

- **Net profit stable despite low interest rates: €61.1 million**
- **Dividend at same level as last year: €1.20 (gross) per share**
- **€188 million investments in infrastructure**
- **Belgian grid entirely bidirectional thanks to laying of Alveringem-Maldegem pipeline**
- **A first in Europe: integrated gas market for Luxembourg and Belgium**
- **20-year contract for LNG transshipment services**

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1. Key events

Rise in volumes transported, but decline in booked capacity. 2015 saw the continuation of a known trend: customers increasingly book capacity on a short-term and align their capacity portfolios as closely as possible with the capacity they will actually use. In this context and despite the rise in transported volumes, Fluxys Belgium achieved 8% less bookings for transmission capacity in 2015 than in 2014. On the other hand, transported volumes were up: compared to 2014, 9.6% more natural gas was transported for the Belgian market and 1.1% more for border-to-border transmission to neighbouring grids.

Belgian grid entirely bidirectional. Since 1 November 2015, customers have been able for the first time to bring natural gas from France to Belgium: via the newly laid Artères des Flandres and Alveringem-Maldegem pipelines in France and in Belgium, and via the new Hondschoote/Alveringem interconnection point, up to 8 billion cubic metres of natural gas can be transported from Dunkirk to the Zeebrugge area, and from there it can flow both to Germany, the Netherlands and the United Kingdom. The new pipeline strengthens market integration, security of supply and diversification of sources, and also makes the Belgian grid entirely bidirectional: natural gas can physically flow in both directions with all neighbouring markets, including the United Kingdom.

Strong growth in traded quantities. Traded quantities on the two Belgian gas trading places - Zeebrugge Beach (up 6%) and ZTP (up 45%) - rose sharply last year; total traded quantities were at 930 TWh.

Fluxys Belgium takes over hub services. In December 2015 Fluxys Belgium took over the hub services from sister company Huberator. These form an important logistical link to perform exchanges on the gas trading places and have been part of the regulated framework as a component of transmission activities since 1 January 2016.

Versatile LNG terminalling service offering proves successful. With 41 ship unloading operations, 28 ship loading operations and 1,184 truck loadings in 2015, the Zeebrugge LNG terminal saw a high level of capacity utilisation compared to other terminals in Northwest Europe. The largest proportion of ship loadings were operations in the small-scale LNG segment. In 2015 a market test showed there was interest in additional possibilities for loading small LNG ships. Accordingly, Fluxys LNG launched a preliminary study on the infrastructure expansions that would be needed.

20-year contract for LNG transshipment services. In March 2015, Fluxys LNG concluded a 20-year contract with Yamal Trade for the transshipment of up to 8 million tonnes of LNG per year. The transshipment services will form a key link in the logistics chain from Russia's Yamal peninsula to supply countries in Asia and the Pacific Ocean year-round.

A first in Europe: integrated gas market for Luxembourg and Belgium. On 1 October 2015, Fluxys Belgium and Creos Luxembourg launched the very first gas market integration between two European Union member states: the Grand-Duchy of Luxembourg and Belgium. The successful integration is the result of intense cooperation that started in 2013 between Fluxys Belgium, Creos Luxembourg and the energy regulators in both countries. Combining the two markets enhances market competitiveness for both countries, and for Luxembourg it also strengthens security of supply.

2016-2019 tariffs approved by CREG. The tariffs for the 2016-2019 regulatory period were approved in October 2015 by the federal regulator CREG and took effect on 1 January 2016. They offer the market stability in terms of both price level and structure. The 7% tariff decrease introduced at the start of 2015 is maintained in the new tariffs.

€188 million invested in infrastructure in Belgium. In 2015, Fluxys Belgium invested €188 million in infrastructure projects in Belgium. 67% of the total investment amount went to transmission projects, 1% to storage projects and 32% to LNG terminalling projects. The main projects were:

- a new natural gas pipeline with associated aboveground installations between Alveringem and Maldegem;
- the partial renewal of two parallel pipelines in Ravels and Oud-Turnhout;
- the construction of a second jetty for loading and unloading LNG carriers. The second jetty, where the smallest LNG ships will also be able to berth, will be commissioned in 2016;
- the construction of a fifth tank and associated installations in order to guarantee sufficient storage capacity between unloading and loading operations for transshipment services from an icebreaker/LNG ship to a conventional LNG ship under the contract with Yamal Trade.

Interest rates remain low. The interest rates used as a benchmark to calculate the authorised return on regulated assets are those of the 10-year OLO bonds issued by the Belgian federal government. These remain low and put pressure on profits. The result of 2015 is in line with that of 2014, thanks mainly to efficiency efforts made, the recovery of revaluation surpluses with regard to the decommissioning of old installations and the take-over of the hub services for the Belgian market.

