

# FTSE 100 Conference

London | Wednesday, 1 July 2015



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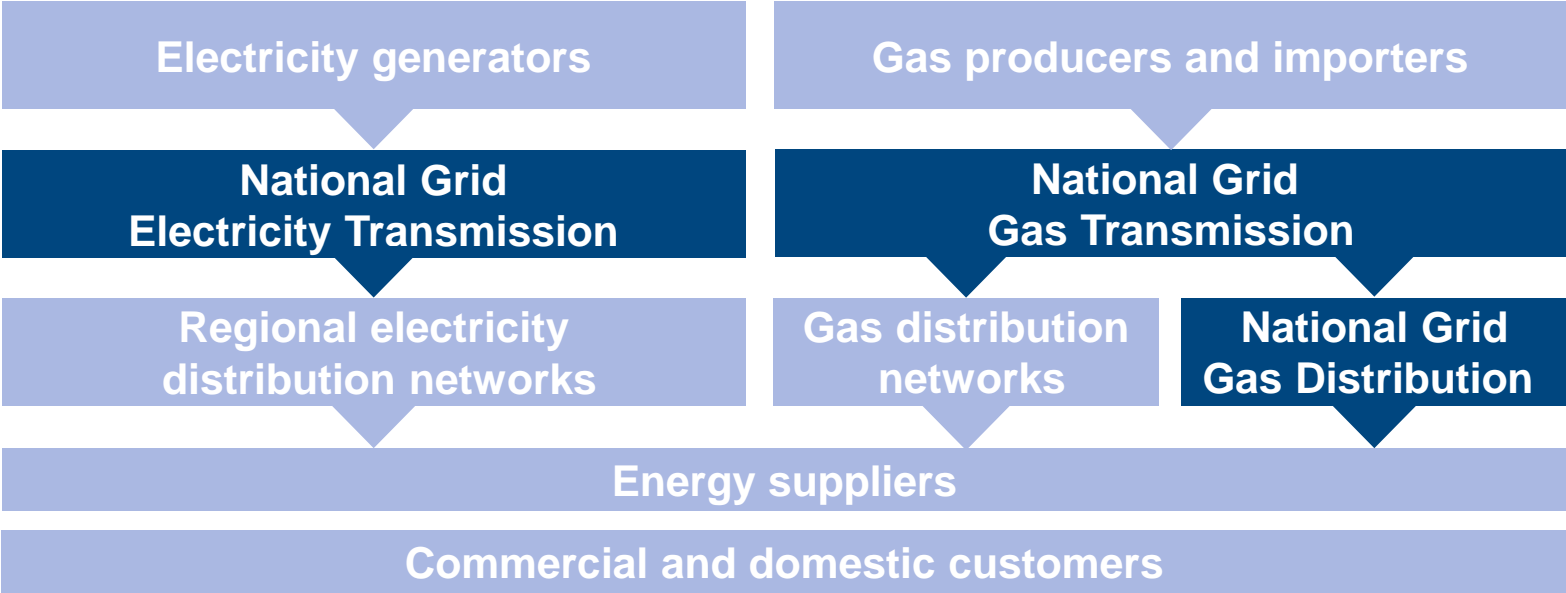
# National Grid

One of the world's largest public owned utilities focused on transmission and distribution activities in electricity and gas in both the UK and US

