



Annual Report
2014



Synatom's **activities**  a long-term **mission**

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Our mission

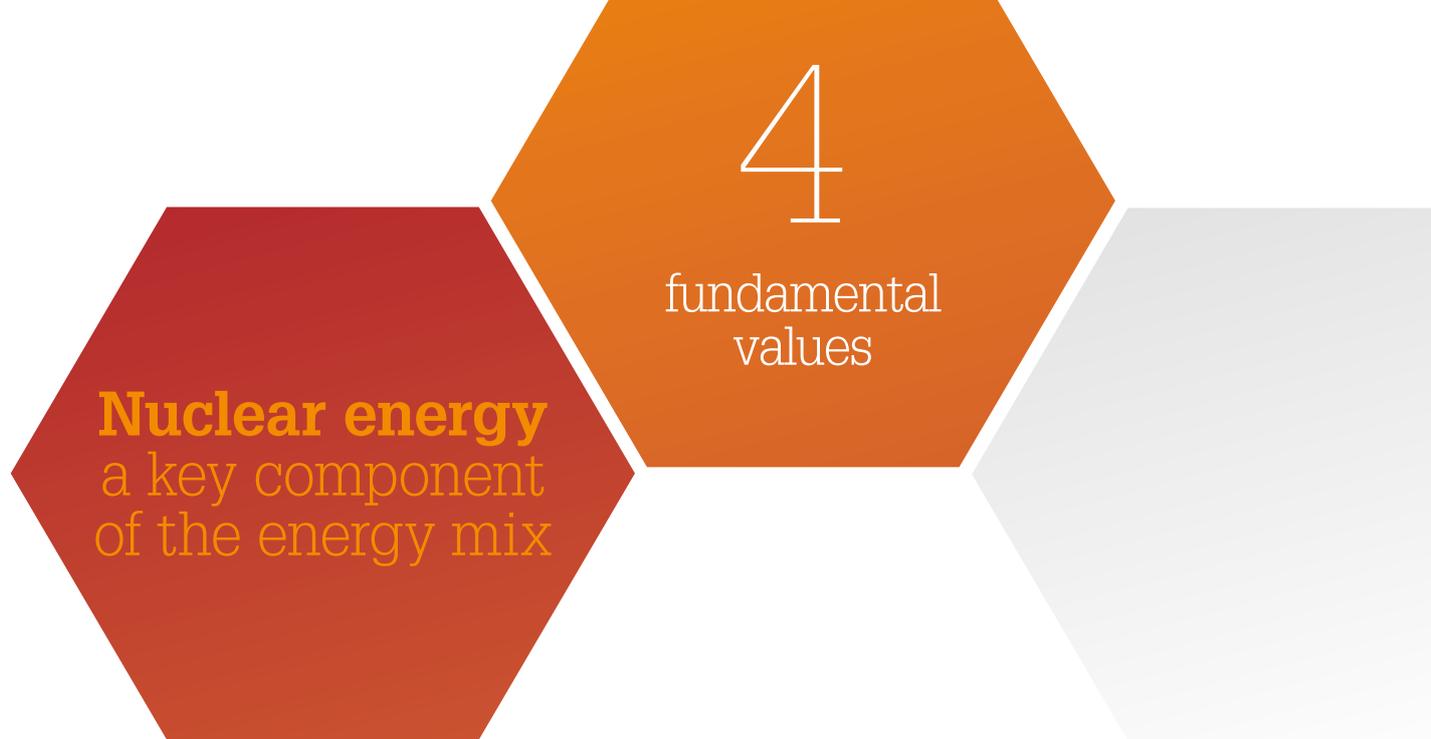
SYNATOM's activities focus on two areas:

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.



Nuclear energy
a key component
of the energy mix

4

fundamental
values

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.

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 **Wim De Clercq**, Chairman and **Robert Leclère**, CEO of Synatom

2014: AN EQUATION WITH A WHOLE LOT OF UNKNOWNNS!

The last year saw a lot of changes, uncertainties and paradoxes, both within Belgium and further afield. The energy sector saw its fair share of ups and downs too. This quick overview aims to explain the context in which SYNATOM operated in 2014.

WARMEST YEAR ON RECORD

2014 was the warmest year recorded on earth since scientists began to study our climate. For some years now, these same scientists have continuously warned us that climate change is real and that its main cause is greenhouse gas emissions. And yet over 80% of the world's energy needs are still covered by fossil fuels – reserves of these fuels seem to be growing by the day, making them ever cheaper. On a worldwide scale, 65% of all electricity is generated using fossil fuels, 16% by hydropower, 10% by nuclear power stations and the rest by other renewable energy sources. Scientists are adamant: there is an urgent need to make drastic reductions to fossil fuel consumption. But no-one seems to know what will be done and when...

