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PRESS RELEASE **28 February 2013**

Elia Group posts good results for 2012 thanks to strong results in Germany.

- ***Despite low remuneration in Belgium (historic low OLO), dividend remains stable at €1.47 (after 5% increase in 2011), and this thanks to strong results in Germany.***
- ***Positive developments in the German regulatory framework significantly contribute to a rise in the consolidated net result of the Elia Group, despite the drop in the net result of Elia Transmission (Belgium), due to the low 10-year long-term interest rate.***
- ***The investment programme in Belgium and Germany was implemented and quality of electricity supply remains excellent.***
- ***The new Electricity Act confirms Elia's role as the transmission system operator for the future offshore grid in the North Sea.***
- ***Germany approved the first 10-year grid plan prepared by the four transmission system operators.***
- ***Elia and 50Hertz were certified as fully unbundled transmission system operators.***

1. IFRS key figures

Consolidated 2012 results of the Elia Group, operator of the high-voltage grid in Belgium and of the high-voltage grid of 50Hertz in Germany, as per the International Financial Reporting Standards (IFRS):

Consolidated results (in millions €)	2012	2011	Difference (%)
Total revenues and other income	1,306.6	1,278.4	2.2%
- Revenues and other income	*1,345.6*	*1,278.4*	*5.3%*
- Deferred tax advantage to be offset in future tariffs	*(39.0)*	*0.0*	*n.r.*
EBITDA*	455.5	448.9	1.5%
Operating profit (EBIT*)	305.4	308.0	-0.8%
Net finance costs	(134.8)	(128.6)	4.8%
Income tax expenses	(16.2)	(43.3)	-62.6%
- Income tax expenses	*(55.2)*	*(43.3)*	*27.5%*
- Recognition of a deferred tax income on the notional interest deduction reserve - previous accounting years	*39.0*	*0.0*	*n.r.*
Profit attributable to the owners of the company	155.0	137.5	12.7%
Basic earnings per share (€)	2.57	2.28	12.7%
Dividend per share (€)	1.47	1.47	0%

Consolidated statement of financial position (in million €)	**31 December 2012**	**31 December 2011**	**Difference (%)**
Total assets	6,187.0	5,843.8	5.9%
Equity, attributable to the owners of the company	2,108.5	2,046.9	3.0%
Net financial debt	2,910.8	2,532.9	14.9%
Equity per share (€)	34.9	33.9	3.0%
Number of shares (end of period)	60,555,809	60,355,217	0.3%
Weighted average number of shares (end of period)	60,362,361	60,355,217	0.0%

EBIT = earnings before interest and taxes

EBITDA = EBIT + depreciation / amortization + changes in provisions

Financial

The Elia Group's **consolidated revenue** in 2012 was positively influenced by the sharp rise in 50Hertz Transmission's revenue, mainly due to improvements in the regulatory framework in Germany. This positive trend offsets the drop in Elia Transmission's revenue, which was mainly a result of the one-off booking of a liability vis-à-vis the future tariffs, arising out of the recognition of a deferred tax receivable (see below). Apart from this one-off booking, consolidated revenue was up 5.3%.

EBITDA and EBIT (up 1.5% and down 0.8% respectively) were negatively influenced by this one-off booking of a liability vis-à-vis the future tariffs. Disregarding this one-off booking, EBITDA and EBIT rose by 10.2% and 11.8% respectively.

The **consolidated net profit** increased by 12.7% due to a doubling of the results in Germany, which offset the drop in net profit of Elia Transmission (Belgium) resulting from the low 10-year long-term interest rate.

Further details of the financial performance of the two constituent transmission system operators (Elia Transmission in Belgium and 50Hertz Transmission in Germany) are to be found in the individual segment reporting sections below.

The **net financial debt** rose by 14.9% to €2,910.7 million. This increase was mainly due to the considerable decrease in 50Hertz Transmission's cash and cash equivalents and two new term loans amounting to €200 million that were taken out due to significant pre-financing in the renewable energy system in Germany (€484.8 million as at 31 December 2012). This sum will be paid back over the course of 2013 through levies charged to German end customers.

Shareholders' equity for the Group was up 3%, from €2,046.9 million on 31 December 2011 to €2,108.5 million. The increase is mainly a result of the reservation of the 2012 profit and the pay-out of dividends for 2011. As a result, equity per share rose from €33.9 to €34.9. It should also be noted that the number of shares increased by 200,592 on 19 December 2012 due to a capital increase for personnel.

The Board of Directors will recommend to the General Meeting of Shareholders on 21 May 2013 to pay out a gross dividend of €1.47 per share, i.e. a net dividend of €1.10 per share.

