

Half-year results 2016

29 July 2016

Disclaimer

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'We', 'Alliander', 'the company', 'the Alliander group' or similar expressions are used in this presentation as synonyms for Alliander N.V. and its subsidiaries, Liander refers to the grid manager Liander N.V. and its subsidiaries. The name Endinet refers to the Endinet group, including grid manager Endinet B.V. Stam refers to Stam Heerhugowaard Holding B.V. and its subsidiaries and Liandon refers to Liandon B.V. Alliander N.V. is the sole shareholder of Liander N.V., Liandon B.V. and Alliander AG.

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This presentation has been prepared with due regard to the accounting policies applied in the 2015 financial statements of Alliander N.V., which can be found on www.alliander.com.

All financial information shown in this presentation has not been audited and is made available for the purpose of discussing the current and future financial position of Alliander. No party can rely upon this presentation unless explicitly confirmed otherwise in writing by the company.

1. Highlights

2. Sector developments

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Highlights 2016-YTD

Financial results and position

- Reported half-year results 2016: €232m (2015H1: €161m). Comparable half-year results 2016: €64m (2015H1: €116m)
- Results have been impacted to an important extent by the **net book profit** on the sale of network company Endinet (€176m after tax)
- Revenue increased to €783m (2015H1: €777m (excluding Endinet)) mainly due to inclusion of newly acquired service areas in Friesland and Noordoostpolder
- Total **comparable operating expenses increased** to €729m (2015H1: €657m) due to:
 - increased depreciation costs (+ €23m)
 - Increased sufferance tax charges (+€19m)
 - Increased staff costs (+€15m)
 - increased purchase costs (+ €10m)
- Increased CAPEX (+€11m)
- Issuance of inaugural €300m 10-year **green bond loan** which proceeds are used for sustainability investments in smart grids and the sustainable renovation of the offices in Duiven

Strategic & operational developments

- **Integration** of newly acquired Friesland and Noordoostpolder service areas within existing service areas
- **Electricity outage duration** rose to 23.4 minutes (Dec-2015: 21.9 min)
- **Customer satisfaction** for consumers decreases to 4% under benchmark (Dec-2015: 3% over benchmark) and remained stable at 5% below benchmark level for businesses
- The **smart meter** was offered to 201,000 customers in the first half of 2016
- **CO₂ emissions** in the first half of 2016 decreased to 348 ktonnes (2015H1: 393 ktonnes)

Regulatory developments

- **Parts of the STROOM legislation** are intended to be presented to Parliament again in September. A consultation has been concluded but no final decision has been made yet
- **Draft method decisions for the next regulatory period have been published in April 2016**, final method decisions to follow in September 2016. This will also include determined model parameters like regulatory period length, WACC and x factors for new regulatory period
- Municipalities increasingly levy sufferance tax. **Corrective legislation is being prepared to cap and phase out sufferance tax.** These costs can be recovered in the allowed revenues but with a delay.

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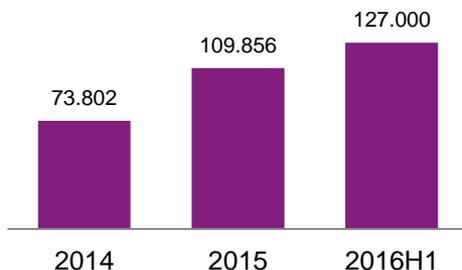
Three major trends driving energy transition

1 Electrification of our society

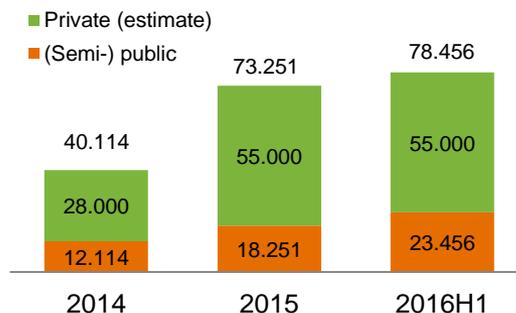
2 The energy supply is becoming more sustainable (“bottom up”)

3 Increasing role of Information and Communication Technology (“ICT”)

Number of customers with decentralised energy production

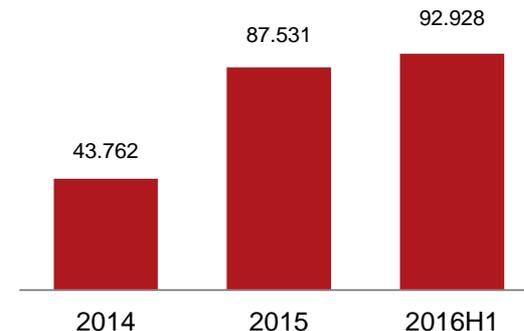


Number of charging poles in the Netherlands



Source: Rijksdienst voor Ondernemend Nederland

(Semi)-electric passenger cars in the Netherlands



Source: Rijksdienst voor Ondernemend Nederland

Local energy production and electric transport show high growth

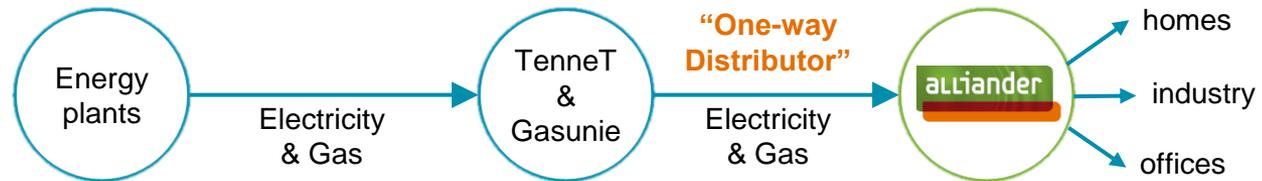
Energy transition requires a different kind of network operator



Traditional Network Operator

Key Features:

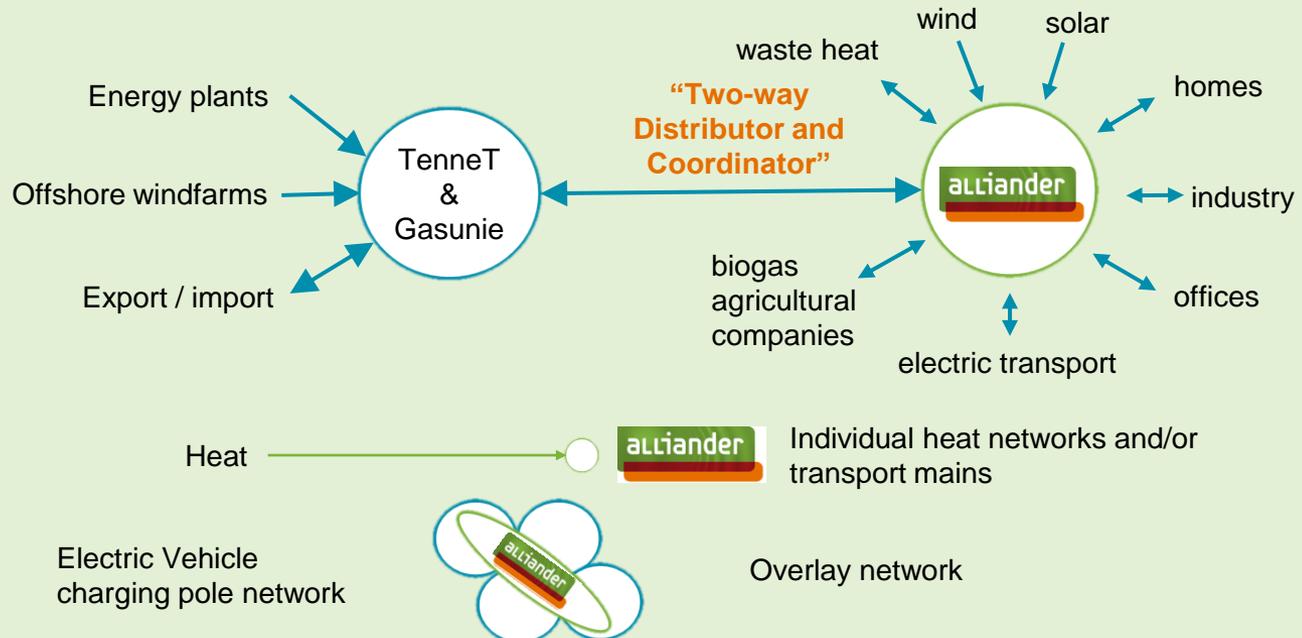
- Central steering
- 2 networks
- Central generation
- Fossil fuels



Future (15 – 20 Years Time)

Key Features:

- Individual choices
- Many networks
- Decentral generation
- Renewables



Alliander mission and strategy

Mission

We stand for an energy system that gives everyone equal access to reliable, affordable and sustainable energy



Customer Choices

The customer and the overall energy system get the best deal (e.g. by preventing investments)



New open networks

The best solution (in terms of social costs, sustainability and universal access) is chosen in every local situation



Digitisation

We know what is happening in our networks and with our customers so that we can make smart choices

