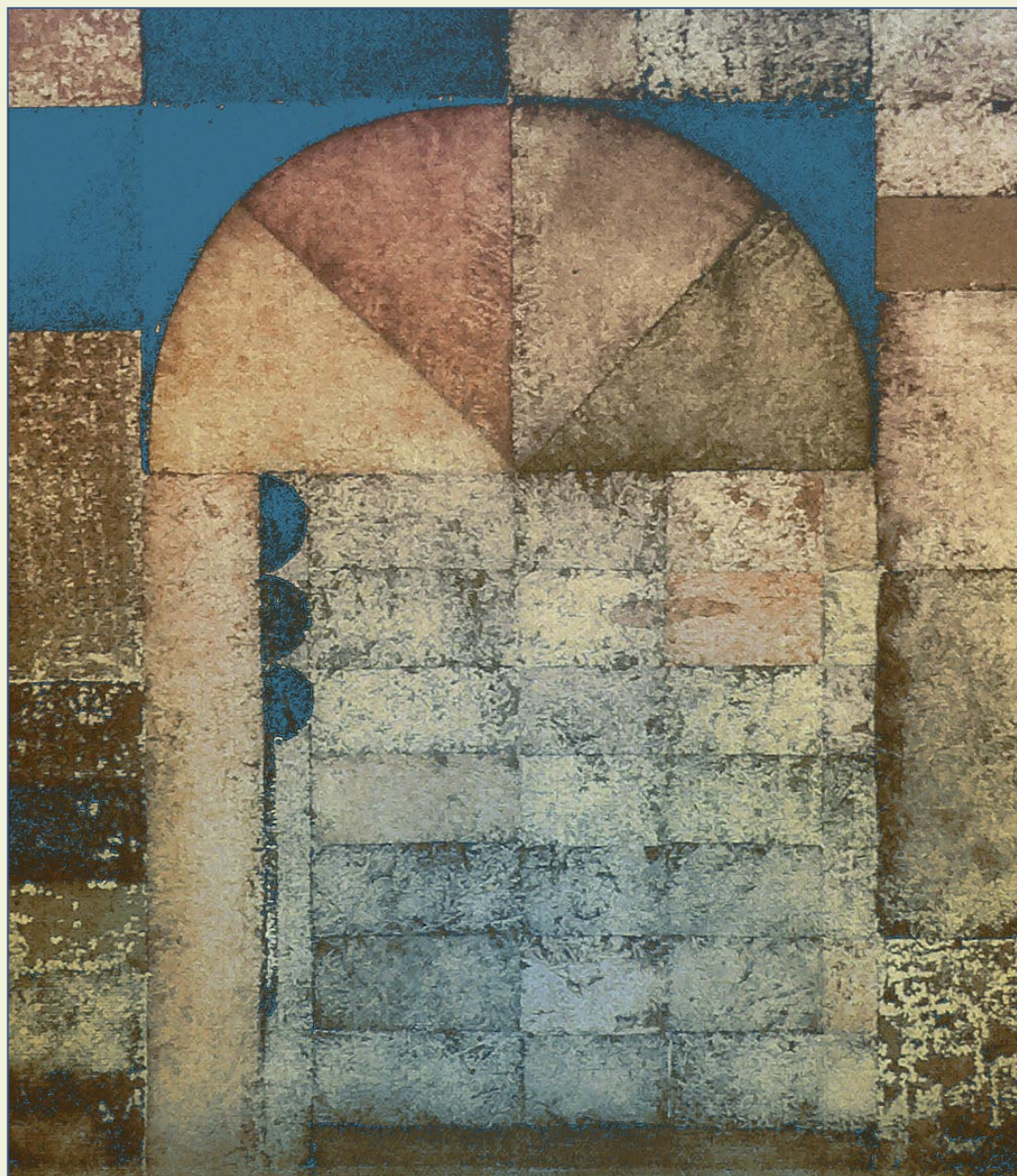


# **Emami ANNUAL REPORT 2008**

# 28





The Plant

R. Piccart

**Annual Report 2008**  
**of the Board of Directors**  
**and of the Statutory Auditor**  
**to be presented at**  
**The Annual General Meeting**  
**on 5th June 2009**

Company authorised by Royal Decrees of  
20.10.1978 and 07.12.1999

To underwrite "Fire and Natural Hazards"

"Other Property Damage" and "Liability"

(Moniteur Belge 14.11.1978 - 29.12.1999 Code 0921)

