

## Key Data First Half Year 2009

- Consolidated net profit of €61.0 million
- €84 million of investments
- Consolidation of the role of the Fluxys grid as a crossroads for Western European natural gas flows:
  - Eynatten-Opwijk pipeline (RTR2);
  - market consultation regarding transit to Luxembourg;
  - construction of an Open Rack Vaporizer at the Zeebrugge LNG terminal
- Development of commercial activities:
  - high activity level at the Zeebrugge LNG terminal;
  - new records set at the Zeebrugge Hub;
  - new procedure for reserving transport capacity;
  - new step in operational data publishing

## Contents

<b>1. Fluxys Group – Results as of 30 June 2009 (IFRS)</b>	<b>2</b>
1.1 Foreword: High uncertainty in the regulatory environment	2
1.2 Accounting principles and methods	3
1.3 Consolidation scope	3
1.4 Consolidated condensed income statement (€ thousand)	3
1.5 Consolidated condensed balance sheet (€ thousand)	5
1.6 Consolidated condensed cash flow statement (€ thousand)	7
<b>2. Events taking place after the closing of the first half year accounts</b>	<b>7</b>
<b>3. Development of infrastructure and of commercial services</b>	<b>8</b>
3.1 Transmission	8
3.2 LNG terminalling	9
3.3 Setting new records at the Zeebrugge Hub	10
<b>4. Safety: notification of works gets even simpler</b>	<b>10</b>
<b>5. Corporate governance</b>	<b>11</b>
<b>6. Prospects</b>	<b>12</b>
6.1 New investment projects	12
6.2 Dividend 2009	12
<b>7. Statutory Auditor's Report</b>	<b>13</b>

## 1. Fluxys Group – Results as of 30 June 2009 (IFRS)

In accordance with the applicable requirements, an interim management report is available on our website at [www.fluxys.com](http://www.fluxys.com).

### 1.1 Foreword: High uncertainty in the regulatory environment

In parallel with the situation in 2008, the accounts for the first half of 2009 were drawn up in a regulatory environment where recognition of the results of our activities was highly uncertain due to the decisions on tariffs taken by the Commission for Electricity and Gas Regulation (CREG).

Having rejected the multi-year tariff proposals submitted by Fluxys in 2007, CREG in its decision of 19 December 2007 imposed provisional transport and storage tariffs equivalent to those applied in 2007.

Pursuant to this decision, Fluxys applied these tariffs from 1 January 2008.

On 15 May 2008, CREG published a decision on transit tariffs.

A Royal Decree of 27 May 2008 suspended this decision, but on 6 June 2008 CREG confirmed its decision and supplemented it with a decision setting new provisional transport and storage tariffs.

Fluxys studied the decisions taken by CREG and could not agree with some of the analyses made by CREG. Therefore the company decided to lodge an appeal against these decisions before the Court of Appeal and to maintain, as a precaution, the tariffs that were already being applied.

Judgements by the Court of Appeal suspended the two contested CREG decisions. However, these are provisional judgements which have to be confirmed by a final judgement. The legal proceedings seeking annulment are continuing.

In the absence of final decisions at the moment of closing the financial statements for the first half of 2009, the Fluxys Group has decided – while categorically contesting CREG's positions – to take the principle of caution as its guideline and to factor the effects of the contested CREG decisions into its condensed financial statements for the first half of 2009, mainly by booking provisions.

## Press Release

Results for the first half of 2009 – 28 August 2009

### 1.2 Accounting principles and methods

The accounting principles and methods adopted in the 2009 half-year financial statements are identical to those used in the most recent annual financial statements.

### 1.3 Consolidation scope

Fluxys & Co (formerly Distrigas & C°), which had been acquired by the Group in 2008, was partially demerged in the past half-year. Its activity of transit contract sales was absorbed by Fluxys SA on 12 May 2009, with retroactive effect from 1 January 2009. The participation in the partnership according to Norwegian law "Partrederiet BW Gas Fluxys DA" like the rights and duties that go with the pending regulatory and fiscal disputes reside within Fluxys & Co.

