



21 April 2015

Investor update

Enexis Holding N.V.





Presenting to you today



Maarten Blacquièr, CFO

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



Rob van de Poll, manager Treasury

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



Paul Emans, manager Investor Relations

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





Key investment highlights

A leading DSO in the Netherlands

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

Transparent regulatory environment

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

Solid financials

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

Prudent financial policy

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





Corporate profile & Market

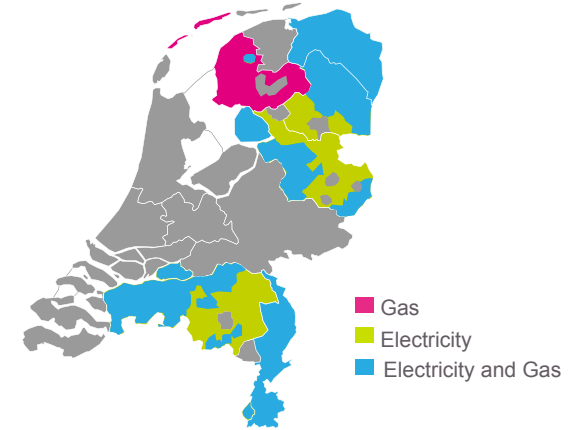
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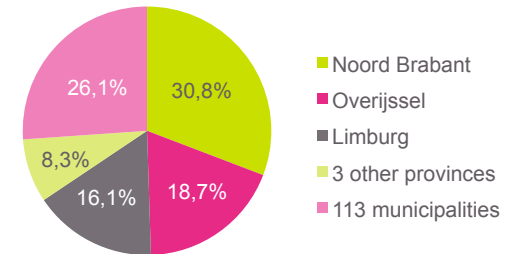
Corporate profile

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

Service area



Shareholder structure

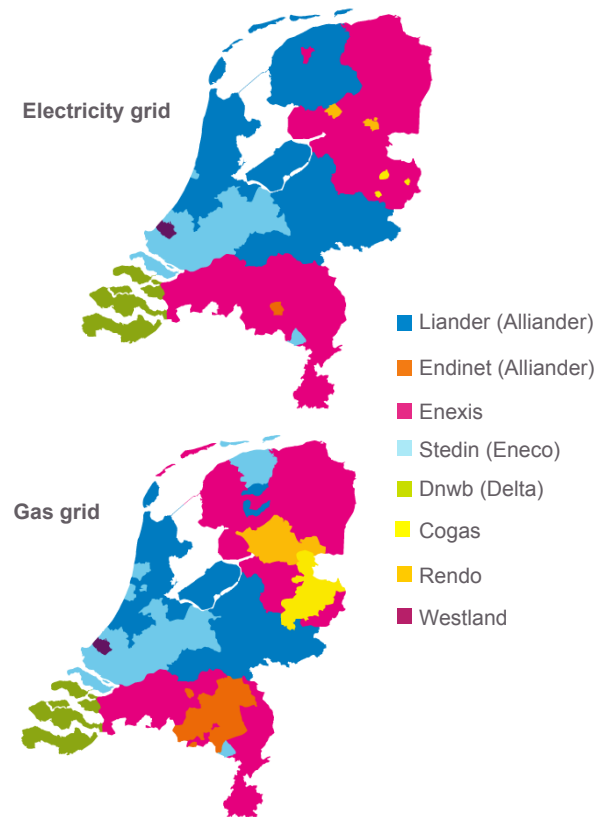


Enexis is a leading DSO in the Netherlands

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

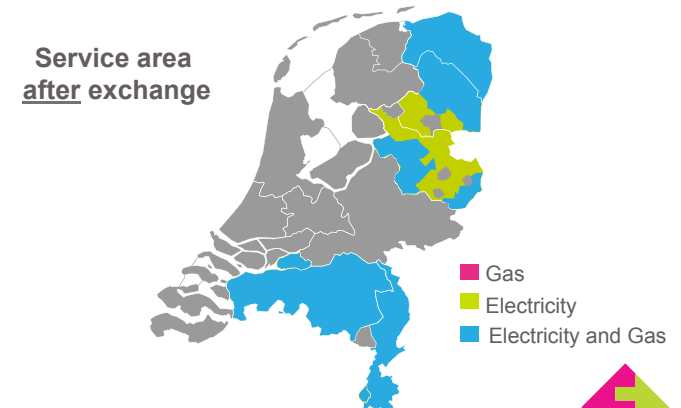
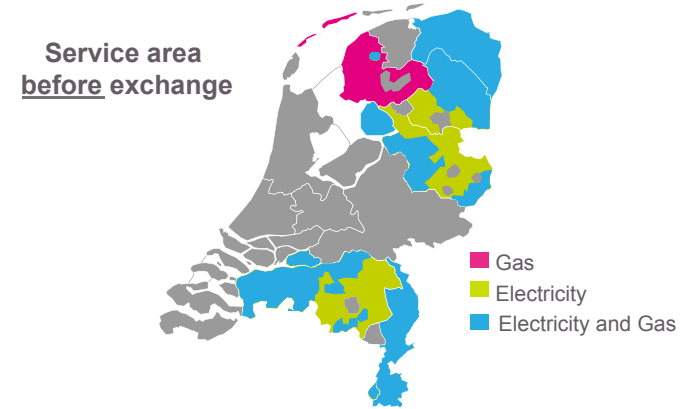
2014	Revenue	EBIT	Connections	Employees
Alliander	1,696 mln	510 mln	5.7 mln	7,200
Enexis	1,402 mln	435 mln	4.7 mln	4,300
Stedin	1,248 mln*	325 mln*	3.9 mln	3,700*

