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## Bulletin:

# Distribution Grid Operators Enexis Holding And Alliander Ratings Unchanged After The Announced Swap Of Regional Networks

### Primary Credit Analyst:

Vittoria Ferraris, Milan (39) 02-72111-207; vittoria.ferraris@standardandpoors.com

### Secondary Contact:

Nicolas Riviere, Paris (33) 1-4420-6709; nicolas.riviere@standardandpoors.com

MILAN (Standard & Poor's) March 26, 2015--Standard & Poor's Ratings Services said today that its ratings on Dutch distribution grid operators Enexis Holding N.V. (A+/Stable/--) and Alliander N.V. (AA-/Stable/A-1+) were unaffected by the two companies' agreement to exchange regional networks. We understand that the exchange concerns the energy networks of Enexis in Friesland province and the Noordoostpolder area and of Alliander's subsidiary, Endinet, in the southeast Brabant and Eindhoven regions. The transaction is scheduled for completion on Jan. 1, 2016.

We view this exchange of monopoly-type assets operating under the same regulatory network as neutral in terms of both companies' business risk profiles. However, the swap may unlock additional operating efficiencies at each company. We also regard this exchange as neutral in terms of the companies' financial risk profiles, although we expect the deal will involve some cash compensation from Enexis to Alliander given the lower number of electricity and gas connection points in Enexis' regional networks. At this stage, we think the exchange is unlikely to significantly alter our financial forecasts in our base-case scenarios for the companies. We expect to receive more details on the transaction's value over the next months, which we would then incorporate in our updated base-case scenarios for the two companies.

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**Additional Contact:**

Industrial Ratings Europe; [Corporate\\_Admin\\_London@standardandpoors.com](mailto:Corporate_Admin_London@standardandpoors.com)

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