE GENEVE

Michel Balestra President of the Board of Directors	Christian Brunier Chief Executive Officer

TERMS OF THE BONDS

The following is the text of the Terms of the Bonds which will govern the rights and obligations of the Issuer and of each Holder. Capitalised terms not otherwise defined in the Terms of the Bonds shall have the meanings ascribed to them in the Definitions section below.

Services industriels de Genève (the **"Issuer"**) issued 1.25% bonds 2015 – 2025 in the initial nominal amount of CHF 150,000,000, with reopening clause (the **"Bonds"**).

1. Principal Amount, Reopening and Form of the Bonds

a) The aggregate principal amount of the Bonds of CHF 150,000,000 (one hundred and fifty million Swiss Francs) (the **"Aggregate Principal Amount"**) is divided into Bonds with denominations of CHF 5,000 (five thousand Swiss Francs) per Bond and integral multiples thereof.

b) The Issuer reserves the right to reopen this issue and increase the Aggregate Principal Amount at any time and without prior consent of or permission of the holders of such Bonds (the **"Holders"** and, individually, a **"Holder"**) through the issue of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate).

c) The Bonds are issued as uncertificated securities (*droits-valeurs; Wertrechte*) in accordance with art 973c of the Swiss Code of Obligations.

The uncertificated securities (*droits-valeurs; Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*registre des droits-valeurs; Wertrechtebuch*). Such uncertificated securities will then be entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or such other intermediary, the **"Intermediary"**). Once the uncertificated securities are registered in the main register (*registre principal; Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities (*titres intermédiés; Bucheffekten*) (**"Intermediated Securities"**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*loi sur les titres intermédiés; Bucheffektengesetz*).

So long as the Bonds remain registered with the Intermediary, the Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*loi sur les titres intermédiés; Bucheffektengesetz*), i.e. by the entry of the transferred Bonds in a securities account of the transferee.

The conversion of the uncertificated securities (*droits-valeurs; Wertrechte*) into a permanent global note (*certificat global; Globalurkunde*) or individually certificated bonds (*papiers-valeurs; Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent (as defined below under Condition 4) nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities into, or the delivery of, a permanent global certificate (*certificat global; Globalurkunde*) or individually certificated securities (*papiers-valeurs; Wertpapiere*). No physical delivery of the Bonds shall be made.

The records of the Intermediary will determine the number of Bonds held through each participant in that Intermediary. In respect of the Bonds held in the form of Intermediated Securities, the Holders will be the persons holding the Bonds in a securities account (*compte de titres; Effektenkonto*) which is in their name, or in case of intermediaries (*dépositaires; Verwahrungsstellen*), the intermediaries holding the Bonds for their own account in a securities account which is in their name.

2. Interest

The Bonds bear interest from 30 June 2015 (the **"Payment Date"**) until the Maturity Date (as defined below under Condition 3.1) at the fix rate of 1.25% of their principal amount per annum, payable annually in arrears on 30 June, the first interest payment to occur on 30 June 2016.

When interest is required to be calculated for a period of less than one year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each.

Interest payments with respect to the Bonds are subject to the Swiss withholding tax of currently 35%.

3. Redemption and Purchases

3.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, the Issuer shall redeem the Bonds at their Aggregate Principal Amount (at par) on 30 June 2025 (the **"Maturity Date"**).

3.2 Redemption at the Option of the Issuer

Subject to a period of not less than thirty (30) nor more than sixty (60) calendar days' prior notice to the Principal Paying Agent, the Issuer may redeem the Bonds at any time after the Payment Date and prior to the Maturity Date, in whole, but not in part only, at par of their Aggregate Principal Amount plus accrued but unpaid interest due thereon, if any, on the date determined by the Issuer for early redemption, if 85 per cent. or more of the Aggregate Principal Amount have been redeemed or purchased and cancelled at the time of such notice. The Principal Paying Agent shall inform the Holders of any such notice in accordance with Condition 10 (Notices) below.

3.3 Redemption at the Option of Bondholders upon Change of Control

If a Put Event is deemed to have occurred, then the Issuer shall give, promptly upon and in any event within 10 Business Days of the end of the Change of Control Period, a notice (the **"Put Event Notice"**) to the Holders in accordance with Condition 10 (Notices) and each Holder will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the Put Date at its principal amount plus accrued interest (or, where purchased, an amount equal to such interest) accrued up to the Put Date.

To exercise the option to require redemption or purchase of a Bond under this Condition 3.3. the relevant Holder must during the Put Period deliver such Bond accompanied by a Put Notice at the office of the Principal Paying Agent for subsequent payment on the Put Date.

The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Bond on the Put Date unless previously redeemed or purchased.

Upon the expiry of any notice as is referred to this Condition 3.3, the Issuer shall be bound to redeem the Bonds to which the Put Notice applies at their principal amount together with interest accrued to but excluding the date of redemption.

3.4 Purchases

The Issuer or any of its Subsidiaries may, either directly or indirectly, purchase at any time Bonds in the market or otherwise, at any price and for any purpose (including for cancellation purposes). Any purchases shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation. If purchases are made by public tender, such tender must be available to all Holders alike.

3.5 Cancellation

All Bonds which are redeemed or surrendered shall forthwith be cancelled. All Bonds so cancelled shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

4. Payments

Interest payments and amounts payable on the Bonds will be made available in good time in freely disposable Swiss Francs which will be transferred to the Principal Paying Agent in Switzerland on behalf of the Holders.

If the due date for any payment by the Issuer does not fall on a Business Day (as defined below), the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sum thereto.

Upon receipt of the funds in Switzerland and under the same conditions as received, the Principal Paying Agent will arrange for payment to the Holders.

The Issuer appoints UBS AG as Principal paying agent (the "**Principal Paying Agent"**)

The receipt of the funds by the Principal Paying Agent in Swiss Francs in Switzerland shall release the Issuer of its obligations under the Bonds to the extent of the amounts paid.

"Business Day" shall mean any day on which commercial banks are open for domestic business and foreign exchange (including dealings in Swiss Francs) in Zurich and Geneva.

5. Status of the Bonds and Negative Pledge

5.1 Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and, subject as aforesaid, at least *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.

5.2 Negative Pledge

So long as any of the Bonds remains outstanding the Issuer shall not, and shall procure that no Material Subsidiary will, create or assume any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or part of its present or future property, assets or revenues to secure any Obligation or to secure any guarantee or indemnity in respect of any Obligation unless, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and rateably therewith to the satisfaction of the Principal Paying Agent by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement which the Principal Paying Agent in its absolute discretion shall deem satisfactory or as shall be approved by an extraordinary resolution of the Holders.

For the purpose of this Condition, **"Obligation"** means any present or future indebtedness of the Issuer and its Material Subsidiaries in the form of, or represented by, bonds, notes, debentures or other securities which are quoted or traded for the time being on any stock exchange or other organised market for securities which is denominated or contains a right or requirement for any payment in respect thereof to be made in any currency. For the avoidance of doubt, bank loans (whether syndicated or not) shall not characterize as Obligation.

6. Events of Default

If any of the following events (each event an **"Event of Default"**) shall have occurred and be continuing, UBS AG in its capacity as Holders' representative (the **"Holders Representative"**) has the right, but not the obligation, on behalf of the Holders, to declare all outstanding Bonds immediately due and repayable at the principal amount plus accrued interest:

(a) <u>*Non payment:*</u> the Issuer fails to pay any amount of principal or any amount of interest in respect of the Bonds on the due date for payment thereof, and such default continues for a period of ten (10) Business Days; or

(b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other material obligations under or in respect of the Terms of the Bonds and such default continues for a period of fifteen (15) Business Days following the service by the Holders' Representative on the Issuer of notice requiring such default to be remedied; or

(c) *Cross Default of Issuer or Material Subsidiary:*

(i) any other present or future indebtedness of the Issuer or of any other Material Subsidiary for or in respect of monies borrowed is not paid when due (otherwise than, where permitted under the terms of the relevant indenture or agreement, at the option of the relevant debtor) or, as the case may be, within any applicable grace period, or becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of, any such indebtedness given by the Issuer or any other Material Subsidiary is not honoured when due and called upon or, as the case may be, within any applicable grace period, provided that no such event shall be taken into account for the purposes of this paragraph (c) unless the relative indebtedness, either alone or when aggregated with other indebtedness relative to all, if any, other such events which shall have occurred and are continuing shall at any time have an outstanding nominal value of at least CHF 10,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this paragraph operates); or

(ii) any mortgage, lien or other encumbrance, present or future, created or assumed by the Issuer or any other Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person but not the serving of a payment order (*commandement de payer; Zahlungsbefehl*)), provided that the aggregate amount of the relevant indebtedness in respect of which such mortgage, lien or other encumbrance was created or permitted to subsist equals or exceeds CHF 10,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this paragraph operates), and any such steps taken are not abandoned or discontinued within thirty (30) Business Days of being taken; or

(d) *Insolvency, Standstill Agreement:* the Issuer or a Material Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement of payments (*moratoire; Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*moratoire; Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of (or a particular type of) the debts of the Issuer or a Material Subsidiary; or

(e) *Forced administration, Guardianship:* the Issuer is put under forced administration (*administration forcée; Zwangsverwaltung*) or Guardianship (*gérance; Beiratschaft*).

(f) The Issuer is unable to perform or observe any of its obligations under or in respect of the Terms of the Bonds because of the entering into force of a federal or cantonal law (statute, regulation or directive)

The Issuer undertakes to inform the Holders' Representative without delay if any event mentioned under paragraphs (a) through (f) above has occurred and to provide the Holders' Representative with all necessary documents and information in connection therewith. The Issuer assumes responsibility for the information contained in those documents.

If an Event of Default occurs, the Holders' Representative has the right, but not the obligation, to serve a written notice of default (a **"Default Notice"**), such notice having the effect that the Bonds shall become immediately due and payable at the Aggregate Principal Amount plus accrued interest, if any, on the day the Default Notice is given.

7. Substitution of the Issuer

The Issuer (or any previous substitute of the Issuer under this Condition 7) may, without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss Subsidiary (the **"New Issuer"**), provided that:

(i) in the opinion of the Holders' Representative, (i) the New Issuer is in a position to fulfil all payment obligations arising from or in connection with the Bonds and to transfer without restriction all amounts required to be paid under the Bonds to the Principal Paying Agent and (ii) the interests of the Holders are adequately protected; and

(ii) the Issuer and the New Issuer have entered into such documents as are necessary to give effect to such substitution and provided copies of these documents to the Holders' Representative;

(iii) the Issuer has issued its irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations duly enforceable in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Holders' Representative.

Any substitution shall be published in accordance with Condition headed "Notices".

In the event of such substitution, any reference to the Issuer shall be deemed to refer to the New Issuer.

8. Prescription

Claims against the Issuer in respect of Bonds will become void unless presented for payment within a period of presently ten years (in the case of the principal) and within five years (in the case of interest) from the appropriate relevant due date, by virtue of the statute of limitations of Swiss law.

9. Listing

The Issuer will use its best efforts to have the Bonds listed on the SIX Swiss Exchange, and to maintain such listing during the whole life of the Bonds.

10. Notices

All notices regarding the Bonds shall be given through the Principal Paying Agent on behalf and at the expense of the Issuer (i) for so long as the Bonds are listed on the SIX Swiss Exchange on the website of the SIX Swiss Exchange (where notices are currently published under the address http://www.six-swiss-exchange.com/news/official_notices/search_en.html) or (ii) in case the Bonds were no longer listed on the SIX Swiss Exchange in a daily newspaper with general circulation in Switzerland (which is expected to be *Le Temps*).

11. Amendment to the Terms of the Bonds

The Terms of the Bonds may be from time to time amended by agreement between the Issuer and the Holders' Representative on behalf of, and without the prior consent of, the Holders, provided that such amendment is of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the Holders. Any such amendment shall be binding on the Holders in accordance with its terms. Notice of any such amendment shall be published in accordance with Condition 10 (Notices).

12. Role of UBS AG

UBS AG has been appointed by the Issuer as the Principal Paying Agent and as the Listing Agent with respect to the Bonds and it will or may also act on behalf of or for the benefit of the Holders' as Holders' Representative, but only in such cases stated explicitly in these Terms of the Bonds or required by law. In any other cases, the Holders' Representative is not obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

13. Severability

If at any time any one or more of the provisions of the Terms of the Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

14. Definitions

Change of Control Event shall be deemed to have occurred if the State of Geneva ceases to own at least 50% of the Issuer's founding capital.

Change of Control Period means the period commencing on the Change of Control Period Commencement Date and ending ninety (90) calendar days after the Change of Control Event.

Change of Control Period Commencement Date means the date of the first public announcement of the Change of Control Event.

Issuer shall mean Services industriels de Genève, Chemin de Château–Bloch 2, 1219 Le Lignon.

Listing Agent shall mean UBS AG, appointed as recognised representative pursuant to art. 43 of the listing rules of the SIX Swiss Exchange to file the listing application (including the application for provisional admission to trading) for the Bonds with the SIX Swiss Exchange.

Material Subsidiary shall mean any operating Subsidiary of the Issuer whose assets, net revenues, operating profit or profit after tax at any time, represent five (5) per cent or more of the consolidated assets, the consolidated sales, the consolidated operating profit or profit after tax, as the case may be, of the Issuer and its consolidated Subsidiaries at any time, ascertained by reference to (i) the financial statements of such Subsidiary at the date to which the last audited consolidated financial statements of the Issuer and its consolidated Subsidiaries have been prepared, or (ii) if such corporate body becomes a Subsidiary of the Issuer after that date, the latest financial statements of such Subsidiary adjusted to take into account subsequent acquisitions and disposals or other changes in circumstances.

Moody's means Moody's Investors Service, Inc. and its successors

Principal Paying Agent shall mean UBS AG in its function as principal paying agent.

Put Date means the Business Day falling seven (7) calendar days after the expiry of the Put Period on which payment in respect of any Bond delivered in accordance with Condition 3.3. para 2 will be made by transfer to the Swiss franc bank account stated in a Holder's Put Notice.

Put Event will be deemed to have occurred if during the period from 30 June 2015 to 31 March 2025 a Change of Control Event occurs and the Issuer does not obtain a rating of at least BBB by Standard & Poor's or the equivalent from any other Rating Agency within the Change of Control Period.

Put Notice means delivery of a duly completed notice of exercise in a form and with a content acceptable (for the time being) at the office of the Principal Paying Agent and in which the Holder specifies payment instructions. A Put Notice, once given, shall be irrevocable.

Put Period means any Business Day falling within a period of forty-five (45) calendar days after a Put Event Notice is given.

Rating Agency means Standard & Poor's or Moody's or any other rating agency of comparable international standing.

SIX SIS Ltd. shall mean SIX SIS Ltd., the Swiss clearing and settlement organisation, Baslerstrasse 100, 4600 Olten, or any successor organisation accepted by the SIX Swiss Exchange.

SIX Swiss Exchange shall mean SIX Swiss Exchange Ltd., Selnaustrasse 30, 8001 Zurich, Switzerland (P.O. Box 1758, CH-8021 Zurich, Switzerland) or any successor exchange.

Standard & Poor's means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. and its successors.

"Subsidiary" means a company the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, consolidated with those of the Issuer.

"UBS AG" shall mean UBS AG, Bahnhofstrasse 45, CH-8001 Zurich (P.O. Box, 8098 Zurich.

15. Governing Law and Jurisdiction

The Terms of the Bonds shall be governed by and construed in accordance with the substantive laws of Switzerland without regard to the principles of conflict of laws.

Any dispute which might arise between Holders on the one hand and the Issuer on the other hand based on the Terms of the Bonds or the Bonds shall be settled in accordance with Swiss law, the place of jurisdiction being Geneva, Switzerland, with the right of appeal to the Swiss Federal Court of Justice in Lausanne, when the law permits, the decision of which will be final.

The above-mentioned jurisdiction is also exclusively competent for the declaration of invalidity of Bonds. The Issuer shall be discharged by and to the extent of any payment made to a Holder recognised as creditor by an enforceable judgement of a Swiss Court.

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Financial statements 2014

Services Industriels de Genève

1 Audit report

As statutory auditor, we have audited from page 3 to 71 the accompanying consolidated financial statements of Services Industriels de Genève, which comprise the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes for the year ended 31 December 2014.

Board of Directors' Responsibility

The board of directors is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the article 168 of the Constitution of the Republic and Canton of Geneva and the "Loi sur l'organisation des Services Industriels de Genève" dated 5 October 1973. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2014 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with the article 168 of the Constitution of the Republic and Canton of Geneva and the "Loi sur l'organisation des Services Industriels de Genève" dated 5 October 1973.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you to be approved

Geneva, 17 March 2015

KPMG SA

Pierre-Henri Pingeon	Valérie Reymond Benetazzo
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

The original of these financial statements is written in French. In case of inconsistencies between the French original and the English translation, the French version shall prevail.

2

Consolidated financial statements

as at 31 December 2014

Consolidated income statement and consolidated statement of comprehensive income

for the financial year ended 31 December 2014

Consolidated statement of financial position

as at 31 December 2014

Consolidated statement of changes in equity

as at 31 December 2014

Consolidated statement of cash flows

for the financial year ended 31 December 2014

The original of these financial statements is written in French. In case of inconsistencies between the French original and the English translation, the French version shall prevail.

Consolidated income statement

for the financial year ended 31 December

	2014	2013	Note
Revenue	1 032 457	1 048 452	2
Energy purchases for resale	-367 572	-409 685	3
Operating expenses	-318 094	-298 592	4
- Personnel expenses	*-237 128*	*-175 387*	
- Fees and external mandates	*-25 700*	*-25 062*	
- Waste disposal expenses	*-14 459*	*-11 061*	
- General operating expenses	*-73 676*	*-119 035*	
- Capitalised and stored production	*32 869*	*31 953*	
Retirement benefit costs included in the profit or loss	-44 086	-18 536	21
Depreciations, amortisations and impairments	-181 015	-181 985	5
Expenses	-910 767	-908 798	
Operating profit	**121 690**	**139 654**	
Finance expense	-78 823	-142 640	6
Finance income	10 306	10 049	6
Share of results of equity-accounted investments	-128 426	55 762	10
(Loss) / profit before expenses to public authorities	**-75 253**	**62 825**	
Expenses to public authorities	-85 496	-20 912	7
Group consolidated net (loss) / profit	**-160 749**	**41 913**	
- attributable to SIG owners	*-160 700*	*40 768*	
- attributable to non-controlling interests	*-49*	*1 145*	

Consolidated statement of comprehensive income

for the financial year ended 31 December

	2014	2013	Note
Group consolidated net (loss) / profit	**-160 749**	**41 913**	
Other comprehensive income to be eventually recycled into the consolidated income statement	-2 249	4 913	
Remeasurements of defined benefit plans included in other comprehensive income - SIG	-176 775	192 822	21
Remeasurements of other post-employment benefits included in other comprehensive income - SIG	-1 414	589	20
Remeasurements of defined benefit plans included in other comprehensive income - Share of associates	-5 806	5 503	
Other comprehensive income never to be recycled into the consolidated income statement	-183 995	198 914	
Other comprehensive income	**-186 244**	**203 827**	
Total comprehensive income	**-346 993**	**245 740**	
- attributable to SIG owners	*-346 921*	*244 595*	
- attributable to non-controlling interests	*-72*	*1 145*	

The accompanying accounting policies and notes are an integral part of these financial statements.

