



Elia Group FY2016 results

At the heart of the European Electricity grid

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Today's agenda

1. FY2016 achievements
2. Robust regulated financials
3. Conclusion and outlook

Elia Group FY 2016 performance

<p>Investments</p> <p>€ 1,177 million¹ (6.2%) yoy</p>	<p>RAB*</p> <p>€ 7.1 billion +6% yoy</p>	<p>Normalised² Net profit</p> <p>€ 168.0 million (4.4%) yoy</p>
<p>Dividend</p> <p>€1.58 57% payout</p>	<p>Normalised² RoE</p> <p>6.7% (60 bps) yoy</p>	<p>Leverage ratio</p> <p>0.52x debt/(debt+equity)</p>

* Regulated Asset Base

¹ Includes 100% of the investments realized by 50Hertz

² The term “normalised” refers to performance measures before non-recurring items. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. Reported result at €179.8m.

Elia Group FY2016 achievements

2016 highlights

Operations

- Good progress on key investments in Belgium and Germany (on- and offshore)
- Solid operational performance in Belgium thanks to full realisation of mark-up investments and efficiencies
- Outstanding results in terms of grid reliability and adequacy

Regulation

- New regulatory framework in Belgium took effect in 2016
- German regulator set return on equity applicable as from 2019. Other key components of the regulatory framework will be decided in the coming 2 years
- Important changes to renewable energy law, impacting the timing of further offshore investments

Finance

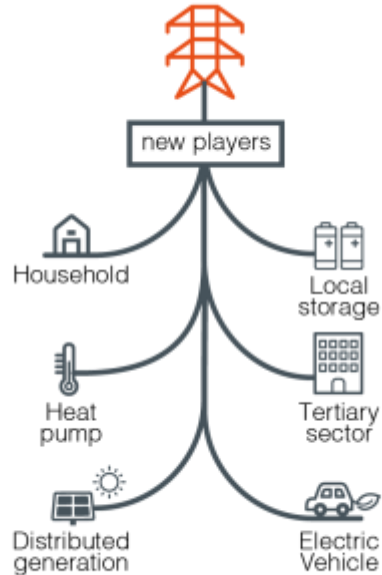
- Normalised result at €168.0m (down 4.4%) mainly due to increased maintenance expenses in Germany, partly compensated by strong operational performance in Belgium.
- Proposed dividend of 1.58€
- Successful debt capital market transactions by Eurogrid GmbH

Trends & evolutions in the energy sector

The development of intermittent generation



Decentralisation, digitalisation & new players



The regionalisation of the electricity sector



Consequences

- More & long distance transmission & interconnection
- More flexibility at end-user level & appearance of new business model
- Intensified coordination local (DSO-TSO) & supranational (ENTSO-E, CORESO, etc.)

Strategy going forward...

- 1** Ensure a secure, reliable and efficient grid Asset management/
Maintenance
- 2** Deliver the transmission infrastructure for the future Infrastructure
- 3** Evolve the system and markets System and Market
development
- 4** Cooperate to strengthen our TSO position Strategic positioning
- 5** Align culture with strategy Corporate culture
- 6** Eyes wide open on innovation and M&A Company growth

... continuing striving for operational excellence

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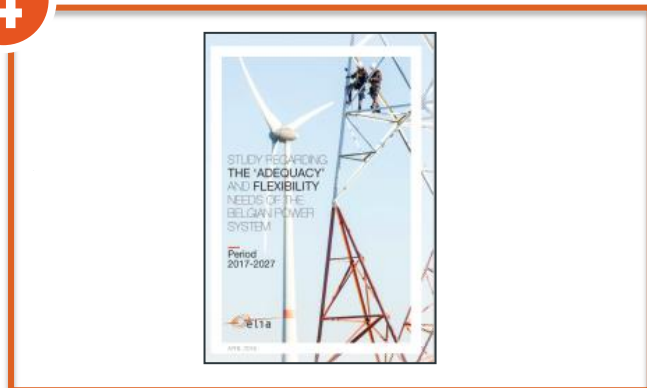
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PERFORMANCE CULTURE

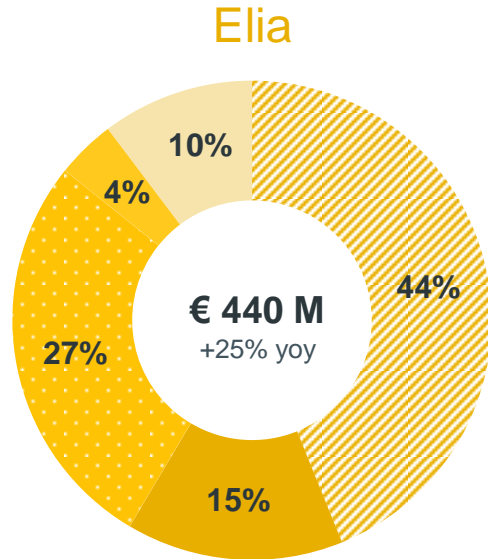
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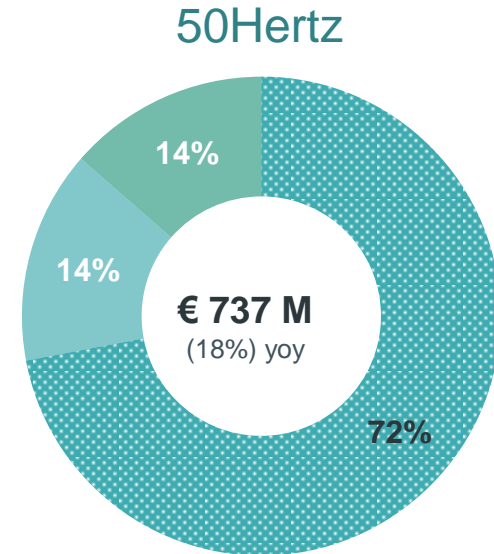
Elia Group

