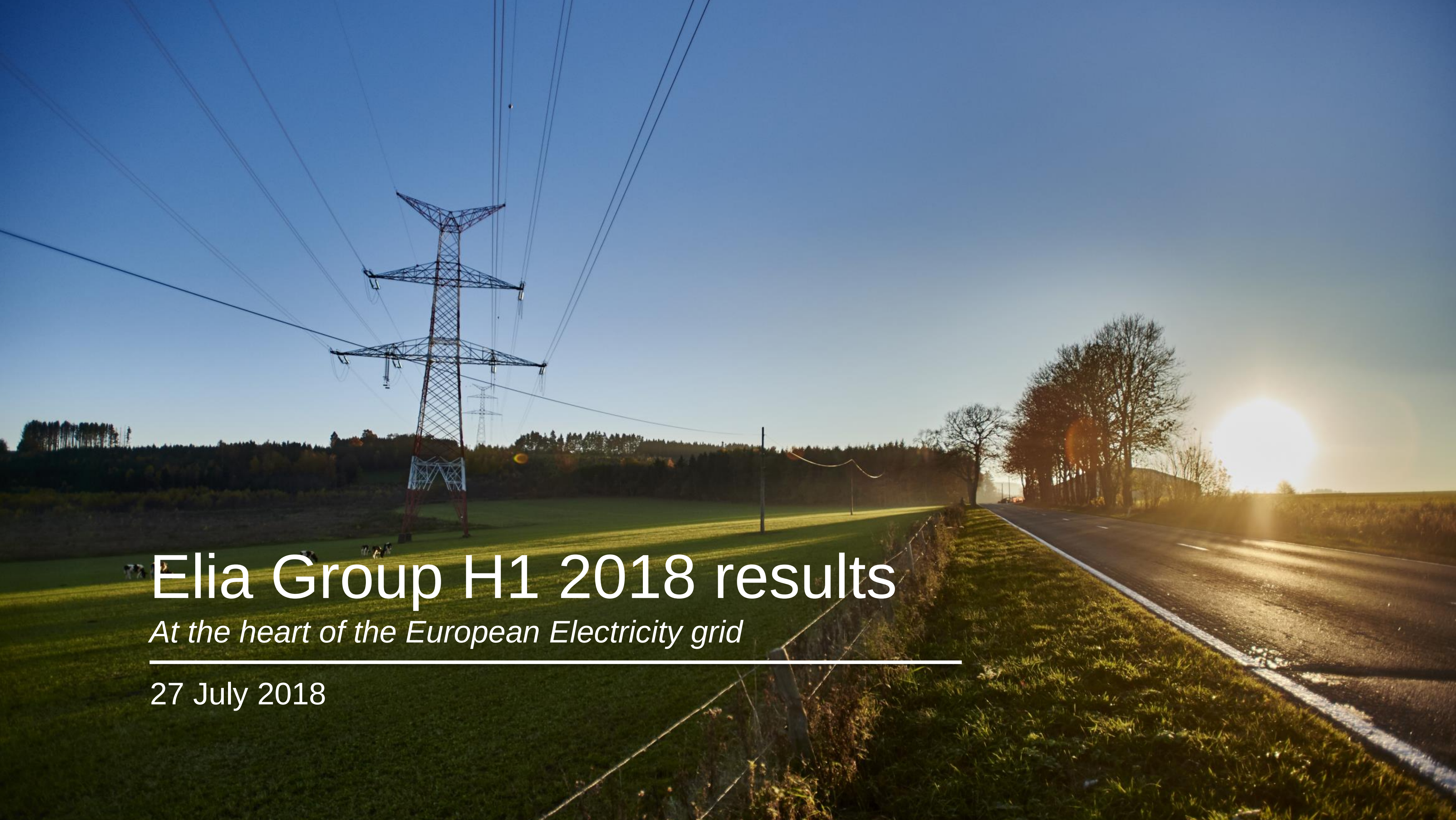

Elia Group H1 2018 results

At the heart of the European Electricity grid

27 July 2018

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1H2018 Elia Group Performance

Investments

€ 338 million[1]

