

One of the world's largest public owned utilities focused on transmission and distribution activities in electricity and gas in both the United Kingdom and the United States.

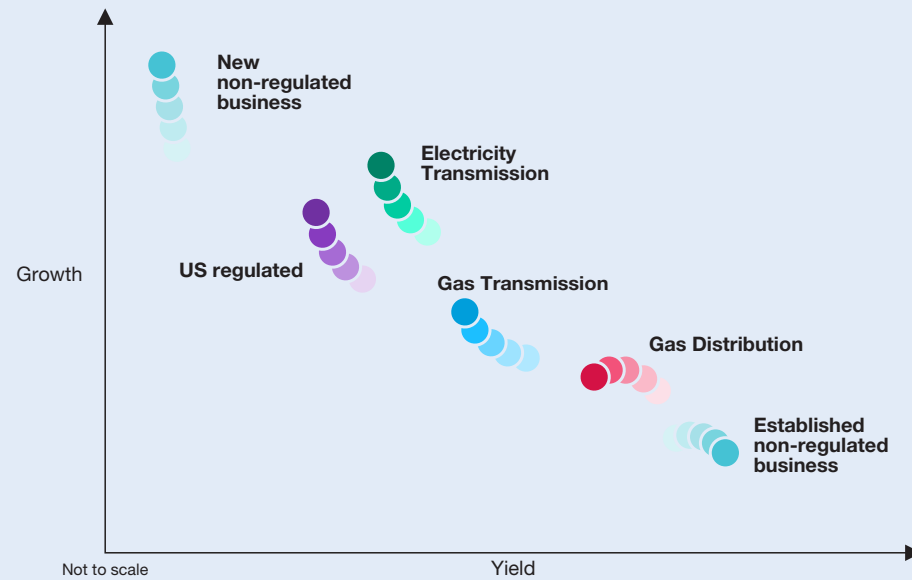
We play a vital role in connecting millions of people to the energy they use, safely, reliably and efficiently.

**Portfolio evolution**

Current portfolio of businesses:

- delivers appropriate balance of yield and growth
- maintains strong balance sheet with minimal scrip financing
- supports growing dividend

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

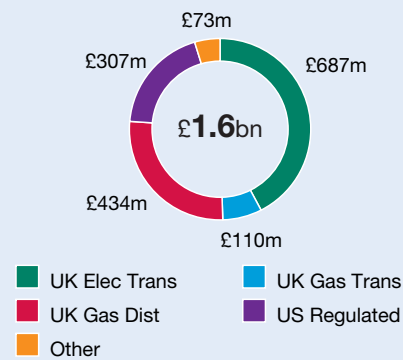


**On track to deliver future performance**

**Half year results**

In line with full year expectations

**Operating profit up 2%**  
Six months ending 30 September 2014



**Recent developments**

- Capacity market auction completed December 2014
- US leadership transition March 2015 – Dean Seavers joined December 2014
- US financial system upgrade complete
- Filings for additional US mains replacement costs
- Property joint venture agreed with Berkeley Group
- Ongoing share buyback programme

**Our priorities**

- US**
  - Efficiency and process excellence
  - Updated cost allowances
- UK**
  - Deliver outperformance within RIIO framework
- Group**
  - Priority remains delivery of attractive total returns for shareholders

**Important notice**  
This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid's financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as 'aims', 'anticipates', 'expects', 'should', 'intends', 'plans', 'believes', 'outlook', 'seeks', 'estimates', 'targets', 'may', 'will', 'continue', 'project' and similar expressions, as well as statements in the future tense, identify forward-looking statements. Furthermore, this document, which is provided for information only, does not constitute summary financial statements and does not contain sufficient information to allow for as full an understanding of the results and state of affairs of National Grid, including the principal risks and uncertainties facing National Grid, as would be provided by the full Annual Report and Accounts, including in particular the Strategic Report section and the 'Risk factors' on pages 167 to 169 of National Grid's most recent Annual Report and Accounts. Copies of the most recent Annual Report and Accounts are available online at [www.nationalgrid.com](http://www.nationalgrid.com) or from Capita Registrars. Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this document. The content of any website references herein do not form part of this document.

