ENEXIS HOLDING N.V.

INTERIM STATEMENT 2010

ENEXIS

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PROFILE

Enexis is the successor to Essent Netwerk B.V. On 1 July 2009, the date of incorporation of Enexis Holding N.V., Enexis became independent as a result of the unbundling of ownership. The holding company comprises regulated grid manager Enexis B.V. and the commercial activities of Enexis Meetbedrijf B.V. and Enexis Infraproducts B.V. as separate business units. Up until then, Meetbedrijf and Infraproducts were subsidiaries of Enexis B.V.

The independent grid manager, Enexis B.V. is responsible for the construction, maintenance, management and development of the transportation and distribution grids for electricity and gas in the northern, eastern and southern parts of the Netherlands. With over 130,000 kilometres of electricity cables and 40,000 kilometres of gas pipes, Enexis operates the largest energy grid in the Netherlands, distributing energy to 2.6 million customers.

Approximately 74% of the shares in Enexis Holding N.V. are held by six Dutch provinces (Noord-Brabant, Overijssel, Limburg, Groningen, Drenthe and Flevoland) and approximately 26% are held by 130 Dutch municipalities in those provinces and in the province of Friesland.

Our vision

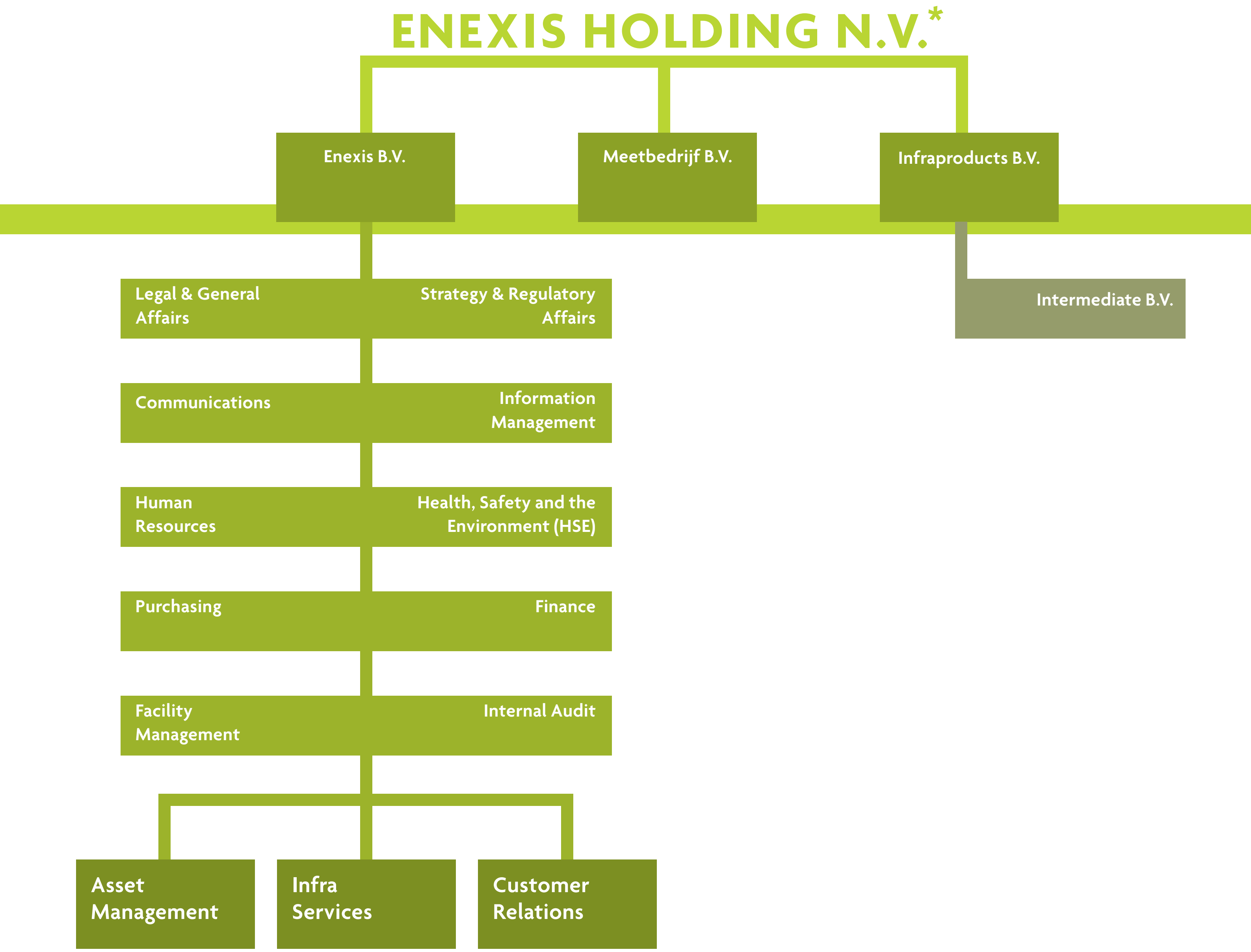
There is a rising awareness in the community of its dependence on energy and the effect of energy usage on the economy, the living environment and the climate. As a result, stakeholders and customers will become more and more critical of the performance and behaviour of energy and energy-distributing partners, and their ability to react decisively on technological developments and changing market conditions.

Our mission

We go to great lengths to achieve a sustainable, reliable and affordable energy distribution.

Our core values

Together, decisive, responsible and forward-looking.