Robust regulated financials

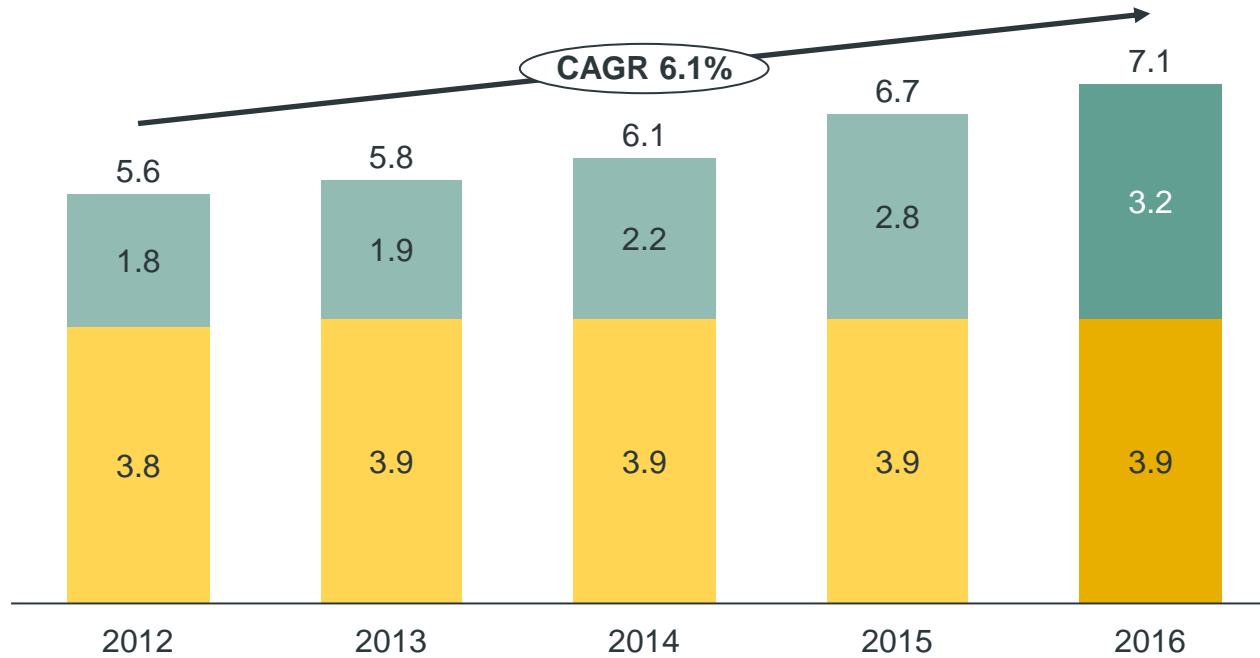
Elia Group's investments in 2016



- ▨ Mark-up Investments
- Nemo
- Regional reliability of supply
- Renewables Development
- Funct. & tech. conformity and Customers & DSO
- European Markets and security of supply



Elia Group: Our growing Regulated Asset Base (RAB)



In 2016,
€7.1 billion
Regulated Asset Base

■ RAB 50Hz (60%) ■ RAB Elia (excl. Nemo Inv.)