In addition, on 12 May 2009 Fluxys SA absorbed the company SEGEO (owner of the pipeline between 's-Gravenvoeren and Blaregnies), which had been wholly owned by Fluxys since 1 July 2008, with the same retroactive effect. As a result, the company SEGEO left the consolidation scope.

### 1.4 Consolidated condensed income statement (€ thousand)

Consolidated income statement (IFRS)	(€ thousand)	
	30-06-2009	30-06-2008
<b>Revenue</b>	<b>350,548</b>	<b>244,287</b>
<b>Profit from operations</b>	<b>102,211</b>	<b>75,678</b>
Profit from the disposal of financial assets	0	1,791
Change in value of financial instruments	2,318	0
Other net financial results	-13,903	2,042
<b>Profit from continuing operations</b>	<b>90,626</b>	<b>79,511</b>
Income tax expense	-29,603	-22,854
<b>Net profit for the period</b>	<b>61,023</b>	<b>56,657</b>
Fluxys share	59,968	55,774
Minority interest	1,055	883

**Revenue.** Revenue for the first half of 2009 was €350,548 thousand, compared to €244,287 thousand for the first half of 2008, i.e. an increase of €106,261 thousand.

## Press Release

Results for the first half of 2009 – 28 August 2009

This revenue breaks down as follows:

- €315,179 thousand (89.9%) from activities subject to the Gas Act, i.e. gas transport, storage and terminalling in Belgium. This is an increase of €101,689 thousand on the same period in 2008, a change thanks mainly to the acquisition of the gas transit activities of Fluxys & Co on 1 July 2008 and the increase in income from the Zeebrugge LNG terminal activities that resulted from the rise in capacity reservations following the commissioning of new facilities in April 2008.
- €35,369 thousand (10.1%) from the company's other activities, representing an increase of €4,572 thousand compared to the first half of 2008, thanks mainly to the acquisition of Fluxys & Co whose revenue from renting out the LNG carrier has been integrated since 1 July 2008.

**Profit from operations.** In terms of the profit from operations, there was an increase in our regulated activities compared to the first half of 2008. This is due mainly to investments, and to increased financial expenses being passed on in tariffs. The acquisition of Fluxys & Co during the second half of 2008 also contributed to the increased profit.

**Net financial income.** Excluding the change in the value of financial instruments, financial income is down €15,945 thousand compared to the same period in 2008. This decrease is due mainly to the increase in interest charges that resulted from the €400,000 thousand loan taken out in 2008 from the European Investment Bank (EIB) to finance the Fluxys Group's investment programme and the suspension of the interest eligible for capitalisation at the commissioning of the Zeebrugge LNG terminal's capacity enhancement (01-04-2008).

**Income tax expense.** The €6,749 thousand increase in income tax expense is linked to the change in earnings before taxes and to a decrease in notional interest resulting from the acquisition of Distrigas & C°.

## Press Release

Results for the first half of 2009 – 28 August 2009

### 1.5 Consolidated condensed balance sheet (€ thousand)

ASSETS	(€ thousand)	
	30-06-2009	31-12-2008
<b>I. Non-current assets</b>	<b>2,382,630</b>	<b>2,345,416</b>
Property, plant and equipment	1,918,885	1,883,406
Intangible assets	19,107	17,549
Goodwill	411,145	410,758
Other assets	33,493	33,703
<b>II. Current assets</b>	<b>405,115</b>	<b>316,186</b>
Inventories	66,002	67,981
Income tax receivable	5,151	26,125
Trade and other receivables	13,524	31,779
Short-term investments	114,403	0
Cash and cash equivalents	176,436	166,658
Other assets	29,599	23,643
<b>Total assets</b>	<b>2,787,745</b>	<b>2,661,602</b>

**Non-current assets.** The increase in non-current assets is due primarily to investments made during the first half (€84,087 thousand), mainly with regard to the construction of transmission pipelines (€31,538 thousand, including €22,259 thousand for the RTR2 pipeline), compression stations (€19,501 thousand) and the expansion of storage capacity at Loenhout (€5,236 thousand).