BELGIUM FACED WITH PLANNED OUTAGES AND BLACKOUT RISKS

In 2014, for the first time ever, Belgium's authorities and a number of operators paid special attention to the risks linked to the country's security of electricity supply. As winter – and the associated consumption peaks – approached, it became clear that Belgium was at risk of a power shortage in 2014 and would be at an even greater risk in 2015-2016. This situation arose, among other things, as the result of the decommissioning of several conventional power stations that had become unprofitable

due to extremely low electricity prices throughout Europe. This state of affairs, coupled with the lack of new, large-capacity projects, has made Belgium increasingly dependent on imports and directly affects the country's energy policy. And what will happen when Belgium's economic growth recovers, as we all very much hope it will? No-one knows what will be done and when...

CAUTION AND FLEXIBILITY

In this complex, ever-changing environment, SYNATOM has performed its various tasks with skill, pragmatism and caution. To deal with the growing number of uncertainties and unknowns, SYNATOM began working with more scenarios, hypotheses and timeframes to ensure it would be ready to handle any new developments as quickly as possible. This approach enabled SYNATOM to cope with the unforeseeable technical incidents that affected the Tihange 2, Doel 3 and Doel 4 reactors, resulting in their long-term unavailability.

And yet another major event was set to occur before the end of 2014. On 18 December, the Belgian government, which was concerned about the country's electricity supply, decided to allow Doel 1 and Doel 2 to operate until 2025. This latest development will require SYNATOM to be very flexible and lay aside all the plans it had drawn up for the closure of Doel 1 and Doel 2, which was originally scheduled for 2015. If all of the relevant bodies ratify the government's decision, SYNATOM will have to rethink its supply policy for enriched fissile material and its approach to the back end of the nuclear fuel cycle, as well as adjusting the values of its provisions. In fact, it will need to draw up a whole new programme within the specific regulatory framework governing its activities. The Belgian government's actions are based on two laws: the law on the National Programme for the management of spent fuel and radioactive waste, and the law on the constitution



Robert Leclère
Chief Executive Officer

Wim De Clercq
Chairman

“

Though we are living in the age of the ‘short-term’ (and the ‘short-term’ keeps getting shorter!), SYNATOM needs to remain focused on the long-term and the very long-term.

”

of nuclear provisions. These two laws are sure to be indispensable in setting out the direction to be taken by future policies.

EXCELLENCE

We were faced with a number of issues in 2014, and we still have not found complete solutions for all of them. That will continue to be the case in the future. After all, we must not forget that even though we are living in the age of the ‘short-term’ (and the ‘short-term’ keeps getting shorter!),

SYNATOM needs to remain focused on the long-term. And no-one seems to know anything about what will happen and when ...

Being ready to face this uncertain future is a constant challenge for us. We and our staff will strive to rise to this challenge in 2015 and beyond, with one sole aim in mind: excellence.

The front end of the nuclear fuel cycle

SYNATOM manages the entire supply chain for enriched uranium and is involved at the following three stages:

1

- purchasing uranium concentrates (U_3O_8) from the world's main producers, for an average of around 1,000 tonnes a year;

2

- converting these concentrates, also known as 'yellowcake', into uranium hexafluoride (UF_6);

3

- enriching the UF_6 using the centrifuge enrichment process.

Depending on the operator's needs, the enriched UF_6 is transported to a plant which manufactures uranium pellets and fuel assemblies.

These stages make up the front end of the nuclear fuel cycle.

For the front end of the cycle, SYNATOM had drawn up a strategic stock purchasing and management policy based on the information to hand at the start of the financial year: namely, that Tihange 1 had been authorised to operate until 2025 but that Doel 1 and Doel 2 were scheduled for closure in 2015.

Over the course of the year, two major unexpected events occurred which changed this situation and strongly influenced SYNATOM's supply strategy and its market approach.

SYNATOM's policy underwent an initial significant adjustment on 25 March 2014, when Electrabel decided to shut down the Tihange 2 and Doel 3 reactors in the framework of the hydrogen flake file of both reactor pressure vessels. The units would remain closed throughout 2014, and the situation is set to continue for an unspecified period in 2015.

A second unforeseen event occurred on 5 August 2014, when Doel 4 was shut down after an incident affecting the turbine. The unit remained unavailable for over four months, until it was restarted on 19 December. SYNATOM also managed to take this unexpected development in its stride.

Finally, on 18 December, the Belgian government decided to authorise a life time extension for Doel 1 and Doel 2 until 2025. If this decision is approved by all the relevant bodies, this major step is sure to have a significant impact on stock management.

