



Enexis Holding N.V.

Investor Presentation

October 2015





Presenting to you today



Maarten Blacquièrè, CFO

In office since	2012
In utilities since	2005
Previous experience	GasTerra, ExxonMobil



Rob van de Poll, manager Treasury

In office since	2008
In utilities since	1987
Previous experience	Essent, IME Consult



Paul Emans, manager Investor Relations

In office since	2013
In utilities since	2013
Previous experience	ASR, Fortis Insurance





Key investment highlights

A leading DSO in the Netherlands

- ◆ Robust four pillar strategy: reliability, affordability, customer satisfaction and sustainability
- ◆ Legal monopoly position in its Dutch electricity and gas service area
- ◆ Limited and Dutch only M&A agenda
- ◆ Highly reliable energy grids
- ◆ 100% public shareholders – no privatization allowed

Transparent regulatory environment

- ◆ Transparent and stable Dutch regulatory framework enables cost recovery and regulated return on capital
- ◆ Most efficient Dutch DSO and proven track record on cost management
- ◆ Capacity based tariffs, low dependence on economic developments

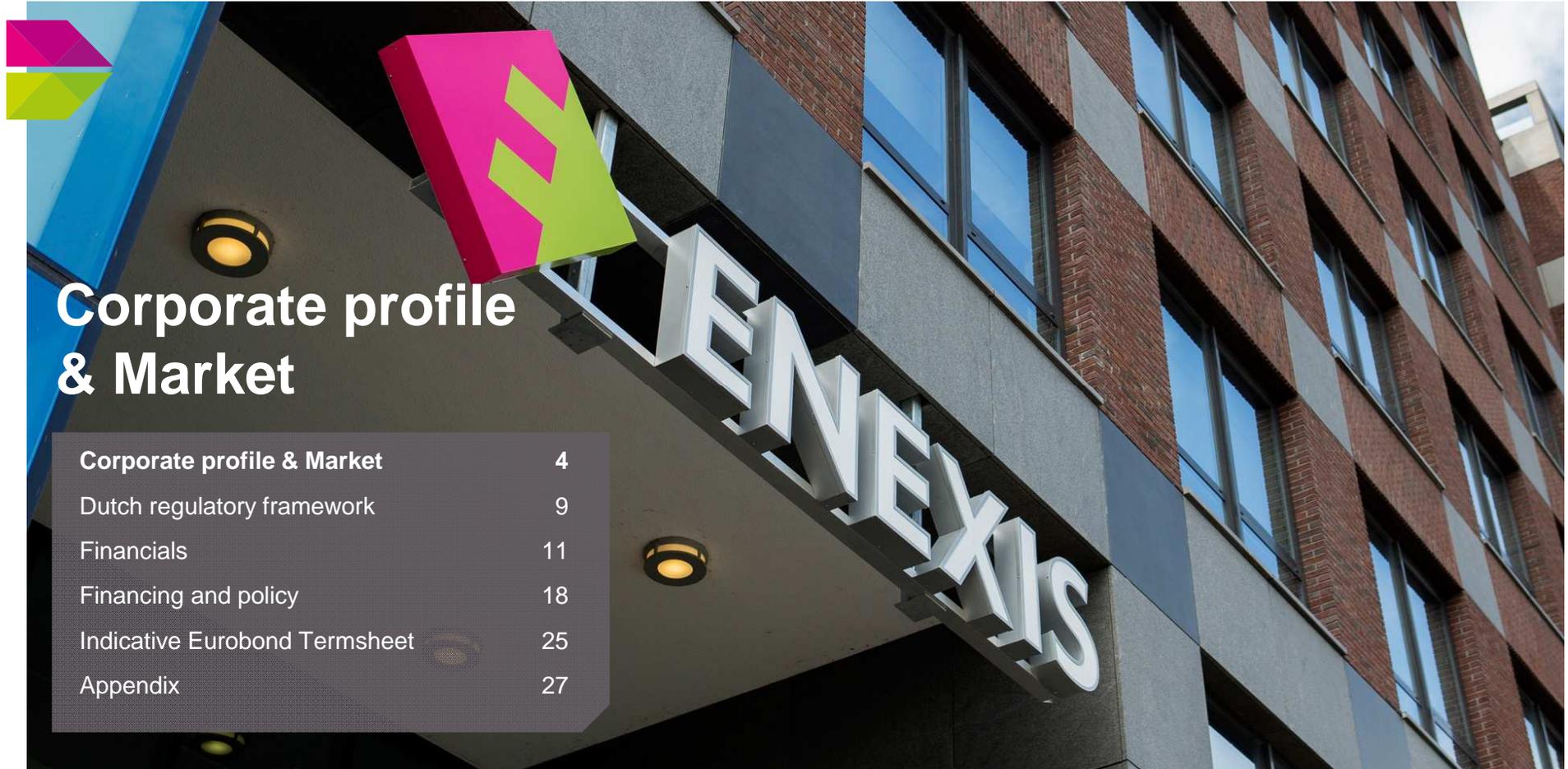
Solid financials

- ◆ Consistent solid financial performance
- ◆ Core regulated business contributing to more than 90% of total revenues and profit after tax
- ◆ Controlled roll-out of investment agenda supported by risk based asset management

Prudent financial policy

- ◆ Prudent financial policy – target ratios comfortably met
- ◆ Very strong credit ratings – Moody's: Aa3 stable, S&P: A+ stable
- ◆ Supportive shareholder base and restrictive dividend policy
- ◆ Balanced debt maturity profile





Corporate profile & Market

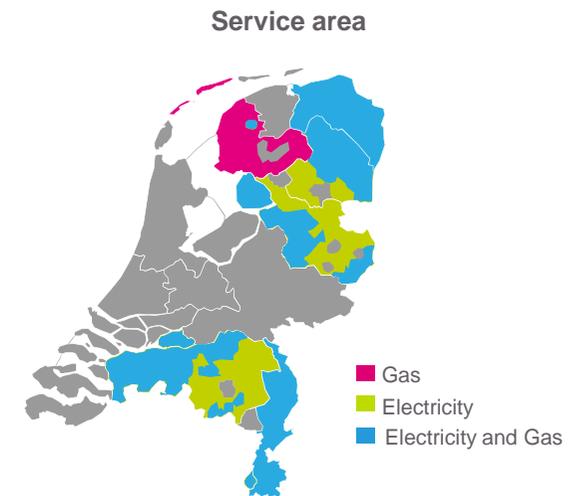
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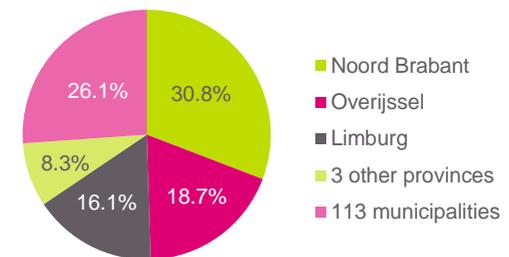


Corporate profile

- ◆ A leading Dutch Distribution System Operator (DSO) of electricity and gas grids
 - ◆ 2.7 million electricity connections
 - ◆ 2.1 million gas connections
- ◆ Legal monopoly position
- ◆ Strategy focus on the Netherlands with limited M&A agenda
 - ◆ Focus on reliability, affordability, customer satisfaction and sustainability
 - ◆ In a process of exchanging part of Dutch service areas with Alliander
- ◆ Multi-year grid outage time among the lowest in Europe
- ◆ Public shareholders and no privatization allowed
 - ◆ Share transaction between existing Enexis shareholders is made possible



