

PRESS RELEASE

26 August 2011

Elia's half-yearly results in line with expectations; new initiatives to promote the integration of the European electricity market and the development of offshore grids

- ***Elia publishes good half-yearly results; investments as planned; net book value per share of €32.90.***
- ***Successful connection of first offshore wind farm and re-financing of a long-term credit facility worth €350 million in Germany.***
- ***Elia Group acquires a stake in the Atlantic Wind Connection offshore project for the east coast of the USA in July 2011***
- ***Eurogrid International signs a cooperation agreement with 3E, CG Holdings, CMI, DEME Blue Energy and SAG to jointly position themselves on the market for the development of offshore grids.***

1. IFRS key figures

Consolidated results of the Elia Group for the first six months of 2011, as per the International Financial Reporting Standards (IFRS):

Consolidated results (millions €)	30 June 2011	30 June 2010	Difference (%)
Revenue	610.6	412.3	48.1%
REBITDA	217.0	186.7	16.2%
EBITDA	217.0	470.7	-53.9%
Operating profit (REBIT)	146.6	132.5	10.6%
Operating profit, including non-recurring items (EBIT)	146.6	416.5	-64.8%
Finance result	(64.8)	(60.4)	7.3%
Income taxes	(21.0)	(13.8)	52.2%
Basic earnings, including non-recurrent items (attributable to the Owners of the Company)	61.4	340.2	-82.0%
Basic earnings, excluding non-recurrent items (attributable to the Owners of the Company)	61.4	56.2	9.3%
Basic earnings, including non-recurrent items, per share (€)	1.02	5.64	-81.9%
Basic earnings, excluding non-recurrent items, per share (€)	1.02	0.93	9.6%
Balance sheet (in million €)	30 June 2011	31 December 2010	Difference (%)
Total assets	5,900.2	5,904.0	-0.1%
Equity, attributable to the Owners of the Company	1,984.5	2,007.2	-1.1%
Net financial debt	2,422.2	2,551.04	-5.1%
Equity per share (€)	32.9	36.8	-10.6%
Number of shares (end of period)	60,355,217	60,355,217	0.0%
Weighted average number of shares (end of period)	60,355,217	54,549,957	10.6%

EBITDA = EBIT + depreciation / amortization + changes in provisions

REBITDA = recurring EBITDA (excluding one-off items)

The Elia Group's **consolidated revenue** as at 30 June 2011 was positively influenced (up 48.1%) by the acquisition of 60% of 50Hertz, which has now been consolidated for six months instead of just for one month in the results of the first half of 2010.

The **considerable drop in EBITDA, EBIT and net profit** including non-recurring items (down 53.9%, 64.8% and 82.0% respectively) is a consequence of the one-off profit (gain on bargain purchase) of €284 million recorded in the first half of 2010 as a result of the acquisition of 50Hertz. A better basis for comparison would be changes to the REBITDA, REBIT and net profit excluding non-recurring items: these increased by 16.2%, 10.6% and 9.3% respectively.

Net finance costs rose by 7.3%, primarily due to 50Hertz in Germany. For the first half of 2011, six months of finance costs for a 10-year Eurobond worth €500 million (placed in October 2010) have been recorded, while in the first half of 2010, just one month's costs were consolidated for a short-term bridging loan of €350 million.

More information about the financial performance of Elia's two TSO activities (Elia Transmission in Belgium and 50Hertz Transmission in Germany) can be found later in the press release, in the separate segment reporting.

Shareholders' equity for the Group declined slightly compared with 31 December 2010, falling 1.1% from €2,007.2 million to €1,984.5 million. The main reasons for this development were:

- retention of the earnings for the first half of the year (€61.4 million);
- decreased by the payment of a dividend of €84.5 million for 2010.

Given the number of shares at the end of the period, the book value has remained more or less stable at €32.90 per share.

The Group's **net financial debt** fell by €129.2 million or 5.1% because:

- the net financial debt for 50Hertz Transmission (Germany) was significantly better, principally due to the repayment of prefinancing with regard to EEG¹ for 2010 and the extra contributions with regard to RE obligations for 2011. Bearing in mind that the Elia Group has a 60% stake in 50Hertz, this led to a decrease of €189.4 million in the Elia Group's net financial debt;
- the net financial debt for Elia Transmission (Belgium) increased by €60.2 million mainly as a result of interest payments on Eurobonds worth €2 billion and a dividend payment, all of which fall in the first half of the year.

1.A. Segment reporting for Elia Transmission (Belgium)

The results of Elia Transmission for its TSO activities in Belgium in the first six months of 2011, as per the International Financial Reporting Standards (IFRS):

Consolidated results (in million €)	30 June 2011	30 June 2010	Difference (%)
Revenue	399.0	371.1	7.5%
EBITDA	178.0	166.5	6.9%
Operating profit (EBIT)	126.0	116.2	8.5%
Net finance costs	(58.4)	(60.4)	-3.3%
Income taxes	(15.8)	(9.1)	73.6%
Basic earnings, attributable to the Owners of the Company	52.5	44.6	17.7%
Balance sheet (in million €)	30 June 2011	31 December 2010	Difference (%)
Total assets	4,677.4	4,796.8	-2.5%
Net financial debt	2,445.4	2,385.2	2.5%

EBITDA = EBIT + depreciation / amortisation + changes in provisions

REBITDA = recurring EBITDA (excluding one-off items)

Financial (IFRS)

Elia Transmission's revenue in the first half of 2011 was 7.5% higher than for the same period in 2010. The table hereafter provides more details of changes in the various revenue components.

