

Annual Report 2016





RESA S.A.

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#1

1

Editorial

**Let's connect
our energies!**





Stéphane MOREAU
CEO
NETHYS S.A.

RESA is the principal electricity and gas distribution network operator (DSO) in the Province of Liège, and is the first contact and partner for any citizen or entity looking for local, credible, reliable and sustainable solutions for energy supply and expenditure management. More than 670,000 customers are served by RESA over a territory of 73 communes: 71 in the Province of Liège (37 for electricity and gas, 17 for electricity only and 17 for gas only) and 2 in the Province of Namur (gas).

Today, like most European DSOs, RESA faces a double challenge.

Its first role is to invest in the energy transition of a centralised power grid, still heavily based on fossil fuels, towards a smart and distributed grid, focused mainly on renewable energy. This transition is essential for accompanying sectoral change guided especially by ambitious European climate and energy objectives (40% reduction in greenhouse gas emissions, 27% energy savings and 27% renewable energy in the energy mix by 2030).

At the same time and without the slightest concession as to the security of the networks, RESA constantly improves its efficiency and productivity to meet the regulatory Revenue Cap incentive approach, which is ever more widespread

in Europe and taken up by CWaPE, the Walloon regulator, in its proposed new tariff methodology for the regulatory period 2019-2023 (being finalised).

In this context, in addition to necessary investments in its electricity and gas networks, RESA has continued a series of projects that were previously under way in 2016.

The year 2016 saw the end of design activities of the applicative solution as well as the start-up of the developments and testing of the sectoral project of the federal clearing house, Atrias. This complex project for the sector aims to create a platform capable of supporting exchanges of information in the SMART world, the beginnings of which are now visible. This should end in autumn 2018.

The end of 2016 also saw the launch of the SCADA project (Supervisory Control And Data Acquisition) within RESA. Over the years to come it is intended progressively to deploy an integrated system of conduct for the distribution of electricity and gas networks, focused around a future coordinated management of more and more data on our networks: data from future smart meters (AMI/MDM), map data (GIS), distribution and fault data identified directly on the network (OMS/DMS) etc.



La Compagnie du Monty S.A.
represented by
Pierre MEYERS
Chairman of
the Board of Directors

Concerning smart meters, in 2016 RESA continued to install connected pilot meters and will stop its technological choices during 2017 in order to meet deployment requirements by 2019-2020.

RESA also actively participates in the development and the implementation of the PoWalCo construction coordination platform between managers of roads and managers of cables and pipes in the Walloon Region. Finally, RESA and the University of Liège have come together for five years in a University Chair on the theme of microgrids, to study together design, integration in the overall electrical system and optimal management.

As a major economic player in the Province of Liège, the RESA's financial and strategic strength was recognised through the successful investment through a bond issue in July 2016, aiming to cause RESA's financing structure to approach the gearing imposed by the regulator. The rating agency Moody's has awarded RESA with an A2 rating, equivalent to the rating for the Walloon Region.

RESA is strong and ambitious, and is aware of the challenges of a changing world of energy and intends to fully take part, beyond its prime role as grid manager, in its roles as a vehicle for solidarity and innovation facilitator.

RESA S.A.'s management bodies

Board of Directors

The composition of the Board of Directors has recently experienced important changes.

SITUATION AS OF 31 DECEMBER 2016

1. **PUBLIFIN SCIRL**, represented by **Mr. André GILLES**
Chairman
2. **NETHYS S.A.**, represented by **Mr. Stéphane MOREAU**
CEO
3. **Mr. Claude PARMENTIER**
Vice-Chairman
4. **Mr. Georges PIRE**
Vice-Chairman
5. **Mr. Dominique DRION**
Director
6. **Mr. Pol GUILLAUME**
Director
7. **Mr. Pol HEYSE**
Director
8. **Ms. Denise LAURENT**
Director
9. **Ms. Josette MICHAUX**
Director
10. **Mr. Pierre STASSART**
Director
11. ABNM Consulting Services SPRL
represented by **Mr. Diego AQUILINA**
Director
12. La Compagnie du Monty S.A.
represented by **Mr. Pierre MEYERS**
Director
13. CGO S.A.
represented by **Mr. Philippe DELAUNOIS**
Director

SITUATION AS OF 30 JUNE 2017

1. La Compagnie du Monty S.A.
represented by **Mr. Pierre MEYERS**
Chairman
2. **Mr. Pol GUILLAUME**
Vice-Chairman
3. **Ms. Josette MICHAUX**
Vice-Chairman
4. **NETHYS S.A.**, represented by **Mr. Stéphane MOREAU**
CEO
5. **Mr. Pol HEYSE**
Director
6. **Ms. Denise LAURENT**
Director
7. **Mr. Pierre STASSART**
Director
8. **PUBLIFIN SCIRL**, represented by **Mr. André GILLES**
Director ¹
9. CGO S.A.
represented by **Mr. Philippe DELAUNOIS**
Director

(1) Mr. André GILLES made known to PUBLIFIN SCIRL on 6 June 2017 its decision to no longer act as a representative of the company in that capacity.



Executive Committee

1. **NETHYS S.A.** represented by **Mr. Stéphane MOREAU**
Chairman
2. **Ms. Bénédicte BAYER**
Chief of the CEO office
3. **Mr. Pol HEYSE**
CFO
4. **Mr. Gil SIMON**
General Secretary
5. **Mr. Claude HUBIN**
Expert to the Executive Committee



Specific committees

Ethics Committee ⁽¹⁾

- Mr. Georges PIRE**
Chairman
- Mr. Pol GUILLAUME**
Member
- Ms. Josette MICHAUX**
Member

Executive and Strategic Committee ⁽²⁾

- Mr. Pol HEYSE**
Chairman
- Mr. Claude PARMENTIER**
Member
- Mr. Georges PIRE**
Member
- Mr. Pierre STASSART**
Member

Nomination and Compensation Committee

- Mr. Dominique DRION⁽³⁾**
Chairman
- Ms. Denise LAURENT**
Member
- Mr. Pol GUILLAUME⁽⁴⁾**
Member

Audit and Risk Committee

- Mr. Claude PARMENTIER⁽⁵⁾**
Chairman
- Mr. Pol GUILLAUME**
Member
- Ms. Josette MICHAUX**
Member

(1) dissolved by the Board of Directors meeting on 25 April 2017

(2) dissolved by the Board of Directors meeting on 25 April 2017

(3) replaced by CGO S.A. represented by Mr. PHILIPPE DELAUNOIS

(4) nominated by the Board of Directors meeting on 25 April 2017

(5) replaced by CGO S.A. represented by Mr. PHILIPPE DELAUNOIS



RESA in figures



Identity and strong values

Quality
Safety
Availability
Efficiency

671,062
GAS AND/OR ELECTRICITY
SUPPLY POINTS

719
STAFF

135,500
PUBLIC
lighting points

14,048
KILOMETRES
of electricity grid

4,009
KILOMETRES
of gas network

8
OPERATIONS
SITES

5,856,949
MWh/Yr
DRAWN FROM
THE GAS NETWORK

3,635,642
MWh/Yr
DRAWN FROM
THE ELECTRICITY GRID



#3

Management report

of the Board of Directors
on the financial statement
as per 31 December 2016

In accordance with the provisions of the Corporate Code, we have the honour to report on the fiscal year covering the period from 1 January to 31 December 2016 and submit for your approval the accounts for the year ended 31 December 2016.

As a first step, the Board wishes to bring to your attention the following information which occurred in fiscal year 2016:

I. ACTIVITIES AS ELECTRICITY AND GAS DISTRIBUTION NETWORKS MANAGER

A. Regulatory context and general trends over the financial year

Electricity and gas distribution management activities were carried out under the guise of distribution rates that are approved for electricity and gas until 31/12/2016.

As a reminder, on 1 July 2014, jurisdiction over tariffs was transferred to the regional regulator, the CWaPE (Walloon Energy Commission), which had already agreed with the DSOs on the introduction of a transitional tariff period for fiscal years 2015 and 2016 based on a transitional methodology modelled on the 2008 Royal Decree, however including some adjustments to the index, RAB and equitable remuneration. The current regulation within the CWaPE is based on a "cost +" model within the continuity of the CREG methodology.

In general, the year 2016 is characterised by a decrease of 1.67% in billed volumes of electricity, which is a stable situation that can be explained by the sharp decrease in the activities of a large industrial customer and by the reduction in consumption of 2.21% by low-voltage customers. As far as the distribution of gas is concerned, we have seen volumes distributed increase by 3.02%, mainly due to an increase of 1.13% for EANS and degree days by 10.32%.

The combination of these two phenomena results in an increase in Gridfee turnover (distribution fees) for RESA S.A. of 2.54%.

Also note, regarding the remuneration of DSO activities, that OLO 10-year rates, key factors for determining the margin of remuneration for the activity are at historically low levels and remain below 1% in 2016. However, the application of the new formula of determining the DSO's fair margin established by the CWaPE's transitional tariff methodology for 2015-2016 helped limit the effects of this decline (impacting only secondary regulated assets) on the net income of the DSO. This is an increase over the previous year.

For the future, the regulatory pressure acting on the DSO will inevitably tend to intensify. It will be up to the DSO to demonstrate the utmost rigour in management and the greatest possible efficiency in managing manageable costs, in order not to reduce its profit, i.e. the remuneration from the capital invested (RemCI). To maintain profitability, RESA must therefore continue to improve its efficiency, including through optimal management of assets and resources.

During 2016, the work continued between the different market players and the CWaPE on the determination of the principles of the future tariff methodology. The year 2017, and probably 2018, will be transitional years for the ongoing work led by the Regulator and the market players, addressing a new methodology for the years 2019-2023.

In view of the schedule associated with the adoption and entry into force of a new tariff methodology, it seems more and more likely that this transitional period will even affect the year 2018.

B. Issuance of a bond on the Alternext unregulated market

In June 2016, the Board of Directors received a post-bond rating issued by the rating agency Moody's. This rating is A2, with a stable outlook.

- In July 2016, the Board laid down the conditions and officially proceeded with the placement of a bond issue for a total of €500 million in three instalments:
 - €300 million at an interest rate of 1.00% maturing in 2026;
 - €130 million at an interest rate of 1.65% maturing in 2031;
 - €70 million at an interest rate of 1.95% maturing in 2036.

These obligations have been placed with high-quality professional investors in Europe, who have also expressed a strong interest in the company, leading to an order book of more than 1.5 billion for the tranche of bonds maturing in 2026. They were issued on 22 July 2016 with a minimum par value of €100,000 and traded on Alternext Brussels.

In addition to the repayment of short-term and long-term advances of €200 million from RESA S.A. to NETHYS S.A., this programme enabled a capital reduction of €250 million for RESA. It has also allowed RESA's financing structure to be reconciled with the gearing imposed by the regulator of 47.5% of equity and 52.5% of debts while retaining the S factor reimbursed in the primary RAB around 83% and to register in the requirements of 2019-2023 tariff methodology in terms of equity/debt to optimise RemCI. Finally, note that the terms and conditions of this programme limit the annual payment of a dividend to a maximum of 60% of net income, and net debt cannot exceed 55% of the RAB. These criteria, among others, allow RESA to retain its A2 rating.

C. Entry into force of the provisions of the Royal Decree of 4 December 2012 on the minimum safety requirements of electrical installations in the workplace

By Judgment of 5 March 2015, the Council of State rejected RESA, as well as other managers of distribution systems, in their action for annulment against the Royal Decree of 4 December 2012 on the minimum safety requirements of electrical installations in the workplace.

In addition to the impossibility of meeting these provisions within the prescribed deadlines given the size and quantity of the installations concerned, this judicial decision implies an estimated cost of €110 million over 15 years. This 15-year deadline for compliance is the one proposed by all the DSOs via Synergrid but has not yet been validated by Federal Public Employment Department.

A review of the said judgment is no longer topical, but contacts via Synergrid are nevertheless seeking an interpretation taking into account the particular situation of network managers. The goal of this approach is, on the one hand, to put the deadline back a few years to be able to carry out risk analyses and, on the other hand, to push the deadline back to 2032 for the compliance of old facilities. It also includes exempting the cabins and stations from a first check report by an approved body,

and finally a review of compliance and risk analyses for facilities that are part of the low-voltage distribution network.

A contract was launched in 2016 to proceed to a risk analysis of all of our 3000 network cabins for 31/12/2019 (source stations, substations, etc.). A public procurement procedure was also launched in order to proceed with the renovation of the cabins listed as potentially dangerous as a result of the risk analysis. The first work will begin in 2017.

D. Bad weather of 15 January 2016

On Friday, 15 January 2016, exceptional winter weather conditions which raged in the province of Liège caused significant damage to the medium-voltage electricity distribution networks, causing blackouts for several hours, or even several days in the most problematic areas.

These power cuts were unpredictable because they were caused by a very rare phenomenon of ice and snow accumulation on our lines¹.

From the first moments, RESA operational teams were mobilised to respond to this situation of absolute urgency, with either specialised breakdown teams or medium-voltage technicians. All of our teams used all means available to restore the power supply as quickly as possible.

The implementation organisation has enabled all interventions take place without accident or incident human, and that while the situation was exceptional and particularly dangerous electric level.

While the quality and speed of our intervention teams were unanimously noted, the communication device for breakdown and recovery interventions meanwhile highlighted several challenges due to the constraints of the situation that led to a revision of the internal emergency and intervention plan (PIUI) by strengthening the communication process linked to operational procedures for the attention of the representatives of the municipal and provincial authorities.

E. Operational activities

a) Resumption process for the operational management of the electricity grids of Liège city centre

10 October 2011, an ORES – ELECTRABEL – CITY OF LIÈGE – NETHYS agreement on the resumption by RESA of the activities of Manager of the electricity distribution network in the territory of the City of Liège (city centre).

Following the partial absorption of Interrosane sector 1 in June 2013, the integration of Interrosane sector 1's branch of activities within RESA helped to unify electricity and gas networks in the territory of the city of Liège under a single entity. In accordance with the provisions of the memorandum of understanding that was reached, ORES operates such networks during the transitional period from 1 July 2013 to 31 December 2016.

RESA has gradually made staff available to replace the positions directly assigned to the management of Liège city centre networks. Finally, 31 people were available to ORES. Now they have gained knowledge of the specifics of this network.

However, activities related to the contract process (signature of the contract, change of supplier, move, etc.) are still centralised within ORES services without staff being provided.

Throughout 2016, joint working groups between RESA and ORES's teams worked on the preparation of the transfer of computer data from ORES's computer systems to those of RESA on 1 January 2017.

During the month of December 2016, the data migration allowing resumption of network operations was completed (plans, technical data relating to the network, street lighting, etc.) and this data is therefore available in our own computer systems.

RESA welcomed RESA staff occupying ORES operational premises at the Quai Godefroid Kurth to our various sites. The customer welcome desk which was there was moved to our completely redeveloped new offices, which opened their doors on 19 December.

Now these operations have been completed, RESA has provides the operational management of the City of Liège's electric network since 1 January 2017, i.e.:

- The construction and maintenance of high and low voltage networks,
- Troubleshooting customers of high and low voltage electricity,
- The operation of the network (with coordination between RESA and ORES dispatching),
- The study and maintenance of the public lighting network,
- The study and the completion of customer connections,
- Or "event" connections, management of public utilities licenses, etc.

RESA emergency vehicles therefore circulate throughout the territory of Liège.

