ANNUAL REPORT 2013

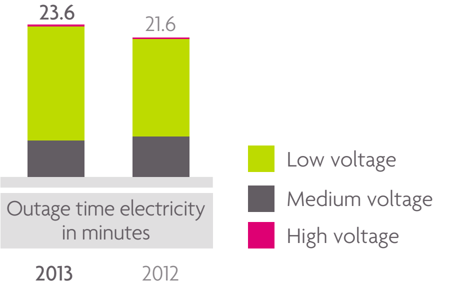
ENEXIS
CHANNELING ENERGY

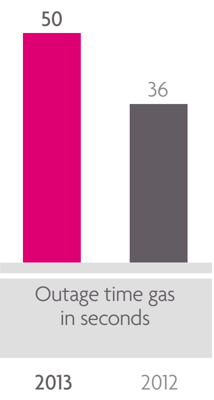
This page intentionally left blank.

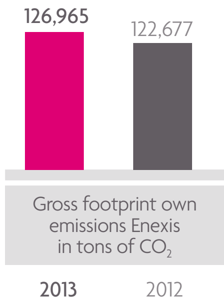
CONTENT

KEY DATA ENEXIS 2013

CHANGES AN OVERVIEW







The net footprint is zero. The remaining emissions are compensated with the purchase of Gold Standard certificates.

KEYDATA

ELECTRICITY GRID

135,200 km

2,672,000 connections

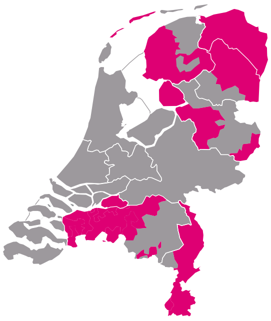
34,900 GWh

GAS GRID

44,800 km

2,079,000 connections

6,510 Mm^3



NET REVENUE

In EUR millions

1,385.7

2012: 1,367.0

GROSS INVESTMENTS

In EUR millions

470.7

2012: 504.4

PROFIT AFTER TAX

In EUR millions

239.1

2012: 223.7

BALANCE SHEET TOTAL

In EUR millions

6,264.9

2012: 7,023.5

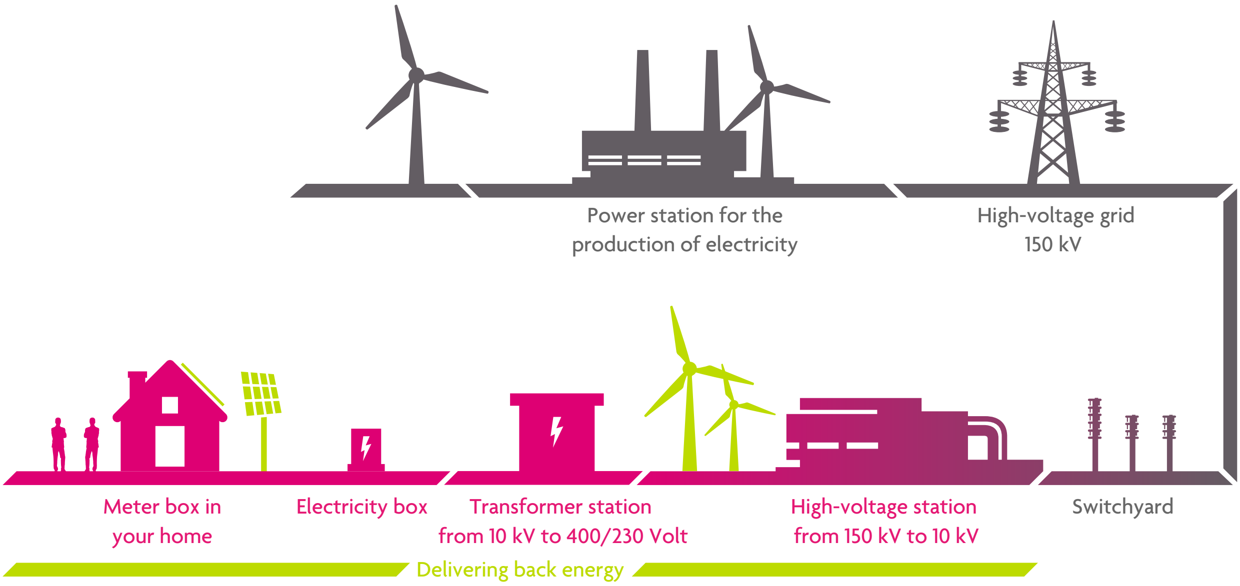
DART-RATE ENEXIS

Safety index

0.54

2012: 0.49

ENEXIS IN THE CHAIN



FOREWORD FROM THE EXECUTIVE BOARD

MAARTEN BLACQUIÈRE,
ad interim Chairman of the Executive Board/CFO

Enexis had a very busy year in 2013. Characterised not so much by striking events as by the completion of a number of important projects. And that of course in addition to the activities that can be expected of a grid operator: providing safe, reliable and affordable energy to customers. A role behind the scenes. However, the major outage in the first days of the year that hit Enschede, made it clear in just seconds that a reliable energy supply remains a permanent top priority. And in this manner, we look back on this year. Proud of what we have achieved, but also more determined than ever to ensure the quality of our core activities.

Strength and balance

This is why we work hard at building a strong organisation, with all the necessary expertise and experience to maintain and constantly improve the grids. At the same time, we also have to keep an eye on the balance in many areas. We have to ensure that our grids meet today's requirements, but we also have to think ahead about the requirements and possibilities in the future. We strive for affordability but we also have to provide a satisfactory return for our shareholders. In this manner, our daily operations are determined by two variables: strength and balance. On the one hand, a strong organisation with healthy financial business operations and, on the other hand, a well-balanced policy, in which all stakeholders are served optimally, now and in the future. This often leads to dilemmas. Such as weighing the affordability for the customer against the need to modernise the grids. Or investing in infrastructure in order to stimulate new developments when market parties are not yet willing to assume this role.

Environment in motion

Our company, which is literally connected to society with every fibre, is constantly adapting to all of the changes that are occurring. A reactive approach is not an option in this case. This was also one of the messages that we received in our stakeholder dialogue. The social and political reality demands an active role on the social platforms, including the media, in order to continue to carry on a dialogue with our customers. The technological developments, with an explosive increase in solar energy generated by customers and a rapid ascendency of electric cars, demand an active role in the development of the grids. And where sustainability is concerned, we can only be pleased that we took a pro-active approach and have carried out an inventory of our tasks and translated this into policy. I regard it as characteristic of our positioning in this changing world that we have relocated our offices to a new, low-energy building next to the 's-Hertogenbosch central station that is completely tailored to the requirements of the Enexis Way of Working. We proudly showed the building to King Willem-Alexander who granted us the honour of officially opening the building on 29 January 2014.

Profit in perspective

If we look back at what 2013 has brought us, apart from a good service level and, in general, a satisfactory reliability, then this is a financial performance that benefits the various stakeholders in a well-balanced manner. To start with the customers: with a 2.2% increase in tariffs, we charged approximately EUR 140 million less than permitted by the supervisor. We then made a profit for the year of EUR 239 million on an invested capital of EUR 5.3 billion, of which half can be distributed to the shareholders and the other half is invested in the energy grids, the valuable assets of our society. Customers, shareholders and society all benefited equally from Enexis's efforts in 2013. That is a good result.

Completed projects

No less important than the financial figures are the projects that we started and completed in the past year. First of all, the last step in the transition to the New Market Model. The preparations took many years and had a large impact on the organisation. Two new major systems, the Central Connection Register [Centraal Aansluitingenregister (C-AR)] and the Payment Control System [Afdrachtcontrolesysteem (ADC)] were taken into use without any difficulties. We can conclude that the transition to the New Market Model did require a major effort but that it can go on record as a success for Enexis. A totally different matter was the completion of the digital map of our grids, so that, from now on, all parties involved can have an up-to-date overview of the grids in the areas where they intend to work.
As damage caused by third party excavation activities is the main cause of outages, this is an important gain for society. A third milestone was the launch of the portal on which customers can request and arrange simple matters themselves, a first step on the road whereby the customer can increasingly take control of his own energy supply. And that this wish exists is clear from the increase in customer satisfaction among the users.

Growing importance of ICT

An ongoing development, which is clearly visible in a growing budget, is the growing role of ICT in our activities. More and more activities, from the administration systems to the computerisation of the grids, the support provided to saving energy and a wide range of communication facilities, are made possible by ICT. Smart meters, with smart grids, automated distribution and a sophisticated computerised energy management system determine what the future energy supply will look like. Now already modern grid management is inconceivable without ICT. ICT in the grids is no longer a novelty, it is a reality. The same applies with regard to ICT in the communication with customers: we would be failing in our duties if we did not have our business in order in this respect. However, that does not mean that we may not be proud of what we have accomplished already via websites and portals.

Universal sustainability

Whoever takes a good look at our activities and projects will see developments in many areas, which, only a few years ago, would have been listed separately under the heading corporate social responsibility (CSR) or sustainability. In the meantime, sustainability has been integrated to a large extent in our daily operations. Nevertheless, we still have a lot of work to do to ensure that our business operations are fully sustainable. Therefore, we are working very hard on projects that either make our business operations more sustainable or that help our customers to become more sustainable. The latter often in the form of increasing energy awareness, occasionally supported by ICT and devices. Enexis launched two projects in 2013 that provide support to groups that wish to take action themselves: Neighbourhood Power [Buurkracht] and 'The sun gives you energy' [Van zon krijg je energie], for neighbourhoods and schools, respectively. These are examples, just like many other projects and pilots, of our intention to play a strong supporting role in this area. Also on other platforms: we made a major contribution to the drafting of the Sustainable Energy Action Plan of the Association of Energy Network Operators in the Netherlands [Actieplan Duurzame Energievoorziening van Netbeheer Nederland]. All of these activities are the result of clear choices in our strategy and it can be expected that we will continue to define these choices even more clearly in the future.

A pioneer bids farewell

At the end of the year under review, we said our CEO Han Fennema farewell. During the last few years, he has had a marked influence on Enexis's strategy and policy and has translated his ideas into practice especially where affordability and the importance of a customer-oriented, efficient organisation are concerned. We are grateful to him for this and we wish him a lot of success in his new position at Gasunie.

Shoulder to shoulder in 2014

However much we have achieved in 2013, we are certainly aware that there are still matters that require improvement in the short term. For instance, in order to ensure affordability for our customers, we will have to work even harder on reducing costs by simplifying our working methods. We have formulated a course of action in the past year and we have taken an important step by implementing a change in the organisation of the Infra Services department. Another area of concern is safety. We have constantly emphasised working safely and supported this with programmes, briefings and standard agenda items in work meetings. This turns out not to be enough. The DART-rate, the annual accident figure, is rising again and that is not acceptable. We have developed plans to reduce the DART-rate by 50% in four years and these plans are now being implemented. I am convinced that we will succeed in making important progress in 2014 not only with regard to the areas mentioned above but over the whole range of our activities.

To conclude, I would like to take the opportunity to thank Enexis's employees for what they have achieved in 2013 with their hard work and expertise. I would also like to thank the Works Council for their constructive contribution in a rapidly changing environment and, last but not least, I would like to thank the Supervisory Board and the Shareholders' Committee for their support.

Maarten Blacquière,
ad interim Chairman of the Executive Board/CFO

REPORT OF THE SUPERVISORY BOARD

FROM L. TO R.: Ms M.E.J.M. CAUBO,
Ms W.M. VAN INGEN,
R. DE JONG, DEPUTY CHAIRMAN
M.A.E. CALON, D.D.P. BOSSCHER, CHAIRMAN

To the shareholders

With the presentation of the annual report and financial statements for the 2013 financial year prepared by the Executive Board of Enexis Holding N.V., the Supervisory Board wishes to express its satisfaction with the results and performance delivered.

Ernst & Young Accountants LLP have audited the financial statements and issued an unqualified auditor's opinion with regard to these statements. The unqualified auditor's opinion is included on page 107. The financial statements can be found on page 54 up to page 109 of this annual report. The Supervisory Board discussed the financial statements at its session on 5 March 2014 extensively with the Executive Board and the auditor and took note of the findings of the Audit Committee. We approve the profit appropriation as proposed by the Executive Board.

We recommend that you adopt the financial statements with the proposed profit appropriation in their present form taking into account the statutory provisions and the articles of association, at the General Meeting of Shareholders to be held on 10 March 2014.

Composition of the Supervisory Board

The composition of the Supervisory Board remained unchanged in 2013 and was as follows:

- D.D.P. Bosscher, Chairman (reappointed in 2012, due to retire in 2016)
- R. de Jong, Vice-Chairman (reappointed in 2012, due to retire in 2016)
- W.M. van Ingen (reappointed in 2012, due to retire in 2016[1])
- M.E.J.M. Caubo (due to retire in 2015)
- M.A.E. Calon (due to retire in 2016)

Personal information on the members of the Supervisory Board is provided in the Personal Details section of this annual report.

1. Ms Van Ingen has indicated that she intends to step down earlier in 2014 at the General Meeting of Shareholders. Mr Moerland will be nominated in the meeting for appointment to the Supervisory Board.

Meetings of the Supervisory Board

The Supervisory Board convened five times in 2013. None of the members were absent frequently. All the meetings were attended by the Executive Board. Mr J.P. Eydems, Legal and General Affairs Manager and Company Secretary, acted as secretary to the Supervisory Board.

Independence of the Supervisory Board Members

During the whole year, all of the members of the Supervisory Board were independent of Enexis as specified in the Dutch Corporate Governance Code. The Supervisory Board is of the opinion that its composition is such that the members can operate independently in relation to each other and in relation to the Executive Board.

Exercising supervision

During its meetings and its contacts with the Executive Board, the Supervisory Board discussed Enexis's strategy, the results achieved and the plans for the coming periods, the resolutions that required the approval of the Supervisory Board and other relevant matters brought to its attention, including developments in the areas of regulation and safety. The Business Plan 2014 was approved in the meeting of 9 December 2013.

Special areas of focus in the meetings in 2013 concerned (the preparations for) the Strategic Plan 2014-2018 and the necessity to structurally improve the disappointing safety performance and to bring about the required change in safety awareness within the company.

The Chairman of the Executive Board, Mr Han Fennema, announced at the end of November 2013 that he would be leaving Enexis as of 31 December 2013.

We would like to take this opportunity to thank Mr Fennema for his dedication and the contribution that he has made to the realisation of Enexis's strategic objectives in the area of affordability, reliability and sustainability as well as the further positioning of the company as a financially solid company during the last three and a half years. The succession process is now in progress and an external adviser has been called in to provide assistance.

The periodic operational and financial results and the functioning of the risk management and control system within Enexis were discussed in detail during the meetings of the Supervisory Board. The Audit Committee advised the Supervisory Board on the technical aspects and risk in this respect.

In addition, the Supervisory Board was informed regularly about important developments by experts in various fields, including the necessity of maintaining access to the labour market and, in particular, to skilled employees with a technical training, for example, during a visit to the Enexis training and education centre in Eindhoven. Furthermore, the Supervisory Board also discussed in detail the consequences of the decisions regarding the new regulation period, the reorganisation of Infra Services, Enexis's technical business, and the possibilities to support the energy saving efforts of customers.

Committees

The Supervisory Board has appointed two standing committees: the Audit Committee and the Remuneration and Selection Committee.

Audit Committee

The Audit Committee supervises the internal risk management and control systems, financing and financial reporting. The committee provides advice to the Supervisory Board on these matters. The periodic evaluation of the external auditor and the Chief Financial Officer (CFO) are also the responsibility of the Audit Committee. The composition of the Audit Committees since mid-2012 is as follows:

- R. de Jong - Chairman
- W.M. van Ingen
- M.A.E. Calon

The Audit Committee met five times in 2013. The CFO and the external auditor were present at all of these meetings. The Audit Committee evaluated and discussed all of the relevant financial matters submitted to the Supervisory Board, including reports from the internal and external auditors, the financial statements, the interim financial statements and risk-related and financial reporting. Whereby the emphasis for the Audit Committee lies on financial-technical aspects and valuation principles and methods. In addition to financial matters, the Audit Committee also discusses the company's risk management and the ICT policy is also an important item on the agenda. The evaluation of the CFO and the external auditor also took place.

Remuneration and Selection Committee

The Remuneration and Selection Committee determines the selection criteria and appointment procedures for members of the Supervisory Board and the Executive Board. It periodically evaluates the performance of the individual members of the Supervisory Board and the Executive Board and makes proposals for the remuneration policy for the members of the Executive Board. The committee provides advice to the Supervisory Board on these matters. The composition of the Remuneration and Selection Committee remained unchanged in 2013 and was as follows:

- D.D.P. Bosscher - Chairman
- M.E.J.M. Caubo

The activities of the Remuneration and Selection Committee in 2013 focused mainly on the further implementation of the Standards for Remuneration of Senior Officials in the Public and Semi-Public Sector Act (WNT) and the preparations in connection with the succession of the Chairman of the Executive Board who left the company on 1 January 2014. A procedure was also started and completed successfully in order to nominate a new Supervisory Board member for appointment in connection with the vacancy that will occur due to the resignation of Ms Van Ingen. Use was made of the services of an external adviser, whereby striving for a well-balanced composition of the Supervisory Board was part of the selection process. However, we have not succeeded in meeting the objective of 30% of the Supervisory Board being composed of female members. In addition, the committee has taken note of the succession planning of the management of the organisation.

Evaluation of the Supervisory Board

An internal evaluation of the Supervisory Board took place again in 2013. It can be concluded that the Supervisory Board functions properly, a number of points for improvement were brought forward and action was taken in this respect.

Appreciation

The Supervisory Board would like to thank the employees. Their professionalism and commitment to the organisation have made an important contribution to the achievement of the results. A special compliment goes to those employees who have contributed to the successful implementation of the New Market Model and the highly efficient manner in which the restructuring of the Infra Services organisation was carried out.

Therefore, the Supervisory Board expresses its appreciation for the results that have been achieved and would like to thank the Executive Board and the employees for their dedication and contribution in 2013.

Den Bosch, 5 March 2014

On behalf of the Supervisory Board

D.D.P. Bosscher
Chairman

REPORT OF THE SHAREHOLDERS COMMITTEE

As far as the Shareholders Committee is concerned, 2013 will go on record as a good step in the clear path that Enexis has embarked on. The outage time remained low and the quality of the services remained high. Once again, Enexis did not have to make use of the maximum permitted tariff room to deliver impressive results. This deserves a big compliment from the shareholders. At the same time, 2013 is a year of transition in any case in three areas.

This was the last full year of the current Strategic Plan. Therefore, a joint project was started between the company and the shareholders already at an early stage in order to adopt a new Strategic Plan 2014-2018 in the General Meeting of Shareholders, in which the annual report that you are now reading will also be submitted for approval. Enexis has set up this process in very interactive manner in order to be able to determine the strategy for the next four years together.

The year 2013 was also a year of transition due to the new regulation period that starts in 2014. Enexis faces the major challenge to deliver the same performance, now that the supervisor, the Authority for Consumers and Markets, has placed the yardstick considerably higher. This must be possible with so many highly motivated and skilled people who work throughout the whole servicing area.

And finally we were informed in November that the Chairman of the Executive Board, Mr Han Fennema, would be leaving Enexis on 31 December 2013. The Shareholders Committee would like to thank Mr Fennema for the manner in which he has given Enexis a distinctive identity in the past years. Therefore, we wish him the very best in his new position at Gasunie. It will be a great challenge for his successor to continue and further expand the good work that has been accomplished.

The Shareholders Committee is confident that Enexis will also put in an excellent performance in 2014.

Bert Pauli,
Chairman of the Shareholders Committee

At year-end 2013, the composition of the Shareholders Committee was as follows:

- Province of Noord Brabant: L.W. L. Pauli (member of the Provincial Executive of Noord-Brabant)
- Province of Overijssel: T.W. Rietkerk (member of the Provincial Executive of Overijssel)
- Province of Limburg: E.J. Koppe (member of the Provincial Executive of Limburg)
- Provinces of Groningen, Flevoland and Drenthe: J.W. Moorlag (member of the Provincial Executive of Groningen)
- VEGAL: C.A.M. Hessels (Mayor of Echt-Susteren, Chairman of VEGAL)
- VEGANN: W. Mulder (Alderman of the municipality of Hengelo, on behalf of VEGANN)
- Brabant municipalities: J.W.F. Hoskam (Alderman of the municipality of 's-Hertogenbosch)

KEY FIGURES 2013

Financial information

amounts in millions of euros		2013	2012 [4]	2011	2010	2009
Result						
Net revenue		1,385.7	1,367.0	1,314.6	1,204.2	1,358.1
Cost of sales		229.8	235.7	239.1	218.7	223.4
Gross profit		1,155.9	1,131.3	1,075.5	985.5	1,134.7
Other operating income		17.8	14.0	11.8	11.4	14.4
Operating expenses excluding depreciation and impairments		452.4	465.4	412.9	398.7	516.7
Depreciation and impairments		298.9	285.9	271.9	248.5	233.3
Operating profit		422.4	394.0	402.5	349.7	399.1
Share of result of associates		1.2	-10.4	-5.7	4.9	9.2
EBIT		423.5	383.6	396.8	354.6	408.3
Financial income and expenses		-109.0	-91.2	-88.5	-93.8	-72.5
Profit before tax		314.6	292.4	308.3	260.8	335.8
Profit for the year		239.1	223.7	229.4	193.7	263.1
Financial position (before profit appropriation)						
Net working capital		-49.4	-109.3	-137.3	-86.3	0.2
Non-current assets [1]		5,865.1	5,683.9	5,477.9	5,059.2	4,893.6
Capital employed [3]		5,265.7	5,085.0	4,928.5	4,683.8	4,677.2
Equity		3,370.1	3,244.9	3,130.9	2,963.9	2,849.1
Total assets [1]		6,264.9	7,023.5	6,358.7	5,911.5	5,677.0
Ratios						
Solvency [1]	%	53.8	46.2	49.2	50.1	50.2
ROIC [3]	%	8.0	7.5	8.0	7.6	8.7
Return on equity	%	7.1	6.9	7.3	6.5	9.2
Cash flow						
Cash flow from operating activities		487.0	540.7	604.9	550.2	615.9
Cash flow from investing activities [2]		133.9	-786.3	-514.9	-333.2	-90.1
Cash flow used in financing activities		-614.7	218.3	-61.1	-79.0	-335.6
Cash flow [2]		6.1	-27.3	28.9	138.0	190.2

1. As of 2012, the tangible fixed assets in progress and the advance contributions for the installation of grids and connections are no longer set-off against the corresponding asset, but reported as gross amounts. This results in an increase in both the tangible fixed assets and the advance contributions for the installation of grids and connections. The 2011 figures have been adjusted accordingly.
2. As of 2012, Enexis has presented short-term interest-bearing loans granted and deposits separately as other current financial assets on the balance sheet. The 2011 figures have been adjusted accordingly.
3. The definition for invested capital has been adjusted. In the new definition, the advance contributions for the installation of grids and connections are eliminated from the invested capital. The comparative figures have been adjusted accordingly.
4. As a result of the retrospective application of the revised IFRS standard IAS 19 and IFRS standard IAS 32 the comparative figures have been adapted. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.

Customer satisfaction

	2013	2012	2011	2010	2009
Low-volume consumers	8.1	7.9	7.9	7.9	7.7
High-volume consumers	7.4	7.3	7.2	7.2	7.2
Total	**7.8**	**7.6**	**7.6**	**7.6**	**7.5**

The grids

	2013	2012	2011	2010	2009
Section lengths (x 1,000 km)					
Electricty grid	135.2	134.2	133.3	132.3	131.0
Low voltage	90.8	90.0	89.4	88.8	88.0
Medium voltage	44.3	44.1	43.8	43.5	42.9
Intermediate voltage	0.1	0.1	0.1	0.1	0.1
Gas grid	44.8	44.8	44.6	41.3	41.1
Low pressure	35.8	35.8	35.6	32.8	32.7
High pressure	9.0	9.0	9.0	8.4	8.4
Stations (x 1,000)					
E-stations	52.9	52.7	52.5	52.1	51.8
G-stations	24.6	24.6	24.7	24,1 [1)]	24.3
Number of connections (x 1,000)					
Electricty	2,672	2,662	2,648	2,631	2,610
Gas	2,079	2,074	2,068	1,908	1,899
Transported quantities					
Elektricity (GWh) [3)]	34,900	35,043	35,079	34,858	33,305
Gas (Mm^3) [2)]	6,510	6,350	5,788	6,959	6,003
Of which biogas [3)]	34.0	21.1	10.9	8.0	7.5
Product quality					
Outage time electrity (in minutes)	23.6	21.6	18.9	25.1	20.0
High voltage	0.1	0.1	1.1	3.8	0.4
Medium voltage	17.8	15.2	11.9	15.2	14.6
Low voltage	5.7	6.3	5.9	6.2	5.0
Outage time gas (in seconds)	50	36	69	43	25

1. As from 2010, gas stations that are not operating are not included in the count.
2. Gasunie cannot indicate the quantity of transported gas due to measuring problems that occurred. Gasunie is looking into possibilities to solve this. At present, it looks like the possible deviation amounts to 1.6%.
3. The transmitted amount of electricity concerns an estimate based on the figures of November and the transported amount of biogas concerns an estimate based on the figures of October.

Personnel and sustainability

	2013	2012	2011	2010	2009
Personnel					
Number of employees at year-end	4,294	4,229	4,101	4,061	3,791
FTEs at year-end (own personnel)	4,141	4.072 [1)]	3.797 [1)]	3,718	3,490
Female employees as a % of the total workforce	17.2	17.7	17.7	19.1	16.1
Absence due to illness (%)	3.8	4.0	4.8	3.9	4.4
Number of participants Training & Education courses including exam	22,589	17,784	14,223	12,378	9,628
Number of participants Training & Education courses excluding exam	17,200	11,101	14,019	-	-
Employee involvement score (%)	81	80	80	-	81
DART-rate Enexis [2)]	0.54	0.49	0.53	0.55	0.55
DART-rate third parties	1.32	0.85	1.09	1.05	1.74
Sustainable vehicle fleet					
100% electric passenger cars	48	48	29	17	10
Passenger cars on biogas / natural gas	31	30	11	3	3
Electric passenger cars with range extenders	5	-	-	-	-
Amount of waste (in tons)					
Recycled waste	11,673	9,673	8,265	6,163	4,135
Incinerated waste	1,189	1,426	1,336	1,362	1,409
Dumped waste	513	315	430	308	95
Total	13,375	11,414	10,031	7,833	5,640
Of which hazardous waste (%)	1.3	3.6	5.8	7.5	6.0

1. FTEs based on the contractual working week and the part-time factors based on this. Up to 31 December 2011, the number of FTEs was determined based on a standardised working week. Based on the new definition, the number of FTEs at year-end amounted to 3,926.
2. DART-rate: the DART-rate stands for the number of accidents resulting in absence from work or adapted work per 200,000 working hours.

STRATEGY

A reliable and safe energy supply is one of the cornerstones of modern society and is thus of vital importance to society. As an operator of energy grids with a monopolistic position, Enexis is very much aware of its role and its duties in connection with this role. The company's strategy and policy are therefore geared to carrying out these duties optimally, now and in the future.

The strategic pillars underlying this policy are:
- Reliability of both the infrastructure and the organisation.
- Affordability as a duty to customers who have no choice regarding their grid operator.
- Sustainability as an instrument for realising the energy transition and a logical task for a modern, socially relevant company.
- Customer-orientation, whereby the company strives to deliver the highest quality of service to its customers.

As a financially and organisationally strong company, Enexis is able to execute this policy and to take into account and weigh the opposing interests of various stakeholders and the wishes and possibilities in connection with these interests in a well-considered manner.

Listening to stakeholders

The strategy has been determined for the years 2010 - 2014 and is assessed annually in relation to current developments and future expectations and, if necessary, adapted. Of course, all the information and developments that together determine the environment in which Enexis operates have been taken into account. Moreover, during the preparations for determining the strategy for the next period, Enexis actually interviewed 64 stakeholders. In these interviews, each stakeholder was asked about the developments that he currently identifies, what effects these developments could have on grid management and what Enexis's strengths and weaknesses are. The result was a rich harvest of insights, both with regard to the developments and the profile of Enexis. The stakeholders are relatively unanimous where it concerns the primary core task of Enexis: ensuring a good quality, reliable energy supply, now and in the future. In this context, they regard Enexis as the pre-eminent party to execute and promote the Energy Agreement together with the government. The opinions regarding Enexis's role are more divided in areas that are further removed from the core activities. Enexis's task to facilitate the energy transition is not contested; however, there are advocates and opponents of a broader interpretation of Enexis's role as initiator of new developments.

Strong points that are mention include the reliability of the grid, the quality of the asset management, the strong financial position and the low tariffs. A cumbersome organisation, a limited sharing of information and an unclear positioning were named as weak points.

Enexis's image and the role that the company should play according to the stakeholders are not clear. Nevertheless, the answers contain sufficient similar points of view to provide a good foundation for Enexis's strategic course for the coming years. Enexis and the shareholders will decide on the contents of the new strategic plan in the spring of 2014. The strategic plan will then be presented to the General Meeting of Shareholders on 10 April 2014.

The vision, mission and objectives as these have been formulated for the years 2010 - 2014 are provided below:

Vision

Society is becoming increasingly aware of its dependence on energy and the consequences of energy consumption for the economy, the quality of life and the climate. Our customers and other stakeholders are therefore becoming increasingly critical with regard to the performance and conduct of energy (distribution) partners and their ability to respond effectively to technological developments and changing market circumstances.

Mission

Enexis does its utmost to ensure a sustainable, reliable and affordable energy distribution to its customers.

Objectives

Enexis sets its objectives in the context of its ambition to be a leading grid operator. This ambition is translated into objectives for the various stakeholders.

Society

- Enexis plays a leading role in facilitating the energy transition.
- Reliability and safety are maintained at the current high levels.
- The cost level is lower than that of other grid managers.

Individual customers

- A moderate tariff development. The average increase in tariffs is in line with the price index level.
- Customer satisfaction is higher than 7.5.

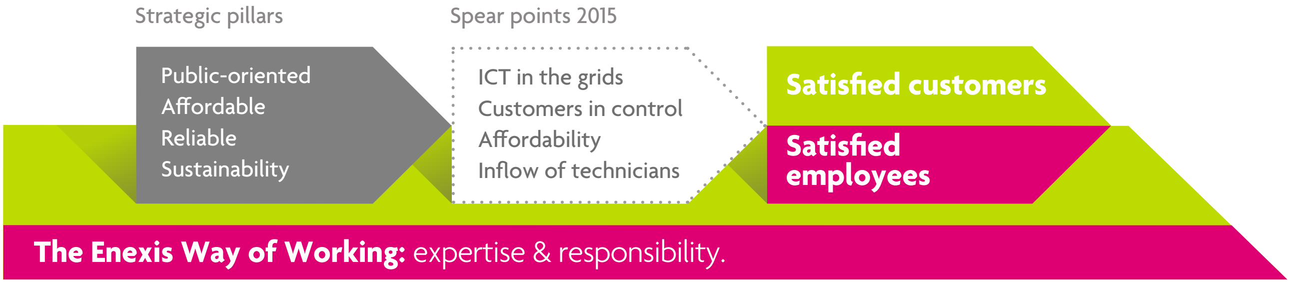
Employees

- Enexis ranks among the top 25 of attractive employees in the Netherlands.

Shareholder

- Provinces are actively involved in Enexis and give the company an 8 for reliability, sustainability and customer-orientation.
- Shareholders can count on the return that is used as the point of departure by the Dutch Energy Authority (Energiekamer) when determining the tariffs.

Enexis's strategy



ABOUT THIS ANNUAL REPORT

Annual report now only available online

This is the first Enexis annual report that will only be published online. This means lower costs and less paper, which is in keeping with our affordability and sustainability objectives. Moreover, this is line with the manner in which a lot of information, in particular financial information, is now processed: usually digitally. In this manner, everyone can find the information that they are looking for quickly and if they wish they can click on links to access other sources. The report can also easily be downloaded as a PDF.

Sustainability integrated

Sustainability is an integral aspect of our performance. This is why we report on our performance in this area in our annual report in accordance with the GRI 3.1 directive. The whole report, therefore also our sustainability performance, is subject to the external audit. For the sake of clarity, we have grouped the most important sustainability topics together, also with a detailed explanation of the report and a list with the points of the GRI index and references to the relevant sources in the text.

Feedback

We strive to improve our reporting year after year. The points of view of critical readers provide a welcome support in this improvement process. Do you have any ideas for improvement? Please send an e-mail to investor.relations@enexis.nl.

THE BEST OF BOTH WORLDS

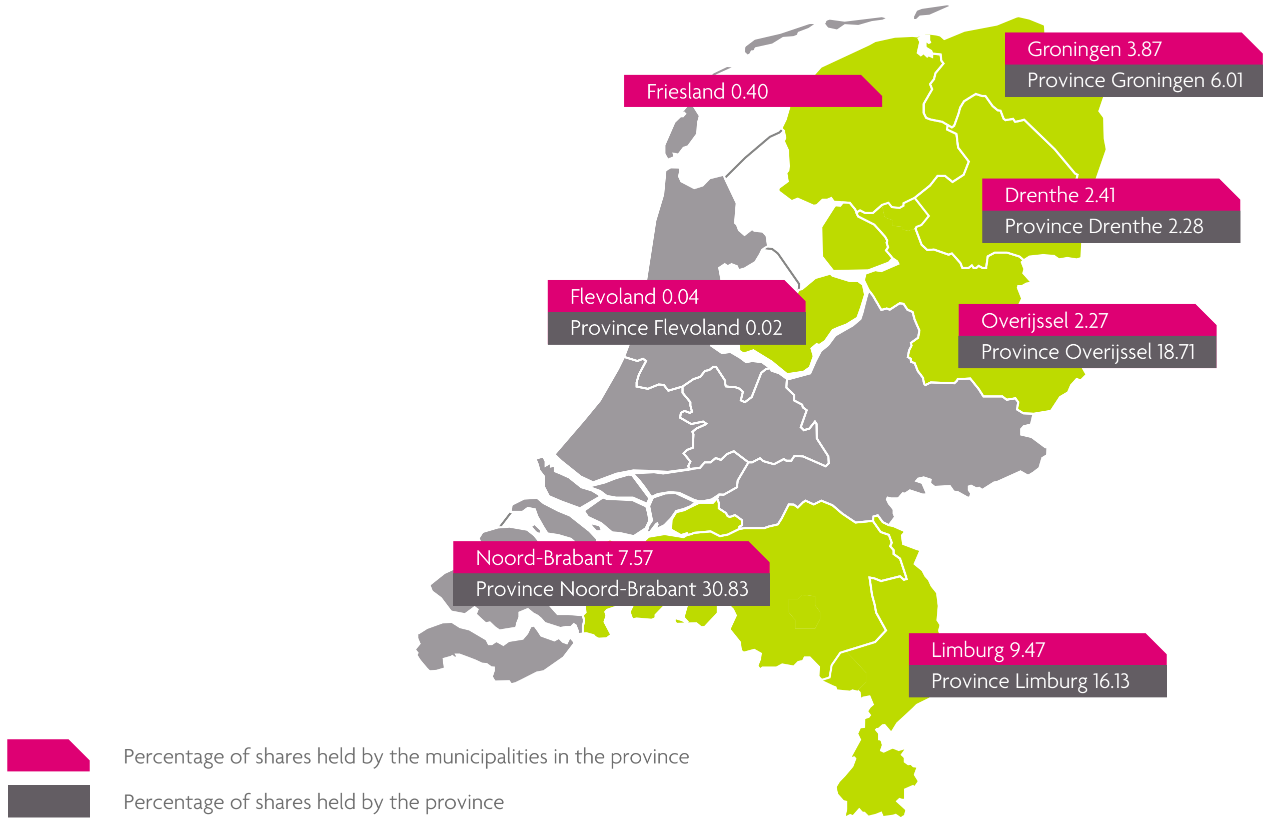
Not a purely commercial company, not a government company. Strictly regulated by laws and operating as a financially sound company that delivers the highest quality services to its customers and shareholders and acts as the guardian of the regional energy system. This is Enexis's position as a regional grid operator. After nearly five years as an independent company, Enexis is a strong company that is able to carefully balance the different interests: of customers, the government, shareholders and society in general. It is Enexis's aim to ensure a reliable, safe and at the same time affordable energy distribution. These are tasks that are not always aligned with one another. Reliability and safety demand huge investments. Affordability requires making smart choices. Affordability today implies a lean budget, reliability in the future means investing in sensible maintenance. These considerations are recognisable in Enexis's policy and in the execution of this policy.

History

Enexis has been operating as a independent company since 2009, when it was established as a separate entity apart from the energy company Essent. The splitting up was prescribed by the independent Grid Management Act (the Unbundling Act), which was passed in 2006, which stipulates a strict separation between grid managers and suppliers and producers. Enexis B.V. is the grid operator within Enexis Holding N.V.

Enexis shares

Percentage of shares of the provinces and the municipalities in the provinces.



Regulations and tariffs

As a grid operator, Enexis is subject to regulation based on two laws: the Electricity Act 1998 and the Gas Act and the regulations and rules for the activities of the grid operator pursuant thereto. The Dutch Authority for Consumers and Markets (ACM) is responsible for the supervision of the compliance with the above laws and regulations. The regulation of the grid management includes provisions regarding ownership, rules for maintaining specific financial ratios and limitations regarding the level of the tariffs.

Again a limited increase in customer tariffs

The regulation of the tariffs provides an incentive to grid managers to work as efficiently as possible. Every three years, the ACM sets the benchmark, based on the average of all grid managers, based upon which the maximum tariffs are determined. The grid operator then sets the actual rates within this limit. Enexis aims to keep any tariff increases as limited as possible in line with its strategic objective of affordability. In 2012 and 2013, Enexis was the only grid operator that remained substantially below the maximum tariffs for the annual increase in tariffs. As a result, over EUR 200 million in potential revenue room was not utilised. The ACM has adjusted the maximum tariffs downwards considerably in general for the period 2014 - 2016, based also on the lower interest rates on government bonds. With a tariff increase of 0.7% in 2014, based on the maximum amount for transmission charges and an amount below the maximum for the meter costs, Enexis is also not making full use of the tariff room offered by the ACM in 2014. Based on this tariff policy, together with a slight increase of the revenues, we expect to realise a similar return in 2014. This is Enexis' estimate of future results, the actual outcome may differ.

