

Annual Report and Accounts 2007/08



nationalgrid

Highlights

For more information see www.nationalgrid.com

£11,423m

Revenue*

2006/07: £8,695m, up 31.4%

£3,265m

Cash generated from operations*

2006/07: £3,090m, up 5.7%

£2,595m

Adjusted operating profit**

2006/07: £2,031m, up 27.8%

48.0p

Adjusted earnings per share**

2006/07: 38.3p, up 25.3%

£2,964m

Operating profit*

2006/07: £2,513m, up 17.9%

60.5p

Earnings per share*

2006/07: 48.1p, up 25.8%

33.0p

Ordinary dividends

2006/07: 28.7p, up 15%

11.8%

Return on equity

Three year average

£3,053m

Capital expenditure*

2006/07: £2,345m, up 30.2%

22.5%

Percentage of females
in workforce

2006/07: 23.7%

88

Lost time injuries*

2006/07: 97, down 9.3%

38%

Reduction in greenhouse
gas emissions*

2006/07: 35%

KeySpan acquisition

The acquisition of KeySpan, completed in August 2007, has made us the second largest electricity and gas company in the US in terms of customer numbers.

Ravenswood sale

We reached agreement to sell our 2,480 MW Ravenswood generation station in New York City in March 2008 for \$2.9 billion (£1.4 billion). The sale of Ravenswood was one of the conditions of our KeySpan acquisition.

Non-core disposals

We sold our UK and US wireless businesses in April 2007 and August 2007 respectively and we sold our Basslink interconnector in August 2007. Total proceeds were £3.1 billion.

Climate change

We are continuing to set ourselves challenging targets to safeguard the environment for the future, including raising our commitment to reduce our greenhouse gas emissions from 60% to 80% by 2050.

Important Notice

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. For a description of factors that could affect future results, reference should be made to the full 'Cautionary Statement' on page 192 and the 'Risk Factor' section on pages 95 to 97.

* for continuing operations

† excludes the impact of exceptional items, remeasurements and stranded cost recoveries

+ excludes KeySpan

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