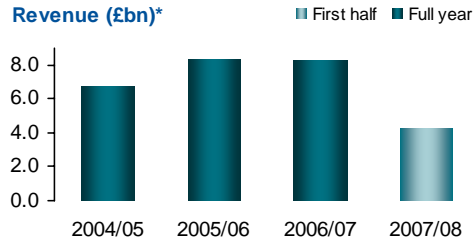


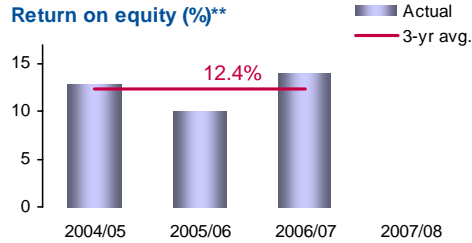
# Financial results



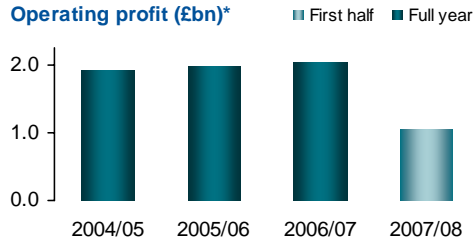
## Revenue (£bn)\*



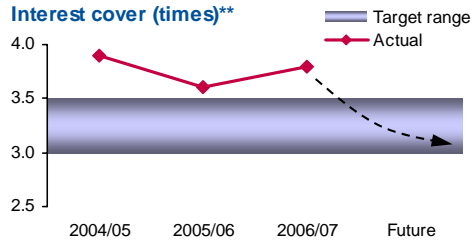
## Return on equity (%)\*\*



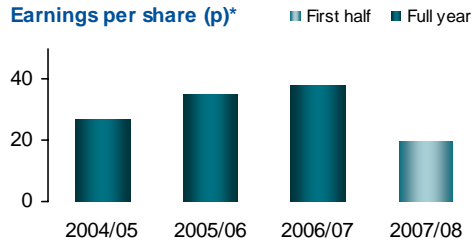
## Operating profit (£bn)\*



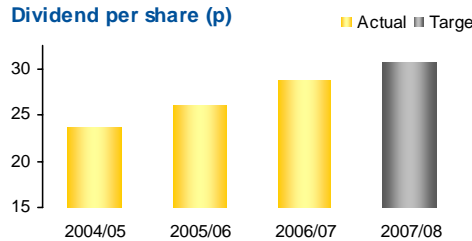
## Interest cover (times)\*\*



## Earnings per share (p)\*



## Dividend per share (p)



\* Measured on a business performance basis, excluding US stranded cost recoveries. Business performance results are the primary financial performance measure used by National Grid, being the results for continuing operations before exceptional items and remeasurements. Remeasurements are movements in the carrying value of financial instruments and of commodity contracts that arise from changes in mark-to-market values or in exchange rates and are reflected in the income statement to the extent that hedge accounting is not achieved or is not fully effective.  
 \*\* Full calculation details can be found at [www.nationalgrid.com/corporate/investor-relations](http://www.nationalgrid.com/corporate/investor-relations)

### Contacts

David Rees +44 (0)20 7004 3170  
 david.rees@ngrid.com  
 George Laskaris +1 718 403 2526  
 george.laskaris@us.ngrid.com  
 Richard Smith +44 (0)20 7004 3172  
 richard.smith@ngrid.com  
 James Waite +44 (0)20 7004 3171  
 james.waite@ngrid.com

### FURTHER INFORMATION:

Additional National Grid documents, presentations and webcasts including:

- US investor seminar – October 2007
- General investor pack
- Half year report for FY2007/08
- Preliminary results for FY2006/07
- Annual Report & Accounts 2006/07

can be found on the National Grid website at:  
[www.nationalgrid.com/corporate/investor-relations](http://www.nationalgrid.com/corporate/investor-relations)

### CAUTIONARY STATEMENT

Unless otherwise stated, all financial data of National Grid contained in this document is as reported under IFRS. 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. These statements include information with respect to National Grid's financial condition, National Grid's results of operations and businesses, strategy, plans and objectives. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "will", "continue", "project" and similar expressions, as well as statements in the future tense, identify forward-looking statements. These forward-looking statements are not guarantees of National Grid's future performance and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements. Many of these assumptions, risks and uncertainties relate to factors that are beyond National Grid's ability to control or estimate precisely, such as delays in obtaining, or adverse conditions contained in, regulatory approvals and contractual consents, unseasonable weather affecting the demand for electricity and gas, 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, the impact of changes to accounting standards and technological developments. Other factors that could cause actual future results to differ materially from those described in this document include the ability to integrate the businesses relating to announced or recently completed acquisitions with National Grid's existing business to realise the expected synergies from such integration, the availability of new acquisition opportunities and the timing and success of future acquisition opportunities, the timing and success or other impact of the sales of National Grid's non-core businesses, the failure for any reason to achieve reductions in costs or to achieve operational efficiencies, the failure to retain key management, 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's pension schemes and the regulatory treatment of pension costs, and any adverse consequences arising from outages on or otherwise affecting energy networks, including gas pipelines owned or operated by National Grid. For a more detailed description of some of these assumptions, risks and uncertainties, together with any other risk factors, please see National Grid's filings with and submissions to the US Securities and Exchange Commission (the "SEC") (and in particular the "Risk Factors" and "Operating and Financial Review" sections in its most recent Annual Report on Form 20-F). Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward-looking statements. The effects of these factors are difficult to predict. New factors emerge from time to time and National Grid cannot assess the potential impact of any such factor on its activities or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