On the other hand, all centralised activities, dealing with customer databases, such as market process management, billing social customers, etc., are managed by ORES, which has agreed this complementary mission, until the end of June 2017. The two operators agreed to extend the transitional period until 30 June 2017. This decision was motivated by the need to ensure the successful transition in database management and of a good quality of service to users of the City of Liège's networks.

This period of January to June 2017 will be fully devoted to the migration of customer-related data. At the end of this transitional period, RESA will manage all the electricity and gas network manager activities in Liège City Centre.

b) Participation in the Federal clearing house project, Atrias, a complex achievement that is taking shape

The DSOs and Atrias have been engaged in the Central Market System programme (Federal clearing house) for several years. They make every effort to complete this complex project which is important for the sector, and which aims to create a platform capable of supporting information exchange in the SMART world, the beginnings of which are now noticeable.

Both human and financial investments in this national project agreed by the DSO have however generated discussions with the Regulator and led to the recognition in the distribution tar-

1 – This phenomenon is called "atmospheric ice accretion", which is a random phenomenon of accumulation of ice on a structure, in this case the electricity grid cables.

iffs for the periods 2015-2016 and 2017 of a complementary fixed-rate package for the project based on the number of EANs available to the different DSOs, taking into account the fact that the DSO is simultaneously supporting, over the years 2016 and 2017, the development costs of the ATRIAS clearing house (CMS) and current costs of maintenance of the clearing house based on the introduction by the DSO of a multi-year business plan for the costs and expected benefits of the proposed ATRIAS clearing house.

The year 2016 saw the end of design activities of the applicative solution, the start-up of developments and testing, through blocks of functions.

Data migration and market transition strategies have been developed and approved by the regulators.

Test phases will take place throughout 2017, through groups of scenarios, between DSOs and CMS then in parallel between DSOs, CMS and energy suppliers (end to end test).

The main concern of the contract will be to organise the terms of a CMS go-live in 2018 that is qualitatively satisfactory for all players.

At RESA, the Atrias@RESA program consolidates all the components of the internal transformation aiming to implement in its own systems the changes related to the implementation of this new contract model as well as the specifics related to the integration with the CMS.

c) PoWalCo ASBL, Walloon platform for work site coordination

Under the Decree of 30 April 2009, each road operator (GV) and cabling and pipeline operator (GCC), including NETHYS (VOO) and RESA, has an obligation annually to share construction projects “of some importance” and on the other hand, the obligation to coordinate all work sites of some importance to reduce the inconveniences inherent in the site, to preserve the durability of roads and enhance security. It is in this context that under the impetus of the Walloon Government, ASBL PoWalCo was created and is called upon to create and develop a secure data portal for the collection, validation, structuring and flow of information, the management of scheduling, and the coordination and permissions for opening a construction site.

Following the nomination by ASBL of a supplier for the implementation of this platform, RESA participates actively, as do the others concerned, in the implementation of this coordination tool, and is proceeding with the adaptation of its own internal processes and procedures so as to fully respond to the regulatory requirements.

The effective implementation of all the provisions of the decree is currently set at 31 December 2016 at the latest.

d) Establishment of an academic chair with the ULg

An academic chair was established at the end of 2015 with the University of Liège on the theme of “Microgrids”. Microgrids are localised electrical systems composed of consumer energy devices, distributed energy sources and

production and storage devices. The microgrid can be seen as a single entity from the point of view of the electricity distribution grid, and may have the ability to be self-sufficient, i.e. to disconnect temporarily from the grid. The microgrids are intended to grow strongly over the coming years, in light of (i) the constantly declining costs of distributed generation and storage, (ii) the need for local optimisation of the different elements of an energy system, mainly for questions of energy efficiency and complexity of the overall management of the electrical system, and (iii) an ever-growing need to make the load more flexible.

The scientific and technical challenges associated with the development of the microgrids are numerous. Among these, three are particularly important and are related to smart decision-making within the microgrids:

- (i) the design of microgrids offering the best guarantee of energy-related or economic profitability;
- (ii) the integration of these microgrids in the overall electric system;
- (iii) the optimal conduct of these microgrids.

Experimentation with methods developed within points (i) to (iii) will be scheduled on one or two “test site” microgrids (currently being defined).

It is in this context that RESA and the University of Liège will work together on these topics over the next five years.

F. RESA, engine of innovation

The role of the Manager of distribution networks and its interaction with the different players on the market is necessarily expected to evolve over the years to come. Technological developments related to home automation and the internet of things (IoT) will inevitably lead the DSO to develop new services oriented towards more energy-efficient households, with the major challenge being the exclusive processing of meter data. Membership of the NETHYS group is a major asset for the RESA DSO within the perspective of future developments of its work as a market facilitator.

Various collaborative efforts have been initiated within the NETHYS group, of which RESA is a part and benefits from, in order to prepare for the advent of the new phenomena of micro-grids or even the management of the flexibility of electricity grids.

II. THE GREAT ACHIEVEMENTS IN 2016

A. On the Electricity Grid

As every year, RESA has carried out several major projects on its electricity distribution network to improve its efficiency, safety and its quality:

Below is a summary of the main sites:

a) 10,000-volt ring at Bassenge

A set of medium voltage cables has been laid for the 15,000-volt network distribution between the TIGE DE LIXHE and BASSENGE cabins. This project will increase power capacity to be able to accommodate potential future customers. At the same time, RESA modified four network cabins, upgrading them to new safety standards. RESA also laid 5,000m of cables and decommissioned 7,680 m of obsolete paper cables.

b) Power to the Darse substation in Seraing

RESA laid a significant amount (3,400 m) of medium voltage cable to power the new DARSE substation, which will supply a station of the Association Intercommunale pour le Démergement et l'Épuration des Communes de la Province de Liège (AIDE – inter-municipal association for the drainage and purification of the municipalities of the Province of Liège). These were laid along the quai Jules Destrée, Seraing bridge and avenue Greiner. They will also provide the power of future 15,000/6,000-volt transformers that will be installed to supply the new HAUTS-FOURNEAUX divisional cabin to replace the TRASENSTER substation.

c) Improving the network on the Val Benoît site in Liège

A new divisional cabin supplying the Val Benoît site area (formerly the University of Liège) was installed in 2016 by RESA through two medium voltage links – one from the SCLESSIN substation and the other from the RIVAGE EN POT substation. The declared power in this area is around 10 MVA. As for the other industrial zones, several medium voltage rings were also laid for connecting future customers, allowing redundancy and security of supply in the event of a fault.

d) Removal of overhead lines

In 2016, an important part of the strategic investment was devoted to the burial of several obsolete overhead lines. It is important to clarify that this was not especially dictated by the climate incidents that RESA encountered on 15 and 16 January but rather by an investment plan planned for several years in terms of reduction of the electrical trips for customers. These overhead lines were on average between 55 and 65 years of age.

The different ways of burying the cables will give customers a reliable supply and will also improve the network availability during breakdowns.

Below is a summary table of the main projects completed (or almost completed).

Main overhead line burying operations

| LOCATION | Disused overhead lines (in metres) | PRC cables buried (in metres) |
|---|------------------------------------|-------------------------------|
| Modave (mainly in agricultural area) investments between 2016 and 2017 | 13,785 | 11,688 |
| Blegny: rue Bouhouille, rue M. Theunens, rue Institut, rue Haute Sougné | 1,590 | 2,535 |
| Trooz and Olne: rue Large, rue des Usines, rue Cawette, rue Vaux, rue Fosses Berger | 2,680 | 2,740 |
| Pepinster: rue Bouhais, rue Grand Ry, rue Jonckay | 2,161 | 2,400 |
| TOTAL | 20,216 | 19,363 |

Investment policy on safety in grid cabins, based on the Royal safety decree.

The Royal Decree of 04/12/12, concerning the minimum safety requirements of electrical installations in the workplace, requires all managers of Belgian networks to both analyse risks in all their cabins, and take measures (procedures, training, investment, etc.) to reduce these risks.

In 2016, RESA began this approach and carried out, with the help of an external company, a first inventory and risk analysis on nearly 200 cabins. These inventories started with cabins assumed to be most at risk (cabins with equipment that is open without protection barrier against direct contact).

An outsourcing contract for compliance of nine network cabins was also awarded in 2016 in order to carry out the necessary work as quickly as possible.

An ambitious renewal policy has been budgeted for future years in order to achieve compliance of all our network cabins in the medium and long term.

B. On the Gaz Network

As every year, RESA has carried out several major operations on its natural gas distribution network, whether renewals of lines, moves, extensions or technical closures, but also setting up new gas cabins or their renewal.

Below is a summary of the main sites:

a) Renewal and relocation sites in Liege in the Guillemins district

As part of the big project to renovate the road in the rues Buisseret, Dossin and Lesoinne in the heart of the Guillemins district, RESA has significantly reorganised pipes in its low and medium pressure networks. This site will be definitively closed during the first quarter of 2017. It comes close to 1,450 m of pipes renewed.

EXTENSIONS AND TECHNICAL CLOSURES

b) Sprimont-Dolembreux site

With the important development of the residential areas of the municipalities of Sprimont and Chaudfontaine, RESA proceeded with the strengthening and securing of the natural gas network on the Nice-Beaufays axis. This is how in 2016 the installation in Dolembreux of an additional pressure reduction station necessitated the extension of 3,150 m to the medium-pressure network and a closure of 900 m of the low-pressure network.

c) Ougrée-Seraing: Louva and Greiner quays

Following Arcelor's decision to abandon the distribution of natural gas on the Seraing industrial site and the revamping of the area around the CMI site, RESA wanted to strengthen its medium-pressure network which will soon serve several industrial customers. To this end, RESA has created an extension of 2,100 m of DN300 to its medium-pressure network.

d) Malmedy: power to the Queen Astrid clinic

To fuel the future natural gas station at the Queen Astrid clinic in Malmedy, RESA created an extension to its medium-pressure network. The supply of natural gas for this customer required the technical "syphon" crossing of the River Warche and passing under the new cycle/pedestrian walkway accessing the rear of the regional hospital.

e) New network cabins

Two new network cabins were also built in 2016:

| Location | Address | Cabin Type | Capacity (Nm ³ /h) |
|----------|------------------------------|--------------|-------------------------------|
| Seraing | Pont du Val | 15 bar/5 bar | 30,000 |
| Andenne | Petit-Warêt rue d'Andenne | 15 bar/5 bar | 1,500 |

RESA then proceeded to the renewal of six network cabins:

| Location | Address | Cabin Type | Capacity (Nm ³ /h) |
|----------|--|---------------------|-------------------------------|
| Herstal | Hauts-Sarts 1 ^{ère} Avenue | 15 bar/ 100 mbar | 1,500 |
| Liège | Rue Sergent Merx | 5 bar/ 20 mbar | 400 |
| Liège | Rue Robertson | 5 bar/ 20 mbar | 400 |
| Oupeye | Vivegnis rue de Cheratte | 5 bar/ 20 mbar | 1,500 |
| Limbourg | Quai de la Vesdre | 5 bar/ 20 mbar | 1,500 |
| Verviers | Rue Jean Gheur | 5 bar/ 20mbar | 400 |

f) Campaign to promote connection to the natural gas network

Finally, note that the linear reduction of the volumes flowing through the gas distribution network has led RESA to implement a campaign to promote connection to the network of natural gas as a priority on the territories equipped to do so (excluding extensions), to increase the base of the URDs and to counter this volume effect in the coming years. A potential 48,000 users has been identified and will be targeted by this campaign that will see the light mostly in 2017.

III. NUMERICAL ANALYSIS OF THE FINANCIAL STATEMENT

A. Balance Sheet and Profit and Loss Account

BALANCE SHEET

The balance sheet total of the S.A. RESA amounts to €1,467,379,696.35.

The main headings of the assets side are:

- The fixed assets worth €1,303,876,687.10 are mainly made up of the value of the electricity and gas networks
- Stocks and contracts in progress: €14,394,092.51
- Amounts receivable within one year: €90,937,556.71 of which €74,172,599.96 are trade debtors
- Cash at the bank and in hand: €42,593,575.30
- Deferred charges and accrued income: €15,577,784.73

The main headings on the liability side are:

- The share capital of €657,880,492.30 represented by 9,063,477 shares
- Shareholders' equity amounted to €681,040,990.51, a decrease of €232 million following the aforementioned capital reduction of €250 million and the allocation of the income
- Provisions for liabilities and charges: €7,890,198.23
- Amounts payable after more than one year: €567,869,572.95, including the €500 million bond issue
- Amounts payable within one year: €171,539,650.02, of which €74,985,675.32 are trade debts €34,450,536.81 taxes and €34,571,466.10 of other amounts payable
- Accrued charges and deferred income: €39,039,284.64

INCOME STATEMENT

Operating income include a turnover of €336,978,197.67.

The operating charges to €262,492,121.66 can be itemised as follows:

- | | |
|-------------------------------|-----------------|
| • Raw materials, consumables: | €34,400,100.25 |
| • Services and other goods: | €157,359,745.41 |

In addition, this item included a margin invoiced by NETHYS S.A. which was cancelled following the decision of 17 January 2017 by the Ruling Commission of the Federal Public Finance Department with retroactive effect from 1 January 2016.

- | | |
|---|----------------|
| • Depreciation, downward valuations and provisions: | €43,786,178.32 |
| • Other operating charges: | €26,946,097.68 |

The financial result shows a loss of €13,313,026.21

The profit for the period before taxes to €61,173,049.80

The profit for the period available for appropriation to €44,306,656.23.

B. Appropriation account

| | |
|---|----------------|
| Gain to be appropriated: | €44,306,656.23 |
| Profit to be appropriated, profit to carried forward: | €0.00 |
| Transfers to the legal reserve: | €2,215,332.81 |
| Profit to be carried forward: | €15,507,329.68 |
| Dividends: | €26,583,993.74 |

C. Risks and uncertainties facing the company

The main risks focus on the variable elements of the income from the distribution activity. Indeed, the compensation to the network manager depends on including the amount of energy consumed by all of the users of its network but also on the number of connections made.

In addition, the emergence of decentralised production units (solar/wind) combined with the absence of an injection rate on the electricity distribution system as well as the losses inherent in the transport of electricity on our networks are a significant financial burden.

Uncertainties also relate to the fact that the network management must ultimately become "smart". Indeed, active network management is called upon to make supply and consumption flexible in an economically responsible way.

*

In addition, the Board of Directors remains attentive to the outcome of the appeal pending before the legal and administrative jurisdictions, and their potential impact on our financial or operational internal organisation.

Important events that have occurred since the end of the financial year

As of 18 January 2017, the Walloon Parliament adopted the tariff decree that applies to managers of Walloon distribution networks, in this way laying down a series of guidelines that the regulator must adhere to in the development of its future tariff methodology for the period 2019-2023, including the fraction of the fair return on capital invested by shareholders.

Circumstances which may have a significant influence on the Company's development RESA

As mentioned above, the future decisions of the regional regulator on the final factors determining the transitional tariff methodology 2017-2018 and 2019-2023 will undoubtedly have a significant influence on margins and income from distribution system management activities.

Situations that are likely to have a significant influence on the development of the SA RESA

Nil.

Subsidiaries

Nil.

Information on the use of financial instruments

RESA S.A. has access to three-month versus long-term interest rate swaps.

Then, we inform you that:

- there is no interest against the directors or shareholders.

For the Board of Directors.
Liège, 11 April 2017.

Monty S.A. company
Represented by **Pierre MEYERS**
Chairman.

#4



Electricity and gas networks at the heart of our business



As a key player in the distribution of electricity and natural gas in the province of Liège, RESA constantly invests to improve the quality of its supply and adapt its networks to the development of 73 municipalities.