Elia Group results FY 2016

KEY FIGURES

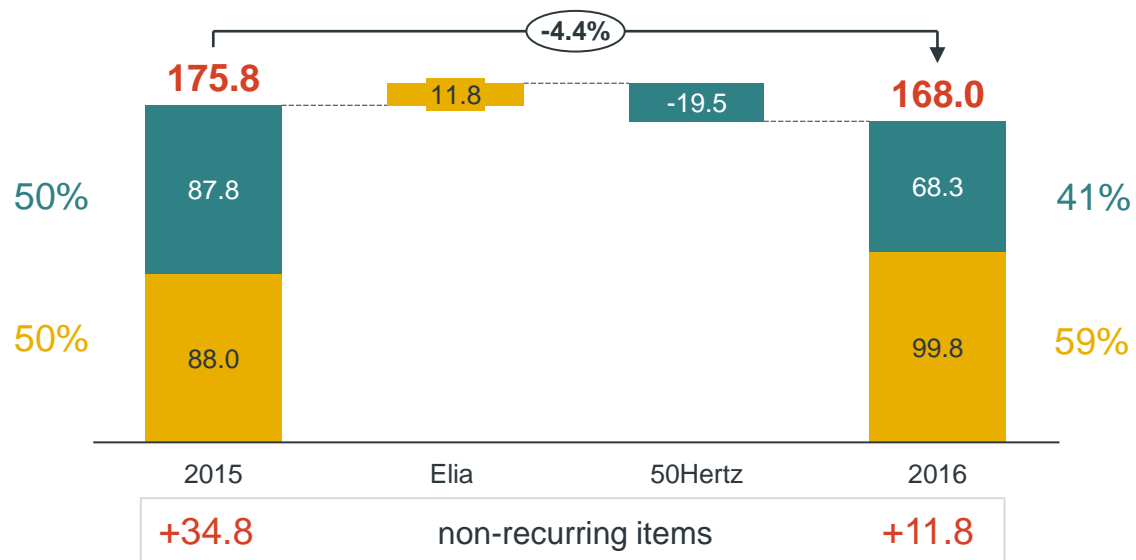
Revenues
€ 868.1 million
 +2.0%

Reported Net Profit
€ 179.8 million
 (14.6%)

Normalised Net Profit
€ 168.0 million
 (4.4%)

Normalised RoE
€ 6.7%
 (60 bps)

NORMALISED NET PROFIT EVOLUTION



Elia Group: conservative financial policy

KEY FIGURES

Net Debt

2,557.3

(1%)

Leverage

0.52

(Debt / Debt + Equity)

Avg. Cost of Debt

3.06%

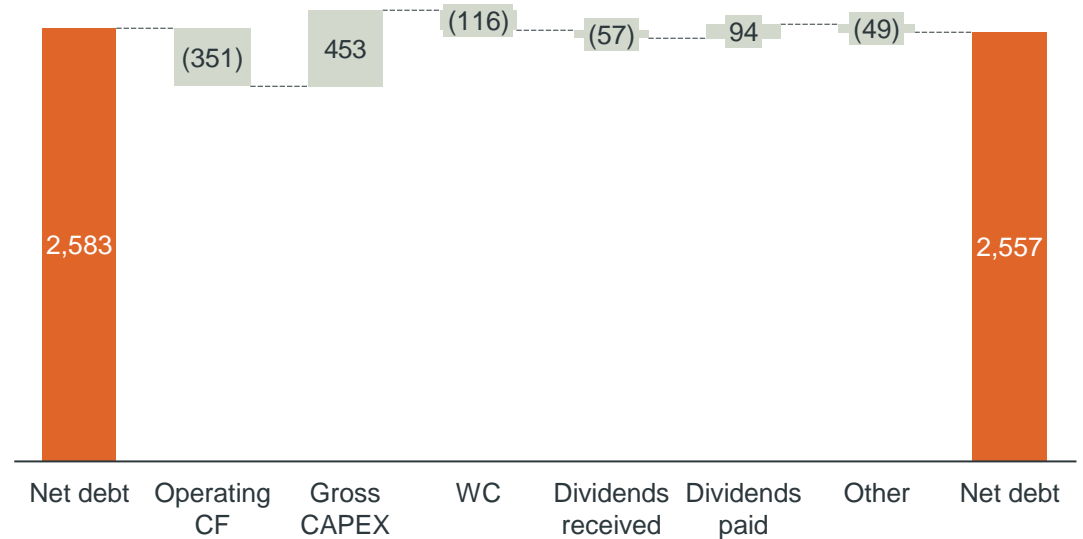
(43 bps)

Fixed Debt ratio

89.0%

(Calculated on gross debt)