**Further information**

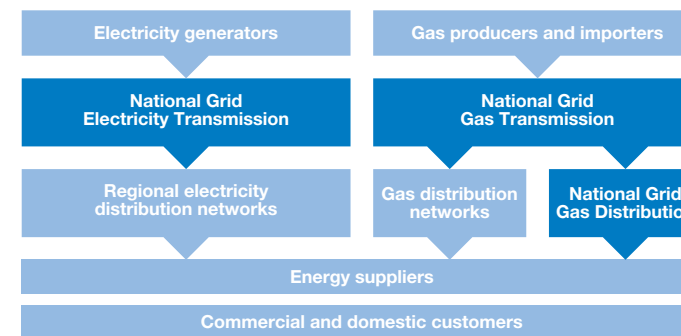
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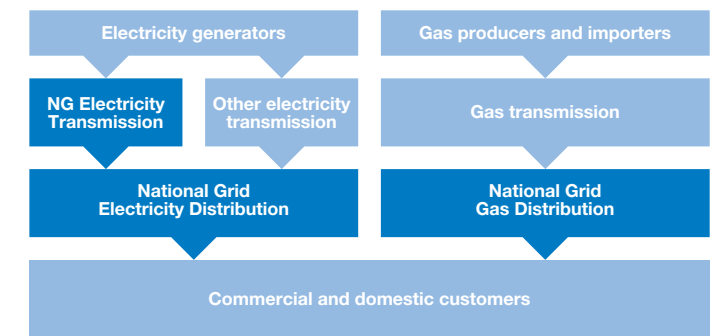
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**National Grid's role in the UK**



**National Grid's role in the US**



**Regulated assets £34.7bn (Total Group assets £38.1bn)**

| UK          |     |     |     | US  |     |    |     |     |             |     |
|-------------|-----|-----|-----|-----|-----|----|-----|-----|-------------|-----|
| 72%         |     |     |     | 28% |     |    |     |     |             |     |
| Electricity | 31% | Gas | 16% | Gas | 25% | 4% | Gas | 13% | Electricity | 11% |

31 March 2014

■ Transmission (and other US FERC assets) ■ Distribution

**Investment proposition**

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

**Attractions of being a regulated network utility**

- Dividend consistency underpinned by regulatory protection
- Protection from generation and supply exposures and margins
- Macro-economic protection through bad debt trackers, credit protection, inflation linked revenues and price control 're-openers'
- Increasing use of revenue decoupling

