Enexis 2012 annual results

Investor Presentation

Maarten Blacquière, CFO
11 March 2013

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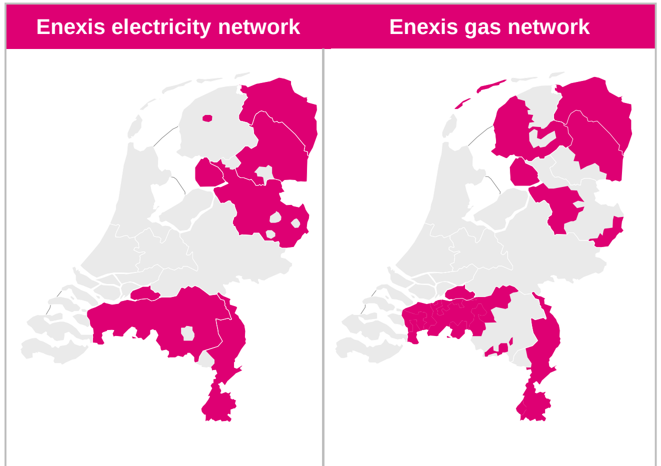
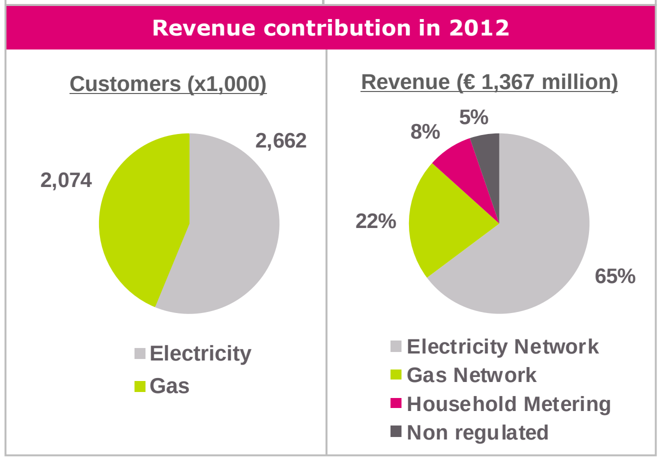
Company overview

- Enexis is one of the leading regional Electricity and Gas Network Operators in The Netherlands, owning and managing regulated electricity and gas networks
- Enexis has a natural monopoly in the regions in which it operates
- Enexis' core business is regulated in nature and it makes a regulated turnover
- The network consists of:
  - 134,200 km of electricity cables, servicing around 2.7 million customers
  - 44,800 km of gas pipelines, servicing around 2.1 million customers
- High reliability of electricity and gas networks
- Enexis is 100% owned by Dutch provinces and municipalities that are prohibited by law to privatize their holdings

- Key facts and figures of Enexis
  - FY2012 **revenues** of € 1,367 million (FY2011: €1,315 million)
  - FY2012 **EBIT** of € 391 million (FY2011: € 397 million)
  - Total **assets** of € 6,927 million (2011: € 6,359 million)
  - **Equity** € 3,244 million (2011: € 3,131 million)
  - Approximately 4,200 employees

- Ratings
  - Moody's : Aa3 (stable), most recent reconfirmation: September 2012
  - S&P : A+ (positive), most recent reconfirmation: November 2012





2012 highlights

- Stable profit of € 229 million
- Revenues up to € 1,367 million reflecting the limited customer tariff increase
- Strategic investment plan on track, increase of gross investments to € 504 million
- Key financial ratios comfortably met
- Successful issue of two listed Euro bonds
- Enexis is CO_2 neutral in its core activities

