2013

Enexis on course in first half of 2013

Interim Report

ENEXIS

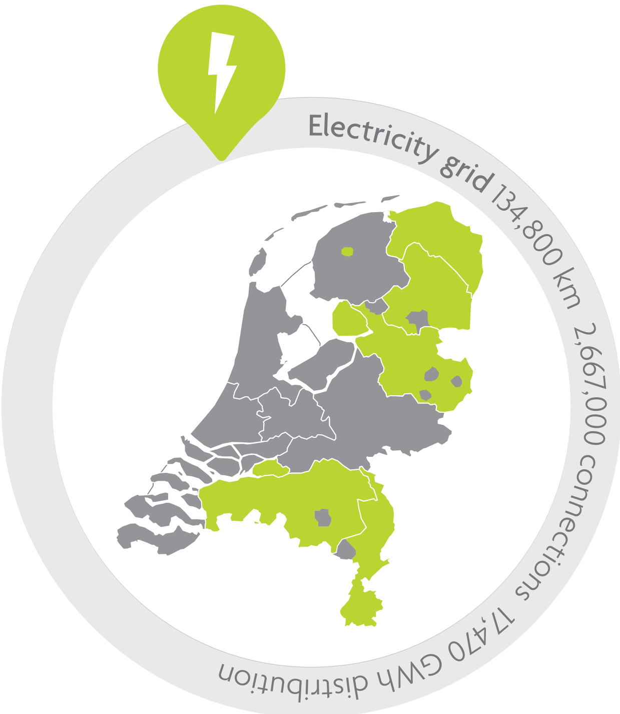
ENERGIE IN GOEDE BANEN

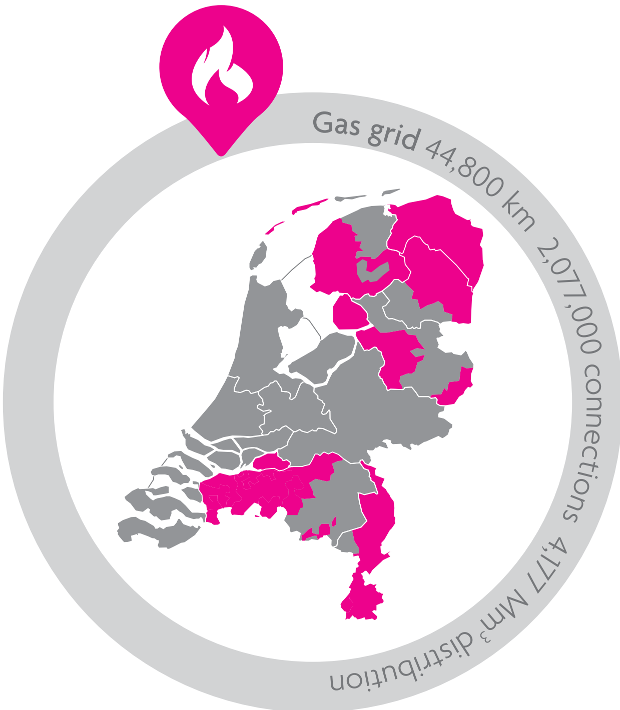
Contents

Please note: the Dutch version of the interim report 2013 is leading.

Profile

Enexis is the regional grid manager in the provinces Groningen, Friesland, Drenthe, Flevoland (Noordoostpolder), Overijssel, Noord-Brabant and Limburg. Enexis is responsible for the development and construction of energy distribution grids (gas and electricity), as well as for the maintenance and management of these grids. Enexis is thus responsible for the delivery of electricity and gas to more than 2.6 million customers, and forms the link between the customer and the energy supplier. The company's head office is located in Rosmalen. Enexis employs close to 4,300 employees.





Energy is a basic need. A stable energy supply is of vital importance. This is why the activities of Enexis Holding N.V. (hereafter: Enexis) are of great social importance. Enexis carries out this task with maximum openness and transparency. Enexis is constantly working on a reliable, affordable, sustainable and socially responsible energy grid. In doing so, safety for both customers and personnel is given top priority. Enexis plays a leading role in the socially important energy transition process towards sustainable energy sources.

Enexis Holding N.V. has operating companies that focus on the regulated grid management activities via Enexis B.V. and closely related non-regulated activities that support the core activities. The non-regulated activities are carried out by Fudura B.V. and mainly consist of metering tasks and the construction and maintenance of the energy grids for commercial customers. The shares of Enexis are held by Dutch provinces and municipalities.

Key figures

	1st half-year 2013	1st half-year 2012 [1]	Δ %
Result (in millions of euros)			
Revenue	688.5	682.5	0.9
Gross margin	575.3	566.1	1.6
Operating profit	211.4	208.2	1.5
Profit for the period	124.0	117.4	5.6

	1st half-year 2013	2012 [1]	Δ %
Balance sheet (before appropiation of profit, in millions of euros)			
Capital employed	5,156	5,085	1.4
Equity	3,255	3,245	0.3
Balance sheet total [2]	6,965	6,927	0.5
Gross investments	229	215 [3]	6.5

	1st half-year 2013	2012 [1]
Ratios		
ROIC (%)	4.1	4.0
EBIT interest cover [4]	3.9	4.1
FFO interest cover [4]	6.4	6.8
FFO / net interest-bearing liabilities (%) [4]	33	34
Net interest-bearing liabilities / (equity + net interest-bearing liabilities) (%)	34	34