Financial policy

The objective of Enexis's financial policy is to establish sufficient funding through timely, continuous and adequate access to the international capital and money markets and the optimisation of Enexis's funding structure, costs and risks. The policy is implemented within the regulations of the Electricity Act 1998 and the Gas Act and the Financial Management of Grid Managers Decree [Besluit financieel beheer netbeheerders].

Dividend policy

The articles of association stipulate that for the period 2011 through 2013 a maximum of 50% of the profit for the year is available for distribution. When determining the dividend, to the extent applicable, an adjustment is made for tangible non-cash book profits.

Credit rating

In connection with its financing, Enexis has credit ratings at two rating agencies, Standard & Poor's and Moody's. Enexis's aim with regard to its rating is directed at maintaining a strong A rating.

This rating is above the standards for creditworthiness as described in the Financial Management of Grid Managers Decree. Our Moody's rating at the end of 2013 was Aa3 with a stable outlook. S&P raised our rating in 2013 to AA- with a stable outlook. The downward adjustment by S&P of the credit rating for the Netherlands from AAA to AA+ with a stable outlook does not have any impact on Enexis's rating.

Refinancing of shareholders' loans

When Enexis was set up as an independent company, the shareholders converted a bridge loan from Essent into shareholders' loans with a number of different terms to maturity for a total amount of EUR 1.8 billion. In order to finance the repayment part of these shareholders' loans, Enexis issued two bond loans of in total EUR 800 million, on the public bond market in 2012. These bonds were placed successfully. These bonds are part of a Euro Medium Term Note (EMTN) programme of in total EUR 3 billion and are listed on the NYSE Euronext in Amsterdam. The EMTN programme is not only intended for the refinancing of shareholders' loans, it is also intended to raise extra capital in the future to carry out the necessary investments in the grids. Two shareholders' loans were repaid earlier, one year before maturity, in 2012 and 2013 using the proceeds of the bond loans.

Active in the Energy Agreement

Forty parties, among which the government, concluded an Energy Agreement for sustainable growth in September 2013. Netbeheer Nederland [the Association of Energy Network Operators in the Netherlands] was one of the signatories. Netbeheer Nederland has described its role in the energy supply in the future in detail in the Action Plan Sustainable Energy Supply. The action plan, a work in progress to which Enexis has made a substantial contribution, provides an overview of everything that is necessary to also have a sustainable and reliable energy system in 2030.

The Energy Agreement provides a clear direction for the energy transition in the Netherlands and thus forms a sound substantiation for the plans and investments of grid managers. In particular, the room that is provide for experiments with and investments in saving energy is well-aligned with the role that sustainability plays directly and indirectly in the future of the energy supply. It is expected that the sustainability of the grids in connection with the energy transition and making consumers more energy conscious will receive an extra impulse from this

Green Deals

Also by participating in a number of 'Green Deals' with the government, Enexis emphasises its commitment to the 'sustainability' of the energy production as aimed for in the Energy Agreement. In addition to the Green Deals that were already agreed in 2012, Enexis also signed the Green Deal 'Smart Energy Cities' in November 2013. This concerns the realisation of six to ten new energy concepts encompassing in total 100,000 buildings. In this manner, the scale becomes large enough to make it interesting for companies to develop new products and services that satisfy the customer's wishes. Grid managers can contribute to this through smart grid management with the ultimate objective of saving energy, reduction of the pressure on the grids and a lager degree of comfort for the customer is his daily energy consumption.

Enexis also supports another Green Deal, on the development of a 'Fair Meter', which will consist of sustainable and optimally recyclable materials and components. Enexis has already entered into consultations in order to make this possible.

CUSTOMER **IN CONTROL**

As monopolist and as the only operator of the grids in its servicing area, Enexis bears a big responsibility. Not only to ensure a safe and reliable energy supply but also to provide the certainty to its customers that they can count on an excellent standard of service. The latter is not easy, as direct contacts with customers are relatively scarce. Most of the customer contacts concern the primary processes, such as meter reading, carrying out changes in a connection, installing a smart meter or solving a fault. It is very important for Enexis that all of the contact moments run smoothly and are viewed as positive by the customer. Especially in the area of handling faults, a lot has been improved, mainly due to good communication, among others via text messaging and a special outage app.

The department that is responsible for the work on the grid was reorganised in the year under review. It is expected that this will have a positive effect on the quality of the services as experienced by the customer. Improvements are also constantly being made in the first line of the customer relationship. In addition, Enexis ensures that customers can make use of the means of communication of their choice. A generally high customer satisfaction score provides an indication of the positive results of Enexis's efforts in this area. The target was an average score above 7.5, the average customer satisfaction score ultimately came to 7.8.

Customer satisfaction

	2013	2012	2011	2010	2009
Low-volume consumers	8.1	7.9	7.9	7.9	7.7
High-volume consumers	7.4	7.3	7.2	7.2	7.2
Total	**7.8**	**7.6**	**7.6**	**7.6**	**7.5**

The introduction of the New Market Model

After the Minister of Economic Affairs had postponed the introduction date to 1 August 2013 by Royal Decree, the New Market Model for the energy sector was introduced on that date. This entailed the completion of a period of preparation of many years, in which the migration of the own connection data to a Central Connection Register (C-AR) was carried out. A well-functioning C-AR was a precondition for the proper execution of an important aspect of the New Market Model, the Mandatory Suppliers Model. According to that model, the invoicing of the grid costs for all retail customers takes place through the energy suppliers. This means that the grid operator invoices its costs to the supplier from now on. This process is facilitated by means of a Payment Control System [(Afdrachtscontrolesysteem, ADC)], which determines the amount each supplier owes to Enexis based on the data in the C-AR and the amounts invoiced by the supplier. The switch to this system also required a careful preparation. As from the time it was taken into use in August, the ADC worked well.

As a result of the fact that we no longer have to invoice retail customers, 137 Enexis employees have lost their jobs. They are being assisted in finding new employment. By the end of 2013, nearly all employees had found new jobs. Assistance in finding a new job is still being provided to nine people.

Customers about Enexis

In the past year, Enexis has carried out several surveys to assess its customers' needs. These surveys provided a clear picture of the changing factors that are increasingly determining the customers' wishes. For instance, also due to the ascendency of the internet and social media, the customer has become accustomed to direct communication, fast information and short processing times. Although, in general, the customer does want to be completely unburdened, at the same time the customer also wants to remain in control, for example, when making appointments. Enexis takes this into account with faster customer processes, supported by internet services and, in general, by providing services that are closely aligned with the customer's needs.

Customer segmentation

In order to cater to the needs of various customer groups, Enexis now distinguishes eleven customer segments. A customer segment plan has been drafted for each customer segment. With these segment plans, Enexis can cater more specifically to the wishes and requirements of various types of customers.

Customer contact improved

The quality of the first-line customer contacts often determines the course of the further relationship between the customer and Enexis. This is why Enexis works systematically at improving the quality, both by means of the training of conversation skills and a better accessibility and a shorter response time when several departments are involved. Progress has also been made in this area in 2013. And with a total amount of nearly 400,000 telephone conversations and 37,000 e-mails, each structural improvement has a large impact. In addition to the general quality of the customer contact the quality of the contact at the level of the individual employee is also measured since July 2013. In this manner, Enexis can work on improvements in a targeted manner. The employees who also visit the homes of customers, such as technicians and meter readers, are also important in the first line. The latter have an explicit task as the ambassadors of Enexis. They have been prepared to deal with the most frequently asked questions; they have information material with them and can quickly pass on more complicated questions.

Quality

Enexis has customer satisfaction measured regularly, both randomly, i.e. in a sample survey from all customers over all the services provided, and specifically among customers who have experienced certain events. The results are expressed in a score. Not all elements are tested every quarter.

Services

The quality of the services that we provide is measured using eight service standards, based on the quality criteria from the Grid Code [Netwerkcode]. Enexis sets a performance level of 96% as the minimum level. Due to increasing management attention and more clearly defined work instructions, the service performance ratings in 2013 for households and the commercial market are in general higher than the targeted level. With the exception of service agreement 4, which is due to the standardisation of the reporting in 2012 and the manner in which activities were outsourced to suppliers of Enexis. The contracts with suppliers will be tendered and adjusted in accordance with the applicable service agreement in the course of 2014.

Service performance households and commercial market

In percentages	2013	2012	2011	2010	2009
1 In the event of a fault technician at location within 2 hours	98	99	98	98	98
2a Correspondence handled within 10 working days	100	99	100	99	95
2b Offer letters handled within 10 working days	96	93	98	98	98
3 Appointments with customer made in time slots of 2 hours	97	97	98	99	98
4 Work is carried out within 3 days [1]	86	81	97	99	97
5 Maintenance appointments are made 5 days before execution	97	89	99	99	99
6 In the event of work with interruption of the energy supply, warning 3 days before	98	96	99	98	98
7 Proposals submitted within 10 days after receipt of request	99	99	99	99	96
8 Customer questions regarding interruptions of the energy supply are responded to within 10 days	100	100	100	100	100

1. The differences in the figures do not represent a decrease in service performance, they are the result of more specific definitions in combination with a standardisation of the reporting in 2012.

Invoicing

The quality of the invoicing is measured based on the standards of the Office of Energy Regulation. The Office of Energy Regulation requires a minimum score of 98% for six standards regarding the timeliness of the invoicing. Enexis scores consistently higher on this item. The quality of the invoicing was measured up to the introduction of the New Market Model on 1 August 2013.

Quality of the invoicing

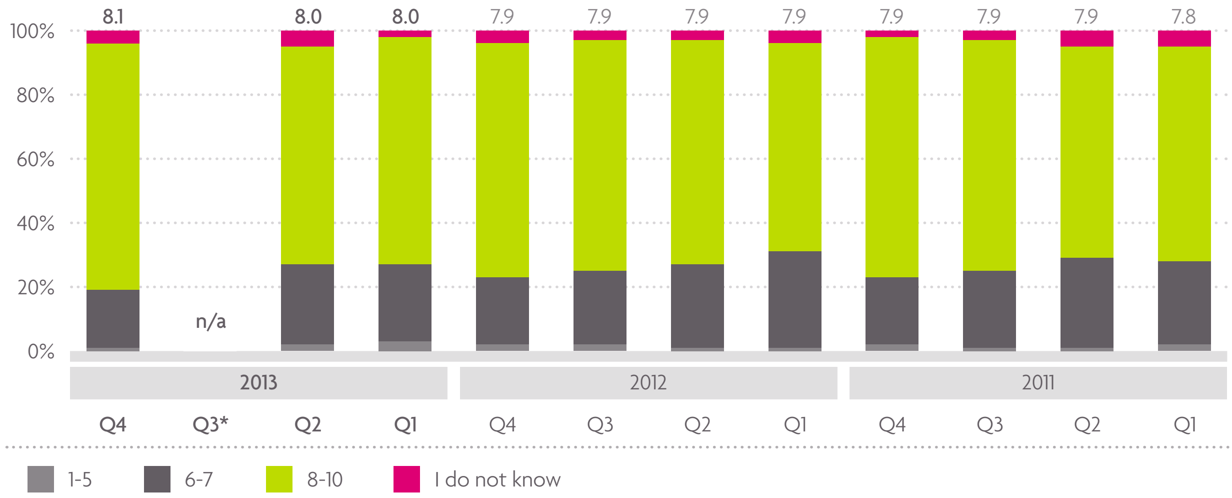
In percentages	2013	2012	2011	2010	2009
Installation and removal of electricity					
Timeliness advance invoice for installation	99.9	100.0	99.6	92,7 [2]	99.1
Timeliness of final invoice for removal	99.9	100.0	99.9	98.4	99.9
Installation and removal of gas					
Timeliness advance invoice for installation	99.9	100.0	99.6	86,4 [2]	99.2
Timeliness of final invoice for removal	99.9	99.9	99.9	98.4	99.9
Timeliness annual settlement invoice electricity	100.0	100.0	99.9	99.7	99.7
Timeliness annual settlement invoice gas	100.0	100.0	99.9	99.9	99.9

1. In 2013, measured up to end September in connection with introduction New Market Model.
2. This figure shows a temporary decrease in 2010 due to the introduction of a new customer information system.

Total service provision

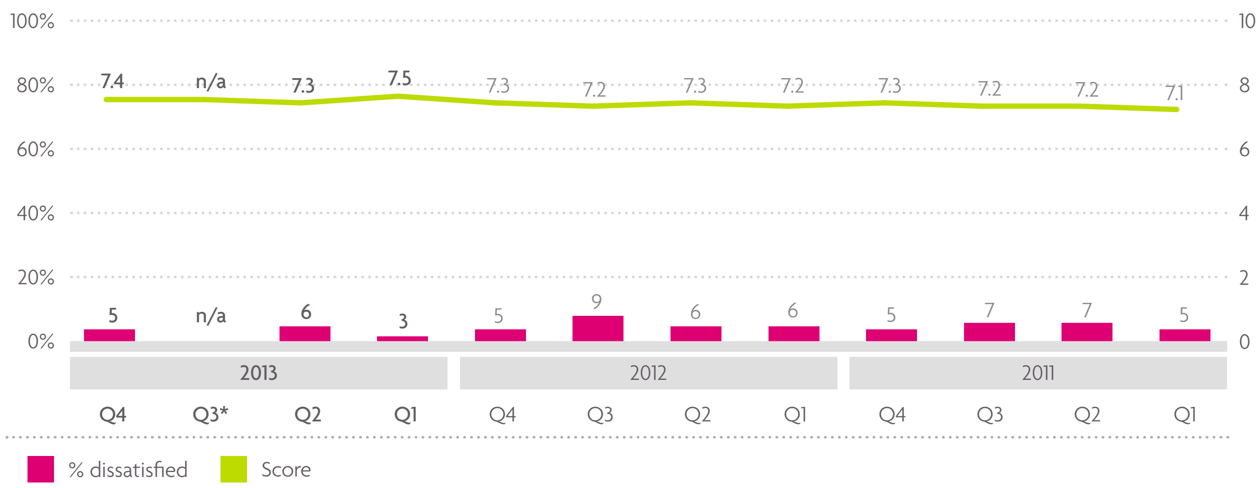
The degree of satisfaction of consumers and small business customers of Enexis is stable and high. In spite of the fact that the scores appear to be higher in 2013 than in 2012, no significant differences have been measured. However, it can be said that Q4 2013 scored significantly higher than Q4 2012. This is probably due to the fact that in the fourth quarter of 2013 more customers were of the opinion that Enexis ensures a reliable supply and that customers experienced fewer outages in comparison to the fourth quarter of 2012. Except for the score in Q1, the scores of large business customers show a stable development compared to 2012. The satisfaction of large business customers is, in general, greater in 2013 than in previous years.

Average score for total service performance by consumers and small business customers



* This survey is carried out semi-annually as from the third quarter of 2013.

Average score of total service performance by corporate customers

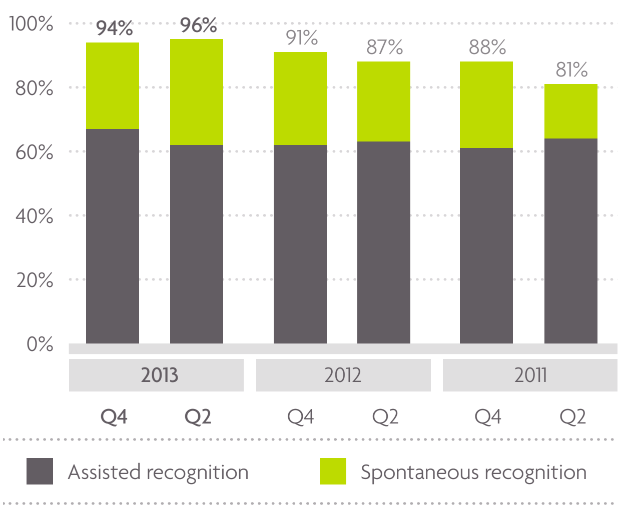


* This survey is carried out semi-annually as from the third quarter of 2013.

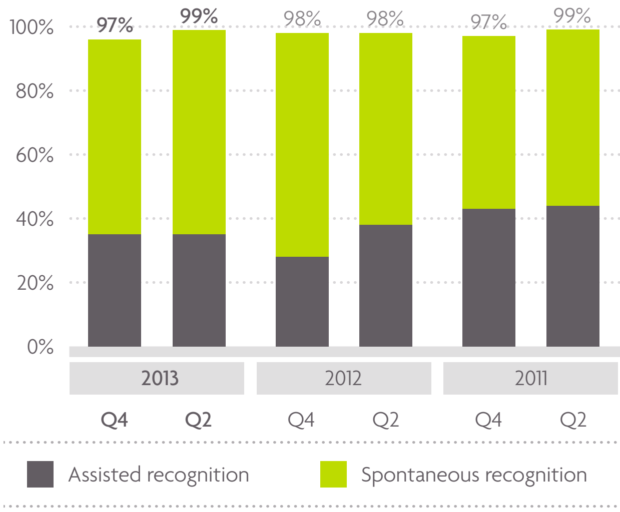
Name recognition

The name recognition among consumers and small business customers has risen compared to 2012. A name recognition of 91% was achieved in the fourth quarter of 2012. This was 94% in the fourth quarter of 2013. The name recognition was 89% for the whole year in 2012; this was 94% for the year 2013. The name recognition among large business customers shows a comparable development, the name recognition in this sector fluctuates just below 100%.

Name recognition of Enexis among consumers and small business customers



Name recognition of Enexis among corporate customers



Satisfaction with regard to processes

Customer service low-volume users showed a positive development in 2012. A method change had to be implemented in 2012 and 2013 as a result of which the scores cannot be compared also in 2013 over Q3 and Q4 with Q1 and Q2 of this year. The scores of Q3 and Q4 are in line with the scores from before the change in the method in 2012. The Meter reading field service (meter readers) scored stable and high over the whole year 2013 as was the case in 2012. During the last two years, the scores for this process always fluctuated between 7.8 and 8.0. This process is expected to continue to also score high and stable in 2014. Account management is a process for which the satisfaction fluctuated around an 8 in both 2011 and 2012. This was also the case in 2013. The process Meter Reading also attained a stable and high score, which we also expect to maintain in 2014. Standard connections is a process that still has growth potential, this process scored a 6.9 on average in 2013. This was a 6.6 in 2012 and a 6.5 in 2011. This process developed positively in a number of areas in 2013. This was mainly due the Enexis Intake Portal that had a positive effect on customer satisfaction with regard to the whole process. Looking back on previous survey years, it can be concluded that there is a positive trend in customer satisfaction. Fault repair service is a process that fluctuated around an 8 in 2013, just as Account Management and Meter Reading and as was the case in previous years. This process also continues to achieve good scores. The Roll-out of Smart Meters is a process where very good scores are achieved. The scores in 2013 were higher than the scores in 2012.

Assessment of services in connection with Enexis's processes

	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Customer service low-volume customers [1]	7.1	7.0	7.6	7.4
Meter reading field service	7.9	nvt	7.9	8.0
Account management	7.9	nvt	8.1	7.9
Standard connections	7.0	6.9	6.8	6.7
Failure	7.9	nvt	8.1	8.0
Roll-out of smart meters (external)	7.5	7.7	7.7	7.5

1. In the Customer Satisfaction Survey of Customer Service low-volume customers, an interim and method change was implemented in 2013. The scores of Q3 and Q4 may not be compared with the rest of 2013.

Complaints handling

Complaints deserve a lot of attention in every organisation. Complaints are valuable signals for improvement of products and services and they afford the opportunity to strengthen customer contacts and thus improve customer satisfaction. Enexis has worked on improving the procedures in 2013 and, in particular, on improving the telephone skills of the complaint handlers. The satisfaction with regard to the handling of a complaint is largely determined by matters such as tone of voice and processing time, but also by clarity with regard to what the customer may expect. This is why the online complaint forms have been completely redesigned so that they give a clear picture of what customers can expect in the procedure.

Portals for the customer

For some time now, the Internet has been in the picture as a medium that can be used to help improve customer relationships. For instance, customers are made aware of the risks of electricity and gas by the joint grid managers through www.energieveilig.nl. We have already gained experience with portals in the commercial market, where customers can retrieve information themselves and carry out a number of simple actions. Based on the concept of an independent customer, who wishes to make his own choices, it is self-evident that Enexis should try to facilitate the customer as much as possible with internet services. One of the processes whereby the coordination between the customer and Enexis requires accuracy is revising connections. The existing procedures, including making an appointment for the execution, were rather complicated and thus had a strong impact on customer satisfaction. Therefore, this process was very suitable to be included in a new approach via a website (portal) 'My Enexis'. The customer plays an important role in this, including in planning and making appointments with the technician. It is Enexis's intention that more of these relatively simple services can be arranged via this portal in the future. The portal was launched in May of the year under review. It is striking that customers who are active via the portal are in general more satisfied about Enexis's performance than other customers. When it was first launched, the process 'downgrading and upgrading connections' was given a score of 6.6 and at the end of the year the score was 7.7. The success of the Enexis portal may well prove to be a good indicator for the success of a planned Nationwide Intake Portal (Landelijk Intake Portal, LIP), over which most of the managers of underground infrastructure have reached an agreement in the year under review. Via the LIP, which functions under the name 'mijnaansluitingen.nl', customers of these companies can request and revise connections overall in the Netherlands in the future. The whole process takes place via this portal, which is connected to a system (the digital roundabout) in which all parties concerned exchange digital information and messages and coordinate this where necessary. It is expected that this approach will shorten the processing times considerably. At the same time, customer satisfaction and efficiency will increase significantly. According to plan, this portal will be launched mid-2014.

Special attention for street lighting

Street lighting is not only important for the safety of citizens; it is also an important expense item for municipalities and provinces. An improvement programme was launched in 2013 whereby policy, technology, data quality and customer satisfaction regarding street lighting were examined. The first positive results of the programme were already visible at the end of 2013: faults were solved faster and there is more standardisation in the nationwide execution of technical processes. Street lighting remains an important spear point in 2014. A new improved portal will also become available in 2014, which should contribute to a higher customer satisfaction.

Replacing gas meters

Customers paid transmission cost per the amount of gas consumed up to 1 January 2009. After that date, the 'capacity tariff' was introduced, which is determined by the transmission value of the meter. It turned out that a number of customers were not aware of the consequences of the fact that they paid for a meter with a higher transmission value. Following a programme on the consumer TV programme Radar, Enexis received a high number of requests for gas meters with a smaller transmission value in the spring of 2013. Ultimately, Enexis replaced in total nearly 3,000 meters in 2013.

Smart meter on its way to large-scale distribution

2013 was the second year in which smart meters were offered on a small scale. In that period, all meters that needed to be replaced were replaced by smart meters. In addition, a number of meter replacement projects were carried out in the build-up to large-scale distribution (GSA). In the period of the small-scale distribution, Enexis installed smart meters at 252,000 addresses up to the end of 2013. A great deal of valuable experience was gained in these first two years, not only in the technical field but also with regard to customer contacts. One of the lessons learned is that it is crucial to manage the whole customer process well. Even when the installation is problem-free, the customer still requires an explanation about how the meter works. He also requires information about the possibility to obtain more insight into his energy consumption and the possibility to save energy with the assistance of the meter. At the end of 2013, an information package was ready, which will be sent from now on after each installation. As from the beginning of 2014, the number of to be installed smart meters was gradually increased. Enexis will offer the smart meter to 200,000 addresses in 2014. In 2020, Enexis will have offered a smart meter to all 2.75 million addresses in its servicing area. At the end of 2013, Enexis decided to offer Power Line Communication (PLC) meters as from 2016. PLC can be regarded as the European telecom standard for the smart meter. Within PLC, Enexis opts for G3-PLC as this technology is an international open ITU standard.

Enexis participates, together with Nature & Environment and colleague grid operator Liander in the project Goeie Peer that stimulates the participants to save energy in a fun way. The project, in 2013 still a pilot with a selection of customers, provides direct insight into the energy consumption and promises a reward when the customer actually succeeds in saving energy. Moreover, for some time now, Enexis has been experimenting with a device that can be connected to the smart meter to thus make meter data available to the customer. With this device, Enexis wishes to provide an open platform to market parties such as energy suppliers and app developers to develop applications and products for this platform. Moreover, it offers an excellent opportunity to enter into a dialogue with customers about saving energy and making optimal use of the smart meter. A new version of this device, the Ectual, was developed in 2013 and was assessed positively in a pilot of 125 customers. Therefore, Enexis has decided to expand the pilot in 2014 and this time with a group of 2,000 customers.

Number of installed smart meters

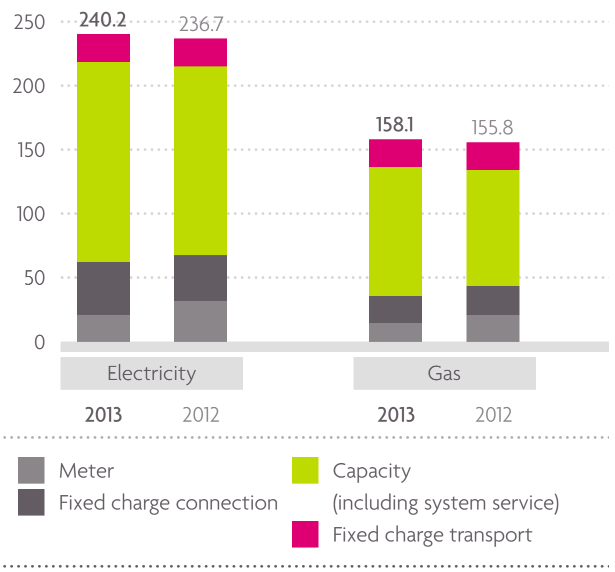
	2013	2012	2011	2010
Electricity meters	128,795	90,105	32,851	2,774
Gas meters	96,291	63,533	21,684	2,048
Total	**225,086**	**153,638**	**54,535**	**4,822**

Statement regarding the compliance with the code of conduct for smart meters

Enexis makes use of meter data obtained from low-volume meters that can be read remotely in order to carry out its services properly. As a supplement to the Personal Data Protection Act, grid managers in the Netherlands energy sectors have drafted a code of conduct regarding the use, recording, exchange and storing of data obtained from low-volume meters that can be read remotely. The Personal Data Protection Board has approved this code of conduct "Processing of personal data by grid managers in connection with the installation and management of smart meters at low-volume users" with 19 May 2012 as the date of coming into effect. Enexis hereby declares that it has complied with the rules and obligations laid down in this code of conduct during 2013.

Average invoice for household consumption

(costs on an annual basis in euros, including 21% VAT; rates 2012 adjusted for VAT)



Again a limited increase in customer tariffs

The tariffs of grid managers are set by the grid managers themselves; however, as they are monopolists, the supervisor, the Dutch Consumer and Market Authority (ACM) sets a maximum. In accordance with its aim to ensure an affordable energy supply, Enexis limited the tariff increase in 2013 to 2.2% for the second year in a row. This increase corresponded approximately with the average inflation rate in the year under review. Enexis thus did not make use of in total EUR 137 million in potential revenue. The supervisor has indicated that the tariffs can be decreased significantly in 2014 and has adjusted the maximum levels accordingly. Enexis has decided to limit the increase in the rates again for 2014, in this case to 0.7%. Within this increase, the share of transmission costs has been set at the maximum; however, the meter costs have again remained below the maximum specified by the supervisor.

Invoice 2013 per grid operator for an average household

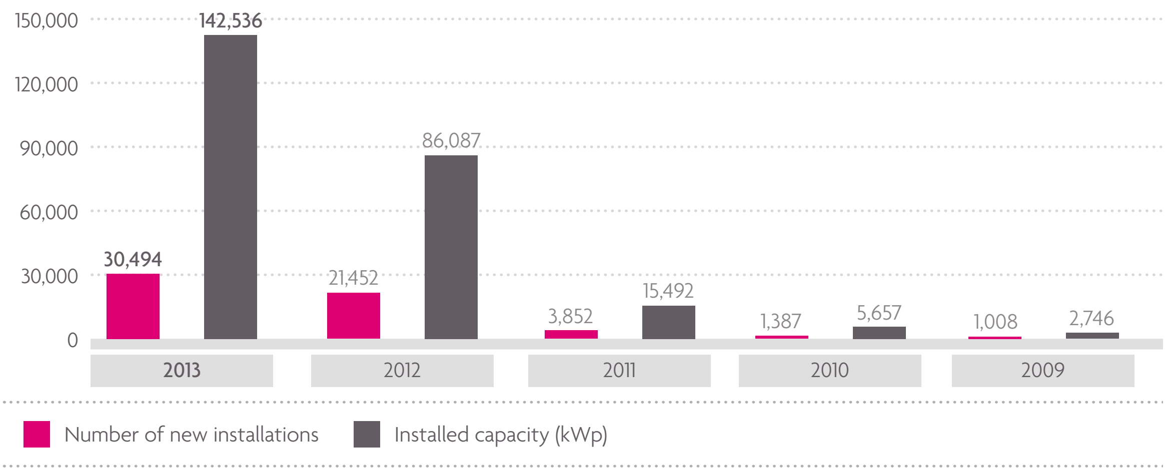
(annualised costs in euros, incl. VAT)	Electricity	Gas	Total
Enexis	240	158	**398**
Westland	283	145	**428**
Endinet (NRE)	261	172	**433**
Liander	257	176	**434**
Stedin	261	175	**436**
Delta	283	174	**457**
Cogas	301	175	**476**
Rendo	292	198	**490**

Own energy production

Increasingly, people are starting to produce their own energy. The number of production installations in Enexis's servicing area has therefore also increased significantly from approximately 28,500 on 1 January 2013 to approximately 59,000 at the end of the year. The increase mainly consists of solar energy also due to the strong price decrease of solar panels.

Enexis is very active in supporting customers who are considering producing their own energy. With the website www.zelfenergieproduceren.nl [produce your own energy], Enexis seeks to create an independent platform that offers energy-conscious consumers transparency in a still non-transparent market of installers, energy suppliers, retailers and producers. Customers are informed in detail about the various ways of producing their own energy and can participate in discussions on the website forum.

Registered product installations of low-volume customers



Enexis employees were also given the opportunity to invest in solar panels on the roves of their homes in 2013 via a special 'PV-privé' programme. The programme was a big success: close to 400 employees opted for and installed solar panels with a total capacity of 1.17 MWp. The total number of employees with solar panels is larger as a number of employees had already installed solar panels or had the panels installed without participating in the programme.

The production of your own energy is also an important topic in the EcoNexis House in Zwolle, which is fitted out with installations and systems for saving energy and for increasing sustainability. Enexis provides information here on the benefits and possibilities of sustainable, local energy, whereby the phenomenon smart grids is also discussed. The installations that are shown in the EcoNexis house are available on the market; however, in general, they are not yet applied on a large scale. In the information campaigns, schools are also targeted. This demonstration project attracted almost 2,500 visitors in 2013.

In addition to the consumer who produces his own energy, there were over 1,200 commercial decentralised energy production installations in Enexis's servicing area in 2013, which feed energy back into the mid-voltage grid, such as combined heat and power connections or biogas installations.

Fudura: knowledge and experience for the market

The non-regulated core-supporting services that are offered on the commercial market to customers in the industrial sector have been grouped together in Fudura since 2012. Part of Fudura's activities consist of knowledge-intensive services that are closely related to Enexis's core activities. These services provide support for the innovation that must take place in connection with the energy transition. This includes, for example, the realisation of infrastructure for biogas and the supply of green gas and providing advice in the field of new energy sources and saving energy. Fudura is ISO 9001 certified and CO_2 performance ladder level 3.

Metering services expanded

Metering occupies an important place in the services package. Fudura has a good position in this market, but this position is being threatened. Many new service providers have entered the market, in particular in the second half of 2013, resulting in price pressure. A new aspect in the metering services is the expansion to include heat meters, at the time that these meters have to satisfy the same standards as electricity and gas meters in connection with the new Electricity Act. Enexis is looking into the possibilities in this area.

Private infrastructure

An interesting new market in which Fudura is active is that of administrative grid operator for Closed Distribution Systems, the own energy grids of companies and business parks. Appointing a grid operator for these grids is required by law and Fudura is an excellent position to fulfil this role based on its expertise and independent position. The number of service providers is relatively small in this market as the entry threshold is high. In general, this concerns electricity and gas infrastructure; however, more and more often water is also being added to the package.

Green light for biogas

Enexis, and after August 2013 Fudura, has been involved in the transportation of biogas for many years. Biogas, origination from fermentation installations, is a good sustainable fuel but due to too low methane content it is not suitable for our normal gas grids without upgrading. Fudura is involved in the development of special biogas infrastructure that connects producers and consumers in the industrial sector. The company is also active in the development of installations for the upgrading of biogas to green gas. In the past years, also in 2013, stagnation has occurred in the development of biogas infrastructure, mainly due to the unclear situation regarding subsidies. A number of existing projects have therefore been suspended. One of these, the green gas hub Wijster, which has been developed by Fudura together with waste processor Attero, was given the green light after all at the end of 2013. The project will be completed in the course of 2014. The possibilities are still being examined for two other projects, BioNOF and Salland Hub.

Neighbourhood Power

Fudura is responsible for the development and execution of the project 'Neighbourhood Power' [Buurkracht] that Enexis launched in August 2013. The project supports residents' collectives (free of charge) in finding and implementing energy saving possibilities together. In general, this mainly concerns insulation measures and installing solar panels. It is an Enexis activity that is in line with its policy to increase awareness among its customers of the necessity and also the possibilities of saving energy.

Neighbourhood power can be used to assist existing collectives, but Fudura also actively goes to neighbourhoods to help establish new collectives. Fudura's contribution consists mainly of making the necessary technical expertise and experience available, including the careful selection of suppliers and installers. In addition, the participants receive a smart meter from Enexis for free. Since the launch, 15 neighbourhoods have now started to work with Neighbourhood Power.

Solar energy at school

In order to familiarise children with solar energy already during primary school, Enexis launched the school project 'The sun gives you energy' ['Van zon krijg je energie'] in 2013. The main objective is to familiarise pupils in an early stage with this sustainable form of energy production that is so important for their future. At the same time, it is an opportunity to stimulate their interest in technology. Enexis realises that in ten years' time the primary school pupils will be the technicians that the company needs so urgently.

In connection with the project, schools receive and extensive lesson package, linked to a website so that teachers can teach their classes interactively. A smart meter and a display on which students can see how much energy is being produced are also included in the package. It is the intention that the schools have the solar panels that are necessary for the project installed themselves. These can be leased or purchased, for example, via crowd funding or sponsoring. Fudura provides support with expertise and purchasing power. Enexis employees provide assistance to the schools. Five schools participated in the project by the end of 2013; however, there is a lot of interest in Enexis's servicing area.

Last year of Enexis Unplugged

The pilot project Enexis Unplugged, which was set up to stimulate companies to develop smart solutions for saving energy, has resulted in a number of interesting entries in 2013. Fudura supported a number of these, mainly by providing advice to facilitate the introduction to the market. As Fudura is increasing its focus on its core activities and this project is relatively far removed from these core activities, Enexis Unplugged will not be continued after the pilot phase.

RELIABLE AND AFFORDABLE

Enexis bears the responsibility for 180,000 kilometres of transmission and distribution grids and over 77,000 above-ground transformation and gas reduction stations. At one point they formed part of dozens of different grids, installed in different periods and made of a wide range of materials. Now, they form a robust energy gird together, one of the best in the Netherlands. A safe grid that guarantees a reliable energy supply to more than 2.6 million customers, as Enexis constantly invest in the replacement, modernisation and innovation of its grids. In 2013, this involved an amount of approximately EUR 357 million.

Well-considered maintenance

Grids become obsolete, that is a given fact. The strongest components also lose their original quality over the years. With this as the point of departure, it is the grid operator's task to determine which components must be replaced and modernised preventively in order to maintain the desired level of reliability and safety. That is also Enexis's area of expertise. It is a complicated task, as the desirability of the replacement or modernisation has to be constantly weighed against the investment. As apart from safety and reliability, Enexis also emphatically choose for affordability, it must be determined exactly for each euro where this euro produces the most added value. Enexis uses a Risk-Based Asset Management approach for this, whereby, in general, the risks of outages and accidents determine the priority of replacement. Especially in recent years, the tools for making forecasts have improved significantly.
For instance, the data regarding the location and condition of the pipelines and cables, including connection pipelines and cables, has been completely digitalised and the analyses of faults and incidents over the past 25 years has provided an increasingly accurate picture of the quality and the safety of the components.

Brittle pipelines

Part of the gas grid is made of relatively brittle materials such as grey cast iron and asbestos cement. They are sensitive to subsidence and digging damage and can result in a safety risk when damage occurs. Moreover, they cause relatively high grid losses and CO_2 emission. That is why the decision was taken to accelerate the replacement of these pipelines. A total length of nearly 172 kilometres of gas pipelines were replaced in 2013: over 33 kilometres of asbestos cement pipelines and over 139 kilometres of the 1,360 kilometres of grey cast iron pipelines. Nearly 15% more grey cast iron was replaced in 2013 than originally planned. Enexis will continue to accelerate the replacement of brittle pipelines in the coming years.