2. Fluxys Belgium Group – 2015 financial statements (IFRS)

Most of Fluxys Belgium's business activities are regulated and its results are primarily determined by invested equity, financial structure and interest rates.

2.1. Consolidated income statement

In thousands of €	31-12-2015	31-12-2014
Operating revenue	538,007	554,957
Sales of gas for balancing and operational needs	55,104	40,393
Other operating income	12,205	17,873
Raw materials and other materials used	-3,920	-4,232
Purchases of gas for balancing and operational needs	-55,044	-40,395
Services and other goods	-123,635	-138,555
Personnel expenses	-112,072	-117,428
Other operating charges	-18,668	-20,190
Net depreciation and amortisation	-143,068	-147,266
Net provisions	2,268	3,030
Impairment losses	-537	-1,902
Profit from continuing operations	150,640	146,285
Change in the fair value of financial instruments	-494	269
Financial income	5,061	3,194
Financing expenses	-59,539	-57,884
Profit from continuing operations after net financial results	95,668	91,864
Income tax expense	-34,572	-31,427
Net profit for the financial year	61,096	60,437
Fluxys Belgium share	61,096	60,437
Non-controlling interests	0	0
Basic earnings per share attributable to the parent company's shareholders in €	0.8695	0.8601
Diluted earnings per share attributable to the parent company's shareholders in €	0.8695	0.8601

2.2. Summary consolidated comprehensive income

In thousands of €	31-12-2015	31-12-2014
Net profit for the period	61,096	60,437
Items that will not be reclassified subsequently in the income statement		
Actuarial gains/losses on employee benefits	15,056	-13,691
Income tax expense on other comprehensive income	-5,118	4,654
Other comprehensive income	9,938	-9,037
Comprehensive income for the period	71,034	51,400
Fluxys Belgium share	71,034	51,400
Non-controlling interests	0	0

Operating revenue. Operating revenue totalled k€538,007 in 2015, compared to k€554,957 in 2014, down k€16,950.

- Income from regulated activities amounted to €519.8 million (accounting for 96.6% of the total), a decrease of €21.0 million compared to the previous year.
The decrease in operating revenue from invoiced transmission services can be explained by the 7% tariff reduction in place since January 2015 as well as by a slight decline in capacities sold. The revenue authorised under the regulation is down due to the reduction in costs to be covered by tariffs and this cost reduction is primarily the result of efficiency efforts made.
Against the backdrop of a difficult storage market, Fluxys Belgium managed to maintain a revenue in line with the previous year.
The revenue from terminalling services was slightly lower than the previous year. Services billed to customers benefit from the development of small-scale LNG services, while the revenue authorised under the regulation is down due to the reduction in costs to be covered by tariffs and this cost reduction is primarily related to the change in authorised return rates.
- Income from the company's other activities totalled €18.2 million (accounting for 3.4% of the total), up €4.0 million on 2014. This increase is linked to the work performed on behalf of third parties and to the take-over of the hub services by Fluxys Belgium as from 1 September 2015.

Profit from continuing operations. Profit from continuing operations totalled €150.7 million in 2015, compared to €146.3 million in 2014. This €4.4 million increase can primarily be attributed to the positive impact of efficiency gains, the recovery of revaluation surpluses with regard to decommissioning, and the impact of the take-over of the hub services for the Belgian market.

These items were attenuated by the reduction in the authorised rate of return on regulated activities due to lower rates for Belgian linear bonds (OLOs).

Net financial income. Net financial income was down €0.6 million compared to the previous year. This change is mainly due to the early refinancing of the bond loan maturing in late 2015, which is offset to a large extent by the impact of the increase in discount rates for employee benefits (IAS19).

2.3. Consolidated balance sheet

In thousands of €	31-12-2015	31-12-2014
I. Non-current assets	2,490,573	2,391,714
Property, plant and equipment	2,330,542	2,293,712
Intangible assets	60,986	11,940
Equity-accounted investments	16	0
Other financial assets	48,624	44,523
Finance lease receivables	12,805	16,641
Loans and receivables	4,218	8,009
Other non-current assets	33,382	16,889
II. Current assets	546,779	795,224
Inventories	26,116	29,848
Finance lease receivables	3,836	3,334
Current tax receivables	774	1,305
Trade and other receivables	77,237	93,832
Short-term investments	96,487	411,271
Cash and cash equivalents	327,061	240,937
Other current assets	15,268	14,697
Total assets	3,037,352	3,186,938

Non-current assets. The investments carried out in 2015 (€188.1 million) exceeded depreciation booked during the period (€136.1 million), which explains the increase in property, plant and equipment. The investments made pertain mainly to the Alveringem-Maldegem pipeline, the replacement of the pipelines in Ravels and Oud-Turnhout, the construction of the second jetty and the start of investments linked to the LNG transshipment project at the Zeebrugge terminal. The take-over of the hub services for the Belgian market explains to a large extent the increase in intangible assets. Other non-current assets show surplus assets for covering defined-benefits pension schemes compared to the actuarial debt estimated on 31 December 2015, on the one hand, and the insurance cost to carry forward, on the other hand.