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Consolidated statement of financial position

as at

Assets	31 December 2014	31 December 2013	Note
Property, plant and equipment	3 047 603	3 032 791	8
Intangible assets	19 566	14 451	9
Equity-accounted investments	414 546	591 627	10
Financial assets	266 363	328 806	11
Total non-current assets	3 748 078	3 967 675	
Inventories and work in progress	26 988	27 580	12
Trade receivables	160 563	192 621	13
Other financial assets and prepayments	87 110	55 750	14
Cash and cash equivalents	32 124	186 225	15
Total current assets	306 785	462 176	
Total assets	**4 054 863**	**4 429 851**	

Equity and liabilities	31 December 2014	31 December 2013	Note
Share capital	100 000	100 000	16
Consolidated reserves	2 261 246	2 228 313	17
Other consolidated reserves	-451 874	-273 488	
SIG consolidated net (loss) / profit	-160 700	40 768	29
Total equity attributable to SIG owners	1 748 672	2 095 593	
Non-controlling interests	19 431	19 503	
Total Group equity	**1 768 103**	**2 115 096**	
Third party participation in investments	535 362	519 608	18
Borrowings	474 287	517 417	19
Provisions	59 559	77 470	20
Pension obligations	834 019	725 368	21
Financial liabilities and other obligations	48 617	73 105	22
Total non-current liabilities	1 951 844	1 912 968	
Current borrowings	81 780	129 400	19
Trade payables	104 822	118 019	23
Other financial liabilities and accrued expenses	148 314	154 368	24
Total current liabilities	334 916	401 787	
Total liabilities	**2 286 760**	**2 314 755**	
Total equity and liabilities	**4 054 863**	**4 429 851**	

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Consolidated statement of changes in equity

for the financial year ended

	Share capital	Consolidated reserves	Cumulative losses on defined benefit plans and other post-employment benefits	Hedging reserve	Revaluation reserve of financial assets	Net profit for the financial year	**Total equity attributable to SIG owners**	Non-controlling interests	**Total Group equity**
Balance as at 31.12.2012	**100 000**	**2 306 592**	**-465 831**	**-1 533**	**-712**	**-87 518**	**1 850 998**	**18 358**	**1 869 356**
Allocation of the consolidated net profit of the previous financial year		-87 518				87 518	-		-
Balance as at 01.01.2013	100 000	2 219 074	-465 831	-1 533	-712	0	1 850 998	18 358	1 869 356
Consolidated net profit						40 768	**40 768**	1 145	**41 913**
Other comprehensive income to be eventually recycled into the consolidated income statement		**3 736**	**-**	**665**	**512**	**-**	**4 913**	**-**	**4 913**
Net change of hedging derivatives		*1 455*		*665*			*2 120*		*2 120*
Net change of available-for-sale financial assets					*512*		*512*		*512*
Exchange differences of associates		*2 281*					*2 281*		*2 281*
Other comprehensive income never to be recycled into the consolidated income statement		**5 503**	**193 411**	**-**	**-**	**-**	**198 914**	**-**	**198 914**
Remeasurements of defined benefit plans included in other comprehensive income - SIG			*192 822*				*192 822*		*192 822*
Remeasurements of other post-employment benefits included in other comprehensive income - SIG			*589*				*589*		*589*
Remeasurements of defined benefit plans included in other comprehensive income - Share of associates		*5 503*					*5 503*		*5 503*
Balance as at 31.12.2013	**100 000**	**2 228 313**	**-272 420**	**-868**	**-200**	**40 768**	**2 095 593**	**19 503**	**2 115 096**
Allocation of the consolidated net profit of the previous financial year		40 768				-40 768	-		-
Balance as at 01.01.2014	100 000	2 269 081	-272 420	-868	-200	0	2 095 593	19 503	2 115 096
Consolidated net (loss)						-160 700	**-160 700**	-49	**-160 749**
Other comprehensive income to be eventually recycled into the consolidated income statement		**-2 029**	**-**	**-397**	**200**	**-**	**-2 226**	**-23**	**-2 249**
Net change of hedging derivatives		*311*		*-397*			*-86*	*-23*	*-109*
Net change of available-for-sale financial assets					*200*		*200*		*200*
Exchange differences of associates		*-2 340*					*-2 340*		*-2 340*
Other comprehensive income never to be recycled into the consolidated income statement		**-5 806**	**-178 189**	**-**	**-**	**-**	**-183 995**	**-**	**-183 995**
Remeasurements of defined benefit plans included in other comprehensive income - SIG			*-176 775*				*-176 775*		*-176 775*
Remeasurements of other post-employment benefits included in other comprehensive income - SIG			*-1 414*				*-1 414*		*-1 414*
Remeasurements of defined benefit plans included in other comprehensive income - Share of associates		*-5 806*					*-5 806*		*-5 806*
Balance as at 31.12.2014	**100 000**	**2 261 246**	**-450 609**	**-1 265**	**0**	**-160 700**	**1 748 672**	**19 431**	**1 768 103**
Note	*16*	*17*				*29*			

The accompanying accounting policies and notes are an integral part of these financial statements.

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Consolidated statement of cash flows

for the financial year ended 31 December

			2014	2013	Note
Operating activities	Group consolidated net profit		-160 749	41 913	
	Dividends received from equity-accounted investments		35 561	54 534	10
	Financial expenses		10 817	11 144	6
	Non-monetary revenue and expenses				
	Share of results of equity-accounted investments		128 426	-55 762	10
	Depreciation of fixed assets		142 863	136 498	
	Amortisation and impairment		95 354	156 166	25
	Change in provisions		-24 507	-24 559	
	Pension obligations and post-employment benefits		7 695	-5 206	
	Multi-annual equalisation fund		-23 806	5 230	22
	Change in fair value of financial instruments		5 777	1 589	6
	Free acquisition of investments		-	-14 684	10
	Loss on disposal of equity-accounted investments		-	10 475	6
	Self-financing capacity	a	217 431	317 338	
	Decrease in operating assets		37 581	16 695	
	(Decrease) in operating liabilities		-33 116	-79 800	
	Change in working capital	b	4 465	-63 105	
	Net cash from operating activities	c=a+b	**221 896**	**254 233**	
Investing activities	Net acquisition of property, plant and equipment and of intangible assets		-222 557	-221 421	8, 9
	Third party participation in investments		36 908	38 913	18
	Financial contributions to investments		-19 004	-2 159	10
	Disposal of investments (see note 10)		-	72 000	
	Long-term loans granted		-712	-4 767	
	Repayment of long-term loans		2 462	4 485	
	Net cash used in investing activities	d	**-202 903**	**-112 949**	
Financing activities	Increase in borrowings		38 650	46 000	19
	Repayment of borrowings		-129 400	-27 700	19
	Interest paid during the year		-5 111	-11 153	
	Recapitalisation of pension fund		-77 233	-	21
	Net cash (used in) / from financing activities	e	**-173 094**	**7 147**	
Change in cash flows	**Net change in cash and cash equivalents**	f= c+d+e	**-154 101**	**148 431**	
	Cash and cash equivalents at the beginning of the financial year	h	186 225	37 794	15
	Cash and cash equivalents at the end of the financial year	h+f	**32 124**	**186 225**	15

The accompanying accounting policies and notes are an integral part of these financial statements.

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3

Accounting policies

as at 31 December 2014

Basic principles

The consolidated financial statements have been established in accordance with the International Financial Reporting Standards (IFRS) (formerly IAS standards) issued by the International Accounting Standards Board (IASB), and in accordance with the interpretations published by the "IFRS Interpretations Committee" (IFRIC).

The consolidated financial statements have been prepared on the historical costs basis. Therefore, the value allocated to financial statement items reflects the costs at the actual date of the activities or facts concerned, with the exception of certain assets and liabilities which are measured at their fair value.

These consolidated financial statements were approved by SIG's Board of Directors on 17 March 2015.

All values are in KCHF (thousands of Swiss francs) unless otherwise indicated.

Notes on risk assessment

SIG's Board of Directors is responsible for the analysis of all risks at all company levels and for the implementation of appropriate controls to mitigate them. Financial risk controls are integrated into SIG's Internal Control System (ICS).

In this context and in order to guarantee accounting regularity, the ICS includes procedures which allow management to manage risks of material misstatement in financial statements prepared according to the IFRS framework.

Consolidation

The consolidated financial statements include the financial statements of SIG and of the entities listed in note 1 to the consolidated financial statements. Together they are referred to as "the Group" and they are called individually "the Group entities". These companies are consolidated using different methods depending on whether they are subsidiaries, joint ventures, associates or joint operations.

The companies consolidated by SIG recognise their results and equity according to their own accounting policies. These policies may differ from those used by SIG. In this case, appropriate adjustments are made to the financial statements of the companies concerned.

Investments acquired or disposed of during the financial year are included in the scope of consolidation as of their date of acquisition and are excluded as of their date of disposal.

Acquisitions, which correspond to business combinations, are recorded according to the acquisition method. This method consists in recording the acquired company's assets and liabilities at their fair value while distinguishing the identifiable assets and liabilities from the goodwill.

In the case of a business combination achieved in stages, the fair value of any non-controlling equity interest in the acquiree that is held immediately before obtaining control is used in the determination of goodwill. The potential gain or loss resulting from the revaluation of the investment is recorded in the income statement. In the case of a business combination, the goodwill is calculated through the difference between:

on the one hand, the sum of the following elements:

- the consideration transferred, generally measured at fair value at the acquisition date;
- the fair value, at the acquisition date, of SIG previously held equity interest in the acquiree;
- the amount of any non-controlling interest in the acquiree;

and, on the other hand:

- the amount of the acquired net assets, measured at fair value at the acquisition date.

Subsidiaries

Subsidiaries are entities controlled by SIG. SIG has control when it cumulatively:

- has power over the entity;
- is exposed, or has the right, to variable returns from its involvement with the entity;
- has the ability to use its power over the entity to affect its returns.

When events of circumstances indicate that one or several of the three cumulative control elements have changed, SIG reassesses whether it still controls the entity.

Subsidiaries are consolidated by full consolidation. This method consists of replacing the investment's carrying amount with all of the subsidiary's assets and liabilities, while distinguishing the share of results and equity which is not held by SIG.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

In the case of loss of control, SIG derecognises the assets and liabilities of the subsidiary and recognises the fair value of the counterparty received. Any interest retained in the former subsidiary is measured at its fair value at the date of the loss of control. The resulting difference is recorded the income statement.

Joint ventures

A joint venture is an arrangement whereby the parties that have joint control of the company have rights to its net assets. Joint control is the contractually agreed sharing of control of a company.

Investments in joint ventures are accounted for using the equity method. They are initially recorded at cost and are then adjusted to take into account changes subsequent to the acquisition of SIG's share in the joint ventures' net assets.

The goodwill identified on acquisition is included in the investment in joint ventures.

SIG records in the net profit its share of the entity's profit or loss and records in other comprehensive income its share of the entity's changes in other comprehensive income.

Associates

Associates are entities over which SIG has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not have control or joint control over those policies. Significant influence is presumed when SIG holds directly or indirectly through its subsidiaries at least 20% of the voting rights.

Associates are accounted for using the equity method described above.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to its assets, and obligations for its liabilities.

Joint operations are consolidated based on SIG's share in their assets, liabilities, revenue and expenses.

Goodwill

Goodwill is considered to be the difference between the consideration transferred and the fair value of SIG's share in net assets acquired, at the date of acquisition. Goodwill is recorded on the statement of financial position as intangible assets and then measured at cost less accumulated impairment losses.

An impairment test is performed annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. In the case of long-term impairment, goodwill is reduced by the corresponding amount of the impairment loss.

The identification and valuation of net assets and acquisition costs resulting in gain on bargain purchase are reassessed. Any surplus remaining after this operation is recognised in the income statement.

Fair value

Fair value is the price that is received for the sale of an asset or that is paid for the transfer of a liability in a normal transaction between market participants at the valuation date. This price is thus independent from the specific use of an asset by the company by which it is valued. Indeed, it takes into account the ability of a market participant to generate economic advantages by making optimal use of the asset or by selling it to another market participant that would make optimal use of it.

The fair value concerns the financial and non financial assets as well as the financial liabilities.

Fair value of financial assets and liabilities

In order to increase the consistency and the comparability of fair value valuations and of the information provided thereon, the IFRS establish a fair value hierarchy which classifies according to three levels the input data of the valuation techniques used in order to determine the fair value.

Level 1

The fair value of the financial instruments classified in level 1 is determined by using the unadjusted prices of identical assets and liabilities to which SIG has access on active markets at the valuation date. The prices used for the financial assets and liabilities held by SIG are the average prices applicable at the valuation date.

Level 2

The fair value of the financial instruments classified in level 2 is determined by using data, other than market prices which are directly or indirectly observable. SIG adjusts these data in order to take into account the factors which are specific to the financial instrument to be valued. If the latter has a specific maturity date, the data must be observable for nearly all its duration.

Level 3

The fair value of the financial instruments classified in level 3 is determined using unobservable data. Unobservable data is used only when there are no observable relevant and available data. This data consist of forecasts and estimates made by SIG, for example on cash flows or expected earnings. It best reflects the assumptions, including those related to risks, that market participants would use in order to determine the financial instrument's price.

The determination of the fair value requires the use of assumptions and estimates concerning future business growth, which affect the financial statements. The actual subsequent results may differ from these estimates.

Property, plant and equipment

Cost elements

The valuation of property, plant and equipment represents the price paid for their acquisition or their construction less accumulated depreciation and impairments.

Subsequent costs are added to the asset's carrying amount when they are intended to increase or expand the originally defined level of performance of the existing asset.

The borrowing costs directly attributable to the construction of assets (interim interests), whose duration and amount exceed set limits, are defined as a cost element for the period of time required to complete and prepare the asset for its intended use. The limits are based on the company's materiality level for these assets.

Depreciation

Depreciation is determined for each component which has a significant cost in relation to the element's total cost. Depreciation is calculated according to the straight-line method on the basis of the following useful lives, which take into account durations of use and technological obsolescence:

- Primary wastewater disposal network collectors 10 to 50 years
- Buildings 10 to 80 years
- Production equipment 5 to 50 years
- Transport equipment 20 to 60 years
- Distribution equipment 20 to 60 years
- Other property, plant and equipment 4 to 20 years

Land is not depreciated and is considered to have an indefinite useful life.

Impairment

If the carrying amount of an asset exceeds its estimated recoverable amount, then impairment is recorded.

Disposal

The profit or loss resulting from the disposal of property, plant and equipment is recognized in the income statement.

Third party participations in investments

Public subsidies

Public subsidies applying to property, plant and equipment are considered as deferred income and are recognised in the income statement on a straight-line basis over the affected assets' estimated duration of use. Deferred income appears in the liabilities at its carrying amount and in the statement of comprehensive income is deduced from the amortisation to which it relates.

Donations

Donations refer to materially important facilities built by SIG for third parties (State, private companies) and then assigned to SIG.

These facilities are recorded as property, plant and equipment financed by public subsidies.

Customer participations

SIG is contracted to build facilities aimed at supplying energy and water to its customers. The customers contribute to the maintenance of these facilities by paying part of the investment costs. The facilities remain SIG's property.

These assets are treated as property, plant and equipment benefiting from public subsidies.

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Intangible assets

Research and development

Cost elements

Research and development expenses are recognised in the statement of comprehensive income as incurred.

As soon as the analysis shows that the IFRS recognition criteria are met, development costs incurred are capitalised.

Development costs initially recorded as expenses are not subsequently capitalised.

Amortisation

Capitalised development costs are considered to have a finite useful life and are amortised as soon as they are capitalised, using the straight-line method of amortisation over a period that does not exceed five years.

Software development costs

Cost elements

In general, costs linked to computer software development are expensed as incurred.

In the instance that costs are clearly linked to a specific product for which expected profits generated exceed one year, an intangible asset is recognised. These costs only include expenditures directly attributable to the development of the project, i.e. the personnel costs of the development team.

Costs incurred to increase or extend the economic benefit of the computer software beyond the initial specifications are considered to be improvements and capitalized.

Amortisation

The development costs for capitalised software are amortised on a straight-line basis over their useful life which shall not exceed five years. An exception arises for specific computer applications for which our experts have estimated that their useful life is greater than five years but less than ten years.

Other intangible assets

Other intangible assets purchased from third parties are capitalised and amortised on a straight-line basis over a period which does not exceed five years.

When an intangible asset is an integral part of equipment, it is treated as property, plant and equipment.

At the end of each financial year, the useful life and the amortisation method of all of these assets are reassessed.

Financial assets

Equity securities are measured at their fair value, but securities that are not listed on an active market whose fair value cannot be measured with reliability are recognised at cost, less any impairments recognised.

Derivatives are measured at fair value.

Receivables are valued at amortised cost.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined by using the weighted average cost method. It comprises only direct purchase costs.

Impairment is recorded for inventory items considered to be obsolete.

Work in progress related to services sold

Work in progress represents a large number of construction contracts for which the duration is generally less than one year. Therefore, SIG records the revenues generated by these contracts upon completion of the work.

However, losses are recognised as soon as they become foreseeable and recorded during the period in which they are identified.

If the duration of the contract exceptionally extends over several years and if it is possible to estimate the outcome reliably, SIG uses the percentage of completion method to estimate the appropriate amount recognised in the income statement during the period. The percentage of completion is determined on the basis of the costs incurred up to the date considered.

The costs of work in progress include equipment and personnel expenses.

Trade receivables

Trade receivables are recorded at their expected net realisable value (amortised cost).

An assessment is carried out for doubtful accounts of significant value on the basis of a review of amounts due at the end of the financial year. This credit risk assessment is based on an internal assessment of events which occurred before the closing date and considers the solvency of important clients. Any resulting impairment estimated is assigned to specific trade receivables.

An additional collective provision for losses on receivables is statistically calculated on the basis of historical losses in previous years and of probability of recovery.

Cash and cash equivalents

Cash and cash equivalents include cash balances, call deposits and other short-term investments with original maturities of three months or less.

Other financial assets and liabilities

Other receivables, accounts payable to suppliers and other accounts payable are measured at amortised cost. This value approximates fair value.

Financial instruments

The classification of financial instruments depends on their type and the reason for purchase or subscription.

Financial assets and liabilities are classified in the following categories:

Financial assets and liabilities at fair value through the income statement

These are financial assets or liabilities which are held for trading.

They are initially recognised and then revalued at fair value at each closing date. Gain and losses resulting from changes in fair values are recorded directly through the income statement.

Held-to-maturity investments

These are financial assets which SIG intends, and is able, to hold to maturity. These instruments have fixed or determinable payments and a fixed maturity date.

They are initially recognised at fair value and then revalued at amortised cost. Gain and losses resulting from changes in amortised cost are recognised directly in other comprehensive income.

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Loans and receivables

These are financial assets that are not quoted on an active market and which have fixed or determinable payments.

They are initially recognised at fair value and then revalued at amortised cost. Profits and losses resulting from changes in amortised cost are recognised directly in comprehensive income.

Bank balances, cash as well as trade receivables are included in this category.

Available-for-sale financial assets

These are financial assets designated as available-for-sale or that are not classified in any of the three previous categories.

Before their classification, these assets are recorded according to the specific standards that apply to them. They are then measured at the lower of carrying amount and fair value. Gain and losses resulting from changes are presented in other comprehensive income.

Unconsolidated equity securities are included in this category.

Financial liabilities measured at amortised cost

These are financial liabilities that are not classified in the category of financial liabilities at fair value through the income statement.

They are initially recognised at fair value and then revalued at amortised cost. Profits and losses resulting from changes in amortised cost are recognised directly in comprehensive income.

Non-current borrowings, current borrowings, suppliers and creditors are included in this category.

Core operations

The scope of application of financial instruments has been defined by SIG in accordance with the provisions of IAS 39. In particular, forward electricity contracts with physical delivery are considered to be excluded from the scope of the application of IAS 39 where these contracts were concluded in the context of SIG's normal operations. This is demonstrated when the following conditions are met:

- A physical delivery occurs systematically;
- The volumes purchased correspond to those required for SIG's operational needs;
- The contracts are not similar to option sales as provided for by IAS 39. In the specific case of electricity sale contracts, the contract is similar to a fixed forward sale or to a sale of capacity.

Only contracts that meet all of these conditions are considered to be excluded from the scope of application of IAS 39. This analysis requires the creation of specific documentation.

SIG considers that electrical energy purchase and sales transactions concluded in order to make the volume available coincide with that required to supply its customers fall within the scope of its activities as an integrated electrician that is also a partial producer. They are therefore excluded from the scope of application of IAS 39.

Derivatives

SIG uses derivatives in order to reduce its exposure to interest rate fluctuations, exchange risks and risks linked to the supply of electrical energy. These instruments are initially recognised at fair value at the date of conclusion of the derivative contract and subsequently revalued at fair value.

The treatment method for gains or losses resulting from this valuation depends on the relation between the derivative and the hedged item. Upon conclusion of the contract, the derivative is designated as :

- An instrument that meets the cash flows hedging criteria. The effective part of the gain or loss on the hedging instrument is recorded under other comprehensive income and the inefficient part is recorded in the income statement.

- An instrument that does not meet the hedging criteria according to the standard, but provides effective financial cover. The gain or loss on the derivative is recorded immediately in the income statement.

