



ORES scrł

FINANCIAL REPORT 2016

ORES scr1

FINANCIAL REPORT

Name and Form

ORES. Cooperative Company with Limited Liability.

Registered Office

Avenue Jean Monnet 2, 1348 Louvain-la-Neuve.

Incorporation

Deed of creation published in the appendix of the Belgian Official Journal of 10 January 2014 under number 14012014.

Articles of Association and Amendments

The articles of association were amended for the last time on 25 June 2015 and published in the appendix of the Belgian Official Journal of 4 August 2015 under number 15112270.

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I. MANAGEMENT REPORT

Dear shareholders,

In accordance with the Code des sociétés [Belgian company law] and our memorandum and articles of association, we are pleased to give you a report of our management during the financial year ending 31 December 2016 and submit the annual accounts made up to 31 December 2016 for your approval.

True and fair view on business development, profit/loss and the company's situation

A. PRELIMINARY OBSERVATIONS

Created in 2009, the company ORES scrl is the main network operator for the distribution of electricity and natural gas in Wallonia. Just like its major shareholder, ORES Assets scrl, for which it carries out most of its activities, ORES scrl is developing within a particular context: that of a regulated activity. The services carried out by ORES scrl for its shareholders as part of the management of distribution networks are carried out

at cost price, which means that the profit/loss for the financial year as on December 31 is zero.

ORES scrl therefore conducts tasks for ORES Assets relating to the management of electricity and natural gas distribution networks (maintenance, operation, and development), to public service obligations entrusted to distribution service

operators (hereinafter referred to as "DSO") by the Walloon authorities within this sector and in public communal lighting, to the management of consumption indices, the production of new connections and all other activities inherent to its task. For more information on the latter, as well as about the news and the development of ORES' situation in 2016 – for example, the investments made on behalf of ORES Assets during the financial year, the preparation, introduction and defence of tariff proposals with the regulator as well as taking part in the preparatory work organized by this regulator concerning the principles of the next tariff methodology, or promoting connections to the natural gas network – please refer to the content of the 2016 Activity Report.

Since 2012, ORES Assets has entrusted ORES srl with finding the financing resources needed for its activities – ORES Assets continuing to guarantee the external financing thus taken up. Against this backdrop, in 2016, ORES srl took the opportunity to secure long-term financing via public banking markets. As well as this, as far as short-term financing is concerned, ORES srl has adapted its commercial paper programme, making it an open-ended €550 million programme. Furthermore, in 2016, ORES decided to make use of the so-called tax shelter system by investing in an audio-visual project.

It is also important to underline that during the 2016 financial year, ORES srl continued the work of translating the vision and objectives defined in its 2015-2020 Strategic Plan - entitled "Making energy easier makes life easier" - in a structured set of operational projects. These large projects will fashion the future of the company and its future dynamics. An Operational Strategy department manages programmes focusing mainly on adapting the company to the energy transition and to changes in the market. At the same time, ORES has also committed in 2016 to an initiative aimed at improving the level of its performance. This performance plan, named "Optimum", aims to create value for customers, staff and shareholders through a greater control of costs, expenditure and investments and must deliver its results progressively up to 2022.

Lastly, the 2011 draft agreement on the electricity distribution network for the Ville de Liège, as well as the final version of the agreement, stipulated among other things that from 1 January 2017, the task of managing this network, until then fulfilled by ORES, would be taken over by RESA. Within this context, part of ORES was transferred by ORES Assets to RESA, and was due to be sold back on 31 December 2016. However, it emerged that it would not be possible for RESA to take back certain electronic data by 1 January 2017 (essentially client databases). On this date, apart from these databases, the operational and day-to-day management for the centre of the city of Liège was indeed taken over by RESA. The retrocession of that part of ORES by RESA to ORES Assets was postponed until these electronic databases were fully taken over.

B. COMMENTS ON THE ANNUAL ACCOUNTS WITH A VIEW TO GIVING A TRUE AND FAIR VIEW OF THE BUSINESS DEVELOPMENT AND SITUATION OF THE COMPANY

ELEMENTS FROM THE PROFIT & LOSS STATEMENT AS AT 31/12/2016

The ORES srl turnover amounted to €564,291,000. This represents the costs charged to ORES Assets (€556,065,000) and work carried out for third parties (€8,226,000). The balance of sales and services is represented by other operating income (€7,878,000), principally including recovery of overhead expenses and staff costs as well as recovery over all of the cross-charging connected to agreements concluded by the company, and through income connected to activation of staff costs and costs of a mixed nature on research and development projects (€6,164,000).

As a reminder, ORES srl's profit and loss statement as at 31 December 2016 is zero. In fact, ORES srl manages the distribution networks (electricity and gas) on behalf of ORES Assets, at cost price.

Purchases of goods amounted €64,697,000.