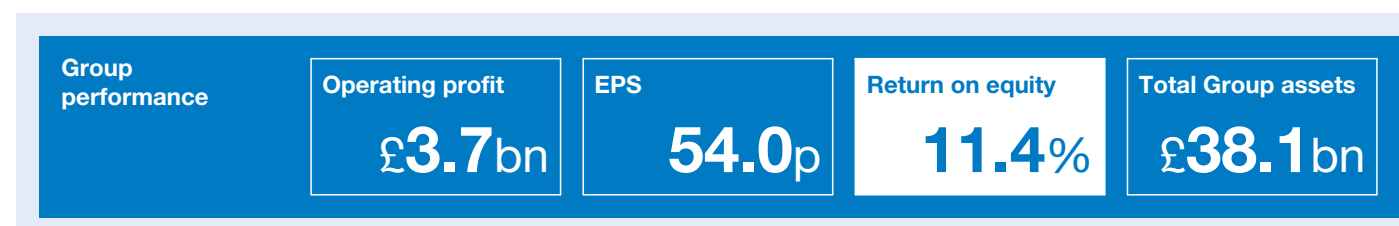
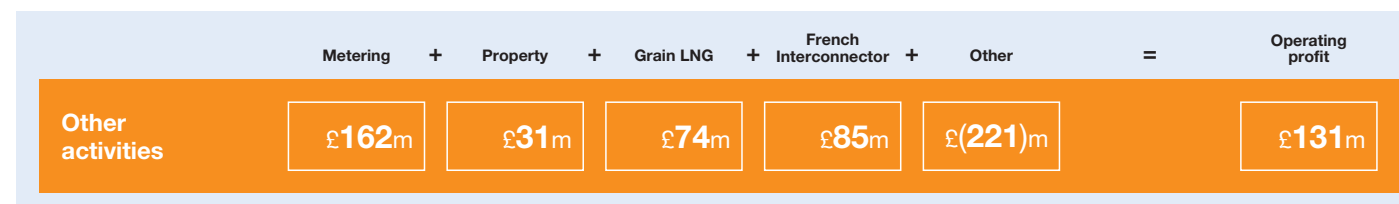