For an instrument designated as meeting the cash flows hedging criteria, SIG documents the relationship between the hedged element and the hedging instrument from the beginning of the transaction. Furthermore, it specifies its objectives concerning risk management and the hedging strategy. SIG also documents, both at the beginning of the hedging operation and on a permanent basis, the measurement of the efficient nature of the derivatives used in order to counterbalance the changes in cash flow of the hedged elements.

The use of derivatives aims solely to manage interest rate risks, exchange risks and risks of variations in electricity prices.

SIG contracts the following derivatives : interest rate swaps, interest and exchange options, forward exchange operations, forward electricity operations and the FMHL option.

The specific accounting methods used as well as additional information are described in the notes.

Foreign currency transactions

Foreign currency transactions are translated at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate at the end of the financial year. The exchange differences resulting from these monetary assets and liabilities are recorded in the income statement.

Provisions

Provisions are recorded when:

- SIG has a current obligation resulting from a past event;
- It is probable that an outflow of funds representing economic benefits will be necessary to settle the obligation;
- A reliable assessment of the amount of the obligation can be carried out.

At the closing date, management assesses the amount of the obligation based on constantly applied economic criteria. It is recorded at the discounted value of the obligation.

Pension obligations

SIG provides a defined benefit pension plan to employees.

The retirement benefit costs are assessed using the projected unit credit method. According to this method, the cost of retirement is recognised in the income statement in the year in which it occurs, in order to spread it evenly over the employees' duration of service.

The actuarial assumptions used to determine the obligation are objective and mutually compatible. Their evolution is systematically analysed and monitored by the financial department.

Net interests are calculated by applying the discount rate to the net pension obligation.

The revaluations of net liabilities related to defined benefits include: actuarial differences, return on plan assets (excluding interests) and, potentially, changes in the ceiling effect of the asset. These revaluations are recorded immediately and entirely in other comprehensive income and cannot be recycled in the results during a subsequent period.

Pension obligations are calculated annually by a qualified actuary.

Recognition of revenues

Revenue

Revenue is recognised upon delivery of fluids, energies and upon treatment of waste and wastewater. This includes fluids and energies provided and consumed until the end of the accounting period.

Multi-annual equalization fund

Electrical energy prices, supply and applicable taxes are subject to the regulations set by the Swiss Federal Electricity Commission (ElCom). The gain resulting from the difference between the amounts received and the authorised remuneration is recorded as deferred income in the statement of financial position under “Financial liabilities and other obligations”, in a multi-annual equalisation fund. It is then recorded as revenues over the following periods during which price reductions intended to reimburse overpayments are granted to customers for the quantities consumed. When a loss is recognised as a result of this difference, the shortfall in revenues is recorded on the statement of financial position under “Financial assets and prepayments” in a multi-annual equalisation fund. It is then reversed over the following periods during which price increases intended to remunerate SIG for the services provided are set for the customers for the quantities consumed.

Services

Services provided which exceed one year and which are significant are recorded according to the contract’s stage of completion. Services principally include construction contracts.

Telecom advances

Single payments made in advance by customers for the lease of physical information transmission carriers (Telecom) are recorded on the statement of financial position under "Financial liabilities and other obligations”. They are then spread over all periods covered by the lease on a systematic basis which reflects a constant periodic rate of return on the balance of the amount received in advance.

Other revenues

Other revenues from core operations are recorded on the following basis :

- Pro rata temporis for interest;
- As they are acquired for expenses to public authorities;
- When the right to receive the payment is established for dividends.

Expenses to public authorities

The amounts which SIG must pay to the State, to the city and to the municipalities of Geneva are fixed by law. They are presented separately in the income statement.

SIG is not subject to taxation of its income and capital. Therefore, IAS 12 only applies to subsidiaries which have been fully consolidated and whose taxes are not significant.

Critical estimate elements

Preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in order to determine the value of assets and liabilities as well as of revenues and expenses for the financial year. Depending on the evolution of assumptions considered, or on changes in economic conditions to those existing at the reporting date, the amounts stated in SIG's future consolidated financial statements may differ from current estimates.

The primary sources of uncertainty concerning estimates relate to the following positions :

Property, plant and equipment

When evidence of impairment is identified, the value in use of property, plant and equipment is calculated by estimating the anticipated future discounted cash flows resulting from these assets. The estimation of these cash flows is based primarily on the business plan of the entities concerned.

Management considers that the book value of the assets recorded in the financial statements corresponds to their value in use.

Valuation of subsidiaries, associates and joint ventures

SIG holds 20.39% of the shares of EOS Holding, which itself holds 31.38% of Alpiq's shares. The value of this investment is sensitive to changes in consumption, in the euro's exchange rate and in electricity prices on the market.

An impairment test is carried out each year or whenever signs of impairment losses are identified.

Consolidated investments in and receivables from wind project companies

The value of these companies, from which the value of consolidated investments in and receivables from wind project companies is derived, is sensitive to the obtaining of the building authorisations as well as to the fluctuation of construction costs, of wind conditions and of the discount rate.

An impairment test is carried out each year or whenever signs of impairment losses are identified.

Financial instruments

In order to estimate the financial instruments that are not quoted on a market, SIG uses valuation models which are based on a number of assumptions. The modification of such assumptions could potentially have a significant impact on the accounts.

SIG holds 15.05% of the shares of EnergieDienst Holding. The value of these shares is sensitive to changes in consumption and in electricity prices on the market.

An impairment test is carried out each year or whenever signs of impairment losses are identified.

Consumption to be invoiced

The value of the energy quantities supplied, not recorded and not invoiced, is determined at the reporting date on the basis of consumption statistics and sales prices estimates. The determination of this value depends on the assumptions used to determine the share of turnover that is not invoiced at the closing of the accounts.

Pension obligations

The calculation of pension obligations is based on actuarial valuations which are particularly sensitive to discount rate assumptions and salary increase rates.

Comparative data

Where appropriate, the comparative data have been adjusted in order to comply with the changes in presentation for this year.
These modifications allow the financial information's quality to be improved.

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Adoption of new standards and interpretations

New or amended standards and interpretations issued but not yet effective for this financial year were as follows :

- IAS 16 “Property, Plant and Equipment”, amendments to the standard
- IAS 19 "Employee Benefits", amendments to the standard
- IAS 38 “Intangible Assets”, amendments to the standard
- IFRS 9 "Financial Instruments", new standard
- IFRS 11 "Joint Arrangements", amendments
- IFRS 14 "Regulatory Deferral Accounts", new standard
- IFRS 15 "Revenue from Contracts with Customers", new standard
- Amendments resulting from the Annual Improvements to IFRSs 2010-2012 Cycle
- Amendments resulting from the Annual Improvements to IFRSs 2011-2013 Cycle

Management has decided not to adopt these new or amended standards and interpretations early. Their potential impact is currently being assessed.

The new or amended standards and interpretations applicable as from 1 January 2014 are as follows:

- amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities"
- amendments to IAS 36 “Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets”
- amendments to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”
- IFRIC 21 “Levies Charged by Public Authorities”

None of these new or amended standards and interpretations had a significant impact on the Group’s 2014 consolidated financial statements.

4

Notes to the consolidated financial statements

as at 31 December 2014

In the notes, all values are in KCHF unless otherwise indicated.

SIG is an independent public legal entity under the supervision of the Council of State. It is personally and solely liable for all of its debts and obligations.

SIG's organisation is governed by the law dated 5 October 1973 resulting from article 168 of the Constitution of Geneva.

The Constitution of the Republic and Canton of Geneva establishes the objective for SIG to provide water, gas, electricity and thermal energy and to undertake waste treatment in the canton of Geneva. SIG's tasks also include the disposal and treatment of polluted water within the scope established by the law. Furthermore, SIG may develop activities in areas that are linked to the above-mentioned objective and provide services in the field of telecommunications.

Activities of SIG

Drinking water

SIG supplies drinking water to the population and the economy of the canton of Geneva.

Non-current assets recognised in the statement of financial position that relate to drinking water treatment and supply network belong to SIG. 80% of the water is pumped from the lake and the remainder from the ground water of the Geneva area. It is treated in order to ensure its quality before supplying it to customers.

Wastewater

SIG is responsible for the disposal, transport and treatment of polluted water from the entire canton and cross-border area.

This activity is under the control of the federal law dated 7 October 1983 on the protection of the environment (LPE).

The facilities and buildings of the primary wastewater collection, treatment and disposal network belong to SIG. Wastewater is sent to various purification plants where it is cleaned and discharged in the Rhone and Arve rivers.

Waste recovery

SIG is responsible for waste treatment and recovery in the canton.

This activity is under the control of the federal law dated 7 October 1983 on the protection of the environment (LPE).

The waste treatment facilities and buildings belong to SIG. Waste is brought to the Cheneviers plant and to the Châtillon site by river or road transport. It consists of

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household waste, industrial waste similar to household waste, special waste and green waste.

Natural gas

SIG supplies natural gas to the population and economy of the canton of Geneva.

Non-current assets recognised in the statement of financial position that relate to the supply of natural gas belong to SIG. Natural gas is supplied from European networks via Gaznat, of which SIG is a shareholder, to SIG's distribution network. This network then ensures distribution to users in the Geneva area.

Thermal energy

SIG supplies thermal energy (heat and cold) to the Geneva area by giving preference to local renewable resources.

Produced in several thermal plants, heat is distributed to buildings through a remote heating network (CAD) in order to cover the needs regarding heating and domestic hot water.

The remote cold system (FAD) is based on an ingenious network that uses and distributes water from the lake and rivers or the energy from the ground in order to cool the buildings during the summer directly through a heat exchanger. In winter, heat pumps enable to heat high energy performance buildings.

Electricity production

SIG produces part of the electricity which it transports and supplies in the canton of Geneva.

Non-current assets recognised in the statement of financial position that relate to electricity production belong to SIG. They primarily include:

- The diversion dams of Verbois, Seujet and SFMCP, through its consolidation, which ensure the production of hydroelectric energy;
- The photovoltaic panels which produce solar energy;
- The facilities of the Cheneviers plant which transform the heat from waste treatment into thermal and electrical energy.

Electrical energy

SIG supplies electrical energy to the population and economy of the canton of Geneva.

The federal law on the supply of electricity (LApEl) allows consumers of more than 100 MWh/year to choose their provider. As a result, this activity includes captive customers (< 100 MWh/year) and eligible customers (> 100 MWh/year). The latter have either chosen free competition and SIG as supplier or have not chosen free competition.

25% of electricity supply is provided by the hydroelectric plants (Verbois, Seujet, investment in Société des Forces Motrices de Chancy-Pougny), 3% through the recycling of treated waste (Cheneviers plant), 1% from other types of installations, instead of photovoltaic, which are owned by SIG. The 71% balance is provided by purchases from outside the canton, principally from EOS Holding, of which SIG is a shareholder, and from other third party companies. Delivery to customers is ensured by SIG's electricity distribution network throughout the canton of Geneva.

Electricity distribution

SIG ensures the transport and delivery of electricity within the canton of Geneva.

Non-current assets recognised in the statement of financial position that relate to the electricity distribution belong to SIG. The electricity distribution network is partially subterranean and partially overhead. It is notably composed of high, medium and low voltage lines, the connection with neighbouring cantons and countries occurring by means of very high voltage lines.

Energy services

SIG primarily provides remunerated services in the areas of construction and installations.

These services are related to the core areas of activity of SIG, i.e. water, gas, electricity and waste management. They aim to support clients in their energy and environment optimization efforts and to develop the solidity and extent of SIG's relationship with its clients.

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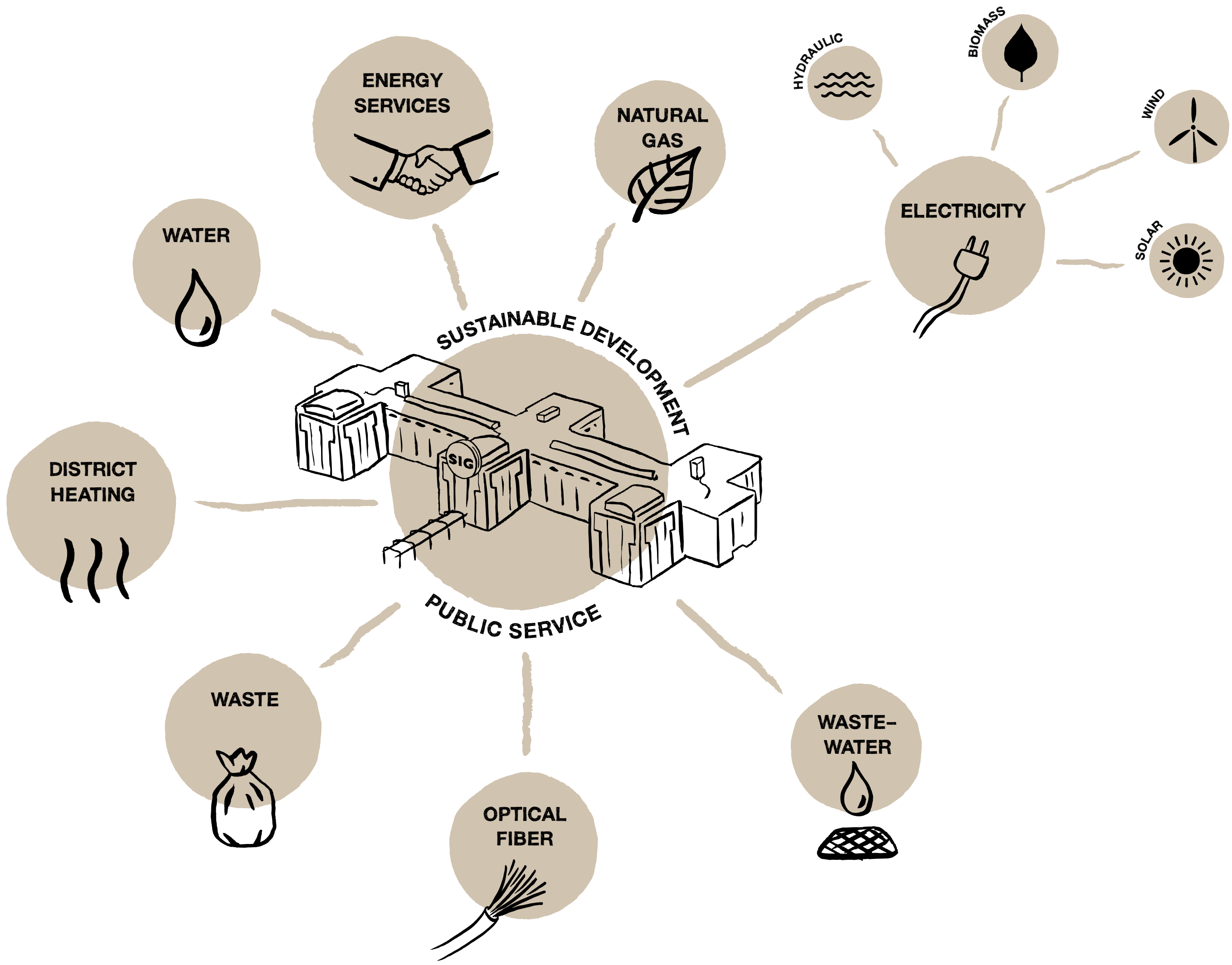
Telecom	**SIG constructs and manages an optic fiber network.** The objective of the telecom activities is to provide a high-quality physical carrier for the high-speed transmission of information and to conceive interconnection sites in order to bring service providers and final customers closer together. The network is marketed through SIG's direct sales to companies and through telecom service providers for the corporate and residential markets.
Other	**Other activities include the infrastructure necessary for the operation of the company.**



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1. Scope of consolidation of the SIG Group

Companies	Head office	Objective	Share in 2014	Share in 2013
Subsidiaries				
Electricity sector				
Société des Forces Motrices de Chancy-Pougny SA (SFMCP)	Chancy	Electrical energy of hydraulic origin	72%	72%
Securelec SA	Carouge	Security of electrical facilities	100%	100%
Compagnie Luminotechnique SA	Satigny	High-rise external lighting	100%	100%
Verrivent SA	Les Verrières	Electrical energy from wind farms	100%	100%
TourNEvent SA	Rochefort		100%	100%
Windpark Jaunpass SA in liquidation	Boltingen		100%	100%
ennova SA	Le Landeron		100%	20%*
Parc Eolien de la Grandsonnaz SA	Bullet		100%	40%*
Parc Eolien de la Montagne de Moutier SA	Moutier		100%	40%*
Parc Eolien de la Montagne du Droit SA	Court		100%	40%*
Parc Eolien de la Montagne de Romont SA	Romont BE		100%	40%*
Parc Eolien du Mont de Boveresse SA	Val-de-Travers		100%	40%*
Windpark Schwängimatt SA	Laupersdorf		90%	40%*
Parc Eolien de St-Brais SA	St-Brais		95%	55%*
Parc Eolien de Delémont SA	Delémont		85%	55%*
Gas and thermal energy sector				
Cadiom SA	Vernier	Heat production and transport	51%	51%
Multi-service sector				
Services Industriels de Genève (France)	Annemasse	Projects in SIG's areas of activity	100%	100%
Joint ventures				
Electricity sector				
EssairVent SA	Essertines-sur-Rolle	Electrical energy from wind farms	49%	49%
Windpark Burg SA	Kienberg		51%	51%
Gas and thermal energy sector				
CGC Holding SA	Thônex	Corporate management	40%	40%
Joint operations				
Electricity sector				
Gries Wind SA	Obergoms	Electrical energy from wind farms	25%	25%
Environmental sector				
PôleBio Energies SA	Satigny	Waste treatment and recovery	33%	33%
Associates				
Electricity sector				
EOSH Holding	Lausanne	Production, transport, trading and sale	20%	20%
Swisswinds Development GmbH	Grimisuat	Electrical energy from wind farms	28%	28%
Parco eolico del San Gottardo SA	Airolo		25%	25%
Securelec - Vaud SA	Ecublens	Security of electrical plants	38%	38%
Gas and thermal energy sector				
Gaznat SA	Lausanne	Supply, transport	38%	38%
Cadziplo SA	Plan-les-Ouates	Recycling of thermal waste	25%	0%
Telecom sector				
Swiss Fibre Net SA	Berne	Optic-fiber services	38%	35%
Multiservice sector				
Swisspower Energy SA	Zürich	Distribution of energy and related	30%	30%

** : Associate in 2013*

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The scope of consolidation lists SIG's direct investment in its investees. The share of capital held expresses the acquired percentage of shares. It is identical to that of voting rights.

SIG also holds, indirectly through the joint venture CGC Holding, 17.8% of Cadiom.

Change in scope

Acquisition of ennova SA

In the context of its wind farm development strategy, SIG acquired 80% of the capital of its associate ennova SA as of 20 May 2014. The amount of the transaction amounts to KCHF 12'100.

This transaction enables SIG to come out of an unfavourable contractual situation and to put an end to a litigious situation, and gives SIG the capacity to solely manage the company's financial and strategic orientations. Following this transaction through which it owns 100% of the share-capital of ennova SA, SIG indirectly controls the 8 subsidiaries of ennova SA, as follows:

Direct share held by SIG	SIG	ennova
Parc Eolien de la Grandsonnaz SA	40%	60%
Parc Eolien de la Montagne de Moutier SA	40%	60%
Parc Eolien de la Montagne du Droit SA	40%	60%
Parc Eolien de la Montagne de Romont SA	40%	60%
Parc Eolien du Mont de Boveresse SA	40%	60%
Windpark Schwängimatt SA	40%	50%
Parc Eolien de St-Brais SA	55%	40%
Parc Eolien de Delémont SA	55%	30%

The impact of this acquisition on SIG's turnover is not significant in 2014 and the transaction costs in relation to this acquisition were recorded in 2014 under operating expenses for an amount of KCHF 200.

Acquisition accounting enabled the identification and recording at fair value of the net assets acquired of ennova Group.

The payment of KCHF 12'100, to enable SIG to settle unfavourable pre-existing relationships, was measured at the same amount.

The identifiable net assets acquired comprised of cash (KCHF +81), current assets (KCHF +139), property, plant and equipment in service (KCHF +356), intangible assets in development (KCHF +675) and current liabilities (KCHF -1'251) are also nil at the acquisition date.

The pre-existing interest held by SIG in ennova, i.e. 20%, initially accounted for using the equity method, was remeasured at fair value for a nil amount at the date of acquisition.

Therefore, no goodwill was recorded when obtaining control of ennova.

