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19 November 2013

**ALLIANDER N.V. ANNOUNCES TENDER OFFER FOR ITS €500,000,000 FIXED-TO-FLOATING RATE PERPETUAL CAPITAL SECURITIES**

Alliander N.V. (the **Company**) today announces its invitation to holders (subject to the offer and distribution restrictions referred to below) of its €500,000,000 Fixed-to-Floating Rate Perpetual Capital Securities (ISIN: XS0558238043) (the **Notes**) to tender their Notes for repurchase by the Company for cash (the **Invitation**).

The Invitation is being made on the terms and subject to the conditions and restrictions set out in a Tender Offer Memorandum dated 19 November 2013 (the **Tender Offer Memorandum**) prepared by the Company, and are subject to the offer and distribution restrictions set out below and as more fully described in the Tender Offer Memorandum. Capitalised terms used but not defined in this announcement have the meanings given to them in the Tender Offer Memorandum.

A summary of the terms relevant to the Invitation appears below:

Description of the Notes	Common Code / ISIN	Outstanding principal amount	Amount subject to the Invitation	Repurchase Price
€500,000,000 Fixed-to-Floating Rate Perpetual Capital Securities	055823804/ XS0558238043	€500,000,000	Any and all	€1,025 per €1,000 principal amount

**Rationale**

On 15 August 2013, the Company's long-term corporate credit rating was upgraded by Standard & Poor's (**S&P**) to AA- from A+ and the Company's stand-alone credit profile was raised to 'aa-'. In the associated publication by S&P, S&P stated that the Replacement Capital Covenant (**RCC**) related to the Notes will no longer adequately mitigate the step-up because of the implications of an upgrade clause. The RCC is a unilateral document signed by the Company that benefits the holders of a specific class of senior debt.

Under the terms and conditions of the Notes, the Company has the right to redeem the Notes at 101 per cent. of the principal amount of the Notes if the Company has received confirmation from a rating agency that the Notes will no longer be eligible for the same or higher category of equity content as originally attributed.

The Company has carefully considered various alternatives in order to address this situation and in an attempt to balance the interests of the stakeholders involved, the Company has decided to launch the Invitation pursuant to which Noteholders are invited to tender their Notes at a Purchase Price of 102.5 per cent. of the principal amount of the Notes, together with Accrued Interest, as further described herein. The Company expects to exercise its right to redeem any Notes that remain outstanding at a redemption amount of 101 per cent. of the principal amount of the Notes together with accrued interest as soon as reasonably practicable after S&P formally announces that the Notes will no longer be eligible

for the same or higher category of equity content as originally attributed. The Company currently expects to issue the notice of redemption on 21 November 2013.

Any Notes acquired by the Issuer pursuant to the Invitation will be cancelled and will not be re-issued or resold.

### **Announcement of new issue**

The Company also announced today its intention to issue perpetual capital securities (the **New Notes**). The proceeds of the issuance of the New Notes will be used to finance, in whole or in part, the Repurchase Price and Accrued Interest for the Notes validly tendered in the Invitation. Whether the Company will accept for repurchase any Notes validly tendered in the Invitation is subject to the successful completion (in the sole determination of the Company) of the issue by the Company of the New Notes, on terms satisfactory to the Company (in its sole discretion) (the **New Issue Condition**). The Company reserves the right to waive the New Issue Condition in its sole discretion.

### **Details of the Invitation**

The Company will repurchase the Notes accepted by it for repurchase pursuant to the Invitation at a price of €1,025 per €1,000 principal amount of the Notes (the **Repurchase Price**).

The Company proposes to accept any and all of the Notes validly tendered for repurchase pursuant to the Invitation.

The Company is not under any obligation to accept any tender of Notes for repurchase pursuant to the Invitation. The Company may reject tenders of Notes it considers in its sole discretion not to have been validly tendered in the Invitation and the Company is under no obligation to any relevant Noteholder to furnish any reason or justification for refusing to accept such tenders.

### **Summary of Action to be Taken**

In order to participate in the Invitation, Noteholders must validly tender their Notes for repurchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 26 November 2013 (the **Expiration Deadline**).

Tender Instructions must be submitted in respect of a minimum principal amount of Notes of €50,000 being the minimum denomination of the Notes, and may thereafter be submitted in integral multiples of €1,000.

Tender Instructions will be irrevocable, except in the limited circumstances described in the Tender Offer Memorandum.

## Indicative Invitation Timetable

The following table sets out the expected dates and times of the key events relating to the Invitation. This is an indicative timetable and is subject to change. All times are London time.