Shareholder structure



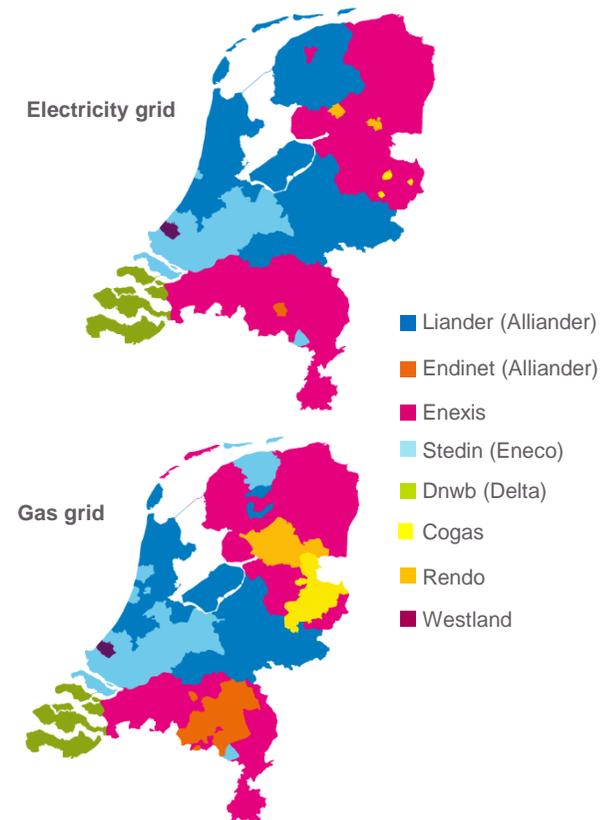


Enexis is a leading DSO in the Netherlands

- ◆ Three dominant DSOs manage 95% of all customer connections
 - ◆ Enexis, Alliander (Liander/Endinet) and Stedin (Eneco)
- ◆ DSOs Stedin (Eneco) en Dnwb (Delta) are not ownership unbundled

2014	Revenue	EBIT	Connections	Employees
Alliander	1,696 mln	510 mln	5.7 mln	7,200
Enexis	1,402 mln	435 mln	4.7 mln	4,300
Stedin	1,248 mln*	325 mln*	3.9 mln	3,700*

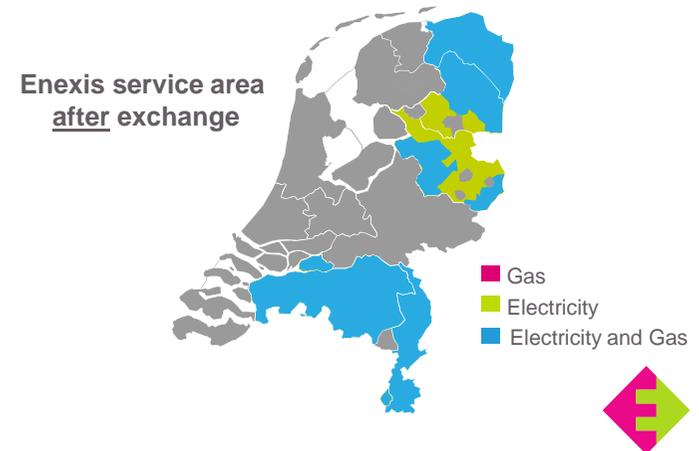
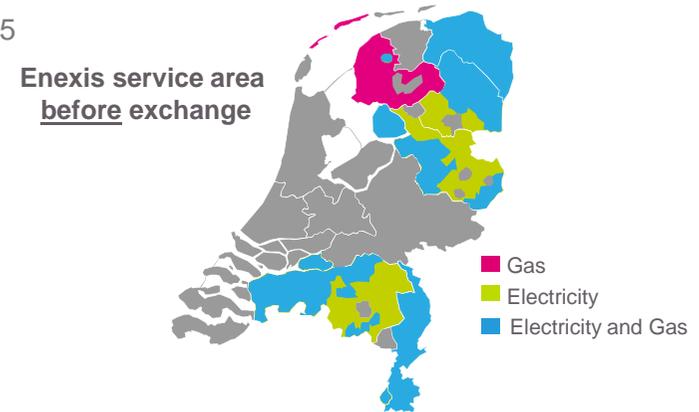
* Stedin incl. Joulz





Update on service area exchange Enexis – Alliander

- ◆ Enexis and Alliander signed sale and purchase agreement on 27 July 2015
 - ◆ Enexis area: Northern part of the Netherlands
 - ◆ Alliander area: Southern part of the Netherlands (Endinet-region)
- ◆ Exchange is part of Dutch government's wider policy to arrange network operations along provincial borders
 - ◆ Improves operational efficiency
 - ◆ Interconnects electricity and gas service areas
- ◆ Transaction is scheduled for completion on 1 January 2016
- ◆ No impact on the credit ratings of Enexis



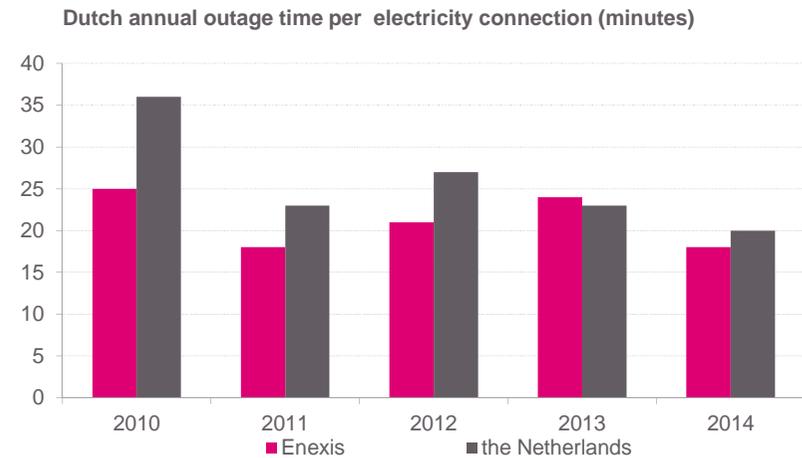
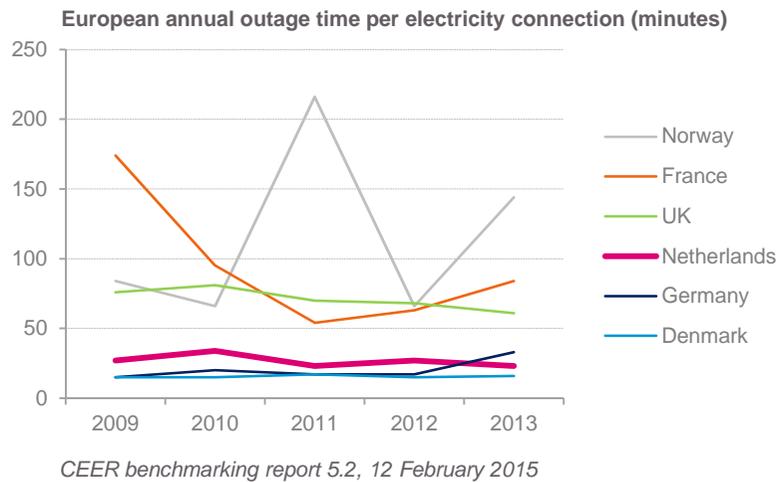
Customer connections transferred	Electricity	Gas	Total
Enexis	79,000	223,000	302,000
Alliander	108,000	398,000	506,000
Total increase Enexis	29,000	175,000	204,000