NET DEBT EVOLUTION



Elia: Strong operational performance driving results

KEY FIGURES

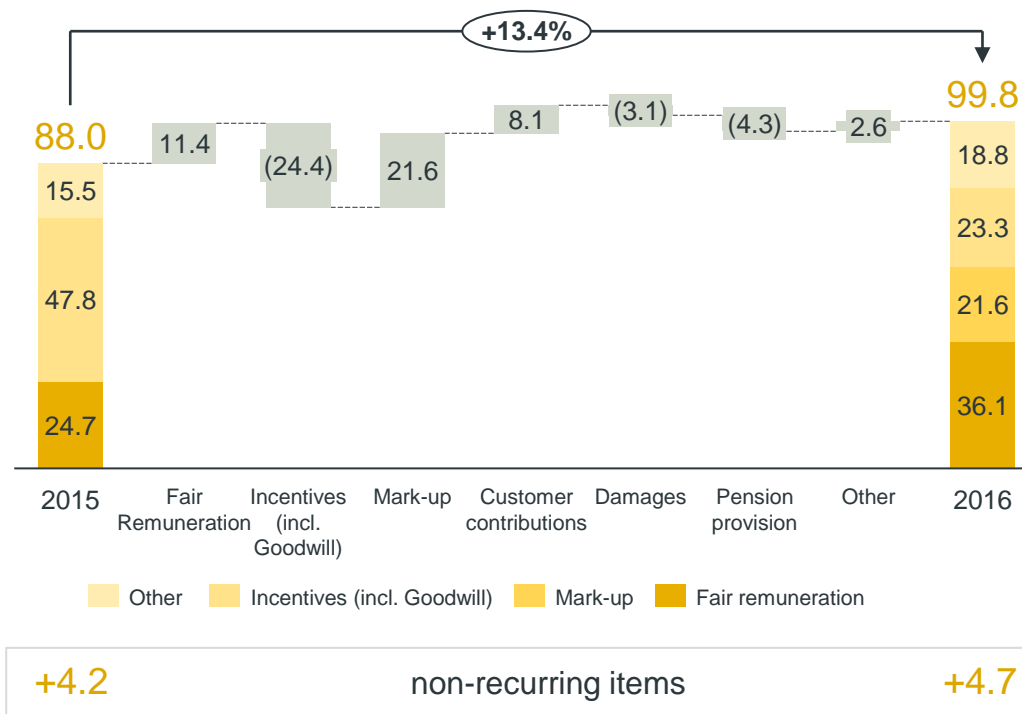
Revenues
€ 868.1 million
 +2.0%

Reported Net Profit
€ 104.5 million
 +13.3%

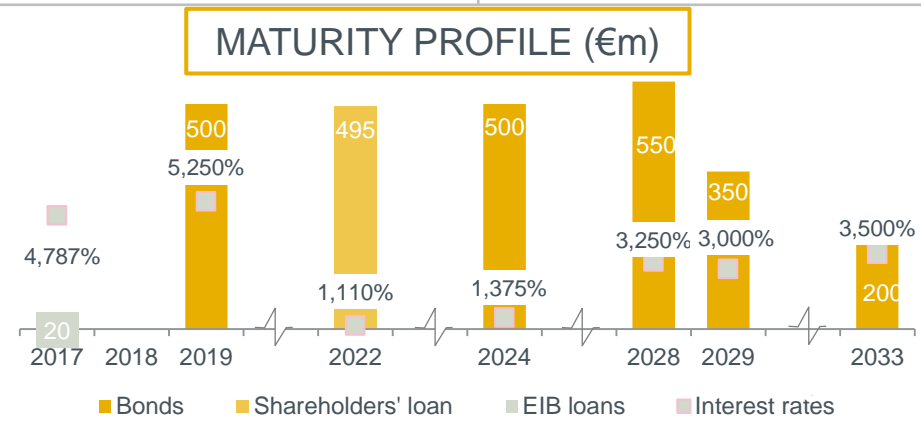
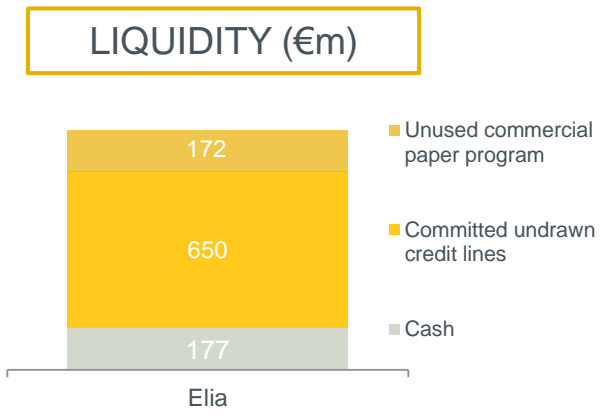
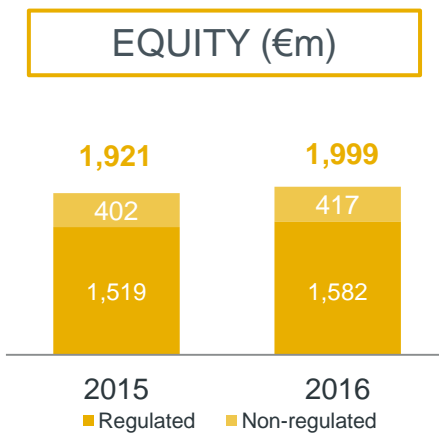
Normalised Net Profit
€ 99.8 million
 +13.4%

