

Capital gains tax (CGT)

The following information covers the CGT events that have affected National Grid shareholders since the privatisation of British Gas in 1986 and the distribution of National Grid Group shares in 1995/1996.

The information is provided primarily for the purpose of individual shareholders resident in the UK calculating their personal tax liability. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional advisor.

British Gas / Lattice to merger with National Grid:

Date	Event	CGT information
December 1986	Privatisation of British Gas	<i>Base cost:</i> £1.35 (Indexation 99.62)
December 1989	British Gas bonus shares	<i>Base cost:</i> £2.345 (Indexation 118.80)
February 1997	BG/Centrica demerger	<i>Allocation of base cost:</i> BG 72.947% Centrica 27.053% (Indexation 155.00)
November 1997	BG B share scheme	<i>Allocation of base cost:</i> ordinary shares 88.713% B shares 11.287% (Indexation 159.60)
April 1998	Ending of indexation for CGT purposes	Indexation 162.60
December 1998	BG B share conversion	One ordinary share received for every 12.995 B shares
December 1999	BG Group plc created: shareholders received 8 BG Group ordinary shares for every 9 BG ordinary shares and one Bond package for every 7,840 BG ordinary shares (or fractional entitlements as appropriate)	<i>Allocation of base cost, with no bonds:</i> BG Group shares 89.205% Bond fractional entitlement 10.795% <i>Allocation of base cost with bonds:</i> BG Group shares 88.929% BG Transco Holdings bonds 11.071%
October 2000	Lattice/BG demerger: Shareholders received one ordinary share in Lattice Group plc and one ordinary share in BG plc for every BG Group plc ordinary share	<i>Allocation of base cost:</i> Lattice 34.3788% BG 65.6212%
October 2002	National Grid/Lattice merger: Lattice Group shareholders received 37.5 National Grid Transco ordinary shares for every 100 Lattice Group ordinary shares; National Grid Group shareholdings retained	

National Grid and post-merger with Lattice:

Date	Event	CGT information
8 December 1995	REC distribution of National Grid Group shares (except Southern Electric)	<i>Base cost:</i> £2.07 (Indexation 150.70)
23 January 1996	Distribution of National Grid shares by Southern Electric	<i>Base cost:</i> £1.925 (Indexation 150.20)
August 2005	National Grid B share scheme	<i>Allocation of base cost:</i> Ordinary shares 87.3798% B shares 12.6202%