SUPPLEMENT 2
TO THE BASE PROSPECTUS DATED 17 SEPTEMBER 2013

Eandis CVBA

Brusselsesteenweg 199
B-9090 Melle Belgium
BE 0477,445,084 RLE Ghent
incorporated as a "coöperatieve vennootschap met beperkte aansprakelijkheid" (CVBA) / "société coopérative à responsabilité limitée" (SCRL) under Belgian law
(the "Issuer")

EUR 5,000,000,000

Guaranteed Euro Medium Term Note Programme

Due from one month to 30 years from the date of original issue
Guaranteed on a several but not joint basis by Gaselwest CVBA, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas CVBA (the "Guarantors")

This Supplement (the "**Supplement**") to the base prospectus (the "**Base Prospectus"**) dated 17 September 2013 (as previously supplemented on 27 September 2013) constitutes a prospectus supplement for the purposes of Article 34 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission of investment instruments to trading on a regulated market (as amended from time to time, the "**Prospectus Law**") and is prepared in connection with the Guaranteed Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), established by the Issuer and guaranteed by the Guarantors on a several but not joint basis. Terms defined in the Base Prospectus or in any document incorporated by reference in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and the supplement dated 27 September 2013).

The English version of this Supplement has been approved on 25 April 2014 by the Belgian Financial Services and Markets Authority (the "**FSMA**") in its capacity as competent authority under the Prospectus Law. The approval by the FSMA does not imply any appraisal of the appropriateness or the merits of any issue under the Programme, nor of the situation of the Issuer or any of the Guarantors. The whole of this Supplement has been translated into Dutch. In the event of any discrepancy between the English and the Dutch version of this Base Prospectus, the English version shall prevail. Each of the Issuer and the Guarantors assumes responsibility for the consistency between the English version and the Dutch version of this Base Prospectus. This Supplement will be published on the website of Euronext Brussels (www.beurs.be) and the Issuer (http://www.eandis.be/eandis/emtn_programma.htm).

The purpose of this Supplement is to (i) incorporate the audited consolidated financial statements of the Issuer and the audited consolidated financial statements of the Eandis Economic Group for the financial year ended 31 December 2013, which have been prepared in accordance with IFRS into the Prospectus, (ii) to update the outlook of the corporate rating of the Issuer and (iii) to update certain information regarding litigations in which the Issuer is involved.

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer confirms that, to the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The date of this Supplement is 25 April 2014.

1. Rating outlook

Moody's Investor Service Ltd. ("**Moody's**") assigned a corporate rating A1 (with negative outlook) to the Issuer on 12 October 2011, and confirmed this rating on 20 December 2011, 21 December 2012 and 20 December 2013. As defined by Moody's, obligations rated A are considered upper-medium grade and are subject to low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category. On 13 March 2014, Moody's changed the outlook applicable to the corporate rating of the Issuer from "negative" to "stable".

2. Risk of challenge of previous CREG tariff decisions

Reference is made to the litigation described in 1. of the risk factor "*Risk of challenge of previous CREG Tariff decisions*" on page 37 of the Base Prospectus. In this matter before the Justice of the Peace of Deurne, the Justice of the Peace held itself on 31 January 2014 to be incompetent and formally referred the case to the Court of Appeal of Brussels. This referral is completely in line with the Guarantors' consistent view that only the Court of Appeal of Brussels can decide on the alleged non-validity of these distribution tariffs. Moreover, it has to be seen whether the initial claimants will (and are still legally able to) pursue action before the Court of Appeal of Brussels. In any case, although the outcome of such proceedings can never be predicted with any certainty, the DSOs are of the opinion and will further be arguing in court that the legal discussions surrounding the validity of the Tariff Decrees should not lead to a repayment of all distribution fees. This argument was recently supported by the CREG as well in these proceedings before the Justice of the Peace.

Reference is made to the litigation described in 3. of the risk factor "*Risk of challenge of previous CREG Tariff decisions*" on pages 37-38 of the Base Prospectus. In this matter before the Court of Appeal of Brussels, the Court of Appeal of Brussels annulled on 28 November 2013 the CREG's decisions to approve the injection tariffs by criticising the decisions on several grounds. The Court held inter alia that (i) the legal basis supporting the decisions was inadequate, (ii) the injection tariffs discriminate between regular consumers and Prosumers whilst the Flemish Technical Regulations (*Technisch Reglement*) do not provide for a different treatment of these categories and (iii) injection tariffs should be more cost-reflective and thus not consist of a flat-rate amount. Although the Issuer is still of the view that the DSOs should be adequately remunerated for the services rendered by the DSOs to Prosumers, it has implemented the judgement and reimbursed the injection tariffs already collected. It has to be seen whether the discrimination between Prosumers and consumers will be remedied in the future by alternative and legally more suitable instruments. If the legal obstacles are solved by alternative policy measures or adequately included in the new tariff methodology following the regionalisation, the financial position and the profits of the Issuer and the Guarantors would not be impacted. In view of such repayment by the Issuer, the situation referred to in paragraph 2 on page 97 of the Base Prospectus is no longer applicable.

3. Transfer of tariff-setting competences to the regional regulations

Reference is made to the risk factor "*Transfer of tariff setting competences to the regional regulators*" on page 39 of the Base Prospectus. In this matter, it should be noted that the political agreement on the transfer of competency on distribution grid tariffs from the federal level to the regional level materialised in the adoption of the Special Act of 6 January 2014 regarding the sixth state reform. The Flemish energy regulator VREG (and no longer the federal energy regulator CREG) will officially become competent for the distribution grid tarification as from 1 July 2014 onwards. Yet, it should be emphasised that for the VREG to take up this role, a minimal Flemish legislative framework should already be in place consisting at least of (i) provisions regarding the designation of the VREG as Flemish regulator in relation to tariffs and (ii) provisions allowing tariff decisions to be taken by the latter. No such legislative framework is currently in place, and the consequences and risks set out in the Base Prospectus remain of application.

4. Incorporation by reference

In addition to what is set out in the section "*Documents incorporated by reference*", the Base Prospectus should be read and construed in conjunction with the audited consolidated financial statements of the Issuer for the year 31 December 2013 and with the audit report thereon.

Such document shall be incorporated in, and form part of the Base Prospectus, save that any statement contained in a document which is incorporated by reference in the Base Prospectus shall be modified or superseded for the purpose of the Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Base Prospectus. Copies of documents incorporated by reference in the Base Prospectus may be obtained (without charge) from the registered offices of the Issuer and the website of the Issuer (http://www.eandis.be/eandis/ir_rating_and_bonds.htm).

The table below sets out the relevant page references for the audited consolidated financial statements for the financial years ended 31 December 2013.

The Issuer confirms that it has obtained the approval from its auditors to incorporate by reference in the Base Prospectus the statutory auditor's reports for the financial years ended 31 December 2013.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purpose only and do not form part of this Base Prospectus.

Audited consolidated financial statements, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2013

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Audit of Eandis CVBA consolidated financial statements 2013 (separate document)	
Audit of historical consolidated financial information	Pages 1-2

5. ***Selected historical financial information of the Issuer and the Eandis Economic Group for the financial year ended 31 December 2013***

The section *Selected Financial Information Concerning the Issuer and the Eandis Economic Group* on page 124 of the Base Prospectus will be supplemented by adding the following paragraphs 5.1*bis* and 5.4*ter*:

5.1*bis* Selected historical financial Information of the Issuer for the financial year ended 31 December 2013

The following tables set out in summary form certain balance sheet, income statement and cash flow information relating to the Issuer. The information has been extracted from the audited consolidated statements of the Issuer for the years ended 31 December 2013. The audited, consolidated financial statements of the Issuer of the year ended 31 December 2013 have been approved by the Issuer's Annual General Meeting of Shareholders on 25 April 2014. These consolidated statements of the Issuer have been prepared in accordance with IFRS. The auditors of the Issuer issued an unqualified report on the consolidated statements of the Issuer for the years ended 31 December 2013.

Consolidated Income Statement as at 31 December 2013 and 31 December 2012 (*2012 restated concerning IAS 19 revised*)

(In thousands of EUR)	2013	2012	Change between 2012-2013 (%)
Operating revenue	1,241,299	1,301,688	-4.6
Revenue	1,225,940	1,287,267	-4.8
Other operating revenue	15,288	13,822	+10.6
Own construction capitalized	71	599	-88.1
Operating expenses	-1,237,380	-1,301,893	-5.0
Changes in inventories of finished goods and raw materials	-134,803	-144,223	-6.5
Cost for services and other consumables	-704,559	-711,060	-0.9
Employee benefit expenses	-393,039	-441,422	-11.0
Depreciation. amortisation and changes in provisions	-4,517	-5,018	-10.0
Other operational expenses	-462	-170	+171.8
Result from operations	3,919	-205	
Finance income	64,583	42,370	+52.4
Finance costs	-66,469	-41,504	+60.2
Profit (loss) before tax	2,033	661	+207.6
Income tax expenses	-2,033	-661	+207.6
Result for the period	0	0	

Consolidated Statement of comprehensive income as at 31 December 2013 and 31 December 2012 (2012 restated concerning IAS 19 revised)

(In thousands of EUR)	2013	2012
Actuarial gain (loss) on long term employee benefits	112,581	-107,749
Actuarial gain (loss) on rights to reimbursement on long term employee benefits	-112,581	107,749
Other comprehensive income	0	0
Result for the period	0	0
Total comprehensive income for the period	0	0

Consolidated Balance Sheet as at 31 December 2013 and 2012 (2012 restated concerning IAS 19 revised)

(In thousands of EUR)	2013	2012
Non-current assets	2,557,057	2,104,061
Intangible assets	1,591	0
Property. plant and equipment	4,345	7,769
Investments in an associate	5	5
Other investments	988	988
Rights to reimbursement on post-employment employee benefits	419,348	589,546
Long term receivables	2,130,780	1,505,753
Current assets	449,183	341,938
Inventories	32,008	38,294
Trade and other receivables	49,177	47,851
Receivables cash pool activities	363,002	246,158
Current tax assets	0	3,010
Cash and cash equivalents	4,996	6,625
TOTAL ASSETS	3,006,240	2,445,999
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	3,005,141	2,444,900
Non-current liabilities	2,534,799	2,085,142
Interest bearing loans and borrowings	2,115,451	1,495,596
Employee benefit liability	419,348	589,546
Current liabilities	470,342	359,758
Interest bearing loans and borrowings	226,317	111,908
Government grants	242	609
Trade payables and other current liabilities	241,843	247,162
Current tax liabilities	1,940	79
TOTAL EQUITY AND LIABILITIES	3,006,240	2,445,999

Since the changes to IAS 19 (revised) are minimal for the Issuer, the adjustments were processed in the income statement and the balance sheet of 2012. The description of the adjustments and their effects is disclosed in the notes to the audited consolidated financial statements for the year ending 2013 under "*Summary of the changes in accounting policies*".

Consolidated Cash-flow Statement as at 31 December 2013 and 31 December 2012

(In thousands of EUR)	2013	2012
Result for the period	0	0
Amortization of intangible assets	625	0
Depreciation on property. plant and equipment	3,886	5,028
Impairment on current assets (reversal-; recognition +)	6	-10
Gain or loss on realization receivables	12	1
Net finance expense	2,255	-703
Gain or loss on sale of property, plant and equipment 5 0 Movement in government grants	-368	-163
Income tax expense (income)	2,033	661
Operating cash flow before changes in working capital and provisions for employee benefits	8,454	4,814
Change in inventories	6,286	-6,127
Change in trade and other receivables	4,915	55,764
Change in trade payables and other current liabilities	-11,886	23,146
Net operating cash flow	-685	72,783
Interest paid	-58,816	-36,994
Interest received	57,166	36,927
Financial discount on debts	789	1,126
Income tax paid	2,837	8,052
Net cash flow from/used in operating activities	9,745	86,708
Proceeds from sale of property. plant and equipment	24	394
Purchase of intangible assets	-844	0
Purchase of property. plant and equipment	-1,862	-2,879
Purchase of financial assets	0	-9
Proceeds from sale of other investments	0	515
Net investment in other long term receivables	-27	-21
Receipt of government grants	0	618
Net cash flow used in investing activities	-2,709	-1,382
Issuance of capital	0	0
Issuance of bonds	618,770	677,650
Repayment short term loans and borrowings	114,409	-142,711
Change in cash pool	-116,844	65,917
Provide long term loans	-625,000	-685,500
Dividends received	0	0
Net cash flow from/used in financing activities	-8,665	-84,644
Net change in cash and cash equivalents	-1,629	682
Cash and cash equivalents - at beginning of period	6,625	5,943
Cash and cash equivalents - at end of period	4,996	6,625

5.*4ter* *Selected consolidated historical financial information of Eandis Economic Group for the financial years ended 31 December 2013 and 31 December 2012*

The following tables set out in summary form certain balance sheet, income statement and cash flow information relating to the Eandis Economic Group. The information has been extracted from the audited consolidated statements of the Eandis Economic Group for the years ended 31 December 2013 and 2012. These consolidated statements of the Issuer have been prepared in accordance with IFRS.

The auditors of the Eandis Economic Group have emphasised in their audit report the uncertainty in respect of the tariffs applied by the Guarantors in light of the *ex-post* control of the CREG hereon (please see the risk factor "*Settlement of deviations from budgeted values and incentive regulation mechanism*" on page 35 above and the heading "*Tariff Procedure: Control*" in section 2.3 (*Regulated tariffs for the Distribution System Operation of Gas and Electricity*) on page 93 above. The estimated amount of the tariff deficit for the financial years 2013 and 2012 is recorded on the balance sheet as other receivable/payable in anticipation of a final decision hereon by the CREG.

