Enexis Holding N.V.

April 2016 Investor Presentation

ENEXIS

Key investment highlights

1 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

2 Transparent regulatory environment

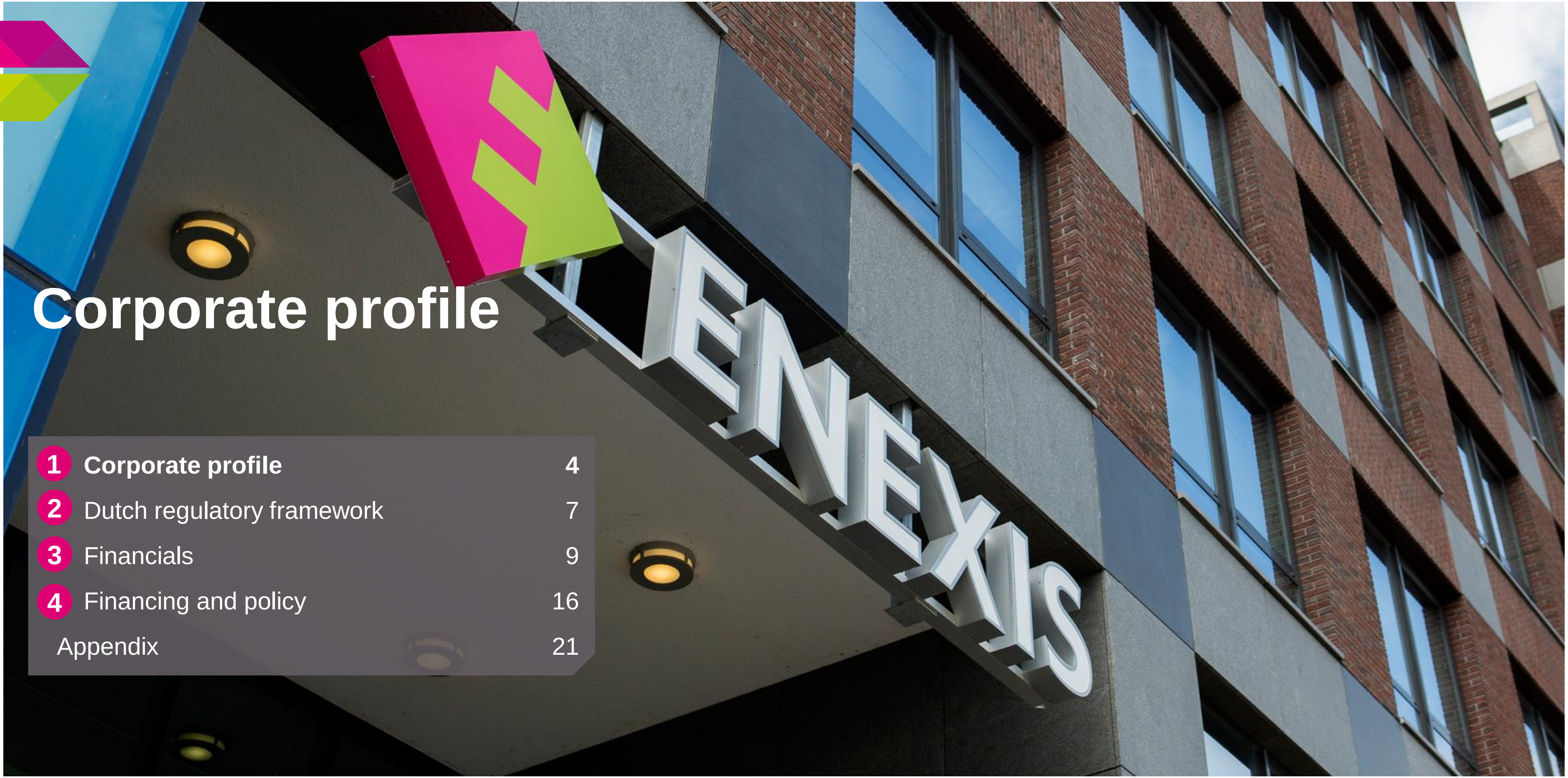
- Transparent and stable Dutch regulatory framework enables cost recovery and regulated return on capital
- Most efficient Dutch DSO and proven track record on cost management
- Capacity based tariffs, low dependence on economic developments

