Press release
Annual results 2005 – 2 March 2006

2005 Annual Results

- **Consolidated net result (Group share) of 203.30 million € compared with 201.93 million € at 31 December 2004**
- **Natural gas sales up 3%, thanks to strong growth outside Belgium, and despite a fall in the domestic market mainly due to competitive pressures and mild temperatures**
- **Proposed net dividend per share: 133.88 € (up 17.4%)**

Distrigas sales fell by 3% in the Belgian gas market, which grew by 1.1%.*

However, continued sales growth outside Belgium and arbitrage activities have supported Distrigas's European development. Overall, 2005 sales increased by 3% over 2004.

Disruptions to supply, which affected some parts of Europe during the 2006 winter period, have not affected any Distrigas customers.

* Source: Synergrid

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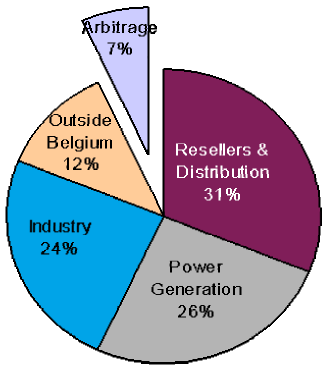
1. Sales of natural gas

In TWh	2004	2005	Variation
Resellers / Distribution	71.7	66.3	-7.6 %
Industry	51.1	51.4	0.6 %
Power producers	54.4	54.2	-0.4 %
Sales in Belgium	**177.2**	**171.8**	**-3.0 %**
Sales outside Belgium	19.4	24.5	26.5 %
Arbitrage (*)	8.6	15.0	74.5 %
Sales outside Belgium and arbitrage	**28.0**	**39.5**	**41.2 %**
Total sales	**205.2**	**211.3**	**3.0 %**
Total in billion m³ (1 m³ (n) = 0.01163 MWh)	17.6	18.2	

* In order to take account of the netting of certain sales and purchase transactions in 2005, sales reported for 2004 have been restated for comparison purposes.



1.1. Sales in Belgium: -3 %

- **Sales to resellers and natural gas distributors** fell by nearly 8% compared with 2004 mainly due to weather conditions. Despite the cold snap in Europe in February, the year 2005 was particularly warm: 4% warmer than 2004 and nearly 10% warmer than in a normal year, especially during the fourth quarter. In addition, since the market was liberalised, some industrial customers connected to the distribution network are now directly supplied by Distrigas. As a result, they are now reported under “Sales to industrial customers” segment, which also contributed to the fall in sales in the resellers segment.

- **Sales to industrial customers** amounted to 51.4 TWh, slightly higher than 2004, mainly because some industrial customers are now classified in this segment for reasons explained above. Competition in the industrial market as a whole is rising fast and leading to a significant customer switching.
  Distrigas’s commercial dynamism has won back some customers, and the company posted good results in the chemical, textile and food sectors. Sales to the steel, lime, glass

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and paper industries have fallen, in line with the European activity trend in these sectors. There are several competitors in the industrial segment who together hold more than 20% of the market.

- **Sales to power producers** in 2005 were practically unchanged from 2004.

1.2. Sales outside Belgium and arbitrage: +41.2%

- **In France** sales have increased significantly (+ 50%) in relation to 2004. Thanks a.o. to the volumes of natural gas delivered in the south of France, Distrigas has extended its activities to areas that had until then been inaccessible to new entrants.

  Distrigas supplies nearly 100 industrial sites throughout the country.

- In **Luxembourg**, Distrigas is the main supplier to SOTEG. Sales fell slightly compared with 2004. As in Belgium, the mild weather in Luxembourg during the fourth quarter of 2005 was the reason for this decline.

- **Arbitrage sales** increased sharply, mainly thanks to LNG deliveries (up 43% by volume) to Spain and the United Kingdom. The Spanish market was marked throughout the year by heavy gas demand for power generation, due to the persistent drought and the launch of new gas-fired power plants.

2. Energy prices on the rise

The year 2005 has been highlighted by surges in the market prices of energy. The price of a barrel of oil (Brent, IPE London) went well above US$ 60 on several occasions.
It should be noted that the gas price in long-term contracts is generally indexed to average oil prices, but with a delaying factor. The advantage of this indexation is that the price of gas changes gradually, thereby avoiding the rapid fluctuations experienced by spot prices.