Eandis Economic Group Consolidated Income Statement as at 31 December 2013 and 31 December 2012 (2012 restated concerning IAS19 revised)

(In thousands of EUR)	2013	2012	Change between 2012-2013 (%)
Operating revenue	2,955,571	2,906,762	+1.7
Revenue	2,212,757	2,190,528	+1.0
Other operating income	97,329	53,054	+83.5
Own construction. capitalized	645,485	663,180	-2.7
Operating expenses	-2,484,237	-2,402,643	+3.4
Cost of trade goods	-924,874	-924,997	-0.0
Cost for services and other consumables	-753,610	-741,065	+1.7
Employee benefit expenses	-393,072	-441,456	-11.0
Depreciation, amortisation. impairments and changes in provisions	-343,065	-261,925	+31.0
Other operational expenses	-55,630	-77,390	-28.1
Regulated transfers	-13,986	44,190	
			-131.6
Result from operations	471,334	504,119	-6.5
Finance income	43,756	2,648	+1652
Finance costs	-187,101	-205,789	-9.1
Profit before tax	327,989	300,978	
Income tax expenses	-7,831	-3,977	+96.9
Profit for the period	320,158	297,001	+7,8

Eandis Economic Group Consolidated Statement of Comprehensive income as at 31 December 2013 and 2012 (2012 restated concerning IAS19 revised)

(In thousands of EUR)	2013	2012	Change between 2012-2013 (%)
Actuarial gain (loss) on post employment employee benefits	112,581	-107,749	
Other comprehensive income	112,581	-107,749	
Profit for the period	320,158	297,001	+7.8
Total comprehensive income for the period	432,739	189,252	+128.7

Eandis Economic Group Consolidated Balance Sheet as at 31 December 2013 and 2012 (2012 restated concerning IAS 19 revised)

(In thousands of EUR)	2013	2012
Non-current assets	7,724,365	7,501,636
Intangible assets	107,204	76,101
Property. plant and equipment	7,613,864	7,421,186
Investments in an associate	5	5
Other investments	988	988
Long term receivables	2,304	3,356
Current assets	1,314,278	1,200,793
Inventories	32,008	38,294
Trade and other receivables	1,275,828	1,152,161
Current tax assets	_1,406	3,497
Cash and cash equivalents	5,036	6,841
TOTAL ASSETS	9,038,643	8,702,429
EQUITY	2,979,375	2,779,407
Total equity attributable to owners of the parent	2,978,296	2,778,328
Capital	1,924,415	1,924,415
Reserves	520,437	497,952
Other components of equity	-153,643	-266,224
Retained earnings	687,087	622,185
Non-controlling interest	1,079	1,079
LIABILITIES	6,059,268	5,923,022
Non-current liabilities	5,040,594	4,630,870
Interest bearing loans and borrowings	4,472,768	3,847,136
Employee benefit liability	419,348	589,546
Derivative financial instruments	121,459	163,453
Provisions	24,734	28,450

Other non-current liabilities	2,285	2,285
Current liabilities	1,018,674	1,292,152
Interest bearing loans and borrowings	495,540	771,774
Government grants	242	609
Trade payables and other current liabilities	520,948	519,685
Current tax liabilities	1,944	84
TOTAL EQUITY AND LIABILITIES	9,038,643	8,702,429

Since the changes to IAS 19 (revised) are minimal for the Eandis Economic Group, the adjustments were processed in the income statement and the balance sheet of 2012. The description of the adjustments and their effects is disclosed in the notes to the audited consolidated financial statements for the year ending 2013 under "*Summary of the changes in accounting policies*".

Eandis Economic Group Consolidated Cash-flow Statement as at 31 December 2013 and 31 December 2012 (restated concerning IASS 19 revised)

(In thousands of EUR)	2013	2012
Profit for the period	320,158	297,001
Amortisation of intangible assets	37,837	23,868
Depreciation on property. plant and equipment	283,626	282,358
Change in provisions (Reversal -; Recognition +)	-3,716	-17,023
Impairment current assets (Reversal -; Recognition +)	25,319	-27,277
Gains or losses on realization receivables	11,720	26,548
Net finance costs	185,707	182,294
Change in fair value of derivative financial instruments	-41,994	21,010
Gains or losses on sale of property. plant and equipment	39,181	45,785
Movement in government grants	-368	-163
Income tax expense	7,831	3,977
Operating cash flow before change in working capital and provisions for employee benefits	865,301	838,378
Change in inventories	6,286	-6,128
Change in trade and other receivables	-159,636	-251,957
Change in trade payables and other current liabilities	-2,125	75,199
Change in employee benefits	-57,617	-16,369
Net operating cash flow	-213,092	-199,255
Interest paid	-182,629	-183,751
Interest received	425	307
Financial discount on debts	979	1,762
Income tax paid	-3,880	-128
Net cash flow from operating activities	467,104	457,313
Proceeds from sale of property. plant and equipment	2,891	1,988
Purchase of intangible assets	-67,568	-57,243
Purchase of property. plant and equipment	-519,747	-561,441
Net investments	0	-9
Proceeds from sale of other investments	0	515
Net investments in long term receivables	-27	-21
Receipt of a government grant	0	618
Net cash flow used in investing activities	-584,451	-615,593
	0	
Proceeds from issue of shares	0	0
Repayment of share capital		0
Repayment of borrowings	-659,866	-151,719

Proceeds from borrowings		0
Proceeds from bonds/borrowings	275,000	677,650
Change in current liabilities	114,409	-142,718
Transfer of guarantee for allotments	0	-31
Dividends paid	-232,771	-224,025
Dividends received	0	0
Net cash flow from/used in financing activities	115,542	159,157
Net decrease in cash and cash equivalents	-1,805	877
Cash and cash equivalents at the beginning of the period	6,841	5,964
Cash and cash equivalents at the end of the period	5,036	6,841

6. Settlement with the city of Tienen

Reference is made to the litigation referred to in first bullet point of section 6.1 "*Legal and arbitration procedures of the Issuer*" on page 134 of the Base Prospectus. In April 2014 a final out-of-court settlement by compromise *("dading" / "transaction")* was reached with the city of Tienen in respect of this litigation. The parties to the settlement have agreed to keep the terms thereof confidential. No further claims or liabilities should, following this settlement, arise from this matter.

7. New annex

The consolidated financial statements (prepared under IFRS) and the audit report of the Eandis Economic Group (including the Issuer, its Subsidiaries and the Guarantors) for the financial year ended 31 December 2013, attached as annex to this Supplement, form a new Annex to the Base Prospectus. The Issuer confirms that it has obtained the approval from its auditors to include as annex to this Supplement and the Base Prospectus the auditor's reports for the financial year ended 31 December 2013 of the Eandis Economic Group.

8. General

Save as disclosed in this Supplement, there has been no significant change in the information in the Base Prospectus and no significant new matter has arisen since 17 September 2013, the date of the publication of the Base Prospectus.

25 April 2014

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Name: Nick Vandevelde   Name: Koen Schelkens

ANNEX

This annex includes the consolidated financial statements (prepared under IFRS) and the audit report of the Eandis Economic Group (including the Issuer, its Subsidiaries and the Guarantors) for the financial year ended 31 December 2013

The Issuer confirms that it has obtained the approval from its auditors to include as annex to this Supplement and the Base Prospectus the auditor's reports for the financial year ended 31 December 2013 of the Eandis Economic Group.

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ECONOMIC GROUP EANDIS

Consolidated IFRS Financial Statements
for the year ended 31 December 2013

Contents:

Economic group EANDIS
Consolidated IFRS Financial Statements
for the year ended 31 December 2013

Consolidated income statement

(In thousands of EUR)	Notes	2013	2012 Restated *
Operating revenue		**2.955.571**	**2.906.762**
Revenue	3	2.212.757	2.190.528
Other operating income	3	97.329	53.054
Own construction, capitalized	3	645.485	663.180
Operating expenses		**-2.484.237**	**-2.402.643**
Cost of trade goods	4	-924.874	-924.997
Cost for services and other consumables	5	-753.610	-741.065
Employee benefit expenses	6	-393.072	-441.456
Depreciation, amortization, impairments and changes in provisions	7	-343.065	-261.925
Other operational expenses	8	-55.630	-77.390
Regulated transfers	9	-13.986	44.190
Result from operations		**471.334**	**504.119**
Finance income	10	43.756	2.648
Finance costs	10	-187.101	-205.789
Profit before tax		**327.989**	**300.978**
Income tax expenses	11	-7.831	-3.977
Profit for the period		**320.158**	**297.001**

* Concerning IAS 19 (Revised)

Consolidated statement of comprehensive income

(In thousands of EUR)	Notes	2013	2012 Restated *
Profit for the period		**320.158**	**297.001**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains (losses) on long term employee benefits	23	112.581	-107.749
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**112.581**	**-107.749**
Total comprehensive income for the period		**432.739**	**189.252**

* Concerning IAS 19 (Revised)

Consolidated balance sheet

(In thousands of EUR)	Notes	2013	2012 Restated *
Non-current assets		**7.724.365**	**7.501.636**
Intangible assets	12	107.204	76.101
Property, plant and equipment	13	7.613.864	7.421.186
Investments in an associate	14	5	5
Other investments	15	988	988
Long term receivables	16	2.304	3.356
Current assets		**1.314.278**	**1.200.793**
Inventories	17	32.008	38.294
Trade and other receivables	18	1.275.828	1.152.161
Current tax assets	19	1.406	3.497
Other investments		0	0
Cash and cash equivalents	20	5.036	6.841
TOTAL ASSETS		**9.038.643**	**8.702.429**
EQUITY	**21**	**2.979.375**	**2.779.407**
Total equity attributable to owners of the parent		**2.978.296**	**2.778.328**
Capital		1.924.415	1.924.415
Reserves		520.437	497.952
Other components of equity		-153.643	-266.224
Retained earnings		687.087	622.185
Non-controlling interest		**1.079**	**1.079**
LIABILITIES		**6.059.268**	**5.923.022**
Non-current liabilities		**5.040.594**	**4.630.870**
Interest bearing loans and borrowings	22	4.472.768	3.847.136
Employee benefit liabilities	23	419.348	589.546
Derivative financial instruments	24	121.459	163.453
Provisions	25	24.734	28.450
Other non-current liabilities		2.285	2.285
Current liabilities		**1.018.674**	**1.292.152**
Interest bearing loans and borrowings	22	495.540	771.774
Government grants	26	242	609
Trade payables and other current liabilities	27	520.948	519.685
Current tax liabilities	28	1.944	84
TOTAL EQUITY AND LIABILITIES		**9.038.643**	**8.702.429**

* Concerning IAS 19 (Revised)

Since the changes to IAS 19 (Revised) are minimal to the Group, the adjustments were processed in the income statement and the balance sheet of 2012. The description of the adjustments and their effect is disclosed in the note 'Summary of the changes in accounting policies '.

Consolidated statement of changes in equity

(In thousands of EUR)	Share Capital	Reserves	Other compre-hensive income	Retained earnings	Total equity attributable to equity holders	Non-controlling interest	Total
Balance at 1 January 2012	**1.924.415**	**446.915**	**-158.475**	**601.790**	**2.814.645**	**1.079**	**2.815.724**
Total comprehensive income for the period	0	0	-107.749	297.001	**189.252**	0	**189.252**
Addition/decrease reserves	0	51.037	0	-52.581	**-1.544**	0	**-1.544**
Dividends paid	0	0	0	-224.025	**-224.025**	0	**-224.025**
Balance at 31 December 2012 Restated *	**1.924.415**	**497.952**	**-266.224**	**622.185**	**2.778.328**	**1.079**	**2.779.407**
Total comprehensive income for the period	0	0	112.581	320.158	**432.739**	0	**432.739**
Addition/decrease reserves	0	22.485	0	-22.485	**0**	0	**0**
Dividends paid	0	0	0	-232.771	**-232.771**	0	**-232.771**
Balance at 31 December 2013	**1.924.415**	**520.437**	**-153.643**	**687.087**	**2.978.296**	**1.079**	**2.979.375**

* Concerning IAS 19 (Revised)

The above information is disclosed in the notes 'Equity' and in 'Employee benefit liabilities' as regard to ‘other comprehensive income’.

Consolidated cash flow statement

(In thousands of EUR)	Notes	2013	2012 Restated *
Profit for the period		320.158	297.001
Amortization of intangible assets	7, 12	37.837	23.868
Depreciation on property, plant and equipment	7, 13	283.626	282.358
Change in provisions (reversal -; recognition +)	7, 25	-3.716	-17.023
Impairment current assets (reversal -; recognition +)	7	25.319	-27.277
Gain or loss on realization receivables	3, 8	11.720	26.548
Net finance expense	10	185.707	182.294
Change in fair value of derivative financial instruments	10	-41.994	21.010
Gain or loss on sale of property, plant and equipment	3, 8	39.181	45.785
Movement in government grants	26	-368	-163
Income tax expense	11	7.831	3.977
Operating cash flow before change in working capital and provisions for employee benefits		**865.301**	**838.378**
Change in inventories	17	6.286	-6.128
Change in trade and other receivables		-159.636	-251.957
Change in trade payables and other current liabilities		-2.125	75.199
Change in employee benefits	23	-57.617	-16.369
Net operating cash flow		**-213.092**	**-199.255**
Interest paid		-182.629	-183.751
Interest received		425	307
Financial discount on debts	10	979	1.762
Income tax paid		-3.880	-128
Net cash flow from operating activities		**467.104**	**457.313**
Proceeds from sale of property, plant and equipment		2.891	1.988
Purchase of intangible assets	12	-67.568	-57.243
Purchase of property, plant and equipment	13	-519.747	-561.441
Net investments	14, 15	0	-9
Proceeds from sale of other investments		0	515
Net investments in long term receivables		-27	-21
Receipt of a government grant		0	618
Net cash flow used in investing activities		**-584.451**	**-615.593**
Repayment of borrowings	22	-659.866	-151.719
Proceeds from borrowings	22	275.000	0
Proceeds from bonds/borrowings	22	618.770	677.650
Change in current liabilities	22	114.409	-142.718
Transfer of guarantee for allotments		0	-31
Dividends paid	21	-232.771	-224.025
Net cash flow from/used in financing activities		**115.542**	**159.157**
Net change in cash and cash equivalents		**-1.805**	**877**
Cash and cash equivalents - at beginning of period		**6.841**	**5.964**
Cash and cash equivalents - at end of period		**5.036**	**6.841**

* Concerning IAS 19 (Revised)

Notes to the consolidated financial statements

Content

1. Reporting entity

The consolidated financial statements of the economic group Eandis comprise – beside the accounts of the 7 mixed Flemish Distribution System Operators (DSOs) Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas – the accounts of the operating company Eandis cvba, and its subsidiaries De Stroomlijn cvba, Indexis cvba, Atrias cvba and SYNDUCTIS cvba. The aggregated accounts taken together form the 'Group'.
The DSOs are being managed centrally by their operating company Eandis.

The statutory aim of the DSOs is the distribution system operation as understood by the Electricity and Gas Decrees and their execution resolutions, as well as carrying out each peripheral activity, such as public lighting.
The main activities are subject to the regulation by the Commission for the Regulation of Electricity and Gas (CREG) and the Flemish regulator of Electricity and Gas (VREG). For more information, see chapter 'Operating in a regulated environment'.
The Group can also carry out other activities such as energy services to local authorities (ESLA). On request of the local public authorities (municipalities, cities, …) support is offered at cost price on planning and implementating through efficient measures and projects in their local policy on energy.

The companies IMEA, Imewo, Intergem, Iveka and Iverlek are mission charged associations according to the provisions of the Flemish Decree on Intermunicipal Cooperation (6 July 2001) and the companies Gaselwest and Sibelgas are intermunicipal associations under the form of cooperative societies with limited liability.

All companies of the Group are registered in Belgium.

In October 2011 the rating agency Moody's Investors Service ('Moody's') granted Eandis an 'A1' credit rating (negative outlook) which was confirmed on 20 December 2013.
This is what distinguishes Eandis from other Belgian operating companies for the distribution of electricity and gas. It allows Eandis to issue bonds in the international financial markets.

Eandis cvba was active in 234 cities and municipalities and employed, together with its subsidiaries, on average 4.750 persons during 2013.

2. Summary of significant accounting policies

2.1. Statement of compliance and basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standard Board (IASB) and endorsed by the European Community on 31 December 2013. The Group has not applied new IFRS requirements that are effective after 2013.

The consolidated financial statements were expressed in thousands of euro, which is the functional currency and presentation currency of the Group. They have been prepared with the assumption that business activities will be continued and under the historical cost convention method unless otherwise stated.