+17.6% yoy

Net Profit
Elia share

€ 142.2 million[2]

+38.6 yoy

Grid reliability

99.998%

0.0% yoy

[1] Amount is taking into account 100% of the 50Hertz investments.
[2] Net profit Elia share, represents the net profit attributable to the owners of the company. Reported net result of Elia Group amounts to €147.6 million (+44.0% yoy).

elia group
Powering a world in progress
50hertz
elia

1H2018 Key highlights

Strategic

- Acquisition of an additional 20% stake in Eurogrid International (owning 50 Hertz)
- German State-owned bank KfW announced as a new partner in 50Hertz
- Collaboration with neighboring TSO's on future market design and with Belgian DSO's on shared data hub

Operational

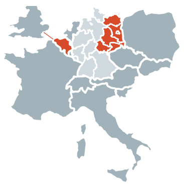
- Mark-up investments program 2018 on track in Belgium
- Strong operational performance in Germany
- Continued very high security of supply and reliability
- Good progress on further strengthening the collaboration between Elia in Belgium and 50Hertz in Germany

Regulatory

- Confirmation of the tariff methodology 2020-2023 for Belgium
- Negotiations for the establishment of a fair and sustainable costs base of the 3rd regulatory period ongoing in Germany
- Regulatory allowance for offshore opex changed from an opex lump sum to a pass-through mechanism in Germany

Financial

- Net profit Elia Group share up 38.6% to €142.2 million driven by the acquisition of Eurogrid, the realisation of strategic investments in Belgium and the strong operational performance combined with the release of a legal claim provision in Germany
- Acquisition of the additional 20% stake in Eurogrid currently financed by a € 968 million bridge loan, to be replaced by a mix of €700 million hybrid bond and €300 million senior debt in 2H2018



Acquisition additional 20% stake in Eurogrid (April 2018)

Key deal terms

Acquisition

- Ownership of 80% since 26 April 2018
- Acquisition price of €976.5 million and €12.2 million interest

Governance

- From joint control to full control
- From equity pick-up to full consolidation
- No blocking minority going forward

Financing

- Financed by 12-month bridge loan
- Planned take-out funding based on €700 million hybrid and €300 million senior debt in 2H 2018
- BBB+ rating confirmed by S&P

A unique opportunity for Elia

1 Strategic asset with further growth potential

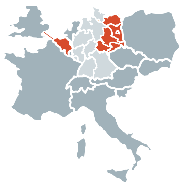
- Acquisition fits Elia's strategy & strengthens Elia's position in Europe
- Asset with long term organic growth opportunities driven by the Energiewende and supported by 2030 renewable energy production targets

2 Value enhancer for Elia Group

- Accretive from earnings and cash perspective
- Ability to leverage synergies
- Increased exposure to a highly stable regulatory framework with higher RoE compared to Belgium

3 Limited and measured risk

- Stable regulatory framework supporting investments
- Strong balance sheet with additional dividend covering finance cost of the increased stake
- No credit rating impact



Decision for the remaining 20% stake in Eurogrid

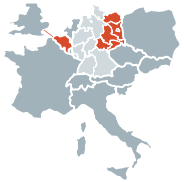
Context	
	• Notification received from IFM regarding sale of remaining 20% in Eurogrid • Conditions of the transactions were identical to transaction of first 20%

Key deal terms

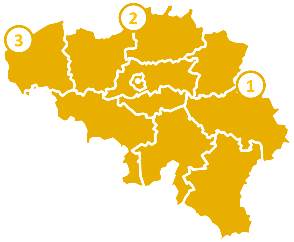
Pre-empt & Sale at same conditions	• Elia to exercise the pre-emption right on the remaining 20% • Unconditional transfer of the stake to KfW • Full coverage of acquisition price • No impact on credit rating (BBB+/stable)
End state	• Ownership of 80% for Elia • Full control by Elia over Eurogrid • No blocking minority

German partner to further deliver the ‘Energiewende’

(*) Subject to closing expected in 2H 2018.