3 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

4 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



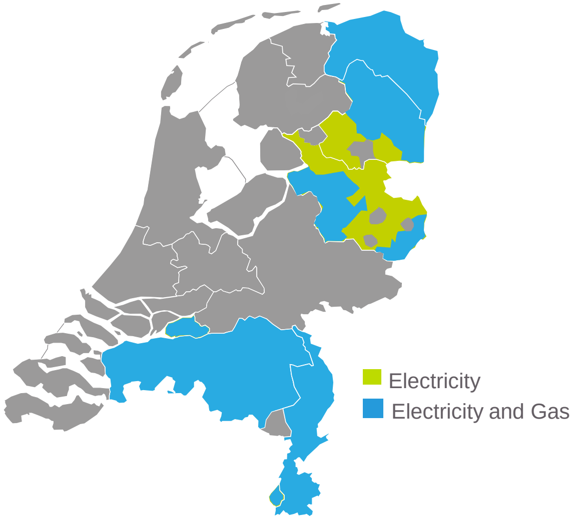
Corporate profile

Corporate profile

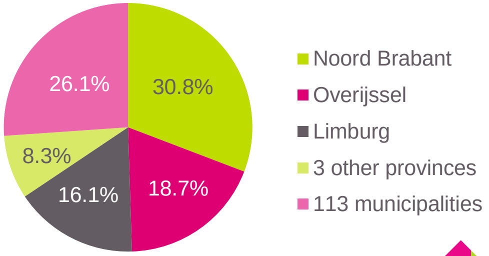
- A leading Dutch Distribution System Operator (DSO) of electricity and gas grids
- Three dominant DSOs manage 95% of all customer connections
  - Enexis, Alliander and Stedin (Eneco)
- Legal monopoly position
- Strategy focus on the Netherlands with limited M&A agenda
  - Focus on reliability, affordability, customer satisfaction and sustainability
  - Exchange of Dutch service areas with Alliander finalized
- Multi-year grid outage time among the lowest in Europe
- Public shareholders and no privatization allowed
- Rating: Moody's Aa3/stable, S&P A+/stable

2015	Revenues	EBIT	Connections	Employees
Alliander	1,586 mln	339 mln	5.7 mln	7,240
Enexis	1,353 mln	395 mln	4.8 mln	4,300
Stedin	1,053 mln	286 mln	4.0 mln	2,717

2016 Service area



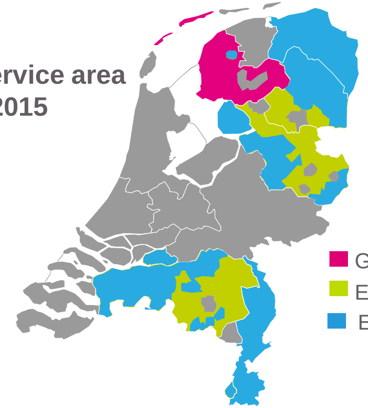
Shareholder structure

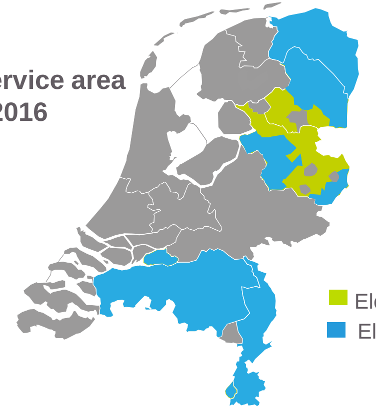


Service area exchange with Alliander finalized

- Service area exchange Enexis - Alliander effective as of 1 January 2016
  - Initial payment EUR 356 million. Final cash settlement expected in May 2016
  - Preliminary book profit of sale: EUR 11.6 million
  - No impact on the credit ratings of Enexis
- During 2016 Endinet remains an independent DSO with own tariffs
  - Consolidation in Enexis figures as of 1 January 2016
  - Full integration in Enexis as of 1 January 2017
  - Tariff harmonisation as of 1 January 2017

Connections transferred	Electricity	Gas	Total
From Enexis to Alliander	79,000	223,000	**302,000**
From Alliander to Enexis	108,000	398,000	**506,000**
Total increase Enexis	29,000	175,000	**204,000**





Dutch regulatory framework

Stable and transparent regulatory framework

- Framework enables cost recovery and regulated return on capital for an efficient utility company
- New regulatory period starts in 2017
  - Draft method decision released April 6th; final method decision expected in September 2016
  - Proposed length of new regulatory period 5 years (2017-2021)
  - Regulated WACC (real; pre-tax) for 2016, starting point for calculation, is 3.7% declining to 3.1% in 2021
- Overall method is in line with previous periods (transparent and predictable)
- S&P report 2 March 2016:
  - Dutch Regulatory framework is supportive for credit quality of Dutch TSO’s and DSO’s
  - Characterized by high degree of regulatory stability, well-developed tariff-setting procedures, moderate financial stability and low risk of political interference
  - Supportive cost recovery and return on capital, combined with low volatility in earnings and cashflows
- New Electricity and Gas act “Stroom” rejected by Dutch Senate in December 2015. New legislation is to be expected, but uncertainty about timing

