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Interim statement: Q3 2016

- ***Elia and Amprion have signed contracts for the delivery of the cable for ALEGRrO, the first interconnector between Germany and Belgium***
- ***German regulator sets return on equity for electricity and gas networks***
- ***Successful launch of the new Belgian-French & Belgian-Dutch Intraday capacity allocation solution***

Elia and Amprion have signed contracts for the delivery of the cable for ALEGRrO, the first interconnector between Germany and Belgium

Elia and Amprion have signed on September 29 with the winning contractor who will deliver the cable system for the first electricity interconnector between Germany and Belgium: Silec Cable, part of the world's largest wire and cable manufacturers General Cable. The company will execute the full turnkey project in Belgium, including the design, supply, civil works, installation and commissioning of the 320kV HVDC underground cable.

The ALEGRo high voltage link will be able to transport energy up to 1,000 MW to either Belgium or Germany with a high degree of controllability of the energy flow. It will run around 100 kilometers and will transport enough electricity to power half a million homes.

German regulator sets return on equity for electricity and gas networks

The German regulator announced on October 12 the new return on equity for applying from 2019, setting a rate of 6.91% for investments realized after 2006 and 5.12% for investments realized before 2006. The new rates will remain in place for the duration of the next five-year period (2019 - 2023). The system will be completed within the next 2 years by the determination of general and individual efficiency requirements and the applicable imputed cost base for the third regulatory period. All of these items will impact the financial position of the company.

Successful launch of the new Belgian-French & Belgian-Dutch Intraday capacity allocation solution

On October 5, the Belgian intraday market was successfully connected with the intraday markets in Germany, France, Austria, The Netherlands and Switzerland through the implementation of a new Belgian-French and Belgian-Dutch Intraday capacity allocation solution. This solution further improves liquidity in the intraday market.

Financial forecast

As stated in the press release on the 2016 half-yearly results, the Elia Group cannot make profit forecasts because the annual result depends on parameters that will only be known or can only be calculated at the end of 2016 (i.e. the average Belgian 10-year interest rate, the beta factor of the Elia share, and inflation). We are however confident to continue the good operational performance in the last quarter of the year. In Germany the result in 2016 will somewhat be under pressure as a result of a peak in the maintenance activities cycle, following the important investments of the last years.

Financial calendar

*Publication of 2016 annual results
Availability of 2016 Annual Report
Annual general meeting on 2016*

*24 February 2017
early April 2017
16 May 2017*

About Elia Group

The Elia Group is organized around two electricity transmission system operators (TSOs): Elia Transmission in Belgium and (in cooperation with Industry Funds Management (IFM)) 50Hertz Transmission, one of the four German transmission system operators, active in the north and east of Germany.

With over 2,000 employees and a grid comprising some 18,300 km of high-voltage lines serving 30 million end 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 TSO activities in Belgium and Germany, the Elia Group offers businesses a range of consultancy and engineering services through its subsidiary Elia Grid International (EGI).

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