1.A. Segment reporting for Elia Transmission (Belgium)

The 2012 results of Elia Transmission for its TSO activities in Belgium, as per the International Financial Reporting Standards (IFRS):

Results Elia Transmission (in million €) - for the year ended 31 December	**2012**	**2011**	**Difference (%)**
Total revenues and other income	770.1	801.8	-4.0%
- Revenues and other income	809.1	801.8	0.9%
- Deferred tax advantage to be offset in the future tariffs	(39.0)	0.0	n.r.
EBITDA*	291.6	354.0	-17.6%
Operating profit (EBIT*)	188.6	251.7	-25.1%
Net finance costs	(117.5)	(117.6)	-0.1%
Income tax expenses	17.5	(29.8)	-158.7%
- Income tax expenses	*(21.5)*	*(29.8)*	*-27.9%*
- Recognition of a deferred tax income on the notional interest deduction reserve - previous accounting years	*39.0*	*0.0*	*n.r.*
Profit attributable to the owners of the company	89.2	105.7	-15.6%
Consolidated statement of financial position (in million €)	**31 December 2012**	**31 December 2011**	**Difference (%)**
Total assets	4,618.4	4,473.8	3.2%
Net financial debt	2,488.3	2,448.1	1.6%

EBIT = earnings before interest and taxes

EBITDA = EBIT + depreciation / amortization + changes in provisions

Financial (IFRS)

In 2012, **Elia Transmission's revenue** in Belgium remained more or less constant at €809.1 million (up 0.9%) compared to the same period last year. The table below provides more details of changes in the various revenue components.

Detail revenues and other income (in million €)	**2012**	**2011**	**Difference (%)**
Grid connection revenue	40.9	34.8	17.5%
Grid use revenue	605.4	533.0	13.6%
Revenues from the reversal of surpluses from previous years (decision by the regulator)	0.0	46.0	n.r.
Ancillary services revenue	147.7	108.2	36.5%
International revenue	31.1	23.5	32.3%
Transfers of assets from customers[(1)]	5.4	12.3	-56.1%
Other revenue[(1)]	5.9	4.3	37.2%
Other income[(1)]	49.6	43.6	13.7%
Subtotal revenues & other income	***886.0***	***805.7***	**10.0%**
Balance settlement mechanism: deviations from approved budget[(1)]	(33.6)	(3.9)	751.7%
Balance settlement mechanism: to be refunded to the tariffs of current period	(43.3)	0.0	n.r.
Subtotal recurring revenues and other income, incl. balance settlement mechanism	***809.1***	***801.8***	***0.9%***
- Deferred tax advantage to be offset in the future tariffs	(39.0)	0.0	n.r.
Total revenues and other income	**770.1**	**801.8**	**-4.0%**

[(1)] These sections include reclassifications of the figures as at 31 December 2011 for comparison reasons

Grid connection revenue rose by 17.5%, and **grid use revenue** by 13.6%, mainly as a result of the new four-year tariffs that came into effect in 2012, which incorporate inflation for the next four years.

Ancillary services revenue increased by 36.5% compared to 2011, primarily due to the higher costs passed on for the purchase of reserves from generators.

International revenue rose by €7.6 million (up 32.3%), mainly due to greater use of the interconnections with France during the winter months of 2012 and with the Netherlands and France because of the unavailability of the Doel 3 and Tihange 2 nuclear power station units.

Revenue from customer contributions to investments ("**transfers of assets from customers"**), presented in 2012 for the first time under revenue, was down by 56.1%, or €6.9 million, compared with 2011.

Other revenue rose by 13.7% in 2012 compared to 2011, primarily due to an increase in internally generated assets and the higher sums recovered from insurance.

The **settlement mechanism** encompasses deviations from the **budget approved by CREG** with regard to the non-controllable costs and revenue. The operational result was up €33.6 million; this major surplus is mainly a result of higher international revenue (€10.3 million), the lower actual average OLO (€13.9 million) and lower costs for ancillary services (€16.2 million), offset in part by lower revenue from injection tariffs as a result of a lower generation volume in Belgium. In addition, there was a temporary tariff surplus (-€43.3 million), which is carried forward within the current tariff period.

The **passing-on of the deferred tax benefit in future tariffs** (€39 million) accounts for the decrease in "total revenues and other income". This passing-on, which does not impact net profit, is the result of the recognition of the deferred tax benefit following a change in the legislation regarding the notional interest deduction, which in future can be realized on the basis of the transferable notional interest deduction reserve that was built up in the period 2010–2011. This deferred tax benefit, booked as a tax reduction, is recognised as a regulatory liability since it will entirely benefit consumers as a reduction in future tariffs.

EBITDA (down 17.6%) and **EBIT** (down 25.1%) fell significantly in 2012 compared to 2011, mainly due to:

- the booking of the regulatory liability due to the recognition of a one-off tax benefit of €39.0 million;
- the drop in OLO from 4.2% in 2011 to 2.98% in 2012;
- a lower level of IFRS adjustments: more specifically fewer customer contributions (IFRIC 18) (down €7.3 million), and as a result of the recalculation of the provision for future personnel liabilities (down €4.5 million).

Net **finance expenses** (down 0.1%) remained more or less at the same level. The increase in financial charges due to one-off costs for the conclusion of long-term credit facilities, amounting to €700 million, and the decrease in revenue from investments due to lower interest rates were offset by a higher level of capitalisation of financing expenses as a result of the increase in investments.

Income tax expense (down 158.7%) was positively influenced by the one-off recognition of a deferred tax receivable for the future tax benefit arising from the notional interest deduction reserve. However, this has no impact on the net result, given that this tax benefit will be channelled back into future tariffs (see "deferred tax benefit to be passed on in future tariffs").