Financials

Highlights FY 2015

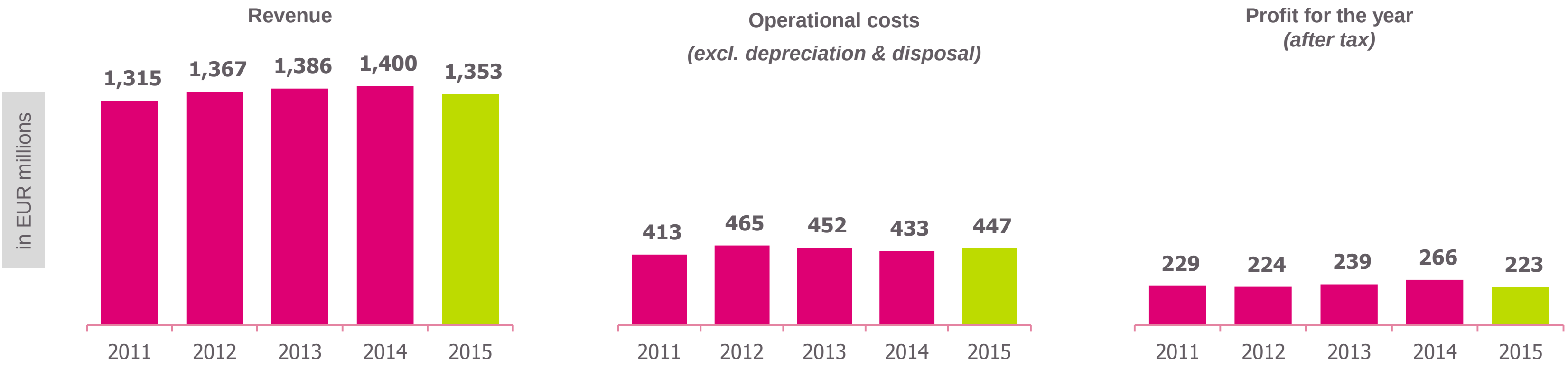
Reliable
- Electricity outage time at 14.2 minutes (FY 2014: 17.0 minutes)
- Gross investments at EUR 499 million (FY 2014: EUR 462 million)

Affordable
- Revenues decreased to EUR 1,353 million (FY 2014: EUR 1,400 million)
- Operational costs increased to EUR 447 million (FY 2014: EUR 433 million)

Customer oriented
- Smart meters installed at 233,000 addresses (FY 2014: 174,000)
- In total over 1.1 million smart meters installed at 662,000 addresses
- Stable average customer satisfaction score of 7.8 (FY 2014: 7.8 out of 10)

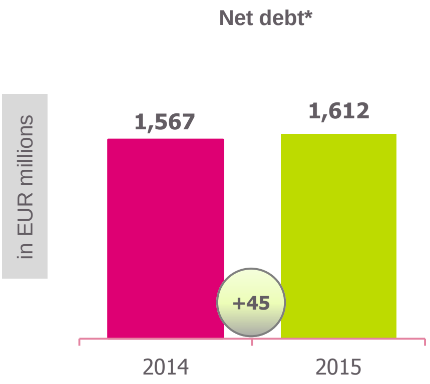
Sustainable
- Increase of re-use of waste materials to 91% (FY 2014: 86%)
- Decrease of overall CO2 footprint
- Enexis stimulates customers to actively save energy
- Emission neutral operations

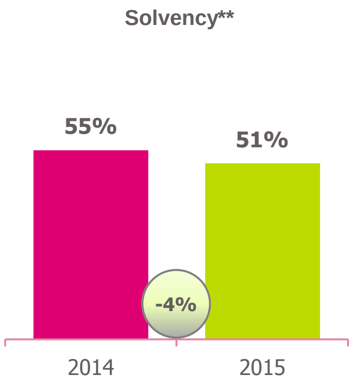
Solid multi-year performance

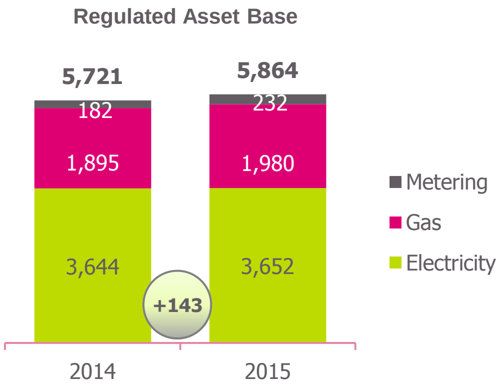


- Low tariff increase policy until 2014; revenues 2015 impacted by a regulated 3.8% tariff reduction
- A lower customer tariff than the maximum allowed tariff, for the fourth year in a row
- Stable development of operational costs
- Multi year profits in line with regulated return for shareholders