Registered Office: Av. Jules Bordet, 166 - B 4

B 1140 Brussels

Belgium

Tel. +32 (0)2 702 90 10

Fax. +32 (0)2 705 72 92



## Financial Highlights

In euro

years ended december 31,

### Statement of Earnings

	2008	2007	2006
Net premium earned	13.322.856	22.536.723	13.238.351
Claims	4.292.150	-28.368.953	-141.185
Expenses	-2.496.242	-2.133.666	-1.891.395
Other income	13.726	169.045	104.812
Net investment result	-4.310.516	3.171.168	3.332.213
Earnings before distribution to reserve for equalisation and catastrophies	<b>10.821.974</b>	<b>-4.625.683</b>	<b>14.642.796</b>

### Balance Sheet

Assets	150.596.229	143.411.105	117.013.291
Liabilities	56.128.860	53.135.274	22.370.356
Guarantee fund (including reserve for equalisation and catastrophies )	94.467.369	90.275.831	94.642.935

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## Members

Advanced Nuclear Fuels GmbH  
 AG für Kernenergie-Beteiligungen (AKEB)  
 AREVA NC  
 AREVA NP Inc.  
 Belgoprocess NV  
 BKW FMB Energie SA  
 British Energy Plc  
 British Nuclear Fuels Plc  
 Bruce Power L.P.  
 CEZ a.s.  
 Centrales Nucléaires en Participation SA  
 EDF  
 ENEL \*  
 Elektriciteits-Productiemaatschappij Zuid-Nederland NV EPZ  
 EnBW Kraftwerke AG  
 EnBW Kernkraft GmbH (GKW Neckar GmbH)  
 E.ON Kernkraft GmbH  
 E.ON Sverige AB  
 Eskom Holdings Ltd  
 Eurodif Production SA  
 European Commission - JRC - Ispra Site  
 European Commission - JRC - Karlsruhe Site  
 European Commission - JRC - Petten Site  
 FBFC  
 FBFC International SA  
 Forsmarks Kraftgrupp AB  
 Fortum Power & Heat Oy  
 Gemeenschappelijke Kernenergiecentrale Nederland BV  
 Gemeinschaftskernkraftwerk Grohnde GmbH  
 GNS Gesellschaft für Nuklear-Service mbH  
 Kernkraftwerk Gösgen-Däniken AG  
 Kernkraftwerk Leibstadt AG (KKL)  
 Kernkraftwerk Lippe-Ems GmbH  
 Kernkraftwerk Obrigheim GmbH  
 New Brunswick Power Nuclear Corporation  
 Nordostschweizerische Kraftwerke AG  
 OKG Aktiebolag  
 Ontario Power Generation  
 Paks Nuclear Power Plant Ltd  
 Ringhals AB  
 RWE Power AG  
 SCK-CEN  
 Svensk Kärnbränslehantering AB  
 Slovenske Elektrarne AS  
 Socatri SARL  
 Societatea Nationala Nuclearelectrica SA \*  
 Studsvik AB  
 Teollisuuden Voima Oyj  
 Urenco Ltd.  
 Vattenfall Europe Nuclear Energy GmbH (HEW AG)  
 Zwischenlager Würenlingen AG (ZWILAG)

\* Non Insured Members

## Member Representatives

### Member

### Representative

### Substitute

#### Belgium

Belgoprocess NV  
FBFC International SA  
SCK-CEN

A. Roefs  
F. Goens  
C. Legrain

P. Daurès (6.6.08)

#### Canada

Bruce Power LP  
New Brunswick Power Nuclear Corporation  
Ontario Power Generation

K. Kelly  
N. Duplessis  
J. Floras

D. Hay  
C. Sidford

#### Czech Republic

CEZ a.s.

V. Hronek (6.6.08)

J. Ortman (6.6.08)

#### Finland

Fortum Power & Heat Oy  
Teollisuuden Voima Oyj

M. Kautonen  
K. Luotonen

M. Huopalainen  
P. Hyvönen

#### France

AREVA NC  
EDF  
Eurodif Production SA  
FBFC  
Socatri SARL

Ph. Obert  
J. L Thébault  
R. Jimenez-Shaw  
J.D. Treillard (6.6.08)  
M. Saléra-Cordier

J.D Treillard  
Y. Colleu  
M. Saléra-Cordier  
P. Daurès (6.6.08)  
R. Jimenez-Shaw

#### Germany

Advanced Nuclear Fuels GmbH  
EnBW Kraftwerke AG  
EnBW Kernkraft GmbH (GKW Neckar GmbH)  
E.ON Kernkraft GmbH  
European Commission - JRC - Karlsruhe Site  
Gemeinschaftskernkraftwerk Grohnde GmbH  
GNS Gesellschaft für Nuklear-Service mbH  
Kernkraftwerk Lippe-Ems GmbH  
Kernkraftwerk Obrigheim GmbH  
RWE Power AG  
Vattenfall Europe Nuclear Energy GmbH (HEW)

