

Distrigas

Consolidated Accounts



INTRODUCTION

Considering the significance of the turnover and the capital and reserves of the parent company in the consolidated accounts, a detailed presentation of the company accounts and the related comments in this report would duplicate the explanations given in the consolidated accounts.

With the agreement of the Banking & Finance Commission, it has therefore been decided to limit the presentation to a short version of the company accounts of DISTRIGAS S.A.

The Statutory Auditor has approved the company accounts of DISTRIGAS S.A. without qualification.

These documents have been filed with the National Bank of Belgium.

They are available on request at the following address:

DISTRIGAS S.A.
Corporate & Marketing Communications
Rue de l'Industrie 10
B-1000 Brussels

summary of consolidated balance sheet on 31 December 2002

(IN MILLION EUR)

ASSETS	2002	2001
Fixed assets	171.95	165.14
Long-term amounts receivable	148.88	165.43
Stocks	181.50	190.81
Short-term amounts receivable	575.68	700.02
Liquid assets	398.51	499.29
Deferred charges and accrued income	14.66	16.08
Total	1,491.18	1,736.77

LIABILITIES	2002	2001
Capital and reserves	220.63	174.58
Minority interests	11.18	11.13
Provisions	215.89	220.86
Long-term amounts payable	114.53	165.84
Short-term amounts payable	759.16	1,022.72
Accrued charges and deferred income	169.79	141.64
Total	1,491.18	1,736.77

summary of consolidated income statement on 31 December 2002



INCOME STATEMENT	2002	2001
Operating results		
Income	3,606.41	1,759.92
Charges	3,512.04	1,741.54
	94.37	18.38
Financial results		
Income	21.72	18.84
Charges	26.74	20.93
	-5.02	-2.09
Extraordinary results		
Income	16.61	0.88
Charges	0.00	0.09
	16.61	0.79
Consolidated gross profit	105.96	17.08
Income taxes	-37.55	-7.97
Profit of consolidated companies	68.41	9.11
Result of companies accounted for by equity method	2.06	1.05
Consolidated profit	70.47	10.16
Minority interests share	2.86	1.41
Share of the group	67.61	8.75

consolidated balance sheet on 31 December 2002

(IN THOUSAND EUR)

COMMENTS ON THE ASSETS

1. Intangible assets (42)

The intangible assets only represent software.

2. Tangible assets (119,626)

Investments during the financial year amount to 15,247 and represent the acquisition (tranche 2002) of a methane carrier built in co-ownership.

Depreciation of the financial year amounts to 18,881 and is broken down per legal entity as follows: 424 for Distrigas; 5,752 for Finpipe and 12,705 for Distrigas & C°.

The acquisition values on 31 December 2002 amount to 215,922, whereas the recorded redemption funds amount to 96,296.

3. Financial assets (52,283)

The breakdown of consolidated financial assets is as follows:

a Consolidated companies accounted for by the equity method

ETAC B.V.	4,184
DISTRIGAS S.A.	1,859
	6,043

b Other non-consolidated companies

I.Z.T. S.C.R.L.	63
CITENSY S.A.	218
INTERCONNECTOR UK Ltd	24,642
GASELEC & CO S.C.S.	124
GASELEC S.C.R.L.	15
RHODIGAZ S.A.S.	19
HUBERATOR S.A.	25
	25,106

Cautionnement V.A.T.	21,134
	52,283

4. Amounts payable within one year (148,884)

This heading includes the part of the long-term amount payable by the company FLUXYS to the subsidiary FINPIPE G.I.E., in connection with the sale and leasing of RTR pipelines.

5. Stocks and contracts in progress (181,499)

This item, booked in Distrigas S.A., comprises the book value of the natural gas stock (138,134), the advances paid in connection with purchases of Norwegian gas to supply power stations as of 1997 (42,888) and also stock bunker C (477).

The book value of the natural gas stock rose by 37,936 compared to 31 December 2001 thanks to an import increase of the amount of stocks (+47.2%). However, this is reduced by a decrease by 17.39% of the average unit price of the stocks by 17.39%.

Finally, the advances paid in connection with a purchase of Norwegian gas for the supply of power stations are decreased by 47,160 compared to 31 December 2001.

6. Amounts receivable within one year (575,682)

This heading mainly comprises the amounts owed by customers of the group for natural gas supply and other services for a total amount of 565,843, of which 18,507 for Finpipe E.S.V. and 2,990 for Distrigas & C° respectively.

The decrease of the customer account is mainly due to a decrease of natural gas prices in December 2002 compared to December 2001.

Other amounts receivable in this item mainly represent Belgian and foreign taxes to be recovered.

7. Investments (361,609) and cash at bank and in hand (36,897)

The investments of Distrigas & C° (26,469), Finpipe (1,250) and Transfin (78) are added to those of Distrigas (333,812).

It mainly concerns short term investments, made to the market conditions.

The decrease of 100,785 compared to 31 December 2001 corresponds with the regulation of the payment in connection with the demerger between Distrigas and Fluxys. This payment was refunded to Fluxys during the first semestre 2002 (-58,734).

The logical result of this payment is represented in the decrease of the item 'Other amounts payable' on the liabilities balance.

