

PRESS RELEASE

23 March 2018 – 8 a.m.

Elia has decided to acquire an additional 20% stake in German transmission system operator 50Hertz

REGULATED INFORMATION – INSIDE INFORMATION

- Elia has decided to exercise its pre-emption right and to increase its share in Eurogrid, the holding company above 50Hertz, from 60% to 80%
- The transaction will allow further strengthening collaboration and a stronger partnership between Elia and 50Hertz forming the Elia Group as a leading group of transmission system operators (TSOs) in Europe.
- The transaction price amounts to € 976.5 million¹ and can be financed via 70% hybrid and 30% senior debt issuance.
- The transaction will benefit to the shareholders and will not affect the transmission tariffs for end consumers, which are regulated in Belgium and Germany respectively.
- Elia confirms its commitment to deliver its planned investments in grid infrastructure in Belgium and Germany needed to support the energy transition in Europe.
- Elia will be entitled to fully consolidate 50Hertz after the transaction.

BRUSSELS/BERLIN - Elia System Operator SA/NV ('Elia'), the Belgian transmission system operator, has decided to exercise its pre-emption right to acquire an additional 20% stake in Eurogrid International SCRL ('Eurogrid'), the holding company above the German TSO 50Hertz Transmission GmbH ('50Hertz'). Through this transaction, Elia will own 80% of Eurogrid. The additional stake will reinforce Elia's position as a leading TSO in Europe and strengthen the Elia Group with the two affiliated TSOs in Belgium and in Germany in supporting the energy transition in Europe and the concerned countries. After the transaction, Elia will continue to have a strong focus on both Germany and Belgium by fully implementing previously agreed CAPEX-plans valued at € 2.3 billion in Belgium and € 3.3 billion in Germany over the next five years. Elia's rating is not expected to be impacted by the transaction.

Elia decided to exercise its pre-emption right after the Australian infrastructure fund IFM Investors notified its intention on 2 February 2018 to sell half of its 40% shareholding in Eurogrid. After purchasing the stakes, Elia will own 80% of Eurogrid and IFM will retain the remaining 20% stake. Elia looks forward to continue the successful collaboration with IFM.

¹ IFM is entitled to interests from 31/12/2017 until closing

For further information please contact:

Investor Relations: Yannick Dekoninck | +32 47 890 13 16 | investor.relations@elia.be
Corporate communications: Kathleen Iwens | +32 478 66 45 55 | kathleen.iwens@elia.be



The price amounts to € 976.5 million and will be fully financed via 70% hybrid and 30% senior debt issuance. The transaction will be immediately accretive to Elia's earnings. Following the transaction, Elia will also be entitled to fully consolidate 50Hertz. Elia's pro-format financial statements, prepared based on the 31 December 2017 reported figures and restated with the acquisition and the full consolidation of Eurogrid, would reflect total assets of € 12,702 million, revenues of € 2,185 million, EBITDA of € 839 million and normalised profit of € 253 million.

50Hertz is one of the four German transmission system operators. In 2010, Elia acquired a 60% stake from Vattenfall for an enterprise value of € 486 million. Since then, 50Hertz' EBITDA has grown with a CAGR of 13% and today it represents the fastest growing part of the Elia Group. This growth is mainly driven by high investments in grid infrastructure to achieve the German Energiewende, which is leading the country to generate a very significant amount of green energy.

The closing of the transaction is subject to approval by the relevant authorities and is expected to be finalised in the second quarter of 2018. Bank of America Merrill Lynch acted as financial advisor to Elia.

Chris Peeters, CEO Elia Group:

We are excited about consolidating our position in 50Hertz and look forward to supporting its management in the company's next growth phase. The transaction will enable us to strengthen the collaboration between Elia in Belgium and 50Hertz in Germany and underscores our ambition to be a leading group of transmission system operators in Europe.

Bernard Gustin, Chairman of the Board of Elia Group:

Exercising our pre-emption right will add value by increasing our share in the assets in two different countries facing specific challenges in achieving the energy transition. The transaction enhances our critical knowledge to realise a reliable, sustainable, affordable, integrated power system and will not impact the tariffs for the end consumer, which are regulated in the respective countries.