R. Heskamp  
C.D. Bölle  
W. Heni  
K. Greimel  
R. Lennartz  
K. Greimel  
H. Näser  
J. Haaf  
E. Ehrmann (till 31.10.08)  
J. Haaf  
R. Kettler

A. Stoll  
  
C.D. Bölle  
W. Seewöster  
  
W. Seewöster  
  
J. Grundmann  
R. Lüdascher  
J. Grundmann  
A. Brachem

Member Representatives

Member Representative Substitute

Hungary

Paks Nuclear Power Plant Ltd

L. Molnar

Italy

European Commission - JRC - ISPRA Site  
ENEL \*

R. Lennartz  
R. Muscogiuri

R. Melandri

The Netherlands

Elektriciteits-Productiemaatschappij Zuid Nederland  
NV EPZ  
Gemeenschappelijke Kernenergiecentrale  
Nederland BV  
European Commisson - JRC - Petten Site

B.P. Jobse  
G.J.G. Geertsema  
R. Lennartz

G.J. Mensink

Rumania

Societatea Nationale Nuclearelectrica sa \*

T. Chirica (06.06.08)

A. Havris (06.06.08)

Slovak Republic

Slovenske Elektrarne AS

R. Muscogiuri

I. Stehlikova

South Africa

Eskom Holdings Ltd

K. Darbourn

M. Molelekoa (6.6.08)

Sweden

E.ON Sverige AB  
Forsmarks Kraftgrupp AB  
OKG Aktiebolag  
Ringhals AB  
Svensk Kärnbränslehantering AB  
Studsvik AB

B. Svensson  
B. Kockum  
R. Danielsson  
J.E. Back (till 31.10.08)  
B. Sundman  
R. Atmer

T. Andersson  
S. Ordéus  
O. Fröberg  
P.O. Lindberg  
J. Ericsson

\* Non Insured Members



# Member Representatives

Member	Representative	Substitute
<b>Switzerland</b>		
AG für Kernenergie-Beteiligungen (AKEB)	T. Erb	
BKW FMB Energie SA	U. Bircher	M. Mooser
Centrales Nucléaires en Participation SA	M. Plaschy (6.6.08)	D. Burkhardt (6.6.08)
Kernkraftwerk Gösgen Däniken AG	F. Schwabe	
Kernkraftwerk Leibstadt AG (KKL)	T. Erb	
Nordostschweizerische Kraftwerke AG	T. Erb	P. Enderli
Zwischenlager Würenlingen AG (ZWILAG)	T. Erb	
<b>United Kingdom</b>		
British Energy Plc	A. Russell	K. Sinclair
British Nuclear Fuels Plc	A.J. Shuttleworth	
Urenco Ltd	D. Slater (6.6.08)	C. White (6.6.08)
<b>USA</b>		
AREVA NP Inc.	Ph. Obert (31.10.08)	L. Harris (31.10.08)

## Board of Directors

Berndt Kockum  
Chairman

Alvin J. Shuttleworth  
Vice-Chairman

Klaus Greimel  
Vice-Chairman

Urs Bircher

Claus- Dieter Bölle

Alisdair Currie  
Executive Committee

Nick Feldman  
External Director

Philippe Obert

Jean-Louis Thébault

Alastair Russell

Danny Van Welkenhuyzen  
Executive Committee

Léon Vigneron  
External Director

## Advisory Committees

### Underwriting Committee

Ivan	Annezer
Yvon	Colleu
Alisdair	Currie
Eric	Desseyn
André	Detemmerman
Neil	Duplessis
Thomas	Erb
Nick	Feldman
Paavo	Hyvönen
Berndt	Kockum
Stefan	Kurz
Philippe	Obert
Kathleen	Sinclair
Iveta	Stehlikova
Danny	Van Welkenhuyzen

### Finance and Investment Advisory Committee

Matts	Ekman
Rafaël	Jimenez-Shaw
Kevin	Kelly
Klaus	Luotonen
Alastair	Russell
Jean-Louis	Thébault
Marleen	Vercammen

### Audit Committee

Matts	Ekman
Kevin	Kelly
Rafaël	Jimenez-Shaw
Klaus	Luotonen
Alastair	Russell
Jean-Louis	Thébault



**Staff**

Danny Van Welkenhuyzen  
Managing Director

Alisdair Currie  
Underwriter & Claims Manager

Eric Desseyn  
Senior Loss Control Manager

Ivan Annezer  
Loss Control Manager

André Detemmerman  
Senior Underwriter

Ann Geivaerts  
Legal Manager

Christine Gouennou  
PA Managing Director & Board

Annabelle Luzeka  
Underwriting Assistant

Marleen Vercammen  
Financial Manager

Solange Raë  
Assistant accounting

**Auditors**

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

**Actuary**

Nicolaï & Partners  
Frilinglei 109  
2930 Brasschaat

## Letter from the Chairman

Dear EMANI members,

In 2008, EMANI celebrated its 30th anniversary of underwriting Material Damage Insurance in the field of nuclear energy. We have come a very long way since we started in 1978. The number of countries participating in EMANI has increased significantly, from a restricted handful in the early days to 16 now. There are now 50 members with a number of prospective new entrants.