8. Deferred charges and accrued income (14,662)

This item comprises expenses invoiced but not yet due, amounting to 9,817, together with acquired income amounting to 1,834.

consolidated balance sheet on 31 December 2002



ASSETS	31/12/2002	31/12/2001	Difference
FIXED ASSETS	171,951	165,142	6,809
I. Formation expenses	0	0	0
II. Intangible assets	42	0	42
III. Positive consolidation differences	0	0	0
IV. Tangible assets	119,626	123,260	-3,634
A. Land, buildings and homes	562	608	-46
B. Plant and machinery	72,232	78,362	-6,130
C. Furniture, vehicles and equipment	0	0	0
D. Leasing and other similar rights	0	0	0
E. Other tangible assets	0	0	0
F. Assets under construction and advance payments	46,832	44,290	2,542
V. Financial assets	52,283	41,882	10,401
A. Enterprises accounted for using the equity method	6,043	6,043	0
1. Participating interests	6,043	6,043	0
B. Other enterprises	46,240	35,839	10,401
1. Investments and shares	25,106	25,106	0
2. Amounts receivable	21,134	10,733	10,401
CURRENT ASSETS	1,319,233	1,571,624	-252,391
VI. Amounts receivable after one year	148,884	165,427	-16,543
A. Trade debtors	148,884	165,427	-16,543
B. Other amounts receivable	0	0	0
VII. Stocks and contracts in progress	181,499	190,810	-9,311
A. Stocks	181,499	190,810	-9,311
1. Raw materials and consumables	477	0	477
4. Goods purchased for resale	138,134	100,762	37,372
6. Advance payments	42,888	90,048	-47,160
B. Contracts in progress	0	0	0
VIII. Amounts receivable within one year	575,682	700,021	-124,339
A. Trade debtors	565,844	680,805	-114,961
B. Other amounts receivable	9,838	19,216	-9,378
IX. Investments	361,609	498,957	-137,348
B. Other investments	361,609	498,957	-137,348
X. Cash at bank and in hand	36,897	334	36,563
XI. Deferred charges and accrued income	14,662	16,075	-1,413
	1,491,184	1,736,766	-245,582

consolidated balance sheet on 31 December 2002

(IN THOUSAND EUR)

COMMENTS ON THE LIABILITIES

1. Capital and reserves (220,632)

The capital and reserves of the group amount to 220,632 in 2002. This is a rise of 46,049 compared to the previous financial year, where the total amount can be found in the consolidated reserves.

2. Consolidated reserves (152,868)

The total consolidated reserves amount to 152,868 on 31 December 2002. This is a rise of 46,049 compared to 31 December 2001.

These amounts may be broken down as follows:

LEGAL ENTITY	2002	2001	DIFFERENCE
DISTRIGAS	90,863	73,764	+17,099
TRANSFIN	55	60	-5
DISTRIGAS & C°	57,801	28,846	+28,955
ETAC	4,149	4,149	0
TOTAL	152,868	106,819	+46,049

3. Minority interests (11,183)

This item represents the minority interests in Finpipe (11,066), in Transfin (3) and in Distrigas & C° (114) against 11,066.3 and 57 respectively at 31 December 2001.

4. Provision for liabilities and charges (215,893)

Mainly provisions entered on the liabilities side of Distrigas S.A.'s balance sheet. This heading includes provisions set aside to allow for the measures taken by the federal authorities in connection with the deregulation of the gas market, together with the risks associated with carrying out contracts and orders.

The determined difference in this item, compared to 31 December 2001, amounts to - 4,963.

5. Amounts payable within one year (114,532)

In addition to advances on orders recorded by Distrigas S.A. (7,488), this item comprises the financial amounts payable within one year by the subsidiaries FINPIPE G.I.E. (94,332) and DISTRIGAS & C° (22,097).

On 31 December 2001 this heading amounts to 165,839.

The difference of 51,307 mainly corresponds with the part of the excess (40,560) to item IX.A. "Current portion of amounts payable after one year" and of the financial debts of FINPIPE (9,232) to be repaid in 2003.

6. Financial amounts payable within one year (112,930)

This item mainly represents the leasing of Finpipe against its loaners for the amount of 12,706. This is a decrease of 15,226 compared to 31 December 2001.

7. Trade debts (513,641)

This item mainly represents invoices received or to be received for the supply of gas booked in Distrigas S.A. (499,992), a decrease of 194,664 compared to 31 December 2001.

This is mainly due to the decrease of natural gas prices in December 2002 compared to December 2001.

8. Other amounts payable (24,981)

This heading fully comprises the amounts booked in the accounts of Distrigas S.A.

The difference of 42,075 compared to 31 December 2001 is mainly due to the rise of the item "payment of dividends to the shareholders", that follows from the destination of the result (+16,948). This is being reduced with the payment to Fluxys made up in connection to the partial demerger (-58,464). (see also comments assets, VII).

