



ENEXIS

CHANNELING ENERGY

Interim Report 2015

Working on tomorrow's energy

With good results and lower tariffs





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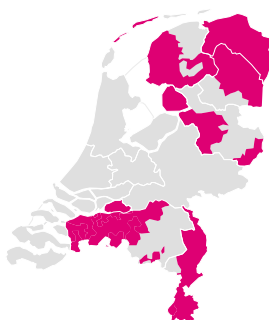
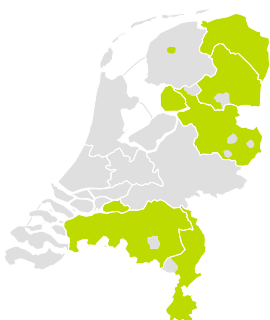
Profile of Enexis

Enexis channels energy in the right direction. We are the distribution system operator responsible for the gas and electricity grid in the North, South and East of the Netherlands. We manage, maintain and modernise a total of 44,800 kilometers of gas pipelines, 138,200 kilometers of electricity cables and 77,500 transformer stations for 2.7 million households and companies. Energy suppliers use our energy grid to transport electricity or gas to the user.

Servicing area

Electricity grid

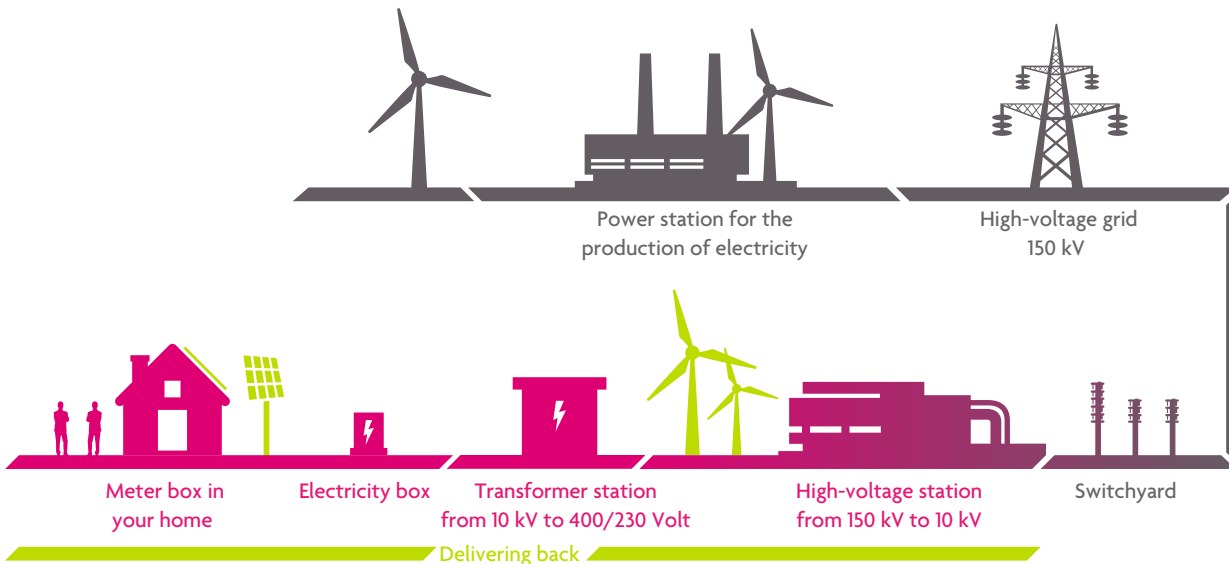
Gas grid



The energy chain

The energy chain is becoming increasingly dynamic. In addition to electricity from power stations, more and more consumers and companies are delivering the energy that they produce themselves back to our energy grids. We ensure that our grids can handle the demand and supply and that energy is distributed as efficiently as possible, for example from windmills to households or charging points for electric vehicles. The shift in the energy supply has made all participants in the energy chain – producers, suppliers, consumers and grid operators such as Enexis – more dependent on each other. We see this as an opportunity for innovation and another way of working together.

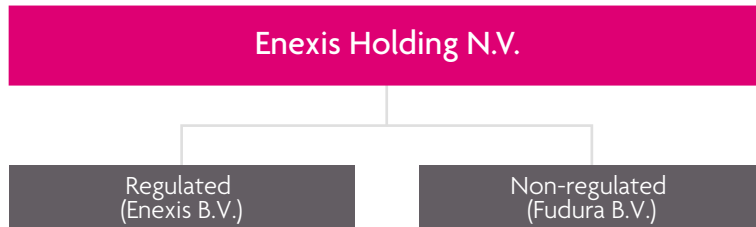
Enexis in the chain



History of Enexis

The Independent Grid Management Act stipulates a strict separation between grid operators and energy suppliers and producers. As a consequence of this Act, Enexis has been an independent company since 2009.

Simplified organogram Enexis Holding N.V.



Position of Enexis

Distribution system operators have a regional monopoly position by virtue of the Electricity Act and the Gas Act. Grid operators are the only companies that are authorised to transport gas and electricity in their area, but only within a strict framework. The Netherlands Authority for Consumers and Markets (ACM) supervises both the costs and the quality of services provided by grid operators.

Fudura: Enexis in the commercial market

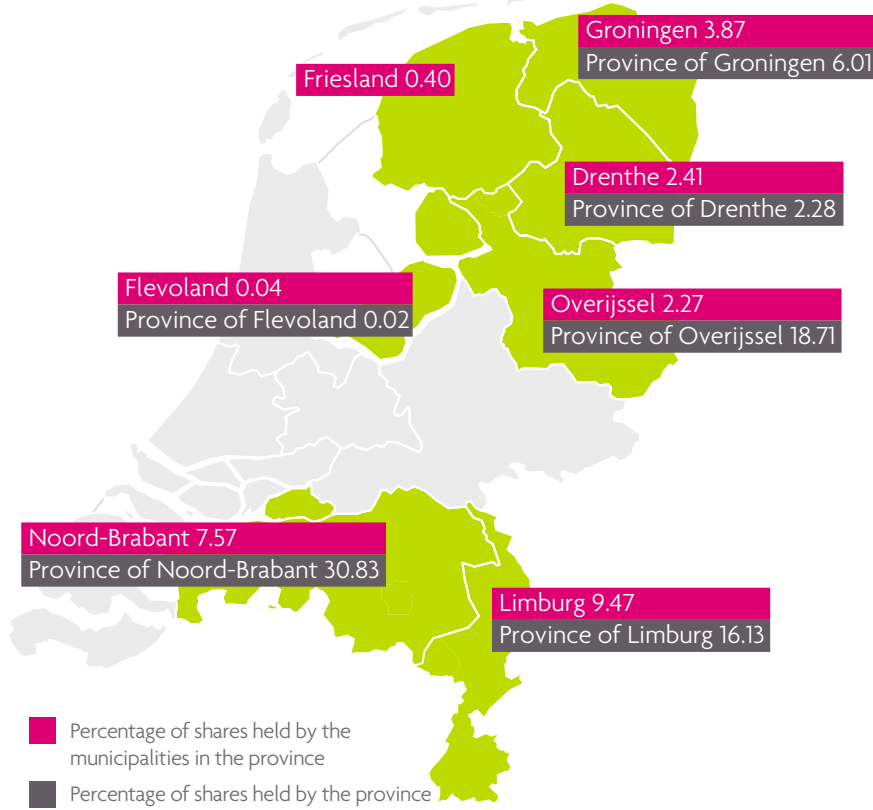
Fudura, a 100% subsidiary of Enexis Holding N.V., operates in the non-regulated commercial market. Fudura offers organisations additional services such as advice, measuring energy flows, design and realisation of infrastructure, rental and maintenance of casings, transformers and switchgear installations. Fudura ensures that companies can organise their energy supply efficiently. Fudura is also responsible for non-regulated activities that help organisations and households increase the sustainability of their energy use.