Normalised RoE
5.0%
 +40 bps

NORMALISED NET PROFIT EVOLUTION



Elia: balance sheet with a manageable debt maturity profile



S&P's rating: BBB+

50Hertz: revenue cap resulting in net profit

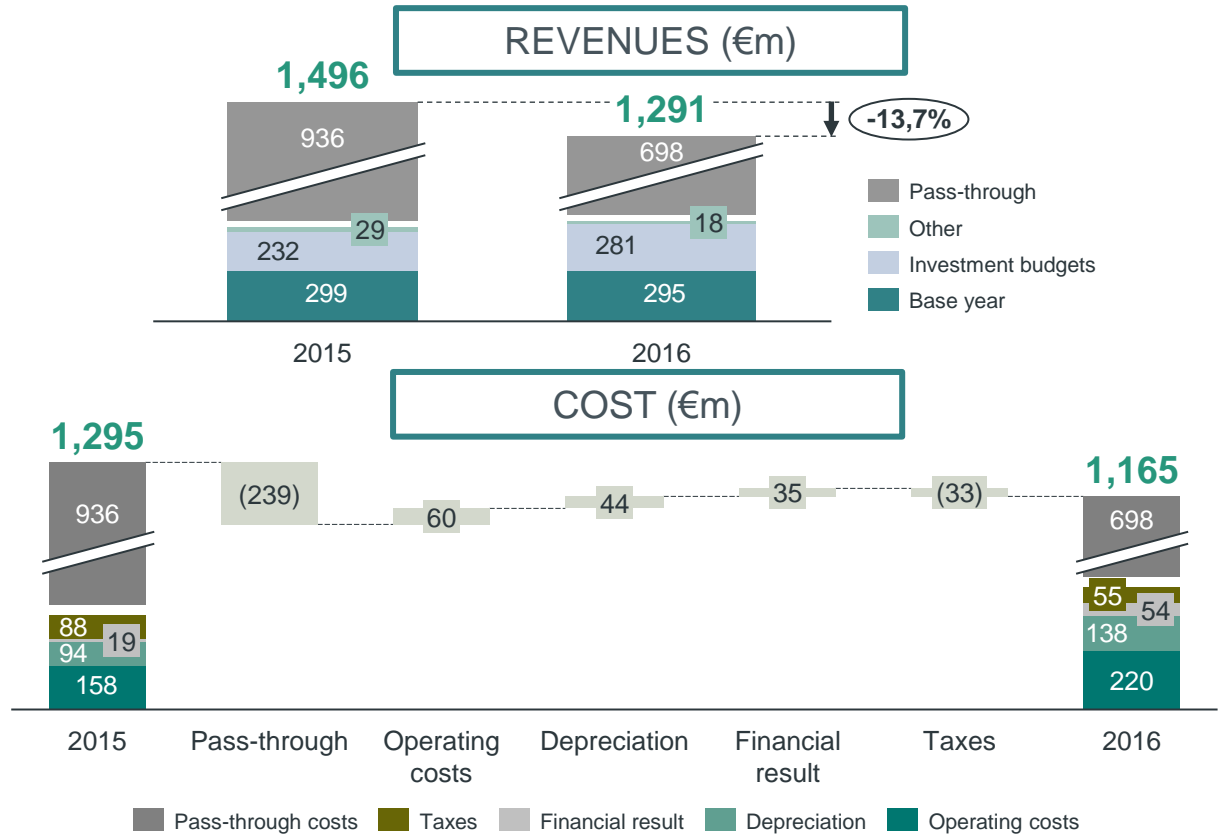
KEY FIGURES

Revenues
€ 1,291.2 million
 (13.7%)

Reported Net Profit
€ 125.6 million
 (36.3%)

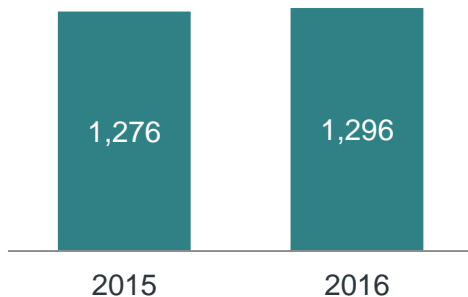
Normalised Net Profit
€ 113.8 million
 (22.2%)

Normalised RoE
8.8%
 (270 bps)

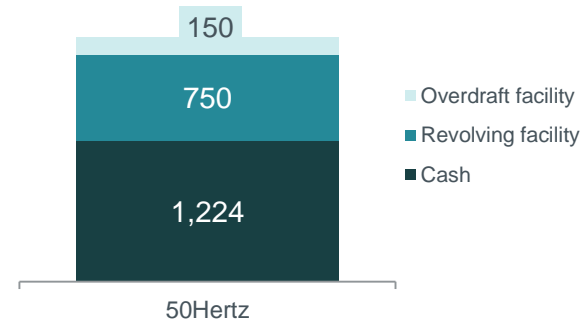


50 Hertz: strong balance sheet

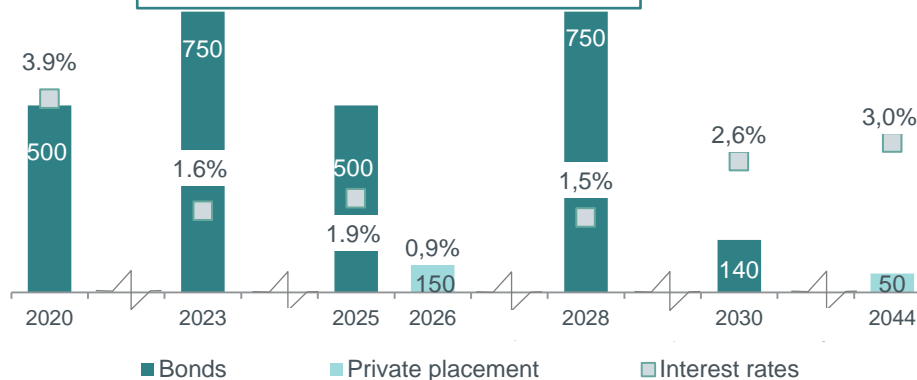
EQUITY (€m)



LIQUIDITY (€m)



MATURITY PROFILE (€m)



Moody's rating: Baa1

Other - Expanding Elia Group's role & responsibilities

GRID Consulting

Elia Grid International (Non-regulated)

Elia Grid International (EGI) embodies the international ambitions of the Elia Group. By offering consultancy and engineering services on the international energy market, EGI develops power system projects for third parties.