9. Accrued charges and deferred income (169,787)

This item mainly comprises amounts booked in Distrigas S.A.

consolidated balance sheet on 31 December 2002

(IN THOUSAND EUR)

LIABILITIES	31/12/2002	31/12/2001	Difference
CAPITAL AND RESERVES	220,632	174,583	46,049
I. Capital	66,228	66,228	0
II. Share premium account	42	42	0
III. Revaluation surpluses	1,494	1,494	0
IV. Consolidated reserves	152,868	106,819	46,049
V. Negative consolidation differences	0	0	0
VI. Translation differences	0	0	0
VII. Capital subsidies	0	0	0
MINORITY INTERESTS	11,182	11,126	56
VIII. Minority interests	11,182	11,126	56
PROVISIONS AND DEFERRED TAXES	215,893	220,857	-4,964
IX. A. Provisions for liabilities and charges	215,893	220,857	-4,964
3. Major repairs and maintenance	0	0	0
4. Other liabilities and charges	215,893	220,857	-4,964
CREDITORS	1,043,477	1,330,200	-286,723
X. Amounts payable after one year	114,532	165,839	-51,307
A. Financial debts	107,044	117,791	-10,747
3. Leasing and other similar obligations	0	0	0
4. Credit institutions	56,031	60,954	-4,923
5. Other loans	51,013	56,837	-5,824
C. Advances received on contracts in progress	7,488	48,048	-40,560
XI. Amounts payable within one year	759,158	1,022,722	-263,564
A. Current portion of amounts payable after one year	44,632	51,232	-6,600
B. Financial debts	112,930	128,169	-15,239
1. Credit institutions	224	237	-13
2. Other loans	112,706	127,932	-15,226
C. Trade debts	513,641	704,781	-191,140
1. Suppliers	513,641	704,781	-191,140
E. Taxes, remuneration and social security	62,974	71,483	-8,509
1. Taxes	61,441	71,483	-10,042
2. Remuneration and social security	1,533	0	1,533
F. Other amounts payable	24,981	67,057	-42,076
XII. Accrued charges and deferred income	169,787	141,639	28,148
	1,491,184	1,736,766	-245,582

consolidated income statement on 31 December 2002

(IN THOUSAND EUR)

COMMENTS ON THE RESULTS

Taking into account the fact that the accounts closed on 31 December 2001 only represent the second semester of 2001 and given the seasonal activities of Distrigas S.A. it is better not to give any comments on the difference 2002-2001 in order to avoid that the reader draws wrong conclusions on incomplete information.

1. Turnover (3,605,908)

See comments in annual report: "Summary of the consolidated income statement".

2. Raw materials, consumables and goods for resale (3,364,518)

This heading fully comprises the amounts recorded in Distrigas S.A.

This item represents the purchase of natural gas and the charges in connection with third party access (229,034), storage (38,857) and the LNG terminal in Zeebrugge (57,000), invoiced by Fluxys and Fluxys LNG (owner of the LNG terminal since 1 July 2002), and also the transportation and storage charges abroad (12,959).

3. Services and different goods (138,836)

These amounts are broken down as follows:

Direct purchases for ordinary activities	548
Rent	2,068
Consulting, studies, outsourcing, service level agreement	5,440
Fees for the use of storage and installations of third parties	36,281
Insurances	14,098
Financial compensations for customers	17,572
Other charges	1,418
Fees for the use of the transit network	58,039
TOTAL	135,464

4. Amounts written off stocks and trade debtors (-14,662)

Changes during the year are composed as follows:

- Additions stocks: 564
- Additions and trade debtors: 199
- Repayments and trade debtors: 15,426.

5. Income from financial assets (4,343)

This heading represent the recovery of the dividends on participations in Interconnector (UK).

For operating, financial and extraordinary results: see also comments in the annual report

consolidated income statement on 31 December 2002



CONSOLIDATED INCOME STATEMENT	31/12/2002	31/12/2001	Difference
I. Operating income	3,606,409	1,759,923	1,846,486
A. Turnover	3,605,908	1,759,856	1,846,052
B. Increase; Decrease in stocks of finished goods, work and contracts in progress	0	0	0
C. Own construction capitalized	0	0	0
D. Other operating income	501	67	434
II. Operating charges	3,512,043	1,741,545	1,770,498
A. Raw materials, consumables and goods for resale	3,364,518	1,580,314	1,784,204
1. Purchases	3,402,932	1,645,747	1,757,185
2. Increase; Decrease in stocks	-38,414	-65,433	27,019
B. Services and other goods	138,836	79,900	58,936
C. Remuneration, social security costs and pensions	8,927	0	8,927
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	18,891	10,063	8,828
E. Increase; Decrease in amounts written off stocks, contracts in progress and trade debtors	-14,662	8,936	-23,598
F. Increase; Decrease in provisions for liabilities and charges	-4,964	62,295	-67,259
G. Other operating charges	497	37	460
III. Operating profit	94,366	18,378	75,988
IV. Financial income	21,726	18,846	2,880
A. Income from financial fixed assets	4,343	0	4,343
B. Income from current assets	14,901	11,285	3,616
C. Other financial income	2,482	7,561	-5,079
V. Financial charges	26,745	20,933	5,812
A. Interest and other debt charges	14,014	17,157	-3,143
C. Amounts written off current assets other than those mentioned under II.E	3,183	0	3,183
D. Other financial charges	9,548	3,776	5,772
Financial result	-5,019	-2,087	-2,932
VI. Profit on ordinary activities before income taxes of the consolidated enterprises	89,347	16,291	73,056
VII. Extraordinary income	16,606	876	15,730
C. Adjustments to amounts written off financial fixed assets	0	0	0
D. Adjustments to provisions for extraordinary liabilities and charges	0	0	0
E. Gain on disposal of fixed assets	0	876	-876
F. Other extraordinary charges	16,606	0	16,606

consolidated income statement on 31 December 2002

(IN THOUSAND EUR)