Enexis shareholders

The shareholders of Enexis Holding N.V. are provinces and municipalities in the areas in which we are active.

Enexis shares

(Percentage of shares held by the provinces and the municipalities in the provinces)



Key figures

	1st half-year 2015	1st half-year 2014	%
Result (in millions of euros)			
Revenues	673.1	696.1	-3.3
Purchasing costs	114.4	121.6	-5.9
Gross margin	558.7	574.5	-2.7
Other operating income	9.3	8.6	8.6
Operating expenses excluding depreciation and impairments	225.7	210.6	7.2
Depreciation and impairments	147.1	151.7	-3.0
Operating profit	195.2	220.8	-11.6
Share of result of associates	0.7	0.7	4.6
EBIT	195.9	221.5	-11.5
Financial income and expenses	-38.9	-39.4	-1.2
Profit before tax	157.0	182.1	-13.8
Profit for the year	114.8	135.7	-15.4
	30 June 2015	2014	%
Balance sheet (before appropriation of profit, in millions of euros)			
Net working capital	-20	-73	-72.3
Non-current assets ¹⁾	5,729	6,015	-4.8
Invested capital ¹⁾	5,105	5,340	-4.4
Equity	3,499	3,517	-0.5
Total assets	6,429	6,417	0.2
Gross investments ²⁾	219	218	0.5
	30 June 2015	2014	
Ratios			
Solvency	54.4	54.8	
ROIC ³⁾	8.0	8.1	
Return on equity ³⁾	7.0	7.6	
	1st half-year 2015	2014	%
Key figures			
Number of connections electricity (x 1,000)	2,690	2,678	0.4
Number of connections gas (x 1,000)	2,088	2,082	0.3
Section length electricity (x 1,000 km)	138.2	136.0	1.6
Section length gas (x 1,000 km)	44.8	44.8	-
Accident index own employees (Dart rate)	0.36	0.74	-51.4
Number of employees at end of the period	4,331	4,315	0.4
	1st half-year 2015	1st half-year 2014	%
Outage time electricity (minutes per connection)	6.1	7.4	-17.6
Outage time gas (seconds per connection)	22	54	-59.3

1. The assets and liabilities of the intended exchange of grid areas in Friesland and the Noordoostpolder per 1 January 2016 have been classified as assets and liabilities held for sales as at 30 June 2015.

2. For 2014 the investments concerns 1st half year of 2014.

3. These ratios are calculated based on a 12 month moving average.

Good results at reduced tariffs

- ◆ Safety: reduced number of accidents resulting in absenteeism
- ◆ Decreased tariffs by on average 3.8% reduce revenue and profit
- ◆ Work on the grid in line with long-term programme
- ◆ Reach of sustainable initiatives further extended

Safety: reduced number of accidents resulting in absenteeism

The subject of safety is a priority at Enexis. Our aim is to halve the number of accidents resulting in absenteeism by 2017 in comparison with 2013. With an accident index of 0.36 in the first half year of 2015 (first half year 2014: 0.74), Enexis has taken its first steps towards achieving that goal. To consolidate and maintain this positive trend, Enexis continues its internal safety awareness programme.

Decreased tariffs by on average 3.8% reduce revenue and profit

Revenue in 2015 has dropped to EUR 673.1 million (first half year 2014: EUR 696.1 million). As the regulator ACM (Netherlands Authority for Consumers & Markets) has lowered the maximum permitted revenue, Enexis has lowered its tariffs by on average 3.8%. Added to this, costs have also risen particularly as a result of agreed periodical wage increases and higher costs for improvement projects, the benefit of which will be felt in the coming years. Consequently, net profits dropped to EUR 114.8 million (first half year 2014: 135.7 million). An important measure for further cost savings in the future is a rationalisation of the allocation of service areas for distribution system operators. To this end, Alliander and Enexis have signed an agreement to exchange regional networks.

Work on the grid in line with long-term programme

Enexis has the task of ensuring that everyone has a constant safe supply of energy. In this Enexis facilitates the energy transition and is investing heavily in the energy grid and deployment of smart meters. The transition to a more sustainable and decentralised energy system appears to be gaining speed. In our service area the number of customers supplying energy back to the electricity grid has increased in the first half of 2015 by 25% to a total of around 100,000. These customers produce a combined installed capacity of almost 500 MW. Enexis is adapting its grid to this decentralisation of the energy supply, for example by updating transformer stations.

Since the start of our roll out in 2010, Enexis has offered smart meters to over 560,000 households, 95% of which have had a smart meter installed. The annual outage time for electricity has decreased in the first half year to 6.1 minutes (7.4 minutes in the first half of 2014). The outage time for gas decreased to 22 seconds in the same period (54 seconds in the first half of 2014). Foreseeable workload for the grids in 2015 amounts to EUR 675.0 million, EUR 286.2 million of which was carried out in the first half year. The realization is behind schedule because of fewer gas grid replacements during the winter months, amongst others.

Reach of sustainable initiatives further extended

Enexis implements sustainability as an integrated component of its strategy. As a partner in the energy transition, Enexis has contributed to an increase in sustainability for the Enexis supply area, with initiatives such as the increasing number of Buurkracht areas, now numbering 83 (50 as of 31 December 2014). In addition to this, 180 schools are currently participating in our programme Van Zon Krijg Je Energie (75 schools as of 31 December 2014).

The Enexis way of working

Enexis can only realise its ambitions thanks to the dedication and commitment of all of its approximately 4,300 employees. This is why we pay a great deal of attention to sustainable employability for our employees. Safety, professionalism and leadership are essential.

Sustainable employability

Our aim is to have fit and healthy employees who continue to develop themselves, so that they are able to make a contribution, now and in the future, to the company and to society.

