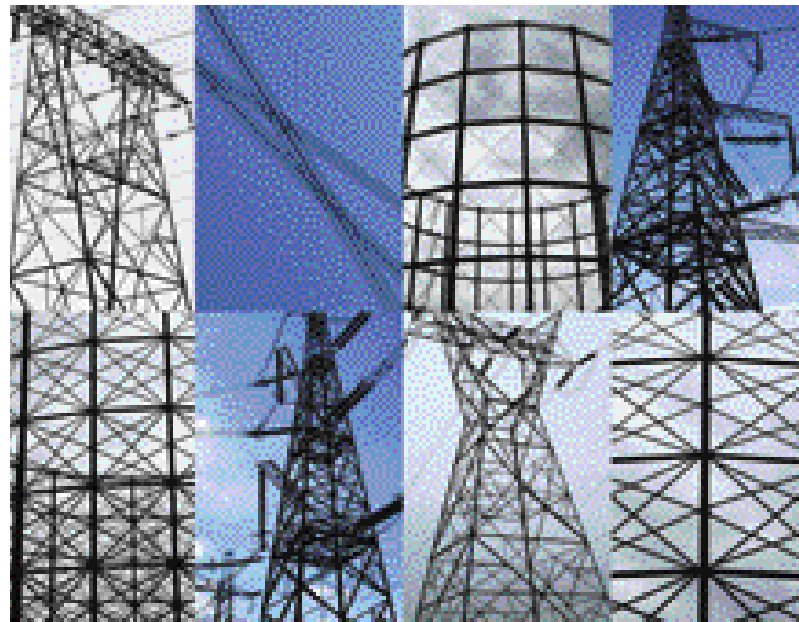
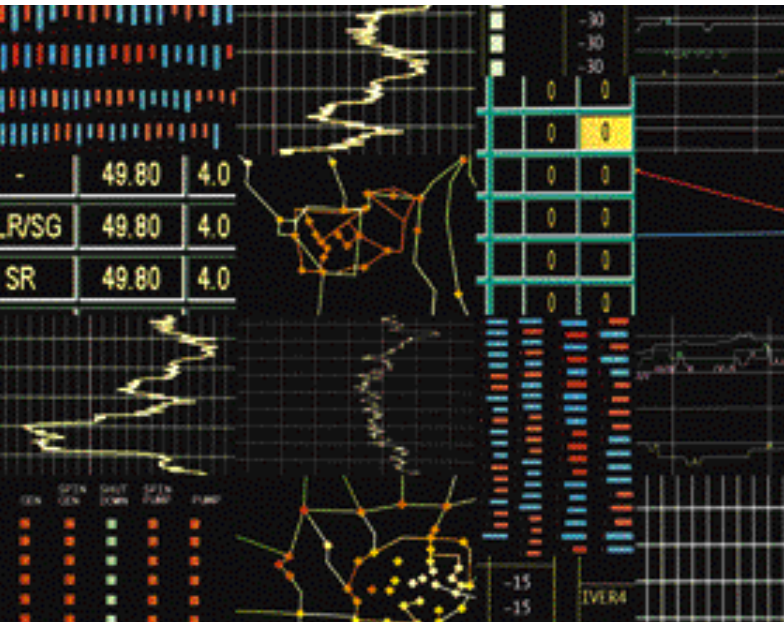


# There's an art to delivering energy



## Group Summary

National Grid Transco is one of the world's largest utilities, focused on delivering energy safely, reliably and efficiently.

We own and operate the high-voltage electricity system in England and Wales and the high pressure gas transmission system in Britain. We also have electricity transmission systems in the northeastern US and manage a range of electricity transmission operations for utilities in the US Midwest.

Our local distribution networks deliver gas to some 21 million homes, offices and factories in Britain. We distribute electricity in the northeastern US to approximately 3.3 million customers and gas in upstate New York to around 560,000 customers.

We also have a number of businesses operating in related areas such as communications infrastructure, metering and interconnectors.

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#### Cautionary Statement

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Because these forward-looking statements are subject to assumptions, risks and uncertainties, actual future results may differ materially from those expressed in or implied by such statements. Many of these assumptions, risks and uncertainties relate to factors that are beyond National Grid Transco's ability to control or estimate precisely, such as delays in obtaining or adverse conditions contained in regulatory approvals, competition and industry restructuring, changes in economic conditions, currency fluctuations, changes in interest and tax rates, changes in energy market prices, changes in historical weather patterns, changes

in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key management, the availability of new acquisition opportunities or the timing and success of future acquisition opportunities. Other factors that could cause actual results to differ materially from those described in this document include the ability to continue to integrate the US and UK businesses acquired by or merged with the Group or to realise expected synergies from such integrations, the failure for any reason to achieve reductions in costs or to achieve operational efficiencies, unseasonable weather impacting on demand for electricity and gas, the behaviour of UK electricity market participants on system balancing, the timing of amendments in prices to shippers in the UK gas market, the performance of National Grid Transco's pension schemes and the regulatory treatment of pension costs, the impact of any potential

separation and disposal by National Grid Transco of any of its UK gas distribution networks and any adverse consequences arising from outages on or otherwise affecting energy networks owned and/or operated by National Grid Transco. For a more detailed description of these assumptions, risks and uncertainties, together with any other risk factors, please see National Grid Transco's filings with the United States Securities and Exchange Commission (and in particular the 'Directors' Report and Operating and Financial Review' section of this document). Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. National Grid Transco does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document.

## Financial Highlights

The strength of our results demonstrates the successful delivery of our strategy and the quality of our overall operational performance in both the UK and US.

Ordinary dividends

19.78p

+15%

On last year

Group turnover

£9,033m

Operating profit

£2,238m

Adjusted\*

£1,862m

Basic

\* Excludes impact of exceptional items and goodwill amortisation

Net cash inflow from operating activities

£3,058m

Adjusted†

£2,810m

Basic

† Excludes impact of exceptional items

Earnings per share

34.7p

Adjusted\*

35.8p

Basic

\* Excludes impact of exceptional items and goodwill amortisation