CONSOLIDATED INCOME STATEMENT	31/12/2002	31/12/2001	Difference
VIII. Extraordinary charges	0	87	-87
A. Extraordinary depreciation of and extraordinary amounts written off formation expenses, intangible and tangible fixed assets	0	0	0
D. Provisions for extraordinary liabilities and charges	0	0	0
E. Loss on disposal of fixed assets	0	0	0
F. Other extraordinary charges	0	87	-87
Extraordinary result	16,606	789	15,817
IX. Profit before income taxes of the consolidated enterprises	105,953	17,080	88,873
XI. Income taxes	37,546	7,972	29,574
A. Income taxes	37,546	7,972	29,574
B. Adjustments of income taxes and write-back of taxes provisions	0	0	0
XII. Profit of consolidated companies	68,407	9,108	59,299
XIII. Share in the result of enterprises accounted for using the equity method	2,062	1,049	1,013
XIV. Consolidated profit	70,469	10,157	60,312
A. Minority interest share in the result	2,863	1,406	1,457
B. Group share in the result	67,606	8,751	58,855

consolidated income statement on 31 December 2002



APPROPRIATION ACCOUNT	31/12/2002	31/12/2001
Total result for the financial year	70,469	10,157
Group's share in the result	67,606	8,751
Minority interests share in the result	2,863	1,406
Appropriation to the reserves	46,049	4,142
Profit available for distribution by Distrigas	21,557	4,609
Dividends	21,557	4,609
Minority interests share in the result	2,863	1,406

notes on the consolidated balance sheet on 31 December 2002

I. CONSOLIDATION CRITERIA

The consolidated accounts are drawn up in accordance with the provisions of the Royal Decree of 30 January 2001.

The accounts are drawn up in thousand EUR.

In 2002, the consolidation perimeter includes the DISTRIGAS, FINPIPE, DISTRIGAS & CO, TRANSFIN, ETAC and DISTRI RE companies. Pursuant to the true and fair view principle, the equity method has been applied to ETAC in order to give an optimum reflection of the economic interests of the group. Considering the activities of a nature very different from those of the DISTRIGAS group, DISTRI RE has been consolidated according to the equity method.

The CITENSY, GASELEC S.C.R.L., GASELEC & C° S.C.S., I.Z.T. S.C.R.L. and RHODIGAZ S.A.S. are not consolidated since DISTRIGAS does not control them. They have not been consolidated according to the equity method due to their small relative importance.

notes on the consolidated balance sheet on 31 December 2002



II. a. FULLY CONSOLIDATED COMPANIES

NAME	REGISTERED OFFICE	National V.A.T. No.	Percentage of capital held
FINPIPE G.I.E.	Rue de l'Industrie 10 - B-1000 Brussels	444.889.015	56.000887 %
DISTRIGAS & C° S.C.A.	Rue de l'Industrie 10 - B-1000 Brussels	464.255.658	99.804 %
TRANSFIN S.A.	Rue de l'Industrie 10 - B-1000 Brussels	464.236.654	99.80 %

b. COMPANIES EXCLUDED FROM THE CONSOLIDATION UNDER ART. 107.1° BECAUSE OF THEIR NEGLIGIBLE SIZE

None

III. COMPANIES CONSOLIDATED BY THE PROPORTIONATE METHOD

None

IV. a. COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

NAME	REGISTERED OFFICE	National V.A.T. No.	Percentage of capital held
DISTRIGAS S.A.	Avenue de la Gare 65 - L-1611 Luxembourg	-	100.00 %
ETAC B.V.	F. Roeskestraat 123 - 1077 EE Amsterdam	NL 8072.38.491.B 01	75.00 %

b. COMPANIES NOT ACCOUNTED FOR BY THE EQUITY METHOD UNDER ART. 107.1° BECAUSE OF THEIR NEGLIGIBLE SIZE

NAME	REGISTERED OFFICE	National V.A.T. No.	Percentage of capital held
CITENSY S.A.	Avenue Palmerston 4 - B-1000 Brussel	446.602.945	33.333 %
GASELEC S.C.R.L.	Rue de l'Industrie 10 - B-1000 Brussels	453.524.092	49.920 %
GASELEC & CO S.C.S.	Rue de l'Industrie 10 - B-1000 Brussels	453.477.671	99.900 %
I.Z.T. S.C.R.L.	Rue de l'Industrie 10 - B-1000 Brussels	454.318.009	51.00 %
RHODIGAZ S.A.S.	Quai Alphonse Le Gallo 26 - F- 92512 Boulogne-Billancourt France	-	50.00 %

notes on the consolidated balance sheet on 31 December 2002

VI. ACCOUNTING PRINCIPLES

1. INVENTORY

General rules

Assets are valued at their acquisition or cost price, and are entered in the balance sheet at this value, minus the relevant depreciation and write-downs. Assets that have been contributed are valued at the agreed value of the contribution. They do not include taxes and costs involved in the contribution; if the latter are not fully entered in the income statement for the financial year in which the contribution is made, they are entered under "Formation expenses."

Tangible and financial assets may be revalued if their value, determined in relation to their usefulness to the company, shows a sure and lasting increase compared with their book value. However, such a revaluation is carried out only if it is justified by the profitability of the company's activities, or at least the part of the activities concerned.

Assets, liabilities and commitments in foreign currencies

Entry in the accounts on conclusion of the transaction

Accounts in which debts or amounts receivable are expressed in foreign currency are valued at the rate obtaining on the day of the operation. However, if the variation in the rate does not have any impact on the completion of the operation, the standard rate or an average rate over certain periods may be chosen.