# Investor information



## Our strategy

### More focused

- on the electricity and gas sector
- on our priority markets in the UK and US
- on the ownership and operation of large scale asset intensive businesses.

### More integrated

- Unique global operating model
- Driving performance and value by fully integrating our operations
- Standardising practices and processes across the organisation

### More disciplined

- Maintaining an efficient balance sheet
- Returning surplus cash to shareholders.

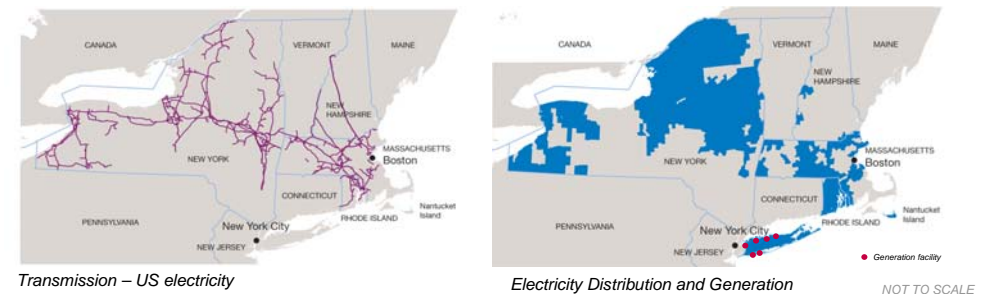
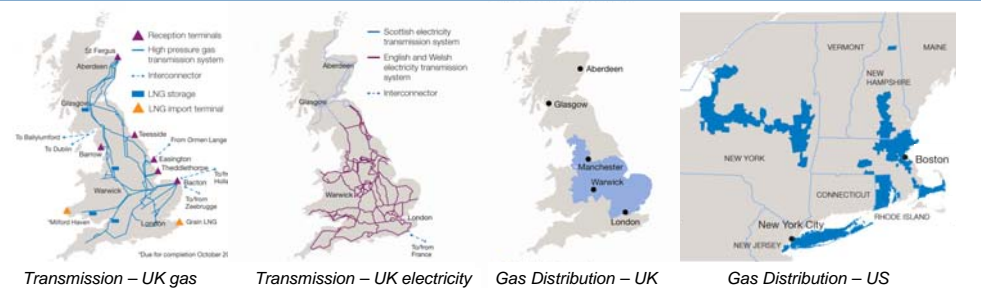
*"we have good regulatory settlements"*

*"we have a quality management team"*

*"we have size and scale"*

*"we have growth through investment"*

*"we have a unique global operating model"*



## Regulatory and financial stability...

~95% of our activities\* are regulated...

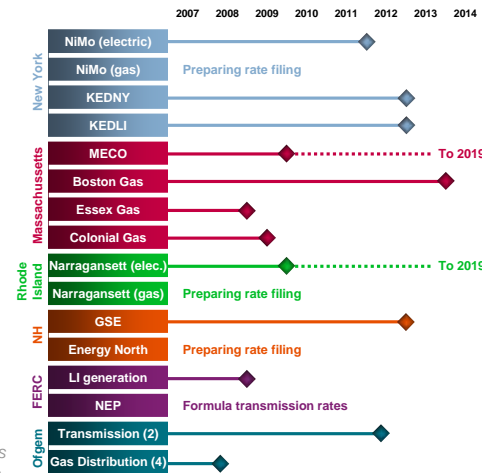
- ◆ Remainder under long term contracts
- ◆ ~50/50 UK/US\*\*

Low currency risk...

