

**“Our business has delivered a strong performance in the first half of the year while maintaining high standards of safety and reliability for our customers and increasing our level of investment. Headline profits have benefited from an excellent performance from our interconnectors and property activities, which are strongly weighted towards the first half.”**

## Highlights

### Strong first half performance

- Adjusted earnings per share of 28.4p, up 22%, principally driven by other activities
- Investment of £1.9bn up 17% at constant currency
- UK Regulated: progress towards another year of good performance
- US Regulated:
  - increased investment to over \$1.4bn
  - agreed increased capex and extended tracker in downstate New York
  - full rate case filed for Massachusetts Electric
- Other activities: very strong first half UK interconnector and property performance
- Strong balance sheet maintained
  - interim dividend of 15.00p per share in line with policy

### Portfolio development

- Commencing a process for the potential sale of a majority stake in UK Gas Distribution

## Group financial summary

(£m at actual exchange rate)

Half year ended 30 September

Adjusted Results <sup>1</sup> (unaudited)	2015	2014	% change
Operating profit	1,836	1,611	14
Profit before tax	1,371	1,137	21
Earnings	1,067	883	16
Earnings per share	28.4p	23.2p	22

#### Notes

<sup>1</sup> 'Adjusted results' and a number of other terms and performance measures used in this document are not defined within accounting standards or may be applied differently by other organisations. Prior year EPS has been adjusted to reflect the addition of shares issued as scrip dividends.

## Outlook

- On track to deliver another year of good overall returns and dividend growth
- Full year investment of around £3.7bn expected, driving asset growth of between 4% and 5%

**“Our UK Regulated businesses and other activities remain on track to deliver good performance this year. In the US, we have made significant progress, managing our cost base through a time of increased activity and we expect to maintain profits in line with last year.**

**In the second half of 2015/16 we will begin a process to rebalance our portfolio through the potential sale of a majority stake in our UK Gas Distribution business. Following a sale National Grid's portfolio of businesses will have a higher asset growth profile and will remain well positioned to deliver strong returns and a sustainable, growing dividend. The UK Gas Distribution business has been an important part of National Grid and the sale of a majority stake will realise some of the value we have created for our shareholders.”**

## Business review

### UK

- Under RIIO, continued focus on efficiencies and developing innovative solutions
- Delivering strong operational performance and continuing to deliver savings through regulatory totex allowances