2.2 Principles of consolidation

The consolidated financial statements comprise all subsidiaries over which the Group has control. There is control when the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Such a form of control exists when the companies, directly or indirectly, hold more than half of the voting rights in the entity. The existence and impact of potential voting rights that were exercisable or convertible at that time, are being taken into consideration when judging whether the Group has the control to determine the financial and operating policies of another entity.

Subsidiaries have been fully consolidated as of the date on which the Group gained actual control until the date the Group no longer exercises such control.

The financial reporting of the subsidiaries is prepared for the same reporting year as that of the parent companies, using consistent accounting principles. All intercompany transactions, balances and unrealized gains and losses between group companies have been eliminated.

Non-controlling interest in the net assets of the consolidated subsidiaries has been individually reported in equity of the parent companies. Non-controlling interest consists of the amount of that interest at the acquisition date and the non-controlling share in the equity changes since the date of the business combination. Losses relative to the minority that are higher than the non-controlling interests in the subsidiary's equity have been allocated to the Group's interests with the exception of those cases in which the minority has a binding obligation to make additional investments to compensate for the losses and is able to do so.

A list of the subsidiaries of the Group is set out in note 'List of group entities included in the consolidation'.

2.3 Segment information

The Group does not distinguish between different segments, neither at the level of activities, nor geographically, since the Group generates income from a sole activity, i.e. distribution network management (electricity and gas) in Flanders.

2.4 Significant accounting policies

The applied accounting policies are in line with last year's accounting principles.

a) Operating income

Goods sold and services rendered

Revenue from sale of goods has been recognized when all of the following conditions have been satisfied: the Group transferred the significant risks and rewards of ownership of the goods to the buyer; the Group retains neither the continuing managerial involvement nor effective control over the goods sold; the amount of revenue can be determined reliably; it is probable that the economic benefits associated with the transaction will flow to the Group; and costs incurred or to be incurred in respect of the transaction can be measured reliably.

On the basis of the previously mentioned principles the sale of goods and the rendering of services has been recognized at the moment of delivery of the goods to the customer, of the customer accepting the goods and of the collectability of the related amounts.

Distribution network remuneration (energy transport) – Social function (energy supply)

The distribution grid revenue (grid fee) is based on the actual billing of the grid fee of the DSOs in the relevant year.

The billing of grid fee to energy suppliers and other DSOs is based on the approved tariffs that are published on the websites of the respective DSOs. The real grid fee invoice contains invoiced advances (for customers whose meter is recorded annually), settlement billing (from annually recorded, manual monthly recorded and remotely read access points) as well as rectification invoices recorded in the calendar year concerned.

Interest income is recorded as soon as acquired and for the period to which it relates (taking into account the asset's actual interest rate), unless there is doubt about its collectability.

Dividends received are recognized in the income statement at the moment they are granted.

Government grants are recognized in the balance sheet as soon as it is reasonably certain that the grant will be received and that all of the conditions attached to it will be complied with.
Grants related to an asset are included in Government grants and will be recognized in the income statement on a systematic basis over the expected useful life of the related asset.
Grants related to expenses are presented in the income statement as other operating income in the same period in which the costs are included.

b) Expenses

The finance costs include interest on loans, calculated using the effective interest rate method and bank charges. All interest and other costs incurred in connection with loans or other financial transactions such as hedging options are recognized as financial expenses when they occur.

The income tax of the year comprises the tax charge payable. The tax on profit is recognised in the income statement. The current tax expenses are the expected current taxes payable on the taxable income for the year, based on tax rates in effect at the balance sheet date and any adjustment to current taxes payable from previous years.

c) Intangible assets

Intangible assets are measured at cost less any accumulated amortizations and possible impairment losses.

Costs relating to research, which is carried out with the purpose of obtaining new technical knowledge and insights, are recognized in the income statement in the period in which they occur.
Costs relating to the development phase, in which knowledge obtained through research is applied in order to achieve a plan or design for the production of new or significantly improved products and processes, are included in the balance sheet if and only if the product or process was technically and commercially feasible, the entity has the necessary resources to complete the development, it is probable that future economic benefits will flow into the Group and the cost can be measured reliably. The capitalised amount includes all costs that are directly attributable to the creation, production, and the preparation of the asset, so that it could operate in the same manner as intended by the management.

Intangible assets with a finite useful life are amortized on a straight-line basis over their expected useful life. Another amortization method is only used if the expected pattern of consumption of the future economic benefits of the asset was better reflected.
Intangible assets are not revalued.
When the carrying amount of an intangible asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The following amortization percentages are used in the calculation of depreciation:

Software	20,00 %
Cost for smart meters, smart grid, smart users and clearing house	20,00 %

d) Property, plant and equipment

Property, plant and equipment are measured at historical cost less third party contributions, the accumulated depreciations and impairment losses. The historical cost comprises the initial purchase price plus other directly attributable costs.
The cost price of assets of own-production comprises the cost of material, direct labour cost and a reasonable part of indirect labour costs. These indirect labour costs comprise that part of general administrative and operational costs that cannot be directly attributed to investment expenses. These costs (for the largest part personnel costs) are added to the cost price of investment projects according to the internal billing system.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item can be depreciated separately.

The Group recognizes the cost of an expansion or replacement part of such asset when these costs have been incurred if it is probable that the future economic benefits associated to that asset will flow to the Group and the asset's cost can be measured reliably. All other costs are expensed as incurred.

Depreciation is recognized in profit or loss on a straight-line basis as of the date of bringing into use and over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated. The applied depreciation percentages on the basis of the average useful life are as follows:

Administrative buildings	2,00 %
Networks and lines	2,00 %
Other distribution installations	3,00 %
Recycled equipment	6,67 %
Optical fibre	10,00 %
Electronic metering equipment	10,00 %
Office furniture and tools	10,00 %
Leasehold improvements	10,00 %
Vehicles	20,00 %
Hardware	33,33 %
Test equipment EVA (Electric vehicles in action)	50,00 %

In the opening balance sheet as per 1 January 2007 the Belgian GAAP carrying amount, as accepted by the CREG, was taken as the opening value for IFRS.

Repair and maintenance costs that do not increase the future economic benefits, are recognized in the income statement as incurred.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the asset is at its location and in the condition necessary for it to function in the manner intended by management.

Gains and losses on sale

Any gain or loss arising on derecognition of property, plant and equipment is included in the income statement. They are recognized when the significant risks and rewards of ownership have been transferred to the buyer, collectability of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

Leasing

Lease of assets under which all the risks and rewards incidental to ownership are substantially retained by the lessor, are classified as operating lease.

Lease payments based on operating leases are expensed on a straight-line basis, unless another systematic method is more representative of the time pattern of the benefits for the user.

Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount.

Impairment has been recognized if an asset's carrying amount exceeds the recoverable value. Impairment is charged directly to the income statement.

e) Investments

All investments are accounted for at trade date.

Investments in equity instruments consist of interests in entities in which the Group does not have significant influence or control. This is the case in companies where the Group has less than 20% of the voting rights. Such investments are designated as financial assets available for sale and are at initial recognition measured at fair value unless the fair value cannot be reliably determined in which case they are measured at cost.

An impairment is recognized if the carrying amount exceeds the expected realizable value.

Options and warrants for the purchase of shares have been recognized at fair value. The fair value for the options and warrants was determined using the Black-Scholes model. Changes in fair value have been recognized in profit or loss.

f) Inventories

Inventories have been measured at purchase cost. Their value has been determined using the moving weighted average method.
An impairment is carried out on inventories if, due to its obsolescence, it is no longer usable or if its carrying amount exceeds the estimated sales price. If items of inventory have not been used for more than one year, an impairment of 100 % is recorded.
This impairment loss is recognized as an expense in the income statement.

g) Trade and other receivables

Trade and other receivables are measured at amortized cost.
An allowance for impairment is established if the collection of the receivable becomes doubtful and after comparison with the realizable value. If a receivable is expected to be no longer collectible or if the collection costs exceed the amount of the receivable, the receivable is derecognized utilizing the allowance that was recognized for that purpose.

In the framework of the full liberalization of the energy market in Flanders as per 1 July 2003, an impairment loss was recognized for the total amount including VAT of all receivables as per 31 December 2003, older than 6 months. These provisions have been reversed in view of the collection of these receivables or they have been used whenever these receivables have no longer been reported in the balance sheet.

Receivables in relation to construction works carried out on behalf of third parties, with the exception of damage claims and receivables on communities which have expired for more than 6 months are regarded as doubtful. Therefore a write-down of 100 % (excluding VAT) has been recorded.

The receivables from energy supplies within the framework of the Distribution System Operators' social public service obligations (SPSO) are recognized in the balance sheet at nominal value. These receivables are considered as doubtful if they have not been paid after expiry date.
For all other SPSO receivables an impairment loss of 100 % (excluding VAT) of the amount receivable (excluding VAT) has been recognized, if they are older than 1 year and have not been included in an agreed repayment plan. These receivables are recorded as doubtful.
This write-down differs from previous years, but determined in a uniform manner the write-down. The effect of this modification was stated in the notes 'Depreciation' and 'Trade and other receivables'.

Construction works for third parties have been stated at cost price. The cost price comprises all expenses directly related to specific projects and a surcharge of the fixed and variable indirect costs incurred related to the Group's contract activities based on a normal production capacity.

h) Cash and cash equivalents

Cash and cash equivalents comprise the readily available cash resources, deposits that can be immediately withdrawn and other short term, highly liquid investments (with a maximum maturity of three months), that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. They are stated at face value, which approximates their fair value. For the purpose of the cash flow statement, they are presented as cash and cash equivalents.

i) Share capital

The share capital is represented by certificates C, shares A, C, D and F and the shares/certificates E" and E without nominal value. Together with the shares/certificates C, they are entitled to a dividend.
The shares A, C, D and F have voting rights; the certificates C, the shares/certificates E" and E do not have voting rights.
The profit is paid proportionally to the shares A or C and the certificates C after setting up the necessary reserves and after paying the remuneration for the F shares and the shares/certificates E" and E according to the reimbursement rate stipulated in the bylaws.
Dividends are recognized as a liability in the period in which they have been approved.
If there are components of the results that are the consequence of elements originating in the captive period (before 1 July 2003) and that would have affected the outcome of the relevant period, then this part of the result is assigned to the participants according to the terms as were applicable with respect to the distribution of net profit realized in the years preceding the first effects of liberalization.

j) Loans and borrowings

Interest bearing loans are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest bearing loans are measured at amortized cost, in which any difference between the proceeds and the reimbursement is charged to the income statement using the effective interest method over the maturity of the loans.

k) Employee benefit liability

Pension plans and other post-employment benefits

The contributions for defined contribution plans have been recognized as an expense at the moment when incurred including possible deficits to the minimum guaranteed return.

The Group's liabilities for the defined benefit plans, as well as for the subsequent costs, have been valued on the basis of the 'Projected Unit Credit' method. The amount recognized in the balance sheet represents the present value of the pension liabilities (Defined Benefit Obligation) mentioned, less the fair value of plan assets.
Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding interest) which is reflected in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.
Past service costs are recognized in profit or loss in the period of a plan amendment.
Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability.
The amounts recognized in the income statement comprise service costs (including current service costs, past service costs, gains and losses on other long term employee benefits as well as curtailments and settlements), net interest expense or income and remeasurement.
The Group presents the first two components of the defined benefit costs in profit or loss on the line item Employee benefit expenses.

Other long term employee benefits

These benefits are treated in the same manner as pension plans; however, past service costs and actuarial gains and losses have immediately been recognized in the income statement.

l) Derivative financial instruments

The Group uses derivative financial instruments (Linear Constant Maturity Swap – LCMS; Interest Rate Swaps - IRS and other) to hedge the exposure to interest rate risks that arise from its financing activities. Derivative financial instruments are initially recognized at fair value. The gain or loss resulting from fluctuations in the fair value is immediately accounted for through the income statement. The fair value of the interest rate swaps was the estimated amount the Group would receive or pay to end the swap at the balance sheet date, taking into account the actual interest rate and the creditworthiness of the counterparty.
The derivatives do not qualify for hedge accounting.

m) Provisions

Provisions are recognized in the balance sheet when the Group has a present (legal or constructive) obligation as a result of a past event, and when it is probable that an outflow of financial resources will be required to settle the obligation and the obligation's amount can be reliably estimated.
The amount recognized as provision is the best available estimate on the balance sheet date for the expenses needed to meet the existing liabilities, possibly discounted if the money's time value is relevant.

n) Trade and other liabilities

Trade and other liabilities have been measured at amortized cost.

o) Income tax expense

Taxes on the accounting year's result comprise current taxes. These taxes comprise the expected tax liability on the taxable income of the year and adjustments to the tax liabilities of prior years. For the calculation of these income taxes, the tax rates used, are those enacted (or substantially enacted) at the end of the reporting period.
The DSOs are subject to the private entity tax only for that part of the dividends that is allocated to the Private Partner/shareholder. Eandis and its subsidiaries are subject to the corporation tax.

Current tax assets and liabilities are offset only if the entity has a legally enforceable right to set off the recognized amounts and has the intention to either settle the obligation on a net basis, or to realize the asset and settle the liability simultaneously.

2.5 Summary of the changes in accounting policies

The Group shall apply for the first time certain standards, interpretations and amendments for the accounting period beginning on 1 January 2013. As required, those adjustments on the accounting policies are detailed below.

IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single source of guidance for all fair value measurements and provides guidance on how to measure value measurement. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS13 rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.
The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. IFRS 13 also requires specific disclosures on fair values.

Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

This amendment requires a presentation amendment introducing the breakdown and grouping of items in Other Comprehensive Income that could or will never be reclassified (or recycled) to profit or loss at a future point in time.
This amendment affected presentation only and has no impact on the Group's financial position or performance.

IAS 1 Clarification of the requirement for comparative information (Amendment)

The amendments specify that a third statement of financial position is required when the entity applies an accounting policy retrospectively, or makes a retrospective statement or reclassification of items of its financial statements and the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.
This amendment affected presentation only and has no impact on the Group's financial position or performance.

IAS *19 Employee benefits* (Revised 2011)
This revised standard contains many amendments.
Since the Group has already processed the actuarial differences via Other Comprehensive Income, the following amendments are of interest for the Group: the expected return on plan assets can no longer be recognized in profit or loss, instead, the interest on the net defined benefit liability should be recognized in profit or loss. The interest is determined on the basis of the discount rate, which is also used to measure the defined benefit obligation. In addition, on occurence of the amendment in the pension plan the unvested past service costs are now recognized in profit or loss. Other amendments include new disclosures.
IAS 19 (Revised 2011) requires retrospective application. Accordingly, the comparative figures in the consolidated financial statements of 2012 are revised.

