Press release
Half-year results 2006 – 31 August 2006

Half-year results 2006

- **Sales of natural gas up by 2.6%: slight decline of sales in Belgium but strong increase of sales outside Belgium and arbitrage.**
- **In an overall context characterised by strong tensions on energy markets, the operating result (EBIT) increases by 26% compared with 30 June 05 and amounts to €186 million.**
- **A consolidated net result (Group's share) of €183 million, an increase of 158%. This strong increase is mainly due to accounting effects related to the fluctuation in fair value of commodity contracts (IAS 39).**

1. Key events

Sales developments
Significant breakthrough on the B2B market in the Netherlands (9 TWh, spread over three years) and first supply contracts with municipal distributors (Stadtwerke) in Germany.
In France, Distrigas now supplies more than 100 industrial sites.

Customer services
Launch of the new Distrigas website. Based on a more commercial concept, it provides customer and prospects with more detailed information on offers. A secure extranet makes it possible for them to access online information (monitoring of consumption, invoices, information about market trends, etc.).

Supply - LNG
Purchase of several "spot" cargoes of liquefied natural gas from Egypt and Qatar, illustrating the dynamism of Distrigas in this market.

Availability of regasification capacity at Zeebrugge
During June and July, Distrigas made part of the regasification capacity it had contracted at the Zeebrugge terminal available to other LNG importers. Two cargoes could thus be unloaded, regasified and commercialised, in addition to the volumes imported by Distrigas.

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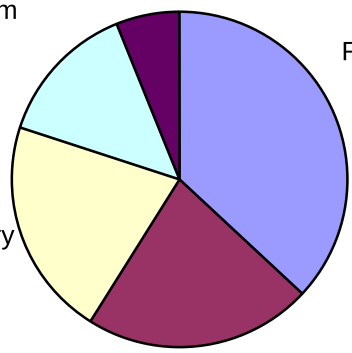
Availability of capacity on Interconnector
Once again this year, Distrigas offered part of its Interconnector capacity (which has been increased since November 2005) to third parties on the secondary market, as it already had done last winter. In addition to its own arbitrage sales to the United Kingdom, Distrigas thereby contributed to reduce the deficit in the British market, which has recently become dependent on natural gas imports.

2. Sales of natural gas: + 2.6 %

Overall sales of natural gas by Distrigas during the first half of 2006 rose by 2.6% compared with the same period in 2005.

In TWh	1st half 05	1st half 06	Variation
Resellers/Distribution	40,5	43,3	+ 7,1 %
Industry	26,3	25,6	- 2,6 %
Power producers	28,4	24,6	- 13,6 %
Sales in Belgium	**95,2**	**93,5**	**- 1,8 %**
Sales outside Belgium	13,3	16,3	+ 22,6 %
Arbitrage	5,2	6,8	+ 30,8 %
Sales outside Belgium and arbitrage	**18,5**	**23,1**	**+ 24,9 %**
Total sales	**113,7**	**116,6**	**+ 2,6 %**
Total in billion m^3	9,8	10	



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2.1. Sales in Belgium: - 1.8 %

- **Sales to resellers and to distribution companies** grew by 7.1% mainly due to lower temperatures during the first four months compared to the same period last year. It is, of course, the result of the harsher and longer winter that affected the whole of Europe.

- Although Distrigas is not selling more directly to industrial customers connected to the distribution grid, **sales to industrial customers** fell by 2.6%. These decrease stems both from an erosion of the market share in this segment and from the deteriorated economic situation in some sectors. The fall in sales to the chemical sector is in the region of 10%, whereas the volumes delivered to the glass, food and steel industries are higher.

- **Sales to power producers** are down by 13.6%. This drop is mainly explained by the reduction in LNG deliveries specifically intended for power stations.

2.2. Sales outside Belgium and arbitrage: + 24.9%

Overall, sales outside Belgium are up by 22.6% thanks to increased sales in France and the first deliveries to customers in the Netherlands. As for sales to the Grand Duchy of Luxembourg, they also increase, by over 10 %, due to harsher temperatures.