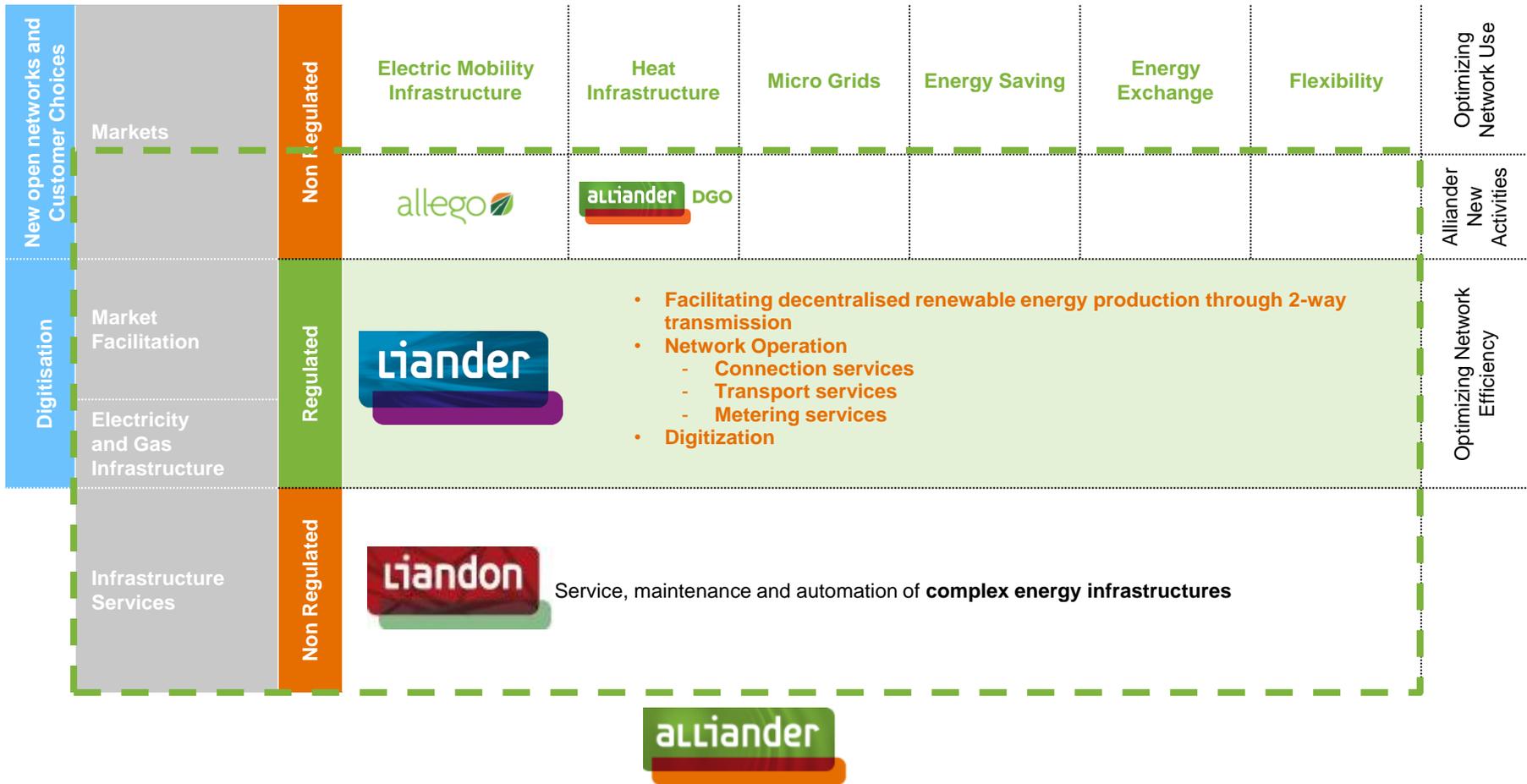
Network Management

The basis of our work

Strategy

Alliander empowers customers to make the best energy choices. For themselves and for the local energy system. In order to ensure that everyone has equal access to reliable, affordable and sustainable energy

Liander has an important role in this strategy by digitising networks and facilitating the energy transition



Alliander fully embraces energy transition activities

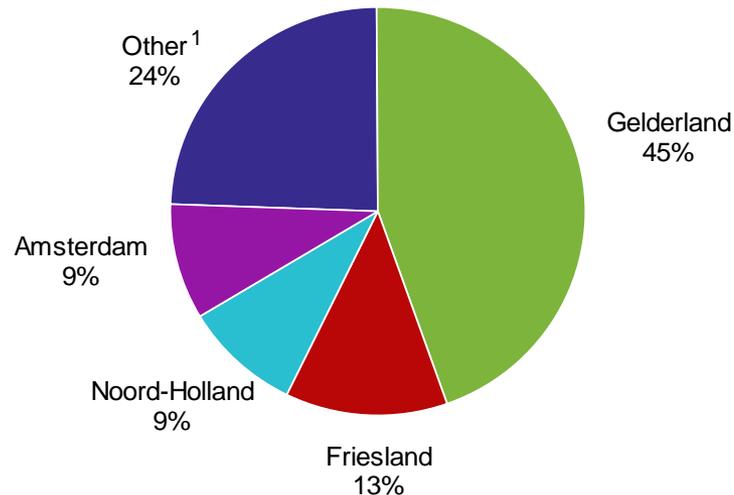
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Stable Dutch public shareholder base



Alliander shareholders: Provinces & Municipalities



Alliander grid coverage of regions² largely coincide with the shareholders base



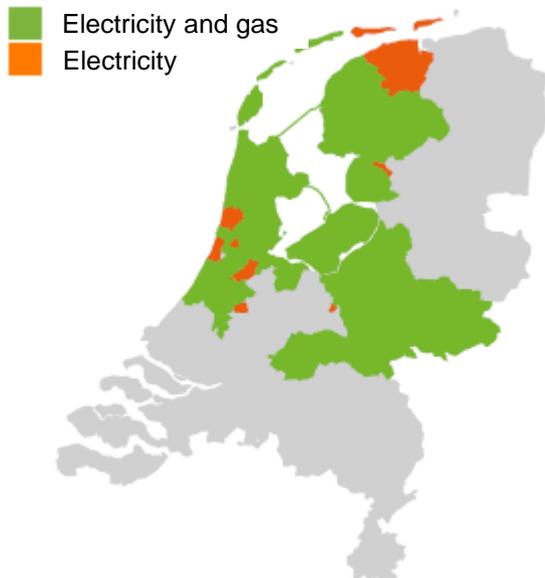
100% owned by Dutch provinces and municipalities and privatisation is not allowed by law

¹ Includes province of Flevoland, and various municipalities located in the provinces of Gelderland, Friesland, Flevoland, Zuid-Holland and Noord-Holland
² Situation as of 1 January 2016

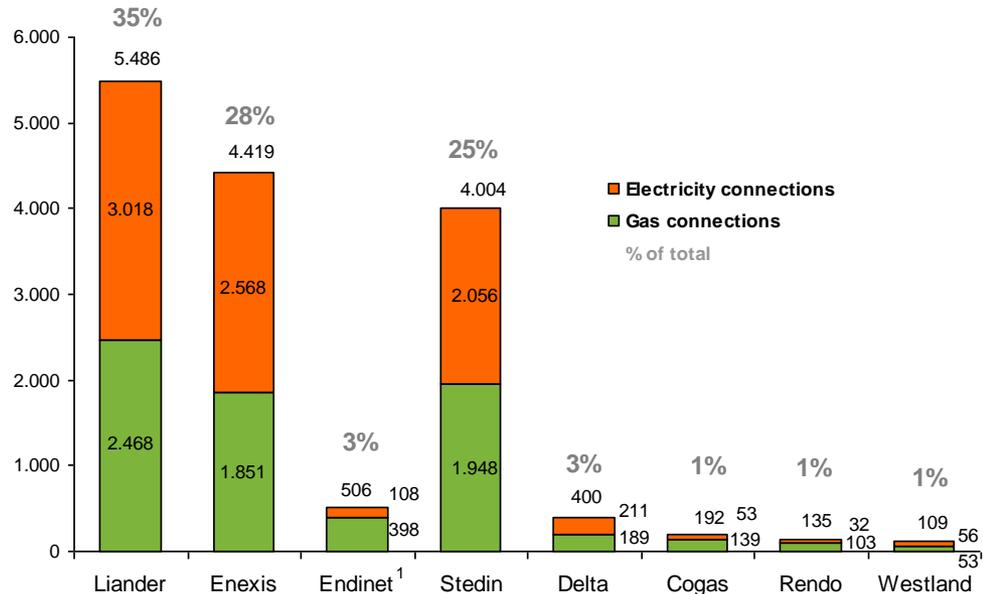
Largest DSO in the Netherlands



Liander service areas per 1 January 2016



Number of connections (x1.000) per 1 January 2016



Source: ECN/EnergieNed/Netbeheer Nederland "Energy Trends 2014" publication
¹ Part of Enexis Holding

- Liander has 3.0 million electricity connections and 2.5 million gas connections in the Netherlands
- Liander has a market position of 35%

Position in the Dutch energy value chain



The Dutch energy value chain has been partially liberalised. Regional distribution and transmission are regulated

Alliander's businesses: stable cash flow profile



- Regional Grid Manager: Management of regional electricity and gas grids
- Electricity & gas metering business
- Regulated assets
- Low risk profile due to regulatory environment



- Service, maintenance and automation of complex energy infrastructures, including for TenneT
- Clients are in the stable and regulated network sector
- Stable and predictable cash flow

Profit for the first half of 2015	Network operator Liander	Shared services, Overhead & Other	Eliminations	Total
€ million				
Operating income				
External income	774	74	-	848
Internal income	2	163	-165	-
Operating income	776	237	-165	848
Operating expenses				
Operating expenses	622	272	-165	729
Operating profit	154	-35	-	119
Total assets	6,863	2,561	-1,862	7,562
Total liabilities	4,931	1,747	-2,953	3,725

Regulated business >90%

1) Comprises other activities within the Alliander-group including the activities of Liandon, Stam, Alliander A.G., activities in emerging markets, corporate departments and service units (both part of Alliander N.V.)