Consolidated IFRS profit after income tax fell 15.6% from €105.7 million in 2011 to €89.2 million in 2012 due to the following items[1]:

1. decrease in regulated profit due to lower OLO and a lower margin (down €12.2 million);
2. decrease in the amount passed on in the tariffs for decommissioning of fixed assets (down €2.5 million);
3. implementation of the new incentive since 2012 on replacement investments (+€3.8 million);
4. higher cost savings and revenue (up €1.9 million);
5. disappearance of the one-off impact in 2011 of the court ruling regarding the CREG decision (+€1.7 million);
6. decrease in IFRS adjustments in 2012 compared to 2011 (down €9.1 million to €12.9 million in 2012 from €22.0 million in 2011).

[1] Items 1-5 relate to the regulatory framework in Belgium.

Total assets increased by 3.2% to €4,618.4 million while **net financial debt** went up by 1.6%, or €40.2 million.

Operational

Consumption measured on the Elia grid fell by 2.0% to 81.7 TWh in 2012, mainly due to reduced economic activity throughout the year. The biggest drop was recorded among major industrial customers directly connected to the Elia grid (down 3.9%), whereas distribution system operators (which supply SMEs and residential customers) only experienced a 1.9% decline. However, it should be noted that deviations between budgeted and actual volumes do not affect the net result. These differences are booked annually in the regulated accounts and passed on to the next tariff period.

In 2012, Belgium was a net importer of 9.9 TWh, significantly more than the 2.6 TWh of net imports in 2011, from France and the Netherlands. This was due to the unavailability of the Doel 3 and Tihange 2 nuclear power plant units. Nevertheless, total electricity flows between Belgium and its neighbours remained largely unchanged at 23.76 TWh (down 0.7%).

The average number of interruptions on the Elia grid per consumer (Average Interruption Frequency) was 0.10 (0.09 in 2011), equivalent to one interruption per customer every 10.2 years. Spread across all customers, the average duration of interruptions was 2 minutes and 35 seconds per customer (Average Interruption Time), equivalent to an average availability of more than 99.999%, which is higher than the average for the last decade. Belgium thereby confirms, year on year, its position as one of the best countries in Europe in terms of quality of electricity supply.

Investments

A net sum of €150.0[2] million was invested, mainly in upgrading high-voltage substations and laying high-voltage cables. For instance, the high-voltage stations at Schaerbeek (150 kV), Horta (380 kV), Ruien (150 kV), Machelen (150 kV), Schelledorp (150/70 kV), Montignies (150 kV), Zurenborg (150 kV) and Lokeren (30 kV) were upgraded, decontaminated and/or renovated. The high-voltage lines between Drogenbos and Ixelles (150 kV) and between Woluwe and Machelen (150 kV) were renovated and new cables were laid between Zeebrugge and Blauwe Toren (150 kV), Basse-Wavre and Corbais (150kV), and Wijgmaal and Gasthuisberg (150 kV). Investments were also made in the real-time dispatching system and in the construction of a new administrative building at the Quai Monnoyer in Brussels.

Other important projects currently being studied are the Stevin, Brabo, Nemo and Alegro projects. The Stevin project, which is line in with European, federal and Flemish energy and climate policy, relates to the development of a 380 kV connection from Eeklo to the Belgian coast to link up with the offshore wind farms
(2,000 MW) in the North Sea, as well as a possible connection with the United Kingdom (Nemo). The Brabo project involves upgrading power links in the port of Antwerp and improving long-term security of supply to the region. The Alegro project aims to develop the first direct-current (DC) link between Belgium and Germany.

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[2] Including IFRS adjustments for capitalisation of software, IAS 23 (Borrowing Costs) and IFRIC 18 (Transfers of Assets from Customers – with customer contributions to grid connections fully recognised in IFRS as revenue), this gives €167.70 million.

1.B. Segment reporting for 50Hertz Transmission (Germany)

The results of 50Hertz Transmission, consolidated at the level of Eurogrid GmbH, were included in the Elia Group's consolidated IFRS figures using the proportional consolidation method (60%).

Results 50Hertz Transmission (Germany) (in millions €) 60% proportional consolidation	**2012**	**2011**	**Difference (%)**
Total revenues and other income	539.4	477.7	12.9%
EBITDA*	163.9	94.9	72.7%
Operating profit (EBIT*)	116.8	56.3	107.5%
Finance result	(17.5)	(10.9)	60.6%
Income tax expenses	(33.6)	(13.5)	148.9%
Profit attributable to the owners of the company	65.8	31.8	106.9%
Consolidated statement of financial position (in million €)	**31 December 2012**	**31 December 2011**	**Difference (%)**
Total assets	1,569.0	1,370.3	14.5%
Net financial debt	422.5	84.8	398.2%

EBIT = earnings before interest and taxes

EBITDA = EBIT + depreciation / amortization + changes in provisions

Financial (IFRS)

50Hertz Transmission's revenue rose substantially compared to the same period last year, as detailed in the table below.