The insurance capacity of EMANI has also increased considerably from €1.500.000 to a gross amount of €570.000.000, with a net line of some €125.000.000. Our annual contributions have grown from €600.000 to almost €41.000.000.

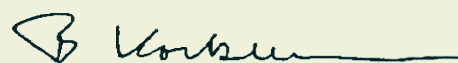
The year 2008 has been another successful year in the area of underwriting and claims. The underwriting result of €15.132.000 has been the highest in our existence. The credit crunch has not given us too much of a problem either. In summary, the year 2008 was good for the mutual and for its members.

It is with regret that we have to say good-bye to one of our oldest members, BNFL, which was one of the founding members, but their owners have decided differently on the existence of the company. I would like to thank them for their support over the years and certainly their Company Secretary Mr. Alvin Shuttleworth who has been my Vice Chairman for the last 6 years in the mutual.

On the eve of what is set to become a major renewal of nuclear energy development, the role of EMANI is all the more crucial in terms of insurance capacity. This capacity is taken care of by the entire team of the mutual in close cooperation with our reinsurers which are supporting our efforts to keep growing and serve our members.

EMANI is proud to provide valuable service to its members for the past 30 years and looks forward to continuing to do so in the future as the nuclear renaissance takes off.

Finally, I am proud to serve together with the Board of Directors and the entire EMANI team in strengthening and enlarging your mutual.



**Berndt Kockum**  
Chairman of the Board

## Description of activities

EMANI is a mutual insurance association which offers cover for certain insurance risks relating to nuclear power stations and other companies in the nuclear industry. The present members of EMANI include nuclear facilities in Belgium, Canada, Czech Republic, Finland, France, Germany, Hungary, Italy, Rumania, The Netherlands, The Slovak Republic, South Africa, Sweden, Switzerland, United Kingdom and USA.

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

The main benefits to members of EMANI include:

Additional or alternative insurance capacity for material damage, business interruption, and Machinery Breakdown.

Potential for contribution savings.

Potential for distribution of guarantee fund.

Loss control and engineering evaluations.

Information exchange and data centre for nuclear insurance matters.

## Underwriting & Claims Handling

EMANI's current portfolio is principally based on property damage cover.

EMANI can act either as the leading underwriter or as a coinsurer. Increasingly, Members are electing to take advantage of the comprehensive cover embraced by the EMANI wording and the EMANI rating structure.

In the event of a claim, where EMANI acts as leading underwriter, the loss settlement is done in cooperation with an international independent loss adjustor.

In cases where EMANI acts as a coinsurer, EMANI will generally follow the recommendations and assessment made by the loss adjustor appointed by the Nuclear Pool, however in certain cases, the Management will decide whether EMANI should appoint independent adjustors.

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



## Reinsurance

EMANI purchases reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate.

## Management Structure

EMANI is a mutual association constituted in Brussels under Belgian law and authorised by Royal Decree on 20th October 1978.(MB 14/11/1978)

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, underwriting, claims handling 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 owning an operating nuclear installation.

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.

## Loss Control Services

The EMANI Loss Control engineers , assisted by the technical Advisory committee (which is drawn from senior engineering staff from the EMANI Members utilities), have the ability to identify the potential for losses to occur at the members' property and to control such losses through risk detection and a preventative program.

The Loss Control services provide the Members with detailed reports, customized for the risk involved and in conjunction with the Underwriting team a thorough assessment of each Member assets is established.

Based on the on-site evaluation, a comprehensive list of suggestions and recommendations is drawn up with a view to improve safety and to prevent or mitigate losses. The reports also assist the Members' management to quantify and develop appropriate measures to minimise their level of risk.

The Loss control Services make an invaluable contribution to the EMANI underwriting process.

## **Report of the Board of Directors To be presented to the Annual General Meeting of 5<sup>th</sup> June 2009**

### **Dear Member,**

At the close of the 30th financial year, we are pleased to report to you on the business of your Mutual for the financial year and to set out below the balance sheet and the income statements for the year ended December 31st, 2008.

