Cautionary statement

This presentation 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 (the Company) financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as ‘aims’, ‘anticipates’, ‘expects’, ‘should’, ‘intends’, ‘plans’, ‘believes’, ‘outlook’, ‘seeks’, ‘estimates’, ‘targets’, ‘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, predict or estimate precisely, such as changes in laws or regulations, including any arising as a result of the United Kingdom’s exit from the European Union, announcements from and decisions by governmental bodies or regulators, including proposals relating to the RIIO-2 price controls as well as increased political and economic uncertainty; the timing of construction and delivery by third parties of new generation projects requiring connection; breaches of, or changes in, environmental, climate change and health and safety laws or regulations, including breaches or other incidents arising from the potentially harmful nature of its activities; network failure or interruption, the inability to carry out critical non network operations and damage to infrastructure, due to adverse weather conditions including the impact of major storms as well as the results of climate change, due to counterparties being unable to deliver physical commodities, or due to the failure of or unauthorised access to or deliberate breaches of National Grid’s IT systems and supporting technology; failure to adequately forecast and respond to disruptions in energy supply; performance against regulatory targets and standards and against National Grid’s peers with the aim of delivering stakeholder expectations regarding costs and efficiency savings, including those related to investment programmes and internal transformation, cost efficiency and remediation plans; and customers and counterparties (including financial institutions) failing to perform their obligations to the Company. Other factors that could cause actual results to differ materially from those described in this announcement include fluctuations in exchange rates, interest rates and commodity price indices; restrictions and conditions (including filing requirements) in National Grid’s borrowing and debt arrangements, funding costs and access to financing; regulatory requirements for the Company to maintain financial resources in certain parts of its business and restrictions on some subsidiaries’ transactions such as paying dividends, lending or levying charges; the delayed timing of recoveries and payments in National Grid’s regulated businesses and whether aspects of its activities are contestable; the funding requirements and performance of National Grid’s pension schemes and other post-retirement benefit schemes; the failure to attract, develop and retain employees with the necessary competencies, including leadership skills, and any significant disputes arising with National Grid’s employees or the breach of laws or regulations by its employees; the failure to respond to market developments, including competition for onshore transmission, the threats and opportunities presented by emerging technology, the failure by the Company to respond to, or meet its own commitments as a leader in relation to, climate change development activities relating to energy transition, including the integration of distributed energy resources; and the need to grow the Company’s business to deliver its strategy, as well as incorrect or unforeseen assumptions or conclusions (including unanticipated costs and liabilities) relating to business development activity. For further details regarding these and other assumptions, risks and uncertainties that may impact National Grid, please read the Strategic Report section and the ‘Risk factors’ on pages 212 to 215 of National Grid’s most recent Annual Report and Accounts. In addition, 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 actual future results to differ materially from those contained in any forward-looking statement. Except as may be required by law or regulation, the Company undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this presentation.
Agenda

Highlights
John Pettigrew

Financial review
Andy Agg

Priorities and outlook
John Pettigrew
Our contribution to net zero by 2050

- New Group target of net zero for own emissions by 2050
  - accelerating previous 80% commitment
- Achieved 68% reduction by March 2019
- Several initiatives to reduce own emissions
- Taking a leading role to influence industry wide transition
Our contribution to net zero by 2050
Actions we are taking

Reducing our own emissions
• Pipeline replacement programme to reduce leakage
• Reducing use of SF6 in electricity networks
• Reducing carbon through low carbon construction

Leading to influence industry-wide energy system decarbonisation
• Electricity System Operator developing plans to operate zero carbon system by 2025
• Proposals to accelerate EV adoption
• Further US customer energy efficiency programmes; renewable gas programmes; hydrogen blending
• European interconnectors
A solid performance in the first half

- Record capital investment on safety, reliability and modernisation of networks
  - supports asset growth at top end of 5-7% range

- Good regulatory progress
  - new rates in place for Massachusetts Electric
  - welcome Ofgem’s ‘mined-to’ position on Hinkley-Seabank
  - RIIO-2 engagement continues with helpful stakeholder feedback

- Cost efficiency programmes remain on track

Underlying results from continuing operations, excluding exceptional items, remeasurements, timing and major storm costs.

Capital investment includes investment in JVs (excluding equity contributions to St William property JV), investment in NG Partners and the acquisition of Geronimo.