Strong solvency position





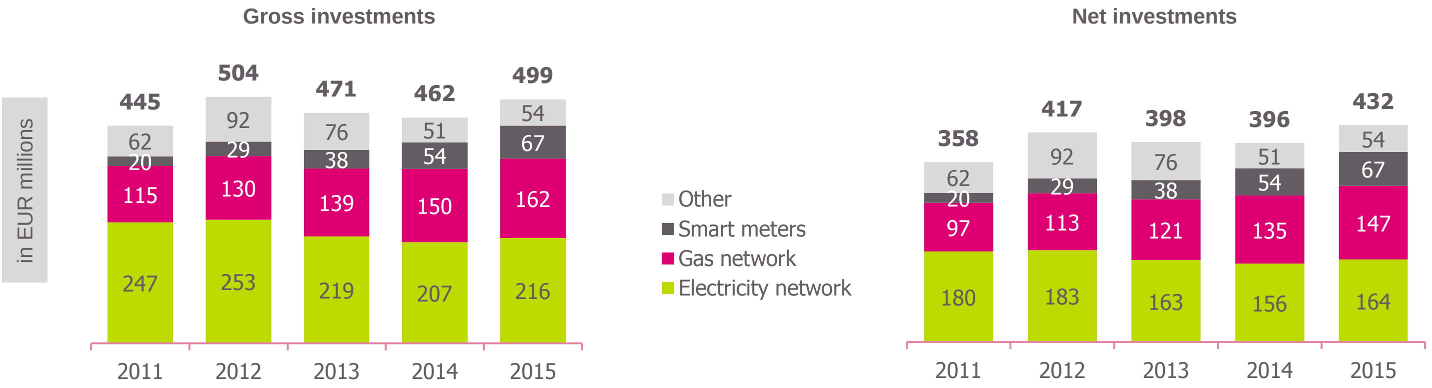


- Net debt 2015 increased due to the cash-negative year 2015 (excluding the bond issue)
- Strong solvency level, temporarily lower due to the on balance proceeds of the bond loan
- The Regulated Asset Base is increased with inflation and the regulatory investments minus the regulatory depreciations

* Net debt: interest-bearing liabilities (current plus non-current) minus short term deposits minus cash and cash equivalents

** Solvency: Equity capital x 100% divided by the balance sheet total

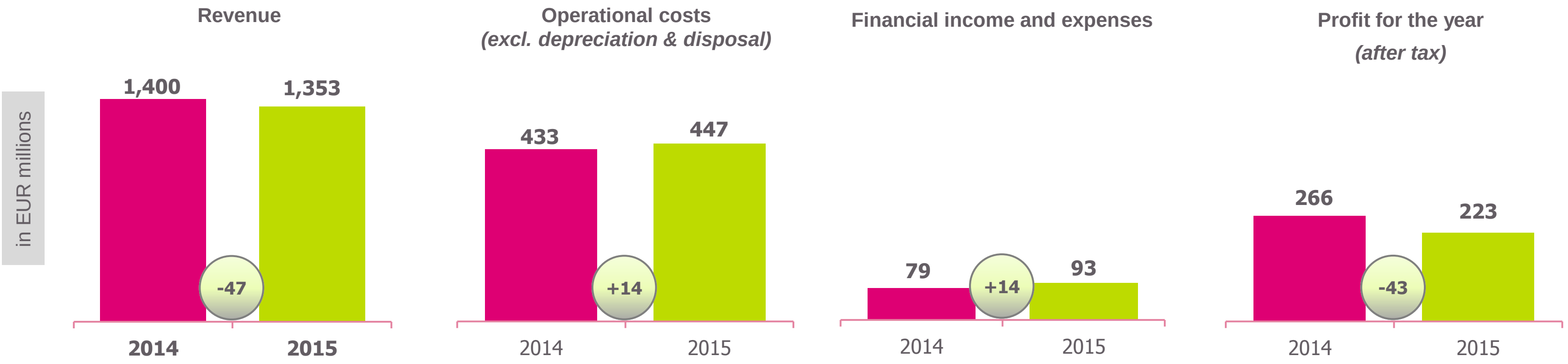
Increasing investment levels in 2015



- Increase in grid investments, mainly due to gas grid replacements
- Smart meter roll out programme is gaining speed (by 2020: 4.7 million meters in Enexis' service area)
- Customer driven investments stabilize after a 3 year decrease

