

PRESS RELEASE

Increased investment in networks and maintenance

2012 half-year figures: lower financial result

Arnhem, 30 July 2012 - Alliander is investing more in replacement of the electricity and gas networks, as shown by the half-year figures presented by the network company today. Capital expenditure on the networks in the first half of the year amounted to €250 million, compared with €201 million in the same period last year. Profit after tax in the first half of 2012 was €82 million (2011: €119 million). The electricity outage duration remained low at 20.6 minutes, compared with 20.0 minutes in 2011.

CEO Peter Molengraaf: 'We will continue to invest substantially in our networks in the years ahead, in maintenance, replacement and innovation. After all, keeping the electricity and gas networks safe and up-to-date is Alliander's core task. These investments add to our costs, which have already been increased by a number of incidental items. We are also equipping our networks to meet future needs. A good example of innovation in sustainability is the intelligent network we recently constructed in Amsterdam, to which around 10,000 households are connected. Innovations like this are needed to enable growth in sustainable energy generation and consumption by our customers.'

Capital expenditure

Capital expenditure increased by €49 million in the first half of the year to €250 million (first half 2011: €201 million), of which €97 million was invested in the replacement of existing electricity and gas networks and €100 million in network expansion. New grid sections are being constructed, existing networks are being strengthened and entire networks are being replaced throughout Alliander's service area. This investment is needed to maintain the quality and safety of energy networks at their current level and to distribute the growing energy flows, both to and from our customers. Alliander is also investing in innovative applications to ensure effective management and control of the energy networks in the future, such as the intelligent network that came on stream in Amsterdam Nieuw-West in June. This intelligent network enables electricity generated locally to be fed back into the grid on a large scale and provides sufficient capacity to accommodate the projected growth in, for example, solar panels and electric cars. It also enables the majority of power outages to be rectified more quickly.

Revenue and expenses higher, profit lower

Revenue increased from €763 million in the first half of 2011 to €819 million in the same period this year, due mainly to the higher regulated tariffs. Expenses amounted to €685 million, compared with €626 million in the first half of 2011. Most of this increase was due to higher depreciation in line with the higher capital expenditure and higher network maintenance and innovation costs. Profit after tax in the first half of 2012 was €82 million (2011: €119 million). Other factors apart from higher expenses were a number of incidental items, including fair value movements, the cost of organisational changes and the results of associates and joint ventures.

Outage duration and customer satisfaction

The electricity outage duration was just above the 2011 level. In the year ending 30 June 2012 (12-month rolling average) the duration was 20.6 minutes (2011: 20.0 minutes). Customer satisfaction ratings improved slightly, with Liander currently scoring 93 percent among customers in the consumer segment (2011: 92 percent) and 87 percent in the business segment (2011: 89 percent).

Sustainability initiatives

A growing number of customers are interested in having solar panels installed on their homes. Liander has set up a website (www.mijnhuismijnenergie.nl) which enables customers to work out, with a few clicks of the mouse, how many solar panels they can fit and how much they can earn back in euros. Since the website went online in March, over 15,000 visitors have used it to calculate what solar panels can deliver.

Alliander is working with municipalities and several other partners to build a heat distribution network in Nijmegen that will in due course supply over 10,000 new homes with heat generated by a local waste-processing plant. This environment-friendly energy supply can later be expanded more widely within the region and other heat sources can be connected to it.

About Alliander

Network company Alliander, which employs approximately 7,000 staff, comprises the Liander, Endinet and Liandon companies. Network operators Liander and Endinet distribute electricity to 3.1 million customers and gas to 2.7 million customers in an area extending to over a third of the Netherlands. Liander and Endinet are responsible for maintenance, expansion and renewal of their grids in the provinces of Gelderland, Friesland, Noord-Holland and parts of Zuid-Holland, Flevoland and Noord-Brabant. Liandon provides services relating to the construction and maintenance of complex energy infrastructures.

For more information:

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