



ANNUAL REPORT 2003





Annual Report 2003
of the Board of Directors
and of the Statutory Auditor
to be presented at
The Annual General Meeting
on 29th April 2004

Insurance company authorised by decision of the Management committee CBFA on the 6th november 2003.

To underwrite "Liability" (branch 13)

(Moniteur Belge 04.12.2003 - Code 2275)

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Belgium

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Financial Highlights

In euro

years ended december 31

Statement of Earnings

2003

Net premium earned	0
Claims	0
Expenses	-161.490
Other income	0
Net investment result	5.041
Earnings before distribution to reserve for equalisation and catastrophies	-156.449

Balance Sheet

Assets	2.670.300
Liabilities	322.749
Guarantee fund	2.347.551

(including reserve for equalisation and catastrophies)

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Members

AREVA
British Energy Plc
EDF
Electrabel SA
EnBW Kraftwerke AG
E.ON Kernkraft GmbH
EPZ NV
Eurodif Production SA
Fortum Power & Heat Oy
Forsmarks Kraftgrupp AB
Gemeenschappelijke Kernenergiecentrale Nederland NV
Hamburgische Electricitäts-Werke AG
NOK
OKG Aktiebolag
Paks Nuclear Power Plant Ltd
Rinhals AB
RWE Power AG
SCK-CEN
Slovenske Elektrarne AS
Sydkraft AB
Teollisuuden Voima Oy



Member Representatives

Member

Representative

Belgium

Electrabel SA
SCK-CEN

A. van den Abeele
C. Legrain

Finland

Fortum Power & Heat Oy
Teollisuuden Voima Oy

T. Kuula
M. Paavola

France

AREVA
EDF
Eurodif Production

G. Lamand
J. M. Boudier
J.L. Carbonell

Germany

EnBW Kraftwerke AG
E.ON Kernkraft GmbH
Hamburgische Electricitäts-Werke AG
RWE Power AG

C.D. Bölle
K. Greimel
H.H. Fahrenkamp
J. Haaf



Member Representatives

Member

Representative

Great Britain

British Energy Plc

J. Jackson

Hungary

Paks Nuclear Power Plant Ltd

L. Molnar

The Netherlands

EPZ NV

J.W.M Bongers

Gemeenschappelijke Kernenergiecentrale
Nederland NV

J.J. Post

Slovak Republic

Slovenske Elektrarne AS

S. Haring

Sweden

Forsmark Kraftgrupp AB

L. Fagerberg

OKG Aktiebolag

C.Svensson

Ringhals AB

J. Edberg

Sydkraft AB

B. Svensson

Switzerland

NOK

H.R Gubser



Board of Directors

Jean-Marie Boudier	Chairman
Guy Lamand	Vice-Chairman
Mauno Paavola	Vice-Chairman
Claus- Dieter Bölle	
J.W.M Bongers	
José Luis Carbonell	
Matts Ekman	
Hans-Henning Fahrenkamp	
Klaus Greimel	
Hans Rudof Gubser	
Joachim Haaf	
Stefan Haring	
John Jackson	
Heikki Kolehmainen	External Director
Tapio Kuula	
Gabor Kúzdy	
Christan Legrain	
Daniel Martenet	External Director
J.J. Post	
Bengt Svensson	
Christian Svensson	
Alec van den Abeele	
Danny Van Welkenhuyzen	Executive Committee
Marleen Vercammen	Executive Committee

Advisory Committees

Insurance Advisory Committee

Y.Colleu
T.Erb
G.Ferriot
K.Greimel
J.Haaf
B.Kockum
G.Küzdy
K.Luotonen
G.J.Mensink
J.Sipinen
B.Svenson Chairman

Finance and Investment Advisory Committee

E.Detarle
M.Ekman Chairman
U.Krane
D.Martenet
M.Vercammen

Legal Advisory Committee

M.Bensadoun
R.Danielsson
T.Erb
A-S Herzog
G.Küzdy
R.Lions
K.Luotonen
S.Ordéus
S.C Ridder
M.Schmans
L.Veuchelen Chairman
T.van den Borre