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. These financial statements include amounts that are based on Management's judgment and best estimates.

The company maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or 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 22.

### **Capacity**

The overall insurance capacity for 2008 is exactly the same as last year and amounts to € 500.000.000 .

The insurance capacity for Terrorism cover increased from € 200.000.000 in 2007 to € 249.060.000 in 2008.

Own retention was limited to € 124.176.875 for material damage insurance policies and to € 111.872.372 for terrorism insurance policies.

## Contributions

Contributions written and reinsurance premiums ceded are reflected in earnings on a pro-rata basis over the term of each policy. Unearned contributions represent the portion of contributions written which are applicable to the non-expired terms of the policies in force.

Earned contributions increased from € 34.313.460 in 2007 to € 36.324.461 in 2008 due to the contributions of our new members URENCO Ltd and AREVA NP Inc. and increase of shares by existing members.

Reinsurance cost increased from € 16.749.942 in 2007 to € 17.238.200 in 2008 due to the increase of the contributions.

For the purpose of the calculations, contribution is defined as original contribution less rebate.

The refund of contributions net of reinsurance amounts to a cost of € 5.763.405 which take into account a new technical reserve for the Members rebate distributions on the policies of 2008 which shall be paid out to the members over the next 5 years of € 6.188.405 and part of the reinsurers of € 425.000.

In comparison with last year's figure of a profit of € 4.973.205 and this takes into account the actual Members rebate distributions in 2007 in relation to the policies of 2005 and 2006 for € 3.207.145 and the cancellation of the outstanding withheld technical reserve of the policies of 2005 and 2006 for an amount of € 8.180.350.

## General expenses

General expenses increased from € 2.133.666 to € 2.496.242 mainly due to increase in reinsurantee fees, acquisition commission, human resources costs and committee meetings expenses.

## Claims

Provisions are made for the estimated cost of incurred losses on the basis of management estimates, based where appropriate on information from the members, their brokers, nuclear pools, claims adjusters, independent consultants and other relevant sources.

The total claim profit net of reinsurance for 2008 is € 4.292.150 and include € 1.796.429 actual payments in relation to prior year claims and € 6.088.579 adjustments to previous years' reserves.



## Investments

Book value and estimated fair market value of investments as of December 31, 2008

<b>Euro</b>	<b>Book value</b>	<b>Unrealized capital gains/(losses)</b>	<b>Market value</b>
Shares	0	0	0
Government bonds	0	0	0
Corporate bonds	7.874.015	254.331	8.128.346
International organisms bonds	0	0	0
Cash investment funds	102.919.443	24.906	102.944.349
Convertible bond investment fund	0	0	0
Deposits	22.139.874	0	22.139.874
Others	10.000	0	10.000
<b>Total</b>	<b>132.943.332</b>	<b>279.237</b>	<b>133.222.569</b>

Book value and estimated fair market value of investments classified by maturity as of December 31, 2008.

<b>Euro</b>	<b>Book value</b>	<b>Market value</b>
Due in one year or less	125.069.317	125.094.223
Due after 2 years through 3 years	7.874.015	8.128.346
Due after 3 years and longer	0	0
<b>Total</b>	<b>132.943.332</b>	<b>133.222.569</b>

Book value and estimated fair market value of investments classified by credit rating as of December 31, 2008

<b>Euro</b>	<b>Book value</b>	<b>Market value</b>
Cash investment funds (AAA)	102.919.443	102.944.349
Corporate bonds (AA)	7.874.015	8.128.346
Deposits (AA)	22.139.874	22.139.874
Other (NR)	10.000	10.000
<b>Total</b>	<b>132.943.332</b>	<b>133.222.569</b>

## Net Investment Income

<b>Euro</b>	<b>2008</b>	<b>2007</b>
Gains/(losses)	391.640	1.940.835
Interests and dividend securities	1.291.849	2.108.655
Interests term deposits	1.911.774	680.348
Interests cash and cash equivalents	200.722	160.880
Adjustments to investment values	-7.634.099	-1.140.686
Withholding taxes	-404.686	-446.166
Investment management fee	-67.715	-132.698
Net investment income	-4.310.515	3.171.168

The negative investment income arises from unrealised currency exchange losses on the investments held following the matching rules of the Belgian Regulator for the claim reserves. This loss is compensated in the companies total result within the profit registered under the claim adjustments.

## Result

The € 10.821.975 profit for 2008 compares with € 4.625.682 loss in 2007 (before allocation to reserve for equalization and catastrophes) as a result of no new big claims in 2008.