Depreciations recorded during the first half totalled €46,818 thousand.

**Current assets.** Total current assets increased, due mainly to rises in short-term deposits and in cash following payment of the second instalment (amounting to €120 million) of the EIB loan of €400 million.

# Press Release

Results for the first half of 2009 – 28 August 2009



<b>EQUITY AND LIABILITIES</b>	<b>(€ thousand)</b>	
	<b>30-06-2009</b>	<b>31-12-2008</b>
<b>I. Equity</b>	<b>1,298,170</b>	<b>1,288,511</b>
Equity attributable to the shareholders of the parent company	1,279,126	1,268,834
<i>Share capital and share premiums</i>	60,310	60,310
<i>Retained earnings</i>	1,219,827	1,210,254
<i>Translation adjustment</i>	-1,011	-1,730
Minority interests	19,044	19,677
<b>II. Non-current liabilities</b>	<b>1,079,356</b>	<b>967,479</b>
Interest-bearing liabilities	652,053	534,157
Provisions	97,519	95,737
Deferred tax liabilities	329,784	337,585
<b>III. Current liabilities</b>	<b>410,219</b>	<b>405,612</b>
Interest-bearing liabilities	152,092	186,500
Provisions	147,089	100,275
Income tax payable	18,676	8,361
Trade and other liabilities	81,866	103,659
Other liabilities	10,496	6,817
<b>Total equity and liabilities</b>	<b>2,787,745</b>	<b>2,661,602</b>

**Equity.** Equity changed as follows during the first half:

## CONDENSED STATEMENT OF CHANGES IN EQUITY

	<b>€ thousand</b>		
	<b><u>EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</u></b>	<b><u>MINORITY INTERESTS</u></b>	<b><u>TOTAL EQUITY</u></b>
<b>CLOSING BALANCE AS AT 31-12-2008</b>	<b>1,268,834</b>	<b>19,677</b>	<b>1,288,511</b>
1. Profit for the period	59,968	1,055	61,023
2. Other components of the overall profit for the period	-491	-2	-493
3. Dividends distributed	-49,185	-1,686	-50,871
4. Changes in scope	0		0
5. Other changes	0	0	0
<b>V. CLOSING BALANCE AS AT 30-06-2009</b>	<b>1,279,126</b>	<b>19,044</b>	<b>1,298,170</b>

**Non-current liabilities.** Interest-bearing liabilities have increased, due mainly to payment of the second instalment (amounting to €120 million) of the EIB loan of €400 million.

## Press Release

Results for the first half of 2009 – 28 August 2009

**Current liabilities.** Total current liabilities remained relatively stable. However, note the increase in provisions, resulting from the measures of prudence decided upon by the Board of Directors with regard to recognition of the results of the gas transit activities in the regulatory environment described above. This rise was offset by a decrease in interest-bearing liabilities and debts with respect to suppliers and other creditors due to a large volume of investment invoices at the end of 2008.

### 1.6 Consolidated condensed cash flow statement (€ thousand)

	30-06-2009	30-06-2008
<b>Cash and cash equivalents at the start of the period</b>	<b>166,658</b>	<b>219,500</b>
Cash flows from operating activities (1)	189,918	144,226
Cash flows used in investing activities (2)	-83,725	-104,247
Cash flows used in financing activities (3)	-96,415	-32,927
Impact of changes in the consolidation scope	0	-3,438
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>9,778</b>	<b>3,614</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>176,436</b>	<b>223,114</b>

(1) Cash flows from operating activities also include changes in the working capital requirement.

(2) This amount factors in disinvestments.

(3) These cash flows comprise dividends paid and movements of short-term deposits.

## 2. Events taking place after the closing of the first half year accounts

There have been no subsequent events with a material impact on the condensed financial statements.