Investments

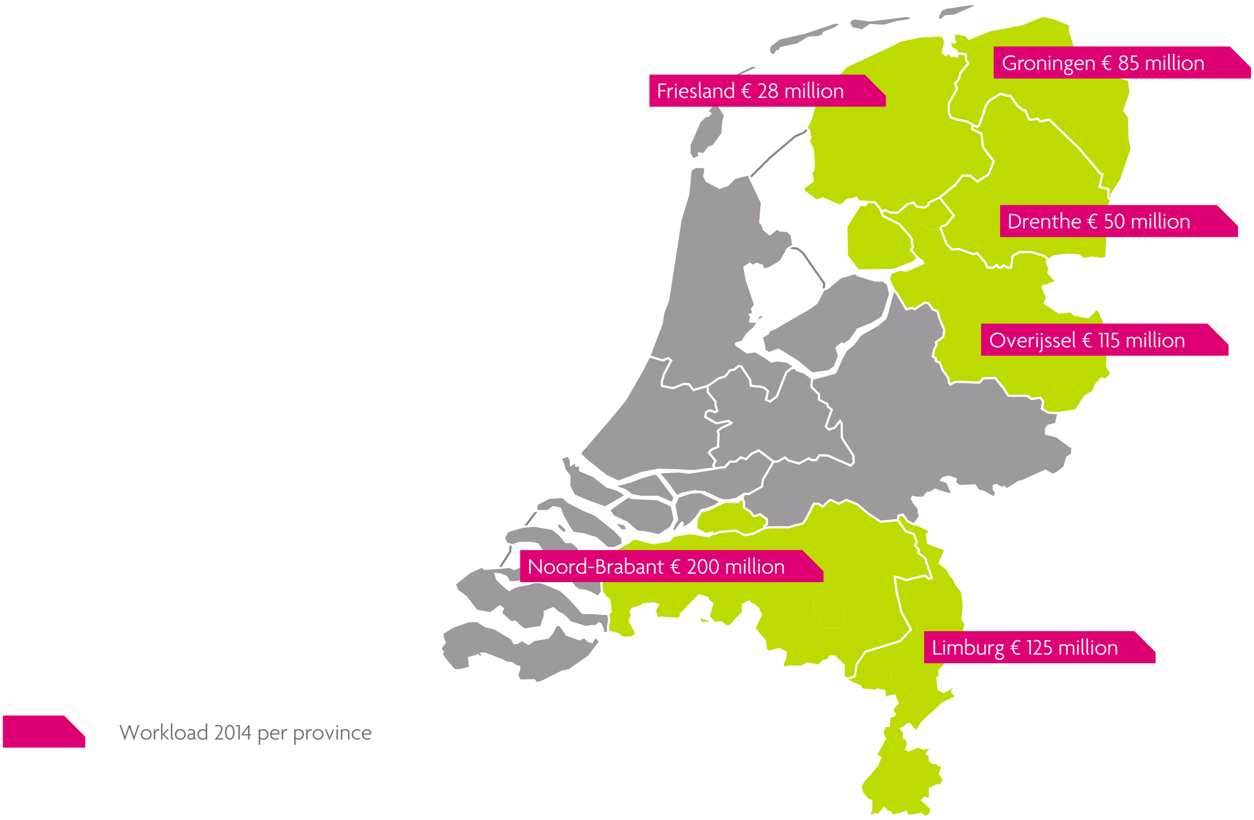
In the meantime, it has become clear that the crisis is lasting longer than expected. This is noticeable directly in the further declining volume of customer-driven investments, such as the connections and grid expansions for newly constructed homes and industry. On the other hand, in accordance with the Strategic Asset Management Plan, Enexis plans a larger volume of replacement investments each year. Total investments amounted to EUR 357 million.

Investments in grids

Amounts in millions of euros	Gross investment				
	2013	2012	2011	2010	2009
Electricity					
Standard connections	22.1	25.6	29.9	31.0	36.9
Customised connections	22.2	22.9	22.0	20.9	24.7
Grid expansions	94.7	122.8	132.1	140.8	133.9
Reconstructions	27.2	29.6	30.4	23.4	23.7
Replacements	40.4	33.9	26.0	22.9	15.4
Other	11.1	17.7	7.0	7.9	5.0
Total electricity	**217.7**	**252.5**	**247.4**	**246.9**	**239.6**
Gas					
Standard connections	7.6	9.0	10.6	9.9	12.8
Customised connections	2.0	2.1	2.6	2.4	2.7
Grid expansions	16.4	15.2	9.8	12.2	14.4
Reconstructions	17.0	18.7	16.0	14.5	14.8
Replacements	94.5	83.3	75.0	58.1	33.9
Other	1.3	1.6	1.1	1.5	1.5
Total Gas	**138.8**	**129.9**	**115.1**	**98.6**	**80.1**
Total Electricity and Gas	**356.5**	**382.4**	**362.5**	**345.5**	**319.7**

Planned workload for 2014

Next to the investments, activities for Enexis are also maintaining, replacing, expanding and innovating the grids. In this manner, the grids remain reliable, sustainable and affordable so customers can continue to count on us.



Amounts in millions of euros	Workload 2014 total	Workload electricity grid	Workload gas grid	Workload Smart Meters
Province				
Drenthe	60	34	14	2
Friesland	28	7	18	3
Groningen	85	53	27	5
Limburg	125	73	45	7
Noord-Brabant	200	128	59	13
Overijssel	115	79	29	7
Total	**603**	**374**	**192**	**37**

The most important planned activities per province in 2014 follow below.

Province of Drenthe

- Install a second transmission cable of 10 kilometres between Beilen and the distribution station in Hoogersmilde in order to maintain the operational reliability and to accommodate the growing demand for electricity.
- Expand the electricity connection of a grass-drying facility, so that it can use more capacity.
- Install smart meters at 13,000 addresses.
- Replace 26 kilometres of gas pipelines.
- Replace 2,600 gas connections at customers.
- Expand a mid-voltage installation in the high-voltage station in Meppel.

Province of Friesland

- A new main electricity station for the new district Zuidlanden in Leeuwarden.
- Install smart meters at 11,000 addresses.
- Replace 12 kilometres of gas pipelines, of which four kilometres between Oosterwolde and Donkerbroek and three kilometres between Peperga en Noordwolde.
- Replace 3,700 connection pipelines at customers (gas pipeline between the house and the main gas pipeline).

Province of Groningen

- Strengthen the grid in the city of Groningen, also with an extra electricity transport cable of 4.5 kilometres between the Bornholmstraat and Beijum.
- Make switchgear installations in Bedum and Eemshaven suitable for remote control. As a result, faster localising and solving of faults (automated distribution).
- Commence with automated distribution in a quarter of the electricity grid of the city of Groningen. Extra switches in the stations so that fewer customers will be without electricity in the event of an outage.
- Install smart meters at 18,000 addresses.
- Replace 4,000 connection pipelines at customers (gas pipeline between the house and the main gas pipeline).
- Replace 49 kilometres of gas pipelines.
- Expansion of the high-voltage station in Weiwerd (Delfzijl) in order to be able to connect large windmill parks.
- Replace and modernise distribution stations in the city of Groningen in Beijum, Papiermolenlaan, Sleedoornpad and Lewenburg.

Province of Limburg

- Making switchgear installations suitable for remote control in Born, Treebeek, Gennep and Schoonbron in order to localise and solve faults faster.
- Replace transmission distribution stations Wittevrouwenveld (Maastricht) and Merum (Roermond).
- Relocate cables and gas pipelines in Nuth, Brunssum, Landgraaf, Heerlen, Kerkrade and Bocholtz in connection with the restructuring of the ring road the Buitenring Parkstad Limburg.
- Replace 125 kilometres of gas pipelines.
- Replace 50 mid-voltage switchgear installations.
- Install smart meters at 37,000 addresses.
- Replace 6,800 gas connections at customers.
- Replace transmission distribution stations in Roermond and Maasgouw.

Province of North Brabant

- Replace 100 kilometres of gas pipelines in the municipalities Tilburg, 's-Hertogenbosch and Breda (mainly grey cast iron and asbestos cement pipelines).
- Commencement of the construction of a new high-voltage station in Boxtel in cooperation with Tennet.
- Remove and relocate the electricity grid in the polder Noordwaard (Biesbosh, municipality Werkendam) to make room for the river.
- Complete the construction of a high-voltage station in Dinteloord for the horticultural area and the Suiker Unie sugar factory. Construction of a regulating station to connect a windmill park.
- Relocate cables and pipelines in connections with road construction of the N261 at the request of the province.
- Connect a windmill park near Etten Leur to our electricity grid.
- Install smart meters at 75,000 addresses.
- Install 9,100 gas pipeline connections at customers.
- Expand a mid-voltage installation in the high-voltage station in Hapert.
- Replace 20 connections in the 4 bar high-pressure gas grid in Breda.

Province of Overijssel

- Replace a high-voltage transformer in Zwartsluis.
- Expand mid-voltage installation in the main distribution stations in Deventer, Almelo and Haaksbergen. In the event that the demand for electricity increases, extra cables can be connected here.
- Move 56 kilometres of electricity cables and 15 kilometres of gas pipelines at various road renovation projects.
- Install smart meters at 27,000 addresses.
- Replace 48 kilometres of gas pipelines.
- Replace 6,700 gas connections at customers.

Faults and failures

Faults and failures cannot always be avoided also in well-maintained grids. There are various reasons for this: malfunctioning components, subsidence, extreme weather conditions and damage due to digging activities. In particular the latter is persistent and prevailing, this is the reason why Enexis pays a lot of attention to recording the underground situation and advocates a series of measures in the Nationwide Consultation Cables and Pipelines [Landelijk Overleg Kabels- en Leidingen] which should reduce this type of damage to infrastructure by 30% in the coming years. The outage that affected close to 24,000 addresses on 5 January after a blazing fire in a transformer station in Enschede is regarded as one of the most severe outages in Enexis's history. Most of the addresses could be reconnected on the same day, but technicians were busy until late at night to also resume the electricity supply to the last affected connections, partially via emergency electricity generators. The exact cause of the fire could not be determined due to the destruction in the transformer station. Due to the size and the duration, the outage made a big impression and received a lot of media attention. In this case, Enexis was able to show to a broad audience that it could take fast and effective action and, given the substantial damage, could resume the supply of energy relatively fast to part of the affected households and companies. If the outage in Enschede had not occurred, then 2013 would have been a favourable year as far as the Annual Outage Time (JUD) is concerned. None of the other outages in the year under review were comparable to this one as far as size and number of affected addresses.

Electricity

- A malfunctioning capacity switch in Uden on 17 January was responsible for an outage that affected 23,500 addresses that were without electricity for on average 13 hours.
- A month later, over 7,000 addresses were without electricity for two hours due to a fault followed by an automatic switching off.
- On 14 March, a fault in a transformer station in Sebaldeburen resulted in 6,600 addresses being without electricity for on average four hours.
- A mid-voltage installation caught fire in Groningen on 10 September, followed by an outage of one and a half hours that affected 13,500 addresses.

Gas

- A water pipeline broke in Cadier and Keer on 24 July, after which an adjacent gas pipeline also broke and filled up with water. The 41 affected households were without gas for 115 hours.
- A gas pipeline broke in Kerkrade on 2 September due to too much pressure. As a result, 40 addresses were without gas for 53 hours.

Digital map completed

A digital map of the gas grids and of the low and mid-voltage grids was completed in the first quarter of 2013. In the meantime, all of the house connection drawings have been digitalised and logically linked to the main infrastructure. The map is maintained accurately in order to always be able to produce the most up-to-date situation. Therefore the map is very important for a wide range of applications. It is used for grid optimisation calculations and for calculating compensation payments and is indispensable in the event of outages and digging activities. In principle, every company that carries out mechanical digging can view the location of Enexis's grids online. This future-oriented step of Enexis should receive a nationwide follow up, so that digging companies can view the location of grids completely digital and within seconds. Furthermore, in the first quarter of 2014, the street lighting (OVL) data will be checked with the municipalities and the OVL providers. The processing in the geographic information systems will be completed in the fourth quarter of 2014 and the cross-check with the municipalities will be completed in the second quarter of 2015. The embedding process will take place in the fourth quarter of 2014.

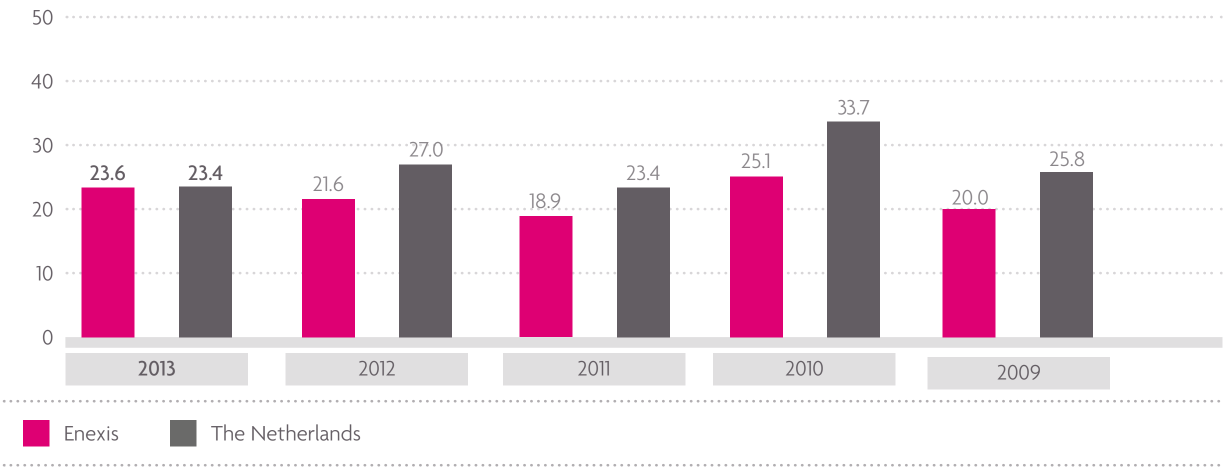
Reliability in figures

The reliability of the energy grids is expressed in the Annual Outage Time (JUD), which indicates the average time that a customer has not been supplied with energy during a year.

This amounted to 23.6 minutes for Enexis's electricity grid in 2013. The national average was 23.4 minutes. The outage in Enschede, with an impact of 4.5 minutes, is responsible for the relatively high score over the whole year.

Annual outage time per E-connection due to High, Medium and Low Voltage outages 2009-2013

(in minutes per connection)



The outage time in the gas grids amounted to 50 seconds, compared to a national average of 61 seconds.

The graph below shows that there are still differences between regions with regard to the outage time. These have decreased in the past years, due to extra investments by Enexis in the areas where this adds the most value with regard to reliability. Concretely, this has resulted in, for example, an improvement of the Average Outage Time in the Province of Groningen in the past five years.

Outage time electricity / gas per region in Enexis's servicing area in 2013

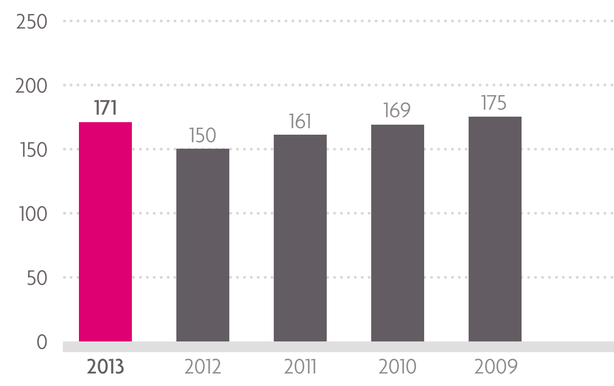
	Electricity (in minutes) [1]	Gas (in seconds)
Friesland	17.4	77
Groningen/Drenthe	31.9	69
Limburg	12.1	47
Overijssel/Flevoland	40.6	61
Noord Brabant O	17.4	45
Noord Brabant W	16.1	18
Total	**23.5**	**50**

1. The figure excludes high voltage.

Safety in the gas grid

Beside the reliability, an indicator is also used for the safety of the gas grid. This is the Safety Indicator Gas Grids [Veiligheidsindicator Gasnetten (VIG)]. This indicator establishes a statistical relationship between measured gas leaks and the probability that these lead to incidents and/or accidents. This calculation results in a figure, which serves as an indication for the quality and safety, whereby it should be noted that a lower VIG score indicates a higher quality and safety. The VIG score for 2013 is calculated at the end of the first quarter of 2014. The VIG score provides more insight in percentages compared to the average of the grid managers in the Netherlands.

VIG-score (Safety Indicator Gas Grids)



The definite VIG score is calculated at the end of the first quarter 2014.

Less excavation activities

Breaking open roads and streets results in a lot of inconvenience for the residents. Enexis has taken steps in 2013 in different areas to reduce this inconvenience.

The municipality of Tilburg, the regional water company Brabant Water and Enexis signed a cooperation agreement on 31 May 2013. They agreed to coordinate their infrastructural activities in the long-term planning of underground projects in the municipality of Tilburg. This will help avoid a lot of double work and double inconvenience. This far-reaching agreement should serve as an example for similar agreements everywhere in Enexis's area of operations. The various utility companies have already been working together intensively for years in the Synfra and Noned Foundations for the installation of new infrastructure in new construction areas.

With the same aim, reduction of the digging activities, Enexis has launched a number of pilots to examine the usefulness of methods to be able to renew the gas infrastructure under ground without breaking open streets and roads (trenchless). These methods, such as pipe bursting and relining, can considerably reduce the inconvenience for residents in the surrounding area.

Smart grids are materialising

The concept smart grids has experienced a rapid development within Enexis in the past years. From vision to practice, from concepts to pilots such as 'Your Energy Moment' and - as is the case in automated distribution - from plan to execution. The main theme is the changing function of the grid in an environment in which energy is not only consumed but also - irregularly and uncontrollably - fed back and in which the increasing electrification (including electrical cars and heating pumps) demands a high performance from the grids. Enexis strives to manage and coordinate energy flows via smart grids so that it can avoid having to expand the grid. In order to clarify how the various initiatives stand with regard to each other and what role they should play within Enexis's planning process, a Road Map Smart Grids has been drafted. Around 30 building blocks for the smart grid envisaged by Enexis are described in this road map and set out in time in relation to each other.

Automated distribution

In the event of automated distribution, the mid-voltage girds are divided into smaller units that can be switched on and off remotely. In the event of an outage, the units that have not been affected can be switched on again remotely from a central regulation centre. In the meantime, it is also immediately clear for the fault repair service where the fault is located so that they can start solving the fault faster. An advanced ICT in combination with a large number of units that can be controlled remotely is essential for automated distribution. The roll-out of automated distribution is a sizeable and lengthy project that will not be fully completed before 2020. The benefit, in terms of reliability, will gradually materialise and compensate the decline due to obsolescence.

Pilots making good progress

The two Smart Grid pilots that Enexis developed, in Zwolle and Breda, were launched at the end of 2012. The pilots will be the subject of research in the coming years, together with the pilot of a large neighbourhood battery in Etten Leur. It is interesting that, in particular, the conduct of the participants will determine the success of these pilots. In both Smart Grid pilots, participants can optimally gear the moment when the washing machine should be used to the production of their solar panels. Enexis is also experimenting with dynamic tariffs in these pilots for both the use of the grid and for the delivery of energy. As a grid operator, Enexis would like to know whether the customer will take the availability of local energy and variable prices into account in the long term. In total 239 households are participating in the pilots.

The project Power Matching City II in Hoogkerk, where Enexis participates in a group of companies coordinated by KEMA, entered into its second phase in 2013 with 50 participants. This is a more centrally coordinated project in which the energy company provides for the optimal steering for a lower energy price. Here as well, Enexis is experimenting with dynamic prices for energy and heat and with methods to eliminate peaks in the pressure on the grids by matching supply and demand in a smart manner. In this pilot, the optimisation for the customer has been outsourced as it were to the energy company.

A new pilot was developed in 2013 in order to examine how a grid operator can work together with one of the energy cooperatives that are becoming increasingly popular.

Charging infrastructure

The charging infrastructure for electric vehicles is an important aspect of the smart grids. In this context, Enexis also co-developed a smart charging system in 2011 and 2012. This open source IT system provides for a protocol with which the user, the supplier and the grid operator can communicate in order to ensure that the charging takes place in a smart way. In this manner, peaks are avoided, while users can still count on being able to sufficiently charge their vehicles.

In addition, since 2009, Enexis participates in the Foundation e-charge [Stichting e-laad], which provides for the installation and maintenance of public charging points for electric transport. The foundation terminated the intake for new charging points as from September 2012. With the last 600 charging points, the total number of public charging points came to 2,821 at the end of 2013.

The policy of the Ministry of Economic Affairs is aimed at stimulating commercial parties to invest in the charging infrastructure for electronic transport. However, there were no market parties yet in 2013 that were willing to take over the initiative of the grid managers.

However, one large public body, the Province of Brabant, has decided to continue the initiative of the grid managers for sufficient public charging points by gradually expanding the public charging infrastructure with 600 charging points together with Enexis.

THE **ENEXIS** WAY OF WORKING

Enexis is a relatively young company with an important task within society. Enexis aims to prove this and demonstrate this in practice, but also lay this down internally. In order to make this possible, the desired attitude and conduct aspects are specified in the Enexis Way of Working. In this, the emphasis is on elements such as expertise, own responsibility, own initiative, clarity and trust. The way in which leadership is viewed is also important: employees do their work as skilled professionals, staff members and managers should facilitate this

When it was implemented, this approach had a significant impact on the organisation in recent years. Not only did this entail a much more precise definition of everyone's roles and tasks, in many cases, this also meant that individual employees had to develop and learn new skills in order to be able to carry out their tasks properly. Steering on output demands adjustments from both employees and supervisors to an equal extent. It appeared that, especially in management positions, a different management style was required, more directed at facilitating and coaching than had been the case so far. In 2013, three years after it had been introduced, the Enexis Way of Working has become increasingly incorporated in the way we work. This was confirmed in our most recent culture survey, in November 2013, with a response of 79%.

Working safely

Over 2000 Enexis employees are constantly working on repairing, maintaining and modernising the grids. This brings them into daily contact with the risks entailed in gas and electricity. As well-trained experts, they know how to deal with these risks, certainly as the work takes place within the framework of strict standards and regulations. The combination of expertise and discipline limits the risks to a large extent.

Nevertheless, incidents still occur, with or without injury, the cause of which can be attributed to not working safely. Elements such as routine, haste and the desire to help the customer as fast as possible, play a role in this case. In the realisation that every accident and almost accident could also have more serious, and even fatal, consequences, we are structurally working on increasing safety awareness within the organisation. For instance, incidents and their causes are discussed regularly and the safety aspects of the various activities are standard agenda items in work meetings and briefings. As a result, the DART-rate, the number used to express the impact of accidents on the company, has gradually decreased in recent years.

However, research halfway through the year under review into the possibility of accelerating this decrease showed that more far-reaching measures are required to achieve a structural improvement. The responsibility for this is spread out: more attention in the top of the company, more and better research into causes of accidents and higher risk awareness among the employees. An action plan was developed in 2013, specifically aimed at influencing behaviour in order to create stronger safety awareness and strengthen discipline. Leadership will play an important role in this. The aim of the action plan is to reduce the DART-rate by 50% in four years.

However, the DART-rate over the whole year 2013 was higher than in the previous year, both among our own employees and among the employees of contractors working on behalf of Enexis. The target, a DART-rate of 0.41 for Enexis and 0.91 for third parties, was not achieved. Enexis aims for zero accidents and has set a DART-rate target of less than 0.43 for Enexis and 0.91 for third parties.

HSE results, DART-rate and accidents

	2013	2012	2011	2010	2009
Fatal accidents	-	-	-	1	-
DART-rate Enexis	0.54	0.49	0.53	0.55	0.55
DART-rate third parties	1.32	0.85	1.09	1.05	1.74
Workstation visits (internal) 1)	120%	110%	114%	129%	112%
OGB-reports (internal) 2)	817	747	819	864	828
Evacuation drills 1)	82%	95%	95%	96%	94%

1. Percentage compared to planning.
2. Undesired events.

Awards

In order to underline that health and safety have a very high priority, Enexis awards two awards each year for projects that aim to promote safety and health. The Herman Levelink HSE award is awarded each year to a project of Enexis employees that aims to improve health and safety. The region of West Brabant was the winner in 2013 for their safety approach in connection with working in trenches and laying cables. This was implemented as an interactive toolbox.

Enexis also awards an award annually to the contractor with the best performance in the field of health, safety and the environment. This is the Enexis Contractor Safety Award. This award was awarded to Baas B.V. from Capelle aan den IJssel for 2013.

Health in the picture

In order to determine the average condition of Enexis employees and to determine to what extent the workstation and the working conditions influence this, Enexis arranges for periodical medical examinations.

Asbestos

In 2013, special attention was paid to avoiding exposure to asbestos. In the past, in the construction of gas and electricity grids, use was frequently made of asbestos and asbestos containing materials, also for making transformer casing fire-resistant. It is therefore important to know where asbestos risk can occur. Substantial progress was made in the year under review with regard to drawing up an inventory. Special work instructions apply for these locations and, where possible, asbestos that could be dangerous is removed in a safe manner.

Personal certificate: BEI/VIAG

Technicians who perform work on energy grids must always be in possession of a so-called Instruction. This provides evidence that they can work in accordance with detailed instructions that are described in two documents: Operational Management of Electrical Installations [Bedrijfsvoering Elektrische Installaties (BEI)] and the Safety Instructions for Natural Gas [Veiligheidsinstructies Aardgas (VIAG)], supplemented by the so-called "Safe Working Instructions". As from 1 January 2014, every technician must be in the possession of a personal certificate BEI/VIAG, which is issued after passing an exam. All of the Enexis technicians in question were in the possession of a personal certificate by the end of 2013.

During 2013, the regulations for the BEI/VIAG certificate were tightened somewhat and the text was rewritten in order to make them easier to understand. This version will be used as from April 2014.

Audits for VCA and NTA

The Health and Safety Management System that Enexis uses is certified with a VCA certificate. An audit takes place each year for the renewal of the certificate, which is valid for a three-year period. This also applies with regard to the quality certification NTA 8120, which applies to the whole organisation since 2012. Both audits had a positive outcome in 2013. In addition to the certificates VCA and NTA 8120, Enexis also has a PASS-55 certificate and a NEN-EN-ISO 9001 certificate.

Changing organisation

The Enexis organisation underwent a number of important changes in 2013, partly at the management level and partly in the operations in order to modernise the organisation and increase the efficiency. The management team has been changed in a number of places, also with the aim of embedding knowledge about processes more broadly in the company by means of job rotation.

A large reorganisation of the Infra Services (IS) department took place in 2013. The main objectives of this organisation were:

- A stronger steering of the production
- More nationwide standardised working processes, by means of the central supervision of the structuring and execution of processes
- Realising smaller teams to make more management attention possible
- Better use of scarce resources, also by means of a central planning of the activities
- And above all also an organisational structure with which the development towards the desired behaviour and leadership within IS can be better achieved (the Enexis Way of Working).

The new organisation structure of IS was implemented on 1 December of the year under review. As from 2014, IS will work from the new organisation towards the realisation of the aforementioned main objectives and ambitions. In this case, a strong emphasis is put on safety, customer-orientation, efficiency and standardisation and on investing in expertise and efficient supporting ICT. Special attention is paid to the development of the desired behaviour and the desired leadership.

X-working

A modern view on the workstation of the employees is closely related to the Enexis Way of Working. Full-time daily presence in the office is no longer the standard in this approach. Under the name X-working, Enexis opts for a strongly developed form of The New Way of Working. In this case, the employee himself, in consultation with the supervisor, determines when and where he works, for example, form home or in of the offices at a flexible workstation. Fixed working hours are replaced by fixed agreements regarding the to be delivered result.

X-working was given a new dimension in 2012 and 2013 with the taking into use of six new offices, among which the head office in 's-Hertogenbosch. Working in a different manner, more directed at meeting and cooperating than at individual process-like work, has been taken into account to a very large extent in these offices. They facilitate this with multi-functional meeting places and flexible workstations.

Personnel developments

The Enexis employees, 45% administrative and 55% technical, are strongly represented in the age group age 55-65 as far as age distribution is concerned. This means that a considerable number of employees will be leaving the company within the foreseeable future due to retirement. In particular, finding new technicians to replace retiring technicians is a challenge, especially in order to maintain the staffing of crucial activities as the fault field service at a sufficiently strong level. It is a matter of concern that the availability of well-trained technical personnel is not guaranteed. Fewer young people opt for a career in technology than previously. Enexis takes this problem into account explicitly in its strategic personnel planning. At the same time, the company also pays a lot of attention to the recruitment and training of the personnel that the company needs the most. Enexis is benefiting now temporarily from the higher availability of technical personnel on the labour market due to the economic crisis, strengthened by the employment conditions which are known to be competitive. Nevertheless, Enexis still has to already compete now, and certainly when the economy picks up after the crisis, to recruit suitable technical employees.

Personnel developments in 2013

(excluding trainees and work experience positions)

	Male	Female	Year-end 2013	CLA
FTEs (own personnel)	3,529	612	4,141	
Number	3,557	737	4,294	99.7%

Age category, age distribution 2013

Age category	Male	Female	Total
0 - 19 years	15	-	**15**
20 - 24 years	94	6	**100**
25 - 29 years	238	36	**274**
30 - 34 years	279	68	**347**
35 - 39 years	265	76	**341**
40 - 44 years	347	95	**442**
45 - 49 years	464	179	**643**
50 - 54 years	598	149	**747**
55 - 59 years	718	80	**798**
60 years and older	539	48	**587**
Total	**3,557**	**737**	**4,294**
Percentage	82.8%	17.2%	**100%**

Job profile	Male	Female	Total
Administrative personnel	1,182	640	**1,822**
Management personnel	266	48	**314**
Technical personnel	2,109	49	**2,158**
Total	**3,557**	**737**	**4,294**

Sustainable employability

With a large number of older employees and an increasingly later retirement date, providing suitable work for employees for whom the work is becoming too much of a burden is a challenge in itself. Extra attention is paid to this group in Enexis's strategic personnel plan.

Actually, this is a reaction to changes and then also for a limited group. However, Enexis aims for a much more pro-active approach, whereby every employee, irrespective of age or personal situation, can develop in such a manner that he or she is always prepared for changes. In part, this concerns training and education; however, Enexis already has a well-developed system in this area. An area that still needs to be examined is the development of the ability of employees to create optimal conditions themselves for the current and possibly future jobs and working conditions. This is also about personality, well-being and health. It is clear that the role of the manager, as stimulator, is very important. However, the awareness of the employee that he himself bears the responsibility not only for an optimal performance in the current work situation, but also for a broad flexible employability in the future, is essential for success.

Successful recruitment

Recruitment activities are an ongoing activity at Enexis. All available means of communication are used for recruitment, including Internet and social media. The success of the recruitment activities is reflected in a sufficient inflow of qualified employees, but also in the evaluation of the organisations that are responsible for recruitment.

The special website www.werkenbijenexis.nl [workingatenexis] turns out to have a very positive influence on the response, but it also attracts the attention of experts in this field. Enexis was awarded the Digital Recruitment Award for the site in both 2013 and in 2012 for the best digital job application experience. In addition, Enexis also won the Mobile Recruitment Award at the end of 2013 for the best presence as employer on social media. At least as important for the image among talented job applicants was the fourth place in the edition 2013 of the NRC Career top list of the best employers. Among companies with the best employment conditions, Enexis even ranks third in this list.

Education and training

Enexis employees are constantly stimulated to continue to develop themselves both personally and professionally. This is also something that does without saying in the Enexis Way of Working. Certainly, the coaching management style and steering on results demand targeted courses on different levels.

In general, the employee chooses his own development path, based on his own interests, but also based on the professional requirements that are or will be demanded within his career framework. All of the training and education possibilities are grouped together in the Enexis Leerplein. Both classroom courses and a wide choice of e-learning packages are available. In practice, a combination of both is usually offered.

Enexis training and education

	2013
Days of classroom training sessions (including exams)	4,139
Days of classroom training sessions (excluding exams)	2,397
Average number of training hours	36
Number of participants in classroom training sessions (including exams)	22,589
Number of participants in classroom training sessions (excluding exams)	17,200
Number of participants in e-learning courses	8,213
Participants leadership college (in days)	451
Participants vocational school	26
Number of exam participants	5,472

Technical schools

In view of the constant demand for technical personnel, Enexis strives to increase the inflow on a secondary vocational level, which is now insufficient, with two of its own accredited technical schools in Eindhoven and Emmen. Students receive a sound technical training at these schools and as from 2013 also on a secondary vocational school MBO-4 level. The programme combines theory and practice and the students are given the opportunity to acquire practical skills under the supervision of experienced technicians. After completing the programme, they can start working at Enexis immediately. Besides the regular programme, Enexis also offers an accelerated course to train technicians in other fields to become gas and electricity technicians. Enexis set up a new technical school in Hoogeveen in the year under review, which will replace the school in Emmen.

Employee participation in decision making

Enexis employees can exert influence on the company's policy through the Works Council. Besides the Works Council, Enexis has business unit committee for Infra Services, Customer Relations and Staff departments. In addition, there are four fixed committees: Finance, Social Policy & Organisation, Health, Safety, Environment and Quality (HSE) and the Daily Governance of the Works Council.

The Works Council was closely involved in a number of advisory processes in 2013, including in connection with the Customer Relations department in connection with the New Market Model and the Central Connections Register, and in connection with a change in the organisation of the ICT department and in connection with the reorganisation of the Infra Service department.

New consultation structure

The changing society and the direction that Enexis has chosen in connection with the Enexis Way of Working also have an influence on the character of the consultations between the Works Council and the Executive Board members. More own responsibility of the employees to structure their own employment conditions and training programmes lead to the individualisation of employees, whereas the Works Council is more directed towards collective interests.

The reorientation on the character, form and contents of the consultations which was started in 2012 was therefore continued in 2013 and has gradually acquired a sharper outline. In view of the elections for the Works Council mid-2014, the existing employee participation model was evaluated after which the possibility of organising employee participation at Enexis differently starting the new term was examined. In this process, the Enexis Way of Working forms the point of departure for both the Works Council and the organisation. This also implies a broader representation, securing the decision-making process at the level where it has impact, increasing the added value and the further development of employee participation within Enexis. The general outline has already been translated, in mutual consultation, into a structure in the form of an inverted pyramid. The principles of Enexis Way of Working ensure that the focus lies on bringing about the direct participation of employees based on their own expertise and on an adult labour relationship.

CO_2 FOOTPRINT

An overview of the whole cycle

In the calculation of the CO_2 footprint, Enexis takes the whole cycle of the raw materials and products that the company uses into account. This starts, for example, with the production of the components, such as electricity cables, gas pipelines and transformers. The use of components subsequently also produces emissions, referred to as the 'Enexis's own emissions'. As from 2013, a new calculation model is used for this that has been developed by the grid managers jointly. At the end of their useful life, components are processed as waste. CO_2 emission can also occur in this process; however, in order to avoid that these components are not incinerated or dumped, they are recycled in as far as possible. Moreover, in this manner, the raw materials remain available to be used again. By developing calculation models in cooperation with manufacturers and waste processors, Enexis is able to monitor the factors that determine consumption and emissions over the whole chain. With that insight, it is then possible to constantly implement improvements.

Target: no emissions

As in 2012, Enexis bases its climate policy on the 'trias energetica'. Which means:

- Reduce energy consumption and thus also emissions.
- Make use of sustainable alternative fuels.
- Make maximum efficient use of fossil fuels.

In order to reduce its energy consumption, Enexis has also invested in the construction of three completely energy-neutral office buildings, which were taken into use in 2013. Energy-saving measures were implemented in the other buildings. Enexis is constantly taking measures to reduce grid losses, both in the electricity gird and the gas grid. And finally, due to a radical change in the waste processing policy, energy consumption and emissions have been reduced strongly, while retaining a maximum amount of used raw materials. In its search for sustainable energy sources, Enexis makes use of wind energy and Scandinavian hydro energy for the electricity consumption in the offices and for the losses in the electricity grid respectively. On the lowest level of the trias energetica, Enexis makes use of fossil fuels as efficiently as possible; however, in order to reduce the CO_2 emissions completely to zero, this energy is compensated by purchasing Gold Standard certificates.

Effect of energy-saving measures

The energy-saving measure taken in the buildings have had a noticeable effect. The consumption of electricity has decreased by 3%. However, on balance, the consumption of gas did increase somewhat due to the cold winter in the beginning of 2013. The actual effect of the three new energy-neutral buildings will only become visible in 2014, when these buildings have been in use for a full year. The emissions resulting from mobility have remained almost unchanged, in spite of an increase in the workforce and a number of large change projects. The leakage from the gas grid has decreased, in spite of an increase in the total length of the grid. This is mainly due to the large-scale replacement of old pipelines made of brittle materials by modern plastic pipelines.

Own emissions

	CO_2 emissions (in tons of CO_2 equivalent)		
	2013	2012	2011
Grid and leakage losses			
Leakage gas grid	106,825	107,909	105,846
Length of grid 44,820 km			
Gas leakage 7.3 mln m^3 natural gas			
Grid loss electricity transmission [1) 5)]	-	-	13,018
1,554 mln kWh electricity			
Leakage from SF_6 switch equipment	88	114	209
Leakage 3.7 kg			
Mobility			
Lease and service vehicles [5)]	12,652	12,107	10,905
Passenger cars 2.6 million litres of fuel			
Vans 2.2 million litres of fuel			
Trucks 0.2 million litres of fuel			
Electric lease cars [2) 5)]	275		
0.6 million km			
Commuting [3)]	2,747		
14.8 million km			
Business trips	1,529		
8.2 million km			
Train travel [5)]	67		
2.2 million km			
Air travel	71		
0.7 million km			
Taxi trips (Taxi + Train taxi) [5)]	16		
0.0 million km			
Consumption in buildings			
Natural gas consumption in buildings	2,693	2,547	2,783
1.5 million m^3 natural gas			
Green electricity consumption in buildings [4)]	-	-	4,162
7.8 million kWh green electricity			
Total own emissions Enexis	**126,965**	**122,677**	**136,923**
Compensation with Gold Standard certificates	**126,965**	**122,677**	**-**
Net own emissions Enexis	**-**	**-**	**136,923**

1. Enexis has purchased the grid loss sustainably by means of Guarantees of Origin from hydro-power plants in Scandinavia. The avoided emissions as a result compared to the average trade mix amounted to 713.286 tons of CO_2. The avoided emissions amounted to 692,913 tons of CO_2 compared to the specifically purchased mix.
2. The emissions of electric cars are based on the national trade mix. The emissions are much lower in practice, as the green electricity is mostly loaded at Enexis buildings or charging stations of Stichting E-Laad.
3. Up to and including 2012, Enexis reported the total emissions of trips taken by employees using their own means of transport or public transport as chain emissions.
4. Enexis uses 100% Dutch wind energy in its buildings since 2012. The avoided emissions as a result amounted to 3,662 tons of CO_2 compared to the average trade mix.
5. The data for Nov/Dec was determined based on extrapolation of the period Jan - Oct 2013.

Chain emissions

	CO_2 emissions (in tons of CO_2 equivalent)		
	2013	2012	2011
Mobility: trips taken by employees using own transport and public transport [1]	-	5,154	5,841
Production of grid components by suppliers [2]	39,121	47,725	
2,409 km cables			
1,247 km gas pipelines			
500 transformers			
1,688 installations and stations			
Processing of company waste			
Emissions from processing	6,590	5,290	
Avoided emissions in the chain due to recycling by Enexis	5,450	4,280	

1. As from 2013, Enexis reports mobility in its own emissions
2. Data for December based on extrapolation of period January - November 2013

Grid specific indicator

Enexis's CO_2 emissions depend strongly on the amount of work that is carried out. In times of a large amount of economic activity there is more construction activity resulting in more grid expansions. The average customer also consumes more energy, causing higher grid losses. This is why the relative value of the footprint is relevant in addition to the absolute value. The choice was made for the amount of CO_2 emissions in Enexis's own operations per customer. This amounted to 26.7 kg CO_2 per customer in 2013. The value was 27 kg CO_2 per customer in 2012 and 30.3 kg CO_2 per customer in 2011[1].