Detail revenues and other income (in million €)	**2012**	**2011**	**Difference (%)**
Vertical grid revenues	392.2	369.8	6.0%
Horizontal grid revenues	36.0	24.2	48.9%
Ancillary services revenue	77.7	56.3	38.1%
Transfers of assets from customers(1)	3.9	4.7	-16.7%
Other income	32.3	23.1	39.7%
Subtotal revenue and other income	*542.1*	*478.1*	*13.4%*
Balance settlement mechanism: deviations from approved budget	(2.6)	(0.4)	528.6%
Total revenues and other income	**539.4**	**477.7**	**12.9%**

(1) These sections include reclassifications of the figures as at 31 December 2011 for comparison reasons.

The increase in **vertical grid revenue** (tariffs to end customers) (up 6.0%) is mainly a result of positive developments in the regulatory framework in Germany, offset in part by the refund of past surpluses (volumes, ancillary services). As from 1 January 2012, the costs for new investments are recovered via the vertical grid revenue from the same year, whereas previously they were recovered with a two-year delay. Since in 2012 and 2013 50Hertz will recover costs in accordance with both the old (years 2010 and 2011) and new mechanism, there will be a sharp increase in the EBITDA, EBIT and net profit in the years concerned.

Horizontal grid revenue (tariffs to TSOs) rose by 48.9% mainly due to the higher volume of offshore investments, given that all offshore connection investments are shared across the four German transmission system operators. This means that 50Hertz bears around 20% of these costs and that it can pass 80% of its own connection costs on to the other three TSOs. Due to the investment programme and the adjustment of the depreciation period for offshore assets from 40 to 20 years, these costs rose substantially, resulting in higher amounts being passed on in the tariffs. Horizontal grid revenue also relates to revenue for the use of the sea cable between Germany and Denmark (Kontek cable). This was up by 57.1% compared with 2011 due to both a price effect (average monthly price of €3.01/MWh in 2012 compared to €1.85/MWh in 2011) and a volume effect (transmitted volume of 3.7 TW in 2012 compared with 3.1 TW in 2011).

Ancillary services revenue (up 38.1%) is comparable with that of Elia and is mainly derived from passing on to grid users costs (for reservation of capacities and continuous network balancing) that a system operator has to incur in order to ensure the supply of electricity. In 2012 there was a significant increase in the costs, mainly due to the larger volumes of renewable energy in the 50Hz Transmission area.

Other revenue rose by 39.7%, primarily due to the increase in internally generated assets.

The sharp increase in **EBITDA**, **EBIT** and **net profit** is mainly the result of positive developments in the regulatory framework (€36.2million), the increase in internally generated assets (€11.6 million) and the disappearance of the impact of one-off accounting corrections recorded in 2011 (€7.7 million)..

Net **finance expenses** were negatively influenced (+60.6%) by a fall in the discount rates used for discounting long-term provisions, as well as by the recognition of interest that will be payable in the event of on-going court cases being lost.

The increase in **income tax expense** is mainly the result of the change in pre-tax profit.

Total assets rose by 14.5% to €1,569.0 million. **Net financial debt** rose substantially as a result of the conclusion of two new short-term loans and the large decline in cash and cash equivalents due to the pre-financing of the EEG mechanism (€484.8 million). This amount will be paid back over the course of 2013.

Operational

Net offtake from the 50Hertz grid fell slightly from 59 TWh in 2011 to 58.2 TWh in 2012.

50Hertz imported 15.4 TWh of electricity (16.3 TWh in 2011), mainly from Denmark and TenneT Germany, and exported 38.7 TWh (34.4 TWh in 2011), mainly to Poland and TenneT Germany. As a result, **net exports** of electricity were up 28% from 18.1 TWh to 23.2 TWh.

Investments

To meet grid users' requirements, 50Hertz Transmission invested €253.4 million in 2012, up 3.2% compared to the €245.4 million invested in 2011.

The most significant **onshore investments** pertain to the South-West Coupling Line, the Northern Line, the expansion of the Wolmirstedt, Perleberg and Hamburg high-voltage substations, and the upgrading of the Remptendorf–Redwitz line. Via the subsidiary **50Hertz Offshore**, investments were mainly made in a connection to the Baltic 2 offshore wind farm in the Baltic Sea.

2. Significant events in 2012

New Electricity Act published in the Belgian Official Gazette

On 11 January 2012, the law transposing the 3rd package of EU electricity directives into Belgian law was published in the Belgian Official Gazette (*Moniteur belge/Belgisch Staatsblad*). It strengthens the rules ensuring that the system operator is independent of electricity generators and suppliers, overhauls the rules for calculating tariffs and gives the federal regulator CREG greater responsibility for monitoring the operation of the Belgian electricity market in general and Elia's activities in particular. It also appoints Elia as system operator for the offshore grid in the North Sea.

Certification of Elia and 50Hertz as fully unbundled system operators

Elia and 50Hertz were both certified as fully unbundled transmission system operators, under the terms of the third package of European energy directives, proving their ability to operate completely independently from electricity generators and suppliers. This is an essential prerequisite for the creation of a properly integrated European market. To date, 50Hertz is the only German transmission system operator to have obtained this certification.

