



ANNUAL REPORT 2015

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OUR MISSION

Synatom's activities focus on two areas:

Nuclear fuel

Synatom is responsible for activities covering the entire nuclear fuel cycle in Belgium, except the operation of nuclear reactors which is the responsibility of ELECTRABEL. As such, Synatom ensures the supply of nuclear fuel by playing an active role on the markets for natural uranium, uranium conversion and uranium enrichment. Synatom is also in charge of managing irradiated fissile materials after their time in nuclear power stations.

Financial provisions

Synatom also provides important financial services. According to the Law of 11 April 2003, Synatom is responsible for ensuring financial provision is available to cover the cost of decommissioning nuclear power stations and managing irradiated fissile materials in these power stations. Synatom also collects the special contribution – known as the 'nuclear tax' – from Belgian nuclear operators on behalf of the Belgian State.

OUR VISION

Synatom is convinced that nuclear energy is still a key component of the energy mix. Be it in Belgium, in Europe or elsewhere in the world, nuclear energy has a part to play in the economic developments of the future, which must seek to reduce greenhouse gas emissions.

As such, Synatom must ensure that Belgium's nuclear power stations are supplied with fuel under the best possible economic conditions in the long term. At the same time, Synatom ensures safe management of spent fuel at all stages of the back end of the fuel cycle.

With regard to provisions for the management of irradiated fissile materials in power plants, on the one hand, and for the decommissioning of nuclear power plants in the long term, on the other hand, Synatom believes that ongoing research will result in significant technical developments.

OUR VALUES

Exactingness

Our work is guided by the highest possible standards. Thanks to our professional attitude, we are able to develop an efficient strategy based on best practices for each of our activities. We constantly build on our expertise and develop pragmatic, cost-justified solutions.

Commitment

We guarantee the operators of Belgium's nuclear power stations a safe supply, at the best market conditions. We also manage the funds under our responsibility in a spirit of complete transparency and with the best possible judgement, with both the short-term and the long-term in mind.

Proactiveness and responsiveness

We foresee developments and we respond quickly and judiciously.

Openness

We invest in Research and Development to ensure the most sustainable solutions. We develop sound, trust-based relationships with all of our partners.

Message from the **Chairman** and the **Chief Executive Officer**

So many similarities with 2014 !

The year 2015 has shown many similarities with the year 2014, which we described as a year of multiple uncertainties. These lasted almost until the end of the year and we have been forced to work on the basis of multiple scenarios. And then in November, in the space of a few days, the Federal Agency for Nuclear Control (FANC) and the Belgian Government allowed the restart of the reactors Doel 3 and Tihange 2 respectively and extended the operation of reactors Doel 1 and Doel 2 by 10 years. These two major decisions have a significant impact on our activities, and we can only welcome them.

The climate, a top priority

On an international scale, 2015 was marked by the first global climate agreement, which was unanimously approved on 12 December at the end of COP 21 in Paris. This agreement involves 195 States and the European Union, and should keep the increase in global temperature to between 1.5 and 2°C over the decades to come. It also stresses the urgent need for action. Also, 2015 has proved to be the hottest year ever recorded globally since measurements began in 1880. This means it outstripped 2014 by more than 0.13°C. In this context, it is very clear that electricity will have a key role to play. It will be the energy of the 21st century! It must be produced in a reliable, economical and environmentally friendly manner creating very small amounts of CO₂. Nuclear electricity production meets these criteria and is therefore part of the solution, on the same level as renewable energy. With more than 430 reactors in operation and more than 70 under construction, nuclear energy will continue to play a role in the low-carbon energy mix.

The importance of a strong regulatory framework

We can never insist enough on the importance that the state's regulatory function represents for companies in general, and even more for companies working over the long term. In the field of energy, it is essential for our country to have a clear and sustainable energy policy within a solid structural framework. As is the case for the European Union as a whole, it must respond to a triple objective :

- . ensure security of supply, energy independence (as a reminder, in 2015, Belgium imported more than 25 % of its electricity)
- . ensure competitiveness
- . be sustainable.

For Belgian nuclear plants, the decisions made by the authorities in November have led to seven reactors being fully operational by the end of 2015. Doel 1, Doel 2 and Tihange 1 now have permission to operate for 50 years. For Tihange 2 and Tihange 3, and Doel 3 and Doel 4, this operating time remains set at 40 years.

Increased visibility

Synatom will thus regain visibility, carrying through practically until 2025. This will allow us to optimise the methods implemented both upstream and downstream of the nuclear fuel cycle. Knowledge of the raw material requirements for the next 10 years makes market positioning more comfortable. The same goes for downstream, where we can plan our investments in intermediate storage facilities in a more rational way. Management of financial provisions, for its part, takes into account these 'new' parameters. They will be integrated into the triennial re-evaluation of nuclear provisions which will be presented to the Nuclear Provisions Committee in September 2016.



Wim De Clercq - Chairman & Robert Leclère - CEO

“
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”

Wim De Clercq

“
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”

