FLUXYS

ANNUAL FINANCIAL REPORT 2014

FLUXYS

5th financial year

Reports to the Annual General Meeting of 12 May 2015

Contents

Fluxys in a nutshell

Our vision

Europe needs natural gas and Fluxys bridges the markets – Natural gas will remain a core component of the energy mix in tomorrow's low-carbon economy. As a natural gas infrastructure company for Europe, Fluxys aims to bridge the markets so that suppliers can move natural gas flexibly to their customers and between European gas trading places.

Our mission

- Connect and promote liquid trading points and ensure security of supply
- Operate infrastructure safely, efficiently and sustainably
- Provide competitive and quality services tailored to market expectations
- Create long-term value for shareholders

Our values

Customer focus – We listen to our external and internal customers' needs and keep to our commitments. This approach provides the driving force enabling us to achieve the results we strive for.

Cohesion – Within our own entity and beyond, we strive for cooperation and team spirit to jointly achieve our desired results.

Professionalism & commitment – We are committed to achieving our results by adopting an efficient approach and ensuring we are guided by best practices in everything we do. We systematically develop our expertise and continually seek creative solutions at a reasonable cost.

Safety and environment – We jointly give priority to the safety of our facilities because we are responsible for the transmission of an energy that entails risks. In the same spirit of sustainability, we strive to minimise the environmental impact of our operations whilst keeping a close eye on welfare at work.

Good neighbourly relations – We provide services of general economic interest and have to ensure our activities are properly integrated in society. Through open dialogue, we want to establish good relations and cooperate with all those affected by the construction and operation of our facilities.

OUR STRATEGY

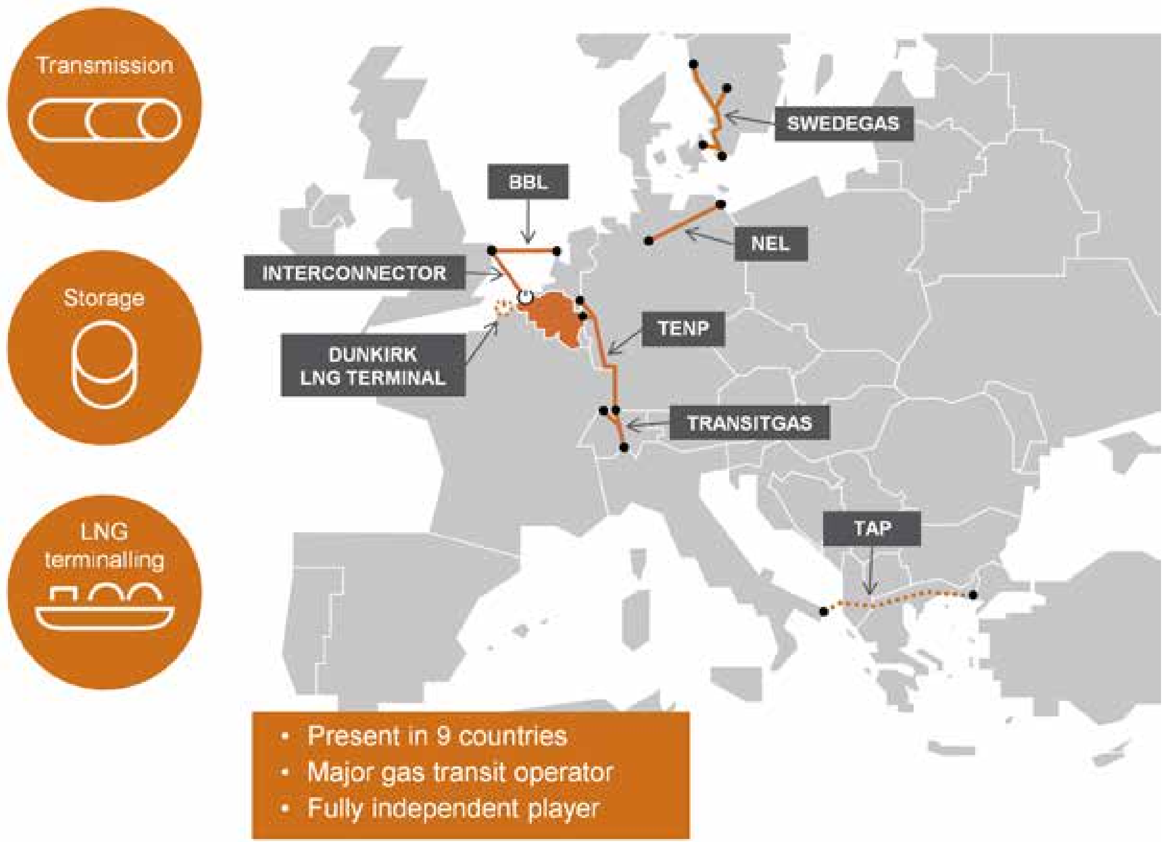
Three activities. Fluxys is active in three core activities, namely transmission, storage and LNG terminalling. This combined know-how is a major asset in the European market and enables a diversified portfolio of activities to provide a better return.

Remain competitive in the market. Fluxys endeavours to ensure that its tariffs and services are as competitive as possible and its investments contribute to security of supply and well-functioning markets.

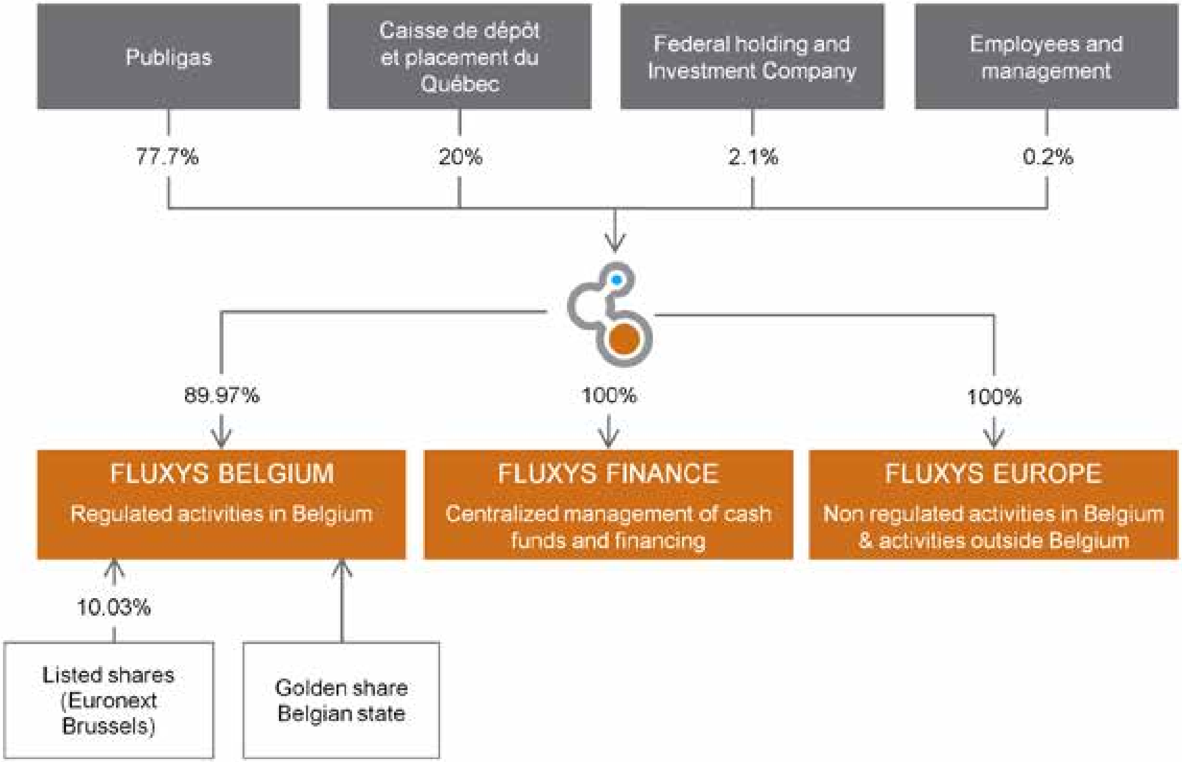
Further expand towards a broad asset base in natural gas infrastructure. Fluxys wants to further expand its role as a crossroads for cross-border natural gas transmission in Europe from its central position in Belgium. To that end, the company is aiming to play an active role in the development of new infrastructure and the takeover of existing assets through profitable long-term investments.

Strengthen our expertise and partnerships. To implement its strategy, Fluxys values the development of its employees' know-how and builds strong alliances with solid partners.

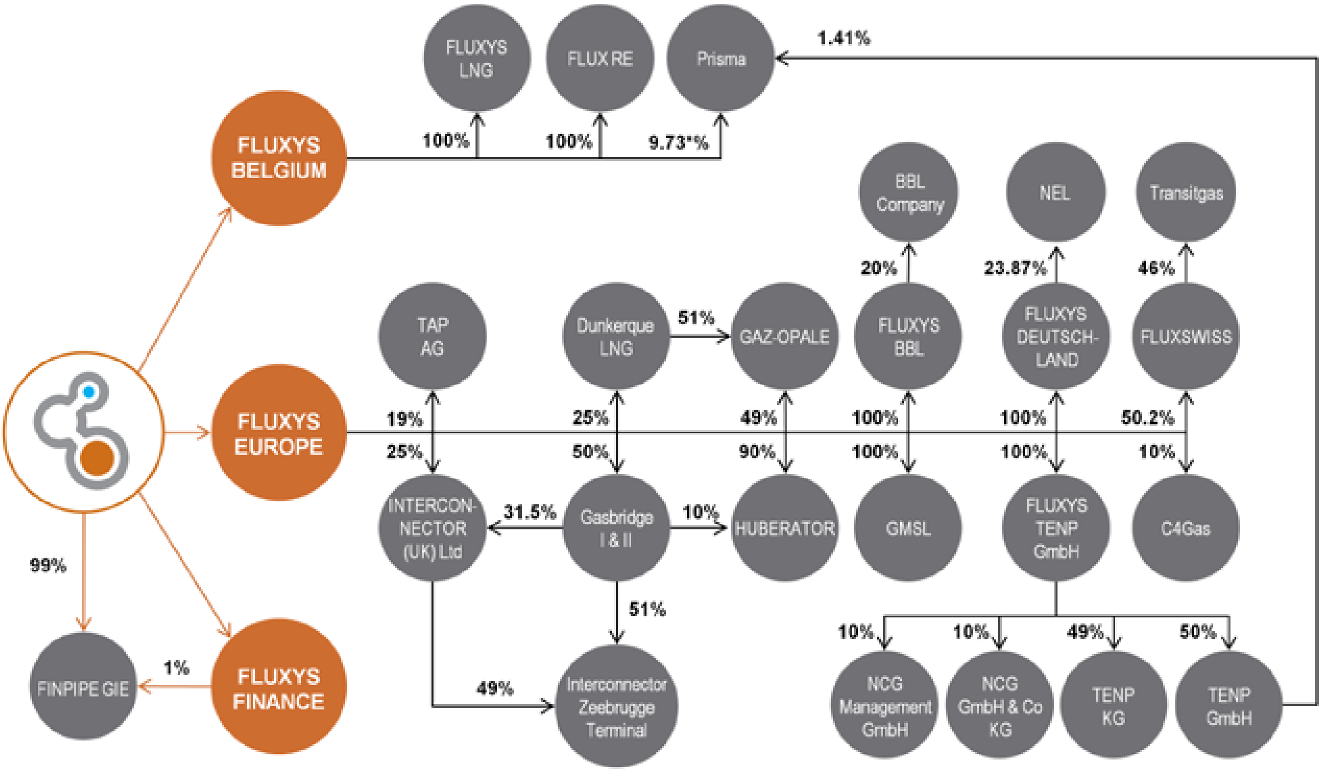
FLUXYS: NATURAL GAS INFRASTRUCTURE COMPANY



Shareholding and Group structure as at 25 March 2015



Overview of Fluxys Group companies



Corporate bodies as at 25 March 2015

Board of Directors

Daniël Termont, Chairman of the Board of Directors
Claude Grégoire, Vice-Chairman of the Board of Directors
Walter Peeraer, Managing Director and CEO
François Fontaine
Luc Hujoel
Luc Janssens
Patrick Moenaert
Renaud Moens
Josly Piette
Yves Rheault
Macky Tall
Christian Viaene

Nicolas Daubies, Company Secretary & Legal Manager, acts as secretary to the Board of Directors.

Audit Committee

Renaud Moens, Chairman of the Audit Committee
Ludo Kelchtermans
Yves Rheault
Walter Peeraer, invited with an advisory vote

Nicolas Daubies, Company Secretary & Legal Manager, acts as secretary to the Audit Committee.

Appointment and Remuneration Committee

Christian Viaene, Chairman of the Appointment and Remuneration Committee
Mireille Deziron
Luc Hujoel
Walter Peeraer, invited with an advisory vote

Anne Vander Schueren, Human Resources Manager, acts as secretary to the Appointment and Remuneration Committee.

Managing Director and CEO

The Management Team is responsible for the daily and operational management of the company. The Management Team also makes investment proposals to the Board of Directors within the framework of the company strategy.

Walter Peeraer, Managing Director and CEO
Pascal De Buck, Deputy CEO
Paul Tummers, Chief Financial Officer
Peter Verhaeghe, Chief Technical Officer

I. ANNUAL REPORT

In accordance with the Belgian Company Code, the Board of Directors is pleased to be able to present the annual report for the financial year 2014 for your company and the group and to submit for your approval the annual accounts for the period ending 31 December 2014.

Significant events after the balance sheet date:

- Fluxys and Enagás to jointly acquire Swedegas, p. 25 and 177
- Coordinated sale of capacity by Fluxys Belgium and IUK, p. 28 and 177
- Long-term contracts for LNG transshipment services in Zeebrugge, p. 28 and 176

Declaration regarding the financial year closed on 31 December 2014

I, Walter Peeraer, Managing Director and CEO, hereby attest that to my knowledge:

a) the annual accounts, drawn up in accordance with the applicable standards for annual accounts, give a true and fair view of the company's assets, liabilities, financial position and profit or loss and those of the companies included in the consolidation scope;

b) the annual report gives a fair review of the development and performance of the business and of the position of the company itself and of the companies included in the consolidation scope, together with a description of the principal risks and uncertainties that they face.

Brussels, 25 March 2015

Walter Peeraer
Managing Director and CEO

1. Market context and challenges

1.1 Trends in demand and supply

While the shale gas revolution in the United States has prompted a fresh large-scale wave of US industrialisation, it has also triggered worldwide shifts in the energy market. Thanks to successful unconventional natural gas exploration, gas prices in the United States have fallen substantially, which in turn has pushed up demand for natural gas in the US.

Another resulting new trend is that US power generation has largely shifted away from coal in favour of natural gas. As a consequence, large quantities of coal produced in the United States have found their way to the European market. Preparations are currently under way in the United States to export shale gas in the form of LNG.

In recent years, Asia has been the prime market for LNG. There has been substantial industrial development in China, India and South Korea, while in Japan in the wake of the Fukushima disaster nuclear power generation has largely been abandoned in favour of gas-fired power stations. LNG prices in Asia have been considerably higher than in Europe and therefore large quantities of LNG have been reloaded in Europe and shipped into the higher priced Asian markets. The decline in oil prices, among other things, has altered this trend, with the gap between LNG prices in Asia and Europe tightening; this in turn seems to encourage imports of LNG to Europe, in particular Zeebrugge, and to limit the number of large LNG carriers being loaded.

In contrast to the situation in the United States and Asia, demand for natural gas in Europe is flat to declining. The reason for this trend is twofold: the economy has yet to recover from the economic and financial crisis of 2008, and consumption levels on the whole are no longer rising due to energy-efficiency measures. Furthermore, coal is taking precedence over natural gas as a fuel for power generation due to the import of cheap coal from the United States, the low cost of CO_2-emissions rights, an electricity-market model which is in transition and an increasingly large proportion of renewable generation.

Natural gas production in Europe is also in decline. By 2030 at the latest, for example, exports from the Groningen gas field will cease. This means that despite the plateau in demand in Europe, major new import flows will be required. In the light of this and bearing in mind geopolitical evolutions, Europe seeks to diversify its sources as broadly as it possibly can, notably with LNG and gas which can be piped via southern Europe. Fluxys' involvement in the Zeebrugge and Dunkirk LNG terminals and in the Southern Gas Corridor show that it is well positioned to take advantage of the new capacity requirements to be expected in the wake of these new import flows.

1.2 Natural gas in the energy mix

Gas-fired power stations are the best option in terms of investment cost, energy efficiency, emissions and flexibility alike when it comes to finding a solution for the intermittency of power production from renewable sources such as sun and wind. However, gas-fired power stations in Europe are experiencing rough times: natural gas is being squeezed out of the energy mix and coal is in turn supplementing the growing proportion of variable renewable power production.

Against this backdrop, as a society we are investing huge sums in renewable generation but are still missing out on the positive effects on carbon emissions that the investment was designed to achieve. If it is to reach its 20-20-20 goals, Europe will need to find a solution for the gas-fired power stations so as to enable them to play the crucial role they are destined for.

In this context, it is also important for end users that electricity production is being deployed as sustainably as possible, that security of supply is guaranteed and that prices are kept as low as possible. Accordingly, we must make maximum use of existing infrastructure and make such an approach a cornerstone of energy policy. It is important that we avoid capital-intensive investment which renders expensive existing infrastructure redundant. One of the difficulties where electricity from renewable sources is concerned is the surplus electricity generated during periods of strong winds or significant sunshine when demand is low. At present, there is no means of storing such surpluses and they are either wasted or trigger negative wholesale prices. Natural gas infrastructure in this respect offers significant benefits. One promising technology is power-to-gas which can be used to convert surplus electricity generated from renewable sources into hydrogen or synthetic gas.

1.3 Natural gas poised to make a breakthrough in the transport sector

In the European Union, as much as a quarter of all fuel-generated CO_2 emissions originate from the transport sector. Thanks to an emissions profile which outperforms other fossil fuels in all categories, natural gas offers considerable potential as a fuel for the transport sector. The challenge is to develop the necessary infrastructure so that cars, trucks and ships can fill up with natural gas easily. Until recently, investment in filling facilities did not follow because there were not yet enough ships or vehicles, and potential users were putting off switching to natural gas due to the lack of filling infrastructure. In 2014, this chicken-and-egg situation toppled:

both in Belgium and elsewhere in Europe a clear trend has emerged towards investment.

Alongside other partners, in particular port authorities, Fluxys is looking into what investment is required in ports in order to further develop LNG as a fuel for shipping. Fluxys is also taking all possible steps to develop the Zeebrugge LNG terminal into a hub for small-scale LNG. LNG is also an excellent alternative to conventional fuels for long-distance trucks. Fluxys is prepared to invest in refuelling facilities, as evidenced by the LNG refuelling station in Veurne, which was built in 2014 in partnership with haulage company Eric Mattheeuws.

Compressed natural gas (CNG) can be used for private vehicles, vans and busses. At the moment, over 1 million vehicles in Europe – the majority of them in Italy and Germany – run on CNG, and car manufacturers offer a wide range of models. In Belgium, in partnership with the natural gas sector, Fluxys has been running a successful campaign to promote the use of CNG: as a result, the number of CNG-powered vehicles has increased substantially and this trend has become a driver for further development of CNG refuelling stations.

1.4 Shift to short-term market continues

Suppliers are concluding fewer and fewer long-term contracts with gas producers and are sourcing an increasing volume of the natural gas in their portfolio through the various trading places in Europe. Following several years of relative stability, we are now seeing more movement on European gas hubs. According to the European Federation of Energy Traders (EFET), the Belgian trading places Zeebrugge Beach and ZTP are ranked third and fourth respectively among European gas hubs. The knowledge and experience Fluxys has built up in Belgium over the years comes in handy to partner in Greece in pioneering a gas-trading place for Southeast Europe.

The focus on short-term contracts shows also on the capacity market. Stagnating demand in Europe is causing grid users to be more cautious and replace expiring long-term contracts with short-term ones instead. They are booking capacity purely on the basis of their immediate needs. This trend is at odds with the business model used to date to develop the natural gas grid, namely that of investment in infrastructure being covered by long-term contracts.

This trend is not a passing one but is moreover being encouraged through the European Network Code on mechanisms to allocate bundled cross-border capacity. When the Code comes into force in October 2015, it will serve to heighten competition on pan-European transit routes, increase short-term bookings and thereby trigger greater volatility in terms of income.

1.5 STORAGE UNDER PRESSURE

For several years, not only has there been a surplus of natural gas on trading platforms but there has also been a relative oversupply of storage opportunities in Europe. This situation has resulted in small price spreads between winter and summer and, as a consequence, in physical storage of gas being priced out of the market. In addition, Fluxys Belgium's storage activity in Belgium is in competition with non-regulated storage services elsewhere in Europe, while other countries in Europe tend to use their storage facilities more and more as a means of ensuring security of supply, for example by obliging suppliers to book a minimum capacity volume. To prevent any further divergence between Member States' gas-storage policies, a pan-European strategy is required.

The potential for physical storage lies in the flexibility it offers gas-fired power stations. By converting electricity into hydrogen or synthetic gas, the developing power-to-gas technology is particularly valuable as a solution to the problem of power storage: for example, when wind turbines are running at full capacity while electricity demand is low, the surplus energy generated can be stored in the gas infrastructure in the form of hydrogen or synthetic gas. Then, at times of peak demand, power can be generated by converting this hydrogen and/or gas into electricity. Since 2013, Fluxys has been working with ten other European companies in the North Sea Power to Gas Platform. The platform aims to bring together all players in the North Sea countries to monitor the technology and exchange best practices.

1.6 EUROPEAN MARKET INTEGRATION

The gas market in the European Union has historically been structured around national and/or subnational systems in which different rules apply from one country to the next. In the blueprint for the future natural gas market Europe is aiming to achieve, these borders are fading out and gas is able to flow in any direction between major gas trading places. In Belgium and Luxembourg, Fluxys has been working with its partners on a project to integrate the two countries' markets by October 2015. This is a first in Europe and will be an opportunity to build up expertise and experience which can then be utilised in similar future projects elsewhere and which will ensure that the regulators and system operators in both countries are better prepared for broader integration with other neighbouring countries in due course.

Integrated markets also ensure that natural gas can be conveyed freely in any direction to end consumers. In contrast to a linear model whereby natural gas flows in a straight line in one direction from the wellhead to a specific market, the European system has developed into a much more dynamic structure thanks to greater interconnectivity and pipelines which can send gas in different directions. Traditionally, natural gas in Europe has always flowed from north to south, but Fluxys is currently investing in transporting gas from Italy via Switzerland to France, Germany, Belgium and the United Kingdom among others.

Through the European Network of Transmission System Operators for Gas (ENTSOG), the European TSOs are working on establishing an integrated European natural gas market. Within the framework of the EU's Third Energy Package harmonised rules or network codes are being drawn up on issues such as grid access, balancing and tariffs.

2. Focal areas in 2014

2.1 KEEPING FINANCIALS SOLID

Fluxys has the financial resources to maintain and further expand its natural gas transmission infrastructure in a growing international environment. In order to be prepared for the investments it needed to implement its international development strategy, Fluxys has built up a balanced financing approach. It therefore has a robust gearing of equity to borrowed funds, which offers scope for new financing and provides for sufficient liquidity in the form of unused credit lines. In addition, its borrowed funds are diversified, which means that the group is not solely dependent on bank financing. In its financing, Fluxys' priority is always to strike a right balance between cost, duration and diversification of financing sources.

Indicators

Equity / equity + net debt	51%
FFO before net interest/net interests	5.1[1]
FFO/net debt	18%[2]

With these solvency ratios and debt ratios, Fluxys can present a good credit report (investment grade).

The ratio of equity to borrowed funds is balanced and shows sound distribution of business risks across shareholders, financial institutions and institutional investors.

The FFO/net debt ratio of 18% shows that Fluxys can pay off its debts within a reasonable timeframe on the basis of the generated cash, and indicates that Fluxys can flexibly attract new capital for its further development.

Finally, the FFO before net interest to net interests ratio shows the extent to which the generated cash must be applied to cover the interest on the debt.

For Fluxys, these three basic indicators yield a score that indicates a robust credit profile.

[1] EBITDA - Current Tax / net interests

[2] EBITDA + Interest income - Borrowing interest costs - Current tax / Net debt

Fluxys Belgium: successful private placement of €350 million in bonds

In November 2014, the group's subsidiary Fluxys Belgium successfully completed a private bond placement: the company secured €350 million from over 40 investors in seven countries. Total market appetite reached over €700 million, which confirms the confidence of institutional fixed income investors in Fluxys Belgium's credit and the key role of the Belgian natural gas grid as crossroads for Northwestern Europe.

Through this transaction Fluxys Belgium locks in record low bond coupon levels. With tenors of 15 and 20 years the company also achieves one of the longest tenors ever in the nascent European private placement market by a corporate issuer without external rating.

Renegotiation of financing for FluxSwiss and Transitgas

Fluxys manages its investments carefully and regularly looks into opportunities to find more favourable conditions on the financial market. In summer 2014, Fluxys renegotiated its financing contracts for FluxSwiss and Transitgas on the basis of the updated prices on the financial market. This enabled the company to reduce interest costs by 75 bp on all external financing solutions for FluxSwiss and Transitgas up to their due date.

2.2 STRONG HUMAN CAPITAL BASE

Fluxys can count on the expertise, commitment and motivation of over 1.150 employees in Belgium, France, Germany, Switzerland, the United Kingdom and Luxembourg. Fluxys attaches great importance to training its staff in its own vision, mission, strategy and values and is always looking to promote these further amongst its employees. Helping each individual to understand not only what the company is striving to achieve but also how it wants to achieve it and the key behaviour required is a critical factor to its success.

Talented employees now and for the future

For Fluxys, attracting and developing the right talent is a key challenge and a priority of the company's HR policy. Based on its company objectives, Fluxys assesses its future HR requirements to ensure that it is clear about which profiles and skills we require within the company to be able to cope with the challenges we will face in the years ahead.

Encouraging staff's contribution

Through its various programmes to promote integration, continuing professional development, and performance and skill management, Fluxys is keen to develop its employees' potential and to support them in their efforts to achieve the company's objectives. A personalised induction and integration programme has been put together for new employees and those who are taking up a new role.

Allowing talent to grow and flourish

Fluxys makes every effort to ensure that its staff have the skills they require to achieve both their own personal goals and those of the company. In the years ahead, we are keen to enhance flexibility and adaptability, and the ability of staff to work across different disciplines and in a team, and to encourage a results-oriented and forward-looking mindset and approach.

Securing our future now

One of the keys to successful talent management is acknowledging fully the efforts made by staff. With this in mind, Fluxys offers competitive remuneration in line with market levels, thereby ensuring that the conditions offered are on par with market levels so as to be able to attract and retain staff with the skills we require. We are also developing a performance-related pay scheme to reflect individuals' commitment and contribution to achieving Fluxys' annual objectives.

Open dialogue

Our staff are the driving force behind our company and their commitment is crucial to its future. That's why Fluxys seeks to shore up cohesion amongst its staff and offer employees the best working environment possible. Active involvement and dialogue are two of the cornerstones of our HR policy. Dialogue with the social partners fosters smooth industrial relations within the company.

2.3 CONNECTING MARKETS

Towards an integrated gas market for the grand duchy of Luxembourg and Belgium

Fluxys Belgium, Creos Luxembourg and their respective regulators, the Commission for Electricity and Gas Regulation (CREG) and the Luxembourg Institute of Regulation (ILR) are cooperating closely with a view to fully integrating the Belgian and Luxembourg markets for high-calorific natural gas by **late 2015**. This initiative dovetails with the European Union's blueprint for a European gas market without borders and will be the first case of market integration between two Member States.

Merging the Belgian and Luxembourg gas markets will strengthen competitiveness and **enhance security of supply in the grand duchy of Luxembourg.** The harmonised balancing rules will also facilitate things for suppliers active in both countries.

As well as the integration of Belgium and Luxembourg's markets, Fluxys and the relevant system operators and regulators are looking into the feasibility of consolidating the connections between Belgium and its neighbours.

From summer 2018: new south-north capacity

In January 2015 Fluxys made the final investment decisions to make the Transitgas and TENP systems bidirectional. From end of summer 2018, shippers will be able to move gas from Italy to Germany and France through Switzerland, as well as gas from Germany to France and France to Germany. If there is an upsurge in interest for south-north capacity, current investments could gradually be expanded so as to offer capacity to the Gaspool market area in northern Germany and to Belgium. Through Belgium, there is also capacity to the United Kingdom, so Europe's three biggest markets will be connected to one another.

The investments to make the pipelines bidirectional are aligned with Italian operator Snam's reverse flow project and will **enhance diversity and security of supply** for Switzerland, France, Germany and other countries besides. Thanks to these investments, gas will be able to flow north from Italy for the first time. The wide range of available sources in Italy includes gas from Russia and Africa, LNG sources and, once TAP and the Southern Gas Corridor are operational, gas from Azerbaijan.