Operating profit and capital investment presented at actual exchange rates.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying operating profit</td>
<td>£1,301m</td>
<td>↑ 1%</td>
</tr>
<tr>
<td>HY19:</td>
<td>£1,285m</td>
<td></td>
</tr>
<tr>
<td>Underlying EPS</td>
<td>20.0p</td>
<td>↑ 2%</td>
</tr>
<tr>
<td>HY19:</td>
<td>19.7p</td>
<td></td>
</tr>
<tr>
<td>Capital investment</td>
<td>£2,722m</td>
<td>↑ 28%</td>
</tr>
<tr>
<td>HY19:</td>
<td>£2,130m</td>
<td></td>
</tr>
<tr>
<td>Dividend growth in line with policy</td>
<td>16.57p</td>
<td></td>
</tr>
<tr>
<td>HY19:</td>
<td>16.08p</td>
<td></td>
</tr>
</tbody>
</table>
Safety performance
Focus on continuous improvement

• Overall safety performance remains strong
• Tragic incident in the US
  – comprehensive review underway
• Employee engagement programmes to reinforce positive safety behaviours
Strong reliability performance maintained

• UK power outage a rare and exceptional event
  – we don’t underestimate the disruption and inconvenience it caused

• Our investigation concluded the electricity system operator and transmission network operated as designed

• Continue to work closely with Ofgem and Government

• Well prepared for winter in both the UK and US
US operational performance

- Significant capital investment maintains strong organic growth
  - £1.6bn in the period
  - 80% driven by mandated safety and reliability requirements
  - MRI and Gardenville projects on track
- New rates and frameworks driving improved profitability
  - longer term visibility
  - greater protection against cost pressures
  - incentives to innovate and create value
- Mass Electric rates effective in October
  - five-year inflation-linked settlement

$2.0bn
growing capital investment to maintain safety and reliability

Investment split H1 vs H2

($m)
Consistent delivery in the UK

• Capital investment remains consistent
  – Feeder 9 tunnelling complete under the Humber estuary
    – transports up to 20% of UK’s gas capacity
  – awarding contracts for London Power Tunnels 2

• Cost efficiency programme on track

• Helpful stakeholder feedback on RIIO-2 business plans

• Pleased with ‘minded-to’ position from Ofgem on Hinkley-Seabank
  – will provide more information to support cost estimates
Strong progress for NG Ventures & Other

• Interconnector construction progressing well
  – IFA2: large majority of cable laid and good progress on converter stations
  – NSL: over 650km cable laid so far
  – Viking: EPC contracts awarded and pre-construction work on track

• Completed Geronimo acquisition
  – opportunities for large scale solar and wind projects
Financial review

Andy Agg
Chief Financial Officer
Financial performance highlights

Underlying operating profit

£1,301m  ↑1%

HY19: £1,285m

Underlying EPS

20.0p  ↑2%

HY19: 19.7p

Capital investment

£2,722m  ↑28%

HY19: £2,130m

Dividend growth in line with policy

16.57p

HY19: 16.08p

Underlying results from continuing operations, excluding exceptional items, remeasurements, timing and major storm costs.

Capital investment includes investment in JVs (excluding equity contributions to St William property JV), investment in NG Partners and the acquisition of Geronimo.

Operating profit and capital investment presented at actual exchange rates.
UK Electricity Transmission

Underlying operating profit (£m)

<table>
<thead>
<tr>
<th>HY19</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>556</td>
</tr>
<tr>
<td>Controllable costs</td>
<td>19</td>
</tr>
<tr>
<td>Depreciation &amp; other</td>
<td>(3)</td>
</tr>
</tbody>
</table>

Higher base revenues
- Capital investment broadly in line with last half year
- Expect RoE outperformance to be slightly above 200-300 bps range

Achieved return 13.7%

Capital investment £471m
- FY19: £462m

Underlying results, excluding timing, exceptional items and remeasurements.
UK Gas Transmission

Underlying operating profit (£m)

<table>
<thead>
<tr>
<th></th>
<th>HY19</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>91</td>
<td>(17)</td>
</tr>
<tr>
<td>Depreciation &amp; other</td>
<td>(8)</td>
<td>66</td>
</tr>
</tbody>
</table>

- Lower net revenue driven by reduced capacity charge (Avonmouth)
- Increased capex reflects higher compressor expenditure, offset by reduced Feeder 9 spend
- RoE forecast to be around the allowed level for the full year

Underlying results, excluding timing, exceptional items and remeasurements.
US Regulated

**OUTLOOK**

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieved return</td>
<td>8.8%</td>
</tr>
<tr>
<td>Targeting at least 95% of Allowed RoE</td>
<td></td>
</tr>
</tbody>
</table>

**FY19**

- Underlying operating profit (£m)

<table>
<thead>
<tr>
<th>HY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>431</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>525</td>
</tr>
</tbody>
</table>

