

Interim statement

**Information on key events since 1 January 2011
and their impact on Fluxys' financial situation**

- **Investment budget for 2011: €270 million**
- **Whole of the new Opwijk-Eynatten (VTN2) line now in service**
- **Enhanced offer cross-border capacity to exchange natural gas between markets: capacity between the Zeebrugge Hub and France (PEG Nord) and between the Zeebrugge Hub and Germany (NCG VTP)**

1. Capacity sales

In the period from January to September 2011, €525 million was invoiced to customers for all activities, as opposed to €524 million in the same period in 2010.

2. Investments

Investment budget for year 2011: €270 million. In the period 2006-2010, Fluxys invested approximately €1.1 billion in the development of its infrastructure to enhance security of supply in Belgium and North-Western Europe. Fluxys is planning investments worth €270 million in 2011. A total of €199 million was invested in the first nine months of the year. The main projects for 2011 are listed below.

- The last phase in the capacity enhancement of the underground storage facility at Loenhout.
- Since the autumn of 2010, work on an open rack vaporiser at the Zeebrugge LNG terminal. The installation will use the heat of seawater to regasify LNG.
- The upgrading of compressor stations and expansion of compression capacity (2009–2014).
- The continuation of work on pipelines already started in 2010 (Gent Zeehaven, Eynatten-Opwijk, Péronnes-Leernes-Dampremy), resulting in a total of 200 km of new pipelines.
- Works in the Zeebrugge area to create extra ways of adjusting the composition of natural gas, including work on the former peak shaving site and the laying of a new pipeline in the Zeebrugge inner port (4.5 km).
- New connections for power stations, industrial end users and new Combined Heat & Power facilities.

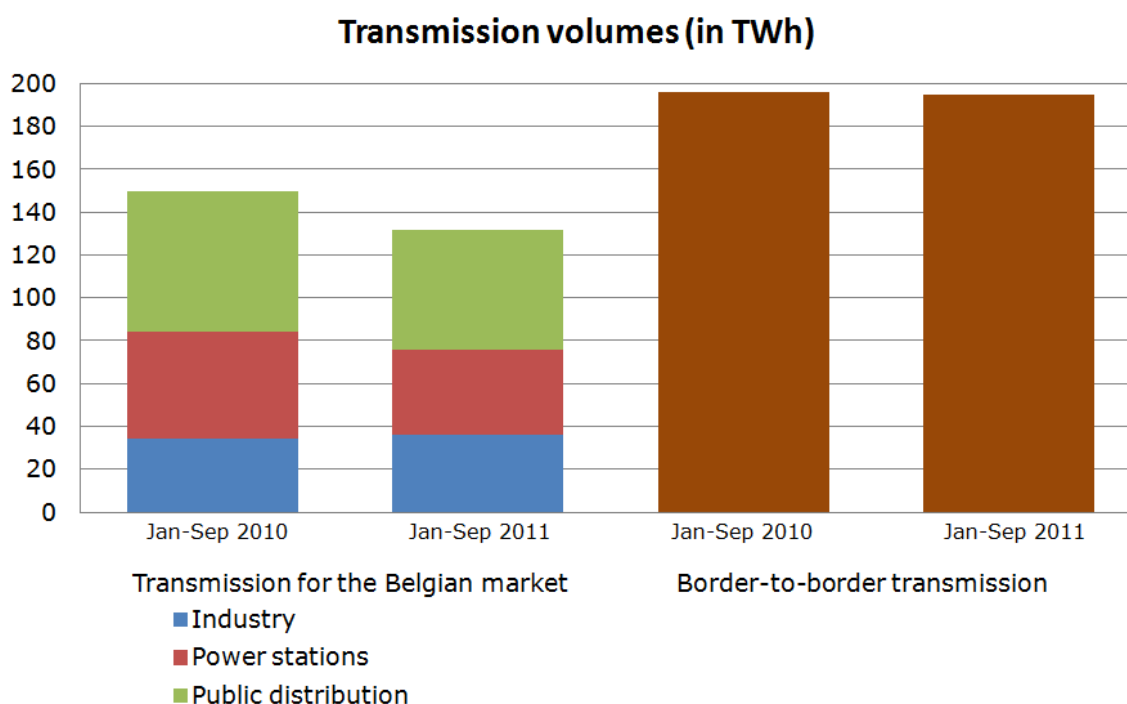
Entire Opwijk-Eynatten pipeline now in service. Early last year Fluxys began work on laying a new natural gas transmission pipeline between Opwijk and Eynatten (Raeren) on the German border. The new pipeline will significantly enhance security of supply and is yet

another step in opening up the Belgian grid to natural gas from as many sources as possible. In March 2011 the first section between Opwijk and Oupeye was progressively commissioned, and since early November the pipeline section between Oupeye and Eynatten has been commissioned as well. The last phase in finishing the new pipeline consists of restoring the land used to its original condition and will be completed in spring 2012.