Organisation chart of Enexis Holding N.V.

* Legal structure as of 30 June 2010

FOREWORD

*Enexis has been an independent grid operator since 1 July 2009. On the basis of its strategic targets of **sustainability, reliability, affordability** and **public focus**, Enexis defines its role in society in a balanced way.*

Sustainability

In 2010, Enexis took various initiatives that support not only municipalities in achieving their renewable energy targets, but also customers in their own generation of renewable energy. These initiatives result in Enexis being able to play a leading role in facilitating the transition to renewable energy. In August, smart meters will be rolled out in Limburg. Enexis also wants to be sustainable as a business, by using electric cars, reducing waste flows and building climate-neutral business premises, among other things.

Reliability

Maintenance of and investments in our grid, systems and processes, but also in our people, are at the centre stage. This allows us to guarantee a reliable grid and reliable customer processes, both now and in the future. Our customer satisfaction score of 7.5 is a good example in this respect. In addition, Enexis invests in its continuity by starting its own technical school (at intermediate vocational level) on 1 October 2010.

In the area of Health, Safety and the Environment (HSE), further investments were made in safety awareness. In addition, undesirable incidents are reported more often. Safety scores for our own employees and for contractors (the "DART score") showed positive trends for the first half year of 2010.

Affordability

Enexis stands for the provision of reliable and affordable services to its customers, and for a sustainable and affordable grid.

By introducing the "Enexis way of working", Enexis expects to be able to improve its performance on an ongoing basis, as well as being able to carry out an increasing number of duties, due to sustainability and other investments, but also due to the shortage of technical employees in the future.

Public focus

In the first half of 2010, two projects, Knexis/SSC and SITIS, perfecting the operational unbundling from Essent, showed a great deal of progress. The projects will be completed in the second half of 2010. Knexis pertains to the implementation of Enexis' billing system for low-volume consumers and SITIS to the migration of our systems and workstations to the new IT service provider. In addition, along with the implementation of Knexis, some 470 Shared Service Centre (SSC) employees specialised in billing, debt collection and meter reading will transfer from Essent to Enexis in July and August.

Results for the first half of 2010 were according to expectations. Revenue, operating profit and net profit for the period were down compared to 2009, due to lower regulated rates, the termination of the non-recurring income from the one-off payment for the loss of revenue from UMTS masts related to the sale of the high-voltage grid to TenneT in 2009 and an increase in interest charges. The effect was partly offset by cost savings resulting from the application of LEAN and Overhead Value Analysis (OVA) projects.

Herman Levelink,
Chairman of the Management Board
René Oudejans, member of the Management Board/
Chief Financial Officer

FINANCIAL KEY FIGURES

in millions of euros	1st half 2010	1st half 2009[2]	2009[2]	1st half 2008[1,2]	2008[1,2]
Results					
Revenue	589.9	695.2	1,358.1	667.7	1,341.9
Cost of sales	111.0	118.8	223.4	111.7	213.1
Gross profit	478.9	576.4	1,134.7	556.0	1,128.8
Other operating income[4]	4.4	7.0	11.0	5.2	9.6
Operating expenses excl. depreciation and amortisation charges and impairments	208.9	252.9	516.7	255.1	558.2
Depreciation and amortisation charges and impairments[4]	122.4	108.3	229.9	101.3	214.7
Operating profit	152.0	222.2	399.1	204.8	365.5
Share of profit of associates	2.5	1.4	9.2	1.2	6.6
EBIT	154.5	223.6	408.3	206.0	372.1
Finance income and expenses	–48.5	–31.0	–72.5	–79.6	–175.7
Net profit before tax	106.0	192.6	335.8	126.4	196.4
Net profit for the period	79.6	148.4	263.1	94.3	147.5
Balance sheet					
Net working capital	–68.9	74.0	0.2	766.3	25.7
Non-current assets[4]	4,758.9	4,651.8	4,732.3	4,529.3	4,586.2
Invested capital	4,775.6	4,658.9	4,775.6	5,295.6	4,849.0
Equity	2,849.9	2,734.5	2,849.1	1,644.4	2,236.0
Total assets[4]	5,603.3	5,351.2	5,515.7	5,522.4	5,580.6
Ratios					
Solvency[4]	50.9	51.1	51.7	29.8	40.1
ROIC[3]	3.2	4.8	8.5	3.9	7.7
Return on equity[3]	2.8	5.4	9.2	5.7	6.6

[1] The 2008 figures relate to Essent Netwerk B.V.
[2] The 2008 figures and the figures for the first half of 2009 and the full year 2009 have been provided with an unqualified auditor's report. Balance sheet figures in the key figures for the first half of 2008 presented above have not been audited.
[3] These ratios are calculated on the basis of six-month returns.
[4] Due to the change in the presentation of the contributions towards construction received from third parties, the comparative key figures for the first half year of 2009 and for 2009 have been restated.

Definitions

EBIT:	Operating profit plus share of profit of associates
Invested capital:	Total of equity plus interest-bearing liabilities
Net working capital:	Total of current assets exclusive of cash and cash equivalents, less current liabilities exclusive of interest-bearing liabilities
Return on invested capital (ROIC):	EBIT divided by invested capital
Return on equity:	Net profit divided by equity
Solvency:	Equity divided by total assets, expressed as a percentage

RATIOS

In support of its targets, Enexis applies the following ratios to both Enexis Holding N.V. (consolidated) and to Enexis B.V., as a basis for its financial policies.