	1st half-year 2013	2012	Δ %
Key figures			
Number of connections Electricity (x 1,000)	2,667	2,662	0.2
Number of connections Gas (x 1,000)	2,077	2,074	0.1
Electricity grid length (1,000 km)	134.8	134.2	0.4
Gas grid length (1,000 km)	44.8	44.8	0.0
DART rate of Enexis	0.46	0.49	-6.1
Employees at end of the period	4,297	4,229	1.6

	1st half-year 2013	1st half-year 2012	Δ %
Outage durations			
Outage duration electricity (in minutes)	14.4	11.0	30.9
Outage duration gas (in seconds)	20.0	17.8	12.4

1. The comparative figures are adjusted as a result of the retrospective application of the revised IFRS standard IAS 19. For further explanation reference is made to page 18 of this interim report.
2. As of the end of 2012 the amounts received in advance pertaining to property, plant and equipment in execution are not presented as net amounts but as gross amounts. This means that it no longer concerns amounts received from third parties netted against the corresponding asset. This results in an increase in both the property, plant and equipment in execution and in the advance contributions for installation of grids and connections. The 30 June 2012 have been adjusted for an amount of EUR 47.1 million in line with the above.
3. This amount concerns the investments in the first half year of 2012.
4. These ratios are calculated based on a 12 month moving average.

Enexis remains on course in the first half of 2013

- Investment level maintained (EUR 229 million);
- Customer tariffs more than 10% below permitted maximum;
- Successful steering towards a stable profit level (EUR 124 million);
- A three-fold increase in the number of solar installations problem-free for the grid.

The reliability of the energy grids is a top priority for society in general. In order to ensure the reliability of the energy grids, Enexis has set up a long-term investment programme whereby hundreds of millions of euros are spent annually on the maintenance, replacement and expansion of the energy grids. This investment programme is on course. However, the outage time for electricity in the first half of 2013 increased by 3.4 minutes to 14.4 minutes per connection, whereby approximately 4.5 minutes were caused by a power failure incident in Enschede in January 2013. Without this incident, the average electricity outage time would have been lower than in the first half of 2012.

In view of its aim to ensure the affordability for the customer and based on its public service oriented approach, Enexis has limited the tariff increase in 2013 to approximately the level of inflation (2.2%). By also not charging the maximum permitted tariff increase to its customers in 2013, Enexis has chosen to forgo EUR 137 million in potential extra revenues. For an average family, this amounts to a savings of approximately EUR 33 on its energy bill in 2013.

Enexis realised a profit of EUR 124.0 million in the first half of 2013. This is in line with the profit over the same period in 2012, when the amendment in the financial reporting standards regarding employee benefits is not taken into account. The profit is the result of a limited tariff increase and efficiency measures which provided some compensation for the increase in operating expenses. The profit level provides a reasonable return for the company's shareholders.

Enexis contributes to increasing the sustainability of the Dutch energy supply by facilitating the energy transition where possible. An important factor in this transition is generating solar electricity and delivering energy back to the grid. Up to and including June 2013, over 43,000 individuals and companies in Enexis's area of operations have applied with a total capacity of solar energy of more than 193 MWp (Mega Watt peak capacity). Enexis's electricity grid was able to handle the energy that was delivered back without any problem. With this, Enexis accommodates over half of the solar electricity generated in the Netherlands.

Regulation and the financial world

For 2013, Enexis has limited the tariff increase to approximately the level of inflation. By opting for a modest increase, Enexis is able to achieve the profit level that is necessary to finance its long-term investment programme and also provide a reasonable return to its shareholders. Enexis's customer tariffs are now on average more than 10% lower than the maximum tariffs of the Netherlands Authority for Consumer & Market (ACM).

Tariff developments 2014

It can be concluded from the draft decisions that ACM published on 1 May 2013 that the tariffs in the next regulation period will be set in such a manner that grid operators will be forced to operate even more efficiently. Due to the low interest rates on the debt capital market, the maximum permitted revenues of grid managers will be lower in the coming years than in previous years. It remains the point of departure that the tariffs must provide for a reasonable return on the invested capital. ACM will announce its final decision in the third quarter of 2013. After which the impact of this decision on the regional grid operators can be better assessed. In spite of a stringent cost control policy and increasing efficiency, the lower permitted tariffs will probably lead to pressure on the revenues and the profit over 2014.

Rendo

In February 2012, it was announced that Enexis showed interest in the acquisition of grid operator Rendo N.V. In June 2012, consultations with regard to the acquisition were suspended because of internal considerations within Rendo N.V. The shareholders of Rendo N.V. decided on 16 July 2013, at the advice of the interim management, to allow Rendo N.V. to continue to operate independently.

Customers and the market

Smart meters

The 'small-scale roll-out' of smart meters was carried out successfully in the first half of 2013. Over 340,000 meters have been installed in Enexis's operating area as of 1 July 2013. The smart meter not only enables the grid manager to read the meter remotely, it also offers consumers the possibility to monitor their energy consumption and to subsequently take measures to reduce their energy consumption. Enexis wishes to support customers with hardware and software in the coming period with which customers can constantly monitor their energy consumption and take energy-saving measures based on their consumption.

Customer portal open

In response to the often heard wishes of customers, Enexis has decided to provide its customers with the opportunity to organise a number of matters with regard to their energy supply themselves. In this context, a special internet site for consumers and small business customers was launched in May. Customers can use this internet site to place and start the processing of an order, such as for an upgrade of their connection, including the date and time of the installation. For a number of years now, Enexis has already had a special website for business customers with several connections where they can manage their connections administratively and record any changes.