¹ EEG is the German support mechanism with regard to renewable energy by which the transmission system operator has the obligation to pay the "feed-in" tariff to the generator of renewable energy and sell that energy on the German energy exchange; the difference between "feed-in" and selling price being compensated via a monthly levy approved by the authorities. The entire mechanism is neutral with regard to net benefit.

Detail revenue (in million €)	30 June 2011	30 June 2010	Difference (%)
Grid connection revenue	17.3	16.9	2.4%
Grid use revenue	277.3	267.8	3.5%
Revenues from the reversal of surpluses from previous years (decision by the regulator)	11.1	0.4	-
Ancillary services revenue	54.7	57.3	-4.5%
International revenue	11.9	14.3	-16.8%
Other revenue	20.3	22.0	-7.7%
<i>Subtotal revenue</i>	392.6	378.7	3.7%
Deviations from approved budget (settlement mechanism)	6.5	(7.6)	-
Total revenue	399.0	371.1	7.5%

Grid connection revenue rose by 2.4%, mainly due to an increase in the number of new connections for industrial customers in the first half of 2011 compared with 2010.

The 3.5% increase in **grid use revenue** is a result of greater imbalances between injection and offtake, which were passed on to customers.

Ancillary services revenue dropped by 4.5%, chiefly because of lower offtake from the Elia grid by distribution system operators. This was a result of both milder temperatures and increasing decentralised and renewable power production.

International revenue fell by €2.4 million (or 16.8%), mainly due to the smooth functioning of market coupling between the Benelux countries, France and Germany.

The €1.7 million decrease in **other revenue** (down 7.7%) is primarily a result of the deconsolidation of the stake in Belpex, which was sold to APX in late 2010.

The operating result in the first half of the year was €6.5 million less than the **budget approved** by CREG as regards non-controllable costs and revenue, principally because of lower auction revenue from international transmission capacity (€12.2 million), internally-produced assets (€4.2 million) and greater decommissioning of assets (€1.4 million). This was partly offset by lower corporate income tax (€2.5 million), lower net finance costs (€4.0 million) and higher tariff sales (€4.3 million), mainly due to revenue from balancing services on the grid. This discrepancy will change depending on the positive or negative differences in the second half of the year.

The increases in the **EBITDA** (up 6.9%) and the **EBIT** (up 8.5%) compared with the first half of 2010 are mainly a result of higher fair remuneration due to the increase of interest on 10-year Belgian bonds from 3.55% to 4.15% on average (€4.8 million), as well as a one-off negative decision by CREG regarding 2009 (€4.9 million before taxes) that was recorded in the first half of 2010.

Net **finance** costs fell by 3.3%, mainly because of higher financial costs in the first half of 2010 as a result of the bridge loan for the capital increase of June 2010, which was performed for the acquisition of 60% of 50Hertz. These costs were not passed on to Belgian consumers.

The **consolidated IFRS net profit** of €52.5 million as at 30 June 2011 consists of the following items:

- Fair remuneration on regulated assets €32.6 million
- Decommissioning of fixed assets €8.6 million
- Additional savings €2.8 million
- Management of unregulated participations €(0.5) million
- IFRS adjustments €9.0 million

Consolidated IFRS profit was up €7.9 million (17.7%) compared with 30 June 2010, the main reasons being:

- Increase in regulated profit due to higher OLO €4.8 million
- Less decommissioning of fixed assets €(0.2) million
- Less additional savings and revenue €(3.2) million
- One-off costs in 2010 (CREG decision, capital increase, acquisition of 50Hertz) €9.1 million
- Decrease in IFRS adjustments €(2.6) million

Total assets fell by 2.5% to €4,677.4 million, mainly due to the dividend payment in May 2011. This was partly offset by the retained earnings for the first half of 2011.

Net financial debt increased by 2.5% or €60.2 million, primarily as a result of the aforementioned dividend payment in May 2011 and the interest payments on €2 billion of Eurobonds, which were all realised in the first half of the year.

Operational

The **net offtake** of electricity from the Elia grid, at 37.4 TWh, was 3.6% down during the same period in 2010, when it stood at 38.8 TWh. This decrease was visible in the figures for both large industrial customers (down 2.7%), who account for approximately 25% of revenue, and residential customers and SMEs connected to distribution grids (down 3.9%), who account for around 75% of revenue. The main reasons for this development are the considerable increase in decentralised and renewable power production and cost-cutting measures. The milder temperatures experienced in January and February also influenced the situation where residential customers are concerned.