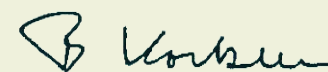
The technical profit for 2008 of € 15.132.490 is allocated to the reserve for equalization and catastrophes following the rules of the Belgian insurance regulator CBFA.

The Board of Directors recommends to the Annual General Meeting that the financial loss of € 4.310.515 be allocated to the guarantee fund.

## Guarantee Fund

The guarantee fund plus the reserve for equalization now available to the members to be used as insurance capacity amounts to € 94.467.368.

The following four years the reserve for withheld members rebate can also be used as insurance capacity and amounts for 2009 to € 4.950.724.



Berndt Kockum  
Chairman of the Board

## Corporate Governance Report

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for a mutual carrying on insurance business and enable the mutual to comply with the Royal Decree of 12 august 1994 and the communication D171 of 31 march 1999.

The relevant principles of governance are applied to the mutual in the following way :

### The Board

There are currently twelve board members, including the chairman and the vice-chairmen, eight of them are representing the nuclear members, two non executive directors and two members of the executive committee.

All of the board members are nominated by the Annual General Meeting for a three-year period and eligible for re-appointment.

The board meets four times a year and at other times as may be necessary.

### Board committees

The board has a schedule of matters that it reserves for itself. These matters cover approval of accounts, significant changes to accounting policies, changes to the membership of the board and its committees, recommendations of the strategy to be applied to the members of the association, approval of the annual operating budget.

In addition the board has appointed four standing committees. These committees report to the board at each of their meetings. The terms of reference for the executive committee, audit committee, finance committee and underwriting committee, which are reviewed annually, have been agreed by the members and the board. The nomination of members within these committees must be approved by the board.

### Board and committee papers

Appropriate and timely management information is circulated to directors in good time before the meetings.

### Annual General Meeting

The sections of the Articles of Association relating to the Annual General Meeting have been complied with.





### **Internal control**

The board is ultimately responsible for the mutual's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatements or loss.

### **Control procedures**

The mutual have implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include reviews by management as well as internal and external audits.

### **Risk identification**

The executive committee is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including EMANIs' own loss control service and regulatory requirements and/or authorities.

### **Monitoring and corrective actions**

The mutual has produced an Internal procedures manual, which provides practical guidance for all staff.  
The internal auditor reports to the board on the effectiveness of the procedures.

## Statutory Auditor's Report for the year ended december 31, 2008

EUROPEAN MUTUAL ASSOCIATION FOR NUCLEAR INSURANCE (E.M.A.N.I)

### To the Members

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the financial statements together with the required additional comments and information.

### Unqualified audit opinion on the financial statements

We have audited the financial statements of E.M.A.N.I (a mutual insurance association) for the year ended December 31, 2008, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 150.596 (000)EUR and a loss for the year of 4.311(000)EUR.

The board of directors of the association is responsible for the preparation of the financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the association's preparation and fair presentation of the financial statements 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 association's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the association and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the association have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 December 2008 give a true and fair view of the association's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

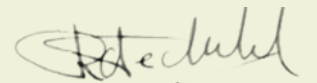
### Additional attestations

The association's compliance with the requirements of the applicable Belgian law and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments which do not change the scope of 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, 2008 is in conformity with the association's bylaws and applicable law.

Diegem, 27 February 2009



The Statutory Auditor,  
Deloitte  
Revisers d'Entreprises SC s.f.d SCRL  
Represented by Rik Neckebroeck

## Balance sheet as of December 31, 2008 & 2007

(Currency – Euro)

<b>Assets</b>	31/12/2008	31/12/2007
<b>C. Investments</b>		
III. Other financial investments		
1. Parts in investment funds	102.919.443	44.004.702
2. Bonds and other fixed income securities	7.874.016	58.602.510
6. Term deposits with financial institutions	22.139.874	17.896.582
7. Other	10.000	0
	<b>132.943.333</b>	<b>120.503.794</b>
<b>D.bis Part of reinsurers in the technical reserves</b>		
I. Reserve for non-earned premiums and current risks	1.879.337	1.993.803
III. Reserve for claims receivable	7.670.422	12.545.355
IV. Reserve for profit sharing and refunds	425.000	0
	<b>9.974.759</b>	<b>14.539.158</b>
<b>E. Receivables</b>		
I. Receivables resulting from direct insurance		
1. Insurers	520.055	46.792
2. Intermediaries	1.097.218	523.506
II. Receivables resulting from reinsurance	4.514.953	3.237.338
III. Other receivables	10.920	472.782
	<b>6.143.145</b>	<b>4.280.418</b>
<b>F. Other assets</b>		
I. Tangible assets	121.872	152.461
II. Liquidities	739.613	2.909.935
	<b>861.485</b>	<b>3.062.396</b>
<b>G. Transitory accounts</b>		
I. Interests and rent	673.507	1.025.339
<b>TOTAL ASSETS</b>	<b>150.596.229</b>	<b>143.411.105</b>