* Stedin incl. Joulz



Update on service area exchange Enexis – Alliander

- ◆ Enexis and Alliander signed outline agreement on 25 March 2015
 - ◆ Enexis area: Northern part of the Netherlands
 - ◆ Alliander area: Southern part of the Netherlands (Endinet)
- ◆ Exchange is part of Dutch government's wider policy to arrange network operations along provincial borders
 - ◆ Improves operational efficiency
 - ◆ Interconnects electricity and gas service areas
- ◆ Transaction is scheduled for completion on 1 January 2016
- ◆ No impact on the credit ratings of Enexis and Alliander

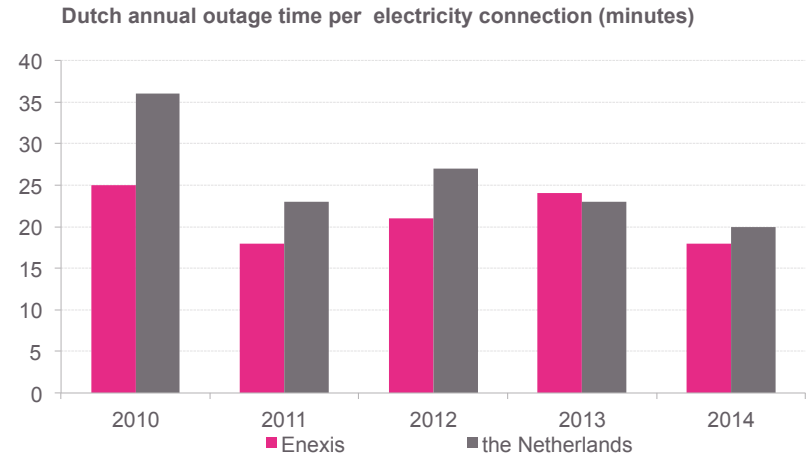
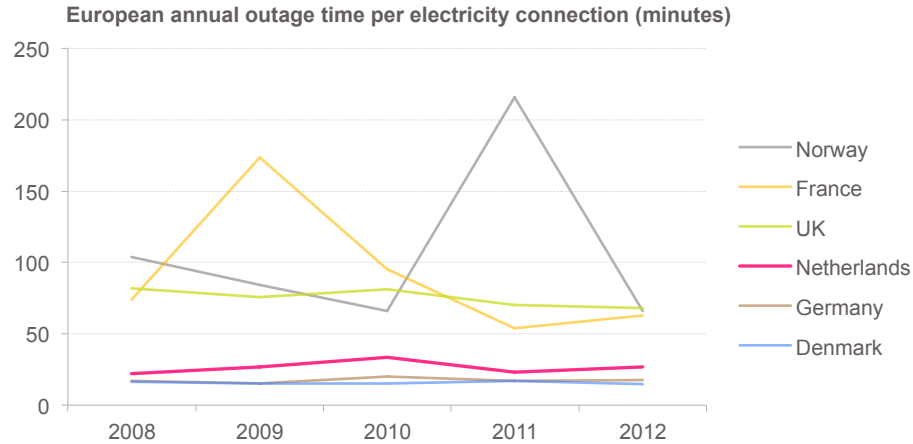


Connections	Electricity	Gas	Total
Enexis area	79,000	223,000	302,000
Alliander area	108,000	398,000	506,000



High reliability of Dutch regional electricity networks

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





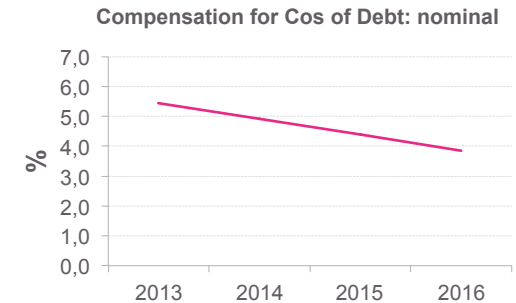
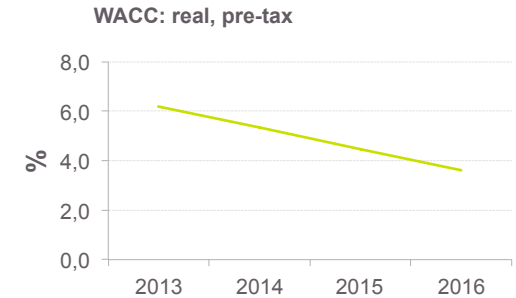
Dutch regulatory framework

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Transparent and stable Dutch regulatory framework

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





Financials

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Highlights 2014



Reliable

- ◆ Annual electricity outage time at 17.7 minutes (multi-year average 22.4 minutes)
- ◆ Net investments at EUR 396 million (2013: EUR 398 million)