Ratios for Enexis Holding N.V. **Moving 12-month average**		**Target**	**31 Dec. 2009**	**30 June 2010**
EBIT interest coverage	≥	2.5	4.6	3.3
FFO interest coverage	≥	4.0	7.0	5.7
FFO/interest-bearing liabilities	≥	20.0%	27.5%	25.5%
Interest-bearing liabilities/total invested capital	≤	55.0%	40.3%	40.3%

Definitions:

EBIT interest coverage
(operating profit + share of profit of associates)/interest charges

FFO interest coverage
(net profit for the period + depreciation + amortisation +/- changes in provisions +/- changes in deferred taxes + interest charges)/interest charges

FFO/interest-bearing liabilities
(net profit for the period + depreciation + amortisation +/- changes in provisions +/- changes in deferred taxes)/interest-bearing liabilities

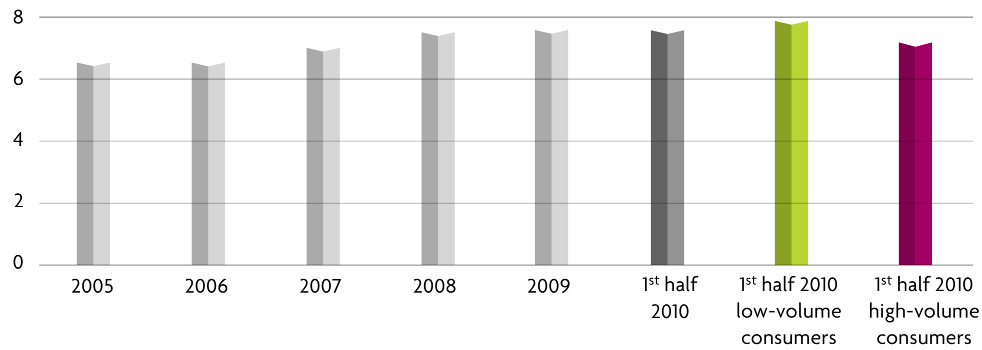
Interest-bearing liabilities/total invested capital
(interest-bearing liabilities)/(equity + interest-bearing liabilities)

CUSTOMERS, MARKETS AND SAFETY

Customer satisfaction

Customers continue to be very satisfied with Enexis in 2010, as they were in 2009. The general customer satisfaction score from high-volume and low-volume consumers was 7.5 on average for the first two quarters of 2010, in line with scores for previous years.

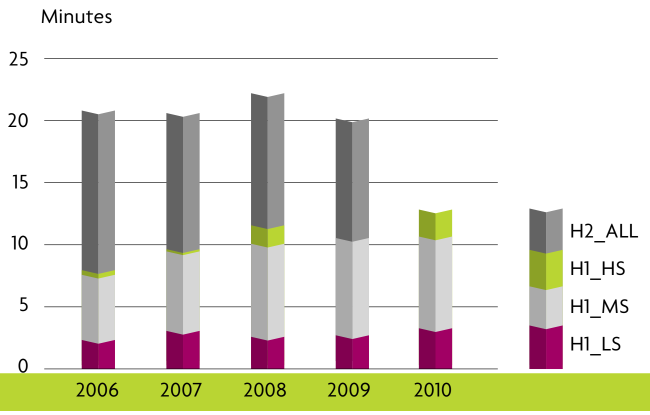
Customer satisfaction



As in previous years, in addition to general customer satisfaction, customer satisfaction was measured at process level. Following a customer contact, such contact was evaluated on the basis of a process measurement. The results of such measurements were in line with the results for 2009.

Enexis further professionalised and refined its process measurements in the past period, enabling it to continue improving its customer service.

Annual outage times, 1st half (H1) and 2nd half (H2)



DART-scores

Reliability of our grids

The key indicator for the reliability of energy grids is the outage time, which is defined as the average number of minutes per year per customer during which energy supply was interrupted due to disruptions in Enexis' electricity grid. The graph provided above shows the outage times for the first half year of 2010, broken down by voltage level (High-Voltage, Medium-Voltage and Low-Voltage) and compared with disruptions in previous years. Partly due to a major disruption in the high-voltage grid in Maasbracht, outage times (at 12.59 minutes) exceeded the average of 10.5 minutes for the first halve years of 2006 through 2009. However, we annually aim to stay below the 22-minute target we set (5-year average) and the national average, as we did in previous years.

Safety

DART scores* for the first half year of 2010 show a positive trend (see the graph above). Both Enexis and the contractors engaged by Enexis scored below the maximum target. The number of accidents with days away decreased compared to the same period in 2009. In addition, the willingness among contractors to report incidents and undesirable events is increasing.

A great deal of attention was devoted to Health, Safety and the Environment (HSE) at Enexis over the past six months. For example, the Management Team, Infra Services and the CEO attended the "Comprehensive Safety" workshop, and Infra Services' Leadership Day featured "HSE and affordability" as its theme. As early as in the contract stage, Enexis discusses with contractors what is expected of them regarding HSE.
In other words, the rules are known and formalised in advance; contractors know where their own responsibility lies with respect to safety at work. At regional level talks with contractors are held regularly during the execution of the work. Incident investigations identify areas for attention that are addressed. Enexis also communicates with contractors at contractor days and meetings, as well as during joint site visits.

The increased attention for safety awareness, frequent talks with contractors, explicit consultation with directors of the Dutch Construction and Infrastructure Federation (Bouwend Nederland) and UNETO-VNI, the symposium on personal BEI/VIAG 2006 certification and all other activities at Enexis and its business units, appear to be bearing fruit.