Robert Leclère

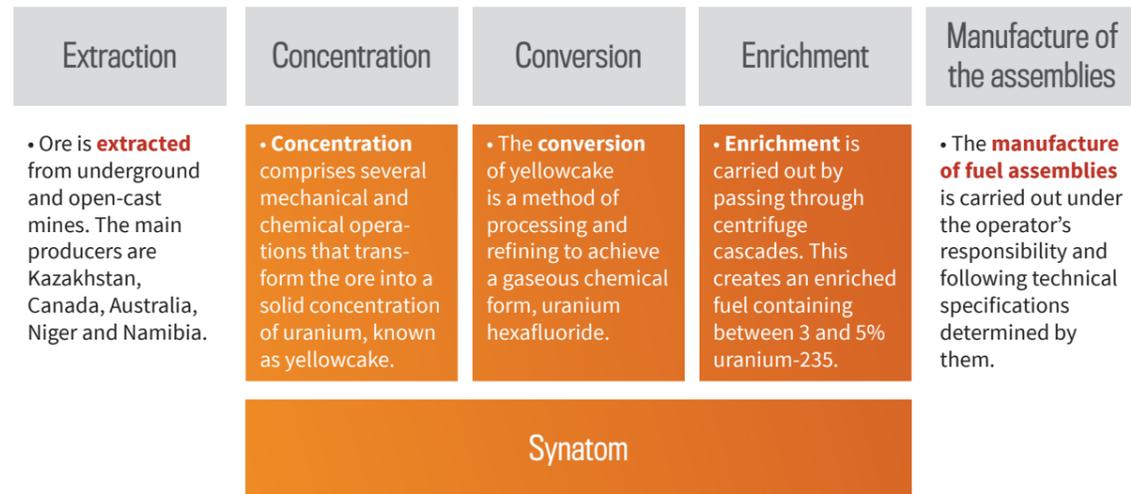
Intelligent optimism

Psychologists present «intelligent optimism» as optimism that combines realism and critical thinking. We believe that this definition fits perfectly with our vision and our values. Every day, our teams work with great determination and constant attention to find the best possible solution for each project. We rely not only on our expertise that has been proven for many years, but also and above all, we dare to question ourselves and explore new

opportunities. This is the paradox of our profession. On one hand, we need strict rules which have been developed over time, and on the other hand, we constantly build in new developments. Based on these two inseparable focuses, we are confident we can successfully meet the challenges that await us in the coming years.

The front end of the nuclear fuel cycle

The front end of the nuclear fuel cycle has five major stages.



Synatom is directly active on international markets for concentrates, conversion and enrichment. In order to approach these markets, Synatom builds in all the parameters which determine the functioning of the seven Belgian nuclear reactors.

2015 : an unusual year

2015 was marked by the extended shutdown of the Doel 3 and Tihange 2 reactors, by the questions that hovered over their restart, and the doubts that remained on the permission to extend the operation of the Doel 1 and Doel 2 reactors until 2025.

As a reminder, on 26 March 2014, the Doel 3 and Tihange 2 reactors were turned off voluntarily by ELECTRABEL as part of the «vessels» case. It wasn't until 17 November 2015 that the Federal Agency for Nuclear Control allowed ELECTRABEL to restart them.

As for Doel 1, the reactor was shut down on 15 February as initially planned in the law for the phasing-out of nuclear energy passed in 2003. The schedule for the operation of Doel 2 has also been adapted to contribute to the country's security of supply during the winter. Although it should have been shut down on 1 December as planned by the law, it was allowed to operate until 31 March 2016 with a shutdown between 17 October and 15 December. Meanwhile,



Synatom starts its activities on uranium concentrate (yellowcake) markets.

“
It was only at the very end of the year that uncertainties about the future of four power stations were lifted. This newfound stability allows Synatom to have a clear vision of future requirements.
”

Hendrik de Baenst



Hendrik de Baenst - Manager Fuel Supply Department

the Federal Parliament amended the law and authorised the operation of the two reactors until 2025. This restart decision was confirmed by the Federal Agency for Nuclear Control on 22 December.

A clear vision at a time when markets are low

In this unusual context, Synatom relied on appropriate management of its inventory of raw materials to meet the operator's specific needs, in particular to supply the cores of Doel 1 and Doel 2. It must be stressed that Synatom's strategic inventory fits right in line with the recommendations of the EURATOM Supply Agency.

Synatom has also been very cautious in its various deals, with just a few one-off contracts.

It was only at the very end of the year that uncertainties about the future of Doel 1, Doel 2, Doel 3 and Tihange 2 were lifted. This newfound stability allows Synatom to again have a clear vision of future requirements.

In 2016, Synatom should take advantage of historically low prices for uranium concentrates to negotiate new contracts. The conversion market will be also monitored carefully because it is dominated by a limited number of players, and long-term prices are also declining. A similar trend characterises the enrichment sector, where there is excess supply. All operators now use the centrifugation method, a technique that is more energy efficient than gaseous diffusion.

Back end of the nuclear fuel cycle

The back end of the nuclear fuel cycle comprises three basic operations that require infrastructure and specific equipment.

Spent fuel pools	Intermediate storage	Final storage
<p>After producing electricity for 48 or 54 months, the nuclear fuel assembly is permanently removed from the reactor vessel. It is considered to be «spent» or «exhausted». At each shutdown for maintenance and reloading fuel, a quarter or a third of assemblies are placed in spent fuel pools. These assemblies will stay under water for a period of three to seven years. This is the time required for some of their residual heat to evacuate and to decrease their radioactivity. The different handling operations are carried out by the power station operator's staff.</p>	<p>After their stay in the spent fuel pool, the nuclear fuel assemblies must be transferred to a single intermediate storage building for each power station. Synatom makes appropriate equipment available to ELECTRABEL for these onsite transfer operations.</p> <p>At Doel, the option selected was dry cask storage in casks placed in a building on site. These casks are filled directly in the spent fuel pool and then brought into this centralised storage building.</p> <p>At Tihange, storage is carried out under water, in eight pools built in a single bunker. A special cask, called a shuttle, transfers the spent fuel from the spent fuel pools to the pools contained in this centralised storage building.</p> <p>Synatom is responsible for the provision of infrastructure and equipment as well as the associated operating costs caused by the operator's staff.</p>	<p>Final storage is the exclusive responsibility of the National Agency for Radioactive Waste and Enriched Fissile Materials (ONDRAF/NIRAS). The currently recommended option is storage in deep geological repositories. The effective implementation of this solution for Belgium will take several decades. Studies have already been conducted for many years in the HADES underground laboratory operated by the EURIDICE economic interest group, which includes SCK-CEN (Belgian Nuclear Research Centre) and ONDRAF/NIRAS.</p>
		

Repatriation of waste from reprocessing

Another aspect relates to the repatriation of waste from the reprocessing of spent fuel which was carried out at La Hague in France under historic contracts. The organisation of the final returns (expected 2017) to the facilities of the National Agency for Radioactive Waste and Enriched Fissile Materials (ONDRAF/NIRAS) is also Synatom's responsibility.