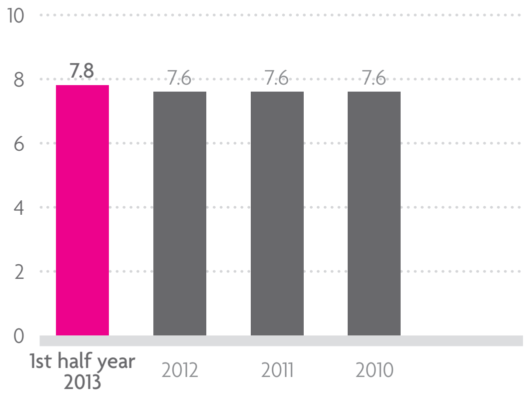
New Market Model postponed

After thorough preparations, in particular in connection with the transfer to a Central Connections Register, Enexis was ready for the introduction of the New Market Model on 1 April 2013. As the necessary systems on the sector level were not yet operational, the Minister issued a Royal Decree to postpone the introduction date to 1 August 2013. As per 1 August 2013 the transition to the New Market Model was successfully achieved.

Higher customer satisfaction

In the first half of 2013, customer satisfaction in general has increased further. On average, Enexis was rated 7.8. This rating was the result of the scores awarded by large business customers (7.4) and by consumers and small business customers (8.0). Surveys are held periodically among consumers and small business customers to determine the satisfaction with the services provided by Enexis.

Customer satisfaction [1] (random measurements)



1. The survey was held among 359 low-volume customers and 149 high-volume customers.

Energy networks

Investment level maintained

The investments in the renewal and improvement of the energy grids have been carried out according to plan. Part of this investment programme concerns the optimisation of the gas grid via the accelerated replacement of pipelines that have become brittle or are subject to corrosion. Customer-driven investments, mainly in connection with construction activities, have again decreased further as a result of the ongoing economic crisis. Total investments increased by 6% to EUR 228.6 million (half year 2012: EUR 215.4 million) and consisted of investments in improvements of the grid (EUR 97.7 million), expansions (EUR 61.8 million), smart meters (EUR 20.1 million) and other investments (EUR 49.0 million).

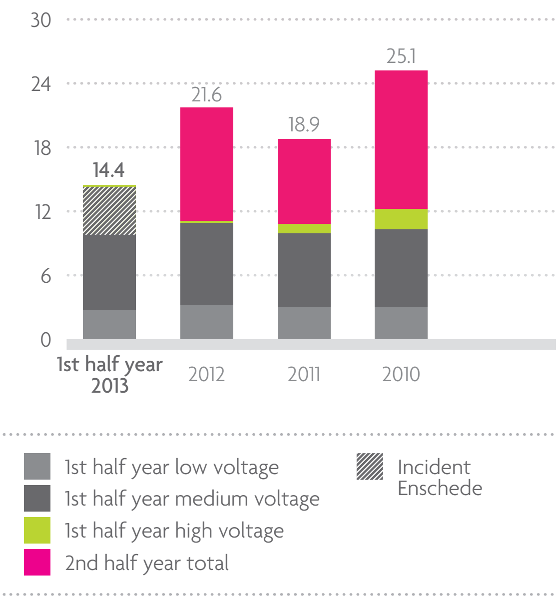
Major outage

On 5 January of the period under review, a fierce fire in a transformer station in Enschede affected over 20,000 customers who were without power for quite some time. Due to this incident the average electricity outage time was increased by approximately 4.5 minutes. An investigation on the cause of the outage and further recommendations is almost complete. What investments are needed to avoid a similar outage in future, were possible, will be based on this investigation.

Continuity

The average outage time per connection for the electricity grids amounted to 14.4 minutes during the first half of 2013. This amounted to 20 seconds for gas. The average outage time per connection in the comparable period in 2012 amounted to 11.0 minutes for electricity and 17.8 seconds for gas. Both figures can only be properly compared to the national average on an annual basis. From an European perspective, Dutch energy networks are most reliable.

Electricity supply reliability/Annual outage time per connection (in minutes)



Digitalisation of infrastructure data

Significant progress has been made with the further digitalisation of the necessary data regarding location, type and age of cables and pipelines and other grid components. The digitalisation of the household connections has also been completed. In order to maintain the quality of this infrastructure data, the methods of documentation within the Enexis regions have been standardised.

Smart Grid pilots launched

Enexis has launched a number of pilots in recent years in order to be able to timely anticipate the changes as a result of the energy transition in the living environment. The aim of these pilots is to obtain insight into the to be expected consumer behaviour and thus the nature and size of the desired infrastructure. At the end of 2012, a pilot was launched in Zwolle which was then followed in the past year by a pilot in Breda. The Smart Grid pilot Power Matching City in Groningen entered its second phase in June.