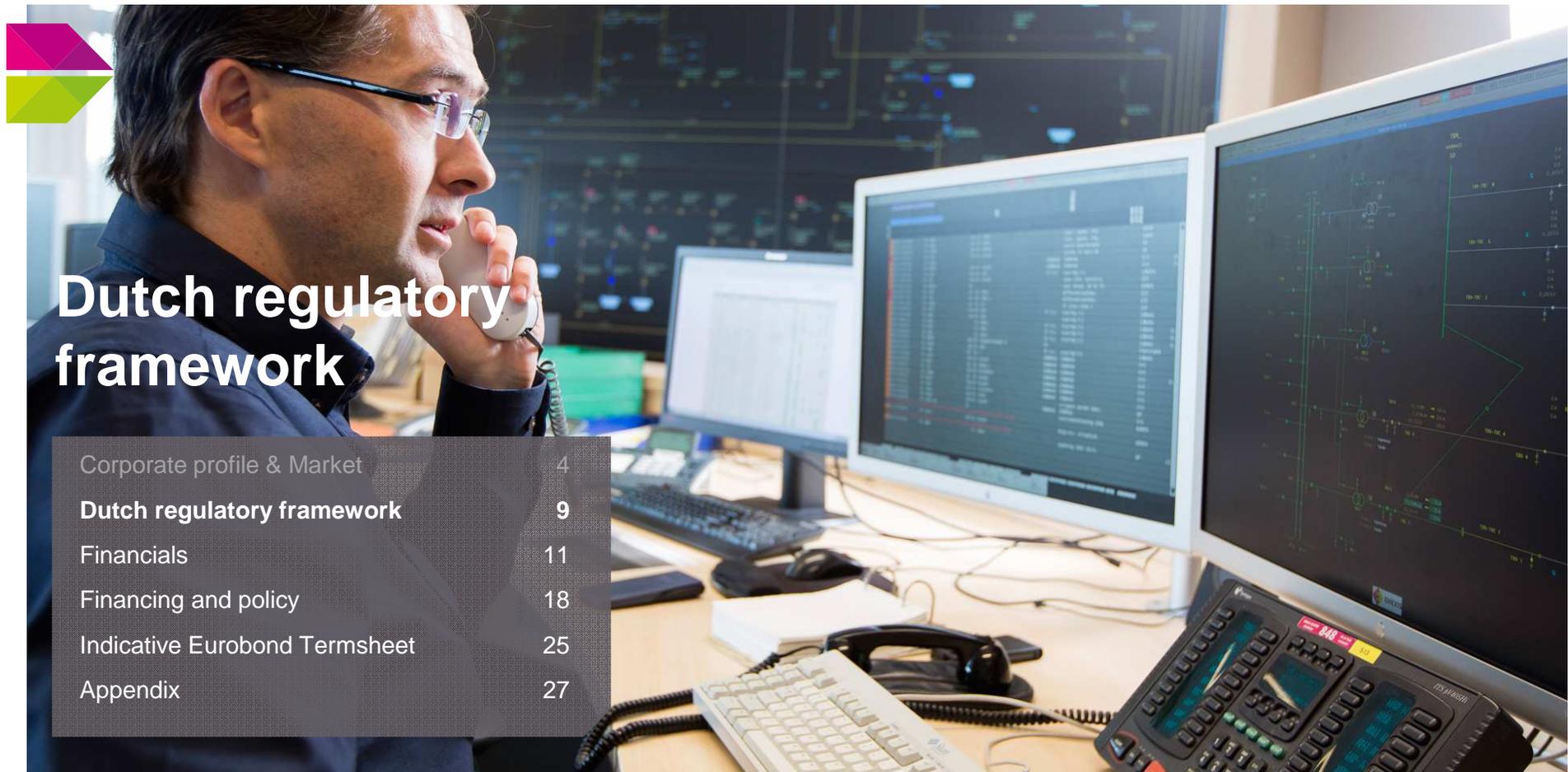




High reliability of Dutch regional electricity networks

- ◆ Dutch regional electricity grids are among the most reliable in Europe
- ◆ Enexis electricity grids are best-in-class in the Netherlands
 - ◆ ISO-certified risk based asset management





Dutch regulatory framework

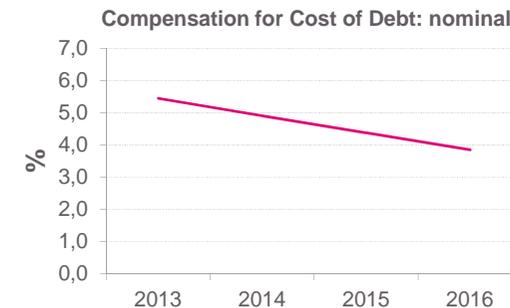
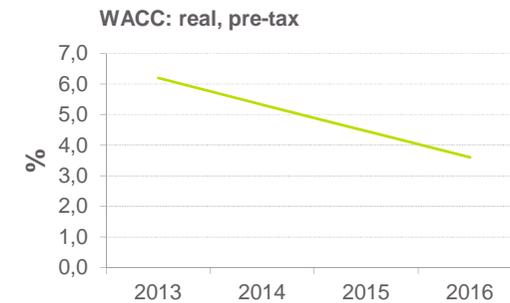
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Transparent and stable Dutch regulatory framework

- ◆ Framework enables cost recovery and regulated return on capital for an efficient utility company
- ◆ Current 3-year regulatory period from 2014-2016 with x-factors for Enexis of 4.59% for electricity and 6.75% for gas
 - ◆ For the current period the WACC (real, pre-tax) is set at 3.6% (6.2% in the previous period), with a gradual adjustment of the WACC over the regulatory period
 - ◆ Main driver for the decrease of the WACC is the development of the Cost of Debt
- ◆ Enexis mitigates these regulatory developments by:
 - ◆ Effective cost-control (most efficient Dutch top three DSO)
 - ◆ Funding in line with Cost of Debt compensation
 - ◆ Dividend based on regulated return for shareholders





Financials

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Highlights HY 2015



Reliable

- ◆ Electricity outage time at 6.1 minutes in first 6 months of 2015 (HY 2014: 7.4 minutes)
- ◆ Gross investments at EUR 224 million (HY 2014: EUR 218 million)

Affordable

- ◆ Revenues decreased to EUR 673 million (HY 2014: EUR 696 million) mainly due to a 3.8% tariff decrease
- ◆ Enexis realizes the regulated return for its shareholders, which is part of the consolidated return on equity mentioned in both our semi and annual statements

Customer oriented

- ◆ Smart meters installed at 115,000 addresses during HY 2015 (HY 2014: 67,000)
- ◆ Average customer satisfaction score of 7.8 (HY 2014: 7.7)

Sustainable

- ◆ Enexis stimulates customers to actively save energy
- ◆ Emission neutral operations

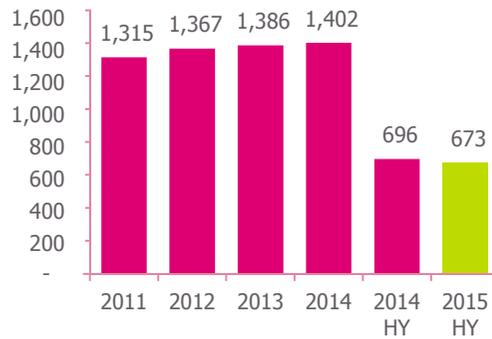




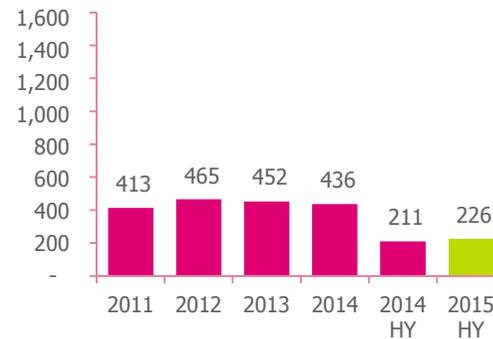
Solid multi-year performance

in EUR millions

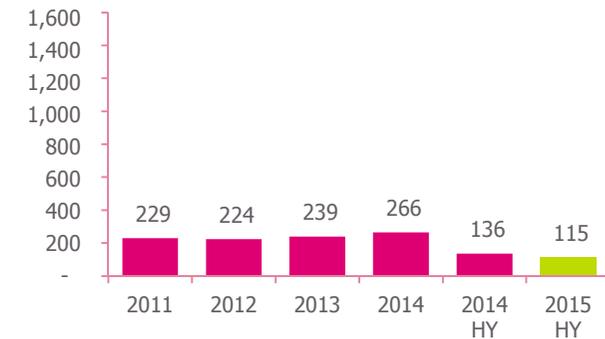
Revenue



Operational costs (excl. depreciation)