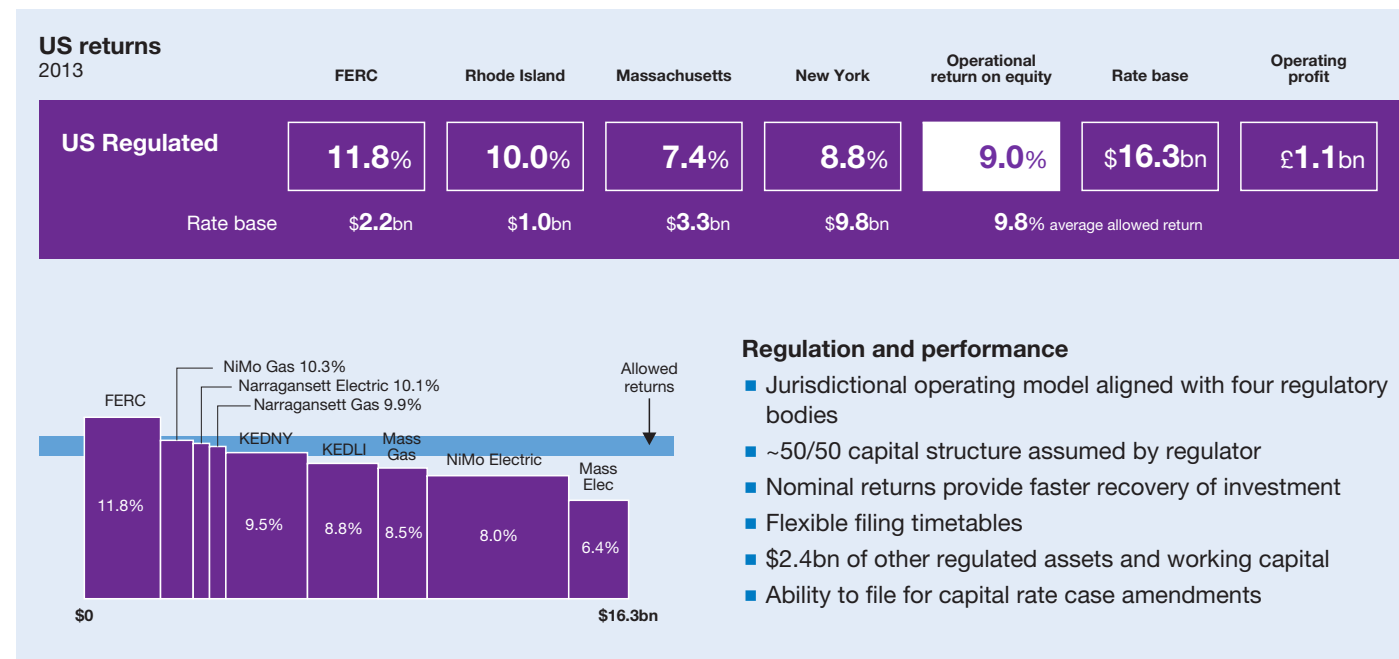
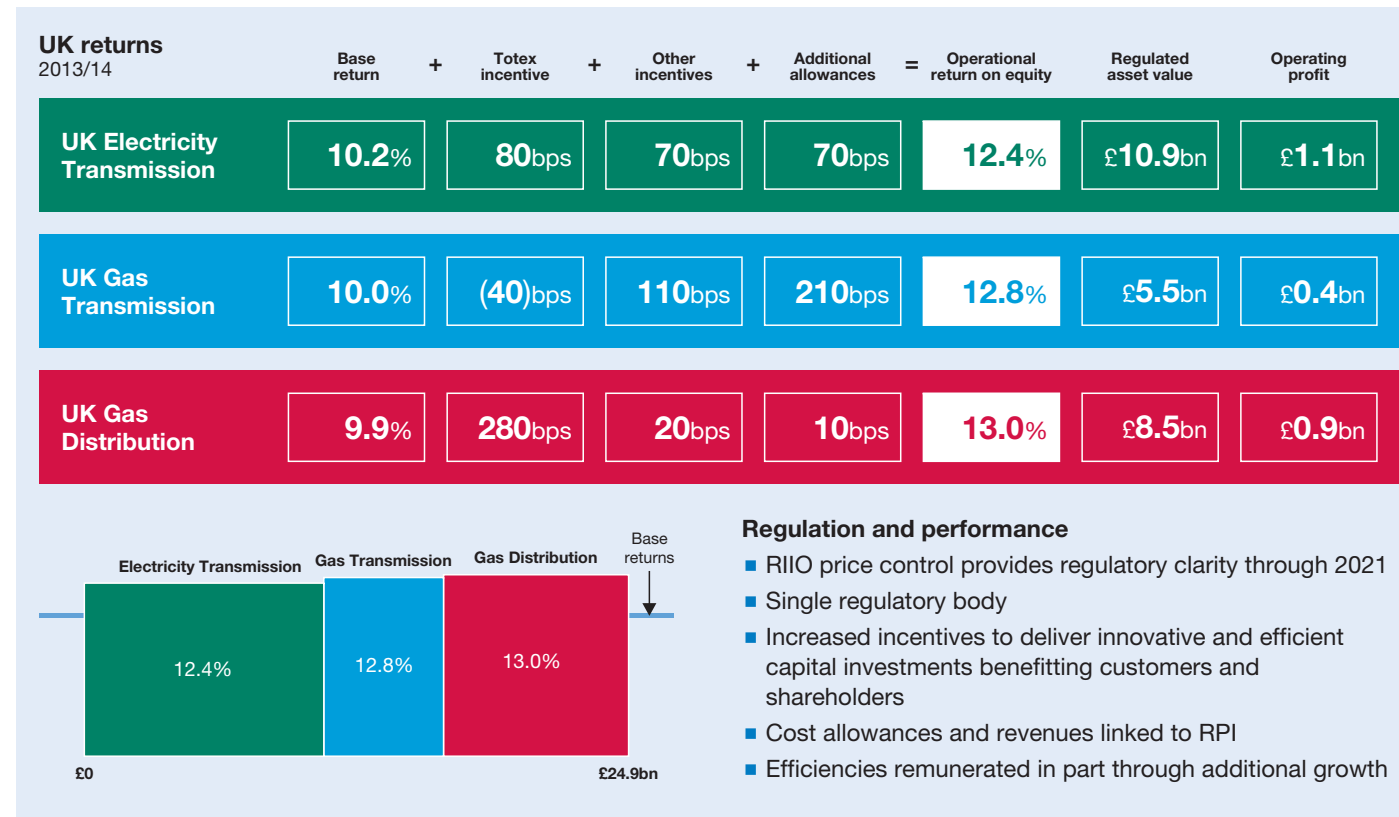
**Strengths of National Grid**

