

PRESS RELEASE

27 July 2018

Elia to partner with Bank KfW as shareholder in German transmission system operator 50Hertz

- Elia exercises its pre-emption right on the remaining 20% stake in Eurogrid held by IFM and will immediately sell the stake at the same price to German state-owned bank Kreditanstalt für Wiederaufbau (KfW).
- The transaction between Elia and KfW fosters Belgian-German cooperation regarding critical grid infrastructure.

BRUSSELS/BERLIN - The Belgian transmission system operator (TSO) Elia System Operator S.A./N.V. ('Elia') has exercised its pre-emption right on the remaining 20% stake in Eurogrid International ('Eurogrid'), the holding company of German TSO 50Hertz Transmission GmbH ('50Hertz'). After Elia has acquired the 20% stake, it will be sold to the German state-owned bank Kreditanstalt für Wiederaufbau (KfW) at the same financial conditions. The transaction between Elia and KfW fosters Belgian-German cooperation regarding critical grid infrastructure. 50Hertz is one of four electricity TSOs in Germany and is playing an important role in the implementation of the 'Energiewende' or energy transition in Germany.

The change in Eurogrid's share ownership will follow a notification received by Elia in May 2018 from IFM Global Infrastructure Fund ('IFM'), an Australian investment management company, of an agreement with a third party for the acquisition of IFM's remaining 20% stake in Eurogrid.

Elia had already acquired a first 20% share package from IFM in April 2018. After owning an 80% stake in 50Hertz, Elia achieved its objective to fully control 50Hertz in order to realise the complete potential of its growth strategy and reinforce its role as a leading group of TSOs in Europe. From a strategic and financial perspective, the final acquisition of the shares by Elia at similar financial conditions as the first 20% stake, wasn't considered as necessary.

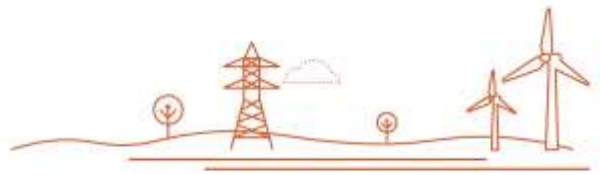
Chris Peeters, CEO of Elia Group:

As a leading company in the energy sector, 50Hertz is very closely connected to the German society that it serves. Elia as main shareholder, looks forward to having KfW as our new partner and feels confident that this stronger national anchorage will inspire us to continue building the infrastructure to realise the energy transition in Germany.

The arrival of German Bank KfW will mean that, as from the closing of the transaction between Elia and the Australian infrastructure fund IFM, IFM will no longer be a Eurogrid shareholder. Elia already wishes to thank IFM for its successful cooperation, which began in 2010 with the joint acquisition of 50Hertz from Vattenfall. Since then, 50Hertz has been the fastest growing division of Elia Group.

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The new shareholding structure insures a continued realisation of Elia's important investment programme to achieve the ambitious objectives of the German energy transition and enable further integration of the European electricity market.

The closing of all transactions is expected to be finalised in the third quarter of 2018. Citi acted as the financial advisor to Elia.