Regulation – Recent developments

Method decision

- In April 2016, draft method decisions of regulatory period 2017-2021 have been published, indicating:
 - 5-year price control period,
 - Wacc (real, pretax) at 3.7% in 2017, gradually decreasing to 3.1 % in 2021
 - Allowed revenues at the start of the new period will be set at the efficient cost level
 - Costs of sufferance taxes will be fully compensated on an ex post basis
 - The basics of the regulatory framework are unchanged
- Final method decisions will be published in September

Project STROOM

- Streamlining of the existing Electricity and Gas Acts (STROOM)
- Proposed new Energy Acts were rejected by Parliament in December 2015.
- The minister of Economic Affairs intends to present parts of the STROOM legislation to Parliament again in September 2016. A consultation has been concluded, but no final decision has been made yet.

Sufferance tax

- Municipalities increasingly levy sufferance tax. Corrective legislation is being prepared to cap and phase out sufferance tax. These costs can be recovered in the allowed revenues but with a delay.

Smart Meter

- Alliander aims to have offered smart meters to all of its customers by 2020
- Large scale offering started in 2015

Metering Tariffs

- The setting of allowed revenue for metering service consumer market is in a transitory phase:
 - Up to 2020 based on cost plus regulation
 - From 2020 onward the cost will be included in the benchmark

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Key figures

Key figures

€ million, unless stated otherwise

	First half 2016 ¹	First half 2015 ¹	Movement compared to 2015
Revenue	783	777	1%
Other income	65	45	44%
Operating expenses	740	593	25%
Operating profit	108	229	-53%
Profit after tax	232	161	44%
Profit after tax excluding incidental items and fair value movements	64	116	-45%
Investments in property, plant and equipment	304	261	16%
	30 June 2016^{2,3}	31 December 2015^{2,3}	
Total assets	7,562	7,726	
Total equity	3,837	3,687	
	30 June 2016^{2,3}	31 December 2015^{2,3}	
Net debt position	1,608	1,735	
Interest cover	7.8	7.6	
FFO / net debt	30%	28%	
Solvency	60%	56%	
Net debt / capitalization	31%	34%	

- 1) 2016: AEF included, Endinet excluded
2015: AEF and Endinet excluded (except for the results after tax).
- 2) 2016: AEF included, Endinet excluded
2015: AEF excluded and Endinet included (except for the results after tax).
- 3) Ratios according to the principles of Alliander's financial policy

Incidental items and fair value movements in the financial results

Incidental items and fair value movements

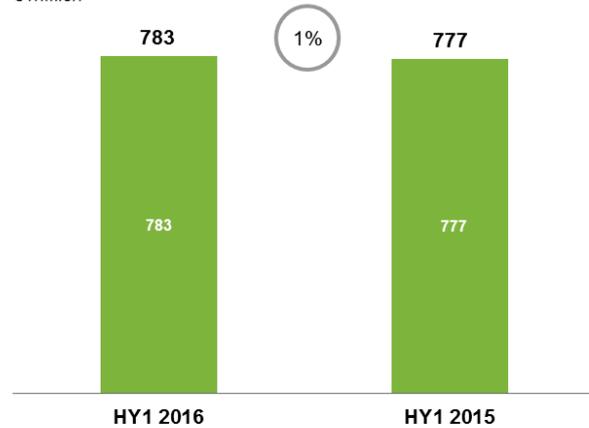
€ million

	First half 2016	First half 2015
Total purchase costs, costs of subcontracted work and operating expenses	-11	64
Operating profit (EBIT)	-11	64
Finance income/(expense)	-	-5
Profit before tax	-11	59
Tax	3	-14
Profit after tax from continuing operations	-8	45
Profit after tax from discontinued operations	176	-
Profit after tax	168	45

Financial highlights¹

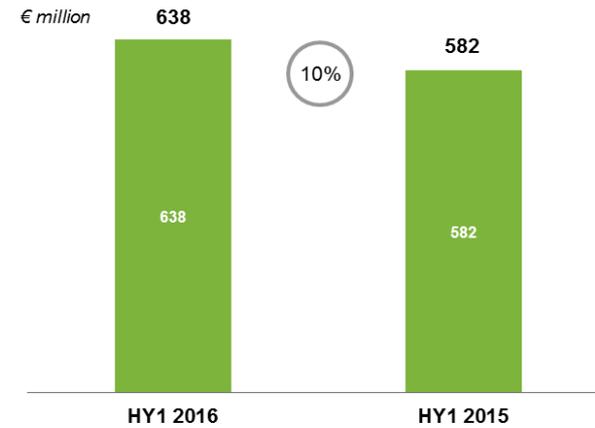
Revenue

€ million



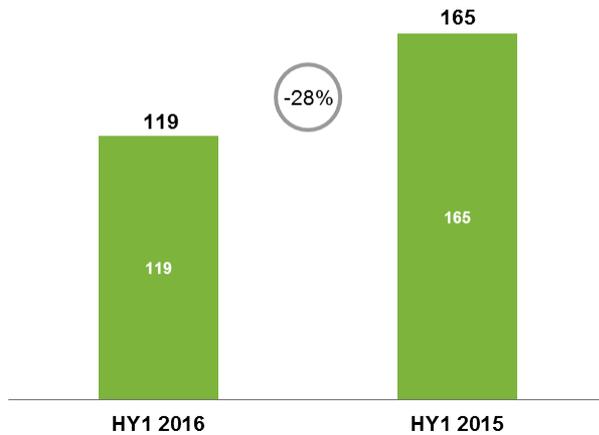
Total purchase costs, costs of subcontracted work and operating expenses

€ million



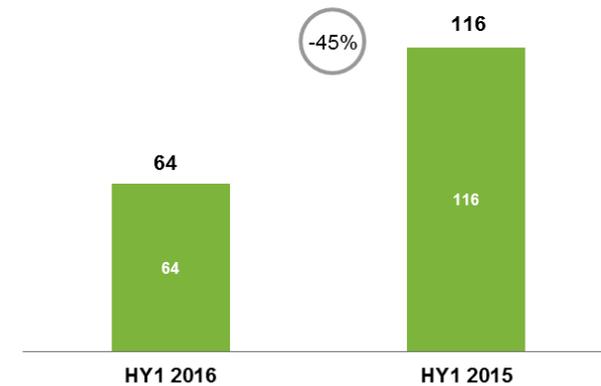
Operating profit (EBIT)