Affordable

- ◆ Revenues increased to EUR 1,402 million (2013: EUR 1,386 million) mainly due to a 1% tariff increase
- ◆ Enexis realized the regulated return of 5.0% for its shareholders (2013: 4.5%)

Customer oriented

- ◆ Smart meters installed at 174,000 addresses in 2014 (2013: 129,000)
- ◆ Average customer satisfaction score of 7.8 (2013: 7.8)

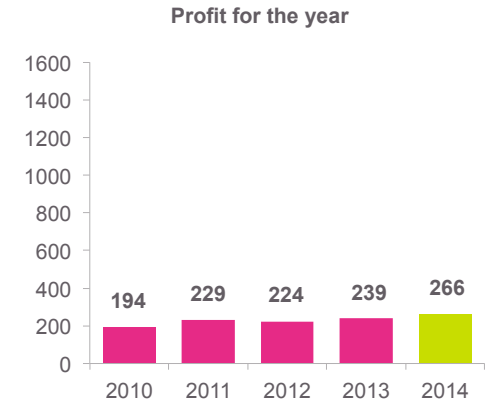
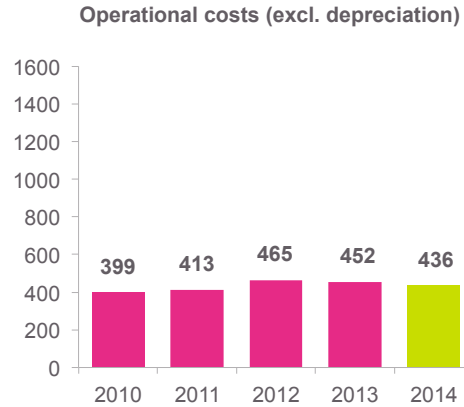
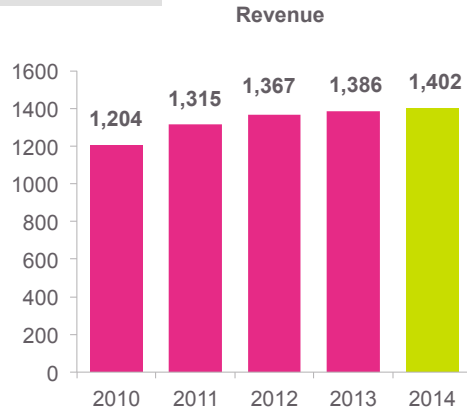
Sustainable

- ◆ Active partner in Dutch energy transition
- ◆ Energy consumption of 4,500 households saved due to energy savings in 1,800 transformer stations



Solid multi-year performance

in EUR millions

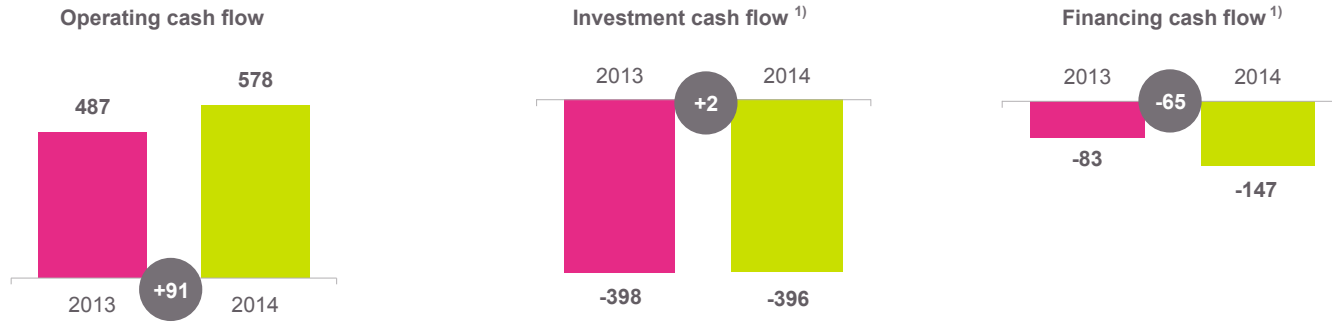


- ◆ Revenues driven by limited customer tariff increases
- ◆ Continuous focus on operational cost control
- ◆ Profits in line with regulated return for shareholders



