

15 November 2007

**National Grid plc**  
**Half year report for the six months ended 30 September 2007 (unaudited)**

**HIGHLIGHTS**

- Very strong first half performance
  - Operating profit, excluding US stranded cost recoveries, up 19%
  - Earnings per share, excluding US stranded cost recoveries, up 23%
  - Interim dividend 11.7p, dividend policy update early 2008
  - Outlook for the full year remains in line with our expectations
- Delivering on strategy
  - Acquisition of KeySpan and disposals of Wireless and Basslink completed
  - £1,042m returned to shareholders via buy-back programme to date
  - Capital investment up 39% on prior period, strong investment pipeline for organic growth

**FINANCIAL RESULTS FOR CONTINUING OPERATIONS**

(£m, at actual exchange rate)	Six months ended 30 September		
	2007	2006	% change
<b>Business performance<sup>1</sup> (excluding US stranded cost recoveries)</b>			
Operating profit	1,039	876	19
Pre-tax profit	757	625	21
Earnings	528	437	21
Earnings per share	19.8	16.1	23
Earnings per share (including US stranded cost recoveries)	24.1	20.5	18
<b>Statutory results</b>			
Operating profit	1,187	1,110	7
Pre-tax profit	917	781	17
Earnings	783	561	40
Earnings per share	29.4	20.6	43
<b>Dividend per share</b>	<b>11.7</b>	<b>10.9</b>	<b>7</b>

**Steve Holliday, Chief Executive, said:**

"National Grid continues to make significant progress. We are delivering on all fronts of our strategy and have produced an excellent financial performance in this period. We have in place a strong management team that is developing a unique global operating model."

"Our growth prospects are positive, given the diversity of our regulatory settlements and our plans for investment in our current business. I believe we have a great platform to deliver further improvements in customer service, reliability, safety and environmental performance and continue to deliver value for our shareholders."