Collaboration in public spaces

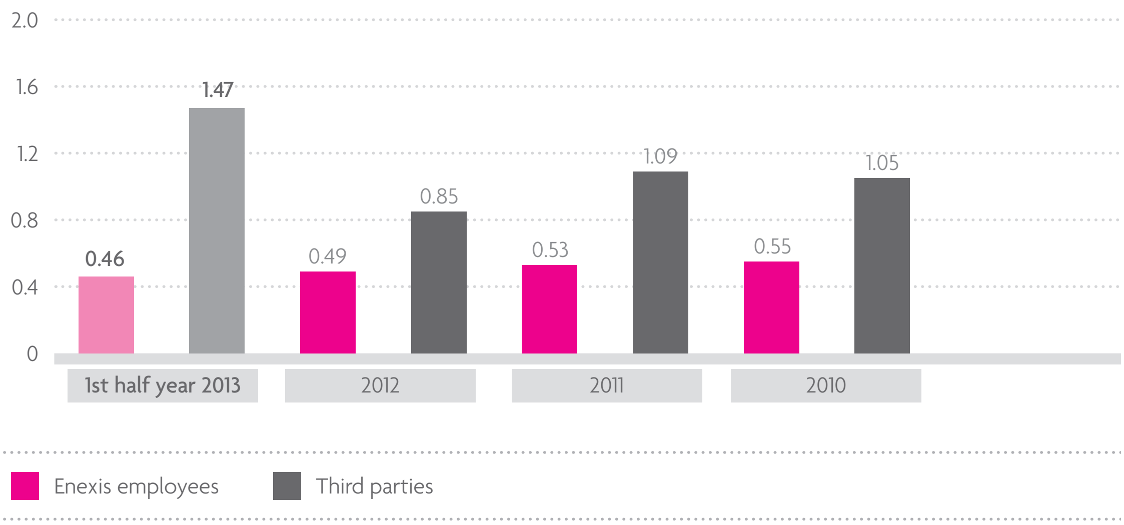
Enexis is working together with an increasing number of municipalities and other utility companies in public spaces in order to minimise the inconvenience for local residents and to limit the public costs. Excavations are coordinated with other parties. For instance, the Municipality Tilburg, Brabant Water and Enexis signed a covenant on 31 May regarding the coordination of their multi-annual planning for long-term and complex work in public spaces.

People and organisation

Working safely

Safety is an essential part of working at Enexis. Therefore, a lot of attention is paid to safety awareness by means of oral and written briefings and active evaluations of incidents and their causes. The effects of this approach should become visible in a declining accident index (DART rate). However, working with electricity and gas is never completely risk free. At the end of June, the DART rate for Enexis employees amounted to 0.46 compared to 0.42 for the first half of 2012. Thus the accident index remained at a comparable level. The DART rate for the employees of subcontractors was 1.47 compared to 0.85 for the first half of 2012. This was due to an increase in the number of short-term absence causing incidents. Enexis is working on a programme to further improve safety awareness, both among its own employees and among contractors.

DART rate [1)]



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

New sustainable offices in use

In the first half of 2013, Enexis took three new (energy-neutral) offices into use located in Maastricht, Venlo and Zwolle, whereby the 'new way of working' has been taken into account in an optimal manner. Enexis took a 'X-hub' into use in Arnhem, which has been designed specially as a meeting point and for holding meetings and conferences.

Own solar energy success

With intensive energy-saving programmes in its offices, an advanced waste management system and increasing use of electric vehicles, Enexis has fulfilled its exemplary role in energy savings to a considerable extent. In addition, an internal possibility foremployees to invest in a PV installation on the roofs of their own homes via Enexis was also very successful. Nearly 400 employees registered and as from 1 August, together, they represent a total capacity of 1.2 MWp of self-generated solar energy.

Effective recruitment and training

Ensuring that there is a sufficient supply of well-trained personnel to meet the company's future needs remains a challenge. Although there is no critical shortage at present due to the crisis, the availability of technical personnel in the future is a matter of concern. Our own technical training schools, founded in 2011, play an important role in this. The first students have completed their training in May and June. In the meantime, our recruitment activities continue unabated through various channels, taking advantage of our good reputation as an employer. In the beginning of 2013, Enexis, as in previous years, was ranked among the 54 Dutch 'Top Employers', as an employer with good employment conditions includin excellent development programmes and possibility to work flexibly.

Financial situation

General
In the first half of 2013, Enexis realised revenues of EUR 688.5 million and a profit for the period of EUR 124.0 million. This result was achieved with a tariff increase of 2.2%. Thus, for the second year in a row, Enexis charged its customers a lower tariff than the maximum permitted tariff. With this limited tariff increase, Enexis continues to deliver on its objective of providing affordable services. As a result, the tariff that Enexis charges to its customers is now, on average, more than 10% below the maximum tariff set by the regulatory authority.

Revenues, costs of sales and gross margin including other operating income
In the first half of 2013, the gross margin amounted to EUR 584.2 million, which represents an increase of EUR 13.8 million. This increase was mainly due to higher revenues as a result of the tariff increase. The increase of the revenues is limited for a amount of EUR 2.0 million as a result of a reimbursement to customers who have paid in the past for a gas connection with a capacity higher as necessary. A further increase of the gross margin is caused by a decrease of the cost of sales by EUR 3.2 million due to lower than estimated costs related to previous years.

Operating expenses
Operating expenses rose by EUR 10.6 million to EUR 372.8 million. This was mainly due to an increase in expenses of EUR 21.8 million. This was partially offset by a positive effect of EUR 11.2 million in the provisions as a result of a higher release from provisions in the first half of 2013 and a higher allocation to provisions in the first half of 2012. This last amount was influenced for an amount of EUR 3.8 million as a result of the application of the amended financial reporting standards regarding employee benefits (IAS 19R).

The increase in expenses of EUR 21.8 million is comprised mainly of an increase of EUR 7.6 million for improvement projects in the field of ICT, the stand-by technical service team and security and an increase of EUR 4.0 million due to increasing pension premiums, CAO (central labour agreement) wage increases and social insurance costs. Compensation payments increased by EUR 2.7 million mainly due to a major outage in Enschede in January of this year. Depreciation charges have increased further by EUR 5.8 million due to the new office buildings and especially the ICT improvement projects. The remaining increase of EUR 1.7 million was the result of various other costs.

