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Regulated information *Melle, 28 August 2015*

HALF-YEARLY FINANCIAL REPORT OF THE EANDIS-GROUP[1] AS PER 30 JUNE 2015

HIGHLIGHTS[2]

- Eandis continues its efforts towards **enhanced productivity and efficiency** through the execution of its global efficiency programme FIT. The FIT objectives will be valid after 2016.
- The **distribution grid tariffs** are in motion during the current two-year transitory tariff period 2015-2016. The regulator approves tariff amendments for changes in the transmission tariffs (electricity) and the introduction of corporate tax (electricity and gas).
- A two-tranche **capital increase** (January and June 2015) reinforces the distribution grid operators' balance sheet structure.
- The energy regulator VREG renews the **DSO licenses for electricity**, as well as the collaboration between the DSOs and their operating company Eandis.
- Eandis is to integrate its subsidiary **Indexis** within its own operational services through a take-over merger.
- **Synductis is growing**. Telecom operator Proximus and water company Pidpa have joined as new shareholders and Synductis's operating area has grown considerably.
- The Eandis **headcount** is decreasing, as expected.
- Eandis is awarded the **Charter Sustainable Business** by employers' organization VOKA.
- **Operating revenue** for the Eandis Consolidated Group decreased with 6,2 per cent, while its **operating costs** decreased with 7,6 per cent.
- **No profit or loss**, since all costs can be fully transferred to the DSOs based on the 'transfer at cost' principle.

[1] The Eandis-group comprises Eandis cvba and its subsidiaries De Stroomlijn cvba, Indexis cvba, Atrias cvba and Synductis cvba.
[2] All comparisons are with the figures reported as per 30 June 2014, unless stated otherwise.

MANAGEMENT REPORT

The execution of the company-wide **efficiency programme FIT** is proceeding entirely according to the planning. The objectives set for efficiency and productivity gains will be realized or even exceeded by the end of 2015. From a financial viewpoint, this means that the grid-related investments will have reached the level of auto-financing by early 2016 and that the personnel and other costs will be kept at current levels. This success was enabled by a relentless focus on operational excellence and a general cost awareness throughout the entire company. It was already decided to extend the FIT efforts on efficiency and productivity as from 2016 onwards as **'Breakthrough FIT'**.

After the competence on **distribution grid tarification** became a regional matter as from 1 July 2014, the Flemish energy regulator VREG has established the 2015-2016 distribution grid tariffs for electricity and gas on the basis of a tariff methodology. But these tariffs are still evolving. The approved electricity tariffs have thus been amended as from 1 March 2015 to take into account changes to the transmission tariffs (Elia) which are being billed to the suppliers and their end customers through the distribution tariffs. Due to a federal change of law the intermunicipal DSOs have become liable for corporate tax purposes; they used to be exempt from this tax. Early June 2015, the DSOs filed a tariff proposal with the VREG including the recovery of the impact of the said fiscal measure. As from 1 July 2015 onwards, 'prosumers' *(i.e. consumers who also generate electricity e.g. by way of solar panels)* have to contribute to the costs for making use of the distribution grid.

The VREG decided in favour of a **renewal of the Flemish electricity distribution system operators' license** *(decision dated 3 February 2015)*. This renewed license is valid for a twelve year period expiring on 5 September 2026. The VREG has also renewed its approval for the DSOs to make use of Eandis as their operating company, for the same twelve year period until 2026 *(decision dated 24 February 2015).* In the meantime, the DSOs have filed with the VREG their application for a renewal of their gas license as well. A decision is expected before the year end 2015.

As part of a **balance sheet strengthening exercise for the Eandis Economic Group**, the DSOs' public shareholders were offered the possibility to raise additional capital. In a first round (closed on 9 January 2015) 61,6 million EUR was raised. A second round of this capital increase at the same conditions was closed on 26 June 2015; this time 29,1 million EUR was raised, which brings the total capital increase at an amount of 90,7 million EUR.

Eandis is taking its responsibilities in the field of **corporate social responsibility (CSR) and sustainability** very much at heart. Cities and municipalities are responding in large numbers to our wide and varied offer of Energy Services for Local Authorities. Environmental friendly mobility solutions are being introduced in the form of natural gas, CNG and electric vehicles in our own fleet and in the fleets of local authorities. Eandis is installing solar panels on its office buildings in Melle and Sint-Niklaas, and later at other sites as well. We have reported on our CSR policies and results in the Corporate Social Responsibility Report 2014, entitled *"Sustainability Partner for Cities and Municipalities"*. On 16 June 2015, the Flemish Institute for Logistics (VIL) awarded the Lean and Green Award to Eandis for its accomplishments in the field of sustainable logistic processes. The employer’s association VOKA awarded its Charter for Sustainable Business to Eandis on 17 June 2015. VOKA thus acknowledges Eandis’s efforts in environment- and people-oriented business management, mobility, stakeholder dialogue and social engagement.