Missions

Piping energy to your home

Whether it is for its individual or professional customers, RESA builds, maintains and operates natural gas and electricity distribution networks, is responsible for new connections and the modification of existing connections, and solves power outages and failures on the networks 24 hours a day. In 2016, RESA recorded 2788 new connections to the electricity grid and 1611 new connections to the gas network.

Sharing information and contributing to the proper operation of the market

RESA records and processes all information related to metering, points of supply and consumption data, and transmits it to suppliers for billing. RESA maintains the access register that brings together data on nearly 671,062 connections to electricity and/or gas and provides access to its networks for the various players in the market.

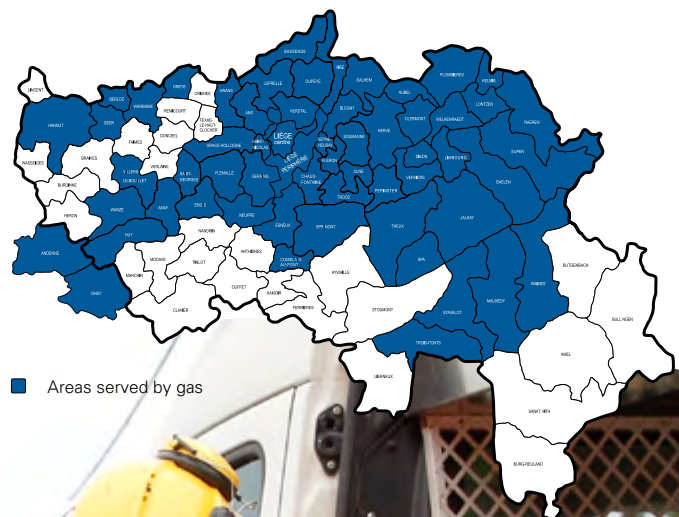
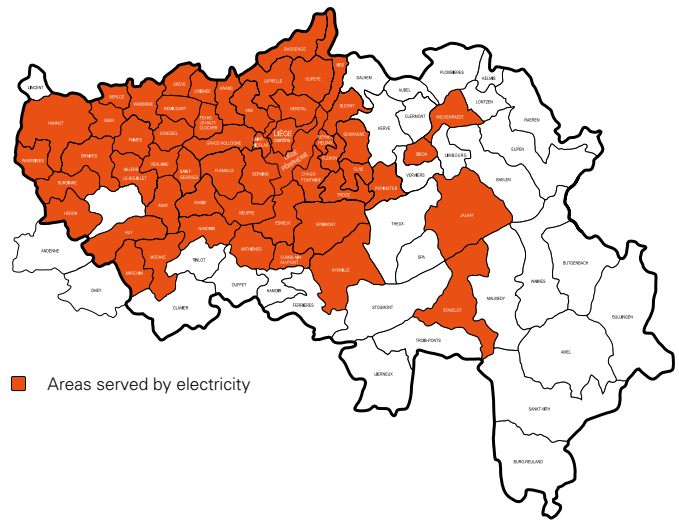


Fulfilling public service obligations and offering its expertise to the population of Liège

RESA designs, builds, maintains and supplies energy to public street lighting.

RESA provides electricity and natural gas to vulnerable consumers with the status of “protected customer” and plays a role of “social provider” to customers who can’t find a commercial provider. As such, RESA may need to install a prepayment meter that helps the consumer better control their energy budget.

RESA educates and encourages individuals and communities to use energy more rationally (utilisation plus rationnelle de l'énergie - URE). At the same time, RESA promotes technological innovation by working actively towards the development of smart grids and meters.



Highlights 2016

135,500 street lights

RESA designs, develops, maintains and supplies energy to public street lighting. RESA's network of 135,500 lights is distributed over 54 municipalities in Liège. Preventive maintenance, normal curative maintenance and organisation for the maintenance of the components of the grid are provided by RESA's teams. Public lighting maintenance costs have been the responsibility of DSOs since 2008.

Now, these 135,500 lights consume 47 million kWh per year, which represents an annual expenditure of €7.6 million.

After a detailed audit, RESA is now able to provide each municipality with an inventory of energy-consuming lights, per neighbourhood and per street, and to propose solutions to reduce the energy bill of €5.32 million a year, i.e. a reduction of the overall bill by 70 %. In particular RESA is offering the municipalities the chance to work on the equipment in place and adjust the power of the lights to meet real needs, taking into account the standards in force, the places to be lit and how busy they are.

In 2016, RESA replaced 24,459 lamps as part of routine preventive maintenance and 9,595 lamps as a curative measure (5 visits per year per municipality) i.e. 34,054 interventions.

Towards better energy efficiency

The energy efficiency of public lighting installations has 4 components:

- the replacement of the set of low-pressure mercury vapour fittings ("fluorescent" tubes) was completed at the end of 2015. Despite the weak power of these lamps, this change has enabled a saving of 55%
- the replacement by the end of 2018 of the set of high-pressure mercury vapour fittings, banned from sale by the European Union because they are too energy-intensive
- investments in terms of stabilisation and/or levelling the voltage on the network, allowing the life of the lamps to be extended, and to reduce maintenance costs for the DSOs
- the five-year energy audit



LED is gaining ground

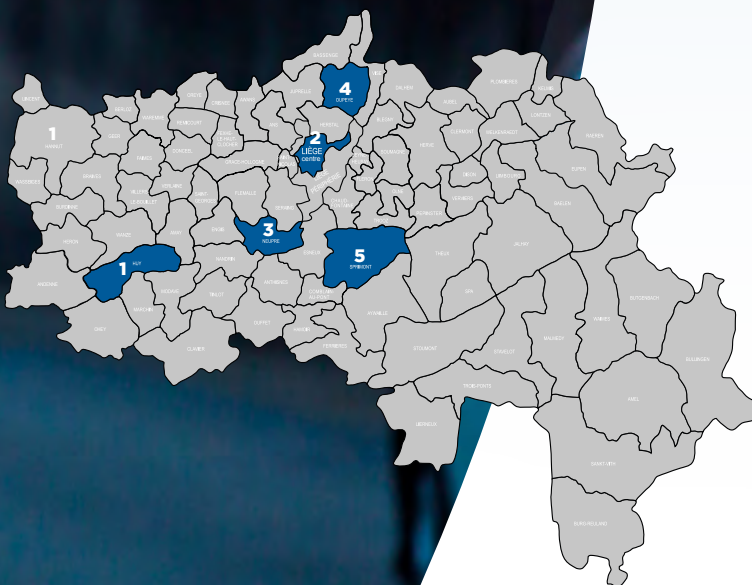
LEDs are increasingly present in our urban landscapes. These compact sources allow more flexibility in designs, the use of colours and dynamic management of light, which makes them essential for illumination. In addition to decorative lighting, LED technology begins to take a more and more important place in street lighting. As part of the OSPs, RESA has decided to replace all units equipped with low and high-pressure mercury sources with fixtures fitted with LEDs and dimming devices to allow the affected municipalities to achieve substantial energy savings and meet the European standard in this area. 6,000 devices are affected by this project. LED technology is now used for renovations and new installations, especially in industrial zones and housing estates. LED shows significant advances in both environmental and financial terms:

- dissemination of white light with a better colour than yellow light
- increase the sense of safety
- reduction in energy consumption
- increase in light efficiency
- adaptation of lighting for every situation (dimming)
- reduction in light pollution (modulation of power and luminous flux)

In 2016, in collaboration with the city of Liège, RESA replaced all high-power lights on the right bank of the Meuse at Grivegnée, Jupille and Wandre with LED technology. This will allow the city of Liège to make more than 75% energy savings in these neighbourhoods.

In Angleur, within the city of Liège, RESA has extended its pilot site. New lighting with white, less energy-consuming lights, fitted with a smart dimming device, have been installed. The annual energy bill was reduced by 52%.

RESA has also planned for the end of 2017 to replace about 1,300 high-pressure mercury vapour fittings with dimmed LED lighting in 5 municipalities:



| MUNICIPALITY | NUMBER OF LEDs INSTALLED END 2017 |
|--------------|-----------------------------------|
| 1 HUY | 689 |
| 2 LIEGE | 147 |
| 3 NEUPRE | 125 |
| 4 OUPEYE | 107 |
| 5 SPRIMONT | 93 |

■ MUNICIPALITIES EQUIPPED IN LEDs END 2017, TO REPLACE MERCURY VAPOURS

To facilitate access to energy for all

Among the social Public Service Obligations (OSP), RESA assists socially protected customers and assumes its role of supplier to people in difficulty by guaranteeing a social price that is lower than any commercial service. One of the objectives pursued by the liberalisation of the gas and electricity markets in Wallonia is in a strengthening of the protection of the low-income people facing the risk of being deprived of resources that have become essential to heat, light, or nourishment.

For the year 2016, the number of protected customers provided with gas and/or electricity by RESA is 16,350, or a slight increase of 2% compared to the year 2015.

In order to control its energy costs and to avoid situations of over-indebtedness, RESA is also responsible for the placement of prepayment meters. A prepayment meter allows electricity and/or gas to be paid for in advance using a rechargeable pre-paid card. Since 2013, prepayment meters have been reloaded using ATMs, available at DSO offices, in some CPASs and at many shops.

Today, the number of RESA gas prepayment meters amounts to 19,029, including 10,872 with the prepayment feature active, and 31,611 electricity prepayment meters installed of which 17,011 have their prepayment functionality active.





Atrias, a complex achievement taking shape

The DSOs and Atrias have been engaged in the Central Market System programme (Federal clearing house) for several years. They make every effort to complete this complex project which is important for the sector, and which aims to create a platform capable of supporting information exchange in the SMART world, the beginnings of which are now noticeable.

The year 2016 saw the end of design activities of the applicative solution, the start-up of developments and testing, through blocks of functions.

Data migration and market transition strategies have been developed and approved by the regulators.

Test phases will take place throughout 2017, through groups of scenarios, between DSOs and CMS then in parallel between DSOs, CMS and energy suppliers (end to end test).

The main concern of the contract will be to organise the terms of a CMS go-live in 2018 that is qualitatively satisfactory for all players.

At RESA, the Atrias@RESA program consolidates all the components of the internal transformation aiming to implement in its own systems the changes related to the implementation of this new contract model as well as the specifics related to the integration with the CMS.

PoWalCo, the platform for public utility providers

POWALCO absl was nominated by the Walloon Government in October 2015 to manage the information exchange platform for all public utility providers. The entry into force was set in December 2016. This association is made up of six founding members: NETHYS, Ores, Aquawal, Proximus, Elia and Wallonia.

This platform will allow:

- the various stakeholders to be identified: road and water managers, cable and pipe managers, etc.
- organise the work site schedule, coordination to be requested for the file to be managed: convening, report, agreement on the appointment of a coordinator, etc.
- authorisations to be managed: from the introduction of the file to the manager up to the processing of the file and its delivery
- the inventory of entry and exit places and the problems of guarantees to be managed, etc.



The weather of 15 January

On Friday, 15 January 2016, exceptional winter weather conditions which raged in the province of Liège caused significant damage to the medium-voltage electricity distribution networks, causing blackouts for several hours, or even several days in some cases.

These power cuts were unpredictable because they were caused by a very rare phenomenon of ice and snow accumulation on our lines*. Different factors – air temperature, diameter of the droplets, water content of the air, temperature and intensity of the wind – are combined to form an actual layer of ice around our lines, in some cases bringing them to breaking point, unless it was the poles that were breaking under the weight of the lines or trees falling onto our cables.

From the first moments, RESA operational teams were mobilised to respond to this situation of absolute urgency, with either specialised breakdown teams or medium-voltage technicians. All of our teams used all means available to restore the power supply as quickly as possible.

The organisation of the work has enabled all tasks to take place without human accident or incident, while the situation was exceptional and particularly dangerous as far as electricity was concerned.

While the quality and speed of our intervention teams were unanimously welcomed, the communication system for troubleshooting and recovery, meanwhile, highlighted several challenges due to the constraints of the situation.

As a result of the lessons learned from these events, we have therefore revised our internal emergency and intervention plan (PIUI) including adding a communications component to our operational procedures.

(*) This phenomenon is called "atmospheric ice accretion", which is a random phenomenon of accumulation of ice on a structure, in this case the electricity grid cables.





The resumption by RESA of electricity grid management in the territory of the city of Liège

10 October 2011, an ORES - ELECTRABEL - CITY OF LIÈGE - NETHYS agreement on the resumption by RESA of the activities of Manager of the electricity distribution network in the territory of the City of Liège (city centre).

In practice, RESA became DSO in July 2013, but operational management was entrusted to ORES until 31 December 2016. RESA has gradually made staff available to replace the positions directly assigned to the management of Liège city centre networks. Finally, 31 people were available to ORES. Now they have gained knowledge of the specifics of this network.

However, activities related to the contract process (signature of the contract, change of supplier, move, etc.) are still centralised within ORES services without staff being provided.

In December 2016, the data migration allowing resumption of network operations was completed (plans, technical data relating to the network, street lighting, etc.). Therefore, this data is now available on our own computer systems.

We welcomed RESA staff occupying ORES operational premises at the Quai Godefroid Kurth to our various sites. The customer welcome desk which was there was moved to our completely redeveloped new offices in the rue Louvrex. They opened their doors on 19 December 2016.

Now these operations have been completed, we have provided the operational management of the City of Liège's electric network since 1 January 2017, i.e.:

- The construction and maintenance of high and low voltage networks
- Troubleshooting customers of high and low voltage electricity
- The operation of the network (with coordination between RESA and ORES dispatching)
- The study and maintenance of the public lighting network
- The study and the completion of customer connections
- Or "event" connections, management of public utilities licensees, etc.

RESA emergency vehicles therefore circulate throughout the territory of the City of Liège.

On the other hand, all activities centralised on databases of customers, as the process of market management, billing to social clients, etc. are managed by already, who agreed that complementary mission until June 2017. This period of January to June 2017 will be fully devoted to the migration of customer-related data. At the end of this transitional period, RESA will manage all the electricity and gas network manager activities in Liège City Centre.

Natural gas, renewed interest that is largely justified

RESA today serves 58 Liège municipalities in natural gas, which is 232,000 access points. In order to meet the strategic objectives of the Walloon regulator, the CWaPE, for the 2019-2023 period RESA has launched a broad campaign to promote natural gas.

An abundant and flexible resource, natural gas is at the centre of the energy spectrum.

A true energy of tomorrow, in addition to being economical and comfortable, natural gas also offers an alternative that is ecological, safe and efficient.

The goal of this campaign is to raise customer awareness of the benefits of natural gas and to double the number of new residential connections by 2023.

In concrete terms, customers who wish to connect to natural gas on the existing network will benefit from both a free connection and a premium of €250 for new constructions and €400 for conversions from oil to gas.



ULg, a key partner in micro-grid research

Since 2015, NETHYS has worked closely with the University of Liège (ULg) under the academic chair “smart micro-grids”. The purpose of this partnership is to develop intelligent tools and specialised skills in the design, implementation and operation of micro-grids.

A micro-grid is a combination of three elements in a single electrical system, namely production, consumption and storage.

The year 2016 was particularly fruitful for this academic chair which has brought about the launch and development of major works.

EMS

EMS, or Energy Management System, is the term for the supervision platform for the micro-grid. It is a computer application for controlling the micro-grid in an optimal way, integrating management planning, real-time monitoring, interface with the electricity market, energy storage, patterns of consumption and production as well as sources of electrical flexibility.