Operating profit
Enexis achieved an operating profit of EUR 211.4 million in the first half of 2013. This nearly equals the operating profit of the comparative period in 2012.

Share of result of associates and financial income and expenses
The share of result of associates rose in comparison to 2012 due to a positive result of the associates in 2013 and a negative result in the comparative period in 2012. The balance of financial income and expenses has deteriorated compared to the first half of 2012. This was mainly due to interest on underpaid tax. Corporation tax was lower in 2013 as a result of a number of one-off positive tax effects consisting of environment and investment tax credits as well as the setoff over past years.

Profit for the period
Profit for the period amounted to EUR 124.0 million, which constitutes an improvement of EUR 6.6 million compared to the first half of 2012.

Consolidated income statement

amounts in millions of euros		1st half-year 2013		1st half-year 2012 [1]		2012 [1]
Revenue from the supply of goods and services		688.5		682.5		1,367.0
Cost of sales		113.2		116.4		235.7
Gross margin		**575.3**		**566.1**		**1,131.3**
Other operating income		8.9		4.3		14.0
Gross margin plus other operating income		**584.2**		**570.4**		**1,145.3**
Employee benefits expenses	138.7		145.6		293.2	
Depreciation and impairments	144.0		138.1		285.9	
Cost of work contracted out, materials and other external expenses	74.5		66.9		148.1	
Other operating expenses	15.6		11.6		24.1	
Total operating expenses		**372.8**		**362.2**		**751.3**
Operating profit		**211.4**		**208.2**		**394.0**
Share of result of associates		0.7		-2.6		-10.4
Financial income	3.5		1.4		5.7	
Financial expenses	54.4		49.6		96.9	
Financial income and expenses		**-50.9**		**-48.2**		**-91.2**
Profit before tax		**161.2**		**157.4**		**292.4**
Corporate income tax expense		37.2		40.0		68.7
Profit for the period		**124.0**		**117.4**		**223.7**
Attributable to:						
Minority shareholders		-		-		-
Shareholders		124.0		117.4		223.7
Average number of shares during the financial year		149,682,196		149,682,196		149,682,196
Profit per share [2]		**0.83**		**0.78**		**1.49**

1. The comparitive figures are adjusted as a result of the retrospective application of the revised IFRS standard IAS 19. For further explanation reference is made to page 18 of this interim report.
2. Stated in euro, dilution of earnings does not apply.

Consolidated statement of comprehensive income

amounts in millions of euros	1st half-year 2013	1st half-year 2012 [1]	2012 [1]
Profit for the period	124.0	117.4	223.7
Non-realised income through hedge reserve	-	-2.5	-2.5
Corporate income tax on non-realised income	-	0.7	0.7
Released part of non-realised income through hedge resreve	0.4	0.4	0.8
Tax released part of non-realised income through hedge reserve	-0.1	-0.1	-0.2
Total result included non-realised income through hedge reserve and equity [2]	**124.3**	**115.9**	**222.5**

1. The comparative figures are adjusted as a result of the retrospective application of the revised IFRS standard IAS 19. For further explanation reference is made to page 18 of this interim report.
2. The amounts recorded in the total result only concern amounts that will be accounted for in future periods through the income statement.

Consolidated balance sheet

amounts in millions of euros	30 June 2013	30 June 2012 [1]	31 December 2012 [1]
Assets			
Property, plant and equipment [2]	5,640.0	5,420.8	5,549.9
Intangible assets	115.3	108.1	119.0
Associates	11.9	22.7	12.8
Other financial assets	3.5	2.6	2.2
Non-current assets	**5,770.7**	**5,554.2**	**5,683.9**
Inventories	25.7	20.0	23.0
Receivables	551.8	521.7	548.8
Corporate income tax	-	6.7	-
Other financial assets (current) [3]	583.7	110.2	629.2
Cash and cash equivalents [3]	32.8	33.7	41.8
Current assets	**1,194.0**	**692.3**	**1,242.8**
Total assets	**6,964.7**	**6,246.5**	**6,926.7**

amounts in millions of euros	30 June 2013	30 June 2012 [1]	31 December 2012 [1]
Liabilities			
Issued and paid-up share capital	149.7	149.7	149.7
Share premium reserve	2,436.3	2,436.3	2,436.3
General reserve	549.9	440.7	440.7
Hedge reserve	-5.2	-5.8	-5.5
Profit for the period	124.0	117.4	223.7
Equity	**3,254.7**	**3,138.3**	**3,244.9**
Non-current interest-bearing liabilities	1,751.7	1,760.4	1,750.3
Non-current provisions	66.5	64.9	74.0
Advance contributions for installation of grids and connections [2]	507.4	444.1	478.7
Deferred corporate income tax	185.0	155.9	172.6
Non-current liabilities	**2,510.6**	**2,425.3**	**2,475.6**
Trade and other payables	648.6	638.7	645.2
Current interest-bearing liabilities	514.2	14.6	514.2
Corporate income tax expense	8.7	-	19.8
Current provisions	16.3	20.0	16.1
Advance contributions to be amortised in following year	11.6	9.6	10.9
Current liabilities	**1,199.4**	**682.9**	**1,206.2**
Total liabilities	**6,964.7**	**6,246.5**	**6,926.7**

1. The comparative figures are adjusted as a result of the retrospective application of the revised IFRS standard IAS 19. For further explanation reference is made to page 18 of this interim report.
2. As of the end of 2012 the amounts received in advance pertaining to property, plant and equipment in execution are presented as net amounts but as gross amounts. This means that it no longer concerns amounts received from third parties netted against the corresponding asset. This results in an increase in both the property, plant and equipment in execution and in the advance contributions for installation of grids and connections. The 30 June 2012 have been adjusted for an amount of EUR 47.1 million in line with the above.
3. As from year-end 2012, Enexis has stated the other (current) financial assets separately on the balance sheet. This item includes the current interest-bearing loans granted and deposits. As the current interest-bearing loans granted and the deposits outstanding were included under cash and cash equivalents on the balance sheet until mid-2012, the comparative figures mid-2012 have been adjusted accordingly.