Miscellaneous goods and services (€255,330,000) relate, to a large extent, to investment work and operations and third party remuneration (fees for the N-Allo call centre, external consultants, lawyers or remuneration paid within the context of IT services). The balance is made up of costs relating to usage licences, transport, rent and rental costs, postage, representation, training etc.

Salaries, Social Security expenses and pensions amounted to €251,041,000.

Depreciation (€3,067,000) represents the depreciation for investments capitalised as development costs.

The financial expenses of €30,847,000 essentially include interest on bond issues taken out in October 2012 for €350,000,000, in July 2014 for a total of €80,000,000, in January and February 2015 for €200,000,000, interest on long-term commercial papers (referred to as private investments) taken out in 2012 for a total of €189,750,000, amortisation of bond issue costs and issue premiums on private loans and investments, as well as bank charges.

Taxes worth a total of €3,996,000 represent the tax provision for the profit for 2016 (€3,945,000), as well as the withholding tax associated with the interest earned on investments and on current accounts (€51,000).

The financial income of €30,847,000 is essentially made up of interest on investments (€193,000) and on current accounts (€30,430,000).

ITEMS FROM THE BALANCE SHEET AS AT 31/12/2016

a) ASSETS

Set-up costs of a total of €3,828,000 are made up of bond issue costs of €350,000,000 issued on 2 October 2012, €80,000,000 issued on 29 July 2014 and two lots of €100,000,000 issued on 26 January and 3 February 2015. As a reminder, these are amortised over the duration of the loan period.

Intangible assets, for a total of €12,426,000, are made up of development projects (mainly smart grids – development of smart networks - and smart metering). These assets include consultancy costs, the proportion of salaries for employees assigned to these projects, as well as all costs directly associated with them.

Financial assets, for a total of €817.429,000, are made up of:

- Advances to ORES Assets in the amount of €810,750,000 connected to the private investments negotiated by ORES srl under the programme of commercial bills and bonds issued by ORES srl.
- A securities portfolio of 62 shares in Atrias srl, worth a total of €3,000, a company incorporated in May 2011 to act as the clearing house for the Belgian energy market;
- An advance to Atrias srl of €5,388,000.
- A share portfolio of 4,077 company shares in N-Allo srl for a value of €824,000.
- Rent guarantees of €463,000 (particularly for buildings rented at the Loyers site).

Please note that the stake in Index'is (964,839 shares) was sold on 1 January 2016 to Eandis cvba.

Stock and current orders amount to €33,569,000. Equipment stocks are located throughout Wallonia, with a large proportion in the main supply warehouse in Aye.

Trade receivables (€31,537,000) corresponds to customer balances and bad debts (small in number and fully provided for). They are mainly made up of debts due from Nethys (€3,123,000) and ORES Assets (€25,770,000).

Other receivables (€142,926,000) essentially consist of receivables connected to staff (€33,000), fund advances to ORES Assets (€136,641,000) and by taxes to be recovered (€6,252,000).

Total investments of €52,321,000 have been made in accordance with the decisions of the Board of Directors, with a view to establishing a prudent investment policy. The investment in the SICAV, Degroof, represents a total of €4,999,000, fixed term investments in bank accounts represent a total of €35,000,000 and short-term commercial papers represent a total of €9,500,000. The balance is represented by the greenshoe option on the SICAV ING (€2,821,000).

Liquid assets, €59,840,000, brings together liquidities held in demand deposits and corporate funds.

Deferred charges and accrued income (€1,567,000), mainly represents the provision for interest receivable on bank investments and advances (€67,000), rent paid in advance (€271,000), invoices posted during the 2016 financial year but that also relate to part of 2017 (€695,000), as well as issue premiums on private investments (€164,000).

b) LIABILITIES

Share capital at the end of the financial year 2016 is identical to the share capital as at 31 December 2015 and amounts to €458,000. It is held by ORES Assets, by the pure inter-municipal financing companies IDEFIN, IPFH, FINEST, SOFILUX, FINIMO, SEDIFIN and IEG, as well as by RESA, and is distributed between them according to the following percentages:

ORES Assets	99,68%
IDEFIN	0,04%
IPFH	0,04%
FINEST	0,04%
SOFILUX	0,04%
FINIMO	0,04%
SEDIFIN	0,04%
IEG	0,04%
RESA	0,04%

The capital subsidy account (€23,000) represents the net book value of the subsidy received from Wallonia as part of a project relating to the management of electricity distribution networks open to renewable energy. This subsidy comes under the granting of a budget allocated by the Walloon government as part of the GREDOR project ("Gestion des réseaux électriques de distribution ouverts au renouvelable").

The provisions for risks and expenses (€7,500,000) represent the provision recorded under work to be carried out to "vectorise" the distribution network plans.