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

2015 financial results in line with expectations



- Revenues decrease mainly due to regulated tariff decrease
- Increased operational costs due to growth of sustainability and improvement projects, partially offset by increased cost efficiency
- Net financial expenses increase due to anticipated termination of a perpetual shareholder loan and bond issue in 2015
- Profits decrease in line with gradually declining regulated WACC

Outlook

Regulation

- Customer tariff decrease of 1.4% on average in 2016 – mainly due to lower regulatory WACC
- Draft method decision has been issued for review; final outcome including x-factors expected in September 2016
- New network tariff proposals 2017 to be issued to the regulator before October 1st 2016

CAPEX

- In 2016 Enexis will offer smart meters to 392,500 households (2015: 233,000)
- Stable customer driven investments, slight increase in replacement grid investments

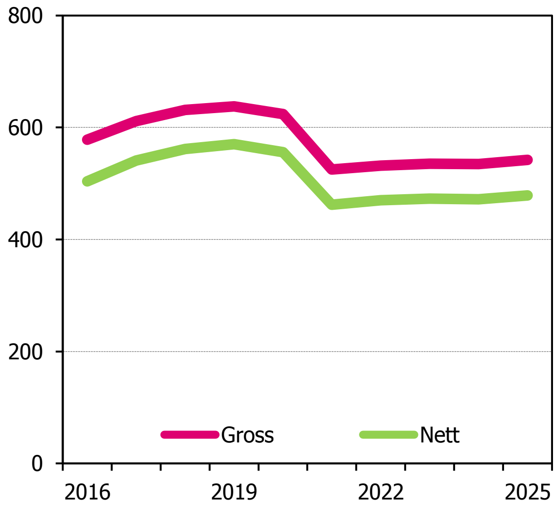
Financing

- Refinancing of 4.65% shareholder loan tranche C (EUR 500 million) and 9% perpetual shareholder loan
- Average financing costs of Enexis covered by the regulatory return on debt

Dividend

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

in EUR millions **CAPEX**



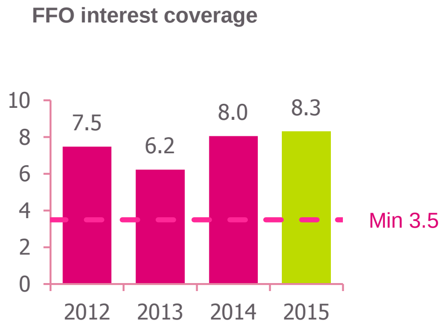
Financing and policy

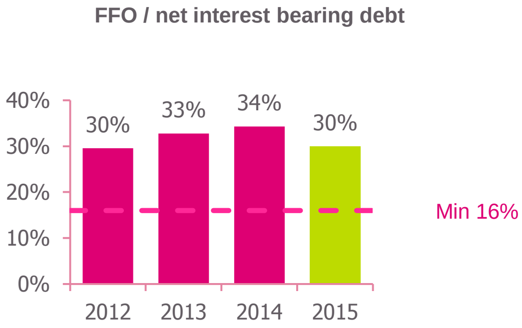
Financial policy and ratios

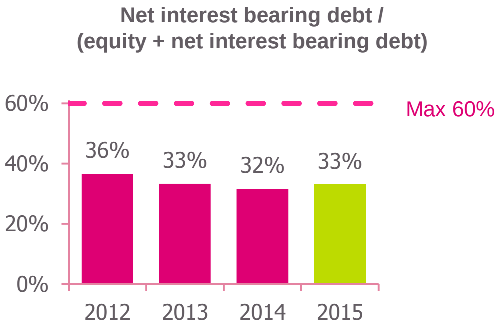
The pillars of Enexis' financial policy		
	Dividend policy	◆ Maximum 50% pay-out of net profit ◆ Ambition of minimum EUR 100 million dividend, provided A rating is secured
	Regulation	◆ Effective cost reduction programs to manage x-factor ◆ Financing costs in line with regulatory compensation for Cost of Debt
	Credit rating	◆ Minimum A rating profile ◆ Avoid structural subordination
	Financial ratios	◆ Balanced maturity profile and adequate liquidity ◆ Conservative financial ratios Enexis

Minimum / maximum financial ratios	**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 meet minimum requirements