Luc Janssen - Manager Back end of the nuclear fuel cycle



Intermediate storage in Doel

A second shuttle for Tihange

The 2015 year has been used to create the safety case for a second cask to be used at Tihange to provide the transfer of the used fuel assemblies between the spent fuel pools of Tihange units 1 and 2 and the centralised interim storage building. The manufacturer has fully invested in this alongside us to meet our very demanding technical specifications and to meet the site's requirements. The safety case is being finalised and will be sent to the authorities during the first half of 2016.

Two new intermediate storage buildings

Between now and 2022, intermediate spent fuel storage capacity must be increased, both at Doel and Tihange. New buildings will be constructed for interim dry storage. Meanwhile, orders for new batches of casks must go through. After completing the qualification process for potential suppliers, Synatom issued a call for tenders. These were closed at the end of the year and are currently being analysed.

A long wait and then the green light

For the «Back end of the nuclear fuel cycle» team, the year 2015 was strongly impacted by uncertainties related to the extension of the Doel 1 and 2 units. We must remain aware that after the final shutdown of a reactor, the complete emptying of the spent fuel pool in a very short period of time is a priority. Synatom has therefore placed orders for the manufacture of dry storage casks within a tight delivery schedule. The decision in December to authorise the operation of the two units until 2025 changes everything. Contacts were immediately made with providers to reschedule the cask delivery plan. Now our strategy is to look resolutely forward to 2020-2030.

A first

You will recall that the EURATOM directive of 19 July 2011 was adopted into Belgian law on 3 June 2014. The Commission thus requires each member country to develop a national programme for the management of spent fuel and radioactive waste. The first Belgian national programme was sent to the Commission on 21 August. Synatom and ONDRAF/NIRAS were both particularly active in the development of this first report.

Financial management



By the law of 11 April 2003, Synatom is invested with a mission to manage nuclear provisions. These provisions must allow it to eventually cover costs relating both to the decommissioning of the seven Belgian reactors and to the management of irradiated fissile material until their final storage. For several years Synatom has also levied the fee on behalf of the Belgian State for the special contribution, commonly called the nuclear tax. Finally, Synatom also provides significant financial support for research carried out by ONDRAF/NIRAS into the final storage of waste in deep geological repositories.

Provision for decommissioning	Provisions for the management of irradiated fissile materials	Special contribution	Funding for research
These provisions shall cover all costs incurred by the operator for completely dismantling the Belgian nuclear power plants after their final shutdown. The decommissioning process consists of two phases which are to be spread over fifteen years. The first five years will be used to prepare for the actual dismantling and to completely drain the spent fuel pool, amongst other things. A further ten years are likely to be required to bring the site back to its original state. Synatom explicitly takes into account this timing for creating the provisions for decommissioning.	Synatom must have the financial provisions to cover all the costs associated with the safe management of irradiated fissile material contained in nuclear fuel assemblies, until the moment the responsibility for their management is permanently entrusted to ONDRAF/NIRAS, the national body responsible for all radioactive waste produced in Belgium.	For several years, Synatom has charged a fee from owners of Belgian nuclear power plants on behalf of the Belgian State, called the special contribution. This was still the case in 2015, when this tax amounted to 200 million euros.	Alongside the main producers of radioactive waste in Belgium, Synatom contributes to the funding of research undertaken by ONDRAF/NIRAS. Notably, 2015 saw the official start of the PRACLAY experiment. This large-scale test should lead to an evaluation of the change to the chemical properties of clay and the properties of the coating of the gallery under the effect of a temperature of 80°C for 10 years. Synatom's involvement in ONDRAF/NIRAS's R&D costs amounted to 12.5 million euros for 2015.
Synatom			

The constitution and management of financial provisions is subject to strict control on the part of the competent authorities through the Nuclear Provisions Committee. Every three years, Synatom provides it with a detailed revised estimate for the expected costs for carrying out decommissioning operations and managing irradiated fuel. The next report will be delivered in 2016 and Synatom-ELECTRABEL joint teams are already working on it intensively.

“
When it comes to fund investments in a depressed global context, the worst thing you can do is to do nothing !
”

Dominique Ghislain



Dominique Ghislain - Chief Financial Officer

Caution on the financial markets

Faced with the continuing depreciation of the euro against the dollar, Synatom has decided to cover its agreements in dollars for the period until 2021. This operation reduces exchange risks and allows future charges to be visualised accurately.

Furthermore, for its financial investments, Synatom has launched a review study into its strategy, in an attempt to limit the effects of the current low rates. Indeed, when it comes to funding investments in a depressed global context, the worst thing to do is to do nothing. In 2015 Synatom opted for adaptive management, mainly by diversifying its investments beyond purely a bond portfolio.

Transparency

By 2015, nuclear provisions reached 8 billion euros, allocated respectively as 41 % for decommissioning and 59 % for the management of irradiated fissile materials. You will recall that the investment and loan policy of these funds is supervised by the authorities through the Nuclear Provisions Committee. As such, Synatom has not only participated in meetings of this Committee but has also worked towards the development of the triennial report which will be completed in 2016.

Also note that uncertainties related to the extension of Doel 1 and Doel 2 put a brake on expenditure on provisions for decommissioning power stations. Ongoing studies have been finalised in order to be reusable in the future, and only a limited amount has so far been charged to provisions.