In addition, flows from the South could **contribute to the high-calorific/low-calorific switch in Germany**: low-calorific gas imports from the Netherlands and German production will decline from 2020 onwards and have to be substituted with high-calorific gas imports. Making the Transitgas and TENP systems bidirectional will also foster the liquidity of the Italian PSV, the French PEGs and German Net Connect Germany (NCG) gas trading places.

The investments will include flow reversal work at compressor stations located both in Switzerland and Germany as well as the construction of a **deodorisation plant**. The latter will represent a breakthrough in interoperability technology in Europe as it will enable imports into Germany of gas from countries with other odorisation practices. Fluxys TENP's investment is included in the 2014 grid development plan (*Netzentwicklungsplan*) of Germany.

Dunkirk – Zeebrugge connection to be commissioned in late 2015

Fluxys Belgium and the French transmission system operator GRTgaz are working to provide new capacity linking the LNG terminal in Dunkirk (see p. 27) with the Zeebrugge area. GRTgaz will lay a pipeline to the French-Belgian border, while Fluxys Belgium will build a new interconnection point at Alveringem on the French-Belgian border and lay a pipeline from there to Maldegem. That pipeline will connect with the east/west transmission axis through Belgium, enabling grid users to forward their gas to other European markets. The project will not only increase security of supply and diversification of sources, it will also provide a wider range of opportunities for natural gas trading in North-Western Europe.

Both TSOs are working together to have the new pipeline ready for use by late 2015 to coincide with the commissioning of Dunkirk LNG terminal. Fluxys Belgium began preparatory work in 2014: in the World War I Front Line zone, the pipeline's route was cleared of war remnants and archaeological studies are carried out. Work to lay the pipeline began in February 2015.

Fluxys and Enagás to jointly acquire Swedegas

On 23 March 2015, Fluxys and Enagás have agreed to jointly acquire Swedegas, the company which owns and operates Sweden's entire high-pressure gas pipeline network, from EQT Infrastructure Limited. Enagás and Fluxys will each invest around €100 million in terms of equity and in addition third party debt financing will be provided at competitive terms. They will create a joint venture for the management of Swedegas, which enables a common line of interest to be pursued and synergies between Enagás, Fluxys and Swedegas to be unlocked.

Swedegas, certified as TSO by the Swedish regulator (EI), owns around 600 km of high-pressure gas pipelines and an underground Storage facility, Skallen, located nearby Halmstad. It is also developing a bunkering/small scale LNG terminal in Gothenburg (40% Swedegas) categorised as a Project of Common Interest (PCI) by the EU. All Swedegas' assets are located in Sweden, a country with an AAA rating from Standard & Poor's and a stable regulatory framework, approved for the next four years (2015-2018) in October 2014.

Fluxys Belgium and Fluxys TENP: proactively offering capacity on PRISMA

Fluxys Belgium and Fluxys TENP were two of a number of TSOs involved in setting up the Prisma European Capacity Platform, coupling the gas markets of eight countries in the heart of Europe and thus simplifying mutual cross-border flows in line with the agreed European Network Code for capacity allocation.

The Network Code comes into force in November 2015. In 2014, Fluxys Belgium and Fluxys TENP took the proactive step of offering all their bundled capacity on the Prisma platform, as per the Network Code. Prisma makes it easier for grid users to book cross-border capacity.

In November 2014, Prisma held a public consultation with a view to further developing the platform’s functions. One general observation was that as number of products and interconnection points on Prisma increased, the number of grid users and traders systematically rose (over 400 registered grid users and 1,200 registered traders). During the consultation, Prisma users and members expressed their confidence in the platform and its future developments.

Moving towards an integrated European gas market

Fluxys is an active member of **ENTSOG**, the European Network of Transmission System Operators for Gas, which was founded to take steps to achieve an integrated European natural gas market. Fluxys is a founding member of ENTSOG and Walter Peeraer, Managing Director and CEO, is a member of the ENTSOG Board.

Within ENTSOG, Europe's transmission system operators draft ten-year plans for the development of the European grid. They also draw up harmonised rules known as **network codes**. A network code gains force of law as soon as it is approved by the relevant European bodies.

2.4 CONNECTING MARKETS WITH NEW SOURCES

TAP project on schedule

In September 2014, Fluxys increased its **stake** in the TAP project (Trans Adriatic Pipeline, 870 km) from 16% to 19%, at the same time as Enagás joined the project as a new shareholder. Under the new arrangement, TAP's shareholding is now comprised of BP (20%), SOCAR (20%), Statoil (20%), Fluxys (19%), Enagás (16%) and Axpo (5%).

The TAP project is part of the Southern Gas Corridor which is to supply Europe with gas from Azerbaijan sourced at the Shah Deniz field in the Caspian Sea. TAP will connect with TANAP (Trans Anatolian Pipeline) near the Turkish-Greek border at Kipoi, cross Greece, Albania and the Adriatic Sea, before coming ashore in Southern Italy. TAP is a key piece of infrastructure in the **diversification of Europe's gas supply** and is also important for North-Western Europe in connection with the project to offer reverse flows of gas from Italy to Germany, Belgium and the United Kingdom (see p. 23). TAP has been designed in such a way that its capacity can easily be increased from 10 billion m³ per year to 20 billion m³ per year when new natural gas sources become available in future.

Against this backdrop, the European Commission, the European Parliament and the European Council have given TAP Project of Common Interest status, as part of the Trans-European Energy Infrastructure (TEN-E). In doing so, Europe has acknowledged that TAP is a high-priority project for cross-border transmission capacity and has **recognised TAP's role** in opening the Southern Gas Corridor. The European Commission has also named TAP a Project of Energy Community Interest (PECI). This status is only awarded to those projects that will have the greatest positive impact on the largest possible number of suppliers.

TAP appointed Technip as the general coordinator in late 2014 so as to ensure optimal organisation and coordination of works to lay the infrastructure. A number of **milestones** were reached in 2014, and the project is on track to begin receiving the first natural gas from Shah Deniz in 2020:

- In Greece, Greek energy regulator RAE granted TAP an Independent Natural Gas System license and the government approved the Environmental Social Impact Assessment for the project;
- In Italy, the government approved the Environmental Impact Assessment;
- In Albania, the government granted the Compound Development Permit for the TAP project.

Preparatory works are to begin in 2015, with various bridges and roads being laid and adapted in Albania. Work to lay the pipeline will start in 2016.

Construction of new LNG terminal at Dunkirk well under way

Fluxys is a 25% shareholder in Dunkerque LNG, which owns the LNG terminal under construction in Dunkirk. When the new terminal is commissioned, Europe's annual LNG import capacity will increase with 13 billion m³. Once the pipeline connecting Dunkirk and the Zeebrugge area has been completed (see p. 24), the natural gas will also be available to the larger North-Western European market.

Works are on track for the terminal to be commissioned by late 2015. The staff of Gaz-Opale, the terminal operator in which Fluxys also has a stake, have begun in-depth training. Some of the training sessions are being held in Zeebrugge, which is a great way for Fluxys LNG to showcase its LNG expertise. The training sessions combine theory with practice and aim to familiarise the staff of Gaz-Opale with day-to-day operations and all the necessary safety measures.

2.5 Flexible service offer

Sale of transmission capacity: targets exceeded

Fluxys Belgium, Fluxys TENP and FluxSwiss all exceeded their targets for 2014 in terms of sale of transmission capacity. Fluxys Belgium managed to sell slightly more transmission capacity for 2014 than for 2013. A number of new long-term contracts for border-to-border transmission capacity on the north-south route were launched in late 2013, which resulted in additional capacity being sold for 2014. At the same time, however, sales of short-term border-to-border capacity fell in 2014, primarily due to the fact that compared with the previous year there were no instances of exceptional peak demand in either the UK or Germany. This demonstrates clearly that system users book capacity for the short term and based on their immediate needs alone; this is becoming a general trend in contradiction with the usual business model for developing the natural gas grid.

An active sales campaign in Germany achieved good results: Fluxys TENP's sales of short-term capacity were far higher in 2014 than in 2013. This campaign both boosted the company's revenues and mitigated the risk of future tariff increases.

In Switzerland, the price difference between Italian gas trading point PSV and German gas trading point NCG was large enough as from the summer months that additional short-term capacity could be sold for the Transitgas pipeline. Furthermore, FluxSwiss was able to far exceed its sales targets thanks to an innovative commercial approach consisting of customised capacity products and tariffs. The company introduced flexible contracts that allow volume changes and tariff indexation and tested out an innovative new storage product.

Coordinated sale of capacity by Fluxys Belgium and IUK

In January 2015, Interconnector (UK) Limited (IUK) and Fluxys Belgium launched a coordinated sale of capacity for grid users who wish to transport natural gas through the Interconnector pipeline and the neighbouring Belgian grid and on to the Netherlands, Germany and France for a maximum period of 12 years. The joint initiative is an opportunity of choice for shippers to arrange their cross-border capacity portfolio into the ideal configuration for their needs for October 2018 onwards. The coordinated sale of capacity is set to end in May 2015.

Long-term contracts for LNG transshipment services in Zeebrugge

In early 2015, Fluxys LNG gauged the market's interest in storage services at the Zeebrugge LNG terminal. These storage services make it possible to store large LNG loads in a storage tank before reloading them into an LNG ship. Yamal LNG has booked the full offer of 214 mooring slots a year for transshipment and 180,000 m^3 of LNG storage capacity for 20 years.

Yamal LNG is building a natural gas liquefaction plant with its first train scheduled to be commissioned in 2017. The storage services that it booked from Fluxys will be a key link in Yamal's logistical chain, allowing it to supply LNG to Asian and Pacific countries all year round, even in winter, when the Northern Sea Route through the Arctic Ocean is closed to shipping.

Fluxys will offer an initial services package, namely ship-to-ship transfers, as soon as work to expand the LNG terminal's compression capacity has been completed. Additional storage capacity will be available once the facilities for the fifth storage tank have been built. Commissioning is scheduled for 2019.

All storage volumes at Loenhout sold

Times are rough for the European storage market, but thanks to a combination of large price differences between summer and winter and close monitoring of customers' needs, Fluxys managed to sell all of its storage volumes at Loenhout for the storage year 2014-2015. At the European Gas Conference in Vienna, Fluxys won the Gas Storage Operator of the Year award in recognition of its creativity in selling storage capacity. The prize has encouraged Fluxys to continue offering responsive storage products that meet the market's changing needs at competitive prices.

Rapidly expanding market for natural gas as a transport fuel

With an emission profile that outperforms other fossil fuels in all areas, natural gas has a very promising future as a fuel for transport. With that in mind, Fluxys is preparing to make investments on the basis of sound business cases and, where appropriate, cooperate with other partners.

Fluxys Belgium was active on various fronts in 2014 with a view to developing this market and all the evidence suggests that it is definitely picking up. At the Brussels Motor Show, there was significant interest in natural-gas-powered cars and the Zeebrugge LNG terminal has now loaded over 3,000 trucks with LNG. The trucks supply LNG to LNG-fuelled ships or to filling stations for LNG-fuelled trucks. Some loads of LNG are also sent to industrial sites that are not connected to the gas grid. One key event in 2014 was the construction of an LNG filling station in Veurne, on the premises of transporter Eric Mattheeuws. The station is supplied by tanker truck from the LNG terminal in Zeebrugge.

In the shipping industry, too, there is growing interest in LNG and Fluxys is examining with various port authorities the investments needed to develop LNG as a shipping fuel in Belgian ports. As such, the company is looking into investing in the bunkering ship ordered by GDF SUEZ, Mitsubishi and NYK, which will operate out of its home port of Zeebrugge from 2016.

In Germany, Fluxys became a member of the Maritime LNG Platform in 2014. This is an association of companies, ports and initiatives aiming to foster LNG use. As a member of the platform, Fluxys intends to work with partners to promote the development of small-scale LNG infrastructure.

Fluxys also signed an agreement with Gaz Métro (Canada) in 2014 with a view to exchanging experience and knowledge about LNG and CNG and boosting their use in industry and the transport sector.

2.6 COMPETITIVE TARIFFS

The Fluxys group's various subsidiaries make every effort to keep their tariffs as competitive as possible, whilst providing a range of services tailored to their customers. In 2014, Belgian regulator CREG approved Fluxys Belgium's tariff proposal to reduce transmission tariffs by 7% from 1 January 2015. And although Fluxys TENP's tariffs for fixed capacity have risen in line with inflation, sales of short-term capacity were significantly higher in 2014 than in 2013. Keeping tariffs competitive puts Fluxys in a good position to compete with other European operators with international natural gas transit activities.

2.7 PROMOTING LIQUID TRADING POINTS

Belgium: significant liquidity growth on the ZTP platform

Due to considerable demand for LNG in Asia and South America, in recent years less LNG has been available in Zeebrugge and throughout the rest of Europe. Despite this, traded volumes on the **Zeebrugge Beach** gas trading point remained stable at 747 TWh in 2014 compared with 771 TWh in 2013 and 743 TWh in 2012, with additional gas volumes being transported to the Zeebrugge area from other interconnection points. Nevertheless, LNG remains a key component of traded volumes, a fact that was evidenced once again in early 2015. The large number of ships unloading LNG at the LNG terminal triggered an especially sharp rise in traded volumes.

Trading on the **ZTP gas trading point** in 2014 increased by 70% compared with 2013. The number of active market parties has risen steadily to a total of approximately 39 and since mid-2013, in addition to the ICE-Endex platform, they have also been able to use the PEGAS platform to effect transactions. Since late 2014, various end-users have also been purchasing natural gas directly via ZTP.

The **potential for growth** during the coming years is rooted in the anticipated increase in the quantities of LNG available in Zeebrugge, which will result from declining demand in Asia and lower oil prices. It is also anticipated that the Dunkirk LNG terminal will have a positive effect, with the pipeline connection to the Zeebrugge area, which is scheduled to come into operation in late 2015, providing an additional source of natural gas for trading on Zeebrugge Beach and ZTP.

Germany: NCG market area

Through its subsidiary Fluxys TENP, Fluxys holds 10% of market area manager NetConnect Germany (NCG), which handles the operational management of the market area cooperation between bayernets, Fluxys TENP, GRTgaz Deutschland, Open Grid Europe, terranets bw and Thyssengas. The market area stretches from the North Sea coast down to the Alps and is the largest German market area: about 2/3 of all domestic volumes in Germany are transmitted through the system of the 6 NCG partners.

NCG operates the market area's Virtual Trading Point, where more than 325 participants were active in 2014. A total of 1,784 TWh, twice as much as Germany’s consumption, was traded on the NCG in 2014. On 29 January 2014, the daily traded quantity reached a peak of 7,237 GWh.

Belgian-Greek cooperation to create a virtual trading point in Greece

In 2014 Fluxys and DESFA signed an agreement with a view to creating a virtual trading point in Greece. The agreement aims at conducting a feasibility study for the creation of a liquid wholesale gas market in Greece. Cooperation with DESFA is an opportunity for Fluxys to further familiarise itself with the Southern European market and to **make optimum use of its knowhow** in setting up trading points and inspiring their growth.

A gas hub in Greece would be a first step in the creation of a regional gas market in South-Eastern Europe, which will undoubtedly **increase security of supply** and promote price transparency in the region, particularly thanks to the greater diversification of sources which will be achieved once the Trans Adriatic Pipeline delivers the first quantities of Azeri gas in Greece.

2.8 € 115.8 MILLION INVESTED IN 2014

In 2014, the Fluxys group invested €115.8 million in its three core activities, namely transmission, storage and LNG terminalling. Of the total sum invested, 82% went on infrastructure projects in Belgium and 18% on infrastructure projects and new shareholdings outside Belgium.

Investment decision on connection between the NEL pipeline and the NCG market area

End of 2014, Fluxys took the final investment decision to construct a physical connection between the NEL and NETRA (Norddeutsche Erdgas Transversale) pipelines. This connection would allow for a second exit point on the NEL pipeline in Achim and will constitute a new interconnection point between the Gaspool and NCG market areas. Grid users active in the NEL pipeline will have direct access to the NCG market are.

Investment decision for the reverse flow project

In early 2015, Fluxys also made the final investment decision for the reverse flow project (see p. 23).

Regional Investment Plan 2014-2023 for the South-North Corridor

The natural gas transmission system operators for the South-North Corridor region, including FluxSwiss, Fluxys TENP and Fluxys Belgium, published the second edition of their Regional Investment Plan for natural gas in 2014. The plan provides an updated and detailed overview of the gas hubs in the region as well as the existing and planned regional infrastructure. The plan also assesses demand, supply and capacity development and identifies current and future investment needs in the region with a view to enhancing diversification of sources and security of supply and boosting market liquidity for Belgium, France, Germany, Italy and Switzerland.

3. Fluxys group – 2014 financial statement (in IFRS)

The consolidation scope underwent the following changes in 2014:

In September 2014, Fluxys Europe acquired an additional 3% stake in Trans Adriatic Pipeline (TAP), bringing the total stake directly owned by Fluxys Europe to 19%. TAP is now consolidated using the equity method, given the significant influence exercised by the Fluxys group following its acquisition of the additional 3% stake.

The accounting standard IFRS 11 – Joint Arrangements came into force for financial year 2014. As such, the group's joint activities in Transitgas and TENP KG are, respectively, for 90% and for 64.25% included in the consolidated financial statements, whereas these partnerships were formerly consolidated by applying the equity method. The financial statements for financial years 2012 and 2013 have been revised accordingly. The percentage of these companies included in the financial statements is not based on the stakes held in these companies, but rather on the rights linked to the assets held and the obligations linked to the liabilities incurred in view of the capacities reserved in the installations. This method better reflects the risks and benefits of the joint operators in the joint arrangements, who are entitled to almost all of the economic benefits derived from the operation's assets, with the liabilities incurred by the operation being covered by cash flows received by the joint operators.

The presentation of the Group's financial statements has been changed by including separately the impact of the grid-balancing activities and the impact of the gas purchases and sales that are required for operational results. Such operating income and expenses can fluctuate significantly from one financial year to another in function of grid usage, without having a significant impact on the Group's net earnings. The new presentation format enhances a better understanding of the evolution of the sales and the operating costs.

In the balance sheet of the comparative period 2013, investments in bonds or securities with a maturity of more than one year (€6.8 million) have been moved from the category Short-term investments to the category Other non-current financial assets for the 2013 comparative period, so as to better reflect the maturity of these instruments. The change in category was also applied to the cash flow table.

3.1 CONSOLIDATED INCOME STATEMENT

Consolidated income statement of Fluxys under IFRS		In thousands of €
	31-12-2014	**31-12-2013 revised**
Operating revenue	869,855	866,256
Sales of gas for operating needs	49,287	78,021
Other operating income	21,685	26,351
Consumables, merchandise and supplies used	-7,915	-4,289
Purchases of gas for operating needs	-64,600	-91,610
Miscellaneous goods and services	-178,642	-197,463
Employee expenses	-135,602	-142,581
Other operating charges	-26,614	-14,833
Net depreciation and amortisation	-246,525	-234,555
Net provisions	3,568	19,770
Impairment losses	-1,902	-1,535
Profit from continuing operations	**282,595**	**303,532**
Share of profit of equity accounted investees	27,923	39,935
Profit before financial result and tax	**310,518**	**343,467**
Change in the fair value of financial instruments	-1,076	3,581
Financial income	11,150	7,253
Financial expenses	-101,989	-101,954
Profit from continuing operations after the net financial result	**218,603**	**252,347**
Income tax expenses	-53,308	-61,636
Net profit for the period	**165,295**	**190,711**
Fluxys share	129,180	147,039
Non-controlling interests	36,115	43,672

Operating revenue. Operating revenue totalled €869,855 thousand in 2014, compared to €866,256 thousand in 2013. It can be broken down as follows:

- €552,025 thousand (or 63.5% of total operating revenue) from transmission, storage and terminalling activities in Belgium and related activities; and
- €317,830 thousand (or 36.5% of total operating revenue) from non-regulated activities in Belgium and from activities outside Belgium.

Net profit for the period. The consolidated net profit was €165,295 thousand in 2014, compared to €190,711 thousand in 2013. The fall in profit is mainly due to smaller profits from FluxSwiss, Interconnector (caused by the revision of the tax rate in 2013), and regulated activities in Belgium. The latter has been negatively affected by the reduction in regulated return resulting from the historically low rate for OLOs (Belgian linear bonds).

The decrease is compensated by an improved contribution from Fluxys Deutschland, whose facilities became fully operational at the end of 2013, and by the favourable effect of efficiency gains.

Consolidated statement of comprehensive income		In thousands of €
	31-12-2014	**31-12-2013 revised**
Net profit for the period	**165,295**	**190,711**
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains/losses on provisions for employee benefits	-13,899	9,760
Income tax expense on these variances	4,715	-3,326
Other comprehensive income from equity accounted investees	-776	-633
Items that may be reclassified subsequently to profit or loss		
Net investments in foreign operations – Translation adjustments	31,139	-15,412
Net investments in foreign operations – Hedging instruments	-7,824	7,000
Cash flow hedges	-18,044	14,908
Income tax expense on other comprehensive income	5,997	-4,434
Other comprehensive income from equity accounted investees – Cash flow hedges	-578	-62
Other comprehensive income	**730**	**7,801**
Comprehensive income for the period	**166,025**	**198,512**
Fluxys share	128,337	151,686
Non-controlling interests	37,688	46,826

Consolidated statement of comprehensive income. ‘Other comprehensive income’ incorporates changes in the fair value of instruments acquired by the group to hedge the exchange-rate fluctuations in its investments in CHF and in GBP. It also includes changes in the fair value of financial instruments that are used to convert loans with floating interest rates into loans into a fixed rate. Finally, it also reflects actuarial gains/losses on employee benefits.

3.2 CONSOLIDATED BALANCE SHEET

Consolidated balance sheet assets for Fluxys under IFRS			In thousands of €
	31-12-2014	**31-12-2013 revised**	**01-01-2013 revised**
I. Non-current assets	**5,131,864**	**5,191,990**	**5,032,482**
Property, plant and equipment	3,735,331	3,843,154	3,857,544
Intangible assets	656,715	695,970	748,015
Goodwill	1,924	1,924	1,924
Equity accounted investees	553,162	393,580	276,669
Other financial assets	31,281	65,373	22,911
Finance lease receivables	16,641	19,975	22,850
Loans and receivables	119,803	153,774	101,473
Deferred tax assets	0	0	1,096
Other non current assets	17,007	18,240	0
II. Current assets	**934,017**	**569,745**	**895,244**
Inventories	32,748	49,407	53,787
Other current financial assets	0	525	256
Finance lease receivables	3,334	2,874	4,715
Income tax receivables	14,514	11,204	18,731
Trade and other receivables	129,409	107,447	94,829
Short-term investments	503,069	194,176	11,056
Cash and cash equivalents	232,881	183,851	593,718
Other current assets	18,062	20,261	7,985
Assets held for sale	0	0	110,167
Total assets	**6,065,881**	**5,761,735**	**5,927,726**

Non-current assets. Tangible assets include transmission assets (in Belgium, Germany, Switzerland, and our share in the pipeline between the Netherlands and the UK), storage assets at Loenhout and terminalling assets at Zeebrugge.
Intangible assets are largely derived from business combinations, especially by allocating a percentage of the price paid to the economic value of the customer base of the acquired companies, as well as intangible assets such as operating licences for the gas transmission grid, gas storage, and the LNG terminal in Zeebrugge.

The item 'Equity accounted investees' mainly encompasses investments in Interconnector (UK) Ltd, TAP and Dunkerque LNG.

Current assets. The issue of a private bond loan (see comment on interest-bearing liabilities) for a nominal amount of €350 million explains the high levels temporarily achieved for the group's short-term investments and cash and cash equivalents at the end of December 2014.

Fluxys equity and liabilities under IFRS			In thousands of €
	31-12-2014	**31-12-2013 revised**	**01-01-2013 revised**
I. Equity	**2,190,168**	**2,177,896**	**2,128,731**
Equity attributable to the parent company's shareholders	1,879,412	1,870,730	1,827,225
Share capital and share premiums	*1,779,472*	*1,779,472*	*1,776,899*
Retained earnings	*89,669*	*104,239*	*52,041*
Translation adjustments	*10,271*	*-12,981*	*-1,715*
Non-controlling interests	310,756	307,166	301,506
II. Non-current liabilities	**3,139,070**	**3,305,418**	**3,361,448**
Interest-bearing liabilities	2,406,390	2,582,280	2,614,226
Provisions	10,392	11,757	14,090
Provisions for employee benefits	67,721	50,828	48,066
Other financial liabilities	26,104	7,229	20,967
Deferred tax liabilities	628,463	653,324	664,099
III. Current liabilities	**736,643**	**278,421**	**437,547**
Interest-bearing liabilities	580,737	138,210	187,585
Provisions	7,945	8,009	17,869
Provisions for employee benefits	4,112	3,550	3,350
Other current financial liabilities	2,172	326	111
Income tax payables	25,155	42,837	81,587
Current trade and other payables	101,940	81,301	101,405
Other current liabilities	14,582	4,188	3,740
Liabilities related to assets held for sale	0	0	41,900
Total equity and liabilities	**6,065,881**	**5,761,735**	**5,927,726**

Equity. (See 'Change in equity' table hereafter).

Interest-bearing liabilities. To refinance a debenture that will expire in 2015, Fluxys Belgium successfully completed a private bond placement for a nominal value of €350 million in late November 2014. This private bond placement is split into two tranches:

- a €250 million 15-year tranche priced at 2.802% and expiring in November 2029 ;
- a €100 million 20-year tranche priced at 3.29% and expiring in November 2034.

3.3 CHANGE IN EQUITY

Change in equity			In thousands of €
	Equity attributable to the parent company's shareholders	**Non-controlling interests**	**Total equity**
CLOSING BALANCE AS AT 31-12-2013 revised	**1,870,730**	**307,166**	**2,177,896**
1. Comprehensive income for the financial year	128,337	37,688	166,025
2. Dividends paid	-119,655	-30,478	-150,133
3. Change in scope	0	0	0
4. Capital increases / decreases	0	-3,620	-3,620
5. Other changes	0	0	0
CLOSING BALANCE AS AT 31-12-2014	**1,879,412**	**310,756**	**2,190,168**

At 31 December 2014, Fluxys' shareholder structure was as follows:

- 77.74 %: Publigas
- 19.97 %: Caisse de dépôt et placement du Québec
- 2.14 %: FPIC
- 0.15%: employees and management

Non-controlling interests amount to €310,756 thousand, representing the 10.03% stake held by minority shareholders in Fluxys Belgium SA and its subsidiaries as well as the 49.8% and 5% held by minority shareholders in FluxSwiss and Huberator respectively.

3.4 SUMMARY CONSOLIDATED CASH FLOW STATEMENT

Summary of the consolidated cash flow statement		In thousands of €
	31-12-2014	31-12-2013 revised
Cash and cash equivalents at the start of the period	**183,851**	**593,718**
Cash flows from operating activities (1)	535,018	444,408
Cash flows used in investment activities (2)	-210,863	-344,656
Cash flows used in financing activities (3)	-277,616	-506,028
Increase/decrease in cash	**46,539**	**-406,276**
Translation adjustments in cash and cash equivalents	2,491	-3,591
Cash and cash equivalents at the end of the period	**232,881**	**183,851**

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

(2) This amount takes disinvestments into account.

(3) These include dividends paid.

3.5 RESULTS OF SUBSIDIARIES

Fluxys Belgium SA (consolidated subsidiary – Fluxys stake 89.97%). Fluxys Belgium is the independent operator of the natural gas transmission and storage infrastructure in Belgium. Fluxys Belgium's equity was €764.3 million at 31 December 2014, compared with €810.1 million the previous year. The net profit for financial year 2014 was €47.8 million, compared with €55.7 million in 2013.

Fluxys LNG SA (consolidated subsidiary – Fluxys Belgium stake 99.99%, Flux Re stake 0.01%). Fluxys LNG owns and operates the LNG terminal in Zeebrugge and sells terminalling capacity and related services. Fluxys LNG's equity was €209.4 million at 31 December 2014, compared with €216.8 million the previous year. The net profit for financial year 2014 was €14.4 million, compared with €13.9 million in 2013.

Flux Re (consolidated subsidiary – Fluxys Belgium stake 100 %). Flux Re is a reinsurance company established under Luxembourg law in October 2007. Flux Re's equity was €4.8 million at 31 December 2013, just as the previous year.

Fluxys Finance SA (consolidated subsidiary – Fluxys stake 99.999%, Fluxys Europe stake 0.001 %).
Fluxys Finance is responsible for the consolidated management of the liquidity of the Fluxys group, attending to the group's financing needs, and managing the financial risks at all levels of the group. Fluxys Finance's equity was €122.7 million at 31 December 2014, compared with €122.3 million the previous year. The net profit for financial year 2014 was €8.2 million, compared with €5.7 million in 2013.