Valuation at year end

At the end of the year and in accordance with advisory notice issued by the Accounting Standards Commission (bulletin N° 20 of December 1987, section VII A and B), monetary assets and liabilities are valued at the rate obtaining at year end, as are rights and obligations.

This evaluation gives rise to translation differences which are totalled up for each currency. Unless they are covered by a particular hedging operation, the negative differences for each currency are posted to the income statement, while the positive differences are entered as accrued assets.

Formation expenses

Formation expenses are not included in the assets unless they are posted during the year in which they are incurred.

Intangible assets

Intangible assets other than those acquired from third parties are entered in the assets at their cost price only if this does not exceed a prudent estimate of the useful value of these assets, or of their future profitability for the company.

Tangible assets

Small items of equipment, consumables and supplies that are constantly renewed and whose acquisition value is negligible in relation to the balance sheet total may be entered in the assets as a fixed amount if their quantity, value and composition does not vary significantly from one year to the next. In such a case, the cost of renewing these items is charged to operating expenses.

The rights to use certain tangible assets which the company enjoys under leasing or similar contracts are posted to the assets, up to the amount of the instalments paid under the contract, representing the reconstitution of the value of the asset in the form of capital, as laid down in the contract.

Financial assets

Investments and other shareholdings entered under the heading of "Financial assets" are subject to write-downs in the event of lasting loss or depreciation justified by the situation, profitability or prospects of the company in which the investment has been made or the shares held.

Receivables or fixed-interest stock entered under financial assets are subject to write-downs if their repayment when due is wholly or partly uncertain or jeopardized.

The costs related to the acquisition of financial assets are charged against the income statement of the year during which they were incurred.

Amounts receivable after one year

Amounts receivable after one year are subject to write-downs if their repayment when due is wholly or partly uncertain or jeopardized.

notes on the consolidated balance sheet on 31 December 2002



Stocks

STOCKS OF GAS

Gas stocks are valued according to the last in/first out (LIFO) method. New stocks of natural gas are valued at the average monthly purchasing costs, taking into account the G factor.

STOCKS OF RAW MATERIALS AND CONSUMABLES

Raw materials and consumables are held in the inventory according to the weighted average price method. For certain items, individual prices for each are valued each element or group of elements may be established and classified by year of purchase. Such stocks can be depreciated within the limits allowed by the tax authorities, according to the type of stocked item.

CONTRACTS IN PROGRESS

Contracts being carried out for third parties are valued at their cost price, taking into account the directly attributable costs. However, in the case of certain large projects, the cost price pay include the financial charges for capital borrowed to finance the operation.

WRITE-DOWNS

If necessary, write-downs are recorded to take into account either the market value or the risks justified by the nature of the assets under consideration or by the activity carried out.

Amounts receivable within one year - Investments - Cash at bank and in hand

The items under this heading may be written down when their market value at the end of the financial year is lower than their purchase price. Further write-downs are recorded to take account of changes in the sales or market value, or the risks justified by the nature of the assets under consideration or by the activity carried out.

2. GAS PURCHASES

The gas acquisition cost is calculated in accordance with the recommendations issued by the Electricity and Gas Board of Control, taking the G factor into account.

Options on currencies purchased to cover gas purchases

Options on currencies purchased to cover the exchange risk on a future operation are recorded under "Investments" at their acquisition cost. They are not written down unless the future transaction is not sufficiently likely or will not be carried out.

At each closing, the potential impact on the future operation is estimated. If a loss is expected, then provision is set aside to cover it.

3. DEPRECIATION AND AMORTISATION

Depreciation and amortisation are applied as follows:

Formation expenses

Formation expenses are amortised as appropriate, at a rate of at least 20% per financial year for the amounts actually spent; however, the amortisation on loan issue expenses and discount charges can be spread over the total duration of the loan.

Intangible assets

Intangible assets whose use is limited in time are amortised according to the period of use or probable use. Computer software is depreciated at a rate of 20%. Intangible assets whose use is not limited in time may only be written down in the event of lasting losses or depreciation.

notes on the consolidated balance sheet on 31 December 2002

Tangible assets

Tangible assets whose use is limited in time are depreciated in stages according to the period of use or probable use.

Such assets are subject to additional or extraordinary depreciation when, due to their deterioration or to changes in economic or technological circumstances, their book value exceeds their useful value for the company.

Tangible assets that have been retired or that are no longer used on a lasting basis for the company's activities are subject to extraordinary depreciation, so as to bring their value into line with the probable disposal value.

Tangible assets whose use is not limited in time may only be written down in the event of lasting losses or depreciation.

Depreciation methods

a.1. Straight-line depreciation

The main depreciation rates used are as follows:

- 3% for administrative buildings,
- 5% for industrial buildings,
- 20% for equipment, vehicles and furniture
- 25% for IT equipment,
- 33.33% for prototypes.

4. PROVISION AND LOSS OF VALUE

Allowance is made for foreseeable risks, possible losses and losses of value arising during the report year or previous years.

Allowance is also made for expenses and income related to the year or to previous years without consideration of the date of payment or receipt of these expenses and income, except when the receipt of such income is uncertain.