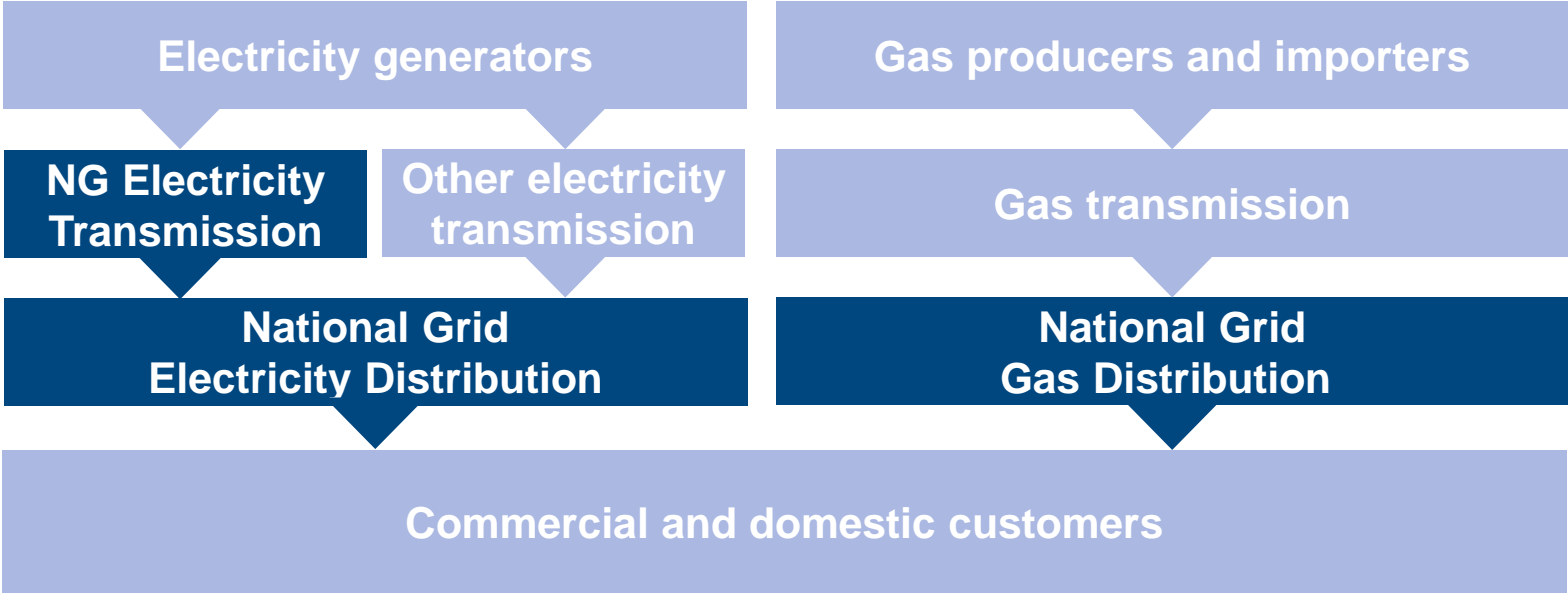
## Investment proposition

We aim to be a **low risk** business focused on generating shareholder value through both **dividends** and **asset/equity growth** by investing in essential assets under predominately **regulated** market conditions to service **long-term sustainable** consumer-led demands

# National Grid principal UK businesses

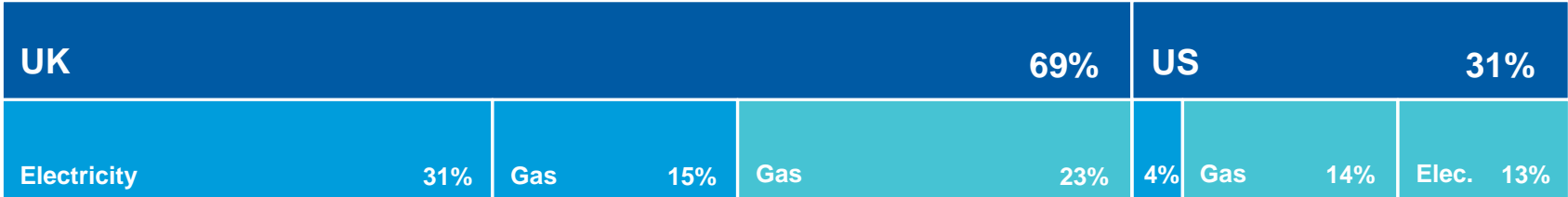


# National Grid principal US businesses



# National Grid

One of the world’s largest public owned utilities focused on transmission and distribution activities in electricity and gas in both the UK and US