Long-term financial debts (€810,750,000) are made up of private investments for a total of €130,750,000, the bond issue of October 2012 for a total of €350,000,000, a bond issue for a total of €80,000,000 taken out in July 2014, two bond issues for a total of €100,000,000 each taken out in January and February 2015, as well as a bank loan of €50,000,000 taken out in December 2016.

Long-term financial debts due during the year (€59,000,000) include the proportion of private investments due in 2017.

Short-term financial debts are made up of commercial papers for a total of €130,000,000, designed to cover ORES Assets' financial needs for the start of 2017.

Trade debts of €62,621,000 corresponds to the supplier balance, to invoices and credit notes to be received and does not include particular debts that are subject to dispute.

Tax, salary and social security liabilities for a total of €49,841,000 include:

- Under tax liabilities (€5,222,000): the balance of payroll taxes to be paid (December 2016 return for €1,276,000) and the estimated tax provision for 2016 (€3,945,000).
- Under salary and social security liabilities (€44,619,000): provisions for bonuses to be paid (incentives) and salaries (leave not taken, overtime, attendance fees) for a total of €13,500,000, ONSS [Social Security contributions] for a total of €12,811,000, as well as provisions for 2017 holiday pay for a total of €18,134,000 and various annual contributions (Inami, ONSS).

Other debts (€15,855,000) primarily represent the balance of the current account to RESA (€12,326,000), to staff (via corporate funds for €3,379,000) and a few receipts awaiting settlement (€150,000).

Deferred income and accrued expenses (€19,395,000) particularly includes the provision used to cover the annuities to be paid to staff members who provided cable television services for the mixed inter-municipal companies (€1,732,000), and an amount of €14,777,000 linked mainly to the financial charges to be paid on our private investments and bond issues.

C. ADDITIONAL OBSERVATIONS

1° Description of the measures taken against the risks and uncertainties faced by ORES.

The following paragraphs describe the measures taken to rectify the known risks and uncertainties facing the ORES economic group. Some risks not identified in this list may exist or, while they may seem limited now, become more important in the future. It should also be noted that the risks below are not presented in order of importance.

1. LEGAL AND REGULATORY RISKS AND UNCERTAINTIES

A legal and regulatory framework defines ORES' activities. Any change introduced by the legislator or regulator may have an impact on the company to a greater or lesser degree. The CWaPE is the regulator with jurisdiction over gas and electricity distribution in the municipalities covered by ORES. A transitional tariff system and tariffs have been approved by the regulator for the 2015, 2016 and 2017 financial years. They fit in with the framework applicable to distribution network operators (DNOs) since 2009. ORES must take care of its operational efficiency and cost control to stay within the budgets approved by the regulator, whilst taking into account new needs in terms of resources connected to the essential adaptation of its networks to energy transition.

The CWaPE has arranged to modify the tariff system applicable to the next regulatory period, which should cover the financial period of 2019-2023. The transition period will be extended to 2018. ORES subscribes to this approach, particularly in view of allowing adaptation of the tariff system to the constraints and cost structure of the DNOs, and to ensure the sustainability of its activities in the long term. Although the change to the tariff system may have an impact on ORES' profitability, this risk is limited by the obligation for the regulator to consider the principles of the European directives for

the “third energy package”, as well as those of the decree of 19 January 2017 on the tariff system applicable to gas and electricity distribution network operators.

Furthermore, measures taken by the Walloon regional authorities may have an impact on ORES. So, the regional policy declaration adopted by the Walloon Government at the beginning of each term of office – one chapter of which is dedicated to energy – defines the outline for the energy policy, including in particular in terms of energy efficiency. Another example: the study requested by the Minister for Energy on standardising tariffs. ORES adopts a proactive attitude in light of the changes that result from this, as well as for all other legal and regulatory modifications that may affect its business. This fits in with its desire to act as a market facilitator, to position itself as the logical, recognised partner and the preferred intermediary for the public authorities in terms of energy policy.

RISKS ASSOCIATED WITH GOVERNANCE AND SHAREHOLDERS

A detailed set of internal rules and procedures relating to governance of the company has been drawn up to make sure that the different bodies of the company work properly, particularly when it comes to management and auditing. By 1 July 2017, the inter-municipal organisation ORES Assets scrl will have finalised the process of making sure that its internal rules comply with the Local Democracy and Decentralisation Code (the Code de la Démocratie locale et de la Décentralisation). The industry committees will be dissolved on this date. As well as this, the group will adopt a joint governance system, whereby the directors of both companies will be the same and act in accordance with very similar operational and organisational rules, and any differences – as minimal as they may be – are justified by the application of different legal norms. These directors will now only be paid for their mandate within one of the two companies.