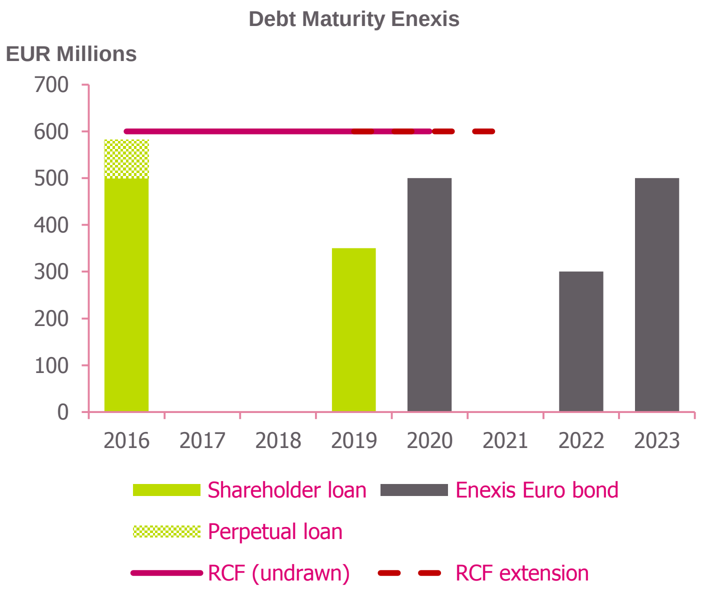




- FFO interest coverage ratio 2015 includes adjustments for non-cash elements in financial income and expenses
- FFO/net interest bearing debt lower due to the 2015 bond issue for the Alliander asset swap
- Additional debt and cash on balance sheet in anticipation of net payment Alliander asset swap per 1st of January 2016
- Financial ratios comfortably meet the required hurdle rates

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 debt compensation embedded in regulatory WACC development
- Refinancing of 4.65% shareholder loan tranche C (EUR 500 million) in 2016 via new DCM bond issue
- Agreement reached on redemption of 9% perpetual shareholder loan (EUR 82 million) by year-end 2016
- Revolving Credit Facility (RCF)
  - 5 year facility of EUR 600 million (currently undrawn)
  - Maturity in 2015 extended with 1 year; availability in 2016 of further extension option for 1 year (until June 2021) and optional accordion increase of EUR 100 million
  - No financial covenants



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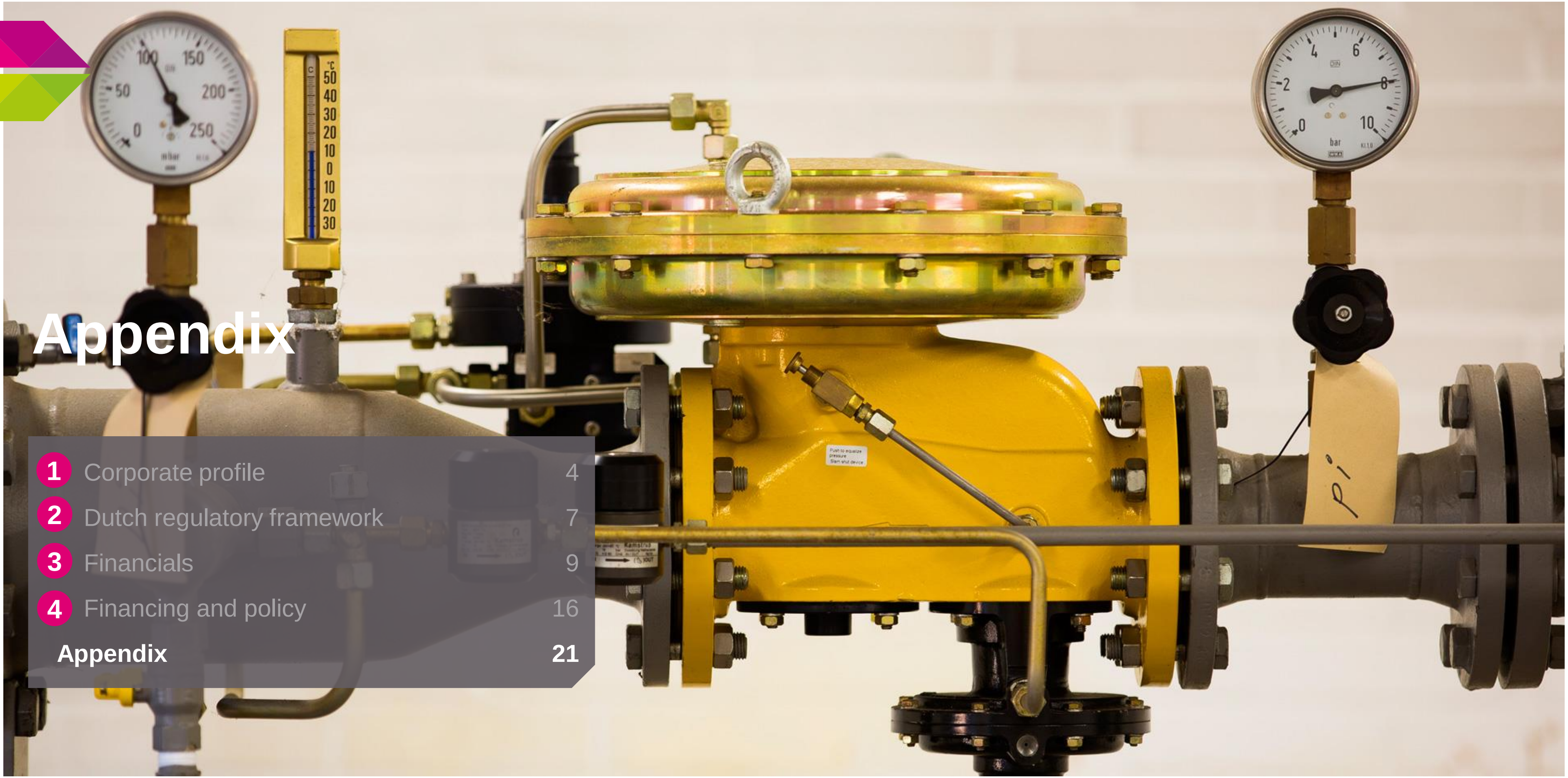