The impact of this amendment is as follows:
On the consolidated income statement

(In thousands of EUR)	**31 December 2012**
Operating expenses	
Employee benefit expenses	-2.656
Net impact on result for the period	**-2.656**
Actuarial gains (losses) on long term employee benefits	-2.122
Net impact on other comprehensive income	**-2.122**

On the consolidated statement of financial position

(In thousands of EUR)	**2012**
Non-current liabilities	
Increase in the employee benefit liabilities	4.778
Net impact on equity	**4.778**

On the consolidated cash flow statement

(In thousands of EUR)	**31 December 2012**
Profit for the period	-2.656
Operating cash flow before change in working capital and provisions for employee benefits	**-2.656**
Change in employee benefits	2.656
Net operating cash flow	**2.656**
Net cash flow from operating activities	**0**

Several other Standards and Interpretations are applicable for the annual period beginning on 1 January 2013. They do not have a significant impact on the financial statements of the Group.

- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (applicable for annual periods beginning on or after 1 January 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (applicable for annual periods beginning on or after 1 January 2013)

2.6 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that might affect the reported amounts of assets and liabilities, and the amounts of revenue and expenses. The estimates and the underlying assumptions have been based on past experience and several other factors that are believed to be reasonable given the circumstances. The results thereof form the basis for the judgment on the carrying amount of assets and liabilities that could not be deduced in a simple way from other sources. The actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

Defined benefit plans and other long term employee benefits

The cost of the defined benefit pension plans and other long term employee benefits and the present value of the pension obligation are determined using actuarial valuations. This involves making various assumptions that may differ from actual developments in the future.

Due to the complexity of the actuarial calculations and the long-term nature of the obligation, the defined benefit obligation is highly sensitive to changes in the assumptions.

The major assumptions are disclosed in the note 'Pensions and other post-employment benefit plans'.

Derivative financial instruments

Information about major items of uncertainty and critical judgement with regard to the recording of the derivative financial instruments is included in the note 'Financial instruments: risks and fair value'.

2.7 Standards issued but not yet effective

The following new standards and interpretations were published, but were not yet applicable for the annual period beginning on 1 January 2013.

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2015)
  This standard was issued in the framework of a wider project to replace IAS 39. IFRS 9 prevents but simplifies the mixed valuation model and suggests two primary valuation classes for financial assets: amortized cost and fair value.
- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014) establishes a single control model whereby the concept of control is a deciding factor to assess if an entity should be included in the consolidated financial statements of the parent.
- IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2014) establishes principles for the financial reporting by the parties of a joint control and removes the method of proportionate consolidation by the equity method.

- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014): disclosures of information for all kinds of minority interests, including joint arrangements, associates, special purpose entities and other off balance sheet entities.
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Improvements to IFRS (2010-2012) (normally applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Improvements to IFRS (2011-2013) (normally applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)
- Amendments to IFRS 10, IFRS 12 and IAS 27 – *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 19 *Employee Benefits – Employee Contributions* (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 – *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 – *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 21 – *Levies* (applicable for annual periods beginning on or after 1 January 2014, but not yet endorsed in EU)

The Group will apply the new standards and interpretations applicable to its financial statements as soon as they become effective. The Group has not opted for early application of these standards and interpretations.
The adoption of these standards, interpretations and amendments to the standards already issued and their impact on the Group's results are currently being assessed.

3. Operating revenue

Revenue

(In thousands of EUR)	2013	2012
Distribution and transport grid revenue	2.057.140	2.016.688
Sale of energy	92.661	101.338
Construction works for third parties	57.317	65.991
Other sales	5.639	6.511
Total	**2.212.757**	**2.190.528**

The Group has realized most of its revenue from the remuneration of the distribution and transport of electricity and gas via its **networks**. This revenue should be evaluated together with the regulatory transfers.
The **sale of energy** consists of the energy supplies to individuals who do not find an energy supplier on the market due to payment problems.
The billing of **construction works for third parties** comprises the construction works carried out by Eandis (possibly in synergy with other utilities) for the account of customers.
The **other sales** mainly comprise the revenue from costs billed for studies, combined heat and power projects and others.

On 12 July 2012 the Constitutional Court pronounced a judgment whereby the Flemish Decree of 23 December 2010 was adjourned. As a result, the DSOs may again charge **the injection rates** to the energy producers concerned and also the retro activity is allowed.
The Flemish mixed DSOs therefore charge the injection rates (large plants) as from 1 February 2011 on the invoices from the month of September 2012.
On 6 December 2012, the request of the Flemish DSOs to charge a **remuneration for decentral installations** with a capacity less than or equal to 10 kW with reversible meter was approved. As a result, a standard fee could be charged for the year 2013 and 2014.
On 27 November 2013 this application was annulled by a decision of the Court of Appeal. As a consequence, the DSOs needed to reverse all the previously invoiced relevant remuneration to the energy suppliers.

Other operating income

(In thousands of EUR)	2013	2012
Recuperations	80.111	39.364
Other	17.218	13.690
Other operating income	**97.329**	**53.054**
Own construction, capitalized	**645.485**	**663.180**

The **recuperations** relate to billings for work performed for customers, the reinvoicing of costs for campaigns for Rational Use of Energy (RUE) and the recovery of general expenses by contractors, insurance and other authorities.

The **other** operating income mainly comprises allowances for damages and operations, gains on trade receivables (338 k EUR for 2013 and 439 k EUR for 2012) and gains on the sale of property, plant and equipment (963 k EUR for 2013 and 693 k EUR for 2012).

All costs related to distribution activities have been registered as operational cost. Periodically, a settlement has been recorded and certain costs related to investments have been activated through the item **own construction, capitalized**. As a result, this revenue cannot be considered as an operating income.
This item also contains the contributions received from customers (112.232 k EUR for 2013 and 112.892 k EUR for 2012) which are also deducted as own construction, capitalized (-112.232 k EUR for 2012 and -112.892 k EUR for 2012).

4. Cost of trade goods

(In thousands of EUR)	2013	2012
Cost for transportation	385.021	384.722
Purchase of energy	38.608	52.724
Purchase of goods for resale	134.801	144.223
Purchase of grid losses	31.968	33.065
Certificates for green energy	334.476	310.263
Total	**924.874**	**924.997**

The **cost for transportation** includes the expense of the federal contribution amounting to € 75 million for 2013 (€ 104 million for 2012). This contribution is used to finance certain public service obligations, the obligations for denuclearization, the reduction of emissions of greenhouse gases (Kyoto) and the costs relating to the regulation and control of the energy market. The DSOs charge these costs in their tariffs to the end users, through the suppliers (cascade mechanism).

The Group has the obligation to buy **certificates for green energy** that were offered at a certain price. These certificates can be sold in an active market. The value of the certificates sold is lower than the purchase price. The resulting costs were included under the heading ‘Certificates for green energy’ as well as the revaluation cost to fair value and the solidarity contribution on the certificates for green energy (see note Trade and other receivables ').

5. Cost for services and other consumables

(In thousands of EUR)	2013	2012
Cost of purchase network grids	325.535	340.046
Cost for direct purchases	38.004	49.409
Fee for usage of installations	43.193	37.885
Advertising, information, documentation, receptions a.o.	12.269	13.484
Subsidy for rational use of energy (RUE)	82.909	56.745
Contribution 100 kWh free of charge	103.637	104.100
Contracts and administration costs	7.217	6.519
Consultancy and other services	85.170	78.016
Other	55.676	54.861
Total	**753.610**	**741.065**

The cost for services and other consumables has increased with 12.545 k EUR compared to 2012.

This increase is mainly due to the increase of the costs related to the subsidy for rational use of energy (26.164 k EUR) and the costs for consultancy and other services (7.154 k EUR).

The item ‘Other’ comprises the cost for rent, communication, transport, insurance, seminars and other.

6. Employee benefit expenses

(In thousands of EUR)	2013	2012 Restated*
Remunerations	265.931	261.448
Social security contributions	77.105	71.981
Contributions to defined benefit plans and other insurances	33.452	88.903
Other personnel costs	16.584	19.124
Total	**393.072**	**441.456**

* Concerning IAS 19 (Revised)

The employee benefit expenses amounted to 393.072 k EUR in 2013, a decrease of 48.384 k EUR compared to 2012 (Restated),.mainly as a result of the decrease in the pension costs.

The average number of employees amounted to 4.750 persons in 2013.

7. Amortization, depreciation, impairments and changes in provisions

(In thousands of EUR)	2013	2012
Amortization of intangible assets	37.837	23.868
Depreciation of property, plant and equipment	283.626	282.357
Total amortization and depreciation	**321.463**	**306.225**
Impairment of inventories and trade receivables	25.319	-27.277
Changes in provisions	-3.717	-17.023
Total	**343.065**	**261.925**

The **amortization** on intangible assets increased with 13.969 k EUR mainly as a result of the investment in the projects smart metering and smart grids.

The **depreciation** on property, plant and equipment increased with 1.269 k EUR .

The **impairment of trade receivables** mainly concerns additions due to the recording of provisions for doubtful receivables and overdue receivables, as well as the change in the recording of a 100% write down on all bad debts from the DSOs' social public service obligations.
In 2012 a write back was recorded mainly due to regularisations of the past.
The note 'Other operational expenses' should be read in conjunction to evaluate the cost of the bad debts – see item 'Loss on realization receivables'.

The change in **provisions** mainly concerns the provision for rehabilitation costs which amounted to 3.717 k EUR for 2013 and 17.017 k EUR for 2012 (see note 'Provisions, other').
The decrease of the provisions was due to the use (rehabilitation and sale of land) and more specific elements which could reduce the provision of the rehabilitation cost.

8. Other operational expenses

(In thousands of EUR)	2013	2012
Loss on disposal/retirement of property, plant and equipment	40.143	46.477
Loss on realization receivables	12.057	26.987
Other	3.430	3.926
Total	**55.630**	**77.390**

9. Regulated transfers

Since 2011 the Group reports the additions, recoveries and regularisation for transfers in this separate section as ‘Operating expenses’, where previously they were reported as ‘Revenue'.
The Group believes that the balance between actual income and expenses and the budgeted income and expenses is not part of revenue, since the recovery through tariffs will occur in a subsequent period.

The regulated transfers for 2013 and 2012 are as follows:

(In thousands of EUR)	2013	2012
Addition transfers	13.986	-178.978
Recuperation transfers	0	134.788
Total	**13.986**	**-44.190**

The revenue of the items ‘Addition and recuperation transfers’ relate to the additional revenue registration that is allowed as the difference between the actual income and expenses and the budgeted income and expenses as approved by the CREG. The result thus additionally reported will be recuperated through the tariffs of the following years (see chapter ‘Operating in a regulated environment’).

10. Financial results

(In thousands of EUR)	2013	2012
Interest income banks	95	80
Interest income derivative financial instruments	41.994	0
Other financial income	1.667	2.568
Total financial income	**43.756**	**2.648**
Interest expenses non-current loans	183.533	182.811
Interest expenses current loans and other borrowings	1.640	1.392
Interest expenses derivative financial instruments	0	21.010
Other financial expenses	1.928	576
Total financial expenses	**187.101**	**205.789**

Financial income increases from 2.648 k EUR to 43.759 k EUR due to fair value adjustment (income) of the derivative financial instruments. In 2012 a loss was recorded of 21.010 k EUR (see Financial costs).
The other financial income contains mainly financial discounts received and income from government grants.

The **interest expenses** on current and new loans remain almost stable.

11. Income tax

(In thousands of EUR)	2013	2012
Tax expenses on current year result	6.142	3.783
Tax expenses on previous year result	1.689	194
Total	**7.831**	**3.977**

(In thousands of EUR)	2013	2012
Profit before tax (1)	327.989	303.634
Theoretical tax rate (2)	111.483	103.205
Specific tax regime DSOs (3)	-110.792	-102.980
	691	225
Effect non-deductable expenses	4.924	4.578
Effect deductable expenses	-12.607	-7.984
Usage of fiscal loss carried forward	7.337	3.661
Private entity tax DSOs on dividends for the private partner/shareholder	5.797	3.303
Total income tax expenses	**6.142**	**3.783**

(1) Subject to the legal Belgian tax rate of 33,99 %
(2) The DSOs are only taxable on the amount that is allocated as a dividend to their Private Partner/shareholder for the gas activity. This dividend tax is calculated at the 25,75 % for 2013 and 15,45 % rate for 2012.

Although there are important differences between the statutory annual accounts according to Belgian GAAP and the consolidated IFRS accounts, no deferred taxes have been reported. As the DSOs are subject to the private entity tax, which is only applicable on dividends paid out to third parties (non-public authorities), the differences therefore do not result in deferred taxes.

12. Intangible assets

(In thousands of EUR)	Licences and similar rights	Research costs	Total
Cost at 1 January 2013	15.546	119.338	**134.884**
Acquisitions	844	66.724	**67.568**
Other	3.080	0	**3.080**
Acquisition value at 31 December 2013	**19.470**	**186.062**	**205.532**
Depreciation and impairment at 1 January 2013	15.546	43.237	**58.783**
Depreciation	625	37.212	**37.837**
Other	1.708	0	**1.708**
Depreciation and impairment at 31 December 2013	**17.879**	**80.449**	**98.328**
Net book value at 31 December 2013	**1.591**	**105.613**	**107.204**

(In thousands of EUR)	Licences and similar rights	Development costs	Total
Cost at 1 January 2012	15.546	62.095	77.641
Acquisitions	0	57.243	57.243
Cost at 31 December 2012	**15.546**	**119.338**	**134.884**
Depreciation and impairment at 1 January 2012	15.546	19.369	34.915
Depreciation	0	23.868	23.868
Depreciation and impairment at 31 December 2012	**15.546**	**43.237**	**58.783**
Net book value at 31 December 2012	**0**	**76.101**	**76.101**

The investments for the projects smart metering, smart grids, smart users (as from 2012) and clearing house are recorded in the item ‘Development costs’. The acquisitions for the project smart metering amounted to 46.163 k EUR for 2013 and 38.827 k EUR for 2012.
Research costs are included in the income statement amounting to 167 k EUR for 2013 and 94 k EUR for 2012.
There were no intangible assets with an indefinite useful life.

13. Property, plant and equipment

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Cost at 1 January, 2013	238.398	12.058.833	379.164	17.413	**12.693.808**
Acquisitions	6.242	495.709	17.991	298	**520.240**
Sales and disposals	-2.616	-168.846	-9.372	0	**-180.834**
Cost at 31 December, 2013	**242.024**	**12.385.696**	**387.783**	**17.711**	**13.033.214**
Depreciation and impairment at 1 January, 2013	72.710	4.873.850	314.505	11.557	**5.272.622**
Acquisitions	3.696	255.323	22.248	2.359	**283.626**
Acquisitions from third parties	0	25	468	0	**493**
Sales and disposals	-1.475	-128.077	-7.839	0	**-137.391**
Depreciation and impairment at 31 December, 2013	**74.931**	**5.001.121**	**329.382**	**13.916**	**5.419.350**
Net book value at 31 December, 2013	**167.093**	**7.384.575**	**58.401**	**3.795**	**7.613.864**

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Cost at 1 January 2012	225.776	11.718.006	364.157	16.123	**12.324.062**
Acquisitions	14.668	525.878	19.536	1.290	**561.372**
Sales and disposals	-2.046	-185.051	-4.529	0	**-191.626**
Cost at 31 December 2012	**238.398**	**12.058.833**	**379.164**	**17.413**	**12.693.808**
Depreciation and impairment at 1 January 2012	67.009	4.762.024	293.994	9.615	**5.132.642**
Depreciation	5.991	249.587	24.837	1.942	**282.357**
Acquisitions from third parties	0	176	149	0	**325**
Sales and disposals	-290	-137.937	-4.475	0	**-142.702**
Depreciation and impairment at 31 December 2012	**72.710**	**4.873.850**	**314.505**	**11.557**	**5.272.622**
Net book value at 31 December 2012	**165.688**	**7.184.983**	**64.659**	**5.856**	**7.421.186**

The acquisitions reported in the item 'Installations, machinery and equipment' mainly relate to the investments in mid and low voltage electricity networks for a total value of 276.591 k EUR and 288.388 k EUR in 2012 and investments in gas pipe lines and gas connections for a value of 170.599 k EUR in 2013 and 177.596 k EUR in 2012.
At the end of 2012 a firm commitment to sell a building as well as the intention to sell different building sites existed (see note 'Contingencies').