Against this backdrop, SYNATOM pursued a policy geared towards needs-based source diversification and strategic stock retention in 2014. SYNATOM also acted in full compliance with the recommendations of the Euratom Supply Agency.



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Head of Market
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DEPRESSED MARKETS

In 2014, the markets for both natural uranium and enriched uranium were characterised by excessive supply and very low prices. As a consequence, mining companies not only postponed a number of expansion projects but were also forced to mothball several mines.

The conversion market was also depressed in 2014, as was the enrichment market, which saw enrichment by gaseous diffusion permanently abandoned in favour of centrifuge technology.

With a view to guaranteeing security of supply, SYNATOM's contracts for the three stages at the front end of the fuel cycle comply with three fundamental principles:

- diversification of co-contractors;
- long-term commitments;
- flexibility in strategic stock management.

Bearing in mind the Belgian context, SYNATOM has been very cautious in its supply activities. Nevertheless, it has always been able to ensure enough enriched uranium is available, regardless of the configuration of Belgium's nuclear generation facilities.

The back end of the nuclear fuel cycle

The back end of the nuclear fuel cycle consists of a number of stages, spread across several decades.

STORAGE IN THE SPENT FUEL POOL

In the first stage of the cycle's back end, every spent fuel assembly is kept in a spent fuel pool for several years. Every Belgian nuclear unit has its own spent fuel pool next to the reactor building. Only Doel 1 and Doel 2 share a pool. This period of storage under water enables the fuel assemblies to lose some of their residual heat and to decrease their radioactivity.

INTERIM STORAGE

To prevent saturation of the spent fuel pools, the spent fuel assemblies are then transferred to another facility for long-term interim storage. Both the Doel and Tihange sites have a special storage facility to accommodate the spent fuel assemblies from all the reactors.

Two different approaches are used:

At **Tihange**, the spent fuel assemblies are temporarily stored under water in a special building that has eight storage pools. There is a special container for transferring spent fuel assemblies from the spent fuel pool to the interim storage facility. SYNATOM ordered a second transfer container to perform this task in 2014. It will take several years before the equipment is available and all the required permits are obtained.

At **Doel**, the chosen solution for interim storage is dry storage in special containers. These containers are used both for interim storage in a special building and for transferring the spent fuel from the spent fuel pools to the central storage facility.

OPEN CYCLE OR CLOSED CYCLE?

What happens to spent fuel assemblies at the end of the interim storage period?

There are two options:

1. reprocessing – this is known as the closed cycle;
2. direct disposal of conditioned assemblies in stable, deep geological repositories – this is known as the open cycle.

As far as the first option is concerned, it is worth pointing out that reprocessing contracts for the first fuel assemblies from Doel 1 and 2 and Tihange 1 have been executed and that practically all the final waste was returned to Belgium and stored in Belgoprocess's storage facilities at Dessel. No waste was repatriated in 2014.

TOWARDS NEW GUIDELINES

The European Commission issued a new Euratom directive on 19 July 2011 with a view to establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste. This directive was transposed into Belgian law by the Law of 3 June 2014. It requires every Member State to establish a national programme for spent fuel and radioactive waste management. The Member States must submit their first reports on the implementation of their national programmes to the European Commission in August 2015.

As a spent fuel owner, SYNATOM is directly involved in this process and takes part in the meetings of Belgium's National Programme Committee, alongside representatives of the Energy Administration and the Belgian Agency for radioactive waste and enriched fissile materials (ONDRAF/



NIRAS]. The Committee is responsible for drawing up the National Programme that will cover all stages of the process for managing spent fuel and radioactive waste, and for keeping that programme up to date. Once the programme has been drawn up, reports charting the progress made on implementing all aspects of the directive are to be submitted to the European Commission every three years.

In Belgium, ONDRAF/NIRAS has been legally responsible for managing all radioactive waste on Belgian territory, up to and including final disposal, since 1980.

TENS OF MILLIONS OF EUROS SPENT ON RESEARCH AND DEVELOPMENT EACH YEAR

In 2014, SYNATOM continued providing financial support for ONDRAF/NIRAS's research activities. The two bodies also concluded a new agreement for SYNATOM to finance research and development activities on waste storage in geological repositories. This contract, worth some 130 million euro, will cover the period from 2015 to 2020 and will enable ONDRAF/NIRAS's researchers and the agency's partners to continue their work on waste storage in geological repositories, which focuses on identifying the most suitable host rock (clay in the Boom region) for storing the waste.

