

# Annual Report and Accounts 2008/09

## Focused on delivery.



**nationalgrid**  
The power of action.™

# The Company highlights

We have had another year of strong financial performance. Cash generated from operations was more than £3.5 billion, revenue was more than £15.6 billion, while adjusted operating profit and adjusted earnings per share were higher by 12% and 6% respectively.

Revenue*	Cash generated from operations*	Ordinary dividends
<b>£15,624m</b>	<b>£3,564m</b>	<b>35.64p</b>
2007/08: £11,423m +37%	2007/08: £3,265m +9%	2007/08: 33.00p +8%
Adjusted operating profit*††	Adjusted earnings per share*††	Capital expenditure
<b>£2,915m</b>	<b>50.9p</b>	<b>£3,242m</b>
2007/08: £2,595m +12%	2007/08: 47.8p +6%	2007/08: £3,054m +6%
Operating profit*	Earnings per share*	Return on equity†† (three year average)
<b>£2,623m</b>	<b>37.4p</b>	<b>10.8%</b>
2007/08: £2,964m -12%	2007/08: 60.3p -38%	2007/08: 11.8%

+ National Grid uses adjusted profit measures as key financial indicators to assess our business performance. See page 42 for further information about these measures

\* for continuing operations  
†† excludes the impact of exceptional items, remeasurements and stranded cost recoveries

### New debt issuances

During 2008/09, despite adverse conditions in the credit markets, we issued £4.9 billion of new long-term debt.

### Employee engagement index

**70%**

2007/08: 60%

### Employee survey response rate

**91.8%**

2007/08: 86.4%

### Climate change

During 2009/10, we will implement carbon budgets setting a maximum level of greenhouse gas emissions per business per financial year. We are targeting a 45% reduction in emissions by 2020 on the way to our goal of an 80% reduction by 2050.

### Percentage of ethnic minority employees

**13.2%**

2007/08: 12.3%

### Percentage of female employees

**22.6%**

2007/08: 22.5%

### BITC platinum member

We continue to enjoy external recognition of our responsible business approach. For the seventh consecutive year, we are a 'platinum' company in the Business in the Community corporate responsibility index.

### Lost time injury frequency rate <sup>^</sup>

**0.25**

2007/08: 0.30

For more information visit:  
[www.nationalgrid.com](http://www.nationalgrid.com)



<sup>^</sup> on a like-for-like basis, including KeySpan employees in both years

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National Grid is an international electricity and gas company based in the UK and northeastern US. We play a vital role in delivering gas and electricity to millions of people in a safe, reliable and efficient manner.

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### 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. For a description of factors that could affect future results, reference should be made to the full Cautionary Statement on page 200 and the Risk factors section on pages 97 to 99.