Profit for the year



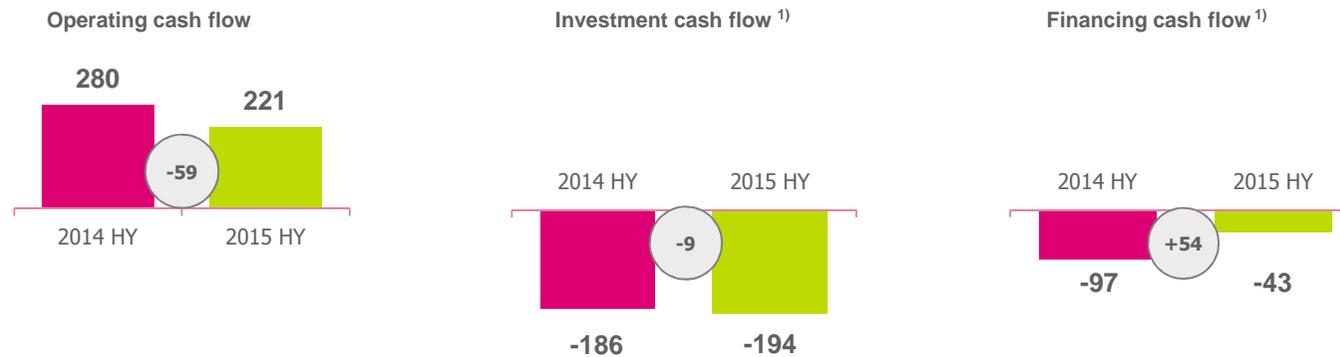
- ◆ Revenues up until 2014 driven by limited customer tariff increases, decrease as of 2015 due to lower WACC
- ◆ Increase of operational costs in 2015 e.g. due to normal wage increase and increased costs for Enexis' sustainability agenda
- ◆ Profits in line with regulated return for shareholders





Slightly negative total cash flow in HY 2015; operating cash flow doesn't cover investment plus financing cash flows

in EUR millions



- ◆ Decreased operating cash flow 2015 mainly due to lower tariffs and changes in working capital
- ◆ Investment cash flow only slightly increased
- ◆ Financing cash flow includes dividends paid and changes in financial deposits

Note 1) Annual report (IFRS) figures have been reclassified for clarity purposes. Investment cash flow is representing investments in Property, Plant and Equipment less 3rd party advanced investment contributions





Temporarily stabilizing investment levels

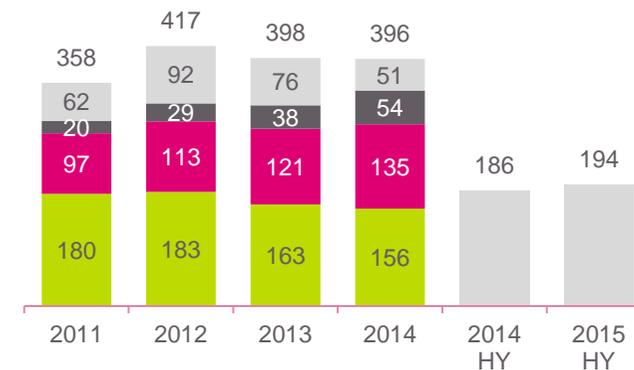
in EUR millions

Gross investments



Net investments

Other
Smart meters
Gas network
Electricity network



- ◆ Slightly increasing investments for smart meter roll out
- ◆ Stable customer driven investments
- ◆ Lower tariffs for customer contributions resulting in less contributions and thus higher net investments

Note: Gross investments -/- advance customer contributions = Net investments





Relevant drivers for future investment agenda

Technical

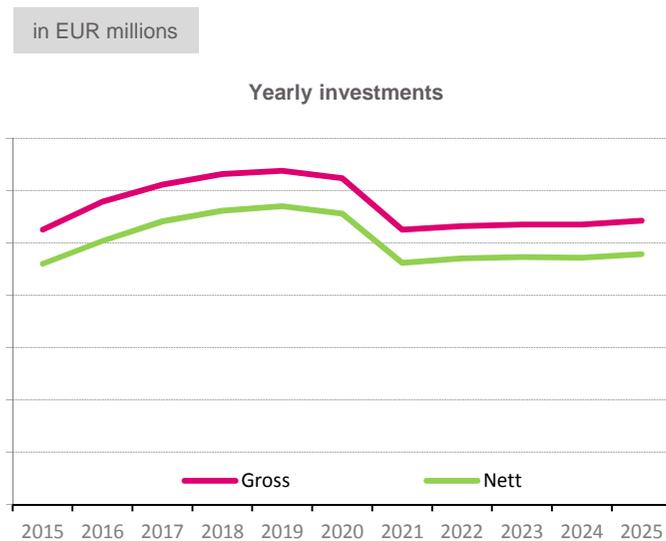
- ◆ Ageing gas grid
- ◆ Continuing decentralisation of energy production (solar, wind, biogas)
- ◆ Electrification of energy usage (electric vehicles, heat pumps)
- ◆ Increasing importance of IT in the energy grids
(e.g. distribution automation)

Political/Economical

- ◆ Large scale smart meter roll-out
(by 2020: 4.7 million meters in Enexis' service area)
- ◆ Dutch National Energy Agreement:
16% renewable energy production in 2023 (2014: ~5%)
- ◆ Customer driven investments

Strategic

- ◆ Limited and Dutch only M&A agenda – incorporating DSOs within our service area





Outlook 2015

Regulation

- ◆ Lower regulatory WACC due to low interest rate environment
- ◆ Customer tariff decrease of 3.8% on average in 2015 – impact on revenues approximately EUR 40 million

CAPEX

- ◆ In 2015 Enexis was planning to offer the smart meter to 280,000 households, but a supply shortage of gas meters in the European market has led to an adjusted our target of 240,000 households
- ◆ Stable customer driven investments

Financing

- ◆ Increase in net debt expected due to the service area exchange
- ◆ Financing costs covered by the regulatory return on debt

Dividend

- ◆ Profits in line with regulated return for shareholders
- ◆ Lower regulated return on capital – dividend accordingly lower







Financial policy and target ratios

The pillars of Enexis' financial policy	Dividend policy	<ul style="list-style-type: none"> ◆ Maximum 50% pay-out of net profit ◆ Ambition of minimum EUR 100 million dividend, provided A rating is secured
	Regulation	<ul style="list-style-type: none"> ◆ Effective cost reduction programs to manage x-factor ◆ Financing costs in line with regulatory compensation for Cost of Debt
	Credit rating	<ul style="list-style-type: none"> ◆ Minimum A rating profile ◆ Avoid structural subordination
	Financial ratios	<ul style="list-style-type: none"> ◆ Balanced maturity profile and adequate liquidity ◆ Conservative target ratios Enexis