Synductis, Eandis’s subsidiary for creating structural synergies in infrastructure operations in the public domain *(Eandis participation of 33,3%)*, has shown a remarkable growth during the first half of 2015. As a result of the association of both telecom operator Proximus *(ex Belgacom)* and the water company Pidpa *(Provinciale en Intercommunale Drinkwatermaatschappij der Provincie Antwerpen)* Synductis was able to realize a major leap forward. The operating area for Synductis has now been substantially enlarged, which contributes to overall efficiency. The current Synductis operating area now almost covers the entire Eandis area. Proximus has subscribed to 16,7% of share capital, allowing Eandis to reduce its participation to 33,3% as from 16 January 2015. Pidpa has joined Synductis for the activity ‘Coordination’. Synductis is also in contact with other interested parties in view of collaborating. From the operational viewpoint, Synductis has demonstrated that working together in the field brings about considerable synergies and efficiency gains. Since the spring of 2015 Synductis has been running its operations on behalf of its associated partners on the basis of coordinated contracting contracts, which clearly simplifies the operations and enhances flexibility.

The subsidiary **Atrias** *(Eandis participation of 25%)* is now focusing on 2018 for the start of its operations as the Clearing House for the Belgian energy market. Preparations are steadily progressing and are particularly aiming at building the necessary IT-based applications and processes.

Eandis and ORES, the shareholders of **Indexis** *(Eandis participation of 70%)*, have decided to fully integrate Indexis’s operations within Eandis. Taking into account the advanced state of Atrias’s preparations for a federal Clearing House as well as a number of internal developments at Indexis, it was deemed appropriate not to maintain Indexis as a separate entity. The integration will be realized by way of a take-over merger in the course of the second half of 2015. Indexis will then cease to exist as from 1 January 2016.

Eandis has pledged to contribute to the development of **district heating** projects in Antwerp. On 30 June 2015, a letter of intent was signed by the City of Antwerp, the Province of Antwerp, the DSO IVEG, the housing society Woonhaven and Eandis. Eandis will also contribute to **“smart city” projects**, amongst others the “SHARED” project in Ghent.

The Eandis **headcount** amounted to 4.089 on 30 June 2015, corresponding to 3.910,82 full-time equivalents (FTE). The number of FTE has thus dropped below the 4.000 threshold for the first time since 2008. Compared to the number of FTE on 31 December 2014 (4.001,11) there has been a 2,26% decrease. This decrease in the headcount is fully in line with expectations and is only realized through natural exits. The headcount of the Eandis Group on 30 June 2015 amounted to 4.398 employees (4.194,04 FTE).

RISK FACTORS

All risk factors as described in the Eandis 2014 Annual Report and the EMTN Base Prospectus dated 25 November 2014 have remained valid for the first semester of 2015.

MAJOR EVENTS AFTER REPORTING DATE

On 19 August 2015, a two-tiered proposal was discussed in the Boards of Directors of both Eandis and the DSOs. On the one hand, this proposal aims at a merger of the current seven DSOs into one single distribution system operator; on the other hand, the potential entry of an external partner is envisaged. For more information, we refer to the press release on this topic which Eandis published on 19 August 2015.

In a court ruling dated 1 July 2015, the Brussels Court of Appeal ruled that the regional energy regulator VREG is competent for establishing the exact amount of the DSOs' regulatory balances dating back to the period 2010-2014. The DSOs still have to recover these regulatory assets through the distribution grid tariffs. However, on 30 July 2015, the VREG rejected the tariff proposals introduced by the DSOs in which the recovery of the outstanding balances as from 1 October 2015 was included. The VREG proposed a recovery starting on 1 January 2016.

On 1 July 2015, the VREG approved the DSOs' tariff proposals allowing them to pass through the corporate tax impact in the distribution grid tariffs starting on 1 August 2015.

OUTLOOK

Barring unforeseen economic or regulatory developments, Eandis expects for the second semester of 2015 no substantial deviations from the defined financial and budgetary objectives. The company will continue to closely monitor all relevant financial, economic and regulatory evolutions.