* Enexis has a single incident recording system in place, which is used to determine the DART score (Days Away, Restricted or Transferred). The DART score is a measure of the number of incidents leading to absence or restricted work for every 200,000 hours worked.

SUSTAINABILITY

In the first half of 2010, Enexis took various initiatives in the field of sustainability. In early January, the "Communication with an Electric Car" project was completed as part of the development of the Mobile Smart Grid, a smart grid to promote electric transportation. The project aims to manage a car's demand for electricity in order to prevent peak loads from occurring on the grid. We were also successful with Green Gas. In early February, Enexis signed a Letter of Intent with respect to the Biogas Pipes Noordoost Friesland ("BioNoF") project, a first step towards the construction of a biogas grid from Holwerd to the assembly site north of the city of Leeuwarden. In addition, on 28 June, the bio fermentation unit for which Enexis constructed the gas pipes to transport the Green Gas produced to Gas Transport Services' national grid was opened in Zwolle.

In June, the Dutch language website www.zelfenergieproduceren.nl was successfully launched. The site takes customers through the home energy-generation process. At the same time, the InvoedingAtlas was introduced, an online tool showing customers how to feed gas and electricity back into the grid in their postal code area. During the conference organised by the Association of Netherlands Municipalities (Vereniging van Nederlandse Gemeenten, "VNG") in Leeuwarden, the "Energy in View" service was presented together with Alliander.

Enexis also wants to be sustainable as a business. In the spring, a 2-day sustainability seminar was organised for employees who are confronted with sustainability issues at work. The organisation's trendsetters contributed to the seminar, which was attended by over 140 employees. In late May, 15 employees were provided with electric E-Golf cars from Enexis' fleet. They will serve as ambassadors for sustainable driving for over a year. In early June, a choice was made out of two designs for the construction of climate-neutral office buildings in Maastricht and Venlo. In 2011, these Limburg offices are expected to be completed, after which the same design will be used as a basis for the new regional office in Zwolle.

FINANCIAL REVIEW

General

In line with expectations, Enexis' operating profit and net profit for the first half year of 2010 were down compared to the same period in 2009, due to a decrease in revenue owing to lower regulated rates, the termination of the non-recurring income from the one-off payment for the loss of revenue from UMTS masts, related to the sale of the high-voltage grid to TenneT in 2009, and an increase in interest charges. These effects were partly offset by cost savings.

Revenue, purchase costs and gross profit plus other operating income

Gross profit plus other operating income fell from EUR 583.4 million to EUR 483.3 million. Part of the change in gross profit was due to a decrease in revenue of EUR 107.9 million and part to a decrease in purchase costs of EUR 7.8 million.

Revenue decreased by EUR 36.1 million due to pressure on rates as a result of regulation. In addition, EUR 34.8 million of the decrease was due to the creation of the joint venture Ziut in November 2009, whereby Enexis transferred the business units Lighting B.V. and Lighting View B.V. and now recognises them under Share of profit of associates. Furthermore, EUR 29.0 million of the decrease related to the termination of the non-recurring income from the one-off payment for the loss of revenue from UMTS masts upon the sale of the high-voltage grid to TenneT. Finally, other income decreased by EUR 8.0 million.

Purchase costs fell EUR 17.5 million on account of lower costs for grid losses due to lower electricity prices. EUR 9.7 million of the decrease was offset by higher TenneT purchase costs.

Operating expenses

Operating expenses were down EUR 29.9 million, from EUR 361.2 million to EUR 331.3 million. EUR 30.5 million of the decrease was due to the deconsolidation mentioned earlier of Lighting B.V. and Lighting View B.V. On balance, savings, higher costs because of new policies and higher costs because of union-negotiated pay increases resulted in a decrease in operating expenses of EUR 13.5 million. Conversely, depreciation and amortisation rose by EUR 14.1 million due to increased investment and higher decapitalisation due to replacements.

Finance income and expenses

Finance expenses were up EUR 17.5 million on 2009, due to the conversion of Essent Nederland B.V.'s bridge loan with a variable, short-term interest rate into fixed-interest loans with spread maturities granted by the shareholders of Enexis Holding N.V. on 30 September 2009. The bridge loan was converted as part of the unbundling on ownership of 30 June 2009.

Net profit for the period

In line with expectations, net profit for the period was down EUR 68.8 million, from EUR 148.4 million to EUR 79.6 million.

CONSOLIDATED INCOME STATEMENT

in millions of euros		1st half 2010		1st half 2009 [2]		2009 [2]
Revenue from the supply of goods and services		589.9		695.2		1,358.1
Purchase costs		111.0		118.8		223.4
Gross profit		**478.9**		**576.4**		**1,134.7**
Other operating income[1]		4.4		7.0		11.0
Gross profit plus other operating income		**483.3**		**583.4**		**1,145.7**
Employee benefits expense	113.0		119.1		260.7	
Depreciation and amortisation and/or impairments[1]	122.4		108.3		229.9	
Cost of work contracted out, materials and other external costs	87.4		117.6		239.8	
Other operating expenses	8.5		16.2		16.2	
Total operating expenses		*331.3*		*361.2*		*746.6*
Operating profit		**152.0**		**222.2**		**399.1**
Share of profit of associates		2.5		1.4		9.2
Finance income and expenses		–48.5		–31.0		–72.5
Net profit before tax		106.0		192.6		335.8
Income tax expense		26.4		44.2		72.7
Net profit for the period		**79.6**		**148.4**		**263.1**

[1] Due to the change in the presentation of the contributions towards construction received from third parties, the comparative figures for the first half year of 2009 and for 2009 have been restated. The restatement had no effect on equity and results (see page 16).
[2] The figures for the first half year of 2009 and for 2009 have been provided with an unqualified auditor's report.