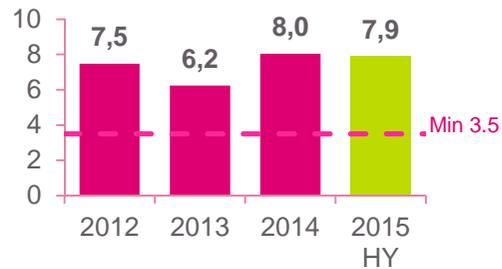
Target ratios Enexis	Hurdles
FFO interest coverage	≥ 3.5x
FFO / net interest bearing debt	≥ 16%
Net interest bearing debt / (equity + net interest bearing debt)	≤ 60%



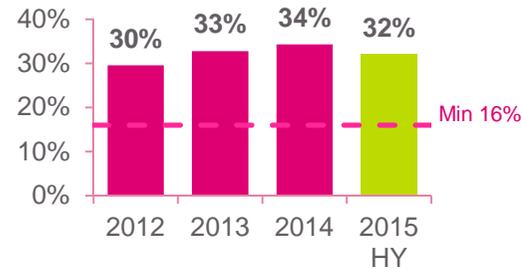


Financial ratios comfortably exceed minimum hurdles

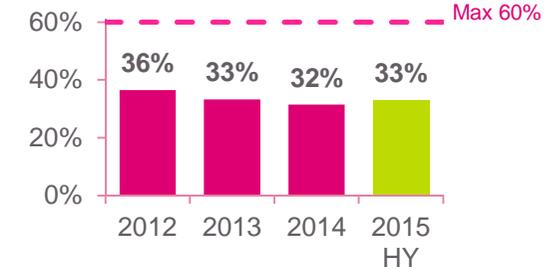
FFO interest coverage



FFO / net interest bearing debt



Net interest bearing debt / (equity + net interest bearing debt)



- ◆ HY 2015 ratio's based on 12 month moving average
- ◆ Target ratios comfortably exceed hurdles, slightly declining due to lower tariffs resulting from the lower WACC
- ◆ FFO interest coverage target ratio lower in 2013 due to compensation for early redemption shareholder loan





Rating Enexis among highest compared to peers

Long term ratings Grid operators	Country	Moody's		S&P	
		Rating	Outlook	Rating	Outlook
Alliander	NL	Aa2	STABLE	AA-	STABLE
Enexis	NL	Aa3	STABLE	A+	STABLE
Gasunie	NL	A2	STABLE	A+	POS
Tennet	NL	A3	STABLE	A-	STABLE
Eneco*	NL	-	-	A-	STABLE
Elia	BEL	-	-	A-	NEG
National Grid	UK	Baa1	STABLE	A-	STABLE
Red Electrica	ESP	-	-	BBB+	STABLE
Terna Rete Elettrica	ITA	Baa1	STABLE	BBB	STABLE
Snam	ITA	Baa1	STABLE	BBB	STABLE
Enagas	ESP	Baa2	POS	BBB+	STABLE
Delta*	NL	-	-	BBB	NEG

* Integrated Dutch Utility Company, DSO included

- ◆ Dutch TSO's and major DSO's within A credit rating range
 - ◆ Operating in a low risk country and industry environment
- ◆ Enexis long term issuer credit rating among highest compared to peers





Credit ratings

- ◆ Enexis has credit ratings from two rating agencies, Moody's and Standard & Poor's .



Rating Aa3 / Stable outlook
(31-07-2015)

- ◆ Low business risk underpinned by stable regulated cash flows ; limited contribution from unregulated businesses
- ◆ Established, well-defined and transparent regulatory framework, although allowed returns will reduce
- ◆ Conservative financial position compared to European Peers
- ◆ Last 3 years the implemented tariff increases were below the maximum allowed, mitigating the impact on revenues for Enexis more than its peers in the current regulatory period
- ◆ Anchor rating score of A2
- ◆ Government Related Issuer (GRI) under Moody's methodology, being fully owned by Dutch provinces and municipalities with strong support, which gives a two notch GRI rating uplift

Low business risk of domestic electricity and gas distribution operations, supported by a well-defined and transparent Dutch regulatory framework.

**STANDARD
& POOR'S**

Rating A+ / Stable outlook
(06-10-2014)

- ◆ Excellent business risk profile based on natural monopoly in service areas, low risk regulated business and high quality network
- ◆ We expect Enexis' business risk profile to remain stable, despite the tough 2014-2016 regulatory review
- ◆ Material investments necessary to upgrade and maintain the security and the reliability of the power and gas distribution grids
- ◆ Intermediate financial risk profile and strong liquidity position
- ◆ Anchor rating score of A+
- ◆ Moderate likelihood that owners would provide timely and sufficient extraordinary support in event of financial distress. UCO identifier removed in September 2015 in accordance with S&P criteria for government-related entities.

Excellent business risk profile based on natural monopoly in service areas, low risk regulated business and high quality network.





Restrictive dividend policy supported by shareholders

Dividend policy:

- ◆ Enexis' dividend policy is based on a pay-out ratio, defined as a percentage of the annual profit for the year from regular operations of Enexis Holding N.V.
- ◆ The dividend is set at a maximum of 50% of the profit for the year, with an aim of a minimum dividend level per year of EUR 100 million. This pay-out percentage will be reduced when the dividend pay-out would result in a situation where the company may lose its A rating profile within the next five years

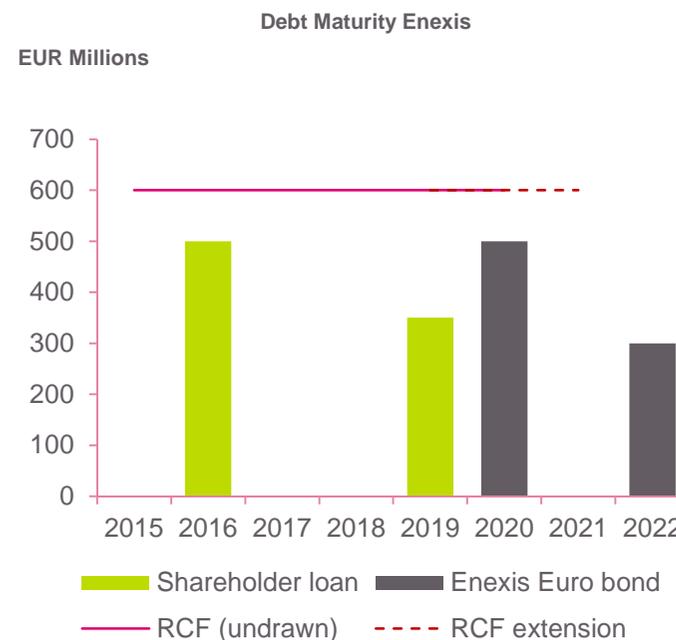
Enexis' shareholders support the company's financial policy by restrictive dividend policy





Balanced debt maturity profile and adequate liquidity back-up

- ◆ Euro Medium Term Note (EMTN) Programme of EUR 3 billion
- ◆ Balanced debt maturity profile supports refinancing in line with regulatory WACC development:
 - ◆ 2016 Shareholder Loan Tranche C: EUR 500 million, tenor of 7 years, coupon 4.65%
 - ◆ 2019 Shareholder Loan Tranche D: EUR 350 million, tenor of 10 years, coupon 7.2%
 - ◆ 2020 bond: EUR 500 million, tenor of 8 years, coupon 1.875%
 - ◆ 2022 bond: EUR 300 million, tenor of 10 years, coupon 3.375%
- ◆ Renewal of Revolving Credit Facility (RCF) in June 2014
 - ◆ 5 year facility of EUR 600 million (currently undrawn)
 - ◆ Maturity in 2015 extended with 1 year; availability of further extension option for 1 year (until June 2021) and optional accordion increase of EUR 100 million.
 - ◆ No financial covenants