Agreement in principle for Brabo project

The Flemish government gave its agreement in principle to the Brabo project to expand the very-high-voltage network in and around the port of Antwerp. Elia must carry out an environmental impact assessment known as the 'plan-MER', on the basis of which the minister responsible for spatial planning will prepare a regional land-use plan (GRUP).

Stevin: approval of GRUP by Flemish government

The Stevin project to expand the 380 kV grid up to the coast took an important turn on 1 June with the Flemish government's agreement to the GRUP (regional land-use plan). The matter has now been submitted to the Council of State for its opinion. The grid expansion will enable the connection of the future offshore wind farms, of the subsea interconnection with the United Kingdom (Nemo) and later of the future grids in the North Sea. Grid expansion will also improve security of supply in West Flanders and in the port of Zeebrugge and will enable more decentralised generating facilities to be connected.

Conclusion of long-term credit facilities totalling €700 million

In June and July, Elia Transmission (Belgium) concluded four bilateral long-term credit facilities with the banks BNP Paribas Fortis, JP Morgan, KBC and Rabobank. These credit facilities (term: three years) are part of the refinancing of two €500 million bond loans due in April 2013 and May 2014. These credit facilities also contribute to the A- rating with stable outlook recently confirmed by S&P.

Change to public service obligation tariff for financing renewable energy support measures in Wallonia

As the local transmission system operator in Wallonia, Elia is required to buy – at a minimum unit price of €65 – the green certificates of Walloon renewable energy generators at their request. Following a significant increase in the number of green certificates received by Elia, the public service obligation tariff for financing renewable energy support measures in Wallonia rose from €1.1889/MWh to €5.9445/MWh from 1 October 2012. It further increased to €13.8159/MWh from 1 January 2013.

Increase in commercial capacity at the northern border

Elia and its Dutch counterpart TenneT agreed to increase transmission capacity between the Netherlands and Belgium. Provided grid safety allows, the commercial daily and intraday capacity at the Belgian-Dutch border increases from 1,401 to 1,701 MW.

50Hertz obtains permit to build Vieselbach-Altenfeld section of the new Thuringian Electricity Bridge

50Hertz began construction work in Thuringia a few weeks after obtaining permission from the regional authorities. This marks another major step in the Thuringian Bridge project, regularly cited as among the most important in Germany and declared of European interest by the European Commission. The project is vital to enable the transmission of large volumes of renewable energy from north-eastern Germany to centres of consumption in the south-west and to increase security of supply in Bavaria when the next nuclear power stations will be closed in southern Germany.

First German development plan unveiled for public consultation

The first German ten-year development plan, drawn up by the four system operators Amprion, TransnetBW, TenneT TSO and 50Hertz, was unveiled on 30 May, marking the start of a lengthy public consultation phase. The aim of the plan is to implement Germany's energy transition, which will require the construction of some 3,800 km of new connections and the upgrading of 4,000 km of existing connections over the next 10 years to transmit the renewable energy largely generated in the north of Germany to the centres of consumption in the south.

Inauguration of Northern Line by German Chancellor Angela Merkel

On 18 December 2012, 50Hertz brought the last section of the 380 kV Northern Line, connecting Schwerin and Hamburg, into operation. The line was inaugurated by German Chancellor Angela Merkel and the Minister-President of the State of Mecklenburg-Western Pomerania, Erwin Sellering. With the completion of the Northern Line, 50Hertz has accomplished the fourth national connection, thus ensuring again a stable and secure grid in the Hamburg area.

Agreement between 50Hertz and Polish transmission system operator PSE Operator on installation of phase shift transformers

50Hertz and its Polish counterpart reached an agreement on improved coordination to reduce unplanned energy flows at the German-Polish border. The introduction of a coordinated method for managing flows and the future installation of phase shift transformers will enable flows to be controlled more effectively, resulting in better system security, better integration of renewable energy and a stronger European electricity market.

Atlantic Wind Connection reaches milestone following declaration of no competitive interest

Following a detailed study and public consultation, the United States Department of the Interior confirmed that there was no overlap between Atlantic Wind Connection and other potential rival projects in the coastal areas proposed for the construction of an offshore transmission system off the US coast. This marks a major milestone in the project's development.

3. Important events after 31 December 2012

Following the implementation – in accordance with the regulatory framework in force in Belgium – of Elia's tariff dossier 2012-2015, which included injection tariffs for the first time and had been approved by CREG, a number of generators challenged the CREG Decision (B) 111222-CDC-658E /19 concerning Elia System Operator SA's proposal for the regulatory period 2012-2015, at the Brussels Court of Appeal.

In its judgement on 6 February 2013, the Court of Appeal quashed the CREG decision mentioned above, while not calling into question the implementation of injection tariffs.

The tariff framework and Belgian legislation state that all costs incurred by Elia , approved by CREG and needed to perform its mission as transmission system operator in Belgium, will be recovered from grid users. These tariffs consist of both injection and offtake tariffs.