On course to hit our target

All initiatives in the area of sustainable employability have been grouped together on our online platform Ontwikkelplein. Our employees can find inspiration, tools and methods they can use to work on their own development. Last year we set the goal for 2015 of at least 25% of our employees starting to work actively on their own sustainable employability using Ontwikkelplein, for example to complete the employability scan or to request and carry out an interview with a career adviser. Until June 2015 the participation rate has been 15.8% meaning that we are on course to hit our target.

Vitality initiatives developed by employees

We also have many initiatives developed by the employees themselves. For example, a number of trainees set up the vitality programme BlokFit whereby teams of employees take on a challenge every month in the field of healthy exercise, healthy eating or drinking sufficient water, with no less than 700 employees competing against each other. This successful programme may possibly be extended into 2016. In our Northern region, employees of Infra Services entered into a 'vitality battle' with each other to find out who had the best idea to become healthier. Employees of Fudura also organised their own 10-week long vitality programme.

Learning from each other

In 2015, 40 managers started to use a peer-to-peer coaching programme, a method of learning from each other, in addition to the 70 managers who started using it in 2014.

SE+

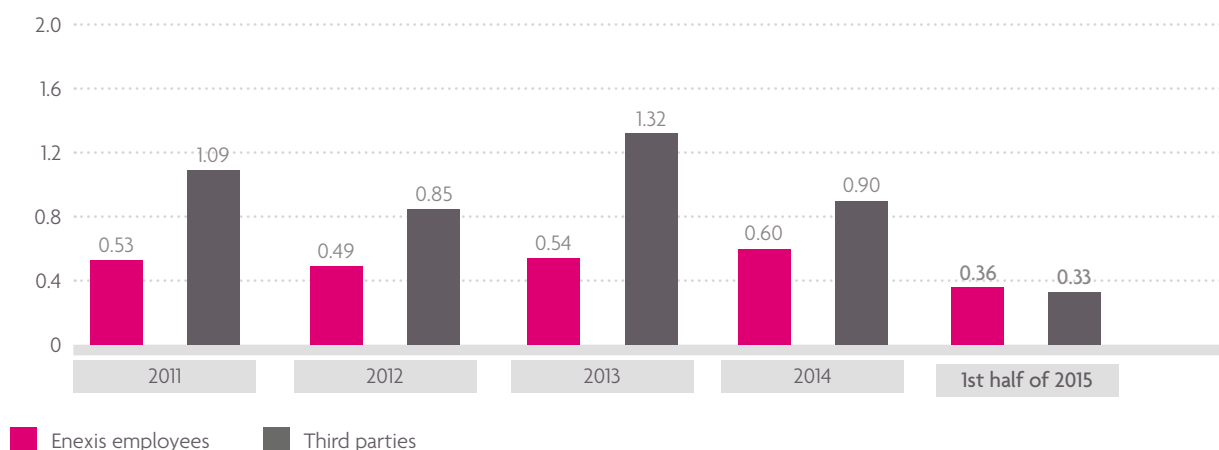
Sustainable employability also contributes to the reduction of surplus staff. Within Enexis, anyone who threatens to become surplus to requirements is informed two years in advance. Under the auspices of 'SE+', we start working together to look for a new job, either at Enexis or elsewhere. The employee assumes his or her own responsibility in this and Enexis provides support. To this end, each employee has at their disposal a separate budget for education, training and courses.

Safety

We want every employee to return home safely at the end of every day. So safety is an absolute priority for us. We use a variety of means to make our people aware of the risks they run, their behaviour and how they can work safely.

It is our objective to halve the number of accidents resulting in absenteeism by 2017 compared with 2013. With an accident index of 0.36 in the first half year of 2015 (first half year 2014: 0.74), Enexis has taken its first steps towards achieving that goal.

DART rate¹⁾ Enexis employees and third parties



1. DART (Days Away, Restricted or Transferred) rate: the number of accidents resulting in absence or different work per 200,000 hours worked.

To consolidate and maintain the positive trend, Enexis continues its internal safety awareness programme. Within a short period in June, 3 office workers had to take leave of absence due to an accident, demonstrating once more that safety is not only an issue for engineers and technicians, but a subject relevant to all.

An important means of improving safety, is reporting ‘undesirable events’ (‘near accidents’ or ‘near misses’). With the number of reports of such unsafe situations at 1,372, we are 9% behind our target of 3,000 incident reports for the whole of 2015. In the second half of this year our attention to our safety awareness programme will therefore continue unchanged.

Specifically for Infra Services, in the first half of 2015 we have developed an additional safety programme based on 5 themes relevant to engineers and technicians, namely: tidy workplace, dealing with height differences, selection of cables, switching on procedures and checking that the power is off. We have been tackling the first 3 themes since June 2015 and we will add the other 2 in the autumn of 2015. Amongst other things, the programme consists of materials to support managers and workshops for the engineers. Using peer-to-peer groups of engineers, we are able to maximise the practical relevance of the themes and the programme.

Finally, in the second half of 2015 we will introduce the VeiligheidsTopper campagne. Since last year we have been celebrating people who act as a positive role model for their colleagues (‘new safety heroes’). The VeiligheidsTopper programme is a structural way to shine a spotlight on positive stories that emphasise the desired safety culture, for example stories of people who have stopped a job because of possible danger, who have reported a faulty procedure or who have gone against the flow to change something to make work safer.

Expertise

In our sector, expertise is essential to enable us to carry out our work correctly. In addition to all our existing activities aimed at promoting expertise, we therefore started up the Expertise project from 1 January 2015, testing the knowledge of each engineer and pinpointing where additional training or courses may be necessary.



Leadership

Good leadership is an essential requirement to achieve our objectives. Society, and hence the background against which our organisation has to play, is changing rapidly, requiring manoeuvrability and influencing the type of leadership required. Consequently during the first half of 2015 we have been redefining our vision of leadership. This can be summarised in 4 keywords: inspire, connect, realise and learn. In the second half of 2015, we will be starting on a programme to support our leaders.

Diversity

We want to make sure that our workforce is a good reflection of society. In March 2015 our women's network ZIJ! organised a meeting about networking. Speakers including Enexis commissioner Monique Caubo and director of Infra Services Jolanda van Zanen gave their vision on networking. These activities allow ZIJ! to contribute to a culture of diversity in leadership and development of talent within Enexis.