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Main developments in 2012

Financial Results 2012	▸ Profit for the year 2012: € 229 million (2011: € 229 million) ▸ Operational cost target realised in line with revenue increase ▸ Gross investments in 2012 increased with € 60 million to € 504 million (2011: € 445 million) ▸ Target financial ratios are comfortably met, with credit ratings from S&P: A+ positive outlook and Moody's: Aa3 stable outlook
Strategic developments	▸ Implementation of strategic plan on track ▸ Rendo acquisition negotiations have been suspended by sellers, awaiting the outcome of legal investigations at Rendo ▸ In 2012, non-regulated activities excluding real estate have been merged into the newly named company Fudura
Operational developments	▸ High reliability of electricity grids with an average outage time of 21.6 min p/y below Dutch average of 27 min p/y ▸ Gas grid outage time (35 sec p/y) is below Dutch average of 64 sec p/y ▸ Overall customer satisfaction remained at a high level, with a score of 7.6 (2011: 7.6) ▸ Safety performance (DART rate) for Enexis (excl. 3rd parties) for 2012 at 0.49 (2011: 0.53) ▸ Net footprint from operations reduced to zero by reduction initiatives, use of sustainable energy and CO_2-compensation
Regulatory developments	▸ Preparations for the next regulatory period (2014-2016) started in 2012, draft method decision expected Q2 2013 ▸ Enexis increased 2012 and 2013 tariffs in line with inflation, well below the regulatory allowed level
Financing and other developments	▸ In January and November 2012, Enexis Holding NV issued its first two listed Euro bonds under its EMTN program in order to re-finance part of its shareholder loans ▸ In September 2012, Enexis voluntarily terminated its last Cross Border Lease related to the gas grid in the former Intergas area ▸ As of December 1st 2012, Maarten Blacquière has been appointed CFO of Enexis

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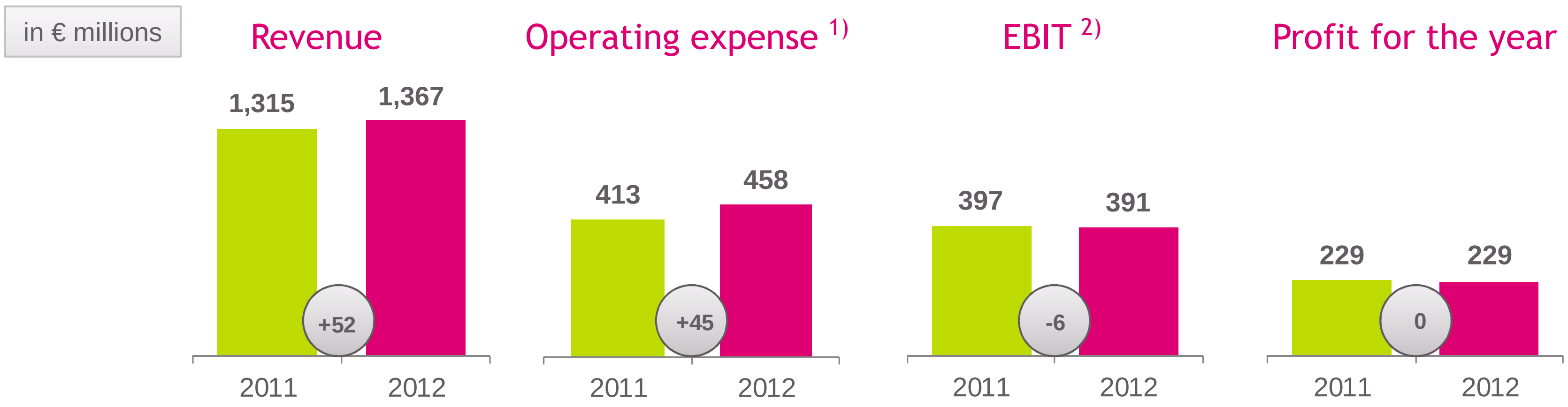
Profit for the year in line with 2011

- Operational cost target realised, in line with revenue increase
- Stable EBIT provides reasonable return in line with regulatory WACC
- 50% of profit added to Equity, 50% dividend pay-out