Significant progress on strategic investments

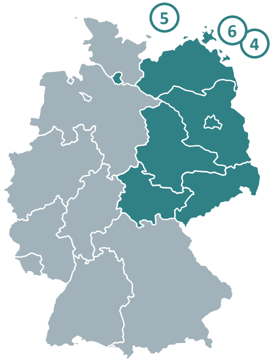


ALEGrO
First electricity interconnector between Belgium and Germany

Brabo
Strengthen the high-voltage grid and security of supply in the port of Antwerp and Belgium

Nemolink
Subsea HVDC-interconnection with UK

Investment 1H 2018: € 234 million



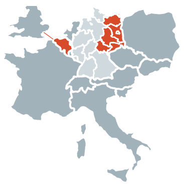
Ostwind 1
CWA/ Offshore connection in the Eastern German Baltic shore

Kriegers Flak
Combined offshore grid solutions with DK and potentially SWE

Ostwind 2
2nd Offshore connection in the Eastern Germany Baltic shore

Investment 1H 2018: € 104 million

1H2018 Elia Group results



Key figures

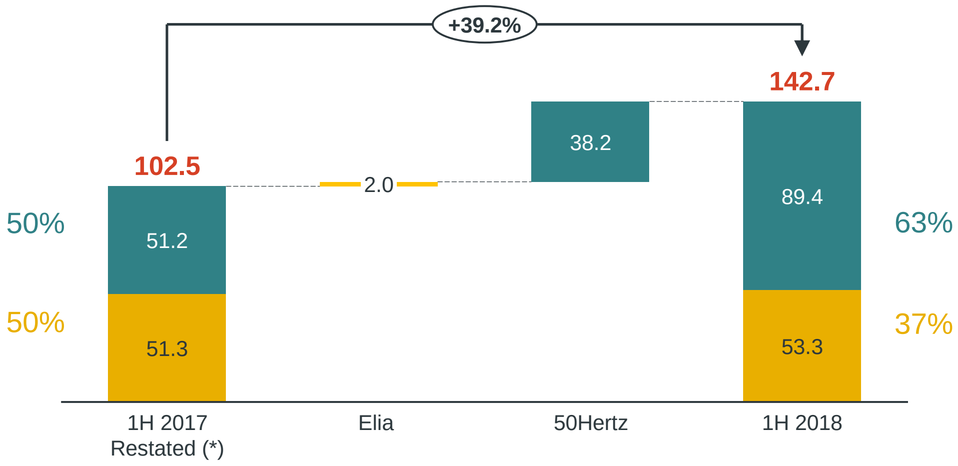
Revenues
€ 632.1 million
+48.7% yoy

EBIT
€ 219.2 million
+36.3% yoy

Normalised Net Profit
€ 142.7 million
+39.2% yoy

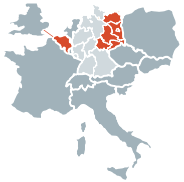
Net Profit Elia share
€ 142.2 million
+38.6% yoy

Normalised net profit (€m)