While Belgium was still a net exporter of electricity (0.2 TWh) in the first half of 2010, it was a **net importer** (2.5 TWh) by the first half of 2011, with most imports coming from France.

Investments

To meet grid users' requirements, Elia invested €46.3 million in the first half of 2011, mainly in upgrading high-voltage substations and laying high-voltage cables.

1.B. Segment reporting for 50Hertz Transmission (Germany)

Financial (IFRS)

The results of 50Hertz Transmission, consolidated on the level of Eurogrid International, were included in the consolidated Elia Group IFRS figures at 60% proportional consolidation. Since 50Hertz was acquired on 19 May 2010, only the month of June was included in the result for the first half of 2010.

For the sake of transparency and comparability, the pro forma figures for the first six months of 2010 (also 60%) are reported using the International Financial Reporting Standards (IFRS) as a basis.

Results 50Hertz Transmission (Germany) (in million €) 60% proportional consolidation	30 June 2011 6 months	30 June 2010 1 month	Difference (%)	PRO FORMA 30 June 2010 6 months²
Revenue	211.9	41.3	413.1%	250.6
REBITDA	39.0	20.4	91.2%	81.0
EBITDA	39.0	304.4	-87.2%	365.0
Operating profit (REBIT)	20.5	16.4	25.0%	58.5
Operating profit, including non-recurring items (EBIT)	20.5	300.4	-93.2%	342.5
Net finance costs	(6.4)	0.0		(5.9)
Income taxes	(5.2)	(4.7)	10.6%	(15.2)
Basic earnings, including non-recurring items, attributable to the Owners of the Company	9.0	295.7	-97.0%	321.4
Basic earnings, excluding non-recurring items, attributable to the Owners of the Company	9.0	11.8	-23.7%	37.4
Balance sheet (in million €)	30 June 2011	31 December 2010	Difference (%)	
Total assets	1,501.8	1,386.8	8.3%	-
Net financial debt	(23.2)	166.3	-114.0%	-

EBITDA = EBIT + depreciation / amortisation + changes in provisions

REBITDA = recurring EBITDA (excluding one-off items)

² Not audited

The **significant increases in revenue** (up 413.1%), **REBITDA** (up 91.2%) and **REBIT** (up 25%) are primarily due to the fact that 50Hertz was consolidated for all six months of the first half of 2011, compared to just one month in the first half of 2010.

Conversely, the **considerable drop in the EBITDA, the EBIT and basic earnings** including non-recurring items (down 87.2%, 93.2% and 97.0% respectively) is a consequence of the one-off profit (gain on bargain purchase) of €284 million that was recorded in the first half of 2010 due to the acquisition of 50Hertz. The **pro forma figures for the first half of 2010** (shown in the last column of the table) are a **better basis for comparison**.

These figures show that **revenue has fallen**, due to a decrease in auction revenue from the undersea cable between Germany and Denmark (down €9.2 million) and less revenue from imbalances in the 50Hertz grid that are passed on to customers.

The main reasons for the drop in the **REBITDA, the REBIT and recurring basic earnings** in the first half of 2011 are lower auction revenue in 2011 compared with 2010 (a difference of €9.2 million, see above), corrections by the regulator BNetzA (€5.4 million), IFRS adjustments (€5.2 million), a final arrangement regarding volumes of 2010 (€2.5 million), a settlement between transmission system operators as regards 2010 (€1.5 million) and higher operating costs, which were partially due to the effects of the nuclear moratorium.

However, the **results for the first half of the year should not be extrapolated** to calculate the projected result for the year given the season-dependent and volatile nature of transmission activities, which means that some costs (e.g. maintenance costs) cannot be spread out evenly over the year.

The **net financial debt** improved significantly and even became a net cash position at the end of June 2011. As at 30 June 2011, 50Hertz Transmission (Germany) had a long-term structural debt of €500 million (Eurobond) and a cash position of €470.4 million. The main reasons for the considerable decrease in the net financial debt in Germany were the repayment of the prefinancing with regard to RE obligations for 2010 and the extra payments with regard to RE obligations in 2011. Moreover, Eurogrid International had a cash position of €64.3 million (due to the dividend received from Germany in the first half of the year), which brought the total cash position for the German segment to €534.7 million.

The 8.3% rise in total assets can mainly be attributed to the increase in liquidity resulting from a significant repayment of the prefinancing with regard to RE obligations for 2010.

Operational

In the first half of 2011, a net capacity of 46.6 TWh was taken off 50Hertz Transmission's grid. This meant that the net offtake of electricity was similar to that of the same period in 2010 (46.8 TWh).

Investments

To meet the needs of grid users, 50Hertz Transmission invested €67.0 million in the first half of the year, mainly in finalising the Baltic 1 offshore wind farm in the Baltic Sea (€26.3 million) and in its onshore projects at Wolmirstedt (€9 million), the transmission control centre (€2.5 million) and the South-West high-voltage connection (€9.1 million).

2. Significant events in the first half of 2011

380 kV connection between Gramme and Achêne back in service

The 380 kV connection between Gramme and Achêne has been back in service since the morning of Saturday, 23 April 2011. It was damaged during a devastating storm on 14 July 2010 and had been replaced by a backup line ever since. Work to restore the connection was completed ahead of schedule.