1 The values for 2011 and 2012 have been recalculated on the basis of of the 2013 methodic footprint, whereby employee trips using own transport and public transport are reported under 'Own emissions.'

FINANCIAL REVIEW

Profit for the year

Enexis realised a profit for the year of EUR 239 million in 2013. This represents an increase of EUR 16 million compared to the result over 2012 (EUR 223 million). These results were achieved with a tariff increase of only 2.2%, again significantly below the maximum level permitted by the regulator, the Authority for Consumers and Markets. In this manner, Enexis demonstrates in 2013 as well that it pays a lot of attention to an affordable energy supply.

Net revenue, cost of sales and gross margin

Enexis realised a revenue of EUR 1,386 million in 2013, which represents a 1.4% increase compared to 2012 (EUR 1,367 million). This increase of EUR 19 million was mainly due to an increase in revenue of approximately EUR 29 million as a result of tariff increases and a decrease of EUR 10 million due to a recalculation of the revenue in previous financial years. For instance, compensation measures were taken in 2013 for households with a gas meter that were oversized which had a negative effect on the revenue.

The gross margin, including other operating income, rose by EUR 29 million and amounted to EUR 1,174 million for 2013 (2012: EUR 1,145 million). Besides the increase in revenue, the lower cost of sales also contributed to a higher gross margin. This lower cost of sales is mainly due to lower purchasing prices for the grid losses because of lower energy prices.

Operating expenses

Our operating expenses remained unchanged compared to 2012[1] and amounted to EUR 752 million.

This development was the result of an increase in costs of EUR 36 million, which was almost completely offset by EUR 36 million in structural cost savings, in particular due to a constant focus on controlling costs and unexpected non-recurrent income items.

The increase in costs of EUR 36 million consists of:

- Extra work and new activities for EUR 13 million, including the project Neighbourhood Power, the special offer of smart meters and the continuation of ICT improvement programmes.
- Inflation of a number of cost components and higher personnel costs due to collective labour agreement wage increases and higher pension contributions for a total of EUR 10 million.
- Rising depreciation charges for an amount of EUR 13 million due to higher investments in the grids in the past years in order to maintain the present reliability level.

The cost reducing effects of in total EUR 36 million can be broken down into:

- EUR 20 million structural savings; mainly due to constantly aiming for efficiency, successful implementation of process improvements and realising the gains of completed projects.
- On balance, an effect of EUR 16 million due to allocations to and/ or releases from provisions in 2013 compared to 2012. This also includes the consequences of the retrospective adjustments pursuant to IAS 19R for an amount of EUR 7 million.

1. The comparative figures for 2012 have been adjusted due to IAS 19R.

Share of the results of associates and financial income and expenses

The share of the results of associates amounted to EUR 1 million in 2013 (2012: EUR -10 million). The downward adjustment of the book value of an associate due to lower expected results in the long term had a considerably negative impact on the result in 2012.

The balance of financial income and expenses amounted to an expense of EUR 109 million in 2013, which is EUR 18 million higher than the expenses in 2012 (EUR 91 million). This increase was mainly caused by penalty interest that was paid due to the early repayment of the second tranche of the shareholders' loans (Tranche B). Furthermore, interest charged on unpaid corporate income tax due over the past years was paid in 2013.

Financing and balance sheet

Enexis's equity capital rose by over EUR 123 million from EUR 3,245 million to EUR 3,368 million, mainly due to the addition of the profit of the financial year and the dividend over 2102 that was paid out in 2013. The balance sheet total was decreased by EUR 729 million due to the repayment of a shareholders' loan and the introduction of the New Market Model.

The New Market Model with the obligatory suppliers model was introduced as from 1 August 2013. This resulted in a decrease in the balance sheet total of approximately EUR 370 million for Enexis due to the fact that the outstanding advances (deposits) of the suppliers were settled with the amounts owed by these suppliers.

Enexis repaid Tranche B (EUR 500 million) of the shareholders' loans before its maturity on 30 September 2013. This was financed with a bond loan that was issued already in November 2012 for the same amount, with a term to maturity of eight years at an interest rate of 1.875%. Enexis has thus lengthened the average duration of its financing portfolio and was able to lower the interest expenses for the coming years.

COMPANY-WIDE RISK MANAGEMENT

Enexis's operational risks are re-evaluated again periodically, including an assessment of the impact of these risks. The most important risks and the control measures are described below.

Safety

The risk of accidents is strongly intertwined with our primary processes. Therefore, within Enexis, a lot of attention is paid structurally to controlling the number of accidents. Intensifying the maintenance of older parts of the grid results in a higher accident probability. Enexis is consequently working on improving safety awareness among its employees and the employees of contractors. A lot of attention is given to safety in leadership, professional training programmes, workshops, audits, inspections and periodical medical examinations. The HSE organisation and working methods were evaluated and adjusted in 2013. Enexis aims for zero accidents with an ambition to reduce the total number of accidents leading to absence from work by 50% in the coming four years.

Laws and regulations

There is an increasing pressure on the part of supervisors to attain 100% compliance. Risks in connection with the Electricity Act, the Gas Act and related regulations are monitored by our Regulation department. Enexis is in close consultation with the Ministry and the Authority for Consumers and Markets (ACM), both individually and in cooperation with the sector. In addition, we recognise risks in connection with privacy, EU tendering and tax laws and regulations.

Customer-oriented approach

Customers are becoming more critical and are placing increasingly higher demands on our services. As a result, the risk that we will not be able to meet the expectations of our customers is increasing. In 2013, but also in previous years, many initiatives were launched to further improve the degree in which our services are customer-oriented. Therefore, we are strengthening our customer focus through training and coaching and by means of customer-oriented communication and portals. There is also more emphasis on convenience for the customer and the customer's perception in our new organisation of the Infra Services department.

The continuity of the internal (IT-supporting) processes

Enexis has an extensive and complex IT environment that demands a lot of attention in order to control risks in the area of security and continuity. With the aim of improving the quality of our services and the (internal) customer focus a reorganisation of the ICT department was completed in 2013. The results are expected to become visible as from 2014.

Qualified personnel

A large number of employees will be retiring in the coming years. In particular, the outflow of technical personnel can lead to a structural shortage of experienced technicians in the short term. Due to more efficient working processes, Enexis will require less personnel; however, the amount of work will also increase and as a result there will still be large need for replacement. In order to avoid future bottlenecks, extra attention is being paid to strategic personnel planning. Enexis has to look further ahead in order to be able to make a sound estimate of the amount of work. Enexis is also active on the labour market. The present situation is a bit more favourable. As the labour market is less tight due to the crisis and the retirement age is being raised step-by-step, the period in which the measures taken by Enexis can start to have effect has been extend.

Outage time

The obsolescence of the grid increases the risk of a higher number of outage minutes. In addition, the energy transition will have an increasingly larger impact on our grids. Defining and executing our maintenance and replacement measures as adequately as possible is a permanent activity of the Asset Management and Infra Service departments, whereby the departments aim to deal with expected developments in a timely manner. A medium long-term programme has been defined for the execution, of which the execution was started in 2013 and which will end in 2015. The first results of the programme are already visible.

Obsolescence and security smart meters

As a result of the large-scale offering of smart meters, the risk of operational problems is increasing, also because these meters are more susceptible to faults than the traditional meters. This risk is reduced as much as possible by means of a good implementation strategy and careful preparation of the offer. In addition, there is a risk that certain types of meters will become obsolete faster than anticipated, for example, due to new developments in the area of security. Security is receiving a lot of attention, both nationwide and within Enexis. Standards have been drawn up and penetration tests are being carried out.

Incomplete collection and payment of receivables

As a result of the introduction of the New Market Model, suppliers are now responsible for the collection of payments at our low-volume customers. Therefore, an extra risk has arisen for the grid operators regarding receiving the full amount of the payments in a timely manner. Measures have been taken to ensure a timely collection. In addition, together with expert groups, we are working on identifying the right tools to manage this risk.

Integrity and a sense of values

Enexis is an ethical and sound organisation. Trust and integrity are leading principles in the Enexis Way of Working. Enexis continues to focus on these principles.

'IN-CONTROL' STATEMENT

The Executive Board is responsible for the design and operation of the internal risk management and control system. The aim of this system is the monitoring of the realisation of strategic and operational objectives, the reliability of the financial reporting and the compliance with laws and regulations.

Enexis's internal risk management and control system is embedded in the Risk & Control Framework. It should be noted in this context that the framework does not provide absolute certainty regarding the realisation of the company's objectives, or that material errors, losses, fraud or violations of laws and regulations will not occur in the processes and the financial reporting. The framework is regularly evaluated and further developed.

The Executive Board evaluated the design and operation of the Enexis Risk and Control Framework in 2013, partly on the basis of the business control information, the Letters of Representation, the reports of the Internal Auditors and the Management Letter from the external auditor.

Despite the fact that improvements were made in 2013 in the area of internal control, the security of information will also require attention in 2014.

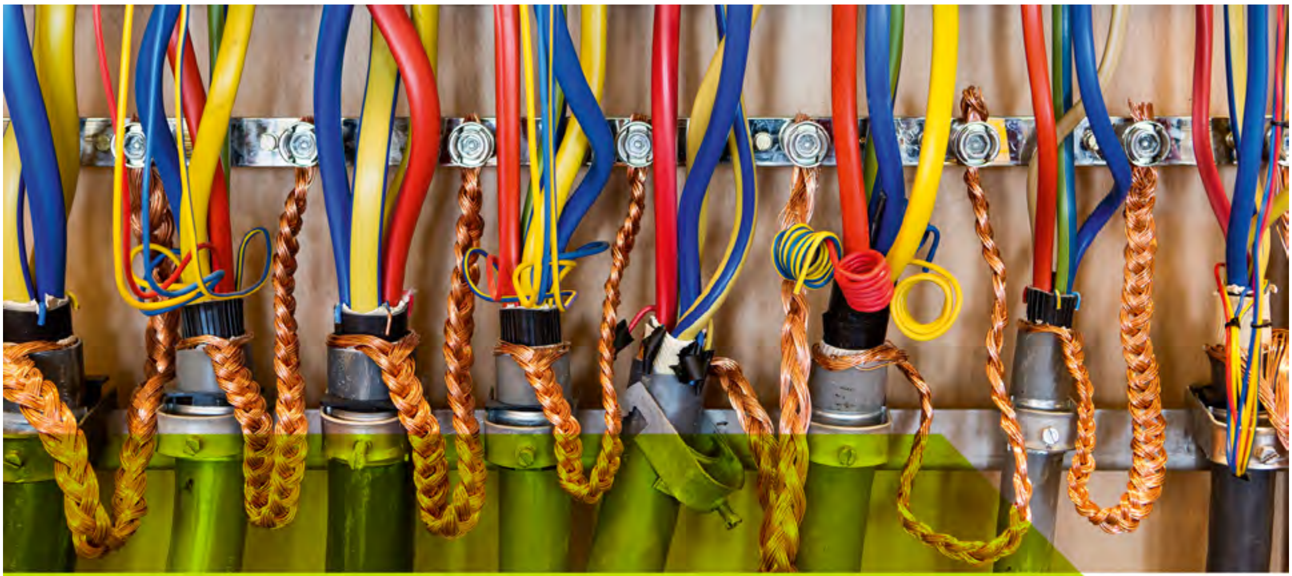
Taking into account the above, the Executive Board is of the opinion that Enexis's internal risk management and control system with regard to the control objectives in the field of financial reporting has functioned properly in 2103 and that it provides a reasonable level of assurance that the financial reporting is free from material misstatements.

Based on the above, we believe that we are thus compliant with the best practice provisions II.1.3, II.1.4 and II.1.5 of the Dutch Corporate Governance Code. The above was also discussed with the Audit Committee of the Supervisory Board, in the presence of the external and the internal auditors.

's-Hertogenbosch, 5 March 2014

The Executive Board

Maarten Blacquière
ad interim Chairman of the Executive Board/CFO



CORPORATE GOVERNANCE

Enexis Holding N.V. is a public limited liability company governed by Dutch law. The company is subject to what is known as the two-tier board structure. Enexis applies the Dutch Corporate Governance Code in order to provide maximum openness and transparency with regard to its organisational structure, actions, objectives and results, insofar as this is possible and applicable.

The code emphasises the responsibility that companies have for the social aspects of doing business. This is well-aligned with Enexis's strategic objectives in the area of sustainability, reliability, affordability and focus on the public.

Enexis deviates from a number of best practice provisions of the Dutch Corporate Governance Code. For instance, based on the remuneration policy for the Executive Board as adopted by the General Meeting of Shareholders, Enexis deviates from provision II.I.I (maximum term of appointment for board members). The provisions ll.2.12 up to and including ll.2.14 (publication of remuneration report) are implemented by means of publication of the remuneration of the members of the Executive Board in the financial statements. Furthermore, the choice was made to combine the Remuneration and the Selection Committee and therefore a conscious choice was made to deviate from lll.5 (appointing a separate Remuneration Committee and a Selection and Appointment Committee).

A number of other deviations (see the list below) are due to the fact that Enexis's shares are held by Dutch (lower) government bodies and are not listed on a stock exchange.

Provisions that did not apply to Enexis in 2013:

- II.2.4 -II.2.7 (options).
- III.7.1 -III.7.2 (share-based remuneration supervisory board members).
- III.8.1 up to and including III.8.4 (one-tier governance structure).
- IV.1.1 (quorum requirements for resolutions to cancel the binding nature of nominations for companies that are not two-tier board companies).
- IV.1.2 (specific voting rights on financing preference shares).
- IV.1.7 (registration date exercising voting and meeting rights).
- IV.2.1 up to and including IV.2.8 (certification of shares).
- IV.3.11 (overview of protection measure in annual report).
- IV.4.1 up to and including IV.4.3 (institutional investors).

Good corporate governance

The two most important pillars of good Corporate Governance are good management and good supervision. The Executive Board (EB), the Supervisory Board (SB) and the General Meeting of Shareholders (AGM) are responsible for management and supervision. In order to carry out these tasks properly, they are supported by an effective system of risk control measures and internal and external auditors. The manner in which the Executive Board, the Supervisory Board and the General Meeting of Shareholders relate to one another is laid down in regulations and in the articles of association. These documents have been published on www.enexis.nl

The Executive Board

The Executive Board (EB) is responsible for the management of Enexis. The EB sets the operational and financial objectives of the company, defines the strategy that is required to realise these objectives and identifies the prerequisites in connection with the strategy. The EB operates under the supervision or approval of the SB and the AGM and within the provisions of the articles of association. The EB is responsible for the compliance with all relevant laws and regulations, for controlling the risks connected to the company's activities and for the funding of the company. The EB is responsible, together with the SB, for Enexis's Corporate Governance structure and for compliance with the Dutch Corporate Governance Code.

Members of the EB are appointed by the SB, which also appoints one of the Executive Board members as the Chairman and another Executive Board member as the Chief Financial Officer (CFO). The EB consisted of two members in 2013.

The members of the EB divide the duties among themselves and formalise this division of duties in consultation with the SB. The personal details of the EB members are included in the personal details section towards the end of this annual report.

The EB acts in accordance with its own regulations, which are in line with the Dutch Corporate Governance Code in as far as possible and which have been approved by the SB. These regulations include procedures for the composition, duties and powers, meetings and decision-making.

The remuneration of the EB members is in accordance with the company's remuneration policy, which has been adopted by the AGM. The SB determines the remuneration package of each EB member based on a proposal put forward by the Remuneration and Selection Committee. Details of the remuneration of the EB are reported in the condensed and complete annual report.

The Supervisory Board

The Supervisory Board (SB) supervises the policy of the Executive Board, in particular where this concerns the realisation of the company's objectives, the strategy and the risks inherent in the business activities, the internal systems for risk management and control and the financial reporting. In addition, the Supervisory Board provides solicited and unsolicited advice and acts as the employer of the Executive Board.

The SB acts in accordance with its own regulations, in which composition, committees, duties and powers, meetings and decision-making have been laid down. The SB appoints two standing committees from among its members: an Audit Committee and a combined Remuneration and Selection Committee. Regulations have been drawn up for both committees in which the composition, the duties and the manner in which the committee carries out its duties have been laid down.

SB members receive a fee that is determined by the AGM. In addition to their fee, they are entitled to reimbursement of travel and accommodation expenses that they incur in the performance of their duties. Details of the remuneration of the SB are reported in the condensed and complete annual report.

Policy on a balanced composition

With regard to the Management and Supervision Act [Wet Bestuur en Toezicht], and more in particular, the requirement regarding a well-balanced distribution of men and women in the Executive Board and the Supervisory Board, it is the case that Enexis complies with this provision insofar as the Supervisory Board is concerned. As far as the Executive Board is concerned, Enexis does not yet comply with this requirement. For that matter, Enexis's policy is, in general, directed at increasing the number of female employees during the coming years and encouraging the promotion of women to senior positions in order to bring the number of women working at Enexis, also in management positions, in line with its ambitions.

General Meeting of Shareholders

The General Meeting of Shareholders (AGM) is the highest decision-making body within Enexis. Decision-making in the AGM includes resolutions on the written annual report of the EB, the discharge of the EB and the SB, the adoption of the financial statements and the determination of the profit appropriation. The AGM also approves the company's strategy and appoints the members of the SB.

Certain powers of the AGM have been assigned to a Shareholders Committee (SC). This committee consists of seven members and the objective of this committee is to promote the efficiency and effectiveness of the decision-making process within the AGM. The members of the SC do not receive any remuneration for their activities. The tasks of the SC are described in Enexis's articles of association and the working method has been laid down in a covenant between the EB, the SB and the SC, which has been approved by the AGM.

Risk management

Risk management is an important part of Enexis's governance model. With a broad perspective, risk management focusses on all aspects of the company; from strategic and operational risks to the reliability of (financial) reporting and the compliance with laws and regulations.

Enexis has a risk management policy and Risk Management Governance.

Line and project managers on all levels within the organisation are responsible themselves for the identification of risks and taking appropriate measures. The Internal Audit & Risk department, the Compliance Officer, the Strategy & Regulation department and the security experts of the Information Management department provide support to the line and project managers in the quantifying, mitigating and monitoring of risks.

This decentralised responsibility is an essential element of the overall approach to risk.

A Risk Management Committee (RMC) has been established on a central level to monitor the implementation of the risk management policy. The RMC is comprised of a number of directors as well as experts in the field of risk management.

The system of measures for risk management and control consists of a large number of instruments, procedures and control systems; in addition to the Enexis Governance Model.

These also include:
- The Risk-Based Asset Management System, which is used to determine the maintenance and investment programme of the assets.
- Enexis's Internal Control Framework, with which the line management renders account with regard to the management and control of the operational processes via a control self-assessment.
- A cycle whereby all departments issue an in-control statement twice a year, in which the departments state to what extent the internal risk management and control systems function properly.
- The periodic inventory and reporting of the top risks (State of the Risk), which are also derived from the strategic plan and the business plan, the results of the control self-assessment and the in-control statements of the departments.
- Internal audits

Internal audit function

Enexis has an internal audit function (part of the Internal Audit & Risk department). This department is independent and provides additional certainty to the management and the EB with regard to the control, effectiveness, efficiency and compliance of the business operations. Internal Audit & Risk also assess the processes with regard to control, risk management and governance.

Internal Audit & Risk operates under the responsibility of the Chairman of the EB. The Audit Committee supervises this department and advises the EB on the role and the functioning of this department. The Audit Committee also approves the audit plan and consultations and findings are reported to the Audit Committee.

The audit plan is drawn up in consultation with the external auditor and the EB and it is also based on the risk reports and control findings. The Internal Audit & Risk department also reports its findings to the external auditor.

The external auditor

The external auditor is appointed by the General Meeting of Shareholders. The Supervisory Board nominates the external auditor based on recommendations of the Audit Committee and the Executive Board.

The independence of the external accountant is an important consideration in the nomination process. The Executive Board reports to the Supervisory Board and the General Meeting of Shareholders annually on the developments in the relationship with the external auditor.

The Executive Board assesses the performance of the external auditor in the various entities and capacities in which the external auditor operates at least once every four years. The Executive Board reports the most important conclusions of this assessment to the Supervisory Board and the General Meeting of Shareholders.
A European tender procedure was conducted in 2011 and resulted in the proposal to the General Meeting of Shareholders for the appointment of an external auditor by the Supervisory Board.
The proposal for this appointment for a period of three years was approved by the AGM on 26 April 2012.

The Audit Committee supervises the relationship with the external auditor. The Committee:
- Assesses the independence, remuneration and any non-audit activities for the company of the external auditor.
- Determines the involvement of the external auditor with regard to the contents and publication of the company's financial reporting, other than the financial statements.
- Takes note of irregularities concerning the content of the financial reporting, such as these must be disclosed by the external auditor.

The external auditor takes part in the meetings of the Audit Committee.

CONTENTS

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS 2013

Consolidated income statement

amounts in millions of euros	Notes		2013		2012 [1]
Net revenue from the supply of goods and services	1		1,385.7		1,367.0
Cost of sales	2		229.8		235.7
Gross margin			**1,155.9**		**1,131.3**
Other operating income	3		17.8		14.0
Gross margin other operating income			**1,173.7**		**1,145.3**
Employee benefits expenses	4	277.5		293.2	
Depreciation and impairments	5	298.9		285.9	
Cost of work contracted out, materials and other external expenses	6	151.5		148.1	
Other operating expenses	7	23.4		24.1	
Total operating expenses			**751.3**		**751.3**
Operating profit			**422.4**		**394.0**
Share of result of associates	8		1.2		-10.4
Financial income	9	6.8		5.7	
Financial expenses	9	115.8		96.9	
Financial income and expenses			**-109.0**		**-91.2**
Profit before tax			**314.6**		**292.4**
Corporate income tax expense	11		75.5		68.7
Profit for the year			**239.1**		**223.7**
Attributable to:					
Minority shareholders			-		-
Shareholders			239.1		223.7
Average number of shares during the financial year			149,682,196		149,682,196
Profit per share [2]			**1.60**		**1.49**

1. As a result of the retrospective application of the revised IFRS standard IAS 19 the comparative figures have been adapted. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.
2. Stated in euro, dilution of earnings does not apply.

Consolidated statement of comprehensive income

amounts in millions of euros	2013	2012 [1]
Profit for the year	239.1	223.7
Non-realised income through hedge reserve	-	-2.5
Corporate income tax non-realised income through equity	-	0.7
Released part of non-realised income through hedge reserve	0.8	0.8
Tax released part on non-realised income through hedge reserve	-0.2	-0.2
Total result included non-realised income trough hedge reserve and equity [2]	**239.7**	**222.5**

1. As a result of the retrospective application of the revised IFRS standard IAS 19 the comparative figures have been adapted. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.
2. The non-realised amounts in the total result solely concern amounts recognised in later periods in the income statement.

Consolidated balance sheet

(before profit appropriation proposal)

amounts in millions of euros	Notes	31 December 2013	31 December 2012 [1]	1 January 2012 [1]
Assets				
Property, plant and equipment	12	5,729.4	5,549.9	5,344.2
Intangible assets	13	111.2	119.0	106.0
Associates	14	12.4	12.8	25.3
Other financial assets	15	12.1	2.2	2.4
Non-current assets		**5,865.1**	**5,683.9**	**5,477.9**
Inventories	16	22.5	23.0	24.7
Receivables	17	175.2	548.8	527.0
Other financial assets (current)	18	87.1	629.2	260.0
Cash and cash equivalents [1]	19	115.0	138.6	171.6
Current assets		**399.8**	**1,339.6**	**983.3**
Total assets		**6,264.9**	**7,023.5**	**6,461.2**

amounts in millions of euros	Notes	31 December 2013 [1]	31 December 2012 [1]	1 January 2012 [1]
Liabilities				
Issued and paid-up share capital		149.7	149.7	149.7
Share premium reserve		2,436.3	2,436.3	2,436.3
General reserve		549.9	440.7	555.4
Hedge reserve		-4.9	-5.5	-4.3
Profit for the year		239.1	223.7	-
Equity	20	**3,370.1**	**3,244.9**	**3,137.1**
Non-current interest-bearing liabilities	21	1,750.6	1,750.3	1,459.7
Non-current provisions	22	68.4	74.0	55.5
Advanced contributions installation of grids and connections [1]	23	537.2	478.7	403.4
Deferred corporate income tax	24	197.9	172.6	136.0
Non-current liabilities		**2,554.1**	**2,475.6**	**2,054.6**
Trade and other payables	25	210.2	645.2	609.2
Current interest-bearing liabilities	26	80.9	611.0	566.1
Corporate income tax expense	11	24.2	19.8	52.8
Current provisions	22	12.7	16.1	27.0
Advanced contributions to be amortised in the following year	23	12.7	10.9	8.7
Derivatives		-	-	5.7
Current liabilities		**340.7**	**1,303.0**	**1,269.5**
Total liabilities		**6,264.9**	**7,023.5**	**6,461.2**

1. As a result of the retrospective application of the revised IFRS-standard IAS 19 and the IFRS-standard IAS 32 the comparative figures have been adapted. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.

Consolidated cash flow statement

amounts in millions of euros	2013	2012 [2]
Profit for the year	239.1	223.7
Change in hedge reserve	0.6	1.2
Profit for the year including change in hedge reserve	239.7	224.9
Depreciation and impairments	298.9	285.9
Impairment of associates	-	10.0
Amortised contribution for installation of grids and connections	-12.1	-9.8
Change in operating working capital [1]	-59.7	-25.5
Change in deferred corporate income taxes	25.3	36.6
Change in non-current provisions	-5.8	16.0
Others	0.6	2.6
Cash flow from operating activities	**487.0**	**540.7**
Investments in property, plant, equipment and intangible assets	-470.7	-504.4
Contributions for installation of grids and connections	72.4	87.3
Loans granted	-10.8	-105.3
Increase/decrease deposits	440.0	-265.0
Repayment of loans granted	103.0	1.1
Cash flow from investing activities	**133.9**	**-786.3**
Cash flow before financing activities	**620.8**	**-245.6**
Issuance of bonds	-	791.5
New interest-bearing liabilities excluding amounts owed to credit institutions	4.0	-
Repayment of interest-bearing liabilities excluding amounts owed to credit institutions	-504.2	-450.3
Dividend paid out	-114.5	-114.7
Settlement derivative	-	-8.2
Cash flow from financing activities	**-614.7**	**218.3**
Total cash flows	**6.1**	**-27.3**
Cash and cash equivalents minus amounts owed to credit institutions at the beginning of the financial year	41.8	69.1
Cash and cash equivalents minus amounts owed to credit institutions at the end of the financial year	**47.9**	**41.8**

1. The operational working capital in the cash flow statement has been adjusted in line with the 2012 and 2013 interest contribution of the provisions, so that the cash flow reflects the real flows on the basis of interest in this manner.
2. As a result of the retrospective application of the revised IFRS-standard IAS 19 are the comparative figures adjusted retroactive to 1 January 2012. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.

Consolidated statement of changes in shareholders' equity

(before profit appropriation proposal)

amounts in millions of euros	Number of ordinary shares	Share capital	Share premium reserve	General reserve	Hedge reserve [1]	Profit for the year	Total equity
At 1 January 2012	149,682,196	149.7	2,436.3	319.8	-4.3	229.4	3,130.9
Correction IAS 19R as of 1 January 2012	-	-	-	6.2	-	-	6.2
At 1 January 2012 after correction [2]	149,682,196	149.7	2,436.3	326.0	-4.3	229.4	3,137.1
Profit appropriation for 2011	-	-	-	114.7	-	-114.7	-
Dividend paid for 2011 [3]	-	-	-	-	-	-114.7	-114.7
Non-realised income 2012	-	-	-	-	-1.8	-	-1.8
Amortisation hedge reserve 2012	-	-	-	-	0.6	-	0.6
Profit for the year 2012	-	-	-	-	-	223.7	223.7
Subtotal 2012	-	-	-	114.7	-1.2	-5.7	107.8
At 31 December 2012 [4]	149,682,196	149.7	2,436.3	440.7	-5.5	223.7	3,244.9
At 1 January 2013	149,682,196	149.7	2,436.3	440.7	-5.5	223.7	3,244.9
Profit appropriation for 2012	-	-	-	109.2	-	-109.2	-
Dividend paid for 2012 [3]	-	-	-	-	-	-114.5	-114.5
Amortisation hedge reserve 2013	-	-	-	-	0.6	-	0.6
Profit for the year 2013	-	-	-	-	-	239.1	239.1
Subtotal 2013	-	-	-	109.2	0.6	15.4	125.2
At 31 December 2013 [4]	149,682,196	149.7	2,436.3	549.9	-4.9	239.1	3,370.1

1. The hedge reserve cannot be distributed.
2. As a result of the retrospective application of the revised IFRS-standard IAS 19 are the comparative figures adapted. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.
3. The dividend for 2012, to which the shareholders are entitled in 2013 and which has been paid to shareholders in 2013, amounted to EUR 0.73 per share (2012: EUR 0.77), calculated on the basis of the number of shares at year-end.
4. Total equity per share at year-end 2013 was EUR 22.52 (2012: EUR 21.68), calculated on the basis of the number of shares at the end of the period.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Enexis Holding N.V., with its registered office in Rosmalen, the Netherlands, is responsible for the installation, maintenance, operation and development of distribution grids for electricity (cables and mains) and gas (pipelines and mains) and related services. The related services mainly concern core-strengthening non-regulated activities in the area of metering services, public lighting, the rental of mid-voltage installations and the installation and operation of private energy distribution grids.

Enexis Holding N.V. is a public limited liability company governed by Dutch law. Approximately 74% of the shares of Enexis are held by six Dutch provinces and approximately 26% of the shares are held by 116 municipalities.

The financial statements, prepared by Enexis Holding N.V. and audited by Ernst & Young Accountants LLP, were presented to the Supervisory Board for signing on 5 March 2014. The financial statements, signed by the Supervisory Board, will be presented to the General Meeting of Shareholders for adoption on 10 April 2014.

2. Accounting policies for financial reporting

2.1 General

The consolidated financial statements of Enexis Holding N.V. include the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement and the consolidated statement of changes in equity. The explanatory notes to the financial summaries included in the consolidated financial statements form an integral part of the consolidated financial statements of Enexis Holding N.V.

Enexis Holding N.V. uses the euro as its functional currency. Unless stated otherwise, all amounts are in millions of euros.

Enexis Holding N.V. applies the International Financial Reporting Standards (IFRS), as accepted within the European Union, as the accounting principles for valuation and determining the result. The financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code.

2.2 Changes is IFRS

Changes in accounting principles in 2013

As from 1 January 2013, Enexis has applied the following new or amended IFRS standards and IFRIC interpretations in the financial statements that have led to change in accounting policies or additional information.

- IAS 32 – Financial instruments disclosures: offsetting financial assets and financial liabilities, effective as from 1 January 2013;
- IAS 19 – (amended) Employee benefits, effective as from 1 January 2013;
- IFRS 12 – Fair value measurement, effective as from 1 January 2013;
- Amendment IAS 1 – Presentation of financial statements, effective as from 1 July 2012; and
- Amendment of IAS 36 – Impairment of assets - Disclosures regarding the recoverable amount of non-financial assets, effective from 1 January 2014 (adopted earlier).

IAS 32 – Financial instruments disclosures: offsetting financial assets and liabilities.

As from 2013, Enexis applies IAS 32 – Financial instruments disclosures. As a consequence of the application of this standard and the underlying cash pool agreements such as Enexis concluded with ING and RBS, the cash and cash equivalents of the various entities within the Group may not be offset against each other. The amendment was applied retrospectively as from 1 January 2012.

As a consequence of no longer offsetting the cash and cash equivalents, the credit amounts per entity per cash pool are classified as credit entries under the Interest-bearing liabilities (current).

The balance sheet as at 1 January 2012 was adjusted as follows:

amounts in millions of euros	1 January 2012 – before change in acc. policy	1 January 2012 – after change in acc. policy
Assets		
Cash and cash equivalents	69.1	171.6
Liabilities		
Current interest-bearing liabilities	-463.6	-566.1
Total	**-394.5**	**-394.5**

The balance sheet as at 31 December 2012 was adjusted as follows:

amounts in millions of euros	31 December 2012 – before change in acc. policy	31 December 2012 – after change in acc. policy
Assets		
Cash and cash equivalents	41.8	138.6
Liabilities		
Current interest-bearing liabilities	-514.2	-611.0
Total	**-472.4**	**-472.4**

IAS 19 (amended) – Employee Benefits

The most important changes in the standard IAS 19 Employee Benefits regard the disclosure and valuation of the pension liabilities within a defined benefit scheme and the further specification of the aspects of severance payments and the provisions that have to be made for this, and the explanatory notes in connection with all employee benefits. The amended standard was applied retrospectively as from 1 January 2013.

For Enexis, the amended standard has an impact on the reorganisation provision that was formed at year-end 2011. Based on IAS 19R, part of the costs of the reorganisation provision must be allocated to the remaining employment period. The provision and the related deferred tax item were adjusted as of 1 January 2012. The impact on equity capital as of 1 January 2012 was EUR 6.2 million.

The changes in the provisions after 1 January 2012 are recognised through the consolidated balance sheet and consolidated income statement of the year in question. The result in 2012 is EUR 5.4 million lower as a consequence of the change in accounting principles.

The following adjustments have been recognised in the comparative financial figures of 2012:

1 January 2012

amounts in millions of euros	1 January 2012 – before change in acc. Policy [1]	1 January 2012 – after change in acc. Policy [2]
Consolidated balance sheet		
General reserve	434.5	440.7
Profit for the period	-	-
Subtotal components equity	**434.5**	**440.7**
Non-current provisions	63.7	55.5
Deferred corporate income tax	134.0	136.0
Current provisions	27.0	27.0

amounts in millions of euros	1 January 2012 – before change in acc. Policy [1]	1 January 2012 – after change in acc. Policy [2]
Consolidated income statement		
Employee benefits expenses	-	-
Corporate income tax expense	-	-
Profit for the period	-	-

1. In determining the general reserve per 1 January 2012, the proposed appropriation of profit by the end of 2011 has been taken into account. The appropriation of profit at the end of 2011 assumed a dividend payment of EUR 114.7 million.
2. Impact value per share is EUR 0.04.

31 December 2012

amounts in millions of euros	31 December 2012 – before change in acc. policy	31 December 2012 – after change in acc. Policy [1]
Consolidated balance sheet		
General reserve	434.5	440.7
Profit for the period	229.1	223.7
Subtotal components equity	**663.6**	**664.4**
Non-current provisions	74.5	74.0
Deferred corporate income tax	172.4	172.6
Current provisions	16.6	16.1

amounts in millions of euros	31 December 2012 – before change in acc. policy	31 December 2012 – after change in acc. Policy [1]
Consolidated income statement		
Employee benefits expenses	286.0	293.2
Corporate income tax expense	70.5	68.7
Profit for the period	229.1	223.7

1. The impact of the value per share amounts to EUR 0.01 ultimo 2012. The impact on earnings per share in 2012 amounts to - EUR 0,04

IFRS 13 – Fair value measurement
This new standard provides more guidance for valuation at fair value. The amendment has no impact on the financial position or results of the group. The explanatory notes have been complemented according to the amended standard.

Amendment of IAS 1 – Presentation of the financial statements
This amendment concerns the adjusted presentation of items in the statement of comprehensive income. The amendment has had a limited impact on the presentation in the consolidated statement of comprehensive income.

Amendment of IAS 36 – Impairment of assets
Amendment of IAS 36 Impairment of assets with regard to disclosures regarding the recoverable amount of non-financial assets. These amendments remove the unintended consequences that IFRS 13 has on the disclosure requirements of IAS 36. In addition, these amendments require the disclosure of the recoverable amount of the assets of cash flow generating units for which an impairment has been recognised or reversed during the period under review. The amendments apply retroactively to financial years starting on or after 1 January 2013, whereby early adoption is allowed provided that IFRS 13 is also applied. The Group has applied these amendments to IAS 36 earlier in the current period under review.

Amendments in 2013 with no impact
The amendments in 2013 in IFRS standards and IFRIC interpretation that did not have an impact on the accounting policies already applied by Enexis are:
- IFRIC 20 – Stripping costs in the production phase of a surface mine, effective as from 1 January 2013:
- Amendment IFRS 1 – Treasury loans, effective as from 1 January 2013; and
- Annual improvements of the IFRS, effective as from 1 January 2013.

Amendments after 2013
The management expects that the following amendments in 2013 in IFRS standards and IFRIC interpretations, which will come into effect after 1 January 2014, will not have an impact on the accounting principles already applied by Enexis and/or the explanatory notes:

IFRS 10 – Consolidated financial statements: this new standard stipulates a consolidation model, irrespective of the legal form of the reporting entities that is solely based on control. The provisions of SIC12 Consolidation - Special Purpose Entities have also been integrated into this new standard.

Amendments in IAS 27 and IAS 28 as a consequence of IFRS 10 (see above): IAS 27 renamed 'Separate Financial Statements'. Previously the consolidated financial statements were dealt with in IAS 27. The amended standard is intended for the separate financial statements of entities that also prepare consolidated financial statements. The amendment in IAS 28 – Investments in Associates and Joint Ventures mainly concerns no longer including joint ventures in the consolidation base.

IFRS 11 – Joint Arrangements: this new standard replaces the existing standard IAS 31 - Interest in Joint Ventures. The most important element of IFRS 11 is that the method of proportional consolidation can no longer be applied.

IFRS 12 – Disclosures of Involvement with Other Entities: this new standard requires more and more detailed information (disclosures) about entities that have been included in the consolidated financial statements and about associates that have not been included in the consolidation.

IFRS 9 – Financial instruments: the published version of IFRS 9 contains the first phase of the project of the IASB for the replacement of IAS 39. This phase concerns the classification and valuation of the financial assets and financial liabilities defined in IAS 39. Initially the standard was to apply to the financial years starting on or after 1 January 2013, but with the publication in December 2011 of Amendments to IFRS 9. The mandatory effective date was moved to 1 January 2015. In the next phased, the IASB will examine hedge accounting and impairment of financial assets.