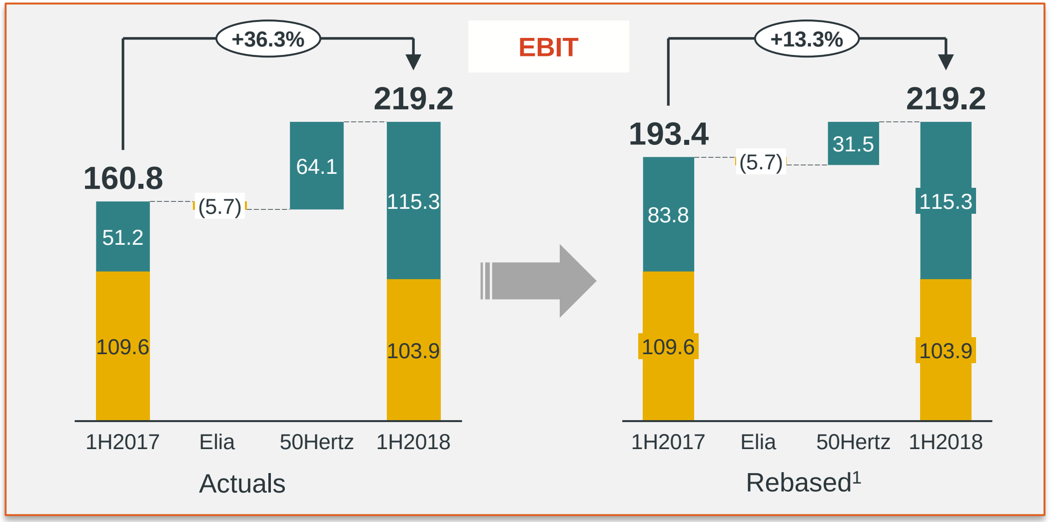


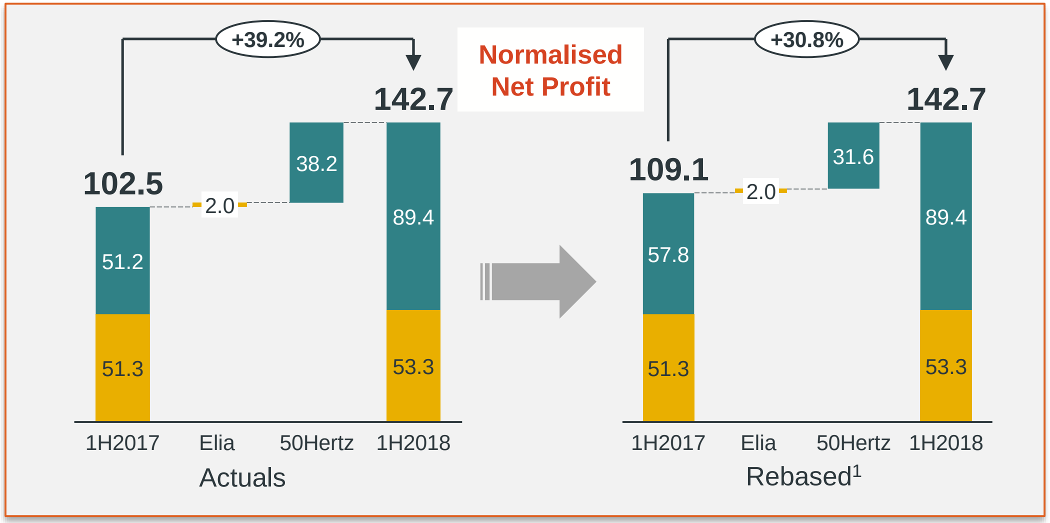
1H 2017 Restated (*)		1H 2018
-	Non-recurring items	+4.9
(0.1)	Non-controlling interests	(5.4)
102.6	**Net profit Elia share**	**142.2**

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.
We refer to note 13 in the Condensed consolidated financial statements for more details



Elia Group: Solid organic growth in 1H2018





- **EBIT of 219.2 m€ in 1H2018, +36.3% yoy**, primarily driven by the inorganic movement linked to the additional 20% participation in Eurogrid and the 2 months of full consolidation of Eurogrid.
- **On a rebased[1] basis, the EBIT increased by 13.3% in 1H2018** supported by the release of the legal claim provision in April (net contribution of 29.2m€), higher organic EBIT in Germany and lower EBIT in Belgium.

- **Normalised net profit of 142.7 m€ in 1H2018, +39.2% yoy**, primarily driven by the inorganic movement linked to the additional 20% participation in Eurogrid and the 2 months of full consolidation of Eurogrid.
- **On a rebased[1] basis, the normalised net profit increased by 30.8% in 1H2018** supported by the release of the legal claim provision in April (net contribution of 29.2m€) in Germany, and the organic growth of both Belgium and Germany driven by the realization of investments and strong operational performance.