Operating cash flow covers investment and financing cash flow

in EUR millions

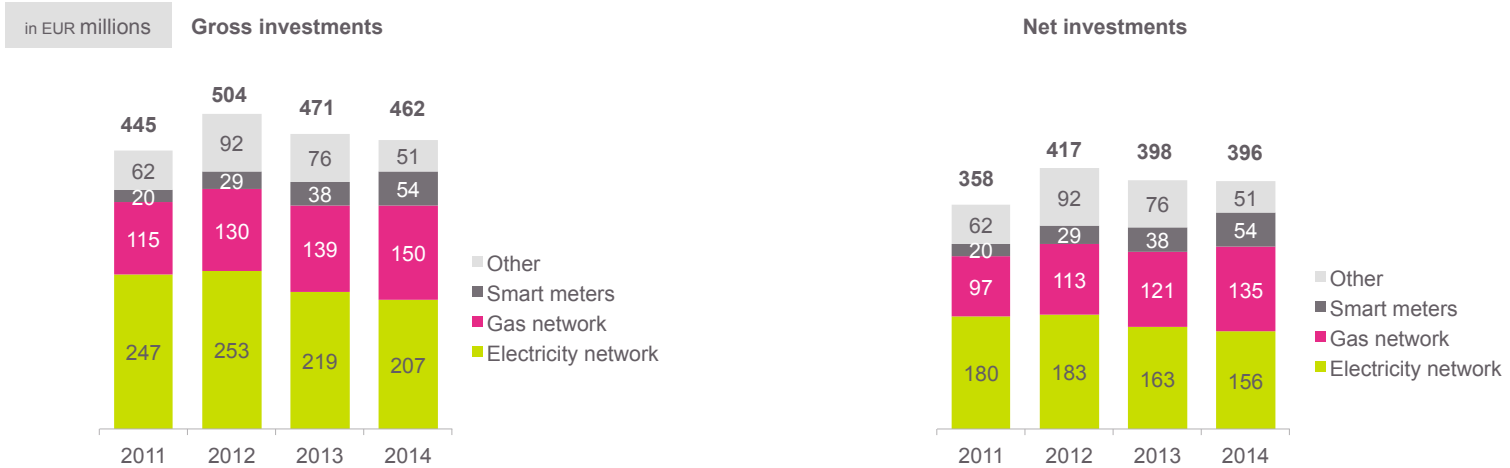


- ◆ Higher operating cash flow 2014 mainly due to profit increase and change in working capital
- ◆ Investment cash flow stable
- ◆ Financing cash flow includes dividends paid and changes in financial deposits

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



Investments temporarily stabilizing



- ◆ Customer driven investments slowed down due to economic downturn
- ◆ Enxsis increased investments in gas grid replacements and smart meter roll-out
- ◆ Net investments stabilized in 2014

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





Relevant drivers for future investment agenda

Technical

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

Political/Economical

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

Strategic

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





Outlook 2015

Regulation

- ◆ Lower regulatory WACC due to low interest rate environment
- ◆ Customer tariff decrease of 3.8% on average in 2015 – impact on revenues approximately EUR 50 million

CAPEX

- ◆ Smart meter roll-out (280.000 in 2015)
- ◆ Increase of customer driven investments

Financing

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

Dividend

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





Financing and policy

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Financial policy and target ratios

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

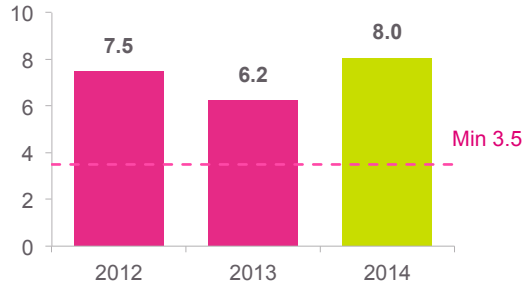
Target ratios Enexis	Hurdles
FFO interest coverage	$\geq 3.5x$
FFO / net interest bearing debt	$\geq 16\%$
Net interest bearing debt / (equity + net interest bearing debt)	$\leq 60\%$



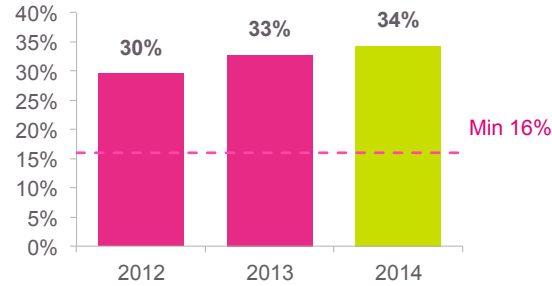


Target ratio hurdles comfortably met

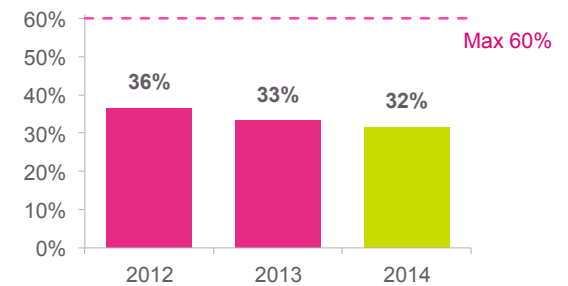
FFO interest coverage



FFO / net interest bearing debt



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



- ◆ Target ratios comfortably meet hurdles and show positive trend
- ◆ FFO interest coverage target ratio lower in 2013 due to compensation for early redemption shareholder loan



Rating Enexis among highest compared to peers

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

* Integrated Dutch Utility Company, DSO included

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





Restrictive dividend policy supported by shareholders

Dividend policy as of April 2014:

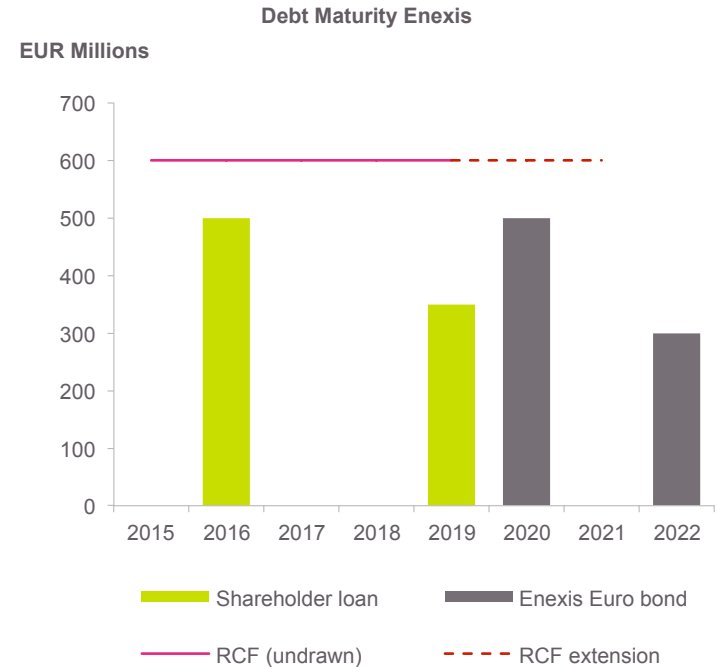
- ◆ Enexis' dividend policy is based on a pay-out ratio, defined as a percentage of the annual profit for the year from regular operations of Enexis Holding N.V.
- ◆ As of the book year 2014, the dividend is set at a maximum of 50% of the profit for the year, with an aim of a minimum dividend level per year of EUR 100 million. This pay-out percentage will be reduced when the dividend pay-out would result in a situation where the company may lose its A rating profile within the next five years

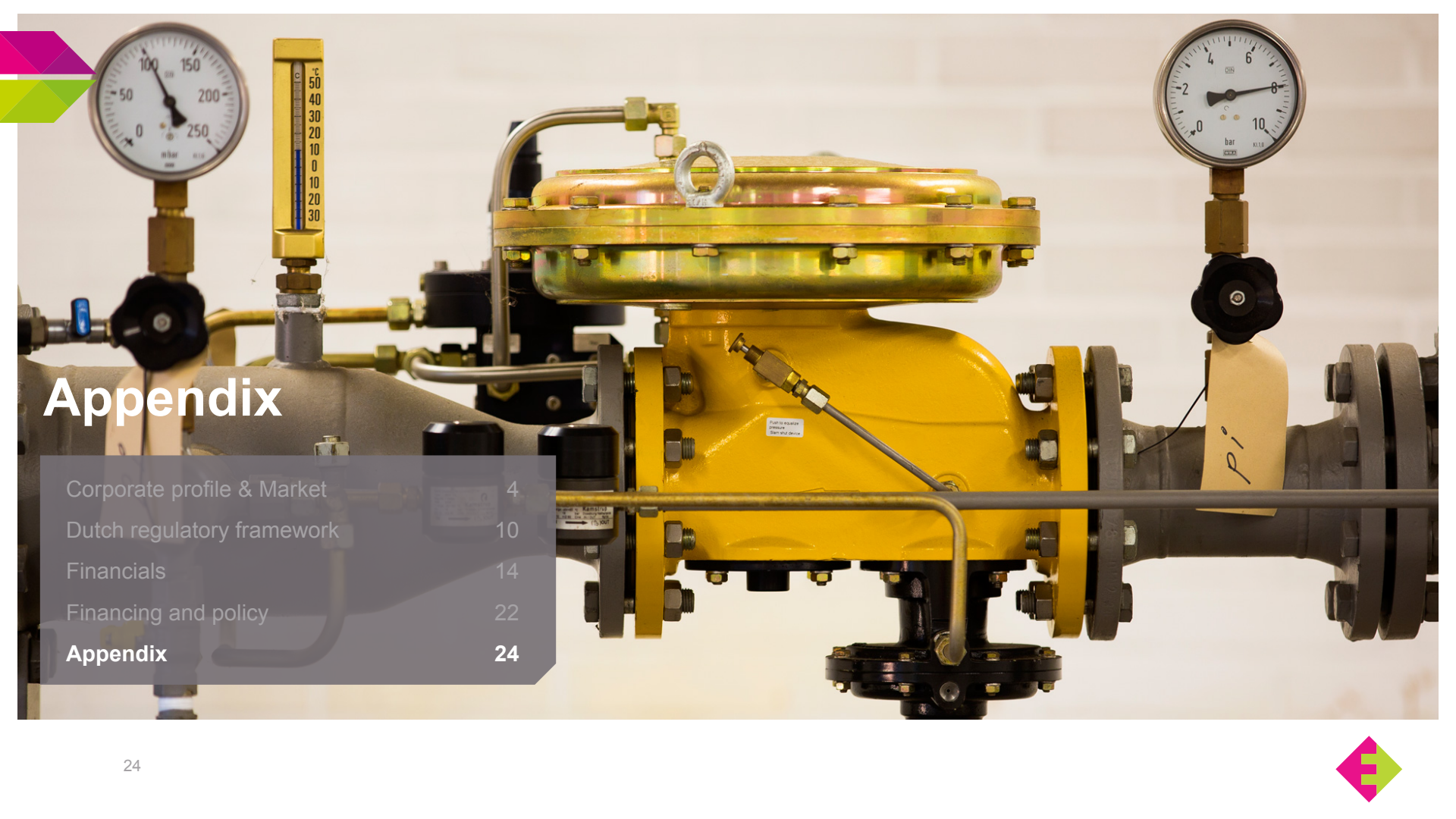
Enexis' shareholders continue to support the company's financial policy by restrictive dividend policy