Fluxys Europe BV (consolidated subsidiary – Fluxys stake 100%). Fluxys Europe is a company established under Dutch law. It incorporates Fluxys' non-regulated activities in Belgium and its activities outside Belgium. Fluxys Europe's equity was €419.5 million at 31 December 2014, compared with €408.6 million the previous year. The net profit for financial year 2014 was €50.9 million, compared with €51.5 million in 2013.

Fluxys BBL BV consolidated subsidiary – Fluxys Europe stake 100%). Fluxys BBL is a company established under Dutch law. The company holds a 20% stake in BBL Company VOF, which operates and commercialises the subsea natural gas pipeline between Bacton and Balgzand. Fluxys BBL's equity was €56.5 million at 31 December 2014, compared with €46.3 million the previous year. The net profit for financial year 2014 was €10.1 million, compared with €9.2 million in 2013.

FluxSwiss SAGL (consolidated subsidiary – Fluxys Europe stake 50.2%). FluxSwiss is a company established under Swiss law. It owns 46% of Transitgas AG and as an independent transmission system operator has the right to commercialise 90% of capacity in the Transitgas pipeline. FluxSwiss' equity was CHF 419.8 million at 31 December 2014, compared with CHF 431.8 million the previous year. The net profit for financial year 2014 was CHF 28.9 million, compared with CHF 40.9 million in 2013.

Fluxys TENP GmbH (consolidated subsidiary – Fluxys Europe stake 100%). Fluxys TENP is a company established under German law. It has a 49% stake in the owner of the TENP pipeline, TENP KG, and a 50% stake in TENP GmbH, which operates the pipeline. As an independent transmission system operator, Fluxys TENP has the right to commercialise 64.25% of capacity in the TENP pipeline. Fluxys TENP's equity was €51.5 million at 31 December 2014, compared with €49.4 million the previous year. The net profit for financial year 2014 was €8.0 million, compared with €4.1 million in 2013.

Fluxys Deutschland GmbH Fluxys Deutschland GmbH (consolidated subsidiary – Fluxys Europe stake 100%). Fluxys Deutschland is a company established under German law, which incorporates the 23.87% stake in the North European Gas Pipeline (NEL). Fluxys Deutschland's equity was €107.3 million at 31 December 2014, compared with €98.9 million the previous year. The net profit for financial year 2014 was €8.4 million, compared with a net loss of €4.5 million in 2013.

Gas Management Services Limited (consolidated subsidiary – Fluxys Europe stake 100%). All players in the natural gas chain, including producers, LNG importers, traders, suppliers and end users, can subcontract follow-up of nominations for their natural gas movements and transfers to the operational support services offered by Gas Management Services Limited (GMSL). GMSL's equity was £3.9 million at 31 December 2014, compared with £4.4 million the previous year. The net profit for financial year 2014 was £3.8 million, compared with £3.9 million the previous year.

Huberator (consolidated subsidiary – Fluxys Europe stake 90%). Huberator is the operator of Zeebrugge Beach and Zeebrugge Trading Point (ZTP) and provides a package of services to customers trading volumes of gas. We should note that hub activities in Belgium will be regulated from 2016. Huberator's equity was €0.4 million at 31 December 2014, just as the previous year. The net profit for financial year 2014 was €4.4 million, the same as in 2013.

Finpipe (consolidated company – Fluxys SA stake 99%, Fluxys Finance stake 1%). Finpipe is the company giving the RTR installation in finance lease to Fluxys Belgium. The contract contains a purchase option in 2015. This company is fully consolidated. Finpipe's equity was €12.4 million at 31 December 2014. The net profit for financial year 2014 was €2.8 million compared with €2.8 million in 2013.

Dunkerque LNG SAS (consolidated using the equity method – Fluxys Europe stake 25%). Dunkerque LNG SAS is a company established under French law and is owner of the LNG terminal project in Dunkirk. Dunkerque LNG's equity was €726.5 million at 31 December 2014, compared with €344.9 million the previous year. The net loss for financial year 2014 was €-14.4 million, compared with €-20.9 million in 2013.

Gaz-Opale SAS (consolidated using the equity method – Fluxys Europe stake 49%, Dunkerque LNG stake 51%). Gaz-Opale is a company established under French law and was set up by Fluxys, in partnership with Dunkerque LNG, to oversee operation of the LNG terminal. Gaz-Opale's equity was €0.4 million at 31 December 2014, compared with €0.2 million the previous year.

Interconnector (UK) Limited (consolidated using the equity method - Fluxys Europe stake 25%). Interconnector (UK) Limited (IUK), a company established under British law in 1994, operates the 235-km subsea pipeline and the coastal landing terminals at Bacton in the United Kingdom and Zeebrugge for the transmission of natural gas, in both directions, between the British and continental European markets. The equity of Interconnector (UK) was £47.7 million at 31 December 2014, compared with £49.2 million the previous year. The net profit for financial year 2014 was £90.0 million, compared with £90.7 million in 2013.

Gasbridge 1 and Gasbridge 2 (Gasbridge 1 consolidated subsidiary & Gasbridge 2 consolidated using the equity method – Fluxys Europe stake in each 50%). Gasbridge 1 and Gasbridge 2 were set up to acquire shareholdings in Interconnector (UK), Huberator and Interconnector Zeebrugge Terminal, in partnership with Snam. Gasbridge 1 and 2 have a combined stake of 31.5% in Interconnector (UK). The equity of each of the Gasbridges was €127 million at 31 December 2014. The net profit for each of the Gasbridges for financial year 2014 was €16.7 million.

TAP (consolidated using the equity method – Fluxys Europe stake 19%)

In September 2014, Fluxys Europe acquired an additional 3% stake in Trans Adriatic Pipeline (TAP), bringing the total stake directly owned by Fluxys Europe to 19%. TAP is a piece of infrastructure that will transmit gas from Azerbaijan to Europe along the Southern Gas Corridor. This participation is now consolidated using the equity method, given the considerable influence exercised by the Fluxys group following its acquisition of the additional 3% stake.

C4Gas (non-consolidated company – Fluxys Europe stake 10%). C4Gas is a public limited company that is jointly managed with GDF SUEZ. The company mission is to improve purchases and increase supply chain efficiencies in the European gas transportation industry. The company provides added value services for both suppliers and buyers of gas industry related products and services.

4. Fluxys SA – 2014 results (under Belgian GAAP)

Fluxys' net profit for 2014 was €123,883 thousand compared with €125,953 thousand in 2013. The profit for the financial year mainly consists of the dividends paid by Fluxys Belgium (€83,447 thousand), Fluxys Europe (€40,000 thousand) and Fluxys Finance (€5,415 thousand).

If the proposal for the allocation of the profit is accepted at the General Meeting, the gross dividend for financial year 2014 will be €125,679 thousand.

5. Outlook 2015

Given the expansion of the company's business activities and barring any unforeseen circumstances, Fluxys expects to pay out a dividend at the end of financial year 2015 that is at least equivalent to the recurring dividend for 2014 if OLO rates remain at the same level.

6. Principal risks, uncertainties and opportunities

6.1 The framework

Legal aspects. Fluxys is a company created in Belgium and therefore subject to Belgian legislation. In addition to its Articles of Association, Fluxys developed a corporate governance charter that describes, within the confinements of the Belgian law, the company's functioning. Among others, the corporate governance charter contains internal organisation rules for the Audit Committee and the Appointment and Remuneration Committee, set up within the Board of Directors.

Code of Conduct. Furthermore, Fluxys has established a Code of Conduct, describing the principles of integrity, ethics and general conduct that are applicable for all employees of the Fluxys organisation.

6.2 General implementation

Guideline. Fluxys has established a risk management system on the basis of the COSO framework. A guideline describes which risk management related activities have to be performed when and by whom.

In each subsidiary a risk owner has been designated. On an annual basis, this risk owner is to inform the Fluxys risk manager about the status of the already identified risks, the ongoing action plans to further reduce risks to an acceptable level if necessary and about emerging risks. The impact of all risks is evaluated either semi-quantitatively (impact as a percentage of the EBITDA) or qualitatively (impact on reputation). Beside the evaluation of the impact, an estimate of the likelihood of the risk to become a fact is also made.

Risks are grouped in three categories:

1. Non-acceptable risks, i.e. risks with often a high likelihood of occurring and a high impact; these risks must be softened / mitigated to reduce either the likelihood or the impact, or both. For each of these risks, the business unit manager and/or risk owner examines the possibilities to mitigate these risks and an action plan is developed to reduce the risk.
2. Medium risks, i.e. risks that require a close follow-up of actual measures in place to reduce the risks. Additional measures may be desired and should be considered on two dimensions: cost versus resulting reduction of likelihood or impact and technical feasibility.
3. Low risks, i.e. risks with a low impact and/or likelihood. For these risks a close follow-up of actual measures in place is normally sufficient and no additional measures are required as the risk is acceptable. However, the principles of continuous improvement also apply for these risks.

In addition to the annual update of the risk register, risk information as well as information on action plans to reduce risks is shared with the Internal Audit Department, allowing the department to follow up on the effectiveness and efficiency of the mitigating actions. Furthermore, on a quarterly basis, all subsidiaries are to report on any ongoing or new legal proceedings with an estimation of the impact and likely outcome, to enable the necessary actions and provisions to be undertaken.

Reporting to the Audit Committee. Every year the Audit Committee is informed about the risk management method and the most important risks as well as the mitigating measures.

6.3 Overview of the major risk areas

Growth in activity. In a bid to safeguard its future growth and profitability on a European gas market undergoing sweeping changes, Fluxys wishes to seize opportunities to invest in new and existing network or pipeline projects. Implementing such projects could give rise to various risks and uncertainties, such as differences in corporate culture, services, regulation and markets as well as operational and technical risks. Fluxys conducts an in-depth potential risk analysis for each project. The risks associated with projects in which Fluxys takes part are no greater than the risk profile accepted by the shareholders.

The market dynamic also brings with it a raft of opportunities. For example, Zeebrugge as a logistical hub will gain even greater clout from the new transmission capacity to be built between Dunkirk and Zeebrugge. An Intergovernmental Agreement (IGA) between Switzerland, Italy, Albania and Greece and a Host Government Agreement (HGA) with Albania and Greece have been concluded for the TAP project. These agreements make the TAP project a matter of national interest and grant it a significant level of protection in areas such as routing and taxation. To develop its activities, Fluxys also looks for strong financial and industrial partners such as GIP and Snam with whom to collaborate.

Risk of stranded investments. The current market situation puts both transmission and storage of natural gas under pressure, which has an impact on the amount of capacity actually reserved. In this context, Fluxys and its subsidiaries are working hard to make their services even more attractive and to keep their tariffs as competitive as possible.

- Given the overall bleak economic situation in Europe, demand for natural gas is falling. As a result, certain projects for new connections on the Fluxys Belgium grid are being postponed.
- While the number of long-term contracts is dwindling, the number of short-term transmission contracts is on the rise. This trend is resulting in grid investments no longer being covered through long-term contracts. By monitoring the market closely and organising targeted marketing campaigns on the one hand, and offering competitive tariffs on the other, Fluxys is reducing the associated risks as far as possible.
- As CO2 certificate prices are too low, natural gas-fired power stations are facing stiff competition from other means of electricity generation (renewable energy and coal). The result is that a number of existing power stations were being temporarily, and in some cases permanently, shut down and new power plant projects are being postponed. This of course affects the amount of capacity being reserved.
- In addition, Fluxys Belgium's storage activity is facing particularly fierce competition for annual contracts due to an increased offer of storage and other flexibility services in Europe, partly because the summer/winter gas price spread is too small.

Integrity of the grid and the ICT infrastructure. As an organisation, Fluxys has to take a whole range of measures to be able to safely and continuously operate the natural gas grid in Belgium, Germany and Switzerland. There is a significant safety risk connected to damage to the grid and the facilities as a result of third-party works, damage as a result of corrosion or incidents during maintenance works. One specific risk for operational activities is ICT security (availability and cyber security). The proper functioning of the grid is increasingly dependent on ICT systems. With this in mind, Fluxys takes the necessary precautions to keep its systems in optimal condition and protect them from outside threats.

Regulatory framework. The Fluxys group operates in an ever more tightly regulated sector. In Belgium, Fluxys Belgium and Fluxys LNG are subject to the Gas Act of 12 April 1965 concerning the transmission of gaseous and other products by pipeline, as subsequently amended. Natural gas transmission, natural gas storage and LNG terminalling activities are regulated in Belgium. Subsidiaries in the rest of the European Union are subject to the regulatory framework of their respective host countries.

The regulatory framework for activities in Belgium and the rest of the EU is heavily governed by European law (especially Directive 2009/73/EC concerning common rules for the internal market in natural gas, and Regulation (EC) No. 715/2009 on conditions for access to natural gas transmission networks), which Fluxys duly takes into account. Therefore, any change in the regulatory framework applicable to the Fluxys group can have an impact on its activities, financial position and results.

Foreign exchange risk. Some of the Fluxys group's current cash flows are exchanged in currencies other than euro, primarily in CHF and GBP. Since the euro is the Fluxys group's base currency, a fluctuation in the exchange rate between the euro and the cash flows in foreign currencies could affect Fluxys' income statement and consolidated balance sheet when these currencies are converted into euro. However, in line with the group's financial policy, these risks are hedged as much as possible by financial instruments such as foreign exchange swaps, forwards and cross currency rate swaps. As far as possible, these financial instruments are booked according to the principles of hedge accounting, so that the accounting impact of exchange-rate variations on the income statement is limited.

Interest risk. Some of the Fluxys group's current loans were taken out at floating interest rates. A fluctuation in interest rates could affect Fluxys' income statement. However, in line with the group's financial policy, these risks are hedged as much as possible by financial instruments such as interest rate swaps. In Switzerland, the interest rates payable on debt have a floor rate of 0% which is not reflected in the IRS hedging.

Counterparty risk. Cash surpluses belonging to Fluxys group subsidiaries are deposited with Fluxys Finance under cash pooling agreements. In terms of Fluxys Finance, the risk of counterparties defaulting is very small, since Fluxys Finance invests the cash surplus with prominent financial institutions, in financial instruments issued by companies with high ratings, or in financial instruments issued by companies in which a creditworthy government is the majority shareholder or which are underwritten by a creditworthy European state.

To manage the risk of customer insolvency, Fluxys performs a credit analysis of its customer base in terms of profitability, liquidity and solvency. This analysis is supplemented with external credit rating information where this exists. Major suppliers are also screened for their financial strength and creditworthiness in order to safeguard the long-term prospects of the collaboration.

7. Research and development

During the period under review, Fluxys was involved in research and development projects relating to safe operation of natural gas pipelines and facilities, facility design and ICT applications for customers and new applications for natural gas use. Since 2012, the company increasingly has been focussing on developing new niches for natural-gas use.

LNG bunker terminals in the port of Antwerp. Fluxys has completed a study for the port of Antwerp which maps the safety aspects of LNG bunker terminals for supplying ships at various locations near SEVESO companies within the port area.

Injection of biomethane into the natural gas grid. Biogas is gas produced from organic waste and, like natural gas, comprises predominantly methane. Fluxys Belgium is involved in various working groups that are investigating the composition that biomethane must have if it is to be injected into a natural gas grid. The groups are also studying the effect of biomethane injection when it is mixed with natural gas in the gas grid.

Power-to-gas. Power-to-gas is a technology for converting electricity into hydrogen or synthetic natural gas. As it converts electricity into another form of energy, power-to-gas could be a very interesting solution to the problem of electricity storage: for instance, if wind turbines are operating at full speed but demand for electricity is low, the surplus energy could be stored in the gas infrastructure as hydrogen or synthetic natural gas. At present, it is not economically feasible to store large quantities of electricity. Fluxys is working with a number of partners to develop power-to-gas technology:

- Fluxys is working on an HIPS (Hydrogen in Pipeline Systems) study by the *Groupe européen de Recherches gazières* (GERG – European Gas Research Group), which aims to determine what concentration of hydrogen may be permitted in various natural gas systems;
- In Belgium, Fluxys and several Flemish partners have launched a study to inform the Flemish government about power-to-gas. The partners will also propose a range of supporting measures that would enable power-to-gas technology to be brought to market more quickly. The partners are backed by the Flemish Agency for Entrepreneurship.

8. Corporate governance

8.1. Changes in the management bodies

Composition of the Board of Directors

Upon the advice of the Appointment and Remuneration Committee, the Board of Directors' meeting of 24 September 2014 coopted Renaud Moens to continue Jean-Jacques Cayeman's mandate. This mandate will expire at the end of the ordinary general meeting of 11 May 2016.

Management team

Pascal De Buck, CEO and Chairman of the Executive Board of subsidiary Fluxys Belgium, has been Deputy Chief Executive Officer of Fluxys since 1 January 2015. Walter Peeraer continues to serve as Managing Director and Chief Executive Officer of the parent company Fluxys.

The cooperation between Fluxys and Jean-Luc Vandebroek, Chief Financial Officer of Fluxys and Fluxys Belgium, was terminated by mutual agreement on 31 January 2014. Since then, Paul Tummers is CFO of Fluxys and Fluxys Belgium (acting CFO between 1 February and 31 March 2014) and the Fluxys management team consists of Pascal De Buck, Peter Verhaeghe and Paul Tummers.

8.2. Remuneration

With the exception of the Managing Director, the members of the Board of Directors receive no remuneration for their mandates.

In 2014, the remuneration paid to Walter Peeraer, as Managing Director of Fluxys, was as follows:

Basic salary	€351,000
Variable remuneration	€210,600
Pension	€153,183
Other components	€20,579
Total	€735,362

In 2014, Walter Peeraer also served as Chairman of the Executive Board and Chief Executive Officer of the subsidiary Fluxys Belgium. His total remuneration within the Fluxys Group was €735,362 in 2014, of which €471,854 was for his position within the subsidiary Fluxys Belgium.

At the explicit request of Walter Peeraer, 10% of the basic salary and 10% of the variable remuneration was waived in 2014. Following the termination of Walter Peeraer's role in Fluxys Belgium, his multi-employer contract was amended with effect from 1 January 2015.

As Managing Director and CEO, Walter Peeraer is supported by a three-person management team. Within the framework of their multi-employer contracts, the remuneration of these members was spread between Fluxys and its subsidiary Fluxys Belgium, in line with specific ratios based on their activities.

II. Consolidated financial statements under IFRS

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1. General information on the company

Corporate name and registered office. The registered office of the parent company Fluxys SA is Avenue des Arts 31, B – 1040 Brussels, Belgium.

Group activities. The Fluxys group's activities are essentially split into two arms.

The first focuses on the transmission and storage of natural gas as well as terminalling services for liquefied natural gas (LNG) in Belgium. In addition to these activities which fall under the Gas Act[3], the Fluxys group also carries out complementary services related to these main activities.

The second covers the management of non-regulated activities in Belgium and activities outside Belgium.

Please refer to the specific chapters in the directors' report for further information on these activities.

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[3] Act of 12 April 1965 concerning the transmission of gaseous and other products by pipelines, as later amended.

2. Consolidated financial statements of the Fluxys group under IFRS

A. Consolidated balance sheet

Consolidated balance sheet				In thousands of €
	Note	31-12-2014	31-12-2013 revised*	01-01-2013 Revised*
I. Non-current assets		**5,131,864**	**5,191,990**	**5,032,482**
Property, plant and equipment	12	3,735,331	3,843,154	3,857,544
Intangible assets	13	656,715	695,970	748,015
Goodwill	14	1,924	1,924	1,924
Equity accounted investees	15	553,162	393,580	276,669
Other financial assets	16/33	31,281	65,373	22,911
Finance lease receivables	17/33	16,641	19,975	22,850
Loans and receivables	18/33	119,803	153,774	101,473
Deferred tax assets	28	0	0	1,096
Other non-current assets	27	17,007	18,240	0
II. Current assets		**934,017**	**569,745**	**895,244**
Inventories	19	32,748	49,407	53,787
Other current financial assets	33	0	525	256
Finance lease receivables	17/33	3,334	2,874	4,715
Current tax receivable	20	14,514	11,204	18,731
Trade and other receivables	21/33	129,409	107,447	94,829
Short-term investments	22/33	503,069	194,176	11,056
Cash and cash equivalents	22/33	232,881	183,851	593,718
Other current assets	23	18,062	20,261	7,985
Assets held for sale		0	0	110,167
Total assets		**6,065,881**	**5,761,735**	**5,927,726**

*See Note 1.E. for more details on the reclassifications of comparative figures.

Consolidated balance sheet				In thousands of €
	Note	31-12-2014	31-12-2013 revised*	01-01-2013 Revised*
I. Equity	24	**2,190,168**	**2,177,896**	**2,128,731**
Equity attributable to the parent company's shareholders		1,879,412	1,870,730	1,827,225
Share capital and share premiums		*1,779,472*	*1,779,472*	*1,776,899*
Retained earnings and other reserves		*89,669*	*104,239*	*52,041*
Translation adjustments		*10,271*	*-12,981*	*-1,715*
Non-controlling interests		310,756	307,166	301,506
II. Non-current liabilities		**3,139,070**	**3,305,418**	**3,361,448**
Interest-bearing borrowings	25/33	2,406,390	2,582,280	2,614,226
Provisions	26	10,392	11,757	14,090
Provisions for employee benefits	27	67,721	50,828	48,066
Other non-current financial liabilities	33	26,104	7,229	20,967
Deferred tax liabilities	28	628,463	653,324	664,099
III. Current liabilities		**736,643**	**278,421**	**437,547**
Interest-bearing borrowings	25/33	580,737	138,210	187,585
Provisions	26	7,945	8,009	17,869
Provisions for employee benefits	27	4,112	3,550	3,350
Other current financial liabilities	33	2,172	326	111
Current tax payable	29	25,155	42,837	81,587
Trade and other payables	30/33	101,940	81,301	101,405
Other current liabilities	31	14,582	4,188	3,740
Liabilities related to assets held for sale		0	0	41,900
Total liabilities and equity		**6,065,881**	**5,761,735**	**5,927,726**

*See Note 1.E. for more details on the reclassifications of comparative figures.

B. Consolidated income statement

Consolidated income statement	Note	31-12-2014	In thousands of € 31-12-2013 Revised*
Operating revenue	4	869,855	866,256
Sales of gas for operating needs	1e	49,287	78,021
Other operating income	5	21,685	26,351
Consumables, merchandise and supplies used	6	-7,915	-4,289
Purchases of gas for operating needs	1e	-64,600	-91,610
Miscellaneous goods and services	6	-178,642	-197,463
Employee expenses	6	-135,602	-142,581
Other operating charges	6	-26,614	-14,833
Net depreciation and amortisation	6	-246,525	-234,555
Net provisions	6	3,568	19,770
Impairment losses	6	-1,902	-1,535
Profit from continuing operations		**282,595**	**303,532**
Share of profit of equity accounted investees	9	27,923	39,935
Profit before the net financial result and tax		**310,518**	**343,467**
Change in the fair value of financial instruments	8	-1,076	3,581
Financial income	7	11,150	7,253
Financial expenses	8	-101,989	-101,954
Profit from continuing operations after the net financial result		**218,603**	**252,347**
Income tax expenses	10	-53,308	-61,636
Net profit for the period	11	**165,295**	**190,711**
Fluxys share		129,180	147,039
Non-controlling interests		36,115	43,672

* See Note 1.E. for more details on the reclassifications of comparative figures.

C. Consolidated statement of comprehensive income

Consolidated statement of comprehensive income			In thousands of €
	Note	**31-12-2014**	**31-12-2013 Revised***
Net profit for the period	11	**165,295**	**190,711**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/losses on provisions for employee benefits	26	-13,899	9,760
Income tax expense on these variances		4,715	-3,326
Other comprehensive income from equity accounted investees – actuarial gains/losses on provisions for employee benefits		-776	-633
Items that may be reclassified subsequently to profit or loss			
Net investments in foreign operations – Translation adjustments		31,139	-15,412
Net investments in foreign operations – Hedging instruments	33	-7,824	7,000
Cash flow hedges	33	-18,044	14,908
Income tax expense on other comprehensive income		5,997	-4,434
Other comprehensive income from equity accounted investees - Cash flow hedges		-578	-62
Other comprehensive income		**730**	**7,801**
Comprehensive income for the period		**166,025**	**198,512**
Fluxys share		128,337	151,686
Non-controlling interests		37,688	46,826

* See Note 1.E. for more details on the reclassifications of comparative figures.

D. Consolidated statement of changes in equity

Consolidated statement of changes in equity	Share capital	Share premium	Retained earnings	Cash flow hedge
I. OPENING BALANCE AT 01-01-2013 published	**1,696,214**	**80,685**	**59,789**	**-6,001**
Adjustments (see note 1.E.)	0	0	3,695	-2,099
II. OPENING BALANCE AT 01-01-2013 revised*	**1,696,214**	**80,685**	**63,484**	**-8,100**
1. Comprehensive income for the period	0	0	147,036	6,628
2. Dividends paid	0	0	-110,754	0
3. Change in consolidation scope	0	0	0	0
4. Capital increases/decreases	2,382	191	0	0
5. Other variations	0	0	0	0
II. CLOSING BALANCE AS AT 31-12-2013 revised*	**1,698,596**	**80,876**	**99,766**	**-1,472**
1. Comprehensive income for the period	0	0	129,180	-8,713
2. Dividends paid	0	0	-119,655	0
3. Change in consolidation scope	0	0	0	0
4. Capital increases/decreases	0	0	0	0
5. Other variations	0	0	0	0
III. CLOSING BALANCE AS AT 31-12-2014	**1,698,596**	**80,876**	**109,291**	**-10,185**

* See Note 1.E. for more details on the reclassifications of comparative figures.

					In thousands of €
Hedges of net investments in foreign operations	**Reserves for employee benefits**	**Translation adjust-ments**	**Equity attributable to the parent company's shareholders**	**Non-controlling interests**	**Total equity**
-183	**-3,160**	**-2,316**	**1,825,028**	**303,487**	**2,128,515**
0	0	601	2,197	-1,981	216
-183	**-3,160**	**-1,715**	**1,827,225**	**301,506**	**2,128,731**
4,130	5,158	-11,266	151,686	46,826	198,512
0	0	0	-110,754	-41,561	-152,315
0	0	0	0	0	0
0	0	0	2,573	0	2,573
0	0	0	0	395	395
3,947	**1,998**	**-12,981**	**1,870,730**	**307,166**	**2,177,896**
-6,358	-9,024	23,252	128,337	37,688	166,025
0	0	0	-119,655	-30,478	-150,133
0	0	0	0		0
0	0	0	0	-3,620	-3,620
0	0	0	0	0	0
-2,411	**-7,026**	**10,271**	**1,879,412**	**310,756**	**2,190,168**

E. Consolidated statement of cash flows (indirect method)

Consolidated statement of cash flows (indirect method)		In thousands of €
	31-12-2014	31-12-2013 Revised*
I. Cash and cash equivalents, beginning balance	**183,851**	**593,718**
II. Net cash flows relating to operating activities	**535,018**	**444,408**
1. Cash flows from operating activities	**569,836**	**466,135**
1.1. Profit from operations	**282,595**	**303,532**
1.2. Non cash adjustments	**243,155**	**232,252**
1.2.1. Amortisation and depreciation	246,525	234,555
1.2.2. Provisions	-3,568	-19,770
1.2.3. Impairment losses	1,902	1,535
1.2.4. Translation adjustments	-10,596	21,234
1.2.5. Other non cash adjustments	8,892	-5,302
1.3. Changes in working capital	**44,086**	**-69,649**
1.3.1. Inventories	16,659	4,380
1.3.2. Tax receivable	-3,310	7,527
1.3.3. Trade and other receivables	-1,862	-12,618
1.3.4. Other current assets	2,605	-11,136
1.3.5. Tax payable	863	-36,611
1.3.6. Trade and other payables	20,639	-20,104
1.3.7. Other current liabilities	10,394	448
1.3.8. Other changes in working capital	-1,902	-1,535
2. Cash flows relating to other operating activities	**-34,818**	**-21,727**
2.1. Current tax	-89,344	-81,423
2.2. Interests from marketable securities, cash and cash equivalents	8,695	6,994
2.3. Inflows related to equity accounted investees (dividends received)	45,580	54,065
2.4. Other inflows (outflows) relating to other operating activities	251	-1,363

Consolidated statement of cash flows (indirect method)		In thousands of €
	31-12-2014	31-12-2013 Revised*
III. Net cash flows relating to investing activities	**-210,863**	**-344,656**
1. Acquisitions	**-223,033**	**-435,251**
1.1.Payments to acquire property, plant and equipment, and intangible assets	-118,449	-197,617
1.2. Payments to acquire subsidiaries, partnerships or associates	-93,816	-174,718
1.3. Payments to acquire other financial assets	-10,768	-62,916
2. Disposals	**9,547**	**89,964**
2.1. Proceeds from disposal of property, plant and equipment, and intangible assets	9,526	10,953
2.2. Proceeds from disposal of subsidiaries, partnerships or associates	0	70,000
2.3. Proceeds from disposal of other financial assets	21	9,011
3. Dividends received classified as investing activities	**44**	**74**
4. Government grants received	**2,579**	**557**
5. Other cash flows relating to investing activities	**0**	**0**
IV. Net cash flows relating to financing activities	**-277,616**	**-506,028**
1. Proceeds from cash flows from financing	**484,005**	**120,722**
1.1. Proceeds from issuance of equity instruments	0	2,573
1.2. Proceeds from sale of shares	0	0
1.3. Proceeds from finance leases	2,874	4,716
1.4. Proceeds from other non-current assets	9,005	3,161
1.5. Proceeds from issuance of compound financial instruments	0	0
1.6. Proceeds from issuance of other financial liabilities	472,126	110,272
2. Repayments relating to cash flows from financing	**-206,185**	**-191,380**
2.1. Repurchase of equity instruments subsequently cancelled	0	0
2.2. Purchase of treasury shares	0	0
2.3. Repayment of finance lease liabilities	-63	-63
2.4. Redemption of compound financial instruments	0	0
2.5. Repayment of other financial liabilities	-206,122	-191,317

Consolidated statement of cash flows (indirect method)		In thousands of €
	31-12-2014	31-12-2013 Revised*
3. Interest	**-92,790**	**-99,935**
3.1. Interest paid classified as financing	-92,972	-100,120
3.2. Interest received classified as financing	182	185
4. Dividends paid	**-153,753**	**-152,315**
5. Increase (-) / Decrease (+) of short-term investments	**-308,893**	**-183,120**
6. Bank overdrafts increased (decreased)	**0**	**0**
7. Other cash flows relating to financing activities	**0**	**0**
V. Net change in cash and cash equivalents	**46,539**	**-406,276**
Translation adjustments in cash and cash equivalents	**2,491**	**-3,591**
VI. Cash and cash equivalents, ending balance	**232,881**	**183,851**

* See Note 1.E. for more details on the reclassifications of comparative figures.