[1] On a rebased basis – please see Appendix for definition and additional information.
Rebased figures are only presented as a basis for assessing growth rates on a comparable basis, and not as a measure of our pro forma financial performance

1H2018 Elia Group: net debt evolution

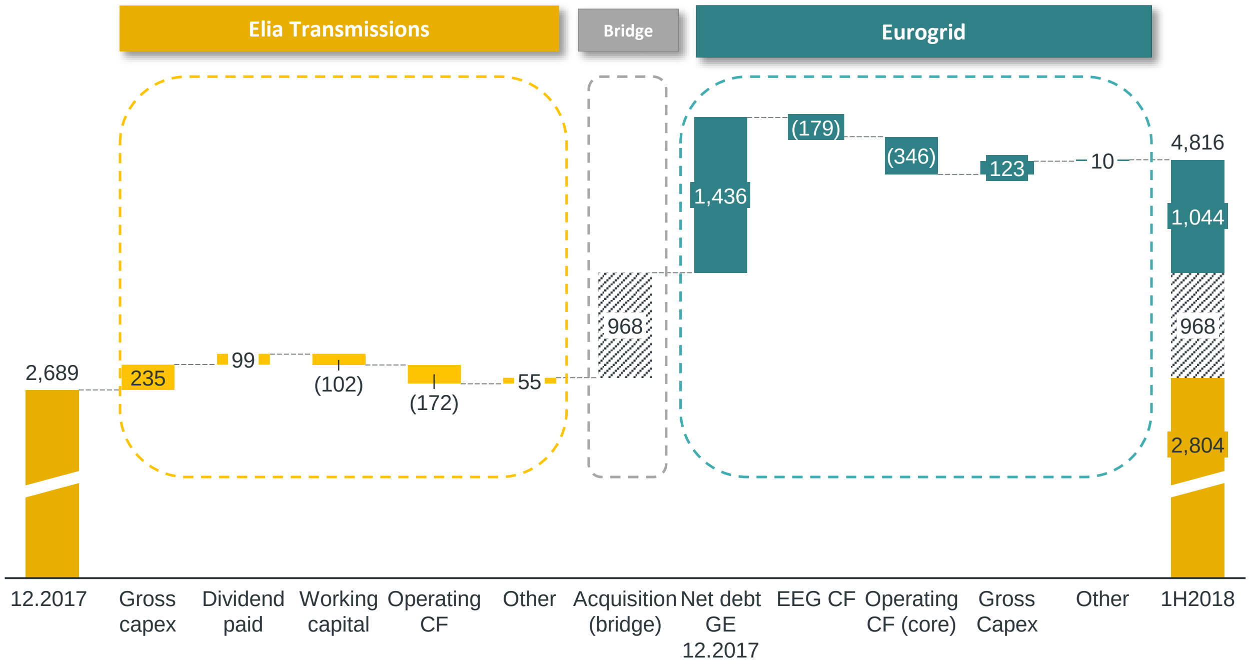
Key figures

Net debt
€ 4,815.9 million
+79.1% yoy

Leverage
0.70
Debt / (Debt + Equity)

Fixed debt ratio
97.1%
Calculated on gross debt

Net debt evolution (€m)