In particular, provisions are constituted to cover the following:

- a. the cost of major repairs and major maintenance work, and of moving pipelines;
- b. the risk of losses or expenses arising for the company through personal or real sureties constituted to guarantee third party debts or commitments, commitments relative to the acquisition or disposal of assets, the execution of orders placed or received, current or future currency positions, current or future commodity positions, technical guarantees associated with sales and services already carried out by the company, and litigation in progress.

5. TAXES

The tax expenses for the financial year are determined on the closing date on the basis of the estimated tax amount, taking into account pre-payments made and withholding taxes due.

6. RESTATEMENTS AND ELIMINATIONS

The consolidated accounts are presented without significant restatement, thanks to the use of standard accounting principles throughout the group.

7. CLOSING DATE

The consolidated accounts are closed on 31 December, i.e. the closing date of the parent company. If the accounts of a subsidiary are closed between 30 September and 31 December, they are used as they are; if the closing date is prior to 30 September, then interim accounts are drawn up as per 31 December for the purposes of consolidation.

notes on the consolidated balance sheet on 31 December 2002



VII. STATEMENT OF FORMATION EXPENSES

None

VIII. STATEMENT OF INTANGIBLE ASSETS

	Costs for studies and development	Concessions, patents, licences, etc.	Goodwill	Advance payments	Total
A. Acquisition value					
At end of previous year	0	0	0	0	0
Changes during the year					
Acquisitions, including own construction	0	52	0	0	52
Sales and disposals	0	0	0	0	0
Transfers from one heading to another	0	0	0	0	0
Variations in consolidation scope	0	0	0	0	0
At year end	0	52	0	0	52
C. Depreciation and write-downs					
At end of previous year	0	0	0	0	0
Changes during the year					
Recorded	0	10	0	0	10
Written back	0	0	0	0	0
Acquired from third parties	0	0	0	0	0
Cancelled	0	0	0	0	0
Transfers from one heading to another	0	0	0	0	0
Variations in consolidation scope	0	0	0	0	0
At year end	0	10	0	0	10
D. Net book value at year end	0	42	0	0	42

notes on the consolidated balance sheet on 31 December 2002

(IN THOUSAND EUR)

IX. STATEMENT OF FINANCIAL ASSETS

	Lands, buildings and residences	Plants and machinery	Furnitures, vehicules and equipment	Leasing & similar rights	Others	Assets under construction and advance payments	Total
A. Acquisition value							
At end of previous year	1,029	135,278	0	0	0	64,368	200,675
Changes during the year							
Acquisitions, including own construction	0	0	0	0	0	15,247	15,247
Sales and disposals	0	0	0	0	0	0	0
Transfers from one heading to another	0	0	0	0	0	0	0
Variations in consolidation scope	0	0	0	0	0	0	0
At year end	1,029	135,278	0	0	0	79,615	215,922
C. Depreciation and write-downs							
At end of previous year	420	56,917	0	0	0	20,078	77,415
Changes during the year							
Recorded	46	6,130	0	0	0	12,705	18,881
Written back	0	0	0	0	0	0	0
Acquired from third parties	0	0	0	0	0	0	0
Cancelled	0	0	0	0	0	0	0
Transfers from one heading to another	0	0	0	0	0	0	0
Variations in consolidation scope	0	0	0	0	0	0	0
At year end	466	63,047	0	0	0	32,783	96,296
D. Net book value at year end	563	72,231	0	0	0	46,832	119,626

notes on the consolidated balance sheet on 31 December 2002



X. STATEMENT OF FINANCIAL ASSETS	A. Companies accounted for by the equity method	B. Other companies
1. Participating interests and shares		
a. Acquisition value		
At end of previous year	2,513	25,203
Changes during the year		
Acquisitions	-	-
Disposals and withdrawals	-	-
Variation in consolidation scope	-	-
At year end	2,513	25,203
b. Capital gains		
At end of previous year	-	1,494
Changes during the year		
Variation in consolidation scope	-	-
At year end	-	1,494
c. Depreciation and write-downs		
At end of previous year	-	-
At year end	-	-
d. Uncalled share capital		
At end of previous year	620	1,591
Changes during the year		
Variation in consolidation scope	-	-
At year end	620	1,591
e. Variation in capital and reserves		
At end of previous year	4,149	
Changes during the year		
Variation in consolidation scope	-	
Equity method	-	
At year end	4,149	
Net book value at year end		
Accumulated write-downs at year end	6,042	25,106
2. Amounts receivable		
Net book value at end of previous year		10,733
Changes during the year		
Additions		11,457
Repayments		- 1,056
Write-back of write-downs		-
Other		-
Net book value at year end		21,134
Accumulated write-downs at year end		0

notes on the consolidated balance sheet on 31 December 2002

(IN THOUSAND EUR)

XI. STATEMENT OF RESERVES AND PROFIT CARRIED FORWARD

Net book value at end of previous year	106,818
Changes during the year:	
Given reserves in connection with the demerger	-
Result generated	67,606
Appropriation of results: dividends	-21,557
Value at year end	152,867

XII. STATEMENT OF CONSOLIDATION DIFFERENCES

None

XIII. STATEMENTS OF AMOUNT PAYABLE

Amounts payable with residual term of	-1 year	1 and 5 years	+ 5 years
A. Breakdown of amounts payable after one year			
A. Financial debts			
2. Unsubordinated loans	0	0	0
3. Leasing and similar obligations	0	0	0
4. Credit institutions	3,409	38,988	17,043
5. Other loans	5,823	29,118	21,895
Total	9,232	68,106	38,938
C. Amounts received	35,400	7,488	0
D. Other debts	0	0	0
Total	44,632	75,594	38,938