130
million

euro for Research
and Development

7,6
billion

euro for nuclear
provisions

Financial management

Alongside the 'technical' management of the nuclear fuel cycle, the second main component of SYNATOM's work is financial management. This mainly entails the management of nuclear provisions and the collection, on the State's behalf, of the special contribution more commonly known as the 'nuclear tax'.

In this fund management role too, SYNATOM was faced with a lot of uncertainties in 2014. These were mainly due to rock-bottom European rates and the weakening of several currencies, including the euro, against the US dollar. Against this backdrop, SYNATOM carries out its activities with utmost caution, with the primary aim of preserving capital.

A strictly regulated, closely monitored financial activity

NUCLEAR PROVISIONS

SYNATOM manages nuclear provisions by virtue of the Law of 11 April 2003, which made it responsible for ensuring coverage of the costs of decommissioning nuclear power stations and the costs of managing irradiated fissile materials.

The provision for the decommissioning of nuclear power stations covers two main components: the costs inherent in the permanent shutdown of the nuclear reactors; and the costs associated with the actual decommissioning, the rehabilitation of the sites and the management of the resultant radioactive waste.

The provision for the management of irradiated fissile materials, on the other hand, covers all the costs linked to the management of spent fuel assemblies, from interim storage up to their final burial in deep geological repositories.

The Law of 2003 also created a Nuclear Provisions Committee made up of representatives of the public authorities. The Committee has the power to issue opinions on and monitor the existence, level and availability of the provisions. Its opinions and decisions affect SYNATOM directly.

Every three years, SYNATOM presents the Committee with a file outlining the method used to build up the provisions, the chosen financial strategy, the development and implementation plans, the schedule, estimates for the required financial resources, total expenditure, and the payment schedule. SYNATOM submitted the most recent triennial review to the Committee in 2013.



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Assistant
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Department

Jacques Megank

Accountant

Jean Vanantwerpen
Head of IT

Dominique Ghislain

Chief Financial
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Bernadette De Landtsheer

HR & Ethics Officer
Chief Accountant

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Finance, Controlling
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Department

SYNATOM will begin putting together the next review file in 2015 with a view to submitting it to the Committee in September 2016.

The Nuclear Provisions Committee is also responsible for approving SYNATOM's investment policy.

At 31 December 2014, provisions totalled 7.6 billion euro, with 41% being assigned to nuclear power station decommissioning and 59% to irradiated fissile material management.

It is worth pointing out that the Law of 2003 also requires SYNATOM to always have sufficient funds available to finance any and all expenditure linked to decommissioning and to the management of irradiated fissile materials for the next three years of operation.

Public service obligations

SPECIAL CONTRIBUTION

By virtue of the Law of 2003, SYNATOM has the power and the duty to act on behalf of the State in collecting the special contribution from Belgium's nuclear power station operators – i.e. Electrabel, EDF Belgium (holds a stake in Tihange 1) and EDF Luminus (holds a stake in Tihange 2 and 3 and Doel 3 and 4) – every year.

SYNATOM pays the special contribution to the Belgian State, and is then responsible for recovering the relevant amounts from the three nuclear operators.

In 2014, the total special contribution came to 469.3 million euro, broken down to 213.9 million euro for the basic special contribution and 255.4 million euro for the additional special contribution.

Management and supervisory bodies

Board of directors

Messrs Wim DE CLERCQ [Chairman]
Robert LECLÈRE [CEO]
Marc BEYENS
Karel BREDA ^[2]
Christiaan DEGROOF
René DELPORTE
Valéry PERRIER ^[1]
Paul RORIVE
Dimitri STROOBANTS ^[3]
Philippe VAN TROEYE
Jean VAN VYVE ^[1] [Directors]

Government representatives

Ms Sophie VAN DE WOESTYNE
Mr Yves DE GRAEVE

Auditor

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

[1] Until 14 May 2014

[2] From 14 May 2014 to 18 September 2014

[3] From 18 September 2014

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-fifth financial year and to submit for your approval the annual accounts for the year ended 31 December 2014.

General

During the financial year under review, 32,093 GWh of nuclear power was generated in Belgium.

In 2014, nuclear power plants in Belgium operated at an average load factor of 62.1%, compared with 78.2% in 2013.

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

On 25 March 2014, Electrabel decided to shut down the Doel 3 and Tihange 2 units in the framework of the reactor pressure vessels investigation file. They will not be restarted before July 2015 at the earliest, providing the Federal Agency for Nuclear Control gives its consent.

Moreover, the Doel 4 nuclear unit was unavailable for over four months from 5 August to 19 December due to oil leakage in the turbine.

