



PRESS RELEASE

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Half-Year results 2015: result slightly up Alliander prepares energy network exchange with Enexis

Arnhem, 31 July 2015 – Profit after tax rose from € 156 million in the first half of 2014 to € 161 million in the same period this year. In both periods the result was strongly influenced by significant incidental items. There was also a further reduction in the regulated tariffs. This is shown in the half-year figures presented by Alliander today. Also noteworthy in the first half of 2015 were the preparations for the exchange of energy networks with Enexis.

Profit after tax amounted to € 161 million versus € 156 million in the first half of 2014 and in both periods was influenced significantly by incidental items. In 2014 this was mostly the book profit of the sale of an interest in N.V. KEMA and in 2015 this was mostly income as a result of the expiration of a financial instrument relating to cross border lease contracts. Profit after tax excluding incidental items remained virtually unchanged at € 116 million (2014: € 114 million). Revenue decreased to € 777 million in the first half of 2015 from € 786 million in the same period in 2014. This was due to the reduction in the regulated tariffs.

Total costs excluding incidental items and sufferance tax are stable at € 611 million in the first half of 2015 (2014: € 612 million). Alliander is continuing to work on effectiveness and efficiency improvements and to strive for reductions in costs.

The costs in respect of sufferance tax - the municipal tax that Alliander is required to pay for using publicly-owned land - continue to rise: in the first half of 2015 these costs already amounted to € 46 million (compared to € 36 million in the first half of 2014). These costs are passed on in the tariffs, working out at about € 30 per customer per year.

Total expenditures on the networks fell by € 16 million, mainly due to a drop in customer orders. The replacement investments were slightly lower than in 2014. Against this, expenditures on network maintenance rose in the first half of 2015. The investments in ICT were € 10 million higher than in the first half of 2014. These investments mainly concerned a number of major projects, among others relating to the large-scale roll-out of smart meters.

On 30 July 2015, Moody's upgraded Alliander's long term credit rating from Aa3 to Aa2 with stable outlook. The P-1 short term ratings were affirmed.

Network exchange between Alliander and Enexis

On 1 July the shareholders of Alliander agreed to the exchange of regional energy networks of Alliander and Enexis. The exchange concerns networks of Enexis in Friesland and the Noordoostpolder and networks of Alliander in the Eindhoven and zuidoost Brabant region.

The purchase of the energy networks of Enexis in Friesland and the Noordoostpolder will cost Alliander approximately € 375 million, while the sale of the energy networks in the Eindhoven and

zuidoost Brabant region will yield € 740 million for Alliander. The sale and purchase transaction of the Endinet energy networks will provide a book profit for Alliander in 2016.

The move to bring the electricity and gas networks in these areas under the control of a single operator will create clarity for customers and lead to greater operational efficiency. Moreover, the networks involved in the exchange tie in perfectly with the existing distribution networks of both parties.

Customers

The electricity outage duration in the first half of 2015 was 9.6 minutes, the same as in the first half of 2014.

In January a gas mains in Velsen-Noord was damaged during works, leaving about 1150 households up to six days without gas.

In May 2015 Vitens and Liander announced the replacement in Apeldoorn of some 46 kilometres of water and gas pipes in the coming period. By replacing the gas pipes at the same time as the water pipes, the consequences for customers will be minimized. The work is due to start after the summer and will continue through 2017.

Liander's customer satisfaction in the consumer market was 93%, slightly lower than in the same period in 2014 (95%). Customer satisfaction in the business market was 87%, unchanged compared to the same period in 2014.

In April 2015 Liander launched the large-scale roll-out of smart meters with the installation of 115,000 meters at customers in the first half of 2015. The smart meters are read using a mobile communications network which is operated together with Stedin. The network also facilitates communications with other existing and future installations in the energy networks. This network now covers the entire service area of network operator Liander.

The number of customers generating renewable energy - mainly with solar panels - continues to grow, i.e. from over 63,000 in the first half of 2014 to over 88,000 in the first half of 2015.

About Alliander

Network company Alliander, which is active in the energy sector and 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 2.6 million customers in an area covering over a third of the Netherlands. Liander and Endinet are responsible for maintenance, expansion and innovation of their networks in the provinces of Gelderland, Noord-Holland and parts of Zuid-Holland, Friesland, Flevoland and Noord-Brabant. Liandon provides services relating to the construction and maintenance of complex energy infrastructures.

For more information:

Alliander Spokespeople and Public Affairs, Jasmijn Dielesen
Telephone: 088-1912002, e-mail: woordvoering@alliander.com