Appendix

Summary – income statement

Income statement (€ millions)	2011A	2012A	2013A	2014A	2015A
Revenues	1,314.6	1,367.0	1,385.7	1,399.5	1,353.4
Gross margin incl. other operating income	1,087,3	1,145.3	1,173.7	1,179.3	1,141.3
Operating expenses	412.9	465.4	452.4	433.3	447.0
Depreciation and impairments	271.9	285.9	298.9	310.1	300.9
EBIT	396.8	383.6	423.5	434.6	394.8
Financial income and expenses	-88.5	-91.2	-109.0	-79.0	-93.0
Profit before tax	308.3	292.4	314.6	355.6	301.8
Profit for the year	229.4	223.7	239.1	265.5	223.1

Summary – balance sheet

Assets (€ millions)	2011A	2012A	2013A	2014A	2015A
PPE	5,344.2	5,549.9	5,729.4	5,884.6	5,719.4
Non-current assets	5,477.9	5,683.9	5,865.1	6,015.0	5,848.2
Receivables	527.0	548.8	175.2	172.6	157.5
Cash and cash equivalents	69.1	138.6	115.0	96.3	536.7
Current assets	880.8	1,339.6	399.8	402.0	863.0
Assets held for sale	0	0	0	0	368.2
Total assets	6,358.7	7,023.5	6,264.9	6,417.0	7,079.4

Liabilities (€ millions)	2011A	2012A	2013A	2014A	2015A
Equity	3,130.9	3,244.9	3,370.1	3,516.7	3,607.7
Non-current interest-bearing liabilities	1,459.7	1,750.3	1,750.6	1,747.4	1,660.7
Non-current liabilities	2,060.8	611.0	2,554.1	2,593.3	2,531.7
Trade and other payables	909.2	645.2	210.2	212.9	259.3
Current liabilities	1,167.0	1,303.0	340.7	307.0	894.0
Liabilities held for sale	0	0	0	0	46.0
Total liabilities	6,358.7	7,023.5	6,264.9	6,417.0	7,079.4

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 can 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

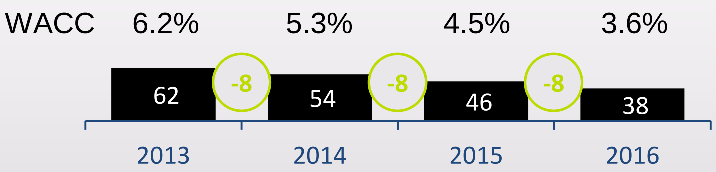
Gas	X-Factor per Sept. 2014	
Company	**2011-2013**	**2014-2016**
Delta Netwerkbedrijf	0.1	6.75
Endinet	(0.9)	6.80
Enexis	(2.4)	6.75
Liander	(2.2)	6.17
Stedin	(2.4)	6.45

Source: ACM, Enexis

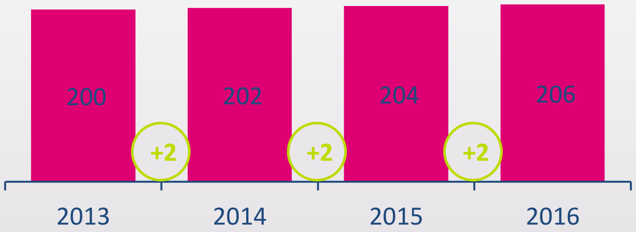
Dutch regulatory framework – simplified example