In SIG's 2014 consolidated financial statements, all the transactions between SIG and ennova are neutralised due to the acquisition. Consequently, the net loss of KCHF -846 in the consolidated net loss is comprised of the following elements:

	2014	Note
Settlement of a pre-exisisting relationship	-12 100	4, 25
Reversal of the wind commitment provision	28 100	4, 25
Impairment of the receivable balance as at 31.12.2013	-12 600	25
Integration of the 2014 losses of the ennova group	-4 246	25
Impact in the consolidated net loss	**-846**	

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Aquisition of equity interest in Cadziplo SA

In order to recycle the thermal waste of an industrial area in the canton, SIG acquired 25% of the capital of Cadziplo SA as of 22 October 2014, for an amount of KCHF 200. This occurred through the acquisition of shares, and on 16 December 2014 through a participation in the capital increase and by contributions in cash and in kind in favour of the company (see note 10).

Increase in equity interest of Swiss Fibre Net SA

On 14 December 2014, SIG took part in the reorganisation measures proposed by the Board of Directors of Swiss Fibre Net SA (SFN). This reorganisation triggered a decrease of the original share capital, followed by a capital increase in order to provide additional cash to SFN. Because of the non-participation of a shareholder to this second operation, SIG's participation in SFN's capital went up from 35% to 38% as at 31 December 2014.

Deconsolidation of Swisspower Renewables AG

Following a capital increase to which SIG did not participate as of 1 October 2014, SIG's equity interest in the capital of Swisspower Renewables was diluted. Following this operation, SIG lost its significant influence in this investment: the investment in Swisspower Renewables is no longer accounted for using the equity method, (see note 10) and is presented in the unconsolidated investments as at 31 December 2014 (see note 11).

Subsidiaries

As at 31 December 2014, SIG holds 72.2% of SFMCP's shares, which allows it to designate the majority of the members of the latter's Board of Directors. The Board of Directors of SFMCP votes by an absolute majority when strategic decisions are made.

SIG directly holds 51% of Cadiom's shares. It holds the majority of votes within the latter's Board of Directors. The Board of Directors votes at the majority of members present.

The agreements which bind respectively the shareholders of SFMCP and Cadiom do not limit SIG's power within the meaning of the IFRS standard. Furthermore, SIG is exposed to the variable returns of SFMCP and Cadiom which it influences by using its shareholder rights.

The only important restrictions which limit SIG's ability to have access to the subsidiaries' assets or to settle their liabilities are of legal nature.

Consequently, management has come to the conclusion that SIG controls SFMCP and Cadiom. These two companies are consolidated by full consolidation, as subsidiaries, in SIG's consolidated financial statements.

Summarised financial information of SIG's subsidiaries not wholly owned and in which non-controlling interests are significant

The amounts indicated below represent the values presented in the subsidiaries' financial statements after having been adjusted in order to comply with the IFRS but before any intra-group eliminations.

2014	SFMCP	Cadiom	Total
Non-controlling interests percentage	28%	31%	
Statement of financial position			
Non-current assets	109 311	49 792	159 103
Current assets	6 843	5 610	12 453
Total assets	**116 154**	**55 402**	**171 556**
Equity	53 129	14 990	68 119
Non-current liabilities	48 606	32 981	81 587
Current liabilities	14 419	7 431	21 850
Total equity and liabilities	**116 154**	**55 402**	**171 556**
Share of non-controlling interests in equity	14 749	4 662	19 411
Income statement			
Revenue	16 938	10 802	27 740
Expenses	-16 958	-10 943	-27 901
Net (loss) for the financial year	**-20**	**-141**	**-161**
Other comprehensive income			-
Comprehensive income for the financial year	**-20**	**-141**	**-161**
Share of non-controlling interests in the net profit for the financial year	-5	-44	-49
Cash flows			
from operating activities	6 311	-1 218	5 093
from investing activities	-15 458	-786	-16 244
from financing activities	5 500	1 430	6 930
Net change in cash	**-3 647**	**-574**	**-4 221**

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2013	SFMCP	Cadiom	Total
Non-controlling interests percentage	28%	31%	
Statement of financial position			
Non-current assets	99 146	52 322	151 468
Current assets	8 439	5 720	14 159
Total assets	**107 585**	**58 042**	**165 627**
Equity	53 150	15 838	68 988
Non-current liabilities	43 895	18 800	62 695
Current liabilities	10 540	23 404	33 944
Total equity and liabilities	**107 585**	**58 042**	**165 627**
Share of non-controlling interests in equity	14 754	4 749	19 503
Income statement			
Revenue	18 772	10 202	28 975
Expenses	-15 756	-9 577	-25 333
Net profit for the financial year	**3 016**	**625**	**3 642**
Other comprehensive income			-
Comprehensive income for the financial year	**3 016**	**625**	**3 642**
Share of non-controlling interests in the net profit for the financial year	838	307	1 145
Cash flows			
from operating activities	6 391	2 733	9 124
from investing activities	-14 420	-813	-15 233
from financing activities	12 472	-226	12 246
Net change in cash	**4 443**	**1 694**	**6 137**

Joint ventures

The application of the criteria of the new IFRS 11 standard “Joint Arrangements” which came into force on 1 January 2013 led SIG’s management to conclude that the agreement which binds the shareholders of CGC Holding is a joint arrangement.

However the shareholders are not entitled to nearly all of the economic advantages of the assets held by CGC Holding and the latter does not systematically depend on its shareholders for the settlement of its liabilities.

Consequently, SIG’s management has concluded that CGC Holding is a joint venture which is accounted for using the equity method in SIG’s financial statements.

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Comprehensive summarised financial information of SIG's joint ventures

The amounts indicated below represent the values presented in the joint ventures' financial statements after having been adjusted in order to comply with the IFRS.

2014	CGC Holding	Other joint ventures	Total
Non-current assets	8 542	640	9 182
Current assets	19 223	4	19 227
Total assets	**27 765**	**644**	**28 409**
Equity	3 132	628	3 760
Non-current liabilities	4 486	15	4 501
Current liabilities	20 147	1	20 148
Total equity and liabilities	**27 765**	**644**	**28 409**
Revenue	53 811	-	53 811
Expenses	-54 746	-656	-55 402
Net (loss) for the financial year	**-935**	**-656**	**-1 591**
Other comprehensive income	268	-	268
Comprehensive income for the financial year	**-667**	**-656**	**-1 323**
SIG's share in equity	1 253	193	1 446
Goodwill	1 202	-	1 202
Value of equity accounting	**2 455**	**193**	**2 648**
SIG's share of results	-374	-	-374

2013	CGC Holding	Other joint ventures	Total
Non-current assets	9 824	1 214	11 038
Current assets	22 866	114	22 980
Total assets	**32 690**	**1 328**	**34 018**
Equity	5 358	324	5 682
Non-current liabilities	12 845	916	13 761
Current liabilities	14 487	88	14 575
Total equity and liabilities	**32 690**	**1 328**	**34 018**
Revenue	50 396	-	50 396
Expenses	-49 932	-1 145	-51 077
Net profit / (loss) for the financial year	**464**	**-1 145**	**-681**
Other comprehensive income	-275	-	-275
Comprehensive income for the financial year	**189**	**-1 145**	**-956**
SIG's share in equity	2 143	322	2 465
Goodwill	2 612	-	2 612
Value of equity accounting	**4 755**	**322**	**5 077**
SIG's share of results	186	-130	56

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Joint operations

Gries Wind and PôleBio Energies are consolidated in SIG's financial statements based on SIG's share in the assets, liabilities, revenue and expenses of these companies.

Associates

The agreements which bind the shareholders of certain companies in which SIG has invested determine that these companies are not managed as joint arrangements. SIG nevertheless has significant influence on these companies. These associates are accounted for using the equity method in SIG's financial statements.

Comprehensive summarised financial information of SIG's associates

The amounts indicated below represent the values presented in the associates' financial statements after having been adjusted in order to comply with the IFRS.

2014	EOSH Holding	Gaznat	Swisspower Energy	Other associates	Total
Non-current assets	1 625 310	233 110	725	4 215	1 863 360
Current assets	262 761	165 995	57 376	3 592	489 724
Total assets	**1 888 071**	**399 105**	**58 101**	**7 807**	**2 353 084**
Equity	1 645 625	193 376	8 333	3 031	1 850 365
Non-current liabilities	235 506	102 868	-	2 562	340 936
Current liabilities	6 940	102 861	49 768	2 214	161 783
Total equity and liabilities	**1 888 071**	**399 105**	**58 101**	**7 807**	**2 353 084**
Revenue	47 525	524 816	10 958	2 206	585 505
Expenses	-688 158	-514 290	-11 528	-1 887	-1 215 863
Profit / (loss) for the financial year	**-640 633**	**10 526**	**-570**	**319**	**-630 358**
Other comprehensive income	-38 950				-38 950
Comprehensive income for the financial year	**-679 583**	**10 526**	**-570**	**319**	**-669 308**
SIG's share in equity	335 543	73 483	2 500	372	411 898
Goodwill					-
Value of equity accounting	**335 543**	**73 483**	**2 500**	**372**	**411 898**
SIG's share of results	-130 625	4 000	-171	-186	-126 982
SIG's share of other comprehensive income	-7 942				-7 942

SIG's equity interest in Swisspower Renewables AG was diluted in 2014. Consequently, this investment is no longer consolidated, but recognised as an unconsolidated equity investment. (see notes 10 and 11).

Following the acquisition of 80% of the share-capital of ennova in May 2014, SIG consolidates this entity according to the full integration method. This investment is no longer an associate as at 31 December 2014.

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2013	EOSH Holding	Swisspower Renewables	Gaznat	Swisspower Energy	Other associates	Total
Non-current assets	2 210 097	10 641	237 365	587	2 743	2 461 432
Current assets	355 585	137	222 369	55 824	-	633 915
Total assets	**2 565 682**	**10 778**	**459 734**	**56 411**	**2 743**	**3 095 347**
Equity	2 226 222	10 778	238 522	17 775	2 743	2 496 039
Non-current liabilities	289 233	-	101 440	-	-	390 673
Current liabilities	50 227	-	119 772	38 636	-	208 635
Total equity and liabilities	**2 565 682**	**10 778**	**459 734**	**56 411**	**2 743**	**3 095 347**
Revenue	61 973	-	650 187	164 854	2 770	879 784
Expenses	-73 289	-8 862	-623 737	-166 969	-3 740	-876 597
Profit / (loss) for the financial year	**-11 316**	**-8 862**	**26 450**	**-2 115**	**-970**	**3 187**
Other comprehensive income	45 767	-	-	-	-	45 767
Comprehensive income for the financial year	**34 451**	**-8 862**	**26 450**	**-2 115**	**-970**	**48 954**
SIG's share in equity	496 543	3 250	80 510	4 968	1 279	586 550
Goodwill						-
Value of equity accounting	**496 543**	**3 250**	**80 510**	**4 968**	**1 279**	**586 550**
SIG's share of results	47 036	-1 756	10 433	-1	-6	55 706
SIG's share of other comprehensive income	9 332					9 332

Goodwill

The estimation of the recoverable amount of the cash generating units which have a goodwill allocated was based on the discounted future cash flows method. The key assumptions used in the estimation are as follows:

- Verrivent, ennova, Swisswinds Development and Parco eolico del San Gottardo: discount rate and last known technical and financial data;

Management considers that a reasonable change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating units which have a goodwill allocated.

Subsidiaries	2014	2013	Note
Verrivent	-	3 099	9
Compagnie Luminotechnique	143	143	9

Unconsolidated investments

Unconsolidated investments appear under "Financial assets" (see note 11).

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2. Revenue

	2014	2013
Drinking water revenue	95 073	95 048
Wastewater revenue	81 916	82 162
Gas revenue	210 335	235 897
Thermal energy revenue	45 087	45 157
Electrical energy revenue	241 321	262 343
Electricity production revenue	9 183	9 118
Electricity distribution revenue	228 884	201 317
Waste recovery revenue	61 711	59 072
Energy service	17 421	19 721
Telecom	24 027	22 975
Other revenue	17 499	15 642
Total revenue	**1 032 457**	**1 048 452**

3. Energy purchases for resale

This caption represents external energy purchases that are directly linked to sales. Purchases are primarily performed with related parties :

- 100% of natural gas purchases from Gaznat;
- approximately 27% of electricity purchases from the EOS Holding group (31% in 2013).

This excludes energy directly produced by SIG from Verbois, Seujet and the Cheneviers plant as well as its subsidiary Société des Forces Motrices de Chancy-Pougny. This production represents a significant part of the canton’s electricity consumption. The corresponding costs are presented in different expenditure captions on the consolidated statement of comprehensive income.

Management of risks linked to energy supply

Management policy for risks linked to electricity supply

In the context of its operational activities linked to the sale of energy, SIG is principally subject to variations in energy prices due to the evolution of market prices, to the reliability of its suppliers and to the limited liquidity of the Swiss market.

SIG sells gas and electricity. The operational risks relating to gas supply are managed by Gaznat, a company in which SIG has an investment (see note 1). The risks linked to prices and volumes linked to the supply of eligible customers are managed by SIG and are subject to a Gas Risk Policy and Manual.

SIG has put in place an internal organisational structure which allows it to manage its electrical energy portfolio in a dynamic manner. This portfolio is managed with the aim of covering electrical energy requirements at a minimum cost while at the same time controlling the risks linked to market prices and volumes linked to open positions as well as the risks linked to counterparty failure.

The "Management policy for risks linked to electricity supply" has been approved by the Board of Directors. This policy is intended to define the context in which the operations linked to electricity supply must be carried out. It is complemented by a manual on the management of risks linked to electricity supply which represents its operational part and is approved by management.

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Each year, the Supply Committee approves the supply strategy as well as certain obligation limits in terms of quantity and value. A list of authorised counterparties is also established.

Two types of products are authorised:

- Products which result in a physical delivery at the contract maturity;
- Financial instruments without physical delivery which allow hedging of price risks. The use of financial instruments is limited to products which use as a reference EEX stock prices which have a strong correlation to Swiss prices.

The following limits are set:

- A minimum limit on physical supply in Switzerland;
- A maximum obligation limit which allows price risks of open positions to be controlled;
- A maximum obligation limit towards counterparties;
- A maximum volume and price limit in order to control the dynamic management of the portfolio;
- Usage limits for financial instruments in terms of nominal amounts, margin calls and purchase premiums.

Supply contracts

Three quarters of the total electrical energy consumption of customers is provided by energy purchase contracts with suppliers.

These contracts are distributed as follows :

- Long-term contracts of over 5 years. These contracts contain a purchase right concluded with EOS SA (see note 26);
- Medium-term contracts, annual, quarterly or monthly;
- Short-term contracts, weekly or daily;
- Intraday contracts, hourly for the current day.

In order to better manage the risks linked to fluctuations in electricity prices, SIG enters into forward contracts for the purchase of electrical energy. Part of these contracts are concluded abroad, due to the limited liquidity of the Swiss energy market. At inception, on the basis of defined criteria, these contracts are classified in the normal operations portfolio or in the dynamic portfolio. The normal operations portfolio is not recorded on the statement of financial position. The dynamic portfolio is presented in the assets or liabilities with counterparty in the income statement.

FMHL financial option

The EOS Holding group has granted an FMHL financial option to SIG (see note 26).

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4. Operating expenses

	2014	2013	Note
Personnel expenses	-237 128	-175 387	
Salaries	-201 709	-198 973	
Social charges	-21 339	37 080	
Variable remuneration	-7 208	-6 354	
State personnel	-1 523	-1 715	
Other personnel expenses	-5 349	-5 425	
Fees and external mandates	-25 700	-25 062	
Temporary staff	-19 272	-18 982	
Consulting expenses	-6 428	-6 080	
Waste disposal expenses	-14 459	-11 061	
General operating expenses	-73 676	-119 035	
Expenses linked to premises	-7 586	-7 440	
Supplies and services	-60 450	-57 390	
Insurances and taxes	-5 334	-6 497	
Institutional communication	-6 798	-7 078	
Other operating expenses	6 492	-40 630	
- other expenses	*-9 508*	*-10 165*	
- wind commitment provision	*28 100*	*-30 465*	25
- settlement of pre-existing relationship	*-12 100*	-	25
Total expenses before capitalisation and storage	**-350 963**	**-330 545**	
Capitalised and stored production	32 869	31 953	
Total operating expenses	**-318 094**	**-298 592**	

Social charges

The dissolution of the contribution to the retirees' health insurance costs voted by the Board of Directors has an exceptional favourable impact of KCHF 56'730 on the social charges in 2013 (see note 20).

Employer contributions to the CAP amounting to KCHF 34'977 (KCHF 24'333 in 2013) are included in the retirement benefit costs for an amount of KCHF 44'086 (KCHF 18'536 in 2013) and are presented separately in the income statement (see note 21).

Variable remuneration

The variable remuneration is an element of SIG's remuneration system. It is calculated on the basis of the realization of economic, social and environmental objectives set beforehand.

State personnel

The "State personnel" item represents the employees of the Cheneviers plant, the wastewater activities and the Châtillon site who have chosen to remain employees of the State of Geneva.

Waste disposal expenses

Waste disposal expenses represent the cost to remove residues (ashes, clinkers, etc.) produced by the Cheneviers plant, the quantity of which is directly linked to the volume of waste treated and invoiced, as well as the removal of untreated waste.

They also include expenses arising from the removal and incineration of sludge from the wastewater purification plants, as well as those incurred in connection with the removal of stones and sand extracted from the settling tanks.

Capitalised and stored production

Capitalised and stored production relates to operating costs (labour and expenses) of the financial year that are recognised in property, plant and equipment under construction or in work-in-progress. These operating costs are first presented in the relevant operating expense caption and then transferred to the statement of financial position through the "Capitalised and stored production" income statement caption.

5. Depreciations, amortisations and impairments

	2014	2013	Note
Property, plant and equipment	-168 543	-173 767	
Depreciations	-145 055	-140 219	8
Third party participation in investments	19 229	17 922	18
Impairments	-35 200	-45 375	25
Scrapping and other disposals	-7 517	-6 095	8, 18
Intangible assets	-12 472	-8 218	
Amortisations	-8 384	-6 183	9
Impairments	-3 413	-125	25
Scrapping and other disposals	-675	-1 910	9
Total depreciations, amortisations and impairments	**-181 015**	**-181 985**	

Non-capitalisable costs

In order to determine the costs that cannot be capitalized, SIG carries out an analysis of recognised costs at the commencement of the service of the property, plant and equipment under construction and at the end of each financial year for significant property, plant and equipment under construction.

Costs which cannot be capitalised are transferred to depreciation and amortisation for the financial year. For the 2014 financial year, this analysis identified costs amounting to KCHF 2'089 for depreciation and amortisation (KCHF 598 in 2013).

6. Finance expense and income

	2014	2013	Note
Finance expense	**-78 823**	**-142 640**	
Impairment of financial assets	-52 693	-89 769	11, 25
Impairment of equity-accounted investments	-4 048	-20 897	10, 25
Loss on sale of EOSH shares (see note 10)	-	-10 475	
Interests on share capital (see note 16)	-5 000	-5 000	
Interests and costs of borrowings	-10 817	-11 144	
Share of recognised interests	853	1 355	8
Changes in the value of financial instruments	-5 777	-1 589	31
Losses of financial instruments	-583	-1 279	31
Other finance expense	-758	-3 842	
Finance income	**10 306**	**10 049**	
Revenues from equity securities	7 484	7 488	
Revenues from accounts receivables and investments	2 822	2 561	

Interests on share capital

An interest of 5% per year is collected on the share capital by public authorities (article 3, paragraph 6 of the law on the organisation of SIG dated 5 October 1973).

Share of recognised interests

SIG calculates and recognises interim interests on investments under construction. The interest rate applied is 1.8% in 2014 (2.1% in 2013).

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Revenues from equity securities

Dividends from equity securities which are not consolidated are recorded under "Revenue from equity securities".