Elia: investments and operational performance driving results

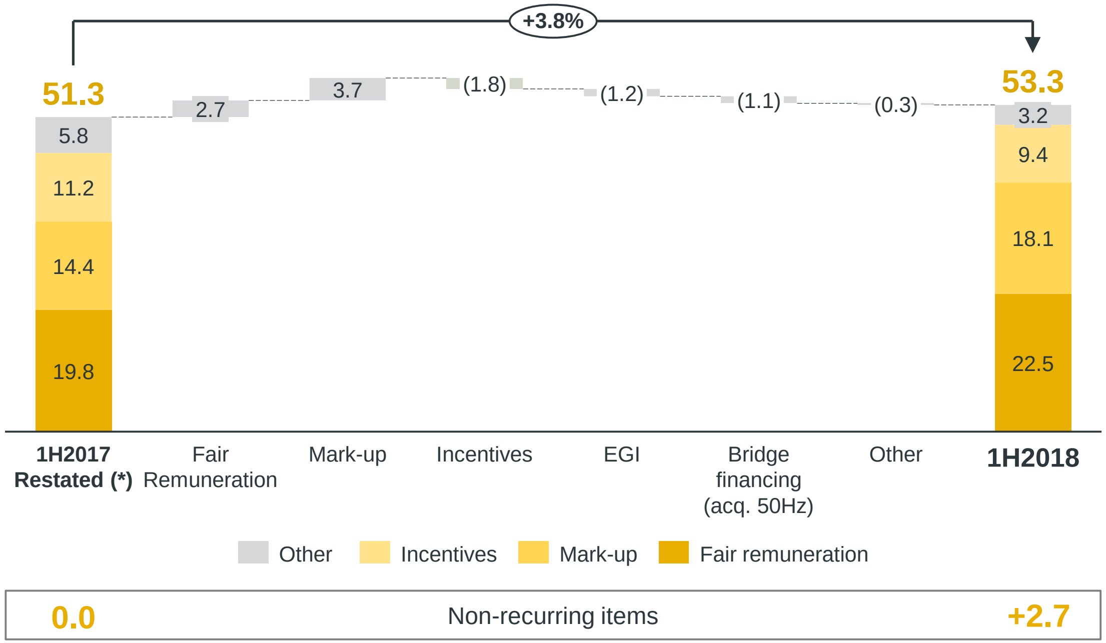
Key figures

Revenues
€ 437.9 million
+3.0% yoy

Normalised Net Profit
€ 53.3 million
+3.8% yoy

Reported Net Profit
€ 56.0 million
+9.1% yoy

Normalised net profit evolution (€m)

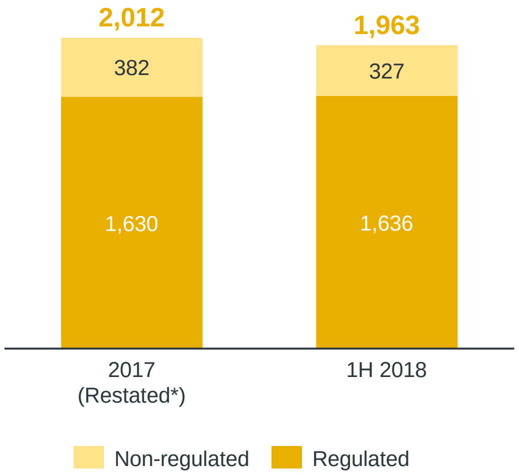


Strong increase in net profit driven by the realisation of strategic investments combined with solid operational performance

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.
We refer to note 13 in the Condensed consolidated financial statements for more details

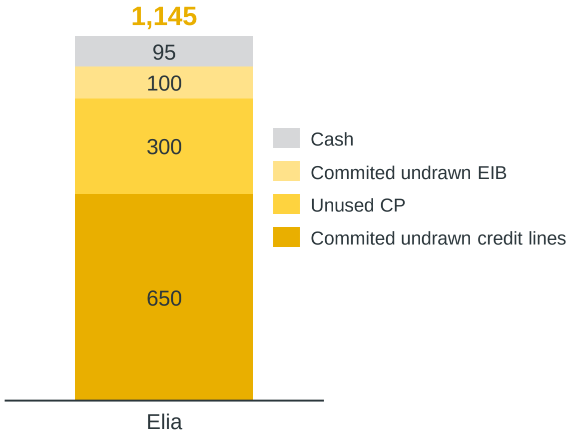
Elia Transmission: balance sheet impacted by the bridge financing

EQUITY (€m)



Stable regulated equity at half year

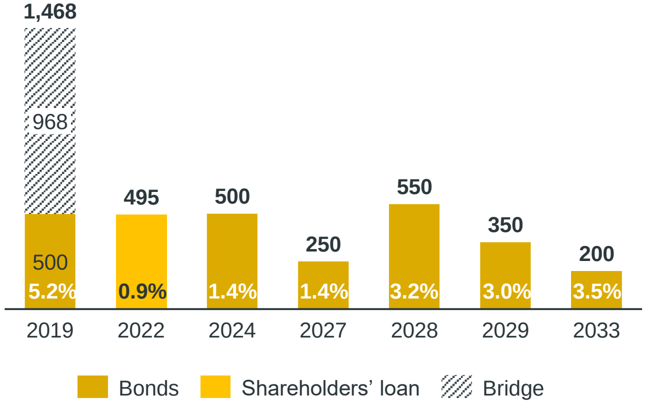
LIQUIDITY (€m)