B. Amounts payable or portion thereof guaranteed by: Belgian public authorities and real guarantees

None

notes on the consolidated balance sheet on 31 December 2002



XIV. RESULTS

On 31/12/2002

A. Net turnover	
Gas sales	3,459,509
Finpipe	21,360
Distrigas & C ^o	113,032
Other services and products	12,007
Total	3,605,908
B. Persons employed and personnel costs	
1. Quantitative informations:	
Average number of persons employed during the year	75.7
- Management	37.3
- Employees	38.4
- Workers	0.0
- Others	0.0
2. Information relating to charges	
- Direct remuneration and social benefits	5,937
- Employer's social security benefits	1,919
- Employer's premiums for non-statutory insurance schemes	80
- Other personnel costs	120
- Pensions	871
Total	8,927
D. Income taxes	
1. Income taxes for the financial year:	
a) Taxes and withholding taxes due or paid	37,546
b) Excess of income tax prepayments and withholding taxes included in assets	39,563
c) Estimated additional charges (included in liabilities)	- 2,017
	0
2. Income taxes for previous years:	
a) Additional charges for income taxes due or paid	0
	0

notes on the consolidated balance sheet on 31 December 2002

(IN THOUSAND EUR)

XV. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

A. 5. Forward market

- Gas purchase and transport contracts: Distrigas cumulated take or pay commitments, except these taken over by electricity producers, can be estimated at EUR 18.3 billion based on the current average price.	
- Additional short-term contracts	
Gas purchases	138,833
Gas sales	186,858
- Currency bought on the forward market	0
- Currency sold on the forward market	108,248
- Interest rate hedging	352,628

C. Litigation and other commitments

- Litigation	
Recours against a third party: gas activity	159
Guarantees constituted by third parties for the benefit of the company.	
Rental guarantees	345
Other guarantees given	461
- Commitments received	
Gas activities	
Bank sureties	700
Other activities	
Bank sureties	25,323
- Commitments received	
- Commitments given	
Commitments in favour of DISTRI RE	9,916
Other commitments given	PM

D. Credits not used by the company	71,265
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E. Complementary pension scheme

a) Description of the systems:

- * System based on 'objective to be reached'

The senior staff recruited before 1 May 1999 as well as the statutory staff receive a capital corresponding to a pension that, in the case of a complete career, is equal to 75% of the last annual income, less the amount of a theoretical legal pension. A reducing factor is applied if the career is not complete.

- * System based on "Fixed premiums"

The senior staff recruited after 1 May 1999 receives a capital made up of personal premiums and employers' premiums which reach up to 4 times the amount of the personal premiums.

- * In case of decease before retirement, a capital in favour of the surviving spouse and benefits for the orphans are provided in both systems.

b) Measures taken by the company to cover this charge.

In order to guarantee the above-mentioned capitals and pensions, the company pays both employer's and personal contributions to the following institutions: Pensiobel Ancien A.S.B.L., Pensiobel sector A.S.B.L., Elgabel A.S.B.L., Powerbel A.S.B.L., Enerbel A.S.B.L. and Contassur S.A.

notes on the consolidated balance sheet on 31 December 2002



XVI. RELATIONS WITH AFFILIATED ENTERPRISES LINKED BY PARTICIPATING INTERESTS (not included in the consolidation)

	A. Affiliated enterprises		B. Enterprises linked by participating interests	
	On 31/12/2002	On 31/12/2001	On 31/12/2002	On 31/12/2001
1. Financial assets				
- Participating interests	88	88	25,018	25,018
- Amounts receivable	0	0	0	0
2. Amounts receivable				
- Within one year	6	10	0	57
3. Investments				
- Amounts receivable	151,778	367,770	0	0
4. Amounts payable				
- Within one year	112,706	131,874	562	615
7. Financial results				
Income from financial assets	0	0	4,343	0
Income from current assets	12,739	6,939	0	0
Interest and other debt charges	4,239	5,583	0	0

XVII. DIRECTORS

2.a. Direct and indirect remuneration to the directors

90

statutory auditor's report on the consolidated financial statements for the year ended December 31, 2002

TO THE SHAREHOLDERS' MEETING OF THE COMPANY

To the Shareholders,

In accordance with legal and statutory requirements, we are pleased to report to you on our audit assignment which you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended December 31, 2002, which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of EUR 1,491,184 (000) and an income statement resulting in a consolidated profit for the year of EUR 70,469 (000). We have also examined the consolidated Directors' report.

Unqualified audit opinion on the financial statements

We conducted our audit in accordance with the standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfs-revisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement taking into account the legal and statutory requirements applicable to consolidated financial statements in Belgium.

In accordance with these standards, we considered the group's administrative and accounting organization of your company as well as its internal control procedures. We have obtained explanations and information required for our audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing accounting policies used, the basis for consolidation and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a fair and true view of the group's assets, liabilities, consolidated financial position as of December 31, 2002 and the consolidated results of its operations for the year then ended, and the information given in the notes to the consolidated financial statements is adequate.

statutory auditor's report on the consolidated financial statements for the year ended December 31, 2002



Additional certifications (and information)

We supplement our report with the following certifications (and information) which do not modify our audit opinion on the consolidated financial statements:

- The consolidated directors' report contains the information required by the Companies Code and is consistent with the consolidated financial statements.