Renewal of directorships for 14 members of the Board of Directors

The Extraordinary General Meeting of Shareholders of 13 January 2011 approved an amendment to the articles of association that increased the number of directors from 12 to 14, of whom half have the status of independent director. Elia's Board of Directors then co-opted two new directors. Ms Miriam Maes was co-opted as an independent director following a favourable opinion from CREG and Mr Steve Stevaert will represent core shareholder Publi-T from now on. Elia's General Meeting of Shareholders of 10 May confirmed these appointments. The 14 directorships (seven independent and seven non-independent directors), which expired on the date of the General Meeting, were renewed for a six-year term that will come to an end at the General Meeting of May 2017.

Daniel Dobbeni re-elected as President of ENTSO-E

Daniel Dobbeni was re-elected as President of ENTSO-E for another two years on 28 June 2011. ENTSO-E, which was created two years ago, is the association of European system operators and represents 41 transmission system operators from 34 European countries.

New financing agreement for Eurogrid

On Tuesday, 14 June 2011, Eurogrid GmbH, the holding company created by Elia and IFM for the acquisition of 50Hertz, concluded a five-year financing agreement worth €350 million with a consortium of 11 German and foreign banks. This more advantageous contract replaces the contract concluded between Eurogrid GmbH and a smaller consortium of banks within the framework of the acquisition of 50Hertz.

Chancellor Merkel opens Germany's first offshore wind farm

German Federal Chancellor Angela Merkel opened Germany's first commercial offshore wind farm on 30 April. Baltic 1 is located in the Baltic Sea, some 16 km from the coast, and is connected to the grid of Elia's subsidiary 50Hertz Transmission. The wind farm has 21 wind turbines and a total capacity of 50 megawatts. The connection of the wind farm to 50Hertz's grid went off successfully, despite difficult weather conditions during the cold spell of late 2010. This project means that the Elia Group's expertise is now unique in Europe and will contribute to developments in the North Sea.

Inauguration of 50Hertz's new transmission control centre (TCC)

50Hertz's new Transmission Control Centre, which is located in Neuenhagen, just outside Berlin, was officially inaugurated on 27 June 2011. The inauguration was attended by European Commissioner for Energy Günther Oettinger and state secretary for the German Federal Ministry of Economics and Technology Jochen Homann.

Launch of the project "Greening European transportation infrastructure for electric vehicles"

The project "Greening European transportation infrastructure for electric vehicles" was launched in Copenhagen on 16 June. Elia is part of a consortium of which the members include transmission system operators (Elia and Austrian TSO Verbund), industrial partners, public services and NGOs that set up the project. The project aims to research the opportunities and requirements for developing the infrastructure needed to support sustainable use of electric vehicles. As part of the project, Elia will investigate market mechanisms to allow integration of electric vehicles and their aggregators. This project is the first to be placed in the new category of "decarbonising infrastructure projects" by the European Commission's DG MOVE. A subsidy of €4.95 million is being awarded to the project within the framework of the Trans-European Transport Network programme. It will run for two and a half years and should produce a technological roadmap for developing infrastructure for carbon-free transport with electric vehicles.

The Elia Group acquires a stake in the Atlantic Wind Connection offshore project for the east coast of the USA

On 22 July 2011, Eurogrid International, in which Elia has a 60% stake, joined partners Google, Marubeni, Good Energies and Atlantic Grid Investments (AGI) in the Atlantic Wind Connection project. Atlantic Wind Connection aims to develop the first high-voltage DC offshore grid in the USA, which should make it possible to integrate up to 7,000 MW of offshore wind power into the grids of New Jersey, Delaware, Maryland and Virginia. Eurogrid International acquired a strategic minority stake of 10% in the first segment of the project and a minority stake of 5% in the four other segments. At the same time, it concluded a long-term consultancy services agreement with Atlantic Grid Development (AGD), the developer of the AWC project.

Cooperation agreement between Eurogrid International, 3E, CG Holdings, CMI, DEME Blue Energy and SAG

In August 2011, Eurogrid International (60% owned by Elia, 40% owned by Investment Fund Management), 3E, CG Holdings, CMI, DEME Blue Energy and SAG signed a cooperation agreement to jointly position themselves on the market for the development of offshore grids in the European Union. These seven companies are all active in the field of electricity transport (with activities including system management, system development, financing, system installation and maintenance and/or production of renewable energy) and are taking another step in their commitment to bring together their different skills and strengths with a view to actively contributing to the development of offshore grids in the future, more specifically in the North Sea, the Baltic Sea, the English Channel, the Celtic Sea and the Irish Sea.

3. Outlook

Since the 2011 results depend on parameters that will only be announced in late 2011 (such as the inflation figure for December 2011) or that can only be calculated at that time (such as the average Belgian 10-year interest rate, the beta of the Elia share and the total investment amount for Eurogrid and 50Hertz), no specific profit forecasts can be provided for the year as a whole.