Management expects to be able to further strictly keep under control the Eandis Economic Group's manageable costs and its overall and company specific risks.

REPORTING STATUS

These condensed financial statements for the period ended 30 June 2015 were approved for publication by Eandis's Board of Directors on 19 August 2015.

On 19 August 2014 Eandis's statutory auditor EY, represented by Mr Paul Eelen, issued a report on the limited review of the consolidated half-year financial information for the six-month period ended 30 June 2015, stating that the interim financial information in all material aspects has been prepared in accordance with IAS 34, "Interim Financial Reporting" as approved for application within the European Union.

STATEMENT BY THE RESPONSIBLE PERSONS

The undersigned persons state that, to the best of their knowledge,

- *the condensed interim financial statements of Eandis cvba and its subsidiaries as of 30 June 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies included in the consolidation; and*
- *the interim management report gives a fair overview of the information required to be included herein.*

Melle, 28 August 2015,

Walter VAN DEN BOSSCHE, CEO

David TERMONT, CFO

PROFILE OF THE REPORTING ENTITY

Eandis cvba and its subsidiaries De Stroomlijn cvba, Indexis cvba, Atrias cvba and Synductis cvba (together the 'Eandis Group' or the 'Group') is the independent company that carries out operational tasks and public service obligations for electricity and gas at cost price for the Flemish distribution system operators Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas. The Group's result therefore is without any profit or loss.

ANNEX

Audit Report

Condensed interim IFRS financial statements for the six-month period ended 30 June 2015:

- Condensed consolidated income statement
- Condensed consolidated statement of comprehensive income
- Condensed consolidated balance sheet
- Condensed consolidated statement of changes in equity
- Condensed consolidated cash flow statement
- Selected notes

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Report of the statutory auditor to the shareholders of Eandis CVBA on the review of the interim condensed consolidated IAS 34 reporting as of 30 June 2015 and for the six month period then ended for the Juridical Group Eandis[1]

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of the Juridical Group Eandis (the "Company") as at 30 June 2015 and the related interim condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position total of € 4.280.102 thousand and a consolidated result for the 6 month period then ended of € 0. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

[1] The Juridical Group Eandis consists of Eandis CVBA and her daughter companies: De Stroomlijn CVBA, Indexis CVBA, Atrias CVBA and Synductis CVBA.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the Juridical Group Eandis as at 30 June 2015, and of its financial performance and its cash flows for the 6 month period then ended in accordance with IAS 34.

Ghent, 19 August 2015

Ernst & Young Réviseurs d'Entreprises SCCRL
Statutory auditor
represented by

Paul Eelen
Partner (*)
(*) Acting on behalf of a BVBA

160032

EANDIS GROUP

Condensed Consolidated Interim IFRS Financial Statements

30 June 2015

Content

Interim Financial Statements

Report of the Statutory Auditor

Interim Financial Statements

Condensed consolidated statement of profit and loss

(In thousands of EUR)	Notes	30 June 2015	30 June 2014
Operating revenue		**531.285**	**566.182**
Revenue	1	523.284	558.811
Other operating revenue		8.001	7.371
Operating expenses		**-521.275**	**-563.949**
Changes in inventories of finished goods and raw materials		-39.164	-55.126
Cost for services and other consumables	2	-277.701	-290.263
Employee benefit expenses	3	-203.245	-216.586
Depreciation, amortization and changes in provisions		-999	-1.821
Other operational expenses		-166	-153
Result from operations		**10.010**	**2.233**
Finance income	4	54.298	41.885
Finance costs	5	-59.351	-42.921
Profit (loss) before tax		**4.957**	**1.197**
Income tax expenses		-4.957	-1.197
Result for the period	**6**	**0**	**0**

Condensed consolidated statement of comprehensive income

(In thousands of EUR)	Notes	30 June 2015	30 June 2014
Result for the period		**0**	**0**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains (losses) on long term employee benefits	15	62.980	-20.805
Actuarial gains (losses) on rights to reimbursement on long term employee benefits	15	-62.980	20.805
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**0**	**0**
Total comprehensive income for the period		**0**	**0**