Amendment IAS 32 – Offsetting financial assets and financial liabilities, effective as from 1 January 2014.
Amendment IFRS 7 and IFRS 9 – Mandatory effective date and transition disclosures, effective as from 1 January 2015.
IAS 27 (amendment) – Separate financial statements, effective as from 1 January 2014.
IAS 28 (amendment) – Investments in partners and joint ventures, effective as from 1 January 2014.
IAS 39 – Novation of derivatives and continuation of hedge accounting and Amendments to IAS 39, effective as from 1 January 2014.
IFRIC 21 – Levies, effective as from 1 January 2014.

2.3. Consolidation
The consolidated financial statements contain the financial statements of Enexis Holding N.V. and its group companies.

Group companies are legal entities and companies in which control can be exercised with regard to the management of the company and the financial policy. Group companies are included in the consolidation as from the date on which control can be exercised. Group companies are no longer included in the consolidation as from the date on which control can no longer be exercised. In determining whether control can be exercised, the potential voting rights that can be exercised immediately are also taken into account.

The financial data of subsidiairies are fully consolidated. In the event that the interest of the consolidated legal entity amounts to less than 100%, a minority interest is recognised in equity and in the result. Financial transactions and results between consolidated companies are eliminated.

In the event that an additional interest is acquired in a participation where control already existed, the entity concept method is applied. With this method, changes in the ownership percentage in a group company that do not lead to a loss of control, are processed administratively as equity transactions. The book values of the majority and minority interests are adjusted to show the changes in their relative interests in a group company. Any possible difference between the amount with which the minority interests are adjusted and the fair value of the paid or received compensation is recognised directly in equity and allocated to the owners of the parent company.

2.4 Valuation principles and accounting policies relating to the determination of the result

Estimates and assumptions

Estimates and assumptions are made in the preparation of the financial statements that affect the amounts in the financial statements. Difference between actual outcomes and the estimates and assumptions made have an effect on the amounts that are reported in future periods.

Assumptions and estimates made by the management mainly have an effect on the valuation of tangible and intangible fixed assets (note 12 and 13, see also 'Plant, property and equipment' and Intangible fixed assets in the accounting principles), the necessity to recognise impairments of tangible and intangible fixed assets (note 12 and 13, see also 'Impairments' in the accounting principles), the necessary to recognise possible impairments of debtors (note 17; see also 'Receivables' in the accounting principles); the valuation of provisions (note 22; see also 'Provisions' in the accounting principles), the reporting of the net revenues due to meter readings spread out over the year and regulation (note 1; see also 'Net revenue' in the accounting principles) and the cost of sales due to an ongoing reconciliation process (note 2).

Currency

Assets and liabilities in foreign currency are converted at exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are converted at the exchange rate applying on the transaction date. The resulting exchange rate differences are credited to or debited from the result. Monetary items are converted at the year-end exchange rate.

Offsetting

Offsetting of asset and liability items takes place per counter party if it is the case that there is a contractual right to offset the recognised amounts and it is the case that there is the intention to offset. If the intention or the actual execution of the offsetting is lacking then it is determined per contract whether this concerns an asset or a liability item.

There where the contractual right exists to offset the asset and liability items, this is disclosed in the relevant note. Further information is then also provided on the balances of the asset and liability item.

Presentation

The operating expenses are presented in the income statement according to a categorical division.

Valuation at fair value

The Group values financial instruments (such as derivatives) as at the balance sheet date at fair value. In addition, the fair values of financial instruments in note 28 are recognised at amortised cost. Financing policy and risks associated with financial instruments. The fair value is the price that would be received when selling an asset or that would be paid to transfer a liability in a normal transaction between market participants on the valuation date. In the valuation at fair value it is assumed that the transaction to sell the asset or transfer the liability takes place:

- on the most important market for the asset or the liability; or if that does not exist,
- on the most economical market for the asset or the liability.

The Group must have access to the most important or the most economical market. The fair value of an asset or a liability is determined using assumptions which market participants would take as the point of departure for the valuation of the asset or the liability, under the assumption that market participants act in their economic interest. In the valuation of a non-financial asset at fair value the ability of a market participant to generate economic benefits by making maximum and optimal use of the asset or by selling it to another market participant who would make maximum and optimal use of the asset is taken into account.

The Group applies valuation methods that are appropriate given the circumstances and for which sufficient information is available to determine the fair value, whereby as many relevant observable inputs as possible are used and as little as possible non-observable inputs are used. All assets and liabilities, for which the fair value is determined or stated in the financial statements, are classified in the fair value hierarchy described below, based on the input of the lowest level that is significant for the whole valuation:

- Level 1 – Listed (unadjusted) prices on active markets for identical assets or liabilities.
- Level 2 – Valuation methods for which the input of the lowest level that is significant for the valuation at fair value is directly or indirectly observable.
- Level 3 – Valuation methods for which the input of the lowest level that is significant for the valuation at fair value is not observable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines at the end of each reporting period whether, due to a reassessment, a change has occurred in the level classification of the hierarchy (based on the input of the lowest level that is significant for the whole valuation).

In connection with stating the fair values, the Group has determined categories of assets and liabilities based on the nature, characteristics and risks of the assets and liabilities and the level in the fair value hierarchy as explained above.

Net revenue
Net revenue accounts for the income from the supply of goods and services relating to the distribution of electricity and gas and other activities, less turnover tax and energy tax. The invoicing of low-volume energy consumers takes place based on fixed amounts depending on the size (capacity) of the connection.

The invoicing of high-volume energy consumers takes place periodically based on the contractually agreed capacity and, in addition, for electricity, based on the metered consumption and actual grid load.

The amount of revenue from the distributed energy is regulated by the Authority for Consumers & Markets (ACM) and is determined on the basis of the invoiced grid charges plus the estimate of the still to be invoiced grid charges minus the estimate of the still to be invoiced grid charges at the end of the previous reporting period.

Cost of sales
This item recognises the purchasing costs that are directly attributable to the net revenue, i.e. the costs of transmission services, system services and grid losses.

Subsidies
Investment subsidies are deducted from the acquisition costs of the asset concerned and credited to the result based on the useful life of the asset. Operating subsidies are recognised in the result in the period to which they relate. Subsidies are only recognised if the receipt of these subsidies can be determined with reasonable certainty.

Other operating income
Other operating income recognises income that is not directly related to the core activities.

Contributions received in advance for the installation of grids and connections are amortised, parallel to the depreciation of the asset concerned, and recognised in other operating income.

Operating expenses
Expenses are allocated to the financial year to which they relate. Any expenses directly attributable to the company's investment projects and capitalised as such (mainly the costs of the company's own personnel and material costs) are deducted from the relevant cost categories.

Financial income and expenses
Interest income and expenses are allocated to the period to which they relate based on time proportionality, using the effective interest method. Construction period interest is applied to investment projects with estimated durations of more than 12 months. Construction period interest is recognised under financial income. If hedge accounting is applied, then the ineffective part of derivatives is recognised directly in the income statement under financial income and expenses.

Property, plant and equipment
Property, plant and equipment (tangible fixed assets) are carried at cost or (internal) manufacturing price, less contributions received (up to 2008) and less depreciation charges calculated over this value and any impairment.

Depreciation takes place in accordance with the straight-line method. The expected future useful life of the asset is taken into account in determining the depreciation. The useful life and residual value of assets are assessed each year. Any adjustments are recognised prospectively. Land is not depreciated. A tangible fixed asset is no longer recognised in the balance sheet when it is divested or when no future economic benefits are expected from the further use of the asset or in the event of disposal of the asset. A possible gain or possible loss resulting from no longer recognising the asset in the balance sheet is recognised in the result.

The estimated useful life of the main tangible fixed asset categories is as follows:

Estimated useful lives	Period
Buildings	25-50 years
Cables, pipelines and equipment	25-55 years
Other non-current assets en vans	7 years
Tools and equipment	5 years
Meters (excl. software)	15 years

Intangible fixed assets
The intangible fixed assets consist mainly of application software costs.

Intangible fixed assets are valued at acquisition costs, less depreciation charges calculated over this value and any impairment.

Depreciation takes place in accordance with the straight-line method. The expected future useful life is taken into account in determining the depreciation. The useful life is assessed each year. Any adjustments are recognised prospectively.

Goodwill is the difference between the acquisition price for the company less the fair value of identifiable assets and the fair value of the acquired liabilities of the company. Goodwill is carried at cost less any impairment losses. Goodwill is assessed each year for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may be subject to impairment. An impairment of goodwill cannot be reversed.

The estimated useful life of the main intangible fixed asset categories is as follows:

Estimated useful lives	Period
Software	5 years
Goodwill	not applicable

Impairments
During the financial year, an assessment is made of whether there is any indication that an asset may be impaired. If any such indications exist, an estimate is made of the recoverable amount of the asset. The recoverable amount of an asset is the highest fair value less the costs to sell the asset or its value in use. The value in use is determined based on the present value of the expected future cash flows.

An impairment loss is recognised if the carrying amount of an asset, or of the cash-generating unit to which it belongs, exceeds the recoverable amount of the asset concerned. Impairment losses are charged to the result.

An impairment can be reversed if it is established that the assumptions, which were used for determining the recoverable amount at the time, have changed. An impairment is reversed only to the extent that the carrying amount after reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment been recognised for the asset in previous years. The effects of reversing an impairment are credited to the result.

The starting point for the impairment assessment is initially based on the data contained in the strategic plan and the business plan. In this context, the strategic plan is based on an estimate of a number of variables derived from the Authority for Consumers and Markets. The realisable values of the regulated segment and those of the other segments are also determined based on:

- the figures as specified in the strategic plan and in the business plan up to and including 2025, after which the residual value is assumed;
- three cash flow generating units: the electricity grid, the gas grid and the commercial activities;
- a discount rate of 4.25% after taxes based on the risk-free interest rate, a company specific mark-up, leverage ratio, asset beta, equity beta and a market risk premium in line with the regulated activities; and
- the inflation rate.

Associates
The valuation of economic interests that are included in the consolidation takes place based on the net asset value method based on the accounting principles governing the valuation and the determination of the result of Enexis Holding N.V. According to this method, the economic interest is initially valued at cost whereby the carrying amount is increased or decreased after the initial recognition with the share of Enexis Holding N.V. in the result. Dividends received are deducted from the carrying amount.

In the event of a negative net asset value, losses on associates are recognised up to the amount of the net investment in the associate. This net investment also includes loans that have been provided to associates insofar as these loans actually form part of the net investment. For the share in additional losses, a provision is only recognised in the event and to the extent that Enexis has guaranteed the debts of the associate or in the event that Enexis has the firm intention to enable the associate (for the share) to repay its debts.

In the event of a possible impairment of an associate, reference is made to the accounting method as included in the paragraph 'Impairments' in the 'Accounting principles for valuation and the determination of the result'.

Derivatives
The company can make use of derivatives to hedge the risk of changes in future cash flows of periodically to be paid interest or of foreign currencies. These changes in cash flows can result from developments in market interest rates or market exchange rates of foreign currencies. Enexis applies hedge accounting where possible in view of the specific use of derivatives to mitigate the interest rate and the exchange rate risk of cash flows.

Derivatives are then recognised at fair value. The fair value of interest rate derivatives is determined by means of discounting the future cash flows. The fair value of currency derivatives is determined by means of discounting future cash flows converted at the market exchange rates. The discount rate is determined based on the market interest rate at the end of the financial year. The cash flows are determined based on the contractual agreed interest rates, maturity dates and nominal amounts. Changes in the fair value are recognised in the hedge reserve (part of the equity capital), provided that hedging is effective to a large degree. The ineffective part of the hedge is recognised directly in the income statement under financial income and expenses.

Derivatives are classified under the current or the non-current other financial assets in the event that the fair value is positive and under the current or the non-current financial liabilities in the event that the fair value is negative.

Other financial fixed assets
Loans and receivables with a maturity of more than one year are recognised in the other financial fixed assets. The loans provided to associates or to external parties are carried at amortised cost. If necessary a provision in connection with possible uncollectability is formed which is deducted from the carrying amount.

Inventories
Inventories are recognised at costs or lower net realisable value (the estimated selling price in the normal course of business less selling costs). Cost is calculated using the weighted average cost method.

Cost comprises all expenses and costs directly attributable to the purchase of the inventories and to bring them to their present location and condition.

Receivables
In view of the short duration of the (trade) receivables, their fair value corresponds to the nominal value less a value adjustment for possible doubtful debts. Different customer risk profiles are used to determine this value adjustment. The value adjustment for trade receivables is recognised in a separate provision. When it is firmly established that a receivable is not collectable, the receivable is written off and the corresponding provision is debited.

Netting and presentation of trade receivables and advances from low-volume retail and small business customers are based on invoicing categories: a customer categorisation method based on meter readings over time to determine the to be invoiced energy consumption.

Other receivables and accrued assets are recognised at nominal value, less a value adjustment for doubtful debts, which is deducted directly from the carrying amount.

Other financial assets (current)
Other current financial assets are carried at amortised cost, which is normally the same as the nominal value, and have a term to maturity of no more than one year.

Cash and cash equivalents
Cash and cash equivalents are recognised at fair value, which is normally the same as the nominal value. Cash and cash equivalents only include cash and cash equivalents held at call. Cash and cash equivalents that are not payable on demand are recognised under other current financial assets.

Interest-bearing liabilities (non-current)
The non-current interest-bearing liabilities are carried at amortised cost using the effective interest method. These are recognised at nominal value less any transaction costs and these costs are then amortised over the period to maturity of the liability. Repayment obligations on non-current liabilities falling due within one year are presented under current interest-bearing liabilities. Gains and losses on the buying back of interest-bearing liabilities are recognised as financial expenses.

The fair value of the interest-bearing liabilities is determined by discount the cash flows in connection with the interest-bearing liabilities. Liabilities with a remaining maturity of one year or less are valued at nominal value and the liabilities with a remaining maturity of more than one year are discounted based on a discounting curve that is appropriate for Enexis. If a loan has a higher risk profile, the discounting rate is adjusted based on an additional risk mark up.

Advance contributions for the installation of grids and connections
Advance contributions from third parties for the installation of grids and connections are recognised upon receipt as non-current liabilities. Amortisation is applied using the straight-line method, taking into account the expected useful life of the asset.

Deferred corporate income tax
Deferred corporate income tax assets and liabilities relate to differences between the carrying value and the tax basis of tangible fixed assets and employee-related provisions. The corporate income tax deferrals also relate to unrealised results of derivative transactions that have been recognised through equity as a hedge reserve formed for this purpose. Corporate income tax deferrals are valued at the applicable corporate income tax rate at the end of the financial year.

Provisions
Provisions are recognised for obligations enforceable by law or factual obligations of an uncertain amount or timing as a result of past events. If the effect of an obligation is material, the provision is calculated by discounting expected future cash flows at a current discount rate, taking into account any specific risks inherent in the obligation. The present value is calculated, insofar as applicable, using the projected unit credit method. Any resulting actuarial gains and losses are recognised directly in the result.

Any expenditure expected within the year of the balance sheet date is recognised as a separate item under the current liabilities.

Pension obligations
The pension and early retirement benefits for employees are treated as defined contribution plans in accordance with IAS 19, as there is insufficient information available and the pension funds in question have stated that there is no consistent and reliable method for allocating the obligation, pension fund investments and expenses to the individual participants. The contributions paid in the financial year are recognised in the result.

As a result of the deterioration of its financial position at the end of 2008, the ABP pension fund board initiated a recovery plan at the beginning of 2009 to improve the cover ratio. In connection with this recovery plan, the board is required to carry out an annual evaluation at the beginning of the year of the progress of the recovery based on the realised cover ratio at the end of the previous year. The cover ratio at the end of 2013 amounted to 105.9% (2012: 96%). The pension contribution for 2014 amounts to 21.6% compared to 25.4% in 2013. This contribution includes the temporary addition of 3.2% that is charged for the recovery of the cover ratio of the pension fund.

Trade and other payables
The trade and other payables are valued at nominal value.

Corporate income tax expense
Corporate income tax is calculated by applying the prevailing nominal tax rate to the profit before tax presented in the financial statements, taking into account permanent differences between this profit and the profit for tax purposes.

Taxes are recognised in the income statement except insofar as they relate to items recognised directly in equity.

Lease
Leases that involve the transfer to Enexis Holding N.V. of practically all the risks and benefits associated with ownership of an asset are classified as finance leases and recognised as investments under property, plant and equipment, with recognition of a corresponding non-current liability.

At the commencement of the lease period, the carrying amount of the asset and the liability is the lower of the fair value of the leased asset and the present value of the lease payments. Lease payments are split into financing expenses and a repayment of the lease obligation, in order to achieve a constant discount rate on the outstanding balance of the liability. The asset is depreciated over the asset's useful life or the residual period of the lease if this period is shorter. If the lease does not provide for the transfer of practically all of the risks and benefits associated with ownership (operational lease), the lease payments are recognised as an expense in the result on a time-proportional basis during the period of the lease.

Cash Flow Statement
The cash flow statement is prepared using the indirect method, with the change in cash and cash equivalents at the end of the year being based on the profit after taxes. The net cash and cash equivalents as stated in the cash flow statement are the cash and cash equivalents as recognised in the balance sheet less current bank liabilities.

Segment information
Segments are reported according to the method used for internal reporting to the Chief Operating Decision-Maker (CODM). The Executive Board has been identified as the highest-ranking officer (CODM), with responsibility for the allocation of funding and assessing the performance of the segments. Internal reporting is based on the same principles as those used for the consolidated financial statements, with adjustments made for exceptional items and changes in fair value.

The Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act
Enexis respects the policy guidelines of the application of the WNT (Beleidsregels toepassing WNT) when applying the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (Wet Normering bezoldiging Topfunctionarissen publieke en semipublieke sector – WNT).

N.B. when Enexis based on valid grounds makes use of the possibility to differ from the Arrangement for remuneration compnents WNT which is a part of the policy guidelines of the application of the WNT (Beleidsregels toepassing WNT), these grounds will be explained in the financial statements.

3. Segmentation
Enexis Holding distinguishes between two reporting segments, specifically:
- regulated activities; and
- other.

The above classification is based on the internal reporting structure, in particular the consolidated monthly reports and the annual business plan. Because of the high level of administrative independence, virtually all revenues, costs, assets and liabilities can be allocated to the segments.

The regulated activities form by far the largest segment within Enexis; in terms of revenues, profit after taxes and total assets, the share of these activities amounts to more than 90%.

The segments classified as 'Other' concern the activities of Fudura B.V. and Enexis Vastgoed B.V.

amounts in millions of euros	Enexis regulated		Enexis other activities [1]		Normalisations and eliminations [1]		Enexis total	
	2013	2012	2013	2012	2013	2012	2013	2012
Income statement								
Net revenue	1,331.9	1,317.8	71.4	68.8	-17.6	-19.6	1,385.7	1,367.0
Cost of sales	229.7	235.8	0.1	8.3	-	-8.4	229.8	235.7
Other operating income	20.6	14.1	-	2.7	-2.8	-2.8	17.8	14.0
Gross profit plus other operating income	1,122.8	1,096.1	71.3	63.2	-20.4	-14.0	1,173.7	1,145.3
Operating expenses	721.5	721.2	45.4	44.1	-14.7	-14.0	752.1	751.3
Operating profit	401.3	374.9	25.9	19.1	-5.6	-	421.5	394.0
Share of result of associates	1.2	1.2	-	-1.6	-	-10.0	1.2	-10.4
Financial income and expenses	-92.8	-91.0	-3.8	-0.2	-12.4	-	-109.0	-91.2
Profit for the year	222.4	190.8	16.7	14.0	-	18.9	239.1	223.7
Assets and liabilities								
Total assets	6,143.0	6,926.8	182.4	96.7	-60.5	-	6,264.9	7,023.5
Non-consolidated associates	12.4	12.8	-	-	-	-	12.4	12.8
Liabilities (provisions and debts)	2,843.6	3,639.2	113.2	42.6	-60.5	-	2,896.3	3,681.8
Others								
Investments in property, plant and equipment	439.3	473.0	31.4	31.4	-	-	470.7	504.4
Number of employees at end of year (FTE)	3,965.7	3,907.6	175.0	164.0	-	-	4,140.7	4,071.6

1. For normalized amounts, please refer to note 10. Special items.

Costs and revenues charged between the segments and receivables, payables and current-account positions between the segments have been eliminated. The costs and revenues mainly concern services provided by the Infra Services department for Fudura B.V. and accommodation expenses charged by Enexis Vastgoed B.V.

Exceptional items per segment

Enexis reports the normalised results per segment internally. This normalisation takes place based on the items such as included in note 10 Exceptional items. The exceptional items in 2013 can be divided over the segments as follows:

amounts in millions of euros	Regulated activities	Other	Total 2013
Early repayment penalty interest shareholders' loan tranche B	-12.4	-	-12.4
Total	**-12.4**	**-**	**-12.4**

The exceptional items in 2012 were divided over the segments as follows:

amounts in millions of euros	Regulated activities	Other	Total 2012
Additional allocation to provisions for employee benefits	-13.2	-0.4	-13.6
Impairment of associates	-	-10.0	-10.0
Total	**-13.2**	**-10.4**	**-23.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Net revenue from supplying goods and services

amounts in millions of euros	2013	2012
Transmission fees for 2013	1,194.1	1,130.7
Adjustments of transmission fees of previous years	-0.8	11.4
Metering services	103.0	138.2
Other products and services sold	89.4	86.7
Total	**1,385.7**	**1,367.0**

In 2013, for the second year in a row, Enexis opted for an average tariff increase of just below the inflation rate. At 2.2% this increase is also considerably lower than the maximum level permitted by the supervisor the Dutch Authority for Consumers and Markets (ACM, previously the Office of Energy Regulation of the Netherlands Competition Authority NMa).

The revenue from transmission fees increased by EUR 63.4 million in 2013, which represents a 5.6% increase compared to 2012. The revenue from metering services decreased by 25%. The increase in the transmission tariffs and the decrease in the tariffs for metering services are in line with our aim to base the tariffs as much as possible on the actual costs of the services. This results in an average tariff increase of 2.2%.

The adjustments related to previous years are lower compared to 2012, mainly because of a financially less favourable difference between estimated and actual electricity and gas transmission receipts and cash out as compensation for oversized meters.

Other sales and services increased slightly with an amount of EUR 2.7 million. This was mainly due to the higher turnover realised by Fudura.

2. Cost of sales

amounts in millions of euros	2013	2012
Transport and system services	145.6	142.6
Distribution losses	84.1	93.2
Other purchase costs/prior-year adjustments	0.1	-0.1
Total	**229.8**	**235.7**

The purchase costs of the transmission services increased in 2013 by EUR 3.0 million compared to 2012. This was mainly due to higher tariffs of the grid operator. On the other hand, distribution losses decreased by EUR 9.1 million compared to the previous year. This is mainly due to a lower purchased volume (-/- 20 GWh). The lower purchased volume was especially caused by a lower transmitted amount of electricity.

In future periods, Enexis will have to settle the grid loss over previous years, as follows from the reconciliation process. The outcome of this settlement process cannot be reliably estimated and is therefore not included in the financial figures.

3. Other operating income

amounts in millions of euros	2013	2012
Amortised contributions to investments in the installation of grids and new connections	12.1	9.8
Subsidies and refunds received	1.9	1.1
Proceeds from sale of assets	0.2	0.6
Rental income	2.2	1.8
Other	1.4	0.7
Total	**17.8**	**14.0**

Other operating income rose by EUR 3.8 million to EUR 17.8 million in 2013. In addition to the increase of the amortised contribution of EUR 2.3 million, this increase is mainly due to higher subsidies received from GBKN in connection with the former Intergas (EUR 0.8 million) and higher rental income from locations that have been leased to third parties (EUR 0.4 million).

4. Employee benefits expense

amounts in millions of euros	2013	2012
Salaries	232.6	224.4
Social security contributions	17.4	16.9
Pension costs	43.6	39.7
Outside staff	57.9	69.3
Allocation to provisions for employee benefits	0.2	21.2
Other	29.2	28.4
Less: own production capitalised	-103.4	-106.7
Total	**277.5**	**293.2**

Total employee benefits expenses decreased by EUR 15.7 million to EUR 277.5 million. This decrease is mainly due to lower contributions to personnel-related provisions (- EUR 21 million). Wage costs rose by EUR 8 million, of which EUR 5 million is due to the increase in the number of FTEs by 69 to 4,141 FTEs, partly as a result of the recruitment of new technical personnel for the Infra Services department. In addition, wage costs rose structurally by EUR 3 million due to a 1.2% CLA (Collective Labour Agreement) salary increase and a higher results-linked remuneration.

Pension costs rose by nearly EUR 4 million. Higher premiums accounted for over EUR 1 million of this increase. The increase in FTEs accounted for EUR 3 million.

The costs of hiring external personnel decreased due to the decrease in the number of external FTEs by 252 to 516 FTEs. There are a number of reasons for this decrease. The number of FTEs in the Customer Relations department has decreased following the introduction of the New Market Model (NMM). In addition, the hiring of external personnel has decreased due to realised cost savings and the recruitment of technical personnel in the Infra Services department.

The employee benefits expense includes an amount of EUR 0.1 million (2012: EUR 0.1 million) that was charged against the result in accordance with the Crisis Levy Act in 2013.

5. Depreciation

amounts in millions of euros	2013	2012
Depreciation of property, plant and equipment	250.1	239.4
Depreciation of intangible assets	30.3	24.9
Accelerated depreciation	18.5	21.6
Total	**298.9**	**285.9**

Depreciation on property, plant and equipment has increased as a result of higher (replacement) investments in the energy grid in recent years.

The item other impairments consists of impairments due to decommissioning, disposals and, if applicable, impairment.

Other impairments in 2013 consist of:

amounts in millions of euros	2013	2012
Cables, pipelines and equipment	10.8	10.7
Electricity- and gasmeters	4.9	3.8
Design offices	0.1	2.7
Software	0.8	2.4
Transformers	1.9	-
Vans	-	1.5
Buildings	-	0.5
Total	**18.5**	**21.6**

These impairments can be categorised as follows:

amounts in millions of euros	2013	2012
Impairments due to divestment	18.4	20.8
Impairments due to disposals	0.1	0.8
Total	**18.5**	**21.6**

Downward value adjustments due to impairment did not occur in 2012 and 2013.

6. Cost of work contracted out, materials and other external expenses

amounts in millions of euros	2013	2012
Work contracted out	69.4	70.5
Materials	16.3	13.6
Other external expenses	65.8	64.0
Total	**151.5**	**148.1**

The cost of work contract out decreased in 2013 by EUR 1.1 million to EUR 69.4 million. The cost increase due to indexation and year order book activities (JOB) at Infra Services (EUR 3.5 million) are offset by lower project costs and savings.

Material costs rose by EUR 2.7 million to EUR 16.3 million mainly due to a higher consumption of materials in the JOB work package that was carried out (EUR 3 million).

Other external costs rose in 2013 by EUR 1.8 million to EUR 65.8 million. This increase is mainly due to higher lease expenses (EUR 2.4 million) as a result of a shift from financial to operational lease of the vehicle fleet and higher costs due to the ICT improvement programme. In addition, other office expenses decreased mainly due to cost savings in 2013 and non-recurrent cost items in 2012.

6a. Auditor's fees

Fees charged by EY in the financial year in 2013 amounted to EUR 0.5 million (2012: EUR 0.5 million).

amounts in millions of euros	2013	2012
Fees for the audit of the financial statements	0.3	0.3
Fees charged for other audit assignments	0.1	0.1
Fees charged for other non-audit services	0.1	0.1
Total	**0.5**	**0.5**

7. Other operating expenses

amounts in millions of euros	2013	2012
Allocated to/released from provisions	4.2	4.0
Other	19.2	20.1
Total	**23.4**	**24.1**

The balance of the costs in connection with allocations (and releases) from provisions and other expenses remained practically unchanged in 2013 compared to 2012.

In 2012 an expense item of EUR 4.3 million was included in connection with the termination of the last Cross Border Lease (CBL).

The expenses for contributions to trade associations did increase, however, in 2013 by EUR 1.3 million compared to 2012. Furthermore, the expenses in connection with compensation payments rose by EUR 2.3 million due to the outages in Enschede and Uden.

8. Share of result of associates

amounts in millions of euros	2013	2012
ZEBRA Gasnetwerk B.V.	1.2	1.5
Ziut B.V.	-	-11.6
Other associates and foundations	-	-0.3
Total	**1.2**	**-10.4**

Reference is made to note 14 for a further explanation of the results and book values of the associates and the dividends received.

9. Financial income and expenses

amounts in millions of euros	2013	2012
Interest received	6.8	5.7
Total financial income	**6.8**	**5.7**
Interest added to provisions	2.7	2.5
Other interest paid	113.1	94.4
Total financial expenses	**115.8**	**96.9**
Net financial expenses	**-109.0**	**-91.2**

The financial income and expenses amounted to EUR 109.0 million in 2013 and have therefore risen on balance by EUR 17.8 million compared to 2012.

The increase in financial expenses of EUR 18.8 was mainly caused by the fact that Enexis repaid tranche B of the shareholders' loan one year earlier on 30 September 2013 in accordance with the contractual or penalty interest of EUR 12.4 million was paid. The early repayment of tranche B of the shareholders' loan was financed with the bond loan that was issued in November 2013. Furthermore, Enexis incurred additional financial expenses of a net amount of EUR 5.9 million due to the fact that the proceeds from the aforementioned bond loan were invested temporarily at a lower interest rate and for an amount of EUR 4.2 million due to the interest on unpaid tax income over the corporate income tax due over previous years.

10. Exceptional items

Exceptional items include income and expense items which, in the opinion of the management, do not arise in the normal course of business and/or which, because of their nature and size, should be considered separately for a better analysis of the results. The threshold for exceptional items has been set at EUR 5.0 million.

The following exceptional items have been included in the result before taxes:

amounts in millions of euros	2013	2012
Profit before tax (including exceptional items)	**314.6**	**292.4**
Additional allocation to staff-related provisions due to a higher retirement age	-	-13.6
Impairments of associates	-	-10.0
Early repayment penalty interest shareholders' loan tranche B	-12.4	-
Total exceptional items	**-12.4**	**-23.6**
Profit before tax (excluding exceptional items)	**327.0**	**316.0**

The effect of the above items on the profit before tax is as follows:

amounts in millions of euros	2013	2012
Profit for the year (including exceptional items)	**239.1**	**223.7**
Total exceptional items	-12.4	-23.6
Tax on exceptional items [1]	3.1	3.0
Profit for the year (excluding exceptional items)	**248.4**	**244.3**

1. Impairment of associates in 2012 is non-deductible from corporate income tax, and is therefore not included in the tax on exceptional items.

11. Corporate income tax expense

Enexis Holding N.V. is head of the fiscal unity for corporate income tax and, in that capacity, it is severally liable for the obligations of the legal entities in that unity.

The business activities of Enexis Holding N.V. are subject to corporate income tax. The to be paid corporate income tax expense is determined and settled for all of the individual members of the tax entity based on the realised commercial results and taking into account the applicable exemptions. The reconciliation between the statutory corporate income tax rate expressed as a percentage of profit before tax and the effective tax rate is as follows:

in %	2013	2012
Nominal statutory corporate income tax rate in the Netherlands	25.00	25.00
Exempt from corporate income tax and prior-year settlements	-1.01	-1.50
Effective tax rate for current year	**23.99**	**23.50**

amounts in millions of euros	2013	2012
Profit before tax	314.6	292.4
Exempt income and prior-year settlements	1.2	-17.6
Taxable profit	**313.4**	**310.0**
Tax on current year	78.4	76.4
Adjustment preceding year	-2.9	-7.7
Total taxes	**75.5**	**68.7**
Of which deferred	25.3	38.4
Current portion	**50.2**	**30.3**

The non-taxable results can be specified as follows:

amounts in millions of euros	2013	2012
Impairment asscociates	-	-10.0
Share of result of associates	1.2	-0.4
Total	**1.2**	**-10.4**

The adjustment of the corporate income tax expense for the previous year (EUR 2.9 million) relates to the settlement of current matters as agreed with the Tax Administration in 2013.

Reference is made to note 13 for the impairment of associates.

12. Property, plant and equipment

The changes in property, plant and equipment in 2013 are as follows:

amounts in millions of euros	Land and Buildings	Cables, pipelines and equipment	Other non-current assets	Work in progress	Total 2013
Cost at 1 January 2013	584.8	9,952.0	200.2	217.8	10,954.8
Accumulated depreciation at 1 January 2013	287.8	4,969.1	148.0	-	5,404.9
Carrying amount at 1 January 2013	**297.0**	**4,982.9**	**52.2**	**217.8**	**5,549.9**
Reclassified	-1.9	2.3	-0.4	-	-0.0
Reclassified work in progress	32.6	116.6	0.7	-149.9	-0.1
Investments [1]	23.6	307.1	13.1	103.6	447.4
Divestment	-0.1	-	-	-	-0.1
Depreciated	-12.3	-223.4	-14.4	-	-250.0
Impairment	-	-17.6	-0.1	-	-17.7
Other	-	-	-	-	-
Carrying amount at 31 December 2013	**338.9**	**5,167.9**	**51.1**	**171.5**	**5,729.4**
Accumulated depreciation at 31 December 2013	299.8	5,176.4	157.6	-	5,633.8
Cost at 31 December 2013	**638.7**	**10,344.3**	**208.7**	**171.5**	**11,363.2**

1. In 2013 EUR 1.1 million (2012: EUR 1.8 million) building interest was capitalised and is recorded as financial income. This was calculated with an interest rate of 4.37% (2012: 4.46%).

The comparative overview for 2012 is as follows:

amounts in millions of euros	Land and Buildings	Cables, pipelines and equipment	Other non-current assets	Work in progress	Total 2012
Cost at 1 January 2012	577.8	9,272.4	191.7	179.9	10,221.8
Accumulated depreciation at 1 January 2012	277.2	4,460.7	139.7	-	4,877.6
Carrying amount at 1 January 2012	**300.6**	**4,811.7**	**52.0**	**179.9**	**5,344.2**
Reclassified	-1.4	-0.2	-	1.6	-
Reclassified work in progress	4.0	125.8	1.2	-131.0	-
Investments	5.5	276.6	14.7	167.3	464.1
Divestment	-0.7	-	-0.1	-	-0.8
Depreciated	-11.0	-216.0	-15.6	-	-242.6
Impairment	-	-16.0	-	-	-16.0
Other	-	1.0	-	-	1.0
Carrying amount at 31 December 2012	**297.0**	**4,982.9**	**52.2**	**217.8**	**5,549.9**
Accumulated depreciation at 31 December 2012	287.8	4,969.1	148.0	-	5,404.9
Cost at 31 December 2012	**584.8**	**9,952.0**	**200.2**	**217.8**	**10,954.8**

Other fixed assets include company vehicles in finance lease recorded at the net present value of the minimum future lease payments. As at year-end 2013, the book value amounted to EUR 11.3 million. The disposals concern mainly land sold that had been purchased at the time for stations.

13. Intangible fixed assets

The changes in intangible fixed assets in 2013 are as follows:

amounts in millions of euros	Goodwill	Software	Under construction	Total 2013
Cost at 1 January 2013	16.9	253.6	2.4	272.9
Accumulated depreciation at 1 January 2013	-	153.9	-	153.9
Carrying amount at 1 January 2013	**16.9**	**99.7**	**2.4**	**119.0**
Reclassified	-	1.8	-1.8	-
Investments	-	21.2	2.1	23.3
Depreciation	-	-30.3	-	-30.3
Impairment	-	-0.8	-	-0.8
Carrying amount at 31 December 2013	**16.9**	**91.6**	**2.7**	**111.2**
Accumulated depreciation at 31 December 2013	-	183.2	-	183.2
Cost at 31 December 2013	**16.9**	**274.8**	**2.7**	**294.4**

The goodwill relates to the acquisition of Intergas Engergie B.V. in 2011 and represents the difference between the cost of the acquisition and the fair value of the net assets at the time of the acquisition.

The assets that are classified as software concern mainly the grid registration system, various operating systems, connection registrations, customer information systems, job order management systems and other support systems.

The comparative overview for 2012 is as follows:

amounts in millions of euros	Goodwill	Software	Under construction	Total 2012
Cost at 1 January 2012	16.9	210.2	5.6	232.7
Accumulated depreciation at 1 January 2012	-	126.7	-	126.7
Carrying amount at 1 January 2012	**16.9**	**83.5**	**5.6**	**106.0**
Reclassified	-	4.7	-4.7	-
Investments	-	38.8	1.5	40.3
Depreciation	-	-27.3	-	-27.3
Impairment	-	-	-	-
Carrying amount at 31 December 2012	**16.9**	**99.7**	**2.4**	**119.0**
Accumulated depreciation at 31 December 2012	-	153.9	-	153.9
Cost at 31 December 2012	**16.9**	**253.6**	**2.4**	**272.9**

An assessment is made during the financial year whether there are any indications that the regulated assets or non-regulated assets may be impaired, whereby the value in use is used as the point of departure. For this purpose, the goodwill arising from the acquisition of Intergas has been attributed to the cash flow generating unit of the gas-related activities. Enexis carries out an annual assessment to determine whether there is any impairment of the goodwill.

The value in use of the regulated assets and of the non-regulated assets is determined based on the most recent Strategic Plan. The most important points of departure that are included in this plan are, among others, estimates of the discount rate based on the WACC percentages used by the ACM, the tariffs, the development of the number of connections and services as well as the operating and other expenses. As stated, the points of departure that were chosen are estimates and are largely based on past experiences and, if applicable, the most recent information regarding the regulation of tariffs. The thus calculated values in use of both the regulated assets and the non-regulated assets were considerably higher than the book value of the assets, with and without the addition of the goodwill allocated. Therefore, no impairments have to be taken into account for the regulated assets, the corresponding goodwill and the non-regulated assets.

The impairment assessment is based on the following points of departure:

Variables	Basis regulated activities	Basis non-regulated activities
Cash-generating units	Electricity and gas	Single cash flow generating unit
Source of financial results in future years	Strategic plan	Strategic plan
Cost debt capital	2.89%	2.89%
Cost equity	4.96%	4.96%
Discount rate after taxes [1]	4.25%	7.80%

1. The discount rate is an estimation based on the data as provided by the Authority for Consumers & Markets.

14. Associates

The associates consist of the following:

amounts in millions of euros	2013	2012
ZEBRA Gasnetwerk B.V.	12.4	12.8
Energie Data Services Nederland B.V.	-	-
Ziut B.V.	-	-
G.O.B. Euroservices B.V.	-	-
Other associates and foundations	-	-
At 31 December	**12.4**	**12.8**

Enexis's participation in Ziut B.V. decreased in 2012 by EUR 11.6 million to zero due to impairment. Although the 2014-2018 Business Plan that was drawn up by Ziut B.V. in December 2013 does offer a positive outlook for the future, it does not yet provide sufficient grounds for a reversal of this impairment. G.O.B. Euroservices B.V. of which the value was zero, has been liquidated as of 1 August 2013. ZEBRA Gasnetwerk B.V., in which Enexis participates for 67%, has not been included in the consolidation because a majority of 75% is required for decisions.