As required by law, Elia submitted a new tariff proposal for 2012-2015 to CREG, the Belgian federal regulator, at the end of June. The proposal will be negotiated further in the coming months and CREG is expected to reach its final decision by December 2011 at the latest.

4. Declarations by responsible persons

Chairman of the Executive Committee and Chief Executive Officer Daniel Dobbeni and Chief Financial Officer Jan Gesquière declare that to the best of their knowledge:

- a) the interim condensed consolidated financial statements, which have been prepared in accordance with the International Financial Reporting Standards (IFRS), give a true and fair view of the equity, financial position and results of the Elia Group and the companies within its scope of consolidation;
- b) the interim report gives a faithful presentation of the information that must be contained therein.

5. Auditor's report

The full report is contained in section 2.11 of the annex.

6. Financial calendar

<i>Nine-month interim information for 2011</i>	<i>15 November 2011</i>
<i>Publication of 2011 annual results</i>	<i>29 February 2012</i>
<i>Publication of annual report 2011</i>	<i>early April 2012</i>
<i>General meeting of shareholders</i>	<i>8 May 2012</i>
<i>Three-month interim information for 2012</i>	<i>mid-May 2012</i>
<i>Payment of dividend for 2011</i>	<i>late May 2012</i>

About Elia:

Elia is the Belgian transmission system operator, transmitting electricity efficiently, reliably and securely from producers to distribution system operators and major industrial users. Elia is responsible for importing and exporting electricity from and to neighbouring countries. Elia owns the entire Belgian very high voltage grid (150 to 380 kV) and some 94% (ownership and user rights) of the Belgian high-voltage grid (30 to 70 kV). The Elia grid comprises 5,608 km of overhead lines and 2,775 km of underground connections and is a key link between electricity markets in northern and southern Europe. It also links Belgian producers and consumers. Belgium's recent investment in interconnection capacity with its neighbours makes it one of the most open and interconnected grids in Europe. Elia has expanded its activities on a broader European level and, following its acquisition in May 2010 of German TSO 50Hertz and in cooperation with Industry Funds Management (IFM), is now one of the top five transmission system operators in Europe.

For further information, please contact:

Media:

Lise Mulpas	+32 2 546 73 75	+32 478 65 28 90	lise.mulpas@elia.be
Eva Suls	+32 2 546 73 78	+32 477 48 80 09	eva.suls@elia.be

Investor relations:

Bert Maes	+32 2 546 72 39	+32 472 40 69 97	bert.maes@elia.be
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Website: this press release and its annexes are available on the website www.elia.be

Annex:

Condensed interim financial statements:

- Condensed consolidated statement of financial position
- Condensed consolidated income statement
- Condensed consolidated statement of comprehensive income
- Condensed consolidated statement of changes of equity
- Condensed consolidated statement of cash flows
- Notes on the interim financial information

ANNEX

1. Condensed interim financial statements

1.1. Condensed consolidated statement of financial position (30 June 2011 – 31 December 2010)

(in million €)	30 June 2011	31 December 2010
Assets		
Non-current assets	5,013.9	4,994.1
Property, plant and equipment	3,030.0	3,010.9
Intangible assets	1,751.7	1,751.1
Trade and other receivables	117.1	114.7
Investments in equity-accounted investees	29.9	29.2
Other financial assets (including derivatives)	81.0	79.5
Deferred tax assets	4.2	8.7
Current assets	886.3	909.9
Inventories	14.9	14.5
Trade and other receivables	410.3	513.8
Income tax receivable	5.9	6.3
Cash and cash equivalents	443.5	366.0
Deferred charges and accrued revenues	11.7	9.3
Total assets	5,900.2	5,904.0
Equity and liabilities	-	-
Equity	1,984.5	2,007.2
Equity attributable to owners of the Company	1,984.5	2,007.2
Share capital	1,500.6	1,500.6
Share premium	8.5	8.5
Reserves	67.6	51.4
Hedging reserve	(15.7)	(20.7)
Retained earnings	423.5	467.4
Non-controlling interest	0.0	0.0
Non-controlling interest	0.0	0.0
Non-current liabilities	3,156.9	3,211.0
Loans and borrowings	2,865.7	2,917.3
Employee benefits	106.0	103.8
Derivatives	23.8	31.4
Provisions	45.8	44.6
Deferred tax liabilities	94.7	93.3
Other liabilities	20.9	20.6
Current liabilities	758.8	685.8
Loans and borrowings	0.0	0.1
Provisions	43.9	43.6
Trade and other payables	434.7	448.8
Income tax payables	8.7	14.0
Accruals and deferred income	271.5	179.3
Total equity and liabilities	5,900.2	5,904.0