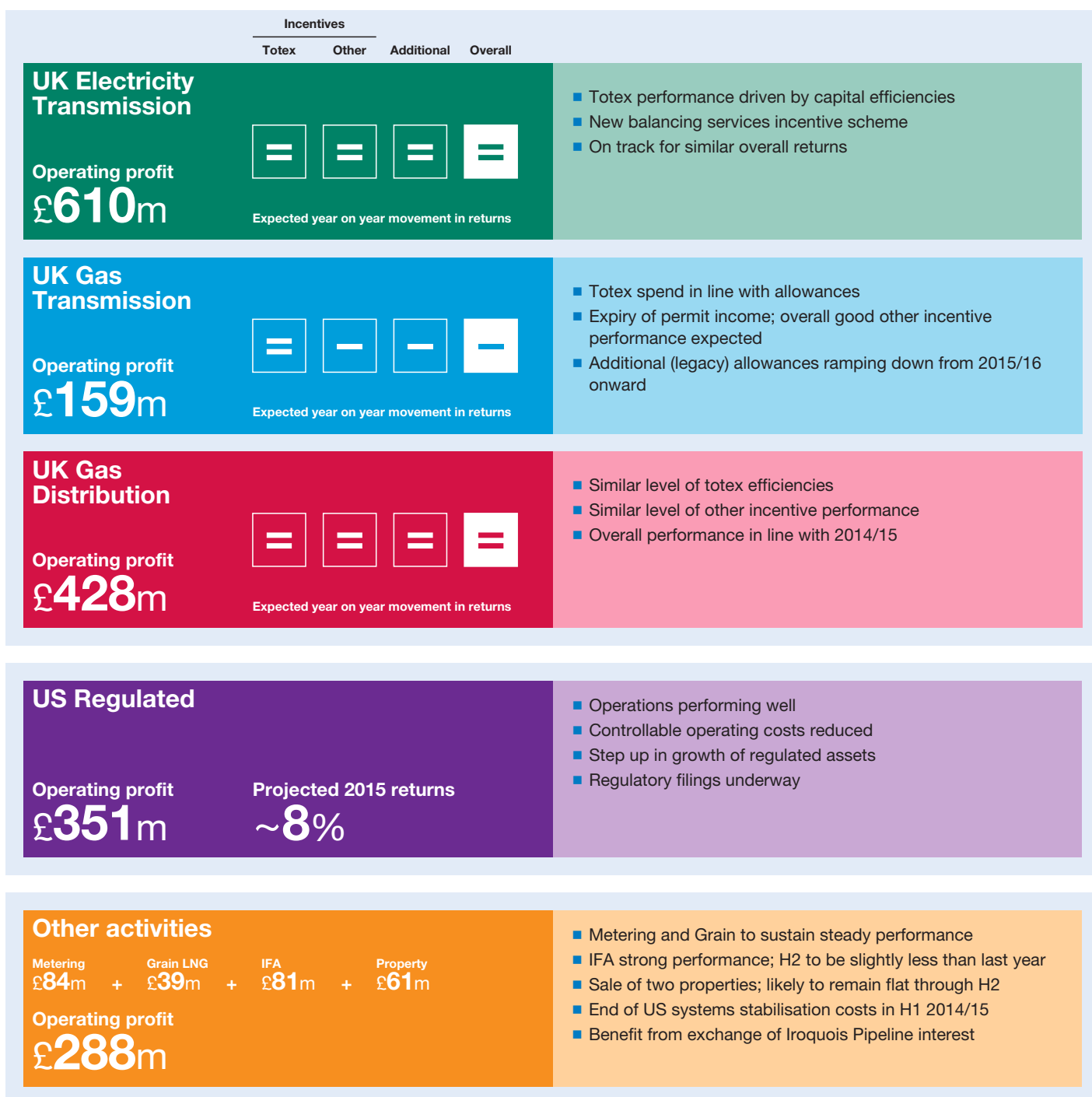
### US

- Reduced controllable costs while delivering the planned step-up of investment, particularly the replacement of old gas mains
- On track for another year of record investment
- Submitted full updated rate plan for Massachusetts Electric business

## 2015/16 priorities ... on track

UK Electricity Transmission	Deliver efficient investment programme
UK Gas Transmission	Further important upgrades required
UK Gas Distribution	Priority to improve customer service
US Regulated	Sustain returns and growth, deliver new filings on time
Group	Rebalance the portfolio

## Business performance in detail



Note: Adjusted performance, excluding exceptional items and remeasurements. All numbers include impact of timing.

### Important notice

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid's financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as 'aims', 'anticipates', 'expects', 'should', 'intends', 'plans', 'believes', 'outlook', 'seeks', 'estimates', 'targets', 'may', 'will', 'continue', 'project' and similar expressions, as well as statements in the future tense, identify forward-looking statements. Furthermore, this document, which is provided for information only, does not constitute summary financial statements and does not contain sufficient information to allow for as full an understanding of the results and state of affairs of National Grid, including the principal risks and uncertainties facing National Grid, as would be provided by the full Annual Report and Accounts, including in particular the Strategic Report section and the 'Risk factors' section of National Grid's most recent Annual Report and Accounts as updated by National Grid's unaudited half-year financial information for the six months ended 30 September 2015 published on 10 November 2015. Copies of the most recent Annual Report and Accounts are available online at [www.nationalgrid.com](http://www.nationalgrid.com) or from Capita Registrars. Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward looking statements, which speak only as of the date of this document. The content of any website references herein do not form part of this document.

## Further information

**Aarti Singhal**  
 Director of Investor Relations  
 T +44 (0)20 7004 3170  
 M +44 (0)7989 492447  
[aarti.singhal@nationalgrid.com](mailto:aarti.singhal@nationalgrid.com)

**David Brining**  
 Senior Investor Relations Officer  
 T +44 (0)1926 656844  
 M +44 (0)7816 847918  
[david.brining@nationalgrid.com](mailto:david.brining@nationalgrid.com)

**George Laskaris**  
 US Investor Relations Director  
 T +1 929 324 4170  
 M +1 917 375 0989  
[george.laskaris@nationalgrid.com](mailto:george.laskaris@nationalgrid.com)

**Victoria Davies**  
 Investor Relations Officer  
 T +44 (0)20 7004 3171  
 M +44 (0)7771 973447  
[victoria.davies@nationalgrid.com](mailto:victoria.davies@nationalgrid.com)

**Mike Ioanilli**  
 Investor Relations Manager  
 T +44 (0)20 7004 3006  
 M +44 (0)7789 878784  
[michael.ioanilli@nationalgrid.com](mailto:michael.ioanilli@nationalgrid.com)

**Tom Hull**  
 US Investor Relations Manager  
 T +1 917 524 4099  
[tom.hull@nationalgrid.com](mailto:tom.hull@nationalgrid.com)

**Richard Foster**  
 Investor Relations Manager  
 T +44 (0)20 7004 3169  
 M +44 (0)7768 294017  
[richard.foster1@nationalgrid.com](mailto:richard.foster1@nationalgrid.com)

Download our Investor Relations app free from the App Store

@nationalgridR

**National Grid plc**  
 1-3 Strand  
 London WC2N 5EH  
 United Kingdom  
[www.nationalgrid.com](http://www.nationalgrid.com)