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3. Highlights

Liquefied Natural Gas (LNG)
Distrigas and RasGas (II) signed a 20-year agreement for LNG supply
Starting in 2007, Distrigas will import around 2.75 billion cubic metres of natural gas per year - some 2.05 million tonnes of LNG - from Qatar to the Zeebrugge terminal for a period of 20 years.

Acquisition of Methania
Distrigas acquired the gas carrier Methania from Exmar. This vessel will continue to play an important role in Distrigas's strategy for LNG supply, helping it strengthen its activities in LNG transport and allowing it to seize commercial opportunities that may arise.

Delivery of LNG to the UK
In October, Distrigas delivered LNG to the Isle of Grain terminal located on the Thames River estuary to the east of London. This terminal has been operating since the summer and is the only LNG terminal on stream in Great Britain. Transported by Excalibur, this shipment was the third discharged at Isle of Grain and the first one to be imported by Distrigas in the United Kingdom.

Acquisition of 3 spot cargos of LNG
In the same week, Distrigas acquired three LNG cargos, from Trinidad, Qatar and Egypt, all discharged in Zeebrugge. This demonstrates the company's proactive approach in a very competitive environment.

Interconnector (UK) Ltd.
Increased stake in Interconnector (UK) Ltd.
Distrigas exercised its pre-emptive right through two transactions to increase its stake in Interconnector (UK) Ltd from 10 to 16.4%.

Expansion of Interconnector UK
Compression facilities, brought into service at Zeebrugge one month earlier than scheduled, increased the Interconnector's capacity to the British market, from 8.5 to 16.5 billion m^3 per year.

Sales in France
Distrigas in the whole of France
Distrigas signed a natural gas supply contract with an industrial customer in Gironde, in the former "Gaz du Sud Ouest" zone. This makes Distrigas the first, and so far the only new player supplying customers in the whole of France.

Finpipe
Increased stake in the Finpipe EIG
Distrigas acquired SA Sofipar from Belgian Shell. Sofipar is a member of the Finpipe EIG. This increased Distrigas's stake from 56% to 63.33%.

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4. Corporate governance

In accordance with the Belgian corporate governance code, the Board of Directors has approved on 21 December 2005 a Charter for corporate governance.
This charter has subsequently been published on the company's website.
www.distrigas.be

5. Consolidated financial statement - summary

The Auditors have confirmed that the accounting information provided in this press release does not give rise to any reservation on their behalf and conforms to the financial situation as approved by the Board of Directors.

• Introductory remarks

The Distrigas Group 2005 consolidated financial statements have been drawn up for the first time in accordance with the IAS/IFRS accountancy standards applicable at 31 December 2005.

• Key figures (IFRS)

in million EUR	2004	2005	Variation
Revenue from ordinary activities	**2,943.65**	**3,803.43**	**859.78**
Operating results (EBIT)	**306.38**	**366.19**	**59.81**
Results from ordinary activities	**306.38**	**283.78**	**-22.60**
Net financial results	1.46	13.06	11.60
Operating results including net financial results	**307.84**	**296.84**	**-11.00**
Share in results of associated companies reported under the equity method	0.04	0.07	0.03
Pre-tax results	**307.88**	**296.91**	**-10.97**
Income taxes	-96.75	-89.31	7.44
Net result	**211.13**	**207.60**	**-3.53**
Minority interests	9.20	4.30	-4.90
Net result Group's share	**201.93**	**203.30**	**1.37**
Net earnings per share (in EUR)	***287.24***	***289.35***	***2.11***

(*) Includes operating results as well as the disposal of assets, results from impairment tests, net costs of restructuring and fair-value adjustment of negotiable instruments relating to sales and purchases of energy.

• Comments on key figures and balance sheet at 31 December 2005

Changes in the consolidation perimeter
Sofipar has been consolidated for the first time in 2005, following its acquisition in the first half of the year. Because Sofipar SA is a member of the Finpipe EIG, this transaction increased the Group's stake in the EIG from 56% to 63.3%.