The commitments for the acquisition of property, plant and equipment at the end of 2013 amounted to 2.615 k EUR and 1.332 k EUR the end of 2012.

The net book value includes the assets paid by clients (third party intervention) and corresponds to the fair value of the network of the Group.

As per 31 December 2013 and 2012, there are no restrictions on title and property, plant and equipment are not serving as pledge for liabilities.

14. Investment in an associate

On 9 May 2011 Atrias cvba was established. Atrias is a central clearing house for the Belgian DSOs and charged with the development of a Message Implementation Guide (MIG), the development of a clearing house application, and the management and maintenance of this application.
MIG describes how the communication flow between the various players of the energy market should be organized.

The Group has acquired 25 % of the shares. The amount of 5 k EUR was recorded as an investment in an associate.

Atrias is an unlisted company and has no official price quotation.

The following table summarizes the financial information of Atrias at 31 December:

(In thousands of EUR)	**2013**	**2012**
Property, plant and equipment	2.648	1.155
Current assets	1.934	2.659
Liabilities	4.563	3.795
Equity	19	19
Share in equity	**5**	**5**
Revenue	4.343	2.658
Result for the period	0	0
Share in the result for the period	**0**	**0**

The Group receives its share of the operating costs of Atrias. Since this company is also working at cost price, its results are without any profit nor loss.
The Group grants funding to Atrias and provides housing (see details in note 'Related parties').

15. Other investments

(In thousands of EUR)	2013	2012
Business centres	969	969
Other	19	19
Total	**988**	**988**

The investment in business centres relates to participations in business centres which the Group has subscribed to since 2007 at the request of its shareholders. These business centres are situated in the distribution area of Gaselwest (business centres Kortrijk, Roeselare, Flemish Ardennes, Waregem and Westhoek), Imewo (business centres Bruges, Ghent, Meetjesland and Ostend) and Iveka (business centre Kempen).

In 2011, a participation (1 share) was subscribed to a European company KIC InnoEnergy amounting to 10 k EUR. This company aims to develop various components for medium and low voltage stations, and the necessary logistics and communications.

On 21 December 2012 SYNDUCTIS cvba was established in which Eandis participated for the electricity sector (3.100 euro), gas sector (3.100 euro) and temporarily for the telecom sector (3.100 euro). As a result, Eandis temporarily holds a participation of 50 %.
SYNDUCTIS is a cooperation for the utility companies in the sector drinking water, the sector sewering and the sector road system with 'Tussengemeentelijke Maatschappij der Vlaanderen voor Watervoorziening' (TMVW), 'Intercommunale Waterleidingsmaatschappij van Veurne-Ambacht' (IWVA), 'Intercommunale voor Waterbedeling in Vlaams-Brabant' (IWVB) and Eandis aiming to synchronise their infrastructure works in the public domain. Further cooperation with other utility companies is possible in the future to expand and optimize the less-disruption-policy and overall cost efficiency. On contractual basis, Belgacom is involved for one year with SYNDUCTIS and delegates an observer to the Executive Board of SYNDUCTIS.

16. Long term receivables

This category consisted almost exclusively of loans to local authorities at market conditions and amounted to 2.304 k EUR at the end of 2013 and 3.356 k EUR at the end of 2012.

17. Inventories

(In thousands of EUR)	2013	2012
Raw materials and consumables	32.380	38.515
Impairment	-372	-221
Total	**32.008**	**38.294**

The impairment losses amounted to 151 k EUR in 2013 and 73 k EUR in 2012.
These amounts were reported in the income statement.

18. Trade and other receivables

(In thousands of EUR)	2013	2012
Trade receivables - gross	480.856	439.346
Impairment	-90.817	-65.498
Total trade receivables - net	390.039	373.848
Other receivables	406.786	253.456
Other receivables - Transfers	479.003	524.857
Total other receivables	885.789	778.313
Total trade and other receivables	**1.275.828**	**1.152.161**

The information regarding outstanding balances with the associate, was included in the note 'Related parties'.

The detail of the **trade receivables – net** is as follows.

(In thousands of EUR)	2013	2012
Trade receivables from distribution grid activities		
Outstanding debt	242.379	217.539
Impairment	0	0
Trade receivables social customers		
Outstanding debt	127.352	124.045
Impairment	-75.479	-50.516
Other trade receivables		
Outstanding debt	57.628	39.736
Construction works for third parties	21.910	34.999
Impairment	-15.337	-14.982
Trade receivables public authorities, state and county	21.078	13.270
Other	10.508	9.757
Total trade receivable - net	**390.039**	**373.848**

The net amount of trade receivables from social customers decreased from 73.529 k EUR in 2012 to 51.873 k EUR. As a result of the adjustment of the valuation of this receivable an extra amount of 22.840 k EUR was disposed of.
The 'Other trade receivables' include an amount of 1.347 k EUR for 2013 and 1.708 k EUR for 2012 related to bad debts from the period before the energy market's liberalization, as well as receivables related to finished construction works and services rendered and costs still to be billed related to works for third parties.

The trade receivables from distribution grid activities are payable within 18 calendar days following the dispatch of the invoice as provided in the Access Code.

The detail of the **other receivables** is as follows.

(In thousands of EUR)	2013	2012
VAT receivable	11.631	1.533
Receivables municipalities	787	983
Green energy and cogeneration certificates	386.715	246.151
Receivables options	4.475	3.332
Others	3.178	1.457
Other receivables	406.786	253.456
Transfer tariff	350.991	394.321
Complement to annual energy sales	72.472	73.598
Financial reconciliation	0	0
Solidarity receivables related to the certificates for green energy	29.108	25.496
Deferred charges	6.073	3.989
Accrued income	20.359	27.453
Other receivables - Transfers	479.003	524.857
Total other receivables	**885.789**	**778.313**

The increase in **other receivables** was mainly due to the increase in the purchase obligation of the certificates for green energy (GEC) and cogeneration certificates (CGC) and the VAT receivable on invoices related to GEC and CGC partly compensated by the decrease of the transfer of tariffs.

The **green energy certificates and cogeneration certificates** continue to increase.
During 2012 no certificates were sold. Based on a decision of the Flemish Government amending the Energy Decree, these certificates were immobilized to a certain level ('banking') and an amount was determined (banding divisor) equal to 97 euro per green energy certificate and 35 euro per cogeneration certificate. The value at which the certificates are recorded varies and depends on the number of years the installation is in service.
During 2013, the certificates were offered for sale on a quarterly basis. For a total amount of 85.742 k EUR of green energy certificates were sold. The result from the sale amounts to 6.072 k EUR and has been included as a cost ‘Cost of trade goods’.
The value of the green energy certificates was restated to 93 euro per certificate and the cogeneration certificates to an average of 27 euros based on article 5 §3 of the resolution of the Flemish Government of 10 January 2014 amending the Energy Decree of 19 November 2010 with regard to the banking of green energy certificates and cogeneration certificates by the DSOs. The resulting costs were also included in the post ‘Cost of trade goods’.
All the cogeneration certificates purchased during 2013 were valued at 31 euro.

The item ‘**Other’** contains an amount of 347 k EUR related to a grant receivable in the framework of the EVA project (486 k EUR in 2012).

Transfer tariff is related to the revenue correction that in the following tariff period is eligible for inclusion (see chapter ‘Working in a regulated environment – The billing mechanism’).

The **complement to the annual energy sales** concerns the estimate of the energy supplied to social customers but not yet invoiced.

Solidarity contribution for green energy certificates
The cost of green power differs greatly for each distribution area in Flanders. In the Energy Decree, the distribution system operators are committed to a mutual settlement of the costs since 2010. The principles and procedures are initiated by the VREG (Flemish Regulator for Electricity and Gas). Since the settlement can be both a receivable or a liability, this item must be read together with the item reported in the notes ‘Trade and other payables’.

The **deferred charges and accrued income** mainly concern the amounts to be settled on the sales of distribution networks and installations and elements related to the recuperation of costs.

19. Current tax assets

This item primarily comprises tax receivables amounting to 1.409 k EUR (3.497 k EUR for 2012).

20. Cash and cash equivalents

Cash and cash equivalents comprise bank deposits, cash resources and fund investments that are readily exchangeable into cash. At the end of 2013 an amount of 5.036 k EUR was available and 6.841 k EUR at the end of 2012.
All resources are reported in euro.

21. Issued capital and reserves

The various components of equity and the movements from 1 January 2012 to 31 December 2013 were reflected in the ‘Statement of changes in equity’.

The **share capital** amounted to 1.924.415.173,52 EUR at the end of December 2013, unchanged compared to 2012. The capital was fully subscribed and paid up. It represents the sum of the capitals of the DSOs.

The table below shows the *number of shares and profit certificates per category in the capital* of each DSO at the *end of 2013 (unchanged compared to 2012).*

	Shares A and C		Profit certificates C		Shares F	
DSO	**Number**	**Capital (in €)**	**Number**	**Capital (in €)**	**Number**	**Capital (in €)**
Gaselwest	13.636.330	138.739.255,09	119 (1)	0,00	2.718.294	177.335.132,75
IMEA	6.857.503	61.436.213,92	12	0,00	1.371.491	69.488.003,84
Imewo	13.471.943	241.819.942,33	87	0,00	2.694.379	139.827.154,47
Intergem	7.201.570	91.558.642,15	48	0,00	1.440.300	76.100.180,77
Iveka	10.798.392	141.629.329,25	93	0,00	2.091.014	109.233.217,70
Iverlek	16.177.467	131.348.127,38	103	0,00	3.235.487	153.054.430,90
Sibelgas (2)	4.091.477	37.821.921,90	0	0,00	808.289	22.354.333,22
Total	**72.234.682**	**844.353.432,02**	**462**	**0,00**	**14.359.254**	**747.392.453,65**

	Shares/Profit certificates E''		Shares/Profit certificates E		Total	
DSO	Number	Capital (in €)	Number	Capital (in €)	Number	Capital (in €)
Gaselwest	843.437	54.997.639,49	436.906	15.160.239,04	17.635.086	386.232.266,37
IMEA	571.748	27.094.533,18	1.092.956	29.473.156,59	9.893.710	187.491.907,53
Imewo	74.990	4.616.255,71	1.150.503	37.939.814,00	17.391.902	424.203.166,51
Intergem	135.430	7.114.050,94	178.838	5.240.402,11	8.956.186	180.013.275,97
Iveka	601.258	32.255.094,00	438.610	14.150.572,96	13.929.367	297.268.213,91
Iverlek	1.148.536	55.093.403,62	1.144.387	30.323.036,53	21.705.980	369.818.998,43
Sibelgas	0	0,00	816.927	19.211.089,68	5.716.693	79.387.344,80
Total	**3.375.399**	**181.170.976,94**	**5.259.127**	**151.498.310,91**	**95.228.924**	**1.924.415.173,52**

(1) Shares C
(2) In Sibelgas, 10.000 shares D are issued without representation in the share capital and 3 shares C.

The overview of the **reserves** is as follows

(In thousands of EUR)	Legal reserves	Unavailable reserves	Available reserves	Total
Balance at 1 January 2012	1.031	268.903	176.981	446.915
Transfers to reserves	0	39.111	11.926	51.037
Balance at 31 December 2012	**1.031**	**308.014**	**188.907**	**497.952**
Transfers to reserves	0	39.708	0	39.708
Transfers from reserves	0	0	-17.223	-17.223
Balance at 31 December 2013	**1.031**	**347.722**	**171.684**	**520.437**

A *legal reserve* has been formed amounting to 1.031.020,01 EUR. This legal reserve has been formed from the profits, at the rate of 5 % until a maximum of 10 % of the fixed part of the share capital as determined by the articles of association.

An *unavailable reserve* has been formed during the period prior to the energy market's liberalization (captive period), according to the guidelines issued by the Flemish authorities for a total amount of 63.832 k EUR.
Since 2008 amounts were included as unavailable reserve equal to the depreciation of the (RAB-added value) revaluation surplus value in accordance with the settlement with the CREG. From 2010 onwards, the costs of the surplus value of land, buildings and installations sold during the accounting year were taken into account. The addition to the reserves for 2013 amounted to 39.708 k EUR and 39.111 k EUR for 2012.

The total *available reserves* at the end of 2013 amounted to 171.684 k EUR (2012: 188.907 k EUR).
In 2013, an amount of 17.223 k EUR was withdrawn from the reserves to pay out the stated dividend and to keep in retained earnings (Belgian GAAP) an amount which approximately corresponds to half of the anticipated interim dividend based on the current payment forecasts.
In 2012 the available reserves grew with 16.226 k EUR for the part of the bonus related to 2012. This amount represents the difference between the manageable costs as provided for in the original budget for the tariffs and the revised budget following the implementation of new/current indexation (see chapter 'Operating in a regulated environment'). Furthermore, an amount of 576 k EUR was withdrawn from the reserves as well as 3.724 k EUR resulting from a decision of the CREG

concerning the retained elements in the calculation of the fair remuneration with respect to 2010 and 2011.

The other components of equity i.e. other comprehensive income for 2013 amounted to 153.643 k EUR (2012: 266.224 k EUR) and contain the accumulated actuarial losses relating to pensions and other post-employment employee benefits.
The decrease of these losses in 2013 is due to the changes in assumptions that had a beneficial effect in total (see note 'Pensions and other post-employment employee benefits').

A **non-controlling interest** of 35,97 % or 93 k EUR on TMVW was acknowledged vis-à-vis TMVW for its participation in De Stroomlijn.
On 17 June 2013 SYNDUCTIS has taken over from AWW its 77 shares in De Stroomlijn for an amount of 7,7 k EUR.
Eandis owns 70,00 % of the shares of the company Indexis cvba, the other shares being held by Ores, the operating company of the Walloon mixed Distribution System Operators for electricity and gas, and by Fernand Grifnée, CEO of Ores (one share). The non-controlling interest therefore amounts to 30,00 % or 986 k EUR.
In total non-controlling interest thus amounts to 1.079 k EUR.

Dividend
During the accounting year 2013 dividends were paid for a total value of 232.771 k EUR and in 2012 for an amount of 224.025 k EUR.

Below is an overview of the dividends paid per share/profit certificate and per DSO.
Comparing the dividend per share/profit certificate one should take into account the value of each share/profit certificate represented in the capital of the DSOs (see table ‘number of shares/profit certificates in the capital of each DSOs).