Condensed consolidated statement of financial position

(In thousands of EUR)	Notes	30 June 2015	31 December 2014
Non-current assets		**3.773.114**	**3.851.797**
Intangible assets	7	1.169	1.349
Property, plant and equipment	8	2.812	3.474
Investments in an associate	9	11	5
Other investments	9	1.073	1.092
Rights to reimbursement on post-employment employee benefits	10	347.292	425.074
Long term receivables	11	3.420.757	3.420.803
Current assets		**506.988**	**1.010.340**
Inventories		44.054	34.199
Trade and other receivables	12	343.683	967.235
Receivables cash pool activities	13	107.804	0
Cash and cash equivalents		11.447	8.906
TOTAL ASSETS		**4.280.102**	**4.862.137**
EQUITY		**1.099**	**1.099**
Equity attributable to owners of the parent		**20**	**20**
Share Capital and reserves		20	20
Non-controlling interest		**1.079**	**1.079**
LIABILITIES		**4.279.003**	**4.861.038**
Non-current liabilities		**3.740.844**	**3.817.437**
Interest bearing loans and borrowings	14	3.393.552	3.392.363
Employee benefit liability	15	347.292	425.074
Current liabilities		**538.159**	**1.043.601**
Interest bearing loans and borrowings	14	159.680	0
Trade payables and other current liabilities	16	344.667	201.958
Liabilities cash pool activities	13	27.618	838.735
Current tax liabilities		6.194	2.908
TOTAL EQUITY AND LIABILITIES		**4.280.102**	**4.862.137**

Condensed consolidated statement of changes in equity

(In thousands of EUR)	Share capital	Reserves	Equity attributable to owners of the parent	Non-controlling interest	Total
Balance as per 1 January 2014	**18**	**2**	**20**	**1.079**	**1.099**
Result for the period	0	0	**0**	0	**0**
Other comprehensive income	0	0	**0**	0	**0**
Subtotal	**0**	**0**	**0**	**0**	**0**
Balance as per 30 June 2014	**18**	**2**	**20**	**1.079**	**1.099**
Balance as per 1 January 2015	**18**	**2**	**20**	**1.079**	**1.099**
Result for the period	0	0	**0**	0	**0**
Other comprehensive income	0	0	**0**	0	**0**
Subtotal	**0**	**0**	**0**	**0**	**0**
Balance as per 30 June 2015	**18**	**2**	**20**	**1.079**	**1.099**

Condensed consolidated statement of cash flows

(In thousands of EUR)	Notes	30 June 2015	30 June 2014
Result for the period	6	0	0
Amortization of intangible assets		248	409
Depreciation on property, plant and equipment		743	1.408
Impairment on current assets (Reversal-; Recognition +)		8	4
Gain or loss on realization receivables		34	0
Net finance expense	4,5	5.052	1.222
Gain or loss on sale of property, plant and equipment		0	75
Movement in government grants		0	-186
Income tax expense (income)		4.957	1.197
Operating cash flow before changes in working capital and provisions for employee benefits		**11.042**	**4.129**
Change in inventories		-9.856	-1.004
Change in trade and other receivables		648.155	5.596
Change in trade payables and other current liabilities		118.143	-14.969
Net operating cash flow		**756.442**	**-10.377**
Interest paid		-33.594	-11.538
Interest received		29.292	10.132
Financial discount on debts		279	315
Income tax paid		-1.671	-2.358
Net cash flow from/used in operating activities		**761.790**	**-9.697**
Proceeds from sale of property, plant and equipment		0	15
Purchase of intangible assets		-68	-200
Purchase of property, plant and equipment		-82	-828
Proceeds from sale of other investments	9	140	0
Net investment in other long term receivables		2	-14
Net cash flow used in investing activities		**-8**	**-1.027**
Issuance of bonds		0	613.926
Proceeds from short term loans and borrowings		159.680	-226.317
Change in cash pool		-918.921	675.638
Provide long term loans		0	-625.000
Net cash flow from/used in financing activities		**-759.241**	**438.247**
Net increase/decrease in cash		**2.541**	**427.523**
Cash and cash equivalents - at beginning of period		**8.906**	**4.996**
Cash and cash equivalents - at end of period		11.447	262.519
Short term deposits - at end of period		0	170.000
Total as per statement of financial position - at the end of the period		**11.447**	**432.519**

Selected explanatory notes

Corporate information

Eandis, a limited liability partnership (‘coöperatieve vennootschap met beperkte aansprakelijkheid’/’société coopérative à responsabilité limitée’), is registered in Belgium, at Brusselsesteenweg 199, 9090 Melle. It is registered under number 0477.445.084 in the central enterprise register of Ghent (department Ghent). Eandis and its subsidiaries De Stroomlijn cvba, Indexis cvba, Atrias cvba and SYNDUCTIS cvba together form the ’Group’.