The effect of this consolidation on the results and on the balance sheet of the Distrigas Group is however marginal.

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Revenue from ordinary activities (turnover)
During 2005, the Group generated a consolidated turnover of 3,803.43 million €, compared with 2,943.65 million € in the preceding period, an increase of 859.78 million €, or 29.2%.

This increase is mainly attributed to the average sales price of natural gas in comparison with 2004 (up 26.6%), which is in line with the increase in the energy prices.

Sales in Belgium recorded an overall increase of 533.21 million € (+21.8%) compared with 2004, amounting to 2,972.43 million €. This growth is mainly due to the increase in the sale price of gas. Sales volumes however fell, owing mainly to the particularly mild weather and the effect of competition in the industry and resellers segments.
Turnover for sales outside Belgium and arbitrage sales advanced by 326.57 million € (up 64.7%), amounting to 831 million €. In addition to changes in the average sale prices, this trend was marked by the significant advance of Distrigas sales in France as well as the realisation of sales opportunities of LNG in 2005.

Operating results (EBIT)
EBIT increased by some 60 million € over 2004, to 366.19 million €.

This trend needs to be qualified however, because the results recorded by the Group during the period include the write-back of provisions that had been set up in preceding periods. Without this non-recurrent item, the operating result would have decreased by around 20 million €.

Apart from these two factors, there has been some erosion in operating margins in Belgium, mainly in the industrial sector, which was offset by increased sales in France, by arbitrage activities as well as by results from the implementation of a hedging policy in the energy market. These elements contributed to a very satisfactory overall operational performance.

Results of ordinary activities
Results from ordinary activities were down by 22.60 million € compared with 2004, due to the negative change in the fair market value of financial instruments, following the application of the IAS 32 and 39 standards. (-82.41 million €)

These standards went into effect for the first time in this period. They assess financial instruments at their fair market value at each closing and differences between two closings have to be included in the results. The definition of financial instruments has been extended to include certain commodity contracts.

The negative change mainly refer to financial instruments and commodity contracts which Distrigas entered into as part of its risk management policy and resulted from the increase in the market price of oil and gas since the start of the year.

It should however be noted that the margin that will ultimately be realised on these contracts will obviously depend on the price at their settlement and on the overall situation of the portfolio.

Net financial results
Net financial results improved by 11.60 million € over the preceding period, thanks to the combined effect of a positive exchange rate and an increase in the dividends received from Interconnector (UK) Ltd, in line with the successive increases in Distrigas's stake in the company.

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Income taxes
Taxes amounted to 89.31 million €, a decline in comparison with 2004, owing to a fall in pre-tax results.

Net result
The net result for the period was slightly down compared with 2004, and amounted to 207.60 million €.

The reduction of 4.9 million € in the share of minority interests in this result was mainly due to the ETAC BV company, jointly controlled by Distrigas and Gaz de France, being active for only one quarter in 2005, compared with a full year of activities in 2004.

The Group's share in the result was therefore 203.30 million € at the end of the period.

Balance sheet (see annexes)
The balance sheet total was 2,823.92 million € at the end of the period, an advance of 651.38 million € compared with the preceding period.

The bulk of this increase resulted from the application of IAS 32 and 39 starting on 1 January 2005, which added 311.2 million € to the balance sheet total at the end of 2005.

The balance of 340.20 million € is attributable to the value growth of inventories, trade and other receivables subsequent to the increase in the price of natural gas between 2004 and 2005, to the increased cash position, to the growth in equity during the period (see table in an annex), and to the decrease in provisions.

Cash flow (see annexes)
Cash flow from the Group's operations, including changes to working capital, amounted to 248.95 million € during 2005.

During the same period, cash flow used for investment purposes was 38.11 million € as a result of firstly, the purchase of the 'Methania' and the completion of life extension work, (the latter being capitalized in line with IAS 16); and secondly, the acquisition of Sofipar SA and the increase in the stake in Interconnector (UK) Ltd.

The 117.10 million € negative cash flow related to financial activities is mainly attributable to the payment in May 2005 of the Distrigas SA dividend for 2004, amounting to 106.80 million €.

As a result, the Group's cash and cash equivalents was recorded at 954.47 million € at the close of the period, an increase of 98.71 million € over the preceding period.