Reliable

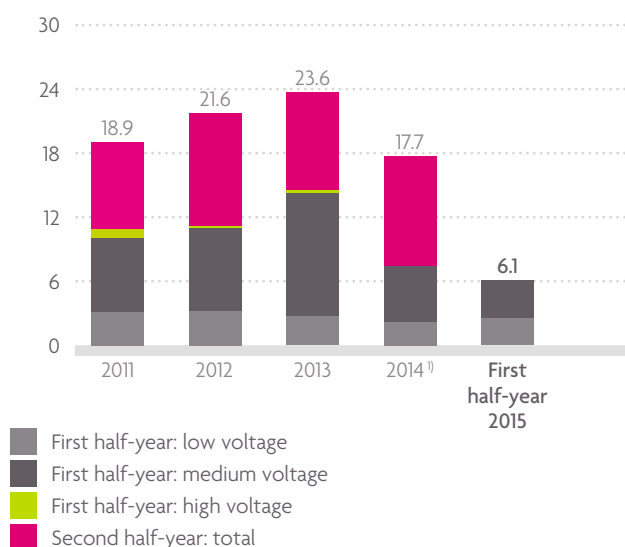
Enexis has the task of ensuring that everyone has a constant safe supply of energy, now and in the future. We strive to maintain reliability and safety at the current high level and to understand changes in energy supply, reacting to these by adapting our network in a timely fashion.

Reliability and safety

In the first half year of 2015 there were few large outages. In Maastricht a major outage was caused by a fire in a emergency supply installation. On 14 May a fault in the connection of the street lighting in Groningen received a great deal of media attention. The total length of the outage was 6.1 minutes (first half year 2014: 7.4 minutes). For gas outages there were only 22 seconds of outage (first half year 2014: 54 seconds).

On Monday 20 April, Heerlen was shaken by a substantial gas explosion; resulting from the theft of the copper from a connection pipe, a gas leak had occurred in an empty building. Three people were hurt in the explosion.

Reliability of electricity/annual outage time per connection (in minutes)



1. May differ slightly from figures for 2014 circulated previously due to final statement of figures for sector.

Asset Management

To guarantee we can continue to provide an adequate supply for future energy needs, we are spending EUR 675.0 million in 2015 for maintenance, replacement and renewal of our grid. This is based on our workload including investments both on our own initiative and those at the request of customers. With respect to this we see an increasing number of requests for delivering solar energy back to the grid with the most notable being the solar park in Eemshaven that aims to deliver 30 MW. In the first half year we have realised EUR 286.2 million of the workload. The realization is behind schedule because of fewer gas grid replacements during the winter months and fewer replacements of meters following the shortage of smart gas meters, amongst others.

To ensure our continued compliance to all the relevant international standards, we have renewed our certification for NTA 8120 and NEN-ISO 55001.

Smart meters

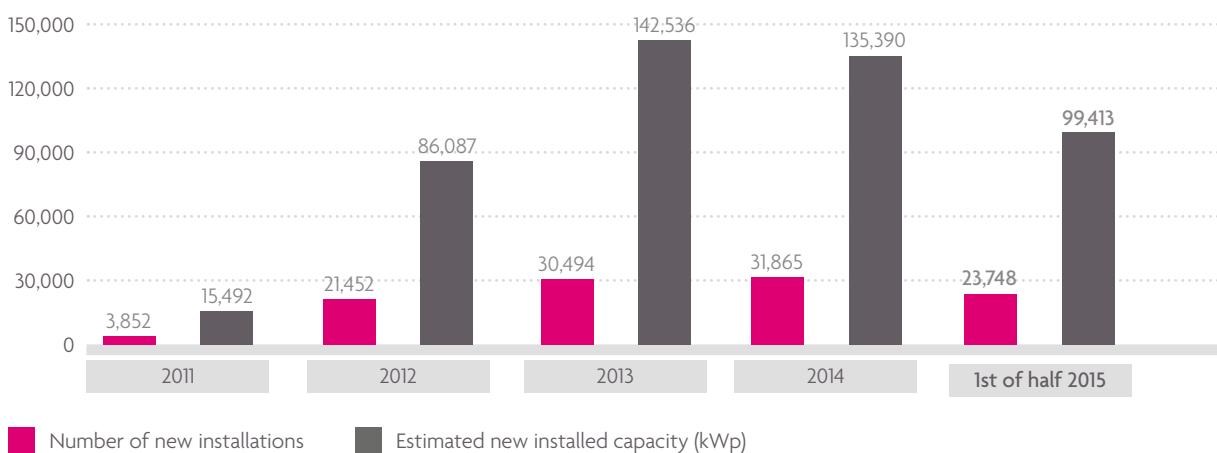
Since the start of our roll out in 2010, Enexis has offered smart meters to over 560,000 households, 95% of which have had a smart meter installed. In the remaining 5%, the customer refused the meter or was not at home. In the latter case, we offer the customer the meter again on a later occasion. Currently we observe that the percentage of non-placements is gradually increasing. In 2015 Enexis was planning to offer the smart meter to 280,000 households, but a shortage of gas meters on the European market has forced us to adjust our target to 240,000 households. In the first half year of 2015 we offered the smart meter to around 115,000 households. Our goal is to have offered the smart meter to 2.7 million households in the Enexis service area by 2020.

Private energy production

Increasingly, people are starting to produce their own energy. In the first half of 2015, as in previous years, a further increase can be observed.

The transition to a more sustainable and decentralised energy system appears to be gaining momentum. In our service area, the number of customers supplying energy back to the electricity grid has increased in the first half of 2015 by 25% to a total of around 100,000. These customers represent a combined installed capacity of almost 500 MW.

Delivering back to the grid: amount and capacity



In addition to customers' increasing desire to generate their own power, we observe regional differences in the speed at which the number of solar power installations is increasing. In Groningen, under the influence of subsidies available to residents in several municipalities affected by earthquakes, we see an increase of around 60% in the number of solar power installations, to about 14,000. This regional and relatively substantial increase in the number of customers with solar panels has an impact on the electricity grid locally. We are adapting our grid to this decentralisation of the energy supply, for example by modifying transformer stations.



Electric transport

The steady increase in the number of electric and hybrid cars is producing a considerable impact on the electricity grid. In response to this, in the first half of 2015 and in collaboration with several partners, we launched a pilot for flexible charging rates within the Slim Laden Brabant programme. In this pilot, we are offering 50 participating e-drivers the opportunity to postpone their charging session until the price of power is lower. We also introduced the Smart Grid in Balans pilot, connecting the demand for charging electric vehicles and the changing supply of sustainable energy.

Detecting outages with dogs

In 2014 we carried out a successful pilot using tracker dogs for electricity outages. With the help of the dogs we were able to precisely detect outage locations and solve them more quickly with less inconvenience for our customers. From 2015 we are introducing the tracker dogs across the entire area we serve.

Trench-free replacement technology

After a successful pilot in Maastricht in 2014, we have added trench-free replacement technology to the standard options in replacement projects in 2015. We now employ it in situations where it is technically required such as in busy shopping areas.

Jouw Energie Moment

In March 2015 we concluded the smart grid pilot Jouw Energie Moment, run in collaboration with a number of partners in Breda. This allowed a total of 382 residents of a new housing estate and apartment complex to plan their energy consumption at a cheaper or more sustainable time. In the second half of 2015, 'Jouw Energie Moment II' will start in Breda, including electricity storage at home.