7. Expenses to public authorities

2013	State	City	Municipalities	Federal Government	Other	Total
Expenses for the use of the public domain	48 619	-10 618	-13 990			24 011
Public authority energy fund	-3 906					-3 906
Regulatory expenses to the State regarding water rights	-7 268					-7 268
Hydraulic expenses	-7 020					-7 020
New renewable energies				-12 810		-12 810
Expenses for the financing of the secondary wastewaster treatment network	-12 775					-12 775
Coverage of residual costs of ancillary services				3 680		3 680
Subsidies and other expenses			-204		-4 620	-4 824
Total expenses for the use of the public domain	**17 648**	**-10 618**	**-14 194**	**-9 128**	**-4 620**	**-20 912**
2014						
Expenses for the use of the public domain	-8 029	-10 340	-13 747			-32 116
Public authority energy fund	-3 906					-3 906
Regulatory expenses to the State regarding water rights	-7 370					-7 370
Hydraulic expenses	-7 674					-7 674
New renewable energies				-16 578		-16 578
Expenses for the financing of the secondary wastewaster treatment network	-12 294					-12 294
Coverage of residual costs of ancillary services				-		-
Subsidies and other expenses			-195		-5 363	-5 558
Total expenses for the use of the public domain	**-39 273**	**-10 340**	**-13 942**	**-16 578**	**-5 363**	**-85 496**

Expenses for the use of the public domain

The amount of the annual expenses for the use of the public domain payable to the State, to the city and to the municipalities is established in accordance with article 32, paragraphs 2 and 3 of the law on the organisation of SIG dated 5 October 1973. The expenses represent 5% of gross revenues paid to the State and 15% of gross revenues paid to the municipalities for the use of the electrical network on their respective territories during the applicable financial year.

On 10 June 2013, the Federal Tribunal accepted the appeal lodged by thirty municipalities of the Canton of Geneva and cancelled the Geneva draft law no 10900 voted on 15 December 2011 by the "Grand Conseil de la République et Canton de Genève". This draft law increased to 40% the expenses for the use of the public domain payable by SIG to the State. The Federal Tribunal considered that the expenses increase was not related to the change of the use of the cantonal public domain. Consequently, the additional expenses paid in 2012 by SIG to the State of Geneva was repaid in 2013 for an amount of KCHF 56'822.

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Public authority energy fund

The public authority energy fund is constituted in accordance with article 31, paragraphs 3 and 4 of the law on the organisation of SIG. 10% of revenues invoiced to the State, to the City of Geneva and to the surrounding municipalities is allocated to the public authority energy fund. This fund is for the development of renewable energies and energy saving measures.

Regulatory expenses to the State regarding water rights

The State collects expenses regarding water rights in accordance with article 33 of the water law of 5 July 1961 and articles 21 and following of the regulation dated 5 March 2003 on the use of surface and subsurface water.

Hydraulic expenses

The State collects annual expenses for the use of water as a motive force, in accordance with articles 49 and following of the federal law on the use of hydroelectric forces dated 22 December 1916 and the regulation of the Federal Council on the calculation of expenses relating to water rights dated 12 February 1918.

Since 1 January 2011, these expenses amount to CHF 100 per kW.

New renewable energies

In accordance with article 15b of the federal law on energy (LEne), the national transport network company collects a supplement on the costs of transport over high-voltage networks, principally in order to finance the pooled costs at the national level which are not covered by market prices, and which are covered by the network operators for the coverage of electricity from renewable sources.

Expenses for financing of the secondary wastewater treatment network

Expenses for financing of the secondary wastewater treatment network are paid to the State.

Coverage of residual costs of ancillary services

Until the end of July 2010, pursuant to article 31b of the Ordinance on Electricity Supply (OApEI), transitional provision for the period from 2009 to 2013, the national transport network company billed individually the operators of electrical plants with a power equal to or above 50 MW, proportionally to their share in gross energy production, for the share of residual costs of ancillary services. On 8 July 2010, the Federal Administrative Tribunal issued a decision stating that this billing system was anti-constitutional and illegal. From January 2011, the residual costs of ancillary services were billed to the end customers. In 2013, SIG received the repayment of the cost of ancillary services billed in 2009 and 2010 with no legal base.

Subsidies and other expenses

Subsidies and other expenses primarily include free waste treatment for charities and financial incentives in connection with the energy savings programme.

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Detailed expenses for the use of the public domain

Municipalities	2014 expenses to be paid in 2015	2013 expenses to be paid in 2014
Aire-la-Ville	-29	-31
Anières	-101	-106
Avully	-47	-55
Avusy	-45	-48
Bardonnex	-84	-87
Bellevue	-682	-153
Bernex	-280	-288
Carouge	-1 211	-1 213
Cartigny	-31	-32
Chancy	-41	-39
Chêne-Bougeries	-427	-433
Chêne-Bourg	-328	-338
Choulex	-41	-43
Collex-Bossy	-50	-51
Collonge-Bellerive	-500	-512
Cologny	-325	-334
Confignon	-130	-133
Corsier	-77	-80
Dardagny	-152	-156
Genève	-10 340	-10 618
Genthod	-98	-105
Grand-Saconnex	-572	-811
Gy	-18	-18
Hermance	-40	-38
Jussy	-57	-58
Laconnex	-22	-23
Lancy	-1 359	-1 394
Meinier	-79	-79
Meyrin	-1 351	-1 644
Onex	-413	-420
Perly-Certoux	-124	-123
Plan-les-Ouates	-1 100	-1 107
Pregny-Chambésy	-228	-235
Presinge	-24	-24
Puplinge	-88	-87
Russin	-17	-17
Satigny	-600	-605
Soral	-26	-27
Thônex	-483	-497
Troinex	-85	-88
Vandoeuvres	-132	-131
Vernier	-1 479	-1 546
Versoix	-459	-459
Veyrier	-312	-322
State of Genève	-8 029	-8 203
Increase of the expenses payable to the State of Geneva in 2012, repaid by the State of Geneva in 2013	-	56 822
Total	**-32 116**	**24 011**

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8. Property, plant and equipment

2013	Land and buildings	Production and distribution facilities	Other property, plant and equipment	Under construction	Total	Note
Gross value as at 1 January	1 243 191	3 310 101	204 084	347 006	5 104 382	
Additions				219 253	219 253	
Capitalized interests				1 355	1 355	
Transfers to intangible assets				-5 920	-5 920	
Transfers from assets under construction	24 263	221 454	12 692	-258 409	-	
Disposals	-836	-26 868	-2 128	-589	-30 421	
Gross value as at 31 December	**1 266 618**	**3 504 687**	**214 648**	**302 695**	**5 288 649**	
Accumulated depreciation and impairments as at 1 January	-467 944	-1 464 597	-159 449		-2 091 989	
Depreciations	-24 196	-105 675	-10 348		-140 219	5
Impairments		-45 375			-45 375	5 et 25
Disposals	423	19 378	1 925		21 726	
Accumulated depreciation and impairments as at 31 December	**-491 717**	**-1 596 268**	**-167 872**		**-2 255 858**	
of which net impairment as at 31 December	*-45 543*	*-76 646*	*-20*		*-122 209*	
Net book value as at 31 December	**774 901**	**1 908 419**	**46 776**	**302 695**	**3 032 791**	
2014						
Gross value as at 1 January	1 266 618	3 504 687	214 648	302 695	5 288 648	
Additions				219 430	219 430	
Capitalized interests				853	853	
Transfers to intangible assets				-15 312	-15 312	
Reclassification of fixed assets	-11 476	11 476			-	
Transfers from assets under construction	11 203	181 648	14 935	-207 786	-	
Disposals	-1 541	-21 423	-5 708	-2 089	-30 761	
Gross value as at 31 December	**1 264 804**	**3 676 388**	**223 875**	**297 790**	**5 462 857**	
Accumulated depreciation and impairments as at 1 January	-491 717	-1 596 268	-167 872	-	-2 255 857	
Depreciations	-26 700	-107 122	-11 233		-145 055	5
Reclassification of depreciation	244	-244			-	
Impairments				-35 200	-35 200	5 et 25
Impairments transfer		11 114	-208	-10 906	-	
Disposals	1 301	14 524	5 032		20 857	
Accumulated depreciation and impairments as at 31 December	**-516 871**	**-1 677 996**	**-174 281**	**-46 106**	**-2 415 254**	
of which net impairment as at 31 December	*-38 146*	*-58 580*	*-154*	*-46 106*	*-142 986*	
Net book value as at 31 December	**747 932**	**1 998 392**	**49 595**	**251 684**	**3 047 603**	

Capital expenditure planned by SIG and its subsidiaries

The facilities' going concern and the granting of concessions imply undertaken, projected or imposed capital expenditure for the next five years, estimated at MCHF 1'119 (MCHF 1'078 at the end of 2013).

Cheneviers plant

In 2007, the estimation of the recoverable amount of the Cheneviers plant's assets required the recognition of a gross impairment of KCHF 135'500.

At the end of 2014, the assets of the Cheneviers plant were reduced by a net impairment of KCHF 40'491 (KCHF 51'011 at the end of 2013).

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Primary wastewater treatment network

In 2007, the estimation of the recoverable amount of the primary wastewater treatment network required the recognition of a gross impairment of KCHF 38'000.

At the end of 2014, the primary wastewater treatment network was reduced by a net impairment of KCHF 23'466 (KCHF 25'823 at the end of 2013).

Optic fiber

In 2013, the estimation of the recoverable amount of the optic fiber network allowing access to all the ultra high-speed services to as many consumers as possible in the canton of Geneva (project Fiber to the Home, "FTTH") required the recognition of a gross impairment of KCHF 45'000.

In 2014, a new estimation of the recoverable amount of the optic fiber network (FTTH) required the recognition of a gross impairment of KCHF 24'200. At the end of 2014, the FTTH optic fiber network is reduced by a net impairment of KCHF 68'030 (KCHF 45'000 at the end of 2013).

Thermal energy

In 2014, the estimation of the recoverable amount of the thermal network required the recognition of a gross impairment of KCHF 11'000.

9. Intangible assets

2013	In service	In development	Goodwill	Total	Note
Gross value as at 1 January	75 098	3 234	3 367	81 699	
Additions		813		813	
Transfers from property, plant and equipment	5 920			5 920	
Transfers from assets in development	1 687	-1 687		-	
Disposals	-3 567			-3 567	5
Gross value as at 31 December	**79 138**	**2 360**	**3 367**	**84 865**	
Accumulated amortisation and impairments as at 1 January	-65 763	-	-	-65 763	
Amortisations	-6 183			-6 183	5
Impairments			-125	-125	5 et 25
Disposals	1 657			1 657	5
Accumulated amortisation and impairments as at 31 December	**-70 289**	**-**	**-125**	**-70 414**	
of which net impairment as at 31 December			*-125*	*-125*	
Net book value as at 31 December	**8 849**	**2 360**	**3 242**	**14 451**	

2014	In service	In development	Goodwill	Total	Note
Gross value as at 1 January	79 138	2 360	3 367	84 865	
Additions		2 275		2 275	
Transfers from property, plant and equipment	15 312			15 312	
Transfers from assets in development	987	-987		-	
Disposals		-675		-675	5
Gross value as at 31 December	**95 437**	**2 973**	**3 367**	**101 777**	
Accumulated amortisation and impairments as at 1 January	-70 289	-	-125	-70 414	
Amortisations	-8 384			-8 384	5
Impairments		-314	-3 099	-3 413	5 et 25
Disposals				-	5
Accumulated amortisation and impairments as at 31 December	**-78 673**	**-314**	**-3 224**	**-82 211**	
of which net impairment as at 31 December			*-3 224*	*-3 224*	
Net book value as at 31 December	**16 764**	**2 659**	**143**	**19 566**	

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Intangible assets in service and in development

This item primarily includes acquired software.

The cost of additional internal developments intended to adapt standard software to the specific needs of SIG appears in the "In development" column. Upon their commencement of service, these costs are added to the initial investment value.

Goodwill

This item primarily includes goodwill resulting from the full consolidation of the subsidiary Compagnie Luminotechnique (see note 1).

Verrivent

In 2014, the estimation of the recoverable amount of the investment in Verrivent required the recognition of a gross impairment of KCHF 3'413 that was allocated to the goodwill recorded at the acquisition date as well as to the intangible assets of this subsidiary.

10. Equity-accounted investments

Movement of investments

2013	EOS Holding	Ennova	Swisspower Renewables	Gaznat	Swisspower Energy	CGC Holding	Other investments in joint ventures	Other investments in associates	Total	Note
Investments as at 1 January	561 786	12 992	3 964	71 273	7 266	4 679	558	5 980	668 498	
Acquisitions	14 684		1 042				157	960	16 843	
Disposals	-82 476			-791					-83 267	
Share of other comprehensive income	9 332					-110			9 222	
Dividends received	-53 819			-405	-297			-13	-54 534	
Impairments		-12 992			-2 000		-263	-5 642	-20 897	6, 25
Share of results	47 036		-1 756	10 433	-1	186	-130	-6	55 762	
Investments as at 31 December	**496 543**	**-**	**3 250**	**80 510**	**4 968**	**4 755**	**322**	**1 279**	**591 627**	
2014										
Investments as at 1 January	496 543	-	3 250	80 510	4 968	4 755	322	1 279	591 627	
Acquisitions			17 772				645	587	19 004	
Deconsolidation			-19 952			-229	-34		-20 215	
Share of other comprehensive income	-7 942					107			-7 835	
Dividends received	-22 433			-11 027	-297	-1 804			-35 561	
Impairments					-2 000		-740	-1 308	-4 048	6, 25
Share of results	-130 625		-1 070	4 000	-171	-374		-186	-128 426	
Investments as at 31 December	**335 543**	**-**	**-**	**73 483**	**2 500**	**2 455**	**193**	**372**	**414 546**	

EOS Holding

In 2013, EOSH bought 3.3% of EOSH shares held by SIG at a price set at KCHF 72'000. The value of the shares sold, in SIG's consolidated financial statements, at the date of the transaction, amounts to KCHF 82'476. The result of this transaction in SIG's 2013 consolidated net profit is a loss on sale of KCHF 10'475 (see note 6).

In 2013, EOSH redistributed its own shares free of charge to its shareholders. SIG received free of charge 0.67% of EOSH's total shares. These free shares are valued in SIG's consolidated financial statements for an amount of KCHF 14'684. SIG holds 20.39% of EOSH's share capital.

In 2013, Alpiq issued a hybrid bond assimilated, within the meaning of the IFRS, to a capital increase. EOSH subscribed to this hybrid bond. Due to the consolidation effect, Alpiq's hybrid bond assimilated to a capital increase entails a profit of KCHF 49'344 in SIG's consolidated income statement.

Following the recognition by Alpiq of high impairments on these assets in 2014, EOSH recorded value adjustments on its Alpiq investment, held at 31,38%. As at 31 December 2014, the share of EOSH's results has an unfavourable effect for KCHF 130'625 on SIG's consolidated income statement.

Swisspower Renewables

Following a capital increase on 1 October 2014 in which SIG did not participate, this dilution led to the loss by SIG of its significant influence on Swisspower Renewables. As from 1 October 2014, the investment in the share capital of Swisspower Renewables is no longer accounted for using the equity method and is presented on the line corresponding to the unconsolidated equity securities, in the financial assets (see note 11). It is recorded at its fair value that it considered by SIG to correspond to the present value of future cash flows.

Ennova

In 2014, SIG acquired 80% of the share capital of ennova and holds 100% thereof as at 31 December 2014 (see note 1). As at 31 December 2013, ennova was an associate accounted for using the equity method.

11. Financial assets

	2014	2013	Note
Receivables	1 010	50 720	
Receivables from CERN	-	35 362	
Receivables from wind project companies	-	15 000	25
Other financial receivables	1 010	358	
Derivatives	1 933	751	
Derivatives	1 933	751	31
FMHL financial option	-	-	26
Unconsolidated equity securities	201 925	221 826	
EDH equity securities	186 730	221 730	25
Swisspower Renewables equity securities	15 100	-	25
Other equity securities	95	96	
Prepayments to EnBW	61 495	55 509	
Total financial assets	**266 363**	**328 806**	

Receivables from CERN

SIG is contractually obliged to supply cooling and drinking water to the European Organization for Nuclear Research (CERN). In this context, it has developed, built and placed in service the necessary facilities.

The receivables from CERN include facilities which have been sold to the latter and CERN's participation in facilities which have remained the property of SIG.

The receivables from CERN are discounted. An annual interest is recognised in finance income.

Following an agreement signed between CERN and SIG for a reimbursement in 2015 of the receivables' balance, SIG presents these short-term receivables as at 31 December 2014 (see note 14).

Receivables from wind project companies

Due to the end of the contractual agreement with ennova and following additional impairments in 2014, the balance of the receivables from wind companies is nil at the end of 2014 (see note 25).

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Unconsolidated equity securities

In 2011, SIG invested MCHF 291 in the share capital of EnergieDienst Holding, i.e. a 15.05% share.

Due to the recurring downward evolution of electrical energy market prices, a value adjustment was recorded in 2014 for an amount of KCHF 35'000 (see note 25). Although it holds hydraulic assets in Switzerland, EDH generates its main revenues in the euro zone through its electrical energy distribution and sales activities in Germany. This functional currency of EDH (the euro) exposes SIG in assessing the valuation of this investment to the changes in the EUR/CHF exchange rate: a variation of +/- 10 cts of the exchange rate impacts the valuation of this investment for +/- KCHF 16'000 as at 31 December 2014.

In 2014, SIG no longer account for its investment in Swisspower Renewables using the equity method and presents it at its fair value with the other unconsolidated equity securities. The book value of this investment is representative of its fair value. Due to a decrease in the expected future revenues, a gross impairment of KCHF 4'852 is recorded on the investment in Swisspower Renewables as at 31 December 2014.

Other investments include unconsolidated equity securities which are held for the long-term and are related to SIG's activities. They help to develop business and sales relationships.

The carrying amount of these investments is representative of their fair value. Indeed, either SIG's investment is not economically significant or the evolution of the market in which the companies are active implies that subjective valuation elements are predominant. Furthermore, a valuation based solely on equity would be inappropriate.

Prepayment to EnBW

The prepayment to Energie Baden-Württemberg results from operations relative to the acquisition from the latter of the shares of EnergieDienst Holding.

12. Inventories and work in progress

	2014	2013
Total inventories	21 334	23 090
Equipment allocated to construction	9 064	10 636
Equipment allocated to operation	16 174	15 990
Provision for obsolete inventory	-3 904	-3 536
Total work in progress	5 654	4 490
Total inventories and work in progress	**26 988**	**27 580**

Anticipated payments received from construction projects	9 958	9 613
Sales recognised as revenues from the period	26 288	29 080

Inventories allocated to construction are used for SIG's own construction as well as for work in progress. Work in progress includes services to be invoiced to third parties.

Anticipated payments received from construction projects are presented under received advances in "Other financial liabilities and accrued expenses" (see note 24).

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Provision for obsolete inventory

The movement of the provision for obsolete inventory is as follows:

	2014	2013
Obsolete inventory as at 1 January	3 536	2 992
Reversal	-	-
Use	-27	-16
Addition	395	560
Obsolete inventory as at 31 December	**3 904**	**3 536**

Losses on inventories recognized in 2014 amount to KCHF 558 (KCHF 591 in 2013).

13. Trade receivables

	2014	2013
Customers	162 007	192 201
Customers associates and joint ventures	34	2 318
Allowance for doubtful accounts	-1 478	-1 898
Total trade receivables	**160 563**	**192 621**

Customers

Consumption to be invoiced

The "Customers" item includes consumption to be invoiced for an estimated amount of KCHF 87’930 for 2014 (KCHF 100’836 for 2013).

This includes revenues from drinking water, gas and electricity supplied to and consumed by customers up until the end of the accounting period as well as revenues from waste recovery and wastewater treatment, all of which have not yet been invoiced.

Customer guarantees

Part of the invoices sent to our customers is guaranteed by security deposits and bank guarantees in our favour :

	2014	2013
Security deposits	2 260	4 005
Bank guarantees in our favour	-	57

Security deposits are presented under "Financial liabilities and other obligations" (see note 22).

Amortised cost

The amortised cost of trade receivables corresponds to their nominal value.

Allowance for doubtful accounts

The movement of the allowance for doubtful debts is as follows:

	2014	2013
Doubtful debts as at 1 January	1 898	2 055
Addition	67	333
Use	-487	-490
Doubtful debts as at 31 December	**1 478**	**1 898**

Overdue receivable balances which have not been provided for are considered to be recoverable.

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14. Other financial assets and prepayments

	2014	2013
State and other public authorities	10 789	16 658
Current account with the State	1 305	7 014
Current account with the City	9 484	9 644
Other financial assets	53 327	30 925
Energy sales	11 786	16 003
Derivatives (see note 31)	3 061	4 888
Other financial assets due from third parties	4 081	4 102
Other financial assets due from associates and joint ventures	1 762	5 932
Receivables from CERN	32 637	-
Prepayments	22 994	8 167
Other prepayments	13 593	7 169
Other prepayments from associates and joint ventures	9 401	998
Total other financial assets and prepayments	**87 110**	**55 750**

15. Cash and cash equivalents

	2014	2013
Cash	32 124	181 110
Short-term investments	-	5 115
Cash and cash equivalents	**32 124**	**186 225**
Available lines of credit	112 000	105 000
Amount drawn	27 000	-

Lines of credit

The level of lines of credit is set on the basis of our requirements and revised periodically with our financial partners.