The shareholders of Eandis cvba are seven Distribution System Operators or DSOs in the Flemish region (Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas), that are distributing both electricity and gas (the ‘Flemish DSOs’). The main role of Eandis cvba is limited to the development, the operation and the maintenance for the Flemish DSOs of the low voltage and mid voltage distribution networks for electricity as well as their low pressure and mid pressure distribution networks for gas. The grid assets themselves remain owned by the Flemish DSOs that are also the holders of the electricity and gas distribution system operator licences granted by the Flemish energy regulatory authority, VREG.

Eandis cvba operates in 234 cities and municipalities, mostly in the Flemish Region (Belgium). The Group employed on average 4.645 persons during 2014. The company carries out its operational activities at cost price without charging any commercial margin to the Distribution System Operators. This means that all costs incurred are passed through to the Flemish DSOs according to fixed allocation rules. Each month Eandis cvba invoices each of the Flemish DSOs for the operational services rendered. The result of the Group is without profit or loss.

The Flemish DSOs have appointed Eandis cvba as their operating company in application of the Flemish Energy Decree of 8 May 2009 and the Resolution of the Flemish Government of 19 November 2010. All seven Flemish DSOs were allowed to use the services of Eandis cvba as their operating company by decision of the VREG on 24 February 2015.
For more information, visit our website www.eandis.be

The rating agency Moody's Investors Service Ltd. (‘Moody's’) granted Eandis in October 2011 an ‘A1’ credit rating (negative outlook), which was confirmed in December 2012 and December 2013. At 2 December 2014 the rating was reconfirmed. This allows Eandis to issue bond loans on the international financial markets.

Eandis successfully issues bond loans in the framework of its 5 billion Euro Medium Term Notes (EMTN)-programme. All funds of those loans are fully lent on to the DSOs, shareholders, at conditions identical to those governing the issued bond loans. The resulting receivable for the Group is recorded as 'Long term receivables'.

These condensed consolidated interim financial statements for the six-months ended 30 June 2015 were approved for publication by the Board of Directors on 19 August 2015 and are audited.

Significant accounting policies

1. Statement of compliance
These condensed consolidated interim IFRS statements for the six-month period ended 30 June 2015 have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’, as adopted by the European Union.

They do not contain all the necessary information for a full set of financial statements, and should therefore be read in conjunction with the financial statements of the Group for the year ended on 31 December 2014.

2. Summary of significant accounting policies
The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent to the accounting policies applied in the preparation of the consolidated financial statements for the year ended 31 December 2014 except for the new standards or interpretations in force since 1 January 2015.

The new standards and interpretations applicable from 1 January 2015 do not affect the condensed consolidated interim financial statements of the Group. Those standards and interpretations applicable for the accounting year beginning on 1 January 2015 were the following:

- Annual improvements to IFRSs 2011-2013 Cycle *(issued on 12 December 2013)*, effective as from 1 January 2015

- Annual improvements to IFRSs 2010-2012 Cycle *(issued on 12 December 2013)*, effective as from 1 February 2015

- Amendments to IAS 19: *Defined Benefit Plans: - Employee Contributions (issued on 21 November 2013),* effective as from 1 February 2015

The Group chose not to early adopt standards, interpretations or amendments that were published but were not yet effective.
The Group will apply the new standards and interpretations applicable to its financial statements as soon as they become effective.

As from 1 January 2015 a new accounting system was introduced. The reporting model was adopted to adhere to new structures (being future proof). Certain transactions, previously recorded in the DSOs, are now recorded in Eandis, such as billing to customers (excluding social suppliers), all transactions regarding green energy (green energy certificates and cogenerating certificates), application of the VAT-unit in Eandis and the application of customized allocations. These changes have an impact on certain items of the balance sheet and shifts on line items of the profit and loss account. There is however no effect on the overall result, which remains at zero, as a result of the principle to fully pass on all of the costs to the Flemish distribution system operators.

3. Use of estimates and judgments
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the amounts of revenue and expenses.

The actual results could differ from these estimates.
In preparing these condensed consolidated interim financial statements, evaluation by management on the application of the accounting policies of the company as well as the sources of uncertainty used, are the same as those applied to the consolidated financial statements for the year ended 31 December 2014.