Management and supervisory bodies

Board of directors

Messrs Wim DE CLERCQ (Chairman)
Robert LECLÈRE (CEO)
Jan BARTAK ⁽²⁾
Marc BEYENS
Christiaan DE GROOF
René DELPORTE
Paul RORIVE ⁽¹⁾
Dimitri STROOBANTS
Philippe VAN TROEYE (Directors)

Government representatives

Ms Sophie VAN DE WOESTYNE ⁽³⁾
Mr Yves DE GRAEVE
Mr Martial PARDOEN ⁽⁴⁾

Auditor

DELOITTE Réviseurs d'Entreprises, SC s.f.d. SCRL,
represented by Mr Laurent BOXUS

⁽¹⁾ Until July 31, 2015

⁽²⁾ From September 17, 2015

⁽³⁾ Until December 31, 2015

⁽⁴⁾ From December 31, 2015

Acknowledgements

The Board of directors would like to thank the company's employees for the dedication and professionalism they have shown in carrying out their duties.

Management report

Ladies and Gentlemen,

In accordance with the relevant legal and statutory requirements, we are honoured to present our company's management report for its forty-sixth financial year and to submit for your approval the annual accounts for the year ended 31 December 2015.

General

During the financial year under review, 25,020 GWh of nuclear power was generated in Belgium.

In 2015, nuclear power plants in Belgium operated at an average load factor of 50.3 %, compared to 61.4 % in 2014.

This considerable difference can be ascribed to the long-term unavailability of several nuclear reactors.

On 26 March 2014, ELECTRABEL decided to shut down the Doel 3 and Tihange 2 units in the framework of ongoing investigations on their reactor vessels. They were only restarted in the second half of December 2015, once the Federal Agency for Nuclear Control (AFCN-FANC) had given its consent.

It is also worth mentioning that the Belgian Council of Ministers decided to extend the operation of the Doel 1 and Doel 2 units by 10 years on 18 December 2014. This extension was enacted by the Act of 28 June 2015 amending the Act of 31 January 2003 on the phase-out of nuclear energy for the purposes of the industrial production of electricity, and the Belgian State and the nuclear operator signed an agreement on the matter on 30 November 2015. AFCN-FANC, which was called to decide on the safety criteria for the extension of the units' operating lives, gave its permission for Doel 1 and 2 to restart. They, too, resumed operation in late December 2015.

Shareholder structure, capital and mission

Synatom has a capital of EUR 49.6 million, of which around 25 % is paid-up capital, and is represented by two million registered shares. All of those shares are held by ELECTRABEL, except one specific share which is held by the Belgian State, giving the latter certain special rights in the Board of Directors and in the Synatom General Meeting.

Synatom's core business is to supply Belgian nuclear power plants with enriched uranium, manage the back end of the nuclear fuel cycle and manage the provisions covering both the decommissioning of nuclear power plants and the management of irradiated fissile material in those power plants.

Technical and commercial activities

Nuclear fuel supply

It was particularly difficult to predict how much fuel would be required by our nuclear power plants in 2015.

Although the year started positively, we had to manage the uncertainty around the restart of Tihange 2 and Doel 3 and wait for AFCN-FANC to give the green light to extend the lives of Doel 1 and 2.

As such, in 2016 we will concentrate on developing a strategy for meeting future needs.

For some years now, our activities have been influenced by a growing number of uncertainties concerning both the uranium market and the operation of Belgium's nuclear units.

In this context, we have pursued our supply policy as previously. Our policy is based on source diversification and

relies on the retention of strategic stock in line with the recommendations of the EURATOM Supply Agency.

Five years after the Fukushima disaster of 11 March 2011, its repercussions are still being felt on the market. Japan's nuclear facilities have been shut down temporarily, though two units resumed operation in 2015, and several nuclear power plants have been closed permanently in Germany. At the same time, new construction projects have been postponed. As a result, supply is still outstripping demand for both natural uranium and enrichment services. This situation will not change in the short term, even though some producers have cut back their production by mothballing facilities and putting new plant projects on hold.

Uranium concentrate prices recovered in the first quarter of 2015, rising from USD 35.50 per pound to USD 39.50 per pound by the end of March. They then dropped to hit USD 35 per pound by late May and went on to fluctuate at values between USD 35 and USD 38 per pound, finishing the year at USD 34.25 per pound.

Both long-term and spot prices for enrichment services fell further, in a continuation of the downward trend that began in 2014. The spot price for enrichment services decreased from USD 88 per SWU at the start of the year to USD 61 per SWU at the year's end, while the long-term price fell from USD 90 per SWU to USD 69 per SWU.

Synatom's supply portfolio and strategic stock guarantee that it will be able to supply the fissile material required to operate the power plants in the coming years.

Management of irradiated fissile material and waste management

2015 saw Synatom continue its policy of safe management of spent fuel storage facilities on the power plant sites.

At Doel, three dry storage containers were loaded then placed in the storage building, bringing the number of containers in interim storage to 93.

At Tihange, five batches totalling 60 spent fuel elements were transferred from the spent fuel storage pool in unit 1 to the centralised underwater storage facility, along with four batches (i.e. 48 spent fuel elements) from unit 2.

Conversely, looking ahead to the expected saturation of Doel and Tihange's facilities for interim storage of spent

fuel, a design study is currently underway for the construction of a new dry storage building on each of the two sites. The qualification stage for potential container suppliers was launched at the same time, with a view to guaranteeing that containers would be available for storage in the new buildings and would meet the increasingly stringent safety criteria. The suppliers qualified by Synatom in the first half of 2015 submitted their bids in November. Technical analysis of the bids is currently underway.

Research and development

Research and development is still being carried out by the Belgian Agency for Radioactive Waste and Enriched Fissile Materials (ONDRAF/NIRAS) and financed by Synatom and the major producers of radioactive waste.

Legislative activities

The Act of 3 June 2014 transposing the EURATOM directive on the responsible and safe management of spent fuel and radioactive waste provides for the creation of a National Programme Committee, of which Synatom is a member. The Committee met regularly in 2015 and has submitted its first National Programme to the relevant ministers, following consultation with AFCN-FANC. The ministers submitted the draft first National Programme to the European Commission on 21 August 2015. The Council of Ministers is responsible for confirming the National Programme by ministerial decree and ensuring that it is officially submitted to the European Commission.