The ULg and NETHYS are currently tackling the design of a “smart EMS” with a very high added value. This differs notably from the competition by implementing artificial intelligence (A.I.) as well as its high degree of modularity and customisation. A first version of this EMS is currently being tested on an operational micro-grid prototype in the laboratories of ULg Montefiore.

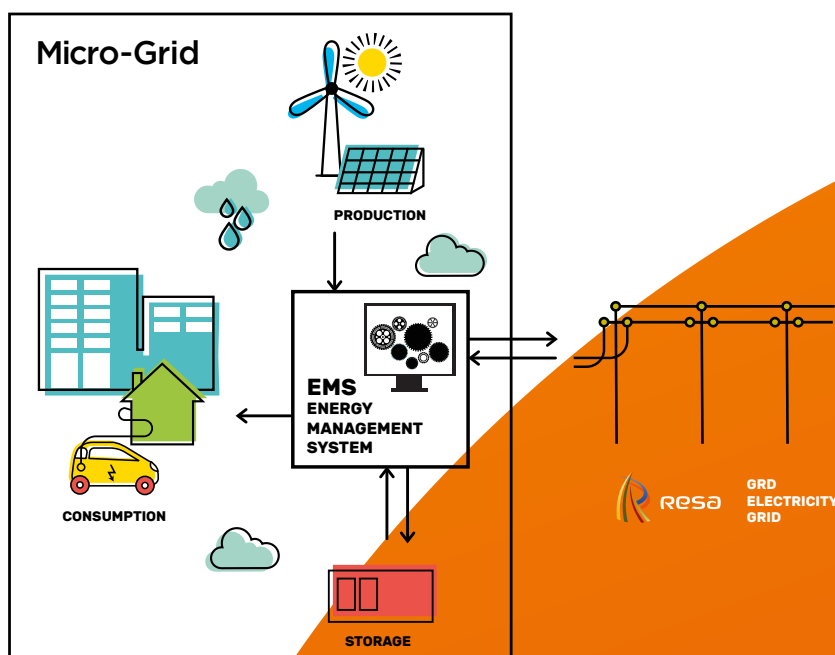
This prototype (model) has all the characteristics of a full-size micro-grid, namely: storage, means of production and energy consumption.

Parallel to the development of this EMS and related to the work of the chair, 2016 also saw the launch of two pilot projects: “MeryGrid” and “E-Cloud”. These two projects were presented, with the participation of other partners, to Wallonia Public Services to obtain a grant as part of research and technological innovation.

MeryGrid

The MeryGrid project consists of the construction of a micro-grid on the Méry industrial site at Esneux. It also includes a study of its profitability, its technical feasibility and its operations. The selected industrial site has three SMEs and advantageously has hydroelectric and photovoltaic production capacity. Eventually, it will also have an energy storage unit and will be piloted in real time by the EMS.

Most of the key components of the micro-grid are under study and approval. The launch of the first works on the micro-grid is already planned for the second half of 2017.



E-Cloud

At the end of 2016, RESA began the study of a second micro-grid as part of the E-Cloud project, in close partnership with ORES. The main features of this micro-grid will voluntarily differ from the MeryGrid project. This will allow the comparison of the two models studied, and usefully extract all necessary lessons.

A dynamic investment policy

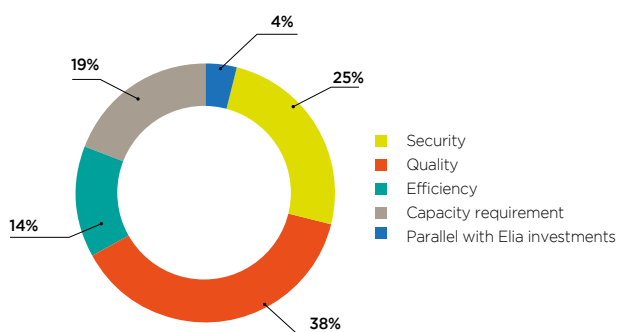
Investments in the electricity grid

In 2016, RESA invested nearly than €45 million in its electricity network, as follows:

| NETWORK | Gross investments [k EUR] | % |
|---------|---------------------------|------|
| LV | 23,722 | 53% |
| MV | 21,293 | 47% |
| OTHER | 93 | 0% |
| TOTAL | 45,108 | 100% |

As every year, RESA has carried out several major projects on its electricity distribution network to improve its efficiency, safety and the quality:

| INVESTMENT 2016: | [million EUR] |
|--------------------------------|---------------|
| Security | 1.9 |
| Quality | 3.0 |
| Efficiency | 1.1 |
| Capacity requirement | 1.5 |
| Parallel with Elia investments | 0.3 |
| TOTAL | 7.8 |



Main projects

10,000 volt ring at Bassenge

A set of medium voltage cables has been laid for the 15,000 volt network distribution between the Tige de Lixhe and Bassenge cabins. This project will increase power capacity to be able to accommodate potential future customers. At the same time, RESA modified four network cabins, upgrading them to new safety standards. RESA also laid 5,000m of cables and decommissioned 7,680 m of obsolete paper cables.

Power to the Darse substation in Seraing

RESA laid a significant amount (3,400 m) of medium voltage cable to power the new Darse substation, which will supply a station of the Association Intercommunale pour le Démergement et l'Épuration des Communes de la Province de Liège (AIDE - inter-municipal association for the drainage and purification of the municipalities of the Province of Liège). These were laid along the quai Jules Destrée, Seraing bridge and avenue Greiner. They will also provide the power of future 15,000/6,000-volt transformers that will be installed to supply of the new divisional cabin for blast furnaces to replace the Trasenster substation.

Improving the network on the Val Benoit site in Liège

A new divisional cabin supplying the Val Benoit site area (formerly the University of Liège) was installed in 2016 by RESA through two medium voltage links - one from the Sclessin substation and the other from the Rivage en Pot substation. The declared power in this area is around 10 MVA. As for the other areas, several medium voltage rings were also laid for connecting future customers, allowing redundancy and security of supply in the event of a fault.

Below is a summary table of the main projects completed (or almost completed).

Removal of overhead lines

In 2016, an important part of the strategic investment was devoted to the burial of several obsolete overhead lines. It is important to clarify that this was not especially dictated by the climate incidents that RESA encountered on 15 and 16 January but rather by an investment plan planned for several years in terms of reduction of the electrical trips for customers. These overhead lines were on average between 55 and 65 years of age.

The different ways of burying the cables will give customers a reliable supply and will also improve the network availability during breakdowns.

Investment policy on safety in grid cabins, based on the Royal safety decree

The Royal Decree of 04/12/12, concerning the minimum safety requirements of electrical installations in the workplace, requires all managers of Belgian networks to both analyse risks in all their cabins, and take measures (procedures, training, investment, etc.) to reduce these risks.

In 2016, RESA began this approach and carried out, with the help of an external company, a first inventory and risk analysis on nearly 200 cabins. These inventories started with cabins assumed to be most at risk (cabins with equipment that is open without protection barrier against direct contact).

An outsourcing contract for compliance of nine network cabins was also awarded in 2016 in order to carry out the necessary work as quickly as possible.

An ambitious renewal policy has been budgeted for future years in order to achieve compliance of all our network cabins in the medium and long term.

Main overhead line burying operations

| LOCATION | Disused overhead lines (in metres) | PRC cables buried (in metres) |
|--|------------------------------------|-------------------------------|
| Modave (mainly in agricultural area) investments between 2016 and 2017 | 13,785 | 11,688 |
| Blegny: rue Bouhouille, rue M. Theunens, rue Institut, rue Haute Sougné | 1,590 | 2,535 |
| Trooz and Olne : rue Large, rue des Usines, rue Cawette, rue Vaux, rue Fosses Berger | 2,680 | 2,740 |
| Pepinster : rue Bouhais, rue Grand Ry, rue Jonckay | 2,161 | 2,400 |
| TOTAL | 20,216 | 19,363 |

Investments in the gas network

In 2016, RESA invested more than €30 million in its gas network, as follows:

| NETWORK | Gross investments [k EUR] | % |
|---------|---------------------------|------|
| LP | 23,737 | 78% |
| MP | 6,650 | 21% |
| OTHER | 187 | 1% |
| TOTAL | 30,574 | 100% |

As every year, RESA has carried out several major operations on its natural gas distribution network, whether renewals of lines, moves, extensions or technical closures, but also setting up new gas cabins or their renewal.

Main projects

Renewal and relocation sites in Liège in the Guillemins district

As part of the big project to renovate the road in the rues Buisseret, Dossin and Lesoinne in the heart of the Guillemins district, RESA has significantly reorganised pipes in its low and medium pressure networks. This site will be definitively closed during the first quarter of 2017. It comes close to 1,450 m of pipes renewed.

Extensions and technical closures

Sprimont-Dolembreux site

With the important development of the residential areas of the municipalities of Sprimont and Chaudfontaine, RESA proceeded with the strengthening and securing of the natural gas network on the Nice-Beaufays axis. This is how in 2016 the installation in Dolembreux of an additional pressure reduction station necessitated the extension of 3,150 m to the medium-pressure network and a closure of 900 m of the low-pressure network.

Ougrée-Seraing: Louva and Greiner quays

Following Arcelor's decision to abandon the distribution of natural gas on the Seraing industrial site and the revamping of the area around the CMI site, RESA wanted to strengthen its medium-pressure network which will soon serve several industrial customers. To this end, RESA has created an extension of 2,100 m of DN300 to its medium-pressure network.

Malmedy: power to the Queen Astrid clinic

To fuel the future natural gas station at the Queen Astrid clinic in Malmedy, RESA created an extension to its medium-pressure network. The supply of natural gas for this customer required the technical "syphon" crossing of the River Warche and passing under the new cycle/pedestrian walkway accessing the rear of the regional hospital.

New network cabins

Two new network cabins were also built in 2016:

| LOCATION | Address | Cabin Type | Capacity (Nm ³ /h) |
|----------|------------------------------|--------------|-------------------------------|
| Seraing | Pont du Val | 15 bar/5 bar | 30,000 |
| Andenne | Petit-Warêt rue d'Andenne | 15 bar/5 bar | 1,500 |

RESA then proceeded to the renewal of six network cabins:

| LOCATION | Address | Cabin Type | Capacity (Nm ³ /h) |
|----------|--|---------------------|-------------------------------|
| Herstal | Hauts-Sarts 1 ^{ère} Avenue | 15 bar/ 100 mbar | 1,500 |
| Liège | Rue Sergent Merx | 5 bar/ 20 mbar | 400 |
| Liège | Rue Robertson | 5 bar/ 20 mbar | 400 |
| Oupeye | Vivegnis rue de Cheratte | 5 bar/ 20 mbar | 1,500 |
| Limbourg | Quai de la Vesdre | 5 bar/ 20 mbar | 1,500 |
| Verviers | Rue Jean Gheur | 5 bar/ 20mbar | 400 |



Investments supports

In 2016, RESA invested more than €8 million in computer equipment and its buildings, as follows:

| SUPPORT | Gross investments [k EUR] | % |
|----------|---------------------------|------|
| Facility | 2,809 | 34% |
| IT | 5,443 | 66% |
| TOTAL | 8,251 | 100% |



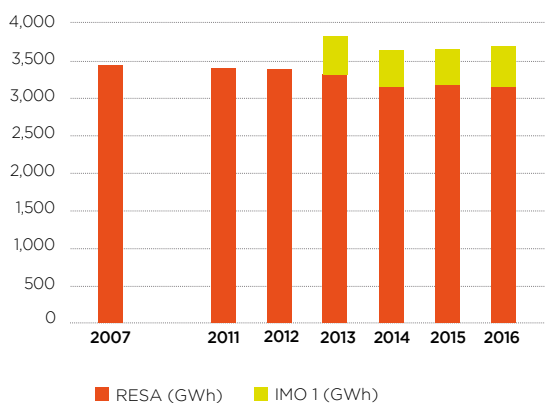
2016 electricity figures

Energy drawn

In 2016, the energy demand for all RESA networks is 3,635,641,716 kWh, including 3,163,089,444 kWh in the territory outside Liège city centre and 472,552,272 kWh in Liège city centre.

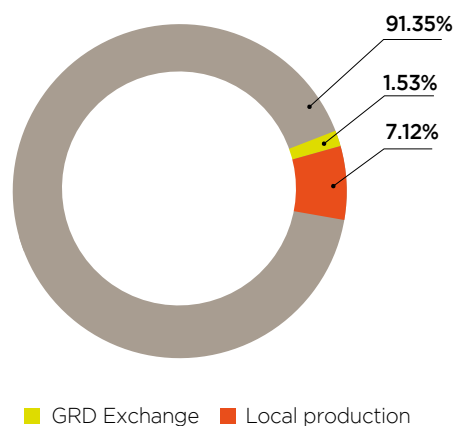
In 2016, we see a 0.03% increase in the volume collected compared to 2015, all customers combined, over RESA's territory

The change in energy demand for the last 16 years for all RESA customer appears as follows:



Source of the energy consumed in 2016

Total annual energy of 3,635,641,716 kWh comes from:



Total energy consumed

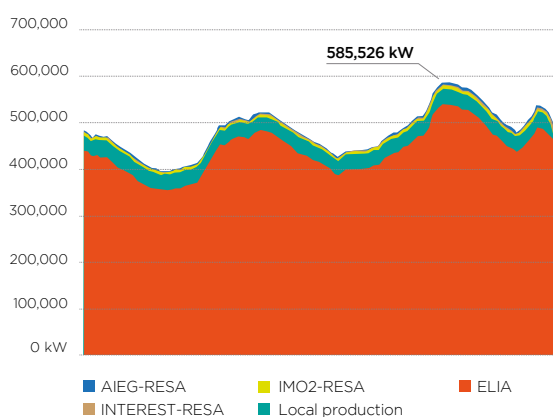
The distribution of consumed energy, for all RESA networks, is respectively as shown in the table below:

Quarter-hourly power outside Liège city centre

Total energy having transited on our network in 2016 is 3,724,757,900 kWh.

On the territory outside Liège city centre, the maximum quarter-hourly power for the year took place on **Tuesday, 19 January 2016**.

On that date, the maximum power taken at 18:15 on our network was 585,526 kW. The maximum power for 2016 was reached during the full-hour period.

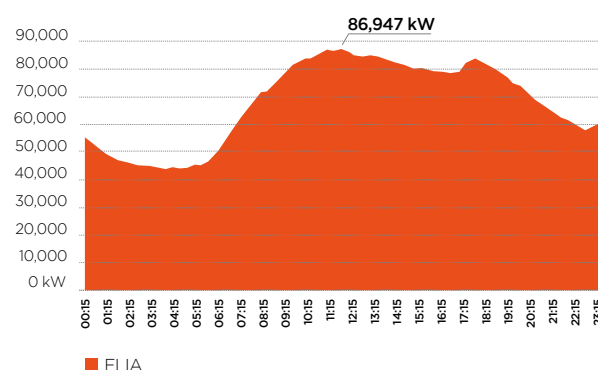


Quarter-hourly power within Liège city centre

On the territory within Liège city centre, the maximum quarter-hourly power for the year took place on **Wednesday 20 January 2016**.

On that date, the maximum power taken at 12:00 on our network was 86,947 kW.

The maximum power for 2016 was reached during the full-hour period.