CONSOLIDATED BALANCE SHEET

in millions of euros	30 June 2010	30 June 2009 [2]	31 December 2009 [2]
Assets			
Property, plant and equipment[1]	4,650.4	4,579.8	4,634.0
Intangible assets	74.4	53.1	63.1
Associates	30.5	11.8	32.5
Other financial assets	3.6	7.1	2.7
Non-current assets	**4,758.9**	**4,651.8**	**4,732.3**
Inventories	13.9	18.6	15.3
Receivables	560.4	621.4	575.2
Cash and cash equivalents	269.4	55.5	192.2
Current assets	**843.7**	**695.5**	**782.7**
Assets held for sale	0.7	3.9	0.7
Total assets	**5,603.3**	**5,351.2**	**5,515.7**

[1] Due to the change in the presentation of the contributions towards construction received from third parties, the comparative figures for the first half year of 2009 and for 2009 have been restated. The restatement had no effect on equity and results (see page 16).

[2] The figures for the first half year of 2009 and for 2009 have been provided with an unqualified auditor's report.

in millions of euros	30 June 2010	30 June 2009 [2]	31 December 2009 [2]
Equity and liabilities			
Issued and paid-up share capital	149.7	149.7	149.7
General reserve	--	2,436.4	--
Share premium reserve	2,620.6	--	2,436.3
Net profit for the period	79.6	148.4	263.1
Equity	**2,849.9**	**2,734.5**	**2,849.1**
Non-current interest-bearing liabilities	1,911.7	111.5	1,912.0
Non-current provisions	64.8	82.1	67.0
Contributions towards construction received in advance[1]	65.1	40.4	56.0
Other non-current liabilities	0.0	0.5	--
Deferred tax liabilities	54.6	3.3	26.8
Non-current liabilities	**2,096.2**	**237.8**	**2,061.8**
Trade and other payables	614.9	556.1	562.2
Current interest-bearing liabilities	14.0	1,812.9	14.5
Income tax	--	--	0.4
Current provisions	28.3	9.9	27.7
Current liabilities	**657.2**	**2,378.9**	**604.8**
Total equity and liabilities	**5,603.3**	**5,351.2**	**5,515.7**

[1] Due to the change in the presentation of the contributions towards construction received from third parties, the comparative figures for the first half year of 2009 and for 2009 have been restated. The restatement had no effect on equity and results (see page 16).
[2] =The figures for the first half year of 2009 and for 2009 have been provided with an unqualified auditor's report.

NOTES TO THE BALANCE SHEET

Contributions towards construction received in advance

Effective 2010, but with retroactive effect to 1 January 2008, the contributions towards construction received in advance from third parties are no longer set off against the gross capital expenditures and recognised as property, plant and equipment, but grouped separately under non-current liabilities as "Contributions towards construction received in advance". This change in presentation is in accordance with IFRIC 18, Transfers of Assets from Customers, an Interpretation issued with a view to creating consistency with respect to the various accounting treatments applied in practice upon transfers of assets by customers. The change in presentation has been restated in the comparative figures (1st half year of 2009 and 2009). As a result, total assets as at 30 June 2010 was up EUR 65.1 million (31 December 2009: EUR 56.0 million). The restatement had no effect on equity and results.

Parallel to the depreciation of the associated assets, the contributions towards construction received in advance are periodically amortised and credited to the income statement as Other operating income.

Investments

Investments capitalised in the first half of 2010, less the contributions received from third parties, amounted to EUR 140.5 million - up EUR 10.5 million on the first half of 2009, mainly due to additional investments in replacing older grid components. The duties, which equal capitalised investments, exceeded last year's duties by EUR 4.1 million.

Realised investments lagged behind on the 2010 Plan, in particular due to regular customer orders (customised connections) stagnating and delayed customer demand for a few Decentralised Energy Generation projects, as a result of the recession.

Working capital

Working capital developed favourably by EUR 142.7 million compared with 30 June 2009, from EUR 74 million positive to EUR 68.8 million negative, due to a decrease in receivables and an increase in trade payables.

Non-current interest-bearing liabilities

On 30 September 2009, the Bridge Loan granted by Essent Nederland B.V., accounted for as at 30 June 2009 under Current liabilities, passed to the provincial and municipal shareholders of Enexis Holding N.V. on the basis of a contract takeover, and was converted into non-current, fixed-interest shareholder loans recognised as Non-current liabilities.

Equity

Equity increased by the net profit for the period of EUR 79.6 million achieved in the first half of 2010 and decreased by the dividend payment for 2009 in the amount of EUR 78.9 million.

Capital base

The capital base, defined as equity, non-current subordinated loans and liabilities carrying a conversion right, comprises not only equity but also a perpetual subordinated shareholder loan as well as a shareholder loan carrying a conversion right.

As at 30 June 2010, the capital base amounted to EUR 3,293.8 million (30 June 2009: EUR 3,178.4 million).