Synatom is also a member of a legislative working group created by the Belgian Council of Ministers to examine the country's legislation and regulations on radioactive waste and spent fuel with a view to identifying and proposing potential improvements. This group will resume work in 2016.

Management of nuclear provisions Disputes

Constitution of nuclear provisions

Pursuant to the Act of 11 April 2003 on the provisions for the decommissioning of nuclear power plants and the management of irradiated fissile material in those power plants, Synatom will submit the fifth updated triennial review of nuclear provisions to the Nuclear Provisions Committee (NPC) in September 2016.

The updated review will include data on the ten-year life extension for Doel 1 and Doel 2.

Special contribution

Since 2008, Synatom has had the power and the duty to support the State in collecting the special contribution.

The Programme Law of 26 December 2015 amending the Act of 11 April 2003 on the provisions for the decommissioning of nuclear power plants and the management of irradiated fissile material in those power plants provided for an amount of EUR 200 million to be paid by nuclear operators in 2015. This amount takes into account the unavailability of installed generation capacity occasioned by the extended shutdowns of Doel 3 and Tihange 2.

Derivative financial instruments and hedging policy

Synatom applies the ENGIE Group policy on the use of derivative financial instruments primarily to manage its exposure to exchange rate fluctuations for supplies in US dollars.

In this connection, all supply contracts involving commitments of over USD 1 million have been covered at a rate of 97.5 % of the estimated prices, for the minimum quantities specified in the contracts. This corresponds to a coverage amount of USD 509 million.

Disputes

On 8 September 2011, ELECTRABEL summoned the Belgian State and Synatom to appear before the Tax Chamber of the Court of First Instance of Brussels with a view to recovering its share of the special contribution that it paid in 2008, 2009 and 2010. The court dismissed ELECTRABEL's claim with its ruling of 11 April 2014. ELECTRABEL appealed against the decision. The case is currently pending before the Court of Appeal of Brussels. The Court of Appeal will not pass judgment before 2017, at the earliest.

On 30 November 2015, the Belgian State, ENGIE and ELECTRABEL signed an agreement to extend the operating lives of the units Doel 1 and Doel 2. The agreement also covered the nuclear contributions and fees to be paid from 2015 to 2026. The agreement will come into force once two laws, which are yet to be submitted to the Belgian Parliament, have come into force.

As soon as the agreement comes into force, ELECTRABEL and the Belgian State will ask for the case to be placed on the court's general roll. The Belgian State, ENGIE and ELECTRABEL have also agreed that if the Belgian State has fully complied with all the provisions of the agreement of 30 November 2015 when that agreement expires, ELECTRABEL and the Belgian State will definitively and irrevocably drop all appeals relating to the special contribution.

Board of Directors

No directorships are due to expire at the end of the 2016 statutory General Meeting. The General Meeting will need to approve the appointment of Mr Jan Bartak, who was temporarily appointed by the Board of Directors to replace Mr Paul Rorive after the latter resigned his directorship in the course of 2015.

Discharge

In accordance with Article 554 of the Companies Code, we ask the General Meeting to discharge the Board and the Statutory Auditor within the limits set down by law.

Annual accounts

Below, we comment on some important items included in the balance sheet and the income statement.

Balance sheet

Financial assets

Our main financial assets relate to our shareholding in EURODIF. Following the definitive shutdown of EURODIF's enrichment plant in June 2012, it was decided that we would write off our whole shareholding in the company.

Long-term receivables

Under the heading trade debtors, there is an item connected with an amount receivable from ELECTRABEL for the proportion of the dues relating to irradiated fissile material as well as the loan issued to ELECTRABEL in consideration of the decommissioning provisions. Since 2005, a part of the provisions has been invested outside the nuclear operator, in line with the legislation on nuclear provisions. We have an outstanding loan of EUR 454 million made to ELIA, EUR 80 million in commercial papers issued by ORES and a loan of EUR 58.3 million made to SIBELGA.

Receivables within one year – Trade debtors

At the end of 2015, this item covered both the current trade receivables and a sum of EUR 340 million accounting for the share of the long-term trade receivable from ELECTRABEL that is due in 2016.

Receivables within one year – Other receivables

At the end of 2015, this item primarily consisted of the special contribution to be paid by ELECTRABEL, EDF Luminus and EDF Belgium in respect of 2015. This item also includes the share of the loan to SIBELGA

due to be paid back in 2016, corresponding to an amount of EUR 7.5 million.

Deposits, securities and bonds

Pursuant to the legislation governing nuclear provisions, this item covers the amounts needed to finance the expenditure relating to the decommissioning and management of irradiated fissile material for the next three years of operation as well as a part of the provision funds that must be invested outside the nuclear operator.

Provisions and deferred taxes

These provisions are intended to cover the cost of managing irradiated fissile material and decommissioning of nuclear power plants in accordance with the legislation governing nuclear provisions.

Amounts payable within one year – Other debts

As in 2014, this item primarily comprises the advance paid by GDF SUEZ Treasury Management to finance the amount paid to the State budget in respect of the special contribution for 2015.

Results

Turnover

Turnover consists primarily of the contributions for the supply of fissile material, which amount to EUR 164 million. This was substantially affected by the shutdown of Doel 3 and Tihange 2 on 26 March 2014 and the shutdown of Doel 1 from February 1, 2015. These units were only able to resume operations in December 2015.

Supplies and goods

This heading covers the purchases of natural uranium as well as conversion and enrichment services.

Services and other goods

This item mainly covers the costs incurred during the year for the management of spent fuel (around EUR 22.4 million), research costs linked to preparations for the decommissioning of nuclear power stations (EUR 5 million) and costs linked to the ONDRAF/NIRAS R&D programme (around EUR 12.5 million).

Financial income

This heading covers the interest both on long-term receivables and on investments relating to the Act on nuclear provisions.