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

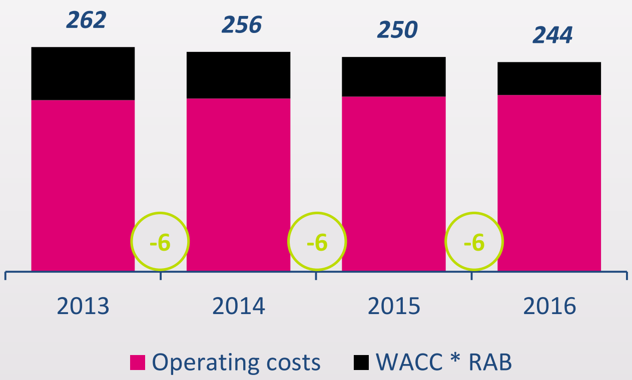
WACC x RAB (+ cpi)



OPERATING COSTS incl. depreciation
(+ cpi - efficiency target)



ALLOWED REVENUES (+ cpi - x)
(WACC x RAB + OPERATING COSTS)



X = 4.3%

Note: All indicative Figures!

Regulatory WACC development

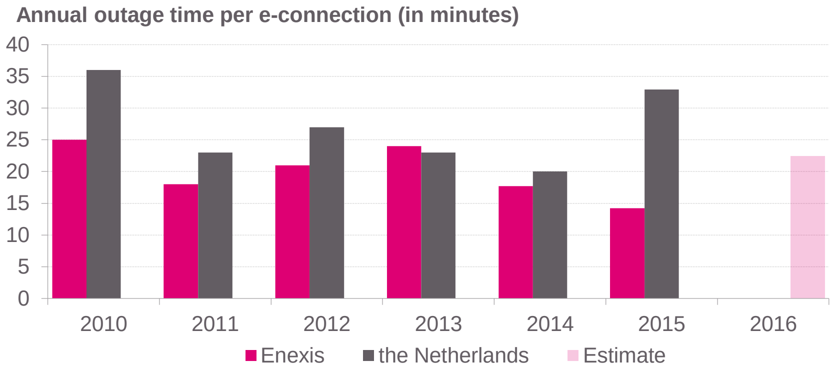
including Cost of debt compensation

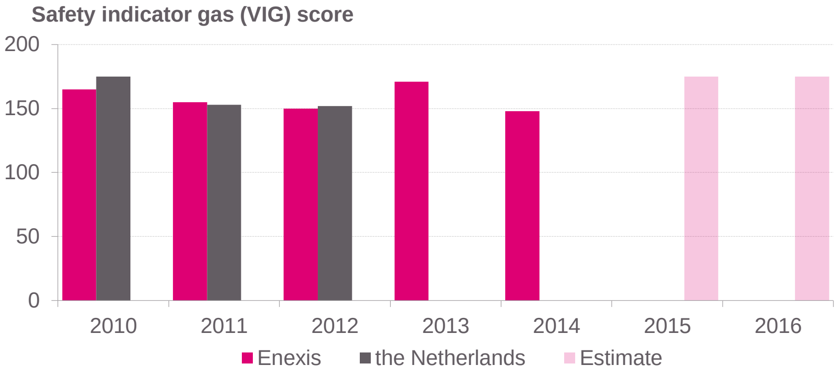
Gradual decline of WACC and Cost of debt compensation, mainly due to lower equity beta and low interest rate environment

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%

High reliability and safety of Enexis grid





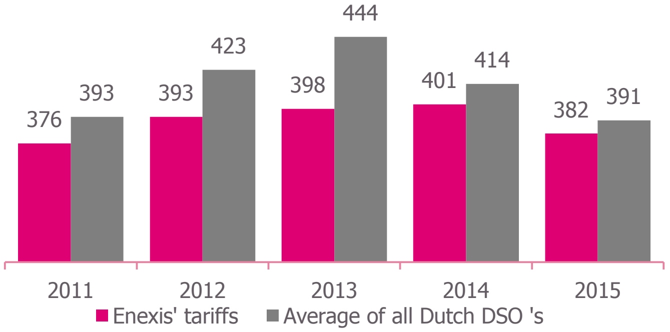
- Enexis initiates and participates in several smart grid projects and gains experience with future technology
- Annual electricity outage time of approximately 14.2 minutes in 2015
- VIG gas safety indicator in line with Dutch average

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

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

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