For 2013

DSO	Share A&C	Profit certificate C	Share F	Share/Profit Certificate E"	Share/Profit Certificate E
Gaselwest	3,2315	3,2315	2,6152	2,3999	1,2771
IMEA	2,3754	2,3754	1,9134	1,7434	0,9922
Imewo	3,1088	3,1088	2,1723	2,2656	1,2137
Intergem	2,7218	2,7218	2,1541	1,9333	1,0784
Iveka	2,5765	2,5765	1,9767	1,9744	1,1874
Iverlek	2,2430	2,2430	1,9746	1,7654	0,9752
Sibelgas	0,7231	-	2,0769	-	1,7631
Average	**2,6151**	**2,7810**	**2,1512**	**1,9753**	**1,1996**

For 2012

DSO	Share A&C	Profit certificate C	Share F	Share/Profit certificate E"	Share/Profit certificate E
Gaselwest	2,8412	2,8412	3,3565	2,9811	1,7595
IMEA	2,0907	2,0907	2,4382	2,1674	1,4446
Imewo	2,7739	2,7739	2,8074	2,8137	1,7178
Intergem	2,5302	2,5302	2,6704	2,4016	1,4371
Iveka	2,2622	2,2622	2,6611	2,4533	1,5823
Iverlek	2,0068	2,0068	2,4000	2,1937	1,2995
Sibelgas	1,0440	-	1,2059	-	1,1736
Average	**2,3512**	**2,4741**	**2,6591**	**2,4544**	**1,4681**

After the balance sheet date the Board of Directors of each of the DSOs has formulated a dividend proposal. The shareholders have approved the payment of these dividend balances at their DSO's General Assembly. According to IFRS these dividends are only reported in the year that the dividends have been approved. The dividend balance for 2013 amounted to 32.452 k EUR and will be included in the 2014 accounts, the dividend balance for 2012 amounted to 28.757 k EUR and was included in the 2013 accounts.

The amounts mentioned are the net dividends before withholding tax. The dividend allocated to the Private Partner / participant is subject to the Legal Entity Tax (25,75 % in 2013 and 15,45 % in 2012 on the dividend allocated for the gas activity) and deduction of withholding taxes (25,00 %).

The Group's **profit** comprises the fair remuneration, as described in the chapter 'Operating in a regulated environment'.

22. Interest bearing loans and borrowings

(In thousands of EUR)	2013	2012
Long term loans	**4.472.768**	**3.847.136**
Current portion of long term loans	269.223	659.866
short term loans	226.317	111.908
Short term loans	**495.540**	**771.774**
Total	**4.968.308**	**4.618.910**

At the balance sheet date of 2013, the Group had taken up an additional amount of 349.398 k EUR of loans compared to 2012.
All loans are expressed in euro.

Long term loans
Overview of the long-term loans by category
At the end of 2013

(In thousands of EUR)	2013	Initial amount	Current interest rate %	Next review	Maturity
Bond issue - retail	319.994	320.000	4,00 - 4,25		2017-2020
Bond issue - EMTN*	1.698.292	1.710.500	2,75 - 4,50		2021-2032
Bond issue - private**	97.164	100.000	3,50		2027
Bank loans - fixed interest rate	1.626.075	1.957.916	3,25 - 4,76		2013-2025
Bank loans - variable interest rate	4.427	53.153	1,49 - 3,76	1/01/2014	2014-2016
Bank loans - with derivative instrument	916.038	1.270.000	2,97 - 5,02		2023-2027
Other loans	80.000	80.000	3,57		2014
Total	**4.741.991**	**5.491.569**			
Current portion of long term loans	-269.223				
Total long term loans	**4.472.768**				

* EMTN: Euro Medium Term Note (is a programme to provide to the Group the flexibility to issue bond loans with different maturities)
** Private: bond issues according to German law: Schuldschein and Namensschuldverschreibung

At the end of 2012

(In thousands of EUR)	2012	Initial amount	Current interest rate %	Next review	Maturity
Bond issue - retail	320.006	320.000	4,00 - 4,25		2017-2020
Bond issue - EMTN	1.126.704	1.135.500	2,75 - 4,50		2021-2032
Bond issue - private	48.886	50.000	3,50		2027
Bank loans - fixed interest rate	2.106.006	2.332.916	3,12 - 4,76		2013-2025
Bank loans - variable interest rate	7.214	35.234	1,49 - 3,76	5/07/2013	2014-2016
Bank loans – with derivative instrument	818.186	1.120.000	3,55 - 4,57		2023-2027
Other loans	80.000	80.000	3,57		2014
Total	**4.507.002**	**5.091.569**			
Current portion of long term loans	-659.866				
Total long term loans	**3.847.136**				

For bank loans – with derivative instrument interest rate swaps have been subscribed to in order to swap the variable interest rate to a fixed interest rate or forward interest swaps were concluded (see note ‘Derivative financial instruments’).

For the bond loans issued by Eandis, each of the DSOs is guarantor on a non-joint and non-inclusive basis but limited to its proportional share in the capital of Eandis.

Overview of the long term loans issued and borrowings during 2013 and 2012.

(In thousands of EUR)	2013	2012	Initial amount	Interest rate %	Maturity
Bond issue - EMTN	54.292	0	54.500	3,50	2028
Bond issue - EMTN	20.404	0	20.500	3,75	2033
Bond issue - private	48.203	0	50.000	3,50	2043
Bond issue - EMTN	496.011	0	500.000	2,88	2023
Bank loans (fixed interest rate)	150.000	0	150.000	2,97	2023
Bank loans (fixed interest rate)	125.000	0	125.000	2,97	2023
Total 2013	**893.911**	**0**	**900.000**		
Bond issue - EMTN	134.883	134.849	135.500	3,95	2032
Bond issue - Schuldschein	48.961	48.886	50.000	3,50	2027
Bond issue - EMTN	494.610	494.005	500.000	2,75	2022
Total 2012	**678.454**	**677.740**	**685.500**		

Short term loans

(In thousands of EUR)	Maturity	Available amount	Amounts used	Amounts not used	Average interest rate*
Commercial paper		522.000	0	522.000	
Fixed advances	7/01/2014	150.000	100.000	50.000	0,81%
Fixed loans/Bank overdraft	daily	200.000	126.317	73.683	1,39%
Fixed loans		100.000	0	100.000	
Total 2013		**972.000**	**226.317**	**745.683**	

(In thousands of EUR)	Maturity	Available amount	Amounts used	Amounts not used	Average interest rate*
Commercial paper	-	522.000	0	522.000	-
Fixed advances	4/01/2013	225.000	50.000	175.000	1,09%
Fixed loans/Bank overdraft	daily	150.000	61.908	88.092	0,64%
Total 2012		**897.000**	**111.908**	**785.092**	

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

All loans, subscribed by Eandis cvba are in the name and on behalf of the DSOs who stand surety for their part and act as joint co-debtor except for the bank overdrafts.

23. Pensions and other post-employment employee benefit plans

Defined contribution plans
Employees hired after 1 January 2002 and the executive staff hired after 1 May 1999 are entitled to defined contribution plans: these pension plans provide in a lump sum on retirement resulting from the contributions paid and the return granted by the pension institutions, as well as a lump sum and orphan interests in case of decease before retirement. The financing is carried out by employee contributions and employer contributions that are deposited in pension funds (O.F.P. Enerbel and O.F.P. Powerbel) and group insurances. For the contributions deposited from 1 January 2004 onwards, Belgian legislation imposes a minimum average yield: currently 3,75 % on employee contributions and 3,25 % on employer contributions. Possible deficits are to be financed by the employer. As per 31 December 2013 no individual deficits have been noted.

Defined benefit plans
The Collective Labour Agreement of 2 May 1952 stipulated an additional pension equalling 75% of the last annual salary after deduction of the legal pension at the end of a complete career, as well as a survival pension and an orphan allowance. This defined benefit plan has been fully paid up by the employer and the pensions have been paid out directly to the beneficiaries. The remaining subsequent obligations are for the largest part related to current pensions.

The majority of the employees hired before 1 January 2002 and the executive staff hired before 1 May 1999 are entitled to defined benefit plans which provide in the payment of a lump sum on retirement, and a lump sum and orphan interest in case of decease before retirement. These benefits are calculated taking into account the last annual salary and past service. The financing is carried out by employee contributions and employer contributions that are deposited in pension funds (O.F.P. Elgabel and O.F.P. Pensiobel) and group insurances.

Other allowances
The Group also grants post-retirement allowances being reimbursement of healthcare costs and tariff benefits.

The **other long term employee benefits** contain provisions for retirement and jubilee bonuses.

The defined benefit plans expose the company to **various actuarial risks** such as
Investment risk
The present value of the defined benefit plan liability is calculated using a discount rate determined to high quality corporate yields. If the return on plan asset is below this rate, it will create a plan deficit.
Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the funds.

Interest risk
A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
A study has been performed in 2013 in order to determine the mortality tables that best fit the historical observation of the portfolio. The resulting mortality tables are the MR/FR tables for the pensioners and the MR (corrected with 5 years) / FR (without correction) for the active people.

Salary risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The major actuarial assumptions used at balance sheet date to determine the provision for employee benefits and other allowances:

	2013	**2012**
Discount rate	3,05 %	2,60 %
Expected average salary increase (inflation excluded)	0,75 %	1,75 %
Expected inflation	2,00 %	2,00 %
Expected increase of health benefits (inflation excluded)	1,00 %	1,00 %
Expected increase of tariff advantages	0,25 %	0,25 %
Average assumed retirement age	62	62
Mortality table used	MR(-5)/FR	MR/FR
Life expectancy in years of a pensioner retiring at age 65 :		
For a Person aged 65 at closing date :		
- Male	22,5	22,5
- Female	22	22

No prospective mortality tables are used, therefore no change occurs in the life expectation of a pensioner retiring at the age of 65 in twenty years.

Amounts recognized in comprehensive income

(In thousands of EUR)	**2013**	**2012**
Service cost		
Current service cost	-23.908	-25.243
Cost of early retirement	-4.165	-2.680
Past service cost	-2.348	0
Actuarial gains/(losses) on other long term benefits	9.354	-7.752
Net interest on the net defined benefit liability/(asset)		
Interest cost	-24.541	-35.580
Interest income on plan assets	11.599	15.759
Defined benefit costs recognized in profit or loss	-34.009	-55.496
Actuarial gains/(losses) on defined benefit obligation arising from		
changes in demographic assumptions	-9.610	0
changes in financial assumptions	33.206	-126.507
changes from experience adjustments	76.077	0
Return on plan assets (excluding interest income)	12.909	18.758
Remeasurements of net defined benefit (liability)/asset recognised in Other Comprehensive Income (OCI)	112.581	-107.749
Total	**78.573**	**-163.245**

Amounts recognized in the balance sheet

(In thousands of EUR)	Present value of funded defined benefit obligation	Fair value of plan assets	Funded status
Pensions	657.474	-471.548	185.927
Healthcare costs, tariff benefits	172.669	0	172.669
Total defined benefit obligation	**830.143**	**-471.548**	**358.595**
Other long-term employee benefits	64.437	-3.685	60.752
Total defined benefit obligation and long term employee benefits at 31 December 2013	**894.580**	**-475.232**	**419.348**
Pensions	781.806	-434.689	347.118
Healthcare costs, tariff benefits	170.514	0	170.514
Total defined benefit obligation	**952.320**	**-434.689**	**517.632**
Other long-term employee benefits	75.799	-3.891	71.908
Other	7	0	7
Total defined benefit obligation and long term employee benefits at 31 December 2012	**1.028.126**	**-438.580**	**589.546**

Other personnel allowances are related to career interruption (post 'Other').

Changes in the present value of the obligation

(In thousands of EUR)	2013	2012
Total at 1 January	1.028.119	915.466
Current service cost	22.396	23.701
Interest cost/income	24.541	35.580
Contributions from plan participants	1.511	1.542
Cost of early retirement	4.167	2.680
Remeasurement (gains)/losses in Other Comprehensive Income (OCI) arising from		
changes in demographic assumptions	10.087	0
changes in financial assumptions	-35.213	134.167
changes from experience adjustments	-84.200	0
Taxes on contributions paid	-5.923	-2.076
Past service cost	2.348	0
Payments from the plan	-73.253	-82.941
Total at 31 December	**894.580**	**1.028.119**

Changes in the fair value of the plan assets

(In thousands of EUR)	2013	2012
Total at 1 January	-438.580	-429.092
Interest income	-11.599	-15.759
Return on plan assets (excluding amounts included in net interest expense)	-12.610	-18.666
Contributions from employer	-73.609	-45.934
Contributions from plan participants	-1.511	-1.542
Benefit payments	62.677	72.413
Total at 31 December	**-475.232**	**-438.580**
Actual return on plan assets	**-24.209**	**-34.425**

Classification of the plan investments on the balance sheet date

The classification of the plan investments in function of the major category at the end of 2013.

Category (In %)	Currency	Elgabel	Pensiobel	Insurance companies	Total
Investments quoted in an active market		**78,55**	**79,26**	**81,54**	**79,33**
Shares	Eurozone	17,21	20,55	3,41	14,53
Shares	Outside eurozone	13,81	13,22	4,15	11,52
Government bonds	Eurozone	1,20	1,15	14,71	4,28
Other bonds	Eurozone	39,89	38,17	59,27	44,07
Other bonds	Outside eurozone	6,44	6,17	0,00	4,93
Unquoted investments		**21,45**	**20,74**	**18,46**	**20,67**
Cash and cash equivalents		1,55	1,72	1,67	1,60
Other		19,90	19,02	16,79	19,07
Total (In %)		**100,00**	**100,00**	**100,00**	**100,00**
Total (In thousands of EUR)		**237.280**	**86.629**	**151.323**	**475.232**

The classification of the plan investments in function of the major category at the end of 2012.

Category (In %)	Currency	Elgabel	Pensiobel	Insurance companies	Total
Investments quoted in an active market		**75,95**	**76,55**	**82,67**	**77,79**
Shares	Eurozone	10,77	10,36	2,98	8,69
Shares	Outside eurozone	16,53	15,91	4,22	13,26
Government bonds	Eurozone	6,84	6,58	17,34	9,47
Other bonds	Eurozone	41,81	43,70	58,13	46,37
Unquoted investments		**24,05**	**23,45**	**17,33**	**22,21**
Cash and cash equivalents		2,06	2,29	1,78	2,04
Other		21,99	21,15	15,55	20,17
Total (In %)		**100,00**	**100,00**	**100,00**	**100,00**
Total (In thousands of EUR)		**233.513**	**87.814**	**117.254**	**438.580**

Breakdown of the defined benefit obligation by type of plan participants and by type of benefits

	2013	2012
Breakdown of defined benefit obligation by type of plan participants	**894.580**	**1.028.119**
Active plan participants	592.235	680.641
Terminated plan participants with deferred benefit entitlements	26.003	29.885
Retired plan participants and beneficiaries	276.342	317.593
Breakdown of defined benefit obligation by type of benefits	**894.580**	**1.028.119**
Retirement and death benefits	657.474	781.806
Other post-employment benefits	172.669	170.514
Jubilee bonuses (Seniority payments)	64.437	75.799

The results of the sensitivity analysis are included below to explain the impact of the assumptions.