Current assets. The repayment of the bond loan that matured in late 2015 (€350 million) explains the decrease in the Group's short-term investments and cash and cash equivalents at the end of December 2015.

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30 March 2016 – Regulated information: 2015 results



In thousands of €	31-12-2015	31-12-2014
I. Equity	736,222	749,504
Equity attributable to the parent company's shareholders	736,222	749,504
<i>Share capital and share premiums</i>	60,310	60,310
<i>Reserves and retained earnings</i>	675,912	689,194
Non-controlling interests	0	0
II. Non-current liabilities	2,146,118	1,864,139
Interest-bearing liabilities	1,778,934	1,476,421
Provisions	2,408	2,889
Provisions for employee benefits	59,781	66,823
Deferred tax liabilities	304,995	318,006
III. Current liabilities	155,012	573,295
Interest-bearing liabilities	73,329	479,794
Provisions	6,502	7,945
Provisions for employee benefits	3,533	4,046
Current tax payables	1,821	5,567
Trade and other payables	68,489	74,378
Other current liabilities	1,338	1,565
Total equity and liabilities	3,037,352	3,186,938

Interest-bearing liabilities. In anticipation of a long-term financing, Fluxys LNG took out a medium-term financing in order to cover the financial requirements for current investments at the LNG terminal in Zeebrugge. Moreover, the bond loan that matured at the end of 2015 (€350 million) explains the decrease in interest-bearing current liabilities.

2.4. Consolidated statement of changes in equity

The decrease in equity can be explained by the dividend paid for the previous financial year, the amount of which exceeds the comprehensive income for the period:

In thousands of €	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
CLOSING BALANCE AS AT 31-12-2014	749,504	0	749,504
1. Comprehensive income for the period	71,034	0	71,034
2. Dividends paid	-84,316	0	-84,316
CLOSING BALANCE AS AT 31-12-2015	736,222	0	736,222

2.5. Consolidated cash flow statement

In thousands of €	31-12-2015	31-12-2014
Cash at the start of the period*	652,208	241,156
Cash flows from operating activities (1)	237,106	274,031
Cash flows from investing activities (2)	-225,298	-99,645
Cash flows from financing activities (3)	-240,468	236,666
Net increase/decrease in cash	-228,660	411,052
Cash at the end of the period*	423,548	652,208

(1) Cash flows from operating activities also include changes in working capital requirements. The change in working capital explains to a large extent the change in cash flows from operating activities compared to 2014.

(2) This amount takes into account sales realised and public subsidies received.

(3) These cash flows include dividends paid and the reimbursement of the bond loan that matured at year-end 2015 (€350 million), an amount that was refinanced in late 2014.

* 'Cash' includes cash and cash equivalents, as well as short-term investments with a term of one year or less.

3. Fluxys Belgium SA – 2015 results (Belgian GAAP): proposed allocation of profits

Fluxys Belgium SA's net profit amounted to €49.3 million, compared to €47.8 million in 2014.

The net profit was slightly higher than the previous year because of the positive impact of efficiency gains, the recovery of revaluation surpluses with regard to decommissioning, and the impact of the take-over of the hub services for the Belgian market.

These items were attenuated by the reduction in the authorised rate of return on regulated activities due to lower rates for Belgian linear bonds (OLOs).

As of 2010 and barring unforeseen events, Fluxys Belgium aims to distribute 100% of its net profit for the year plus any reserves released as and when the revaluation surplus depreciates.

Factoring in a profit of €39.6 million carried over from the previous year and withdrawal from reserves of €43.2 million, the Board of Directors will propose to the Annual General Meeting to allocate the profit as follows:

- €84.3 million as dividend pay-out,
- €16.9 million as reserves not available for distribution,
- €30.9 million as profit to be carried forward.

If the proposed allocation of profits is accepted, the total gross dividend per share for 2015 will be €1.20. That amount will be paid out as of 20 May 2016.

4. Financial outlook for 2016

The net profit from regulated activities is primarily determined by the equity invested, the financial structure and interest rates (OLOs). The recurring dividend will continue to evolve depending on the development of these three parameters. The current financial markets do not allow for accurate projections regarding changes to interest rates and, therefore, the return on regulated activities.

5. External audit

The statutory auditor has confirmed that his audit activities, which have been thoroughly carried out, have not revealed the need for any significant adjustments to the accounting information contained in this press release.

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Other languages: this press release is also available in Dutch and French on the Fluxys Belgium website: www.fluxys.com/belgium.