Energy consumed (kWh)

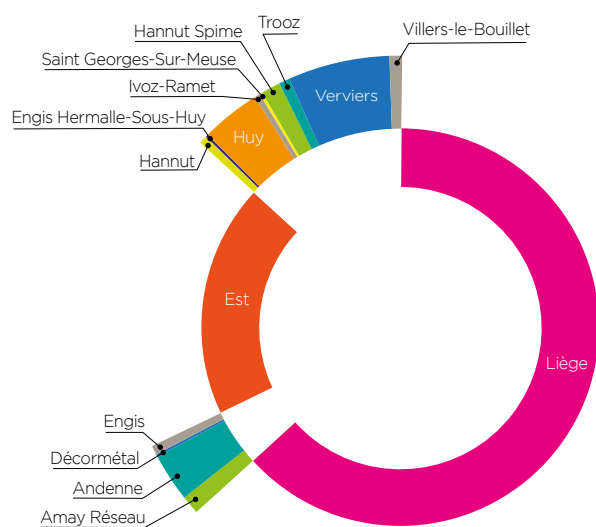
| SECTOR | 2016 | |
|--------------------------------------|----------------------|---------------|
| | ENERGY (kWh) | DISTRIBUTION |
| LOW VOLTAGE | | |
| Residential and non-residential uses | 1,775,757,141 | 97.46 |
| Street lighting | 46,330,673 | 2.54 |
| Total | 1,822,087,814 | 53.95 |
| MEDIUM VOLTAGE | | |
| Services | 585,265,461 | 37.63 |
| Industry | 969,890,309 | 62.37 |
| Total | 1,555,155,770 | 46.05 |
| OVERALL TOTAL | 3,377,243,584 | 100.00 |

The annual basis of low voltage billing distributed throughout the year in 12 districts has meant that the globalisation of these energies does not represent a calendar year, but rather a sliding year that begins in the middle of the previous year.

2016 gas figures

Energy drawn from the RESA network

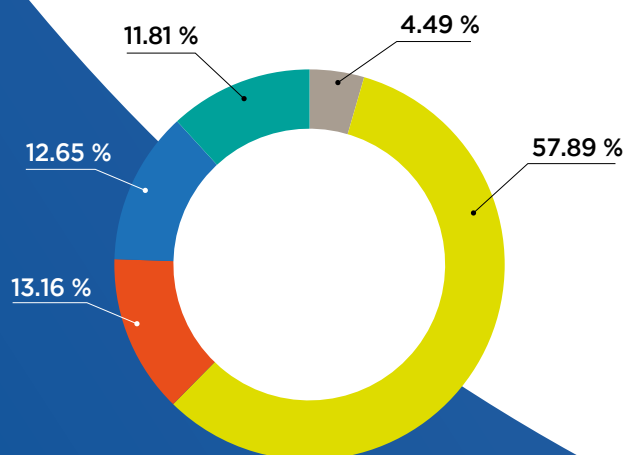
The RESA network is divided into 15 SRAs (Aggregate receiving stations).



Below is the distribution of energy demand on the network:

| Name of the SRA | Energy demand in 2016 [kWh] |
|------------------------------|-----------------------------|
| RESA Amay Réseau | 64,053,529 |
| RESA Andenne | 167,206,593 |
| RESA Decormetal | 165,109 |
| RESA Engis | 31,607,209 |
| RESA Est | 1,110,285,075 |
| RESA Hannut | 28,443,615 |
| RESA Engis Hermalle-sous-Huy | 3,549,352 |
| RESA Huy | 210,067,011 |
| RESA Ivoz-Ramet | 19,091,444 |
| RESA Liège | 3,705,498,939 |
| RESA Saint-Georges-sur-Meuse | 9,776,931 |
| RESA Hannut Spime | 67,115,940 |
| RESA Trooz | 38,305,318 |
| RESA Verviers | 357,048,219 |
| RESA Villers-le-Bouillet | 44,704,439 |

Breakdown of sales per tariff - volumes



- Rate**
- T1 (0-5,000 kWh)
 - T2 (5,001-150,000 kWh)
 - T3 (150,001-1,000,000 kWh)
 - T4 (>1,000,000 kWh)
 - T5 (<10,000,000 kWh - AMR)
 - T6 (>10,000,000 kWh - AMR)

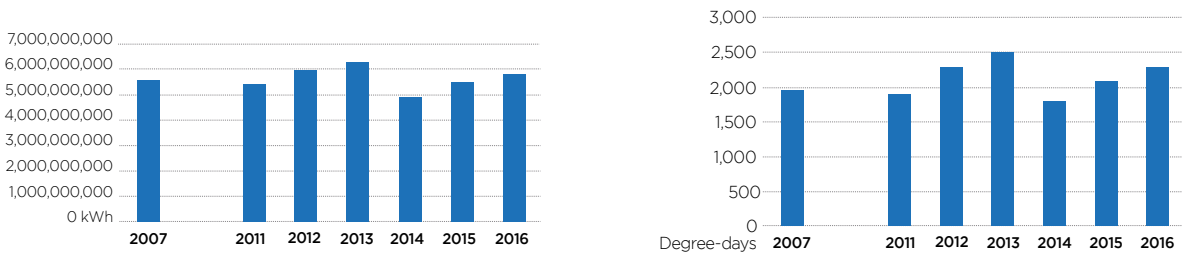
Hourly volumes

Opposite are the hourly volumes input into the system in 2016 (in m³(n)).

In 2016, the coldest day was 19/01/2016 (-3.3 degrees Celsius, which is equivalent to 19.8 degree days as this is the number of degrees below a mean 16.5 degrees on a day measured in Uccle) with consumption on the day of 3,504,097.67 Nm³ including an hourly peak at 7.00 am of 180,533.4 Nm³.

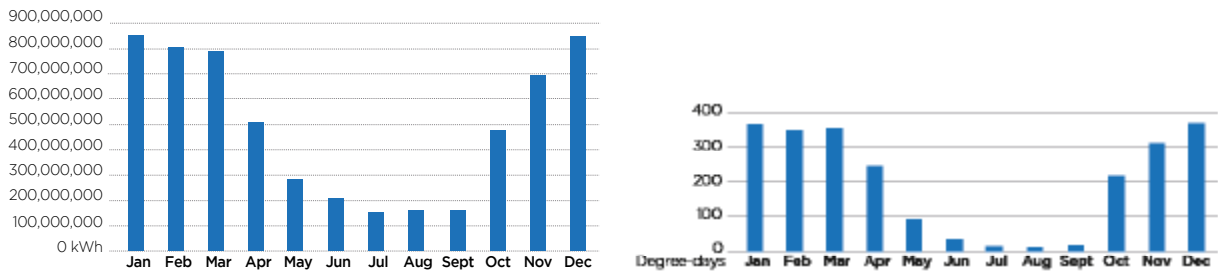
Energy drawn

In 2016, the energy drawn across the entire RESA networks is 5,856,918,721 kWh, representing an increase of 6.94% for all customers combined relative to the 2015 infeed. This increase can be explained by the number of degree-days, up by 10.39%. In fact, 2016 was colder than 2015 (2.112 degree-days in 2015 against 2.329 in 2016).

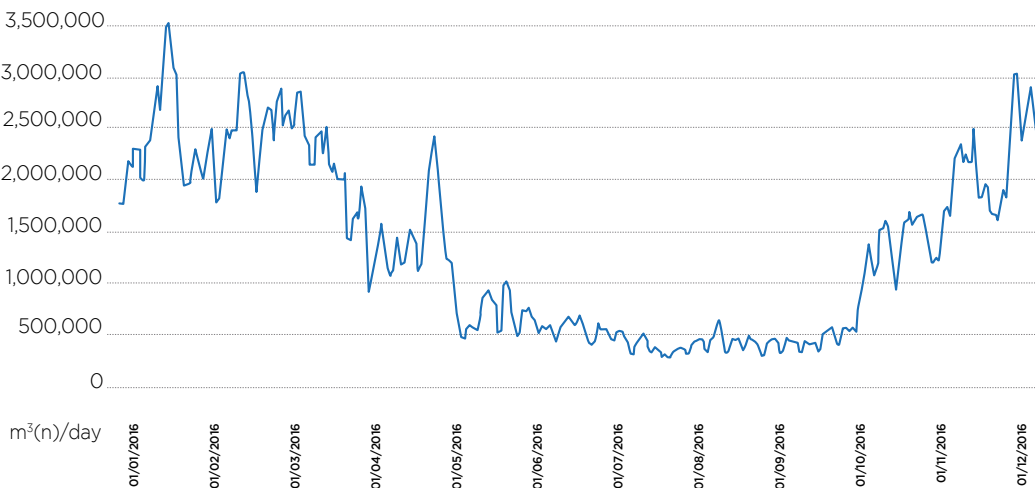


The “degree-days”* chart gives a picture of the temperature and therefore the average needs profile in heating a home. With regard to gas, the annual or monthly energy is strongly connected to it.

Below, the energy demand per month by 2016 with the total number of corresponding degree days. The coldest periods of the year are January, February, March and December.



* Degree-days are a criterion for assessing the cold for a given period. To calculate equivalent degree days in Belgium, it is necessary to first know the equivalent temperatures.



The hourly peak for the year was on 19/01/2016 at 07:00 and was 180,533,4 Nm³, for a daily consumption of 3,504,097.67 Nm³.



Annual accounts 2016

#5

5.1. Balance sheet after appropriation 2016

(in thousands of euros)

| ASSETS | Codes | Period 2016 | Period 2015 |
|---|--------------|------------------|------------------|
| FORMATION EXPENSES | 20 | | |
| FIXED ASSETS | 21/28 | 1,303,877 | 1,282,341 |
| Intangible fixed assets | 21 | 21,307 | 20,145 |
| Tangible fixed assets | 22/27 | 1,282,472 | 1,262,105 |
| Land and buildings | 22 | 41,334 | 44,500 |
| Plant, machinery and equipment | 23 | 1,160,880 | 1,157,075 |
| Furniture and vehicles | 24 | 6,461 | 7,800 |
| Leasing and other rights | 25 | 1,446 | 1,504 |
| Other tangible fixed assets | 26 | | |
| Tangible assets under construction and advance payments made | 27 | 72,351 | 51,226 |
| Financial fixed assets | 28 | 98 | 91 |
| Affiliated enterprises | 280/1 | | |
| Participating interests | 280 | | |
| Amounts receivable | 281 | | |
| Other enterprises linked by participating interests | 282/3 | 88 | 88 |
| Participating interests | 282 | 88 | 88 |
| Amounts receivable | 283 | | |
| Other financial assets | 284/8 | 10 | 3 |
| Shares | 284 | 4 | 3 |
| Amounts receivable and cash guarantees | 285/8 | 6 | |
| CURRENT ASSETS | 29/58 | 163,503 | 134,415 |
| Amounts receivable after more than one year | 29 | | |
| Trade debtors | 290 | | |
| Other amounts receivable | 291 | | |
| Stocks and contracts in progress | 3 | 14,394 | 13,511 |
| Stocks | 30/36 | 13,940 | 13,276 |
| Raw materials and consumables | 30/31 | 13,790 | 13,125 |
| Work in progress | 32 | 150 | 151 |
| Finished goods | 33 | | |
| Goods purchased for resale | 34 | | |
| Immovable property intended for sale | 35 | | |
| Advance payments | 36 | | |
| Contracts in progress | 37 | 454 | 235 |
| Amounts receivable within one year | 40/41 | 90,937 | 106,904 |
| Trade debtors | 40 | 74,172 | 74,092 |
| Other amounts receivable | 41 | 16,765 | 32,812 |
| Current investments | 50/53 | | |
| Own shares | 50 | | |
| Other investments and deposits | 51/53 | | |
| Cash at bank and in hand | 54/58 | 42,594 | 125 |
| Deferred charges and accrued income | 490/1 | 15,578 | 13,875 |
| TOTAL ASSETS | 20/58 | 1,467,380 | 1,416,756 |

| EQUITY AND LIABILITIES | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------------|--------------------|
| EQUITY | 10/15 | 681,041 | 913,166 |
| Capital | 10 | 657,880 | 907,880 |
| Issued capital | 100 | 657,880 | 907,880 |
| Uncalled capital | 101 | | |
| Share premium account | 11 | | |
| Revaluation surpluses | 12 | | |
| Reservess | 13 | 5,763 | 3,547 |
| Legal reserve | 130 | 5,763 | 3,547 |
| Reserves not available | 131 | | |
| In respect of own shares held | 1310 | | |
| Others | 1311 | | |
| Untaxed reserves | 132 | | |
| Available reserves | 133 | | |
| Accumulated profits (losses) (+) / (-) | 14 | 15,507 | |
| Investment grants | 15 | 1,891 | 1,739 |
| Advance to associates on the sharing out of the assets | 19 | | |
| PROVISIONS AND DEFERRED TAXES | 16 | 7,890 | 7,936 |
| Provisions for liabilities and charges | 160/5 | 7,890 | 7,936 |
| Pensions and similar obligations | 160 | | |
| Taxation | 161 | | |
| Major repairs and maintenance | 162 | 17 | 17 |
| Environmental liabilities | 163 | | |
| Other risks and costs | 164/5 | 7,873 | 7,919 |
| Deferred taxes | 168 | | |
| AMOUNTS PAYABLE | 17/49 | 778,449 | 495,654 |
| Amounts payable after more than one year | 17 | 567,870 | 229,615 |
| Financial debts | 170/4 | 567,870 | 75,832 |
| Subordinated loans | 170 | | |
| Unsubordinated debentures | 171 | 515,000 | 15,000 |
| Leasing and other similar obligations | 172 | 100 | 165 |
| Credit institutions | 173 | 52,770 | 60,667 |
| Other loans | 174 | | |
| Trade debts | 175 | | |
| Suppliers | 1750 | | |
| Bills of exchange payable | 1751 | | |
| Advances received on contracts in progress | 176 | | |
| Other amounts payable | 178/9 | | 153,783 |
| Amounts payable within one year | 42/48 | 171,540 | 233,351 |
| Current portion of amounts payable after more than one year falling due within one year | 42 | 7,962 | 8,148 |
| Financial debts | 43 | 1 | 40,997 |
| Credit institutions | 430/8 | | |
| Other loans | 439 | 1 | 40,997 |
| Trade debts | 44 | 74,986 | 80,466 |
| Suppliers | 440/4 | 74,986 | 80,466 |
| Bills of exchange payable | 441 | | |
| Advances received on contracts in progress | 46 | 19,569 | 16,319 |
| Taxes, remuneration and social security | 45 | 34,451 | 24,581 |
| Taxes | 450/3 | 34,451 | 24,581 |
| Remuneration and social security | 454/9 | | |
| Other amounts payable | 47/48 | 34,571 | 62,840 |
| Accrued charges and deferred income | 492/3 | 39,039 | 32,688 |
| TOTAL LIABILITIES | 10/49 | 1,467,380 | 1,416,756 |