Management

Danny Van Welkenhuyzen
Managing Director

Marleen Vercammen
Financial Manager

Auditors

Deloitte & Partners
Berkenlaan 8b
B 1831 Diegem
Represented by
Mr. Rik Neckebroeck
Réviseur d'Entreprise

Actuary

Nicolaï & Partners
Fringlei 109
2930 Brasschaat

Letter from the Chairman

Dear ELINI members,

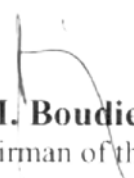
It is with great pleasure that I, for the first time as Chairman of our mutual, have the honour to present the Annual Report to you.

ELINI was created as a non active insurance mutual in December 2002. Immediate issue for this creation was to ensure that Nuclear Operators in Europe will continue to have nuclear liability coverage for terrorism and to have alternatives to the existing national nuclear insurance pools in view of the revision of the Paris convention and the Brussels Supplementary Convention especially the increase of the liability amount for nuclear power plant operators and extension of liability period to 30 years.

After many meetings with Members, Member-candidates, Nuclear Pools and Authorities , ELINI introduce a license file to the CBFA and applied for a license to underwrite nuclear liability risks. By decision of the Management Committee of the CBFA on the 6th November 2003 ELINI was licensed to underwrite Liability (branch 13 - Moniteur Belge 4.12.2003 - code 2275)

ELINI starts underwriting as from 1 st january 2004.

I wish you all the best for 2004 and look forward to meet as many of you as possible at the AGM.



J.M. Boudier
Chairman of the board.

Description of activities

ELINI is a Belgian mutual insurance association formed in December 2002 to provide insurance capacity for nuclear liability risks to its Members. The present members of ELINI include nuclear facilities in Belgium, Finland, France, Germany, Hungary, The Netherlands, The Slovak Republic, Sweden, Switzerland and United Kingdom.

The capacity provided by ELINI is independent of that provided by the various nuclear pools.

The main benefits to members of ELINI include:

Additional insurance capacity in view of a revision of the Paris Convention and Brussels Supplementary Convention.

Alternative insurance capacity for terrorism cover and 30 years prescription period.

Potential for contribution savings.

Information exchange and data centre for nuclear insurance matters.

Underwriting & Claims Handling

ELINI's plan is to be able to accept business from 1 January 2004 and will work, in accordance the decision of the Member, with the existing pools, and any other markets, as coinsurer or reinsurer or leader with the exception in those countries where a 100 % policy is taken out by the Member.

The prices of the insurance coverages will be in accordance with own rating tables so that Members of the mutual will derive immediate benefit from reduced contributions.

It is not expected that ELINI, as a relatively small member of the liability market, deals with claims in the event of a catastrophe. If there is an incident of offsite release of radiation, the government will inevitably seize control of the logistics and the whole insurance market will be mobilized. As an insurer, ELINI will contribute to the cost in accordance with the provisions of the member's insurance policy.

Article 26 of the Articles of Association provides for additional contributions from Members if required to meet claims.

Reinsurance

ELINI can purchase reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate.

Management Structure

ELINI is a mutual association constituted in Brussels under Belgian law and authorised by decision of the Management Committee of the CBFA on the 6th November 2003.

The strategic management of the Association is the responsibility of the Board of Directors which, with the exception of those powers expressly reserved for the Annual General Meeting, has full managerial authority.

The administration and day to day management of the association is the responsibility of the Managing Director together with the Executive Committee.

Membership

A member must be a company or authority in the public or private sector, operating nuclear installations.

Election of a new member shall be submitted to the Board of Directors and shall become effective upon approval by the General Meeting.

A new member shall underwrite at least one insurance policy with the Association and shall unconditionally accept the Articles of Association.