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. However, the extension is subject to the approval of the Federal Agency for Nuclear Control, which will have to give its opinion on the relevant safety criteria. The extension will then need to be enacted by a law amending the Law

of 31 January 2003 on the gradual phase-out of using nuclear energy for industrial electricity generation.

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

We ended 2013 in the belief that the uncertainty regarding the operation of Belgium's nuclear units had finally been resolved, allowing us to focus on the future and on covering future needs.

However, other things were in store. SYNATOM had to take account of developments and manage the impact of both the long, unplanned shutdowns of Tihange 2, Doel 3 and Doel 4 and the Council of Ministers' decision of 18 December 2014 to authorise the operation of Doel 1 and Doel 2 for another 10 years, so until 2025. This will

bring our uranium needs back to their usual level of around 1,000 tonnes a year. For some years now, our activities have been influenced by a growing number of uncertainties concerning both the uranium market and the operation of the Belgian 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. Our stock level enables us to respond easily to the – non programmed – demand for fissile material that could arise due to the extension of Doel 1 and Doel 2's operation.

The repercussions of the Fukushima disaster of 11 March 2011 are still being felt on the market. All of Japan's nuclear generation facilities have been shut down temporarily, and some 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 both for 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.

The price of uranium concentrate fell over the first half of 2014 to reach its lowest level since mid-2005. It then recovered to start-of-year level, i.e. \$35.50 per pound of U₃O₈. The price for enrichment services continued to decline, falling by 20%.

SYNATOM's supply portfolio and strategic stock will provide it with the fissile material it needs to operate power stations in the coming years.

MANAGEMENT OF IRRADIATED FISSILE MATERIAL AND WASTE

The power plants continued to provide on-site storage of spent fuel elements in 2014.

At Doel, five dry storage containers were loaded then placed in the storage building, bringing the number of containers in interim storage to 90.

At Tihange, six batches totalling 72 spent fuel elements were transferred from the spent fuel storage pool in unit 1 to the centralised underwater storage facility. These transfers were carried out using container TN17T. A second container has been ordered so as to have an alternative solution for transfer operations. It will be used to make transfers from Tihange 1 and Tihange 2. The new container's design is almost ready, and a safety file for it will be compiled by mid-2015.

Given that Doel 1 and Doel 2 were scheduled to close permanently in 2015, as provided in the Law of 2003, SYNATOM developed optimised plans for the removal of spent fuel assemblies so as to empty the units' shared spent fuel pool within a short time frame.

Now that the government has decided lifetime extension of Doel 1 and Doel 2, SYNATOM has suspended new orders for the additional containers that would have been required for emptying the pool.

Conversely, looking ahead to the expected saturation of Doel and Tihange's facilities for interim storage of spent fuel, SYNATOM is planning to build a new dry storage building on each of the two sites. At the same time, to ensure containers will be available by that time and respond to increasingly stringent safety criteria, SYNATOM has launched a call for tenders targeting potential suppliers.

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. The contract for end storage in geological repositories of medium- and high-activity waste and spent fuel prepared for disposal has been extended to 2020, through a significant budget increase.

The renewal of the contract for waste supply by SYNATOM to ONDRAF/NIRAS was discussed in 2014, and the renewed contract was signed in early 2015.

LEGISLATIVE ACTIVITIES

Important legislative activities were launched in 2014.

SYNATOM contributed to the implementation of the Law of 3 June 2014 transposing the EURATOM directive on the responsible and safe management of spent fuel and radioactive waste. The law established a National Programme Committee, of which SYNATOM is a member.

The Committee has met regularly and an initial draft National Programme is currently under discussion. The Belgian government is to submit a report on the matter to the European authorities by 23 August 2015.

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.

Management of nuclear provisions

CONSTITUTION OF NUCLEAR PROVISIONS

Pursuant to the Law 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 submitted the fourth updated triennial review of nuclear provisions to the Nuclear Provisions Committee (NPC) on 18 September 2013.

In its recommendation of 18 November 2013, the NPC agreed to take account of the life time extension of Tihange 1 on the condition that SYNATOM provided a detailed calculation of the impact this extension would have on provisions, basing the calculation on technical (and not just financial) hypotheses.

This addition to the 2013 file was submitted to the NPC on 5 May and approved on 4 July 2014. Based on the detailed forecasts laid out in the additional document, the provisions were reduced by EUR 35.2 million.

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 29 December 2014 amending the Law 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 two amounts to be paid by nuclear operators in 2014:

- a basic special contribution reduced by 14.46% to take into account the shutdown in 2013 of the Doel 3 and Tihange 2 units, or a total amount of EUR 213.9 million;
- an additional special contribution which was also reduced by 14.46%, or a total amount of EUR 255.4 million.