(In thousands of EUR)	Increase
Discount rate (0,5 %)	-35.873
Average salary increase - excluding inflation (0,5 %)	38.556
Inflation (0,25 %)	16.997
Increase of healthcare care benefits (1 %)	19.770
Increase of tariff advantages (0,5 %)	3.310
Life expectancy of male pensioners (1 year)	6.530
Life expectancy of female pensioners (1 year)	10.735

The annual balance of the defined benefit lump sum is financed by the Group through a recurrent allocation expressed as a percentage of the total payroll. This percentage is defined by the aggregate cost method and is reviewed annually. This method of financing is used to smooth out future costs over the remaining period of the plan. The costs are estimated on projected bases (salary growth and inflation taken into account).

The assumptions related to salary increase, inflation, employee turnover and age-term are defined on the basis of historical statistics of the Group. The mortality tables used are the ones corresponding to

the observed experience within the financing vehicle. The discount rate is set up with regard to the investment strategy of the company.
These assumptions are challenged on a regular basis.
Exceptional events (such as modification of the plan, change of assumptions, too short degree of coverage...) can eventually lead to outstanding payments from the Group.

The average duration of the defined benefit obligation at 31 December 2013 is 8 years (2012: 8 years).

The Group estimates to contribute 39.913 k EUR to the defined benefit pension plans in 2014 and 5.520 k EUR to the defined contribution plans.

24. Derivative financial instruments

The Group has entered into interest rate swaps in order to convert the variable interest rate on long term loans into a fixed interest rate. The derivative financial instruments have been measured at fair value for 121.459 k EUR in 2013 and 163.453 k EUR in 2012.

The changes in the fair value are recognized in the income statement (see note ‘Financial results’).

The fair value of derivative financial instruments entered into for hedging the interest rate risk is calculated on the basis of the discounted expected future cash flows taking into account current market interest rates and the yield curve for the instrument’s remaining maturity.

Overview of the derivative financial instruments
A Linear constant maturity swap within the framework of the original 200 million EUR loan with a maturity of 20 years concluded in June 2003 entered into force in June 2013.
A Linear constant maturity swap within the framework of the original 220 million EUR loan with a maturity of 20 years concluded in December 2004 enters into force in December 2014.
A Linear constant maturity swap within the framework of the original 200 million EUR loan with a maturity of 20 year concluded in December 2004 entered into force in December 2009.
A Bonus Range Accrual within the framework of the original 250 million EUR loan with a maturity of 20 year loan concluded in December 2006 entered into force in December 2011.
A Varifix within the framework of the original 250 million EUR loan with a maturity of 20 year concluded in December 2007 entered into force in October 2010.
A forward 5 years IRS swap was concluded in April 2011 within the framework of loans to be subscribed in June 2011 for an amount of EUR 300 million maturing over 5 years. The swap was effective in June 2011 for a period of five years. The swap was unwound in September 2012.
A forward fixing IRS swap was concluded in July 2013 within the framework of a loan subscribed to in December 2013 for an amount of EUR 150 million over 10 years.

25. Provisions

(In thousands of EUR)	Rehabilitation	Other	Total
Total at 1 January 2012	44.871	602	45.473
Used	-17.071	-6	-17.023
Total at 31 December 2012	**27.854**	**596**	**28.450**
Used	-3.716	0	-3.716
Total at 31 December 2013	**24.138**	**596**	**24.734**

The provisions comprise the obligations recognized for the rehabilitation of the former gas factories' grounds. The DSOs own several gas factory grounds on which soil and groundwater have been polluted in the past. Tackling this pollution has already started on a voluntary basis and a framework agreement with OVAM was concluded in 2001. Meanwhile, the number of such grounds has been reduced. In a new agreement with OVAM it will be determined what the spread in time, the budget, the order of priority and the modalities of execution of the works for rehabilitating the soil, and possibly other measures, will be.
A bank guarantee was given to OVAM for an amount of 16.229 k EUR in 2013 and 6.856 k EUR in 2012 within the framework of the transfer of a number of grounds, conforming to the applicable legislation.

The Group is working on possible sales of certain contaminated sites. In this context, several grounds were sold during 2012 and letters of intent were entered into with potential buyers.
On certain grounds already sold, rehabilitation duties still remain for an amount of 710 k EUR (see note 'Contingencies').

The decrease to the provision for rehabilitation was due to the use of (remediations and sales of grounds) and more concrete elements for the estimation of the clean-up costs. No amounts were reversed nor were any amounts added to the provision during 2013 and 2012.

The provision 'Other' relates to expenses for litigations with third parties and for the treatment of polluting transformers based upon the management's best possible estimate of the expenses that the Group might incur.

The expected timing of cash outflow is dependent upon the duration and the settlement of the various procedures.

26. Government grants

(In thousands of EUR)	2013	2012
Total at 1 January	609	0
Received during the year	0	772
Released to the income statement	-367	-163
Total at 31 December	**242**	**609**

In the framework of the participation in the EVA project investment grants were granted mainly by the 'Agentschap voor Innovatie door Wetenschap en Technologie' (IWT).

27. Trade payables and other liabilities

(In thousands of EUR)	2013	2012
Trade debts	207.030	227.315
VAT and other taxes payable	8.742	12.214
Remuneration and social security	66.082	73.218
Advances Soclev clients and other	39.577	43.485
Transfer tariff	0	29.344
Solidarity payable related to the certificates for green energy	50.341	44.507
Other current liabilities	149.176	89.602
Total	**520.948**	**519.685**

The items related to trade payables and other liabilities have almost not changed in total compared with 2012.
The 'Other current liabilities' comprise guarantees received, charges to be allocated related to among others the interest expenses and costs on bond loans, and income to be carried forward.

The liabilities' terms and conditions are as follows:
For the standard trade debts the average payment term amounted to 50 days after invoice date and for contractors 30 days after invoice date.
Debts for VAT and withholding tax are paid respectively 20 and 15 days after the end of the month. All debts are paid by the maturity date.

28. Current tax liabilities

This item contains the taxes payable amounting to 1.944 k EUR in 2013 and 84 k EUR in 2012.

29. Financial instruments: policy

Risks

It is the Group's intention to understand all risks separately, as well as their mutual connections, and to define strategies in order to manage the economic impact on the Group's results. The Audit Committee is responsible for reviewing the risk analysis, for the approval of the recommended risk management strategies, for compliance with the guidelines on risk management and reporting.

Equity structure

The Group's equity structure consists of equity and the financial liabilities.
Apart from the legally (Belgian) required minimum levels for equity that are applicable, the mission charged associations are also subject to the Flemish Decree on Intermunicipal Cooperation. This decree stipulates that by the end of 2018 at the latest no Private Partner / shareholder can participate in the share capital of mission charged associations (the principle of mixed mission charged associations companies will disappear). For the ex IGAO municipalities (in IMEA, Intergem and Iveka), Iveka and Intergem this date is earlier, being 31 December 2014, 31 December 2016 and 14 September 2018 respectively.
At the end of 2013 and 2012, the share of the Private Partner / participant in the share capital amounted to 21,16 % and 21,26 % respectively.
Preparatory measures with a view to the Private Partner / participant's exit were taken as from 2012.

The purpose of the Group is to maintain a strong structure and to ensure that the Eandis group can retain a 'good' credit rating from the credit rating offices.
As the Group works within a regulated environment, with a guaranteed remuneration (fair remuneration/profit and a guaranteed return/dividend) the risk is rather limited.
Based on the Belgian GAAP figures and up to 2012, a portion of the bonus (the difference between the manageable costs from the original tariff budget and the revised tariff budget following the implementation of the new/current indexation) is taken as available reserves.
During 2013 and 2012 the Group fulfilled all 'expected' obligations.

The Group has called upon long and short term funding to support its capital structure.
The Group monitors its solvency. Solvency means the degree to which the Group in case of liquidation can meet its financial obligations towards the providers of debt capital.

Credit risk

The credit risk comprises the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group pursues a credit policy whereby the credit risk is scrutinized and diversification of counterparties is necessary.
The maximum credit risk is each financial asset's balance sheet value.

Trade debtors
Ageing analysis of trade receivables past due, but not impaired

(In thousands of EUR)	2013	2012
1 - 60 days	38.763	21.282
61 - 90 days	7.290	5.007
91 - 180 days	20.316	17.022
181 - 365 days	30.806	24.573
>365 days	20.207	28.138
Total trade receivable - net	**117.382**	**96.022**

Movements in accumulated impairments on trade receivables

(In thousands of EUR)	2013	2012
Total at 1 January	-65.498	-92.776
Write down	-31.477	-12.197
Write back	6.159	39.475
Total at 31 December	**-90.816**	**-65.498**

Currency risk
The Group is not substantially exposed to currency risk since transactions in currencies other than the euro are limited.

Liquidity risk
The liquidity risk implies the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities. The Group limits this risk by scrutinizing cash flows continually and by taking care that a sufficient number of credit facilities are available.

The Group can call upon several banks to attract resources on **short term**. The possibility exists to issue commercial paper within the framework of a treasury bill programme, to draw upon fixed advances with a maturity of one week up to twelve months and to take up straight loans with a maturity between one day up to one year. All loans have fixed interest rates.

The Group borrows on a **long term** basis mainly to finance its ongoing investment in the distribution grid and to refinance loans.
During 2010 the Group has issued for the first time bond loans aimed at private investors for the market in Belgium and the Grand Duchy of Luxembourg.
To diversify and broaden its funding resources, so that a safe, reliable, efficient, and innovative distribution of energy to the customers can be assured, Eandis has requested a rating from Moody's Investors Service (‘Moody 's’).
In October 2011, Moody's granted Eandis an ‘A1’ credit rating ‘with a negative outlook.’ This rating was confirmed on 20 December 2013 by Moody's.
The basis for this credit quality was a "high Baa" awarded to the DSOs underpinned by their low risk profile as regulated companies for the distribution of electricity and gas in the Flemish energy market.

The uplift to the A1 rating with negative outlook of Eandis reflects the potential support from the Flemish Region (Aa2 negative).
Eandis successfully issued bonds in the framework of its € 5 billion Euro Medium Term Note (EMTN) programme. There has always been a large interest from European investors for the bond issuances and also interest from private investors to whom several bond loans were issued.
In the framework of the € 5 billion EMTN programme an amount of € 1.710,5 million or 34,21 % was issued at the end of 2013 and € 1.135,5 million or 22,71 % was issued at the end of 2012.

An overview of the loans is included in the note 'Interest bearing loans and borrowings'.

The following schedule shows the maturity schedule of the different loans.

At the end of 2013

(In thousands of EUR)	2013	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	319.994	0	0	150.089	169.905
Bond issue - EMTN	1.698.292	0	0	0	1.698.292
Bond issue - private	97.164	0	0	0	97.164
Bank loans - fixed interest rate	1.626.075	119.586	1.051.913	136.128	318.448
Bank loans - variable interest rate	4.427	2.635	1.792	0	0
Bank loans - with derivative instrument	916.038	67.002	140.784	150.087	558.165
Other loans	80.000	80.000	0	0	0
Total	**4.741.991**	**269.223**	**1.194.488**	**436.304**	**2.841.975**
Total bullet payment	2.995.451	80.000	800.000	150.089	1.965.362
Total excluded bullet payment	1.746.540	189.223	394.488	286.215	876.614

At the end of 2012

(In thousands of EUR)	2012	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	320.006	0	0	150.115	169.891
Bond issue - EMTN	1.126.704	0	0	0	1.126.704
Bank loans –private	2.106.006	604.931	521.209	671.412	308.454
Bank loans - variable interest rate	7.214	2.787	4.393	34	0
Bank loans – with derivative instrument	818.186	52.148	109.727	117.198	539.113
Other loans	80.000	0	80.000	0	0
Total	**4.507.002**	**659.866**	**715.329**	**938.759**	**2.193.048**
Total bullet payment	2.875.596	500.000	380.000	650.115	1.345.481
Total excluded bullet payment	1.631.406	159.866	335.329	288.644	847.567

Interest rate risk
The Group has entered into long-term loans with a fixed and variable interest rate.
Loans with variable interest were swapped to a fixed interest rate (see note 'Derivative financial instruments'). For certain loans, forward swap contract were concluded. All other loans were initially at a fixed interest rate.

The interest payment for the following years, calculated on the basis of the current interest rate, is as follows:

(In thousands of EUR)	2013	2012
In 2013	0	179.058
In 2014	176.632	149.613
In 2015 and 2016	311.108	259.268
In 2017 and 2018	230.324	181.305
In 2019 and later	515.355	355.618
Total	**1.233.419**	**1.124.862**

Other

More information about the risks of the Group is included in the prospectus of the Eandis group (Eandis cvba and its subsidiaries) dated 17 September 2013 and the Supplement dated 27 September 2013 concerning the guaranteed Euro Medium Term Note Programme. This document can be consulted on the website www.eandis.be.

Fair value

The fair value 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)	Level 1	Level 2
Other investments	1.186	0
Green energy- and cogeneration certificates (GEC & CGC)	386.715	0
Trade and other receivables excluded GEC and CGC	889.113	0
Cash and cash equivalents	5.036	0
Total	**1.282.050**	**0**
Loans on short term	226.317	0
Bond loans	2.215.344	0
Loans on long term (included short term part)	2.626.540	0
Derivative financial instruments	0	121.459
Total	**5.068.201**	**121.459**

Fair value hierarchy

The Group uses the following fair value hierarchy classification to determine and classify the fair value of the financial instruments by a valuation technique:

Level 1: valuation is based on quoted (unadjusted) prices in an active market for identical assets or liabilities

Level 2: other techniques for which all input with a significant impact on the recorded fair value can be observed either directly or indirectly

Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data.

The following methods and assumptions were used to estimate the fair values:

Cash and short term deposits, trade receivables (net of impairment), trade payables and other current liabilities approximate the carrying amounts as to the short term maturity of these instruments.
The fair value of the unquoted other investments is based on the latest available financial information.
The fair value of the certificates for green energy and cogeneration certificates are the guaranteed amount, as stipulated in the decision of the Flemish Government amending the Energy Decree.The fair value of the quoted bond loans is based on the price quotations at the reporting date.
The derivative financial instruments are interest rate swaps. The valuation techniques are swap models that use actual value calculations. The models include various kinds of input including forward prices, yield curves that are obtained on the basis of market interest rates and derivatives from market prices of various financial products that are requested with various market participants.

The fair value of the quoted bonds, issued for a total amount of 2.030,5 million EUR, varies according to the market interest rate. The fair value at 31 December 2013 amounts to 2.115,3 million EUR and differs from the amount that will be reimbursed and the carrying value. The fair value was obtained on the basis of 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).

30. Related parties

Transactions between the DSOs and their subsidiaries (the associated parties) have been eliminated in the consolidation process and are therefore not included in this note.

The remunerations paid to the directors are attendance fees and transport fees for an amount of 850.776,13 EUR for 2013 and 877.575,81 EUR for 2012.