Antwerp, April 1, 2003

The Statutory Auditor,

DELOITTE & TOUCHE
Reviseurs d'Entreprises SC s.f.d. SCRL
Represented by Jos VLAMINCKX

Distrigas

Statutory Financial Statements

balance sheet of Distrigas s.A. on 31 December 2002

(IN THOUSAND EUR)

ASSETS	31/12/2002	31/12/2001	Difference
FIXED ASSETS	43,495	33,476	10,019
Intangible assets	42	0	42
Tangible assets	2,967	3,391	-424
Financial assets	40,486	30,085	10,401
CURRENT ASSETS	1,123,645	1,385,573	-261,928
Stocks and contracts in progress	181,500	190,811	-9,311
Amounts receivable within one year	559,867	685,135	-125,268
Investments	333,812	496,146	-162,334
Cash at bank and in hand	36,815	319	36,496
Deferred charges and accrued income	11,651	13,162	-1,511
	1,167,140	1,419,049	-251,909

LIABILITIES	31/12/2002	31/12/2001	Difference
CAPITAL AND RESERVES	158,626	141,527	17,099
Capital	66,228	66,228	0
Share premium account	41	41	0
Revaluation surpluses	1,494	1,494	0
Reserves	89,233	72,233	17,000
Profit carried forward	1,630	1,531	99
PROVISIONS AND DEFERRED TAXES	210,893	215,857	-4,964
AMOUNTS PAYABLE	797,621	1,061,665	-264,044
Amounts payable after one year	7,488	48,049	-40,561
Amounts receivable within one year	622,287	872,878	-250,591
Accrued charges and deferred income	167,846	140,738	27,108
	1,167,140	1,419,049	-251,909

balance sheet of Distrigas S.A. on 31 December 2002



INCOME STATEMENT	31/12/2002	31/12/2001	Difference
Operating income	3,472,005	1,694,028	1,777,977
Operating charges	3,438,021	1,693,707	1,744,314
Operating result	33,984	321	33,663
Financial income	23,801	19,405	4,396
Financial charges	15,825	9,346	6,479
Financial result	7,976	10,059	-2,083
Profit on ordinary activities before taxes	41,960	10,380	31,580
Extraordinary income	16,607	0	16,607
Extraordinary charges	0	88	-88
Extraordinary result	16,607	-88	16,695
Profit for the year before taxes	-19,911	-4,152	-15,759
Profit for the year	38,656	6,140	32,516
Profit for the year available for appropriation	38,656	6,140	32,516

income statement Distrigas s.A. on 31 December 2002

(IN THOUSAND EUR)

APPROPRIATION ACCOUNTS

	31/12/2002	31/12/2001	Difference
A. Profit available for appropriation	40,187	6,140	34,047
1. Profit for the year available for appropriation	38,656	6,140	32,516
2. Profit brought forward	1,531	0	1,531
B. Drawings on capital and reserves	0	0	0
2. On reserves	0	0	0
C. Appropriation to capital and reserves	17,000	0	17,000
2. To the statutory reserve	0	0	0
3. To other reserves	17,000	0	17,000
D. Result to be carried forward	1,630	1,531	99
1. Profit to be carried forward	1,630	1,531	99
F. Distribution of profit	21,557	4,609	16,948
1. Dividends	21,557	4,609	16,948

If the above distribution is accepted, and taking into account the tax requirements, the net dividend after withholding tax would be 23.01 EUR against EUR 4.92 for the year 2001.

additional information on Distrigas S.A. on 31 December 2002



STATEMENT OF CAPITAL	31/12/2002	31/12/2001	Difference
A.1. Issued capital			
At end of previous year	66,228	0	66,228
Changes during the year	0	66,228	-66,228
At year end	66,228	66,228	0
A.2. Structure of the capital			
Registered shares	621,977	621,996	-19
Bearer shares	80,659	80,640	19

G. Shareholder structure

Declared by	Date of declaration	Type of share	Number of voting rights declared	%
Tractebel S.A. [affiliated to S.G.B.]*	12/12/2001	A & D	270,194	38.45
Distrihold S.A. [affiliated to Tractebel]*	12/12/2001	A	117,696	16.75
Publigas*	12/12/2001	B	116,812	16.62
Belgian Shell N.V.*	12/12/2001	C	117,106	16.67
			621,808	88.49

*acting in concert

additional information on Distrigas s.A. on 31 December 2002

(IN THOUSAND EUR)

TAXES	31/12/2002	31/12/2001	Difference
A. Breakdown of heading 670/3			
1. Income taxes for the current year	19,911	4,152	15,759
a) Taxes and withholding taxes due or paid	21,695	4,431	17,264
b) Excess of income tax prepayments and withholding taxes included in assets	-1,784	-279	-1,505
2. Income taxes for previous years			
a) Additional charges for income taxes due or paid			
B. Discrepancy between profit before taxes and estimated taxable profit			
Profit before taxes	58,567	10,292	48,275
Tax components:	-9,625	43	-9,668
- <i>Income definitely taxed</i>	-2,063	0	-2,063
- <i>Disallowed expenses</i>	777	43	734
- <i>Exempted profit according to agreement</i>	-8,339	0	-8,339
Total	48,942	10,335	38,607

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