

Financial results

Key figures

<i>In millions of euros</i>	2013	2012
Income	1,527	1,506
Total expenses	(729)	(834)
Operating result	798	672
Financial income and expenses	(175)	(202)
Result before taxation	623	470
Taxation	(159)	(111)
Result after taxation	464	359

Revenues

Revenues were € 21 million higher than in 2012. This was mainly the result of additional revenue from new assets, such as the Heiligerlee Nitrogen Buffer, the connection of the Epe caverns and the compressor station at Wijngaarden. These additional revenues compensate for the efficiency deductions on the tariffs as determined by the regulators in the Netherlands and Germany.

Operating result

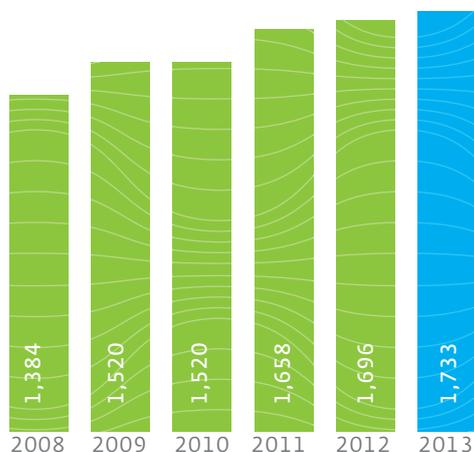
The operating result rose by € 126 million. In addition to the higher revenues mentioned above, expenses turned out lower, due to the release of a part of the pension provision. In 2013, we were also faced with higher energy costs as a result of the cold first half-year in 2013.

Normalised

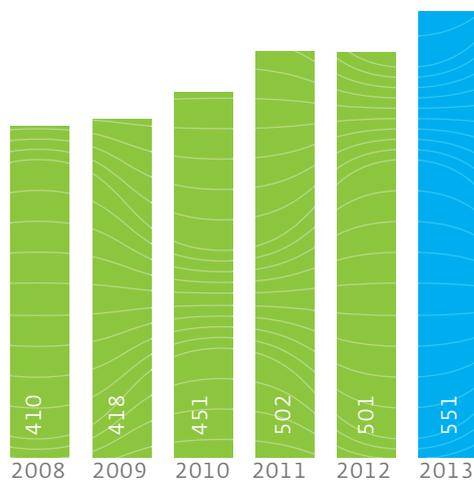
<i>In millions of euros</i>	2013	2012
Income	1,733	1,696
Total expenses	(820)	(834)
Operating result	913	862
Result after taxation	551	501

In this financial overview, the figures have been adjusted for the effects on income of past settlements in the revenues of GTS in accordance with the 2010-2013 method decisions (2013: approx. € 206 million; 2012: approx. € 215 million), the release of a part of the pension provision in 2013, and a one-off compensation received by Gasunie Deutschland in 2012.

Net revenue normalised (€ million)



Net profit normalised (€ million)



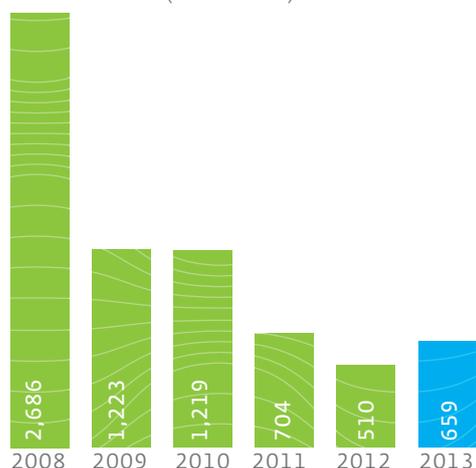
Investments

Over the past few years, Gasunie has invested heavily, particularly in the development of the gas roundabout. For instance, 2013 saw the completion of the expansion at Zuidwending and the NEL, while in 2014 and 2015, the expansion projects at Beverwijk-Wijngaarden and ExitEllund will be completed. At the moment, no further large-scale expansion investments have been planned. For the time being, we are able to meet the capacity needs of the market from our existing capacity and the capacity being built. In 2012, we started a multi-year replacement programme in the Netherlands. This programme is expected to result in an annual capex of approximately € 150 million.