Affordable

Although we want to be the grid operator with the lowest possible tariffs, at the same time we want our shareholders to receive a reasonable return.

Tariffs lowered

As announced in 2014 and according to the tariffs set by the Netherlands Authority for Consumers and Markets (ACM), we lowered our tariffs by an average of 3.8% from 1 January 2015.

Cost savings

In the first half of 2015 we started on the implementation of the cost reduction initiatives we formulated in 2014 such as more efficient structuring of our IT landscape and our energy and resource chains. We are also continually in search of how to implement further savings.

Improvement programme Infra Services

In 2015 we also continued with our programme to reduce the management costs of Infra Services and to increase the number of productive hours. In contrast to this we have made more money available to create awareness of safety and to support management in realising the goals.

Exchange of service areas between Alliander and Enexis

The first half year of 2015 was also focussed on preparations for the exchange of energy grids. The exchange concerns Enexis' grids in Friesland and the Noordoostpolder for that of Alliander in the Eindhoven and Zuid-Oost Brabant regions (Endinet) as per 1 January 2016. On 27 juli 2015 the sale and purchase agreement was signed.

Valuation of shares

In 2014 we determined a valuation of our shares at the request of our shareholders. This initial valuation was updated in the first half of 2015 and is marginally higher.

Sustainable

Enexis is pleased to assume its social responsibility and contribute to the realisation of the Dutch Energy Agreement. Internally we aim to save energy ourselves and reduce our CO₂ footprint. Externally we also want to act as a partner in the energy transition by helping customers and other parties to save energy.

Enexis brings partners, government bodies and our expertise together in the realisation of the Energy Agreement

As partners in the energy transition, we bring government bodies, other partners and our expertise together. Hence we are working together with the Province of Limburg to design the 'Econexis Limburg'. This information and education centre for sustainable living is expected to open its doors in the autumn of 2016. The Econexis House in Zwolle is already generating a great deal of interest.

Enexis is also working together with the Province of Groningen, Groningen Seaports, the municipality of Eemshaven, TenneT and a number of market players in the Eemshaven area on effectuating the Energy Agreement. We have drawn up a joint action plan, a grid vision and grid plan for the realisation of a wind park. Good collaboration can speed up the realisation. This approach will become a standard for distribution system operators for implementing onshore wind park projects.

Enexis stimulates customers to actively save more energy

Our successful Buurkracht programme provides support to local residents who want to save energy together. In 2014, 50 neighbourhoods participated in Buurkracht. Our goal for 2015 was to support 70 new neighbourhoods but due to a temporary shortage of smart gas meters on the European energy market, we have been forced to correct this target to 55. Currently a total of 83 neighbourhoods are participating.

Other successful programmes are Van Zon Krijg Je Energie and WaterSpaarders, focussing on making children more energy-aware. Currently 180 schools are taking part in Van Zon Krijg Je Energie (compared to 75 in 2014) and Enexis employees have given a total of 56 WaterSpaarders guest lessons in 29 different primary schools.

In June 2015 we also signed an agreement with transmission system operator Gasunie Transport Services (GTS) and waste processor Attero for the start of a unique pilot in Wijster to facilitate large-scale biogas (green gas) injection: the Green Gas Booster. Production of biogas has great potential; in the Enexis supply area alone, 35 million cubic metres of biogas were produced in 2014. With the implementation of the Green Gas Booster an additional 17,000 households can be supplied with 'green gas'.

Enexis operates emission neutral

Enexis actively reduces its own footprint by reducing CO₂ emissions and compensating grid and leakage losses.



Our goal is to achieve a 10% reduction in CO₂ emissions from commuter traffic by 2020. In the autumn, Enexis will be running an internal programme challenging its employees to aim for this. In addition we also apply energy-saving measures to renovation work such as the complete refitting of our office in Zwolle. We have also introduced a webportal to stimulate reuse of materials such as transformers and switch boxes, enabling us to simultaneously produce less waste and reduce our CO₂ emissions while saving costs.

In order to achieve our goal for 2020 – to purchase at least 14% of the energy we lose through our grid leakages from sustainable Dutch energy sources – we have signed an agreement with Dutch wind power suppliers.



Customer oriented

Enexis has 2.7 million customers, from individual consumers to large industries, and from people who manage their energy consumption actively to people who prefer to outsource this responsibility completely. Whoever our customer is and whatever their wishes, every customer has to be able to rely on Enexis to provide a good service. We believe it is important to give control to our customers and to support them with information about saving energy. We want the customer to think, 'If I could choose, I would choose Enexis.'

Customer satisfaction

In the first half of 2015, consumers and small business customers awarded us with a score of 8.0. Larger businesses rated Enexis with a 7.5. In addition, we also measure the Customer Effort Score (CES). The CES is a scoring method whereby the customer, based on a 5-point scale from 1 (very low effort) to 5 (very high effort), indicates the effort experienced in order to receive adequate help. The CES adds up the percentage of the customer scores 4s and 5s. The principle behind the CES is 'the lower the better' and the targets are maximum levels.

	Q1 2015	Q2 2015	Target 2015
Standard connections	28%	31%	25%
Offer of smart meters	4%	7%	10%
Customer consumer service	18%	19%	29%
Enexis.nl	16%	17%	17%
Complaints and claims	41%	43%	45%

Customer-focus agenda

We do not consider the customer ratings to be a given fact, so we work hard every day on maintaining and increasing customer satisfaction levels. Using our Klantgerichtheidsagenda (formerly the 'Klant aan de knoppen' programme), we continually carry out improvements to make it as easy as possible for customers to arrange everything for themselves, whenever they want to.

For example, in the first half of 2015 we streamlined the process for disconnections and launched a portal for vacant properties, thus reducing the number of customer queries. We also increased the number of high-volume customers who are able to manage their own connections and can consult their online invoices using the 'Mijn Enexis Zakelijk Beheer' portal to over 4,000 customers.

Landelijke Intake Portal

Together with 18 other network operators, water and cable companies, in the first half of 2015 we have worked on a national intake portal. The Landelijke Intake Portal allows people who need a new connection or who need to change a connection to arrange everything at once, i.e. the connections for not only electricity and gas, but also water and telephone, TV and internet. The Landelijke Intake Portal will be launched in July 2015.



Public lighting

In 2015 we have continued to improve our service with regard to public lighting by collaborating with municipalities to bring information about connections up to date. This enables us to deal with outages more quickly, thus increasing safety on the street. Of the 1.4 million connections in our service area, we have now updated approximately 500,000.

Animations and illustrations on the Openbare Verlichting Portal and www.enexis.nl provide both municipalities and consumers with more clarity about the processes related to public lighting. In addition customers are now able to navigate directly from our site to the helpdesk at their own municipality to register an outage in the public lighting.