Consolidated statement of cash flow

amounts in millions of euros	1st half-year 2013	1st half-year 2012 [1]	2012 [1]
Profit for the period	124.0	117.4	223.7
Change in hedge reserve	0.3	1.5	1.2
Profit for the period including change in hedge reserve	124.3	118.9	224.9
Depreciation and impairments	143.9	138.1	285.9
Impairment of associates	-	-	10.0
Amortised contributions for installation of grids and new connections	-5.8	-4.7	-9.8
Change in operational working capital	-13.2	-27.0	-25.5
Change in deferred corporate income taxes	12.4	19.9	36.6
Change in non-current provisions	-7.5	9.4	16.0
Others	0.9	2.8	2.6
Cash flow from operating activities	**255.0**	**257.4**	**540.7**
Investments in property, plant, equipment and intangible assets	-228.6	-215.4	-504.4
Contributions for installation of grids and connections	33.5	45.9	87.3
Loans granted	-6.2	-0.7	-105.3
Increase/decrease deposits [2]	45.5	149.8	-265.0
Repayment of loans granted	4.9	0.5	1.1
Cash flow from investing activities	**-150.9**	**-19.9**	**-786.3**
Cash flow before financing activities	**104.1**	**237.5**	**-245.6**
Issue bonds	-	300.0	791.5
New interest-bearing liabilities	3.7	-	-
Repayment of interest-bearing liabilities	-2.3	-450.0	-450.3
Dividend paid	-114.5	-114.7	-114.7
Settlement derivative	-	-8.2	-8.2
Cash flow from financing activities	**-113.1**	**-272.9**	**218.3**
Total cash flows	**-9.0**	**-35.4**	**-27.3**
Cash and cash equivalents at beginning of financial year	41.8	69.1	69.1
Cash and cash equivalents at end of period [2]	**32.8**	**33.7**	**41.8**

1. The comparative figures are adjusted as a result of the retrospective application of the revised IFRS standard IAS 19. For further explanation reference is made to page 18 of this interim report.
2. As of the end of 2012 the deposits maturing within one year are recognised under other financial assets (current). These items are therefore no longer recognised under cash and cash equivalents. The comparative figures have been adjusted accordingly.

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 period [2]	Total equity
At 1 January 2012	**149,682,196**	**149.7**	**2,436.3**	**319.8**	**-4.3**	**229.4**	**3,130.9**
Correction IAS 19R as per 1 January 2012 [2]	-	-	-	6.2	-	-	6.2
Profit appropriation for 2011	-	-	-	114.7	-	-114.7	-
Dividend paid for 2011	-	-	-	-	-	-114.7	-114.7
Non-realised income 1st half of 2012	-	-	-	-	-1.8	-	-1.8
Amortisation hedge reserve 1st half of 2012	-	-	-	-	0.3	-	0.3
Profit for the period 1st half of 2012	-	-	-	-	-	117.4	117.4
Subtotal 1st half of 2012	**-**	**-**	**-**	**120.9**	**-1.5**	**-112.0**	**7.4**
At June 30 2012	**149,682,196**	**149.7**	**2,436.3**	**440.7**	**-5.8**	**117.4**	**3,138.3**
Amortisation hedge reserve 2nd half of 2012	-	-	-	-	0.3	-	0.3
Profit for the period 2nd half of 2012	-	-	-	-	-	106.3	106.3
Subtotal 2nd half of 2012	**-**	**-**	**-**	**-**	**0.3**	**106.3**	**106.6**
At 31 December 2012	**149,682,196**	**149.7**	**2,436.3**	**440.7**	**-5.5**	**223.7**	**3,244.9**
At 1 january 2013	**149,682,196**	**149.7**	**2,436.3**	**440.7**	**-5.5**	**223.7**	**3,244.9**
Profit appropriation for 2012	-	-	-	109.2	-	-109.2	0.0
Dividend paid for 2012 [3]	-	-	-	-	-	-114.5	-114.5
Amortisation hedge reserve 1st half of 2013	-	-	-	-	0.3	-	0.3
Profit for the period 1st half year of 2013	-	-	-	-	-	124.0	124.0
Subtotal 1st half of 2013	**-**	**-**	**-**	**109.2**	**0.3**	**-99.7**	**9.8**
At 30 June 2013 [4]	**149,682,196**	**149.7**	**2,436.3**	**549.9**	**-5.2**	**124.0**	**3,254.7**

1. The hedge reserve cannot be distributed.
2. The comparative figures are adjusted as a result of the retrospective application of the revised IFRS standard IAS 19. For further explanation reference is made to page 18 of this interim report.
3. The dividend for 2012, which was paid to shareholders in 2013, was EUR 0.77 per share (2011: EUR 0.77), calculated on the basis of the number of shares at year-end.
4. Total equity per share at end-June 2013 was EUR 21.74 (31 December 2012 before appropriation of profit: EUR 21.68), calculated on the basis of the number of shares at the end of the reporting period.