Balanced debt maturity profile and adequate liquidity back-up

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





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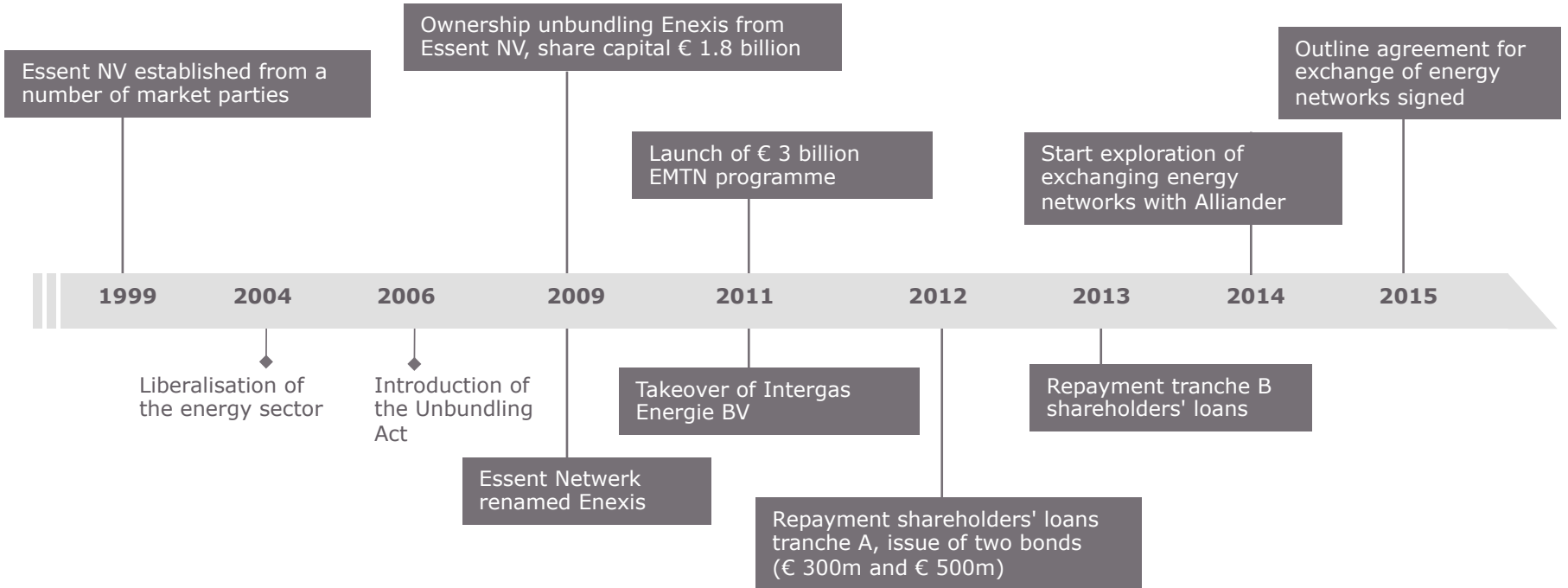
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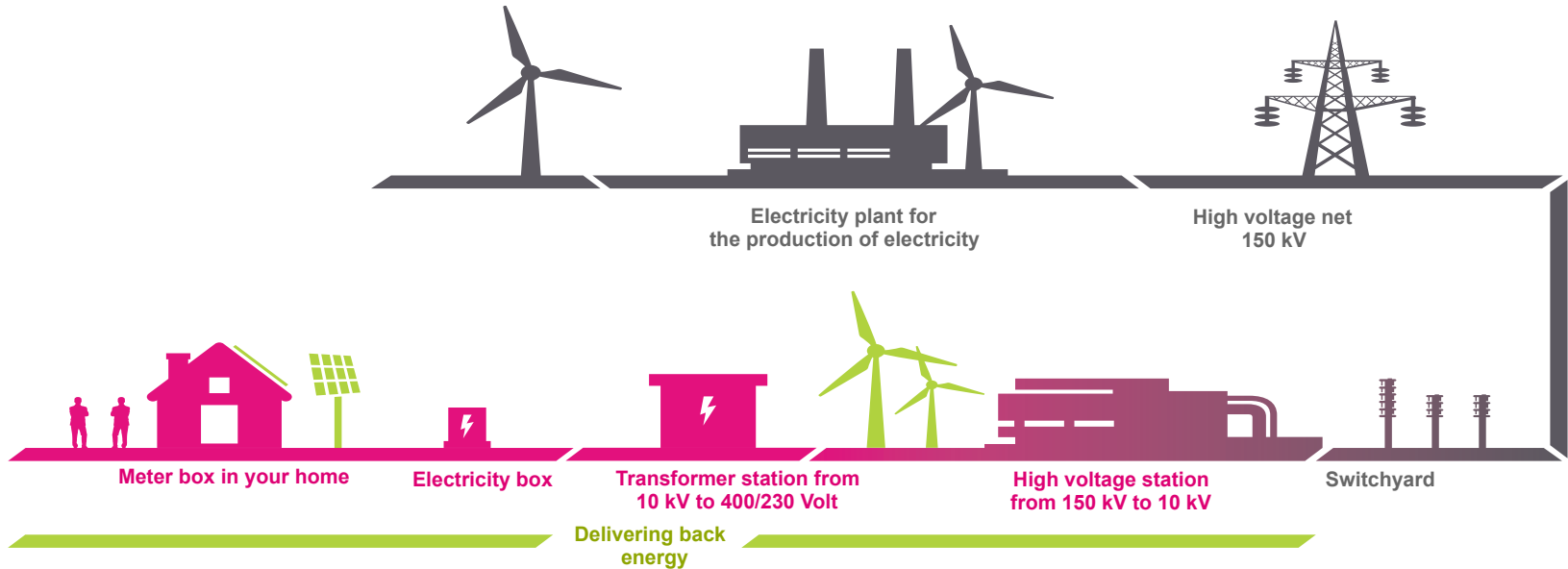