■ Transmission (and other US FERC assets)      ■ Distribution

### Additional businesses and joint ventures



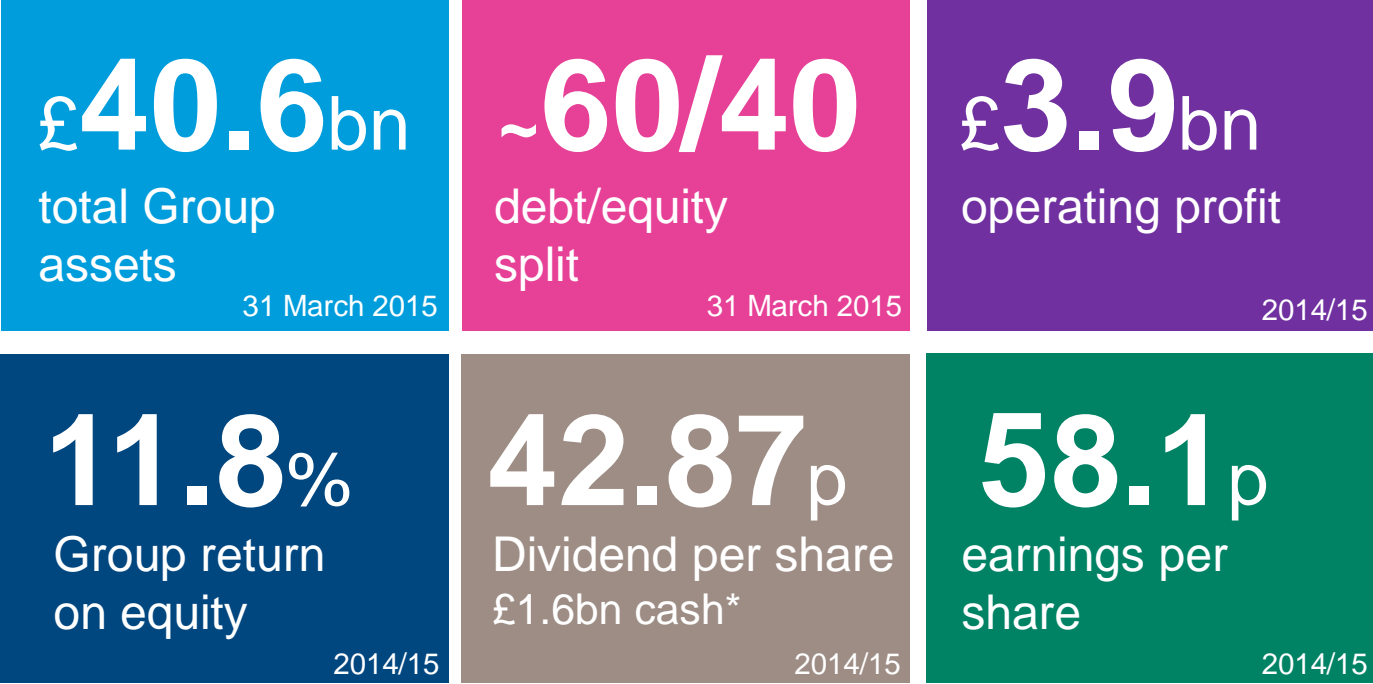
Split of regulated asset value / rate base as at 31 March 2015

## Attractive risk profile

- ◆ Stable regulatory and political environments
- ◆ Minimal commodity exposure
- ◆ Protection from many macro economic factors



# Headline numbers



Note: Adjusted results, excluding exceptional items and remeasurements for continuing operations

\* Including cost of share buybacks to eliminate dilutive impact of scrip dividend takeup

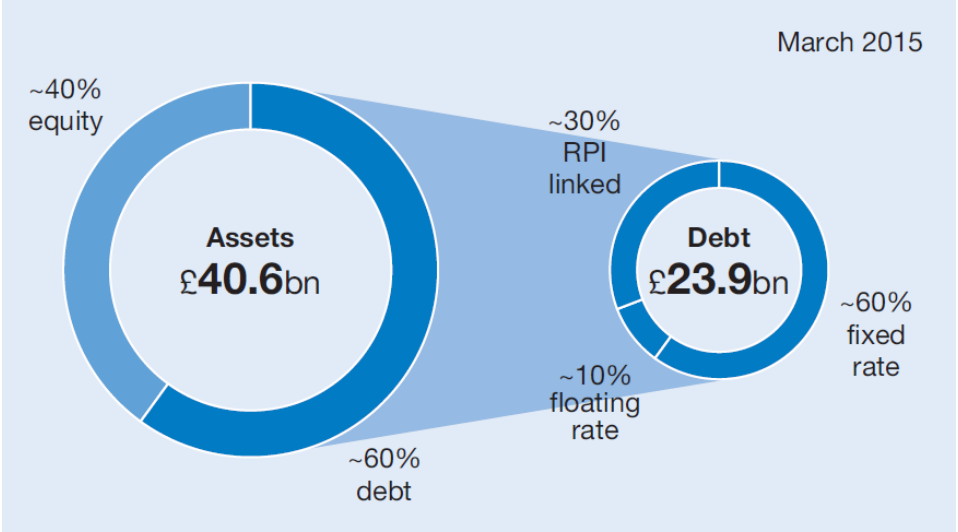
# Stable regulatory environments

- ◆ Revenues linked to asset base size
  - new investment grows asset base
- ◆ Incentive based regulation
  - opportunity for enhanced returns