5.2. Income statement on 31 décembre 2016

(in thousands of euros)

| | Codes | Period 2016 | Period 2015 |
|--|---------------|----------------|----------------|
| Operating income and charges | 70/76A | 336,978 | 349,929 |
| Turnover | 70 | 263,057 | 271,741 |
| Increase (decrease) in stocks of finished goods, work and contracts in progress (+)/(-) | 71 | 218 | 79 |
| Own construction capitalised | 72 | 64,059 | 68,066 |
| Other operating income | 74 | 9,644 | 10,043 |
| Non-recurring operating income | 76A | | |
| Operating charges | 60/66A | 262,492 | 269,349 |
| Raw materials, consumables | 60 | 34,400 | 38,661 |
| Purchases | 600/8 | 35,065 | 36,407 |
| Decrease (increase) in stocks (+)/(-) | 609 | -665 | 2,254 |
| Services and other goods | 61 | 157,360 | 167,677 |
| Remuneration, social security costs and pensions (+)/(-) | 62 | | |
| Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets | 630 | 44,017 | 40,197 |
| Increase, Decrease in amounts written off stocks contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-) | 631/4 | -185 | 2,042 |
| Provisions for risks and charges - Appropriations (uses and write-backs) (+)/(-) | 635/8 | -46 | -59 |
| Other operating charges | 640/8 | 26,946 | 20,831 |
| Operation charges carried to assets as restructuring costs (-) | 649 | | |
| Non-recurring operating charges | 66A | | |
| Operating profit (loss) (+)/(-) | 9901 | 74,486 | 80,580 |

| | Codes | Period 2016 | Period 2015 |
|---|---------------|--------------------|--------------------|
| Financial income | 75/76B | 713 | 869 |
| Recurring financial income | 75 | 62 | 508 |
| Income from financial fixed assets | 750 | | |
| Income from current assets | 751 | 8 | |
| Other financial income | 752/9 | 54 | 508 |
| Non-recurring financial income | 76B | 651 | 361 |
| Financial charges | 65/66B | 14,026 | 11,669 |
| Recurring financial charges | 65 | 12,319 | 9,198 |
| Debt charges | 650 | 11,158 | 6,997 |
| Amounts written down on current assets except stocks, contracts in progress and trade debtors (+)/(-) | 651 | | |
| Other financial charges | 652/9 | 1,161 | 2,201 |
| Non recurring financial charges | 66B | 1,707 | 2,471 |
| Profit (loss) for the period before taxes (+)/(-) | 9903 | 61,173 | 69,780 |
| Transfer from postponed taxes | 780 | | |
| Transfer to postponed taxes | 680 | | |
| Income taxes (+)/(-) | 67/77 | 16,866 | 18,893 |
| Income taxes | 670/3 | 17,351 | 18,893 |
| Adjustment of income taxes and write-back of tax provisions | 77 | 485 | |
| Profit (loss) for the period (+)/(-) | 9904 | 44,307 | 50,887 |
| Transfer from untaxed reserves | 789 | | |
| Transfer to untaxed reserves | 689 | | |
| Profit (loss) for the period available for appropriation (+)/(-) | 9905 | 44,307 | 50,887 |

5.3. Appropriation account

(in thousands of euros)

| | Codes | Period 2016 | Period 2015 |
|--|--------------|---------------|---------------|
| Profit (loss) to be appropriated (+)/(-) | 9906 | 44,307 | 50,944 |
| Gain (loss) to be appropriated (+)/(-) | (9905) | 44,307 | 50,887 |
| Profit (loss) to be carried forward (+)/(-) | 14P | | 57 |
| Transfers from capital and reserves | 791/2 | | |
| from capital and share premium account | 791 | | |
| from reserves | 792 | | |
| Transfers to capital and reserves | 691/2 | 2,216 | 2,544 |
| to capital and share premium account | 691 | | |
| to the legal reserve | 6920 | 2,216 | 2,544 |
| to other reserves | 6921 | | |
| Profit (loss) to be carried forward (+)/(-) | (14) | 15,507 | |
| Owner's contribution in respect of losses | 794 | | |
| Profit to be distributed | 694/7 | 26,584 | 48,400 |
| Dividends | 694 | 26,584 | 48,400 |
| Directors' or managers' entitlements | 695 | | |
| Workers | 696 | | |
| Other beneficiaries | 697 | | |

5.4. Appendices to the annual accounts

(in thousands of euros)

STATEMENT OF FORMATION EXPENSES

| | Codes | Period 2016 |
|--|-------------|-------------|
| Net book value at the end of the period | 20P | |
| Movements during the period | | |
| New expenses incurred | 8002 | 3,618 |
| Depreciation | 8003 | 3,618 |
| Other (+)/(-) | 8004 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (20) | |
| Whereof | | |
| Formation or capital increase expenses, loan issue expenses and other formation expenses | 200/2 | |
| Restructuring costs | 204 | |

STATEMENT OF INTANGIBLE FIXED ASSETS

| DEVELOPMENT COSTS | Codes | Period 2016 | Period 2015 |
|---|--------------|-------------|-------------|
| Acquisition value at the end of the period | 8051P | | 64 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8021 | | |
| Sales and disposals | 8031 | | |
| Transfers from one heading to another (+)/(-) | 8041 | | |
| Acquisition value at the end of the period | 8051 | 64 | |
| Depreciation and amounts written down at the end of the period | 8121P | | 58 |
| Movements during the period | | | |
| Recorded | 8071 | 6 | |
| Written back | 8081 | | |
| Acquisitions from third parties | 8091 | | |
| Cancelled owing to sales and disposals | 8101 | | |
| Transfers from one heading to another (+)/(-) | 8111 | | |
| Depreciation and amounts written down at the end of the period | 8121 | 64 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | 81311 | | |

| CONCESSIONS, PATENTS, LICENCES, KNOWHOW, BRANDS AND SIMILAR RIGHTS | Codes | Period 2016 | Period 2015 |
|---|--------------|---------------|---------------|
| Acquisition value at the end of the period | 8052P | | 40,761 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8022 | 1,061 | |
| Sales and disposals | 8032 | | |
| Transfers from one heading to another (+)/(-) | 8042 | 471 | |
| Acquisition value at the end of the period | 8052 | 42,293 | |
| Depreciation and amounts written down at the end of the period | 8122P | | 26,967 |
| Movements during the period | | | |
| Recorded | 8072 | 3,515 | |
| Written back | 8082 | | |
| Acquisitions from third parties | 8092 | | |
| Cancelled owing to sales and disposals | 8102 | | |
| Transfers from one heading to another (+)/(-) | 8112 | | |
| Depreciation and amounts written down at the end of the period | 8122 | 30,482 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | 211 | 11,811 | |

| GOODWILL | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------------|--------------------|
| Acquisition value at the end of the period | 8053P | | 6,609 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8023 | | |
| Sales and disposals | 8033 | | |
| Transfers from one heading to another (+)/(-) | 8043 | | |
| Acquisition value at the end of the period | 8053 | 6,609 | |
| Depreciation and amounts written down at the end of the period | 8123P | | 1,950 |
| Movements during the period | | | |
| Recorded | 8073 | 650 | |
| Written back | 8083 | | |
| Acquisitions from third parties | 8093 | | |
| Cancelled owing to sales and disposals | 8103 | | |
| Transfers from one heading to another (+)/(-) | 8113 | | |
| Depreciation and amounts written down at the end of the period | 8123 | 2,600 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | 212 | 4,009 | |

| ADVANCE PAYMENTS | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------------|--------------------|
| Acquisition value at the end of the period | 8054P | | 1,685 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8024 | 4,272 | |
| Sales and disposals | 8034 | | |
| Transfers from one heading to another (+)/(-) | 8044 | -470 | |
| Acquisition value at the end of the period | 8054 | 5,487 | |
| Depreciation and amounts written down at the end of the period | 8124P | | |
| Movements during the period | | | |
| Recorded | 8074 | | |
| Written back | 8084 | | |
| Acquisitions from third parties | 8094 | | |
| Cancelled owing to sales and disposals | 8104 | | |
| Transfers from one heading to another (+)/(-) | 8114 | | |
| Depreciation and amounts written down at the end of the period | 8124 | | |
| NET BOOK VALUE AT THE END OF THE PERIOD | 213 | 5,487 | |

STATEMENT OF TANGIBLE FIXED ASSETS

| LAND AND BUILDINGS | Codes | Period 2016 | Period 2015 |
|---|--------------|---------------|---------------|
| Acquisition value at the end of the period | 8191P | | 76,530 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8161 | 1,092 | |
| Sales and disposals | 8171 | 5,782 | |
| Transfers from one heading to another (+)/(-) | 8181 | 35 | |
| Acquisition value at the end of the period | 8191 | 71,875 | |
| Revaluation surpluses at the end of the period | 8251P | | 6,958 |
| Movements during the period | | | |
| Recorded | 8211 | | |
| Acquisitions from third parties | 8221 | | |
| Cancelled | 8231 | 227 | |
| Transfers from one heading to another (+)/(-) | 8241 | | |
| Revaluation surpluses at the end of the period | 8251 | 6,731 | |
| Depreciation and amounts written down at the end of the period | 8321P | | 38,988 |
| Movements during the period | | | |
| Recorded | 8271 | 1,339 | |
| Written back | 8281 | | |
| Acquisitions from third parties | 8291 | | |
| Cancelled owing to sales and disposals | 8301 | 3,055 | |
| Transfers from one heading to another (+)/(-) | 8311 | | |
| Depreciation and amounts written down at the end of the period | 8321 | 37,272 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (22) | 41,334 | |

| PLANT, MACHINERY AND EQUIPMENT | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------------|--------------------|
| Acquisition value at the end of the period | 8192P | | 1,482,233 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8162 | 28,036 | |
| Sales and disposals | 8172 | 3,335 | |
| Transfers from one heading to another (+)/(-) | 8182 | 13,920 | |
| Acquisition value at the end of the period | 8192 | 1,520,854 | |
| Revaluation surpluses at the end of the period | 8252P | | 500,090 |
| Movements during the period | | | |
| Recorded | 8212 | | |
| Acquisitions from third parties | 8222 | | |
| Cancelled | 8232 | 377 | |
| Transfers from one heading to another (+)/(-) | 8242 | | |
| Revaluation surpluses at the end of the period | 8252 | 499,713 | |
| Depreciation and amounts written down at the end of the period | 8322P | | 825,248 |
| Movements during the period | | | |
| Recorded | 8272 | 36,458 | |
| Written back | 8282 | | |
| Acquisitions from third parties | 8292 | | |
| Cancelled owing to sales and disposals | 8302 | 2,018 | |
| Transfers from one heading to another (+)/(-) | 8312 | | |
| Depreciation and amounts written down at the end of the period | 8322 | 859,688 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (23) | 1,160,879 | |

| FURNITURE AND VEHICLES | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------------|--------------------|
| Acquisition value at the end of the period | 8193P | | 32,236 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8163 | 630 | |
| Sales and disposals | 8173 | 1,784 | |
| Transfers from one heading to another (+)/(-) | 8183 | 39 | |
| Acquisition value at the end of the period | 8193 | 31,121 | |
| Revaluation surpluses at the end of the period | 8253P | | 625 |
| Movements during the period | | | |
| Recorded | 8213 | | |
| Acquisitions from third parties | 8223 | | |
| Cancelled | 8233 | 28 | |
| Transfers from one heading to another (+)/(-) | 8243 | | |
| Revaluation surpluses at the end of the period | 8253 | 597 | |
| Depreciation and amounts written down at the end of the period | 8323P | | 25,061 |
| Movements during the period | | | |
| Recorded | 8273 | 1,992 | |
| Written back | 8283 | | |
| Acquisitions from third parties | 8293 | | |
| Cancelled owing to sales and disposals | 8303 | 1,796 | |
| Transfers from one heading to another (+)/(-) | 8313 | | |
| Depreciation and amounts written down at the end of the period | 8323 | 25,257 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (24) | 6,461 | |

| LEASING AND SIMILAR RIGHTS | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------|--------------|
| Acquisition value at the end of the period | 8194P | | 1,908 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8164 | | |
| Sales and disposals | 8174 | | |
| Transfers from one heading to another (+)/(-) | 8184 | | |
| Acquisition value at the end of the period | 8194 | 1,908 | |
| Revaluation surpluses at the end of the period | 8254P | | |
| Movements during the period | | | |
| Recorded | 8214 | | |
| Acquisitions from third parties | 8224 | | |
| Cancelled | 8234 | | |
| Transfers from one heading to another (+)/(-) | 8244 | | |
| Revaluation surpluses at the end of the period | 8254 | | |
| Depreciation and amounts written down at the end of the period | 8324P | | 404 |
| Movements during the period | | | |
| Recorded | 8274 | 58 | |
| Written back | 8284 | | |
| Acquisitions from third parties | 8294 | | |
| Cancelled owing to sales and disposals | 8304 | | |
| Transfers from one heading to another (+)/(-) | 8314 | | |
| Depreciation and amounts written down at the end of the period | 8324 | 462 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (25) | 1,446 | |
| WHEREOF | | | |
| Land and buildings | 250 | 1,446 | |
| Plant, machinery and equipment | 251 | | |
| Furniture and vehicles | 252 | | |

| ASSETS UNDER CONSTRUCTION AND ADVANCED PAYMENTS | Codes | Period 2016 | Period 2015 |
|---|--------------|---------------|---------------|
| Acquisition value at the end of the period | 8196P | | 51,226 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8166 | 35,118 | |
| Sales and disposals | 8176 | | |
| Transfers from one heading to another (+)/(-) | 8186 | -13,993 | |
| Acquisition value at the end of the period | 8196 | 72,351 | |
| Revaluation surpluses at the end of the period | 8256P | | |
| Movements during the period | | | |
| Recorded | 8216 | | |
| Acquisitions from third parties | 8226 | | |
| Cancelled | 8236 | | |
| Transfers from one heading to another (+)/(-) | 8246 | | |
| Revaluation surpluses at the end of the period | 8256 | | |
| Depreciation and amounts written down at the end of the period | 8326P | | |
| Movements during the period | | | |
| Recorded | 8276 | | |
| Written back | 8286 | | |
| Acquisitions from third parties | 8296 | | |
| Cancelled owing to sales and disposals | 8306 | | |
| Transfers from one heading to another (+)/(-) | 8316 | | |
| Depreciation and amounts written down at the end of the period | 8326 | | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (27) | 72,351 | |

| ENTERPRISES LINKED BY A PARTICIPATING INTEREST - PARTICIPATING INTERESTS AND SHARES | Codes | Period 2016 | Period 2015 |
|--|--------------|--------------------|--------------------|
| Acquisition value at the end of the period | 8392P | | 117 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8362 | | |
| Sales and disposals | 8372 | | |
| Transfers from one heading to another (+)/(-) | 8382 | | |
| Acquisition value at the end of the period | 8392 | 117 | |
| Revaluation surpluses at the end of the period | 8452P | | |
| Movements during the period | | | |
| Recorded | 8412 | | |
| Acquisitions from third parties | 8422 | | |
| Cancelled | 8432 | | |
| Transfers from one heading to another (+)/(-) | 8442 | | |
| Revaluation surpluses at the end of the period | 8452 | | |
| Amounts written down at the end of the period | 8522P | | |
| Movements during the period | | | |
| Recorded | 8472 | | |
| Written back | 8482 | | |
| Acquisitions from third parties | 8492 | | |
| Cancelled owing to sales and disposals | 8502 | | |
| Transfers from one heading to another (+)/(-) | 8512 | | |
| Amounts written down at the end of the period | 8522 | | |
| Uncalled amounts at the end of the period | 8552P | | 29 |
| Movements during the period (+)/(-) | 8542 | | |
| Uncalled amounts at the end of the period | 8552 | 29 | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (282) | 88 | |

| ENTERPRISES LINKED BY A PARTICIPATING INTEREST - AMOUNTS RECEIVABLE | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------------|--------------------|
| NET BOOK VALUE AT THE END OF THE PERIOD | 283P | | |
| Movements during the period | | | |
| Additions | 8582 | | |
| Repayments | 8592 | | |
| Amounts written down | 8602 | | |
| Amounts written back | 8612 | | |
| Exchange differences (+)/(-) | 8622 | | |
| Other (+)/(-) | 8632 | | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (283) | | |
| ACCUMULATED AMOUNTS WRITTEN OFF ON AMOUNTS RECEIVABLE AT THE END OF THE PERIOD | 8652 | | |