The remunerations paid to the management committee and the directors amounted to 3.223.563 EUR for 2013 and 3.309.945 EUR for 2012. The post-employment benefits included in the total remuneration mentioned amounted for 2013 to 741.358 EUR and to 891.871 EUR for 2012. There are no other benefits in kind, share options, credits or advances granted to the directors.

Transactions of the Group and the Private Partner/shareholder are mainly related to invoices from the DSOs for the network and transport remuneration at arm's length, sales of green energy certificates and dividend payments (up to the ratio in the capital). On the other hand, the DSOs are invoiced by the Private Partner/shareholder for the purchase of energy losses on the network, purchases of energy for the supply to social customers and purchases of services.

(In thousands of EUR)	**2013**	**2012**
Amount of the transactions		
Revenue	65.463	46.828
Purchase of trade goods and services	70.022	73.054
Amount of outstanding balances		
Trade receivables	7.075	4.012
Trade payables	697	9.016

Transactions of the Group and non-controlling interest companies (TMVW, AWW and Ores) were as follows:

(In thousands of EUR)	2013	2012
Amount of the transactions		
Recharge of costs to non-controlling interest companies	11.637	10.770
Recharge of costs from non-controlling interest companies	2.994	3.306
Amount of outstanding balances		
Trade receivables	2.727	804
Trade payables	665	1.030
Provide financing	1.470	2.100

Transactions of the Group and associated companies (Atrias) were as follows:

(In thousands of EUR)	2013	2012
Amount of the transactions		
Recharge of costs to associates	133	109
Recharge of costs from associates	2.016	1.302
Amount of outstanding balances		
Trade receivables	1.786	1.202
Trade payables	341	267

Transactions of the Group and the company KIC-InnoEnergy were as follows:

(In thousands of EUR)	2013	2012
Amount of the transactions		
Recharge of costs	100	100
Amount of outstanding balances		
Trade payables	0	0

31. Contingencies

(In thousands of EUR)	2013	2012
Rent deposits, buildings	1.482	1.331
Other bank guarantees	16.579	7.334
Guarantees given	**18.061**	**8.665**
Guarantees obtained from contractors and suppliers	26.427	24.203
Goods held by third parties in their own name but at risk for the Group	75	160
Obligation to purchase property, plant and equipment	2.615	1.332
Obligation to sell property, plant and equipment	0	932
Goods in consignment	1.538	119
Obligation to rehabilitation	710	710

Outstanding orders in 2013 amounted to 28.482 k EUR (2012: 26.535 k EUR).

The Group has rented several buildings and adjoining parking lots for a total value of 5.724 k EUR in 2013 and 5.337 k EUR in 2012, as well as cars for a total value of 6.006 k EUR in 2013 and 5.603 k EUR in 2012.
The future rent obligations (operational rent obligations) concern buildings, vehicles and other materials.
The contracts relating to buildings contain renewal clauses and have an average term of two years.

The future minimum lease payments under non-cancellable finance leases are as follows.

(In thousands of EUR)	2013
In 2014	11.714
In 2015 and 2016	17.245
In 2017 and 2018	4.895
In 2019 and later	446
Total	**34.300**

The Group's budgeted investments for 2014 were estimated at 658.788 k EUR (677.468 k EUR in 2013).

Furthermore, there is also a legal dispute ongoing between the DSOs and Essent concerning free distribution of green electricity (3.533 k EUR for 2013 and 2012), with the NMBS and the Flemish Region on grid displacements (7.478 k EUR in 2013 and 8.768 k EUR in 2012) and disputes with various parties (for a total of 20.722 k EUR in 2013 and 20.783 k EUR in 2012).
On 31 January 2014 the justice of the Peace declared itself incompetent in a proceeding filed by an association and some individual end users against the tariffs of the distribution network billed during the period 2009-2011.

The Group is involved in a judicial dispute, and was advised to record a provision as a result of an unfavorable ruling by the Court. The cost for these provisions was recognized in the income statement (various) and in the balance sheet (liabilities) of 2013.
It has not been defined yet when a final ruling in this regard can be expected and therefore the possible cash-out will depend on this decision. The exact timing was not yet determined.

32. Events after the reporting date

On 20 February 2014 Eandis cvba issued a bond loan of € 52 million with a maturity of 30 years and a coupon of 3,55 %. On 25 February 2014 Eandis cvba issued an additional bond loan of € 23 million with a maturity of 22 years and a coupon of 3,55 %. These two loans are private placements and were withdrawn on March 5, 2014.
These funds will be lent on to the DSOs.

On 13 March 2014, the rating agency Moody's confirmed the A1 rating of Eandis, but changed the outlook to stable from negative.

33. List of group entities included in the consolidation

Subsidiary	Registered office	Number of shares owned (%)	Voting rights (%)
Distribution System Operators *			
Gaselwest	President Kennedypark 12, 8500 Kortrijk		
IMEA	Merksemsesteenweg 233, 2100 Deurne		
Imewo	Brusselsesteenweg 199, 9090 Melle		
Intergem	Administratief Centrum (AC), Franz Courtensstraat 11, 9200 Dendermonde		
Iveka	Koningin Elisabethlei 38, 2300 Turnhout		
Iverlek	Aarschotsesteenweg 58, 3012 Wilsele-Leuven		
Sibelgas	Gemeentehuis St. Joost-Ten-Node, Sterrenkundelaan 12, 1210 Brussels		
Subsidiaries			
Eandis cvba	Brusselsesteenweg 199, 9090 Melle	100,00	100,00
De Stroomlijn cvba	Brusselsesteenweg 199, 9090 Melle	64,03	64,03
Indexis cvba	Ravensteingalerij 4 bus 2, 1000 Brussels	70,00	70,00
Atrias cvba	Ravensteingalerij 4 bus 2, 1000 Brussels	25,00	25,00

* Address of contact: Brusselsesteenweg 199, 9090 Melle

The subsidiary SYNDUCTIS cvba (registered office at Brusselsesteenweg 199, 9090 Melle), founded on 21 December 2012 was included as an ‘other investment’ in the consolidation. Eandis holds 50 % of the shares.

The company Eandis cvba together with its subsidiaries De Stroomlijn cvba, Indexis cvba, Atrias cvba and SYNDUCTIS cvba form the (legal) ' Eandis group'. This group reports its IFRS results which can be consulted on the website www.Eandis.be.

Operating in a regulated environment

Regulated tariffs

Most of the consolidated group's income is generated from the regulated tariffs charged for the use of the distribution networks for electricity and gas (tariff income). The tariff mechanism is based upon the accounts prepared in accordance with Belgian accounting principles (Be GAAP).

As from the accounting year 2009 a new regulated tariff mechanism is in force in which the tariff proposals for a 4 year period (2009-2012) were submitted to the regulator (Commissie voor de Regulering van de Elektriciteit en het Gas / CREG). The application modalities for this multi-annual tariff are to be found in the Royal Decree of 2 September 2008 (published in the Royal Gazette of 12 September 2008).
Only the accepted actual costs associated with the tasks of distibution system operator were covered by tariffs. The tariff revenues are based on a regulated 'cost-plus' system, including a fair remuneration.

The initially approved distribution tariffs for the regulatory period 2009-2012 were not able to support the unforeseen strong growth in the cost of green certificates and subsidies for rational use of energy (RUE). On 31 March 2011 the CREG approved an interim review of the distribution tariffs for the activity electricity to include the additional costs as from 1 April 2011 until the end of 2012. This prevented a sudden increase in the distribution tariffs at the start of the next regulatory tariff period and also avoided prefinancing by the DSOs.

In the framework of a new set of measures to reform the State structures and to transfer the authority concerning the distribution tariffs from the federal (CREG) to the regional level (VREG), it was decided after consultation with all interested parties (federal and regional energy regulators, distribution system operators from all regions and their operating companies) to prolong the tariffs that were in effect in January 2012 into the following years 2013 and 2014.

The difference between the budgeted and actual costs and revenues together with the accumulated balances of prior years, will be settled in a next regulatory period in the budgeted revenue.
Due to the prolongation of the tariffs through 2013 and 2014, and the fact that the transfer of authority is not yet finalized for the tariffs, it is today still undecided over what period the settlement will take place.

As in previous years, the fair remuneration was fixed in accordance with art. 8. § 1. of the Royal Decree of 2 September 2008. It is based on the parameters referred to in art. 7 and the actual annual average ratio between the shareholders ' equity and the DSO's regulated asset. In accordance with the CREG's decision, the regulatory transfers exclude the costs of RUE and green energy certificates. The value of the OLO interest rate was calculated as the average value of the interest during the year (2,4355 % for 2013 and 2,9804 % for 2012 compared to the 3,9255 % as initially stated in the budget).

Fair remuneration
The fair remuneration is the return on capital invested in the networks. The value of capital invested by the network operator on which a return is received, is equal to the value of the regulated assets. The regulated asset is the sum of the value of the network and of the working capital required. The regulated asset value is calculated each year, taking into account the new investments (Regulated Asset Base - RAB), the depreciations and the changes in working capital required.

The real fair remuneration for the operating year is determined on the basis of certain parameters (yield benefit and risk premium) on the one hand and the actual, averaged equation of the relevant year of operation between equity and the regulated asset base on the other hand (S-factor). In this calculation, the real OLO (as from 2010) and the S-factor based on the final balances are applied. The difference between actual and budgeted fair margin can be transferred.

Non-manageable costs and volume differences

The non-manageable costs are those costs over which the Group does not have direct control. The difference between the estimated and actual costs incurred may be included as an asset or debt and is included in the subsequent tariff period.

The difference between the real and the estimated sales volume of the budget can also be included in the subsequent tariff period.

The above differences result in an increase or a decrease in the future tariffs.

Manageable costs

The manageable costs are those costs over which the Group has direct control. The estimated cost should be recalculated annually on the basis of the actual calculated pricing index M and the wage and social security-related index S of the relevant operating year.

The difference between the original and the recalculated budget for manageable costs is carried forward to the subsequent tariff period.

The difference between the estimated and actual manageable costs is part of the financial result and is therefore in total (as a bonus or malus) attributed to the network administrator (see also note 'Shareholders' equity – available reserve').

In the framework of the agreements between Eandis and Infrax concerning the development of a high-performance energy landscape within their structures, it was decided by the Board of Directors of the different DSOs to divide the bonus on the manageable cost of the previous financial periods into the bonus until 31 December 2012 which will be allocated to the shareholders and the bonus as from 1 January 2013 to be allocated partly to members of the distribution network.

Consequently, the bonus or malus for 2013 was not included in the result of the financial year 2013.

The settlement mechanism

Each year the DSOs prepare an overview of the settlement of previous years. The differences (whether positive or negative) are, as mentioned above, recognized in the balance sheet as a current receivable or liability.

All these transfers and the related calculations still need to be finally approved by the CREG, after control of the reporting of the financial year 2013. The control by the CREG can eventually result in rejecting certain costs which must then be deducted from the result (fair remuneration) of the next accounting year.

As of today no final decision has been taken yet by the CREG about the result of 2010, 2011 and 2012.

With its decision of 26 April 2012 the CREG responded positively to the request of the DSOs to extend the tariff rates of 2012 to the years 2013 and 2014. So the opportunity was provided to the CREG to work out, in close consultation with the DSOs, a tariff methodology.

Accounting treatment

At the moment there are no specific IFRS guidelines as to the accounting treatment of the settlement mechanism in a regulated environment.

On 30 January 2014 the IASB published a new standard "IFRS 14 Regulatory Deferral Accounts". This new standard is applicable for "first time adopters" and allows recording of regulated assets and liabilities as separate items of the balance sheet and profit and loss account.

Overview of the assets and liabilities of the settlement mechanism (see note 'Trade and other receivables' and 'Trade and other short-term liabilities').

(In thousands of EUR)	2013	2012
Recoverable in later years		
Transfer 2008	39.822	39.822
Transfer 2009	67.792	67.792
Transfer 2010	-12.686	-12.686
Transfer 2011	87.347	87.347
Transfer 2012	182.702	182.702
Transfer 2013	-13.986	0
Total amount recoverable	**350.991**	**364.977**
of which reported as Current liability	0	29.344
of which reported as Current assets	350.991	394.321
Total net amount recoverable	**350.991**	**364.977**

Reconciliation of the settlement mechanism.

(In thousands of EUR)	2013	2012
Regulatory asset at 1 January	**364.977**	**320.787**
Additional transfers from 2010	0	-1.841
Additional transfers from 2011	0	-1.883
Additional transfers from 2012	0	182.702
Additional transfers from 2013	-13.986	0
Total additional transfers	**-13.986**	**178.978**
Recovered transfers from 2006	0	1.061
Recovered transfers from 2007	0	-41.643
Recovered transfers from 2008	0	-10.847
Recovered transfers from 2009	0	-17.691
Recovered transfers from 2010	0	-65.668
Total recovered transfers	**0**	**-134.788**
Total movements	**-13.986**	**44.190**
of which - movement through the income statement	-13.986	44.190
Regulatory assets at the end of the reporting period	**350.991**	**364.977**

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Ernst & Young
Bedrijfsrevisoren
Reviseurs d'Entreprises
Moutstraat 54
B - 9000 Gent

Tel: +32 (0)9 242 51 11
Fax: +32 (0)9 242 51 51
ey.com

Free translation from the Dutch/French original

Statutory auditor's report to the shareholders of the mixed Flemish distribution net owners on the consolidated financial statements of the Economical Group Eandis as of and for the year ended 31 December 2013

We report to you on the performance of our audit mandate which was assigned to us by the management committee of Eandis CVBA. This report contains our opinion on the consolidated financial statements (the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements as further defined below. The Consolidated Financial Statements include the consolidated statement of financial position as of 31 December 2013, the consolidated statement of comprehensive income (consolidated income statement and consolidated statement of other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2013 and the notes. The consolidated financial statements of the Economical Group Eandis consists of seven Flemish Distribution System Operators (DSOs): Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas who have joint control over Eandis CVBA and its subsidiaries (De Stroomlijn CVBA, Indexis CVBA, Synductis CVBA and Atrias CVBA).

Report on the Consolidated Financial Statements - unqualified opinion

We have audited the Consolidated Financial Statements of the Economical Group Eandis (collectively referred to as "the Group") as of and for the year ended 31 December 2013. These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The total of the consolidated statement of financial position amounts to € 9.038.643 thousands and the consolidated statement of income shows a profit for the year of € 320.158 thousands.

Responsibility of the management committee of Eandis CVBA for the preparation of the Consolidated Financial Statements

The management committee of Eandis CVBA is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union. The management committee is also responsible for the implementation of internal controls, which it considers necessary for the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

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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 of consolidated financial statements that give a true and fair view 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 management committee, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from management and the Company's officials the explanations and information necessary to perform our audit and we believe that the resulting audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Company give a true and fair view of the Group's consolidated financial position as of 31 December 2013 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter paragraph

Without qualifying our opinion, we wish to draw the attention to the information, included in the notes of the Consolidated Financial Statements related to operating in a regulated environment, which clarifies the specificities of the regulatory framework, tariffs and related accounting treatment. The information also clarifies the uncertainties related to the final balances resulting from the tariff settlement mechanisms which are still to be approved by the responsible authorities (CREG / VREG).

Ghent, 7 April 2014

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

Paul Eelen
Partner

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