Covenant combating fraudulent and dangerous energy use

In the first half year of 2015 we signed a covenant with almost all of the municipalities in our service area (95%) to combat fraudulent and dangerous energy use for cultivation of cannabis.



Financial situation

In the first half of 2015, Enexis realised revenues of EUR 673.1 million and a post-tax profit for the period of EUR 114.8 million.

Revenues, purchasing costs and gross margin including other operating income

In the first half of 2015, we achieved a gross margin including other operating income of EUR 568.0 million. This is a decrease of EUR 15.1 million compared to the first half of 2014. The main reason for the decrease was a decrease in electricity turnover of EUR 16.8 million and in gas turnover of EUR 6.6 million. This is partially compensated by a decrease in purchasing costs of EUR 7.2 million. The decrease in turnover is due to the ACM's reduction of the maximum tariffs by an average of 3.8%. This is set off by a modest increase in revenues of EUR 1.9 million due to the release of a provision made in 2013. The reduced costs of sales are largely the result of lower grid losses costs of EUR 13.3 million, EUR 6.1 million of which were offset by higher charges for transport by TenneT.

Operating expenses

Operating expenses increased by EUR 10.5 million in 2015 compared to the first half of 2014. The principal causes were:

- ◆ Staff: EUR +8.4 million increased costs due to CAO (Collective Labour Agreement) wage increases, increased hiring-in of external staff and contributions to staff-related provisions. These developments were partially compensated by lower pension costs.
- ◆ Projects: EUR +3.9 million increased costs for sustainability initiatives and improvement projects that will produce benefits in future years.
- ◆ Smart meters: EUR +1.0 million increased costs as a result of being unable to invest in smart meters on schedule. The capacity released was utilised for maintenance activities.
- ◆ Depreciation charges: EUR -3.4 million decreased depreciation costs as a result of the planned exchange of network areas with Alliander. The assets eligible for the exchange were classified with effect from 1 April 2015 as 'Assets held for sale'. This resulted in no further depreciation of these assets charges being incurred for these assets from that time on.

Operating profit

Enexis's operating profit in the first six months of 2015 was EUR 195.2 million. This is EUR 25.6 million less than in the equivalent period in 2014.

Share of result of associates and financial income and expenses

The share of result of associates is, at EUR 0.7 million, virtually unchanged from last year. The financial expenses have decreased slightly by EUR 0.3 million compared to 2014. The financial income has increased by EUR 0.2 million, with the result that the balance of financial income and expenses has improved by EUR 0.5 million.

Post-tax profit

Post-tax profit decreased by 15.4% to EUR 114.8 million (half-year 2014: EUR 135.7 million). The reason for the decrease in post-tax profit is the decrease in gross margin already mentioned and the increase in operating expenses.



Credit rating

The credit ratings from Standard & Poor's (A+ with a stable outlook) and Moody's (Aa3 with a stable outlook) were unchanged in the first half of 2015.

The ratios achieved for financial policy at the end of the first half of 2015 were:

Ratios

	Actual
FFO/net interest-bearing liabilities $\geq 16\%$	32%
FFO-interest coverage ≥ 3.5	7.9
Net interest-bearing liabilities/(shareholders' equity + net interest-bearing liabilities) $\leq 60\%$	33%

Consolidated income statement

amounts in millions of euros	1st half-year 2015	1st half-year 2014
Revenue from the supply of goods and services	673.1	696.1
Purchasing costs	114.4	121.6
Gross margin	558,7	574,5
Other operating income	9,3	8,6
Gross margin including other operating income	568,0	583,1
Employee benefits expenses	143.8	134.6
Depreciation and impairments	147.1	151.7
Cost of work contracted out, materials and other external expenses	71.7	64.7
Other operating expenses	10.2	11.3
Total operating expenses	372.8	362.3
Operating profit	195.2	220.8
Share of result of associates	0.7	0.7
Financial income	3.4	3.2
Financial expenses	42.3	42.6
Financial income and expenses	-38.9	-39.4
Profit before tax	157.0	182.1
Corporate income tax expense ¹⁾	42.2	46.4
Profit for the year	114.8	135.7
Attributable to:		
Minority shareholders	-	-
Shareholders	114.8	135.7
Average number of shares during the financial year	149,682,196	149,682,196
Profit per share ²⁾	0.77	0.91

1. In the first half-year of 2015 is the effective tax rate 26.8% (first half of 2014: 25.5%). This deviation is mainly due to a tax charge of EUR 2.8 million paid to Essent concerning previous years and not deductible advice costs of EUR 0.9 million.

2. Stated in euro, dilution of earnings does not apply.



Consolidated statement of comprehensive income

amounts in millions of euros

	1st half-year 2015	1st half-year 2014
Profit for the year	114.8	135.7
Released part of non-realised income through hedge reserve	0.4	0.4
Tax released part of non-realised income through equity	-0.1	-0.1
Total result including non-realised income ¹⁾	115.1	136.0

1. The non-realised amounts in the total result only concern amounts recognised in later periods in the income statement.



Consolidated balance sheet

(before profit appropriation proposal)

amounts in millions of euros	30 June 2015	31 December 2014
Assets		
Property, plant and equipment	5,601.9	5,884.6
Intangible assets	104.9	107.5
Associates	11.9	12.5
Other financial assets	9.8	10.4
Non-current assets	5,728.5	6,015.0
Inventories	24.6	20.8
Receivables	165.2	172.6
Corporate income tax expense ¹⁾	57.3	0
Other financial assets (current) ²⁾	22.3	112.3
Cash and cash equivalents	68.8	96.3
Current assets	338.2	402.0
Assets held for sale	362.2	0
Total assets	6,428.9	6,417.0

1. The corporate income tax expense is affected by a prepayment of the income tax to be paid for 2015 of about EUR 80 million on 27 February 2015.