In the coming years, we will focus on initiatives relating to market coupling and market integration, and on developing new, profitable activities that contribute to the transition to a more sustainable energy supply. Finally, both in the Netherlands and in Germany, we will start preparing for the switch in the market from low-calorific to high-calorific gas. In the Netherlands, this means that we will need to invest in increasing capacity for blending high-calorific gas with nitrogen.

For the next three years, we expect an average annual capex of € 400 to 500 million.

Investments (x € 1 million)



Expected financial results

On the basis of current insights, Gasunie expects to achieve a higher operating result from normal business operations in 2014. Revenues will rise due to the fact that a repayment obligation (based on the method decisions of GTS from the past) will no longer apply. Normalised revenues are expected to be slightly higher compared to those of 2013. The efficiency deductions as determined by the regulators in the Netherlands (1.3%) and Germany (1.5%) will be offset by revenues from new assets, such as the new Odiliapeel-Melick pipeline, which was part of Open Season 2012.

Operating expenses are expected to be higher in 2014, due to increasing maintenance costs for the network. This is directly related to the multi-year maintenance programme that started in 2012. The finance costs will be lower in 2014 due to the repayment of interest-bearing loans at the end of 2013. It is expected that the balance sheet total in 2014 will rise to € 10,800 million (2013: € 10,606 million), as a result of the investments made in expansions.

Financing

We managed to offset most of the debt repayment peak of October 2013 with the revenues from two bond loans that, in anticipation of this peak, had already been issued in 2012. As a result, Gasunie did not need to attract any additional bond loans in 2013. The debt repayment peak was related to the redemption of a five-year bond loan, of which the outstanding sum of € 1,116 million (originally € 1,400 million) had to be repaid. Gasunie's remaining financing requirement was met by attracting short-term deposits on the money market and by issuing commercial paper under the Euro Commercial Paper (ECP) programme. This was the first time that Gasunie made use of this new programme. The fact that this short-term note could be successfully placed with investors indicates that the circumstances in the financial markets remain positive for financially solid parties such as Gasunie.

In addition, € 150 million was drawn under the loan facility with the European Investment Bank. This draw concerns a seven-year loan with a variable interest rate and linear repayment. The margin of the loan facility, agreed in December 2012, has now been used fully. When the facility was agreed in December 2012, both parties already intended to increase it by € 100 million over the course of 2013. The facility was therefore extended by this amount at the end of 2013. No use was made of this additional margin in 2013.

As a result of the above-mentioned activities, the total interest-bearing loan at the end of 2013 was € 4,611 million, a decrease of € 598 million compared to the end of 2012. Due to the debt repayment peak in October, the balance sheet item 'Cash and cash equivalents' is also lower (€ 87 million at the end of 2013 (end of 2012: € 909 million). As a result, the net debt position (interest-bearing loan minus cash) increased in 2013 by € 224 million to € 4,524 million.

In 2014, no bond loans will be repaid. We will wait to see how cash flow develops before deciding how best to meet our financing requirement in 2014.

Solvency at year-end 2013 was 49% (2012: 44%). The high level of cash at the end of 2012 meant that solvency was temporarily low. Corrected for this effect, solvency at the end of 2012 would have been 48%. It is not only essential that liquidity be maintained at an adequate level and

that there is a sufficient spread of financing alternatives, but being able to attract financing as efficiently as possible is also very important. To adequately meet these objectives, we will make use of the Euro Medium Term Note (EMTN) programme, the ECP programme mentioned above, and Gasunie's own activities on the private money and capital markets. Gasunie also has credit facilities, the most important of which is a committed € 800 million stand-by credit facility that was agreed in October 2010 for a term of five years. No use was made of this facility in 2013. One of the measures we will take in 2014 to keep our liquidity position at a sufficient level is to renew this stand-by credit facility.

Credit Ratings

In 2013, rating agency Standard & Poor's lowered Gasunie's long-term credit rating from AA- with a negative outlook to A+ with a stable outlook. This was the direct result of Standard & Poor's lowering of the long-term credit rating of the Dutch State in November 2013. In 2013, rating agency Moody's Investors Service left Gasunie's long-term credit rating unchanged at A2 with a stable outlook.