Comments to the financial statements

1. Operating revenue

The operating revenue decreases with 35.527 k EUR compared to the first six months of 2014 and amounts to 523.284 k EUR.
Revenue reflects the costs that are passed on mainly to the distribution system operators, shareholders.

2. Cost for services and other consumables

The cost for services and other consumables amount to 277.701 k EUR compared to 290.263 k EUR in the first six months of 2014.
The cost for the rational use of energy (RUE) increases from 28.102 k EUR in June 2014 to 37.498 k EUR in June 2015.

3. Employee benefit expenses

For the first half of 2015, the employee benefit expenses amount to 203.245 k EUR, a decrease of 13.341 k EUR compared to June 2014. This decrease is due to the decrease in the pension contributions and the slight decrease in all other elements.

4. Financial income

Financial income increases to 54.298 k EUR, an increase of 12.413 k EUR as a result of the interest to be received on loans granted to the distribution system operators (+13.132 k EUR).
As a result of the sale of the participation in KIC InnoEnergy, a 127 k euro income was realized (see also note 'Other investments ').

5. Financial costs

The financial costs increase to 59.351 k EUR, an increase of 16.430 k EUR mainly due to the provisions for interest payable on the bond loans (+13.132 k EUR), the recording by instalments of cost for issuance of debenture loans (issuance and maintenance fee on the EMTN programme – see note ' Loans on long and short term '), interest paid on other financial obligations with banks and cash pool activities with the DSOs.
The other financial costs comprise various bank costs, interest costs on renting and defined benefit obligations.

6. The **result** is always without any profit or loss

7. Intangible assets

The Group reports intangible assets for 1.169 k EUR at the end of June 2015, a decrease of 180 k EUR compared to December 2014 as a result of the depreciation.
The intangible assets contain merely software licenses.

8. Property, plant and equipment

Property, plant and equipment decrease from 3.474 k EUR at the end of December 2014 to 2.812 k EUR mainly due to depreciation.

9. Other investments

This item decreases from 1.092 k EUR at the end of December 2014 to 1.073 k EUR at 30 June 2015.
A sales agreement was signed on 11 November 2014, whereby Eandis cvba agreed to sell its 10 k EUR shares in KIC InnoEnergy by 31 December 2014 at the latest, but effective on 14 February 2015. The sales price amounts to 137 k EUR and the related profit was recorded as a financial income (127 k EUR).
The participation of Eandis in Synductis was no longer included under this heading, since the share of the sector 'Telecom' was transferred to Proximus when the latter subscribed to shares of Synductis.
The share capital participation of Eandis in Synductis drops from 50 % to 33 % and is now reported as 'Investments in an associate' for an amount of 6 k EUR.

10. Rights to reimbursement on long term employee benefits

The rights to reimbursement on long term employee benefits decrease from 425.074 k EUR to 347.292 k EUR or a decrease of 77.782 k EUR as the result of the decrease in the employee benefit liability with the same amount.

11. Long term receivables

The long term receivables contain mainly the receivable from the distribution system operators for 3.420.757 k EUR that originates from lending on funds that were obtained by Eandis from the issuance of the bonds (stand alone, retail and EMTN) since 2010.
The loans issued by the Group are lent on to the distribution system operators at the same conditions as the loans obtained by Eandis (see note 'Interest bearing loans and borrowings').

12. Trade and other receivables

The trade and other receivables amount to 343.683 k EUR, a decrease of 623.552 k EUR compared to December 2014.
The decrease is on the one hand due to the settlement of the receivable of 910.624 k EUR which was paid by Eandis on 29 December 2014 in the name and on behalf of the public authorities (municipalities and cities) in the framework of the reimbursement of the shares of the DSOs owned by Electrabel and, on the other hand, an increase of the receivable with the DSOs of 199.233 k EUR due to the fact that the invoices relating to the transfer of the costs have been paid cash at year end and will be paid on their due date at the end of June 2015.
The increase of other receivables includes an amount of recoverable VAT of 38.984 k EUR. As from 1 January 2015 a VAT-unit was established within Eandis to group the VAT of its subsidiaries and the DSOs. Hence, all balances towards the VAT administration are included in Eandis and the recovery/liability is recorded as a transit between the participants of the VAT-unit.
The amounts depreciated are 45 k EUR in June 2015 compared to 22 k EUR in June 2014.