3. Notes

Note 1a. Shareholder structure and capital increases

Publigas established the public limited company Fluxys on 12 July 2010, into which it transferred its stake (89.97%) in Fluxys Belgium SA on 10 September 2010.

On 30 March 2011, Caisse de dépôt et placement du Québec acquired a 10% stake in Fluxys SA, by means of a €150 million capital increase.

On 28 November 2011, Fluxys carried out a second capital increase of €300 million.

In 2012 and 2013, Fluxys carried out capital increases for a total amount of €145.5 million, of which €34.7 million uncalled. As a result of these capital increases the Société Fédérale de Participations et d'Investissement (SFPI) has entered the capital of Fluxys as the employees and management of the group.

On 31 December 2014, the shareholder structure of Fluxys is as follows:

- 77.74%:	Publigas
- 19.97%:	Caisse de dépôt et placement du Québec
- 2.14%:	SFPI
- 0.15%:	employees and management

Note 1b. Statement of compliance with IFRS

The consolidated financial statements of the Fluxys group have been prepared in accordance with the International Financial Reporting Standards, as approved by the European Union. All figures are stated in thousands of euros.

Note 1c. Judgment and use of estimates

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, to assess the positive and negative consequences of unforeseen situations and events at the balance sheet date, and to form a judgment as to the revenues and expenses of the fiscal year.

Significant estimates made by the group in the preparation of the financial statements relate mainly to the fair value of acquired assets and assumed liabilities, the valuation of the recoverable amount of property, plant and equipment and intangible assets, and the valuation of provisions, in particular for litigation and for pension and related liabilities. The criteria used for the classification of joint arrangements are included in the accounting policies (Note 2.4) and Note 3.2.

Due to the uncertainties inherent in all valuation processes, the group revises its estimates on the basis of regularly updated information. Future results may differ from these estimates.

Other than the use of estimates, group management also uses judgment in defining the accounting treatment for certain operations and transactions not addressed under the IFRS standards and interpretations currently in force.

NOTE 1D. DATE OF AUTHORISATION FOR ISSUE

The Board of Directors of Fluxys SA authorised these IFRS financial statements for issue on 25 March 2015.

NOTE 1E. CHANGES OR ADDITIONS TO THE ACCOUNTING PRINCIPLES AND POLICIES

Application of IFRS 10 “Consolidated financial statements”:

IFRS 10 "Consolidated Financial Statements" redefines the concept of control of an entity. In practice, companies of which Fluxys directly or indirectly holds the majority of the rights that giving it the ability to direct the relevant activities of the entity are considered to be controlled and are consolidated using the method of global integration. To determine the control, Fluxys carries out a thorough analysis of governance established and an analysis of the rights held by other shareholders.

Application of IFRS 11 “Joint arrangements”:

IFRS 11 “Joint arrangements” applies as from the fiscal year 2014.

Joint arrangements are classified in two categories (joint operations or joint ventures) according to the nature of the rights and obligations of each of the parties.

A joint operation is a joint arrangement in which the parties (joint operators) have rights to the assets and obligations for the liabilities of the entity. Each joint operator recognizes its share of assets, liabilities, revenues and expenses related to its interests in the joint operation.

A joint venture is a joint arrangement in which the parties (joint venturers) who exercise joint control over the entity, have rights to the net assets of the latter. Joint ventures are consolidated using the equity method.

IFRS 12 “Disclosure of interests in other entities” defines the information to be included in the annual financial statements for investments in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

Its application results in more accurate significant assumptions and judgments made when determining control. It also leads to the publication of additional information presented for equity accounted investees.

The activities carried out jointly in Transitgas and TENP KG are qualified as joint operations. These are therefore integrated respectively to 90% and to 64.25% in the consolidated financial statements whereas these joint arrangements were under the equity method before. The financial statements for fiscal years 2012 and 2013 have been revised accordingly. Integration percentages are not based on interests in these companies but are based on the rights attached to the assets and obligations for the liabilities incurred by the group in accordance with the capacity reserved in the installations.

The particular situation of a joint operation in which the percentage of shareholding by the joint operators differs from the rights attached to the assets and obligations for the liabilities incurred, is not explicitly provided by IFRS 11. The difference between the percentage of integration of the result and the percentage of the result to which Fluxys is entitled based on the percentage of shareholding is included in financial income. In the balance sheet, the share financed by the partner is registered as interest-bearing liabilities. The method used by the group enables to better reflect the risks and benefits of joint operators who are eligible for almost all the economic benefits of the operation's assets while liabilities incurred by the operation are paid through cash flow received from joint operators.

2013: Balance sheet revised under IFRS 11

Consolidated balance sheet FLUXYS			In millions of €
	31-12-2013 revised	**31-12-2013 published**	**Variation**
Tangible and intangible assets	4,539	4,344	195
Equity accounted investees	394	462	-68
Short-term investments, cash and cash equivalents	378	325	53
Other assets	451	443	8
Total assets	**5,762**	**5,574**	**188**

Overall, the application of IFRS 11 generates an increase of the total amount of the revised balance sheet 2013. It can be broken down as follows:

- Tangible and intangible assets: +195M€, broadly corresponding with 64.25% of assets of TENP KG.
- Equity accounted investees: Transitgas -58M€ and TENP KG -10M€.
- Short-term investments, cash and cash equivalents: +53M€, being Transitgas +46M€, TENP KG +14M€ and transfer of long-term investments from Flux Ré to the item 'other financial assets' -7 M€.

Consolidated balance sheet FLUXYS			In millions of €
	31-12-2013 revised	**31-12-2013 published**	**Variation**
Equity	2,178	2,163	15
Interest bearing debts	2,720	2,545	175
Other liabilities	864	866	-2
Total liabilities and equity	**5,762**	**5,574**	**188**

- Equity: +15M€ coming from TENP KG (see profit).
- Interest bearing debts: +175M€, mainly coming from liabilities of TENP KG and liabilities towards the partners.

The integration of TENP KG instead of its accounting for using the equity method shows our share in the assets and liabilities of this joint arrangement for the first time in the consolidated financial statements.

The assets of the joint arrangement with Transitgas were already recognised in the financial statements of the group through the leasing contract qualified as financial lease in IFRS. As a result of the application of IFRS 11, this contract becomes an intragroup operation. The impact of its elimination is limited by the integration of the assets and liabilities of Transitgas. Leasing liabilities are largely replaced by our share in the liabilities of Transitgas and the liabilities towards the partners.

2013: Income statement revised under IFRS 11

Consolidated income statement FLUXYS			In millions of €
	31-12-2013 revised	**31-12-2013 published**	**Variation**
EBITDA	520	492	28
Share of profit of equity accounted investees	40	44	-4
Net depreciation and amortisation, provisions and impairment losses	-217	-208	-9
Profit from continuing operations	**343**	**328**	**15**
Financial result	-91	-89	-2
Income tax expenses	-61	-59	-2
Net profit of the period	**191**	**180**	**11**
Fluxys share	147	137	10
Non-controlling interests	44	43	1

Overall, the application of IFRS 11 has a positive impact of 11M€ on net profit, mainly as a result of the revision of the depreciation periods used by the group for the fixed assets of TENP KG.

The variations can be broken down as follows:

- EBITDA : +28M€ : +29M€ for TENP KG and -1M€ for Transitgas.
- Share of profit of equity accounted investees : -4M€, -3,6M€ coming from TENP KG and -0.4M€ from Transitgas.
- Net depreciation and amortisation, provisions and impairment losses:-9M€ as a result of the increase of the depreciation periods used by the group for the fixed assets of TENP KG.

Change of the presentation of the consolidated financial statements:

The presentation of the group's financial statements has been changed to include the net balancing operations and the gas purchases and sales related to our operating needs on the separate items of the operating result. These operating revenues and charges can vary significantly from one fiscal year to another, based on the use of the net, without however having a significant impact on the group's net result. The new presentation improves the understanding of the evolution of turnover and operating charges.

Long-term investments have been reclassified in 2013, for a total amount of 6,795 k€, from the item "investments" to the item "other non-current financial assets" to better reflect their maturity.

A corresponding reclassification has been carried out in the consolidated table of cash flows of the year 2013 to present the movement of 5,054 k€ of other non-current financial assets in the net cash flows relating to investment activities instead of net cash flows relating to financing activities. This amendment does not impact the total assets, total equity and liabilities and the group's results.

Other changes or additions to the accounting principles and policies.

Other accounting policies have been amended or supplemented to make them in accordance with the new IFRS applicable as from 2014. These amendments or supplements do not impact the group's results.

NOTE 1F. ADOPTION OF NEW ACCOUNTING PRINCIPLES OR REVISED IFRS STANDARDS

Following standards and interpretations are applicable as from 1 January 2014:

- IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- IFRS 11: Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- IFRS 12: Disclosure of Interests in other entities (effective for annual periods beginning on or after 1 January 2014)
- IAS 27: Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- IAS 28: Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 Consolidated Financial Statements, Disclosure of interests in Other Entities – Investment Entities (effective for annual periods beginning on or after 1 January 2014)

- Amendments to IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 – Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014)

At the date of authorisation of these financial statements, the standards and interpretations listed below have been issued but are not yet mandatory:

- IFRS 9: Financial Instruments and consequential amendments (effective for annual periods beginning on or after 1 January 2018, but not yet adopted at European level)
- IFRS 14: Regulatory deferral accounts (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- IFRS 15: Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2017, but not yet adopted at European level)
- IFRS improvements (2010-2012) (effective for annual periods beginning on or after 1 January 2015)
- IFRS improvements (2011-2013) (effective for annual periods beginning on or after 1 January 2015)
- IFRS improvements (2012-2014) (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- Amendments to IFRS 10, IFRS 12 and IAS 28: Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- Amendments to IFRS 11 – Joint arrangements - Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure initiative (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)

- Amendments to IAS 16 and IAS 38 – Property, plant and equipment and intangible assets - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- Amendments to IAS 16 and IAS 41 – Property, plant and equipment and Agriculture – Agriculture: bearer plants (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- Amendments to IAS 19 – Employee Benefits – Employee Contributions (effective for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016, but not yet adopted at European level)
- IFRIC 21 – Levies (effective for annual periods beginning on or after 17 June 2014)

The possible impact of IFRS 9 and IFRS 15 on the financial statements is currently examined by the group.

Note 2. Accounting principles and policies

The accounting principles and policies set out below were approved at the Fluxys Board of Directors meeting of 25 March 2015.

Changes or additions compared with the previous fiscal year are <u>underlined</u>.

2.1. General principles

The financial statements fairly present the Fluxys group's financial position, results of operations and cash flows.

The group's financial statements have been prepared on the accrual basis of accounting, except for the statement of cash flows.

Assets and liabilities have not been offset against each other, except when required or allowed by an international accounting standard.

Current and non-current assets and liabilities have been presented separately in the balance sheet of Fluxys group.

The accounting policies have been applied in a consistent manner.

2.2. Balance sheet date

The consolidated financial statements are prepared as of 31 December, i.e. the parent company's balance sheet date.

When the financial statements of a subsidiary, <u>a joint operation</u>, a joint venture or an associate are not prepared as of 31 December, interim financial statements are prepared as at 31 December for consolidation purposes.

2.3. Events after the balance sheet date

The carrying amount of assets and liabilities at the balance sheet date is adjusted when events after the balance sheet date provide evidence of conditions that existed at the balance sheet date.

Adjustments can be made until the date of authorisation for issue of the financial statements by the Board of Directors.

Other events relating to circumstances arising after balance sheet date are disclosed in the notes to the consolidated financial statements, if significant.

2.4. Basis of consolidation

The Fluxys group's consolidated financial statements have been prepared in accordance with IFRS, in particular IFRS 3 (Business Combinations), IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IAS 28 (Investments in Associates and Joint Ventures).

Subsidiaries

The Fluxys group's consolidated financial statements include the financial statements of the parent company and the financial statements of the entities it controls and its subsidiaries.

The investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investor has control over the participation when he holds existing rights that give the current ability to direct the relevant activities, being the activities of the investee that significantly affect the investee's returns and this even he does not hold the majority of the voting rights in the concerned investee.

The parent company must consolidate the subsidiary as from the date it obtains the control over it, and must cease to consolidate when it loses control over it. In this way revenues and charges of a subsidiary acquired or transferred in the course of the fiscal year are included in the consolidated income statement and in the consolidated statement of comprehensive income as from the date on which the parent company acquired the control over the subsidiary and up to the date on which it ceased to control the latter.

Joint operations

A joint operation is a joint arrangement in which the parties who exercise a joint control over the undertaking have rights to the assets and obligations for the liabilities of the undertaking. Joint control means the sharing agreed by contract of the control exercised over an undertaking, which only exist in the cases where the decisions on the relevant activities require the unanimous consent of the parties sharing the control.

When a group entity carries out its activities in the framework of a joint operation, the group, as a joint operator, must account for the assets, liabilities, revenues and charges relating to its interests in the joint operation in accordance with IFRS which are applicable to its assets, liabilities, revenues and charges.

Investments in associates and joint ventures

An associate is an entity in which the group has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control or joint control over these policies.

A joint venture is a joint arrangement in which the parties exercising a joint control over the undertaking have rights to the net assets of the undertaking. Joint control means the sharing agreed by contract of the control exercised over an undertaking, which only exist in the cases where the decisions on the relevant activities require the unanimous consent of the parties sharing the control.

The results and assets and liabilities of associates or joint ventures are accounted for in the present financial statements consolidated in accordance with the equity method, unless the investment, or a part thereof, is classified as held in view of the sale in accordance with IFRS 5.

An investment in an associate or joint venture is initially accounted for at cost. It then integrates the share of the group in the net results and the other elements of the comprehensive result of the undertaking accounted for under the equity method. Finally dividends distributed by this entity decrease the value of the investment.

An associate is not accounted for under the equity method if its impact on the financial statements is immaterial.

2.5. Business combinations

The group accounts for all business combinations using the acquisition method. This method is also used for business combinations under joint control in the event that the method accords with the substance of the transaction and helps to give a true and fair view of the financial position.

The acquirer measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The costs connected to the acquisition are accounted for in the results when they are made.

Goodwill represents the excess, at the acquisition date, of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the investment previously held by the acquirer in the acquiree over the net fair value of identifiable assets acquired and liabilities assumed. If, after revaluation, the net fair value, at the acquisition date, of identifiable assets acquired and liabilities assumed is higher than the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the investment previously held by the acquirer in the acquiree, the excess will be accounted for immediately in the results of the period.

Goodwill is recognised as an asset. For the purpose of impairment tests, goodwill is allocated to the Group's cash-generating units expected to benefit from the synergies of the combination. An impairment test is carried out each year, even when there is no indication that goodwill may have been impaired, or more frequently if events or changes in circumstances indicate that goodwill may have been impaired (IAS 36 – Impairment of assets).

In case of a business combination realised in stages, the group reassesses the participation it previously held in the acquired company at the acquisition-date fair value and recognises any gain or loss in the net results.

Changes in participations in subsidiaries of the group which do not result in a loss of control are recognised as equity transactions.

When the group loses control of a subsidiary, a gain or loss is recognised in the net results and is calculated as the difference between:
- the total fair value of the consideration received and the fair value of any retained participation and
- the previous carrying amount of the subsidiary's assets (including goodwill) and liabilities.

All amounts previously recognised in other items of comprehensive income relating to the subsidiary are recognised as if the group had directly disposed of the related subsidiary's assets or liabilities. They are reclassified to net results or transferred to another category of equity in accordance with applicable IFRS.

The fair value of any participation retained in the former subsidiary at the date of loss of control must be regarded as the fair value on initial recognition for subsequent recognition under IAS 39 or, where applicable, as the cost on initial recognition of an investment in an associate or joint venture.

2.6. Translation of foreign entities' financial statements

For consolidation purposes, the assets and liabilities of the group's foreign operations are translated into euro at the exchange rate prevailing at the balance sheet date. Income and expenses are translated at the average exchange rate for the period unless the exchange rate has fluctuated significantly during the year.

The group's share of the resulting exchange differences is reported as translation adjustment in the equity section of the balance sheet, whereas the non-controlling interests' share in those differences is reported as 'non-controlling interests' in equity.

2.7. Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the enterprise and if the cost of the asset can be measured reliably.

Intangible assets are recognised at cost in the balance sheet (cost method), less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with a limited useful life are amortised over their useful life.

The most important amortisation periods are:

- 40 years for the fixed asset 'sole operator of the natural gas transmission network and storage facilities' in Belgium;
- 20 to 40 years for the customer portfolios;
- 20 years for the fixed asset 'sole operator of the LNG facilities';
- 5 years for computer software.

Intangible assets 'client portfolios' may be depreciated under a diminishing balance method which reflects more closely the way that the Group expects to consume the future economic benefits associated with these assets.

Subsequent expenditure is capitalised if it generates economic benefits exceeding the initial standard of performance.

Intangible assets are reviewed at each balance sheet date to identify indications of potential impairment that may have arisen during the fiscal year. In case such indications are noted, an estimate of the recoverable amount of the intangible assets in question is made. The recoverable amount is defined as the higher of the fair value less costs to sell of an asset and its value in use.

The value in use is calculated by discounting future cash inflows and outflows generated by the continuous use of the asset and its final disposal at an appropriate discounting rate.

Intangible assets are impaired when their carrying amount exceeds the amount that can be recovered, as a result of obsolescence of these assets or due to economic or technological circumstances.

Intangible assets with an indefinite useful life are subject to an annual impairment test, and an impairment loss is recognised when their carrying amount exceeds their recoverable amount.

The useful life, the amortisation method, as well as the potential residual value of intangible assets are reassessed at each balance sheet date and revised prospectively, if applicable.

Emission rights for greenhouse gases

Emission rights for greenhouse gases acquired at fair value are recognised as intangible assets at their acquisition cost. Rights granted free of charge are recognised as intangible assets at a nil book value.

The emission of greenhouse gases in the atmosphere is recognised as an operating expense, the corresponding entry being a liability for the obligation to deliver allowances covering the effective emission over the period concerned (other debts).

This expense is measured by reference to the weighted average cost of the acquired or granted allowances.

This liability is derecognised on the delivery of allowances to the government by withdrawing emission rights from intangible assets.

In case the allowances are insufficient to cover the emission of greenhouse gases during the fiscal year, the group establishes a provision. This provision is measured by reference to the market value at the balance sheet date of the allowances yet to be purchased.

The excess emission rights not sold on the market are valued at the balance sheet date by reference to the weighted average cost of the acquired or granted allowances, or at market value if lower than the weighted average cost.

2.8. Property, plant and equipment

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the enterprise and if the cost of the asset can be measured reliably.

PPE is recognised at cost in the balance sheet (cost method), less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised if it generates economic benefits exceeding the initial standard of performance.

PPE is reviewed at each balance sheet date to identify indications of potential impairment that may have arisen during the fiscal year. In the event that such indications are noted, an estimate of the recoverable amount of the PPE in question is established. The recoverable amount is defined as the higher of the fair value less costs to sell of an asset and its value in use. The value in use is calculated by discounting future cash inflows and outflows generated by the continuous use of the asset and its final disposal at an appropriate discounting rate.

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards included in the ownership of an asset to the lessee. Assets held under these contracts are recognised at the lower of their fair value and the present value of the minimum lease payments under the lease contracts. The corresponding liability is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

Capital subsidies and tax deductions for investments

Subsidies related to property, plant and equipment as well as contributions by third parties in the funding of such assets are deducted from the acquisition cost of these assets.

The tax benefit arising from the deductions for investment reduces the gross value of the related assets, the corresponding entry being deferred taxes.

Depreciation methods

PPE is depreciated over its useful life.

Each significant component of PPE is recognised separately and depreciated over its useful life.

The depreciation method reflects the rate at which the group expects to consume the future economic benefits related to the asset.

The regulated investments intended to increase the security of supply in Europe are depreciated under a diminishing balance method, which more accurately reflects the rate at which the group expects to consume the future economic benefits of these assets.

The main useful lives are as follows:

- 50 to 55 years for transmission pipelines, terminalling facilities and tanks,
- 50 years for administrative buildings and staff housing and facilities,
- 40 years for storage facilities,
- 33 years for industrial buildings,
- 20 years for investments related to the extension of the Zeebrugge LNG terminal,
- 10 years for equipment and furniture,
- 5 years for vehicles and site machinery,
- 4 years for computer hardware,
- 3 years for prototypes,
- 10 to 40 years for other installations.

The useful life, the depreciation method and the potential residual value of PPE are reassessed at each balance sheet date and revised prospectively, if applicable.

2.9. Unconsolidated investments (such as shares and equity rights)

Unconsolidated equity investments are recognised at fair value or at cost if their fair value cannot be reliably established.

Changes in fair value are recognised directly in other comprehensive income until the asset is derecognised, at which time the cumulative amount in other comprehensive income is transferred from equity to the income statement.

In case of objective indications of impairment of unconsolidated equity investments, an impairment test is carried out, and, if necessary, an impairment loss is directly recognised in the income statement.

2.10. Finance lease receivables

Assets under finance lease are assets for which the group transfers substantially all risks and rewards related to the economic ownership to the lessee. Assets leased under such contracts are recognised on the balance sheet as receivables in an amount equal to the net investment in the lease contract in question. Lease payments are apportioned between financial income and a reduction of the lease receivable so as to achieve a constant rate of return on the net investment by the group in the finance lease contract.

When the classification of contracts under finance lease is based on the present value of the minimum lease payments, the following criteria is adopted: a contract is considered as finance lease if the present value of the minimum lease payments amounts to at least 90% of the fair value of the leased asset at the inception of the lease contract.

No residual value is assumed for gas transmission assets, due to the specific nature of the activities concerned.

2.11. Inventories

Valuation

Inventories are valued at the lower of cost and net realisable value.

Inventories are written down to account for:
- a reduction in net realisable value, or
- impairment losses due to unforeseen circumstances related to the nature or use of the assets.

These write-offs on inventories are recognised to the income statement in the period in which they arise.

Gas inventory

Gas inventory changes are valued under the weighted average cost method.

Supplies and consumables

Supplies and consumables are valued under the weighted average cost method.

Work in progress

Work in progress for third parties is valued at cost, including indirectly attributable costs.

When the outcome of a contract can be reliably estimated, contract revenue and expenses are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance sheet date.

Any expected loss is recognised immediately as an expense in the income statement.

2.12. Borrowing costs

Borrowing costs directly attributable to the acquisition, building or production of assets requiring a substantial period of time to get ready for their intended use (property, plant and equipment, inventories, investment property, etc.) are added to the costs of the assets concerned until they are ready for use or sale.

The amount of the borrowing costs to be capitalised is the actual cost incurred in borrowing the funds, as reduced by income from any temporary investment of these funds.

2.13. Financial instruments

Investments

Investments <u>in the form of bonds or commercial paper</u> having a maturity date exceeding three months at their acquisition date are reported as financial assets at fair value with changes to the income statement. <u>These are shown in the balance sheet under non-current ‘other financial assets’ and under current ‘investments’.</u> Changes in the fair value of these financial assets are directly recognised in the income statement.

<u>The other investments are valued at amortised cost.</u>

Derivative instruments

The Fluxys group uses derivative financial instruments to hedge its exposure to exchange and interest rate risks.

Derivative instruments not designated as hedging instruments

Certain financial instruments, although hedging clearly defined risks, do not meet the strict criteria for the application of hedge accounting under IAS 39 (Financial Instruments: Recognition and Measurement).

Changes in the fair value of these financial instruments are directly recognised in the income statement.

Derivative instruments designated as hedging instruments

Changes in the fair value of financial instruments designated as hedges of a net investment in an activity abroad, and which meet the associated conditions, are recognised directly in equity provided that they relate to the effective portion of the hedge and that the changes in fair value result from changes in exchange rate.
Gains or losses on hedging instruments recognised directly in equity must be recognised in the income statement when the activity abroad leaves the consolidation scope.

Changes in the fair value of financial instruments designated as cash flow hedges are recognised directly in group equity. The ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement. If the planned transaction is no longer likely to take place, gains or losses on the hedging instruments which were recognised directly in equity are recognised in the income statement.

2.14. Cash and cash equivalents

Cash and cash equivalents include marketable securities, short-term bank deposits and deposits readily convertible to a known cash amount, which are subject to an insignificant risk of changes in value (maximum of three months).

<u>Cash equivalents held in the form of bonds or commercial paper are reported as financial assets at fair value with changes to the income statement.</u> Changes in the fair value of these financial assets are directly recognised in the income statement.

<u>Cash and other cash equivalents are valued at amortised cost.</u>

2.15. Trade and other receivables

Trade and other receivables are stated at their nominal value reduced by any amounts deemed unrecoverable.

When the time value of money is significant, trade and other receivables are discounted.

Impairment losses are recognised when the carrying value of these items at balance sheet date exceeds their recoverable amount.

2.16. Provisions

Provisions are recognised as a liability in the balance sheet when they meet the following criteria:

- the group has a present (legal or constructive) obligation arising from past events, and
- it is probable (i.e. more likely than not) that the settlement of this obligation will lead to an outflow of resources embodying economic benefits, and
- the amount of the obligation can be reliably estimated.

No provision is recognised if the above conditions are not met.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, in other words the amount the enterprise reasonably expects to need to pay to discharge the obligation at balance sheet date, or to transfer it to a third party at the same date.

This estimation is based either on a request from a third party or on estimates or detailed calculations. For all provisions recognised, management considers that the probability of an outflow of resources exceeds 50%.

When the time value of money is significant, provisions are discounted. The discount rate used is a rate before tax reflecting current market estimates of the time value of money and taking into account any risks associated with the type of liability in question.

All risks incurred by the group that do not comply with the above-mentioned criteria are disclosed as contingent liabilities in the Notes to the consolidated financial statements.

Employee benefits

Some companies in the Fluxys group have established supplementary ‘defined benefit’ and ‘defined contribution’ pension plans; benefits provided under these plans are based on the number of years of service and the pay of the employee.

‘Defined benefit’ pension plans enable employees to benefit from a lump sum calculated on the basis of a formula which takes account of their annual salary at the end of their career and their seniority when they retire.

'Defined contribution' pension plans provide employees with a capital sum accumulated from personal and employer contributions.

In case of death before retirement, these plans provide, in Belgium, a lump sum for the surviving spouse and benefits for the orphans.

Other employee benefits

Certain group companies offer their employees post-employment benefits such as the reimbursement of medical costs and tariff reductions, and other long-term benefits (seniority premiums).

Valuation

These commitments are valued annually by a qualified actuary.

Regular payments made in relation to the supplementary pension plans are recognised as expenses at the time they are incurred.

'Defined benefit' pension plans

Provisions for pensions and other collective agreements are reported in the balance sheet in accordance with IAS 19 (Employee Benefits), using the projected unit credit method (PUCM).

Actuarial gains and losses relating to other employee benefits

Actuarial gains and losses arising on the measurement of the unfunded defined benefit obligation are recognised as provisions without going through the income statement but directly impacting equity.