€ million



Profit after tax

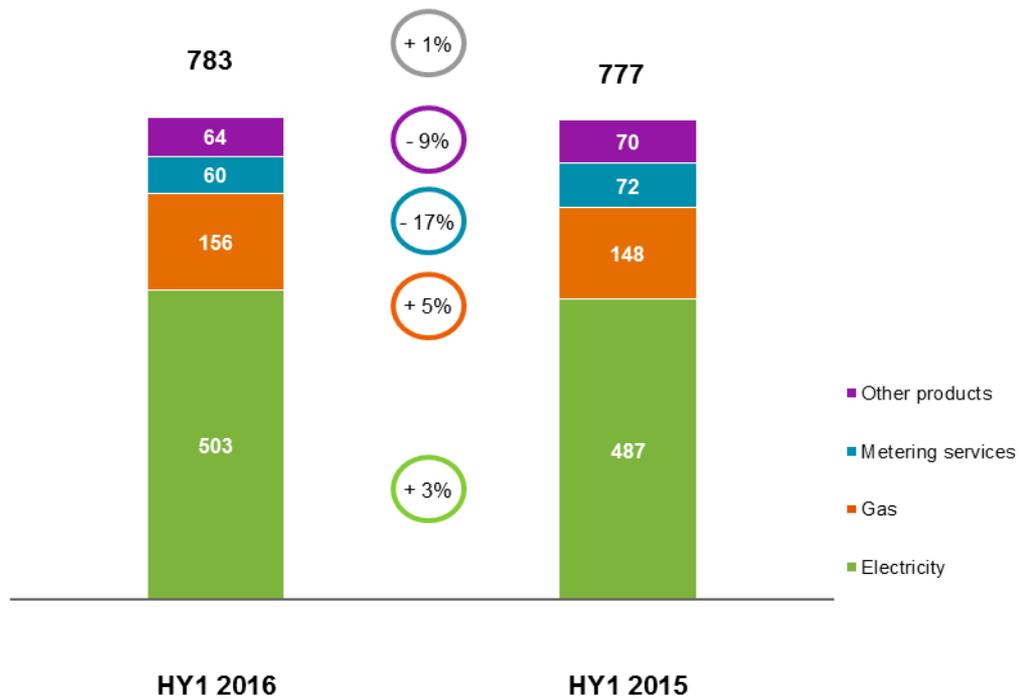
€ million



1) Excluding incidental items and fair value movements

Revenue¹

Revenue
€ million

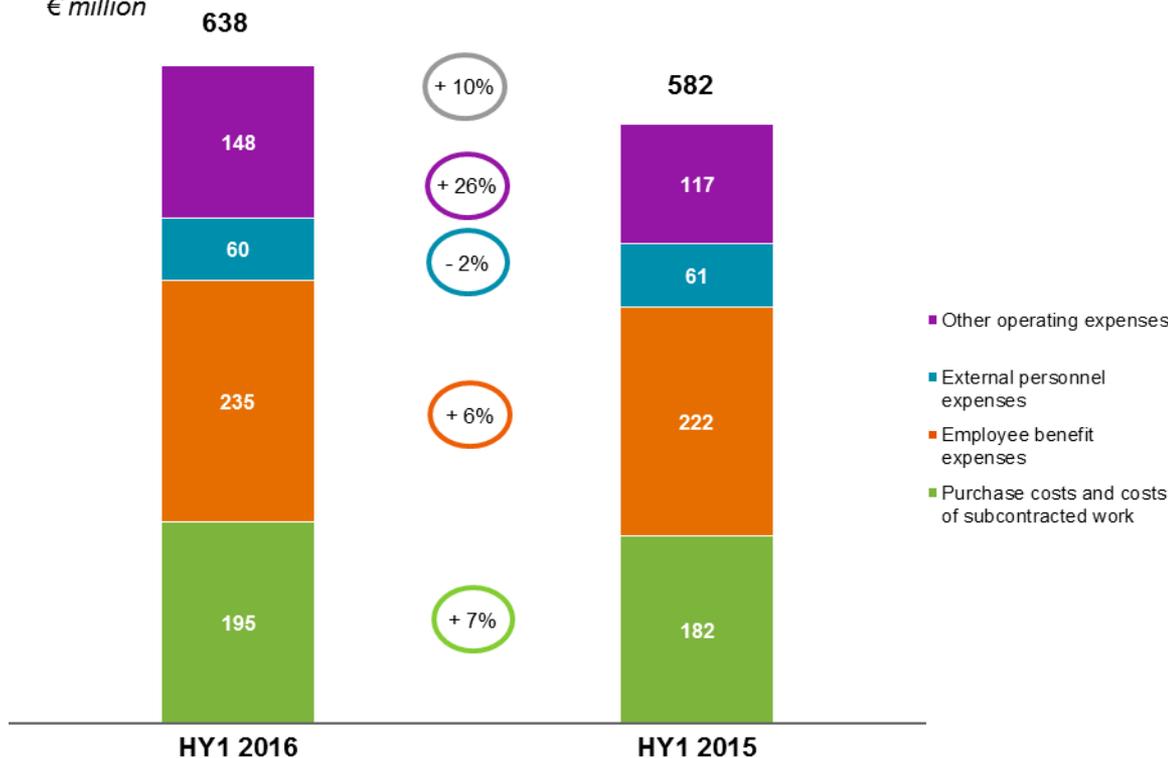


1) Excluding incidental items and fair value movements

Purchasing costs, costs of sub-contracted work and operating expenses¹

Total purchase costs, costs of subcontracted work and operating expenses

€ million

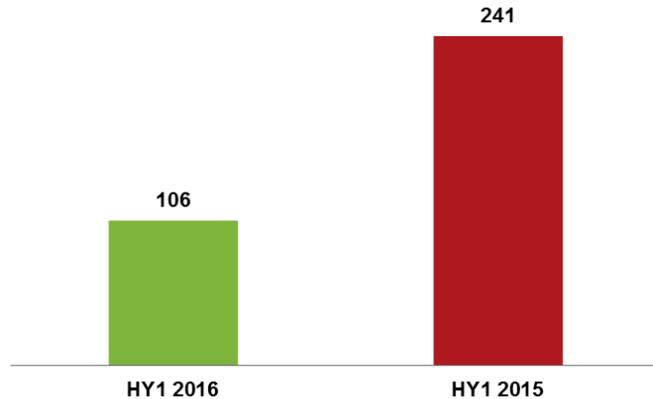


1) Excluding incidental items and fair value movements

Cash flows and Capex

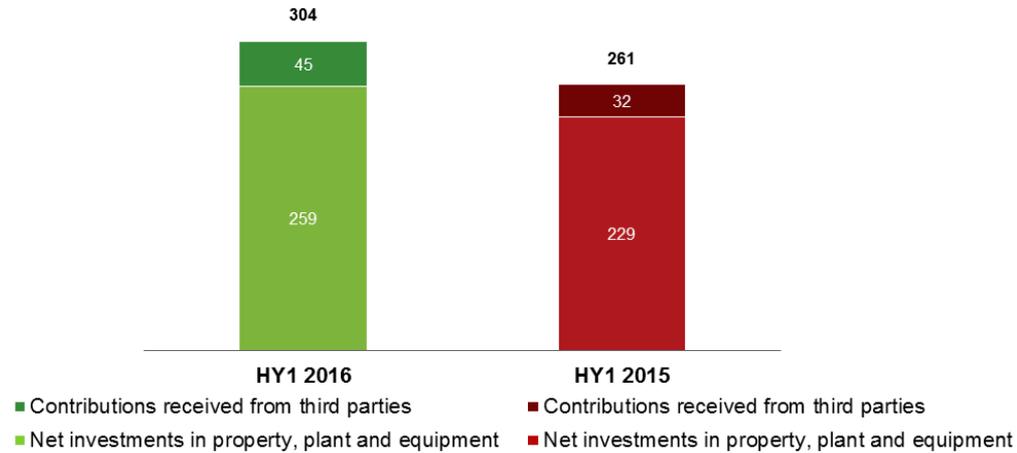
Cash flow from operating activities

€ million



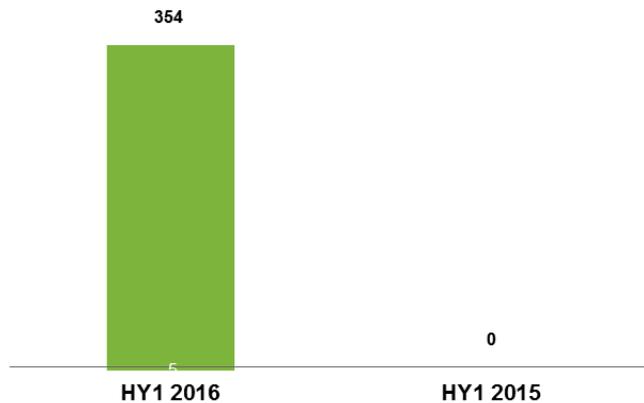
Investments in property, plant and equipment

€ million



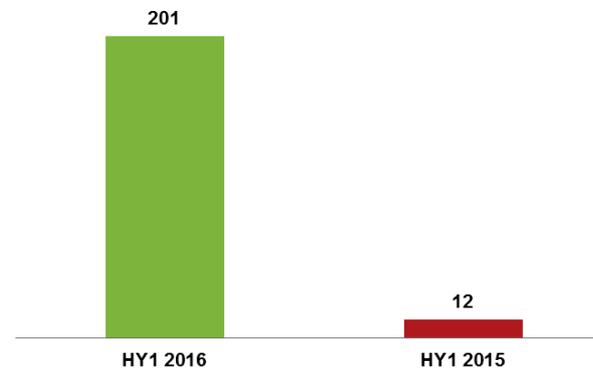
Cash flow from acquisitions and disposals

€ million



Free cash flow

€ million



■ Cash flow from asset swap ■ Acquisition less acquired cash and cash equivalents

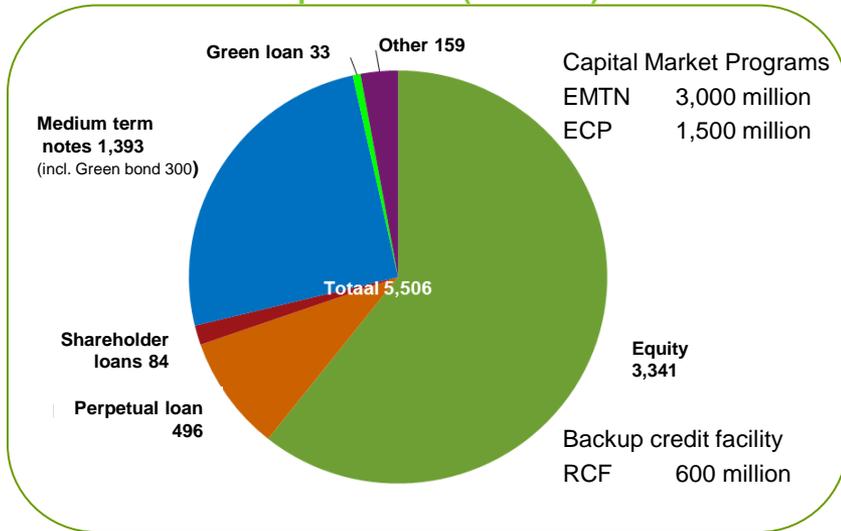
1) Free cash flow = Cash flow from operating activities – Cash flow from investing activities + investments in acquisitions