2016 revenue: €19.7m

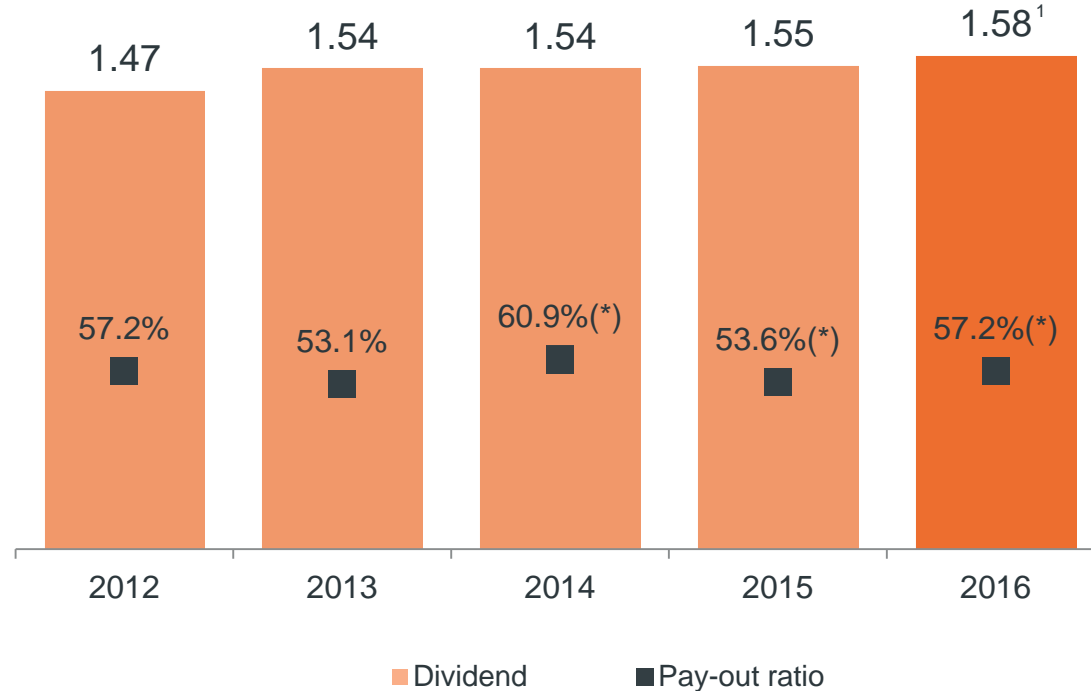
International Projects

NEMO Project (Regulated)

The Nemo Link® interconnector will consist of subsea and underground cables connected to a converter station and an electricity substation in Belgium and the United Kingdom, which will allow electricity to flow in either direction between the two countries.