Strong liquidity position

MATURITY PROFILE (€m)

Average debt duration: 6.8 year (excl. bridge)



S&P rating: BBB+/Stable outlook

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.
We refer to note 13 in the Condensed consolidated financial statements for more details

50Hertz: Strong operational performance driving result

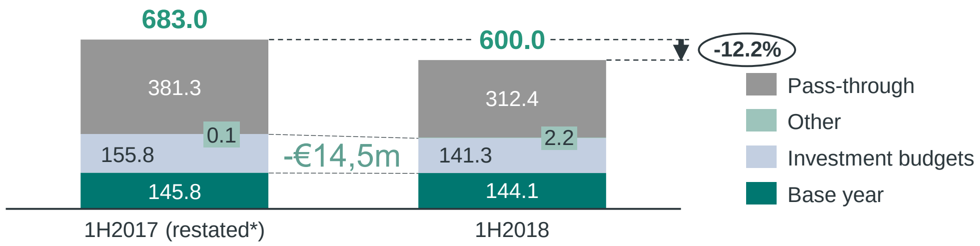
Key figures

Revenues
€ 600.0 million
(12.2%) yoy

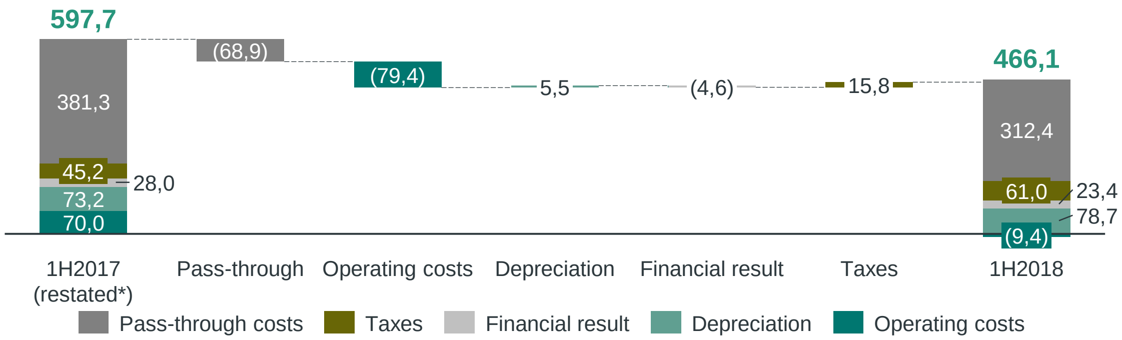
Normalised Net Profit
€ 132.4 million
+55.3% yoy

Reported Net Profit
€ 133.9 million
+56.9% yoy

Revenues (€m)



Costs (€m)

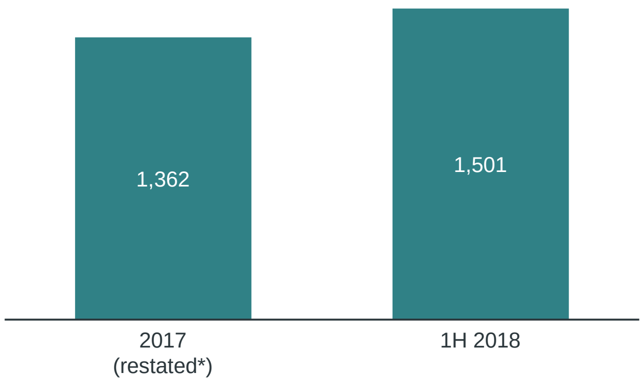


Strong increase net profit driven by lower operational cost and release of legal claim provision

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.
We refer to note 13 in the Condensed consolidated financial statements for more details