Indicative Eurobond Termsheet

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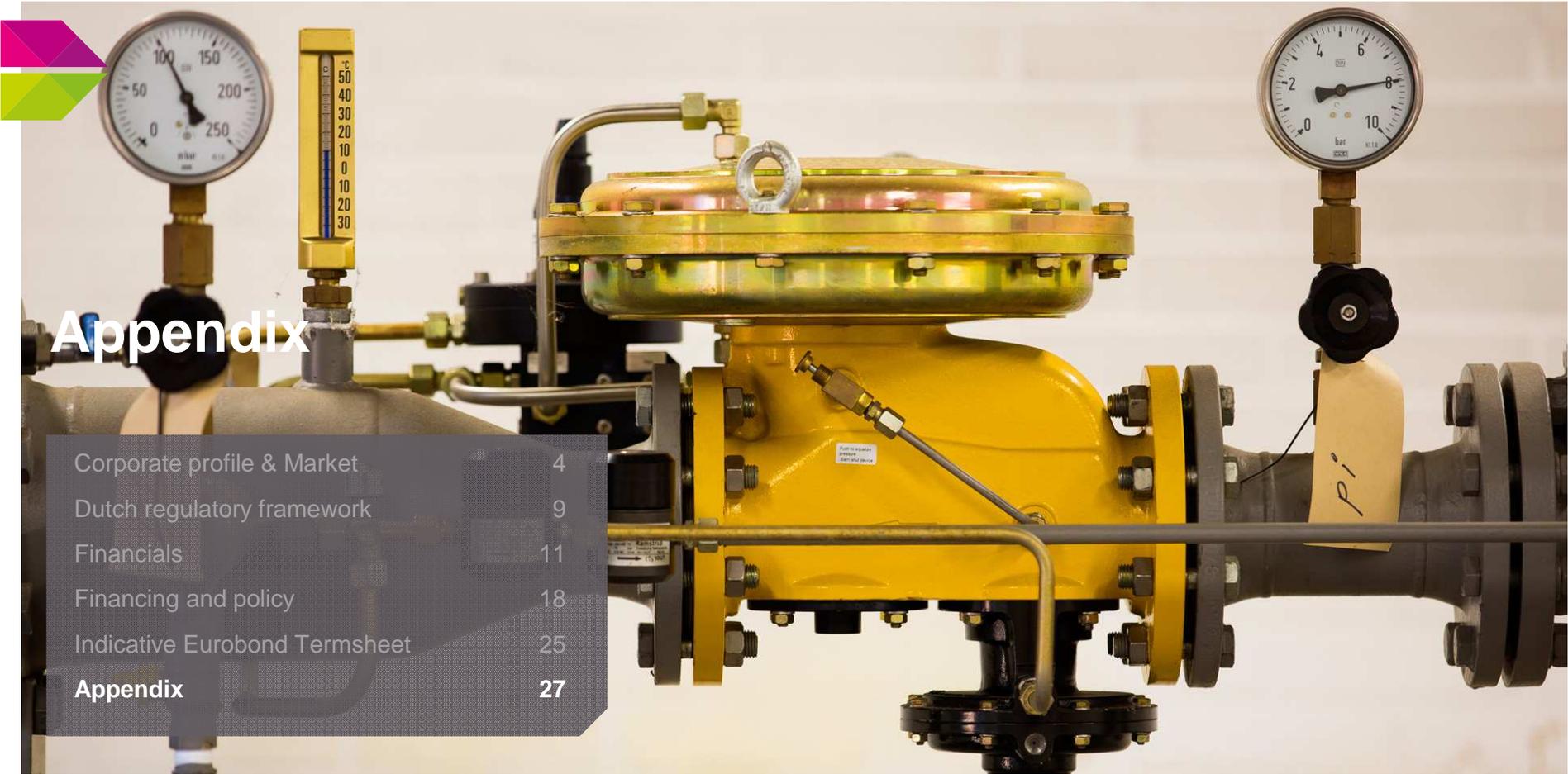




Indicative Eurobond Termsheet

Issuer	Enexis Holding N.V.
Type	Fixed rated under the EMTN Program dated 12 May 2015
Ranking	Senior Unsecured
Amount	€ 500 million (will not grow)
Maturity	8 to 10 years
Use of Proceeds	General Corporate Purposes
Minimum Denomination + Incremental	€ 100,000 + 1,000
Issuer Ratings	Moody's: Aa3 Stable, S&P: A+ Stable
Expected Issue Ratings	Moody's: Aa3 Stable, S&P: A+ Stable
Distribution	Reg S
Governing Law	Dutch
Listing	Euronext Amsterdam
Joint Lead Managers	MUFG, Rabobank, SG CIB