Actuarial gains and losses recorded on the estimated unfunded obligations related to long-term employee benefits are recognised in provisions through the financial result.

'Defined contribution' pension plans

The accounting method used by the group to value the liabilities related to 'defined contribution' plans corresponds to the intrinsic value method. In Belgium, this method is to calculate, for each member individually, the guaranteed minimum reserves (based on an annual return of 3.25% on employer's contributions and 3.75% on employees' contributions) and accumulated contributions based on the effective yield on the closing date of the financial statements.

A deficit occurs when guaranteed minimum reserves exceed the accumulated contributions based on the effective yield on the closing date. Any deficit resulting from this valuation is subject to the recognition of a provision to cover this risk.

In Belgium, the group does not use a same accounting treatment for ‘defined contribution pension plans, with a guaranteed minimum return’, like the one used for ‘defined benefit’ pension plans and this for the following reasons:

- A strict application of the projected unit credit method (PUCM - Projected Unit Credit Method) as provided by IAS 19 would involve using a hypothesis about the evolution of future contributions to the guaranteed rate to achieve the best estimate of projected liabilities. It is difficult to retain a hypothesis at this level taking into account the uncertainty of the future evolution of the guaranteed minimum rate of return applicable in Belgium and consistency to keep up with the discount rates used elsewhere.
- The use of the PUCM method requires that the benefits granted may be determined on a projected basis. But the group's commitment in terms of ‘defined contribution’ pension plans is the maximum between, on the one hand, the guaranteed minimum reserves and on the other hand, the accumulated contributions based on the effective yield on the closing date.

The group therefore uses a retrospective approach by which the net commitments under these ‘defined contribution’ pension plans are valued on the basis of the intrinsic value method.

2.17. Interest-bearing liabilities

Interest-bearing liabilities are recognised at the net amount received. Following initial recognition, interest-bearing liabilities are recorded at amortised cost. The difference between the amortised cost and the redemption value is recognised in the income statement under the effective interest rate method over the term of the liabilities.

2.18. Trade payables

Trade payables are stated at nominal value.

When the time value of money is significant, trade payables are discounted.

2.19. Foreign currency assets, rights, borrowings and commitments

Recognition at the date of the transaction

Foreign currency receivables and payables are measured at the exchange rate prevailing at the transaction date.

Measurement at balance sheet date

At balance sheet date, in accordance with IAS 21 (Effects of Changes in Foreign Exchange Rates), monetary assets and liabilities, as well as rights and commitments, are translated at the closing rate.

The resulting foreign currency transaction gains and losses are recognised in the income statement.

2.20. Revenue recognition

Revenue is measured at the fair value of the consideration received or to be received, in case revenue is deemed to belong to the company and the fair value can be measured reliably.

Regulated revenues received by the group may generate a gain or a loss compared to the target rate of return on the capital invested. Gains are recognised as regulatory liabilities (under interest-bearing liabilities, current or non-current) in the balance sheet, whereas losses are deferred as regulatory assets (under non-current loans and receivables or under current trade and other receivables) in the balance sheet.

2.21. Income taxes

Current tax liabilities are determined in accordance with local tax regulations and are calculated on the income of the parent company, subsidiaries and joint operations.

Deferred tax liabilities and assets reflect the future taxable and deductible temporary differences, respectively, between the book base and the tax base of assets and liabilities.

Deferred tax liabilities and assets are measured at the enacted or substantially enacted new income tax rate applicable to the fiscal year in which the underlying asset is expected to be realised or the underlying liability settled.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the future deductible temporary differences can be offset.

Note 3. Investments

3.1. Consolidation scope

The consolidation scope changed as follows in 2014:

Fluxys Europe:

In September 2014 Fluxys Europe acquired an additional stake of 3 % in the company Trans Adriatic Pipeline (TAP) for a total amount of 15.6 M€, shareholder loan included. The total percentage directly held by Fluxys Europe in this company thus amounts to 19%. TAP is consolidated using the equity method following the significant influence exercised by the two directors representing the Fluxys group in the Board of directors of the company.

3.2. Nature and scope of the investments held in joint arrangements

Transitgas and TENP KG

Transitgas is a joint arrangement in which FluxSwiss exercises a joint control with the other joint operators.

Transitgas is qualified as joint operation for the following reasons:

The purpose of the activities of Transitgas is essentially to put the capacity of its installations at the disposal of the joint operators. This gives them the right to almost all of the economic benefits of the assets of the operation. They also incur obligations against liabilities related to the operation. Indeed, the liabilities incurred by Transitgas are paid through cash flows received from the joint operators through the considerations paid for the capacity made available.

FluxSwiss holds 90% of the capacity of the Transitgas installations. The latter are therefore integrated for 90% in the consolidated financial statements of the group. This integration percentage is not based on the investment held in this company but on the rights to the assets and liabilities incurred by the group for the liabilities. This method better reflects the risks and benefits of the joint operators related to the capacity reserved in the installations.

TENP KG is a joint arrangement in which Fluxys TENP exercises a joint control with the other joint operators.

The approach in the framework of this joint arrangement is identical, except that this joint operation is integrated for 64.25% in the consolidated financial statements of the group in accordance with the capacity reserved in the installations.

3.3. Nature and scope of the restrictions related to the assets and liabilities of the group

Special rights are attached to the special share of the Belgian State in Fluxys Belgium, other than the normal rights attached to all other shares. These special rights are exercised by the Federal Minister in charge of Energy and can be summarised as follows:

- The right to oppose to all transfers, any assignment as security or change of the destination of strategic assets of Fluxys Belgium of which the list is set out in an annex to the royal decree of 16 June 1994, if the Federal Minister in charge of Energy considers that this operation prejudices the national interests in the area of energy.
- The right to appoint two representatives of the federal government with a consultative vote in the Board of Directors and the Strategic Committee of Fluxys Belgium.
- The right of the representatives of the federal government, within four business days, to appeal at the Federal Minister in charge of Energy on the basis of objective, non-discriminatory and transparent criteria, as defined in the Royal Decree of 5 December 2000, against any decision of the Board of Directors or any advice of the strategic Committee of Fluxys Belgium (including the investment and business plan and related budget) which they regard as contrary to the guidelines of the energy policy of the country, including the government's objectives concerning the country's energy supply. The appeal is suspensive. If the Federal Minister in charge of Energy has not cancelled the decision concerned within eight business days after this appeal, it becomes final.
- A special voting right in case of deadlock in the General meeting on a matter concerning the objectives of the federal energy policy.

In addition, there are provisions at the level of GasBridge 1 and GasBridge 2 to enable to solve potential deadlock situations, provisions requiring a reallocation of shares among the partners in these companies. Consequently, Fluxys Europe holds control over GasBridge 1 whereas GasBridge 2 is controlled by SNAM.

Other shareholders' agreements have been entered into within de subsidiaries of the Fluxys group. The latter provide rights of first refusal upon the sale of shares by a shareholder, as well as some special majorities required for the decision in specific matters. They do not undermine the control exercised by the group over its subsidiaries or joint control over the joint operations.

There are no other significant restrictions that may limit the ability of the group to access or use its assets and discharge its liabilities. However it must be noted that the assets of Flux Re are destined to cover the risk of the company in the scope of its reinsurance activities. The total assets in the balance sheet of Flux Re amount to 161.8 M€ on 31-12-2014 compared to 153.5 M€ on 31-12.2013.

Certain financing agreements also provide for the maintenance of a minimum level of cash in the companies and this for a total amount of 37.3 M€ on 31 December 2014.

3.4. Information on investments

Fully consolidated companies						
Name of the subsidiary	**Registered office**	**Company number**	**% ownership**	**Core business**	**Currency**	**Closing date**
FLUXYS BELGIUM SA	Avenue des Arts 31 B- 1040 Brussels	0402 954 628	89.97 %	Gas transmission	EUR	31 December
FLUXYS LNG SA	Rue Guimard 4 B - 1040 Brussels	0426 047 853	89.97 %	LNG terminalling	EUR	31 December
FLUX RE SA	Rue de Merl 74 L - 2146 Luxembourg	-	89.97 %	Reinsurance company	EUR	31 December
FLUXYS FINANCE SA	Rue Guimard 4 B - 1040 Brussels	0821 382 439	100.00 %	Financial services	EUR	31 December
FINPIPE GIE	Rue Guimard 4 B - 1040 Brussels	0444 889 015	100.00 %	Leasing of facilities and services	EUR	31 December
FLUXYS EUROPE BV	Schouwburgplein 30/34 NL - 3012CL Rotterdam	-	100.00 %	Non-regulated activities in Belgium and activities outside Belgium	EUR	31 December
HUBERATOR SA	Rue Guimard 4 B - 1040 Brussels	0466 874 361	95.00 %	Gas hub	EUR	31 December
GMSL Ltd	Clarendon Road GB - Cambridge CB2 2BH	-	100.00 %	Services	GBP	31 December
FLUXYS BBL BV	Schouwburgplein 30/34 NL - 3012CL Rotterdam	-	100.00 %	‘BBL’ transmission	EUR	31 December
FLUXYS DEUTSCHLAND GmbH	Elisabethstr, 11 D - 40217 Düsseldorf	-	100.00 %	‘NEL’ transmission	EUR	31 December
FLUXYS TENP GmbH	Elisabethstr, 11 D - 40217 Düsseldorf	-	100.00 %	Gas transmission	EUR	31 December
FLUXSWISS SAGL	Via della Posta 2 CH - 6900 Lugano	-	50.20 %	Gas transmission	CHF	31 December
GasBridge 1 BV	Westblaak 89 NL – 3012KG Rotterdam	-	50.00 %	Holding company	EUR	31 December

Joint operations integrated based on rights on assets and obligations on liabilities

Name of the subsidiary	Registered office	Company number	% ownership	Core business	Currency	Closing date
TENP KG	Ruhrallee 74 D - 45138 Essen	-	64.25 %	Leasing of facilities and services	EUR	31 December
Transitgas AG	Baumackerstrasse 46 CH - 8050 Zurich	-	45.18 %	Leasing of facilities and services	CHF	31 December
BBL Company VOF	Concourslaan 17 NL - 9700AE Groningen	-	20.00 %	Gas Transport	EUR	31 December
NEL (Nordeuropäische Erdgasleitung)	-	-	23.87 %	Gas Transport	EUR	31 December

Subsidiaries with significant non-controlling interests

In thousands of €

	31-12-2014*	31-12-2014*	31-12-2013	31-12-2013
100 %	**Fluxys Belgium**	**Swiss Group**	**Fluxys Belgium**	**Swiss Group**
Non-current assets	2,601,251	1,134,718	2,668,090	1,166,760
Current assets	795,226	123,645	408,466	131,562
Equity	888,009	428,575	934,680	412,657
Non-current liabilities	1,935,171	732,208	1,974,451	837,212
Current liabilities	573,297	97,580	167,425	48,453
Operating revenue	613,223	184,692	641,454	193,517
Operating charges	-475,702	-92,456	-495,019	-84,239
Net financial result	-53,718	-26,863	-49,093	-29,782
Share of profit of equity accounted investees	0	0	0	0
Income tax expenses	-28,687	-14,030	-34,047	-17,675
Net profit of the period	55,116	51,343	63,295	61,821

**Figures on annual basis at 100 % subject to approval by the companies' management bodies and general meeting*

** Dividend received from Fluxswiss in 2014 amounts to 16,853 k€.*

Equity accounted investees – Joint ventures

Name of the company	Registered office	Company number	% ownership	Core business	Currency	Closing date
Gaz-Opale	Rue de l'Hermitte 30 Immeuble des 3 Ponts F - 59140 Dunkerque	-	61.75 %	LNG terminalling Services	EUR	31 December
TENP GmbH	Ruhrallee 74 D - 45138 Essen	-	50.00 %	Services	EUR	31 December

Equity accounted investees - Associates

Name of the company	Registered office	Company number	% ownership	Core business	Currency	Closing date
Dunkerque LNG SAS	Rue de l'Hermitte 30 Immeuble des 3 Ponts F - 59140 Dunkerque	-	25.00 %	LNG terminalling	EUR	31 December
Interconnector (UK) Ltd	Vine Street 41 UK - London EC3N 2AA	-	40.75 %	Gas transmission	GBP	30 September
Interconnector Zeebrugge Terminal SCRL	Rue Guimard 4 B – 1040 Brussels	0454 318 009	25.5 %	Gas reception terminal	EUR	30 September
Trans Adriatic Pipeline AG	Lindenstrasse 2 CH – 6340 Baar	-	19.00 %	Gas transmission	EUR	31 December
GasBridge 2 BV	Westblaak 89 NL – 3012KG Rotterdam	-	50.00 %	Holding company	EUR	31 December

Financial statements of joint operations and equity accounted investees						In thousands of €
	31-12-2014*	31-12-2014*	31-12-2014*	31-12-2014*	31-12-2014*	31-12-2014*
100 %	**Transitgas**	**TENP KG**	**Dunkerque LNG**	**Trans Adriatic Pipeline AG**	**Interconnector (UK)****	**GasBridge 2**
Non-current assets	787,200	230,659	958,008	498,436	1,179,827	114,195
Current assets	57,622	-2,284	205,684	40,710	77,098	13,036
Equity	420,965	36,227	796,960	337,564	697,509	127,200
Non-current liabilities	366,573	183,615	1,171	182,676	480,904	0
Current liabilities	57,284	8,533	365,561	18,906	78,512	31
Operating revenue	85,128	38,566	1,369	1,338	221,718	0
Operating charges	-47,025	-24,221	-10,518	-941	-143,156	-94
Net financial result	-12,000	-5,659	-52	-18	-1,441	370
Share of profit of equity accounted investees	0	0	0	0	0	9,189
Income tax expenses	-5,104	-2,076	3,148	-984	-16,600	0
Net profit of the period	20,999	6,610	-6,053	-605	60,521	9,465

** Figures before eliminations of intra-group operations on an annual basis at 100%, except for Transitgas (90%) and TENP KG (64.25%), and subject to approval by the companies' management bodies and general meeting.*

*** Other elements of the comprehensive result amount to -1,151 k€ and comprehensive result for the period amounts to 59,370 k€. Contribution of this company to the profit of equity accounted investees amounts to 29,389 k€.*

Dividend received from Interconnector (UK) amounts to 63,271 k€.

Financial statements of joint operations and equity accounted investees

In thousands of €

100 %	31-12-2013 Transitgas	31-12-2013 TENP KG	31-12-2013 Dunkerque LNG	31-12-2013 Trans Adriatic Pipeline AG	31-12-2013 Interconnector (UK)	31-12-2013 GasBridge 2
Non-current assets	797,722	229,541	666,182	-	1,204,333	115,402
Current assets	55,834	23,933	179,755	-	76,294	11,865
Equity	397,168	37,826	408,075	-	701,982	127,239
Non-current liabilities	391,682	208,115	0	-	506,829	0
Current liabilities	64,706	7,533	437,862	-	71,816	28
Operating revenue	85,455	47,767	990	-	217,895	0
Operating charges	-44,028	-28,357	-14,476	-	-144,565	-72
Financial result	-13,724	-6,252	0	-	-2,415	58
Share of profit of equity accounted investees	0	0	0	-	0	12,525
Income tax expenses	-5,711	-2,219	4,642	-	11,736	0
Net profit of the period	21,992	10,939	-8,844	-	82,651	12,511

** Figures before eliminations of intra-group operations on an annual basis at 100%, except for Transitgas (90%) and TENP KG (64.25%), and subject to approval by the companies' management bodies and general meeting*

Main non-consolidated entities

Name of the entity	Registered office	% ownership	Core business
NetConnect Germany GmbH & Co, KG	Kaiserswerther Str, 115 D-40880 Ratingen	10.00 %	Conduct market area corporation
NetConnect Germany Management GmbH	Kaiserswerther Str. 115 D-40880 Ratingen	10.00 %	Conduct market area corporation
Prisma European Capacity Platform GmbH	Schillerstraße 4 D-04109 Leipzig	11.14 %	Transmission capacity reservation platform
C4Gas SAS	Rue de La Pépinière 24 F-75008 Paris	10.00 %	Purchasing Portal

NOTE 4. OPERATING REVENUE

Analysis of revenue by business segment:

Operating revenue				In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**	**Variation**
Fluxys Belgium	4.1	552,025	545,910	6,115
Fluxys Europe and corporate	4.2	317,830	320,346	-2,516
Total		**869,855**	**866,256**	**3,599**

Revenue was €869,855 thousand in 2014 compared with €866,256 thousand in 2013.

4.1. The 'Fluxys Belgium' segment comprises transmission, storage and terminalling services in Belgium which are subject to the Gas Act.

Revenue from these services aims to ensure a sufficient return on capital invested and to cover the operating charges related to these services as well as depreciation and amortisation and the non-depreciated portion in the tariffs within the decommissioned Regulated Asset Base. However, recovery of the latter is limited to the amount of the investments during the fiscal year.

Revenue from this segment also includes work and services for third parties and the provision of facilities.

Revenue of the segment rose with 6,115 k€ compared with the previous fiscal year.

This increase is explained by a slight increase in transport capacity sold, due to the favorable impact of efficiency gains impacting the regulatory accounts and the reduced impact of tariff decisions relating to previous fiscal years, effects on regulatory accounts partially offset by lower interest rates and therefore the allowed regulated margin. New long-term contracts entered into force at the end of 2013 for border-to-border transport on the North/South axis, which has resulted in additional capacity sales for 2014. At the same time, the sale of short-term capacity fell for border-to-border transport.

4.2. The ‘Fluxys Europe’ segment comprises revenue from activities outside Belgium and from non-regulated activities in Belgium. It includes, inter alia, the revenue generated by transmission facilities in Switzerland, Germany and between Balgzand in the Netherlands and Bacton in the United Kingdom (BBL), services relating to the Zeebrugge Hub and gas flow monitoring services on behalf of third parties.

The decline of this segment’s turnover is caused by the decline of interruptible and short-term sales in Switzerland, mitigated by the commissioning of NEL.

NOTE 5. OTHER OPERATING INCOME

Other operating income			In thousands of €
	31-12-2014	31-12-2013 revised	Variation
Other operating income	21,685	26,351	-4,666

Other operating income mainly comprises various recoveries from insurance companies and other debtors and income earned from making company property or personnel available to third parties.

The balance of the change in the other operating income compared with the previous year is caused by the gains realized on the sale of cushion gas from the Loenhout storage facility, by the recovery of costs related to the decommissioning of the peak-shaving plant at Dudzele and by the subsidy granted in 2013 to cover the study costs related to the project of a second jetty at the Zeebrugge LNG terminal.

NOTE 6. OPERATING EXPENSES

Operating expenses excluding net amortisation, depreciation and provisions			In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**
Consumables, merchandise and supplies used	6.1	-7,915	-4.289
Miscellaneous goods and services	6.2	-178,642	-197.463
Employee expenses	6.3	-135,602	-142.581
Other operating expenses	6.4	-26,614	-14.833
Total operating expenses		**-348,773**	**-359.166**
Of which costs related to lease agreements		-13,706	-14.052

6.1. Consumables, merchandise and supplies used

Consumables, merchandise and supplies used mainly include costs for transport material taken out of inventory for maintenance and repair projects and costs for work carried out on behalf of third parties.

6.2. Miscellaneous goods and services

Miscellaneous goods and services comprise purchase of equipment, rent and rental charges (see Note 32.5), maintenance and repair expenses, goods and services supplied to the company, third party remuneration, royalties and contributions, non-personnel related insurance costs, transport and travel expenses, telecommunication costs, publication and information costs and, finally, temporary and support staff expenses.

The change in miscellaneous goods and services is mainly due to the efficiency efforts realized by the group in 2014, the decrease of the maintenance costs and the final compensations paid to the victims of the Ghislenghien accident which occurred in 2004, of which the major part has been paid in 2012.

The remuneration paid to Deloitte in its capacity as the group's statutory auditor totalled €436,914. In addition, Deloitte performed other tasks for which it was paid a total of €95,218.

6.3. Employee expenses

The group's average headcount was 1,216 in 2014 compared with 1,261 in 2013. In FTE (full-time equivalents), the average headcount was respectively 1,183.3 in 2014 compared with 1,228.3 in 2013.

Employee expenses fell with 6,979 k€ as a result of the combined effect of a decrease in the average headcount and the contributions paid to the pension funds compared to 2013, a change related to the need to finance of our obligations in the matter.

Workforce

	Fiscal year		Previous fiscal year	
	Total number of staff	**Total in FTE**	**Total number of staff**	**Total in FTE**
Average headcount	**1,216**	**1,183.3**	**1,262**	**1,228.3**
Fluxys	**34**	**27.8**	**31**	**24.5**
Executives	28	22	25	18.6
Employees	6	5.8	6	5.9
Fluxys Belgium	**987**	**961.2**	**1,036**	**1,010.9**
Executives	301	295.3	319	313.5
Employees	686	665.9	717	697.4
Fluxys LNG	**38**	**38.7**	**41**	**40.7**
Executives	2	2,4	2	2.0
Employees	36	36.3	39	38.7
GMSL	**79**	**79**	**71**	**71.0**
Executives	10	10.0	4	4.0
Employees	69	69.0	67	67.0
Flux Re	**1**	**0.5**	**1**	**0.5**
FluxSwiss	**7**	**7.0**	**13**	**12.9**
Fluxys TENP	**11**	**10.1**	**10**	**9.7**
Fluxys Deutschland	**3**	**3.0**	**3**	**3.0**
Transitgas	**54**	**54.0**	**54**	**53.1**
Tenp KG	**2**	**2.0**	**2**	**2.0**

Workforce				
	Fiscal year		**Previous fiscal year**	
	Total number of staff	**Total in FTE**	**Total number of staff**	**Total in FTE**
Headcount at balance sheet date	**1,200**	**1,166.6**	**1,247**	**1,212.9**
Fluxys	**36**	**29.6**	**33**	**25.9**
Executives	*30*	*23.8*	*27*	*19.9*
Employees	*6*	*5.8*	*6*	*6.0*
Fluxys Belgium	**969**	**942.9**	**1,018**	**992.6**
Executives	294	288.7	310	304.7
Employees	675	654.2	708	687.9
Fluxys LNG	**38**	**37.8**	**40**	**40.0**
Executives	3	3.0	2	2.0
Employees	35	34.8	38	38.0
GMSL	**79**	**79.0**	**74**	**74.0**
Executives	*10*	*10.0*	*4*	*4.0*
Employees	*69*	*69.0*	*70*	*70.0*
Flux Re	**1**	**0.5**	**1**	**0.5**
FluxSwiss	**7**	**7.0**	**12**	**12.0**
Fluxys TENP	**11**	**10.8**	**10**	**9.8**
Fluxys Deutschland	**3**	**3.0**	**3**	**3.0**
Transitgas	**54**	**54.0**	**54**	**53.1**
Tenp KG	**2**	**2.0**	**2**	**2.0**

6.4. Other operating expenses

Other operating expenses include property taxes, local taxes, and losses on disposal or retirement.

The latter represented an expense of €13,531 thousand in 2014, compared with €3,443 thousand in 2013, whereby this increase is related to the decommissioning programme of old installations.

Net depreciation, amortisation, impairment losses and provisions			In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**
Depreciation and amortisation	6.5	**-246,525**	**-234,555**
Intangible assets		-49,200	-53,220
Property, plant and equipment		-197,325	-181,335
Impairment losses		**-1,902**	**-1,535**
Inventories		-1,902	-1,535
Trade receivables		0	0
Provisions for liabilities and charges	6.6	**3,568**	**19,770**
Total depreciation, amortisation, impairment losses and provisions		**-244,859**	**-216,320**

6.5. Depreciation and amortisation

The intangible assets resulting from the Fluxys business combinations have been depreciated in accordance with the accounting methods, namely over 40 years for the fixed asset 'sole operator of the natural gas transmission network and storage facilities' in Belgium, between 20 and 40 years for the acquired customer portfolios and over 20 years for the fixed asset 'sole operator of the LNG facilities'.

The depreciation of tangible assets increased due to the commissioning in 2013 of new investments, notably the NEL installations, the Ben-Ahin-Bras pipeline and 'Open Rack Vaporizer' installations at Zeebrugge Terminal.

6.6. Provisions for liabilities and charges

Provisions for the environment and site restoration have been used for €0.9 million in 2014, compared to €6.0 million in 2013. In 2013, they were also reversed for €8.1 million. The latter was related to the downward revision of the costs estimated for the decommissioning of the peak-shaving plant at Dudzele. This provision recovery did not have any impact on the results of the fiscal year as it was integrated in the tariff calculation of the storage activity.

The balance of the uses of provisions concern mainly the provisions for employee benefits.

NOTE 7. FINANCIAL INCOME

Financial income	Note	31-12-2014	31-12-2013 revised	Variation
				In thousands of €
Dividends from non-consolidated companies		44	74	-30
Financial income from lease contracts	7.1	182	185	-3
Interest income on marketable securities, cash and cash equivalents at fair value through profit and loss		2,146	1,999	147
Interest income on marketable securities, cash and cash equivalents	7.2	6,549	4,995	1,554
Other financial income	7.3	2,229	0	2,229
Total		**11,150**	**7,253**	**3,897**

7.1. Financial income from lease contracts are related to the Interconnector Zeebrugge Terminal (IZT) installations (see Note 17).

7.2. Other interest income received by the group is influenced by the favorable outcome of tax matters for which the group received default interest.

7.3. The other financial income in 2014 mainly recorded exchange differences realised on our investments abroad.

NOTE 8. FINANCIAL EXPENSES AND CHANGE IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial expenses			In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**
Borrowing interest costs	8.1	-93,668	-99,907
Unwinding of discounts	8.2	-6,343	-684
Other financial expenses		-1,978	-1,363
Total		**-101,989**	**-101,954**

8.1. Borrowing interest costs mainly include interest on the RTR finance lease, on loans from the EIB (European Investment Bank), on bonds, bank loans, on loans in Swiss francs, on regulatory liabilities, and short and medium term financing in place to cover the group's financial needs.

Refund of debts explains the decrease in interest costs in 2014 compared to the previous fiscal year.

8.2. The expenses related to the unwinding of discounts are increasing. This change is mainly explained by the rate used to discount the liability relating to employee benefits (1.45% in 2014 compared to 3.05% in 2013). The change of expenses related to the unwinding of discounts is analysed in Notes 26 ‘Provisions’ and 27 ‘Provisions for employee benefits’.

Change in the fair value of financial instruments			In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**
Use and change in the fair value of financial instruments	8.3	-1,076	3,581
Total		**-1,076**	**3,581**

8.3. This item shows the result related to the use of financial instruments.

The change of the financial instruments is explained in Note 33.

NOTE 9. PROFIT OF EQUITY ACCOUNTED INVESTEES

Share of profit of equity accounted investees amounts to €27,923 thousand in 2014 compared with €39,935 thousand in 2013. This change is mainly explained by the non-current effect related to the decrease of the tax rate which favourably impacted the deferred taxes and the result of our stake in Interconnector (UK) Ltd in 2013.

NOTE 10. INCOME TAX EXPENSE

Income tax expense is analysed as follows:

Income tax expense				In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**	**Variation**
Current tax	10.1	-70,799	-79,284	8,485
Deferred tax	10.2	17,491	17,648	-157
Total	10.3	**-53,308**	**-61,636**	**8,328**

Income tax expense was €53,308 thousand in 2014, compared with €61,636 thousand in 2013. This value is explained as follows:

10.1 Current tax			In thousands of €
	31-12-2014	**31-12-2013 revised**	**Variation**
Income tax on the profit of the period	**-74,495**	**-80,214**	**5,719**
Taxes and withholding taxes due or paid	-52,601	-55,167	2,566
Excess of payment of taxes and withholding taxes included in assets	0	0	
Estimated additional tax included in liabilities	-21,894	-25,047	3,153
Adjustments to previous years' taxes	**3,696**	**930**	**2,766**
Total	**-70,799**	**-79,284**	**8,485**

Current income tax decreased with €8,485 thousand compared with the previous year.

This decrease is caused mainly by the decrease of the profit of regulated activities in Belgium and the profit of Fluxswiss.

10.2 Deferred tax

In thousands of €

	Note	31-12-2014	31-12-2013 revised	Variation
Relating to origination or reversal of temporary differences		**16,779**	**17,121**	**-342**
Differences arising from the valuation of property, plant and equipment		24,776	22,380	2,396
Differences arising from provisions		-1,031	-889	-142
Others		-6,966	-4,370	-2,596
Relating to tax rate changes or to new taxes		**712**	**527**	**185**
Relating to changes in accounting policies and errors		**0**	**0**	**0**
Relating to changes in fiscal status of enterprise or shareholders		**0**	**0**	**0**
Total		**17,491**	**17,648**	**-157**

Deferred tax is primarily influenced by the difference between the carrying amount and the tax base of property, plant and equipment and intangible assets. The increase in 2014 of the decommissioning of obsolete installations explains the change of deferred taxes resulting from the valuation of property, plant and equipment.