NEMO to generate operational profit from 2019

Elia Group to propose a €1.58 dividend per share for 2016



Proven track record of **growing dividend over time**

¹ Proposed dividend for 2016 AGM held on 16 May 2017

(*) Payout compared to Normalised result

Elia Group

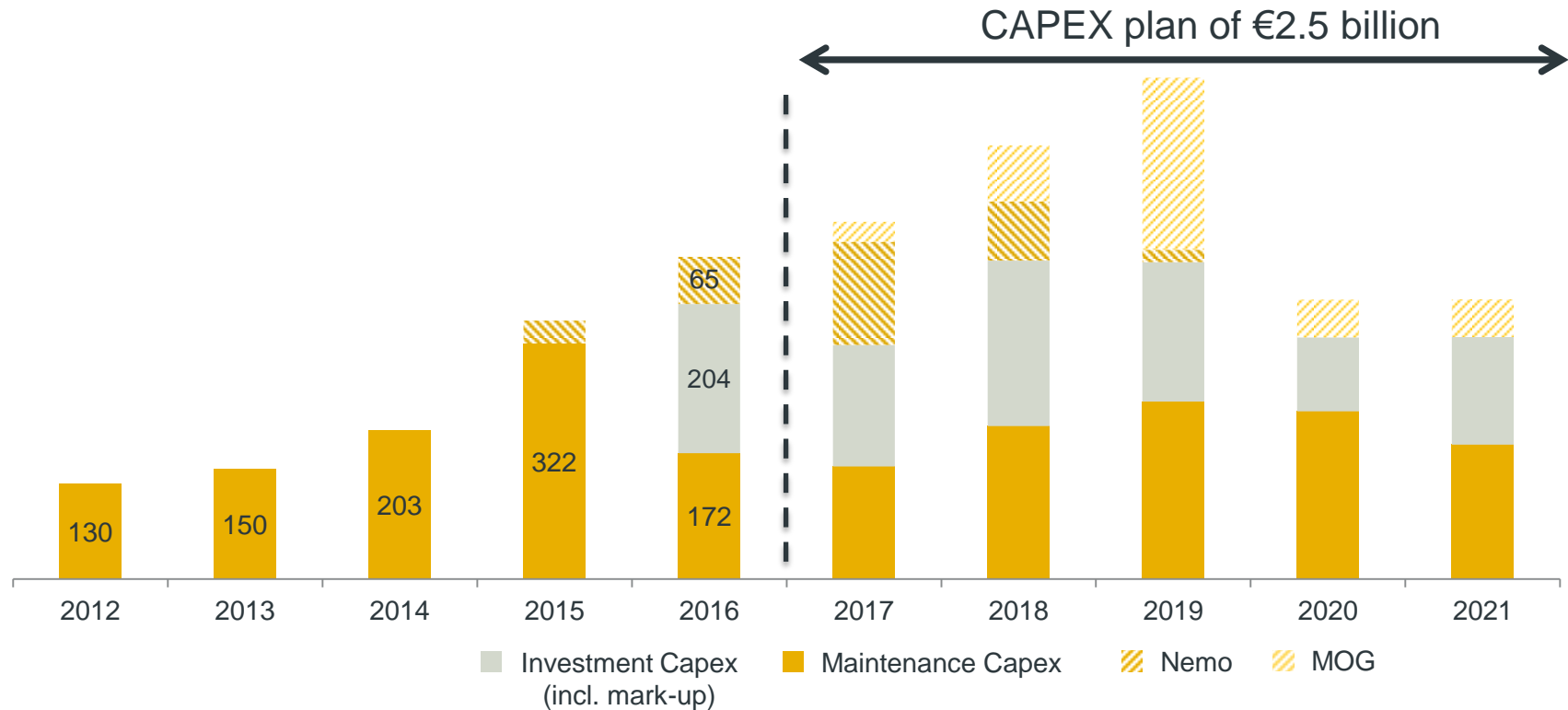
Conclusion and outlook

Elia Group's investment in 2017



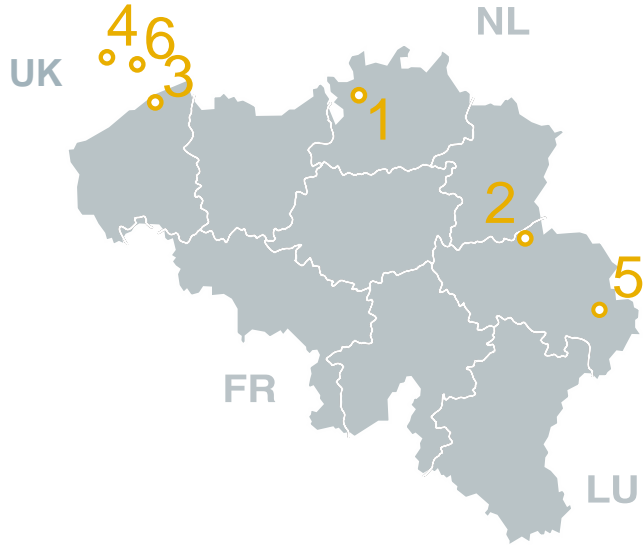
- **Interconnecting** Belgium is becoming the most important driver for the investments
- In Germany, the **integration of renewables** remains by far the most important driver.

Belgium 2017 - 2021 grid expansion plan



Realisation of ambitious program supported by new regulatory framework started in 2016