### 3. Development of infrastructure and of commercial services

**Investments of €84 million.** Fluxys pursues an active investment policy to anticipate rising demand in Belgium, attract new transit flows and open its grid to as many natural gas sources as possible. By consolidating Belgium's role as a crossroads for international natural gas flows in North-West Europe, Fluxys contributes to security of supply, the diversification of sources and increased liquidity on the gas market.

The Fluxys Group's investment programme includes infrastructure projects in the Group's three main activities: transmission, storage and LNG terminalling. Expenditure on investments in the first half of 2009 amounted to €84 million, including €49 million for transport and storage of natural gas for end users in Belgium.

#### 3.1 Transmission

**Offtake.** The amount of gas consumed by the industry was considerably lower than previous years as a result of the economic crisis. Industrial companies directly connected to the Fluxys grid consumed about 23% less in the first three months of 2009 than they did in the corresponding period in 2006, 2007 and 2008. This downward trend was less pronounced from April to June, with consumption some 15% below the levels of the previous three years. However, in July consumption decreased sharply again to below the levels of 2006, 2007 and 2008. Yet in the first half of 2009 the consumption of public distribution and of the power stations directly connected to the Fluxys grid was equivalent to or even higher than the consumption in the same period in the three previous years.

In the first half of 2009, this reduction in industrial offtake did not result in a decrease in capacity reservations and therefore had no impact on the amounts invoiced for transport activities.

**Cut-down of flows from the east partly offset via Zeebrugge.** Natural gas can flow in both directions on the east-west route in the Fluxys network. This bi-directionality has proven its worth in supplying the European market when in January 2009 flows from the east were cut: grid users employed a substantial amount of capacity in the direction of Germany and France to meet supply obligations vis-à-vis end users throughout Europe.

**Decision to build new east-west capacity.** In February 2009, the Fluxys Board of Directors decided to invest in the RTR2 project. This involves constructing a second pipeline following the east-west axis between Eynatten and Opwijk, alongside the existing RTR1 pipeline (Zeebrugge – Zelzate/Eynatten). The RTR2 project is driven mainly by the increasing demand for transport capacity on the Belgian market. Furthermore, the project stems from a market consultation by Fluxys in 2005 and 2006. This consultation led to long-term contracts



being signed with grid users for new transit flows of about 10 billion cubic metres per year along the bidirectional east-west axis. The RTR2 pipeline is expected to be commissioned by the end of 2010. As part of its recovery plan, the European Commission agreed in principle to awarding a €35-million subsidy to the RTR2 project.

**New procedure for subscribing transport capacity.** Fluxys in close cooperation with CREG has developed for customers in the transport business for supply to the Belgian market a new way of subscribing capacity at those entry points where demand exceeds supply: during a defined capacity subscription period, all the medium-term capacity that transport customers want to book is listed so as to provide a general overview of demand and to allocate available capacity on the basis of transparent criteria. At the other entry points, transport customers will continue to subscribe capacity on a 'first come, first served' basis as before. The first capacity reservation period aroused the interest of grid users. Fluxys consults with CREG on applying this new procedure for subscription of long-term capacity.

**New step in operational data publishing.** Since the middle of January 2009, the Fluxys website provides four new types of daily updated information about natural gas flows at the interconnection points. Each day, the following data are updated: day-ahead nominations, final nominations, provisional and final allocations, and interruptions of available interruptible capacity. The operational data published on the Fluxys website now includes the entire range of information identified at this stage as being relevant to the market within the Northwest Gas Regional Initiative.

### 3.2 LNG terminalling

**High activity level at the LNG terminal.** There was a higher activity level at the LNG terminal in the first half of 2009 than in the same period of 2008: in the first six months of 2009, 43 LNG carriers unloaded their cargo at the terminal, as opposed to 17 in the first half of 2008. On Monday, 17 August, the *Grandis* LNG carrier visited Zeebrugge for the first time, becoming the first LNG carrier to use the loading service in 2009. Seven ships have now been loaded with LNG in Zeebrugge since the launch of the service in August 2008.