- 21 FX
- 97 Net revenue
- (7) Controllable costs
- (20) Depreciation
- 3 Minor storms, bad debt & other

**HY19: £1,177m**

**Capital investment**

**£1,588m**

**Operating profit and capital investment presented at actual exchange rates.**

- Higher revenues from new rate cases and lower storm costs
- Capex driven by higher New York investment and non-recurrence of the Mass Gas labour dispute
NG Ventures

<table>
<thead>
<tr>
<th>Operating profit (£m)</th>
<th>30 Sep 2019</th>
<th>30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metering</td>
<td>81</td>
<td>78</td>
</tr>
<tr>
<td>Grain LNG</td>
<td>39</td>
<td>37</td>
</tr>
<tr>
<td>Interconnectors</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td>Other</td>
<td>(13)</td>
<td>(18)</td>
</tr>
<tr>
<td></td>
<td><strong>128</strong></td>
<td><strong>131</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post tax share of JVs (£m)</th>
<th>HY19</th>
<th>HY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interconnectors¹</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Millennium</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td><strong>25</strong></td>
<td><strong>31</strong></td>
</tr>
</tbody>
</table>

| Total NGV                  | **153** | **162** |

1 Includes Britned and Nemo.

Operating profit, share of joint venture profit after tax and investment presented at actual exchange rates. Underlying results, excluding timing, exceptional items, and remeasurements.

- Increased investment principally reflects Geronimo
- Lower Millennium and NEMO investment offset by higher NSL and IFA2 capex
Other activities

- Operating profit lower than prior year
  - no repeat of legal settlements
- Property operating profit driven by land sales
- Increased profits at St William through sale of units at Prince of Wales Drive and Rickmansworth

<table>
<thead>
<tr>
<th></th>
<th>Six months ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 Sep 2019</td>
<td>30 Sep 2018</td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>46</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Corporate &amp; other</td>
<td>(47)</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>Post tax share of JVs (£m)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St William</td>
<td>11</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>(6)</td>
<td></td>
</tr>
</tbody>
</table>

Operating profit, share of joint venture profit after tax and investment presented at actual exchange rates.
Underlying results, excluding timing, exceptional items and remeasurements.
1 Capital investment includes investment in JVs (excluding equity contributions to St William property JV) and investment in NG Partners.

- Lower capital investment, principally reflecting lower IT expenditure

Operating profit lower than prior year
- no repeat of legal settlements

Property operating profit driven by land sales

Increased profits at St William through sale of units at Prince of Wales Drive and Rickmansworth

Capital investment
£64m
HY19: £126m
### Interest, tax and earnings

<table>
<thead>
<tr>
<th>Finance costs</th>
<th>Underlying effective tax rate</th>
<th>Underlying earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>£553m</td>
<td><strong>13.2%</strong></td>
<td>£685m</td>
</tr>
<tr>
<td>12% higher than HY19</td>
<td>Underlying tax charge: £(99)m</td>
<td>HY19: £662m</td>
</tr>
</tbody>
</table>

- US long-term debt issuances and hybrid buy-back costs, offset by lower RPI
- Effective interest rate of 4.4%
- 610 bps lower than prior year
- US tax settlement in respect of prior periods
- 3,430m weighted average shares
- 20.0p/share

---

1 Excluding joint ventures and associates.
2 Underlying results attributable to equity shareholders.
Underlying results, excluding timing, exceptional items, remeasurements and major storm costs.

---

Half Year Results 2019/20  November 2019
**Cash flow and net debt**

<table>
<thead>
<tr>
<th>£m</th>
<th>30 Sept 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying operating profit</td>
<td>1,301</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>833</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(28)</td>
</tr>
<tr>
<td>Working capital, timing &amp; other</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td><strong>2,105</strong></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td><strong>(27,833)</strong></td>
</tr>
</tbody>
</table>

**Net debt (£bn)**

- **26.5**
  - 0.5 Net cash inflow¹
  - 1.3 FX and non-cash movements
  - 0.5 IFRS 16 Lease accounting

- **27.8**
  - Opening net debt
  - Closing net debt

---

¹ Includes £2 billion Cadent proceeds received.