Elia's investment program for the next 5 years



1. Brabo
Reinforce the Port of Antwerp & increase cross-border capacity with NL



2. ALEGrO
Increase cross-border capacity with Germany with the first HVDC on land



3. Stevin
Integrate offshore wind & benefit from cross-border trading with UK on land



4. Nemo Link
Subsea HVDC-interconnection with UK



5. Boucle de l'Est
Reinforce the grid to integrate renewable production

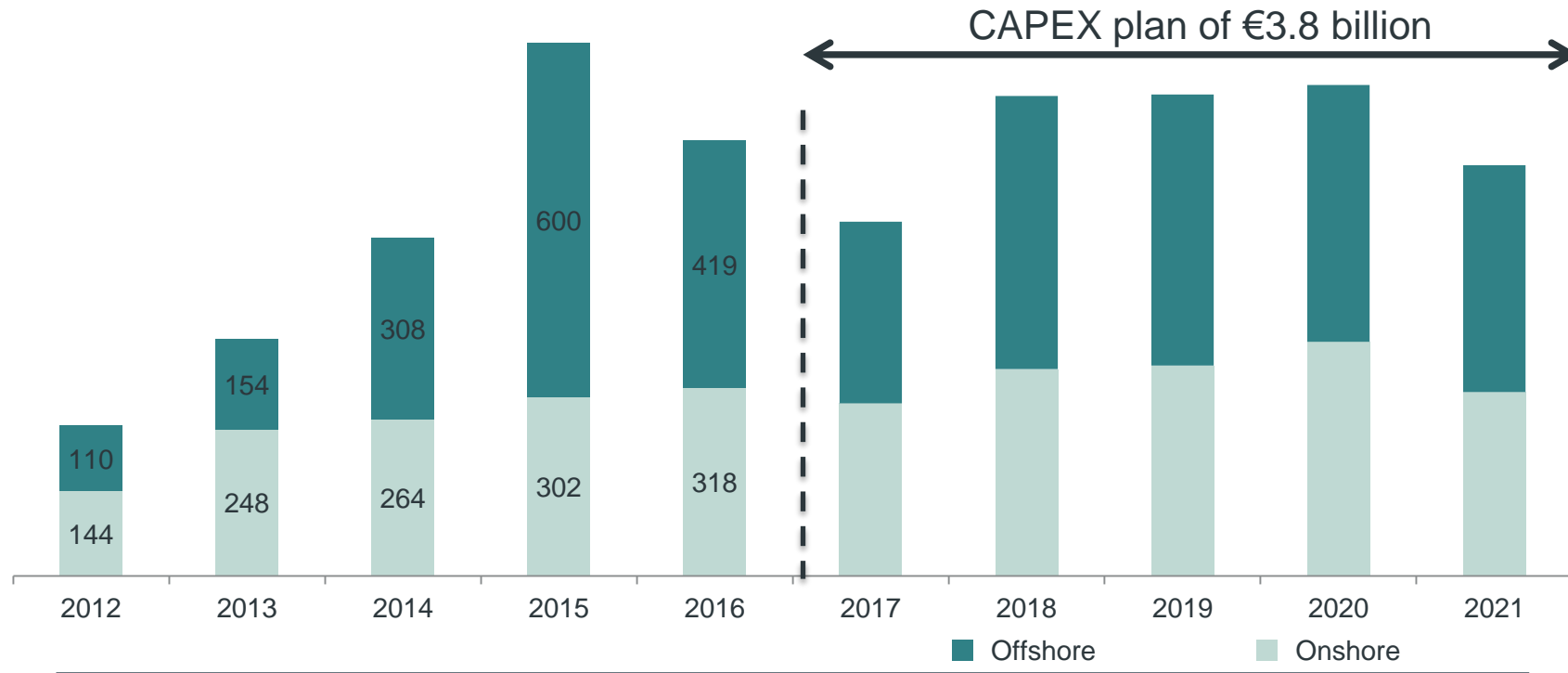


6. MOG
Connection of wind farms in North Sea with the onshore grid

All over the country

Build connections with industrials to support economic growth.

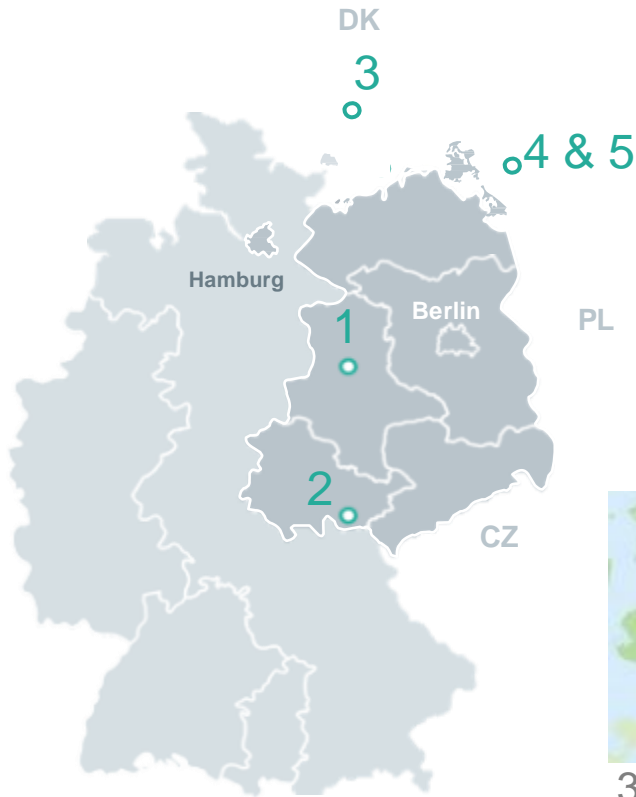
Grid expansion plan Germany 2017 - 2021



In the middle of the investment peak mainly driven by offshore investments

Nb: Elia Group owns 60% of 50 Hertz. These numbers represent 100% of 50 Hertz results

50 Hertz's investment program for the next 5 years



1. HVDC connector line
Line linking Saxony-Anhalt and Bavaria



2. South-West interconnector
380 kV line crossing Thuringia



3. Kriegers Flak
Combined offshore grid solutions with DK and potentially SWE



4. Ostwind 1
Cluster Westlich Adlergrund / Offshore connection in the Eastern German Baltic shore



5. Ostwind 2
2nd Cluster Westlich Adlergrund
Offshore connection in the Eastern German Baltic shore

Elia Group's targets



Elia Group's investment case

1

Elia Group licenced to **build the electrical system of the future**, well positioned in **centre of Europe**

2

Generating share holder value through the **distribution of dividends** and **asset base growth**

3

Operating within different regulatory frameworks resulting in **low risk business** and **predictable and secured cashflows**

4

Proven track record in terms of operational and financial excellence



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