<b>Date and time</b>	<b>Number of Business Days from and including Launch Date</b>	<b>Event</b>
Tuesday 19 November 2013	Day 1	<i>Launch Date</i>  Invitation announced and Tender Offer Memorandum available from the Tender Agent  Notice of Invitation published on website of Euronext Amsterdam and by delivery of notices to the Clearing Systems
Tuesday 26 November 2013 at 4.00 p.m.	Day 6	<i>Expiration Deadline</i>  Deadline for receipt by the Tender Agent of all Tender Instructions
Wednesday 27 November 2013	Day 7	<i>Announcement of Conditional Acceptance and Results</i>  Announcement by the Company of whether the Company will (subject to satisfaction of the New Issue Condition on or prior to the Settlement Date) accept for repurchase Notes validly tendered in the Invitation and the aggregate principal amount of Notes accepted (if any)
Friday 29 November 2013	Day 9	<i>Tender Offer Settlement Date</i>  Subject to satisfaction of the New Issue Condition, payment of the Repurchase Price and Accrued Interest in respect of the Notes accepted for repurchase

*The above dates and times are subject to the Company's right to extend, re-open, amend, waive any condition of and/or terminate the Invitation (subject to applicable law and as provided in this Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Invitation before the deadlines set out above. **The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadline specified above.***

## Further Information

The Invitation is described in full in the Tender Offer Memorandum, which is available from the Tender Agent. Barclays Bank PLC, Citigroup Global Markets Limited and Morgan Stanley & Co. International plc are the Dealer Managers for the Invitation.

*Requests for information in relation to the Invitation should be directed to:*

**THE DEALER MANAGERS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

Telephone: +44 (0)20 7773 8990  
Attention: Liability Management Group  
Email: eu.lm@barclays.com

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Telephone: +44 (0)20 7986 8969  
Attention: Liability Management Group  
Email: liabilitymanagement.europe@citi.com

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

Telephone: +44 (0) 207 677 5040  
Attention: Liability Management Group  
Email: liabilitymanagementeuropa@morganstanley.com

*Requests for information in relation to the procedures for tendering Notes in, and for any documents or materials relating to, the Invitation should be directed to:*

**THE TENDER AGENT**

**Citibank N.A., London Branch**

Citigroup Centre  
Canary Wharf  
London E14 5LB  
United Kingdom

For information by telephone:  
+44 (0)20 7508 3867  
Attention: Exchange Team – Agency & Trust  
Email: exchange.gats@citi.com

**DISCLAIMER**

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Invitation. If you are in any doubt as to the content of this announcement or the Tender Offer Memorandum or the action you should take, you are recommended to seek your own financial advice, including as to any tax consequences, from your stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender Notes in the Invitation. None of the Company, the Dealer Managers, the Tender Agent or any of their respective

directors, employees or affiliates makes any recommendation whether Noteholders should tender Notes in the Invitation. The distribution of this announcement and/or the Tender Offer Memorandum in certain jurisdictions may be restricted by law (see the offer and distribution restrictions referred to below). Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by the Company, the Dealer Managers and the Tender Agent to inform themselves about, and to observe any such restriction.

### **United States**

The Invitation is not being made, and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Invitation by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Invitation are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to persons located or resident in the United States. Any purported tender of Notes in the Invitation resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Notes participating in the Invitation will represent that it is not located in the United States and is not participating in the Invitation from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Invitation from the United States. For the purposes of this and the above paragraph, **United States** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

### **United Kingdom**

The communication of this announcement or the Tender Offer Memorandum and any other documents or materials relating to the Invitation is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**)) or within Article 43(2) of the Order, or to other persons to whom it may lawfully be made in accordance with the Order.

### **Italy**

None of the Invitation, this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Invitation has been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**), pursuant to applicable Italian laws and regulations. The Invitation is being carried out in the Republic of Italy (**Italy**) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Notes may tender their Notes for purchase through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No.

385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority. Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Invitation.

## **Belgium**

None of the Invitation, this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Invitation have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor financiële markten en diensten*) and, accordingly, the Invitation may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids (as amended or replaced from time to time, the **Belgian Takeover Law**) or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as last amended by the Law of 17 July 2013) (as amended or replaced from time to time, the **Belgian Prospectus Law**). Accordingly, the Invitation may not be advertised and the Invitation will not be extended, and neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Invitation (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Prospectus Law, acting on their own account (without prejudice to Article 6 § 4 of the Belgian Takeover Law and Article 3 § 4 of the Belgian Prospectus Law. Insofar as Belgium is concerned, this announcement and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Invitation. Accordingly, the information contained in this announcement and the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium, without prejudice to Article 6 § 4 of the Belgian Takeover Law and Article 3 § 4 of the Belgian Prospectus Law.

## **France**

The Invitation is not being made, directly or indirectly, to the public in the Republic of France (**France**). Neither this announcement nor the Tender Offer Memorandum nor any other documents or materials relating to the Invitation have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Invitation. This announcement and the Tender Offer Memorandum have not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

## **General**

This announcement and the Tender Offer Memorandum do not constitute an offer to buy or a solicitation of an offer to sell Notes, and tenders of Notes in the Invitation will not be accepted from Noteholders, in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Invitation to be made by a licensed broker or dealer and the Dealer Managers or any of its affiliates is such a licensed broker or dealer in such jurisdictions, the Invitation shall be deemed to be made on behalf of the Company by the Dealer Managers or such affiliate (as the case may be) in such jurisdictions.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Invitation will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "Procedures for Participating in the Invitation". Any tender of Notes for repurchase pursuant to the Invitation from a Noteholder that is unable to make these representations will not be

accepted. Each of the Company, the Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for repurchase pursuant to the Invitation, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such tender shall not be accepted.