Underlying operating profit excludes timing, exceptional items, remeasurements and major storm costs.
Dividend and scrip

• 16.57p, 35% of prior year full-year dividend
• Scrip option to be offered
• Policy to aim to grow dividend at least in line with UK RPI inflation for the foreseeable future

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>42.87p</td>
</tr>
<tr>
<td>FY16</td>
<td>43.34p</td>
</tr>
<tr>
<td>FY17¹</td>
<td>44.27p</td>
</tr>
<tr>
<td>FY18</td>
<td>45.93p</td>
</tr>
<tr>
<td>FY19</td>
<td>47.34p</td>
</tr>
<tr>
<td>HY20</td>
<td>16.57p</td>
</tr>
</tbody>
</table>

¹ Excludes special dividend of 84.375p
Sustainable long-term growth

• Step change in total group capital investment from £3.3bn in FY15 to around £5bn this year

• US regulated
  – 85% capex already funded through rate plans
  – ~8% annual asset growth in the medium term

• UK regulated
  – two-thirds capex spend on asset health in T1
  – slightly higher capex proposed for RIIO-2
  – Ofgem’s feedback expected in the first half of 2020

• NGV and Other
  – FY20 peak year for interconnector investment
  – flexibility of incremental investment in Geronimo

Capital investment by segment (£bn)$

1 Excludes UK Gas Distribution, calculated at constant currency
Efficiently funding growth

• Continued strong growth prospects across the Group

• Growth being funded through
  – mix of debt at attractive rates
  – internally generated cash flows
  – scrip utilisation
  – Cadent proceeds

• Green Financing Framework to support sustainable Group financing

• Balance sheet remains robust

• Expect gearing to remain at around 65%

---

1 Excludes UK Gas Distribution, calculated at constant currency
Summary

• Performance remains on track
• Capital investment has increased
  – supporting asset growth at the top end of 5-7% range in the near term
• Continuing to efficiently fund growth
• Financial position remains strong
Priorities & Outlook

John Pettigrew
Chief Executive
Our pathway to value creation

National Grid has a clear operational focus across the portfolio to deliver for our stakeholders and tackle climate change.

- Customer affordability & experience
- Efficiently maximise safety, reliability and resilience
- Deliver digital, smarter networks
- Enabling decarbonisation
- Invest in diverse talent and evolve our operating model
US priorities & outlook
Addressing downstate New York gas constraint

• Working with all parties to find short and long term solutions
• Decade long plan for incremental gas supply into region
  – large number of investments made to support this
• Took difficult decision to enact connection moratorium to ensure continued safe service for existing 1.8m customers
  – in the short term, connecting 1,100 customer accounts
• Recognise the hardship caused by the moratorium
• Confident will be able to address the issues raised by the Governor
US priorities & outlook
Progress regulatory filings

• Delivering fair and progressive regulation
  – KEDNY/KEDLI rate case settlement
    – requested RoE of 9.65%
    – annual capex of $1.5bn to improve safety and reliability

• Next stage – hearings to be held this winter

• May need to proceed with litigated settlement
  – a common feature in US regulatory settlements, such as in Massachusetts
US priorities & outlook
Regulatory frameworks driving decarbonisation

- Other regulatory priorities to drive decarbonisation of energy system
- Massachusetts grid modernisation plan
  - $50m energy storage proposal, as well as advanced metering and EV infrastructure
- New York $650m AMI proposals
  - PSC order expected later this year
- Rhode Island grid modernisation
  - advanced metering proposal to be filed in early 2020
UK priorities & outlook
Fair regulatory outcome remains key

- Advancing RIIO-2 discussions with draft plans submitted
  - overall financial package remains key
  - continue to believe a fair real CPI RoE is 6.5%
  - mechanisms included to agree funding for future projects if delivered
- Next step: submit final business plans in December
UK priorities & outlook
Deliver further customer benefits

• Driving customer benefits through delivering our digital ambitions
  – ‘ConnectNow’ digital platform for ET customers
  – focus on smaller solar, storage, EV and data centre customers
  – more transparency and easier communication during connection process
NGV priorities & outlook
Interconnectors and renewables the focus

• Continue to successfully deliver interconnector projects
  – IFA2 build completion with commissioning in summer 2020
  – NSL on track to commence operations by the end of 2021
  – expect Viking construction to begin in early 2020

• Geronimo capex plans
  – completing 200MW Crocker wind farm in South Dakota
Summary

• Power and gas networks at the heart of the energy system
  – new net zero greenhouse gas emissions target by 2050

• Confident in addressing issues in New York

• Solid financial performance in the first half
  – continued to deliver strong, efficient organic growth