In consultation with CREG, a decision was made to compile a new tariff dossier for the period 2012-2015, taking into account the provisions described in the above Court of Appeal ruling. The new tariffs are expected to be released in May 2013 and will cover all of Elia's budgeted costs, approved by CREG, for the period 2012-2015. The new tariffs, which will be approved by CREG for the period 2012-2015, will restore stability and visibility for grid users.

The rejected injection tariffs that were the subject of this Court of Appeal ruling amount to €136.5 million in the 2012 results. If CREG does not approve any new injection tariffs, this sum will be charged in total to other customer groups. In the most plausible scenario where CREG will issue new but lower injection tariffs, the remaining balance after deduction of the new injection tariffs will be charged in future to other customer groups. This means that the rejection of the tariff dossier could lead to an adjustment of the annual turnover for the items 'Grid use revenue' and 'Ancillary services revenue' under 'Revenues and other income'. However, this impact would be completely cancelled out by 'Balance settlement mechanism' under the same heading, so there would be no impact on the Group's annual turnover[3] or on its annual net profit.

4. Outlook

<u>Results for 2013</u>

Given the impact of the long-term interest rate on the Belgian result and the fact that the Belgian result for 2013 depends on parameters which will only be known (including the inflation figure for December 2013) or can only be calculated (including the Belgian ten-year rate, the beta factor of the Elia share and the total Eurogrid/50Hertz investment) at the end of 2013, the Elia Group cannot make any concrete profit forecasts for 2013. In Germany the outlook remains positive, although here too no concrete profit forecast can be given.

<u>Investments in 2013</u>

Elia Transmission expects to invest around €200 million in the Belgian high-voltage grid in 2013 while 50Hertz Transmission has an investment budget for 2013 of €415 million.

The Elia Group is taking part in the joint research effort into an offshore network in the North Sea and Baltic Sea to interconnect multiple countries and wind farms.

5. Progress of the work carried out by the joint statutory auditors

"The joint statutory auditors, Ernst & Young Bedrijfsrevisoren/Réviseurs d'Entreprises represented by Mr Marnix Van Dooren and Klynveld Peat Marwick Goerdeler Bedrijfrevisoren represented by Mr Alexis Palm, have confirmed that the audit procedures, which have been meticulously carried out, have not revealed any
material adjustments which would have to be made to the accounting data included in the present press release. *However, the joint auditors want to draw attention to the uncertainties resulting from the tariff regulation mechanisms to be approved by the competent authorities, and resulting from the outcome of the tax audit as described in the annual report 2011*."

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[3] 'Total revenues and other income'

6. Financial calendar for 2013

Publication of 2012 Annual Report	*early April 2013*
2012 Annual General Meeting	*21 May 2013*
Interim statement Q1 2013	*21 May 2013*
Payment of dividend for 2012	*early June 2013*
Publication of the 2013 half-yearly results	*29 August 2013*
Interim statement Q3 2013	*21 November 2013*

About Elia:

The Elia Group is organised around two electricity transmission system operators: Elia Transmission in Belgium and (in cooperation with Industry Funds Management) 50Hertz Transmission, one of the four German transmission system operators, active in the north and east of Germany. With more than 1,700 employees and a transmission grid comprising some 13,400 km of high-voltage connections serving 30 million consumers, the Elia Group is one of Europe's top five TSOs. It efficiently, reliably and securely transmits electricity from generators to distribution system operators and major industrial consumers, while also importing and exporting electricity from and to neighbouring countries. The Group is a driving force behind the development of the European electricity market and the integration of energy generated from renewable sources.

In addition to its system operator activities in Belgium and Germany, the Elia Group offers businesses a range of consultancy and engineering services.

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

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ANNEXES (Tables with key figures in € million)

- Condensed consolidated statement of financial position (31 December 2012 – 31 December 2011)
- Consolidated income statement (31 December 2012 – 31 December 2011)
- Consolidated statement of comprehensive income (31 December 2012 – 31 December 2011)
- Consolidated statement of changes in equity
- Consolidated statement of cash flows (2012 and 2011)
- Segment reporting – reconciliation as at 31 December 2012

ANNEXES:

1. Financial reporting

a. Condensed consolidated statement of financial position (31 December 2012 – 31 December 2011)

(in million €)		31 December 2012	31 December 2011
Assets			
Non-current assets		5,370.5	5,145.1
	Property, plant and equipment	3,319.3	3,150.5
	Intangible assets	1,757.0	1,753.6
	Trade and other receivables	126.5	120.3
	Investments in equity-accounted investees	34.3	30.6
	Other financial assets (including derivatives)	90.3	84.9
	Deferred tax assets	43.1	5.2
Current assets		816.5	698.7
	Inventories	15.0	16.3
	Trade and other receivables	625.7	281.6
	Income tax receivable	4.7	10.0
	Cash and cash equivalents	166.2	385.6
	Deferred charges and accrued revenues	4.9	5.2
Total assets		**6,187.0**	**5,843.8**
Equity and liabilities			
Equity		2,108.5	2,046.9
Equity attributable to owners of the company		2,108.5	2,046.9
	Share capital	1,506.5	1,500.6
	Share premium	8.8	8.5
	Reserves	83.7	67.6
	Hedging reserve	(24.3)	(23.3)
	Retained earnings	533.8	493.5
Non-controlling interest		0,0	0,0
	Non-controlling interest	0,0	0,0
Non-current liabilities		2,650.2	3,203.5
	Loans and borrowings	2,351.1	2,918.5
	Employee benefits	118.6	108.1
	Derivatives	36.7	35.2
	Provisions	58.4	53.7
	Deferred tax liabilities	66.0	67.6
	Other liabilities	19.4	20.4
Current liabilities		1,428.3	593.4
	Loans and borrowings	725.9	0.0
	Provisions	29.6	24.5
	Trade and other payables	351.9	366.1
	Income tax payables	40.9	26.0
	Accruals and deferred income	280.0	176.8
Total equity and liabilities		**6,187.0**	**5,843.8**