Financial position

As of 30 June 2016



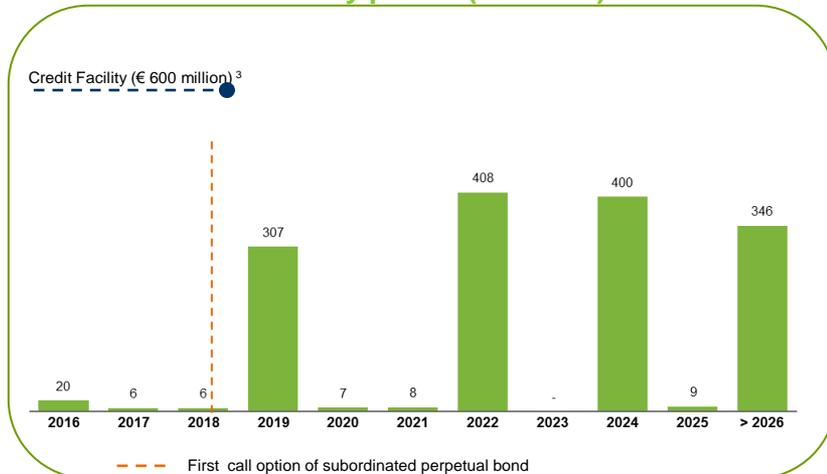
Capitalisation (€ million)



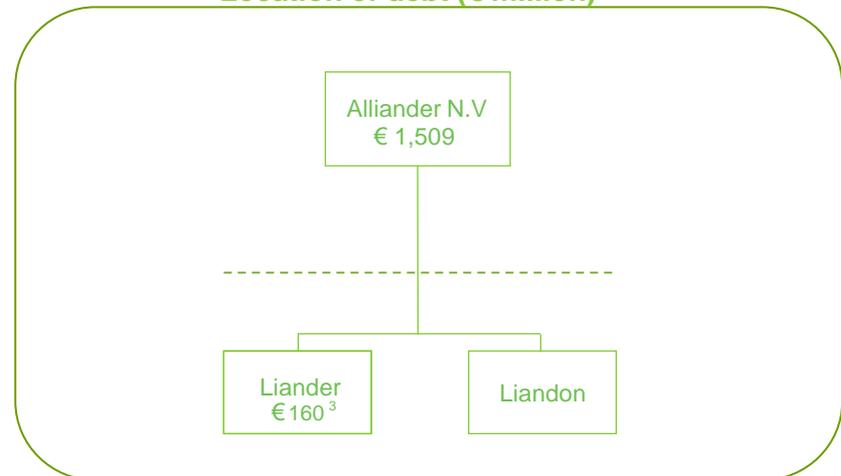
Gross and net debt (€ million)

Gross Debt (including CBL related financial lease obligations)	1,669
Cash	79
Other Investments	-
CBL Investment	230
Total Cash and Cash Equivalents	309
Net debt according to IFRS	1,360
50% of subordinated perpetual bond	248
Net debt according to financial policy	1,608

Maturity profile (€ million)¹

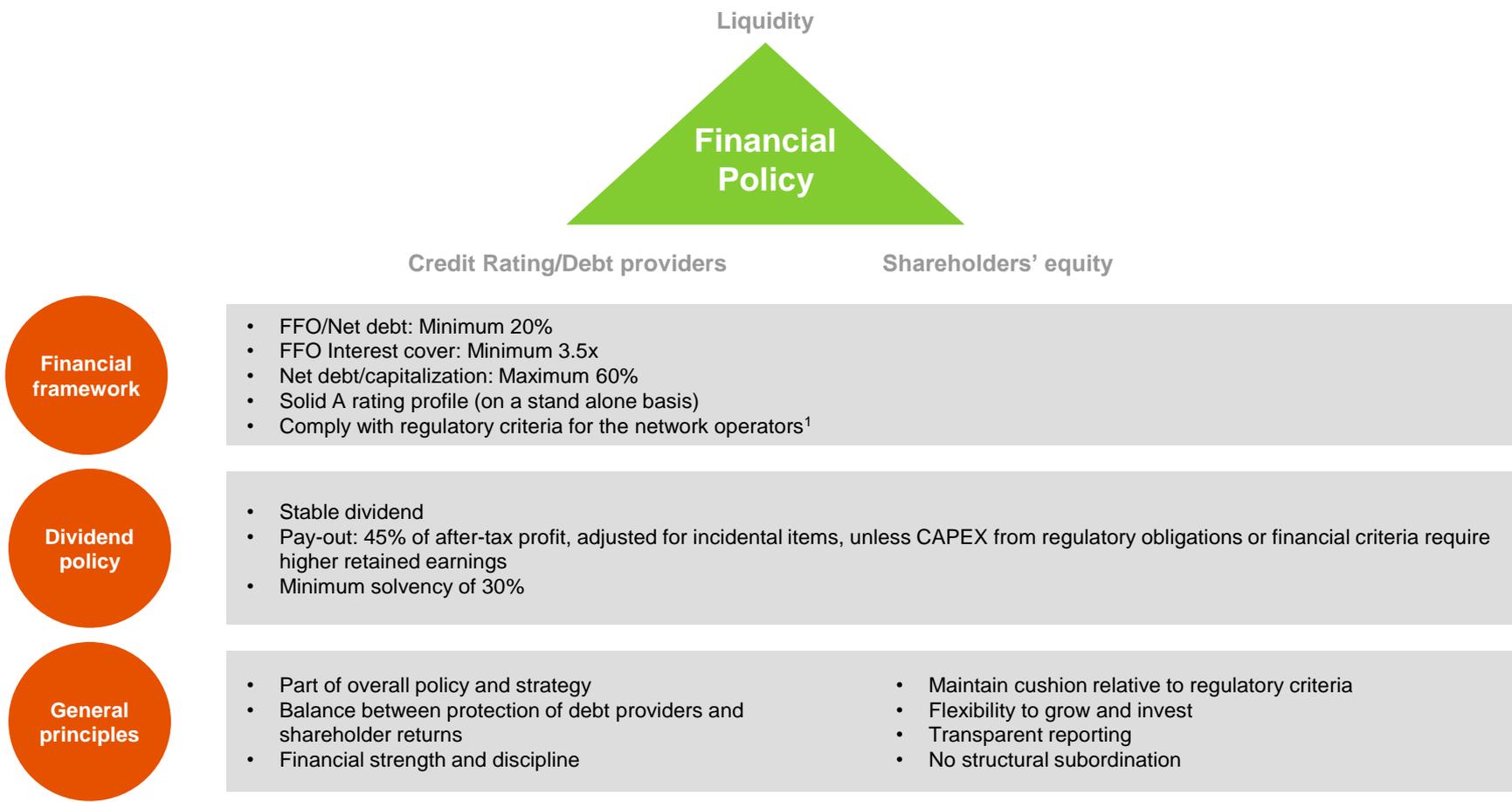


Location of debt (€ million)



1) Excluding € 159 million financial lease liabilities Liander
2) Including € 100 million L/C back-up facility

3) Including € 159 million financial lease obligations Liander



Financial framework

Dividend policy

General principles

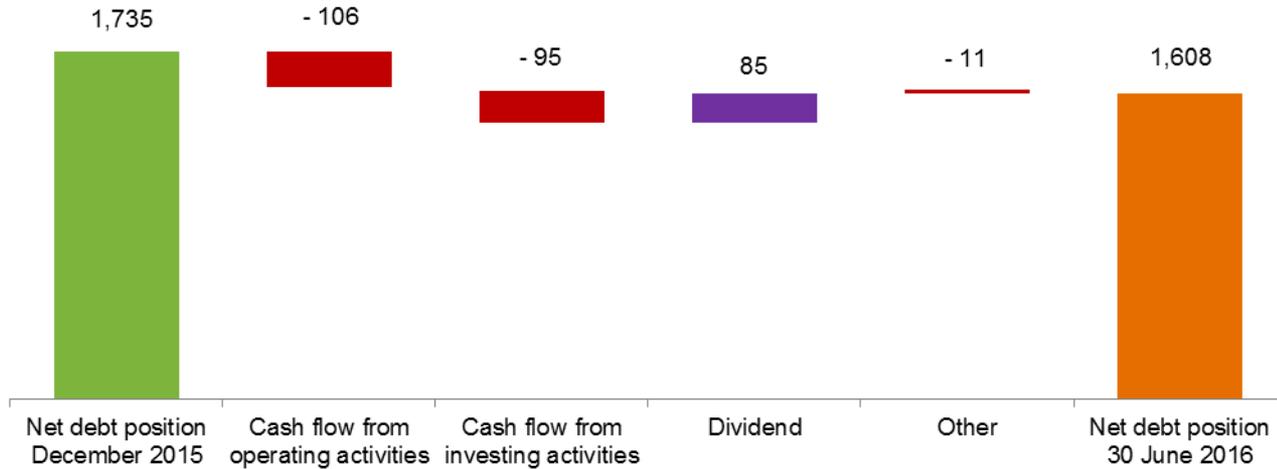
Strong financial profile with clear and well defined financial policy, supported by regulated financial ratios and proven commitment to stay within financial policy framework