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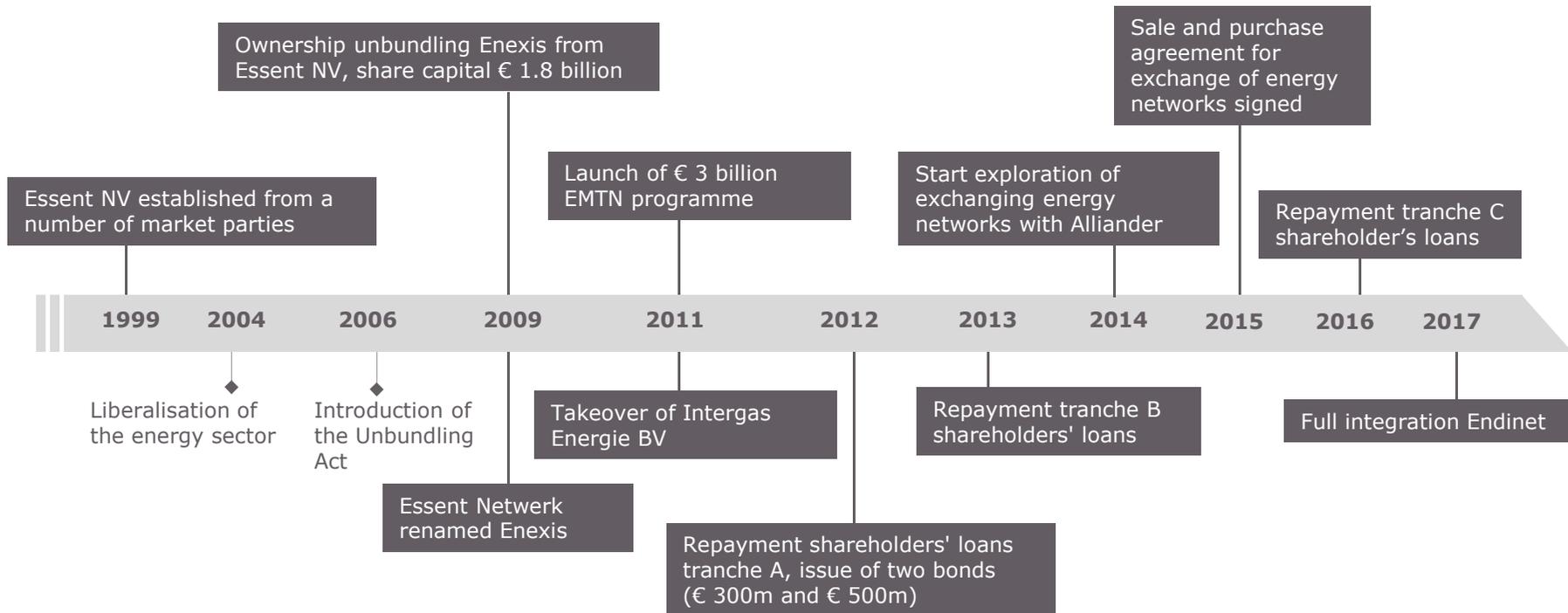
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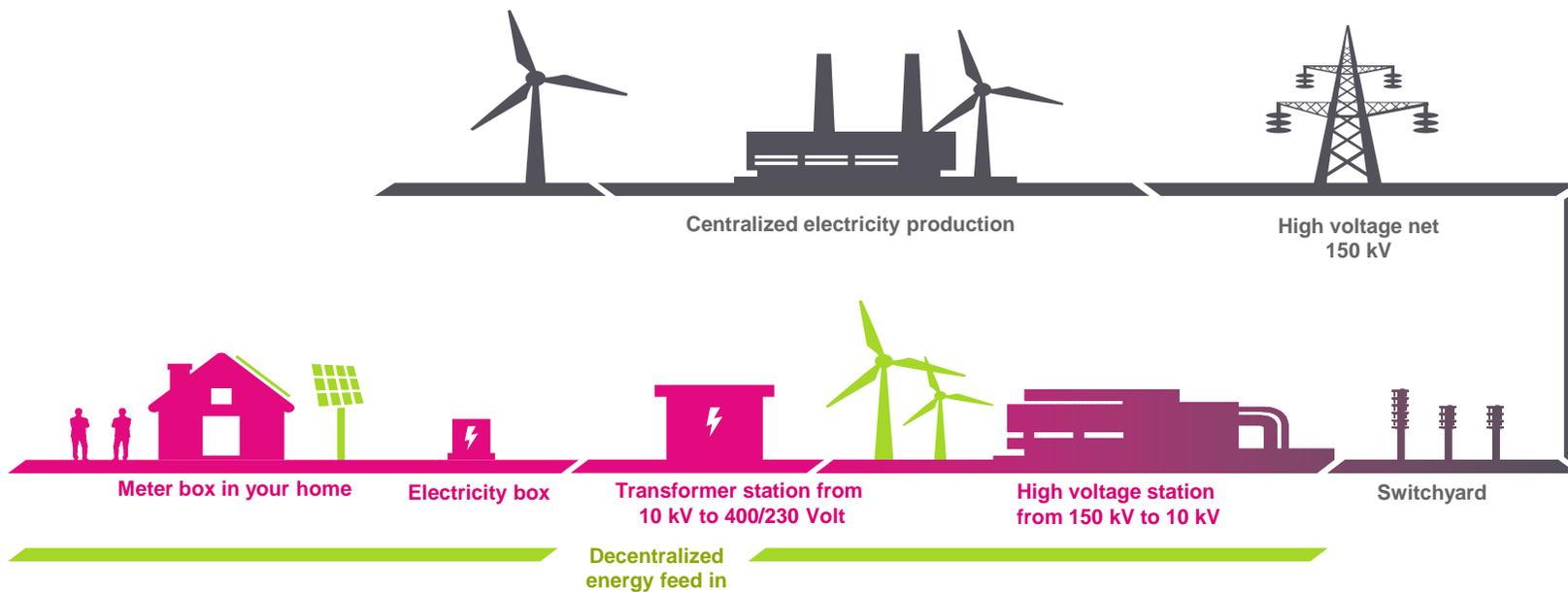


The rich history of a young company





Enexis' role in the Dutch energy chain

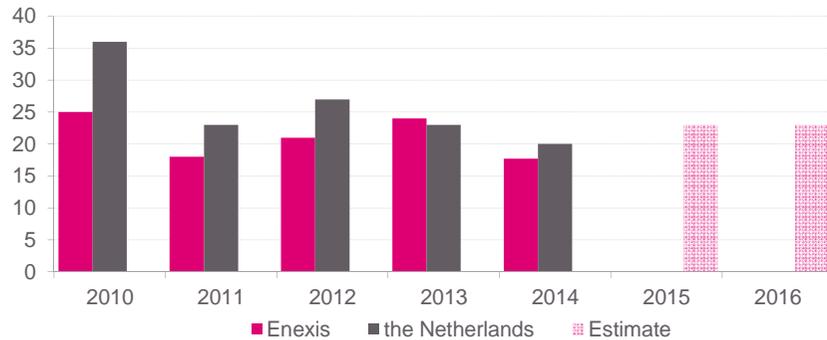




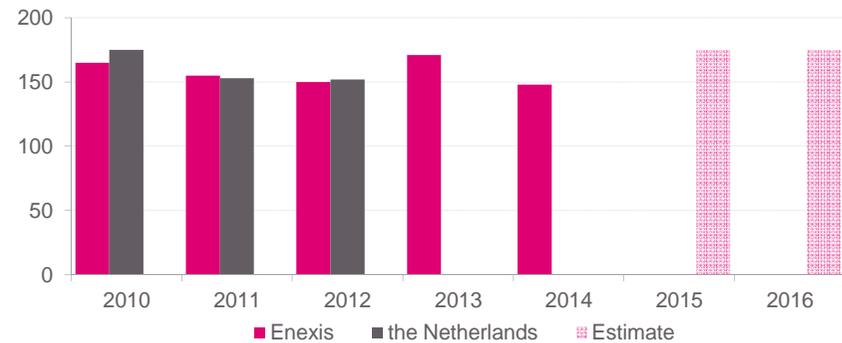
High reliability and safety of Enexis grid



Annual outage time per e-connection (in minutes)



Safety indicator gas (VIG) score



- ◆ Enexis initiates and participates in several smart grid projects and gains experience with future technology
- ◆ Long-term average electricity outage time: approximately 22 minutes
- ◆ VIG gas safety indicator in line with Dutch average



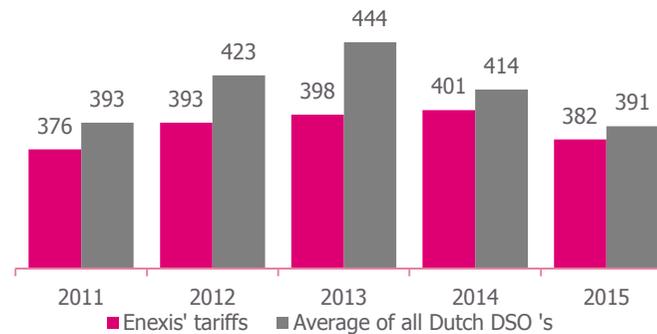


Enexis' customer tariffs 2015

	Electricity	Gas	Total
Endinet	209	150	359
Cogas	221	146	367
Enexis	228	155	382
Stedin	228	163	390
Liander	240	161	401
DNWB	252	153	406
Westland	279	129	407
Rendo	232	187	419

Costs on an annual basis in euros, including VAT

Tariffs in euros per year, per customer



- ◆ The supervisory authority determines the maximum tariffs that the grid operator may charge
- ◆ In recent years Enexis followed the consumer price index for setting its tariffs instead of the permitted tariffs by the Dutch supervisory authority ACM
- ◆ In total Enexis did not charge EUR 241 million to our customers in the period 2012 – 2014
- ◆ As of 2015 most of the regulated tariffs are set at the maximum allowed level (except for consumer metering services)





Customer orientation and insight into data



- ◆ The customer taking control of his own energy supply is the point of departure in customer processes
- ◆ Ambition: 'If I could choose, I would choose Enexis'
- ◆ The group of customers who are efficient energy consumers and who generate their own energy is becoming larger; these customers need information; Enexis makes knowledge available in several ways