16. Share capital

Article 3 of the law on the organisation of SIG dated 5 October 1973 establishes the amount of share capital, the holders of this capital and their shares as well as the remuneration rate for the share capital, i.e. 5% per year (see note 6).

	2014	2013
State of Geneva	55 000	55 000
City of Geneva	30 000	30 000
Other municipalities of canton of Geneva	15 000	15 000
Total share capital	**100 000**	**100 000**

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17. Consolidated reserves

Movements	New construction fund	Insurance fund	General reserve fund	Châtillon site reserve fund	Non allocated reserves	Total
Consolidated reserves as at 31.12.2012	**879 444**	**152 571**	**765 709**	**-228**	**509 096**	**2 306 592**
Allocation of the consolidated net profit / (loss) for the previous financial year	60 788			507	-148 813	-87 518
Consolidated reserves as at 01.01.2013	940 232	152 571	765 709	279	360 283	2 219 074
Other comprehensive income to be eventually recycled into the consolidated income statement					3 736	3 736
Other comprehensive income never to be recycled into the consolidated income statement					5 503	5 503
Consolidated reserves as at 31.12.2013	**940 232**	**152 571**	**765 709**	**279**	**369 522**	**2 228 313**
Allocation of the consolidated net profit / (loss) for the previous financial year	50 845	948	5 371	528	-16 924	40 768
Consolidated reserves as at 01.01.2014	991 077	153 519	771 080	807	352 598	2 269 081
Other comprehensive income to be eventually recycled into the consolidated income statement					-2 029	-2 029
Other comprehensive income never to be recycled into the consolidated income statement					-5 806	-5 806
Consolidated reserves as at 31.12.2014	**991 077**	**153 519**	**771 080**	**807**	**344 763**	**2 261 246**

The following reserves are mentioned in article 28, paragraph 2 of the law on the organisation of SIG dated 5 October 1973:

New construction fund
The profit from the financial year is allocated to the new construction fund at 30% of new investments for the financial year under consideration.

Insurance fund
The insurance fund is supplied at 15% of the remaining balance of the profit after allocations to the new construction fund.

General reserve fund
The general reserve fund is supplied by the balance of the profit not allocated to the other funds in accordance with the organic law.

Châtillon site reserve fund
The Châtillon site reserve fund includes the accumulated results of the financial years following the transfer of the operation of the Châtillon site to SIG in 2008.

Composition of unallocated reserves

Movements	Hedging reserve of consolidated companies	Dividends received from associates and companies under joint control	Share of accumulated results of associates and companies under joint control	Actuarial gains and losses of equity-accounted investments	Accumulated results of subsidiaries	Other reserves	Total
Unallocated reserves as at 31.12.2012	**-17 999**	**-218 275**	**795 155**	**-13 565**	**-4 338**	**-31 882**	**509 096**
Previous year contribution of consolidated companies		-46 931	-106 374		4 492		-148 813
Unallocated reserves as at 01.01.2013	-17 999	-265 206	688 781	-13 565	154	-31 882	360 283
Share of other comprehensive income of equity-accounted investments	3 719					17	3 736
Remeasurements of defined benefit plans included in other comprehensive income - Share of associates				5 503			5 503
Reclassification to the new construction fund			661		-661		-
Unallocated reserves as at 31.12.2013	**-14 280**	**-265 206**	**689 442**	**-8 062**	**-507**	**-31 865**	**369 522**
Previous year contribution of consolidated companies		-54 534	34 865		2 745		-16 924
Unallocated reserves as at 01.01.2014	-14 280	-319 740	724 307	-8 062	2 238	-31 865	352 598
Share of other comprehensive income of equity-accounted investments	-2 029						-2 029
Remeasurements of defined benefit plans included in other comprehensive income - Share of associates				-5 806			-5 806
Unallocated reserves as at 31.12.2014	**-16 309**	**-319 740**	**724 307**	**-13 868**	**2 238**	**-31 865**	**344 763**

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18. Third party participation in investments

2013	Land and buildings	Production and distribution facilities	Other property, plant and equipment	Under construction	Total
Gross value as at 1 January	100 387	719 367	836	12 185	832 775
Additions				38 913	38 913
Transfers from assets under construction		23 756		-23 756	-
Disposals		-6 387	-64		-6 451
Gross value as at 31 December	**100 387**	**736 736**	**772**	**27 342**	**865 237**
Accumulated depreciation as at 1 January	-30 616	-300 304	-651		-331 571
Depreciation	-1 520	-16 385	-17		-17 922
Disposals		3 817	47		3 864
Accumulated depreciation as at 31 December	**-32 136**	**-312 872**	**-621**		**-345 629**
of which net impairment as at 31 December					-
Net book value as at 31 December	**68 251**	**423 864**	**151**	**27 342**	**519 608**
2014					
Gross value as at 1 January	100 387	736 736	772	27 342	865 237
Additions				36 908	36 908
Transfers from assets under construction	551	36 333	2	-36 887	-
Disposals	-184	-4 245	-9		-4 438
Gross value as at 31 December	**100 754**	**768 824**	**765**	**27 363**	**897 706**
Accumulated depreciation as at 1 January	-32 136	-312 872	-621		-345 629
Depreciation	-1 531	-17 682	-16		-19 229
Disposals	19	2 489	6		2 514
Accumulated depreciation as at 31 December	**-33 648**	**-328 065**	**-631**		**-362 344**
of which net impairment as at 31 December					-
Net book value as at 31 December	**67 106**	**440 759**	**134**	**27 363**	**535 362**

19. Borrowings

Allocation of borrowings by rate

	2014			2013		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Borrowings	95 467	378 820	474 287	47 117	470 300	517 417
Current borrowings	12 850	68 930	81 780	112 850	16 550	129 400
Total borrowings	**108 317**	**447 750**	**556 067**	**159 967**	**486 850**	**646 817**

Borrowings are contracted with banking institutions and through brokers.

Each borrowing is measured at amortised cost using the effective interest rate method. This rate corresponds to the original effective interest rate of the financial instrument. The latter amounts on average to 1.7% in 2014 (1.6% in 2013).

Information on the Group’s exposure to interest rate risks and liquidity risks are presented under note 31.

Schedule for borrowings within the Group

The terms of the bank borrowings of the Group's main entities are as follows:

	2014					2013			
	SIG	SFMCP	Cadiom	Other	Total	SIG	SFMCP	Cadiom	Total
Less than 1 year	75 850	3 500	2 380	50	81 780	120 850	1 500	7 050	129 400
1 to 5 years	160 600	6 000	8 620	600	175 820	193 450	6 000	8 200	207 650
5 to 10 years	133 333	16 000	13 800	-	163 133	140 000	12 500	10 600	163 100
More than 10 years	120 334	15 000	-	-	135 334	131 667	15 000	-	146 667
Total borrowings	**490 117**	**40 500**	**24 800**	**650**	**556 067**	**585 967**	**35 000**	**25 850**	**646 817**

As at 31 December 2014, none of these entities defaulted due to one of its borrowings.

The CAP recapitalisation commitment entered into by SIG in 2013 is not considered as a financial debt according to IFRS. Only the annuity paid by SIG to the CAP in the context of this recapitalisation is presented directly as a reduction of the pension obligation on the statement of financial position (see note 21).

20. Provisions

2013	Control of low-voltage facilities	Renovation of dedicated MV/LV facilities	Closure of the Châtillon site	Employee benefits	Wind commitments	Pension obligation of subsidiaries	Total
Provisions as at 1 January	5 311	11 331	6 925	72 521	-	10 400	106 488
Increase		443	565	794	30 465		32 267
Change in estimates	-607			-51 989		-6	-52 602
Discount		-332	204	-4 741			-4 869
Use	-1 031	-268		-2 515			-3 814
Provisions as at 31 December	**3 673**	**11 174**	**7 694**	**14 070**	**30 465**	**10 394**	**77 470**
2014							
Provisions as at 1 January	3 673	11 174	7 694	14 070	30 465	10 394	77 470
Increase		405	4 210	1 285			5 900
Change in estimates	-46				-28 100	1 212	-26 934
Discount		1 630	1 443	2 070			5 143
Use	-386	-476		-1 158			-2 020
Provisions as at 31 December	**3 241**	**12 733**	**13 347**	**16 267**	**2 365**	**11 606**	**59 559**

Maturity of provisions	2014	2013
Non-current	54 259	73 618
Current	5 300	3 852
Total provisions	**59 559**	**77 470**

Control of low-voltage facilities

The provisions of the ordinance on low-voltage facilities (OIBT) regulate the conditions applicable to work on low-voltage electrical facilities and the control of such facilities.

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The amount of the obligation recorded on the consolidated statement of financial position represents the estimated financial cost of the controls which were not carried out before the OIBT became effective and which must be borne by SIG. The obligation is adjusted each year according to the controls which still have to be carried out.

The execution of the outstanding controls and the obligation in connection with the OIBT will end in 2015.

Renovation of dedicated medium-voltage / low-voltage (MV/LV) facilities

The provisions of the LCart require specifically that free competition be observed. In order to conform to these requirements, SIG transfers ownership of MV/LV transformers dedicated to customers to the latter.

The amount of the obligation recorded on the consolidated statement of financial position represents the estimated renovation costs for the equipment which must be paid by SIG at the time of transfer of the transformers. It is adjusted each year according to the number of transformers which still have to be renovated.

The replacement of transformers and the obligation in connection with the renovation of the MV/LV transformers will end in 2045.

Closure of the Châtillon site

The federal law on the protection of the environment (LPE) requires that the operator bear the costs of the closure of the dump and its subsequent monitoring.

The amount of the obligation recorded on statement of financial position represents the estimated cost of the Châtillon site's closure and its subsequent monitoring which must be borne by SIG. It is adjusted each year according to the dumps' level of filling and to the state of progress of the dump's coverage.

The closure of the dump of the Châtillon site will entail expenses until 2022.

Wind commitments

Part of the wind commitments towards third parties, which were provided for by SIG in 2013 has become obsolete with the acquisition in 2014 by SIG of 80% of the share capital of ennova, a company that it did not control at the end of 2013 (see note 25). This part of the wind commitments towards third parties is reversed in 2014 for an amount of KCHF 28'100 (see notes 4 and 27).

Pension obligation of subsidiaries

This provision corresponds to the pension obligations, based on defined benefit plans of SIG's subsidiaries that are consolidated by full consolidation.

Employee benefits

Bonuses

SIG's staff regulations grants bonuses to employees according to their seniority and upon retirement.

The amount of the obligation recognised on the statement of financial position represents the estimated actual cost of bonuses to be paid which must be borne by SIG.

Contribution to retirees' health insurance costs

SIG's staff regulations granted retirees a monthly contribution to health insurance costs.

On 31 January 2013, the Board of Directors voted the cancellation of the contribution to retirees' health insurance costs. The obligation related to the contribution to health insurance costs is eliminated as from the end of 2013.

The Board of Directors' decision reduced in 2013 the amount of employee benefits which was recorded under liabilities on SIG's consolidated statement of financial position by a net amount of KCHF 56'730. The latter represented the estimated actual cost of the contribution to retirees' health insurance costs which had to be borne by SIG as at 31 December 2012.

Determination of obligations in relation to employee benefits

The table below indicates the present value of the obligations in relation to employee benefits.

	2014	2013
Present value of obligations as at 1 January	14 070	72 521
Change in the pension plan	-	-56 730
Net service costs provided	969	1 003
Interest expense on present value of obligations	316	279
Benefits paid	-1 158	-2 515
Actuarial loss / (gain) resulting from changes in assumptions	1 497	-438
- demographic assumptions	*-*	*-*
- financial assumptions	*1 497*	*-438*
Actuarial loss / (gain) resulting from experience	573	-50
Present value of obligations as at 31 December	**16 267**	**14 070**

The following table shows the structure of the benefits costs recorded in the consolidated income statement and in other comprehensive income.

	2014	2013
Net service costs provided	-969	-1 003
Interest expense on present value of obligations	-316	-279
Actuarial (loss) / gain resulting from changes in financial assumptions	-425	124
Actuarial (loss) / gain resulting from experience	-231	-225
Change in the pension plan	-	56 730
Cost / (benefit) related to employee benefits recorded in the consolidated income statement	**-1 941**	**55 347**
Actuarial (loss) / gain resulting from changes in demographic assumptions	-	-
Actuarial (loss) / gain resulting from changes in financial assumptions	-1 072	314
Actuarial (loss) / gain resulting from experience	-342	275
Change in employee benefits recorded in other comprehensive income	**-1 414**	**589**
Change in employee benefits recorded in the statement of comprehensive income	**-3 355**	**55 936**

Main actuarial assumptions in relation to employee benefits

The main actuarial assumptions used to estimate the obligations in relation to employee benefits are identical to those used to estimate the pension obligations (see note 21).

Employer contribution in relation to employee benefits expected for 2015

On the basis of the contributions actually paid in 2014, we estimate that employer contributions for the 2015 financial year will amount to KCHF 1’284.

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21. Pension obligations

SIG's active and retired personnel are affiliated to the personnel insurance fund (Caisse d'Assurance du Personnel, CAP) through SIG's internal pension fund (Caisse de Prévoyance Interne SIG, CPI SIG).

Pension plan

SIG's personnel benefit from a defined benefit pension plan whose objective is to reach a maximal pension annuity corresponding to 70% of the last insured salary. The retirement age is 64 and the normal affiliation duration is 40 years.

No other benefit is planned for employees of SIG following the end of their employment.

Change in SIG's pension plan and recapitalization of the CPI SIG

Change in the pension plan

On 19 March 2013, SIG's Board of Directors approved the change of SIG's pension plan. The main changes are as follows:

- Increase of the retirement age from 62 to 64;
- Reduction of the annual annuity rate from 2% to 1.75%;
- Increase of the affiliation duration necessary in order to obtain the maximal retirement right from 35 to 40 years.

The change in the CPI SIG's pension plan reduces in 2013 the pension obligation recorded under the liabilities of SIG's consolidated statement of financial position by KCHF 39'921.

Recapitalisation

On 28 November 2013, SIG signed with the CAP a restructuring debt agreement for the CPI SIG. The restructuring debt includes an amount that is necessary for the recapitalisation at 100% of the CPI SIG as well as an amount for the constitution of the reserve for fluctuations in asset values.

Through an amendment signed on 18 March 2014, the amount of the restructuring debt amounts to KCHF 488'773 amortisable until 2020, at an annual interest rate of 3.5%.

In 2014, the payment by SIG to the CAP amounts to KCHF 77'233 for the amortisation of the debt. This debt is included in the pension obligation measured according to IAS 19R. In this regard, the annuity of this conventional debt towards the CPI SIG represents an employer contribution for SIG and correlatively an increase of the CPI's assets: therefore, it has a neutral effect on the consolidated results.

Changes in the CAP's organization

On 28 June 2013, the Grand Conseil de la République et Canton de Genève adopted the draft law 11171-A creating the CAP foundation (Fondation CAP). The CAP was reorganized into an umbrella body and several distinct pension funds (CPI) for each employer concerned.

Organization and governance

The CAP is a public intercommunal pension foundation created by the law of the Grand Conseil de la République et Canton de Genève with equity amounting to KCHF 100. It aims to insure the occupational benefits of the personnel of the City of Geneva, of SIG and of the affiliated municipalities against the economic consequences resulting from old age, death and invalidity. It applies the federal legislation on occupational benefits due to old age, death and invalidity, in the context of its statutes and regulations.

The CAP's supreme joint body is the Foundation Board (Conseil de Fondation). It deliberates when the majority of members is present and makes it decisions at the majority of votes of members present. It ensures the general management of the pension institution, ensures the execution of its legal tasks and determines its strategic objectives and principles as well as the means to implement them. It defines the organization of the pension institution, ensures its financial stability and supervises its management.

The Council of Foundation constitutes CPIs and defines the scope of employers that are affiliated to them. The CPIs have their own pension regulations and internal accounts.

The CPI SIG aims to insure the occupational benefits of SIG's personnel against the economic consequences resulting from old age, death and invalidity. It is headed by a Management Committee (Comité de Gestion) comprising an equal number of representatives of the employers and of the insured staff. The Management Committee's main prerogatives are as follows:

- rule on the regulations of the CPI SIG Foundation;
- choose the pension plan and/or contributions;
- decide on the strategic allocation of assets and liabilities;
- decide on the adoption of reorganization measures.

Assets and liabilities

The CPI SIG's resources are mainly fuelled by the ordinary contributions, which amount to 24% of the insured annual salary and of which one third is paid by the insured active staff and two thirds are paid by the employer, as well as by the return on assets and liabilities.

The Foundation's assets and liabilities comprise its own administrative assets and liabilities as well as the CPIs' consolidated common assets and liabilities. Each CPI owns a share of the common – movable and immovable – assets and liabilities. The Foundation's assets and liabilities are invested, according to the federal legislation on occupational benefits, in order to guarantee investment security as well as to obtain a reasonable return, an appropriate allocation of risks and the coverage of foreseeable cash needs.

The CAP invests mainly in rental property held directly or through real estate funds or property investment foundations. Property is recorded in the statement of financial position at the fair value determined by the CAP using the future discounted cash flows method. An external second expert opinion on the valuation of real estate is provided at least every three years.

The CAP invests in equity securities which are listed on a stock exchange or on an organized market. The fair value of equity securities is based on the market prices at the closing date.

The CAP invests in bonds whose rating must be at least "A" or equivalent. The bonds' fair value is based on the market prices at the closing date.

Investments in property belong to the financial instruments' level 3 and investments in equity securities and bonds belong to the financial instruments' level 1.

The table below shows the allocation of the CPI SIG's assets between the various asset categories.

	2014		2013	
Cash	84 848	7,60%	74 393	7,60%
Listed obligations and loans	123 923	11,10%	108 653	11,10%
Listed shares	425 356	38,10%	372 944	38,10%
Buildings	430 938	38,60%	377 838	38,60%
Other	51 355	4,60%	45 027	4,60%
Structure of plan assets	**1 116 420**	**100,00%**	**978 855**	**100,00%**

The above plan assets of the CAP do not include, according to IAS 19R, the contractual recapitalisation commitment initially measured at KCHF 488'773.

Determination of the obligation

The tables below indicate the present value of the obligations and the fair value of plan assets at the end of the financial year.

	2014	2013
Present value of obligations	1 950 439	1 704 223
Fair value plan assets	-1 116 420	-978 855
Obligation recorded as liabilities on the consolidated statement of financial position as at 31 December	**834 019**	**725 368**

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	2014	2013
Present value of obligations as at 1 January	1 704 223	1 835 090
Change in the pension plan	-	-39 921
Net service costs provided	26 810	39 603
Employee contributions	11 662	11 378
Interest expense on present value of obligations	39 304	36 081
Benefits paid	-66 627	-63 377
Actuarial loss / (gain) resulting from changes in assumptions	243 579	-104 737
- demographic assumptions	*-*	*-*
- financial assumptions	*243 579*	*-104 737*
Actuarial loss / (gain) resulting from experience	-8 512	-9 894
Present value of obligations as at 31 December	**1 950 439**	**1 704 223**

	2014	2013
Fair value of plan assets as at 1 January	978 855	911 105
Interest income	22 028	17 227
Employer contribution	34 977	24 333
Annuity for CAP recapitalisation	77 233	-
Employee contributions	11 662	11 378
Benefits paid	-66 627	-63 377
Return on plan assets excluding interest income	58 292	78 189
Fair value of plan assets as at 31 December	**1 116 420**	**978 855**

The net actual return on plan assets during the 2014 financial year was KCHF 80'320 (KCHF 95'416 for 2013), which corresponds to an average rate of 8.1% (10.7% in 2013).

Changes in the obligation recorded on the consolidated statement of financial position

The following table shows the evolution of the obligation recorded on the statement of financial position during the financial year.