The rich history of a young company



Enexis' role in the Dutch energy chain

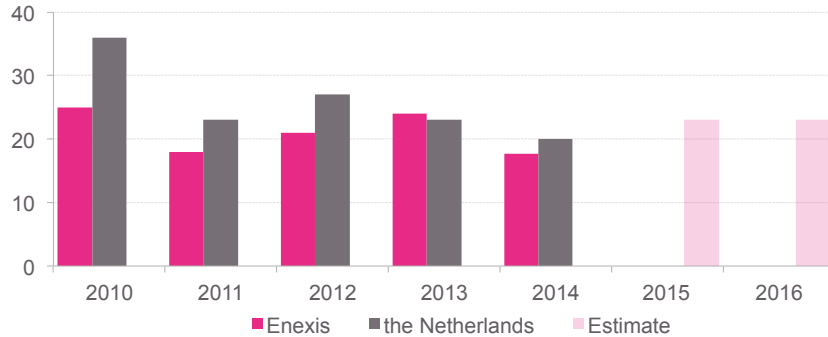




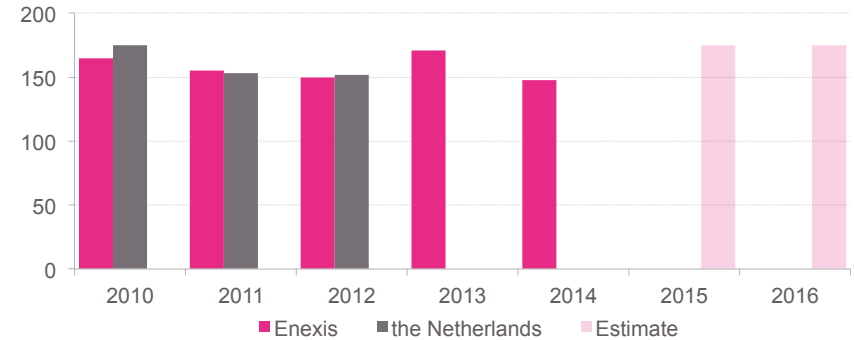
High reliability and safety of Enexis grid



Annual outage time per e-connection (in minutes)



Safety indicator gas (VIG) score



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



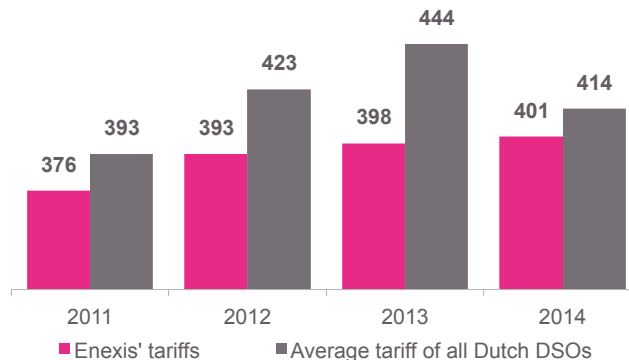
Enexis' customer tariffs



	Electricity	Gas	Total
Endinet	219	164	383
Enexis	241	159	401
Cogas	241	163	405
Stedin	245	167	412
Liander	245	170	416
Westland	283	139	422
Delta	266	166	432
Rendo	242	196	438

Costs on an annual basis in euros, including VAT

Tariffs in euros per year, per household



- ◆ The supervisory authority determines the maximum tariffs that the grid operator may charge
- ◆ In recent years Enexis followed the consumer price index for setting its tariffs instead of the permitted tariffs by the Dutch supervisory authority ACM
- ◆ In total Enexis did not charge EUR 241 million to our customers in the period 2012 - 2014
- ◆ Due to this policy, only Enexis was able to increase its tariffs in 2014



Customer orientation and insight into data



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

Increasing awareness

Providing information about installations in your home for saving energy and increasing sustainability	econexishuis.nl
Lesson packages for primary and secondary schools	krachtmeting.nu / vanzonkrijgjeenergie.nl
Information about decentralised energy production by end users	zelfenergieproduceren.nl
Roll out of smart meters	enexis.nl/slimmemeter
Saving energy in the neighbourhood	buurkracht.nl / goeiepeer.nl