Profit

The annual accounts for the 2015 financial year show a profit of EUR 585,197.74, compared to EUR 712,588.21 in 2014.

Subsequent events and outlook

The hypotheses on which the established provisions are based factor in all environmental regulatory requirements either already in existence or scheduled to be implemented in Europe, nationally or regionally. If more legislation is implemented in the future, the estimated costs behind the calculations might be subject to change. However, Synatom is not aware of any further regulatory changes likely to significantly affect the provision funds.

In view of the government's decision to extend the operating lives of Doel 1 and Doel 2, as enacted by the Act of 28 June 2015, Synatom will assess the impact of the extension on the provisions for the decommissioning of nuclear power plants.

Synatom will also analyse the effects on its policy and strategy as regards fuel supply to nuclear power plants and management of spent fuel.

It is proposed to the General Meeting of 11 May 2016, deliberating on the accounts for financial year 2015, that the amount of EUR 29,260.00 is appropriated to the statutory reserve and a dividend of EUR 1.10 per fully paid-up share be paid out, giving a total amount of EUR 551,650.00. The remaining balance for the financial year (EUR 4,287.74) is to be added to the profit to be carried forward, bringing it to EUR 11,393.73.

Unless there is a major unforeseeable event, the profit for the current financial year should enable Synatom to pay a similar dividend for the 2016 financial year in 2017.

We do not anticipate any other significant circumstances that could substantially influence the future development of the company.

Brussels, March 24, 2016

Statutory auditor's report on the annual accounts

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2015

To the shareholders

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 December 2015 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of Société belge des Combustibles Nucléaires Synatom SA ("the company"), prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 8,344,437 (000) EUR and a profit for the year of 585 (000) EUR.

Board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the annual accounts of Société belge des Combustibles Nucléaires Synatom SA give a true and fair view of the company's net equity and financial position as of 31 December 2015 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, as well as for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the company's compliance with the Companies Code and the company's articles of association.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts :

- The directors' report includes the information required by law, is consistent with the annual accounts and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.

- There are no transactions undertaken or decisions taken in violation of the company's articles of association or the Companies Code that we have to report to you.

Diegem, 25 March 2016

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Laurent Boxus

Balance sheet

As per 31 December (in thousands of EUR)

ASSETS	2015	2014
Fixed assets	1	2
Furniture, vehicles and equipment	1	2
Financial assets	0	0
Non-consolidated companies		
- Shares	pm	pm
Other financial assets		
- Other amounts receivable	0	0
Long-term receivables	6,069,691	5,801,880
Trade debtors	5,425,188	5,149,897
Other receivables	644,503	651,983
Stocks and contracts in progress	584,374	499,082
Stocks		
- Work in progress	584,374	499,082
Receivables within one year	557,654	779,384
Trade debtors	350,127	363,735
Other receivables	207,527	415,649
Deposits, securities and bonds	1,130,986	1,094,206
Other deposits	1,130,986	1,094,206
Cash and cash equivalents	37	663
Prepayments and accrued income	1,694	3,802
TOTAL ASSETS	8,344,437	8,179,019

EQUITY AND LIABILITIES	2015	2014
Capital	12,453	12,453
Issued share capital	49,600	49,600
Capital not fully paid-up (-)	-37,147	-37,147
Share premiums	141	141
Reserves	1,684	1,655
Legal reserve	1,633	1,604
Non-available reserve		
- Other	14	14
Tax free reserve	37	37
Profit brought forward	11	7
Provisions and deferred taxes	8,033,722	7,635,481
Provisions for liabilities and charges	8,033,722	7,635,481
Amounts payable within one year	287,798	523,210
Trade payables		
- Suppliers	83,238	115,474
Taxes, payroll and social security		
- Taxes	3,738	106
- Payroll and social security	270	222
Other amounts payable	200,552	407,408
Accruals and deferred income	8,628	6,072
TOTAL EQUITY AND LIABILITIES	8,344,437	8,179,019

Income Statement

(in thousands of EUR)

	2015	2014
Operating income	251,097	194,580
Turnover	165,768	175,274
Variation in stocks of finished good, work and contracts in progress (increase +; decrease -)	85,292	19,270
Other operating income	37	36
Operating charges	617,001	542,238
Supplies and goods	174,475	135,039
Services and other goods	42,234	63,798
Payroll, social security costs and pensions	2,046	1,887
Depreciation and amounts written off on formation expenses, tangible and intangible assets	1	3
Provisions for liabilities and charges (increase +; decrease -)	398,241	341,499
Other operating charges	4	12
Operating result	-365,904	-347,658
Financial income	367,857	350,961
Income from current assets	367,830	350,652
Other financial assets	27	309
Financial charges	1,368	2,590
Debt charges	1,353	2,540
Other financial charges	15	50
Pre-tax operating result	585	713
Exceptional income	0	0
Write-back of impairment on financial assets	0	0
Pre-tax result for the year	585	713
Taxes on profit	0	0
Profit (loss) for the year	585	713
PROFIT OF THE YEAR TO BE APPROPRIATED	585	713

APPROPRIATION ACCOUNT	2015	2014
Profit to be appropriated	592	720
Profit for the period	585	713
Profit brought forward from previous year	7	7
Appropriation to capital and reserves	29	36
To legal reserve	29	36
Result to be carried forward	11	7
Profit to be distributed	552	677
Dividends	552	677

Additional Notes

(in thousands of EUR)

Fixed assets

Furniture, vehicles and equipment

Gross value	
At the end of the previous period	3
Sales and disposals	0
At the end of the period	3
Depreciation and write downs	
At the end of the previous period	2
Movements :	
Additions	-
Cancelled following sales and disposals	
At the end of the period	2
Net book value at the end of period	1

Financial assets

Companies

	Non-consolidated companies	Others
Participating interests, holdings and shares		
Gross value	16,833	
At the end of the period	16,833	
Impairment at the end of the previous period	16,833	
Impairment at the end of the period	16,833	-
Net book value at the end of the period	0	-

