REPORTED RESULTS OF HYDRO ONE INC.

- 3Q15 results are for Hydro One Inc., 100% owned operating subsidiary of newly formed Hydro One Limited.
- Hydro One Limited (H:TSX) is the parent company and is the entity which issued common shares by IPO on November 5, 2015.
- 3Q15 results reflect the period prior to the IPO of Hydro One Limited.
- Hydro One Inc. will also continue to report results as a reporting issuer and will continue to issue public debentures.

Rate-Regulated Businesses (99% of revenue)

Non-Rate-Regulated Businesses
HYDRO ONE HIGHLIGHTS

- Proven Senior Management Team and Experienced, Independent Board of Directors
- Consistent and Stable, Rate-Regulated Environment
- Significant Scale and Leadership Position in Ontario, home to 38% of Canada’s population
- Stable Regulated Cash Flows and Strong Balance Sheet
- Robust and Predictable Organic Growth Profile
- Strong Credit Rating and Favorable Capital Costs

ONE OF NORTH AMERICA’S LARGEST ELECTRICAL UTILITIES
HYDRO ONE AT A GLANCE

LARGEST
ELECTRICITY TRANSMISSION AND DISTRIBUTION

$22.86 STABLE AND REGULATED CORE

OF ASSETS

2014 FINANCIAL PERFORMANCE

$6.5 BILLION

$747 MILLION

$1.29 BILLION

29,344 TRANSMISSION LINES

1.27 DISTRIBUTION

Total Assets at September 30, 2015

$22.86 billion

$747 million

$1.29 billion in Funds from Operations (1)

$6.5 billion in Revenue

$747 million in Net Income

See “Disclaimers—Non-GAAP Measures”.

(1)
OUR TRANSMISSION BUSINESS

▶ Scale: One of North America's largest electricity transmitters, owning and operating 96% of Ontario’s network.

▶ Stability: Transmission produces reliable cash flow with low volatility under OEB cost of service regulation.

▶ Growth: We are building our rate base with planned capital expenditures of $800–900 million per year through 2019.

LARGEST ELECTRICAL TRANSMISSION PROVIDER IN CANADA

- 48 Local Distribution Company customers
- 90 large industrial customers
- 5 year average allowed ROE of 9.15%
- Reliable cash flow with low volatility
- Growing rate base
OUR DISTRIBUTION BUSINESS

- **Scale:** The largest electricity distributor in Ontario, with 1.3 million residential and business customers. ALREADY LARGEST IN ONTARIO WITH FURTHER EXPANSION OPPORTUNITY

- **Stability:** Distribution is a stable, rate-regulated business operating under the OEB’s performance based model.

- **Growth:** We are growing our rate base with planned capital expenditures of $600–$700 million per year through 2019. 5 year average allowed ROE of 9.70%

- **Opportunity:** Opportunity to expand footprint

(1) Thousands of Customers - Source: Ontario Energy Board Yearbook of Distributors (2014). For Hydro One Networks Inc., the 1,219 figure excludes certain classes of customers which are included in the total number of customers reported elsewhere in the Initial Public Offering prospectus.
3Q15 OPERATING HIGHLIGHTS

- Completed integration of Norfolk Power, adding 19,000 local distribution customers.
- Integrating Haldimand County Hydro with 21,000 local distribution customers.
- Subsequent to the end of 3Q15, closed acquisition of Woodstock Hydro with 15,500 local distribution customers.
- A decrease in bad debt expense and lower expenditures related to the Company’s CIS.
- YTD $1.2 billion capital investments (expect $1.5 billion for FY15) made under OEB approved multiyear infrastructure investment plan.

DRIVING CONSISTENT AND GROWING VALUE FOR CUSTOMERS, SHAREHOLDERS AND ONTARIO
### 3Q15 HYDRO ONE INC. AT A GLANCE

<table>
<thead>
<tr>
<th></th>
<th>3Q15</th>
<th>Q3 2014</th>
<th>%Δ</th>
<th>YTD 2015</th>
<th>YTD 2014</th>
<th>%Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,645</td>
<td>1,556</td>
<td>5.7%</td>
<td>5,016</td>
<td>4,886</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>OM&amp;A Costs</strong></td>
<td>274</td>
<td>300</td>
<td>-</td>
<td>834</td>
<td>945</td>
<td>-11.7</td>
</tr>
<tr>
<td><strong>Cash from operations</strong></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
|                                | 469       | 443     | 5.9% | 1,182     | 777       | 52.1%
| **Funds From Operations***     | 434       | 342     | 26.9%| 1,195     | 971       | 23.1%|
| **Pre tax income**             |           |         |      |           |           |      |
|                                | 231       | 196     | 17.9%| 670       | 602       | 11.3%|
| **Net income**                 | 192       | 173     | 11.0%| 560       | 528       | 6.1% |

*Funds from operations (FFO) is defined as net cash from operating activities, adjusted for the following: (i) changes in non-cash balances related to operations, (ii) dividends paid on preferred shares, and (iii) noncontrolling interest distributions.*
3Q15 & YTD HYDRO ONE INC. FINANCIAL HIGHLIGHTS

- Distribution drove revenue growth
- Prior year operating expenditures included higher costs associated with CIS resolution
- Pretax earnings growth on higher revenues and reduced costs
- Effective tax rate of 15.6% up from 2014
- Growth in cash from operations and FFO consistent with earnings growth
3Q15 SNAPSHOT