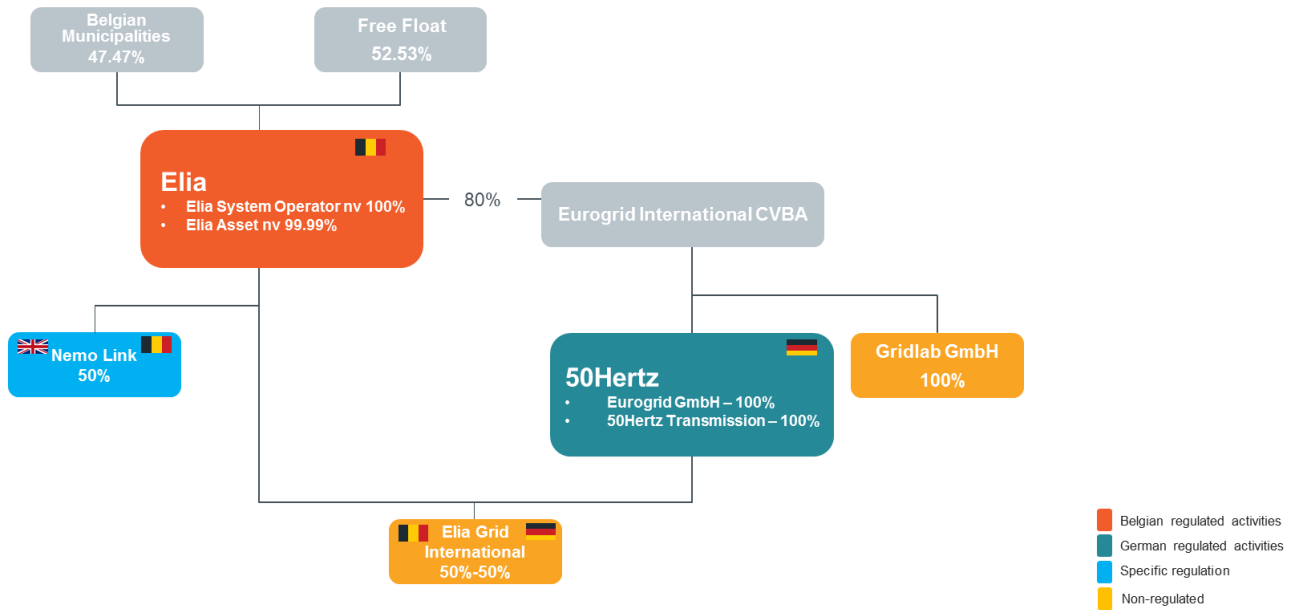
Boris Schucht, CEO of 50Hertz:

We welcome the decision by our majority shareholder Elia to exercise its pre-emption right. This is a strong signal to bring the energy transition forward in Germany as well as in Europe. Over the past eight years, we have always had an excellent understanding with Elia. Our companies have collaborated on many strategic projects and we leveraged our specific know-how, integrating high amounts of renewable energy, enhancing cross border collaboration and connecting offshore wind farms to the grid. We look forward to further intensifying this collaboration.

The Elia Group will host a conference call for institutional investors and analysts on 23 March 2018 at 10:00 a.m. CET. For dial-in details and webcast links, please visit our website (<http://www.eliagroup.eu>).



Elia Group structure after closing of the transaction:



About the Elia Group

ONE OF EUROPE'S TOP FIVE PLAYERS

The Elia Group is active in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. With subsidiaries in Belgium (Elia) and north-east Germany (50Hertz), we operate 18,600 km of high-voltage connections. As such, our group is one of Europe's top 5. With a reliability level of 99.999%, we give society a robust power grid, which is important for socio-economic prosperity. We also aspire to be a catalyst for a successful energy transition towards a reliable, sustainable and affordable energy system.

WE MAKE THE ENERGY TRANSITION HAPPEN

By expanding international high-voltage connections and integrating ever-increasing amounts of renewable energy production, the Elia Group promotes both the integration of the European energy market and the decarbonisation of our society. The Elia Group is also innovating its operational systems and developing market products so that new technologies and market parties can access our grid, thus making the energy transition happen.

Headquarters

Elia System Operator
Boulevard de l'Empereur 20
1000 Brussels – Belgium

50Hertz GmbH
Heidestraße 2
D-10557 Berlin – Germany



IN THE INTEREST OF SOCIETY

As a key player in the energy system, the Elia Group is committed to working in the interest of society. We respond to the rapidly changing energy mix, i.e. the increase in renewable energy, and constantly adapt our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. When we carry out our projects, we manage stakeholders proactively by establishing two-way communication with all affected parties very early on in the development process. We also offer our expertise to our sector and relevant authorities to build the energy system of the future.

INTERNATIONAL FOCUS

In addition to its activities as a transmission system operator, the Elia Group provides various consulting services to international customers through its subsidiary Elia Grid International (EGI). Elia is also part of the Nemo Link consortium that is building the first subsea electrical interconnector between Belgium and the UK.

The Group operates under the legal entity Elia System Operator, a listed company whose core shareholder is the municipal holding company Publi-T.

www.elia.be/www.eliagroup.eu