SYNATOM transferred the total amount of EUR 469.3 million to the State budget on 31 December 2014 and informed the nuclear operators of their individual share of the contribution, as per the instructions set down in the law.

Derivative financial instruments and hedging policy

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

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.

EDF Luminus appealed against the ruling of 4 April 2011 upholding SYNATOM's request for full repayment of the amounts lent to EDF Luminus, approximately EUR 63 million, because EDF Luminus did not have the credit rating specified in Article 14 of the Law of 11 April 2003 on nuclear provisions. The Court of Appeal of Brussels ruled on the case on 28 May 2014. On the one hand, the Court of Appeal held that only the Nuclear Provisions Committee had the power to demand repayment of the amounts to be repaid to SYNATOM upon termination of the temporary loan agreement and on the other hand, it found that SYNATOM was within its rights to demand repayment of the amounts that EDF Luminus had 'borrowed' without meeting the conditions specified by law, i.e. without informing SYNATOM of its credit rating.

Board of directors

No directorships are due to expire at the end of the 2015 statutory General Meeting.

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 their 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 2014, this item covered both the current trade receivables and a sum of EUR 360 million accounting for the share of the long-term trade receivable from Electrabel that is due in 2015.

RECEIVABLES WITHIN ONE YEAR – OTHER RECEIVABLES

At the end of 2014, this item primarily consisted of the special contribution to be paid by Electrabel, EDF Luminus and EDF Belgium in respect of 2014.

This item also includes the share of the loan to Sibelga due to be paid back in 2015, corresponding to an amount of EUR 8 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. The principles governing the establishment of these provisions are set out under the section Management of nuclear provisions [see above].

AMOUNTS PAYABLE WITHIN ONE YEAR – OTHER DEBTS

As in 2013, this item primarily comprises the advance paid by GDF SUEZ Treasury Management to finance a share of the amount paid to the State budget in respect of the special contribution for 2014.

Results

TURNOVER

Turnover consists primarily of the contributions for the supply of fissile material, which amount to EUR 210 million. This was substantially affected by the shutdown of Doel 3 and Tihange 2 on 25 March 2014 and the shutdown of Doel 4 from 5 August to 19 December 2014.

This heading also includes the payment of provisions for the decommissioning of nuclear power plants (reimbursement of EUR 35 million) following the Nuclear Provisions Committee's approval of the results of the study on the extended operation of Tihange 1.

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 27.6 million), research costs linked to preparations for the decommissioning of nuclear power stations (EUR 21 million) and costs linked to the ONDRAF/NIRAS R&D programme (around EUR 13 million).

FINANCIAL INCOME

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

PROFIT

The annual accounts for the 2014 financial year show a profit of EUR 712,588.21, compared with EUR 691,857.00 in 2013.

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 life time of Doel 1 and Doel 2, and as soon as this decision is set down in a law, SYNATOM will assess the impact of the extension on the provisions for the decommissioning of nuclear power stations.

If necessary, SYNATOM will assess the impact on its policy and strategy as regards fuel supply to nuclear power stations and management of spent fuel.

It is proposed to the General Meeting of 13 May 2015, deliberating on the accounts for financial year 2014, that the amount of EUR 35,629.00 be appropriated to the statutory reserve and a dividend of EUR 1.35 per fully paid-up share be paid out, giving a total amount of EUR 677,025.00. The remaining balance for the financial year [-EUR 65.79] is to be subtracted from the profit to be carried forward, which is therefore EUR 7,105.99.

Unless there is a major unforeseeable event, the profit for the current financial year should enable SYNATOM to pay a similar dividend for the 2015 financial year in 2016.

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

Brussels, 26 March 2015

Statutory auditor's report

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2014

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 2014 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 8.179.019 (000) EUR and a profit for the year of 713 (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 2014 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, 27 March 2015

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 | 2014 | 2013 |
|---|------------------|------------------|
| Fixed assets | 2 | 15 |
| Furniture, vehicles and equipment | 2 | 15 |
| Financial assets | 0 | 1 |
| Non-consolidated companies | | |
| - Shares | pm | pm |
| Other financial assets | | |
| - Other amounts receivable | 0 | 1 |
| Long-term receivables | 5,801,880 | 5,647,269 |
| Trade debtors | 5,149,897 | 4,997,634 |
| Other receivables | 651,983 | 649,635 |
| Stocks and contracts in progress | 499,082 | 479,811 |
| Stocks | | |
| - Work in progress | 499,082 | 479,811 |
| Receivables within one year | 779,384 | 864,555 |
| Trade debtors | 363,735 | 347,396 |
| Other receivables | 415,649 | 517,159 |
| Deposits, securities and bonds | 1,094,206 | 819,517 |
| Other deposits | 1,094,206 | 819,517 |
| Cash and cash equivalents | 663 | 789 |
| Prepayments and accrued income | 3,802 | 4,406 |
| TOTAL ASSETS | 8,179,019 | 7,816,363 |