13. Receivables and liabilities cash pool activities

The receivable on the distribution system operators amounts to 107.804 k EUR at June 2015 (0 k EUR at year end 2014) and the payable amounts to 27.618 k EUR (838.735 k EUR at year end 2014).
The decrease in the liability is the result of the settlement of the exit of the former private partner, Electrabel out of the DSOs.

14. Interest bearing loans and borrowings, current and non-current

(In thousands of EUR)	30 June 2015	31 December 2014
Loans, non-current	**3.393.552**	**3.392.363**
Commercial paper	101.800	0
Bank debts	57.880	0
Loans, current	**159.680**	**0**
Total	**3.553.232**	**3.392.363**

Long term loans

This item contains the bond loans and private placements issued since 2010.
The movement compared to 2014 is only due to the recording of the costs spread by instalments.

The bond issues are mainly carried out in the framework of the EUR 5 billion EMTN programme.
Eandis obtained in this context an ‘A1’ rating from Moody's since October 2011. In December 2014 the outlook was changed from stable to negative since additional funding was necessary to finance, among others, the exit of Electrabel, shareholder for 21% of the DSOs.
The bonds are listed on the regulated market of the Luxembourg Stock Exchange and the issuances since November 2012 on the regulated market of Euronext and Alternext Brussels.
All outstanding loans are denominated in euro and have a fixed interest rate.
For all the bond loans, each of the Flemish DSOs (shareholders of the Group) is guarantor on a several but non-joint basis, but limited to its proportional share in the capital of Eandis.
All funds of those loans are fully lent on to the distribution system operators at the conditions governing the issued bond loans. The resulting receivable for the Group is recorded as 'Long term receivables'.
Distribution system operators use these funds primarily to fund their ongoing investments in the networks for electricity and gas, for refinancing purposes and to pay the exit fee to Electrabel, shareholder of the DSOs.

During the first half of 2015 no new loans were issued.

The capital of the debenture is repayable at maturity.
In the framework of the 5 billion euro EMTN programme an amount of 2.260,5 k EUR or 53,21 % has been issued until 30 June 2015 (unchanged compared to year end 2014).

Loans, current
This item contains the current portion of the long term loans and the loans on short term.

The Group can call on the following credit facilities:

(In thousands of EUR)	Maturity	Available amount	Amounts used	Amounts not used	Average interest rate %
Commercial paper		522.000	0	522.000	
Fixed loans/Bank overdraft	Daily	200.000	0	200.000	
Fixed loans		100.000	0	100.000	
Total at 31 December 2014		**822.000**	**0**	**822.000**	
Commercial paper	31/07/2015 & 30/09/2015	522.000	101.800	420.200	0,14%
Fixed advances		200.000	0	200.000	
Fixed loans/Bank overdraft	Daily	200.000	57.880	142.120	0,60%
Fixed loans		100.000	0	100.000	
Total at 30 June 2015		**1.022.000**	**159.680**	**862.320**	

* The average interest rate of the used amounts at the end of the period

The **movements of the long and short term loans** can be analyzed as follows:

(In thousands of EUR)	30 June 2015	31 December 2014
Opening amount as at 1 January	3.392.363	2.341.768
Proceeds of long term loans	0	1.274.998
Change in long term loans	1.189	1.914
Proceeds of short term loans	159.680	0
Repayment short term loans	0	-226.317
Total	**3.553.232**	**3.392.363**

The fair value of the loans is disclosed in the note 'Financial instruments: risks and fair value '.

15. Employee benefit liabilities

The employee benefit liabilities decrease from 425.074 k EUR with 77.782 k EUR to 347.292 k EUR. This decrease is mainly explained by the change in the assumptions: an increase of the discount rate, a further decrease of the inflation rate and the inclusion of the profit on investments of the pension plans.

16. Trade payables and other current liabilities

The trade payables and other current liabilities amount to 344.667 k EUR compared to 201.958 k EUR in December 2014.
The increase of 142.709 k EUR is due to an increase in trade payables and an increase in other payables to set up additional provisions for employee benefit expenses, accrued interest on the bond loans and the settlement of VAT within the framework of the VAT-group.

17. Financial instruments: risks and fair value

Risks

Eandis manages its potential risks in a systematic way via the 'integral risk management' methodology. The Group's functioning as the operating company for the distribution system operators limits to a large degree the risks and their possible negative impact.

More detailed information about the risks of the Group and its shareholders is included in the IFRS consolidated financial statements of 31 December 2014 and the prospectus of 25 November 2014 concerning the guaranteed Euro Medium Term Note programme. These documents can be consulted on the Eandis website www.eandis.be.