Notes to the consolidated interim financial statements

General

Enexis Holding N.V. is a public limited liability company with its head office in Rosmalen, the Netherlands. This interim report includes the financial statements for the first half of 2013 for the company and its group companies.

The interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

An analysis of the result is provided in the financial review on page 11 of this interim report.

Enexis Holding N.V. uses the euro as its functional currency. Unless stated otherwise, all amounts are in millions of euros.

Please note: the Dutch version of the interim financial statements is leading.

Principles of consolidation

The consolidated balance sheet, income statement and cash flow statement comprise the balance sheet, income statement and cash flow statement of Enexis Holding N.V. and its group companies.

Group companies are legal entities and companies over which the company can exercise control with regard to the management and financial policy of these legal entities and companies. Group companies are included in the consolidation as from the date on which control is obtained. Participations are excluded from the consolidation as from the date on which control ceases to exist. In determining whether control exists, potential voting rights that can be exercised directly are taken into account.

Consolidation takes place using the integral consolidation method. In the event that the interest in the consolidated legal entity amounts to less than 100%, the minority interest is disclosed in equity and in the income statement. Financial relationships and results between consolidated companies are eliminated.

The entity-concept method is used in the event that an additional interest is acquired in a participation over which the company already exercised control. In this case, the transaction is treated as a change in equity, whereby the difference between the acquisition price and fair value is either added to or deducted from the other reserves.

Valuation principles and accounting policies relating to the determination of the result

The same valuation principles and accounting policies are used in this interim report as in the annual report for 2012 of Enexis Holding N.V., which is available at www.enexis.nl, with the exception of the changes in standards and interpretations effective as from 1 January 2013.

Reclassification other current financial assets

As from year-end 2012, Enexis has stated the other (current) financial assets separately on the balance sheet. This item includes the current interest-bearing loans granted and deposits. As the current interest-bearing loans granted and the deposits outstanding were included under cash and cash equivalents on the balance sheet until mid-2012, the comparative figures mid-2012 have been adjusted accordingly. These adjustments concern the following:

amounts in millions of euros	30 June 2012 - before reclassification	30 June 2012 - after reclassification
Consolidated balance sheet		
Other financial assets (short-term)	-	110.2
Cash and cash equivalents	143.9	33.7
Total	**143.9**	**143.9**

Adjustment of advance contributions of third parties in tangible fixed assets in progress
As from the end of 2012, the advance contributions with regard to the tangible fixed assets in progress are disclosed as gross amounts. Before this period, the advance contributions with regard to the tangible fixed assets in progress were set off against this balance sheet item. Therefore, advance contributions received from third parties are no longer set off against the corresponding asset. This results in an increase in both the tangible fixed assets in progress and the advanced contributions of third parties. The figures of 30 June 2012 have been adjusted by an amount of EUR 47.1 million in connection with this.

amounts in millions of euros	30 June 2012 - before reclassification	30 June 2012 - after reclassification	Difference
Consolidated balance sheet			
Property, plant and equipment	5,373.7	5,420.8	47.1
Advance contributions for installation of grids and connections	397.0	444.1	47.1

Impact IAS 19 - Employee benefits
The most important changes in these standards regard the disclosure and valuation of the pension liabilities within a defined benefit scheme and the further specification of the aspects of severance payments and the provisions that have to be made for this, and the explanatory notes in connection with all employee benefits. This amended standard must be applied as from 1 January 2013, whereby the standard will apply retrospectively.

For Enexis, the amended standard has an impact on the reorganisation provisions that were formed at the end of 2011. As of 1 January 2012, the equity has been adjusted for the amendment of this standard. The changes in the provisions after 1 January 2012 have been recognised via the consolidated balance sheet and consolidated income statement of the relevant year.

The following adjustments of the comparative figures have been processed:

amounts in millions of euros	1 January 2012 - before change in acc. policy	30 June 2012 - before change in acc. policy	31 December 2012 - before change in acc. policy
Consolidated balance sheet			
General reserve	434.5	434.5	434.5
Profit for the period	-	120.9	229.1
Non-current provisions	63.7	67.1	74.5
Deferred corporate income tax	134.0	155.1	172.4
Current provisions	27.0	21.3	16.6
Income statement			
Employee benefits expenses	-	140.9	286.0
Corporate income tax expense	-	41.2	70.5
Profit for the period	-	120.9	229.1

amounts in millions of euros	1 January 2012 - after change in acc. policy	30 June 2012 - after change in acc. policy	31 December 2012 - after change in acc. policy
Consolidated balance sheet			
General reserve	440.7	440.7	440.7
Profit for the period	-	117.4	223.7
Non-current provisions	55.5	64.9	74.0
Deferred corporate income tax	136.0	155.9	172.6
Current provisions	27.0	20.0	16.1
Income statement			
Employee benefits expenses	-	145.6	293.2
Corporate income tax expense	-	40.0	68.7
Profit for the period	-	117.4	223.7

New and/or amended IFRS standards applicable as of 1 January 2013

Standards effective as of 1 January 2013

As of 1 January 2013, the in 2012 (amended) standards IAS 1 – Financial statement presentation, IAS 12 - Income taxes, IAS 19 – Employee benefits, IFRS 1 – First time adoption of IFRS, IFRS 7 – Financial Instruments: disclosures, IFRS 10 – Consolidated financial statements, IFRS 11 - Joint arrangements, IFRS 12 Disclosure of interests in other entities and IFRS 13 – Fair value measurement must be applied. The impact for Enexis is limited to IAS 19 – Employee benefits. The impact of this is explained in greater detail in the paragraph 'Valuation principles and accounting policies relating to the determination of the result'.