The uses and recoveries of provisions under local standards, which are not accepted under IFRS cause the differences arising from provisions, whereby this change is slightly compensated by the impact of the decrease of the rate used in 2014 to discount the liability relating to employee benefits (see Note 8.2).

The evolution of item 'Others' is due to the favourable resolution of tax issues related to the taxation of regulatory liabilities in Germany.

10.3 Reconciliation of expected income tax rate and effective average income tax rate

In thousands of €

	31-12-2014	31-12-2013 revised	Variation
Expected income tax based on applicable tax rate – Fiscal year	**-64,812**	**-72,199**	**7,387**
Profit from continuing operations after net financial result	218,603	252,347	-33,744
Share of profit of equity accounted investees (-)	-27,923	-39,935	12,012
Profit before taxes	**190,680**	**212,412**	**-21,732**
Applicable tax rate	33.99 %	33.99 %	
Reconciling items	**7,808**	**9,633**	**-1,825**
Income tax rate differences between jurisdictions	12,648	16,174	-3,526
Tax-exempt income	308	-99	407
Non-deductible expenses	-9,306	-10,358	1,052
Taxable dividend income	679	414	265
Deductible notional interest cost	3,288	3,428	-140
Others	191	74	117
Income tax as per effective average tax rate – Fiscal year	**-57,004**	**-62,566**	**5,562**
Profit before taxes	190,680	212,412	-21,732
Average effective tax rate	29.90 %	29.46 %	0.44%
Taxes on tax-exempt reserves	**0**	**0**	**0**
Adjustments to previous years' taxes	**3,696**	**930**	**2,766**
Total income tax expense	**-53,308**	**-61,636**	**8,328**

The average effective tax rate for 2014 amounted to 29.90% compared with 29.46% the previous year.

NOTE 11. NET PROFIT FOR THE PERIOD

Net profit for the period		In thousands of €	
	31-12-2014	**31-12-2013 revised**	**Variation**
Non-controlling interests	36,115	43,672	-7,557
Group share	129,180	147,039	-17,859
Total net profit for the period	**165,295**	**190,711**	**-25,416**

The consolidated net profit was €165,295 thousand in 2014 compared with €190,711 thousand in 2013.

The decrease of the profit is mainly due to the decrease of the profit of Fluxswiss and the profit of the regulated activities in Belgium. The latter are negatively impacted by the decline of the regulated yield related to the historically low rates of the Belgian government bonds (OLOs).

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment

	Land	Buildings	Gas transmission networks	Gas storage facilities
Gross carrying amount				
At 31-12-2012 revised	**48,395**	**146,402**	**5,193,100**	**381,145**
Additions	825	316	156,761	3,227
Government grants	0	0	-557	0
Disposals and retirements	-1,729	-188	-17,010	-3,589
Internal transfers	9	6,682	-681	431
Changes in consolidation scope and assets held for sale	0	0	0	0
Translation adjustments	-45	0	-20,564	0
At 31-12-2013 revised	**47,455**	**153,212**	**5,311,049**	**381,214**
Additions	7,265	682	28,933	2,067
Government grants	0	0	-20,100	0
Disposals and retirements	-324	-284	-30,259	-3,098
Internal transfers	2	0	3,498	387
Changes in consolidation scope and assets held for sale	0	0	0	0
Translation adjustments	0	0	25,478	0
At 31-12-2014	**54,398**	**153,610**	**5,318,599**	**380,570**

				In thousands of €
LNG terminal	Other installations and machinery	Furniture, equipment and vehicles	Assets under construction and instalments paid	Total
1,001,303	**43,616**	**47,292**	**185,778**	**7,047,031**
8,412	927	4,686	14,432	189,586
0	0	0	0	-557
0	-22	-305	-1,044	-23,887
31,999	63	0	-38,503	0
0	0	0	0	0
0	0	-64	-40	-20,713
1,041,714	**44,584**	**51,609**	**160,623**	**7,191,460**
749	1,472	2,896	71,821	115,885
0	0	0	-2,579	-22,679
-204	0	-3,337	-5,032	-42,538
0	0	0	-3,887	0
0	0	0	0	0
0	43	107	39	25,667
1,042,259	**46,099**	**51,275**	**220,985**	**7,267,795**

Movements in property, plant and equipment

	Land	Buildings	Gas transmission networks	Gas storage facilities
Depreciation and impairment losses				
At 31-12-2012 revised	**0**	**-76,137**	**-2,204,985**	**-171,548**
Depreciation	0	-5,039	-142,842	-10,950
Depreciation on government grants	0	0	4,347	0
Disposals and retirements	0	162	14,349	1,909
Internal transfers	0	-137	137	0
Changes in consolidation scope and assets held for sale	0	0	0	0
Translation adjustments	0	0	5,902	0
At 31-12-2013 revised	**0**	**-81,151**	**-2,323,092**	**-180,589**
Depreciation	0	-5,136	-156,632	-11,010
Depreciation on government grants	0	0	4,003	0
Disposals and retirements	0	0	19,058	1,721
Internal transfers	0	0	0	0
Changes in consolidation scope and assets held for sale	0	0	0	0
Translation adjustments	0	0	-10,934	0
At 31-12-2014	**0**	**-86,287**	**-2,467,597**	**-189,878**
Net carrying amount at 31-12-2014	**54,398**	**67,323**	**2,851,002**	**190,692**
Net carrying amount at 31-12-2013 revised	**47,455**	**72,061**	**2,987,957**	**200,625**

In thousands of €

LNG terminal	Other installations and machinery	Furniture, equipment and vehicles	Assets under construction and instalments paid	Total
-661,944	**-42,875**	**-31,998**	**0**	**-3,189,487**
-22,984	-97	-3,770	0	-185,682
0	0	0	0	4,347
0	1	132	0	16,553
0	0	0	0	0
0	0	0		0
0	0	61	0	5,963
-684,928	**-42,971**	**-35,575**	**0**	**-3,348,306**
-24,209	-191	-4,150	0	-201,328
0	0	0	0	4,003
6	0	3,335	0	24,120
0	0	0	0	0
0	0	0	0	0
0	0	-19	0	-10,953
-709,131	**-43,162**	**-36,409**	**0**	**-3,532,464**
333,128	**2,937**	**14,866**	**220,985**	**3,735,331**
356,786	**1,613**	**16,034**	**160,623**	**3,843,154**

Movements in property, plant and equipment

	Land	Buildings	Gas transmission networks	Gas storage facilities
Net carrying amount at 31-12-2014, including:	**54,398**	**67,323**	**2,851,002**	**190,692**
At cost	54,398	67,323	2,851,002	190,692
At revaluation	0	0	0	0
Net carrying amount at 31-12-2014 of assets held under finance leases	**0**	**19**	**16,488**	**0**
Supplementary information				
Net carrying amount of assets temporarily out of use	110	0	0	0

'Property, plant and equipment' mainly comprises the group's transmission, storage (Loenhout) and terminalling (Zeebrugge) facilities.

In 2014, the FLuxys group made investments for an amount of €115.9 million. The main items of investment concerned: transmission facilities (€83.3 million) and storage facilities in Loenhout (€3.1 million) and the installation at the LNG Terminal (€27.2 million), in particular the second jetty.

In relation to investments that are currently in progress or planned, the group has commitments under Engineering, Procurement and Construction contracts.

Within 2014, Fluxys Belgium obtained grants relating to the 'North-South' investments worth €20.1 million while Fluxys LNG received subsidies for an amount of €2.6 million for investments in the second jetty.

Retirements during the period mainly relate to pipelines that have been replaced or decommissioned, parts of compressor stations which had reached the end of their lifetime and cushion gas in Loenhout.

					In thousands of €
	LNG terminal	**Other installations and machinery**	**Furniture, equipment and vehicles**	**Assets under construction and instalments paid**	**Total**
	333,128	**2,937**	**14,866**	**220,985**	**3,735,331**
	333,128	2,937	14,866	220,985	3,735,331
	0	0	0	0	0
	0	**0**	**0**	**0**	**16,507**
	0	0	0	0	110

The depreciation charge for the period amounts to €197.3 million and reflects the rate at which the group expects to consume the economic benefits of the assets.

The assets that are used within the regulated market are depreciated over their useful life, as stated in point 8 of the accounting principles (Note 2), without taking into account a residual value, given the specificity of the sector's activities.

Other property, plant and equipment are depreciated over its useful life as estimated by the group, taking into account actual and potential contracts, and considering reasonable market assumptions, based on the principle of matching of revenues and costs. Given the specificities of the activities concerned, the residual value, if any, of the facilities in question has been ignored.

At the balance sheet date the group does not hold property, plant and equipment assets which have been pledged as security against liabilities.

The group emphasizes that no indications existed at the balance sheet date that property, plant and equipment may have been impaired.

NOTE 13. INTANGIBLE ASSETS

Movements in the carrying amount of intangible assets				In thousands of €
	Application software	'Sole network operator' fixed assets	'Customer portfolio' fixed assets	Total
Gross carrying amount				
At 31-12-2012 revised	**44,929**	**244,600**	**565,809**	**855,338**
Additions	8,031	0	0	8,031
Disposals and retirements	-61	0	0	-61
Translation adjustments	0	0	-7,448	-7,448
Changes in consolidation scope	0	0	0	0
Others	0	0	0	0
At 31-12-2013 revised	**52,899**	**244,600**	**558,361**	**855,860**
Additions	2,564	0	0	2,564
Disposals and retirements	-10,873	0	0	-10,873
Translation adjustments	0	0	9,236	9,236
Changes in consolidation scope	0	0	0	0
Others	0	0	0	0
At 31-12-2014	**44,590**	**244,600**	**567,597**	**856,787**

Movements in the carrying amount of intangible assets				In thousands of €
	Application software	'Sole network operator' fixed assets	'Customer portfolio' fixed assets	Total
Amortisation and impairment losses				
At 31-12-2012 revised	**-27,905**	**-19,454**	**-59,964**	**-107,323**
Amortisation and impairment losses	-8,357	-8,765	-36,098	-53,220
Disposals and retirements	11	0	0	11
Translation adjustments	0	0	642	642
Changes in consolidation scope	0	0	0	0
Others	0	0	0	0
At 31-12-2013 revised	**-36,251**	**-28,219**	**-95,420**	**-159,890**
Amortisation and impairment losses	-6,982	-8,765	-33,453	-49,200
Disposals and retirements	10,873	0	0	10,873
Translation adjustments	0	0	-1,855	-1,855
Changes in consolidation scope	0	0	0	0
Others	0	0	0	0
At 31-12-2014	**-32,360**	**-36,984**	**-130,728**	**-200,072**

Movements in the carrying amount of intangible assets				In thousands of €
	Application software	'Sole network operator' fixed assets	'Customer portfolio' fixed assets	Total
Net carrying amount At 31-12-2014	**12,230**	**207,616**	**436,869**	**656,715**
Net carrying amount at 31-12-2013 revised	**16,648**	**216,381**	**462,941**	**695,970**

Intangible assets comprise the net carrying amount of application software and of emission rights, the value for the Fluxys group of the appointment of Fluxys Belgium and Fluxys LNG as sole operator of the network, as well as the value of the acquired customer portfolio.

The application software included in intangible assets is investment in software developed or purchased by the group. This software is amortised on a straight-line basis. Major investments during the fiscal year concern software developed in relation to gas flow management, assets and related administrative tools.

The business combinations in Fluxys were carried out by applying the acquisition method. Pursuant to the fair value measurement of the acquired assets and liabilities, the group booked the intangible assets corresponding to the value, for the group, of the nomination of Fluxys Belgium as sole operator of the natural gas transmission network and storage facilities and of Fluxys LNG as sole operator of the LNG facilities. Fluxys has also booked the value of the customer portfolios relating to the companies FluxSwiss, Fluxys TENP, GMSL and Huberator. The amortisation periods applied for the fixed assets are described in the accounting methods (see Note 2.7).

The gas transmission facilities in Belgium are included in the scheme for greenhouse gas emission allowance trading. Accordingly, Fluxys Belgium group was given in 2014 free emission rights amounting to 112,399 tonnes of CO_2 for the compression, storage, blending and terminalling activity sites. The value of the unused rights of the fiscal year 2014 amounted to €508 thousand, which corresponds to 75,205 tonnes of CO_2. In accordance with the accounting policies stated in Note 2, the unused emission rights granted free of charge have been recognised at nil value in intangible assets.

The group emphasises that there were no indications at the balance sheet date that intangible assets may have been impaired.

NOTE 14. GOODWILL

Goodwill		In thousands of €
	31-12-2014	**31-12-2013 revised**
Goodwill Fluxys Belgium SA	1,924	1,924
Total	**1,924**	**1,924**

The goodwill reported in the group's financial statements relates to the business combination carried out in September 2010, when Publigas transferred its stake in Fluxys Belgium SA to Fluxys.

The amount of €1,924 thousand corresponds to the cost surplus of the business combination with respect to the net fair value of the assets, liabilities and any conditional liabilities on 10 September 2010. This is attributed to the cash generating unit 'Regulated activities in Belgium' for the impairment test.

NOTE 15. EQUITY ACCOUNTED INVESTEES

At 31 December 2014, the Fluxys group had the following equity accounted investees:

- TENP GMBH (50%),
- Dunkerque LNG (25%),
- Gaz-Opale (61.75%),
- Interconnector (UK) (40.75%),
- Interconnector Zeebrugge Terminal (25.5%),
- GasBridge 2 (50%)
- TAP (19%).

Movements in equity accounted investees		In thousands of €
	31-12-2014	**31-12-2013 revised**
Equity accounted investees – opening balance	**393,580**	**276,669**
Additions and transfers	64,247	75,724
Share in the total net profits*	26,569	39,240
Dividends distributed	-45,580	-54,065
Changes in consolidation scope	0	26
Translation adjustments	18,902	-9,508
Capital increase	95,444	65,494
Equity accounted investees – closing balance	**553,162**	**393,580**

* See Note 3.4 for the contribution to the results of Interconnector (UK)

In September 2014, Fluxys Europe acquired an additional 3% stake in the company TAP (Trans Adriatic Pipeline). The total percentage held in this company therefore amounts to 19%. TAP is consolidated by the equity method due to the significant influence of the group as a result of the acquisition of the additional 3%. The investments made in 2014 and the transfer of investments made in 2013 (see Note 16) are included under ‘Additions and transfers’.

The investments made in 2013 corresponded mainly to the acquisition of an additional 10% in Interconnector (UK).

The capital increases in 2014, like in 2013, correspond to the conversion into capital of the current account towards Dunkerque LNG.

NOTE 16. OTHER FINANCIAL ASSETS

Other financial assets			In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**
Shares at cost	16.1	554	41,463
marketable securities at fair values through profit and loss	16.2/33	17,538	6,795
Financial assets at fair value	16.3/33	12,440	16,370
Other financial assets at cost	16.4	749	745
Total		**31,281**	**65,373**

16.1. Movements in other financial assets - Shares at cost		In thousands of €
	31-12-2014	**31-12-2013 revised**
Opening balance	**41,463**	**570**
Gross amount	41,463	570
Uncalled amounts	0	0
Accumulated impairment losses	0	0
Acquisitions	0	40,907
Disposals	0	-14
Change in ownership percentage	0	0
Acquisitions through business combinations	0	0
Capital increases	0	0
Changes in consolidation scope	-40,909	0
Impairment losses	0	0
Closing balance	**554**	**41,463**
Gross amount	554	41,463
Uncalled amounts	0	0
Accumulated impairment losses	0	0

16.1. In September 2014, Fluxys Europe acquired an additional 3% stake in the company TAP (Trans Adriatic Pipeline). The total percentage held in this company therefore amounts to 19%. TAP is consolidated by the equity method due to the significant influence of the group as a result of the acquisition of the additional 3%. The investments made in 2013 have therefore been transferred to the equity method (see Note 15).

Other investments held mainly concern NetConnect Germany GmbH & Co KG and Prisma European Capacity Platform GmbH.

The shares of these companies engaged in activities of importance to the Fluxys group are held with the intention of maintaining them on a long-term basis without being able to exercise control or significant influence. These shares are valued at acquisition cost as they are not traded in an active market.

16.2. Investment securities at fair value through the income statement relate to cash investments in bonds or commercial paper with a maturity longer than one year. They are mainly issued by Flux Re of which the cash is used to cover the risk of the company in the scope of its reinsurance business. The maturity of these investments is between 2016 and 2019.

16.3. Other financial assets at fair value comprise the financial instruments concluded to hedge the foreign exchange risks to which the group is exposed in relation to the CHF and GBP currencies. The major part of these instruments is qualified as hedging instruments. The others provide a natural hedge for the risk to which the concerned company is exposed (see Note 33).

16.4. Other assets at cost consist of guarantees paid by the group in relation to the exercise of its activities.

The decrease in 2013 is mainly due to the guarantee paid to ICE-Endex in 2012 to obtain access to the gas exchange, whereby the guarantee is replaced by a bank guarantee.

16.4. Movements in other financial assets – Other assets at cost		In thousands of €
	31-12-2014	31-12-2013 revised
Opening balance	**745**	**4,667**
Gross amount	745	4,667
Accumulated impairment losses	0	0
Additions	25	21
Repayments	-21	-3,943
Acquisitions through business combinations	0	0
Others	0	0
Closing balance	**749**	**745**
Gross amount	749	745
Accumulated impairment losses	0	0

NOTE 17. FINANCE LEASE RECEIVABLES

Finance lease receivables		In thousands of €
	31-12-2014	**31-12-2013 Revised**
Non-current receivables	16,641	19,975
Current receivables	3,334	2,874
Total	**19,975**	**22,849**

Finance lease receivables include the contract relating to the Interconnector Zeebrugge Terminal (IZT): in accordance with IAS 17, the lease contract signed with IZT SCRL for IZT has been accounted for as a finance lease.

The contract, which took effect in 1998, has a minimum term of 20 years, at the end of which the lessee can exercise a purchase option. A variable interest rate (based on Euribor) is applied to this receivable.

Maturity of finance lease receivables at 31-12-2014				In thousands of €
	Up to one year	**Between one and five years**	**Over five years**	**Total**
IZT finance lease receivables	3,334	16,641	0	19,975
Total	**3,334**	**16,641**	**0**	**19,975**
Finance lease receivables:				
Present value of minimum lease payments at market rate	3,478	16,870	0	20,348
Total minimum lease payments (A)	3,478	16,870	0	20,348
Interest (B)	144	229	0	373
Total finance lease receivables (A-B)	3,334	16,641	0	19,975

Maturity of finance lease receivables at 31-12-2013 revised				In thousands of €
	Up to one year	**Between one and five years**	**Over five years**	**Total**
IZT finance lease receivables	2,874	19,975	0	22,849
Total	**2,874**	**19,975**	**0**	**22,849**

Finance lease receivables:				
Present value of minimum lease payments at market rate	3,068	20,590	0	23,658
Total minimum lease payments (A)	3,068	20,590	0	23,658
Interest (B)	194	615	0	809
Total finance lease receivables (A-B)	2,874	19,975	0	22,849

The total value of minimum lease payments corresponds to the best estimate, at the balance sheet date, of the lease payments to be received regardless of whether they relate to the capital to be received (finance lease receivables), interest to be received (interest), or the purchase option (finance lease receivables). These payments are discounted at market rate so as to obtain the present value of the minimum lease payments.

NOTE 18. NON-CURRENT LOANS AND RECEIVABLES

Non-current loans and receivables			In thousands of €
	Note	**31-12-2014**	**31-12-2013 revised**
Regulatory assets	18.1	23,167	32,172
Calls for funds and others	18.2	96,636	121,602
Total		**119,803**	**153,774**

18.1. This item includes the regulatory receivable that arose in 2010 following the closure of the peak-shaving plant at Dudzele and the receivable relating to the NEL installations fully commissioned in November 2013.

18.2. Dunkerque LNG and TAP are making calls for funds to shareholders in connection with their respective construction project.

Maturity of non-current loans and receivables at 31-12-2014			In thousands of €
	Between one and five years	**Over five years**	**Total**
Regulatory assets	23,167	0	23,167
Dunkerque LNG calls for funds	61,926	0	61,926
TAP calls for funds	34,710	0	34,710
Total	**119,803**	**0**	**119,803**

Maturity of non-current loans and receivables at 31-12-2013 revised			In thousands of €
	Between one and five years	**Over five years**	**Total**
Regulatory assets	32,172	0	32,172
Dunkerque LNG calls for funds	98,552	0	98,552
TAP calls for funds	21,988	0	21,988
Other receivables	1,062	0	1,062
Total	**153,774**	**0**	**153,774**

NOTE 19. INVENTORIES

Carrying amount of inventories	31-12-2014	31-12-2013 revised
In thousands of €		
Supplies and consumables	**23,139**	**34,967**
Gross carrying amount	31,808	41,734
Impairment	-8,669	-6,767
Goods held for resale	**9,579**	**13,949**
Gross carrying amount	9,579	13,949
Impairment	0	0
Contracts in progress	**30**	**491**
Gross carrying amount	30	491
Impairment	0	0
Total	**32,748**	**49,407**

Inventories decreased following the use in 2014 of materials in the scope of some projects. An additional impairment has been recognised at the end of the fiscal year on the materials of which the prospects of use in the medium term are low.

Inventories - Impact of movements on net profits	31-12-2014	31-12-2013 revised
In thousands of €		
Inventories – purchased or used	-14,757	-2,845
Impairment	-1,902	-1,535
Total	**-16,659**	**-4,380**

NOTE 20. CURRENT TAX RECEIVABLE

Current tax receivable		In thousands of €
	31-12-2014	31-12-2013 revised
Recoverable income taxes	14,514	11,204
Total	**14,514**	**11,204**

Recoverable income taxes record an increase, mainly due to amount recoverable related to the favorable resolution of tax issues related to the taxation of regulatory liabilities in Germany and attached default interests.

NOTE 21. TRADE AND OTHER RECEIVABLES

Trade and other receivables			In thousands of €
	Note	31-12-2014	31-12-2013 revised
Gross trade receivables		92,946	88,076
Impairment losses		-2,707	-2,688
Net trade receivables	21.1	**90,239**	**85,388**
Other receivables	21.2	39,170	22,059
Total		**129,409**	**107,447**

21.1. The Fluxys group reduces its exposure to credit risk, both in terms of default and concentration of risk, by requiring short payment terms from its customers, a strict policy for the follow-up of trade receivables, and a systematic evaluation of its counterparties' financial position (see Note 33).

Trade receivables can be broken down as follows according to their ageing:

Net trade receivables according to ageing		In thousands of €
	31-12-2014	31-12-2013 revised
Receivables not past due	87,574	82,850
Receivables due < 3 months	2,637	2,538
Receivables due 3 - 6 months	14	0
Receivables due > 6 months	14	0
Receivables in litigation or doubtful	0	0
Total	**90,239**	**85,388**

'Receivables in litigation or doubtful' are mainly outstanding receivables on grid users. These receivables were subject to impairment amounting to 100%.

21.2. Other receivables mainly include various receivables such as recoverable withholding taxes and VAT. This item also includes on 31-12-2014 the balance of the grants to receive in the scope of the investments North-South for an amount of €20.1 million (see Note 12). This amount was received in January 2015.

NOTE 22. SHORT-TERM INVESTMENTS, CASH AND CASH EQUIVALENTS

Short-term investments are investments with a maturity of more than three months and maximum one year in bonds, commercial paper and bank deposits.

Cash and cash equivalents are mainly investments in commercial paper that mature within a maximum of three months after the date of acquisition, term deposits at financial institutions, bank balances and cash in hand.

Short-term investments, cash and cash equivalents	In thousands of €	
	31-12-2014	**31-12-2013 revised**
Short-term investments	**503,069**	**194,176**
Cash and cash equivalents	**232,881**	**183,851**
Cash equivalents	47,545	18,365
Short-term deposits	132,705	120,524
Bank balances	52,591	44,937
Cash in hand	40	25
Total	**735,950**	**378,027**

The temporarily increased level of the group's investments and cash at the end of December 2014 is due to the issue of a private debenture (see Note 25.1) for a nominal amount of €350 million.

The portion of cash the use of which is conditioned by financing agreements was €37.3 million at 31 December 2014.

NOTE 23. OTHER CURRENT ASSETS

Other current assets			In thousands of €
	Notes	**31-12-2014**	**31-12-2013 revised**
Accrued income		2,075	1,421
Prepaid expenses	23.1	14,441	17,700
Other current assets	23.2	1,546	1,140
Total		**18,062**	**20,261**

Other current assets mainly comprise prepaid expenses amounting to €14,441 thousand (insurance, rent, etc.), with various items of accrued income accounting for the remainder.

23.1 The decrease of prepaid expenses relates to the volume of invoices received in December and relating to the next fiscal year.

23.2 Other current assets include the short-term share of the excess hedging assets compared to the actuarial liabilities relating to the group's obligations on retirements (see Note 27).

NOTE 24. EQUITY

Publigas established the public limited company Fluxys on 12 July 2010, into which it transferred its stake (89.97%) in Fluxys Belgium SA on 10 September 2010.

On 30 March 2011, Caisse de dépôt et placement du Québec acquired a 10% stake in Fluxys SA, by means of a €150 million capital increase.

On 28 November 2011, Fluxys carried out a second capital increase of €300 million.

In 2012 and 2013, Fluxys carried out capital increases for a total amount of €145.5 million, of which €34.7 million uncalled. As a result of these capital increases the Société Fédérale de Participations et d'Investissement (SFPI) has entered the capital of Fluxys as well as the employees and management of the group.

On 31 December 2014, the shareholder structure of Fluxys is as follows:

- 77.74%:	Publigas
- 19.97%:	Caisse de dépôt et placement du Québec
- 2.14%:	SFPI
- 0.15%:	Employees and management

These capital increases are part of the group's objective to maintain a solvency ratio of at least one-third equity.

Non-controlling interests amounting to €310,756 thousand represent the 10.03% stake held in Fluxys Belgium SA and its subsidiaries (€88,861 thousand) as well as the 49.8% stake and 5.0% stake respectively held in FluxSwiss (€213,430 thousand) and Huberator.

Note on parent company shareholding

	Ordinary shares	Preferred shares	Total
I. Movements in number of shares			
1. Number of shares, beginning balance	86,665,939	0	**86,665,939**
2. Number of shares issued			
3. Number of ordinary shares cancelled or reduced (-)			
4. Number of preferred shares redeemed, converted or reduced (-)			
5. Other increase (/ decrease)			
6. Number of shares, ending balance	86,665,939	0	**86,665,939**
II. Other information			
1. Par value of shares	No par		
2. Number of shares owned by the company	0	0	**0**
3. Interim dividends during the fiscal year	0	0	**0**

NOTE 25. INTEREST-BEARING BORROWINGS

Non-current interest-bearing borrowings			In thousands of €
	Note	31-12-2014	31-12-2013 revised
Finance leases		0	47
Debentures	25.1	975,117	979,773
Other borrowings	25.2	965,995	1,165,718
Other liabilities	25.3	408,118	387,737
Joint arrangements	25.4	57,160	49,005
Total		**2,406,390**	**2,582,280**
Of which debts guaranteed by the public authorities or by actual sureties		0	0

Current interest-bearing borrowings			In thousands of €
	Note	31-12-2014	31-12-2013 revised
Finance leases		47	63
Debentures	25.1	349,985	0
Other borrowings	25.2	155,114	96,853
Other liabilities	25.3	75,591	41,294
Total		**580,737**	**138,210**
Of which debts guaranteed by the public authorities or by actual sureties		0	0

25.1. In December 2009 and in April 2012, Fluxys Belgium issued debentures for a total amount of €700 million, which provide a gross annual coupon of respectively 4.125% and 4.25% and expire respectively in 2015 and 2018. In June 2011, Fluxys Finance issued a €300 million debenture. The bonds have a term of six years and offer an interest rate of 4.577%.

To refinance the debenture expiring in 2015, Fluxys Belgium successfully made a private placement of bonds at the end of November 2014, for a total nominal amount of €350 million. This private placement is split up in two instalments:

- an instalment of €250 million with a term of 15 years with a price fixed at 2.802% and expiring in November 2029 and
- an instalment of €100 million with a term of 20 years with a price fixed at 3.29% and expiring in November 2034.

25.2. Other borrowings at 31 December 2014 include:

- a 10-year loan amounting to €25.5 million at a fixed annual interest rate of 4.747% contracted with the European Investment Bank (EIB) in August 2007 for the financing of the capacity enhancement at the Zeebrugge LNG terminal.
- a 25-year loan of €386.0 million at a fixed rate contracted with the EIB in December 2008 to finance investments to develop the gas transmission network.
- loans raised by FluxSwiss and Transitgas of which the balance amounts to €538.1 million at 31 December 2014. Interest rate swaps were concluded to convert the floating interest rate into a fixed rate.
- loans raised by TENP KG of which the balance amounts to €115.6 million at 31 December 2014. Interest rate swaps were concluded to convert the floating interest rate into a fixed rate.
- short-term loans and accrued interest for the balance.