**OTHER ENTERPRISES -
PARTICIPATING INTERESTS AND SHARES**

| | Codes | Period 2016 | Period 2015 |
|---|--------------|-------------|-------------|
| Acquisition value at the end of the period | 8393P | | 4 |
| Movements during the period | | | |
| Acquisitions, including produced fixed assets | 8363 | | |
| Sales and disposals | 8373 | | |
| Transfers from one heading to another (+)/(-) | 8383 | | |
| Acquisition value at the end of the period | 8393 | 4 | |
| Revaluation surpluses at the end of the period | 8453P | | |
| Movements during the period | | | |
| Recorded | 8413 | | |
| Acquisitions from third parties | 8423 | | |
| Cancelled | 8433 | | |
| Transfers from one heading to another (+)/(-) | 8443 | | |
| Revaluation surpluses at the end of the period | 8453 | | |
| Amounts written down at the end of the period | 8523P | | |
| Movements during the period | | | |
| Recorded | 8473 | | |
| Written back | 8483 | | |
| Acquisitions from third parties | 8493 | | |
| Cancelled owing to sales and disposals | 8503 | | |
| Transfers from one heading to another (+)/(-) | 8513 | | |
| Amounts written down at the end of the period | 8523 | | |
| Uncalled amounts at the end of the period | 8553P | | |
| Movements during the period (+)/(-) | 8543 | | |
| Uncalled amounts at the end of the period | 8553 | | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (284) | 4 | |

OTHER ENTERPRISES - AMOUNTS RECEIVABLE

| | Codes | Period 2016 | Period 2015 |
|---|----------------|-------------|-------------|
| NET BOOK VALUE AT THE END OF THE PERIOD | 285/8P | | |
| Movements during the period | | | |
| Additions | 8583 | 13 | |
| Repayments | 8593 | 7 | |
| Amounts written down | 8603 | | |
| Amounts written back | 8613 | | |
| Exchange differences (+)/(-) | 8623 | | |
| Other (+)/(-) | 8633 | | |
| NET BOOK VALUE AT THE END OF THE PERIOD | (285/8) | 6 | |
| ACCUMULATED AMOUNTS WRITTEN OFF ON AMOUNTS RECEIVABLE AT THE END OF THE PERIOD | 8653 | | |

INFORMATION RELATING TO THE SHARE IN THE CAPITAL

SHARE IN THE CAPITAL AND OTHER RIGHTS IN OTHER COMPANIES

List of both enterprises in which the enterprise holds a participating interest (recorded in the headings 280 and 282 of assets) and other enterprises in which the enterprise holds rights (recorded in the headings 284 and 51/53 of assets) in the amount of at least 10% of the capital issued.

| Name, full address of the registered office and for the enterprise governed by Belgian law, the company number | SHARES HELD | | | INFORMATION FROM THE MOST RECENT PERIOD FOR WHICH ANNUAL ACCOUNTS ARE AVAILABLE | | | |
|--|-------------|-------|-------------------|---|------------------|-------------------------|------------|
| | directly | | subsi- diaries | Primary financial statement | Monetary unit | Capital and reserves | Net result |
| | Number | % | % | | | | |
| ATRIAS SCRL Galerie Ravenstein 4 , box 2 B - 1000 Brussels 1 0836.258.873 Stock | 58 | 15.59 | 0.00 | 31/12/2015 | EUR | 18,600 | 0 |
| INTER-REGIES SCRL Rue Royale 55, box 10, B - 1000 Brussels 1 0207.622.758 Stock | 4591 | 26.07 | 0.00 | 31/12/2015 | EUR | 1,127,503 | 12,257 |

OTHER INVESTMENTS AND DEPOSIT, DEFERRED CHARGES AND ACCRUED INCOME (ASSETS)

DEFERRED CHARGES AND ACCRUED INCOME

Period 2016

| Allocation of heading 490/1 of assets if the amount is significant. | |
|---|--------|
| Other expenses to be carried forward | 3,587 |
| Other products acquired | 11,991 |

STATEMENT OF CAPITAL AND SHAREHOLDING STRUCTURE

STATEMENT OF CAPITAL

Codes

Period 2016

Period 2015

| Social capital | | | | |
|---|-------|--|----------------|-------------------------|
| Issued capital at the end of the period | 100P | | | 907,880 |
| Issued capital at the end of the period | (100) | | 657,880 | |
| | | | Amounts | Number of shares |
| Changes during the period | | | | |
| Reduction of capital | | | -250,000 | |
| Structure of the capital | | | | |
| Different categories of shares | | | | |
| Registered shares | | | 657,880 | 9,063,477 |
| Registered shares | 8702 | | | 9,063,477 |
| Shares dematerialized | 8703 | | | |

PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Period 2016

| ANALYSIS OF THE HEADING 164/5 OF LIABILITIES IF THE AMOUNT IS SIGNIFICANT | |
|---|-------|
| Provisions for other liabilities and charges | 7,873 |

STATEMENT OF AMOUNTS PAYABLE, ACCRUED CHARGES AND DEFERRED INCOME

| | Codes | Period 2016 |
|---|-------------|----------------|
| BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL PERIOD TO MATURITY OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM | | |
| Current portion of amounts payable after more than one year falling due within one year | | |
| Financial debts | 8801 | 7,962 |
| Subordinated loans | 8811 | |
| Unsubordinated debentures | 8821 | |
| Leasing and other similar obligations | 8831 | 65 |
| Credit institutions | 8841 | 7,897 |
| Other loans | 8851 | |
| Trade debts | 8861 | |
| Suppliers | 8871 | |
| Bills of exchange payable | 8881 | |
| Advance payments received on contracts in progress | 8891 | |
| Other amounts payable | 8901 | |
| TOTAL AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR, NOT MORE THAN ONE YEAR | (42) | 7,962 |
| Amounts payable after more than one year, between one and five years | | |
| Financial debts | 8802 | 44,120 |
| Subordinated loans | 8812 | |
| Unsubordinated debentures | 8822 | 15,000 |
| Leasing and other similar obligations | 8832 | 99 |
| Credit institutions | 8842 | 29,021 |
| Other loans | 8852 | |
| Trade debts | 8862 | |
| Suppliers | 8872 | |
| Bills of exchange payable | 8882 | |
| Advance payments received on contracts in progress | 8892 | |
| Other amounts payable | 8902 | |
| TOTAL AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR, BETWEEN ONE AND FIVE YEARS | 8912 | 44,120 |
| Amounts payable after more than one year, over five years | | |
| Financial debts | 8803 | 523,749 |
| Subordinated loans | 8813 | |
| Unsubordinated debentures | 8823 | 500,000 |
| Leasing and other similar obligation | 8833 | |
| Credit institutions | 8843 | 23,749 |
| Other loans | 8853 | |
| Trade debts | 8863 | |
| Suppliers | 8873 | |
| Bills of exchange payable | 8883 | |
| Advance payments received on contracts in progress | 8893 | |
| Other amounts payable | 8903 | |
| TOTAL AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR, OVER FIVE YEARS | 8913 | 523,749 |

AMOUNTS PAYABLE GUARANTEED (headings 17 and 42/48 of liabilities) Codes Period 2016

| Amounts payable guaranteed by Belgian public authorities | | |
|---|-------------|---------------|
| Financial debts | 8921 | 38,500 |
| Subordinated loans | 8931 | |
| Unsubordinated debentures | 8941 | |
| Leasing and other similar obligations | 8951 | |
| Credit institutions | 8961 | 38,500 |
| Other loans | 8971 | |
| Trade debts | 8981 | |
| Suppliers | 8991 | |
| Bills of exchange payable | 9001 | |
| Advance payments received on contracts in progress | 9011 | |
| Remuneration and social security | 9021 | |
| Other amounts payable | 9051 | |
| TOTAL AMOUNTS PAYABLE GUARANTEED BY BELGIAN PUBLIC AUTHORITIES | 9061 | 38,500 |

AMOUNTS PAYABLE FOR TAXES, REMUNERATION AND SOCIAL SECURITY

| Taxes (headings 450/3 and 178/9 of the liabilities) | | |
|---|------|--------|
| Expired taxes payable | 9072 | |
| Non expired taxes payable | 9073 | 1,711 |
| Estimated taxes payable | 450 | 32,739 |
| Remuneration and social security (headings 454/9 and 178/9 of the liabilities) | | |
| Amount due to the National Office of Social Security | 9076 | |
| Other amounts payable relating to remuneration and social security | 9077 | |

ACCRUED CHARGES AND DEFERRED INCOME

| Allocation of heading 492/3 of liabilities if the amount is significant | | |
|--|--|--------|
| Other charges to be charged | | 9,576 |
| Other products to carry forward | | 29,463 |

OPERATING RESULTS

| | Codes | Period 2016 | Period 2015 |
|--|-------|-------------|-------------|
| OPERATING INCOME | | | |
| Net turnover | | | |
| Broken down by categories of activity | | | |
| Turnover | | 263,057 | 271,741 |
| Allocation into geographical markets | | | |
| Other operating income | | | |
| Operating subsidies and compensatory amounts received from public authorities | 740 | 66 | 127 |
| OPERATING COSTS | | | |
| Employees for whom the company has submitted a DIMONA declaration or are recorded in the general personnel register | | | |
| Total number at the closing date | 9086 | | |
| Average number of employees calculated in full-time equivalents | 9087 | | |
| Number of actual worked hours | 9088 | | |
| Personnel costs | | | |
| Remuneration and direct social benefits | 620 | | |
| Employers' social security contributions | 621 | | |
| Employers' premiums for extra statutory insurances | 622 | | |
| Other personnel costs | 623 | | |
| Old-age and widows' pensions | 624 | | |
| Provisions for pensions | | | |
| Additions (uses and write-back) (+)/(-) | 635 | | |
| Amounts written off | | | |
| Stocks and contracts in progress | | | |
| Recorded | 9110 | | |
| Written back | 9111 | | |
| Trade debtors | | | |
| Recorded | 9112 | 1,976 | 3,893 |
| Written back | 9113 | 2,161 | 1,851 |
| Provisions for risks and charges | | | |
| Additions | 9115 | | |
| Uses and write-back | 9116 | 46 | 59 |
| Other operating charges | | | |
| Taxes related to operation | 640 | 539 | 441 |
| Other charges | 641/8 | 26,407 | 20,390 |
| Hired temporary staff and persons placed at the enterprise's disposal | | | |
| Total number at the closing date | 9096 | | |
| Average number calculated as full-time equivalents | 9097 | | |
| Number of actual worked hours | 9098 | | |
| Charges to the enterprise | 617 | | |

FINANCIAL RESULTS

| | Codes | Period 2016 | Period 2015 |
|---|-------------|--------------|-------------|
| RECURRING FINANCIAL INCOME | | | |
| Other financial income | | | |
| Subsidies granted by public authorities and recorded as income for the period | | | |
| Capital subsidies | 9125 | 43 | 36 |
| Interest subsidies | 9126 | | |
| Allocation of other financial income | | | |
| Other financial income | | 10 | 471 |
| RECURRING FINANCIAL CHARGES | | | |
| Depreciation of loan issue expenses | | | |
| | 6501 | 3,618 | |
| Capitalized Interests | | | |
| | 6503 | | |
| Amounts written off current assets | | | |
| Recorded | 6510 | | |
| Written back | 6511 | | |
| Other financial charges | | | |
| Amount of the discount borne by the enterprise, as a result of negotiating amounts receivable | 653 | | |
| Provisions of a financial nature | | | |
| Appropriations | 6560 | | |
| Uses and write-backs | 6561 | | |
| Allocation of other financial charges | | | |
| Other financial charges | | 1,161 | 2,201 |

INCOME AND CHARGE OF EXCEPTIONAL SIZE OR INCIDENCE

| | Codes | Period 2016 | Period 2015 |
|---|--------------|--------------|--------------|
| NON-RECURRING INCOME | 76 | 651 | 361 |
| Non-recurring operating income | (76A) | | |
| Write-back of depreciation and of amounts written off intangible and tangible fixed assets | 760 | | |
| Write-back of provisions for extraordinary operating liabilities and charges | 7620 | | |
| Capital gains on disposal of intangible and tangible fixed assets | 7630 | | |
| Other non-recurring operating income | 764/8 | | |
| Non-recurring financial income | (76B) | 651 | 361 |
| Write-back of amounts written down financial fixed assets | 761 | | |
| Write-back of provisions for extraordinary financial liabilities and charges | 7621 | | |
| Capital gains on disposal of financial fixed assets | 7631 | | 115 |
| Other non-recurring financial income | 769 | 651 | 246 |
| NON-RECURRING EXPENSES | 66 | 1,707 | 2,471 |
| Non-recurring operating charges | (66A) | | |
| Non-recurring depreciation of and amounts written off, formation expenses, intangible and tangible fixed assets | 660 | | |
| Provisions for extraordinary operating liabilities and charges: Appropriations (uses) (+)/(-) | 6620 | | |
| Capital losses on disposal of intangible and tangible fixed assets | 6630 | | |
| Other non-recurring operating charges | 664/7 | | |
| Non-recurring operating charges carried to assets as restructuring costs (-) | 6690 | | |
| Non-recurring financial charges | (66B) | 1,707 | 2,471 |
| Amounts written off financial fixed assets | 661 | | |
| Provisions for extraordinary financial liabilities and charges - Appropriations (uses) (+)/(-) | 6621 | | |
| Capital losses on disposal of financial fixed assets | 6631 | | 2,471 |
| Other non-recurring financial charges | 668 | 1,707 | |
| Non-recurring financial charges carried to assets as restructuring costs(-) | 6691 | | |

CORPORATE INCOME TAXES AND OTHER TAXES

| CORPORATE INCOME TAXES | Codes | Period 2016 |
|--|-------------|---------------|
| Income taxes on the result of the period | 9134 | 17,352 |
| Income taxes paid and withholding taxes due or paid | 9135 | 17,352 |
| Excess of income tax prepayments and withholding taxes paid recorded under assets | 9136 | |
| Estimated additional taxes | 9137 | |
| Income taxes on the result of prior periods | 9138 | |
| Additional income taxes due or paid | 9139 | |
| Additional income taxes estimated or provided for | 9140 | |
| In so far as taxes of the period are materially affected by differences between the profit before taxes as stated in annual accounts and the estimated taxable profit | | |
| Deduction for at-risk capital | | -9,129 |
| Taxable provisions | | -46 |
| Reduction of taxable values | | -1,006 |
| Expenses not allowed | | 2 |

| VALUE ADDED TAXES AND OTHER TAXES BORNE BY THIRD PARTIES | Codes | Period 2016 | Period 2015 |
|--|-------|-------------|-------------|
| Value added taxes charged | | | |
| To the enterprise (deductible) | 9145 | 64,511 | 66,955 |
| By the enterprise | 9146 | 106,211 | 93,004 |
| Amounts withheld on behalf of third parties | | | |
| For payroll withholding taxes | 9147 | | |
| For withholding taxes on investment income | 9148 | | |