| EQUITY AND LIABILITIES | 2014 | 2013 |
|--|------------------|------------------|
| 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 | 1,655 | 1,619 |
| Legal reserve | 1,604 | 1,568 |
| Non-available reserve | | |
| - Other | 14 | 14 |
| Tax free reserve | 37 | 37 |
| Profit brought forward | 7 | 7 |
| Provisions and deferred taxes | 7,635,481 | 7,293,982 |
| Provisions for liabilities and charges | 7,635,481 | 7,293,982 |
| Amounts payable within one year | 523,210 | 503,980 |
| Trade payables | | |
| - Suppliers | 115,474 | 81,287 |
| Taxes, payroll and social security | | |
| - Taxes | 106 | 112 |
| - Payroll and social security | 222 | 215 |
| Other amounts payable | 407,408 | 422,366 |
| Accruals and deferred income | 6,072 | 4,181 |
| TOTAL EQUITY AND LIABILITIES | 8,179,019 | 7,816,363 |

Income statement

(in thousands of EUR)

| | 2014 | 2013 |
|--|-----------------|-----------------|
| Operating income | 194,580 | 196,832 |
| Turnover | 175,274 | 212,274 |
| Variation in stocks of finished good, work and contracts in progress (increase +; decrease -) | 19,270 | -15,510 |
| Other operating income | 36 | 68 |
| Operating charges | 542,238 | 528,707 |
| Supplies and goods | 135,039 | 117,881 |
| Services and other goods | 63,798 | 45,477 |
| Payroll, social security costs and pensions | 1,887 | 2,064 |
| Depreciation and amounts written off on formation expenses, tangible and intangible assets | 3 | 7 |
| Provisions for liabilities and charges (increase +; decrease -) | 341,499 | 363,276 |
| Other operating charges | 12 | 2 |
| Operating result | -347,658 | -331,875 |
| Financial income | 350,961 | 331,439 |
| Income from current assets | 350,652 | 331,439 |
| Other financial assets | 309 | 0 |
| Financial charges | 2,590 | 469 |
| Debt charges | 2,540 | 355 |
| Other financial charges | 50 | 114 |
| Pre-tax operating result | 713 | -905 |
| Exceptional income | 0 | 1,597 |
| Write-back of impairment on financial assets | 0 | 1,597 |
| Pre-tax result for the year | 713 | 692 |
| Taxes on profit | 0 | 0 |
| Profit [loss] for the year | 713 | 692 |
| PROFIT OF THE YEAR TO BE APPROPRIATED | 713 | 692 |

| APPROPRIATION ACCOUNT | 2014 | 2013 |
|--|------------|------------|
| Profit to be appropriated | 720 | 699 |
| Profit for the period | 713 | 692 |
| Profit brought forward from previous year | 7 | 7 |
| Appropriation to capital and reserves | 36 | 35 |
| To legal reserve | 36 | 35 |
| Result to be carried forward | 7 | 7 |
| Profit to be distributed | 677 | 657 |
| Dividends | 677 | 657 |

Additional notes

(in thousands of EUR)

Fixed assets

| | Furniture, vehicles and equipment |
|--|-----------------------------------|
| Gross value | |
| At the end of the previous period | 220 |
| Sales and disposals | -217 |
| At the end of the period | 3 |
| Depreciation and write downs | |
| At the end of the previous period | 206 |
| Movements: | |
| Additions | 3 |
| Cancelled following sales and disposals | -208 |
| At the end of the period | 1 |
| Net book value at the end of the period | 2 |

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 | - |
| Receivables | | |
| Net book value at the end of the previous period | - | 1 |
| Reimbursements | - | -1 |
| Net book value at the end of the period | - | 0 |

Participations and shares hold 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. S.A. of French law Tour Areva 1, place Jean Millier 92400 Courbevoie FRANCE | 1,111,112 | 11.1 | - | 31/12/2013 | 32.220 | -63.831 |

Deposits, securities and bonds, prepayments and accrued income

| | 2014 | 2013 |
|--|----------------|----------------|
| Deposits, securities and bonds | | |
| Shares | 816,796 | 620,000 |
| Bonds at fixed interest rate | 143,000 | 159,649 |
| Of which issued by financial companies | 0 | 2,100 |
| Term accounts with financial institutions | 134,410 | 39,868 |
| With residual term of one month | 134,410 | 39,868 |
| Prepayments and accrued income | | |
| Accrued interests | 3,802 | |