Second jetty at LNG terminal. A second jetty will be built at the LNG terminal in Zeebrugge by 2014. Ships with a capacity of up to 217,000 m³ of LNG will be able to moor at the facility. In September 2011 the Zeebrugge Port Authority started work on the underwater structure of the second jetty.

3. Transmission volumes

Overall transmission volumes down 6%. In the first nine months of 2011, Fluxys transported 6% less natural gas in its grid compared to the same period in 2010. Volumes transported for consumption on the Belgian market fell 12% whilst volumes transported for other markets remained more or less at the same level. The change in transmission volumes has no direct impact on turnover, which is mainly determined by reserved capacity.



Transmission for the Belgian market. As regards the energy transported for consumption on the Belgian market (132 TWh, compared to 150 TWh in the same period in 2010), the economic recovery could only partially offset the effect of the mild weather and the reduced consumption of power stations.

- Offtake from the Fluxys grid by distribution system operators (accounting for 42% of offtake in Belgium), who distribute natural gas from the Fluxys network to SMEs and households, was down 14%. This decrease is mainly due to the temperature and heating requirements: in early 2010 temperatures were significantly lower than in the first months of 2011.
- Power stations (30% of offtake in Belgium) consumed 21% less, bringing their offtake back to the same level as in 2008 and 2009 (2010 saw a particularly high level of gas-fired electricity generation). The evolution in energy prices in 2011 triggered the share of natural gas in the energy mix for electricity generation to become less prominent.
- Consumption by industrial companies that are directly connected to the Fluxys grid (28% of offtake in Belgium) rose 6%, i.e. back to about the same level as before the financial and economic crisis.

Border-to-border transmission. Attracting natural gas for the Belgian market, required attracting flows of natural gas to be transported Belgium on their way to other markets. In the first nine months of 2011 approximately 60% of natural gas transported in Belgium was carried to border points for delivery to France, the United Kingdom, the Netherlands, Germany and Luxembourg. These border-to-border transmission volumes, standing at 195 TWh, remained at more or less the same level in the first nine months of 2011 as in the same period in 2010 (196 TWh). Given the decrease in volumes for consumption on the Belgian market, the stability in the volumes for border-to-border transmission confirms that the role of the Belgian network as a natural gas crossroads for North-Western Europe.

4. Service development

New range of storage services. In accordance with the new Code of Conduct, which came into force on 15 January 2011, Fluxys held a formal market consultation in April and May 2011 about the Standard Storage Agreement, the Access Code for Storage and the Storage Programme with a view to introducing a new range of storage services. Market consultations on congestion rules and auction rules were held in September and October 2011.

On 21 October 2011, Fluxys submitted all the regulatory documents on storage to the federal regulator CREG for approval. As these were rejected by CREG; Fluxys in the meantime has submitted new documents incorporating CREG's remarks so as to be able to apply the new regime for storage services as from April 2012. The documents are available on the Fluxys website, and the market has been notified of the new versions.

Enhanced offer of cross-border capacity to exchange natural gas between markets.

capsquare, the electronic platform developed by Fluxys and French transmission system operator GRTgaz for buying and selling capacity, has significantly increased the capacity on offer.

- Since mid-September, the platform has been offering a bundled Fluxys and Open Grid Europe product offering day-ahead capacity between the Zeebrugge Hub in Belgium and the virtual trading point of NetConnect Germany (NCG VTP). The product is emerging as a powerful tool for linking the two markets: the capacity offered is being booked as soon as there is a big enough price difference between the two markets.
- In response to market demand, GRTgaz and Fluxys will extend their offer of bundled capacity between the Zeebrugge Hub in Belgium and PEG Nord in France. As from 1 December, market participants will be able to book not only monthly bundled capacity but also bundled day-ahead or weekend capacity.

CREG consultation about tariff calculation. From 22 September to 21 October, the federal regulator CREG held a market consultation about its draft decision on the calculation of tariffs for natural gas transmission, natural gas storage and LNG terminalling. In view of the tariff agreement signed by CREG and Fluxys in 2009, implementation of the draft decree should not have any significant impact on Fluxys' cash flow situation in the next regulatory period (2012-2015). During the market consultation about the draft decree, Fluxys stressed that it is particularly important to maintain a return on equity sufficient to finance investments. The company also emphasised that it is crucial to be able to work in a stable tariff framework based on a long-term vision.

5. Operations: hands-on test of emergency procedures in Ravels

On 13 October 2011, the municipality of Ravels and Fluxys held an exercise simulating a gas leak. The exercise was jointly organised by the emergency services, the municipality of Ravels and Fluxys to test the emergency procedures in the field and to improve them where appropriate on the basis of the experience gained.

6. Financial prospects for 2011

Bearing in mind the regulated nature of its activities and barring unforeseen circumstances, Fluxys expects to be in a position to pay out a dividend for the financial year 2011 that is similar to the recurring dividend for 2010 (€123 net per share), excluding non-recurring items.

As a reminder, the capital gain generated following the rearrangement of the group structure made Fluxys to pay out a non-recurring dividend of €228 per share (€171 net per share).

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