**RELATIONSHIPS WITH AFFILIATED ENTERPRISES, ASSOCIATED ENTERPRISES
AND OTHERS ENTERPRISES LINKED BY PARTICIPATING INTERESTS**

| AFFILIATED ENTERPRISES | Codes | Period 2016 | Period 2015 |
|---|----------------|--------------------|--------------------|
| Financial fixed assets | (280/1) | | |
| Participating interests | (280) | | |
| Subordinated amounts receivable | 9271 | | |
| Other amounts receivable | 9281 | | |
| Amounts receivable | 9291 | 255 | 22,994 |
| Over one year | 9301 | | |
| Within one year | 9311 | 255 | 22,994 |
| Current investments | 9321 | | |
| Shares | 9331 | | |
| Amounts receivable | 9341 | | |
| Amounts payable | 9351 | 5,931 | 210,066 |
| Over one year | 9361 | | 153,783 |
| Within one year | 9371 | 5,931 | 56,283 |
| Personal and real guarantees | | | |
| Provided or irrevocably promised by the enterprise as security for debts or commitments of affiliated enterprises | 9381 | | |
| Provided or irrevocably promised by affiliated enterprises as security for debts or commitments of the enterprise | 9391 | | |
| Other significant financial commitments | 9401 | | |
| Financial results | | | |
| Income from financial fixed assets | 9421 | | |
| Income from current assets | 9431 | | |
| Other financial income | 9441 | | |
| Debt charges | 9461 | 1,878 | 3,813 |
| Other financial charges | 9471 | 1,125 | 2,174 |
| Disposal of fixed assets | | | |
| Capital gains obtained | 9481 | | |
| Capital losses suffered | 9491 | | |
| OTHER ENTERPRISES LINKED BY PARTICIPATING INTERESTS | | | |
| Financial fixed assets | 9252 | 88 | 88 |
| Participating interests | 9262 | 88 | 88 |
| Subordinated amounts receivable | 9272 | | |
| Other amounts receivable | 9282 | | |
| Amounts receivable | 9292 | | |
| Over one year | 9302 | | |
| Within one year | 9312 | | |
| Amounts payable | 9352 | 414 | 82 |
| Over one year | 9362 | | |
| Within one year | 9372 | 414 | 82 |

FINANCIAL RELATIONSHIPS WITH

| AUDITORS OR PEOPLE THEY ARE LINKED TO | Codes | Period 2016 |
|---|-------------|-------------|
| Auditor's fees | 9505 | 25 |
| Fees for exceptional services or special missions executed in the company by the auditor | | |
| Other attestation missions | 95061 | 38 |
| Tax consultancy | 95062 | |
| Other missions external to the audit | 95063 | |
| Fees for exceptional services or special missions executed in the company by people they are linked to | | |
| Other attestation missions | 95081 | |
| Tax consultancy | 95082 | |
| Other missions external to the audit | 95083 | |

Mentions related to article 133, paragraph 6 from the Companies Code

DERIVATIVES NOT MEASURED AT FAIR VALUE

FOR EACH CATEGORY OF FINANCIAL DERIVATIVES NOT MEASURED AT FAIR VALUE

| Category of financial derivatives | Hedge risk | Speculation/hedging | Volume | Period 2016 | | Period 2015 | |
|-----------------------------------|-------------------|---------------------|-----------|-------------|------------|-------------|------------|
| | | | | Book value | Fair value | Book value | Fair value |
| IRS | EVOLUTION EURIBOR | Hedging | 686,188 | 0 | -74,219 | 0 | -96,349 |
| IRS | EVOLUTION EURIBOR | Hedging | 1,856,000 | 0 | -105,042 | 0 | -125,324 |
| IRS | EVOLUTION EURIBOR | Hedging | 385,115 | 0 | -41,634 | 0 | -53,927 |
| IRS | EVOLUTION EURIBOR | Hedging | 213,074 | 0 | -23,089 | 0 | -29,934 |
| IRS | EVOLUTION EURIBOR | Hedging | 2,500,000 | 0 | -152,498 | 0 | -181,831 |
| IRS | EVOLUTION EURIBOR | Hedging | 391,492 | 0 | -39,340 | 0 | -50,986 |
| IRS | EVOLUTION EURIBOR | Hedging | 2,000,000 | 0 | -8,184 | 0 | -43,911 |
| IRS | EVOLUTION EURIBOR | Hedging | 3,623,100 | 0 | -140,777 | 0 | -298,406 |
| IRS | EVOLUTION EURIBOR | Hedging | 9,212,789 | 0 | -84,960 | 0 | -245,421 |

INFORMATION RELATING TO CONSOLIDATED ACCOUNTS

INFORMATION TO DISCLOSE BY EACH ENTERPRISE THAT IS SUBJECT TO COMPANY LAW ON THE CONSOLIDATED ACCOUNTS OF ENTERPRISES

The enterprise has not published a consolidated annual statement of accounts and a management report, since it is exempt for this obligation for the following reason*

The enterprise and its subsidiaries on consolidated basis exceed not more than one of limits mentioned in art. 16 of Company Law*

The enterprise only has subsidiaries which, considering the assessment of the consolidated assets, consolidated financial position or consolidated results, individual or together, are of a negligible size* (Art. 110 of Company Law)

The enterprise itself is a subsidiary of an enterprise which does prepare and publish consolidated accounts in which annual accounts of the enterprise are included*

INFORMATION TO DISCLOSE BY THE REPORTING ENTERPRISE BEING A SUBSIDIARY OR A JOINT SUBSIDIARY

Name, full address of the registered office and, for an enterprise governed by Belgian Law, the company number of the parent company(ies) and the specification whether the parent company(ies) prepare(s) and publish(es) consolidated annual accounts in which the annual accounts of the enterprise are included**

PUBLIFIN
Rue Louvrex 95
4000 Liège 1, Belgique
0204.245.277

The enterprise draws up consolidated annual accounts data for the major part of the enterprise.

If the parent company(ies) is (are) (an) enterprise(s) governed by foreign law disclose where the consolidated accounts can be obtained**

* Delete where no appropriate.

** Where the accounts of the enterprise are consolidated at different levels, the information should be given for the consolidated aggregate at the highest level on the one hand and the lowest level on the other hand of which the enterprise is a subsidiary and for which consolidated accounts are prepared and published.

5.5. Valuation rules

PREAMBLE

With effect from 1 January 2014, RESA has benefited from a contribution from the “electricity” business line and, with effect from 1 January 2015, a contribution from the “gas” line by the intermunicipal company Publifin. These contributions were made in accounting continuity, assessment rules previously applicable to assets and liabilities within SCIRL Publifin continue to apply. Those assessment rules have been built in as follows:

ASSETS

1. Formation expenses

These consist of costs for changes of voltage, staff training costs and bond issuing charges. These are valued at direct production cost and are fully depreciated in the year of acquisition.

2. Intangible assets

These include:

- office software and other software, valued at acquisition price and depreciated on a straight-line basis over 5 years;
- costs of studies and research, valued as direct return costs, depreciated linearly over 5 years;
- the resulting goodwill from mergers by absorption would in principle have been, in all or in part, allocated to different asset items acquired on the occasion of the merger. These are mainly related to customers and the absorbed network of the entity. They are depreciated linearly over ten years, pro rata for the the first year, which matches the depreciation period usually observed for the sector of activity concerned.

3. Tangible assets

a. General remarks

Since 01.01.2007, all of the customers of the electricity and gas Distribution Network Manager or GRD are liberalised. As such, the CREG (Commission for Regulation of Electricity and Gas) has since 2001 applied a set of assessment rules, depreciation rates and residual values of fixed assets for which it has legal competence. The assessment rules have been adapted accordingly since the fiscal year 2007.

From 2014, the tariff jurisdiction was transferred to the Walloon regional regulator, the Commission Wallonne Pour l’Energie (CWaPE).

b. Assessment

Tangible fixed assets are valued at the net revalued book value (possibly limited to residual predefined values for the assets within the regulator’s jurisdiction, previously acquired in 2002), i.e. the acquisition value or the direct production cost is increased by the added value, by overheads of a percentage of the acquisition value (16.5% until 2007, 32.15% from 2008 to 2012 for “electricity” tangible assets and 16.5% until 2012 for the “gas” business line and then a percentage determined annually based on the fiscal year from 2013 for the two business lines) and decreased by interventions by third parties and recorded depreciation.

c. Reassessment

Capital assets can be reassessed in accordance with Article 57 of the Royal Decree of 30 January 2001, implementing the Corporate Code.

d. Ordinary depreciation

Fixed assets are systematically subjected to depreciation in accordance with Article 57 of the Royal Decree of 30 January 2001, implementing the Corporate Code. Depreciation is applied pro rata using the straight-line method at the following rates:

Business line: “electricity”

- 3% on structures and buildings and 15 kV low voltage network substations;
- 2 percent on low voltage and high voltage lines;
- 3% on other low voltage and high voltage electrical equipment;
- 10% on furniture, tools and electronic equipment;
- 20% on rolling stock;
- 20 % on computer hardware.

Business line: “gas”

- 2% on administrative buildings;
- 3% on industrial buildings;
- 3% on stations, posts and cabins;
- 2% on pipes;
- 2% on connection works;
- 3% on meters;
- 10 % on prepayment meters;
- 10% on telemetry systems;
- 10% on furniture, facilities, machinery and equipment;
- 20% on rolling stock.

e. Withdrawals

In case of withdrawals (disposals), the net revalued book value is decreased for all or part of the depreciation record concerned.

For the particular case of added value from revaluation recorded in accordance with the CREG guidelines, this is subject to a reduction in value of 2% annually as an estimate of decommissioning (imposed by the regulator).

4. Financial fixed assets

Financial fixed assets are listed as assets on the balance sheet at their nominal value or at their acquisition value under deduction of uncalled amounts. Reductions in value are applied for long-lasting or permanent losses.

5. Amounts receivable for over one year

These are listed as assets on the balance sheet at their nominal value or at their acquisition value under any deduction of reductions in value for long-lasting or permanent losses.

6. Stock and manufacturing work in progress

Stock is valued at the weighted average unit price. It is subject to reductions or reversal in value taking into account the status of the stock on the date the financial year closes. Work in process is valued at direct production cost.

7. Amounts receivable within one year

Amounts receivable within a year are recorded at face value. A value reduction is based on the estimated doubtful amounts.

8. Cash investments and disposable assets

These are included in the balance sheet at their nominal value and the fixed-income securities at acquisition value.

9. Regularisation accounts

Adjustment accounts are valued at their nominal value.

LIABILITIES

1. Reserves

The allocation to the legal reserve is in accordance with Article 616 of the Corporate Code.

2. Investment grants

These are taken at face value.

They are transferred annually to the income statement at the same rate as the depreciation of the investment concerned.

3. Provisions for risks and expenses

Provisions are set up to deal with risks or predictable expenses. A reversal of provisions is carried out insofar as these are no longer justified and use is achieved when the risk or charge arises. An annual adjustment is carried out.

4. Liabilities

These are taken at face value.

5. Regularisation accounts

Adjustment accounts are valued at their nominal value.

NON BALANCE-SHEET ITEMS

1. Rights and commitments

These are recorded at face value.

5.6. Statutory auditor's report on the annual accounts as of and for the year ended 31 December 2016

Sint-Stevens-Woluwe, 25 April 2017.

To the shareholders of RESA SA
Liège

As required by law and the Company's articles of association, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the annual accounts, as well as the required additional statements. The annual accounts include the balance sheet as at 31 December 2016, the income statement for the year then ended, and the disclosures.

REPORT ON THE ANNUAL ACCOUNTS — UNQUALIFIED OPINION

We have audited the annual accounts of RESA SA ("the Company") for the year ended 31 December 2016, prepared in accordance with the financial-reporting framework applicable in Belgium, which show a balance sheet total of EUR 1,467,379,696.35 and a profit for the year of EUR 44,306,656.23.

The Board of Directors' responsibility for the preparation of the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these 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 (ISAs) as endorsed in Belgium. 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 Board of Directors and Company's officials 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 give a true and fair view of the Company's net equity and financial position as at 31 December 2016, 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, for the compliance with the applicable legal and regulatory requirements regarding bookkeeping, the Companies' Code and the Company's articles of association.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statements which do not impact our opinion on the annual accounts:

- The Directors' report, prepared in accordance with articles 95 and 96 of the Companies' Code and to be deposited in accordance with article 100 of the Companies' Code, includes, both in terms of form and content, the information required by the Companies' Code, is consistent with the financial statements, and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' Code that we have to report to you.

The statutory auditor
PwC Réviseurs d'Entreprises scrl
Represented by:



Isabelle Rasmont
Réviseur d'Entreprises



Pascal Depraetere
Réviseur d'Entreprises

#6

List of adjudicators

List of the adjudicators of 2016 public contracts awarded on behalf of RESA sa

I. Works contracts

Procurement method: procedure negotiated with publicity.

- BATITEC S.A.
- YVAN PASSOVER SA
- Léon Crosset S.A.
- Delta Thermic
- Donnay-Monami S.A.
- NELLES FRERES
- René Lejeune et Fils S.A.
- Collignon
- COFELY FABRICOM NV
- Jacobs SA
- SM Ronveaux - ETEC - Engema
- Roger Gehlen
- SM Yvan Paque – Jacobs
- Wilkin
- Bodarwe

Procurement method: procedure negotiated without publicity.

- EC Maintenance
- SM RMS – Hydrogaz
- Jacobs S.A.
- Carpentry Baker SPRL
- Heinen
- Cofely Fabricom Infra South
- Collignon
- René Lejeune et Fils S.A.
- Les entreprises Yvo Rinaldi S.A.
- Bati's construct S.P.R.L.

II. Supply contracts

Procurement method: procedure negotiated with publicity.

- Electrabel S.A.
- Citroën Belux NV
- D'Ieteren S.A.
- Renault
- R. Lejeune & Fils
- RICOH BELGIUM S.A.
- Swisstec
- Kabelwerk Eupen AG
- Nexans
- General cable celcat energia e telecomunicacoes S.A.
- Telec S.A.
- Landys + Gyr SA
- Contigea
- Infratech
- Amsterdam Capital Trading BV
- SGC
- Siemens
- CG Power Systems Belgium S.A.
- Amecam
- Syncro System SPRL
- Cargo Lifting
- Van Conversion SPRL
- Infratech
- Emmer Services
- Tube Belgium
- Vigotec Akatherm
- Seppelfricke
- Imbema Belgium
- Elster Cogegaz
- MTTT Grillo
- Dyka
- Elster Cogegaz

Procurement method: procedure negotiated without publicity.

- WIN
- AD Mécanique
- Groupe Gie Schreder
- Hades S.A.Elis
- CDC-CABINS OF CINEY SA
- Electro Engineering Jansen BVBA
- LITHOBETON SA
- SCHNEIDER ELECTRIC
- SICAME Benelux
- MOULAN
- Buysmetal
- Siemens
- Philips Belgium SA
- ABB

- SGC
- Seppelfricke
- Murpro
- Hilti Belgium
- Infratech
- Contigea
- Verhulst
- Emmer Services
- Tecpesa SA
- Andiman
- Canon Belgium
- Office Depot
- Polytec

III. Procurement of services

**Procurement method:
procedure negotiated with publicity.**

- MULTICOM
- Socotec Belgium SPRL
- A.I.B.VINCOTTE BELGIUM
- DIDATA sa
- Ingestic
- Tractebel Engineering S.A.
- Teccon BVBA
- Globezenit Sprl
- RMS
- Ateliers Berton

**Procurement method:
procedure negotiated without publicity.**

- NRB S.A.
- EFEB S.A.
- Deloitte Consulting
- Haulogy.Net S.A.
- LABS ELECTRONIC SA
- Gazomat SARL
- Haulogy Net S.A.
- Ingestic
- Vision Consulting Group S.A.
- Engineering
- CG Holdings Belgium SA

Publisher in charge:

Gil SIMON, General Secretary, RESA S.A.

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Players on the energy market