Winter 2006 has also been marked by a sharp increase in arbitrage sales. Sales of LNG to other European energy companies are, by contrast, appreciably down compared with the record level of 2005.

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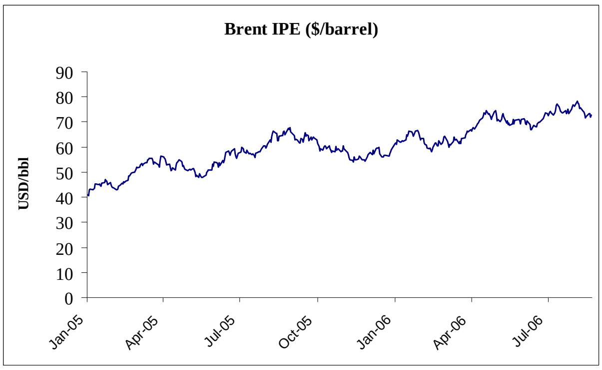
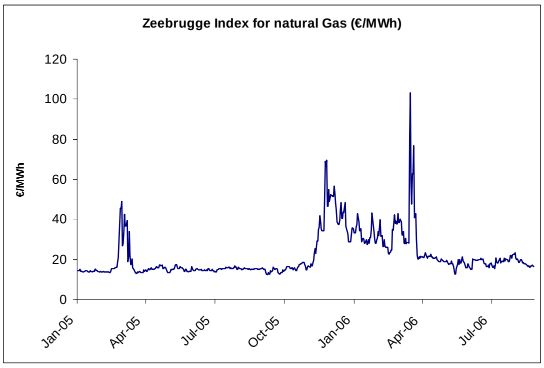
3. Energy prices on the rise

The world energy market was subjected to very strong tensions with the barrel of crude exceeding $78.50 (Brent, IPE London).
Gas prices on the spot markets also fluctuated considerably, during the first quarter, sometimes over very short periods, even reaching more than €100 /MWh. The fear of a shortage of natural gas on the British market during the winter was the major contributor to that price volatility on the continent.

Despite these factors, the average price of natural gas did not increase as much as that of competing products, for residential customers as well as for industry. Various recent surveys, including one by the CREG, showed moreover that natural gas prices in Belgium for industrial customers are still among the most competitive in Europe.





4. Inquiry by the European Commission

Last May, the European Commission sent a statement of objections to Distrigas stating that it considers that the contracts longer than one year concluded with industrial customers with a duration exceeding one year are foreclosing the Belgian gas market.
In the discussions which Distrigas has with the Commission, it seeks a solution that will enable to continue to respond to the expectations of its customers.

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5. Consolidated half-yearly results - summary

The consolidated half-yearly financial information was drawn up in accordance with the accounting principles of the IFRS (International Financial Reporting Standards), as adopted in the European Union.

It was also prepared on the basis of the same accounting methods as those used to draw up the annual consolidated financial statements closed at 31 December 2005.
No new standard or interpretation has been applied since 1 January 2006 and the scope of consolidation has not been modified.

❑ Key figures

In million EUR	30.06.2005	30.06.2006	Variation
Revenue from ordinary activities	**1.898,58**	**2.617,21**	**718,63**
Operating results (EBIT)	**147,59**	**186,00**	**38,41**
Results from ordinary activities (*)	**97,18**	**253,82**	**156,64**
Net financial results	9,12	9,17	0,05
Operating results including net financial results	**106,30**	**262,99**	**156,69**
Share in results of associated companies reported under the equity method	0,02	0,08	0,06
Pre-tax results	**106,32**	**263,07**	**156,75**
Income taxes	-32,50	-78,88	-46,38
Net result	**73,82**	**184,19**	**110,37**
Minority interest	2,84	1,18	-1,66
Net result Group's share	**70,98**	**183,01**	**112,03**
Net earnings per share (in EUR)	***101,03***	***260,46***	***159,44***

(*) Includes the operating result and the fair-value adjustment of negotiable instruments relating to purchases and sales of energy.