1.2. Condensed consolidated income statement (30 June 2011 – 30 June 2010)

(in million €)	30 June 2011	30 June 2010
Continuing operations		
Revenue	555.9	384.9
Cost of sales	(3.5)	(3.0)
Gross profit	552.4	381.9
Other income	54.7	27.4
Services and other goods	(302.5)	(150.0)
Personnel expenses	(79.4)	(60.5)
Depreciation, amortisation, impairment and changes in provisions	(70.4)	(54.2)
Other expenses	(8.3)	(12.1)
Results from operating activities, before non-recurring items (REBIT)	146.5	132.5
Gain on bargain purchase	0.0	290.1
Non-recurring services and other goods	0.0	(6.1)
Results from operating activities (EBIT)	146.5	416.5
Net finance costs	(64.8)	(60.4)
Finance income	7.0	7.7
Finance costs	(71.8)	(68.1)
Share of profit of equity accounted investees (net income tax)	0.7	(1.9)
Profit before income tax	82.4	354.2
Income tax expense	(21.0)	(13.8)
Profit from continuing operations	61.4	340.4
Profit for the period	61.4	340.4
Profit attributable to:		
Owners of the Company	61.4	340.2
Non-controlling interest	0.0	0.2
Profit for the period	61.4	340.4
Earnings per share (€)		
Basic earnings per share	1.02	5.64
Diluted earnings per share	1.02	5.64

1.3. Condensed consolidated statement of comprehensive income (30 June 2011 – 30 June 2010)

(in million €)	30 June 2011	30 June 2010
Profit for the period	61.4	340.4
Other comprehensive income		
Effective portion of changes in fair value of cash flow hedges	7.5	(12.4)
Tax on effective portion of changes in fair value of cash flow hedges	(2.5)	4.2
Defined benefit plan actuarial gains and losses	(7.1)	21.7
Tax on defined benefit plan actuarial gains and losses	2.4	(7.4)
Other comprehensive income for the period, net of income tax	0.3	6.1
Total comprehensive income for the period	61.7	346.5
Profit attributable to:		
Owners of the Company	61.7	346.3
Non-controlling interest	0.0	0.2
Total comprehensive income for the period	61.7	346.5

1.4. Condensed consolidated statement of changes of equity (30 June 2011 – 30 June 2010)

(in million €)	Share capital	Share premium	Hedging reserve	Retained earnings	Total	Non controlling interests	Total equity
Balance at 1 January 2010	1,207.3	8.5	(18.7)	168.2	1,365.4	1.7	1,367.1
Profit for the period				340.3	340.3	0.2	340.5
Other comprehensive income			(8.2)	14.3	6.1		6.1
Total comprehensive income	0.0	0.0	(8.2)	354.6	346.4	0.2	346.6
Retained earnings Eurogrid GmbH at acquisition date	-			(1.6)	(1.6)		(1.6)
Shares issued	299.7				299.7	0.0	299.7
Costs of shares issued	(6.0)				(6.0)		(6.0)
Dividends				(66.6)	(66.6)		(66.6)
Balance at 30 June 2010	1,501.0	8.5	(26.9)	454.6	1,937.3	1.9	1,939.2
Balance at 1 January 2011	1,500.6	8.5	(20.7)	518.8	2,007.3		2,007.3
Profit for the period				61.4	61.4	0.0	61.4
Other comprehensive income			5.0	(4.7)	0.3		0.3
Total comprehensive income	0.0	0.0	5.0	56.7	61.7	0.0	61.7
Dividends				(84.5)	(84.5)		(84.5)
Balance at 30 June 2011	1,500.6	8.5	(15.7)	491.0	1,984.5	0.0	1,984.5

1.5. Condensed consolidated statement of cash flows (30 June 2011– 30 June 2010)

(in million €)	30 June 2011	30 June 2010
Cash flows from operating activities		
Profit for the period	61.4	56.7
<i>Adjustments for:</i>		
Net finance costs	67.7	60.3
Income tax expense	15.2	9.1
Share of profit of equity accounted investees, net of tax	(0.7)	1.9
Depreciation of property, plant and equipment and amortisation of intangible assets	69.1	54.0
Disposal/sale of property, plant and equipment	10.1	3.3
Impairment losses of current assets	7.1	0.7
Change in provisions	(4.4)	(6.7)
Change in fair value of derivatives	0.4	0.0
Change in deferred taxes	5.8	4.9
Changes in fair value of financial assets through income	(0.1)	(0.1)
Change in non-cash items	0.0	0.1
Cash flow from operating activities	231.6	184.2
Change in inventories	(0.7)	0.5
Change in trade and other receivables	92.5	16.1
Change in other current assets	0.7	(0.1)
Change in trade and other payables	73.3	22.4
Change in other current liabilities	0.1	(52.5)
Changes in working capital	165.9	(13.6)
Interest paid	(122.7)	(64.9)
Income tax paid	(20.2)	(5.1)
Net cash from operating activities	254.7	100.6
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(96.3)	(59.2)
Acquisition of subsidiary net of cash acquired	0.0	(150.4)
Proceeds from sales of investments	0.1	0.0
Interest received	3.5	4.3
Net cash used in investing activities	(92.7)	(205.3)
Cash flow from financing activities		
Proceeds from issue share capital	0.0	299.7
Expenses related to issue share capital	0.0	(6.0)
Dividends paid (-)	(84.5)	(66.6)
Repayment of borrowings (-)	0.0	0.0
Proceeds from withdrawal borrowings (+)	0.0	0.0
Minority interest	0.0	0.0
Net cash flow from (used in) financing activities	(84.5)	227.1
Net increase (decrease) in cash and cash equivalents	77.5	122.4
Cash & Cash equivalents at 1 January	365.9	174.6
Cash & Cash equivalents at 30 June	443.4	297.0
Net variations in cash & cash equivalents	77.5	122.4

