**Group financial summary (excluding timing) Half year ended 30 September**

<table>
<thead>
<tr>
<th>OPERATING PROFIT</th>
<th>DIVIDEND PER SHARE</th>
<th>EARNINGS PER SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1.4bn</td>
<td>15.49p</td>
<td>20.4p</td>
</tr>
</tbody>
</table>

**Financial highlights**
- Adjusted operating profit, excluding timing up 4% to £1.4bn (statutory operating profit at £1.3bn)
- Adjusted EPS of 18.5p, including adverse timing of 1.9p (statutory EPS of 19.5p)
- Capital investment of £2.0bn, up 7% (4% at constant currency)
- Interim dividend of 15.49p per share, up 2.1%, in line with policy
- £3.6bn from Gas Distribution sale returned via special dividend and ongoing share buybacks
- Strong balance sheet maintained
- Full year outlook reiterated; financial performance weighted to the second half due to US seasonality

**Capital Investment**
Continued to make significant investment across the UK and the US in the first six months of 2017/18

- **UK Electricity Transmission** £157m
- **UK Gas Transmission** £157m
- **US Regulated** £1,095m (-7%)
- **NG Ventures & Other** £233m

*Including investment in joint ventures, excluding St William (£9m)*

**Regular US rate filings to support improved performance**
- **FERC**
  - Formula Rates
- **MA Gas**
  - Rhode Island Filings planned in November 2017
  - Rate base March 2017
- **MA Electric**
  - New rates October 2016
- **KEDNY/KEDLI**
  - New rates January 2017
- **Niagara Mohawk**
  - Filed April 2017

- ~70% of US Rate Base to be operating under new rates by April 2018
- Targeting 90% of allowed returns in 2017/18

**Outlook**
- Overall Group performance is anticipated to remain in line with the expectations set out at the full year results announcement in May 2017.
- Capital investment is expected to increase to over £4 billion driven by increased workload agreed under the new rate agreements in the US, together with higher asset health investment in our UK Transmission businesses and further investment in NG Ventures and Other.

---

1. "Adjusted results" are given on an adjusted basis for our continuing operations, at actual exchange rates. This and a number of other terms and performance measures used in this document are not defined within accounting standards and may be applied differently by other organisations.
2. Capital investment includes investment in JVs, excluding equity contributions to St William property JV.
Business performance in detail

**UK Electricity Transmission**

- **Operating Profit**
  - £542m
  - -22%
  - HY17: £697m

  - **Expected year on year movement in returns**
  - 

  - H1 operating profit decrease due to expected price control model adjustments (MOD) and timing
  - Reduced other incentive opportunity from BSIS
  - Expect continued good level of returns outperformance

**UK Gas Transmission**

- **Operating Profit**
  - £126m
  - -21%
  - HY17: £159m

  - **Expected year on year movement in returns**
  - 

  - H1 operating profit decrease due to adverse timing not wholly offset by MOD increases to revenue
  - Returns to be around the allowed level as legacy allowances end
  - Avonmouth MOD adjustment of £85m expected in FY2018/19 - no impact on returns and RAV

**US Regulated**

- **Operating Profit**
  - £433m flat
  - 2017/18 average allowed returns target
  - 90%
  - HY17: £435m

  - **2017/18 average allowed returns target**
  - 

  - H1 operating profit flat; increased revenue from new rates and favourable currency offset by adverse timing
  - IFRS operating profit excluding timing expected to increase 7% per year on average for the medium term from 2016/17
  - US profitability significantly weighted to H2

**NG Ventures**

- **Operating Profit**
  - £132m
  - HY17: £138m

  - **JV’s POST TAX SHARE**
  - £24m
  - HY17: £34m

  - **2017/18 average allowed returns target**
  - 

  - FY2017/18 operating profit contribution from NGV is expected to be in line with last year

**Other activities**

- **Operating Profit**
  - £26m
  - HY17: £13m

  - **JV’s POST TAX SHARE**
  - £51m
  - HY17: £68m

  - **2017/18 average allowed returns target**
  - 

  - Lower Cadent contribution due to the expected reduction in base allowed revenues and adverse timing
  - £15m shareholder loan interest income recognised through the interest line rather than the JV line

**NOTE**

Adjusted performance, excluding exceptional items and remeasurements. All numbers include impact of timing and calculated at constant currency

---

**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 21A of the Securities Act of 1933 as amended, and Section 27A of the Exchange Act of 1934, as amended. These statements include information with respect to National Grid’s 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”, “continues”, “projects” and similar expressions as well as statements about the uncertainties inherent in forward-looking statements. Furthermore, this document, which is provided for information only, does not constitute any forward-looking statements to the extent that it contains statements that are forward-looking in nature. National Grid’s fiscal year ends on 30 September of each year. National Grid’s results for interim four-month periods are not comparable to results for comparable interim periods and results of prior years as a result of changes in accounting standards and recent changes in tax legislation. Financial information is available online at www.nationalgrid.com or from Capital Registers. Except as may be required by law or regulation, National Grid undertakes no obligation to update any statements forward-looking statements, which speaks only as of the date of this document. The content of any website referenced herein does not form part of this document.

**Further information**

Aarti Singhal
Director of Investor Relations
T: +44 (0) 20 7004 3170
M: +44 (0) 7989 904447
aarti.singhal@nationalgrid.com

Will Jackson
Senior Investor Relations Officer
T: +44 (0) 20 7004 3166
M: +44 (0) 7584 206678
will.jackson@nationalgrid.com

Tom Edwards
Investor Relations Officer
T: +44 (0) 20 7004 3480
M: +44 (0) 7979 952791
tom.edwards@nationalgrid.com

Caroline Dawson
Investor Relations Manager
T: +44 (0) 20 7004 3172
M: +44 (0) 7789 273241
caroline.dawson@nationalgrid.com

Peter Kennedy
Investor Relations Assistant Manager
T: +44 (0) 20 7004 3169
M: +44 (0) 7969 200994
peter.kennedy@nationalgrid.com

National Grid plc
1-3 Strand
London WC2N 5EH
United Kingdom
www.nationalgrid.com