❑ Comments on the key figures and the mid-2006 balance sheet

Revenue from ordinary activities (turnover)
Distrigas's consolidated turnover reached €2,617.21 million during the first half of 2006, compared with €1,898.58 million for the same period of the previous year, showing a sharp rise, which is mainly explained by the increase in gas prices. It does not however have any direct effect on operating margins.

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In Belgium, there is a slight increase in turnover compared with the previous period, mainly within the "Resellers/Distribution" segment, due to the effect of harsher winter conditions in 2006 than in 2005, whereas the other market segments reflect a less favourable trend.

Distrigas also achieved a significant increase in turnover outside Belgium, owing to new sales successes gained on the French market and the recent sales breakthrough on the Dutch market.

Lastly, turnover in transit activity is up compared with the same period in 2005.

Operating result (EBIT)
The operating result amounts to €186.00 million, to be compared with €147.59 million for the same period of 2005.

A part of this rise is due to the additional sales made during the first half of 2006. Most of the increase, however, is explained by improvement in portfolio management. This is directly reflected in improved margins in comparison with the first half of 2005 and enabled the company to take advantage of favourable market conditions to seize various arbitrage opportunities.

Results from ordinary activities
The result from ordinary activities increases by €156.64 million and amounts to €253.82 million. The sharp increase in results from ordinary activities should be tempered by the fact that this indicator includes the results from the application of the IAS 39 standard, obliging Distrigas to assess financial instruments, including some commodity contracts at their fair value, at each closing of the accounts.

As a reminder, at the closure of 31 December 2005, a negative variation of the fair value of financial instruments and commodity contracts was posted given the unfavourable evolution of the reference market prices at that time, creating a theoretical risk of loss of margin.

On 30 June 2006, the fair value of these instruments and contracts evolved positively and, consequently, the above-mentioned theoretical risk was reversed, hence explaining the positive evolution of the result from ordinary activities.

Apart from this mechanical effect of the application of the IAS 39 standard, results from ordinary activities show an increase similar to the EBIT rise.

Income taxes
The tax liability amounts to €78.88 million, versus €32.50 million for the first half of 2005, on account of the increase in the pre-tax result.

The average tax rate remains unchanged compared with the first half of 2005.

Net result
Net result for the period was €184.19 million. The Group's share in the result was €183.01 million.

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Balance sheet (see annexes)
The balance sheet total comes to €2,296.03 million at the end of the first half of 2006, i.e. down by €527.89 million compared with the consolidated financial statements as of 31 December 2005.

The main part of this decrease is connected with the application of the accounting and valuation principles for financial instruments in accordance with the IAS 39 standard, together with the seasonal profile of gas sales activities. In particular, the result is a contraction of stocks, trade receivables and trade payables compared with 31 December 2005, which was however partly mitigated by the increase in prices that occurred during that period.

Cash flow (see annexes)
The operational activities of the Distrigas Group generated a cash flow of €36.43 million during the first six months of 2006.

The negative variation in cash from financing (- €126.86 million) mainly corresponds to the payment, in May 2006, of the dividend of Distrigas SA relating to the 2005 financial year (i.e. €125.42 million).

Consequently, cash and cash equivalents come to €862.52 million at the end of the first half of 2006, i.e. a decrease of €91.95 million compared with 31 December 2005.

6. Prospects for 2006

On the basis of the trends observed until the end of August, the net consolidated result for the 2006 financial year should be higher than in 2005. It is however important to remind that the IFRS standards imply the fair valuation of some commodity contracts, increasing therefore the volatility of the results. Consequently, as shown by this half-year financial information, Distrigas' result will be influenced by accounting effects due to fluctuations in energy prices.