2. Included depositor's EUR 20.0 millions (2014: EUR 110 millions).

amounts in millions of euros	30 June 2015	31 December 2014
Liabilities		
Issued and paid-up share capital	149.7	149.7
Share premium reserve	2,436.3	2,436.3
General reserve	802.2	669.5
Hedge reserve	-4.0	-4.3
Profit for the year	114.8	265.5
Equity	3,499.0	3,516.7
Non-current interest-bearing liabilities	1,746.6	1,747.4
Non-current provisions	64.0	67.1
Advance contributions for the installation of grids and connections	588.2	587.7
Deferred corporate income tax	196.4	191.1
Non-current liabilities	2,595.2	2,593.3
Trade and other payables	256.8	212.9
Current interest-bearing liabilities	14.7	26.3
Corporate income tax expense	0	40.7
Current provisions	10.5	12.9
Advance contributions to be amortised in the following year	14.9	14.2
Current liabilities	296.9	307.0
Liabilities held for sale	37.8	0
Total liabilities	6,428.9	6,417.0

Consolidated statement of cash flow

amounts in millions of euros	1st half-year 2015	1st half-year 2014
Profit for the year	114.8	135.7
Depreciation and impairments	147.1	151.7
Amortised contributions for installation of grids and connections	-7.3	-6.6
Change in operating working capital ¹⁾	-52.9	4.1
Change in deferred corporate income taxes	19.1	-4.2
Change in non-current provisions	-0.7	-1.3
Others	1.1	0.8
Cash flow from operating activities	221.2	280.2
Investments in property, plant, equipment and intangible assets	-223.9	-217.9
Contributions for the installation of grids and connections	29.8	32.3
Loans granted	-0.3	-0.9
Increase/decrease deposits	90.0	25.0
Repayment of loans granted	0.9	1.3
Cash flow from investing activities	-103.5	-160.1
Cash flow before financing activities	117.7	120.1
New interest-bearing liabilities excluding amounts owed to credit institutions	0.3	0
Repayment of interest-bearing liabilities excluding amounts owed to credit institutions	-1.3	-2.6
Dividend paid	-132.8	-119.5
Cash flow from financing activities	-133.8	-122.1
Total cash flows	-16.1	-2.0
Cash and cash equivalents minus amounts owed to credit institutions at the beginning of the financial year ²⁾	82.6	47.9
Cash and cash equivalents minus amounts owed to credit institutions at the end of the reporting period ³⁾	66.5	46.0

1. The change in the operating working capital is in the first half of 2015 strongly influenced by the prepayment of the income tax to be paid for 2015 of EUR 80 million and by the increase in the interest payment on the shareholder loans of EUR 27 million (first half of 2014: EUR 24.6 million).
2. Bank and cash balances (EUR 96.3 million) minus the negative bank balances presented as current interest-bearing liabilities (EUR 13.7 million).
3. Bank and cash balances (EUR 68.8 million) minus the negative bank balances presented as current interest-bearing liabilities (EUR 2.3 million).

Consolidated statement of changes in equity

amounts in millions of euros	Number of ordinary shares	Share capital	Share premium reserve	General reserve	Hedge reserve ¹⁾	Profit for the year	Total equity
At 1 January 2014	149,682,196	149.7	2,436.3	549.9	-4.9	239.1	3,370.1
Profit appropriation for 2013	-	-	-	119.6	-	-119.6	0
Dividend paid for 2013 ²⁾	-	-	-	-	-	-119.5	-119.5
Amortisation hedge reserve in 1st half-year 2014	-	-	-	-	0.3	-	0.3
Profit for the year in 1st half-year 2014	-	-	-	-	-	135.7	135.7
Subtotal 1st half-year 2014	-	-	-	119.6	0.3	-103.5	16.5
At 30 June 2014	149,682,196	149.7	2,436.3	669.5	-4.6	135.7	3,386.6
Amortisation hedge reserve in 2nd half-year 2014	-	-	-	-	0.3	-	0.3
Profit for the year in 2nd half-year 2014	-	-	-	-	-	129.9	129.9
Subtotal 2nd half-year 2014	-	-	-	-	0.3	129.9	130.1
At 31 December 2014 ³⁾	149,682,196	149.7	2,436.3	669.5	-4.3	265.5	3,516.7
At 1 January 2015	149,682,196	149.7	2,436.3	669.5	-4.3	265.5	3,516.7
Profit appropriation for 2014	-	-	-	132.7	-	-132.7	0
Dividend paid for 2014 ²⁾	-	-	-	-	-	-132.8	-132.8
Amortisation hedge reserve in 1st half-year 2015	-	-	-	-	0.3	-	0.3
Profit for the year in 1st half-year 2015	-	-	-	-	-	114.8	114.8
Subtotal 1st half-year 2015	-	-	-	132.7	0.3	-150.7	-17.7
At 30 June 2015 ³⁾	149,682,196	149.7	2,436.3	802.2	-4.0	114.8	3,499.0

1. The hedge reserve cannot be distributed.

2. The dividend for 2014, to which the shareholders are entitled in 2015 and which has been paid to shareholders in 2015, amounted to EUR 0.89 per share (2014: EUR 0.80), calculated on the basis of the averaged number of shares at year-end.

3. Total equity per share at 30 June 2015 was EUR 23.39 (year-end 2014, before profit appropriation: EUR 23.49), calculated on the basis of the number of shares at the end of the period.

Explanatory notes to the consolidated half-year financial statement

General information

Enexis Holding N.V. is a public limited liability company in 's-Hertogenbosch with its registered office in Rosmalen, the Netherlands. This half-year financial statement includes figures for the first half-year of 2015 for the limited liability company and the other companies in the group.

We have prepared this half-year financial statement in accordance with the IAS 34 'Interim Financial Reporting' standard as accepted within the European Union.

This interim report has not been audited. However it has been assessed by the independent auditor.

For an analysis of the results, we refer you to the financial principles included on page 19 of this interim report.

The functional currency employed by Enexis Holding N.V. is the euro. Unless otherwise stated, all amounts are in millions of euros.

General principles for consolidation, valuation and determination of results

We have applied the same accounting principles to this financial statement as those applied in the annual financial statement 2014 for Enexis Holding N.V. (which can be found on www.enexis.nl). The following changes in standards and interpretations that came into effect on 1 January 2015 do not have consequences for the consolidated half-year financial statements of Enexis.

New IFRS standards and/or amendments valid since 1 January 2015

Standards effective in the first half-year of 2015

In the first half-year of 2015 several changes came into effect that had no consequences for the consolidated half-year financial statement of Enexis:

- ◆ IFRIC 21 – Government levies.
- ◆ Annual corrections to IFRS, cycle 2011-2013.
- ◆ IAS 19 – Employee benefits – approved pension regulations: employee contributions.
- ◆ Annual corrections to IFRS, cycle 2010-2012.

Future standards not yet in effect during the first half-year of 2015

The following improvements and amendments to the IFRS standards have been published but were not yet ratified by the European Union in the first half of the year 2015.

- ◆ IFRS 9 – Financial Instruments, valid from 1 January 2018.
- ◆ IFRS 14 – Regulatory Deferral Accounts, Rate Regulated Activities, valid from 1 January 2016.
- ◆ IFRS 15 – Revenue from Contracts with Customers, valid from 1 January 2018.
- ◆ Annual corrections to IFRS, cycle 2012-2014, valid from 1 January 2016.