Regulated Revenue
- Transmission: 75%
- Distribution: 25%
- Total: $1,632 million

Regulated EBIT
- Transmission: 36%
- Distribution: 64%
- Total: $334 million

Capital Investments
- Transmission: 43%
- Distribution: 57%
- Total: $436 million

Updated Rate Base
- Transmission: 42%
- Distribution: 57%
- Increases: 1% between 2014 and 2015
- Total: $16,914 million

Balanced Mix of Regulated Electric Transmission and Distribution Assets with Significant Scale

Notes: Financial metrics include only the regulated portion of the business. Please review the MD&A for a comprehensive overview;

1: Current Transmission Rate Base Includes 100% of B2M Rate Base
HYDRO ONE INC. PRO FORMA

NET INCOME

Brampton Divestiture

- Brampton Divestiture

Recapitalization

- Recapitalization

Departure Tax

- Departure Tax

Deferred Tax Benefit

- Deferred Tax Benefit

2014A Net Income (1)

2014 Pro Forma Net Income(1)(2)

(1) Net income and pro forma net income is presented before the payment of dividends on preferred shares of Hydro One Inc. and prior to net income (loss) attributable to noncontrolling interest. Net income is therefore not equivalent to net income attributable to common shareholders. Dividends on preferred shares of Hydro One Inc. were $18 million for 2014. Net loss attributable to noncontrolling interest for 2014 was $2 million.

(2) Prospective investors should refer to the unaudited pro forma condensed consolidated financial statements of Hydro One Inc. appearing in the Company’s Initial Public Offering prospectus for additional details. 2014 pro forma net income gives effect to the transactions and assumptions described in the notes to those statements as if they had occurred on January 1, 2014.
HYDRO ONE LIMITED SHARE DIVIDENDS

- Initial annualized common share dividends of approximately $500 million
- 595 million common shares outstanding with quarterly dividend of 21 cents per share (84 cents annualized)
- Expect first post IPO dividend payment late March 2016, composed of 21 cents for 1Q16 plus prorated amount for partial period of 4Q15 post November 5th IPO closing
- Target payout ratio of 70%–80% of net income
- Stable regulated cash flows and net income; strong balance sheet
- Capital investment in rate base expected to support growth in dividends

12
SUMMARY

- Significant Scale and Leadership Position in Ontario
- Consistent and Stable, Rate-Regulated Environment
- Opportunities to Drive Growth
  - Performance Based Culture
  - Intensified focus on Efficiency, Productivity and Continuous Improvement

[Image of a worker in a hardhat and safety gear]
DISCLAIMERS

In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Any graphs, tables or other information in this presentation demonstrating the historical performance of Hydro One Inc. or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of Hydro One Limited, Hydro One Inc. or such entities. In this presentation, “Hydro One” refers to Hydro One Limited and its subsidiaries and other investments, taken together as a whole.

Forward-Looking Information

This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws. Forward-looking information in this presentation is based on current expectations, estimates, forecasts and projections about Hydro One’s business and the industry in which Hydro One operates and includes beliefs and assumptions made by management. Such statements include, but are not limited to: expectations regarding the ability of capital investments in rate base to drive growth in dividends; projected future capital expenditures and the nature of those capital expenditures; projected rate bases; expectations regarding opportunities for consolidation or acquisition of local distribution companies or “LDCs”; opportunities to drive growth; and expectations regarding Hydro One’s dividend policy and the Company’s intention to declare and pay dividends, including the anticipated annual dividend amount of 21 cents per share (84 cents annualized) or approximately $500 million in the aggregate initially, based on a target payout ratio of 70% to 80% of net income, and the timing and amount of Hydro One Limited’s first dividend.

Words such as “aim”, “could”, “would”, “expect”, “anticipate”, “intend”, “attempt”, “may”, “plan”, “will”, “believe”, “seek”, “estimate”, “goal”, “target”, and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking information. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.

The forward-looking information in this presentation is based on a variety of factors and assumptions, as described in the prospectus. Actual results may differ materially from those predicted by such forward-looking information. While Hydro One does not know what impact any of these differences may have, Hydro One’s business, results of operations and financial condition may be materially adversely affected if any such differences occur. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are described in the final supplemented PREP prospectus of Hydro One Limited dated October 29, 2015 (also referred to as the “Initial Public Offering prospectus”).

In this presentation, projected capital expenditures reflect the Company’s current expectations and assumptions relating to projects contemplated in the Company’s capital expenditure programs and Ontario Energy Board approvals received to date. Actual capital expenditures may be greater or less than projected capital expenditures.

Non-GAAP Measures

Hydro One Limited and Hydro One Inc. prepare and present their financial statements in accordance with U.S. GAAP. This presentation refers to “Funds from Operations” or “FFO”, which is not a recognized measure under U.S. GAAP and does not have a standardized meaning prescribed by U.S. GAAP. This is therefore unlikely to be comparable to similar measures presented by other companies. Funds from Operations should not be considered in isolation nor as a substitute for analysis of Hydro One’s financial information reported under U.S. GAAP. “Funds from Operations” or “FFO” is defined as net cash from operating activities, adjusted for the following: (i) changes in non-cash balances related to operations, (ii) dividends paid on preferred shares, and (iii) noncontrolling interest distributions. Management believes that this measure will be helpful as a supplemental measure of the Company’s operating cash flows. For more information, see “Non-GAAP Measures” in the Initial Public Offering Prospectus.