b. Consolidated income statement (31 December 2012 – 31 December 2011)

(in million €)		2012	2011
Continuing operations			
	Revenue	1,228.0	1,188.2
	Raw materials, consumables and goods for resale	(6.3)	(5.9)
	Other income	78.6	90.2
	Services and other goods	(654.7)	(638.4)
	Personnel expenses	(170.7)	(158.4)
	Depreciation, amortization, impairment and changes in provisions	(150.1)	(140.9)
	Other expenses	(19.4)	(26.8)
Results from operating activities (EBIT)		**305.4**	**308.0**
Net finance costs		(134.8)	(128.6)
	Finance income	12.9	14.2
	Finance costs	(147.7)	(142.8)
Share of profit of equity accounted investees (net of income tax)		0.6	1.4
Profit before income tax		**171.2**	**180.8**
Income tax expense		(16.2)	(43.3)
Profit from continuing operations		**155.0**	**137.5**
Profit for the period		**155.0**	**137.5**
Profit attributable to:			
	owners of the company	155.0	137.5
	non-controlling interest	0.0	0.0
Profit for the period		**155.0**	**137.5**
Earnings per share (€)			
	Basic earnings per share	2.57	2.28
	Diluted earnings per share	2.57	2.28

c.

Consolidated statement of comprehensive income (31 December 2012 –31 December 2011)

(in million €)	**2012**	**2011**
Profit for the period	**155.0**	**137.5**
Other comprehensive income		
Effective portion of changes in fair value of cash flow hedges	(1.5)	(3.9)
Tax on effective portion of changes in fair value of cash flow hedges	0.5	1.3
Defined benefit plan actuarial gains and losses	(14.9)	(16.3)
Tax on defined benefit plan actuarial gains and losses	5.0	5.5
Exchange differences on translation of foreign operations	0.0	0.1
Other comprehensive income for the period, net of income tax	**(10.9)**	**(13.3)**
Total comprehensive income for the period	**144.1**	**124.2**
Profit attributable to:		
owners of the company	144.1	124.2
non-controlling interest	0.0	0.0
Total comprehensive income for the period	**144.1**	**124.2**

d. <u>Consolidated statement of changes in equity (31 December 2012 – 31 December 2011)</u>

(in million €)	**Share capital**	**Share premium**	**Hedging reserve**	**Foreign currency translation**	**Retained earnings**	**Total**	**Non controlling interests**	**Total equity**
Balance at 1 January 2011	**1,500.6**	**8.5**	**(20.7)**		**518,8**	**2,007.2**		**2,007.2**
Profit for the period					**137.5**	**137.5**		**137.5**
OCI[1]: cash-flow hedges			(2.6)			(2.6)		(2.6)
OCI: actuarial gain/(loss)					(10.8)	(10.8)		(10.8)
OCI: exchange differences				0,1		0.1		0.1
Total comprehensive income for the period			**(2.6)**	**0,1**	**126.7**	**124.2**		**124.2**
Transactions with owners, recorded directly in equity ***Contributions by and distributions to owners***								
Dividends					(84.5)	(84.5)		(84.5)
Total transactions with owners					**(84.5)**	**(84.5)**		**(84.5)**
Balance at 31 December 2011	**1,500.6**	**8.5**	**(23.3)**	**0.1**	**561.0**	**2,046.9**		**2,046.9**
Balance at 1 January 2012	**1,500.6**	**8.5**	**(23.3)**	**0.1**	**561.0**	**2,046.9**		**2,046.9**
Profit for the period					**155.0**	**155.0**		**155.0**
OCI: cash-flow hedges			(1.0)			(1.0)		(1.0)
OCI: actuarial gain/(loss)					(9.9)	(9.9)		(9.9)
Total comprehensive income for the period			**(1.0)**		**145.1**	**144.1**		**144.1**
Transactions with owners, recorded directly in equity ***Contributions by and distributions to owners***								
Shares issued	5.0	0.3				5.3		5.3
Costs of shares issued	0.9					0.9		0.9
Dividends					(88.7)	(88.7)		(88.7)
Total transactions with owners	**5.9**	**0.3**			**(88.7)**	**(82.5)**		**(82.5)**
Balance at 31 December 2012	**1,506.5**	**8.8**	**(24.3)**	**0.1**	**617.4**	**2,108.5**		**2,108.5**

[1] OCI = Other Comprehensive Income

e. Consolidated statement of cash flows (31 December 2012 – 31 December 2011)