Report of the Board of Directors To be presented to the Annual General Meeting of 29th April 2004

Dear Member,

We have the honor of reporting to you on the business of your Mutual for the first financial year and to submit to you the balance sheet and the income and expenditure account for the period 4th December to 31st December 2003, for your approval.

The Management of the Company is responsible for all information contained in the financial statements and other sections of the annual report. The Management considers that the financial statements and related information have been prepared in accordance with generally accepted accounting principles appropriate in the circumstances. These financial statements include amounts that are based on Management's judgement and best estimates.

The company maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded against loss from unauthorised use of disposal and that the accounting records provide a reliable basis for the preparation of financial statements.

Deloitte has been engaged, with the approval of members, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, cash flows and results of operations. Their report is set forth on page 17.

Capacity-Contributions-claims

No business were concluded because ELINI starts only underwriting as from 1 January 2004 .

General expenses

General expenses amount to € 161.490 and represent various set up expenses.

Investments

No investments have been done in this financial year and the liquities are kept on a current bankaccount which result in a financial profit of € 5.041 .

Result

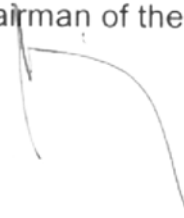
In accordance with the Articles, the Board of Directors proposes to the Annual General Meeting to carry forward the deficit of the year 2003, € 156.449 to the next financial year.

Guarantee Fund

The guarantee fund now available to the members to be used as insurance capacity is € 2.504.000

J.M Boudier

Chairman of the Board



In accordance with the legal and statutory requirements, we are pleased to report to you on our audit assignment which you have entrusted to us.

We have examined the financial statements for the year starting as of incorporation date (December 4, 2002) and ending December 31, 2003, which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of € 2.670 (000) and an income resulting in a loss of the year of € 156 (000).

Unqualified audit opinion on the financial statements

We conducted our audit in accordance with the standards of the "Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, taking into account the legal and statutory requirements applicable to financial statements on insurance companies in Belgium.

In accordance with these standards, we have taken into account the administrative and accounting organization of your association as well as the procedures of internal control. The responsible officers of the association have clearly replied to all our requests for information and explanations. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the accounting policies used, the significant estimates made by the association and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements give a fair and true view of the association's assets, liabilities and financial position as of December 31, 2003 and the results of its operations for the year then ended, and the information given in the notes to the financial statements is adequate.

Additional certifications

We supplement our report with the following certifications which do not modify our audit opinion on the financial statements :

- Regardless of formal aspects of minor importance, the books and records of the association are maintained and the financial statements are established in conformity with the applicable Belgian law and regulations on insurance companies;
- Our examinations did not make us aware of any transactions or decisions which would represent a violation of the association's bylaws ;
- The proposed distribution of the results for the year ended December 31, 2003 is in conformity with the association's bylaws and applicable law.

The Statutory Auditor,

Deloitte & Partners
Reviseurs d'Entreprises



Rik Neckebroeck
March 11, 2004



Balance sheet as at December 31, 2003

ASSETS

	<u>2003</u>
E. Receivables	
III. Other receivables	24

	24
F. Other assets	
II. Liquidities	2.657.334

	2.657.334
G. Transitory accounts	
I. Interests and rent	12.942

Total	<u>2.670.300</u>

LIABILITIES

	<u>2003</u>
A. Equity	
I. Subscribed funds or equivalent fund, net of uncalled funds	
1. Guarantee fund - subscribed	10.708.718
2. Guarantee fund – uncalled	(8.204.718)

	2.504.000
V. Retained earnings	
1. Surplus (Deficit) of the period	(156.449)

	2.347.551

B. Subordinated loan	300.000
G. Payables	
V.2. Other payables	11.647

	11.647

H. Transitory accounts	11.102

Total	<u>2.670.300</u>

The accompanying notes are an integral part of this balance sheet

Income statement for the year ended December 31,2003
(Currency – Euro)