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros	1st half 2010		1st half 2009 [4]		2009 [4]	
Net profit for the period	79.6		148.4		263.1	
Depreciation and amortisation and impairments	121.7		107.9		229.1	
Contributions towards construction received [2,3]	9.7		16.0		32.0	
Changes in provisions, working capital and other items	96.7		–82.3		8.8	
Net cash from operating activities		**307.7**		**190.0**		**533.0**
Purchases of property, plant and equipment, and intangible assets [2,3]	–150.2		–146.1		–331.6	
Sale of high-voltage grid	--		350.0		314.5	
Movement in financial assets	–0.8		–2.1		0.9	
Investments in associates	–0.2		--		--	
Proceeds from sale of associates	--		0.3		6.7	
Proceeds from sale of non-current assets	0.4		--		2.3	
Net cash from investing activities		**–150.8**		**202.1**		**–7.2**
Cash flows before financing activities		**156.9**		**392.1**		**525.8**
Changes in interest-bearing liabilities	–0.8		–338.6		–335.6	
Dividend paid to shareholders	–78.9		--		--	
Additional equity contribution [1]	--		350.0		350.0	
Repayment of bridge loan [1]	--		–350.0		–350.0	
Net cash from financing activities		**–79.7**		**–338.6**		**–335.6**
Total cash flows		**77.2**		**53.5**		**190.2**
Cash and cash equivalents at beginning of financial year		192.2		2.0		2.0
Cash and cash equivalents at end of period		**269.4**		**55.5**		**192.2**

[1] The Additional equity contribution and the Repayment of bridge loan did not result in cash flows.

[2] Due to the change in the presentation of the contributions towards construction received from third parties, the comparative figures for the first half year of 2009 and for 2009 have been restated. The restatement had no effect on equity and results (see page 16).

[3] The contributions towards construction received in the first half year of 2009 cannot be determined exactly and were, therefore, established at 50% of the total amount received in 2009 for purposes of this change.

[4] The figures for the first half year of 2009 and for 2009 have been provided with an unqualified auditor's report.

OTHER DISCLOSURES

Off-balance sheet commitments and contingencies

Developments regarding cross-border leases in the 1st half year of 2010

Enexis again managed, in the first half year of 2010, to prematurely terminate a cross-border lease (CBL) in dialogue with the contracting parties. The number of CBLs or individual transactions remaining for the Enexis grids was reduced to one. In the first instance, Enexis bore nearly all the costs associated with the termination. Enexis subsequently declared and was reimbursed for these costs, by a fund established by the buyer and the sellers of Essent N.V. on 30 September 2009.

All CBLs are governed by conditional and unconditional rights and obligations. Similar to previous years, the structure of the transactions concluded for this purpose, does not require recognition of the rights and obligations of the CBLs in Enexis' balance sheet.

Under the cross-guarantee structure that was agreed at the unbundling on 30 June 2009, Essent N.V. and Enexis B.V. mutually guarantee substantially all these obligations, both where the remaining Grid CBLs and the commercial CBLs are concerned. This includes any amounts due to US investors and some other parties upon termination, as described below. In addition, supplementary agreements were concluded on 30 September 2009, relating to, for instance, the mutual guarantee structure and indemnities, as well as to the establishment of a CBL fund to cover costs, if any, associated with the termination of the CBLs. This fund is financed by the buyer and the sellers of Essent N.V.

The number of CBLs relating to the commercial assets of Essent N.V. remains unchanged at one CBL comprising six individual transactions (trusts), four of which are with a single investor and two with another investor.

In close consultation with the investor, a CBL may be terminated prematurely. On account of varying circumstances, this option of voluntary early termination has been frequently used over the past few years.

The contractually agreed Grid CBL rental obligations for the coming years can be broken down as follows:

in millions of US dollars	2011	2012	2013	2014	2015 >	total
CBL rental obligations:	3	10	4	4	33	54

The CBLs can also potentially be terminated early (on an involuntary basis) as specific events occur that are defined in the contracts. The early termination of a CBL might occur, for instance, if the lessee is in default or if the underlying asset is destroyed.

If a CBL were to be early terminated on an involuntary basis, the Enexis CBL entity, and consequently Enexis B.V. and Essent N.V. (Essent N.V. under the cross-guarantee structure), can be held liable for payment of termination compensation and other related indemnities and finance charges to the US investors and/or other CBL contracting parties. Enexis can claim back any expenses incurred for both voluntary and involuntary early terminations from the CBL fund.

At 30 June 2010, total equity exposure on the remaining Grid CBLs (i.e. the amount due if they were prematurely terminated) was about USD 26.4 million (31 December 2009: USD 86.1 million). Some of this amount is covered by separate financial instruments (equity investments) at a value depending on the timing of a potential premature termination. The value of these instruments was estimated at USD 17 million at 30 June 2010 (31 December 2009: about USD 52.4 million).

For the remaining Grid CBL contract, rights of pledge and other security rights were provided on the underlying assets. These assets had a carrying amount of about EUR 17 million at 30 June 2010.

Under the terms of the CBL contracts, Letters of Credit and/or other guarantees were issued for the benefit of certain CBL contracting parties when the CBLs were concluded. At 30 June 2010, a financial institution had issued a Letter of Credit for an amount of about USD 11.8 million for the remaining Grid CBL for the benefit of the contracting parties. The value of issued LCs for Grid CBLs was about USD 34 million at year-end 2009.

OUTLOOK

The Management Board of Enexis expects the second half of 2010 to show a stable trend in net profit.