25.3. The regulatory liabilities included in ‘Other liabilities’ consist of the positive difference between the regulated prices invoiced and the acquired regulated prices. The share of tariffs gains listed as non-current liabilities corresponds to the regulatory liabilities to be used in more than one year’s time, while the gains to be used within the year are listed as current liabilities. These amounts bear interest.

25.4. These amounts correspond to contributions into the joint operations Transitgas and TENP KG by the joint operators. They come from the fact that the integration percentages are not based on interests in these companies but are based on the rights attached to the assets and obligations for the liabilities incurred by the group in accordance with the capacity reserved in the installations.

Maturity of interest-bearing borrowings at 31-12-2014				In thousands of €
	Up to one year	**Between one and five years**	**Over five years**	**Total**
Finance leases	47	0	0	47
Debentures	349,985	628,844	346,273	1,325,102
Other borrowings	155,114	543,390	422,605	1,121,109
Other liabilities	75,591	237,088	171,030	483,709
Joint arrangements	0	57,160	0	57,160
Total	**580,737**	**1,466,482**	**939,908**	**2,987,127**

Maturity of interest-bearing borrowings at 31-12-2013 revised				In thousands of €
	Up to one year	**Between one and five years**	**Over five years**	**Total**
Finance leases	63	47	0	110
Debentures	0	979,773	0	979,773
Other borrowings	96,853	647,840	517,878	1,262,571
Other liabilities	41,294	387,737	0	429,031
Joint arrangements	0	49,005	0	49,005
Total	**138,210**	**2,064,402**	**517,878**	**2,720,490**

Note 26. Provisions

26.1. Provisions (excluding provisions for employee benefits)

Provisions (excluding provisions for employee benefits)	Litigation and claims	Environment and site restoration	Total (excluding employee benefits)
In thousands of €			
Provisions at 31-12-2013 revised	**4,883**	**14,883**	**19,766**
Acquisitions through business combinations			
Additions	36	1,410	1,446
Use	-1,495	-919	-2,414
Release	-1,048		-1,048
Unwinding of the discount		415	415
Translation adjustments		172	172
Provisions at 31-12-2014, of which:	**2,376**	**15,961**	**18,337**
Non-current provisions	2,376	8,016	10,392
Current provisions	0	7,945	7,945

Use and recovery of the year mainly concern restoration of sites in the process of closure and the compensations to the victims of the Ghislenghien accident.

26.2. Provisions for employee benefits

Provisions for employee benefits	In thousands of €
Provisions at 31-12-2013 revised	**54,378**
Acquisitions through business combinations	0
Additions	6,431
Use	-7,983
Release	0
Unwinding of the discount	5,348
Actuarial gains / losses recognised in profit / loss (jubilee premiums)	4,772
Expected return on plan assets	-4,192
Actuarial gains / losses directly recognised in equity	13,899
Reclassification to assets	-827
Translation adjustments	7
Provisions at 31-12-2014, of which:	**71,833**
Non-current provisions	67,721
Current provisions	4,112

The provisions for employee benefits not pre-funded have increased, mainly as a result of the lower discount rate used in 2014 (1.45%) compared to 2013 (3.05%). 'Defined benefit' pensions plans show surpluses of plan assets compared with the actuarial relating to the estimated commitments of the group at 31 December 2014. The related amount has been transferred consequently to the assets of the balance sheet under sections 'Other non-current assets' and 'Other current assets'. These provisions are set out in detail in Note 27.

26.3. Movements in the income statement and maturity of provisions

Movements in positions in the income statement can be broken down as follows:

Impact			In thousands of €
	Additions	**Use and reversals**	**Total**
Profit (loss) from continuing operations	7,877	-11,445	-3,568
Financial profit (loss)	10,535	-4,192	6,343
Total	**18,412**	**-15,637**	**2,775**

Maturity of provisions at 31-12-2014				In thousands of €
	Up to one year	**Between one and five years**	**Over five years**	**Total**
Litigation and claims	0	0	2,376	2,376
Environment and site restoration	7,945	39	7,977	15,961
Subtotal	**7,945**	**39**	**10,353**	**18,337**
Employee benefits	4,112	20,766	46,955	71,833
Total	**12,057**	**20,805**	**57,308**	**90,170**

Maturity of provisions at 31-12-2013 revised				In thousands of €
	Up to one year	**Between one and five years**	**Over five years**	**Total**
Litigation and claims	2,543	0	2,340	4,883
Environment and site restoration	5,466	1,976	7,441	14,883
Subtotal	**8,009**	**1,976**	**9,781**	**19,766**
Employee benefits	3,550	17,983	32,845	54,378
Total	**11,559**	**19,959**	**42,626**	**74,144**

Discount rate

Long-term provisions are discounted systematically based on interest rates that have changed as follows, according to time frame:

Discount rate	31-12-2014	31-12-2013 revised
Between one and five years	0.45%	1.25%
Between six and ten years	0.81%	2.42%
Over ten years	1.45%	3.05%

Provisions for litigation and claims

These provisions have been established to cover potential litigation payments arising for instance from the construction of the Zeebrugge LNG terminal (1983).

The estimate for these provisions is based on the value of claims filed or on the estimated amount of the risk exposure.

Provisions for the environment and site restoration

These provisions mainly relate to obligations for safety, clean-up and restoration of sites in the process of being shut down.

These provisions are accrued in accordance with the Belgian regional environmental legislation and the Belgian Gas Act. The obligations covered by these provisions require action plans and numerous studies in cooperation with the various public authorities and the institutions established for this purpose.

NOTE 27. PROVISIONS FOR EMPLOYEE BENEFITS

Description of the principal retirement schemes and related benefits

In Belgium collective agreements regulate the rights of company employees in the electricity and gas industries.

Defined benefit pension plans

These agreements cover 'salary scale' personnel recruited before 1 June 2002 and management personnel recruited before 1 May 1999. They provide the beneficiaries with lump sum pension benefits that vary according to their final annual pay and the seniority upon retirement. These retirement schemes are referred to as defined benefit pension plans.

Obligations under these defined benefit pension plans are funded through a number of pension funds for the electricity and gas industries and through insurance companies.

Employees and employers contribute to these pension plans. The employer's contribution is determined annually on the basis of an actuarial report. This is to ensure that the minimum legal funding requirements have been met and that the long-term funding of the benefits is assured.

Other long-term employee benefits

The Fluxys group also has other pension benefits, early pension schemes, other post-employment benefits such as reimbursement of medical expenses and tariff reduction, as well as other long-term benefits (seniority payments). Not all of these benefits are funded.

Financial status of the funded defined benefit obligations

In thousands of €	Pensions *		Others **	
	2014	**2013 revised**	**2014**	**2013 revised**
Present value of funded defined benefit obligations	-145,587	-131,867	-61,051	-44,752
Fair value of plan assets	153,358	141,621	0	0
Funded status of plans	**7,771**	**9,754**	**-61,051**	**-44,752**
Impact on minimum funding requirement/effect of the asset ceiling	0	0	0	0
Others	0	0	0	0
Net employee benefit liability	**7,771**	**9,754**	**-61,051**	**-44,752**
Funds assets	18,553	19,380	0	0
Funds liabilities	-10,782	-9,626	-61,051	-44,752

* The pensions include also the pre-retirement obligations and early retirement no refunded.

** The heading 'Others' include seniority payment as well as other post-employment benefits (reimbursement of medical expenses and tariff reductions).

Movement in the present value of the defined benefit obligations

In thousands of €	Pensions *		Others **	
	2014	2013 revised	2014	2013
Beginning of the period	**-131,867**	**-141,433**	**-44,752**	**-43,363**
Current services cost	-3,938	-4,668	-1,828	-1,627
Early retirements cost	-738	330	0	0
Financial loss (-) / profit (+)	-3,843	-3,753	-1,505	-1,266
Participant's contributions	-343	-297	0	0
Change in demographic assumptions	4,141	-980	-4,221	-2,907
Change in financial assumptions	-17,916	3,607	-11,201	916
Change from experience adjustments	2,556	6,850	673	1,738
Past service cost	0	-463	0	0
Benefits paid	6,453	9,948	1,783	1,757
Others	-92	-1,008	0	0
End of the period	**-145,587**	**-131,867**	**-61,051**	**-44,752**

Movement in the fair value of the plan assets

In thousands of €	Pensions *		Others **	
	2014	2013 revised	2014	2013
Beginning of the period	**141,621**	**133,380**	**0**	**0**
Interest income	4,192	3,660	0	0
Return on plan assets (excluding net interest income)	7,297	287	0	0
Employer's contributions	6,273	12,287	1,783	1,757
Participant's contributions	343	355	0	0
Benefits payments	-6,453	-9,948	-1,783	-1,757
Others	85	1,600	0	0
End of the period	**153,358**	**141,621**	**0**	**0**
Actual return on plan assets	**11,489**	**3,947**	**0**	**0**

Costs of provision defined and recognised in profit or loss

In thousands of €	Pensions *		Others **	
	2014	2013 revised	2014	2013 revised
Cost of pension				
Current service cost	-3,938	-4,965	-1,828	-1,627
Cost of early retirement	-738	330	0	0
Past service cost	0	-463	0	0
Actuarial gains/(losses) on other long-term benefit	0	0	-4,772	356
Net interest on the defined benefit liability / (asset)				
Interest cost on defined benefit obligations	-3,843	-3,753	-1,505	-1,266
Interest income on plan assets	4,192	3,660	0	0
Defined benefit costs recognized in profit or loss	**-4,327**	**-5,191**	**-8,105**	**-2,537**

Actuarial losses (gains) recognized in the other comprehensive income

In thousands of €	Pensions *		Others **	
	2014	2013 revised	2014	2013 revised
Change in demographic assumptions	4,141	-980	-4,221	-2,907
Change in financial assumptions	-17,916	4,211	-6,429	561
Change from experience adjustments	2,556	6,850	673	1,738
Return on plan assets (excluding net interest income)	7,297	287	0	0
Actuarial losses (gains) recognized in other comprehensive income	**-3,922**	**10,368**	**-9,977**	**-608**

Allocation of defined benefit obligation by type of plan participants

In thousands of €	2014	2013 revised
Active plan participants	-169,682	-146,580
Terminated plan participants with deferred benefits entitlements	-2,946	-2,626
Retired workers and beneficiaries	-34,010	-27,413
Total	**-206,638**	**-176,619**

Allocation of defined benefit obligation by type of benefits

In thousands of €	2014	2013 revised
Retirement and death benefits	-145,587	-131,866
Other post-employment benefits (medical and tariff reductions)	-38,453	-27,831
Jubilee premiums	-22,598	-16,922
Total	**-206,638**	**-176,619**

Main actuarial assumptions used

	2014	2013 revised
Discount rate	1.45%	3.05%
Expected average salary increase *	2.00%	2.00%
Expected inflation	1.75%	2.00%
Expected increase of health benefits *	2.75%	3.00%
Expected increase of tariff advantages *	1.75%	2.00%
Average assumed retirement age	62	62
Mortality table used	MR/FR corrected based on experience	
Life expectancy in years of a pensioner:		
For a person aged 65 at closing date	22	22

* Excluding inflation

Description of the main actuarial risks

Within the context of its defined benefit pension plans, the group is subject to risks associated with the actuarial assumptions taken in investments, interest rate, life expectancy and wage evolution.

The present value of defined benefit obligations is determined by using a current rate based on high quality obligations.

Each year, the discount rate used to calculate the obligations taken by financial retirement benefit and minimum funding requirement is compared to expected return of the plan assets. The latter is obtained from a zero-risk interest rate recorded on the financial markets at the closing rate, and from the risk premium for each category in the portfolio and from a similar volatility. If the expected return on plan assets is lower than the discount rate, the expected return is reduced.

The assumptions regarding the salary increase, inflation, movement of the personnel and expected average assumed retirement age are defined on basis of historical statistics of the company. The mortality tables correspond to the observed experience in the financing vehicle.

Defined benefit pension plans have surplus plan assets compared to the actuarial liability on estimated commitments of the group at 31-12-2014. The amount was therefore transferred to the assets in the balance sheet under ‘Other non-current assets’ and ‘Other current asset’. These surpluses will be gradually recovered through a reduction in future contributions to be paid.

Fair value of the plan assets per major category

	2014	2013 revised
Investments quoted in an active market	**82.29%**	**79.41%**
Shares - Eurozone	16.33%	15.63%
Shares – Outside Eurozone	13.40%	11.65%
Government bonds - Eurozone	4.84%	3.91%
Other bonds - Eurozone	38.25%	43.18%
Other bonds - Outside Eurozone	9.47%	5.04%
Unquoted investments	**17.71%**	**20.59%**
Property	4.18%	4.73%
Cash and cash equivalents	0.83%	1.64%
Others	12.70%	14.22%
Total (in %)	**100.00%**	**100.00%**
Total (in thousands of €)	**153,358**	**141,621**

Sensitivity analysis

Impact on the net defined benefit obligation	In thousands of €
	Increase (-) / Decrease (+)
Increase of discount rate (0.5%)	12,267
Average salary increase – excluding inflation (0.5%)	-11,660
Increase of inflation (0.25%)	-5,312
Increase of healthcare care benefits (1%)	-4,951
Increase of tariff advantages (0.5%)	-1,660
Increase of life expectancy of pensioners (1 year)	-1,560

Weighted average duration of the defined benefit obligation

	2014	2013 revised
Weighted average duration of the defined benefit obligation	12	10

The average duration of the defined benefit obligations is around 12 years. These plans are closed, which explains the relatively short duration.

Expected contribution for the defined benefit

	In thousands of €
Expected contribution during 2015 (in Belgium)	6,170

Defined contribution pension plans

In Belgium 'Salary scale' personnel recruited after 1 June 2002 and executive staff recruited after 1 May 1999 are covered by defined contribution pension plans. Other companies of the group also grant this type of benefit to certain categories of their employees.

The pension plans are financed by contributions from employees and employers, the latter corresponding to a multiple of the contributions from employees. Obligations under these defined contribution pension plans are funded through a number of pension funds for the electricity and gas industries and through insurance companies.

The assets of the pension funds are allocated among the various categories of the following risks:

- Low risk: bonds in the euro zone and/or high-quality bonds.
- Medium risk: risk diversification between bonds, convertible bonds, real estate and equity instruments.
- High risk: equity instruments, real estate, ...
- Dynamic Asset Allocation: rapid adjustment of the portfolio structure in case specific events in order to limit losses in periods of stress.

Belgian law requires that the employer guarantees a minimum return for defined contribution pension plans, being an average annual return over the career of at least 3.25% for employer's contributions and at least 3.75% for employees' contributions.

The accounting method used by the group to value these liabilities corresponds to the intrinsic value method (see Note 2.16). This method is to calculate, for each member individually, the guaranteed minimum reserves (based on an annual return of 3.25% on employer's contributions and 3.75% on employees' contributions) and accumulated contributions based on the effective yield on the closing date of the financial statements.

A deficit occurs when guaranteed minimum reserves exceed the accumulated contributions based on the effective yield on the closing date.

Description of the main risks

Defined contribution plans expose the employer to the risk of a minimum return on pension fund assets that do not offer a guaranteed return.

In Belgium, employees' contributions are deposited in insurance companies which provide a minimum return of 3.25% plus financial participations. The current decline in interest rates led insurers to request a reduction in the guaranteed rate of return, which could increase the risk of the employer in the matter.

Quantitative analysis

Given that actual returns on 31-12-2014 are higher than the guaranteed minimum rate, no provision has been made.

Expected contribution to pay for the defined contribution

	In thousands of €
Paid contribution in 2014 (in Belgium)	3,335
Expected contribution during 2015 (in Belgium)	3,289

Contributions to be paid for defined contribution pension plans are based on changes in the payroll of the concerned population.

NOTE 28. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax liabilities		In thousands of €
	31-12-2014	**31-12-2013 revised**
Valuation of property, plant and equipment	583,991	603,496
Income to be received	4,565	5,092
Fair value of financial instruments	-396	3,894
Provisions for employee benefits or provisions not accounted for under IFRS	26,377	30,133
Other normative differences	13,926	10,709
Total	**628,463**	**653,324**

Deferred tax assets and liabilities are offset within each taxable entity.

The main source of deferred tax is the difference between the book base and the tax base of property, plant and equipment and intangible assets. This difference arises from the recognition of acquired property, plant and equipment and intangible assets at their fair value in connection with business combination transactions (IFRS 3).

Provisions made in accordance with IAS 19 (Employee Benefits) and provisions recognised under Belgian standards but not accounted for under IFRS are another major source of deferred tax.

Finally, the measurement of financial instruments at their fair value also leads to the recognition of deferred tax. The financial instruments involved are interest rate swaps and forward contracts in foreign currency. See the Note on financial instruments for more details.

All deferred tax liabilities and obligations are booked, except the deferred tax latencies calculated on the transferred results of the subsidiaries. These deferred tax liabilities are estimated at €10 thousand related to Fluxys LNG.

Movement of the period		In thousands of €
	Notes	**Deferred tax expenses**
Total of deferred taxes at 31-12-2013 revised		**653,324**
Deferred tax expenses – Profit & loss account	10.3	-17,491
Deferred tax expenses – Other comprehensive income		-10,712
Business combinations		0
Translation adjustments		3,298
Others		44
Total of deferred taxes at 31-12-2014		**628,463**

Note 29. Current tax payable

Current tax payable		In thousands of €
	31-12-2014	31-12-2013 revised
Income tax payable	25,155	42,837
Total	**25,155**	**42,837**

Current tax payable comprises income tax payable.

The decrease is mainly due to the tax assessments received and paid by FluxSwiss.

Current tax receivables and payables are recognised separately for each legal entity.

Note 30. Trade and other liabilities

Trade and other liabilities		In thousands of €
	31-12-2014	31-12-2013 Revised
Trade payables	55,428	50,426
Payroll and related items	26,282	28,861
Other amounts payable	20,230	2,014
Total	**101,940**	**81,301**

As from 2014, Fluxys Belgium is responsible for invoicing the federal contributions and paying these contributions to the CREG, which explains the change in ‘other amounts payable’.

NOTE 31. OTHER CURRENT LIABILITIES

Other current liabilities		In thousands of €
	31-12-2014	**31-12-2013 revised**
Deferred income	4,411	2,950
Accrued expenses	10,171	1,238
Total	**14,582**	**4,188**

Other current liabilities include unearned income to be carried forward to the next period and accrued expenses.

The amounts to repay recorded in 2014 an amount received to repay early 2015 as part of hedging transactions.

NOTE 32. CONTINGENT ASSETS AND LIABILITIES – RIGHTS AND COMMITMENTS OF THE GROUP

32.1. LITIGATION

Litigation regarding the oil business

Pursuant to an agreement signed on 9 November 1979, the Belgian State commissioned Fluxys Belgium SA (formerly Distrigas) to negotiate the purchase of crude oil with the Kingdom of Saudi Arabia. Fluxys Belgium SA accepted this assignment provided that the Belgian State covered the costs, losses and all risks inherent to this assignment.

As part of the decision to discontinue the oil business, claims were submitted to the Belgian State and to Fluxys Belgium SA.

The risk incurred by Fluxys Belgium SA is covered by a guarantee from the Belgian State (Royal Decree of 3 February 1981 – Belgian Official Gazette of 17 February 1981) pursuant to the agreement of 9 November 1979 between the Belgian State and Fluxys Belgium SA and the letter of 30 December 1983 from the Ministers for Finance and Economic Affairs.

Other litigation

- Income tax expenses: amendment notices for the tax year 2005 were issued by the tax authorities. The resulting tax assessments amounting to €527 thousand were received and were settled when due. They are disputed by the relevant companies of the group and have not been recognised in profit and loss.

- The group expects a favourable resolution in 2015, whereby the other concerned years have been reimbursed in 2014.
- Claim against Transitgas: The ‘Transitgas’ transmission facilities were closed from July to December 2010. The company SPEIA has submitted a claim for €250 million to ENI, Stogit and Transitgas, in connection with this closure. Transitgas believes the claim to be unjustified and is contesting it. A first court decision was made in favour of Transitgas and, in the meantime, the company SPEIA was put into receivership. So far the official receiver has shown no intention to proceed with the case.
- Ghislenghien: As announced in 2011, Fluxys Belgium has undertaken, in agreement with insurers and other responsible parties, to proceed to the final compensation of private victims of the accident which occurred at Ghislenghien in 2004. Although most of the victims were compensated in 2012, some cases were closed during the year and others will be in the coming months. Fluxys Belgium conducts an evaluation of these cases as they evolve. No reliable estimate can be made at this stage. No provision has therefore been recognized at 31 December 2014.
- Claim relating to the ‘Open Rack Vaporizer’ investment: A compensation claim for additional works was introduced by a supplier in the scope of the investment ‘Open Rack Vaporizer’ made by Fluxys LNG. The latter disputes this claim and an expert was appointed to assess the case. No reliable estimate can be made at this stage of the file. No provision has therefore been recognized at 31 December 2014.
- Other claims: Other claims arising from the operation of our installations are in progress but their potential impact is immaterial.

32.2. Assets and items held for third parties, in their name, but at the risk and for the benefit of companies included in the consolidation scope

In the ordinary course of business, the group holds gas belonging to its customers at its storage sites in Loenhout, in the pipelines and in the tanks at the LNG terminal in Zeebrugge.

32.3. Guarantees received

Bank securities for the benefit of the group comprise guarantees received from contractors in respect of construction contracts as well as bank guarantees received from customers.

32.4. Guarantees provided by third parties on behalf of the company

Rental guarantees in favour of the owners of assets located in Belgium and leased by the group amounted to €411 thousand at 31 December 2014.

At 31 December 2014, other guarantees have been instituted in Belgium for an amount of €2,136 thousand.

32.5. Long-term leases and availability agreements

To meet the requirements of its activities Fluxys Belgium signed various long-term operating leases with minimum future lease payments of €528 thousand at 31 December 2014.

The Fluxys group also has availability agreements (including so-called domanial concessions) with third parties for sites on which its facilities are being built. These agreements expire between 2017 and 2112.

Maturity of minimum future payments in respect of lease payments under non-cancellable operating leases		In thousands of €
	At 31-12-2014	**At 31-12-2013**
Up to one year	528	428
One to five years	0	0
Over five years	0	0
Total	**528**	**428**

32.6. Commitments with regard to the Interconnector Zeebrugge Terminal (IZT)

The IZT lease contract includes a purchase option for the lessee that can be exercised on 1 October 2018 for an amount of €4,593 thousand. As part of this transaction, surface rights have been attributed.

32.7. Commitments as part of the Transitgas and TENP lease agreements

As part of the Transitgas and TENP lease agreements, FluxSwiss and Fluxys TENP made a commitment to pay royalties for the availability of respectively 90% and 64.25% of the facilities' capacities. The agreements expire in 2021, with the option to extend them.

32.8. Commitments under the capacity subscription agreements

The Capacity Subscription Agreements (CSAs) concluded with the terminal users of the Zeebrugge LNG terminal provide for 1,271 slots to be available from 2015 to 2027.

32.9. Commitments in relation to loans and commitments to the European Investment Bank (EIB)

The Fluxys group has been granted loans containing contractual clauses (financial covenants) which are fulfilled by the group at 31 December 2014.

Some financing agreements specify that a minimum level of cash must be maintained in the companies concerned, amounting to a total of €37.3 million at 31 December 2014. A guarantee was provided in connection with financing arrangements following the SPEIA dispute (see Note 32.1).

Lastly, the group gave a guarantee to the EIB in connection with the stake in Interconnector (UK) Ltd.

32.10. Commitments as part of ongoing construction projects

The Fluxys group holds stakes in the companies Dunkerque LNG and TAP. The group gradually provides necessary funds to finance these assets under construction, either by capital increase, either by shareholder loans.

32.11. Other commitments made and received

Other commitments have been made and received by the Fluxys group, but their potential impact is immaterial.

Note 33. Financial instruments

Principles for managing financial risks

In the course of conducting its activities, the Fluxys group is exposed to credit, and counterparty risks, liquidity risks, interest rate and foreign exchange risks and market risks, all of which affect its assets and its liabilities.

The group's administrative organisation, controlling function and financial reports ensure that these risks are constantly monitored and managed.

The group may only use financial instruments for hedging, and not for speculative or trading purposes. All transactions are intended to meet the group's liquidity needs: no transaction may be entered into for the sole purpose of earning a speculative gain.

Cash management policy

The Fluxys group's cash is managed as part of a general policy that was approved by the Board of Directors.

The objective of this policy is to optimise the group's cash positions through the internal recycling of resources, primarily to finance group projects. Transactions are entered into at market terms and conditions.

If necessary, the group may borrow in the short-, medium- or long-term to meet its cash flow needs.

Cash surpluses are allocated, as a matter of priority, to the operating needs and development projects of the companies of the Fluxys group. The investments are monitored continuously and each of them is subjected to a risk analysis.

The remaining cash surpluses are maintained at first class financial institutions or invested in financial instruments issued by companies with a high credit rating or in financial instruments of issuers which are covered by a guarantee from a European national government or whose share capital is predominantly controlled by state-owned entities. Cash surpluses are invested following a competitive bidding award, and in instruments that are sufficiently diversified to limit counterparty risk concentration.

At 31 December 2014, investments, cash and cash equivalents amounted to €753,488 thousand against €384,822 thousand at 31 December 2013. The temporarily increased level of the group's investments and cash at the end of December 2014 is due to the issue of a private debenture (see Note 25.1) for a nominal amount of €350 million.

Some financing agreements specify that a minimum level of cash must be maintained in the companies concerned, amounting to a total of €37.3 million at 31 December 2014, compared with €36.0 million at 31 December 2013.

Credit and counterparty risk

The group systematically assesses its counterparties' financial capacity and systematically monitors receivables. Group policy regarding counterparty risks requires that the group submits potential customers and suppliers to a detailed preliminary financial analysis (liquidity, solvency, profitability, reputation and risks). The group uses internal and external information, such as official analyses performed by rating agencies (Moody's, Standard & Poor's and Fitch). These rating agencies assess companies in relation to risk and award them a credit score. The group also uses databases containing general, financial and market information to complement its own evaluation of potential customers and suppliers.

In addition, for most of its activities the group is allowed to contractually require guarantees (either bank guarantees or cash deposits) from counterparties. The group thereby reduces its exposure to credit risk both in terms of default and concentration of risk.

As regards concentration risk, it should be noted that three customers contribute 61% to revenue.

Foreign exchange risk

The group's functional currency is the euro.

Group policy requires that all foreign currency assets and liabilities be hedged. Residual foreign currency positions may remain open for short periods, provided that they involve the group's main currencies.

The group is exposed to CHF/EUR foreign exchange risks, mainly through its stake in FluxSwiss. This net investment in an activity in Switzerland was hedged via forward exchange contracts. These financial instruments are designated as hedging instruments. Changes in the value of the latter directly affect equity.

Intragroup loans to our subsidiary in Switzerland are hedged either via cross currency interest rate swaps or via forward exchange contracts. These instruments correspond to natural hedging of the CHF/EUR exchange rate risk incurred by the group. Changes in the value of these instruments are recognised in profit for the period.

The group is exposed to GBP/EUR foreign exchange risks, mainly through its stake in Interconnector (UK) Ltd. This net investment in an activity in the United Kingdom was hedged via forward exchange contracts. These financial instruments are designated as hedging instruments. Changes in the value of the latter directly affect equity.

The fair value of the 'CHF' and 'GBP' hedging instruments is reported as an asset in the 'Other financial assets' section of the balance sheet and amounted to €10,335 thousand at 31 December 2014 compared with €11,236 thousand at 31 December 2013 and as a liability in the 'Other financial liabilities' section of the balance sheet and amounted to €5,164 thousand at 31 December 2014 compared with €156 thousand at 31 December 2013. The hedged notional amount at 31 December 2014 was respectively CHF 154.8 million and GBP 92.9 million compared with CHF 159.1 million and GBP 122.1 million in 2013 and maturities fell between 2015 and 2026.

Sensitivity analysis:
Not taking the hedging instruments into account, a change of 10% in the value of the CHF would have an impact of €12.9 million on equity and a change of 10% in the value of the GBP would have an impact of €11.9 million on equity for the period. These impacts are determined on the basis of the hedged notional amounts.

Interest rate risk

The group' s debt amounted to €2,987,127 thousand at 31 December 2014 compared with €2,720,490 thousand at 31 December 2013 and consists mainly of loans and finance lease payables with maturities falling between 2015 and 2034 (see Note 25).

The loans subscribed by FluxSwiss, Transitgas and TENP KG are financed at a short-term interest rate.

To manage this risk exposure, the group uses interest rate swap contracts to swap a floating rate for a fixed rate. These financial instruments are designated as hedging instruments. Changes in the value of the latter directly affect equity, insofar as it concerns the effective portion of the hedge. It must be noted that the interest rates payable on the debts in Switzerland have a floor rate of 0%, which is not reflected in the IRS hedging.