The accompanying notes are an integral part of these balance sheets prepared in accordance with the Royal Decree of 17 November 1994 with regard to the annual accounts of insurance companies



## Balance sheet as at December 31, 2008 & 2007

(Currency – Euro)

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### Liabilities

31/12/2008      31/12/2007

#### A . Equity

I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund securities	57.592.462	68.533.414
V. Retained earnings		
1. Surplus/(deficit) of the period	0	0
	<b>57.592.462</b>	<b>68.533.414</b>

#### C. Technical reserves

I. Reserve for unearned premiums and for unexpired risks	5.794.583	4.679.786
III. Reserve for claims payable	34.135.000	45.098.512
IV. Reserve for profit sharing and refunds	6.188.405	0
V. Reserve for equalisation and catastrophies	36.874.907	21.742.417
	<b>82.992.895</b>	<b>71.520.715</b>

#### G. Payables

I. Payables resulting from direct insurance business	710.777	228.740
II. Payables resulting from reinsurance business	1.922.243	2.178.864
V. Other payables		
1. Fiscal and social payables		
a) Taxes	229.946	347.213
b) Social Payables	241.141	213.050
2. Other	6.674.174	52.467
	<b>9.778.281</b>	<b>3.020.334</b>

#### H. Transitory accounts

232.591      336.642

### TOTAL LIABILITIES

150.596.229      143.411.105

The accompanying notes are an integral part of these balance sheets prepared in accordance with the Royal Decree of 17 November 1994 with regard to the annual accounts of insurance companies

## Income statement for the years ended December 31, 2008 & 2007

(Currency – Euro)

			2008	2007
1. Earned premiums net of reinsurance				
a) Gross premiums			37.439.258	35.042.395
- Premiums written	40.292.989	37.536.703		
- Rebate to members	-2.853.731	2.494.308		
b) Reinsurance premiums			-17.123.733	-17.706.387
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)			-1.114.797	-728.935
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease-)			-114.467	956.444
			<b>19.086.261</b>	<b>17.563.517</b>
2. bis Investment income				
b) Income from other investments.			3.404.344	2.949.884
c) Write-back of adjustments on investments			97.024	50.673
d) Realised capital gains			4.134.772	3.451.074
			<b>7.636.140</b>	<b>6.451.631</b>
3. Other technical income net of reinsurance			<b>13.726</b>	<b>169.045</b>
4. Cost of claims, net of reinsurance (-)				
a) Net amount paid			-1.796.429	-559.918
aa) gross amount			-5.744.924	-733.399
bb) part of reinsurers			3.948.495	173.481
b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)			6.088.579	-27.809.035
aa) variation of the reserve for claims gross of reinsurance (increase -, decrease +)			10.963.511	-39.111.355
bb) variation of the reserve for claims part of reinsurance (increase +, decrease -)			-4.874.932	11.302.320
			<b>4.292.150</b>	<b>-28.368.953</b>

## Income statement for the years ended December 31, 2008 & 2007

(Currency – Euro)

	2008	2007
6. Cost of refund of contribution, net of reinsurance (-)		
a) Net amount paid	0	-3.207.145
b) Variation of the refunds reserve, net of reinsurance (increase.-, decrease.+)	-5.763.405	8.180.351
	<b>-5.763.405</b>	<b>4.973.206</b>
7. Net operating expenses (-)		
a) Acquisition expenses	-136.264	-76.705
b) Administrative expenses	-2.359.978	-2.056.961
	<b>-2.496.242</b>	<b>-2.133.666</b>
7.bis Expenses relating to investments (-)		
a) Expenses for managing Investments	-472.401	-578.865
b) Adjustments to investment values	-7.731.123	-1.191.359
c) Realised less values	-3.743.132	-1.510.239
	<b>-11.946.656</b>	<b>-3.280.466</b>
<b>Surplus / (Deficit) of the period before variation reserve for equalisation and catastrophies</b>	<b>10.821.974</b>	<b>-4.625.683</b>
9. Variation in the reserve for equalisation and catastrophies, net of reinsurance	-15.132.490	7.796.851
<b>Surplus / (Deficit) of the period available for distribution</b>	<b>-4.310.516</b>	<b>3.171.168</b>

The accompanying notes are an integral part of these balance sheets prepared in accordance with the Royal Decree of 17 November 1994 with regard to the annual accounts of insurance companies

## Notes to the financial statements as of December 31, 2008 & 2007

(Currency – Euro)

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

The purpose of the Mutual Association is to indemnify those of its insured members that have suffered property and/or business interruption damage to their nuclear installations and/or contents thereof. In certain cases, the Association also insures non-nuclear risks.