- ◆ Amendments to IAS 1 – Presentation of Financial Statements – Disclosure Initiative, valid from 1 January 2016.
- ◆ Amendments to IFRS 10, IFRS 12 en IAS 28 – Investments in associates: applying the consolidation exception, valid from 1 January 2016.
- ◆ Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale of assets or contribution to assets between an investor and affiliated associates and joint ventures, valid from 1 January 2016.
- ◆ Amendments in IFRS 11 – Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations, valid from 1 January 2016.
- ◆ Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, valid from 1 January 2016.
- ◆ Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants, valid from 1 January 2016.
- ◆ Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements, valid from 1 January 2016.

Enexis is currently evaluating the effects of these standards. Any improvements and amendments will come into effect at the commencement of financial years after 2015.

Seasonal influences

There are no appreciable seasonal influences having any material effect on Enexis' revenues.

Acquisition and sale of parts of the company

Exchange of grid areas with Alliander

On 24 March 2015 Alliander and Enexis signed a declaration of intent stating that as of 1 January 2016 the grid areas in Friesland and the Noordoostpolder will be exchanged with Alliander grids in the region of Eindhoven and Zuidoost-Brabant (Endinet). The assets and liabilities from the grid areas in Friesland and the Noordoostpolder that are affected by this exchange are recorded as held for sale in the balance sheet as of 30 June 2015. The assets consist almost entirely of property, plant and equipment in the form of grid infrastructure, including the ongoing investments and the proportion of goodwill that can be ascribed to the non-current assets. The majority of the liabilities are related to the property, plant and equipment mentioned above in the form of advance contributions from third parties for investments in the installation of grids and connections (EUR 21.6 million), those parts of facilities that will be transferred (EUR 2.4 million) as well as the deferred taxes related to these balance components (EUR 13.4 million). From 1 April, depreciation will no longer be applied to the property, plant and equipment held for sale and contributions relating to them. Up to and including June 2015, this amounts to expenses of EUR 3.4 million, thus having a positive effect on the profit before tax.

Acquisition of Cogas Meetbedrijf

Through its subsidiary Fudura, Enexis acquired a 100% interest in Cogas Meetbedrijf B.V. with effect from 1 June 2015. The total purchase price of shares in Cogas Meetbedrijf B.V. amounts to EUR 2.4 million and corresponds almost exactly to the fair value of the identifiable assets and liabilities. Cogas Meetbedrijf B.V. is included in the consolidated group financial statement from 1 June 2015.

Since the date of acquisition, Cogas Meetbedrijf has contributed EUR 0.2 million to the revenues. This is almost exactly equal to the operating expenses allocated to this period. The revenues realised over the period January to May 2015 were included in the acquisition price.

Goodwill

On 30 June 2015 there had been no triggering events that could have led to the need to carry out an impairment test. However, EUR 2.0 million has been added to the assets held for sale.

Fair value of long-term loans

As of 30 June 2015, Enexis has EUR 1,742.0 million (31 December 2014: EUR 1,742.6 million) in long-term loans on its balance sheet. The fair value of these long-term loans is EUR 2,025 million (31 December 2014: EUR 2,053 million). Here, the values of the interest payments and the repayments of the principals have been discounted according to differentiated interest rates. This enables us to take into account the effect of time. The fair value has dropped due to an increase in market interest rates.

Segmentation information first half-year period

Enexis Holding N.V. makes a distinction between the following reporting segments:

- ◆ Regulated activities
- ◆ General

The above division is based on the internal reporting structure, particularly the consolidated monthly reporting and the company's business plan. Due to the high degree of administrative independence, virtually all revenues, expenses, assets and liabilities can be allocated per segment.

Regulated activities form by far the greatest category within Enexis; with respect to net turnover and profits after tax as well as total assets, the share of these activities amounts to more than 90%.

The segments included as 'Other' relate to the activities of Fudura B.V. and Enexis Vastgoed B.V.

Inter-segment transactions are eliminated: i.e. costs and revenues invoiced between individual segments as well as receivables, debts and intercompany account balances.

Overview of segmentation

	Enexis regulated		Enexis other activities		Eliminations		Enexis total	
	1st half-year 2015	1st half-year 2014	1st half-year 2015	1st half-year 2014	1st half-year 2015	1st half-year 2014	1st half-year 2015	1st half-year 2014
<i>amounts in millions of euros</i>								
Income statement								
Revenue	640.2	664.3	37.2	37.5	-4.3	-5.7	673.1	696.1
Other operating income	9.7	9.0	1.5	1.5	-1.9	-1.9	9.3	8.6
Operating profit	178.5	203.1	16.7	17.7	-	-	195.2	220.8
	1st half-year 2015	31 December 2014	1st half-year 2015	31 December 2014	1st half-year 2015	31 December 2014	1st half-year 2015	31 December 2014
Assets and liabilities								
Total assets	6,653.9	6,377.2	169.5	181.1	-394.5	-141.3	6,428.9	6,417.0



Other notes

Information on related parties

In the first half of 2015 we distributed dividends to the value of EUR 132.8 million to shareholders, and provided loans to the value of EUR 0.3 million to Stichting Mijnaansluiting.nl. We also received a sum of EUR 0.9 million from EDSN as a regular instalment in repayment of a loan. All other transactions with related parties were conducted as part of normal operations and took place at market rates and on market terms.

Off-balance sheet commitments and assets

The off-balance sheet commitments and assets at the end of June 2015 do not differ, with the exception of standard settlement of the same, from the commitments and assets at the end of 2014 reported in Note 30 'Off-balance sheet commitments and assets' to the 2014 annual accounts, whereby reference is also made to events mentioned in the 2014 annual accounts post balance sheet date.

Events after the balance sheet date

On 27 July an agreement was signed with Alliander stating that as of 1 January 2016 the grid areas in Friesland and the Noordoostpolder of Enexis will be exchanged with grid areas in the region of Eindhoven and Zuidoost-Brabant (Endinet B.V.). Enexis purchases Endinet B.V. from Alliander for EUR 740.0 million. Enexis sells its grids in Friesland and the Noordoostpolder to Alliander for EUR 375.0 million. For Enexis this represents 51,000 electricity and 196,000 gas connections in Friesland and 28,000 electricity and 27,000 gas connections in the Noordoostpolder. For Endinet this represents 108,000 electricity and 398,000 gas connections.

The Executive Board,

Peter Vermaat, chairman
Maarten Blacquière

's-Hertogenbosch, 4 August 2015



Review report

To: the Board of Directors and Supervisory Board of Enexis Holding N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information for the six-month period ended 30 June 2015 of Enexis Holding N.V., Rosmalen, which comprises the consolidated balance sheet as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the selected explanatory notes for the six-month period then ended. The board of directors is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. 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 accompanying consolidated interim financial information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Utrecht, 4 August 2015

PricewaterhouseCoopers Accountants N.V.

Original has been signed by: C.J.A.M. Romme RA

(This review report is a translation of the original review report accompanying the original consolidated interim financial information both stated in Dutch. This original review report can be found on the website of Enexis Holding N.V.)



ENEXIS

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