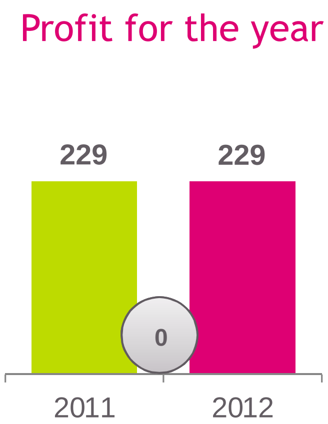


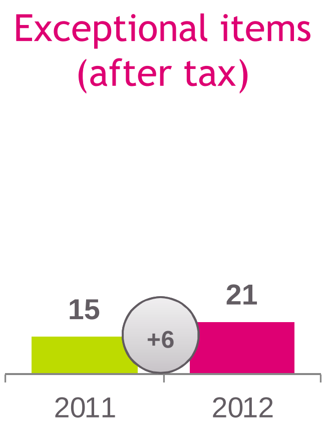
Note 1) Excluding depreciation
Note 2) EBIT= Operating profit plus share of profit of associates

Normalised profit for the year increased to € 249.7 million

- Exceptional items consist mainly of staff related provisions and impairments of associates

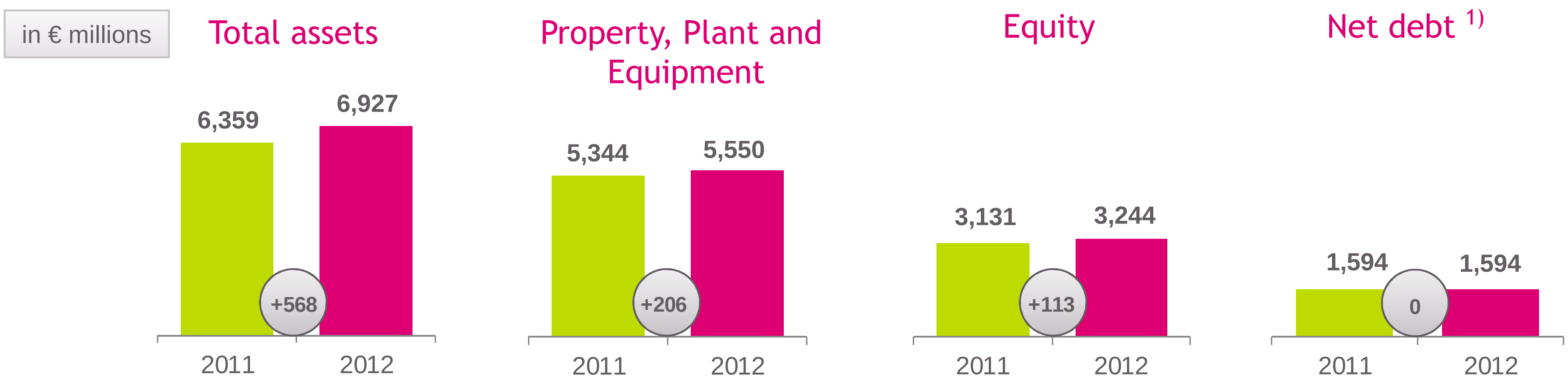
in € millions





Strong balance sheet

- Total assets increased due to € 500 m bond issue for debt redemption in 2013
- PP&E +4% due to increasing investment levels
- Stronger equity position due to 50% profit addition, net debt stable