The changes in the associates are as follows:

amounts in millions of euros	2013	2012
At 1 January	**12.8**	**25.3**
Purchased	-	0.1
Profits for the year	1.2	-10.4
Dividends received	-1.6	-2.2
At 31 December	**12.4**	**12.8**

Dividends received concerns the dividend distribution received from ZEBRA Gasnetwerk B.V. over the financial year 2012.

The relevant information regarding the participation of Enexis Holding N.V. is provided below for all of the associates.

amounts in millions of euros	2013	2012
Non-current assets	36.1	25.4
Current assets	22.4	36.5
Non-current liabilities	-25.5	-19.6
Current liabilities	-20.6	-29.5
Book value at 31 December	**12.4**	**12.8**
Revenue	32.3	32.1
Costs (including financial income and expenses)	-30.7	-32.6
Profit before tax	**1.6**	**-0.5**
Impairment participating interests	-	-10.0
Corporate income tax expense	-0.4	0.1
Profit for the year	**1.2**	**-10.4**

An overview of all of the associates (group companies and other associates) is provided in note 49 Associates. None of the associates is listed on a stock exchange.

15. Other financial fixed assets

Other financial fixed assets consist of the following:

amounts in millions of euros	2013	2012
Loans and receivables	12.1	2.2
Total	**12.1**	**2.2**

The changes in financial fixed assets in 2013 are as follows:

amounts in millions of euros	Loans granted to staff	Other loans	Total 2013
At 1 January 2013	**2.0**	**0.2**	**2.2**
New loans	0.7	10.1	10.8
Redemptions	0.9	-	0.9
At 31 December 2013	**1.8**	**10.3**	**12.1**

Other financial fixed assets concern two loans provided to EDSN B.V. and Ziut B.V. in 2013 and loans provided to employees in connection with financing arrangements. The average weighted effective interest rate of the loans amounts to approximately 2.8% (2012: 2.4%). The interest rate that is used for the other financial fixed assets is close to the market interest rate at year-end 2013. Due to the small difference between both interest rates, the book value of the other financial fixed assets almost equals the fair value of these assets. The agreed interest rates on the above-mentioned loans are in line with the market and determined on an at arm's length basis.

16. Inventories

amounts in millions of euros	2013	2012
Materials	23.7	24.1
Provision for obsolescence	-1.2	-1.1
Total	**22.5**	**23.0**

Inventories decreased by EUR 0.5 million compared to 2012.

17. Receivables

amounts in millions of euros	2013	2012
Trade receivables	69.6	90.5
Amounts receivable	122.0	474.5
Provision for doubtful debts	-16.4	-16.2
Total	**175.2**	**548.8**

Until 1 August 2013, the item receivables related mainly to revised estimates of transmission fees that have not yet been settled with energy suppliers by means of final settlement invoices. Due to the introduction of the New Market Model (NMM), trade receivables and the outstanding advances (deposits) have been settled at that moment after which the monthly estimate of transmission fees to high and low volume users remains.

The fair value of the item current portion of loans practically equals the book value.

The age of the trade debtors without the deduction of the provision for doubtful debts is as follows per 31 December 2013 (in comparison to the 2012 figures):

	2013			2012
amounts in millions of euros	Net	Provision	Gross	Gross
Not past due	19.0	-0.3	19.3	15.9
0-30 days past due	19.1	-0.2	19.3	38.4
31-60 days past due	1.1	-0.4	1.5	7.5
61-90 days past due	1.2	-0.3	1.5	1.8
91-365 days past due	4.8	-3.8	8.6	10.4
Over 365 days past due	8.0	-11.4	19.4	16.5
Total	**53.2**	**-16.4**	**69.6**	**90.5**

The collectability of the trade debtors has been assessed by management individually or as a group depending on the customer profile and the risk estimated.

The changes in the provision for doubtful debts are as follows:

amounts in millions of euros	2013	2012
At 1 January	**-16.2**	**-17.9**
Allocation through profit or loss	-5.0	-5.8
Release	-	0.9
Write-offs	5.6	6.6
Reversals of earlier write-offs	-0.8	-
At 31 december	**-16.4**	**-16.2**

18. Other financial assets (current)

amounts in millions of euros	2013	2012
Loans with maturity < 1 year	2.1	104.2
Short-term deposits	85.0	525.0
At 31 december	**87.1**	**629.2**

Other financial assets decreased by EUR 542.1 million. This decrease was due to the fact that the deposits placed in 2012 and the loan granted to a state participation in 2013 were used for the early repayment of tranche B of the shareholders' loan.

Temporary surplus cash in 2013 was placed on deposit, held on corporate savings accounts, or invested in Money Market Funds, in accordance with the conditions as described in further detail in the Treasury Charter. With regard to the investment of surplus cash, the Treasury Charter is based on the Fido Act (Act on the funding of decentralised government bodies) and Ruddo (Regulation governing deposits and derivatives of decentralised government bodies), whereby additional limits have been set regarding the amount, the term and the credit rating of the counter party. All deposits are available on the maturity date. Due to the amount of the temporarily available cash resulting from the notes issued on 13 November 2012, the limits stipulated in the Treasury Charter were exceeded during 2013. Therefore a separate temporary investment policy was adopted by the Executive Board in 2012. This additional policy was reported to the Supervisory Board. Reference is made to note 28 for further details on the financing of Enexis. Financing policy and risks associated with financial instruments.

The terms to maturity and the fixed interest rates of the deposits placed with banks can be summarised as follows:

	% (average weighted value)	Amount (EUR mio.)
Maturities at year-end 2013		
Freely disposable	0.67	20.0
0-3 months	0.26	65.0
	0.35	**85.0**

19. Cash and cash equivalents

amounts in millions of euros	2013	2012
Cash at bank and cash balances	115.0	138.6
Total	**115.0**	**138.6**

The balance of cash and cash equivalents decreased from EUR 138.6 million at year-end 2012 to EUR 115.0 million at year-end 2013. Reference is made to the cash flow statement and the explanatory notes to the cash flow statement as included in note 27 for a specification of the cash flows.

The balance of cash and cash equivalents consists of the balances of the cash pools placed with ING and RBS. Credit balances of Enexis Holding N.V., Fudura B.V. and Enexis Vastgoed B.V. have been pledged as security for the credit facility of Enexis B.V. and for amounts owed to each other. The balance of cash and cash equivalents of Enexis B.V. at year-end 2013 of the bank accounts as placed in the cash pool with RBS amounted to EUR 24.2 credit and as placed in the cash pool with ING EUR 11.4 million debit. Due to IAS 32, the cash pools will no longer be offset against one another as from 1 January 2013 and positive and negative bank balances of group companies will no longer be offset against each other. This has resulted in a reclassification of cash and cash equivalents of in total EUR 67.1 million to current liabilities whereby the comparative figures have also been adjusted by EUR 96.8 million.

20. Equity

The company's authorised share capital amounts to three hundred million euros (EUR 300,000,000) and is divided into three hundred million (300,000,000) ordinary shares of one euro (EUR 1.00) Of these shares, 149,682,196 shares with a total value of EUR 149,682,196 have been issued and fully paid up.

The share premium reserve is also recognised for tax purposes.

The cash flow hedge reserve relates to the equivalent value of the interest rate swaps that were settled in 2012 that Enexis had concluded in January 2012 in the phase prior to the issue of the first notes for an amount of EUR 300,000,000 with the aim of hedging the risks arising from the expected future interest payments. The interest rate swaps were settled at the time of the issue of the first bond loan of EUR 300 million under the Euro Medium Term Notes (EMTN) programme and the loss recognised in the cash flow hedge reserve up to that date will be released to the profit or loss for the remaining term of the loans. The hedge reserve cannot be freely distributed.

The result following from the income statement for the financial year 2013 before taxation concerns solely realised results. After the deduction of corporate income tax expenses, the realised profit in 2013 amounted to EUR 239.1 million (2012: EUR 223.7 million) and the change in the hedge reserve amounted to EUR 0.6 million positive
(2012: EUR 1.2 million negative).

Reference is made to the consolidated statement of changes for further details.

21. Interest-bearing liabilities (non-current)

amounts in millions of euros	2013	2012
Shareholder loan with right to convert (tranche D)	350.0	350.0
Shareholder loans (tranche C)	500.0	500.0
Euro Medium Term Notes	792.7	791.5
Perpetual loans	93.9	93.9
Private loan	6.0	2.9
Lease obligations	8.0	12.0
Total	**1,750.6**	**1,750.3**

Non-current interest-bearing liabilities include borrowings that are available to Enexis for a period longer than one year. The amounts for repayments due within one year are included in the current interest-bearing liabilities.

Please refer to note 28 for more information on the Interest-bearing liabilities (non-current). Financing policy and risks associated with financial instruments.

The perpetual loan concerns a loan for an indefinite period with an interest rate of 9% and was provided by a number of Enexis's shareholders.

The private loan concerns a loan that Enexis B.V. took over from Essent Nederland B.V.

The terms of the lease commitments (including the current portion) are as follows:

amounts in millions of euros	2013			2012		
	< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
Nominal lease obligations	4.2	8.0	0.1	4.9	11.1	1.1
Present value of lease obligations	4.2	7.9	0.1	4.9	10.9	1.1

22. Provisions

The provisions at year-end can be specified as follows:

amounts in millions of euros	Long-service benefits	Shorter working hours and special-purpose leave	Ohter employee benefits	Gridd losses	Decontamination of gas sites	Other	Total provisions 2013
Obligations at beginning of year	31.5	36.2	11.1	3.1	2.4	5.8	90.1
Interest	-0.8	-1.1	-	-	-	-	-1.9
Recognised claims in 2013	3.6	4.6	4.5	-	-	1.9	14.6
Released	-0.7	-1.1	-4.7	-5.1	-0.3	-1.4	-13.3
Benefits paid	-1.6	-3.1	-4.7	2.0	-0.1	-0.9	-8.4
Total	**32.0**	**35.5**	**6.2**	**-**	**2.0**	**5.4**	**81.1**
Less: current portion	1.8	3.8	1.7	-	-	5.4	12.7
Total non-current portion	**30.2**	**31.7**	**4.5**	**-**	**2.0**	**-**	**68.4**

The comparative overview for 2012:

amounts in millions of euros	Long-service benefits	Shorter working hours and special-purpose leave	Ohter employee benefits	Gridd losses	Cross Border Lease	Deconta-mination of gas sites	Other	Total provisions 2012
Obligations at beginning of year	27.1	23.9	8.0	9.6	3.5	2.5	7.9	82.5
Interest	1.1	0.9	-	-	-	-	0.5	2.5
Recognised claims in 2012	5.3	12.6	8.7	0.8	-	-	3.9	31.3
Released	-	-1.2	-3.4	-2.4	-3.5	-	-5.7	-16.2
Benefits paid	-2.0	-	-2.2	-4.9	-	-0.1	-0.8	-10.0
Total	**31.5**	**36.2**	**11.1**	**3.1**	**-**	**2.4**	**5.8**	**90.1**
Less: current portion	1.7	3.2	2.8	3.2	-	-	5.2	16.1
Total non-current portion	**29.8**	**33.0**	**8.3**	**-0.1**	**-**	**2.4**	**0.6**	**74.0**

The current portion of EUR 12.7 million (2012: EUR 16.1 million) has been included separately under the current liabilities.

Estimates of employee-related provisions

The most important assumptions on which the calculations of the personnel-related provisions are based are the following:

	2013	2012
Discount curve	Euro Utility (A) BFV Curve	Euro Utility (A) BFV Curve
Discount rates	0,4% - 3,9%	0,3% - 4,2%
Estimated future CLA wage increases	1.2%	1.5%
Company-specific periodic indexation	1.0%	-
Estimate future departure probability	1.0%	1.0%
Holiday allowance and social security expenses	13.9%	14.3%

Long-service benefits

In accordance with the provisions of the collective labour agreement (CAO), Enexis Holding N.V. grants long-service benefits to employees. As from the commencement of the employment, a provision is formed for the long-service benefits based on the past number of years of employment, anticipated price and salary increases and the probability of mortality, disability and dismissal.

Shorter working hours and special purpose leave

This provision relates to liabilities arising from the transition scheme for shorter working hours for older employees and from the special purpose scheme.

Provision for other employee-related expenses

This provision relates to various employee-related expenses, including expenses in connection with the voluntary termination of employment and severance payments, healthcare costs for former employees and retention and reorganisation costs.

The reorganisation provisions are calculated on an individual basis taking into account the employee's gross salary, length of employment, expected duration of redundancy and an addition of 35% for employer's contributions. An estimate has been made for part of the provisions regarding the future termination of employment of redundant employees.

Provision for grid losses

Enexis divides the transmitted energy among its customer by means of its allocation and reconciliation process. In this case, the allocation is the advance payment and the reconciliation is the final settlement. The difference between the energy taken up in the distribution grid and the energy allocated to end users after allocation and reconciliation constitutes the grid loss. The reconciliation process is a process that takes 20 months before the reconciliation process of the calendar year in question is final. Enexis seeks to estimate the end result of the final reconciliation as accurately as possible based on projections. These projections depend on a large number of factors. As a number of factors show changes in the trend compared to previous years, Enexis considers the basis for projecting the grid loss over the past periods to be insufficiently reliable. These changes are also a consequence of the transition to the New Market Model whereby meter readings have been estimated, a lower than expected economic growth and a large increase in the number of solar panels in use of which there is insufficient insight into the amount of energy that is fed back into the grid. Due to the lack of a reliable basis for estimating the grid loss following from reconciliation, neither a receivable nor a liability was recognised in the balance sheet at year-end 2013.

In the event that the grid loss were to increase or decrease by 1%, this would have an impact of approximately EUR 0.8 million on the result before tax.

Provision for decontamination of gas sites
This provision relates to the financial risk associated with obligations to decontaminate gas sites.

Other provisions
The item other provisions consists of several provisions in connection with various different matters, including provisions related to tax and legal issues.

23. Advance contributions for the installation of grids and connections
The advance contributions for investments in the installation of grids and connections can be specified as follows:

amounts in millions of euros	2013	2012
At 1 January	489.6	412.1
Received during the year	72.4	87.3
Depreciated	-12.1	-9.8
Total	**549.9**	**489.6**
Current portion to be amortised in following financial year	12.7	10.9
Total non-current portion	**537.2**	**478.7**

24. Deferred corporate income tax
Deferred corporate income tax assets and liabilities relate to differences between the carrying value and the tax basis of tangible fixed assets, employee-related provisions and derivatives.

amounts in millions of euros	2013	2012
Deferred corporate income tax assets for provisions	-8.8	-9.0
Deferred corporate income tax assets for derivatives	-1.6	-1.8
Deferred corporate income tax reinvestment reserve	-	1.0
Deferred corporate income tax liabilities for property,plant and equipment	208.3	182.4
Total	**197.9**	**172.6**

In particular the tax incentive scheme (the arbitrary depreciation facility in 2009, 2010, 2011 and in the second half of 2013) resulted in a strong increase in the deferred corporate income tax on property, plant and equipment. According to case law, the provisions for special purpose leave and shorter working hours are not admissible for tax purposes, which has resulted in an active deferred tax item.

The reinvestment reserve that was formed in 2012 was used in 2013 for the newly constructed buildings in Maastricht and Venlo, consequently the deferred corporate income tax item related to this no longer exists.

25. Trade and other payables

amounts in millions of euros	2013	2012
Suppliers	42.4	90.3
Tax and social security contributions	64.4	64.9
Payments to employees	44.8	43.5
Advance payments placed on deposit	-	370.3
Other	58.6	76.2
Total	**210.2**	**645.2**

Unless stated otherwise below, all of these items are settled within one year.

Following the introduction of the New Market Model (NMM) on 1 August 2013, the outstanding advances (deposits) at that time were settled with the amounts still to be received from suppliers. For Enexis, this has resulted in the termination of the advances on deposit which amounted to EUR 370.3 million at year-end 2012.

26. Interest-bearing liabilities (current)

amounts in millions of euros	2013	2012
Amounts owed to credit institutions	67.1	96.8
Shareholder loan to be repaid in following financial year (tranche B)	-	500.0
Loan ZEBRA Gasnetwerk B.V.	8.0	8.0
Private loan	0.9	0.6
Guarantee deposits received	0.7	0.7
Lease obligations	4.2	4.9
Total	**80.9**	**611.0**

Due to IAS 32, the cash pools may no longer be offset against one another as from 1 January 2013 and positive and negative bank balances of group companies can no longer be offset against each other. This has resulted in a reclassification of cash and cash equivalents to current liabilities whereby the comparative figures have also been adjusted.

Enexis repaid tranche B of the shareholders' loans (EUR 500 million) early on 30 September 2013.

In 2013, ZEBRA Gasnetwerk B.V. extended a loan of EUR 8.0 million at a variable interest rate of 0.225% applicable at year-end 2013 with a remaining term to 2 January 2014.

27. Notes to the cash flow statement

In preparing the cash flow statement, the following items have been included in net cash and cash equivalents:

amounts in millions of euros	2013	2012
Cash at bank and cash balances	115.0	138.6
Amounts owed to credit institutions	-67.1	-96.8
Total	**47.9**	**41.8**

1. As a result of the retrospective application of the new IFRS standard IAS 32 comparative figures have been adjusted. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.

The main items of the cash flow statement are specified below.

Changes in net working capital can be specified as follows:

amounts in millions of euros	2013	2012
Corporate income tax expense recognised through profit or loss	75.5	68.7
Corporate income tax paid or received	-46.0	-61.1
Interest received and paid recognised through profit or loss	109.1	91.2
Interest paid	-107.1	-86.6
Interest received	6.8	5.8
Working capital before tax and interest	-98.0	-43.5
Total	**-59.7**	**-25.5**

Specification of net working capital:

amounts in millions of euros	2013	2012	Changes
Inventories	22.5	23.0	-0.5
Receivables	175.2	548.8	-373.6
Subtotal	**197.7**	**571.8**	**-374.1**
Trade and other payables	-212.9	-647.7	434.8
Corporate income tax	-24.2	-19.8	-4.4
(Current) provisions	-12.7	-16.1	3.4
Subtotal	**-249.8**	**-683.6**	**433.8**
Total	**-52.1**	**-111.8**	**59.7**

28. Financing policy and risks associated with financial instruments

General

The aim of Enexis's financing policy is to assure the independent financing of Enexis by ensuring timely, constant and sufficient access to the capital and money markets while also optimising the financing structure, costs and risks. The execution of the financing policy is laid down in the Treasury Charter, which contains the Treasury's objectives, task description and mandate, reporting, risk management and organisational and administrative frameworks for financing.

In connection with its operations, Enexis is exposed to a number of risks, such as market risks, credit risks, solvency risks, liquidity risks and process risks. One of the main objectives of the policy is to minimise the effect of the above-mentioned risks on the financial results, for which purpose Enexis can use financial instruments and derivatives.

Interest rate risk

Receivables

Enexis limits the interest rate risk on receivables in two ways:

- by matching the maturities of the receivables, including the financial assets, with the liquidity forecast;
- by agreeing contractual interest rates beforehand with regard to the financial assets until the expiry date of the concluded contracts. Only a small amount of the surplus cash and cash equivalents are invested with a short horizon or at a variable interest rate to ensure diversification and flexibility.

Borrowed capital

The interest-bearing loans have the following terms, interest rates and maturity dates:

amounts in millions of euros	Nominal value	Contractual expiration date	Initial contract period (years)	Remaining period (years)	Intrest
Shareholder loan conversion right to convert into equity (tranche D)	350.0	30 September 2019	10.0	5.7	7.20%
Shareholder loans (tranche C)	500.0	30 September 2016	7.0	2.7	4.65%
Euro Medium Term Notes 1st issue	300.0	26 Hanuary 2022	10.0	8.1	3.375%
Euro Medium Term Notes 2nd issue	500.0	13 November 2020	8.0	6.9	1.875%
Perpetual loan	93.9	undetermined	undetermined	undetermined	9.00%
Private loan [1]	2.9	15 March 2017	various	2.2	6.76%

1. These concern multiple loans. The reported amounts are average weighted values.

The fair value of the interest-bearing loans amounted to approximately EUR 1,927.2 million at year-end 2013. The fair value is calculated based on the Euro Utility (A) BFV yield curve on 31 December 2013.

The borrowed capital concerns "Level 2" financial instruments. This means that for Enexis the fair value is based on the discounting of the nominal cash flows at applicable market discounting curves.

Pursuant to the Instructions issued by the Minister of Economic Affairs in connection with the splitting up, part of the shareholders' loan (tranche D) in the amount of EUR 350 million must be convertible into equity in the event of a structural capital shortage. Enexis has the right to request the lender to convert the loan completely or partially into equity of Enexis. This right can be exercised if this is deemed necessary in Enexis's opinion and endorsed by the Supervisory Board. This request should be made with an eye to the continuity of exercising its tasks as network operator and in accordance with the requirements of the energy regulations. As lenders, the shareholders have the obligation to cooperate with the requested conversion if there is a structural shortage of capital, only insofar as conversion is necessary to enable Enexis to structurally comply with the financial ratios required by law and by its bankers.

As practically all of the borrowed capital has a fixed interest rate, the interest rate sensitivity for each basis point (0.01%) increase or decrease of the base interest rate relative to the base rate at year-end is not relevant.

Enexis has the option to use derivatives to hedge specific risk positions, including but not limited to the interest rate risk. The interest rate risk consists, on the one hand, of the risk that the regulated interest income in the future will be lower than the interest payments laid down in the existing loan agreements and, on the other hand, of the risk that the to be paid interest rates in connection with future financing will be higher than the current market interest rate. The interest rate risk can be mitigated, with the approval of the Executive Board and the Supervisory Board, by the use of interest rate derivatives, such as Interest Rate Swaps. The use of these derivatives also allows room for optimising the interest result.

Enexis will formulate its interest risk policy again in 2014 and will have this policy approved by the Executive Board and the Supervisory Board.

Exchange rate risk

Enexis may be exposed to exchange rate risk on the issue of financial instruments and purchases in currencies other than the euro. It is Enexis's policy to hedge both the exchange rate and the interest rate risk immediately upon the issue of financial instruments denominated in other currencies. In the case of investments or larger purchases denominated in other currencies with an equivalent value exceeding EUR 250,000, it will be examined, in consultation with the Purchasing department, whether the exchange rate risk should be fixed directly.

The total amount of cash and cash equivalents, receivables and liabilities held in foreign currencies at the end of 2013 amounted to zero, which means that exchange rate risks and sensitivity to exchange rate fluctuations are not relevant.

Credit risk
The credit risk is the risk of sustaining a loss in the event that a counter party is unable or unwilling to fulfil its obligations. The majority of the activities of Enexis Holding N.V. and its group companies are regulated. The debtor risks in regulated markets are lower than the debtor risks in liberalised energy markets. Following the introduction of the New Market Model and the mandatory suppliers model, the debt risk has changed for Enexis in 2013. The former voluntary supplier model, which applied to part of the low-volume debtors, including the accompanying securities of deposits, has been terminated. For all low-volume debtors with regard to the to be paid grid payments, the receivables are collected by the energy suppliers as from 1 August 2013, which therefore bear the debtor risk on the end customer. Enexis now has debtor risk on the energy suppliers.

The maximum credit risk is in principle equal to the carrying amount of the receivables and current assets.

Surplus liquidity is placed under market conditions with financial institutions, funds and third parties established in the EU that satisfy the agreed minimum rating requirements, as well as with the Dutch government or invested in securities guaranteed by the Dutch government. In addition, Enexis aims to spread investment risks by observing counter party limits in combination with maximum terms of deposits.

Solvency
Solvency risk
Solvency risk is the risk that Enexis's equity or capital base is insufficient to allow it to meet its obligations in the long term. Enexis strives for a strong A rating for both Enexis Holding N.V. and Enexis B.V. This objective is monitored on the basis of defined minimum financial ratios in relation to interest coverage, debt coverage and solvency. The credit rating ensures that Enexis has good access to the international capital markets, whereby the solvency is safeguarded by monitoring the minimum financial ratios.

Liquidity risk and contractual term analysis
Liquidity risk
Liquidity risk is the risk that Enexis will not be able to meet its short-term payment obligations. Measures taken to hedge this risk include a committed Revolving Credit Facility (RCF) of EUR 450 million concluded with a consortium of 10 banks extending until mid-2015. Enexis did not make use of the RCF in 2013; however, Enexis retains this facility for any unforeseen liquidity requirements. In order to retain the RCF, Enexis has contractual obligations to the participating banks. These obligations mainly concern providing information to the banks involved, satisfying the usual financial covenants and other, for these facilities customary general covenants such as pari passu and negative pledge.

In addition, Enexis has placed its bank accounts in two cash pools. A credit facility of EUR 20 million has been made available to one of these cash pools.

Enexis had a positive cash balance of EUR 47.9 million at the end of 2013 (2012: EUR 41.8 million). In addition, at year-end 2013, EUR 85 million was held in short-term deposits (2012: EUR 525 million).

Contractual term analysis
The table below shows the contractual non-discounted cash flows at year-end 2013:

amounts in millions of euros	< 1 month	< 3 months	3-12 months	1-5 years	> 5 years	Total
Non-current interest-bearing liabilities	-	-	-	513.9	1,236.7	1,750.6
Trade and other payables	106.8	-	82.8	20.6	-	210.2
Current interest-bearing liabilities	-	9.6	4.2	-	-	13.8
Interest on interest-bearing liabilities	10.1	0.3	66.3	259.5	105.4	441.6
Total	**116.9**	**9.9**	**153.3**	**794.0**	**1,342.1**	**2,416.2**

The contractual non-discounted cash flows at year-end 2012 were as follows:

amounts in millions of euros	< 1 month	< 3 months	3-12 months	1-5 years	> 5 years	Total
Non-current interest-bearing liabilities	-	-	-	512.9	1,245.9	1,758.8
Trade and other payables	154.7	-	86.5	370.3	43.5	655.0
Current interest-bearing liabilities	-	9.3	504.8	-	-	514.1
Interest on interest-bearing liabilities	8.3	16.4	73.8	331.3	218.9	648.7
Total	**163.0**	**25.7**	**665.1**	**1,214.5**	**1,508.3**	**3,576.6**

The non-current interest-bearing liabilities > five years included the subordinated loan of EUR 93.3 million with an indefinite term.

Market prices
For Enexis, this refers to the risk of changes in commodity prices, in particular in connection with the purchase of grid losses. This risk is largely hedged through price fixing by means of forward purchases, in which the predicted volumes have already been purchased at the beginning of the year. This purchasing method ensures a predictable result and is only sensitive to volume differences and unpredictable price differences for regular buying and selling activities during the year of supplying. The purchasing price risk is reduced by spreading the purchasing at fixed prices over a period of approximately two years prior to the date of actual settlement. No use is made of derivatives in connection with the purchase of grid losses.

Process risk
Process risk consists of the risks associated with setting up the organisation, the procedures and the activities of the Treasury department of Enexis. These risks are hedged by an organisational segregation of duties between the front office and the back office, as well as by means of the adopted financing policy, the Treasury Charter, the Treasury Control Framework and related internal assessments and internal audits.

Market risk
Market risk is the risk that relates to changes in the value of cash flows and financial instruments as a result of changes in market prices, interest rates and currency exchange rates. Enexis does not hold any financial instruments for trading purposes.

Capital management
The capital managed by the company includes the share capital paid up by shareholders and the accrued general reserves.

The capital management of the Enexis group is aimed at maintaining a financially healthy capital structure and the strong A credit rating in order to support the continuity of its operations and to be able to realise planned investments.

In this process, the Group aims to achieve the return on equity for the shareholders as defined by the Netherlands Authority for Consumers and Market (ACM) taking into account the interests of lenders and other stakeholders of Enexis.

In order to realise the objective of maintaining a strong credit rating and a financially sound capital structure, the following financial ratios are aimed for:

	Standard	Actual
EBIT-interest coverage	≥ 2,5	3.7
FFO-interest coverage	≥ 4,0	5.8
FFO/interest-bearing net debt	≥ 20%	33%
Net interest-bearing debt/(shareholders ' equity + net interest-bearing liabilities)	≤ 55%	33%

EBIT (Earnings Before Interest and Taxes) interest cover
(Operating profit + share of result of associates) / gross interest expenses paid.

FFO (Funds From Operations) interest cover
(Net profit + changes in deferred corporate income tax + depreciation -/- amortisation contributions + changes in provisions + other non-recurring and non-cash related items + gross interest expenses paid) / gross interest expenses paid.

FFO / net interest-bearing liabilities
(Net profit + changes in deferred corporate income tax + depreciation -/- amortisation contributions + changes in provisions + other non-recurring and non-cash related items) / (interest-bearing liabilities -/- other financial assets (current) -/- cash and cash equivalents).

Net interest-bearing liabilities / (equity + net interest-bearing liabilities)
(Interest-bearing liabilities -/- other financial assets (current) -/- cash and cash equivalents) / (equity + interest-bearing liabilities -/- other financial assets (current) -/- cash and cash equivalents).

By complying with these key ratios and maintaining the current credit rating, the Group amply satisfies its statutory requirements concerning capital ratios and creditworthiness (Besluit Financieel Beheer Netbeheerders - Network Operator Financial Management Decree) as well as the financial covenants under existing financing agreements.

The Group manages its capital structure and adjusts its capital structure to changes in economic conditions and statutory or regulatory requirements taking into account the target minimum key ratios. To maintain or adjust its capital structure, subject to specified conditions, taking into account the guidelines issued by the Minister of Economic Affairs, the Group can revise its dividend policy, distribute capital to shareholders, exercise its conversion right or issue new shares.

29. Related party disclosures

Transactions with related parties are conducted at arm's length prices and conditions. Year-end receivables and payables are not invested and are usually settled in cash. No guarantees were received or issued in connection with assets and liabilities of related parties. The adjustment for doubtful debts was zero.

In 2013, Enexis Holding N.V. qualified the shareholders and their affiliates, associates and key officers as related parties. The shares of Enexis Holding N.V. are held by Dutch provinces and municipalities.

Sales transactions with the shareholders, other than in the course of the company's regular operations, had a value of EUR 0.1 million in 2013. Loans provided by the shareholders amounted to EUR 943.9 million at year-end 2013 (2012: EUR 1,443.9 million). Interest payments on these loans in 2013 amounted to EUR 88.8 million (2012: EUR 83.9 million). Dividend payments to shareholders amounted to EUR 114.5 million (2012: EUR 114.7 million).

There were no transactions with affiliates of shareholders other than in the course of regular operations.

Sales transactions amounting to EUR 4.9 million (2012: EUR 5.7 million) and purchase transactions amounting to EUR 4.6 million (2012: EUR 6.9 million) took place with Enexis's associates.

The total value of receivables from associates at year-end 2013 amounted to EUR 0.9 million (2012: EUR 1.3 million) and the total amount of trade debts amounted to EUR 0.4 million (2012: EUR 0.9 million).

Loans provided to associates at year-end 2013 amounted to EUR 12.2 million (2012: EUR 3.8 million). Loans provided by associates at year-end 2013 amounted to EUR 8.0 million (2012: EUR 8.0 million).

Interest payments on these loans in 2013 amounted to EUR 0.1 million (2012: EUR 0.1 million). Dividends received from associates amounted to EUR 1.6 million (2012: EUR 2.2 million).

Reference is made to note 31 for information on transactions with members of the Executive Board and the Supervisory Board.

The non-consolidated associates of Enexis Holding N.V. and its affiliates are listed below. For more detailed information, please see note 49. Associates.

amounts in millions of euros	Registered office	Equity stake held by Enexis Holding N.V. 31 december 2013	Equity stake held by Enexis Holding N.V. 31 december 2012
G.O.B. Euroservices B.V. [1]	Heerlen	not applicable	40%
ZEBRA Gasnetwerk B.V.	Bergen op Zoom	67%	67%
Energie Data Services Nederland B.V.	Arnhem	16%	16%
Ziut B.V.	Arnhem	47%	47%

1. Liquidated as of 1 August 2013.

Enexis Holding N.V. is the majority shareholder in ZEBRA Gasnetwerk B.V. There is no decisive control (decisions require a majority of 75%).

30. Off-balance sheet commitments and assets

Cross-border Lease Developments in 2013

For a specific time after termination of the last Cross-Border Lease (CBL) in 2012, there will be the possibility of subsequent invoices for the termination and settlement of the CBLs as well as a very low risk of claims arising from accrued liabilities, the so-called surviving obligations. We estimate the probability of subsequent costs and the risk of claims in connection with this CBL termination to be very low.

All other CBLs originally entered into by Essent/Enexis were voluntarily terminated by the end of 2011. For the time being, the existing cross-guarantee structure between Essent and Enexis has remained intact in connection with the possible accrued liabilities and expenses after termination. This entails both parties standing as guarantors for the US investors of the discontinued commercial and grid CBLs. To cover possible costs and claims, the former Essent shareholders and RWE formed a CBL fund. We estimate that the balance of the available funds of the fund is more than sufficient to cover any subsequent costs of Enexis and we estimate the risk of subsequent claims as very limited. Enexis is not entitled to any residual funds of the CBL fund.

Grid loss

In future periods, Enexis will have to settle the grid loss over previous years, as follows from the reconciliation process. Due to the absence of a reliable basis for estimating this future final settlement, neither a receivable nor a liability has been recognised in the balance sheet as at year-end 2013.

Rent, lease and purchasing obligations

Through its group companies Enexis B.V., Fudura B.V. and Enexis Vastgoed B.V, Enexis Holding N.V. has entered into purchasing obligations for an amount of EUR 371.6 million at year-end 2013 (2012: EUR 471.7 million).

	2013			2012		
amounts in millions of euros	< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
Passenger cars	18.9	37.8	2.9	14.4	30.1	3.4
Office locations	14.1	28.6	11.5	15.0	35.4	7.9
Gridd loss	84.5	63.1	-	92.2	81.6	-
ICT	34.5	18.0	-	28.5	58.1	-
Other	0.3	1.0	1.9	7.4	0.8	1.7
Total	**152.3**	**148.5**	**16.3**	**157.5**	**206.0**	**13.0**

Legal proceedings and disputes

Enexis Holding N.V. was involved in several legal proceedings and disputes at year-end 2013, including through its group companies Enexis B.V., Fudura B.V. and Enexis Vastgoed B.V. Based on financial risks, provisions have been formed for the claims received, or the possible financial impact has been recognised in the financial statements.

Guarantees issued

Enexis Holding N.V. has issued guarantees to third parties through its group companies Enexis B.V., Fudura B.V. and Enexis Vastgoed B.V. for in total EUR 0.2 million (2012: no guarantees).

31. Remuneration and the Senior Officials in the Public and Semi-Public Sector Act (WNT)

The Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (*Wet Normering bezoldiging Topfunctionarissen publieke en semipublieke sector – WNT*) came into force on 1 January 2013. Since Enexis has fully adopted the WNT, it has a determining influence on the remuneration of all Enexis employees and directors. Legislation is currently being prepared to specify the scope of the WNT, the objective of which is to prevent excessive remuneration of the Management Board and other senior officials. The basic principle is that all parties – including senior officials already appointed and those under consideration, as well as companies themselves – are aware of their social responsibility in this respect. Both parties conclude agreements within the framework of the WNT. These agreements are set forth in the annual financial statements of the company in a transparent manner. Enexis has fully integrated the WNT framework into its business processes.

Effective 1 January 2013, the WNT consists of three regimes; a capped remuneration regime, in general terms and by sector, and a disclosure regime. The general regime now applies to Enexis. This implies that no remuneration may be agreed with a senior official of Enexis that exceeds a standard maximum. This maximum is set at 130 per cent of the gross salary of a government minister, supplemented by social security contributions, expense allowances and forthcoming remuneration in the form of employer contributions to the retirement benefit plan. The following amounts have been set for 2013:

- EUR 187,340 (gross salary)
- EUR 8,069 (expense allowance)
- EUR 33,190 (pension costs)

This amounts to EUR 228,599. This maximum sum is adjusted annually by ministerial decree. If a remuneration of one of the three components exceeds the maximum sum this must be compensated by a reduction of the other components.

In addition, the WNT does not authorise the allocation of a bonus or any other form of variable remuneration to senior officials and prohibits any severance payment above an amount of EUR 75,000.

The remuneration of the Chairman of the Management Board, past or present, must be set forth in the financial statements in the name of the chairman to comply with the disclosure regime. This obligation is irrespective of any exceeding of maximum remuneration levels. The disclosure requirement for other employees and directors only applies if their remuneration exceeds the maximum level.

A maximum remuneration level also applies to the chairman and members of the Supervisory Board. The capping according to the WNT amounts to 5% for a member and 7.5% for the chairman of the remuneration of the members of the Management Board.

WNT and Enexis

Enexis has adopted the policy guidelines of the application of the WNT (*Beleidsregels toepassing WNT*) as the framework for its financial statements. The WNT adjustment bill (*Aanpassingswet WNT*), that is part of this framework, has not yet been adopted by the Senate (*Eerste Kamer*). This can lead to rewording of the information disclosed as a result of the WNT adjustment bill (*Aanpassingswet WNT*).

The members of the Management Board of Enexis are regarded by the WNT as senior officials. The governance of Enexis, as determined in 2013, is such that only the Management Board takes decisions with a company-wide impact.

The directors of Enexis are in command of their own division and in that capacity are not regarded by the WNT as senior officials. The policy with regard to and remuneration of Enexis directors are in compliance with the WNT framework; the remuneration of the director is in line with the WNT levels. There is no question of exceeding of the maximum remuneration levels as far as directors of Enexis are concerned.

With the exception of the case referred to hereafter, not a single other official employed by Enexis in 2013 received a remuneration of severance payment in excess of the maximum level set by the WNT (EUR 228,599).

One employee – an administrative official in the Fraud Prevention department, whose position was declared redundant as a result of restructuring – received a severance payment in 2013 compliant with the terms and conditions of the social plan. The lump sum paid at contract termination on 1 July 2013 amounted to EUR 271,886.15.