• Good progress on strategic priorities

• Disciplined approach to attractive growth opportunities
Q&A

John Pettigrew
Chief Executive

Andy Agg
Chief Financial Officer
Appendices
## Appendix 1

### Pensions & other post-retirement benefit obligations (IAS 19 data)

#### At 30 September 2019 (£m)

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>US</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of assets</td>
<td>3,497, 12,729</td>
<td>7,486, 2,807</td>
<td>26,519</td>
</tr>
<tr>
<td>Present value of liabilities</td>
<td>(3,360), (11,778)</td>
<td>(8,357), (4,222)</td>
<td>(27,717)</td>
</tr>
<tr>
<td>Net asset / (liability)</td>
<td>137, 951</td>
<td>(871), (1,415)</td>
<td>(1,198)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(23), (162)</td>
<td>228, 371</td>
<td>414</td>
</tr>
<tr>
<td>Asset / (liability) net of taxation</td>
<td>114, 789</td>
<td>(643), (1,044)</td>
<td>(784)</td>
</tr>
<tr>
<td>Discount rates</td>
<td>1.8%, 1.8%</td>
<td>3.25%, 3.25%</td>
<td></td>
</tr>
</tbody>
</table>

#### At 31 March 2019 (£m)

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>US</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of assets</td>
<td>3,189, 12,318</td>
<td>6,646, 2,640</td>
<td>24,793</td>
</tr>
<tr>
<td>Present value of liabilities</td>
<td>(3,115), (11,161)</td>
<td>(7,155), (3,580)</td>
<td>(25,011)</td>
</tr>
<tr>
<td>Net asset / (liability)</td>
<td>74, 1,157</td>
<td>(509), (940)</td>
<td>(218)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(13), (197)</td>
<td>133, 246</td>
<td>170</td>
</tr>
<tr>
<td>Asset / (liability) net of taxation</td>
<td>61, 960</td>
<td>(376), (694)</td>
<td>(48)</td>
</tr>
<tr>
<td>Discount rates</td>
<td>2.4%, 2.4%</td>
<td>3.95%, 3.95%</td>
<td></td>
</tr>
</tbody>
</table>

1 OPEBs = other post employment benefits
### Appendix 2
Timing impacts

<table>
<thead>
<tr>
<th></th>
<th>UK Electricity Transmission</th>
<th>UK Gas Transmission</th>
<th>US Regulated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2019 opening balance</td>
<td>(118)</td>
<td>59</td>
<td>484</td>
<td>425</td>
</tr>
<tr>
<td>Restatement of opening balance</td>
<td>(118)</td>
<td>59</td>
<td>484</td>
<td>425</td>
</tr>
<tr>
<td>(Under) / over recovery</td>
<td>42</td>
<td>(4)</td>
<td>(251)</td>
<td>(213)</td>
</tr>
<tr>
<td><strong>30 Sept 2019 closing balance to (recover) / return</strong></td>
<td><strong>(76)</strong></td>
<td><strong>55</strong></td>
<td><strong>233</strong></td>
<td><strong>212</strong></td>
</tr>
<tr>
<td>1 April 2018 adjusted opening balance</td>
<td>(50)</td>
<td>102</td>
<td>251</td>
<td>303</td>
</tr>
<tr>
<td>(Under) / over recovery</td>
<td>(25)</td>
<td>(12)</td>
<td>(48)</td>
<td>(85)</td>
</tr>
<tr>
<td><strong>30 Sept 2018 closing balance to (recover) / return</strong></td>
<td><strong>(75)</strong></td>
<td><strong>90</strong></td>
<td><strong>203</strong></td>
<td><strong>218</strong></td>
</tr>
<tr>
<td><strong>Year on year timing variance</strong></td>
<td><strong>67</strong></td>
<td><strong>8</strong></td>
<td><strong>(203)</strong></td>
<td><strong>(128)</strong></td>
</tr>
</tbody>
</table>

1 Constant currency, presented using the average exchange rate for the 6 months to 30 September 2019 ($1.25 to £1.00)

Closing timing balances at actual closing exchange rates for September 2019 and September 2018 were £217m and £209m respectively.
## Appendix 3
Weighted average number of shares

<table>
<thead>
<tr>
<th>For period ended 30 September</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares (millions):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current period opening shares</td>
<td>3,410</td>
<td>3,410</td>
</tr>
<tr>
<td>Scrip dividend shares (weighted issue)</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Other share movements (weighted from issuance/repurchase)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Weighted average number of shares</td>
<td>3,430</td>
<td>3,367</td>
</tr>
<tr>
<td>Underlying earnings (£m) - continuing operations</td>
<td>685</td>
<td>662</td>
</tr>
<tr>
<td>Underlying EPS - continuing operations</td>
<td>20.0p</td>
<td>19.7p</td>
</tr>
</tbody>
</table>

Underlying earnings represent statutory results excluding exceptional items, remeasurements, timing and major storms.