At December 31, 2008, the total insurance capacity of EMANI per installation was 500.000.000 of which :

- 18,75 % of 5.000.000 was reinsured by way of “quota shares” contracts.
- 26,83 % of 35.000.000 in excess of 5.000.000 was reinsured by way of “quota share” contracts
- 8.08 % of 46.750.000 in excess of 40.000.000 was reinsured by way of “quota share” contracts
- 79.45 % of 413.250.000 in excess of 86.750.000 was reinsured by way of “excess of loss” contracts and 8.08 % was reinsured by way of “quota share” contracts

The risk for EMANI is thus limited to 124.176.875 as of December 31, 2008.

At December 31, 2008, the total insurance capacity of E.M.A.N.I for terrorism was 250.000.000 of which:

- 18,75 % of 40.000.000 was reinsured by way of “quota shares” contracts.
- 100% of 46.750.000 in excess of 40.000.000 is retained by EMANI
- 78,84 % of 154.170.000 in excess of 86.750.000 was reinsured by way of “ excess of loss “ contracts.
- 100 % of 9.080.000 in excess of 240.920.000 was reinsured by way of facultative reinsurance contracts

The risk for E.M.A.N.I for terrorism is thus limited to 111.872.372 as of 31 December 2008

The accounting principles of E.M.A.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



(Currency – Euro)

b) Technical provisions

The association constitutes technical provisions based on contributions relating to the active, non-expired policies in force at the end of the accounting year, unreleased member's rebates relating to an expired policy, claims payable and the reserve for equalisation and catastrophies in accordance with articles 10 and 11 of the Royal Decree of February 22, 1991.

c) Fixed income securities

The fixed income securities (straight and convertible bonds) 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 amortized pro rata to maturity of the securities. Unless the intention of the association is to sell the securities in the short term, no adjustment is booked to reflect the market value if this market value is below the net book value determined according to the method described above.

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. Less value on fixed income securities shall be recorded in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised.

d) Shares and other non-fixed income securities

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.

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

(Currency – Euro)

## 2. Guarantee fund

The evolution of the Guarantee Fund over 2008, is as follows:

Guarantee Fund at December 31, 2007	68.533.414
Transfer of the deficit of the year:	-4.310.516
Additional dotations from Members	-6.630.436

Guarantee fund at December 31, 2008	57.592.462
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The deficit of 2008 can be explained by the exchange losses incurred on the GBP denominated investments due to the weakening of the GBP. In accordance with the congruency rules, the company has to cover the largest part of a technical provision in a certain currency with assets expressed in the same currency. These exchange losses are presented in the financial result of the association. This implies that the net financial result is not taken into account in the determination of the amount to be allocated to the provision for equalisation and catastrophies.

## 3. Representative assets

The assets that represent the technical provisions have to be invested in accordance with the rules set out in Art. 10 of the Royal Decree of February 22, 1991.

As at December 31, 2008 and 2007, the Mutual had invested its assets as follows:

	31/12/2008	31/12/2007
International organism bonds	0	4.322.097
Foreign States Securities	0	17.351.192
Foreign Companies Bonds	7.874.015	545.134
Investment funds	56.895.072	41.985.468
Cash (cash and term deposits)	22.151.354	18.108.215
	86.920.441	82.312.106

## 4. Reserve for equalisation and catastrophies

In application to Article 11, §1, 3° of the Royal Decree dated February 22, 1991 on the general rules on the control of insurance companies, the association started in 1996 to build a reserve for equalisation and catastrophies. The purpose thereof is to create a reserve that would iron out variations in claims or would cover exceptional risks. Based on the current regulation, the theoretical target amount that should be provided for within the Associations' equalisation and catastrophies reserve is 124.176.875. The yearly movement however depends on the income or loss of the association before (net) investment income. An income results in an addition to the reserve for the amount of the income, and a loss results in a usage of the reserve for the amount of the loss. The application of this rule resulted in a addition of 15.132.490 for the year 2008 and an usage of 7.796.851 for the year 2007.

(Currency – Euro)

## 5. Management

The investment management of the Association have been outsourced.

The investment management fee is recorded under caption “Expenses relating to investments “ and amounts to 67.715 for the year 2008 and 132.698 for the year 2007.

The broker reinsurance handling fee amounts to 328.749 for the year 2008 and 142.926 for 2007.

Reinsurance commissions refunded to EMANI are 404.685 for 2008 and 312.673 for the year 2007 and are deducted from the reinsurance premium charges.

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