**Decision to build an Open Rack Vaporizer.** In March 2009, the Fluxys Board of Directors decided to complement the regasification facilities at the LNG terminal in Zeebrugge with a so-called Open Rack Vaporizer (ORV). ORVs regasify liquefied natural gas (LNG) using heat from seawater and are able to provide additional regasification capacity at times of peak demand. Their use will also lead to a significant reduction in energy consumption as well as in carbon-dioxide and nitrogen oxide emissions. Fluxys has initiated consultations with the relevant federal and regional authorities to implement the project.

### 3.3 Setting new records at the Zeebrugge Hub

Huberator, the Fluxys subsidiary that operates the Zeebrugge Hub, has landed four new customers since January, bringing its current customer base to a total of 73 including its first ever Spanish customer, *Gas Natural Aprovevisionamientos*.

At the start of June, the Zeebrugge Hub also set new records for net traded volume and physical volume delivered. On 4 June, the net traded volume reached 215 million cubic metres (2,503 GWh), some 4% more than the previous record, which had stood since 22 October 2008. This new record is equivalent to seven times the amount of high calorific natural gas consumed in Belgium on the same day (30 million cubic metres or 349 GWh). Yet another record was beaten on 3 June: the physical volume delivered hit 57 million cubic metres (668 GWh), breaking the previous record of 11 January 2005 by 4%.

## 4. Safety: notification of works gets even simpler

Since the end of March 2009, one single notification is enough for contractors, engineering firms and project owners planning works in Flanders to request maps of all underground infrastructures. This administrative simplification is again a step forward in preventing damage from excavation works and helps utilities to safely operate their infrastructure. The single notification solution is the result of linking the federal and Flemish cable and pipeline information checkpoints CICC/KLIM and KLIP. As a member of Fetrapl (the federation of Belgian transmission pipeline companies), Fluxys is closely involved in the development of CICC/KLIM and the link with KLIP.

Until recently, anyone planning works in the Flemish Region and requesting infrastructure maps had to use both CICC/KLIM and KLIP to provide notification of the activities and ask for maps. The two applications have now been linked up, meaning that only one notification is needed, with notifications via KLIP being passed automatically to CICC/KLIM and notifications via CICC/KLIM of works in the Flemish Region being communicated automatically to KLIP.

**Consulting the municipality no longer necessary in Flanders from 1 September.** On 1 September 2009, the implementing decree for the KLIP Decree will come into force and all cable and pipeline operators will be obliged to register in KLIP. This obligation already applied at federal level (CICC/KLIM). This means that users of one of these two internet applications can be absolutely sure they receive the maps of all the cable and pipeline operators concerned. Therefore users in Flanders will no longer have to consult the municipality to obtain the list of operators on its territory.

**Works in Wallonia and the Brussels Capital Region: for the time being, CICC/KLIM and paper correspondence still needed.** For works in Wallonia and the Brussels Capital Region, CICC/KLIM is currently the only operational electronic notification portal, but at present Wallonia is developing a web portal called e-impétrants and the Brussels Capital Region is working on the portal Iriscom. CICC/KLIM plans to develop similar solutions to the one provided in Flanders when e-impétrants and Iriscom become operational.

## 5. Corporate governance

**Articles of Association amended and composition of the Board of Directors adjusted.** In correspondance with the terms of an agreement concluded by the stable shareholders in September 2008, GDF SUEZ sold a number of shares to Publigas, which now has a majority stake in Fluxys. This operation saw GDF SUEZ retaining a 38.50% participation in Fluxys, while the Publigas participation increased to 51.47%. The Extraordinary General Meeting of Fluxys on 27 May 2009 amended the company's Articles of Association to match the new shareholding reality.

On 3 June 2009, the Fluxys Board of Directors adjusted its composition following the reorganisation of the participations in Fluxys held by GDF SUEZ and Publigas. Publigas Chairman Daniel Termont was appointed as Chairman of the Board of Directors, replacing Jean-Pierre Hansen, who was made Vice-Chairman. The composition of the different committees was also adapted to reflect the new composition of the Board of Directors.