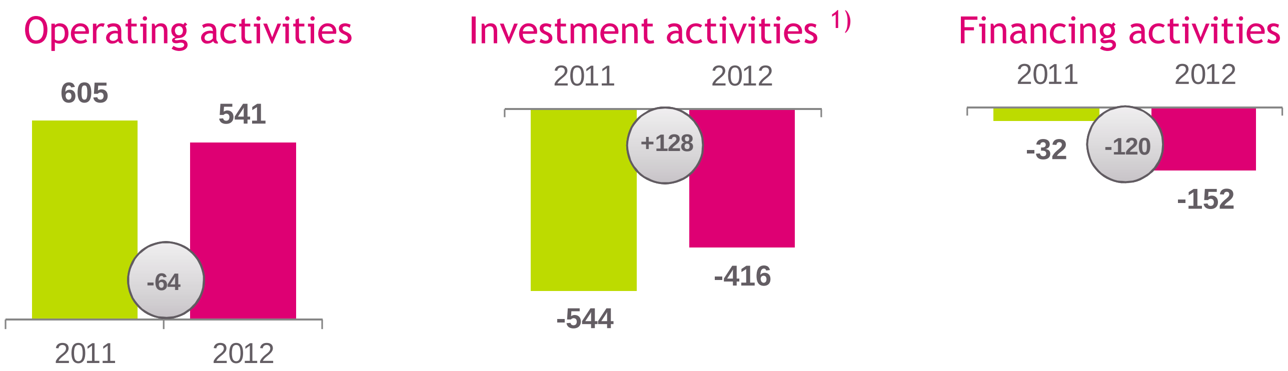


Note 1) Net debt = Interest bearing liabilities (current + non-current) minus cash and cash equivalents minus other financial assets (short-term)

Operational cash flow for 2012 covers investment and dividend

- Decline of operational cash flow due to reduced net working capital
- Investment activities 2011 include € 188 million Intergas acquisition
- Next to € 115 million dividends, the financing activities for 2012 contain € 800 million Bond issue, € 450 million shareholder loan repayment and the balance of deposits and loans granted

in € millions



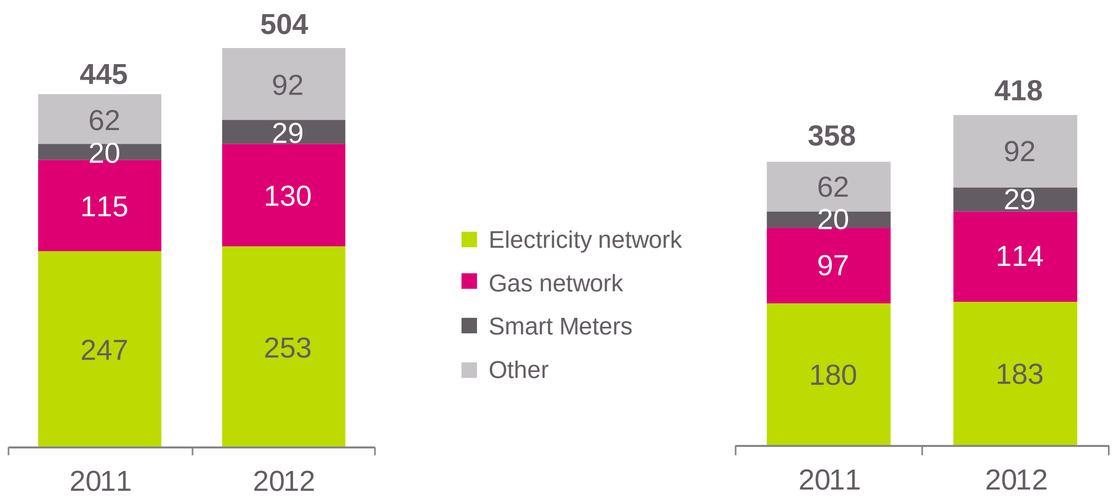
Note 1) Including repayments of loans granted (2011: € 1,6 mio, 2012: € 1,1 mio) and sale of assets/liabilities held for sale (2011: € 1,2 mio)

Investments rise through replacements in gas grid, smart meters and new offices

- Advance customer contributions account for the difference between gross and net investments (€ 87 million in 2012)

in € millions

Gross Investments [1)] Net Investments [1)]

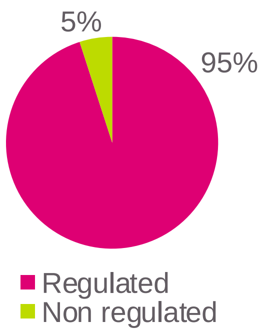


Note 1) Excluding repayments of loans granted and sale of assets/liabilities held for sale

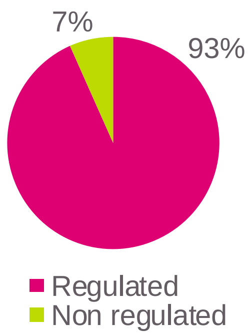
Non regulated businesses small but profitable for Enexis

- Non regulated activities strengthen the regulated core business
- Non regulated activities consist primarily of commercial metering and rental of energy equipment

