Moody’s interest cover for 17/18 was 4.4x, comfortably above our minimum target of 3x, which we believe is consistent with single A range credit ratings for our main UK/US operating companies.

<table>
<thead>
<tr>
<th>FFO / Adjusted Debt</th>
<th>RCF / Adjusted Debt (continuing)</th>
<th>Committed Facilities¹ at 31 March 2018</th>
<th>Average debt maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.4%</td>
<td>10.6%</td>
<td>£5.4bn</td>
<td>~11 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FFO Interest Cover</th>
<th>Gearing (RAV / rate base)</th>
<th>64%</th>
</tr>
</thead>
</table>

Group credit rating metrics within current ratings of the Group
• FFO interest > 3x
• RCF/adjusted debt > 9%
This year our RCF:Debt metric was calculated excluding the impact of residual cash flows following the UK Gas Distribution sale (now Cadent). Including these cashflows the metric was 9.7%

FY16/17 reported metrics were:
• FFO/Adjusted Debt 23.3%
• FFO Interest Cover 5.0x
• RCF/Adjusted Debt 14.9%
• Gearing (RAV / rate base) 65%²

¹. Available for liquidity purposes
². Adjusted for NGSD disposal

Debt issuance
On average, National Grid expects to issue £2-3bn of long-term debt each year, to fund capital expenditure and to refinance maturing debt. External debt is raised by our operating companies, intermediate holding companies and by the Group parent company, National Grid plc. The vast majority of our debt is raised in the capital markets. We also maintain some long-term bank borrowings.

We can access multiple debt markets at any one time. As a result we benefit from flexibility, with access to the best value funding available. Debt can also be issued in any one of multiple currencies. Derivatives are used to manage the ultimate liability into sterling or US dollars.

Interest rates
We seek to minimise the total interest rate charges to the Group, whilst maintaining a balanced and diversified portfolio of interest rate exposures. We manage our interest rate exposures by utilising fixed, floating and RPI-linked debt, interest rate swaps and forward rate agreements.

Interest rate profile
Borrowings and associated financing derivatives¹ (at 31 March 2018)

- RPI-linked 28%
- Fixed rate 55%
- Floating rate 17%

£26bn

1. Excludes cash and investments

Exchange rates
As a partial currency hedge of our investment in US businesses, US Dollar borrowings and derivatives are employed to maintain net US dollar debt liabilities at approximately $25bn (as at 31 March 2018). As a result, net debt varies with GBP/USD exchange rates.

Currency profile
Ultimate liability, not currency of issue² (at 31 March 2018)

- £ Sterling 27%
- $ US Dollar 73%

2. Includes associated financing derivatives and excludes cash and investments
National Grid long term debt maturity profile

Data as at 31 March 2018, GBP/USD exchange rate 1.4033, Hybrid bond maturities to first call date

£m equivalent

3,000

2,500

2,000

1,500

1,000

500

0


- National Grid plc / NGGF
- National Grid Gas Group
- National Grid Electricity Transmission
- National Grid USA / National Grid North America
- US OpCo’s
- Grain LNG

Group debt issuing companies credit ratings

We have credit ratings from at least two agencies for all of our current debt issuing companies.

National Grid plc
Moody’s / S&P / Fitch
Baa1 / BBB+ / BB+

National Grid North America Inc
Baa1 / BBB+ / -

National Grid Gas plc
A3 / A / A

National Grid Electricity Transmission plc
A3 / A / A

National Grid USA
Baa1 / BBB+ / -

National Grid Grain LNG Ltd
and other non-regulated activities

Niagara Mohawk Power Corporation
A2 / A / -

Massachusetts Electric Company
A3 / A / -

New England Power Company
A3 / A / -

The Narragansett Gas Company
A3 / A / -

The Brooklyn Union Gas Company (KEDNY)
A2 / A / -

Key Span Gas East Corporation (KEDLI)
A2 / A / -

Colonial Gas Company
A3 / A / -

Boston Gas Company
A3 / A / -

National Grid Generation LLC
Baa1 / A / -

Holding Company

Operating Company

Weighted average long term debt maturity

<table>
<thead>
<tr>
<th>Years</th>
<th>National Grid plc and NGGF Finance</th>
<th>National Grid Gas Group</th>
<th>National Grid Electricity Transmission</th>
<th>US Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>12</td>
<td>13</td>
<td>12</td>
</tr>
</tbody>
</table>

Currency profile of issuance

$ US Dollar 42%
€ Euro 15%
£ Sterling 3%
Other 3%

Note: Gross borrowings at 31 March 2018 excluding associated derivatives and cash and investments

Further information

Aarti Singhal
Director of Investor Relations
T +44 (0) 20 7004 5170
M +44 (0) 7989 492447
aarti.singhal@nationalgrid.com

Will Jackson
Senior Investor Relations Officer
T +44 (0) 20 7004 3166
M +44 (0) 7394 206576
will.jackson@nationalgrid.com

Tom Edwards
Investor Relations Officer
T +44 (0) 20 7004 3480
M +44 (0) 7976 962791
tom.edwards@nationalgrid.com

James Flanagan
Investor Relations Manager (US)
T +44 (0) 20 7004 3129
M +44 (0) 7970 778952
james.flanagan2@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) 7966 200094
peter.kennedy@nationalgrid.com

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

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