I. Income Statement

	<u>2003</u>
2bis. Investment income	
b) Income from other investments	12.942
bb) Income from other investments	----- 12.942
7. Net operating expenses (-)	
c) Administrative expenses	(161.490)
	----- (161.490)
7bis. Expenses relating to investments (-)	
a) Investment management expenses	(7.814)
b) Adjustments to investment values	(87)
	----- (7.901)
18. Surplus/(Deficit) of the period available for distribution	----- (156.449) =====

Notes to the financial statements as of December 31, 2003
(Currency – Euro)

1. Activity of the association and summary of the main accounting principles

- The association's objective is to insure the civil liability (Branch 13) of its insured members in the context of and limited to the responsibility specified in the Convention of Paris on civil liability in the area of nuclear energy and/or specified in the national legislations of the countries where the Convention of Paris is not applicable.

By a decision of the Executive Committee of "l'Office du Contrôle des assurances" taken on November 6, 2003, the association has been granted the agreement to execute insurance activities of the branch "R.C. Générale" (Branch 13).

During the reporting period no operational activities occurred.

- The accounting principles of E.L.I.N.I. can be summarized as follows:

a) Overview of the amortization rates applied

Other assets-tangible fixed assets:

- Installations, electronic equipment and office tools: 33,33% per year
- furniture: 10% per year
- Vehicles: 20% per year

b) Technical provisions

The association constitutes technical provisions based on premiums received not earned, claims payable and a reserve for equalisation and catastrophies in accordance with articles 10 and 11 of the Royal Decree of February 22, 1991 relating to regulations applicable to insurance companies.

c) Fixed interest securities

The fixed interest securities are valued at their acquisition cost. The incidental costs are expensed as incurred.

The differences, if material, between acquisition cost and redemption value of the securities are amortised pro rata to maturity of the securities.

At December 31, the investments denominated in foreign currencies are converted in Euro using the year end exchange rate. The exchange gains are deferred whereas the exchange losses are recorded in the income statement.

d) Shares and other non-fixed interest securities

At December 31, the investments denominated in foreign currencies are converted into Euro using the year end exchange rate. The exchange gains are deferred whereas the exchange losses are recorded in the income statement.

Shares and other non-fixed interest securities are valued at their acquisition cost. The incidental costs are expensed as incurred. Unrealised losses are recorded if the Board of Directors evaluates that there is a permanent less value on those securities. Such less values are recorded in the income statement.



e) Foreign exchange rate contracts

The foreign exchange rate contracts are converted in Euro using the exchange rate as of the balance sheet date. The exchange gains are deferred whereas the exchange losses are recorded in the income statement.

f) Accounts payable and receivable in foreign currency

The foreign currency denominated accounts are converted in Euro using the exchange rate as of the balance sheet date.

The foreign currency denominated accounts of the income statement are converted into Euro on a monthly basis using the exchange rate in force at the end of the previous month.

Except for the unrealised exchange gains on the shares and other non-fixed securities , the bonds and other fixed interest securities, and the foreign exchange rate contracts, as mentioned in point c) ,d) and e), the unrealised exchange gains and losses are recorded in the income statement under the caption “Investment income” and “Expenses relating to investments”.

2. Guarantee fund

In accordance with the Articles of Association, the Board of Directors proposes to the Annual General Meeting to transfer the deficit of the year 2003, 156.449 to the retained earnings.

The composition of the Guarantee Fund as of 2003, is as follows:

Funds subscribed :	10.708.718
Funds uncalled :	<u>- 8.204.718</u>
Guarantee fund at December 31, 2003	<u>2.504.000</u>
Retained earnings	<u>-156.449</u>
Equity at December 31, 2003	2.347.551



ELINI

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EUROPEAN LIABILITY
INSURANCE FOR THE
NUCLEAR INDUSTRY

ASSOCIATION
D'ASSURANCES
MUTUELLES

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