Participations and shares held in other companies

The companies in which the company has a participation are mentioned below

Name and head offices	Interest in the activities			Data of the last available annual accounts		
	directly (number)	directly (%)	through subsidiaries (%)	Annual accounts at the end of	Equity (in thousands of EUR)	Net result (in thousands of EUR)
EURODIF S.A. of French law Tour Areva 1, place Jean Millier 92400 Courbevoie FRANCE	1,111,112	11.1	-	31/12/2014	-52,235	-84,455

Deposits, securities and bonds, prepayments and accrued income

	2015	2014
Deposits, securities and bonds		
Shares	1,102,561	816,796
Bonds at fixed interest rate	0	143,000
Of which issued by financial companies	0	0
Term accounts with financial institutions	28,425	134,410
With residual term of one month	28,425	134,410
Prepayments and accrued income		
Accrued interests	1,694	

Equity and shareholders

Capital	2015
Issued share capital	
At the end of the previous period	49,600
At the end of the period	49,600
Representation of the capital	
Type of shares:	
- Registered shares: 2,000,000	
Non fully paid-up	2015
Shareholders (non-called capital)	
ELECTRABEL	37,147
Shareholder's structure	
ELECTRABEL	1,999,999 shares
Belgian State	1 share
	2,000,000 shares

Provisions for liabilities and charges

	2015
Spent fuel and management of waste issued from reprocessing	4,732,623
Decommissioning of the nuclear power plants	3,301,099
	8,033,722

Liabilities, accruals and deferred income

Taxes, payroll and social security	2015
Taxes	
Due taxes	-
Not yet due taxes	3,738
Estimated taxes	-
	3,738
Payroll and social security	
Due liabilities to social security	-
Other debts related to payroll and social security	270
	270
Accruals and deferred income	
Deferred sales	7,673
Miscellaneous	955
	8,628

Operating results

	2015	2014
Operating income		
Turnover		
Fees for the availability of fissile material	164,349	209,872
Regularization of nuclear provisions	0	(-) 35,217
Miscellaneous	1,419	619
	165,768	175,274
Operating charges		
Number of staff hired		
Total at the end of period	15	14
Average number of staff in full time equivalent	14.5	13.8
Number of effective hours	24,116	23,116
Employment costs		
Payroll and social benefits	1,485	1,355
Employer's contribution to social security	430	404
Employer's premiums for non-statutory insurance	85	90
Other personnel costs	46	38
	2,046	1,887
Provisions for liabilities and charges		
Increase	425,783	425,543
Use and decrease	(-) 27,542	(-) 84,044
	398,241	341,499
Other operating charges		
Taxes related to operations	4	1
Other	0	11
	4	12
Interim staff and personnel hired from other companies		
Total number at the end of period	2	2
Average number in full time equivalent	2.1	2.1
Number of effective hours	3,563	3,617
Cost for the company	644	854

Financial and extraordinary results

	2015	2014
Financial results		
Other financial charges		
Bank charges and commissions	15	50

Taxes

	2015	2014
Income taxes		
Main sources of disparities between pre-tax profit, expressed in the accounts, and the estimates taxable profit		
Disallowed expenses	60	
Use of taxed reserves	(-) 646	
Value added tax and retained taxes charged to third parties		
Value added tax charged		
To the company (deductibles)	4,640	8,908
By the company	34,369	44,308
Retained taxes charged to third parties		
On wages and salaries	529	507

Off balance sheet rights and commitments

Forward transactions

Purchase foreign exchange (to receive)	441,085
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Other commitment

In the nuclear sector, there are purchase contracts for raw materials and services related to uranium concentrates, conversion and enrichment as well as contracts for the back end of the fuel cycle.

Brief description of the additional retirement or survival pension system

Members of staff enjoy an income guarantee in case of retirement or survival based on their seniority as a staff member of the company or as a staff member of affiliated companies and dependent upon their remuneration at the end of their career.

In order to cover engagements deriving from these guarantees, the company transfers contributions to the above mentioned companies and their pension fund and concluded a group insurance policy.

Relations with affiliated and associated companies

	Affiliated companies		Associated companies	
	2015	2014	2015	2014
Financial assets				
Participation	-	-	pm	pm
Other receivables			-	-
Receivables				
Long-term (more than 1 year)	5,425,188	5,149,897	-	-
Short-term (less than 1 year)	511,618	770,188	16	29
	5,936,806	5,920,085	16	29
Liabilities				
Short-term (less than 1 year)	200,920	432,458	-	-
	200,920	432,458	-	-
Financial results				
Income from current assets	325,729	303,260		

Related party transactions which are not concluded at arm's length

In the absence of any legal criteria to inventory significant non-arm's length transactions with related parties, no transactions are recorded here.

For information purposes and in the interest of transparency, all significant transactions with related parties (apart from transactions with companies which are (more or less) wholly owned by the group to which we belong) are listed below.

EURODIF

EURODIF is a French company in which Synatom has a minority interest of 11.11 %.

EURODIF was established in 1973 and owns a gaseous diffusion uranium enrichment plant run by EURODIF Production, a wholly owned subsidiary of EURODIF.

As the enrichment facility was shut down in June 2012, we didn't have any important transactions with EURODIF.

ORES

ORES is an operator for all management and operating tasks related to part of the distribution network for natural gas and electricity in Wallonia.

Synatom endorsed commercial paper issued by ORES for a total amount of EUR 80 million expiring in 2017 and 2019.

SIBELGA

SIBELGA is the sole manager of networks for electricity and natural gas distribution for the 19 municipalities of the Brussels Region.

In October 2012, ELECTRABEL has transferred to Synatom two tranches of a loan to SIBELGA. The loan, with an actual outstanding amount of EUR 58 million, is repayable in annual instalments until December 2026.