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7. Limited review report on the consolidated half-year financial information for the six-month period ended June 30, 2006

We have performed a limited review of the accompanying condensed consolidated balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity (jointly the “interim financial information”) of DISTRIGAS NV/SA and its subsidiaries (jointly “the group”) for the six months period ended June 30, 2006. The Board of Directors of the company is responsible for the preparation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the ”Institut des Reviseurs d’Entreprises/Instituut der Bedrijfsrevisoren”. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the ”Institut des Reviseurs d’Entreprises/Instituut der Bedrijfsrevisoren”. Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six months period ended June 30, 2006 is not prepared, in all material respects, in accordance with legal and regulatory requirements and the recognition and measurement criteria of IFRS as adopted by the European Union.

August 30, 2006

The Statutory Auditor

DELOITTE Reviseurs d’Entreprises
SC s.f.d. SCRL
Represented by Jurgen Kesselaers

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Annexes : consolidated figures

Accounts that have undergone a limited review by the Deloitte external auditors.

Summary of the balance sheet

In million EUR	31.12.2005	30.06.2006	Evolution
NON-CURRENT ASSETS	**685,90**	**667,15**	**-18,75**
Intangible and tangible assets	367,40	356,37	-11,03
Financial lease receivable	168,63	168,63	0,00
Participations available for sales	97,00	97,00	0,00
Derivative Instruments	47,87	38,35	-9,52
Other non-current assets	5,00	6,80	1,80
CURRENT ASSETS	**2.138,02**	**1.628,88**	**-509,14**
Inventories	172,78	150,81	-21,97
Financial lease receivable	16,65	13,97	-2,68
Trade and other receivables	748,21	468,35	-279,86
Derivative Instruments	224,79	125,68	-99,11
Cash and cash equivalents	954,47	862,52	-91,95
Other current assets	21,12	7,55	-13,57
TOTAL ASSETS	**2.823,92**	**2.296,03**	**-527,89**
EQUITY	**991,20**	**1.041,72**	**50,52**
Share capital	66,23	66,23	0,00
Reserves	913,22	961,45	48,23
Minority interests	11,75	14,04	2,29
NON-CURRENT LIABILITIES	**460,53**	**453,14**	**-7,39**
Provisions, pensions and similar benefits	35,01	31,49	-3,52
Financial lease receivable	184,26	184,26	0,00
Other non-current liabilities	67,16	67,06	-0,10
Deferred tax liabilities	124,51	130,91	6,40
Derivative instruments	49,59	39,42	-10,17
CURRENT LIABILITIES	**1.372,19**	**801,17**	**-571,02**
Provisions	18,29	54,65	36,36
Liabilities related to finance leases and other financial debts	21,46	9,57	-11,89
Other financial receivables	91,26	88,55	-2,71
Trade and other receivables	967,97	509,00	-458,97
Derivative instruments	268,48	127,99	-140,49
Other current liabilities	4,73	11,41	6,68
TOTAL LIABILITIES	**2.823,92**	**2.296,03**	**-527,89**

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Variations in shareholder equity

Consolidated shareholder equity evolved as follows during the six-month period:

In million EUR	Share capital	Reserves				Minority interests	Total
		Reserve of participations available for sale	Reserve relating to hedging instruments	Other reserves	Total reserves		
Book value at 31.12.2005	**66,23**	**38,47**	**19,68**	**855,07**	**913,22**	**11,75**	**991,20**
Dividends paid out				-125,42	-125,42	1,11	-124,31
Net result of the period				183,01	183,01	1,18	184,19
Variation in fair value of participations available for sales					0,00		0,00
Variation in fair value of hedging instruments			-9,49		-9,49		-9,49
Other variations				0,13	0,13		0,13
Book value at 30.06.2006	**66,23**	**38,47**	**10,19**	**912,79**	**961,45**	**14,04**	**1.041,72**

Summary of consolidated cash flow

In million EUR	30.06.2005	30.06.2006
Cash and cash equivalents at opening	**855,77**	**954,47**
Operational activities	132,63	36,43
Investments	-25,77	-1,69
Financing	-100,10	-126,86
Currency and perimeter changes	5,28	0,17
Net cash increase	12,04	-91,95
Cash and cash equivalents at closure	**867,81**	**862,52**

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Other languages
This press release is also available in French and Dutch on our website: www.distrigas.be.

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