

PRESS RELEASE

Alliander announces first annual results since unbundling

Sound network company strengthens financial position

Arnhem, Monday 15 February 2010

- **The shareholders' equity of the Dutch network company Alliander increased by 35 per cent in 2009 to €2.2 billion, resulting in solvency of 42 per cent at 31 December 2009. Alliander consequently has a sound financial position.**
- **The profit after tax for 2009 of €312 million was €42 million higher than in 2008.**
- **Excluding incidental items, the profit after tax amounted to €160 million (2008: €302 million).**

This is stated in the figures that the company published today for 2009. This is the first occasion on which Alliander has published annual figures since the unbundling of the production and supply company (Nuon Energy). The net turnover decreased by 3 per cent to € 1.4 billion. This was due on the one hand to reductions in the tariffs set by the Dutch regulator for transporting electricity and gas and on the other hand to the effect of the introduction of capacity charges. The operating expenses remained largely the same as in 2008 at €755 million (2008: €750 million). If account is taken of incidental expenses in 2008, the operating expenses in 2009 rose structurally by €50 million and by €60 million in respect of non-recurring items, including higher expenses relating to the unbundling and the sale of the high voltage grids to the national grid manager TenneT. The profit after tax was €312 million (2008: €270 million), partly thanks to the book profit on the sale of the high voltage grids.

Peter Molengraaf, Chairman of the Management Board, said "I am very pleased with Alliander's start as an independent network company. We are increasingly focusing on our key tasks and promoting and achieving sustainable innovation with other network companies, and we will reinforce our position through the planned acquisition of Endinet."

Satisfaction levels and outage duration

Satisfaction levels measured among municipalities and business customers rose from 74 to 87 per cent, while the level among consumers remained the same as in 2008 at 89 per cent. The average outage duration for electricity rose from 24.0 to 27.4 minutes, largely because of higher numbers of interruptions and longer repair times. In the case of gas, the average outage duration rose from 21 to 26 seconds. Both networks functioned well for 99.995 per cent of the year under review. The reliability of the electricity and gas networks of Alliander is therefore one of the best in Europe.

Investments

In 2009 Alliander invested a total of €397 million in replacing and expanding electricity and gas networks and in ICT systems. This represented an increase of 9 per cent on the figure for 2008 (€363 million). Over 41,000 new electricity connections were installed during the year (2008: 44,000) and close to 23,000 new gas connections (2008: 24,000). The lower amounts invested in expanding the networks were compensated by bringing forward various replacement investments. The length of the electricity network was increased in 2009 by 1100 kilometres and the gas network by 190 kilometres, which was almost the same as in 2008.

Innovation

The provision of energy supplies in the Netherlands will change over the coming decades, with increasing numbers of relatively small, decentralised production units generating renewable supplies

of energy. At the same time, however, electricity consumption is set to rise because of the emergence, for example, of electric cars. This will require changes in the existing infrastructure and also in the infrastructure that is to be put in place over the coming years. New ICT applications are necessary to equip the network for these and other developments in the future. Alliander is consequently involved in various projects designed to deal with these changes, including as co-initiator of e-laad.nl, a foundation that was set up in 2009 and will be responsible for installing ten thousand electric recharging points in public areas in the Netherlands over the next three years. Since 2009, the grid manager Liander has also participated in Amsterdam Smart City, an innovative project seeking to use new technology as a means of saving energy. In addition, Liander is the first grid manager in the Netherlands to facilitate the feeding of biogas from a livestock farm into the gas network. Liander expects to be able to use the experience gained from these technologies and projects to obtain a more detailed understanding of the effects of these new developments.

Successful recruitment campaign

In 2009 Alliander launched a wide-ranging recruitment campaign that resulted in the appointment of 369 new employees. In addition, a total of 98 apprentices completed vocational diplomas at Alliander's in-house technical training centre during the year. These training courses involve apprentices going to school one day a week and working for the other four days. A total of 71 youngsters also gained experience in various Alliander departments as part of the Step2work programme, meant to help young people who have experienced difficulties in finding permanent employment by offering them the opportunity of work experience.

Liandyn to become Ziut

In July 2009 Alliander and Enexis signed an agreement to transfer their subsidiaries Liandyn and IP Lighting to a joint venture. This new company, named Ziut, will be a powerful player with a strong position in the increasingly competitive market for public lighting, traffic management installations and lighting architecture. Ziut has over 500 employees and annual turnover of around € 140 million.

Proposed acquisition of Endinet

On 11 December 2009 Alliander announced its intention to acquire the grid manager Endinet. The due diligence has now been completed and the final purchase agreement has been drawn up on this basis. The planned transaction will be submitted to the two companies' shareholders for approval in early March, when final decisions will be taken. The purchase price will be € 712 million. Endinet had annual turnover in 2008 of approximately € 110 million and about 250 employees. The combination with Endinet will strengthen Alliander's position as the Netherlands' largest network company and promote its joint efforts with the other network companies in the Netherlands to effect the transition to a more renewable energy supply. After this acquisition, Alliander will continue to apply its financial policy prescribing the maintaining of the current A rating profile.

Proposed acquisition of Stam & Co

Earlier this month Alliander announced it was planning to acquire Stam & Co, an all-round cable and communication systems contractor. Alliander foresees a shortage of well-qualified engineers in the region of Noord-Holland. This proposed acquisition will ensure that it has sufficient engineering capacity in this region and so can be assured of being able to continue installing and maintaining electricity and gas networks properly into the long-term future. Stam & Co has around 150 employees.

About Alliander

Network company Alliander manages regional energy networks and supplies network-related services in the field of complex energy infrastructures. Alliander has over 5,700 employees and consists of the companies Liander and Liandon. Grid manager Liander has 2.8 million customers and takes care of the connection to and transportation of gas and electricity in about a third of the Netherlands. Liandon delivers services in the construction and maintenance of complex energy infrastructures.

For more information

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