- ◆ Natural debt hedge – we invest in dollars where we earn dollars
- ◆ Impact of a +/- 10c change in US\$:
  - ◆ up to +/- ~£20m earnings\*\*\*

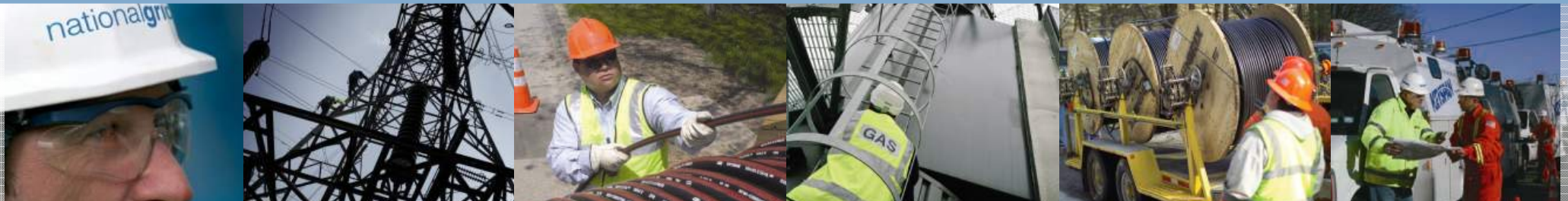
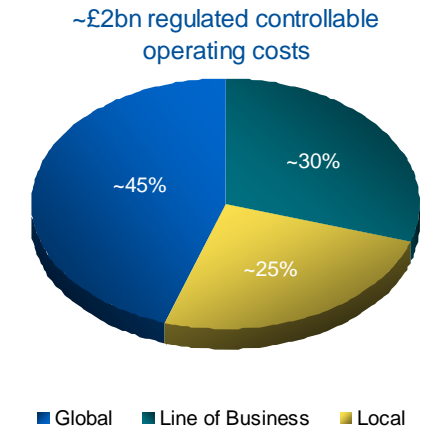
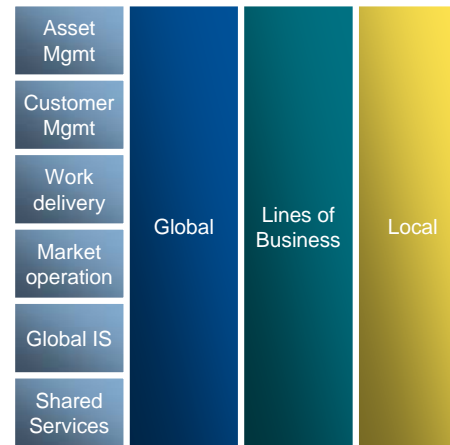
Strong financial position...

- ◆ UK revenues inflation protected
- ◆ Recovery of exogenous costs in the US



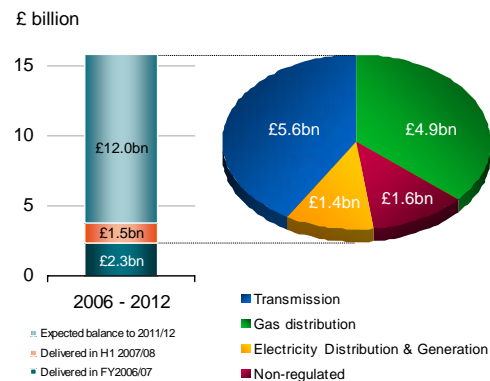
\* By revenue.  
 \*\* Pro forma split using National Grid operating profit for continuing businesses under IFRS (pre exceptionals & remeasurements) and KeySpan operating income under US GAAP.  
 \*\*\* Measured on a business performance basis, including US stranded cost recoveries.

## Global operating model unlocks additional value...



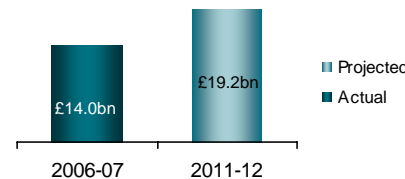
## Growth through investment...

~£16bn of investment through to 2012

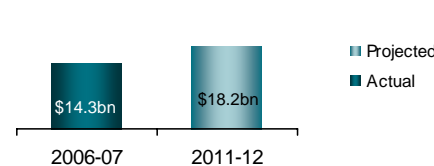


Growing our rate base...

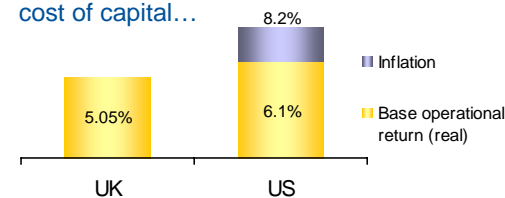
...by over 35% in the UK



...by over 25% in the US



With base operational returns above our cost of capital...



UK regulated:

- ◆ Return on RAV
- ◆ Operational return of 5.05% real

US regulated:

- ◆ Return on rate base – 10.4% RoE at 48% equity
  - ◆ 6% cost of debt
- ◆ Operational return of 8.2% nominal
  - ◆ Equivalent to 6.1% real on a UK basis

## Currently topical...

\$200m+ KeySpan synergy savings

- ◆ Shared 50/50 with customers

Ravenswood disposal

- ◆ Sale agreement expected by the end of Q1 2008

Share buy-back

- ◆ ~£1bn returned as at 14-Nov-07
- ◆ ~£1bn to be returned over the next 6-12 months
- ◆ Return remaining ~\$1.4bn US stranded asset post-tax cashflow

Dividend policy beyond 2008