¹ See page 40

Net debt

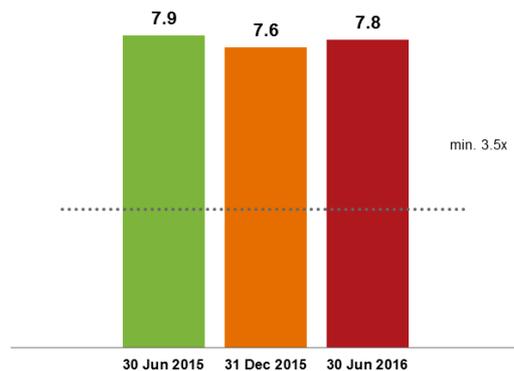
Development net debt position

€ million

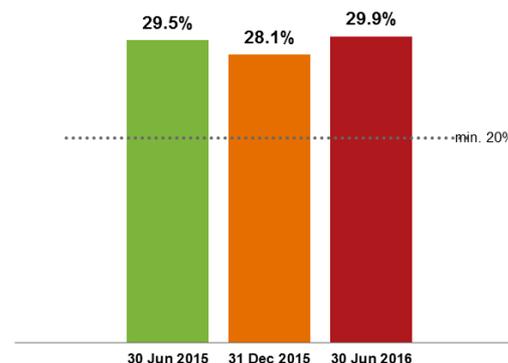


Ratios financial policy¹

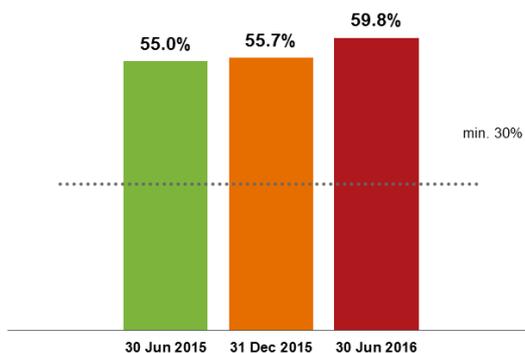
Interest cover²



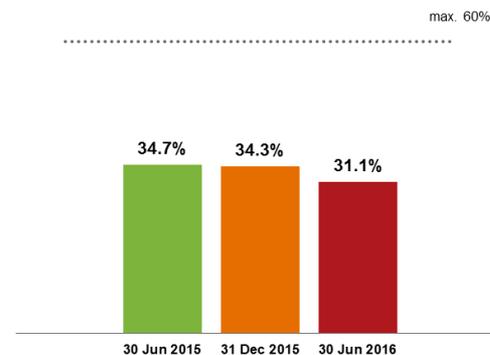
FFO / net debt³



Solvency⁴



Net debt / capitalization⁵



- 1) Ratios based on figures with 'held for sale'-classification (IFRS 5) not taken into account. According to the principles of Alliander's financial policy the subordinated perpetual bond loan is treated as 50% equity
- 2) Interest cover: 12-months profit after taxation adjusted for deferred tax asset movements and incidental items and fair value movements plus depreciation and net finance income and expenses, divided by net finance income and expenses adjusted for incidental items and fair value movements
- 3) Funds From Operations: 12-months profit after taxation adjusted for deferred tax asset movements and incidental items and fair value movements plus depreciation of PP&E, intangible assets and deferred income.
- 4) Solvency: equity including period result less the expected dividend distribution of current financial year divided by balance sheet total less the expected dividend distribution for the current year and deferred income
- 5) Net debt/capitalisation: net debt divided by the sum of net debt and equity

Strong credit ratings



Moody's Investors Service

Issuer	Aa2/Stable
Senior Unsecured	Aa2/Stable
Short-Term	P-1
Basket C Hybrid	A2

Rationale

- Counts as a Government Related Issuers (GRI) under Moody's methodology. Fully owned by Dutch provinces and municipalities – two notches of uplift reflecting potential support from government shareholders
- Low business risk profile supported by predictable cash flows due to predominantly regulated activities
- Stable and transparent regulatory regime, though allowed returns are decreasing
- Moderate investment requirements and conservative distribution policy underpin strong financial profile going forward
- The stable outlook reflects Moody's expectation that Alliander will maintain focus on its regulated business and continue to follow its conservative financial policy
- Moody's has assigned an A2 issue rating to Alliander's subordinated perpetual bond and 50% equity weight (20-Nov-13)

STANDARD
& POOR'S

Corporate	AA-/Stable
Senior Unsecured	AA-/Stable
Short-Term	A-1+
Junior Subordinated A	

Rationale

- Moderate likelihood that owners would provide timely and sufficient extraordinary support in the event of financial distress (in accordance with criteria for government-related entities).
- Excellent business risk profile based on more than 95% of operating profit derived from stable regulated revenues, natural monopoly position in service areas, strong operational performance of networks and regulatory reset risk every three years
- Modest financial risk profile based on stable and predictable operating cash flows within regulatory periods, conservative financial policy, strong debt coverage ratios and strong liquidity
- Stable outlook reflects the view that Alliander will be able to sustain adjusted FFO to debt of about 25% over the medium term. Underpinning S&P's opinion is their assumption that Alliander will partially offset the impact of lower tariffs in the current regulatory period by reducing its operating costs and dividend distributions
- S&P's has assigned an A issue rating to Alliander's subordinated perpetual bond and 50% equity weight (19-Nov-13)

Source: Moody's Investors Service as of November 20th, 2013, December 22nd 2014, July 30th 2015 and July 27th 2016. Standard and Poor's as of August 15th, November 19th and 20th, 2013 and December 10th, 2014.

Sustainability rating and transparency



Socially responsible investment

- Alliander's prime rating by **oekom Research** is at B (Prime)
 - This rating puts Alliander NV in the **top 5** out of 171 companies rated by oekom research in the utilities sector
 - Rated since 2011
 - Target level is a Prime rating
- Alliander N.V. has been reconfirmed for inclusion in the **Ethibel EXCELLENCE** Investment Register since 29 January 2015
- Alliander has been selected for the investment universe of **Triodos Bank**



Transparency

- Alliander has based its Corporate Social Responsibility report on the **Global Reporting Initiative (GRI)** guidelines
 - Reports since 2008
 - Reporting over 2015 at comprehensive / GRI G4 with external assurance
- Alliander participates in the **Transparency Benchmark** for large Dutch corporates performed by KPMG under aegis of the Dutch Ministry of Economic Affairs, Agriculture and Innovation
 - Ranked 9th in 2015 (out of 461 companies), 15th (2014), 24th (2013), 14th (2012), 12th (2011)
 - Sector leader in energy and utilities
 - Participates since 2008
 - Target level is at the forefront position



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- Detailed half-year results 2016

- Other

Results¹

Consolidated income statement		
€ million	First half 2016	First half 2015
Revenue	783	45
Other Income	65	45
Total income	848	822
Operating expenses		
Purchase costs and costs of subcontracted work	-195	-182
Employee benefit expenses	-238	-222
External personnel expenses	-60	-61
Other operating expenses	-156	-53
Total purchase costs, costs of subcontracted work and operating expenses	-649	-518
Depreciation and impairment of property, plant and equipment	-182	-159
Less: Own work capitalised	91	84
Total operating expenses	-740	-593
Operating profit (EBIT)	108	229
Finance income	8	4
Finance expense	-36	-38
Result from associates and joint ventures after tax	-1	-1
Profit before taxes from continuing operations	79	194
Tax	-23	-48
Profit after tax from continuing operations	56	146
Profit after tax from discontinued operations	176	15
Profit after tax	232	161

- 1) 2016: AEF included, Endinet excluded
2015: AEF and Endinet excluded (except for the results after tax).