# Sustainable

Investment case underpinned by responsible way we do business

Appropriate balance of debt and equity financing



# Dividend

**42.87** p

2014/15 dividend  
per share

**~5%**

current dividend  
yield

**~£1.6**bn

cash dividend  
excluding scrip takeup

**Continue to grow the dividend**

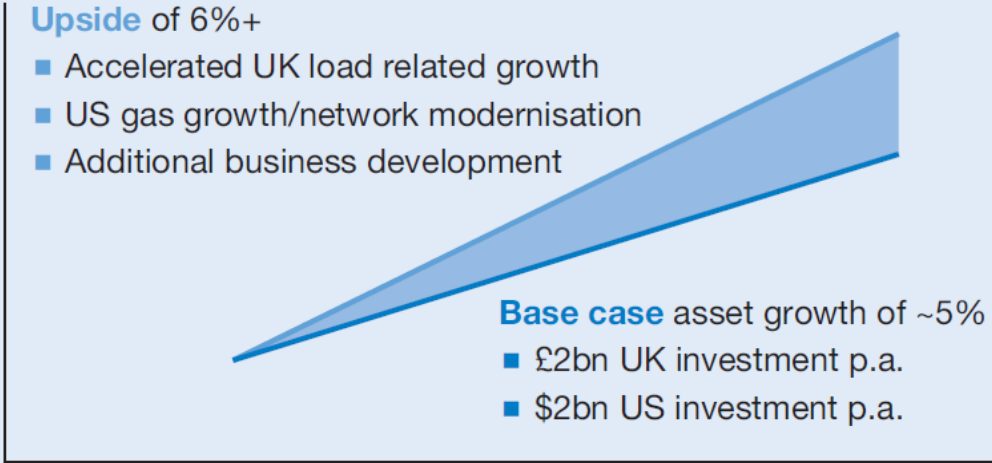
at least in line with RPI inflation for the foreseeable future

# Growth

**£3.5bn**  
2014/15 investment

**~5%**  
expected\* asset  
growth p.a

## UK & US asset growth



• assuming UK retail price inflation of 3% p.a.

## Key performance measure

# 11.6%

3-year average return on equity

*supports*

Cash  
dividend

Asset growth of  
~ 5% p.a.

Stable balance sheet

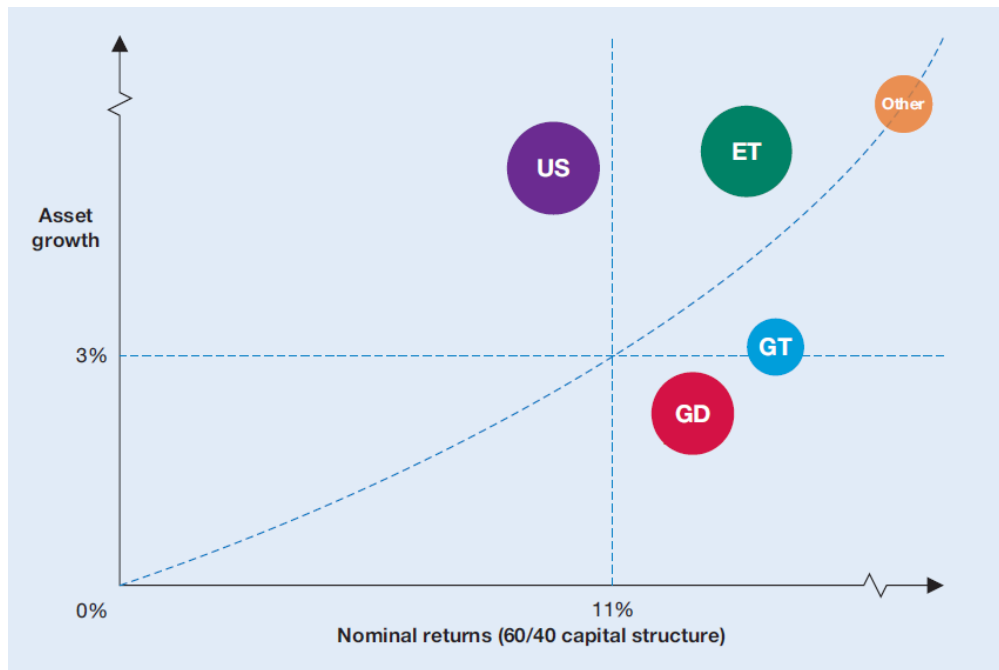
# Portfolio and capital allocation

## Portfolio evolution

Current portfolio of business:

- Delivers appropriate balance of yield and growth
- Maintains strong balance sheet with minimal scrip financing
- Supports growing dividend

Strategy discussions focus on evaluating the future portfolio, ensuring we have the right assets to deliver this sustainable, dividend-led investment proposition



## 2014/15 performance

### strong operational performance

- ◆ UK RoE 13.7%
- ◆ US RoE 8.4%
- ◆ Group RoE 11.8%



## 2014/15 performance

strong operational performance

maintained healthy balance sheet

- ◆ Sustained financial metrics consistent with A- credit rating

## 2014/15 performance

strong operational performance

maintained healthy balance sheet

~3% asset growth

- ◆ record US investment
- ◆ progressed additional opportunities

# Expectations

UK  
cost efficiencies

US  
regulatory filings

Continued investment and growth

# Summary

- ◆ Strong operating performance
- ◆ Balanced portfolio with strategic growth opportunities
- ◆ Healthy balance sheet
- ◆ Growing dividend

# Contacts

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