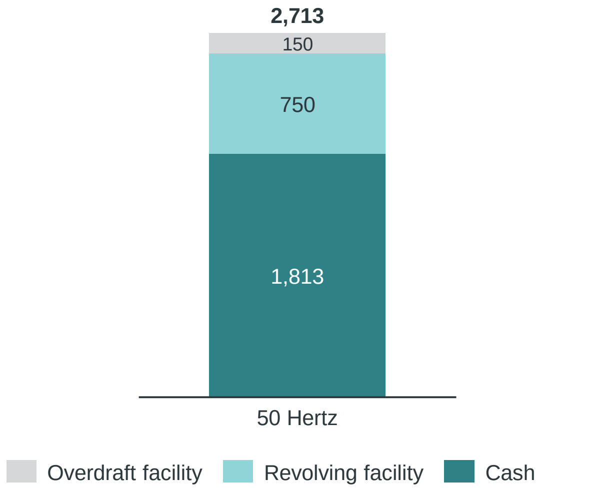
50Hertz Transmission: Strong balance sheet

EQUITY (€m)



Increasing equity to finance investment programme

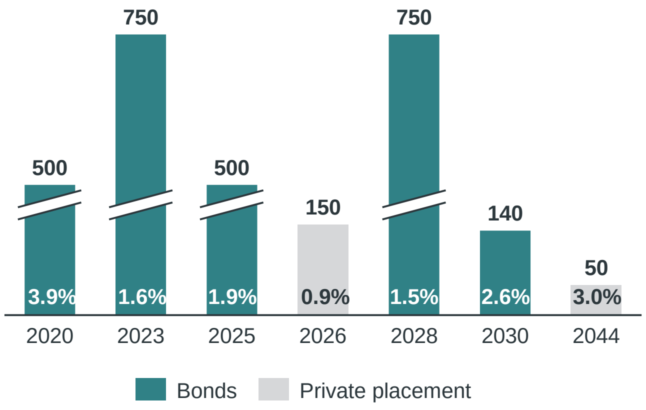
LIQUIDITY (€m)



Strong liquidity position

MATURITY PROFILE (€m)

Average debt duration: 7.1 year



Moody’s rating: Baa1/review for downgrade

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.
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FY 2018 positive outlook

OUTLOOK 2018

Stable Regulation 2018

CAPEX revised 630 M€

Regulated RoE slightly above 2017

- **Good progress** on strategic interconnection projects (Brabo, ALEGrO, Nemo…).
- Total investment for 2018 around € 630 million
- Expected **regulated return** slightly above 2017, assuming a stable trend in the Belgian 10-year OLO
- Final conditions of the financing of the acquisition will only be know at the time of take-out

Stable Regulation 2018

Capex 470 M€

RoE 10%-12%

- Results forecasts **positive** as the regulatory framework remains stable through 2018
- **Capex on track** to achieve the announced € 470 million investment programme
- Expected return (RoE) to the **upper end of the 10-12% targeted**

Q&A

Reporting changes and Rebased figures

Restated financial statement – The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated. IFRS 15 establishes a new comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18: Revenue, IAS 11: Construction Contracts, IFRIC 18: Transfers of Assets from Customers, and IFRIC 13: Customer Loyalty Programmes. The Group completed its assessment of the impact of the adoption of IFRS 15 on its consolidated financial statements and only identified an impact as a result of the application of IFRIC 18. The Group also used the practical expedients for completed contracts, meaning that completed contracts that began and ended in the same comparative period, as well as those that are completed at the beginning of the earliest period presented, were not restated. We refer to note 13 in the Condensed consolidated financial statements for more details

Rebased financial statement – Purely for comparative purposes some key figures of the 2017 financial statements have been rebased like if the acquisition and change in consolidation would have occurred in May 2017 by (1) increasing the participation in Eurogrid from 60% to 80% as from May 1st 2017, (2) applying a Full Consolidation method for Eurogrid as from May 1st, 2017 identical to the change in consolidation method as applied as from May 1st, 2018 and (3) considering IFRS 15 as if it had been implemented on January 1, 2017. We have not adjusted pre-acquisition periods (i) with effects directly related to the transaction (e.g. purchase cost, financing, goodwill, business combination impacts (IFRS 3)…) (ii) to eliminate non-recurring items or give retro-active effect to any changes in estimates that might have been implemented in 2018, but not known in 2017. The rebased figures are only presented as a basis for assessing growth rates on a comparable basis, and not as a measure of our pro forma financial performance.

Thank you

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