Future standards and amendments adopted in the first half of 2013

The following improvements and amendments in IFRS standards were adopted by the European Union in the first half of 2013.

Amendments IFRS 1

The amendments in IFRS 1 were adopted on 4 March and came into effect on 1 January 2013. As Enexis is not a 'first time adopter' of IFRS, this does not have any impact on Enexis's reporting.

Annual improvements 2009-2011

The improvement cycle 2009-2012 was adopted on 27 March. This improvement cycle pertains to the standards IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34 and must be applied as of 1 January 2013. As far as IAS 34 - Interim Financial Reporting is concerned there are amendments in the area of the to be provided insight with regard to segmentation. However, as the liabilities are not reported in a segmented manner within Enexis, this amendment in IAS 34 does not have any impact on this interim report.

Transition guidance amendments IFRS 10, IFRS 11 and IFRS 12

The amendments in IFRS 10, IFRS 11 and IFRS 12 were adopted on 4 April 2013. These amendments in the aforementioned IFRS standards must be applied as of 1 January 2014; however, they do not result in any changes in Enexis's reporting.

Seasonal effects

Enexis is not subject to any seasonal influences that could have a material effect on the result.

Goodwill

The annual obligatory impairment test on goodwill in connection with the acquisition of Intergas will be carried out in the second half of 2013. There is no material adjustment of the carrying value of the goodwill expected as a result of the impairment test.

Fair value of non-current loans

As of 30 June 2013, Enexis has non-current liabilities on its balance sheet for the amount of EUR 1,751.7 million. The fair value of these non-current loans is approximately EUR 1,975 million as of 30 June 2013. The large difference in the fair value compared to the nominal value is caused by the level of the interest rate as of 30 June 2013.

Segment information first half year

Enexis Holding N.V. distinguishes the following segments in its reporting:

- Regulated Activities
- Other activities

The above classification is based on the internal reporting structure, in particular the consolidated monthly reports and the annual business plan. Because of the high level of administrative independence, virtually all revenues, costs, assets and liabilities can be allocated to the segments.

The regulated activities form by far the largest segment within Enexis. In terms of revenues, profit after taxes and total assets, the share of these activities amounts to more than 90%.

The segments classified as 'Other' concern the activities of Fudura B.V. and Enexis Vastgoed B.V..

Costs and revenues charged between the segments and receivables, payables and current-account positions between the segments have been eliminated. The costs and revenues relate almost entirely to payments for the use of assets.

	Enexis Regulated		Enexis Others		Normalisation and eliminations		Enexis Total	
amounts in millions of euros	1st half year 2013	1st half year 2012 [1]	1st half year 2013	1st half year 2012	1st half year 2013 [2]	1st half year 2012	1st half year 2013	1st half year 2012 [1]
Income statement								
Revenue	657.5	652.6	35.7	33.5	-4.7	-3.6	688.5	682.5
Other operating income	10.8	4.8	0.0	1.1	-1.8	-1.6	9.0	4.3
Operating profit	197.0	195.2	14.4	12.1	-	0.9	211.4	208.2
Assets and liabilities								
Total assets [3]	6,918.0	6,162.6	125.5	97.6	-78.8	-13.7	6,964.7	6,246.5

1. The comparative figures are adjusted as a result of the retrospective application of the revised IFRS standard IAS 19. For further explanation reference is made to page 18 of this interim report.
2. The normalisation in the first half year of 2013 amounts to zero.
3. As of the end of 2012 the amounts received in advance pertaining to property, plant and equipment in execution are presented as net amounts but as gross amounts. This means that it no longer concerns amounts received from third parties netted against the corresponding asset. This results in an increase in both the property, plant and equipment in execution and in the advance contributions for installation of grids and connections. The 30 June 2012 have been adjusted for an amount of EUR 47.1 million in line with the above.

As from the end of 2012, the activities of the Facility Management (FM) department have been grouped under the regulated activities, as these activities now fall under the responsibility of the Human Resources (HR) department. The HR department forms an integral part of the regulated activities.

All activities that are carried out by the FM department on behalf of the segment Other are charged directly to the segment Other. The figures as of 30 June 2012 have been adjusted for the transfer of the FM department from the segment Other to the regulated activities segment. This transfer has had the following effect on the segmentation of the segment Other as of 30 June 2012:

amounts in millions of euros	1st half year 2012 - before reclassification	1st half year 2012 - after reclassification	Reclassification to regulated segment
Income statement			
Revenue	35.0	33.5	-1.5
Other operating income	18.1	1.1	-17.0
Operating profit	13.0	12.1	-0.9
Assets and liabilities			
Total assets	97.6	79.8	-17.8

Other notes

Off-balance sheet commitments and contingencies

On the balance sheet date, there were no commitments or assets that should be reported as 'Off-balance sheet commitments and contingencies'.

Events after the balance sheet date

There are no events occurred after the balance sheet date.

Review report

To: the General Meeting of Shareholders and the Supervisory Board of Enexis Holding N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information of Enexis Holding N.V., Rosmalen as stated on pages 12 to 21, which comprises the consolidated income statement and the consolidated statement of the total income for the period of six months ended 30 June 2013, the consolidated balance sheet as at 30 June 2013, the consolidated cash flow statement and the consolidated statement of changes in equity for the period of six months ended 30 June 2013 and the notes. Management is responsible for the preparation and presentation of this consolidated 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 Entity". 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 2013 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

The Hague, 8 August 2013

Ernst & Young Accountants LLP

Signed by J. Niewold

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ENEXIS
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