- Balance of activities between the UK and US, Electricity and Gas, Transmission and Distribution
- Stable regulatory environments, 95%+ regulated revenues
- Local expertise and global scale
- 5%+ growth profile with strong transmission exposure
- Central role in UK energy market

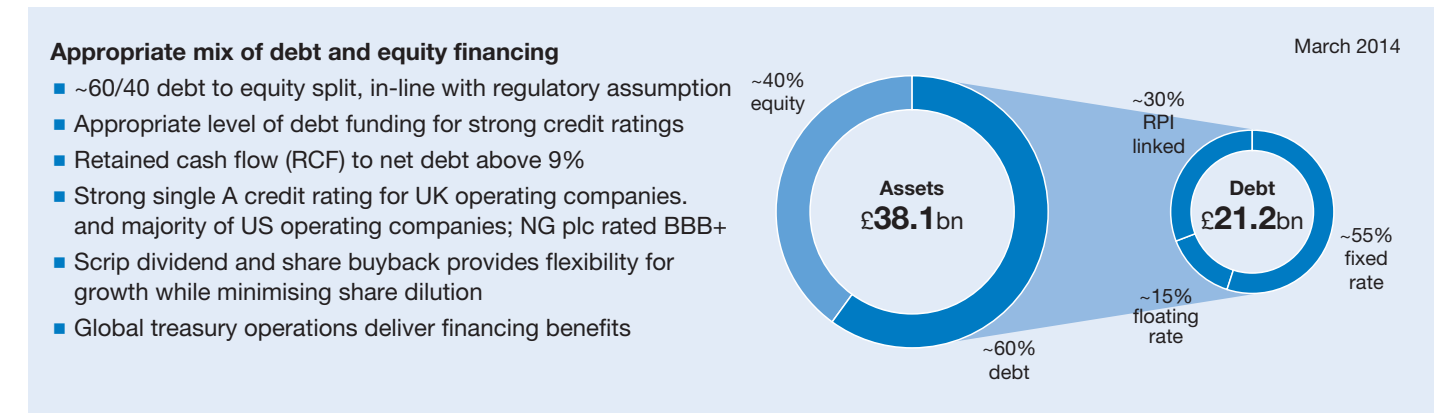
London Stock Exchange **NG.**

New York Stock Exchange (ADR) **NGG**

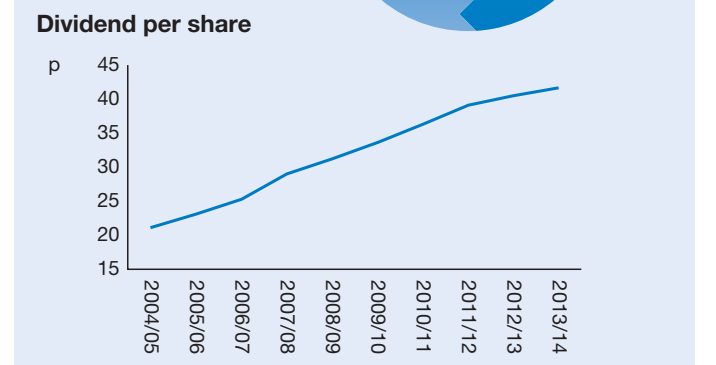
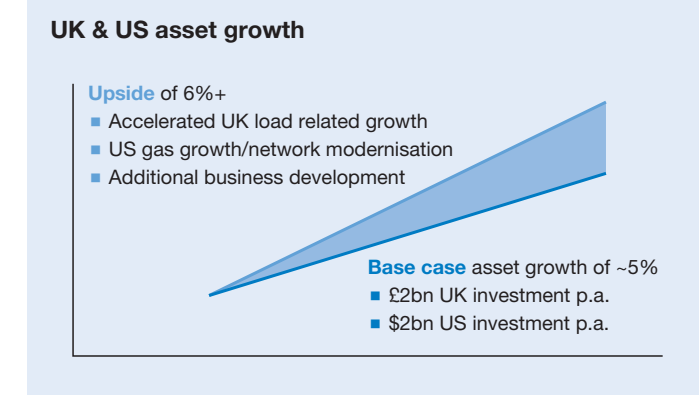
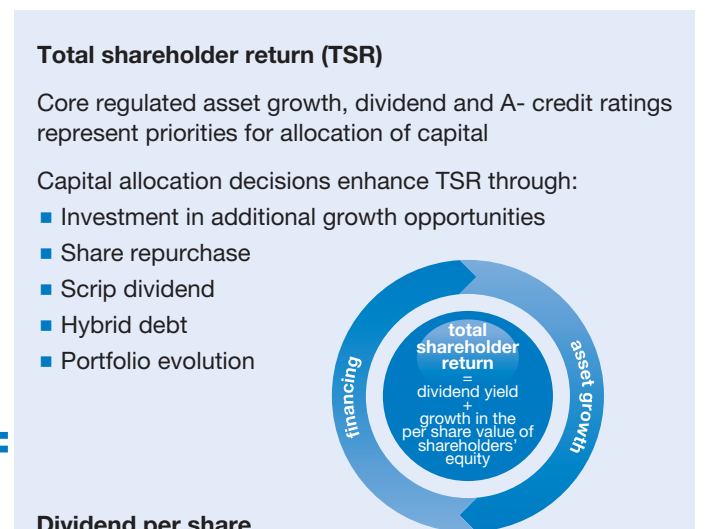
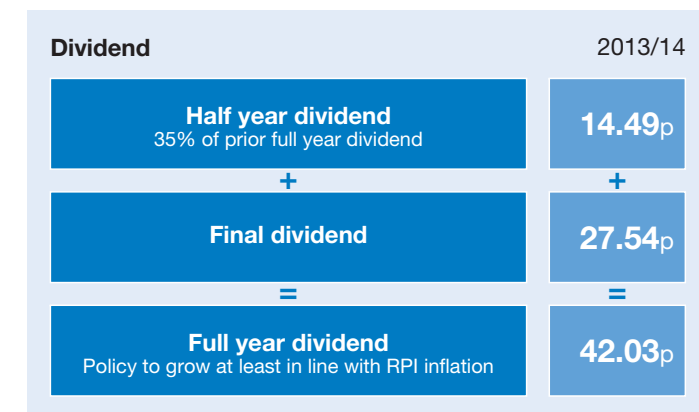
## Strong business unit performance underlies group performance



## Strong balance sheet enables growth and a secure dividend



## Asset and dividend growth drive shareholder value



## Key performance indicators focus management on efficient investment and profitability