Increasing awareness

Providing information about installations in your home for saving energy and increasing sustainability

econexishuis.nl

Lesson packages for primary and secondary schools

krachtmeting.nu /
vanzonkrijgjeenergie.nl

Information about decentralised energy production by end users

zelfenergieproduceren.nl

Roll out of smart meters

enexis.nl/slimmemeter

Saving energy in the neighbourhood

buurkracht.nl /
goeiepeer.nl

Acquiring knowledge & sharing insights

Making data about energy consumption on a neighbourhood level accessible, so that municipalities can carry out a more targeted energy policy

energieinbeeld.nl

Participating in demonstration projects Electric Driving and Smart Charging

enexisinnovatie.nl

Study of the consequences of producing energy locally for the energy chain in smart grid pilots

[Jouw Energie Moment](http://JouwEnergieMoment.nl)





Contributing to the Dutch Energy Agreement



Enexis supports sustainability in three areas:

Sustainable transport

- ◆ In 2020, 14% of the grid losses (E and G) of Enexis will be additionally produced sustainably in the Netherlands, which is comparable with the energy consumption of approximately 300,000 households

Sustainable business operations

- ◆ Enexis continues to operate emission neutral. In addition, the CO2 footprint is reduced further by means of energy savings in its buildings, the transport of employees and energy consumption in the chain

Sustainable environment

- ◆ Enexis contributes to the realisation of the targets of the Energy Agreement by bringing together partners, government bodies and its own expertise
- ◆ Involved in local initiatives in the servicing area directed at energy savings and sustainable production
- ◆ Enexis installs smart meters at customers. Enexis aims to make the smart meters profitable





Dutch regulatory framework; x-factors

- ◆ Individual companies with an average efficiency performance can recover their full costs via the “CPI – x” methodology
- ◆ The “CPI-x” methodology calculates the maximum tariff increase/required decrease allowed for the regulatory period
- ◆ The x-factor is a defined annual discount on the turnover of a network manager
 - ◆ Negative x-factors indicating allowed tariff increase above CPI
- ◆ At the start of the new regulatory period, the regulator set the tariffs directly to the efficient cost level
- ◆ Household customers: network tariffs based on connection capacity and independent of energy consumption
- ◆ Furthermore, the regulatory framework includes a return on invested capital, based on the WACC as set by ACM (the regulator) and applied on the regulatory asset base (RAB)

Electricity	X-Factor per Sept. 2014	
Company	2011-2013	2014-2016
Delta Netwerkbedrijf	(4.5)	4.39
Endinet	(5.4)	4.93
Enexis	(5.3)	4.59
Liander	(5.7)	4.30
Stedin	(6.9)	4.29

Gas	X-Factor per Sept. 2014	
Company	2011-2013	2014-2016
Delta Netwerkbedrijf	0.1	6.75
Endinet	(0.9)	6.80
Enexis	(2.4)	6.75
Liander	(2.2)	6.17
Stedin	(2.4)	6.45

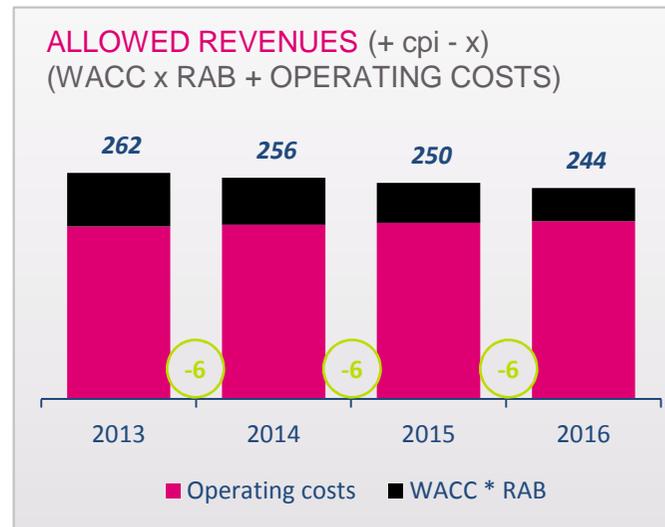
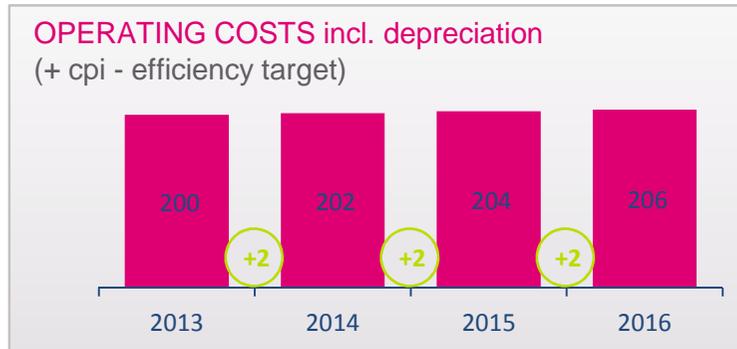
Source: ACM, Enexis





Regulatory Asset Base (RAB):	1,000
Efficient operating costs:	200
Yearly efficiency target:	1%
CPI:	2%

Dutch regulatory framework – simplified example



X = 4.3%

Note: All indicative Figures!





Regulatory WACC development including Cost of debt compensation

Gradual decline of WACC and Cost of debt compensation, mainly due to lower equity beta and low interest rate environment

Regulatory WACC	2013	2014	2015	2016
Real, pre-tax	6.2%	5.3%	4.5%	3.6%
Nominal, post-tax	5.8%	5.3%	4.8%	4.3%

Cost of debt compensation included in regulatory WACC	2013	2014	2015	2016
Nominal terms	5.5%	4.9%	4.4%	3.9%





Summary – income statement

Income statement (€ millions)	2012A	2013A	2014A	2014 A HY	2015 A HY
Revenues	1,367.0	1,385.7	1,402.1	696.1	673.1
Gross margin incl. other operating income	1,145.3	1,173.7	1,179.3	583.1	568.0
Operating expenses	465.4	452.4	435.9	210.6	225.7
Depreciation and impairments	285.9	298.9	310.1	151.7	147.1
EBIT	383.6	423.5	434.6	221.5	195.9
Financial income and expenses	-91.2	-109.0	-79.0	-39.4	-38.9
Profit before tax	292.4	314.6	355.5	182.1	157.0
Profit for the year	223.7	239.1	265.5	135.7	114.8





Summary – balance sheet

Assets (€ millions)	2012A	2013A	2014A	HY 2015 A
PPE	5,549.9	5,729.4	5,884.6	5,601.9
Non-current assets	5,683.9	5,865.1	6,015.0	5,728.5
Receivables	548.8	175.2	172.6	165.2
Cash and cash equivalents	138.6	115.0	96.3	68.8
Current assets	1,339.6	399.8	401.9	338.2
Total assets	7,023.5	6,264.9	6,417.0	6,428.9

Liabilities (€ millions)	2012A	2013A	2014A	HY 2015 A
Equity	3,244.9	3,370.1	3,516.7	3,499.0
Non-current interest-bearing liabilities	1,750.3	1,750.6	1,747.4	1,746.6
Non-current liabilities	611.0	2,554.1	2,593.3	2,595.2
Trade and other payables	645.2	210.2	212.8	256.8
Current liabilities	1,303.0	340.7	307.0	296.9
Total liabilities	7,023.5	6,264.9	6,417.0	6,428.9





Enexis' Executive Board

Maarten Blacquièr MSC

- ◆ 2012 – current CFO/Board member Enexis
- ◆ 2005 – 2012 CFO GasTerra
- ◆ 1989 – 2005 Esso Netherland

Peter Vermaat MSC MBA

- ◆ 2014 – current CEO Enexis
- ◆ 2008 – 2014 CEO Evides
- ◆ 1991 – 2008 VolkerWessels





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