2. Notes on the interim financial information

2.1. General information

Elia System Operator SA/NV (hereinafter "the company" or "Elia") is established in Belgium, having its head office at Boulevard de l'Empereur 20, B-1000 Brussels. The company's consolidated financial statements for the financial year 2010 include the financial statements for the company and its subsidiaries (hereinafter referred to as "the Group") and the Group's interests in joint ventures and associated companies.

Elia's core activity is managing, maintaining and developing very-high-voltage grids (380 kV, 220 kV and 150 kV) and high-voltage grids. It is responsible for transmitting electricity from power producers in Belgium, Germany or elsewhere in Europe to customers, particularly distributors and major industrial users.

This condensed consolidated interim financial report of the Company for the six months to 30 June 2011 contains the balance sheet and income statement of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in associated companies and jointly controlled entities.

The condensed consolidated interim financial statements were approved by the Board of Directors of Elia System Operator SA/NV on 25 August 2011.

2.2. Basis for preparation of the financial statements

The consolidated interim financial report for the first half of 2011, including the comparative figures for 2010, has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 on Interim Financial Reporting, issued by the IASB and approved by the European Union.

The same financial reporting policies and valuation rules were used to prepare the interim consolidated financial statements as were used to prepare the consolidated financial statements for the year ending 31 December 2010. No new standards, amendments or interpretations were applied ahead of time. For more information, please refer to section 1.6, "Significant accounting policies", of the financial part of the annual report for 2010.

2.3. Scope of consolidation

Company	30 June 2011	31 December 2010
<i>Parent company:</i>		
- Elia System Operator SA/NV	Full	Full
<i>Subsidiaries:</i>		
- Elia Asset SA/NV	Full	Full
- Elia Engineering SA/NV	Full	Full
- Elia Re SA	Full	Full
<i>Joint ventures:</i>		
- Eurogrid International CVBA	Proportionate	Proportionate
- Eurogrid GmbH	Proportionate	Proportionate
- 50Hertz Transmission GmbH	Proportionate	Proportionate
- 50Hertz Offshore GmbH	Proportionate	Proportionate
- Gridlab GmbH	Proportionate	Proportionate
<i>Associates:</i>		
- HGRT SAS	Equity	Equity
- Coreso SA/NV	Equity	Equity
- APX-ENDEX bv	Equity	Equity
- CASC-CWE SA/NV	Cost price	Cost price

No changes have been made to the scope of consolidation in 2011. However, the acquisition of 50Hertz was completed in May 2010. The altered scope of consolidation in 2010 means that some figures as at 30 June 2011 cannot be compared with those from 2010:

Consolidated income statement: the current period includes six months' result from all companies in the Elia Group, whereas figures for the financial year 2010 only include one month's result from 50Hertz Transmission Germany. Given that the acquisition of 50Hertz was not completed until May 2010, the consolidated income statement and the consolidated statement of cash flows as at 30 June 2010 only incorporate 50Hertz's results for June 2010 into the Elia Group's consolidated results, including the one-off profit resulting from gain on bargain purchase (see the consolidated financial statements for 2010 for a detailed description).

2.4. Seasonal fluctuations

The Group's profit profile follows a seasonal pattern, primarily due to the higher volumes of electricity consumed during the winter which have to be transmitted by the system operator from power producers to distributors and large industrial customers.

2.5. Segment reporting

2.5.1. Elia Transmission (Belgium)

Consolidated results (in million €)	30 June 2011	30 June 2010
Revenue	399.0	371.1
Depreciation, amortisation, impairment and changes in provisions	(52.0)	(50.2)
EBITDA	178.0	166.5
Operating profit (EBIT)	126.0	116.2
Finance income	4.9	7.8
Finance costs	(63.3)	(68.2)
Income taxes	(15.8)	(9.1)
Basic earnings, attributable to the Owners of the Company	52.5	44.6
Balance sheet (in million €)	30 June 2011	31 December 2010
Total assets	4,677.4	4,796.8
Capital expenditures	46.3	113.9
Net financial debt	2,445.4	2,385.2

EBITDA = EBIT + depreciation / amortisation + changes in provisions

REBITDA = recurring EBITDA (excluding one-off items)

2.5.2. 50Hertz Transmission (Germany)