(in million €)	31 December 2012	31 December 2011
Cash flows from operating activities		
Profit for the period	155.0	137.5
Adjustments for:		
Net finance costs	135.1	128.7
Other non-cash items	3.6	5.6
Income tax expense	50.1	58.7
Profit or loss of equity accounted investees, net of tax	(0.6)	(1.4)
Depreciation of property, plant and equipment and amortisation of intangible assets	148.3	139.7
Gain on sale of property, plant and equipment and intangible assets	3.2	11.5
Impairment losses of current assets	1.5	12.2
Change in provisions	0.3	(25.3)
Change in fair value of derivatives	0.7	1.1
Change in deferred taxes	(34.0)	(15.3)
Changes in fair value of financial assets through profit or loss	0.3	(0.2)
Change in non-cash items	1.0	0.0
Cash flow from operating activities	**464.5**	**452.8**
Change in inventories	0.6	(2,3)
Change in trade and other receivables	(351.2)	219,2
Change in other current assets	0.4	1,0
Change in trade and other payables	2.5	(53,4)
Change in other current liabilities	112.6	(42,3)
Changes in working capital	**(235.1)**	**122.2**
Interest paid	(142.8)	(139.6)
Income tax paid	(30.0)	(49.5)
Net cash from operating activities	**56.7**	**386.0**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(317.2)	(288.3)
Acquisition of subsidiary net of cash acquired	0.2	0.0
Acquisition of equity accounted investees	(3.1)	0.0
Acquisition of investment	(0.3)	(0.8)
Proceeds from sale of property, plant and equipment	1.9	0.2
Proceeds from sales of investments	0.0	0.1
Interest received	6.1	7.1
Net cash used in investing activities	**(312.4)**	**(281.7)**
Cash flow from financing activities		
Proceeds from issue share capital	5.3	0.0
Expenses related to issue share capital	(0.2)	0.0
Dividends paid (-)	(88.7)	(84.5)
Proceeds from withdrawal borrowings (+)	120.0	0.0
Net cash flow from (used in) financing activities	**36.4**	**(84,5)**
Net increase (decrease) in cash and cash equivalents	**(219.3)**	**19.8**
Cash & cash equivalents at 1 January	385.7	365.9
Cash & cash equivalents at 31 December	166.4	385.7
Net variations in cash & cash equivalents	(219.3)	19.8

f. Segment reporting – reconciliation as at 31 December 2012

Consolidated results (in million €)	2012 Elia Transmission (Belgium)	2012 50Hertz Transmission (Germany)	2012 Consolidation entries	2012 Elia Group
Total revenues and other income	770.1	539.4	(2.9)	1,306.6
- Revenues and other income	*809.1*	*539.4*	*(2.9)*	*1,345.6*
- Deferred tax advantage to be offset in the future tariffs	*(39.0)*	*0.0*	*0.0*	*(39.0)*
Depreciation, amortization, impairment and changes in provisions	(103.0)	(47.1)	0.0	(150.1)
EBITDA	291.6	163.9	0.0	455.5
Operating profit (EBIT)	188.6	116.8	0.0	305.4
Finance income	10.7	2.1	0.1	12.9
Finance costs	(128.2)	(19.6)	0.1	(147.7)
Income tax expenses	17.5	(33.6)	(0.1)	(16.2)
- Income tax expenses	*(21.5)*	*(33.6)*	*(0.1)*	*(55.2)*
- Recognition of a deferred tax income on the notional interest deduction reserve - previous accounting years	*39.0*	*0.0*	*0.0*	*39.0*
Profit attributable to the owners of the company	89.2	65.8	0.0	155.0
Consolidated statement of financial position (in million €)	**31 December 2012**	**31 December 2012**	**31 December 2012**	**31 December 2012**
Total assets	4,618.4	1,569.0	(0.4)	6,187.0
Capital expenditures	150.0	157.8	0.0	307.8
Net financial debt	2,488.3	422.5	0.0	2,910.8

2. Notes to the consolidated financial information

a. Basis of preparation

The consolidated financial information in this press release has been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union.

These consolidated financial statements are an extract from the consolidated financial statements that will be published in April 2013.

The consolidated financial statements were approved for publication by the Board of Directors of Elia System Operator on 28 February 2013.

b. Significant accounting policies used for preparation of the consolidated financial information/Changes in accounting policies

The same financial reporting policies and valuation rules were used to prepare the consolidated financial statements of the Elia Group for the financial year ending 31 December 2012 as were used to prepare the consolidated financial statements for the year ending 31 December 2011, as published in April 2012. For more information, please refer to section 3, "Significant accounting policies", of the financial part of the annual report for 2011.

No new standards, amendments of standards or interpretations were adopted early.

c. Scope of consolidation

No changes were made to the scope of consolidation in 2012.

d. Seasonal fluctuations

The Group's profit profile follows a seasonal pattern, primarily due to the higher volumes of electricity consumed during the winter which have to be transmitted by the system operator from power generators to distributors and large industrial customers.

e. Segment reporting

We refer to the financial chapter in this press release (part 1.A and 1.B), as well as to part 1.f within the annexes.