The fair value of these financial instruments at the end of 2014 is reported as a liability under 'Other financial liabilities' and amounts to €23,112 thousand at 31 December 2014 compared with €7,399 thousand at 31 December 2013. The hedged notional amount was CHF 623.7 million and €93.2 million at 31 December 2014 and maturities fall between 2015 and 2021.

In addition, the group's interest-bearing liabilities include liabilities to be used within the regulatory framework. These tariff gains carry interest. The group does not incur any interest rate risks related to those.

Sensitivity analysis:
Not taking the hedging instruments into account, a change of 100 basis points in interest rates on the loans would have an impact in 2014 on the group's equity of €2.0 million compared with €2.1 million in 2013 for FluxSwiss; of €2.2 million in 2014 compared with €2.7 million in 2013 for Transitgas and €0.6 million in 2014 compared with € 0.9 million in 2013 for TENP KG.

Liquidity risk

Liquidity risk management is essential since maximum liquidity and optimum use of cash represent a major objective of the Fluxys group. The amounts invested and the investment period reflect the short and long-term planning of cash needs as closely as possible, taking into account operational risks.

The Fluxys group has entered into financing arrangements that include contractual clauses (financial covenants) which the group satisfied as at 31 December 2014. These financial covenants specify a minimum level of equity and minimum ratios of 'cash flow to interest payments' and 'cash flow to net indebtedness'.

Maturity of interest-bearing liabilities is provided in Note 25.

Unused credit lines

The group had €612.5 million in unused credit lines available at 31 December 2014, compared with €667.0 million at 31 December 2013.

33.1 Summary of financial instruments at balance sheet date				In thousands of €
31-12-2014	**Categories**	**Book values**	**Fair values**	**Levels**
I. Non-current assets				
Other non-current financial assets – derivatives of level 3	3*	10,335	10,335	2
Other non-current financial assets – derivatives of level 2	2*	2,105	2,105	2
marketable securities at fair values through profit and loss	2	17,538	17,538	1 & 2
Other non-current financial assets	1	1,303	1,303	2
Finance lease receivables	1	16,641	16,641	2
Loans and receivables	1	119,803	119,803	2
II. Current assets				
Other current financial assets – derivatives	3*	0	0	2
Finance lease receivables	1	3,334	3,334	2
Trade and other receivables	1	129,409	129,409	2
Short-term investments	1 & 2	503,069	503,069	1 & 2
Cash and cash equivalents	1 & 2	232,881	232,881	1 & 2
Total financial instruments – assets		**1,036,418**	**1,036,418**	
I. Non-current liabilities				
Interest-bearing liabilities	1	2,406,390	2,453,240	2
Other non-current financial liabilities – derivatives	3**	26,104	26,104	2
II. Current liabilities				
Interest-bearing liabilities	1	580,737	579,644	2
Other current financial liabilities – derivatives	3**	2,172	2,172	2
Trade and other payables	1	101,940	101,940	2
Total financial instruments - liabilities		**3,117,343**	**3,163,100**	

* Details of these financial instruments are provided in Table 33.3.

** Details of these financial instruments are provided in Table 33.5.

The categories correspond to the following financial instruments:

1. Financial assets (including loans and receivables) or financial liabilities at amortized cost.
2. Assets or liabilities at fair value through profit and loss.
3. Assets or liabilities at fair value through other comprehensive income.

33.2 Summary of financial instruments at balance sheet date				In thousands of €
31-12-2013 revised	**Categories**	**Book values**	**Fair values**	**Levels**
I. Non-current assets				
Other non-current financial assets – derivatives of level 3	3*	12,920	12,920	2
Other non-current financial assets – derivatives of level 2	2*	3,450	3,450	2
Financial instruments at fair values with P&L impact	2	6,795	6,795	1 & 2
Other non-current financial assets	1	42,208	42,208	2
Finance lease receivables	1	19,975	19,975	2
Loans and receivables	1	153,774	153,774	2
II. Current assets				
Other current financial assets – derivatives	3*	525	525	2
Finance lease receivables	1	2,874	2,874	2
Trade and other receivables	1	107,447	107,447	2
Short-term investments	1 & 2	194,176	194,176	1 & 2
Cash and cash equivalents	1 & 2	183,851	183,851	1 & 2
Total financial instruments – assets		**727,995**	**727,995**	
I. Non-current liabilities				
Interest-bearing liabilities	1	2,582,280	2,633,037	2
Other non-current financial liabilities - derivatives	3**	7,229	7,229	2
II. Current liabilities				
Interest-bearing liabilities	1	138,210	138,210	2
Other current financial liabilities - derivatives	3**	326	326	2
Trade and other payables	1	81,301	81,301	2
Total financial instruments - liabilities		**2,809,346**	**2,860,103**	

* Details of these financial instruments are provided in Table 33.3.

** Details of these financial instruments are provided in Table 33.5.

33.3 Details of derivative instruments - assets

In thousands of €

Derivative instruments designated as hedging instruments	At 31-12-2014	At 31-12-2013 revised
Foreign exchange swaps – Hedges of net investments in foreign operations	10,335	11,236
Interest rate swaps – cash flow hedges	0	2,209
Total instruments designated as hedging instruments of which:	**10,335**	**13,445**
Non-current	10,335	12,920
Current	0	525

Derivative instruments not designated as hedging instruments	At 31-12-2014	At 31-12-2013 revised
Cross currency interest rate swaps	2,105	3,450
Total instruments not designated as hedging instruments of which:	**2,105**	**3,450**
Non-current	2,105	3,450
Current	0	0

Total derivative instruments – assets of which:	**12,440**	**16,895**
Non-current	12,440	16,370
Current	0	525

33.4 Maturity of derivative instruments - assets

In thousands of €

	At 31-12-2014	At 31-12-2013 revised
Up to one year	0	525
One to five years	10,335	6,009
Over five years	2,105	10,361
Total	**12,440**	**16,895**

33.5 Details of derivative instruments - liabilities		In thousands of €
Derivative instruments designated as hedging instruments	**At 31-12-2014**	**At 31-12-2013 revised**
Foreign exchange swaps – hedges of net investments in foreign operations	5,164	156
Interest rate swaps – cash flow hedges	23,112	7,277
Total instruments designated as hedging instruments of which:	**28,276**	**7,433**
Non-current	26,104	7,107
Current	2,172	326
Derivative instruments not designated as hedging instruments	**At 31-12-2014**	**At 31-12-2013 revised**
Interest rate swaps	0	122
Total instruments not designated as hedging instruments of which:	**0**	**122**
Non-current	0	122
Current	0	0
Total derivative instruments – liabilities of which:	**28,276**	**7,555**
Non-current	26,104	7,229
Current	2,172	326

33.6 Maturity of derivative instruments - liabilities		In thousands of €
	At 31-12-2014	**At 31-12-2013 revised**
Up to one year	2,172	326
One to five years	0	122
Over five years	26,104	7,107
Total	**28,276**	**7,555**

All financial instruments of the group fall under level 1 and 2 of the fair value measurement hierarchy. Their fair value is determined on a recurring basis.

Level 1 of the fair value measurement hierarchy comprises short-term investments and cash equivalents of which the fair value is based on quoted prices, and mainly comprises bonds.

Level 2 of the fair value measurement hierarchy comprises the other financial assets and liabilities which the fair value of which is based on inputs other than quoted prices that are observable for the asset or liability concerned, either directly or indirectly.

The measurement techniques of the fair value of the financial instruments of level 2 are the following:

- The items ‘Interest-bearing liabilities’ include the fixed rate bonds of which the fair value is determined using observable rates in active markets, generally provided by financial institutions.
- The items ‘Other financial assets’ and ‘Other financial liabilities’ include derivative instruments of which the fair value is determined using observable rates in active markets, generally provided by financial institutions.
- The fair value of the other financial assets and liabilities of level 2 is substantially the same as their carrying value:
    - either because they have a short-term maturity (such as trade debts and receivables),
    - either because they bear interest at the market rate at the closing date of the financial statements.

NOTE 34. RELATED PARTIES

The Fluxys group is controlled by Publigas.

In 2014, the Fluxys group carried out transactions with equity accounted investees: Interconnector (UK), Interconnector Zeebrugge Terminal, Dunkerque LNG, Gaz-Opale and Gasbridge 2.

Other related parties includes the transactions with Publigas, SNAM (partner in Gasbridge1) and Global Infrastructure Partners (partner in FluxSwiss) and relations with directors and members of the management team, the latter being responsible for corporate policy and investment decisions, among other things.

Related parties

In thousands of €

	31-12-2014				31-12-2013			
	Joint arrange-ments	Associates	Other related parties	Total	Joint arrange-ments	Associates	Other related parties	Total
I. Assets with related parties	**160**	**117,025**	**0**	**117,185**	**161**	**121,401**	**21,988**	**143,550**
1. Other financial assets	**0**	**96,999**	**0**	**96,999**	**0**	**98,552**	**21,988**	**120,540**
1.1. Securities other than shares	0	0	0	0	0	0	0	0
1.2. Loans	0	96,999	0	96,999	0	98,552	21,988	120,540
2. Other non-current assets	**0**	**16,641**	**0**	**16,641**	**0**	**19,975**	**0**	**19,975**
2.1. Finance lease contracts	0	16,641	0	16,641	0	19,975	0	19,975
2.2. Other non-current receivables	0	0	0	0	0	0	0	0
3. Trade and other receivables	**160**	**3,385**	**0**	**3,545**	**161**	**2,874**	**0**	**3,035**
3.1. Trade receivables	160	51	0	211	161	0	0	161
3.2. Finance lease contracts	0	3,334	0	3,334	0	2,874	0	2,874
3.3. Other receivables	0	0	0	0	0	0	0	0
4. Cash and cash equivalents	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
5. Other current assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
II. Liabilities with related parties	**43,157**	**6,502**	**32,266**	**81,925**	**43,339**	**5,450**	**35,317**	**84,106**
1. Interest-bearing liabilities (current and non-current)	**43,157**	**0**	**32,266**	**75,423**	**43,339**	**0**	**35,317**	**78,656**
1.1. Bank borrowings	0	0	0	0	0	0	0	0
1.2. Finance lease contracts	0	0	0	0	0	0	0	0
1.3. Bank overdrafts	0	0	0	0	0	0	0	0
1.4. Other borrowings	43,157	0	32,266	75,423	43,339	0	35,317	78,656
2. Trade and other payables	**0**	**6,502**	**0**	**6,502**	**0**	**5,450**	**0**	**5,450**
2.1. Trade payables	0	0	0	0	0	0	0	0
2.2. Other payables	0	6,502	0	6,502	0	5,450	0	5,450
3. Other current liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Related parties								In thousands of €
			31-12-2014				31-12-2013	
	Joint arrangements	Associates	Other related parties	Total	Joint arrangements	Associates	Other related parties	Total
III. Transactions with related parties								
1. Sale of non-current assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Purchase of non-current assets (-)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
3. Services rendered and goods delivered	**693**	**1,778**	**79**	**2,550**	**635**	**87**	**35**	**757**
4. Services received (-)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
5. Financial income	**3,359**	**2,020**	**-1,903**	**3,476**	**4,398**	**1,776**	**-2,323**	**3,851**
6. Key management personnel remunerations (including directors)			**2,415**	**2,415**			**2,273**	**2,273**
Short-term employee benefits			**2,031**	**2,031**			1,897	1,897
Post-employment benefits			**384**	**384**			376	376

NOTE 35. SEGMENT INFORMATION

Operating segments

The Fluxys group carries out activities in the following operating segments:

- ‘Belgium’ segment comprising regulated activities in Belgium and activities complementary thereto,
- ‘Europe’ segment comprising activities outside Belgium and non-regulated activities in Belgium.

The segment information is based on classification into these operating segments.

The ‘Belgium’ segment comprises all services subject to the Gas Act in Belgium, namely transmission, storage at Loenhout and LNG terminalling activities at Zeebrugge. Other activities related to these are included in this segment, even though they are not subject to the Gas Act. They include particularly participating in the IZT and ZPT terminals[4], making facilities or persons available as well as work for third parties.

The ‘Europe’ segment comprises revenue generated by transmission facilities in Germany, in Switzerland and between Balgzand in the Netherlands and Bacton in the United Kingdom (BBL), activities relating to management of the Zeebrugge Hub, gas dispatching services and the sale of software solutions.

The ‘Unallocated’ column comprises governance and financial management activities of the Fluxys group.

Basis of accounting relating to transactions between operating segments

Transactions between operating segments are valued either at the regulated tariff in force, or on the basis of the contractual price in accordance with market conditions.

Information relating to the main customers

The group’s main customers are users of transmission and storage services and of the LNG terminal at Zeebrugge.

[4] *Interconnector Zeebrugge Terminal (IZT) and Zeepipe Terminal (ZPT)*

Segment income statement at 31-12-2014					In thousands of €
	Fluxys Belgium	Fluxys Europe	Unallocated	Inter-segment transfers	Total
Revenue					
Sales and services to external customers	552,025	317,740	90		869,855
Transactions with other segments	2,932	15	7,948	-10,895	0
Sales Of Gas related to balancing of operations and operational needs	40,393	8,894	0		49,287
Other operating income	17,881	5,777	1,971	-3,944	21,685
Consumables, merchandise and supplies used	-4,232	-3,683	0	0	-7,915
Purchase of Gas related to balancing of operations and operational needs	-40,395	-24,205	0		-64,600
Miscellaneous goods and services	-138,563	-36,908	-16,115	12,944	-178,642
Employee expenses	-117,428	-13,477	-4,697	0	-135,602
Other operating expenses	-20,190	-6,422	-2	0	-26,614
Depreciation and amortisation	-156,031	-90,449	-45	0	-246,525
Provisions for risks and charges	3,030	-1,371	14	1,895	3,568
Impairment losses	-1,902	0	0	0	-1,902
Profit / loss from continuing operations	**137,520**	**155,911**	**-10,836**	**0**	**282,595**
Result from equity consolidated companies	0	27,923	0		27,923
Profit / loss before financial result and taxes	**137,520**	**183,834**	**-10,836**	**0**	**310,518**
Changes in the fair value of financial instruments					-1,076
Financial income					11,150
Financial expenses					-101,989
Profit / loss from continuing operations after net financial result					**218,603**
Income tax expense					-53,308
Profit / loss for the period					**165,295**

Segment balance sheet at 31-12-2014				In thousands of €
	Fluxys Belgium	**Fluxys Europe**	**Unallocated**	**Total**
Property, plant and equipment	2,293,712	1,441,619	0	3,735,331
Intangible assets	219,553	437,162	0	656,715
Goodwill	1,924	0	0	1,924
Equity accounted investees	0	553,162	0	553,162
Inventories	29,848	2,900	0	32,748
Financial lease receivables	19,975	0	0	19,975
Net trade receivables	70,108	20,131	0	90,239
Other assets			975,787	975,787
				6,065,881
Interest-bearing liabilities	1,956,215	1,030,912		2,987,127
Other current financial liabilities	0	28,276		28,276
Other liabilities			3,050,478	3,050,478
				6,065,881

Segment income statement at 31-12-2013 revised					In thousands of €
	Fluxys Belgium	Fluxys Europe	Unallocated	Inter-segment transfers	Total
Revenue					
Sales and services to external customers	544,457	321,366	433	0	866,256
Transactions with other segments	3,592	1,145	6,486	-11,223	0
Sales Of Gas related to balancing of operations and operational needs	72,025	5,996	0		78,021
Other operating income	21,380	5,370	3,407	-3,806	26,351
Consumables, merchandise and supplies used	-2,801	-1,488	0	0	-4,289
Purchase of Gas related to balancing of operations and operational needs	-72,027	-19,583	0		-91,610
Miscellaneous goods and services	-152,179	-47,394	-12,919	15,029	-197,463
Employee expenses	-125,341	-13,202	-4,038	0	-142,581
Other operating expenses	-9,882	-4,949	-2	0	-14,833
Depreciation and amortisation	-150,986	-83,569	0	0	-234,555
Provisions for risks and charges	19,732	-19	57	0	19,770
Impairment losses	-1,535	0	0	0	-1,535
Profit / loss from continuing operations	**146,435**	**163,673**	**-6,576**	**0**	**303,532**
Result from equity consolidated companies	0	39,935	0		39,935
Profit / loss before financial result and taxes	**146,435**	**203,608**	**-6,576**	**0**	**343,467**
Changes in the fair value of financial instruments					3,581
Financial income					7,253
Financial expenses					-101,954
Profit / loss from continuing operations after net financial result					**252,347**
Income tax expense					-61,636
Profit / loss for the period					**190,711**

Segment balance sheet at 31-12-2013 revised				In thousands of €
	Fluxys Belgium	**Fluxys Europe**	**Unallocated**	**Total**
Property, plant and equipment	2,377,315	1,465,839	0	3,843,154
Intangible assets	232,553	463,417	0	695,970
Goodwill	1,924	0	0	1,924
Equity accounted investees	0	393,580	0	393,580
Inventories	46,741	2,666	0	49,407
Financial lease receivables	22,849	0	0	22,849
Net trade receivables	61,195	24,193	0	85,388
Other assets			669,463	669,463
				5,761,735
Interest-bearing liabilities	1,588,084	1,132,406	0	2,720,490
Other current financial liabilities	122	7,433	0	7,555
Other liabilities			3,033,690	3,033,690
				5,761,735

NOTE 36. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

Pursuant to Article 14 of the Articles of Association, the Board of Directors of Fluxys SA comprises no more than 12 members, natural or legal persons, who may but need not be shareholders, appointed for a six-year term by the General Meeting of Shareholders.

The Fluxys group has not granted any loans to directors; in addition, the directors have not entered into unusual or abnormal transactions with the group.

For more information, please refer to the annual report and Note 34.

NOTE 37. SUBSEQUENT EVENTS

Long-term contracts for LNG transshipment services at Zeebrugge

In early 2015, Fluxys LNG has probed interest in the market for transshipment services at the Zeebrugge LNG Terminal. These services allow to unload large LNG cargo into a storage tank at Zeebrugge before being charged on an LNG tanker. The entire transhipment offer, concerning 214 mooring rights per year and 180,000 m^3 of LNG storage capacity, has been reserved by Yamal LNG for 20 years.

Yamal LNG is currently building an LNG production terminal and the first liquefaction facility will become operational in 2017. The transshipment services reserved at Fluxys LNG will constitute an integral part of the supply chain for delivering LNG throughout the year from Yamal to Asia-Pacific, including in winter when navigating in the Arctic Ocean is impassable along the Northern Sea Route.

Fluxys will offer an initial package of services, including ship to ship transfers, as soon as the extension of the LNG terminal compression capacity is completed. The additional storage capacity will be offered once the construction of a fifth storage tank and related facilities is completed, of which the commissioning is expected in 2019.

Aligned sales processes Fluxys Belgium – IUK

In January 2015, Interconnector (UK) Limited (IUK) and Fluxys Belgium have launched aligned sales processes for grid users who wish to transmit gas for a maximum period of 12 years in the Interconnector line and in the neighboring Belgian network, in the Netherlands, Germany and France. This joint initiative is an opportunity for grid users to adjust their cross-border capacity portfolio to best meet their needs as from October 2018. The aligned sales process will end in May 2015.

Fluxys and Enagás agree to acquire Swedegas

On 23 March 2015, Fluxys Europe and Enagás have agreed to jointly acquire Swedegas, the company which owns and operates Sweden's entire high-pressure gas pipeline network, from EQT Infrastructure Limited.

Enagás and Fluxys will each invest around €100 million in terms of equity and in addition third party debt financing will be provided at competitive terms. Together, they will set up a joint venture to manage Swedegas, which will enable a common line of interest to be pursued and synergies between Enagás, Fluxys and Swedegas to be unlocked.

Swedegas is certified as TSO by the Swedish regulator (EI). It owns around 600 km of high-pressure gas pipelines and an underground Storage facility, Skallen, located nearby Halmstad. It is also developing a bunkering/small scale LNG terminal in Gothenburg (40% Swedegas) categorised as a Project of Common Interest in the area of energy by the EU. All Swedegas' assets are located in Sweden, a country with an AAA rating from Standard & Poor's and a stable regulatory framework, approved for the next four years (2015-2018) in October 2014.

4. Statutory auditor's report

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2014

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Fluxys NV/SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated statement of financial position shows total assets of 6.065.881 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 129.180 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Fluxys NV/SA give a true and fair view of the group's net equity and financial position as of 31 December 2014, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Antwerp, 17 April 2015
The statutory auditor

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DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Jurgen Kesselaers

III. Statutory accounts of Fluxys SA under Belgian GAAP

Given the fact that Fluxys SA is mainly a holding company, holding interests at their book value, the non-consolidated annual accounts only give a limited view of the financial position of the company. Therefore, the Board of Directors considered it appropriate, in accordance with article 105 of the Company Code, to publish only an abbreviated version of the non-consolidated annual accounts on 31 December 2014.

The statutory auditor issued an unqualified audit opinion on the annual accounts of Fluxys SA.

The annual accounts of Fluxys SA and the auditor’s report have been filed with the National Bank of Belgium.

They can be obtained free of charge upon request at the following address:
Fluxys SA
Communication Department
Avenue des Arts 31 – B-1040 Brussels

1. Balance Sheet

Asset		In thousands of €
	31-12-2014	**31-12-2013**
Fixed assets	**1,830,606**	**1,830,676**
Formation expenses	0	0
Intangible fixed assets	0	0
Tangible fixed assets	857	30
Financial fixed assets	1,829,749	1,830,646
Current assets	**282,866**	**275,476**
Amounts receivable after more than one year	0	0
Stocks and contracts in progress	0	0
Amounts receivable within one year	44,980	21,888
Current investments	0	0
Cash at bank and in hand	237,883	253,581
Deferred charges and accrued income	3	7
Total	**2,113,472**	**2,106,152**

Equity and liabilities		In thousands of €
	31-12-2014	**31-12-2013**
Equity	**1,980,188**	**1,981,903**
Capital	1,698,597	1,698,597
Share premium account	80,876	80,876
Revaluation surpluses	0	0
Reserves	39,515	33,320
Accumulated profits (losses)	161,119	169,110
Investment grants	81	0
Provisions and deferred taxes	**42**	**28**
Provisions for liabilities and charges	0	28
Deferred taxes	42	0
Amounts payable	**133,242**	**124,221**
Amounts payable after more than one year	0	0
Amounts payable within one year	133,242	124,221
Accrued charges and deferred income	**0**	**0**
Total	**2,113,472**	**2,106,152**

2. Income statement

Income statement		In thousands of €
	31-12-2014	**31-12-2013**
Operating income	10,052	10,129
Operating charges	19,002	14,787
Operating profit	**-8,950**	**-4,658**
Financial income	133,242	132,293
Financial charges	29	24
Net financial income	**133,213**	**132,269**
Profit on ordinary activities before taxes	**124,263**	**127,611**
Extraordinary income	0	0
Extraordinary charges	897	897
Net extraordinary income / (expense)	**-897**	**-897**
Profit for the period before taxes	**123,366**	**126,714**
Release Deferred Taxes	**2**	**0**
Income taxes	**-515**	**761**
Profit for the period	**123,883**	**125,953**
Transfer from untaxed reserves	**0**	**0**
Profit for the period available for appropriation	**123,883**	**125,953**

3. Appropriation account

Appropriation account	In thousands of €	
	31-12-2014	**31-12-2013**
Profit to be appropriated	**292,993**	**295,063**
Profit for the period available for appropriation	123,883	125,953
Profit carried forward from the previous period	169,110	169,110
Transfer from equity	**0**	**0**
From reserve	0	0
Transfer to equity	**6,195**	**6,298**
To the legal reserve	6,195	6,298
To the other reserves	0	0
Result to be carried forward	**161,119**	**169,110**
Profits to be carried forward	161,119	169,110
Profit to be distributed	**125,679**	**119,655**
Dividends	125,679	119,655

4. Capital at the end of the period

Capital at the end of the period	In thousands of €
	31-12-2014
Subscribed capital	
At the end of the previous period	1,733,319
At the end of the period	1,733,319
Capital represented	
Registered shares	86,665,939
Dematerialised shares	0
Bearer shares	0
	0
Shareholder structure	

Declarant	Share category	Number of voting right declared	%
Publigas	Shares without nominal value	67,374,919	77.74%
Caisse de dépôt et placement du Québec	Shares without nominal value	17,305,412	19.97%
Federal Holding and Investment Company	Shares without nominal value	1,851,852	2.14%
Staff members and management	Shares without nominal value	133,756	0.15%

5. Income taxes

Income taxes	In thousands of €
	31-12-2014
Breakdown of heading 670 / 3	
Income taxes on the result of the current period	**57**
Taxes and withholding taxes due or paid	0
Excess of income tax prepayments	0
Estimated additional taxes	57
Income taxes on previous periods	**180**
Additional taxes due or paid	180
Additional taxes (estimated or provided for)	0
Reconciliation between profit before taxes and estimated taxable	
Profit before taxes	**123,366**
Fiscal elements:	**-126,604**
Definitively taxed income	-122,418
Non-deductible expenses	197
Write down on financial fixed assets	89
Notional interest	-4,472
Total	**-3,238**

6. Workforce

1. Headcount

A. Employees recorded in the personnel register

1a. During the current period

	Total	Men	Women
Average number of employees			
Full-time	24.9	15.6	9.3
Part-time	9.0	6.8	2.2
Total in full-time equivalents	27.8	17.9	9.9
Numbers of hours actually worked			
Full-time	38,619	24,776	13,843
Part-time	4,628	3,804	824
Total	43,247	28,580	14,667
Personnel costs			
Full-time	3,768,287	2,815,592	952,695
Part-time	708,536	586,794	121,742
Total	4,476,823	3,402,386	1,074,437
Advantages in addition to wages	**27,746**	**18,807**	**8,939**

1b. During the previous period

	Total	Men	Women
Average number of employees (FTE)	24.6	15.9	8.7
Numbers of hours actually worked	36,253	24,303	11,950
Personnel costs	3,941,005	3,113,394	827,611
Advantages in addition to wages	16,847	13,309	3,538

2. At the closing of the period	Full-time	Part-time	Total full-time equivalents*
a. Numbers of employees recorded in the personnel register	26	10	29.6
b. By nature of the employment contract			
Contract for an indefinite period	26	10	29.6
Contract for a definite period	0	0	0
Contract for execution of a specifically assigned work	0	0	0
Replacement contract	0	0	0
c. According to gender and study level			
Men	17	7	19.4
Elementary education	0	0	0
High school education	1	0	1
Higher non-university education	3	0	3
University education	13	7	15.4
Women	9	3	10.2
Elementary education	0	0	0
High school education	0	0	0
Higher non-university education	3	2	3.9
University education	6	1	6.3
d. By professional category			
Manager staff	21	9	23.8
Employees	5	1	5.8
Workers	0	0	0
Other	0	0	0

* *full-time equivalents*

B. Hired temporary staff and personnel placed at the enterprise’s disposal

During the current period	Hired temporary staff	Persons placed at the enterprise’s disposal
Average number of persons employed	0.2	0
Numbers of hours actually worked	321	0
Costs for the enterprise	10,695	0

2. Table of movements in personnel during the period

	Full-time	Part-time	Total full-time equivalents
Entries			
a. Number of employees recorded in the personnel register during the year	4	3	5.9
b. By nature of the employment contract			
Contract for an indefinite period	4	3	5.9
Contract for a definite period	0	0	0.0
Contract for execution of a specifically assigned work	0	0	0
Replacement contract	0	0	0
Departures			
a. Number of employees whose date of leaving is recorded in the personnel register during the year	2	2	3.1
b. By nature of the employment contract			
Contract for an indefinite period	2	2	3.1
Contract for a definite period	0	0	0
Contract for execution of a specifically assigned work	0	0	0
Replacement contract	0	0	0
c. By reason of termination of contract			
Retirement	1	0	1
Unemployment with extra allowance from enterprise	0	0	0
Dismissal	0	1	0.3
Other reason	1	1	1.8
The number of persons who continue to render services to the enterprise at least half-time on a self-employed basis.	0	0	0

3. Information on training provided to employees during the period

	Men	Women
Total of initiatives of formal professional training at the expense of the employer		
Number of employees involved	16	6
Numbers of actual training hours	511.00	225.00
Net costs for the enterprise	83,739.00	30,292.00
Of which gross costs directly linked to training	83,739.00	30,292.00
Of which fees paid and payments to collective funds	0.00	0.00
Of which grants and other financial advantages received (to deduct)	0.00	0.00
Total of initiatives of less formal or informal professional training at the expense of the employer		
Number of employees involved	16	5
Numbers of actual training hours	308	110
Net costs for the enterprise	36,652	8,725
Total of initiatives initial professional training at the expense of the employer		
Number of employees involved	0.0	0.0
Number of actual training hours	0.0	0.0
Net costs for the enterprise	0.0	0.0

Questions regarding financial and accounting data
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