With regard to interim staff who do not act as senior officer, Enexis makes use of itself of the provisions in a letter from the Minister of the Interior and Kingdom Relations (*Minister van Binnenlandse Zaken en Koninklijke Relaties*) dated 27 February 2014 to the lower house of parliament (*Tweede Kamer*). Regarding the full disclosure of the terms and conditions of employment of interim staff. Based on this letter, Enexis is not required to comply in full with disclosure stipulations for interim staff as set forth in Article 4.2 Item 2c of the WNT adjustment bill (*Aanpassingswet 2013*).

Remuneration of the Management Board and the Supervisory Board

The remuneration of the members of the Management Board and the Supervisory Board in 2013 was EUR 0.6 million (2012: EUR 0.7 million).

Remuneration of the Management Board

The remuneration policy for the Management Board of Enexis was adopted by the General Meeting of Shareholders on 5 December 2012 and came into force on 1 January 2013. The Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (*Wet Normering bezoldiging Topfunctionarissen publieke en semipublieke sector – WNT*) came into force on the same day. The WNT is integrally applicable to Enexis and in determining the remuneration policy for the Management Board of Enexis, the WNT has been taken fully into account.

The remuneration policy for the Management Board of Enexis is aimed at facilitating the recruitment, motivation and retention of qualified members according to prevailing legislation, and to align their remuneration to corporate objectives and to those of all company stakeholders.

The WNT regulates the remuneration packages of the so-called senior officials, as stated previously. The members of the Management Board in 2013 were regarded as senior officials according to the WNT stipulations.

Since the level of remuneration of positions with comparable complexity and social impact is substantially higher than the absolute capped standard of the WNT, it has been decided to set the remuneration for the Management Board at the maximum level permitted by the WNT.

The remuneration policy for the Management Board does not include any variable remuneration.

Retirement benefit plan

Members of the Management Board participate in the retirement benefit plan that has been placed with the pension fund for employees in the government, public and education sectors (*Stichting Pensioenfonds ABP*), in accordance with the pension regulations applicable to employees and directors of Enexis. The Management Board members are required to pay a personal contribution to participate in the retirement benefit plan.

Other terms and conditions of employment

The basic principle is that the collective labour agreement for Energy and Utilities Grid Companies (*Netwerkbedrijven van de Energie- en Nutsbedrijven – ENb*) and the collective labour agreement of Enexis – both of which are applicable to Enexis employees – also apply to the Management Board, subject to compliance with WNT obligations. Tangible benefits arising from the collective terms and conditions of employment applicable to Enexis employees are included in the remuneration of the Management Board, if and to the extent that these are appropriate.

Remuneration can be adjusted annually. Personal performance and remuneration adjustments of Enexis employees are always taken into account, with the relevant WNT provisions continuing to serve as the absolute criterion.

The remuneration policy is aimed at offering a competitive package in conformity with market practice. This typically consists of a fixed net expense allowance capped according to fiscal regulations, a company car compliant with environmental best practice, accident insurance, disability scheme and director's liability insurance.

No loans or advances are granted to members of the Management Board. They are entitled to holiday leave according to the provisions in the collective labour agreement for Grid Companies (*Netwerkbedrijven ENb*).

Employment contracts

Employment contracts with Management Board members are entered into for an indefinite period. The Supervisory Board sees no reason for pursuing a policy of entering into fixed-term contracts. A policy embracing employment contracts for indefinite periods is considered sufficient; there are sufficient options for taking measures in the event of non-performance. Any resultant severance payment is determined on the basis of a court ruling.

Remuneration of Management Board members in 2013

The temporary employment contract with Mr Fennema, Chairman of the Management Board, was converted into a contract for an indefinite period effective 1 January 2013. This contract, fully compliant with the newly-defined remuneration policy, was agreed with Mr Fennema at the end of 2012.

The employment of Mr Fennema was terminated with effect from 1 January 2014 as a result of his accepting a job elsewhere. A severance payment of EUR 16,765 was made to Mr Fennema in December 2013.

A successor to Mr Fennema in his position as Chairman of the Management Board of Enexis has not yet been appointed; Mr Blacquière, Chief Financial Officer of Enexis and a Management Board member, performs the position of Chairman of the Management Board of Enexis ad interim, effective 1 January 2014.

Mr Blacquière, who joined Enexis on 1 December 2012, was appointed to the Management Board on 1 January 2013. A contract for an indefinite period, fully compliant with the newly-defined remuneration policy, has been agreed with Mr Blacquière.

The remuneration of the Management Board of Enexis Holding N.V. in 2013 is fully in line with WNT obligations.

In order to provide insight into the remuneration of Management Board members, a table is presented below. The table indicates the remuneration as determined on performance throughout the year. It presents the remuneration components as disclosed in the WNT.

In addition to the remuneration presented above, Management Board members receive an annual fixed expense allowance; EUR 3,600 for Mr Fennema and EUR 3,300 for Mr Blacquière.

Remuneration of the Supervisory Board

Remuneration of Supervisory Board members is based on the accepted system of compensation and benefits in conformity with market practice. The remuneration is adjusted annually on 1 July based on the median general collective increases as stated in the HAY compensation report.

The annual remuneration effective July 2013 is as follows: Chairman EUR 25,776; member EUR 17,474. In addition, the annual committee remuneration effective July 2013 is as follows: Chairman EUR 5,244; member EUR 4,722.

The WNT (see also “Remuneration of the Management Board” above) also includes provisions on the standardisation of remuneration for members and chairmen of the highest supervisory bodies. The current remuneration of the Supervisory Board members exceeds the maximum stipulated by the WNT. A transitional period of four years is applicable for existing contracts, including current indexation agreements.

The table below provides an overview of the remuneration development of individual Supervisory Board members, presented in two categories: membership of board (the Supervisory Board) and membership of committee (the Audit Committee or the Remuneration & Nomination Committee).

In addition to the remuneration presented above, Supervisory Board members receive an annual fixed expense allowance; EUR 2,000 for the Chairman and EUR 1,500 for the members of the Supervisory Board.

amounts in euros	2013	2012
J.J. Fennema		
Basic salary (including vacation allowance)	187,340	290,000
Employer's contributions [1]	-	10,129
General expenditure allowance [2]	6,419	-
Pension costs [3]	34,840	51,187
Subtotal [4]	**228,599**	**351,316**
Social insurance contributions [5]	6,958	-
Benefit due to termination of employment	16,765	-
Total	**252,322**	**351,316 [6]**
I.M. Oudejans [7]		
Basic salary (including vacation allowance)	-	166,637
Employer's contributions [8]	-	47,180
Pension costs [3]	-	28,862
Total	**-**	**242,679**
M. Blacquière [9]		
Basic salary (including vacation allowance)	187,340	15,612
Employer's contributions [10]	-	32,148
General expenditure allowance [11]	6,419	-
Pension costs [3]	34,840	2,753
Subtotal [4]	**228,599**	**50,513**
Social insurance contributions [5]	6,958	-
Total	**235,557**	**50,513 [6]**
Total	**487,879**	**644,508**

1. Employer's contributions for Mr Fennema in 2012 include the social insurance premiums.
2. According to the WNT, a taxable expense allowance of EUR 8,069 can be paid in the year 2013.This also includes the fiscal wage component in connection with a company car (EUR 2,006). This amount has been limited to EUR 6,419 in connection with the higher pension costs (in 2012,the WNT set the pension costs for the year 2013 at EUR 33,025; the pension costs were actually higher due to the higher premiums that the ABP set afterwards).
3. This concerns the employer's contributions to the pension scheme as charged by the Pension Fund; the board member's contribution has not been included.
4. The amount presented in the column 2013 at the subtotal should be able to pass the WNT test; this is the case, as for the year 2013 the total remuneration, according to the WNT, may amount EUR 228,599.
5. The social insurance contributions are the social security expenses that the employer is required to withhold and pay by law. In the presentation of the financial figures for 2012, the social security component is included in the employer's social security contributions (see footnote 1).
6. This amount equals the subtotal because the social insurance premiums are already included in the employer's contributions component (see footnote 1).
7. Mr Oudejans left the employment of the company as from 1 October 2012.
8. Employer's contributions for Mr Oudejans amounted to EUR 47,180 (EUR 2,999 employer's contribution life-course scheme and EUR 5,460 employer's contribution social security, EUR 510 flex-budget, EUR 68 health budget and EUR 38,143 primarily paid out holiday days).
9. Mr Blacquière entered the employment of the company as CFO on 1 December 2012. As from 1 January 2013, Mr Blacquière was appointed member of the Executive Board.
10. Employer's contributions for Mr. Blacquière amounted to EUR 32,148 in 2012 (EUR 561 employer's contribution social security costs and EUR 31,587 relocation compensation according to the provisions of the sector collective loan agreement for grid companies).
11. A taxable allowance for general expenses of EUR 8,069 can be paid in 2013 according to the WNT. This amount is limited to EUR 6.419 in connection with the higher pension costs (in 2012, the WNT has set the pension costs for the year 2013 at EUR 33,025. The costs were actually higher as the ABP set higher premiums afterwards).

In addition to the above remuneration, the members of the Executive Board receive a fixed tax-free expense allowance on an annual basis of EUR 3,600 for Mr Fennema and EUR 3,300 for Mr Blacquière.

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board is based on the generally applied system of compensation and benefits and on conformity with market practice. The remuneration is adjusted annually on 1 July based on the median general collective increases as stated in the HAY compensation report. The annual remuneration, with effect from July 2013, is: EUR 25,776 for the chairman and EUR 17,472 for members. In addition, the annual committee remuneration, with effect from July 2013, is: EUR 5,244 for the chairman and EUR 4,722 for members.

The WNT (see also above) also includes provisions on the standardisation of the remuneration of members and chairmen of the highest supervisory bodies. There is a transitional period of four years for existing agreements, including existing indexation agreements.

The table below provides insight into the development of the remuneration of the individual members of the Supervisory Board, divided into the remuneration for board and committee membership. There is an Audit Committee, a Remuneration Committee and a Selection Committee.

amounts in euros	Membership on annual basis	Committees on annual basis	Total remuneration on annual basis	Remuneration paid in 2013	Remuneration paid in 2012
D.D.P. Bosscher	25,674	5,224	30,898	30,898	30,548
M. Calon [1]	17,399	4,703	22,102	22,102	14,234
Mrs M.E.J. Caubo [2]	17,399	4,703	22,102	22,102	19,924
F.J.M. Houben [3]					7,228
Mrs W.M. van Ingen	17,399	4,703	22,102	22,102	21,847
R. de Jong	17,399	5,224	22,623	22,623	22,363
Total	**95,270**	**24,557**	**119,827**	**119,827**	**116,144**

1. Mr Calon was appointed as a member of the Supervisory Board of Enexis Holding N.V. at the General Meeting of Shareholders on 26 April 2012. Mr Calon was appointed as a member of the Audit Committee as of June 2012. The remuneration listed in the column 2012 is time proportional.
2. Mrs Caubo was appointed as a member of the Remuneration and Selection Committee as of June 2012.
3. In accordance with the rotation schedule of the Supervisory Board of Enexis Holding N.V., Mr Houben stepped down as a member of the Supervisory Board of Enexis Holding N.V. as of 26 April 2012. of The remuneration listed in the column 2012 is time proportional.

In addition to the above remuneration, the members of the Supervisory Board receive a fixed tax-free expense allowance on an annual basis of EUR 2,000 for the chairman and EUR 1,500 for the members of the Supervisory Board.

32. Events after the balance sheet date

Reference is made to other information, Events after the balance sheet date on page 109.

COMPANY FINANCIAL STATEMENTS 2013

Company income statement

amounts in millions of euros	Notes		2013		2012 [1]
Share of result of group companies	33		237.6		226.1
Financial income	34	102.8		84.5	
Financial expenses	34	104.5		87.7	
Financial income and expenses			**-1.7**		**-3.2**
Profit before tax			**235.8**		**222.9**
Corporate income tax expense	35		-3.3		-0.8
Profit for the year			**239.1**		**223.7**
Attributable to:					
Minority shareholders			-		-
Shareholders			239.1		223.7
Average number of shares during the financial year			149,682,196		149,682,196
Profit per share [2]			**1.60**		**1.49**

1. As a result of the retrospective application of the revised IFRS standard IAS 19 the comparative figures have been adapted. For a more detailed explanation, please refer to the accounting policies of the company financial statements.
2. Stated in euro, dilution of earnings does not apply.

Company statement of comprehensive income

amounts in millions of euros	2013	2012
Profit for the year	239.1	223.7
Non-realised income through equity	-	-2.5
Corporate income tax on non-realised income through equity	-	0.7
Released part of non-realised income through equity	0.8	0.8
Tax released part of non-realised income through equity	-0.2	-0.2
Total result included non-realised income through hedge reserve and equity	**239.7**	**222.5**

Company balance sheet
(before profit appropriation proposal)

amounts in millions of euros	Notes	31 December 2013	31 December 2012 [1]
Assets			
Group companies	36	3,361.7	3,238.6
Other financial assets	37	1,717.3	1,150.1
Non-current assets		**5,079.0**	**4,388.7**
Receivables	38	102.3	104.4
Other financial assets (current)	39	8.2	1,004.2
Cash and cash equivalents	40	78.2	111.9
Current assets		**188.7**	**1,220.5**
Total assets		**5,267.7**	**5,609.2**

amounts in millions of euros	Notes	31 December 2013	31 December 2012 [1]
Liabilities			
Issued and paid-up share capital		149.7	149.7
Share premium reserve		2,436.3	2,436.3
General reserve		549.9	440.7
Hedge reserve		-4.9	-5.5
Profit for the year		239.1	223.7
Equity	41	**3,370.1**	**3,244.9**
Non-current interest-bearing liabilities	42	1,642.7	1,641.5
Deferred corporate income tax	43	197.8	172.6
Non-current liabilities		**1,840.5**	**1,814.1**
Trade and other payables	44	33.0	30.4
Current interest-bearing liabilities	45	-	500.0
Corporate income taks expense	46	24.1	19.8
Current liabilities		**57.1**	**550.2**
Total liabilities		**5,267.7**	**5,609.2**

1. As a result of the retrospective application of the revised IFRS standard IAS 19 the comparative figures have been adapted. For a more detailed explanation, please refer to the accounting policies of the company financial statements.

Explanation to the company financial statements

Accounting principles governing the financial reporting

The company financial statements of Enexis Holding N.V. have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. The accounting principles applied are largely the same as those applied to the consolidated financial statements in accordance with the provisions of Section 362:8, Title 9, Book 2 of the Dutch Civil Code, in which investments in group companies are recognised at the net value of the assets according to the equity method of accounting.

The company financial statements of Enexis Holding N.V. consist of the company income statement, the company statement of comprehensive income and the company balance sheet. The explanatory notes to the financial summaries included in the company financial statements form an integral part of the company financial statements of Enexis Holding N.V.

Enexis Holding N.V. is a public limited liability company governed by Dutch law. Approximately 74% of the shares of Enexis are held by six Dutch provinces and approximately 26% of the shares are held by 116 municipalities.

The carrying amounts of the parties included in the consolidation are determined using the equity method of accounting. According to this method, the economic interest is initially valued at cost whereby the carrying amount is increased or decreased after the initial recognition with the share in the result. Dividends received are deducted from the carrying amount.

Enexis Holding N.V. uses the euro as its functional currency. All amounts, unless stated otherwise, are recognised in millions of euros. For the accounting principles, please refer to the accounting principles of the consolidated financial statements.

Adjustment of comparative figures

The comparative figures of the group companies have been adjusted as a consequence of the retrospective application of the amended IFRS standard IAS 19R. Reference is made to the accounting principles for the consolidated financial statements for more information. The effect on the company financial statements is as follows:

1 January 2012

amounts in millions of euros	1 January 2012 – before change in acc. policy	1 January 2012 – after change in acc. policy
Company balance sheet		
Group Companies	3,107.8	3,114.0
Receivables	99.4	101.4
General reserve	319.8	325.9
Profit for the period	-	-
Subtotal components equity	**319.8**	**325.9**
Deferred taxes	114.9	116.9

amounts in millions of euros	1 January 2012 – before change in acc. policy	1 January 2012 – after change in acc. policy
Income statement		
Share of result of group companies	-	-

31 December 2012

amounts in millions of euros	31 December 2012 – before change in acc. policy	31 December 2012 – after change in acc. policy
Company balance sheet		
Group Companies	3,237.8	3,238.6
Receivables	104.2	104.4
General reserve	434.5	440.7
Profit for the period	229.1	223.7
Subtotal components equity	**663.6**	**664.4**
Deferred taxes	172.4	172.6

amounts in millions of euros	31 December 2012 – before change in acc. policy	31 December 2012 – after change in acc. policy
Income statement		
Share of result of group companies	231.5	226.1

NOTES TO THE COMPANY FINANCIAL STATEMENTS

33. Share of result of group companies

amounts in millions of euros	2013	2012
Enexis B.V.	221.0	224.0
Fudura B.V.	18.9	1.9
Enexis Vastgoed B.V.	-2.3	0.2
Total	**237.6**	**226.1**

34. Financial income and expenses

amounts in millions of euros	2013	2012
Interest received	102.8	84.5
Total financial income	**102.8**	**84.5**
Other interest paid	104.5	87.7
Total financial income	**104.5**	**87.7**
Net finance expenses	**-1.7**	**-3.2**

Other interest paid consists of interest paid on the loans granted by the shareholders and not yet repaid and the interest expenses on both the bond loans issued in 2012. This item also includes the recognition of the penalty interest (EUR 12.4 million) that was paid as a result of the early repayment of tranche B of the shareholders' loan, as well as the amortised swap costs and the amortised costs for the bond loans.

The shareholders' loans are subsequently lent to Enexis B.V. in full and under the same conditions. This also applies with regard to the EUR 300 million bond loan that was issued in January 2012. The interest income relates to the interest received on these loans that were provided to Enexis B.V.

The bond loan issued in 2012 was also subsequently lent to Enexis B.V. in full and under the same conditions in the third quarter of 2013; as a result a financial result arose within Enexis Holding N.V.

35. Corporate income tax expense

amounts in millions of euros	2013	2012
Corporate income tax	-3.3	-0.8
Total corporate income tax	**-3.3**	**-0.8**

Enexis Holding N.V. is head of the of the tax entity and, in that capacity, it is jointly and severally liable for the obligations of the members of the tax group.

The business activities of Enexis Holding N.V. are subject to corporate income tax. The corporate income tax liability is calculated and settled with the underlying members of the tax group on the basis of their realised commercial profits, taking into account the applicable exemptions. The reconciliation between the statutory corporate income tax rate expressed as a percentage of profit before tax and the effective tax rate is as follows:

in %	2013	2012
Nominal statutory corporate income tax rate in the Netherlands	25.00	25.00
Tax-exemption share of result of associates	25.00	25.42
Effective tax rate	**-**	**-0.42**

36. Investments in group companies

amounts in millions of euros	2013	2012
Enexis B.V.	3,291.3	3,185.0
Fudura B.V.	53.4	34.4
Enexis Vastgoed B.V.	17.0	19.2
Total	**3,361.7**	**3,238.6**

Changes in the investments in group companies were as follows:

amounts in millions of euros	2013	2012
At 31 January	**3,238.6**	**3,114.0**
Profit for the year	237.6	226.1
Dividends paid	-114.5	-101.5
At 31 December	**3,361.7**	**3,238.6**

The development of the value of the associate Fudura B.V. is the result of dividends paid to Enexis Holding N.V. and the result realised by Fudura B.V. for 2013.

37. Other financial fixed assets

amounts in millions of euros	2013	2012
Loans to group companies	1,717.3	1,150.1
Total	**1,717.3**	**1,150.1**

The conditions as laid down in the current financing arrangements stipulate that no contractual or structural subordination of existing loans in relation to new external financing may occur. In order to avoid structural subordination, external financing is contracted by Enexis Holding N.V. The necessary funds for the business operations or investments in Enexis's energy grids are lent to Enexis B.V. by Enexis Holding N.V. as a back-to-back loan under the same conditions. A number of external loans of a limited amount, originally transferred from Essent, still have Enexis B.V. as the contracting party and have been accepted in the financing documentation as an exception.

The second EUR 500 million bond loan which was taken up in 2012 and was subsequently lent to Enexis B.V. by means of a 'back-to-back' loan in the third quarter of 2013.

38. Receivables

amounts in millions of euros	2013	2012
Receivables from group companies	79.0	77.4
Interest receivable from group companies	23.3	27.0
Total	**102.3**	**104.4**

Receivables from group companies include, among other items, receivables in connection with the settlement of to be paid corporate income tax. Settlement of tax positions takes place via Enexis Holding N.V. by virtue of its position as head of the tax entity.

The item amounts receivable relates to the interest to be paid by Enexis B.V.

39. Other financial assets (current)

amounts in millions of euros	2013	2012
Loans with maturity < 1 year	2.2	104.2
Loans with maturity < 1 year to group companies	6.0	500.0
Short-term deposits	-	400.0
Total	**8.2**	**1,004.2**

In 2013, the current financial assets were used for the early repayment of a back-to-back loan to Enexis B.V. The loans provided in 2013 relate to the loans to Fudura B.V. and EDSN B.V.

40. Cash and cash equivalents

amounts in millions of euros	2013	2012
Cash at bank and cash balances	78.2	111.9
Total	**78.2**	**111.9**

41. Equity

As the cumulative share of the results of minority interests, to the extent not distributed, can be deemed to be zero, no related statutory reserve has been recognised for this. Reference is made to note 20 Equity. for further details.

42. Interest-bearing liabilities (non-current)

amounts in millions of euros	2013	2012
Shareholder loan conversion with right to convert into equity (tranche D)	350.0	350.0
Shareholder loans (tranche C)	500.0	500.0
Euro Medium term notes	792.7	791.5
Total	**1,642.7**	**1,641.5**

Pursuant to the Instructions issued by the Minister of Economic Affairs, in connection with the splitting up, part of the shareholders' loan in the amount of EUR 350 million must be convertible into equity in the event of a structural capital shortage. The interest rate that applies to this loan is 7.2% and the remaining term to maturity is 5.7 years. Reference is made to note 28 for the conversion terms of this loan as well as for the information that is of importance for the other loans.

43. Deferred corporate income tax

amounts in millions of euros	2013	2012
Deferred corporate income tax	197.8	172.6
Total	**197.8**	**172.6**

The deferred corporate income tax assets and liabilities relate to differences between the commercial and the fiscal valuation of tangible fixed assets, personnel-related provisions and derivatives in connection with the participations in group companies. As the participations in group companies are settled based on the commercial result, these deferrals are determined on the holding company level and recorded as deferred corporate income tax.

44. Trade and other payables

amounts in millions of euros	2013	2012
Interest payable	27.1	30.4
Amounts owed to group companies	5.7	-
Other current liabilities	0.2	-
Total	**33.0**	**30.4**

Interest payable relates to the interest due at the end of the year on the loans provided by the shareholders and the Euro Medium Term Notes.

45. Interest-bearing liabilities (current)

amounts in millions of euros	2013	2012
Shareholder loan to be repaid in following financial year (tranche B)	-	500.0
Total	**-**	**500.0**

Enexis repaid tranche B of the shareholders' loans (EUR 500 million) early on 30 September 2013.

46. Corporate income tax expense

amounts in millions of euros	2013	2012
Amounts payable	24.1	19.8
Total	**24.1**	**19.8**

The changes during the year are caused primarily by the items relating to the deferred corporate income tax assets and liabilities and the effect of corporate income tax on the fiscal result.

47. Related party disclosures

Transactions with related parties are conducted at arm's length prices and conditions. Year-end receivables and payables are not invested and are usually settled in cash. No guarantees were received or issued in connection with assets and liabilities of related parties. The adjustment for doubtful debts was zero.

Loans provided by shareholders amounted to EUR 850 million at year-end 2013 (2012: EUR 1,349.9 million). Interest payments on these loans in 2013 amounted to EUR 81.4million (2012: EUR 76.5 million). Dividend payments to shareholders amounted to EUR 114.5 million (2012: EUR 114.7 million).

Loans provided to group companies at year-end 2013 amounted to EUR 1,713.3 million (2012: EUR 1,150.1 million). Loans provided to associates at year-end 2013 amounted to EUR 12.2 million (2012: EUR 4.2 million).

48. Remuneration of the Executive Board and the Supervisory Board

Remuneration of the Executive Board

For more detailed information, please see note 31. Remuneration of the Executive Board and the Supervisory Board of the consolidated financial statements of Enexis Holding N.V.

Remuneration of the Supervisory Board

For more detailed information, please see note 31. Remuneration of the Executive Board and the Supervisory Board of the consolidated financial statements of Enexis Holding N.V.

49. Associates

	Registered office	Equity stake held by Enexis Holding N.V. 31-12-2013	Equity stake held by Enexis Holding N.V. 31-12-2012	A division of	Joint and several liability statement
Group companies					
Enexis B.V.	Rosmalen	100%	100%	Enexis Holding N.V.	Yes
Fudura B.V.	Rosmalen	100%	100%	Enexis Holding N.V.	Yes
Enexis Vastgoed B.V.	Rosmalen	100%	100%	Enexis Holding N.V.	Yes
Aktivabedrijf Enexis Friesland B.V.	Rosmalen	100%	100%	Enexis B.V.	Yes
Aktivabedrijf Enexis Noord B.V. 1)	Rosmalen	-	100%	Enexis B.V.	
Aktivabedrijf Enexis Maastricht B.V. 1)	Rosmalen	-	100%	Enexis B.V.	
Aktivabedrijf Enexis Brabant B.V. 1)	Rosmalen	-	100%	Enexis B.V.	
Aktivabedrijf Enexis Limburg B.V. 1)	Rosmalen	-	100%	Enexis B.V.	
Aktivabedrijf Enexis Intergas B.V. 1)	Rosmalen	-	100%	Enexis B.V.	
Intergas Gasnetwerk B.V. 2)	Oosterhout	-	100%	Aktivabedrijf Enexis Intergas B.V.	Yes
Nutsbedrijven Maastricht Gasnetwerk B.V. 2)	Maastricht	-	100%	Aktivabedrijf Enexis Maastricht B.V.	Yes
Other associates (non-controlling interests)					
G.O.B. Euroservices B.V. 3)	Heerlen	-	40%	Enexis Holding N.V.	
GGNI B.V.	Groningen	25%	25%	Enexis Holding N.V.	
ZEBRA Gasnetwerk B.V. 4)	Bergen op Zoom	67%	67%	Enexis B.V.	
Energie Data Services Nederland B.V.	Arnhem	16%	16%	Enexis B.V.	
Ziut B.V.	Arnhem	47%	47%	Fudura B.V.	
Entrade Pipe B.V. 4)	Tilburg	67%	67%	Zebra Gasnetwerk B.V.	
ZEBRA Activa B.V. 4)	Middelburg	67%	67%	Zebra Gasnetwerk B.V.	
ZEBRA Pijpleiding V.O.F. 4)	Middelburg	67%	67%	Entrade Pipe B.V.	
Foundations					
Stichting Sociaal Fonds Enexis	Rosmalen				
Stichting GGNI	Groningen				
Stichting E-laad	Arnhem				
Stichting Kunstcollectie Essent - Enexis	's-Hertogenbosch				
Stichting Mijnaansluiting.nl.	Arnhem				
Stichting NEXUS	's-Hertogenbosch				
Stichting sYnfra	's-Hertogenbosch				
Stichting beheer Maastricht CBL Fondsen	Amsterdam				
Stichting Senioren Enexis	Rosmalen				

1. By means of a deed of merger the companies Aktivabedrijf Enexis Noord B.V., Aktivabedrijf Enexis Maastricht B.V., Aktivabedrijf Enexis Brabant B.V., Aktivabedrijf Enexis Limburg B.V. and Aktivabedrijf Enexis Intergas B.V. (the disappearing companies) and Enexis B.V (the acquiring company) were merged on 16 December 2013.
2. In a decision to liquidate taken outside of the meeting liquidated on 24 April 2013.
3. Liquidated as of 1 August 2013.
4. Participations are not included in the consolidation because there is no decisive control (decisions require a majority of 75%).

Profit appropriation

Appropriation of the result in accordance with the articles of association

In accordance with the articles of association, the profit is at the free disposal of the General Meeting of Shareholders (Article 36.2), to the extent that it is not reserved.

Over the financial years 2011 up to and including 2013, at least fifty percent (50%) of the profit realised in the relevant financial year (if any) must be reserved (Article 36.6). The adopted distributable profit after tax exclusive of material non-cash book profits forms the basis for the to be distributed dividend.

Proposal for the appropriation of the result of the 2013 financial year

The income statement has been closed with a result of EUR 239,1 million.

The profit appropriation is as follows:

amounts in millions of euros	2013	2012 [1]
Profit	239.1	229.1
Reservation in favor of the general reserve	119.6	114.6
Proposed dividend	**119.5**	**114.5**

1. As a result of the retrospective application of the revised IFRS standard IAS 19, the result for 2012 has been adjusted downwards by EUR 5.4 million. The statutory appropriation of the profit for 2012 has remained unchanged. For a more detailed explanation, please refer to Chapter 2.2 of the financial statements.

The proposed dividend distribution for 2013 amounts to EUR 0.80 per share (2012: EUR 0.77). This profit appropriation proposal has not been taken into account in the balance sheet as at 31 December 2013.

Combined independent auditor's report and assurance report

To: the General Meeting of Shareholders and the Supervisory Board of Enexis Holding N.V.

Report on the financial statements and assurance report on the annual report

We have audited the in this report included company and consolidated financial statements 2013 of Enexis Holding N.V., 's-Hertogenbosch (hereafter Enexis). These financial statements include the income statement and the statement of comprehensive income for the year 2013, the balance sheet as at December 31, 2013 and notes, comprising a summary of the significant accounting policies and other explanatory information. The consolidated financial statements also comprise the consolidated cash flow statement and the consolidated statement of changes in shareholders' equity for the year 2013.

We have also performed assurance procedures to obtain limited assurance about the non-financial information in the sections 'Strategy', 'Government and the financial world', 'Customers and the market', 'Energy grids', 'People and organisation', 'CO_2 footprint' and 'Corporate social responsibility' of the annual report for the period January 1, 2013 to December 31, 2013 of Enexis. This information comprises an overview of the policy of Enexis with regard to sustainability, and the business operations, events and performance in that field during the year 2013. The annual report contains forward-looking information in the form of ambitions, strategy, plans, forecasts and estimates. The fulfilment of such information is inherently uncertain. For that reason, we do not provide assurance relating to forward-looking information in the annual report.

Management's responsibility

Management of Enexis is responsible for the preparation and fair presentation of the financial statements, and for the preparation of the annual report, in accordance with International Financial Reporting Standards as adopted by the European Union, Part 9 of Book 2 of the Dutch Civil Code and the Dutch act for remuneration of senior officials in the public and semi-public sector: "Wet normering bezoldiging topfunctionarissen (WNT)".

Management is also responsible for the preparation of the non-financial information in accordance with the Sustainability Reporting Guidelines G3 of the Global Reporting Initiative (GRI), the Guidance Note on Sustainability Reporting of the Dutch Accounting Standards Board and the reporting policies of Enexis, including the identification of stakeholders and the selection of material topics.

The choices made by management in respect of the scope of the annual report and the reporting policies are set out in section 'Corporate social responsibility' and the GRI-index of the annual report.

Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements and the annual report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the company and consolidated financial statements and to give a conclusion regarding the non-financial information in the sections 'Strategy', 'Government and the financial world', 'Customers and the market', 'Energy grids', 'People and organisation', 'CO_2 footprint' and 'Corporate social responsibility' of the annual report based on the assurance evidence obtained. We conducted our procedures in accordance with Dutch law, including the Dutch Standards on Auditing, the Dutch Standard 3410N 'Assurance engagements with respect to sustainability reports' and the audit instructions WNT included in the the policy rules for application of the Dutch act WNT as described in 'Beleidsregels toepassing WNT'.

This requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the financial statements are free from material misstatement and limited assurance about whether the non-financial information as reported in the sections 'Strategy', 'Government and the financial world', 'Customers and the market', 'Energy grids', 'People and organisation', 'CO_2 footprint' and 'Corporate social responsibility' of the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, disclosures and other information in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the preparation of the annual report in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of Enexis, as well as evaluating the overall presentation of the financial statements.

The procedures performed in order to obtain limited assurance regarding the non-financial information aim to assess the plausibility of this information and are limited primarily to inquiries of entity's personnel and analytical procedures applied to non-financial data and therefore provide less assurance than assurance engagements aimed at obtaining reasonable assurance.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion and our conclusion.

Opinion

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Enexis as at December 31, 2013 and of its result and its cash flows for the year 2013 in accordance with International Financial Reporting Standards as adopted by the European Union, with Part 9 of Book 2 of the Dutch Civil Code and WNT.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Enexis as at December 31, 2013 and of its result for the year 2013 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Conclusion with respect to the non-financial information in the annual report

Based on our procedures we conclude that nothing came to our attention that causes us to believe that the non-financial information in the sections 'Strategy', 'Government and the financial world', 'Customers and the market', 'Energy grids', 'People and organisation', 'CO_2 footprint' and 'Corporate social responsibility' of the annual report 2013 does not provide, in all material respects, an accurate and adequate representation of the policy of Enexis with regard to sustainability, and the business operations, events and performance in that field during 2013 in accordance with the guidelines of the Global Reporting Initiative, the Guidance Note on Sustainability Reporting of the Dutch Accounting Standards Board and the reporting policy of Enexis as set out on pages 110 up to and including 116.

Emphasis on the applied standards of WNT

We draw attention to page 91 and 92 of the notes to the financial statements, which describes the uncertainty related to the standards of WNT applied, being the Policy rule application WNT, due to the fact that the law amendment to WNT ("Aanpassingswet WNT") as part of the standards applied still has to be approved by the Senate.

In addition, we draw attention to the treatment of interim staff members as set out in the note mentioned, that do not fulfill a senior office position as laid down in article 4.2 sub 2c of WNT.

Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the annual report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

The Hague, March 5, 2014

Ernst & Young Accountants LLP

Signed drs. J. Niewold RA

Events after the balance sheet date

There are no events after the balance sheet date to report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR), and in a broader sense, sustainability, is a direct and an indirect part of the daily business operations and therefore it is not easy to view it separately from the normal activities. And just as the primary activities cannot do without innovation and improvement, plans are also developed and carried out year after year in the CSR area that should lead to more sustainable business operations, internally and externally. This covers a wide area. Enexis's care for a good grid is part of this, but also its role in the energy transition and the promotion of saving energy. In this report, Enexis reports about this mainly in the sections Energy Grids and Customer and Market. But Enexis also wishes to set an example in the area of its own processes where sustainability is concerned.

How broad and detailed Enexis has laid down its position in the CSR area can be read in the CSR Principles and the CSR Statement of the Executive Board, which both can be consulted on the Enexis website.

Processes

Three spear points are leading in the field of the sustainable processes: lower emissions, less use of raw materials and more reuse. Enexis had made progress every year on all three points. With regard to the reduction of emissions, this also concerns the reduction of grid losses and the compensation thereof via green purchasing. Moreover, less CO_2 has been emitted in the grid due to a limited heating of the above-ground installations. As this concerns very many casings, the effect is already considerable in the event of a small decrease in temperature.

A radical change in the processing of waste already led to much more reuse in 2012. The effect of this also continued in 2013, compared to 2010, over 5,500 tons more reuse and thus lower emissions.

Buildings

Sustainability plays an important role in Enexis's accommodation policy. As far as that is concerned, 2013 was a year in which major steps were taken with the taking into use of three special new buildings in Maastricht, Venlo and Zwolle. As they are equipped with insulation, heating pumps and solar panels, they are completely energy neutral. All three of these buildings received the four stars (excellent) BREEAM-Netherlands new construction certificate for optimal sustainability. In the top 10 of the most sustainable buildings in the Netherlands, compiled by the Dutch Green Building Council, the three buildings occupy a third, a sixth and an eighth place.

A number of offices relocated to locations that were more suitable with regard to surface area and low energy consumption while climate measures were taken in other existing offices. Enexis opened a new head office designed and furnished in a special way next to the central station in Den Bosch that is fully geared to X-working, with flexible workstations, consultation and meeting rooms and facilities. No one has their own office in this building, so that optimal use can be made of the space. In Arnhem, a central meeting place for employees from all over the Netherlands, a new meeting and working facility, the X-hub, was taken into use above the station.

Due to the favourable location close to the station, employees in Den Bosch and Arnhem are stimulated to make use of public transport to commute from home to work and from work to work.

The new office buildings and energy-saving adjustments to existing facilities have resulted in a significant reduction in CO_2 emissions.

Transport

Enexis's large vehicle fleet is indispensable for a reliable energy supply. The 1,100 passenger cars and as many vans mostly have conventional engines; although the policy is directed at the purchase of cars with a good energy label.

In line with its general aim to reduce emissions, Enexis started purchasing electric cars and cars that run on natural gas or green gas already in an early stage. Proportionally their share is still small, but we have now gained a lot of experience with electric cars. This is important when expanding the electric fleet, but it is also used as input for the various experiments with electric transport. At present, Enexis is among the companies in the Netherlands that have made the most progress with their own electric transport. Nevertheless, the emission of CO_2 by Enexis's own cars increased in 2013. Measures are being prepared to reduce the number of work-related car kilometres.

Sustainable vehicle fleet

	2013	2012	2011	2010	2009
100% electric passenger cars	48	48	29	17	10
Passenger cars on biogas / natural gas	31	30	11	3	3
Electric passenger cars with range extender	5	-	-	-	-

Purchasing

Applying sustainability criteria when purchasing materials and components is a regular activity. Enexis requires its suppliers to sign a Supplier Code of Conduct, which specifies what is required of them in areas such as working conditions, impact on the environment and human rights. For all larger contracts, Enexis representatives visit the production facilities and assess these facilities based on a check list with regard to aspects such as quality, safety, the environment and certifications. Suppliers of suppliers are not visited; however, when suppliers audit their suppliers this does play a role in the assessment.

When potential suppliers do not satisfy the specified requirements, they are required to draw up an improvement plan, after which Enexis checks whether the plan has been implemented.

Enexis's sustainability reporting

Corporate Social Responsibility (CSR) forms an integral part of Enexis's strategy and business operations. Ensuring a reliable, affordable and sustainable energy supply is Enexis's main objective. Reporting on its sustainability performance is therefore integrated in the regular annual report.

The guidelines of the Global Reporting Initiative, the international organisation that draws up guidelines for sustainability reporting and the public accountability regarding the economic, environmental and social performance, have been used as the guidelines for Enexis's sustainability reporting. GRI's mission is to ensure that the sustainability reporting of all organisations - irrespective of size, sector or location - becomes as routine and comparable as the financial reporting. See www.globalreporting.org for more information.