Results 50Hertz Transmission (Germany) (in million €) 60% proportional consolidation	30 June 2011	30 June 2010
Revenue	211.9	41.3
Depreciation, amortisation, impairment and changes in provisions	(18.5)	(4.0)
REBITDA	39.0	20.4
EBITDA	39.0	304.4
Operating profit (REBIT)	20.5	16.4
Operating profit, including non-recurring items (EBIT)	20.5	300.4
Finance income	2.1	0.1
Finance costs	(8.4)	(0.6)
Income taxes	(5.2)	(4.7)
Basic earnings, including non-recurring items, attributable to the Owners of the Company	9.0	295.7
Basic earnings, excluding non-recurring items, attributable to the Owners of the Company	9.0	11.8
Balance sheet (in million €)	30 June 2011	31 December 2010
Total assets	1,501.8	1,386.8
Capital expenditures	40.2	107.5
Net financial debt	(23.2)	166.3

2.5.3. Reconciliation segment reporting

Consolidated results (in million €)	30 June 2011			
	Elia Transmission (Belgium)	50Hertz Transmission (Germany)	Consolidation entries	Elia Group
Revenue	399.0	211.9	(0.3)	610.6
Depreciation, amortisation, impairment and changes in provisions	(52.0)	(18.5)	0.1	(70.4)
REBITDA	178.0	39.0	0.0	217.0
EBITDA	178.0	39.0	0.0	217.0
Operating profit (REBIT)	126.0	20.5	0.1	146.6
Operating profit, including non-recurring items (EBIT)	126.0	20.5	0.1	146.6
Finance income	4.9	2.1	0.0	7.0
Finance costs	(63.3)	(8.4)	(0.1)	(71.8)
Income taxes	(15.8)	(5.2)	0.0	(21.0)
Basic earnings, including non-recurring items, attributable to the Owners of the Company	52.5	9.0	(0.1)	61.4
Basic earnings, excluding non-recurring items, attributable to the Owners of the Company	52.5	9.0	(0.1)	61.4
Balance sheet (in million €)	30 June 2011			
Total assets	4,677.4	1,501.8	(279.0)	5,900.2
Capital expenditures	46.3	40.2	0.0	86.5
Net financial debt	2,445.4	(23.2)	0.0	2,422.2

EBITDA = EBIT + depreciation / amortisation + changes in provisions

REBITDA = recurring EBITDA (excluding one-off items)

2.6. Dividends

On 10 May 2011, the shareholders approved payment of a gross dividend of €1.40 per share (€1.05 net per share without VVPR strip or €1.19 net per share with VVPR strip), which corresponds to a total gross dividend of €84.5 million.

2.7. Risks

Pursuant to Article 13 of the Royal Decree of 14 November 2007, the Elia Group confirms that the underlying risks facing the Company are the same as those described in the sections "Descriptions of the risks and uncertainties facing the company" and "Regulatory framework and tariffs" of the Group's consolidated annual report for 2010.

2.8. Income tax rate

The ratio of income tax to pre-tax profit as detailed in the condensed consolidated income statement resulted in an income tax rate of 3.9% in 2010. This low rate was due to the bargain purchase price in the Eurogrid/50Hertz segment following the acquisition of 50Hertz and on which no income tax is due. If the bargain purchase price is excluded from the pre-tax profit, the rate for 2010 was 20.9%. The average rate was 25% on 30 June 2011.

2.9. Related parties

In the first half of 2011, no transactions with related parties took place that had material effects on the Group's financial position and results.

2.10. Significant events after 30 June 2011

There were no significant events after 30 June 2011, other than the Elia Group's involvement in the Atlantic Wind Connection project mentioned above.

2.11. Auditors' report

ERNST & YOUNG
BEDRIJFSREVISOREN BCVBA
De Kleetlaan 2
B - 1831 Diegem

KLYNVELD PEAT MARWICK GOERDELER
BEDRIJFSREVISOREN CVBA
Bourgetlaan 40
B - 1130 Brussel

Report of the joint auditors to the shareholders of Elia System Operator NV/SA on the review of the condensed consolidated interim financial information as of 30 June 2011 and for the six months then ended

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Elia System Operator NV/SA (the "Company") as at 30 June 2011 and the related condensed consolidated interim statements of income, changes in equity, other comprehensive income and cash flows for the six-month period then ended, and explanatory notes ("the condensed consolidated financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted for use in the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the recommendation of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren" applicable to review engagements and the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren" and of the International Federation of Accountants and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



ERNST & YOUNG
BEDRIJFSREVISOREN BCVBA
De Kleetlaan 2
B - 1831 Diegem

KLYNVELD PEAT MARWICK GOERDELER
BEDRIJFSREVISOREN CVBA
Bourgetlaan 40
B - 1130 Brussel

*Report of the joint auditors of 25 August 2011 to the shareholders of
Ella System Operator NV/SA on the review of the interim condensed
consolidated financial statements as of 30 June 2011
and for the six months then ended(continued)*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted for use in the European Union.

We want to draw the attention to the uncertainties resulting from the final settlements arising from the tariff regulation mechanisms to be approved by the competent authorities, and resulting from the outcome of the tax audit as described in the annual report 2010.

Brussels, 25 August 2011

Ernst & Young Réviseurs d'Entreprises SCCRL
Statutory auditor
represented by



Marnix Van Dooren
Partner

KPMG Réviseurs d'Entreprises SCRL
Statutory auditor
represented by



Alexis Palm
Partner