- ## Dividends (Distrigas SA)

Distrigas SA's corporate financial statement, as of 31 December 2005, showed a net profit of 166.83 million €.

With the profit of 1.51 million € reported at the end of the preceding period, the profit to be allocated is 168.34 million €.

At the General Shareholders' Meeting, in accordance with statutory provisions, the Board of Directors will propose the payment of a gross dividend of 178.50 per share, which amounts to a net dividend of 133.88 € per share, after deduction of 25% withholding tax.

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6. The outlook for 2006

In line with its strategy, Distrigas will continue to seize opportunities for growth in the European markets. Developments in European regulations are at the fore of the company's concerns as they may have a significant impact on its activities.
As for last year it should be noted that market liberalization can cause increasing variability in the performance of Distrigas, as for other energy merchant companies, and hence, lead to substantial uncertainty with respect to forecasts.

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• Annexes: Consolidated IFRS financial statement

in million EUR	2004	2005	Variation
Non-current assets	**601.89**	**685.90**	**84.01**
Intangible and tangible assets	363.85	367.40	3.55
Financial lease receivables	185.29	168.63	-16.66
Participations available for sales	43.70	97.00	53.30
Derivative instruments	0.00	47.87	47.87
Other non-current assets	9.05	5.00	-4.05
Current assets	**1,570.65**	**2,138.02**	**567.37**
Inventories	99.49	172.78	73.29
Financial lease receivables	16.87	16.65	-0.22
Trade and other receivables	583.87	748.21	164.34
Derivative instruments	0.00	224.79	224.79
Cash and cash equivalents	855.76	954.47	98.71
Other current assets	14.66	21.12	6.46
TOTAL ASSETS	**2,172.54**	**2,823.92**	**651.38**
Equity	**842.30**	**991.20**	**148.90**
Share capital	66.23	66.23	0.00
Reserves	758.51	913.22	154.71
Minority interests	17.56	11.75	-5.81
Non-current liabilities	**539.49**	**460.53**	**-78,96**
Provisions, pensions and similar benefits	119.07	35.01	-84.06
Financial lease receivables	204.91	184.26	-20.65
Other non-current liabilities	76.12	67.16	-8.96
Deferred tax liabilities	139.39	124.51	-14.88
Derivative instruments	0.00	49.59	49.59
Current liabilities	**790.75**	**1,372.19**	**581.44**
Provisions	11.44	18.29	6.85
Liabilities related to finance leases and other financial debts	21.76	21.46	-0.30
Other financial receivables	101.23	91.26	-9.97
Trade and other receivables	652.86	967.97	315.11
Derivative instruments	0.00	268.48	268.48
Other current liabilities	3.46	4.73	1.27
TOTAL LIABILITIES	**2,172.54**	**2,823.92**	**651.38**

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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 31.12.2004	**66.23**			**758.51**	**758.51**	**17.56**	**842.30**
Impact IAS 32-39 on the opening balance sheet at 01.01.2005		31.00	10.09		41.09	0.03	41.12
Book value at 01.01.2005	**66.23**	**31.00**	**10.09**	**758.51**	**799.60**	**17.59**	**883.42**
Dividends paid out				-106.8	-106.80	-5.70	-112.50
Net result of the period				203.3	203.30	4.30	207.60
Variation in fair value of participations available for sale		7.47			7.47		7.47
Variation in fair value of hedging instruments			9.59		9.59		9.59
Other variations				0.06	0.06	-4.44	-4.38
Book value at 31.12.2005	**66.23**	**38.47**	**19.68**	**855.07**	**913.22**	**11.75**	**991.20**

Summary consolidated statement of cash flow

in million EUR	31.12.2004	31.12.2005
Cash and cash equivalents at opening	**791.94**	**855.76**
Operational activities	206.76	248.95
Investments	-20.15	-38.11
Financing	-119.86	-117.09
Currency and perimeter changes	-2.93	4.96
Net cash increase	63.82	98.71
Cash and cash equivalents at closure	**855.76**	**954.47**

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Other languages
This press release is also available in Dutch and French. You may also consult the Distrigas internetsite on www.distrigas.be

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