

Fluxys Belgium press release

30 September 2015 – Regulated Information

Results for the first half of 2015

Information on key events in the first half of 2015
and their impact on the financial situation of Fluxys Belgium

- Turnover of €262.1 million for the first half of 2015
- €109 million of investments
- Launch of integrated Belgium-Luxembourg gas market on 1 October
- 20-year LNG transshipment services contract at the Zeebrugge LNG terminal
- 2016-2019 tariff proposal submitted to CREG: stable and attractive tariffs

1. Turnover of €262.1 million for the first half of 2015

The Fluxys Belgium group had a turnover of €262.1 million in the first half of 2015 compared with €268.0 million for the first six months of 2014. This is mainly due to the following developments:

- § As a result of system users and end users optimizing their **transmission capacity** portfolios, Fluxys Belgium sold slightly less transmission capacity in the first half of 2015 than it did from January to June 2014.
- § In the first six months of 2015 the company transported 7.7% more natural gas through its network than in the first half of 2014, mainly because 2014-2015 saw a harsher winter than the previous year.
- § Sales of **storage products** are in line with those for the same period of 2014, although Fluxys Belgium's storage activities have been facing tough competition on various fronts: not only are other flexibility resources available on the market but there has been a historically small difference between the winter and summer prices on gas trading platforms compared with the cost of natural gas storage.
- § The Zeebrugge **LNG terminal** managed to strengthen its reputation as a versatile LNG hub. A large number of ships loaded LNG cargoes at the terminal and the facility remained a popular location for loading LNG trailers in spite of similar services being introduced at other terminals. Since early 2015, small LNG ships bound for small-scale customers operating on the Scandinavian market have also been using this terminal.

2. Investments of €109 million in the first half of 2015

Of the investment budget of €192.5 million for 2015, a total of €109 million was invested in the first six months of the year. Alongside work starting on building the fifth storage tank at the LNG terminal in Zeebrugge (see below), the three largest projects were the following:

- § A second jetty is being built for both loading and unloading LNG carriers at the Zeebrugge terminal. Starting operations in 2016, the jetty will be able to accommodate ships with a capacity from 2,000 to 217,000 cubic metres of LNG.
- § Two parallel pipelines are being upgraded in Ravels and Oud-Turnhout, on the north/south route running through Belgium. These works are part of Fluxys' programme to ensure that all of its

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infrastructure continues to meet high safety and quality standards in a long-term perspective. The upgrading works in Ravels and Oud-Turnhout started in February 2015 and will be completed in the autumn of 2016.

- § A pipeline is being laid between Alveringem and Maldegem, forming the Belgian section of the cross-border link Dunkirk-Zeebrugge. Progress with the pipeline and the associated infrastructure is on schedule for commissioning on 1 November 2015 in line with the construction works for the new LNG terminal in Dunkirk and the French section of the cross-border link connecting the terminal to the Belgian network in Alveringem.

3. Other key events

Construction of a fifth storage tank at the Zeebrugge LNG terminal. Fluxys LNG signed a 20-year contract in March 2015 with Yamal LNG for the transshipment of up to 8 million tonnes of LNG per year. Fluxys will be offering these transshipment services once work has been completed on building a fifth storage tank, which will be able to hold 180,000 cubic metres of LNG, and additional compressor capacity.

Market test for additional capacity. In May 2015, Fluxys LNG initiated talks with parties interested in additional capacity at the Zeebrugge LNG terminal. Depending on the outcome of this market test, an Open Season is scheduled for Q4 2015 with a view to concluding firm long-term commitments so as to have a sound basis for taking final investment decisions.

Launch of integrated Belgium-Luxembourg gas market on 1 October. Fluxys Belgium and Creos Luxembourg have been working in close cooperation with their respective regulators, the Commission for Electricity and Gas Regulation (CREG) and ILR (*Institut Luxembourgeois de Régulation*), to integrate their countries' high-calorific natural gas markets on 1 October 2015.

2016-2019 tariff proposal for storage and transmission services submitted to CREG. On 30 June 2015, Fluxys Belgium submitted to CREG its tariff proposal for the 2016-2019 tariff period in accordance with the CREG tariff methodology, which includes incentives for Fluxys to continue working and investing efficiently. The ongoing efficiency drive by the company is one of the ways in which Fluxys Belgium has managed to keep the tariffs put forward in the proposal at a stable and attractive level. CREG is expected to come to a decision in October 2015.

4. Financial outlook

Net profit from regulated activities is primarily determined by the equity invested, the financial structure and the interest rates (OLOs). The recurring dividend will continue to evolve depending on the development of these three parameters, while the efforts to improve efficiency, among other factors, should ease the impact of the OLO rate decline in 2015.

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5. External audit

The statutory auditor has confirmed that based on his audit, which has been worked through thoroughly, nothing has come to his attention that gives reason to believe that significant adjustments are required to the half-yearly accounting information in this press release or in the half-yearly report.

6. Half-yearly financial report available

The Fluxys Belgium half-yearly financial report – including an overview of changes in activities and services and the condensed financial statements – is available in French and Dutch [on the Fluxys Belgium website](http://www.fluxys.com/belgium).

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