In this annual report, Enexis reports in accordance with the GRI G3.1 guideline, applied in combination with the Electric Utilities Sector Supplement, edition April 2009. Enexis reports on 38 performance indicators from the GRI guideline. The non-financial section of the annual report has also been audited by the external auditor. Therefore, the Enexis annual report 2013 complies with the GRI-B+ standard. The minimum requirement for this norm is that the company reports on at least 20 performance indicators. A new version of the GRI guidelines, the GRI G4, was published in 2013. Based on an analysis of the new guidelines, Enexis decided in 2014 to initiate a careful transition to this guideline.

An important part of the sustainability report is the CO_2 footprint, which indicates the emission of greenhouse gasses by Enexis. The grid managers, within the sector organisation Grid Management Netherlands, developed a sector model for the calculation of the footprint in 2013. This results in a better comparability of the CO_2 figures of the various grid managers. The chapter contains an explanation of the calculation of the CO_2 footprint according to the new model. You can read the results of the calculation of Enexis's CO_2 footprint below.

Dialogue with stakeholders

The dialogue with stakeholders was strengthened in 2013. Enexis's strategy comprises a stakeholder model with four stakeholders: Shareholders, Customers, Employees and Society. In the regular cycle, the dialogue with stakeholders is ensured in the following manners:

- Shareholders: via the periodic consultations with the Shareholders Committee and the annual General Meeting of Shareholders.
- Customers: via customer satisfaction surveys, customer trips
- Employees: represented in the Works Council; and directly via a bi-annual employee satisfaction survey.
- Society: Enexis conducts a dialogue with a broad reflection of society via the Regional Stakeholder Management.
- The company strategy is reviewed critically every four years and where necessary recalibrated for the next four years. Based on the above stakeholder model, a group of 64 stakeholders were identified mid-2013, who together form a good reflection of Enexis's stakeholders. These were consumer organisations, environmental organisations, universities, energy production companies, media, temporary employment agencies, banks, trade unions, construction companies, sector associations, members of Parliament, other grid managers, consultancy firms, large companies and parties that are working on the development of (decentralised) sustainable energy, provinces and municipalities. In addition, a temporary Strategy Team has been appointed consisting of ten colleagues from all parts of the organisation. This team carried out qualitative interviews with all 64 stakeholders. In each interview, in which two members of the Strategy Team were always involved, the stakeholder in question was asked to give his view on trends and developments in the area of energy, the economy, technology, customer wishes, politics and society. The stakeholders were also asked what the influence is of these trends and developments on the role and responsibilities of grid managers in general, and which elements must absolutely be taken into account in Enexis's future strategy. The stakeholders were also asked to name the strengths and weaknesses of Enexis.

It became clear from these interviews that stakeholders mainly see Enexis's social responsibility in its core task: the transmission of energy to customers in an economically efficient manner and with a high reliability. To this end, Enexis must remain a solid company. In addition, they see a role for Enexis in increasing the sustainability of the energy supply, both via technological developments and by connecting local initiatives. These topics are discussed in the four main sections of this annual report.

- In the section Government and Financial World, you will also find more information about a sound financial policy and the efforts to maintain low tariffs.
- In the section Customer and Market, you will find more information about the services provided to customers.
- In the section Energy Grids, you will find more information about the efforts and results to ensure the reliability of the energy supply and the sustainability of the energy supply.
- In the sections People and Organisation, you will find more information about the manner in which Enexis assumes responsibility by taking 'People and Planet' into consideration in its business operations.

A good and accessible summary of the outcomes of the stakeholder dialogue directed at future developments is available via this link.

The Strategy Team analysed and discussed the insights obtained from the interviews. Based on this analysis, five possible future directions were developed. These directions were discussed in three sessions the Executive Board and the management of Enexis. Ultimately, one direction was chosen and further developed into a concrete strategy proposal. This proposal was discussed with the Supervisory Board, and subsequently with the Shareholders Committee. The new strategy will be submitted to General Meeting of Shareholders on 10 April 2014

Choice of topics

For each topic, a choice was made regarding the to be reported items. The GRI guidelines were applied in this process, the items that are subject to supervision by the Authority for Consumers and Markets and items brought forward by the stakeholders.

The relevance for Enexis's business operations, the materiality and the investment required to obtain the relevant information were all taken into consideration in the selection of the GRI indicators. This decision regarding the selection of GRI indicators, which was taken in 2010, continues to apply. Enexis reports on a stable set of 38 performance indicators, divided over all categories. This ensures the comparability between reporting years. In 2014, with the introduction of the new GRI G4 guidelines, this selection process will take place again.

Collecting information

In the information collection process, a distinction can be made between quantitative and qualitative information. Where possible, the quantitative information is derived from Enexis's systems; this information is already subject to internal control measures. The Planning & Financial Reporting department has been made responsible for the collection and substantiation of this non-financial data, with a strong involvement of the business controllers.

Enexis's main themes serve as the frame of reference for the qualitative information. The information about these topics is provided and substantiated by those that are responsible within the organisation. The themes, which must at least be included according to the GRI guidelines, are specified in the paragraph 'Management Approach CSR'.

Verification

In this annual report, we report about our efforts and the realisation of objectives in 2013. This report has been audited, resulting in a statement with:

- a reasonable degree of certainty that the financial statements present a true and fair view of the amount and composition of the capital of Enexis as at 31 December 2013 and of the result for 2013.
- a limited degree of certainty that the report, in all aspects of material importance, is a correct and adequate account of the policy pursued by Enexis, its business operations, performance and the occurrences in 2013.

In addition, we also outline our plans and vision for the future. This so-called future-oriented information can be recognised by words such as aim at, expect, want to, forecast, objective, vision, ambition and intention. Inherent in expectations for the future is that the outcomes are subject to risks and the realisation is uncertain. Therefore the auditor does not provide any certainty with regard to the realisation of future-oriented information.

Management approach corporate social responsibility (CSR)

Within Enexis, CSR is part of the regular business operations. Each board member is responsible for one or more sub-sectors, in which this member is particularly involved. These are referred to as the spear points.

The policy rests on three pillars:

- Sustainable grids (for example: Smart Grid, biogas).
- Insight into energy consumption (for example: smart meters, Energy in the picture).
- Enexis sustainable (for example, CO_2 footprint, waste management).

Targets were formulated in 2013 for each of these pillars and included on the relevant scorecards.

The staff members responsible are supported by a CSR coordinator, who is part of the Strategy department. During a bi-monthly 'Sustainability Board', the Executive Board and the various responsible staff members discuss the progress, ambitions, and direction of the various initiatives. In addition, Enexis strives to increase the CSR awareness of its employees through internal communications such as newsletters, articles in the company magazine and presentations. The management approach for the various categories distinguished by the GRI is as follows:

Environment

Compliance with environmental laws and regulations is embedded in Enexis's core processes. The line management is responsible for this. In the execution, each individual employee is responsible for the follow up. The Health, Safety & Environment department is responsible for monitoring the relevant laws and regulations. Enexis is transparent where CO_2 emissions are concerned as it calculates and publishes its CO_2 footprint.

Labour conditions and suitable work

Enexis is certified in accordance with Pas 55-1/NTA 8120. You can find more information on this in the section 'People and Organisation'. Responsibility has been delegated to the Asset Management manager. Safety is the responsibility of the line management, supported by the staff department Health, Safety & Environment. There is a process for reporting and analysing Undesirable Events [Ongewenste Gebeurtenissen (OGBs)]. The desired performance in the field of safety is laid down in the company-wide objectives of Enexis and is measured and reported externally using the DART-rate. Reference is made to the paragraph 'Working Safely' in the section 'People and Organisation' for more information. Contractors are required to have a VCA certificate.

Human rights

Enexis does not have a specific policy in the area of (the improvement of) human rights. Within Enexis's business operations complying with elementary human rights is standard practice. Monitoring laws and regulations and compliance in this area have been delegated to the Legal Affairs manager. A code of conduct applies to Enexis's own employees. They do not receive any special training in the area of human rights. Suppliers are required to sign the Supplier Code of Conduct. You can read more about this here.

Society

Enexis puts a strong emphasis on the importance of its core business for society. This has been laid down in the strategy and falls under the responsibility of the Executive Board.

Product responsibility

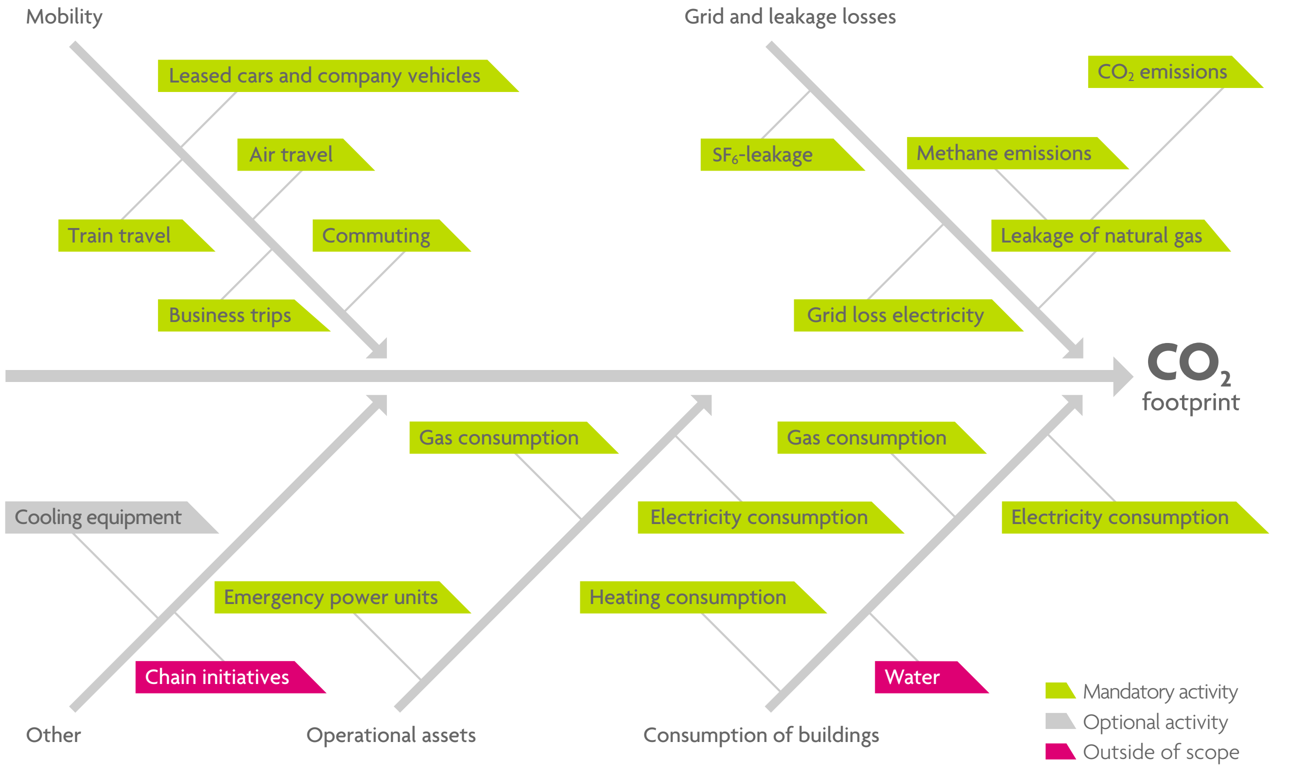
The quality of the products is safeguarded via a certified system in accordance with PAS 55-1/NTA 8120. Responsibility has been delegated to the Asset Management manager. The regulation of grid managers, in which conditions for prices and performance indicators are laid down for the basic services, serves as the assessment framework. The Office of Energy Regulation of the Netherlands Competition Authority supervises this. In addition, Enexis has a Compliance Officer who is part of the Regulation department and who can provide solicited and unsolicited advice to the board and the management.

Explanation of the calculation of the CO_2 footprint

Within Grid Management Netherlands, the grid managers have jointly taken a step forward in the area of carbon management in 2013. Under the chairmanship of Enexis, they developed a common model for the calculation of the CO_2 footprint of grid managers. Enexis reports on its CO_2 footprint in accordance with the new model in this annual report. The model is laid down in the document CO_2 Footprint Grid Managers Manual, version 1.2.

This model uses the Greenhouse Gas Protocol Corporate Standard as a guideline for the calculation of the CO_2 footprint. Enexis also applied this standard in previous years. The model leads to a different classification of the various emission categories. It is built up as follows:

Explanation of the CO_2 footprint



The model differs with regard to a few points from the model used by Enexis in 2012. The category business trips and commuting to and from work with the employee's own vehicle and public transport has been 'moved' from the category chain emission to own emission. More information is now provided on emissions resulting from electricity consumption. The reported value of the footprint of earlier years has not been recalculated in accordance with the new model. The differences in net footprint before CO_2 compensation deviates less than 0.5% in a comparable calculation over the year 2012.

The CO_2 footprint is part of the consolidated annual report of Enexis Holding N.V. The organisational scope of the footprint also comprises the annual emissions resulting from the activities of the business units that are included in this report: Enexis B.V. and Fudura B.V. The impact of activities of non-consolidated associates is not included. In accordance with the sector agreement, this report also discloses the emissions of only the regulated activities of Enexis, in the table under this explanation.

Points of departure

The footprint is calculated in accordance with the Operational Control approach of the Greenhouse Gas (GHG) Protocol.
The operational scope of the footprint thus comprises the activities over which Enexis can exert decisive control. This concerns activities that are related to the installation and management of grids for the transmission of electricity and gas. For this purpose, Enexis has both a field service and a supporting office organisation.

All greenhouse gases are reported in CO_2 equivalents. Besides CO_2, methane and SF6 emissions are also reported. The conversion factors into CO_2 equivalents are derived from the IPCC Fourth Assessment Report with a consideration period of one hundred years. Conversion factors for the conversion of energy consumption into CO_2 emissions are based, where possible, on primary data and otherwise derived from the '2013 Guidelines to Defra/DECCs GHG Conversion Factors for Company Reporting'.

Three values are always reported for the emissions in connection with electricity consumption.

1. The emissions in the event of average electricity consumption. The standard is the Dutch 'Trade Mix', which is determined annually by CE Delft.
2. The emissions based on the electricity mix contracted from an energy supplier.
3. The net emissions after the deduction of any purchasing of green certificates by Enexis. This is used in adding up the emissions.

So-called Tank-to-Wheel emission factors were chosen in the model.

There are no sector models for the calculation of chain emissions resulting from the production of machinery and equipment by suppliers and from the processing of company waste by the waste processor. Enexis has developed its own models for this in 2012. These emissions are reported as 'chain emissions'.

The following items are included in the CO_2 footprint calculation:

Mobility

- Travelling and transport Enexis vehicle fleet. The actual amount of fuel tanked is used as the input. The emissions of the E-cars in the vehicle fleet are not included separately. If the E-cars are charged at Enexis buildings, the consumption is usually included in the consumption of the building, the energy that is charged is not recorded if the car is charged elsewhere. As the charging stations of the Stichting e-laad, where a lot of charging takes place, supply green electricity, the non-included emissions are considered negligible.
- Travelling by employees with their own vehicle and public transport.
- Commuting to and from work and business trips. The kilometres claimed are used in the calculation. The calculation of the emissions is based on the average composition of the Dutch vehicle fleet according to CBS Statline and the average fuel consumption of the fleet.
  - Travelling by train. The information provided by the Dutch Railways (NS) is included in the calculation, both for the total amount of passenger kilometres on Business Cards and the emission factor per passenger kilometre.
  - Travelling by taxi. Based on the information provided by the Dutch Railways on Business Cards.
  - Travelling by plane. The information regarding flights provided by the contracted travel agency is used in the calculation. Different emission factors apply for continental and inter-continental flights.

Energy consumption in the buildings

- Electricity consumption in our own buildings. For the buildings that are used completely by Enexis, the basis is the measured consumption, for shared buildings, the consumption is calculated based on a ratio. In 2013, Enexis purchased energy from Dutch windmills during the whole year.
- Gas consumption in our own buildings. For the buildings that are used completely by Enexis, the basis is the measured consumption, for shared buildings, the consumption is calculated based on a ratio.

Operation of assets and other

Enexis does not report any emissions in the category operation of assets. The energy consumption in the assets is not measured separately and is part of the grid loss.

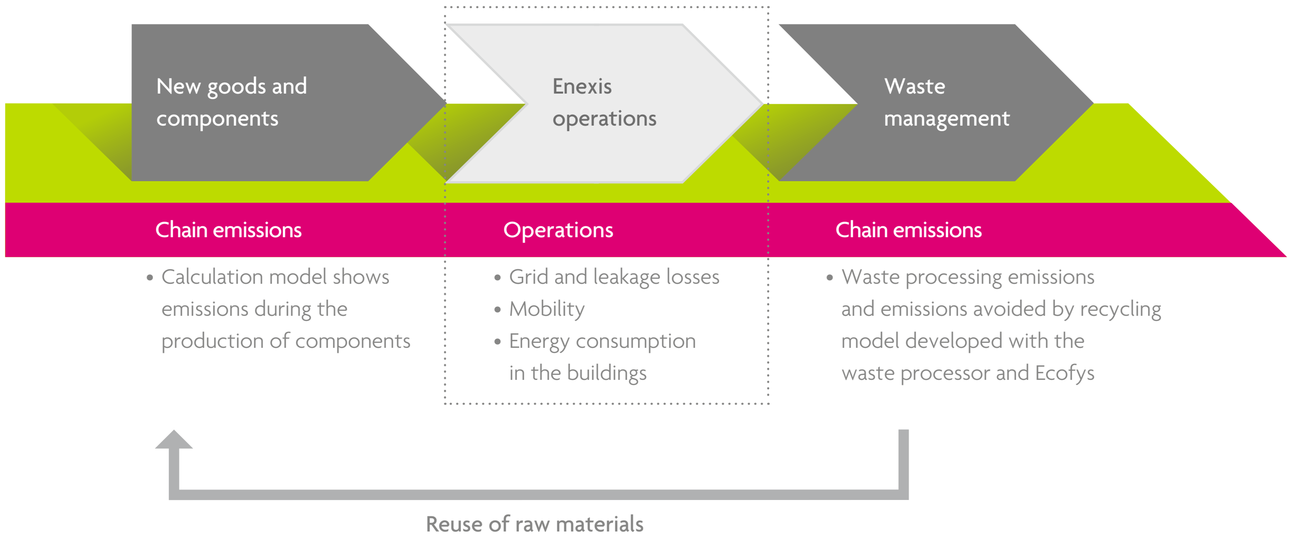
The consumption of cooling equipment is included in the category other. No cooling equipment is used in the assets of Enexis. The use of cooling equipment in buildings is not measured and is considered to be negligible compared to the other emissions.

Chain emissions

- Production of new assets. For the different categories of assets (such as cables, gas pipelines, transformers), the emissions resulting from the production of these assets is determined based on primary data and ratios. These values were multiplied by the assets actually taken into use in the year 2013. The choice has been made, taking into account the limitations regarding comprehensiveness in the chain, to report the total emission of the production of assets in the year the asset is taken into use.
- Processing of company waste Together with waste processor Sita and consultancy firm Ecofys, an inventory was drawn up of the waste processing chain. For each of the main waste flows, all steps from removal up to and including the final processing are shown. (see figure). The emissions in connection with the processing per weight unit were determine for each step, partly with primary data and partly based on secondary data from the Eco-invent database. This was used to calculate the emissions in connection with the processing of the waste flow.

Chain optimisation

Overview of the chain



The calculation of the chain emissions resulting from the production of assets and the processing of company waste is based on the actual quantities of assets taken into use and of waste presented to the waste processor. The conversion into CO_2 emissions is based on data from third parties and on ratios from reliable and acknowledged source documents such as the Greenhouse Gas Protocol. This approach provides sufficient insight in the short term to work together with chain partners on reducing emissions.

There are uncertainties in quantifying CO_2 emissions due to variables such as (the choice of) emission factors that can be used to calculate the emissions, determining the comprehensiveness of the CO_2 emissions resulting from the chain and the limited possibilities to determine these variables under all conditions. The calculation will improve when detailed primary data becomes available. The validation of the footprint is part of the audit of the non-financial section of the annual report.

Footprint regulated and non-regulated activities

	CO_2 emissions (in tons CO_2 equivalent)	
	Regulated	Non-regulated
Grid and leakage losses		
Leakage gas grid	106,825	-
Grid losses electricity transmission	-	-
Leakage from SF6 switch equipment	88	-
Mobility		
Lease and service vehicles [4]	12,133	518
Lease of electric cars [2] [4]	275	-
Commuting	2,652	95
Business trips	1,468	61
Train travel [4]	64	3
Air travel	71	-
Taxi trips (Taxi + Train Taxi) [4]	15	1
Consumption of buildings		
Natural gas consumption of buildings	2,658	34
Green electricity consumption buildings [3]	-	-
Total own emissions Enexis	**126,250**	**714**
Compensation with Gold Standard certificates	**126,250**	**714**
Net own emissions Enexis	**-**	**-**

1. Enexis has purchased the grid loss sustainably by means of Guarantees of Origin from hydro-power plants in Scandinavia. The avoided emissions as a result compared to the average trade mix amounted to 713.286 tons of CO_2. The avoided emissions amounted to 692,913 tons of CO_2 compared to the specifically purchased mix.
2. The emissions of electric cars are based on the national trade mix. The emissions are much lower in practice, as the green electricity is mostly loaded at Enexis buildings or charging stations of Stichting E-Laad.
3. Enexis uses 100% Dutch wind energy in its buildings since 2012.
4. Data for Nov/Dec based on extrapolation period Jan - Oct 2013.

In accordance with the CO_2 model of the joint grid managers, Enexis provides transparency regarding the share of the footprint that results from its regulated activities and the share of the footprint that results from its additional activities. The table above provides this breakdown. The non-regulated activities are carried out within Fudura.

Note: Fudura B.V. is certified in accordance with the CO_2 performance ladder. Small discrepancies are possible between the footprint published by Fudura and the values shown above for non-regulated activities. This is caused by small differences between the calculation model of the joint grid managers and the model that Fudura uses.

GRI-INDEX

In connection with the reconciliation with the Global Reporting Initiative standards, the GRI index is provided below and it can also serve as a reading guide. This is followed by extra information about a number of GRI indicators that are not included in the annual report, but that do provide extra information on (aspects of) relevant GRI indicators.

Organisation profile

Indicator	Description	Reference
2.1	Name of the organisation	4
2.2	Primary brands, products, and/or services	15
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	105
2.4	Location of organisation's headquarters	59
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	31
2.6	Nature of ownership and legal form	49
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	21
2.8	Scale of the reporting organisation	12, 19, 105
2.9	Significant changes during the reporting period regarding size, structure, or ownership	56
2.10	Awards received in the reporting period	39

Management approach

Indicator	Description	Reference
MB EU7	Average generation efficiency of thermal plants by energy source and regulatory regime - Not applicable	
MB EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	15
MB EU9	Provisions for decommissioning of nuclear power sites - Not applicable	

Social performance indicators

Indicator	Description	Reference
EU3	Number of residential, industrial, institutional and commercial customer accounts	4
EU4	Length of above and underground transmission and distribution lines by regulatory regime	4
EU6	Management approach to ensure short and long-term electricity availability and reliability	4
EU14	Programs and processes to ensure the availability of a skilled workforce	39
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	119
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	36
EU19	Stakeholder participation in the decision making process related to energy planning and infrastructure development	111
EU20	Approach to managing the impacts of displacement - Not applicable	

Indicator	Description	Reference
EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	119
EU23	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services - Not applicable	
EU24	Practices to adress language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services	26
EU26	Percentage of population unserved in licensed distribution or service areas	119
EU29	Average power outage duration	4
EC4	Significant financial assistance received from government	119
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	119
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	119
EN3	Direct energy consumption by primary energy source	41
EN4	Indirect energy consumption by primary source	41
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	20, 26. 28, 29
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	41
EN8	Total water withdrawal by source	120
EN16	Total direct and indirect greenhouse gas emissions by weight	41
EN17	Other relevant indirect greenhouse gas emissions by weight	41
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	41
EN19	Emissions of ozone-depleting substances by weight	120
EN22	Total weight of waste by type and disposal method	4
EN23	Total number and volume of significant spills	120
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	120
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	41
LA1	Total workforce by employment type, employment contract, and region, broken down bij gender	120
LA4	Percentage of employees covered by collective bargaining agreements	38
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	120
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	39
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	12, 36
LA10	Average hours of training per year per employee by employee category	36,39
LA14	Ratio of basic salary of men to women by employee category	120
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	111
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	121
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	6
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	121

Indicator	Description	Reference
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	121
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	121
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	21, 22

Extra information for the substantiation of a number of GRI performance indicators

EU15 Percentage of employees retiring

In determining this, an average retirement age of 65 is assumed. The table below indicates the percentage of employees who will reach this age in five years and in ten years. The effects of the adjustment (increase) of the retirement age have not been taken into account as it is uncertain what the actual age of retirement will be.

Percentage employees retiring 2013	Number	After five yeas	After ten years	After five years	After ten years
Total The Netherlands	4,241	582	1,368	13.72%	32.26%
Full total	**4,295**	**587**	**1,385**	**13.67%**	**32.25%**

EU21 Emergency plans, training programmes and plans for repairing damage

Crisis plans have been drawn up for all foreseeable emergency situations; the employees concerned have been trained. In general, these matters are ensured in connection with the certification of Enexis in accordance with NTA 8120 and Pas 55-1.

EU25 Percentage of the population in the servicing area that is not connected

Enexis has a connection obligation for the distribution of electricity, everybody is connected to the electricity grid. There is also a connection obligation for gas. There is an exception for low-volume users in so-called unprofitable areas and areas with a heating grid.

EC4 Significant financial support from a government

Enexis is not dependent on government contributions for its core activities. Enexis did receive a number of subsidies in 2013, in particular for its innovation projects in connection with the energy transition. An overview is provided below, with the amounts received in 2013.

Amounts in euros	2013
TKI	44,000
Ipin arrangements	371,000
O&O fund	138,000
DAME (adjustment previous years)	-92,000
EOS demo (adjustment previous years)	-80,000
EDGAR	150,000
WBSO	26,000
GBKN contributions	1,257,000
Total	**1,814,000**

EC5 Ratio between standard starting wage and local minimum wage.

Enexis's wage tables do not specify a standard minimum starting wage. The policy is directed at a remuneration compared to the Dutch market average at a median level + 5%. This is more than approximately 65 to 70% of the companies offer in the market and it is higher than the minimum wage level. The database of the HayGroup is used for the benchmark. This policy standpoint is laid down in the Enexis collective loan agreement.

EC7 Procedures for local recruitment of personnel and share of the senior management that originates from the local community at important company locations

Enexis is only active in the Netherlands. Therefore, there is no special policy to recruit senior management from 'the local community. Technicians and field service employees are, of course, recruited in the regions in which they work in order to ensure a swift handling of faults.

EN8 Total water consumption at the source

Enexis only uses water in its buildings, not in the processes. The table shows the water consumption in square meters per year. This is drained away via the sewer.

	2013	2012	2011
water consumption (m^3)	21,504	21,301	24,028

EN19 Emissions of ozone destroying substances according to weight

Enexis does not work with ozone destroying substances in its core processes.

EN23 Total number and volume of significant discharges and EN28 Monetary value of significant fines and total number of non-monetary sanctions due to non-compliance with environmental laws and regulations.

No Undesired Occurrences occurred whereby fines were imposed or Police Reports were drawn up with regard to the environment.

LA1 Total workforce according to type of work, employment contract and region

In addition to the tables in the section on personnel developments, the table below provides an overview of in which province the employees of Enexis live, specified according to the type of contract.

Country		Definite period	Indefinite period	total
Belgium	België		33	33
Germany	Duitsland		22	22
Total outside of the Netherlands		**-**	**55**	**55**
Netherlands	Drenthe	13	335	348
	Flevoland	1	20	21
	Friesland	11	221	232
	Gelderland	7	107	114
	Groningen	24	466	490
	Limburg	27	984	1,011
	Noord-Brabant	65	1,286	1,351
	Noord-Holland	5	6	11
	Overijssel	25	572	597
	Utrecht	6	31	37
	Zeeland	1	6	7
	Zuid-Holland	3	17	20
Total Netherlands		**188**	**4,051**	**4,239**
Total		**188**	**4,106**	**4,294**

LA5 : Minimum term(s) of notice in connection with operational changes, including whether this is specified in collective agreements

Enexis applies a term of notice in accordance with the Dutch Civil Code.

LA14: Relationship between base salaries of men and women per employee category

The difference can partly be explained due to the lower average age of women employed by Enexis and partly due to a slightly lower classification of the type of position that they hold.

Amounts in euros	2013	2012	2011
Average salary of female employees:	3,499	3,422	3,120
Average salary of male employees:	3,706	3,666	3,577

HR3 Total number of hours of training of employees in policy and procedures concerning aspects of human rights that are relevant for the activities, including the percentage of the employees who have followed the training.

Within the core activities, there is a very limited risk of incidents in this area. Therefore, no targeted training programmes were provided. However, there is a code of conduct for employees, which was introduced in 2011.

S07 Total number of court cases in connection with market access and the outcomes of these cases

No legal proceedings were initiated against Enexis in 2013 in connection with market access.

S08 (Monetary value of the) fines and sanctions due to non-compliance with laws and regulations

No significant fines or sanctions were imposed on Enexis in 2013. Although, Enexis did receive claims for damages following the interruption of the supply of electricity and gas. These have been settled in accordance with the applicable procedures.

PR3 Type of information about products and services that is mandatory pursuant to procedures and the percentage of important products and services to which such information requirements apply.

For high-volume customers, a copy of the General Terms and Conditions are included with each offer letter. The General Terms and Conditions are pointed out to low-volume customers and reference is made to the information on the Enexis website and on the sites that provide information about responsible energy consumption, such as www.energieveilig.nl.

EXECUTIVE BOARD

Han Fennema

Chairman of the Executive Board

Han Fennema (12 September 1964) was the Chairman of the Executive Board of Enexis Holding N.V. from 1 September 2010 to 31 December 2013. Mr Fennema has held various positions in the energy sector. He held a number of positions at Exxon Mobil in the fields of ICT, finance, logistics and joint venture management. After which he became the strategic director at Eneco Holding, managing director of Eneco Netbeheer and a member of the Executive Board and COO of Eneco Energie. Mr Fennema became a member of the Executive Board of Gasunie on 1 January 2014 and then CEO of Gasunie as from 1 March 2014.

Maarten Blacquière

Ad interim Chairman of the Executive Board/CFO

Maarten Blacquière (28 January 1967) was appointed CFO as of 1 December 2012 and has been a member of the Executive Board and CFO of Enexis Holding N.V. since 1 January 2013. Due to the departure of Mr Fennema, Mr Blacquière has temporarily assumed the role of Chairman of the Executive Board of Enexis as of 1 January 2014 until a new chairman of the Executive Board is appointed. Mr Blacquière has held various financial positions. He was the CFO of GasTerra B.V. from January 2006 to November 2012. Before that, Mr Blacquière worked for Esso Nederland B.V. in a number of positions including European Financial Accounting & Reporting Migration Manager and Benelux Financial Reporting Manager. Mr Blacquière has also been a member of the board of Stichting Pensioenfonds Gasunie (Gasunie Pension Fund Foundation) and a member of the Supervisory Board and Audit Committee of the healthcare foundation Stichting Zorggroep Leveste Middelveld since 2011.

SUPERVISORY BOARD

Mr D.D.P. Bosscher

Mr Bosscher (30 January 1945) has been the Chairman of the Supervisory Board since 2008 and was reappointed in 2012 and is due to retire in 2016. Mr Bosscher is also the Chairman of the Remuneration and Selection Committee. He is also a management board member of the Stichting Imtech. The former Director Technology & Development at Sappi Fine Paper plc. is a Dutch national.

Mr R. de Jong

Mr De Jong (24 September 1948) was appointed as a Supervisory Board member in 2008, reappointed in 2012 and is due to retire in 2016. His is the Vice-Chairman of the Supervisory Board and Chairman of the Audit Committee. Mr De Jong, former CFO of Essent N.V., is the Chairman of the Supervisory Board of Bakeplus Holding B.V., Supervisory Board member at USG People N.V., Supervisory Board member at N.V. Nederlandse Gasunie, board member of the foundation Stichting Aandelenbeheer BAM Groep, board member of the foundation Stichting tot het houden van Preferente- en Prioriteitsaandelen B Wereldhave and member of the Supervisory Board of the Waarborgfonds voor de Zorgsector. He is a Dutch national.

Ms W.M. van Ingen

Ms Van Ingen (1 March 1958) was appointed as a Supervisory Board member in 2008, reappointed in 2012 and is stepping down earlier in 2014 at her own request. She is a member of the Audit Committee. Ms Van Ingen is the Chair of the Executive Board of Nysingh advocaten-notarissen N.V. In addition, she is the Chair of the Supervisory Board of the ROC Twente and Supervisory Board member at Woonbeheer Borne. She is also the Chair of the Fanny Blankers-Koen Games and Vice-Chair of the Industrial Circle Twente. She is a Dutch national.

Mr M.A.E. Calon

Mr Calon (18 January 1959) was appointed as a Supervisory Board member in 2012 and is due to retire in 2016. He is a member of the Audit Committee. Mr Calon was a member of the Provincial Executive of the Province of Groningen. He is the Chairman of the AEDES association of housing corporations. He is a Dutch national.

Ms M.E.J.M. Caubo

Ms Caubo (7 November 1961) was appointed as a Supervisory Board member in 2011 and is due to retire in 2015. She is also a member of the Remuneration and Selection Committee. Ms Caubo is the director of Responsible Care at DSM. In addition, she is the Chair of the Supervisory Board of the foundation Stichting Conrisq Groep. She is a Dutch national.

COMPOSITION OF THE WORKS COUNCIL

- W. Camfferman (Chairman)
- A.R. van den Bos (Secretary)
- E.H.J.M. Verhoeven (Deputy Chairman)
- P.J.M. Doreleijers (Deputy Secretary)
- D.J. Brokken
- G.J. van Diggelen
- J.J.A.J. Haans
- A.M.L. Hamstra
- H.B. Hulzebosch
- A.C.M. ter Laare
- IJ. van Nielen
- H. Reinders
- F.E.M. Schonewille
- J.A.W. Sluyter
- A.G. Snijder
- A.J.M. Vollenbroek
- P.W. Weldam
- A. Woldinga
- J.F.N.M. Custers (official secretary)

GLOSSARY

DART-rate:
Days **A**way from work, job **R**estrictions, and/or job **T**ransfers. Indicator of the safety in the execution of work expressed in the number of hours away from work per 200,000 hours worked.

Sustainability: (According to the VAN:)
`Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs´. Enexis interprets this, for the sake of brevity, and in relation to its primary tasks, as 'The aim to deal with energy sources and the environment in a responsible manner.

Energy Agreement:
The agreement that was signed by forty parties, including the Dutch government, in September 2013 with the objective of increasing the sustainability of the energy supply.

Energy transition:
The term used to refer to the change in the energy supply from the centralised production of energy from fossil energy sources to decentralised production from sustainable energy sources.

Footprint:
Indication of the size of Enexis's CO_2 emission in a calendar year. Within the footprint, Enexis distinguishes between its own emission and chain emission.

Green Deal:
An agreement between the National Government and companies, in which a joint effort in the field of sustainability has been agreed.

GRI:
Global Reporting Initiative. A worldwide financial reporting standard with regard to sustainability.

JUD:
Annual outage time due to unforeseen interruptions (outages). The number of minutes (electricity) or seconds (gas) that the customer did not have any energy supply in a calendar year on average.

Chain:
The group of parties that carry out a process together. Enexis is active in the energy chain and in the resources chain.

Customer satisfaction
The term used for the assessment of Enexis's performance by customers.

Society:
The society in which Enexis operates, including organisations, individuals and developments.

Market Model:
The agreements and rules that determine the tasks, powers and responsibilities of the parties in the energy sector.

CSR:
Corporate Social Responsibility. A manner of doing business that has the aim to limit the negative influence of the business operations on the environment and to exert a positive influence on society.

Grid operator:
An independent utility company that has been appointed to provide for the transmission of gas and electricity between the supplier and the customer in a specified area and to install and maintain grids for this purpose. The tasks of the grid operator are laid down in the Electricity Act 1998 and the Gas Act 2000.

Product quality:
At Enexis, this refers to the quality of the services provided by Enexis. The most important indicators are the annual outage time (JUD) and service standards.

Regulation:
The laws and the rules and regulations based on these laws governing the activities of the grid operator and the supervision of these activities.

Smart meter:
a meter to measure the consumption of electricity and/or gas that can be read remotely by the grid operator and that makes consumption data available to the customer via a local entrance port for further processing in own peripheral equipment.

Smart grid:
An energy grid that makes use of ICT to react to situations in which demand and supply of energy need to be steered, which contains an energy flow and a data flow so that the grid operator can steer the energy flows.

Stakeholder:
A party that is involved in or is affected by Enexis's activities. In≈its strategy, Enexis defines four groups of stakeholders: society, customers, shareholders and employees.

Delivering back energy:
When customers feed energy back into the energy grid due to the generation of their own (in general sustainable) energy.

HSQE:
The term for activities regarding Health, Safety, Quality of life and the Environment.

VIG:
Safety indicator for Gas. Indicator for the safety of the gas grids, expressed in a (dimensionless) number. Is determined each year based on the incidents in the previous year.

Publisher
Enexis Holding N.V.
P.O. Box 856
5201 AW 's-Hertogenbosch, the Netherlands
Tel: +31 (0)88 857 77 77

The annual report is available online on our website
annualreport.enexis.nl

Investor Relations
Paul Emans
Investor.relations@enexis.nl

Editing and production
Communications department of Enexis, Den Bosch
and Martin van den Akker

Draft and layout
DartGroup, Amsterdam

Photography
Images Enexis

Illustrations
DartGroup, Amsterdam

English translation
DartGroup, Amsterdam

The original Dutch version of this annual report
is avaible at jaarverslag.enexis.nl

The Dutch version takes precendence.

ENEXIS HOLDING N.V.
P.O. Box 856
5201 AW 's-Hertogenbosch, the Netherlands
Telephone: +31 (0)88 857 77 77
www.enexis.nl

ENEXIS
CHANNELING ENERGY