Consolidated balance sheet

Consolidated balance sheet		
€ million	30 June 2016	31 December 2015
Assets		
Property, plant and equipment	6,366	5,899
Intangible assets	302	280
Investments in associates and joint ventures	8	9
Available-for-sale financial assets	230	229
Other financial assets	41	42
Deferred tax assets	236	248
Non-current assets	7,183	6,707
Inventories	59	54
Trade and other receivables	241	238
Other financial assets	-	25
Cash and cash equivalents	79	89
Current assets	379	406
Fixed assets held for sale	-	613
Total assets	7,562	7,726
Equity & liabilities		
Equity		
Share capital	684	684
Share premium	671	671
Subordinated perpetual bond	496	496
Revaluation reserve	57	53
Other reserves	1,697	1,548
Profit after tax	232	235
Total equity	3,837	3,687
Liabilities		
Non-current liabilities		
Interest-bearing debt	1,484	1,197
Finance lease liabilities	160	162
Deferred income	1,580	1,559
Deferred tax liabilities	22	-
Provisions for employee benefits	50	49
Other provisions	4	3
Non-current liabilities	3,300	2,970
Short-term liabilities		
Trade and other payables	125	133
Tax liabilities	25	101
Interest-bearing debt	25	471
Provisions for employee benefits	47	53
Accruals	203	216
Short-term liabilities	425	974
Liabilities held for sale	-	95
Total liabilities	3,725	4,039
Total equity and liabilities	7,562	7,726

Cash flow statement

Consolidated cash flow statement		
€ million	First half 2016	First half 2015
Cash flow from operating activities		
Profit after tax	232	161
Adjustments for:		
- Finance income and expense	28	34
- Tax	23	51
- Profit after tax from associates and joint ventures	1	1
- Depreciation and impairment less amortisation	150	136
- Release provision CDS after tax	-	-49
- Book profit sale Endinet	-176	-
Changes in working capital:		
- Inventories	-5	-7
- Trade and other receivables	-3	-5
- Trade and other payables and accruals	-6	18
Total changes in working capital	-14	6
Changes in deferred tax, provisions, derivatives and other	-24	-20
Cash flow from operations	220	320
Net interest paid	-39	-39
Net interest received	1	1
Corporate income tax paid (received)	-76	-41
Total	-114	-79
Cash flow from operating activities	106	241
Cash flow from investing activities		
Investments in property, plant and equipment	-304	-261
Construction contributions received	45	32
Acquisition less acquired cash and cash equivalents	-5	-
Cash flow from asset swap	359	-
Cash flow from investing activities	95	-229
Cash flow from financing activities		
Redemption EMTN	-400	-
EMTN issued	300	-
Redemption long-term debt	-5	-
ECP financing issued (redemption)	-47	-7
(Redemption) loans granted	1	-4
Received (granted) current deposits	25	-25
(Redemption) available-for-sale investments	-	141
Dividend paid	-85	-125
Cash flow from financing activities	-211	-20
Net cash flow	-10	-8
Cash and cash equivalents as at 1 January	89	167
Net cash flow	-10	-8
Cash and cash equivalents as at 30 June	79	159

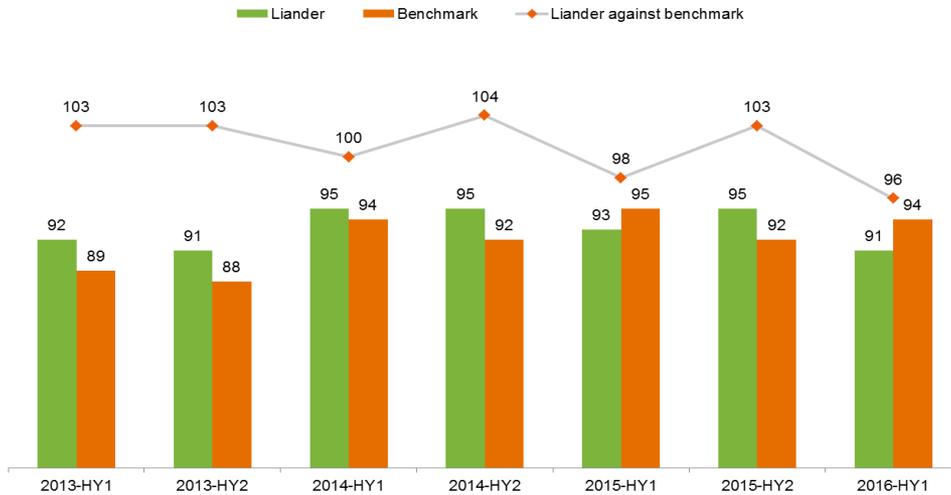
Content

1. Highlights
2. Sector developments
3. Alliander at a glance
4. Half-year results 2016
5. Appendices
 - Detailed half-year results 2016
 - Other

Customer satisfaction

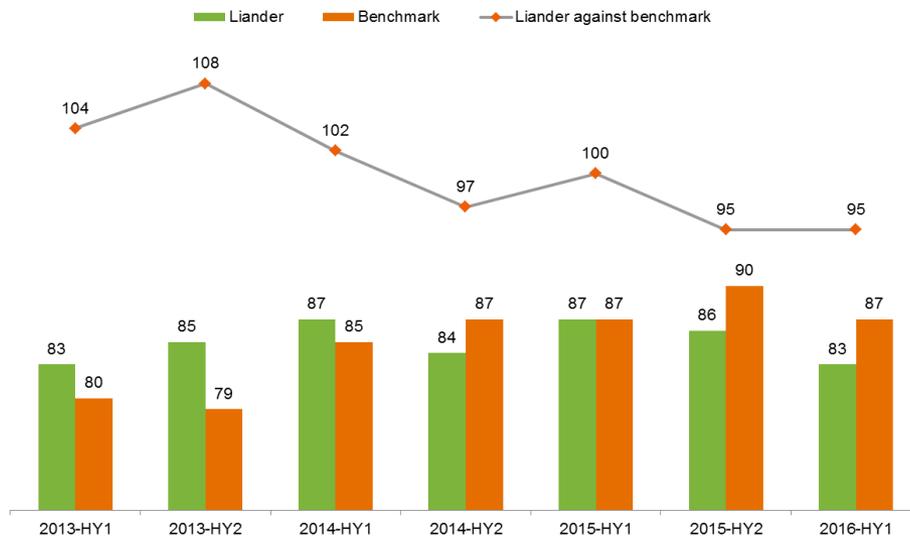


Customer Satisfaction Consumer Market (%)



- Decrease in customer satisfaction in consumer market

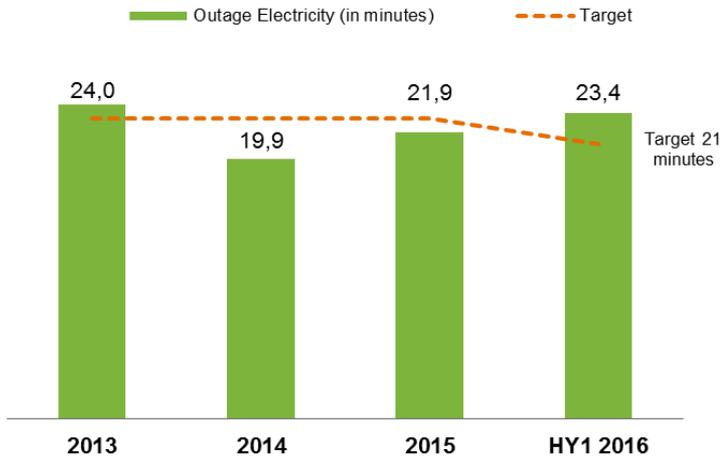
Customer Satisfaction Business Customers (%)



- Stable customer satisfaction in business market

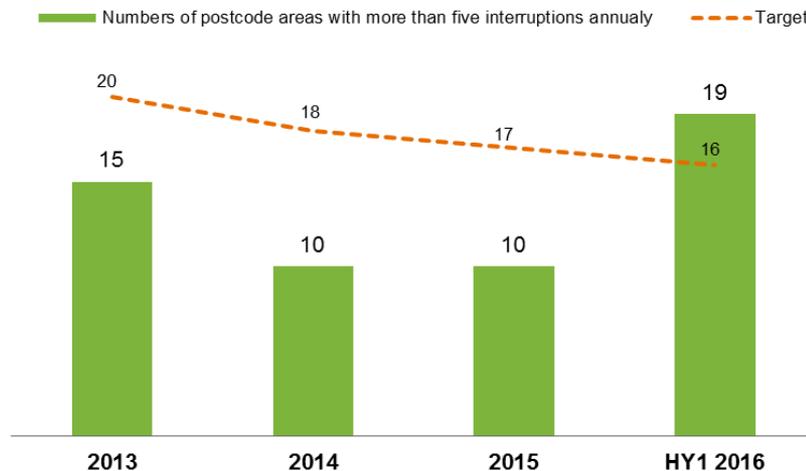
Grid reliability

Outage Electricity (in minutes)



- 12-month average outage duration increased
- Outage duration exceeding objective of max 21 minutes by more than 3 minutes
- Maximum outage duration for next years is 21 minutes

Numbers of postcode areas with more than five interruptions annually



- Number of postcode areas with more than five interruptions annually has increased from 10 to 19 during last 6 months
- Number of postcode areas is exceeding 2016 objective of max 16 postcode areas with 3 areas
- Objective for next few years is set to decrease to a maximum of 15 number of postcodes in 2017

Cross border leases – Basic structure



Basic structure in steps

At transaction closing:

1. Alliander leases grids to US Trust (headlease)
2. US Trust leases grids back to Alliander (sublease)
3. US Trust prepays all finance obligations under headlease to Alliander
4. US Trust finances these prepayments via equity provided by US Investor and bank debt
5. Alliander invests prepayment proceeds in a defeased structure (off balance):
 - Deposits
 - Bonds