**Chairman of the Executive Board and CEO appointed.** On 3 June 2009, the Board of Directors also confirmed the appointment of Walter Peeraer as Chairman of the Executive Board and CEO of Fluxys. On the basis of a Publigas proposal which was adopted by the Appointment and Remuneration Committee, the Board gave its support to this appointment on 5 March 2009 in anticipation of a positive opinion in this regard from CREG, which was received on 3 April 2009.

**Corporate Governance Charter amended.** Following the rearrangement of the GDF SUEZ and Publigas participations in Fluxys, the Corporate Governance Charter was amended in line with the new shareholders' agreement.

## 6. Prospects

### 6.1 New investment projects

**New north/south capacity.** In December 2008, Fluxys finalised its market consultation regarding new cross-border north/south capacity. The consultation was conducted in coordination with adjacent grid operators and fourteen grid users concluded long-term contracts for 10 billion cubic metres of additional capacity from Zeebrugge, 's-Gravenvoeren (Belgian-Dutch border) or Eynatten (Belgian-German border) to Blaregnies (Belgian-French border). A final investment decision still needs to be taken. Bearing in mind permitting procedures and the scale of investment required among other things, the new capacity could be commissioned in late 2013. As part of its recovery plan, the European Commission agreed in principle to awarding a €200-million subsidy to the north/south capacity enhancement project, a project to be implemented partly in Belgium and partly in France over the next few years.

**Market consultation regarding transit to Luxembourg.** In June 2009, Fluxys launched a market consultation to assess the level of market demand for additional long-term transit capacity to the Grand Duchy of Luxembourg. Up to now, ten grid users have signed a confidentiality agreement, and bilateral discussions have started to map out their interests. Based on the current schedule, Fluxys expects non-binding capacity requests from interested grid users by the beginning of September. Thereafter the project can be worked out in more detail and by the end of October 2009, Fluxys expects to have a list of binding capacity requests.

**Detailed study into building a second jetty at LNG terminal.** Fluxys LNG has started a detailed study into building a second jetty at the LNG terminal in Zeebrugge to also enable regasification ships to moor. For its part, Exmar is prepared to reserve long-term capacity with Fluxys LNG. The possibility to handle ships with regasification facilities would once again extend the scope of services on offer at the terminal.

### 6.2 Dividend 2009

The ongoing development of its business activities should enable the Group, barring any major unforeseen contingencies, to generate a dividend for 2009 which is at least the same as for 2008.

However, it should be reiterated that business during the first half was marked to a large extent by a regulatory environment that created major uncertainties regarding the future trend in results, with the Fluxys Group lodging a number of appeals against CREG's tariff decisions with the Court of Appeal.

## 7. Statutory Auditor's Report

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 1 to 28 (jointly the "interim financial information") of FLUXYS SA ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2009. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "*Interim Financial Reporting*" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprise/Instituut van de Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprise/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the EU.

28 August 2009

### The Statutory Auditor

---

**DELOITTE Réviseurs d'Entreprises**

SC s.f.d. SCRL

Represented by Jurgen Kesselaers

## Press Release

Results for the first half of 2009 – 28 August 2009



### CONTACTS

#### Accounting and financial data

*René Sterckx*

Tel.: +32 (0)2 282 74 80

Fax: +32 (0)2 282 75 83

E-mail: [rene.sterckx@fluxys.com](mailto:rene.sterckx@fluxys.com)

#### Press contacts

*Bérénice Crabs*

Tel.: +32 (0)2 282 72 30

Fax: +32 (0)2 282 79 43

E-mail: [berenice.crabs@fluxys.com](mailto:berenice.crabs@fluxys.com)

**Other languages:** This press release is also available in French and Dutch in the *Press releases* section of the Fluxys website: [www.fluxys.com](http://www.fluxys.com).