2010/11

national**grid**

Annual Report and Accounts

Company Highlights

Company highlights

We have delivered another year of solid financial performance across all our businesses. Cash generated from operations was more than £4.8 billion, while adjusted operating profit and adjusted earnings per share increased by 15% and 4% respectively.





(ii) The 2009/10 dividend has been rebased for the effect of the rights issue

Our financial results are reported in sterling. The average exchange rate, as detailed on page 54, was \$1.57 to \pounds 1 in 2010/11 compared with the average rate of \$1.58 to \pounds 1 in 2009/10. Except as otherwise noted, the figures in this Report are stated in sterling or US dollars. All references to dollars or \$ are to the US currency.



Cash generated from continuing operations 4,372



Capital expenditure including joint ventures £m

۶m



in April 2013. Our rights issue was completed successfully last year, receiving approximately 94.2% subscription

We have continued to increase our capital

year, including joint ventures.

investment, having delivered £3.6 billion this

In the US, we have been through a period of intense regulatory activity as we have come to the end of several long-term fixed rate plans.

Two major filing outcomes this year were for our Massachusetts gas companies and the

Niagara Mohawk electricity business.

In the UK, we remain positive about the

proposed new system of regulation, RIIO (revenue = incentives + innovation + outputs),which will be used in price controls for UK Transmission and UK Gas Distribution starting

from qualifying shareholders. Recognising that our customers and regulators are looking for something more closely tuned to their local needs, and to help drive business performance, on 4 April 2011 we reshaped our organisational structure and moved from a global

line of business model to a regional model.

Segmental reporting

The performance of our principal businesses is reported by segment, reflecting the management responsibilities and economic characteristics of each activity.

Throughout the year ended 31 March 2011, the management structure was as described on page 23. Throughout this report, the following colours are used to indicate references to a particular segment:

- Transmission
- Gas Distribution
- Electricity Distribution & Generation

Activities which do not fall within these segments are reported separately and are identified thus:

Non-regulated businesses and other activities

Discussion relating to the Company as a whole is identified thus:

Company activities

In next year's Annual Report and Accounts, and in subsequent years, we will report by new segments, as described on page 22, reflecting the revised management structure.



Non-regulated businesses and other

Geographical analysis 2010/11 Continuing operations

Business analysis 2010/11 Continuing operations



■ LIK US

Note: US revenue includes commodity price element which does not contribute to profit



* Negative figure indicates that cash and short-term financial investments exceed debt maturities