Fair value

The fair value of financial assets and liabilities is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties that are independent in an arm's length transaction and not in a forced sale or liquidation sale.

(In thousands of EUR)	30 June 2015	31 December 2014
Other investments	1.208	1.330
Short term deposits	0	0
Cash and cash equivalents	11.447	8.906
Total	**12.655**	**10.236**
Loans on long term	3.765.106	3.848.527
Loans on short term	159.680	0
Total	**3.924.786**	**3.848.527**

Fair value hierarchy

The fair value of the loans is disclosed at level 1. This means that the valuation is based on quoted prices in an active market. The fair value of the unquoted loans (private placements) is their nominal value.

The fair value of the quoted bonds, issued for a total amount of 2.980,5 million EUR, varies according to the market interest rate. The fair value at 30 June 2015 amounts to 3.325,1 million EUR and differs from the amount that will be reimbursed and the carrying value. The fair value was obtained based on the indicative quotations on Bloomberg (Bloomberg is a prominent provider of business and financial market news. It delivers world economic news, quotes for stock futures, stocks and other).

There were no transfers between the levels during the period.

18. Important events during the reporting period

On 1 January 2015, the Management Committee was amended following the retirement of Mr. Frank Demeyer and Mr. Luc Desomer. Mr. Werner Verlinden was appointed as a member of the Management Committee, responsible for HR and Organisational Management. Mr. Desomer was replaced by two Senior Managers: Mrs. Isabel Van Cutsem, responsible for Communication, and Mr. Wouter Blomme, responsible for Public Affairs and Events.

Renewal of the permission for the operating company
By decision of 24 February 2015 the Flemish energy regulator VREG granted permission to the Distribution System Operators Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas to call on the services of Eandis cvba as operating company for electricity. This permission is valid from 5 September 2014 onwards and stands for a period of twelve years.

On 16 January 2015 an extraordinary general shareholders' meeting approved an amendment to the articles of Synductis and the inclusion of a seventh sector "Coordination" (with shares "B"), changed the provisions of the capital and the composition and functioning of the Board of Directors. This amendment was confirmed by a notary deed on 21 January 2015.
On 14 January 2015 the Board of Directors of Eandis took notice of the decision of the Belgacom SA under public law (acting under the name Proximus) to participate in Synductis. Consequently, Eandis transferred its Synductis shares for the 'telecom' activity to this new Synductis-associate.
The extraordinary general shareholders' meeting of 16 January 2015 took the necessary decisions to allow Belgacom/Proximus in the company Synductis. The relevant notarized ratification followed on 21 January 2015.

On 26 March 2015 Eandis introduced 22 environmental friendly natural gas vehicles for its meter readers. This fits within the strategy to reduce the emission of harmful substances, by greening its own fleet of commercial vehicles.

Since the operational start of Atrias was delayed and presumably will only start as from 1 January 2018, Indexis must continue to support the DSOs and its operating companies. Taking into account the internal developments within Indexis and the company's remaining mission in an extended time perspective, it was decided to integrate Indexis within Eandis through a merger by absorption in December 2015 but with effect from 1 January 2016.

Eandis, as operating company for the distribution system operators, focuses on the development of different strategic objectives where different transactions in 2015 will be carried out or are foreseen:

- the merger of the DSOs by changing the articles of association
- the attraction of a private partner as change in the articles of association of the merged DSO
- the step in of new partners in Synductis

Eandis also decided to

- to participate in the Smart City project ' SHARED ' by the city of Ghent where 350 residential units on the site "Groene Briel" are being renovated and the conversion of two brown fields is achieved by the construction of 500 housing NZE (nearly zero emission) on the site "Tondelier" and 400 residential units on the site "Oude dokken/Schipperskaai"
- to participate in the Mobimix-project that will start in July 2015. With the project partners, Mobimex aims for more sustainable mobility by a limited number of companies and local authorities in the region East-Flanders and to guide in the field of sustainable mobility. The purpose of Eandis is to reemphasize its role as facilitator for local authorities and businesses, to communicate about the learning points and convey a positive image of Eandis as a sustainable company and as a pioneer in the field of sustainable mobility

- to take part in the Board of Directors of Energik, a non-profit organization that deals with the promotion of technology for the rational use of energy and sustainable energy and environmental management.

19. Related parties

The nature of the transactions with the Management Committee, the directors and other related parties during the first half of 2015 do not substantially differ from the transactions included in the annual report of 2014.