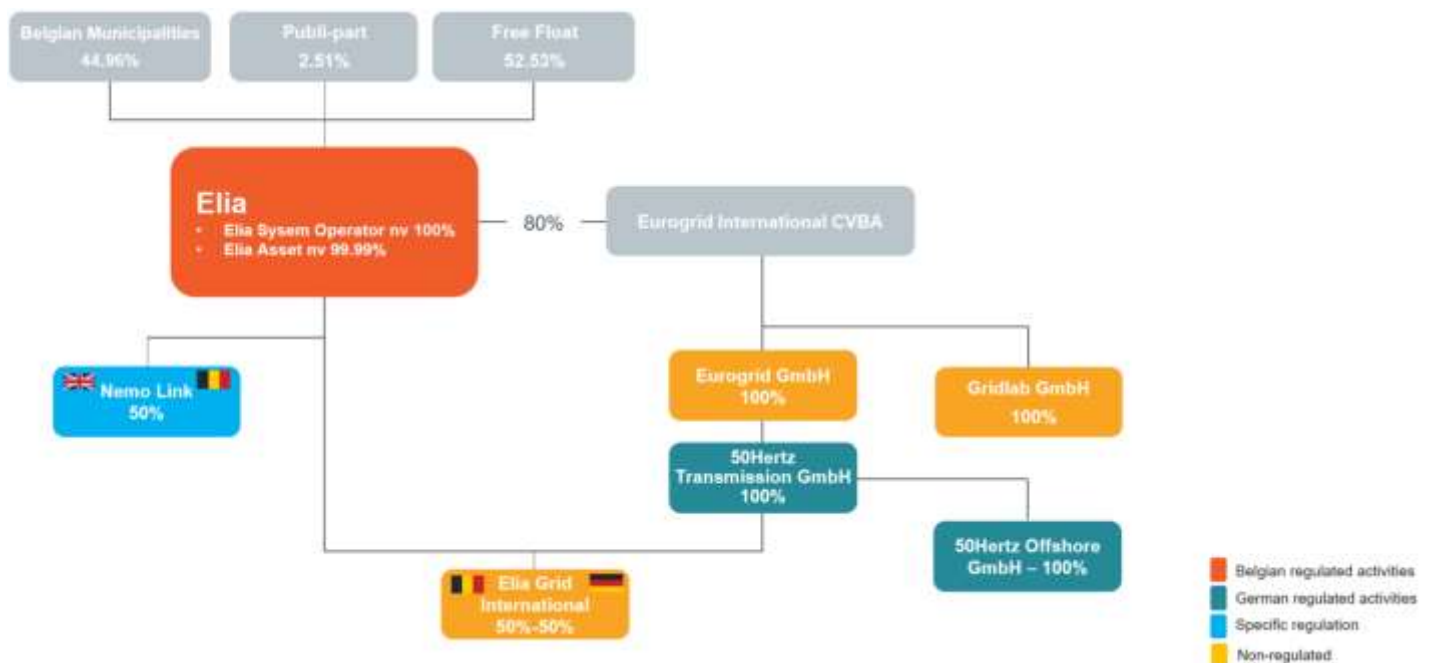
Elia's acquisition of 20% of Eurogrid International which completed on 26th of April 2018 and increased its share in Eurogrid to 80%, is currently financed via a bridge loan. Following the closing of the transaction described above, the refinancing of the bridge loan will be completed. Elia confirms its intention to finance the acquisition of 20% of Eurogrid by issuing long-term debt instruments of which €700M hybrid bonds and €300M unsubordinated senior bonds.

About KfW

KfW is one of the world's leading promotional banks. With its decades of experience, KfW is committed to improving economic, social and ecological living conditions across the globe on behalf of the Federal Republic of Germany and the federal states. To do this, it provided funds totaling EUR 76.5 billion in 2017 alone; and of this, 43 % went into measures for protecting the environment and combating climate change.

KfW does not have any branches and does not hold customer deposits. It refinances its promotional business almost entirely through the international capital markets. In 2017, KfW raised some EUR 78 billion for this purpose. In Germany, the KfW Group is represented in Frankfurt, Berlin, Bonn and Cologne. Its network includes 80 offices and representations around the world.

SHAREHOLDER STRUCTURE OF ELIA GROUP



About the Elia Group

ONE OF EUROPE'S TOP FIVE PLAYERS

The Elia Group is active in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. With subsidiaries in Belgium (Elia) and east Germany (50Hertz), we operate 18,600 km of high-voltage connections. As such, our group is one of Europe's top 5. With a reliability level of 99.999%, we give society a robust power grid, which is important for socio-economic prosperity. We also aspire to be a catalyst for a successful energy transition insuring a reliable, sustainable and affordable energy system for the future.

WE MAKE THE ENERGY TRANSITION HAPPEN

By expanding international high-voltage connections and integrating ever-increasing amounts of renewable energy production, the Elia Group promotes both the integration of the European energy market and the decarbonisation of our society. The Elia Group is also innovating its operational systems and developing market products so that new technologies and market parties can access our grid, thus making the energy transition happen.



IN THE INTEREST OF SOCIETY

As a key player in the energy system, the Elia Group is committed to working in the interest of society. We respond to the rapidly changing energy mix, i.e. the increase in renewable energy, and constantly adapt our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. When we carry out our projects, we manage stakeholders proactively by establishing two-way communication with all affected parties very early on in the development process. We also offer our expertise to our sector and relevant authorities to build the energy system of the future.

INTERNATIONAL FOCUS

In addition to its activities as a transmission system operator, the Elia Group provides various consulting services to international customers through its subsidiary Elia Grid International (EGI). Elia is also part of the Nemo Link consortium that is building the first subsea electrical interconnector between Belgium and the UK.

The Group operates under the legal entity Elia System Operator, a listed company whose core shareholder is the municipal holding company Publi-T.

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www.eliagroup.eu

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