In terms of customer satisfaction and outage times, the Management Board of Enexis expects the current quality level to be maintained. Enexis will also continue the direction it has undertaken concerning the promotion of sustainable developments and the transition to renewable energy in the second half of 2010.

The transfer of the Shared Service Centre, the building of the Knexis customer system and the migration of the IT systems will be finalised in the 3rd or 4th quarter of 2010. These are the last major projects to be implemented within the context of the unbundling.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

General

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

Basis of consolidation

The consolidated balance sheet and income statement comprise the financial information of Enexis Holding N.V. and its subsidiaries.

Associates included in the consolidation are legal entities and companies over whose management and financial policy Enexis Holding N.V. can exercise control. These associates are included in the consolidation from the date on which control is obtained. Associates are excluded from the consolidation from the date on which the control ceases. In determining whether control exists, potential voting rights that can be exercised immediately are taken into account.

Full consolidation is used. If the interest of a consolidated entity is less than 100%, a minority interest is disclosed in equity and in the income statement. Transactions between consolidated companies are eliminated.

For an additional interest acquired in an associate over which Enexis Holding N.V. already has control, it applies the entity concept method. In this situation, the transaction is treated as a change in equity, with the difference between the acquisition price and the fair value being taken to the Other reserve.

Accounting policies

Estimates and assumptions

The preparation of the financial information involves making certain estimates and assumptions that affect the amounts presented. Differences between the actual results and these estimates and assumptions affect the amounts recognised in future periods.

The assumptions and estimates used by management particularly affect the measurement of property, plant and equipment and intangible assets (useful economic lives and residual values), the need to recognise all impairments of property, plant, equipment and intangible assets, the measurement of deferred tax assets, receivables (the need to possibly recognise impairments), provisions for employee benefits (actuarial assumptions) and other provisions, and the recognition of revenue (allowing for meter readings spread throughout the year and owing to regulation).

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling on the balance sheet date. Income and expenses denominated in foreign currencies are translated at the exchange rates ruling on the corresponding transaction dates. Any resulting exchange differences are recognised in profit or loss.

Netting

The assets and liabilities relating to a single counterparty are netted provided there is a contractual right to net the amounts included and there is the intention to do so. If there is no intention or no actual netting, each contract is treated separately as an asset or a liability.

Presentation

The classification used for the presentation of the income statement is by category.

Revenue

Revenue represents the income, less value-added tax and energy tax, from the supply of goods and services relating to the distribution of electricity and gas and from other activities. Energy consumption with low-volume consumers is settled based on fixed amounts depending on the size (capacity) of the connection. Consumption with high-volume consumers is settled periodically based on contractually agreed capacity and for electricity based on measured consumption and load.

The amount of revenue from distributed energy is regulated by the Dutch Office of Energy Regulation and determined based on grid fee billed, plus an estimate of billable grid fee and less an estimate of billable grid fee at the end of the previous period.

Purchase costs

These are purchase costs directly related to revenue. They include transport expenses paid and network losses.

Grants and subsidies

Investment grants are recognised as reductions in the carrying amount of the asset concerned and released to profit or loss based on its useful life. Operating subsidies are recognised in profit or loss in the period to which they relate. Grants and subsidies are recognised only if their receipt is reasonably certain.

Other operating income

Other operating income consists of income not directly related to the Company's core activities. Contributions towards the construction of assets received in advance are amortised parallel to the depreciation of those assets.

Operating expenses

Expenses are allocated to the period to which they relate. Expenses directly attributable to the company's investment projects and capitalised as such (mainly relating to employee benefit expenses and cost of materials) are recognised according to the type of expense.

Finance income and expenses

Interest income and expenses are allocated to the period to which they relate, using the effective interest method.

Property, plant and equipment

Items of property, plant, equipment are carried at cost, less accumulated depreciation and impairments.

Depreciation is applied on a straight-line basis. In determining the amount of depreciation, the expected useful life and residual value of the asset are taken into account. The useful lives and residual values are assessed each year, with any adjustments being applied prospectively.

Land is not depreciated. Property, plant and equipment items are derecognised on disposal or if no further economic benefits are expected from their continued use or from their sale. Any gain or loss on derecognition of an asset is recognised in profit or loss.

Intangible assets

Intangible assets comprise the cost of application software. Intangible assets are carried at cost less amortisation and any impairments. Amortisation is applied on a straight-line basis. When determining amortisation, the expected useful life is taken into account. The useful lives are assessed each year, with any adjustments being applied prospectively.

Impairment losses

During the period under review, it is assessed whether there is any indication that an asset may be impaired. If there are any such indications, an estimate is made of the recoverable amount of the asset. The recoverable amount of an asset is the greater of the fair value less costs to sell and its value in use. 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 recognised through profit or loss. An impairment loss can be reversed if the assumptions used for determining the recoverable amount no longer hold. An impairment loss 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Reversals of impairment losses are recognised through profit or loss.

Associates

The carrying amounts of economic interests not part of Enexis Holding N.V. (joint ventures and associates) are determined using the equity method within the framework of Enexis Holding N.V.'s accounting policies. With this method, the economic interest is initially measured at cost and subsequently adjusted for post-acquisition changes in Enexis Holding N.V.'s share of the associate's profit or loss. Dividends received are set off against the carrying amount of the interest.

In the event of an equity deficit, losses on associates are recognised up to the amount of the net investment in the entity concerned. This net investment includes loans granted to associates, to the extent that the loans are integral to the net investment. A provision is formed for Enexis Holding N.V.'s share of losses only to the extent that it accepts liability for the debts of associates, or if it has the firm intention to enable the associate (to the extent of its share) to pay its debts.