Financial relations with :

A. Directors and managers

Direct and indirect salaries and pensions to directors and managers charged to the income statement: EUR 30 (793)

B. The auditor(s) or associated persons

Audit fees: EUR 39 (000)
Other control missions EUR 3 (750)

Valuation rules

Formation expenses

The formation expenses are included in the financial year in which they are made.

Tangible fixed assets

Purchase value

Tangible fixed assets are booked on the assets side of the balance sheet at their acquisition price, cost price, or contribution value.

Additional costs

Additional costs linked to investments are included in the original cost of the tangible fixed assets concerned.

They are depreciated at the same rate as the installations to which they relate.

Depreciation

Tangible fixed assets are depreciated as from the date on which they are brought into service. With regard to furniture and vehicles, this date normally corresponds to the date of purchase.

Provisions for depreciation are calculated using the linear method at the following depreciation percentages :

- Furniture : 10 %
- Office equipment : 20 %
- Second-hand equipment : 33.33 %
- Renovations : over the term of the lease.

Financial fixed assets

Participations, stocks and shares

Participations, stocks and shares of non-consolidated companies are booked on the assets side of the balance sheet at their acquisition value or contribution value, excluding additional costs and reduced by any sums outstanding which may still have to be paid.

At the end of each financial year, each security is valued individually according to the situation, profitability or prospects of the company concerned. The method of

valuation is chosen objectively, taking into account the nature and characteristics of the security concerned. In most cases, the net asset value is opted for, or the market value if the latter is lower than the net asset value. The criterion chosen for a security is applied systematically from one financial year to the next, unless a change in circumstances justifies doing otherwise, in which case this is specifically mentioned in the notes to the accounts.

Where the valuation thus made reveals a permanent loss of value relative to the inventory value, the securities are written down by an amount equal to the permanent part of the loss in value reported.

An exceptional write-back of amounts written down may be made where a permanent increase in value is reported for securities the value of which was previously written down. Except in this situation, the securities are never revalued, even if permanent increases in value come to light during a valuation of the securities.

Amounts receivable recorded as financial fixed assets

Amounts receivable recorded in the accounts as financial fixed assets are recorded at their nominal value. Fixed-income securities are entered in the accounts at their original cost. If the full or partial repayment of these amounts receivable or securities on their due date appears uncertain or is endangered, the value of these amounts receivable and securities are written down by the corresponding amount.

Amounts receivable after more than one year and amounts receivable within one year

Amounts receivable are recorded at their nominal value and are written down if their full or partial repayment on the due date appears uncertain or is endangered.

In the event of bankruptcy or an arrangement with creditors, unpaid amounts receivable are automatically deemed to be bad debts and their total net value (excluding VAT) is immediately written down. Other amounts receivable may be written down, depending on each situation.

Stocks

Stocks of fuel

Fuel and other raw materials are booked on the assets side of the balance sheet at their original cost, which includes, in addition to the purchase price, additional costs such as non-recoverable taxes and any transport costs. Stocks are valued at the end of the accounting period on the basis of the weighted average price. Write-downs are recorded in the accounts when the market price proves to be lower than the net book value.

Short-term investments and term deposits

Fixed-income securities

Fixed-income securities are valued on the basis of their actuarial rate of return calculated at the time of purchase.

Provisions for liabilities and charges

At the end of each financial year, the Board of Directors, acting with prudence, sincerity and in good faith, determines the provisions to be made to cover all the forecast risks or any losses which have arisen during the financial year or previous financial years.

Provisions for decommissioning of nuclear power stations

The decommissioning costs coverage is assured, under the supervision of the Nuclear Provisions Committee created by the law of 11 April 2003, by the build-up of provisions on the liabilities side of the balance sheet. These provisions correspond to the discounted value of the best estimate of the future cost of shutdown, decommissioning and decontamination of nuclear power stations.

Provisions for management of irradiated fissile material

Cover for the future costs concerning storage, processing and removal of irradiated fuel in nuclear power stations (back end of the cycle) is assured, under the supervision of the Nuclear Provisions Committee created by the law of 11 April 2003, by the build-up of provisions on the liabilities side of the balance sheet. These provisions are determined on the basis of an average unit cost established

using the discounted value of the best estimate of the costs corresponding to all the quantities used during the period of operation of the nuclear power stations.

Amounts payable

Amounts payable are recorded in the accounts at their nominal value.

Off-balance sheet rights and commitments

Off-balance sheet rights and commitments are mentioned in the notes to the accounts, by category, for the nominal value of the obligation shown in the contract or, failing this, for the estimated value. Rights and commitments which cannot be quantified are mentioned for the record.

Transactions, assets and commitments in foreign currencies

Current operations in foreign currencies are recorded in the accounts at the spot rate of exchange on the date of transaction. In the case of forward foreign exchange contracts, the asset or liability entries concerned are valued at the coverage rate.

Non-monetary assets and liabilities (mainly formation expenses, tangible and intangible fixed assets, financial assets and stocks) continue to be valued at the historic conversion rates; this value serves as a basis for calculation of depreciation and any amounts written down (see above).

Exchange differences reported on realization of monetary assets and liabilities (amounts receivable, loans and amounts payable) are entered directly in the income statement.

Advance payments are deemed to be monetary or non-monetary assets depending on where they are allocated.

At the end of the financial year, the main monetary items in foreign currencies are revalued on the basis of the valid spot rate of exchange on the date of closure of the accounts, except for items which are the subject of specific hedging and for which the hedging rates are applied. The net conversion differences per foreign currency reported on this occasion are entered in the prepayments and accruals if an unrealized profit is involved, or as a liability in the income statement if an unrealized loss is involved. The currency conversion differences reported on the cash at bank and in hand are included in the income statement, even if a profit is involved.

In accordance with Belgian law, Synatom publishes its annual report in French and Dutch. You can also access and download the report in French and Dutch at www.Synatom.com.

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Colophon

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