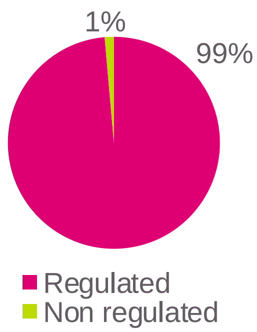
Revenue for 2012 [1)]



Profit for the year 2012



Total Assets

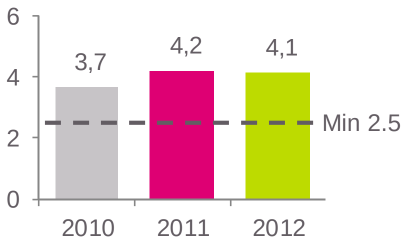


Note 1) Reported after eliminations.

Key financial ratios comfortably met

- Relevant key financial ratios for Enexis' financial policy and planning & control cycle
- Management is committed to current strong A ratings

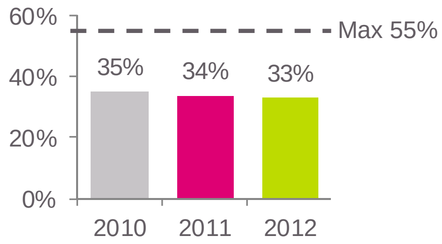
EBIT interest coverage



FFO interest coverage

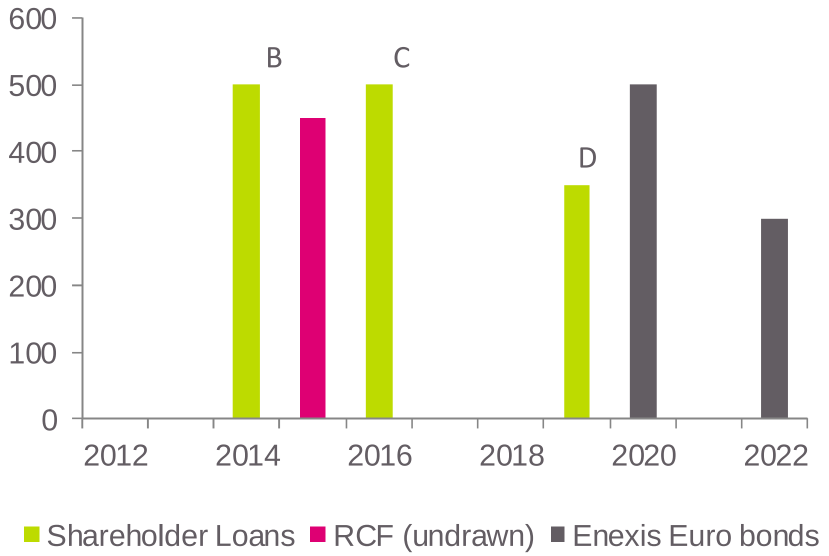
FFO /
Net interest bearing debt

Net interest bearing debt /
(Equity + NIB debt)



Funding profile shows gradual refinancing of shareholder loans

- **Euro Medium Term Note (EMTN) programme of € 3 billion** has been established in December 2011
- In order to secure financial flexibility, limit potential refinancing risk and ensure regular bond issuances to establish Enexis as a recognized issuer in the market, the SH-Loans were structured in a range of maturities:
  - Tranche A: € 450 million, tenor of 3 years (2012) – refinanced partly by a € 300 million bond issued in January 2012 with a tenor of 10 years with remainder refinanced out of available liquidity
  - Tranche B: € 500 million, tenor of 5 years (Sept 2014) – anticipated to be refinanced in September 2013 by a bond of € 500 million issued in November 2012 with a tenor of 8 years
  - Tranche C: € 500 million, tenor of 7 years (Sept 2016)
  - Tranche D: € 350 million, tenor of 10 years (Sept 2019)



- **Revolving Credit Facility (RCF) of € 450 million** (undrawn) will mature in June 2015

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Question & Answers

Thank you for your attention

<u>Financial agenda</u>
8 April 2013: Publication full 2012 Annual report

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