	2014	2013
Obligation recorded as liabilities on the consolidated statement of financial position as at 1 January	725 368	923 985
Change in the pension obligation recorded in other comprehensive income	176 775	-192 822
Payment of the annuity for the CAP recapitalisation	-77 233	-
Change in the pension obligation recorded in the income statement	9 109	-5 795
- Benefits costs recorded in the consolidated statement of income	*44 086*	*18 536*
- Employer contribution during the financial year	*-34 977*	*-24 331*
Obligation recorded as liabilities on the consolidated statement of financial position as at 31 December	**834 019**	**725 368**

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Structure of benefits costs of the financial year

The following table shows the structure of the benefits costs recorded in the consolidated statement of comprehensive income.

	2014	2013
Net service costs provided	-38 472	-50 981
Employee contributions	11 662	11 378
Interest expense on present value of obligations	-39 304	-36 081
Interest income	22 028	17 227
Change in the pension plan	-	39 921
Cost of benefits recorded in the consolidated income statement	**-44 086**	**-18 536**
Actuarial (loss) / gain resulting from changes in demographic assumptions	-	-
Actuarial (loss) / gain resulting from changes in financial assumptions	-243 579	104 737
Actuarial (loss) / gain resulting from experience	8 512	9 894
Return on plan assets excluding interest income	58 292	78 191
Change in benefits recorded in other comprehensive income	**-176 775**	**192 822**
Change in benefits recorded in the statement of comprehensive income	**-220 861**	**174 286**

Actuarial assumptions

The main actuarial assumptions used to calculate the pension obligations are:

	2014	2013
Discount rate	1,20%	2,35%
Future salary increases	1,50%	1,50%
Future increases in retirement benefits	0,00%	0,50%

The other actuarial assumptions include the following :

	2014	2013
Remaining length of employment	11,9	12,3
Retirement age	according to experience	according to experience
Life expectancy of active staff at retirement		
- men	23,7	23,6
- women	26,5	26,4
Life expectancy of retirees		
- men	21,9	21,8
- women	24,8	24,7

Actuarial risk

The CPI SIG's pension plan exposes SIG to actuarial risks, including the longevity risk and the market risk.

Employer contribution expected for 2015

On the basis of the contributions actually paid in 2014, we estimate that employer contributions for the 2015 financial year will amount to KCHF 102’433 which includes the recapitalisation annuity to be paid in 2015.

Average duration of the obligation

As at 31 December 2014, the weighted average duration of the obligation is 18 years (17 years in 2013).

Sensitivity to assumptions

A sensitivity analysis is carried out for the main assumptions used in order to determine the pension obligation recorded on the consolidated statement of financial position at the closing date.

A reasonable variation of the discount rate, of the future salary increases and of the pension benefits is applied individually to the pension obligation recorded on the consolidated statement of financial position as at 31 December 2014, all other variables being constant.

Sensitivity to the main assumptions

2013	Variation of the	Proportion of the variation	Change in the pension obligation
Discount rate			
	discount rate	↗ 0,5%	↘ 7,6%
	discount rate	↘ 0,5%	↗ 8,7%
Future salary increases			
	future salary increases	↗ 0,5%	↗ 2,0%
	future salary increases	↘ 0,5%	↘ 1,9%
Future pension benefits increases			
	future pension benefits increases	↗ 0,5%	↗ 6,2%
	future pension benefits increases	↘ 0,5%	↘ 5,6%

2014	Variation of the	Proportion of the variation	Change in the pension obligation
Discount rate			
	discount rate	↗ 0,5%	↘ 8,2%
	discount rate	↘ 0,5%	↗ 9,5%
Future salary increases			
	future salary increases	↗ 0,5%	↗ 2,3%
	future salary increases	↘ 0,5%	↘ 2,1%
Future pension benefits increases			
	future pension benefits increases	↗ 0,5%	↗ 6,6%
	future pension benefits increases	↘ 0,5%	↘ 6,0%

22. Financial liabilities and other obligations

	2014	2013
Multi-annual equalisation fund	31 237	55 043
Advances received	10 101	10 571
Security deposits from customers (see note 13)	2 441	4 185
Derivatives (see note 31)	2 785	1 322
Benefit fund in case of death	351	310
Patronage fund	442	446
New and renewable energy fund (COGENER)	917	824
Environmental fund (COGEFE)	343	404
Total financial liabilities and other obligations	**48 617**	**73 105**

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Multi-annual equalisation fund

The difference between advances received from customers and the authorised revenue subject to the regulations set by the Swiss Federal Electricity Commission (ElCom), of electrical energy, its supply and the corresponding taxes is deferred. It is recorded as revenues in the following periods during which price reductions intended to reimburse the overcharge are granted to customers for the quantities consumed.

Multi-annual equalisation fund maturities	2014	2013
Non-current	17 894	15 336
Current	13 343	39 707
Total multi-annual equalisation fund	**31 237**	**55 043**

Advances received

Telecom services generally include operating leases. Therefore the amount of rent is recorded under revenues, regardless of the type of payment selected by the customer.

In the case of single or regular payments made over a different duration than that of the contract providing the facilities, the amounts received in advance are recorded as liabilities on the consolidated statement of financial position under "Financial liabilities and other obligations" as deferred revenues which are called advances received.

They are then spread over all of the periods covered by the lease on a systematic and rational basis which reflects a constant periodic return rate on the balance of the amount received in advance.

Benefit fund in case of death

The aim of the benefit fund in case of death is to provide immediate financial aid to the spouse and parents of an active employee whose death deprives them of support.

Patronage fund

The patronage fund is intended to provide funds in the cultural and humanitarian field.

New and renewable energy fund (COGENER)

The new and renewable energy fund is intended to finance the development of new renewable energies through a voluntary contribution by SIG.

Environmental fund (COGEFE)

The environmental fund is intended to finance ecological improvement measures in and around the harbour and catchment basin of the Rhone river in the Geneva area.

23. Trade payables

	2014	2013
Trade payable due to third parties	61 179	68 967
Trade payable due to associates or joint ventures	43 643	49 052
Total trade payables	**104 822**	**118 019**

Amortised cost

The amortised cost of trade payables corresponds to its nominal value.

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24. Other financial liabilities and accrued expenses

	2014	2013	Note
State and other public authorities	33 374	34 699	31
Expenses for use of public domain in favour of the State	8 029	8 203	
Expenses for use of public domain in favour of other public authorities	24 087	24 608	
Other debts towards public authorities	1 258	1 888	
Other financial liabilities	71 405	68 583	31
Energy purchases	16 349	26 462	
Energy purchases from associates or joint ventures	13 650	11 199	
Derivatives	5 630	1 535	31
Advances received	12 683	12 601	
Other financial liabilities due to third parties	17 255	16 653	
Accrued interests on borrowings	5 838	132	
Accrued expenses	43 535	51 086	
Deferred remuneration	11 441	12 051	
Performance bonus (see note 4)	8 188	7 188	
Other accrued expenses and deferred income	22 639	30 310	
Other accrued expenses and deferred income with associates and joint ventures	1 267	1 538	
Total other financial liabilities and accrued expenses	**148 314**	**154 368**	

Advances received Advances received mainly concern anticipated payments received from construction contracts (see note 12).

Deferred remuneration Deferred remuneration represents the estimated cost of untaken extra hours and holidays which will be taken the following year by the employees concerned.

25. Impairments of assets and commitment provisions

History over the past 5 years of the various impairments recorded by SIG on these assets and to cover its future contractual commitments in relation to the development of its activities in the wind energy sector

Amount in MCHF	2014	2013	2012-2010	Cumulative total as at 31.12.2014
Wind projects	**-5,2**	**-70,9**	**-6,0**	**-82,2**
Ennova partnership	-0,8	-51,7	-6,0	-58,5
Swisswinds partnership	-	-14,4	-	-14,4
Gries Wind	-	-1,3	-	-1,3
San Gottardo	-0,2	-2,0	-	-2,3
Windpark Burg	-0,4	-1,5	-	-1,9
EssairVent	-0,3	-	-	-0,3
Verrivent	-3,4	-	-	-3,4
SIG activities	**-35,2**	**-45,0**	**0,0**	**-80,2**
Telecom (FTTH)	-24,2	-45,0	-	-69,2
Thermal Energy	-11,0	-	-	-11,0
Other investments	**-43,2**	**-72,0**	**0,0**	**-115,2**
EDH	-35,0	-70,0	-	-105,0
Swisspower Renewables	-4,9	-	-	-4,9
Swisspower Energy	-2,0	-2,0	-	-4,0
Swiss Fibre Net	-1,3	-	-	-1,3
Total	**-83,6**	**-187,9**	**-6,0**	**-277,6**

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Investments impaired by SIG in 2014, provisions for contractual wind obligations and key assumptions used

	2014	2013	Impairment indication	wacc**	Note
Property, plant and equipment	**-35 200**	**-45 375**			5, 8
SIG activity – Telecom (FTT)	-24 200	-45 000	New information on financial projections and technical data	6,8%	
SIG activity – Thermal energy	-11 000	-		5,2%	
Gries Wind	-	-375			
Intangible assets	**-3 413**	**-125**			5, 9
Gries Wind - Goodwill	-	-125			
Verrivent	-3 413	-	New information on financial projections and technical data	6,6%	
Financial assets	**-52 693**	**-89 769**			6, 11
EDH	-35 000	-70 000	Recurring downward evolution of electrical energy market prices	5,9%	
Swisspower Renewables	-4 852		New information on financial projections and technical data	6,3%	
ennova receivable	-12 600	-10 295			
Swisswinds receivable	-	-9 474			
San Gottardo receivable	-241	-		7.1%*	
Equity-accounted entities	**-4 048**	**-20 897**			6, 10
ennova and subsidiaries	-	-13 256	New information on financial projections and technical data		
Swisswinds	-	-3 600			
Parco eolico del San Gottardo	-	-2 041			
Swisspower Energy	-2 000	-2 000	New information on the activity of Swisspower Energy	5,0%	
Swiss Fibre Net	-1 308	-	Capital reduction and new information on the activities of SFN	10,1%	
EssairVent	-325	-	New information on financial projections and technical data	8,6%	
Windpark Burg	-415	-		8,7%	
Total impairments	**-95 354**	**-156 166**			
Onerous contract	-	-1 265	New information on financial projections and technical data		24
Wind commitment	28 100	-30 465			4, 20, 27
Total provisions – reversal / (allowance)	**28 100**	**-31 730**			
Amount related to the settlement of pre-existing relationships	-12 100	-	Settlement of pre-existing relationships		4, 1
Various operating expenses	-4 246	-	Operating expenses of ennova		1
Total operating expenses	**-16 346**	**-**			
(Unfavourable) impact on results	**-83 600**	**-187 896**			

** : 2013 data not updated in 2014*

** : wacc : weighted average cost of capital

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Impairments of property, plant and equipment

Fiber to the home (FTTH)
SIG is constructing a fiber-optic network in order to give access to all ultra high-speed services to the greatest number of consumers in the canton of Geneva (see note 8).

Thermal energy
The thermal strategy developed by SIG follows the main lines of the Energy Strategy 2050 of the Swiss Confederation. Without it, Geneva will not reach its objectives relating to CO_2. The aim is to cover in the long term the main part of the thermal energy demand in the Geneva region with local and renewable resources.

Impairments of financial assets

EnergieDienst Holding (EDH)
In 2011, SIG invested MCHF 291 in the share capital of EnergieDienst Holding, i.e. a 15.05% share (see note 11).

Wind partnerships
Between 2009 and 2013, SIG invested in several projects aiming to develop wind farms. The wind partnerships with ennova, Swisswinds, Vento Ludens and the project related to the development of the San Gottardo wind park were materialized by investments in the share capital of companies as well as by the granting of loans (see notes 10 and 11).

Swisspower Energy
SIG holds a 29.86% share in the share capital of Swisspower Energy SA, a company active in the distribution of energies and providing corresponding services (see note 10).

Swisspower Renewables
SIG holds a 19.08% share in the share capital of Swisspower Renewables, a company active in the management of investments in wind farms operated abroad (see note 11).

Sensitivity analysis of critical assumptions

The recoverable amounts have been obtained by using the discounted future cash flows calculation method. These calculations include the use of the following elements:

- The last known technical and financial data for: FTTH, Thermal energy, ennova partnership, Swisswinds partnership, Parco eolico del San Gottardo, Windpark Burg, EssairVent, Verrivent;
- The medium-term financial projections for: EDH, Swisspower Energy, Swisspower Renewables, Swiss Fibre Net.

A 1% upward variation of the weighed average cost of capital (wacc) would have an unfavourable impact of:

- MCHF 24 on the value of the investment in EDH;
- MCHF 5 on the valuation of Swisspower Renewables;
- MCHF 29 for the assets of the Thermal energy activity;
- MCHF 13 for the assets of the Telecom FTTH sector.

Moreover, other assumptions can cause significant variations in the final value. In this respect, a variation of:

- 1% of the market penetration rate would have an impact of MCHF 9 on the value of the FTTH assets;
- 5% of the oil prices would have an impact of MCHF 9 on the value of the assets of the Thermal energy activity;
- 10 cts of the EUR/CHF exchange rate would have an impact of MCHF 16 on the valuation of the investment in EDH.

The cumulative historical impairments that are recorded on the FTTH network lead to a residual net recoverable amount of this asset amounting to KCHF 30'000 as at 31 December 2014. This amount would be supported by the value in use, defined in another comparable accounting framework and that would take into account the potential of services to the community.

26. Relations with related parties

SIG's relations with related parties are indicated and highlighted in all the applicable sections of the financial statements.

Subsidiaries, joint ventures, joint operations and associates

Most transactions with related parties occur in the context of energy purchases for resale (see note 3). The prices are fixed by contracts (see note 27).

Purchase right

In the context of the contracts with the EOS Holding Group, SIG has the possibility to purchase a fixed maximum annual amount of electricity from EOS SA until 31 December 2030, at a price equivalent to the average production cost of EOS SA. The accumulated difference during the period given between the average sales price of EOS SA and its average production cost for the quantities purchased by SIG may not exceed a mutually agreed maximum limit.

This supply possibility is considered to be a right to purchase which begins when it is exercised and expires only upon delivery of electricity.

The exercise of this right to purchase on the part of SIG depends on market conditions. Therefore, this right only impacts the consolidated statement of comprehensive income when it is exercised.

FMHL financial option

The EOS Holding Group has granted to SIG, in compensation for important efforts made, a right to collect power from its share in the production of Forces Motrices Hongrin-Léman SA (FMHL).

This right allows SIG to acquire a predefined quantity of energy at the cost of production or to receive its financial equivalent.

The estimated value of the option for a 5-year period is KCHF 0 in 2014 (KCHF 0 for 2013) due to the recurring decrease in electricity prices.

The FMHL financial option is presented with the financial assets (see note 11).

Companies active in the field of electrical energy from wind farms

SIG has invested in companies active in the field of electrical energy from wind farms. Loans contracts in favour or these companies were also concluded. At the balance sheet date, the residual amount that the latter may borrow in the context of this financing is KCHF 3'288 (KCHF 5'208 in 2013), on the basis of predefined realisation criteria.

Short-term financing operation

Short-term financing operations are sometimes carried out between related parties in order to optimise their respective cash positions.

Holders of SIG's share capital

Expenses and discounts

Different laws set the amounts of expenses and discounts SIG must pay to the State, the City and the Municipalities (see note 7).

Interest on share capital

The law on the organisation of SIG dated 5 October 1973 states that a fixed annual interest corresponding to 5% of the share capital must be paid to the holders of this capital (see note 6).

Transactions with the holders of SIG's share capital

SIG does not influence and is not under the influence of the companies on which holders of SIG's share capital exercise control, joint control or significant influence.

Any transactions relating to the supply of energies and services by SIG to the holders of its share capital and companies on which the latter exercise control, joint control or significant influence are carried out according to the usual conditions and terms of sale.

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Transactions with the holders of SIG's share capital are shown under "Expenses to public authorities" (see note 7), "Other financial assets and prepayments" (see note 14) and "Other financial liabilities and accrued expenses" (see note 24).

Sales to related parties under the control, the joint control or the significant influence of the holders of SIG's share capital amount to KCHF 84'334 in 2014 (KCHF 84'054 in 2013).

Top management

The list of the members of Management and of the Board of Directors is included in the report on sustainable development.

Board of Directors and Management remuneration

The remuneration of the Board of Directors and of Management is set by private law employment contracts or by public law statutory conditions.

The below table shows the remuneration, post-employment benefits and compensation for membership of Board of Directors of subsidiaries, joint ventures, joint operations and associates of SIG, provided to the 23 members of the Board of Directors and to the 8 members of Management.

	2014		2013	
	Board of Directors	Management	Board of Directors	Management
Remuneration	723	2 160	660	2 618
Post-employment benefits		392		296
Compensation for membership of Board of Directors of subsidiaries, associates and companies under joint control of SIG	126		152	

Post-employment benefits within Management

Post-employment benefits (retirement benefits) for members of Management are calculated according to the rules which apply to all SIG employees.

Transactions with top Management

Any transactions relating to the products and services of SIG with its top Management and any other party through the latter are carried out according to the usual conditions and terms for sales.

Loans to top Management

No individual loans are granted to members of top Management.

27. Obligations

Obligations to companies active in the wind electrical energy sector

In the context of the development of its wind activities, SIG has committed to pay to its partners, once the construction permit is obtained, an amount related to development costs. Part of this obligation was provided for in 2013 for an amount of KCHF 30'465 (see notes 20 and 25). Part of the wind commitment provision recorded in 2013 and that has become obsolete is reversed in 2014 for an amount of KCHF 28'100 (see notes 20 and 25).

Obligations to Gaznat

In the context of the capital increase of Gaznat in 1993, SIG agreed to grant this company a subordinated loan in the value of KCHF 6'591. This loan will be paid upon request by Gaznat.

Energy purchase contracts

SIG is contractually obligated to purchase electrical energy, under defined conditions, from its investments (SFMCP and the EOS Holding group) and third parties.

SIG contractually committed to purchase gas, under defined conditions, from its associate Gaznat.

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The contractual details for the calculation of the purchase prices aim to ensure the financial stability of its partners and optimal management of the electricity and gas supply.

Guarantee ISDS Oulens

SIG has an investment in ISDS Oulens, whose objective is to operate a storage facility for stabilised waste.

In relation with this investment, a simple guarantee for the amount of KCHF 3'021 has been subscribed by the State of Geneva as a guarantee for the repayment of the credit received by ISDS Oulens SA from the lender.

Obligation in favour of Cadiom

In order to complete the financing of the construction of its long distance heating network, Cadiom received a bank loan.

In 2006, all the shareholders of Cadiom pledged their shares as security to the banking institution which granted the loan.

In 2013, SIG granted to Cadiom a credit limit of KCHF 7'000. This credit limit is used for an amount of KCHF 2'000 as at 31 December 2014 (KCHF 0 in 2013).

Obligation in favour of ennova

In the context of the financial support provided to its subsidiary ennova, SIG subordinated receivables for an amount of KCHF 39'770 as at 31 December 2014 in order to ensure the going concern and the financial sustainability of its subsidiary towards third parties.

Obligation in favour of PôleBio Energies

In the context of the financial support provided to its investment PôleBio Energies, SIG subordinated the cash advance in favour of this investment for an amount of KCHF 300 as at 31 December 2014.

28. Impact of the new laws on the financial statements

Energy Strategy 2050 of the Swiss Confederation

The first set of measures of the Energy Strategy 2050 of the Federal Council was addressed to the Federal Parliament in autumn 2013. The National Council adopted the draft at the end of December 2014 with some amendments. The prohibition of the authorisation of new nuclear plants was confirmed. A proposal for an obligation to be borne by distribution network operators to reduce the electricity consumption in their serving areas, with as a counterpart the possibility to receive a bonus if the objectives are fulfilled, was retained. The Council of States will examine the project in the course of 2015 and the revised laws could enter into force in 2017. Furthermore, the Federal Council intends to put into consultation in 2015 a draft for a new constitutional article allowing the introduction of new incentive taxes in order to support Switzerland's energy and climate policy as of 2021.

Bilateral agreement on electricity between Switzerland and the EU

Following the acceptance of the federal popular initiative "Against mass immigration" on 9 February 2014, and in the absence of an answer to the "institutional questions", the conclusion of an agreement in the field of electricity is again postponed. As of 2015, the Swiss stakeholders will be considered as those of a "third country" and will not be able to participate in the successive progress steps of the European "integrated market"; a "transitory solution" is however under discussion.