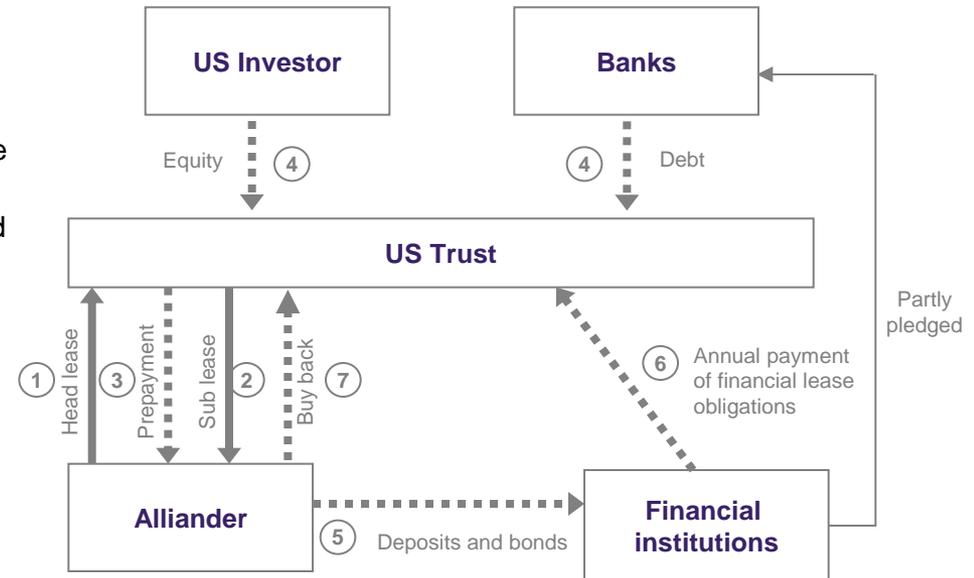
During transaction:

6. Use of investment returns to fulfil financial lease obligations (off balance) and to fund purchase price at end of sublease

At end of sublease:

7. Alliander option to buy grids back against predetermined purchase price

Basic structure scheme



Rationale

- Net Present Value of tax deferral for US investor
- Increase in solvency for Alliander by sharing NPV with US investor

Cross border leases – Risks

Risk summary

	3 leases	3 leases
US leases	30 June 2016	31 Dec 2015

in USD million

Equity strip risk	128	181
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Overview Letters of Credit	30 June 2016	31 Dec 2015
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in USD million

Issued	-	-
Additional L/C's at A3/A-	80	129
Additional L/C's at Baa1/BBB+	24	23

Back-up facility	30 June 2016	31 Dec 2015
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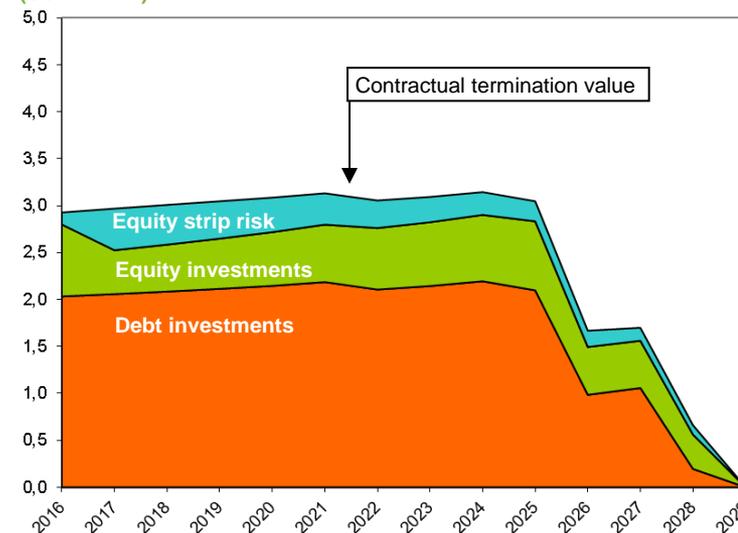
in EUR million

Back-up L/C facility	100	100
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CBL related risks

- Obligation to pay contractual termination value in case of Event of default and/or Event of loss
- Credit risk on investments
- General and tax indemnities
- Posting additional L/C's in case of Alliander downgrade

Contractual termination values CBL's Alliander (USD billion)



Contractual termination value

- Contractual termination value represents the amount needed to safeguard the intended transaction return in case of early contractual termination
- Equity strip risk varies over time depending on the mark-to-market value of investments relative to contractual termination value.

Alliander activities in Germany

Strategy

- Innovative service provider working closely together with our partners in the energy business and municipalities to support them in creating a new energy architecture for network operation, public lighting and traffic lights.
- Apply Alliander technology in Germany
- Closely monitor and analyse newly tendered small concessions that Alliander has won before

Existing activities (2015)

- Revenue of €37m and total assets of €57m
- Activities:
 - Public Lighting activities in various cities (60% of revenue)
 - Network operations in various cities (40% of revenue)
- 162 employees (153 FTE)
- Number of electricity connections: 15,600 (Heinsberg)
- Number of gas connections: 4,700 (Heinsberg and Waldfeucht)
- Number of light points: 76,400 (all locations)

Regulatory regime E and G

- Revenue cap regulation
- Regulatory period: 5 years (gas until 2017, electricity until 2018)

Active tenders E and G (per 30 June 2016)

- Negotiations with former concession holder on purchase price of network assets for newly granted operating concessions:
 - Eberswalde (g; concession:1)
- New tender for concessions (10,600 gas connections and 19,000 electricity connections)
 - Hennigsdorf (e+g; concessions: 2; 20 years)

Investment

- In 2016/17 about €33m (acquisition gas network Eberswalde/Hennigsdorf)

Alliander activities in Germany



- Public lighting (pl)
- Electricity and gas (e+g)
- Gas (g)
- Traffic lights

- * Infra structure services for industry
- Active tenders

Regulation – X factors

Current regulatory period

- Period: 1 Jan 2014 - 31 Dec 2016
- Positive x factors have been set that require a decrease of allowed revenue
- Regulator has decided to use an x factor reduction and a one-off reduction in allowed revenue in 2014 and x factor reductions in 2015 and 2016.
- x factors are partly based on WACC of 3.6% (real, before tax)
- Decrease in WACC is due to lower equity beta, risk free rates and risk premiums (WACC is CAPM based)
- Revenue impact in 2014 is less than sum of one-off and x factor due to positive recalculations effect of previous years
- Revenue impact for regulatory period is on average €50 million per year accumulating (excluding any recalculation effects for 2015 and 2016)

Next regulatory period (based on draft method decisions)

- Price control period of 5 year (2017-2021)
- Real Wacc at 3.7% in the first year and at 3.1 % in the last year of the price control period
- Allowed revenues at the start of the new period will be set at the efficient cost level
- Costs of surffrance taxes will be fully compensated on an ex post basis
- Other regulatory methodology remains unchanged

Previous regulatory period

- Period: 1 Jan 2011 - 31 Dec 2013
- Negative x factors allowed for an increase of maximum allowed revenue
- x factors were partly based on WACC of 6.2% (real, before tax)

Electricity	x factor (%)			
	2014–2016		2011–2013	2008–2010
	x factor (%)	one-off x factor (%) (in € mln)		
Liander N.V.	4.6	73	(6.4)	3.6
Endinet B.V.	5.3	5	(6.2)	4.6
Delta Netwerkbedrijf	4.7	6	(5.2)	5.8
Stedin B.V.	4.6	72	(7.7)	6.3
Enexis B.V.	4.9	102	(6.1)	5.0

Gas	x factor (%)		
	2014–2016	2011–2013	2008–2010
Liander N.V.	6.4	(2.7)	6.1
Endinet B.V.	7.0	(1.6)	7.2
Delta Netwerkbedrijf B.V.	6.9	(0.5)	6.6
Enexis B.V.	6.9	(3.4)	8.1
Stedin B.V.	6.6	(2.8)	4.2

Source: ACM, Alliander

Financial definitions

Alliander financial policy

- **Net debt:** interest-bearing debt less cash and cash equivalents and investments that are not restricted
- **FFO:** 12-months profit after taxation adjusted for deferred tax movements and incidental items and fair-value movements plus depreciation of PP&E and amortisation of intangible assets and accrued income
- **Interest cover:** FFO and net financial income and expenses, divided by net financial income and expenses adjusted for incidental items and fair value movements
- **Net debt/capitalisation:** net debt divided by the sum of net debt and equity

Other

- **Solvency:** Equity including result period less the expected dividend distribution to be made in the current year divided by total assets less the expected dividend distribution to be made in the current year and less deferred income
- **Deferred income (Equalisation accounts):** These are the contributions and payments received from customers, property developers and local and regional governmental bodies for the costs incurred for electricity or gas infrastructure of new housing projects and industrial estates. The contributions and payments are recognised as deferred income on the balance sheet. Deferred income is amortised over the expected useful lives of the assets involved. There is no legal obligation to refund any amount after initial connection of the customer. The amounts of deferred income to be charged are laid down in the regulatory legislation.
- **Financial requirements for regional network managers** (by Decree of Ministry of Economic Affairs)
 - investment grade rating (Min. BBB-/Baa3)or
 - EBIT interest cover $\geq 1.7x$
 - FFO interest cover $\geq 2.5x$
 - FFO to total debt $\geq 11\%$
 - Debt to total Cap $\leq 60\%$