



19 February 2015

Alliander achieves strong decrease electricity outage duration

Full-year figures for 2014: financial result rises on incidental items

Arnhem, 19 February 2015 – The electricity outage duration was 19.9 minutes, significantly lower than in 2013 (24.0 minutes). Alliander's profit after tax rose from € 288 million to € 323 million, despite a reduction of the regulated tariffs. This increase was caused by two incidental items. Excluding incidental items, the profit after tax decreased from € 288 million to € 239 million. These results are presented in the annual report for 2014 published by the network company today.

The incidental items concerned the sale of the 25.4% interest in N.V. KEMA to DNV GL Group, which yielded a book profit after tax of € 45 million, and the release of a provision for cross border leases, which led to an after-tax profit of € 60 million.

Revenue fell from € 1,744 million in 2013 to € 1,696 million in 2014, mainly due to the lower regulated tariffs. Alliander's total expenses rose slightly from € 1,378 million to € 1,399 million, largely due to the further increase in sufferance taxes and costs passed on by Tennet. The other expenses, mainly incurred for network maintenance, declined. The achieved savings were the result of efficiency programmes initiated in the past years. Cost reductions were also realised thanks to simplified customer processes.

The development of sufferance tax charges (a tax levied by some municipalities for the use of public land) is a cause for concern as these generically inflate the tariffs for all customers. In 2014, the sufferance tax charges rose by 36% (€ 80 million in 2014 versus € 59 million in 2013).

Investments

The investments remained at the same level as in 2013 and amounted to € 570 million.

In 2014, Alliander invested in preparations for the large-scale offering of the smart meter. In addition, many investments were made at regional level. These were tailored to the energy needs and energy generation potential of each individual region. In Amsterdam, for instance, three substations were upgraded. In the province of Zuid-Holland electricity networks were expanded to accommodate several small construction projects. In the province of Gelderland investments were made to equip the energy network for the future. At several locations in the Netherlands, such as Lochem, experiments were carried out with test beds to gain experience with, among other things, a modular intelligent energy network and energy storage in electric cars.

Customer satisfaction and outage duration

Alliander's customer satisfaction rose to 95% (2013: 91%) in the consumer market and remained virtually stable at 84% (2013: 85%) in the business market.

The electricity outage duration in 2014 was substantially below the 2013 level. The outage duration for Alliander was 19.9 minutes versus 24.0 minutes in 2013. The electricity outage duration decreased

significantly, but there were also several gas incidents in 2014, including the gas explosion in Diemen and two gas interruptions in Apeldoorn.

Cooperation

Alliander seeks cooperation with other network operators wherever possible, both to reduce costs and to share knowledge. In 2014, Stedin and Liander signed a collaborative agreement in the field of mobile data traffic. The agreement provides for the joint construction and operation of a mobile communication network. Crucially, the new network will enable us to read smart meters, while also facilitating communication with other existing and future installations in the energy networks.

In 2014, Alliander and Enexis started a study into the possibility of exchanging energy networks of Enexis in Friesland and the Noordoostpolder with those of Alliander in the Eindhoven and Zuidoost-Brabant region (Endinet).

Sustainability

Decentralised generation clearly advanced in 2014. The number of customers generating their own renewable electricity with solar panels jumped more than 50% from 48,000 in 2013 to 72,500 in 2014.

Alongside its work on energy networks, Alliander also has a strong focus on sustainability, including activities in electric mobility and sustainable area development. With these activities, Alliander is facilitating access to new markets for customers, commercial suppliers and service providers. Allego, for instance, made steps towards the creation of a nationwide fast-charging network. In 2014, 32 new fast chargers were installed in cooperation with The New Motion. In the field of sustainable area development, Alliander Duurzame Gebiedsontwikkeling is constructing a heating transport network in Nijmegen to provide eventually more than 10,000 new homes with heating from a local waste treatment plant (ARN).

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