Other financial assets

There are two categories of other financial assets:

- assets available for sale; and
- loans and receivables.

Assets available for sale

This category includes equity interests over which the Company has no significant influence. Such interests are recognised at fair value. If a fair value cannot be reliably measured, the measurement is at cost.

Unrealised gains and losses due to changes in fair value are temporarily recognised in equity as part of the IAS 39 reserve. On disposal of equity interests, the reserve is released to profit or loss. Impairment losses are recognised through profit or loss.

Loans and receivables

Loans to associates or external parties are carried at amortised cost less a provision for doubtful debts, if necessary.

Inventories

Inventories are carried at the lower of cost and expected net realisable value (the estimated selling price in the normal course of business less costs to sell). Cost is calculated using the weighted average cost method. Cost includes the expenses and direct costs of bringing the inventories to their present location and condition.

Receivables

Receivables (including trade receivables) are carried at face value, if necessary net of a provision for doubtful debts. In determining the provision, various customer-risk profiles are used. A separate provision is recognised for trade receivables. When it is firmly established that the receivable is uncollectible, it and the corresponding provision are both written off. Netting and presentation of trade receivables and advances from private and small business customers is based on billing groups: a grouping method for customers based on the period of settlement of issuing grid fee bills.

Other receivables, prepayments and accrued income are carried at face value, net of a provision for doubtful debts, which is deducted directly from the carrying amount.

Cash and cash equivalents

Cash and cash equivalents and securities are carried at fair value.

Assets held for sale

Assets held for sale can comprise individual assets and/or asset groups, including any related liabilities. Assets or asset groups that management intends to sell within one year and whose sale within that term is highly probable are classified separately under current assets. On initial classification such assets or asset groups are measured at the lower of their carrying amounts and fair values less costs to sell, less any impairments recognised through profit or loss. Once classified as being held for sale, no further depreciation is applied.

Non-current interest-bearing liabilities

Non-current interest-bearing liabilities are carried at amortised cost, based on the effective interest method. Repayment obligations due within one year on non-current liabilities are presented separately under current interest-bearing liabilities. Gains and losses on the settlement of the liabilities are recognised under finance expenses.

Contributions towards construction received in advance

The contributions towards the construction of grids received in advance from third parties are entered as non-current liabilities upon receipt. Amortisation is applied on a straight-line basis, taking into account the asset's expected useful life.

Provisions

Provisions are recognised for legal or constructive liabilities of uncertain timing or amount that arise because of prior events. If the effect of an obligation is material, the provision is calculated as the present value of the future cash flows concerned, with discounting at the current discount rate, taking into account the specific risks inherent to the obligation. Where applicable, the present value is calculated using the projected unit credit method. Actuarial gains and losses are recognised in profit or loss. The expenses expected to be incurred within a year of the balance sheet date are included separately under current liabilities.

Pension obligations

The pension and early-retirement grants for employees are treated, on the basis of IAS 19, as defined contribution plans, as there is insufficient information available and the pension funds in question state that there is no consistent and reliable method for allocating the liability, plan assets and expenses to the separate participants in the plans. The contributions made in the period are recognised in profit or loss.

Trade and other payables

Trade and other payables are carried at face value.

Income tax expense

A number of companies taken over from Essent that, just like other energy companies, have been liable for income tax since 1 January 1998 form part of the Enexis group. A notional rate of zero percent applied to those companies during the transition period, which ran from 1998 to 2001. The statutory nominal tax rate has been in effect since 1 January 2002. Income tax is calculated by applying the current nominal tax rate to the profit before tax, taking into account permanent differences between this profit and the profit for tax purposes. Income tax is recognised through profit or loss, except to the extent that it relates to items recognised directly in equity.

Leases

Leases that involve the transfer to Enexis Holding N.V. of substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases and recognised as purchases of property, plant and equipment, with recognition of a corresponding non-current liability. At inception of the lease, 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 a finance charge and a repayment on the lease obligation, in order to achieve a constant discount rate on the outstanding balance of the liability. The asset is depreciated over the shorter of the asset's useful life and the outstanding term of the lease. If the lease does not provide for the transfer of substantially all the risks and rewards incidental to ownership (i.e. if it is an operating lease), the lease payments are expensed evenly over the term of the lease.

Cash flow statement

The cash flow statement has been prepared using the indirect method, with the change in cash and cash equivalents at the end of the period being based on the profit for the period. Cash and cash equivalents at the end of the period disclosed in the cash flow statement are those recognised in the balance sheet, less bank overdrafts.

REVIEW REPORT

Review report

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

Introduction

We have reviewed the accompanying consolidated interim financial information of Enexis Holding N.V., Rosmalen, which comprises the balance sheet, the income statement and the cash flow statement, as well as the related notes and disclosures, for the period 1 January 2010 to 30 June 2010 inclusive. Management is responsible for the preparation and the presentation of the interim financial information in accordance with the accounting policies set out in the 2010 Interim Statement of Enexis Holding N.V. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review of the interim financial information in accordance with Dutch law, including Standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information as at 30 June 2010 is not prepared, in all material respects, in accordance with the accounting policies selected and described by the entity, and set out in the 2010 Interim Statement of Enexis Holding N.V.

Maastricht, the Netherlands
6 August 2010

Ernst & Young Accountants LLP

signed by P.L.C.M. Janssen