Acquiring knowledge & sharing insights

Making data about energy consumption on a neighbourhood level accessible, so that municipalities can carry out a more targeted energy policy	energieinbeeld.nl
Participating in demonstration projects Electric Driving and Smart Charging	enexisinnovatie.nl
Study of the consequences of producing energy locally for the energy chain in smart grid pilots	Jouw Energie Moment





Contributing to the Dutch Energy Agreement



Enexis supports sustainability in three areas:

Sustainable transport

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

Sustainable business operations

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

Sustainable environment

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



Dutch regulatory framework; x-factors

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

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

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

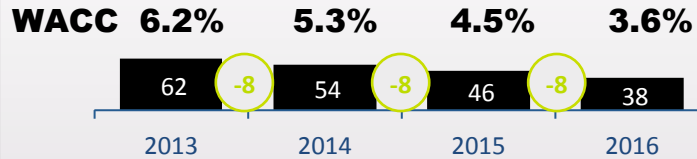
Source: ACM, Enexis



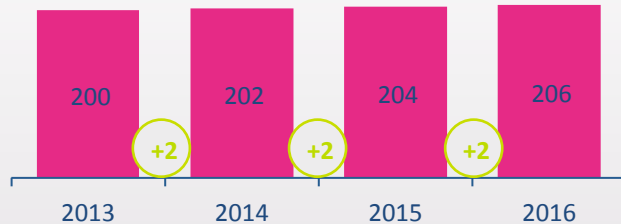
Dutch regulatory framework – simplified example

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

WACC x RAB (+ cpi)

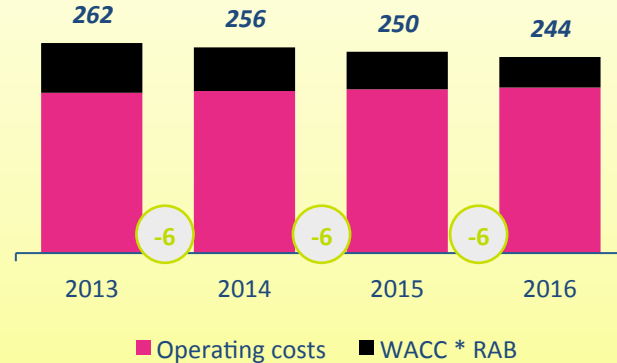


OPERATING COSTS incl. depreciation (+ cpi - efficiency target)



Note: All indicative Figures!

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



X = 4.3%





Regulatory WACC development including Cost of debt compensation

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

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

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



Credit ratings

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



Rating Aa3 / Stable outlook

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

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

**STANDARD
& POOR'S**

Rating A+ / Stable outlook

- ◆ Downgrading as of October 6th 2014 from AA-/Stable to A+/Stable
- ◆ Rating action reflects the agency view that ratio FFO/debt could fall below 25% at the end of the regulatory period in 2016, but above 20% on a sustainable basis onwards
- ◆ Excellent business risk profile based on natural monopoly in service areas, low risk regulated business and high quality network
- ◆ Intermediate financial risk profile and strong liquidity position
- ◆ Anchor rating score of A+
- ◆ Moderate likelihood that owners would provide timely and sufficient extraordinary support in event of financial distress (in accordance with S&P criteria for government-related entities)

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





Summary – income statement

Income statement (€ millions)	2010A	2011A	2012A	2013A	2014A
Revenues	1,204.2	1,314.6	1,367.0	1,385.7	1,402.1
Gross margin incl. other operating income	996.9	1,087.3	1,145.3	1,173.7	1,179.3
Operating expenses	398.7	412.9	465.4	452.4	435.9
Depreciation and impairments	248.5	271.9	285.9	298.9	310.1
EBIT	354.6	396.8	383.6	423.5	434.6
Financial income and expenses	-93.8	-88.5	-91.2	-109.0	-79.0
Profit before tax	260.8	308.3	292.4	314.6	355.5
Profit for the year	193.7	229.4	223.7	239.1	265.5



Summary – balance sheet

Assets (€ millions)	2010A	2011A	2012A	2013A	2014A
PPE	4,938.2	5,304.9	5,549.9	5,729.4	5,884.6
Non-current assets	5,059.2	5,438.6	5,683.9	5,865.1	6,015.0
Receivables	504.2	527.0	548.8	175.2	172.6
Cash and cash equivalents	330.2	329.1	138.6	115.0	96.3
Current assets	851.1	880.8	1,339.6	399.8	401.9
Total assets	5911.5	6,319.4	7,023.5	6,264.9	6,417.0
Liabilities (€ millions)	2010A	2011A	2012A	2013A	2014A
Equity	2,963.9	3,130.9	3,244.9	3,370.1	3,516.7
Non-current interest-bearing liabilities	1,910.9	1,459.7	1,750.3	1,750.6	1,747.4
Non-current liabilities	2,316.9	2,021.5	611.0	2,554.1	2,593.3
Trade and other payables	571.9	609.2	645.2	210.2	212.8
Current liabilities	630.8	1,167.0	1,303.0	340.7	307.0
Total liabilities	5,911.5	6,319.4	7,023.5	6,264.9	6,417.0





Enexis' Executive Board

Maarten Blacquièrè MSC

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

Peter Vermaat MSC MBA

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





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www.enexis.nl/investorrelations
investor.relations@enexis.nl