Complete opening of the electricity market

The Federal Council put into consultation in autumn 2014 a draft federal resolution subject to referendum providing for the opening of the electricity market for all the consumers. According to this draft resolution, large consumers, whose annual consumption amounts to 100 MWh or more and who can freely choose their provider since 2009, will have to purchase their electricity from the free competition as from 1 January 2017. Electricity consumers whose annual consumption is under 100 MWh will be able to change providers as from 1 January 2018. For "small consumers" that

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will not choose third party providers, the distribution network operator (GRD), in its capacity as historical provider, will have to apply a fair price following a “guaranteed procurement model” (price in reference to market prices, but whose terms are yet not known). If they wish, “small consumers” will be able to leave the free competition in order to return to the fair price at a later stage.

Electricity networks

The payable remuneration of capital invested in the operation of electricity networks (WACC) was set by the Swiss Confederation at 4.70% for 2015 (4.70% for 2014).

The various Swissgrid prices for the use of the transport network and the general system services for 2015 have changed significantly, but they will represent globally a relatively stable cost for the users after a strong increase in 2014.

The Federal Electricity Commission (ElCom) will test in 2015 with the distribution network operators (GRD) the application of the implementation of the “Sunshine Regulation” method. The current “cost plus” regulation will thus be reinforced with performance indicators and, subsequently, with a publication of these results.

In 2014 the Federal Council launched a consultation on a draft revision of the federal law on electrical installations and on the federal law on electricity procurement allowing to realise the “Electrical Networks Strategy” that aims mainly to structure network development planning and to unblock projects waiting to be materialised.

In parallel, the Federal Council relaunched work related to the revision of the federal law on electricity procurement in view of a potential entry into force in 2019. The aim of this revision will have to be better understood (consultation to follow) but the introduction of a new regulation method called “incentive” for the electricity networks by 2025 could be proposed.

Renewable energies

The Federal Council has decided to increase the federal supplement in order to promote renewable energies to 1.1 cts/kWh as from 1 January 2015 (0.6 cts/kWh in 2014, ceiling at 1.5 cts/kWh, the legislative draft in the context of the Energy Strategy 2050 provides for a ceiling at 2.3 cts/kWh). Under certain conditions, intensive electricity-consuming industries can be reimbursed for this.

The Federal Energy Department reduced in 2014 the remuneration rate (RPC) for photovoltaic installations and intends to carry out further significant decreases for 2015 in two steps. The duration of the remuneration has been reduced from 25 to 20 years since 2014. The remuneration rates for wind installations as well as their application duration have remain unchanged since 2014.

As from 2014, the producer can consume directly the electricity he produces. Photovoltaic installations under 30 kW can benefit from a “single remuneration” paid in one instalment instead of the “compensatory feed-in remuneration” paid over the duration.

According to the federal law on the use of hydraulic force, the Cantons will be able to increase, the annual hydraulic fee to CHF 110/kW as from 2015 and until the end of 2019. Due to the endangered economic viability of hydroelectric production in Switzerland, the main political forces have agreed to launch rapidly the process for the revision of this law.

Opening of the natural gas market

Since 2012, the opening of the Swiss gas market was materialised by the signing of an agreement between the gas sector (ASIG) and industrial consumers. This agreement allows large industrial consumers to procure gas from third party suppliers whilst using the local transport and distribution network against payment. The Competition Commission (COMCO) having considered that certain elements of this agreement could be in contradiction with antitrust law, the Swiss Confederation intends to propose a specific legal base offering increased legal security to the concerned stakeholders during the next legislature (2015-1019). The gas sector intends to introduce a new “gas network access model” for Switzerland, applicable mainly to the transport network as of October 2016.

The prices for the use of transport networks will be reduced by approximately 9.4% for 2015 following the intervention of the Price Controller and the observation of “abusive prices”.

Thermal energy (CAD)

The Price Controller performed in 2014 for the first time a study of the structure and the level of the prices of the main remote heat suppliers. The result is that the price structures differ significantly, depending on the price of energy. This study will allow the Price Controller to better evaluate the evolution of the remote heat prices and to intervene at the level of the more expensive suppliers.

Climate policy of the Swiss Confederation

In 2012, the CO2 emissions exceeded by 79% the CO2 emissions in 1990. In 2014, pursuant to the federal law on CO2, the CO2 tax on fuels increased from CHF 36 to CHF 60 per ton. If in 2014 the CO2 emissions are not below 76% respectively 78% of the CO2 emissions in 1990, the tax will be increased to CHF 72 respectively CHF 84 per ton as from 2016.

Telecom

Following a report of the Federal Council on the telecommunications market, the latter will put into consultation in 2015 a draft revision of the federal law on telecommunications. It is specifically proposed that the network owners (e.g. electricity, gas, drinking water) be obliged to give access to their pipelines, against remuneration, to the telecommunications service providers.

Wastewater and drinking water financing

A new pricing method for wastewater and drinking water, subject to the Price Controller for prior advice, came into force on 1 January 2015. Concerning wastewater, the Grand Conseil adopted to this end an amendment to the cantonal law on water and the Council of State adopted the corresponding implementing regulation.

A revision of the federal law on water protection concerning the financing of the elimination of trace organic compounds (micro-pollutants) in wastewater was adopted by the Federal Parliament in 2014. The owners of central sewage treatment plants (STEP) will have to pay to a federal fund a fee on wastewater of a maximum amount of CHF 9 per connected inhabitant and per year. STEP owners will be able to be exempted from the payment of the fee and receive an indemnisation (75% of investments) if they put in place equipments aiming to eliminate trace organic compounds. The Federal Council foresees an entry into force of the new regulation, with the application of the maximum fee, as of 1 January 2016.

Waste recovery

A 5% increase of the waste incineration tax came into force in 2014. The Swiss association of waste recovery installation operators (ASED), which SIG belongs to in its capacity as operator of the Cheneviers plant, signed in 2014 with the Federal department of the environment, transport, energy and communication (DETEC) an objectives agreement aiming to reduce CO2 emissions produced through waste incineration, applicable until the end of 2021.

Cantonal energy policy

The Energy General Conception Project 2013 of the Council of State was adopted by the Energy Committee and SIG and addressed to the "Grand Conseil" in 2014. The draft resolution sets out that solutions aiming to ensure the sustainability of the financing of the éco21 programme be identified and that the photovoltaic development objectives be ambitious (100 GWh in 2025 instead of the 45 GWh envisaged). A master plan for network energies will be developed by June 2015.

Buildings

The Conference of cantonal energy directors adopted in 2014 the revision of the “Model for the energy provisions of the cantons” (MoPEC 2014). The Cantons will be able to put the latter into application as from 2015.

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Relationship between SIG and the Canton

Various topics concerning SIG are under discussion at the cantonal level, in particular:

- The Council of State submitted to the Grand Conseil on 14 February 2014 a draft law on the organisation of the public law institutions (LOIDP); it is currently being examined by the Legislative Committee;
- A draft law amending the law on the organisation of the Services Industriels de Genève (LSIG) called “Attribution de la moitié du bénéfice des SIG à leurs propriétaires, l’Etat et les communes” was submitted to the Grand Conseil on 10 June 2014; it is currently being examined by the Energy Committee and SIG;
- The signing of an objectives agreement concerning public utility services is under discussion between SIG and the Council of State together with an amendment of the terms governing the charges to collectivities for the use of the public domain.

29. Allocation of profit

Structure of net profit

	2014	2013
SIG net profit	8 511	57 692
Results of subsidiaries	-5 224	2 745
Retreatment of dividends received from equity-accounted investments	-35 561	-54 534
Share of results of equity-accounted investments	-128 426	34 865
Total contribution of consolidated companies	-169 211	-16 924
SIG consolidated net (loss) / profit	**-160 700**	**40 768**
Net (loss) / profit attributable to non-controlling interests	-49	1 145
Group consolidated net (loss) / profit	**-160 749**	**41 913**

The consolidated net profit comprise SIG’s net profit and the contribution of consolidated companies.

The contribution of consolidated companies represents the impact of the consolidation of investments on the current year’s results. It is allocated to the Group’s reserves.

Allocation of SIG’s net profit

Article 28 of the law on the organisation of SIG foresees the allocation of SIG’s net profit in the following order of priority:

- To the new construction fund in the amount of 30% of new investments in the financial year under consideration;
- To the insurance fund in the amount of 15% of the remaining balance until it reaches 10% of the carrying amount of the assets recorded onto the balance sheet;
- The remaining balance to a general reserve fund.

This distribution is calculated after allocation of the net profit of the Châtillon site operation to the Châtillon site reserve fund.

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The profit of the 2014 financial year will be allocated as follows:

	2014	2013
Châtillon site reserve	-	528
Allocation of SIG's results		
New construction fund	61 672	50 845
Insurance fund	-7 974	948
General reserve fund	-45 187	5 371
SIG net profit	**8 511**	**57 692**
Unallocated reserves	-169 211	-16 924
SIG consolidated net (loss) / profit	**-160 700**	**40 768**
Net (loss) / profit attributable to non-controlling interests	-49	1 145
Group consolidated net (loss) / profit	**-160 749**	**41 913**

30. Capital management

SIG is committed to a modern and transparent public service. SIG guarantees to its customers a fair price and proposes solutions to improve production and consumption. Sustainable development constitutes SIG's reference basis. It is organised around the systematic deployment of the three dimensions which are economic efficiency, the quality of the social environment and the preservation of the environment.

Concerning the economic dimension, SIG aims to ensure its long-term existence by generating cash and taking out the loans necessary to ensure the ongoing renewal, reliability and development of public utility infrastructure.

The ratio of financial independence, that corresponds to the relationship between equity and invested capital, enables to ensure that this objective is followed. Invested capital is materialised by the sum of equity, non-current liabilities excluding third party participations in investments and current borrowings, less cash and cash equivalents.

	2014	2013
Ratio of financial independence	0,55	0,61
Invested capital		
Non-current liabilities	1 416 482	1 393 360
Current borrowings	81 780	129 400
Cash and cash equivalents	-32 124	-186 225
Net indebtedness	**1 466 138**	**1 336 535**
Equity	1 768 103	2 115 096
Invested capital	**3 234 241**	**3 451 631**

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31. Financial risk management

Carrying amounts and fair values of financial assets and financial liabilities by category

2013	Derivatives through comprehensive income	Financial assets at amortised cost	Loans and receivables	Financial liabilities at amortised cost	Note
Financial assets and prepayments	751	221 826	106 229		11
Trade receivables			192 621		13
Other current financial assets	4 888		42 695		14
Cash and cash equivalents			186 225		15
Total value by category	**5 639**	**221 826**	**527 770**	**-**	
Borrowings				517 417	19
Financial liabilities and other obligations	1 322			69 799	22
Current borrowings				129 400	19
Trade payables				118 019	23
Other financial liabilities	1 535			133 594	24
Total value by category	**2 857**	**-**	**-**	**968 230**	
2014					
Financial assets and prepayments	1 933	201 925	62 505		11
Trade receivables			160 563		13
Other current financial assets	3 061		61 055		14
Cash and cash equivalents			32 124		15
Total value by category	**4 994**	**201 925**	**316 247**	**-**	
Borrowings				474 287	19
Financial liabilities and other obligations	2 785			43 779	22
Current borrowings				81 780	19
Trade payables				104 822	23
Other financial liabilities	5 630			123 055	24
Total value by category	**8 415**	**-**	**-**	**827 723**	

The carrying amount of the financial assets and liabilities corresponds to their fair value.

The carrying amount of the financial assets at amortised cost is representative of their fair value.

Fair value of financial instruments by level

2013	Level 1	Level 2	Level 3	Total
Derivatives assets	1 675	3 964		5 639
Derivatives liabilities	-1 424	-1 433		-2 857
2014				
Derivatives assets	-	4 994		4 994
Derivatives liabilities	-4 490	-3 925		-8 415

Level 1

Level 1 includes forward electricity and gas transactions concluded over the counter or through a broker whose fair value is determined by analogy with similar contracts listed on the German stock market.

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Level 2

Level 2 includes forward exchange contracts and exchange options whose fair value corresponds to the sum of the net values of its components determined according to the Black & Scholes model which includes the forward exchange rates at the closing date.

The fair value of the interest rate options corresponds to the sum of the net values of its components determined according to the Black&Scholes model which includes the forward interest rates at the closing date.

The fair value of interest rate swaps is calculated as being the discounted value of the estimated future cash flows, based on the interest rates at the closing date.

Level 3

Level 3 includes the FMHL option whose fair value is determined by discounting the estimated future cash flows. The forward electricity prices on the German stock market as well as a discount rate are used for this valuation calculation.

The determination of the fair value implies the use of assumptions and estimates on the future evolution of business which affect the financial statements. The future effective results could differ from these estimates.

Influence of derivatives on the statement of financial position

2013	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities	Net fair value
Total cash flow hedge instruments	-	-	-	836	33	869	-869
Total derivatives at fair value	751	4 888	5 639	486	1 502	1 988	3 651
Total derivatives	**751**	**4 888**	**5 639**	**1 322**	**1 535**	**2 857**	**2 782**
2014							
Total cash flow hedge instruments	-	-	-	1 312	-	1 312	-1 312
Total derivatives at fair value	1 933	3 061	4 994	1 473	5 630	7 103	-2 109
Total derivatives	**1 933**	**3 061**	**4 994**	**2 785**	**5 630**	**8 415**	**-3 421**

The interest and exchange derivatives have been contracted with the aim of being held to maturity.

The net fair value of derivatives recognized on the statement of financial position represents the potential gain or loss on these contracts, assuming that no change occurs on the market between the balance sheet closing date and the maturity date.

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Influence of financial assets and financial liabilities on profit

2013	Derivatives through comprehensive income	Financial assets at amortised cost	Loans and receivables	Financial liabilities at amortised cost	Note
Interests				-9 740	6
Expenses and premiums			-1 404		
Gains/(losses) on financial instruments	-1 279				6
Change in fair value	-1 589				6
Foreign currency gains / (losses)				123	
Discounting of receivables			-3 988		
Revenues from investments, revenues from receivables			10 049		6
Impairment of financial assets		-70 000	-19 771		25
Total	**-2 868**	**-70 000**	**-15 114**	**-9 617**	6
2014					
Interests				-10 817	6
Expenses and premiums			-759		
Gains/(losses) on financial instruments	-583				6
Change in fair value	-5 777				6
Foreign currency gains / (losses)			-1 255		
Discounting of receivables			4 772		
Revenues from investments, revenues from receivables			10 306		6
Impairment of financial assets		-39 852	-12 841		25
Total	**-6 360**	**-39 852**	**223**	**-10 817**	6

For transactions designated as hedging operations, adjustments to the carrying amount at fair value are recorded in the hedging reserve.

The interest rate differential for hedging financial instruments used for debt management is presented in finance costs and finance income in other comprehensive income, as is the interest expense linked to contracted loans. The price differential for derivatives used for electricity supply management is presented in purchases for resale in other comprehensive income, as are hedged electricity purchases.

Influence of derivatives on hedging reserves

	2014	2013
Hedging reserves as at 1 January	**-868**	**-1 533**
Matured hedging instruments	33	
Change in fair value	-430	665
New hedging instruments		
Hedging reserves as at 31 December	**-1 265**	**-868**

Management of financial risks

Managing risks first requires knowledge of the nature of these risks in order to identify them, evaluate them and then reduce their impact by using appropriate instruments and techniques. Monitoring is systematically carried out by the company's management.

In the context of its operational activities and the management of its debt, SIG is exposed to liquidity, credit and market risks (interest rate, exchange rate and price risk).

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The new formulation of the "management policy for financial risks" was approved by the Board of Directors on 16 January 2014. This policy aims to define the context in which financial management is permitted to manage financial risks. It is complemented by a “manual on the management of financial risks” which represents its operational part and was approved at the same date.

Risks linked to liquid assets SIG is structured to borrow capital in the medium and long term. Due to its structure, the company may temporarily find itself in a situation of reduced liquid assets. In a situation of reduced liquid assets, SIG has lines of credit from banking institutions, in the form of fixed-term advances of a maximum duration of 12 months. SIG’s cash policy consists in guaranteeing an appropriate level of cash for the functioning of the company while optimising the return on these surplus funds according to the capital preservation principle.

SIG invests its surplus funds through financial instruments that are clearly identified in the context of its financial risks management policy and manual.

Contractual maturities of financial liabilities

The maturity analysis highlights the remaining contractual maturities of liabilities at the closing date. The following amounts represent undiscounted contractual cash flows.

2013	Less than one year	From one to two years	From two to five years	More than five years	Total
Current and non-current borrowings and related interests	141 065	64 761	181 050	374 004	760 880
Short and long term derivatives	1 523	159	1 175		2 857
Financial liabilities and other obligations	45 022	16 381	2 887	5 509	69 799
Trade payables	118 019				118 019
Other financial liabilities	133 594				133 594
Total contractual maturity of financial liabilities	**439 222**	**81 301**	**185 112**	**379 513**	**1 085 149**
2014					
Current and non-current borrowings and related interests	90 292	62 957	139 083	340 319	632 651
Short and long term derivatives	6 336	1 172	907		8 415
Financial liabilities and other obligations	37 369	1 047	1 895	3 468	43 779
Trade payables	104 822				104 822
Other financial liabilities	123 055				123 055
Total contractual maturity of financial liabilities	**361 873**	**65 176**	**141 885**	**343 787**	**912 721**

Credit risks Part of the credit risk is due to cash investments and to derivatives transactions. These operations are carried out with carefully selected financial institutions.

The commitment limits as well as the minimum rating of counterparties are defined and set in the financial risks management manual. Management does not anticipate any loss resulting from their default concerning their contractual obligations.

SIG’s activity is also confronted with the possibility of defaults or delays in payments from its debtors. The management of credit risk requires regular and systematic verification of open credits and a periodical analysis of the counterparties’ solvency. Overdue accounts payable have been open for over one month. They amount to KCHF 7’202 in 2014 (KCHF 8’953 in 2013). No interest is invoiced on these accounts payable. Management considers that there will be no significant loss linked to payments from debtors.

Furthermore, financial assets are subject to an impairment test.

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Exposure to credit risks

	2014	2013
Financial assets and prepayments	266 363	328 806
Trade receivables	160 563	192 621
Other financial assets and prepayments	64 116	47 583
Cash and cash equivalents	32 124	186 225
Total exposure to credit risks	**523 166**	**755 235**

The maximum credit risk corresponds to the carrying amount of the financial assets under consideration.

Market risks

Interest rate risks

Interest rate risks impact both assets and liabilities. The aim is then to be able to neutralise the impacts on the liabilities and assets due to interest rate fluctuations. Regarding the debt, appropriate hedging must be put in place against an adverse evolution of interest rates on the evolution of SIG's interest expenses.

The portion of variable rate borrowings compared to the total debt is capped, by using clearly defined financial instruments whose commitment limits are set in the financial risks management policy and manual.

The hedging operations regarding interest rates risks can only be performed on the existing debt. However, in the context of a new financing or a refinancing, a pre-hedging operation can be performed, before the financing is totally finalised.

Currency risks

In the context of its activities, SIG is exposed to the EUR/CHF exchange rate risk resulting mainly from energy sales (electricity and gas). Specifically, part of the energy procurement is performed on the market in euros, whereas energy sales to its clients are performed mainly in Swiss francs. Since SIG's revenues in euros are insignificant, the latter structurally presents a deficit in euros.

SIG's objective in its management of currency risks consists mainly in hedging the needs in euros in order to minimise the impact of the fluctuations of the EUR/CHF exchange rate on energy purchases and sales. The objective is not to make profits by speculating on the fluctuations of the EUR/CHF exchange rate, but to put into place a hedge that allows to limit, reduce or cancel potential exchange losses.

These risks are managed by using financial instruments whose limits on obligations and counterparties are set in the financial risks management policy and manual.

Short sales are not permitted.

Price risks

The management of price risks is explained in the "Management of risks linked to energy supply" section (see note 3).

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32. Subsequent events

The Swiss National Bank (SNB) announced on 15 January 2015 that it was removing the ceiling on the exchange rate of 1.20 CHF for 1 EUR. This measure was introduced in 2011 in order to fight against the overvaluation of the Swiss franc.

This drop in the EUR/CHF exchange rate took place after the balance sheet date and has no effect on the figures presented in the Group's consolidated statement of financial position as at 31 December 2014.

The financial impacts of the drop in the exchange rate on the consolidated financial statements are currently being assessed by management.

No other event requiring the presentation of additional information occurred between the closing date and the date at which the financial statements are published.

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Responsable Financement et Comptabilité

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SIG