Equity and shareholders

| | |
|--|-------------------------|
| Capital | 2014 |
| 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 | 2014 |
| 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

| | |
|---|------------------|
| | 2014 |
| Spent fuel and management of waste issued from reprocessing | 4,480,641 |
| Decommissioning of the nuclear power plants | 3,154,840 |
| | 7,635,481 |

Liabilities, accruals and deferred income

| Taxes, payroll and social security | 2014 |
|--|--------------|
| Taxes | |
| Due taxes | - |
| Not yet due taxes | 106 |
| Estimated taxes | - |
| | 106 |
| Payroll and social security | |
| Due liabilities to social security | - |
| Other debts related to payroll and social security | 222 |
| | 222 |
| Accruals and deferred income | |
| Deferred sales | 5,403 |
| Miscellaneous | 669 |
| | 6,072 |

Operating results

| | 2014 | 2013 |
|---|----------------|----------------|
| Operating income | | |
| Turnover | | |
| Fees for the availability of fissile material | 209,872 | 244,362 |
| Regularization of nuclear provisions | (-) 35,217 | (-) 33,121 |
| Miscellaneous | 619 | 1,033 |
| | 175,274 | 212,274 |
| Operating charges | | |
| Number of staff hired | | |
| Total at the end of the period | 14 | 16 |
| Average number of staff in full time equivalent | 13.8 | 16.6 |
| Effective hours | 23,116 | 27,496 |
| Employment costs | | |
| Payroll and social benefits | 1,355 | 1,472 |
| Employer's contribution to social security | 404 | 449 |
| Employer's premiums for non-statutory insurance | 90 | 93 |
| Other personnel costs | 38 | 50 |
| | 1,887 | 2,064 |
| Provisions for liabilities and charges | | |
| Increase | 425,543 | 891,985 |
| Use and decrease | (-) 84,044 | (-) 528,709 |
| | 341,499 | 363,276 |
| Other operating charges | | |
| Taxes related to operations | 1 | 2 |
| Other | 11 | - |
| | 12 | 2 |
| Interim staff and personnel hired from other companies | | |
| Total number at the end of the period | 2 | 3 |
| Average number in full time equivalent | 2.1 | 3.7 |
| Number of effective hours | 3,617 | 6,555 |
| Cost for the company | 854 | 1,008 |

Financial and extraordinary results

| | 2014 | 2013 |
|--------------------------------|------|------|
| Financial results | | |
| Other financial charges | | |
| Bank charges and commissions | 50 | 114 |

Taxes

| | 2014 | 2013 |
|--|--------|--------|
| Income taxes | | |
| Main sources of disparities between pre-tax profit, expressed in the accounts, and the estimates taxable profit | | |
| Disallowed expenses | 60 | |
| Use of anterior losses | [-]773 | |
| Value added tax and retained taxes charged to third parties | | |
| Value added tax charged | | |
| To the company (deductibles) | 8,908 | 4,053 |
| By the company | 44,308 | 54,039 |
| Retained taxes charged to third parties | | |
| On wages and salaries | 507 | 559 |

Off balance sheet rights and commitments

Other commitments

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 | |
|-------------------------------|----------------------|------------------|----------------------|----------|
| | 2014 | 2013 | 2014 | 2013 |
| Financial assets | | | | |
| Participation | - | - | pm | pm |
| Other receivables | | | - | - |
| Receivables | | | | |
| Long-term (more than 1 year) | 5,149,897 | 4,997,634 | - | - |
| Short-term (less than 1 year) | 770,188 | 767,709 | 29 | 7 |
| | 5,920,085 | 5,765,343 | 29 | 7 |
| Liabilities | | | | |
| Short-term (less than 1 year) | 432,458 | 422,703 | - | - |
| | 432,458 | 422,703 | - | - |
| Financial results | | | | |
| Income from current assets | 303,260 | 309,894 | | |

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.

Eandis

Eandis is an independent company that carries out operational tasks and obligations of public service for part of the transmission network of electricity and gas distribution in Flanders.

SYNATOM granted a loan of EUR 80 million for a period of five years that came to maturity in 2014.

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 74 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 32 [574]

B. THE AUDITOR(S) OR ASSOCIATED PERSONS

Audit fees: EUR 39 [000]

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 Commission 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 Commission 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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Pages 1 to 9: ACTE 4 SPRL - Jean-Jacques Pleyers

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Yellowcake on belt filter © Areva – P. Lesage

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Dit document is eveneens beschikbaar in het Nederlands.



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