2. OPERATIONAL RISKS

RISKS ASSOCIATED WITH THE DETERIORATION OF THE NETWORKS

ORES manages its electricity and natural gas distribution networks with one goal: to guarantee their reliability and the continuity of customers’ energy supply. However, natural phenomena – such as storms, floods, snowfall combined with a hard frost etc. – as well as damage caused by third parties – road accidents, hazardous earthworks, vandalism – may cause incidents and damage on these networks. These events are either covered by third-party insurance, or by ORES’ insurance. In some circumstances, ORES acts as its own insurer.

RISKS ASSOCIATED WITH TECHNOLOGICAL ADVANCES AND CHANGES IN THE MARKET

Together, the rapid rise in the number of decentralised electricity production facilities, as well as the development of new technologies, change the environment in which ORES

evolves. The roles of different stakeholders in the market are less clearly defined and new roles emerge. The storage of electricity, flexibility, the use of telecom fibres and the remote management of electricity networks and devices are all developing; new materials and technologies are emerging for public lighting; customers are playing a more active role in managing their energy, whether they are consumers or producers. ORES pays a great deal of attention to these developments, and is keen to reaffirm its role as facilitator, for which it has been well known as a DNO since the liberalisation of the markets began. Against this backdrop, ORES looks at any opportunities for new activities connected to its core areas of business, within Wallonia’s regulatory framework. It also takes part in studies designed to define the interaction between operators in the market, their roles and their associated responsibilities, with a view to consolidating its own activities.

Similarly, the intermittent and random nature of decentralised electricity production results in some uncertainty about the specific criteria that future distribution networks must fulfil. To appreciate these uncertainties, ORES has set up a number of different projects focusing in particular on managing networks and integrating “more intelligence” in distribution and metering facilities (IT, telecoms).

RISKS ASSOCIATED WITH INFORMATION SYSTEMS

Generally speaking, the alteration or loss of databases, a failure in IT systems or applications, the spreading of viruses, hacking or a failure in the telecommunications network can impede the smooth running of the company and the service it offers its customers. ORES takes the measures needed to protect its systems, its applications and its data, as well as their communication, and to avoid any intrusion in the management of its activities. The company strives to be able to react appropriately in the event of any intrusion or security risk to its information systems.

RISKS ASSOCIATED WITH THE QUALITY OF DATA AND THE PROTECTION OF PERSONAL INFORMATION

Managing data and respecting the protection of personal information are key challenges when it comes to complying with regulatory obligations and ensuring effective internal control. It also involves making sure that data management processes are under control. Projects and programmes have been in place since 2013 with a view to consolidating these elements, and also taking in to account the new European regulation on protecting personal information.

ENVIRONMENTAL AND PUBLIC HEALTH RISKS AND URBAN PLANNING RESTRICTIONS

ORES’ activities, as well as its assets, are subject to European, national and regional regulations relating to the environment and urban planning, particularly when it comes to ground pollution, safety equipment

for electrical installations, information, the coordination and organisation of building sites and waste management. These provisions are often complex and subject to change, potentially resulting in a stricter framework. Compliance may therefore demand significant additional costs for ORES, potentially resulting in the postponement of current projects. Provisions have been made to deal with these potential additional costs.

RISKS RELATING TO SAFETY AND WELLBEING

Whatever the activity within the company, ORES feels that it is crucial that its members of staff remember the importance of preventing incidents and respecting health and safety guidelines at all times, in order to limit the risks of accidents and incidents in the workplace. With this in mind, the company has implemented a comprehensive (5-year) action plan, an annual action plan, and an awareness-raising programme spanning several years (entitled "Vigilance partagée", or shared vigilance).

RISKS ASSOCIATED WITH ORES' STRATEGY

ORES' strategy may be called into question by certain external factors that could result in a need for the company to adapt. These factors include changes to regulations or legislation, an inappropriate market model, a lack of available – financial, logistical, human or other – resources etc. Internally, the potential risks are associated with respecting timescales or, more broadly, general project management.

RISKS ASSOCIATED WITH HUMAN RESOURCES

To deal with the many challenges that it faces, ORES needs to attract qualified staff to meet its future needs. It must also be able to keep this talent within the company. To do this, the company has set up a cultural change programme encouraging creativity, interaction and managing confidence and a feeling of closeness.

RISKS OF LEGAL ACTION

The risks of legal action is inherent to ORES' activities. Adequate provisions have been or will be drawn up to cover this risk.

3. FINANCIAL RISKS

CREDIT RISKS

A commercial paper programme was launched at the start of 2011 by ORES scrl guaranteed by ORES Assets scrl. Between 2012 and the end of 2016, a guarantee fund was made available by ORES Assets scrl in favour of ORES scrl. This provided a guarantee for the financing that ORES scrl was responsible for financing the group's activities.

The total amounts collected through the bond issues in 2012, 2014 and 2015, the issuing of private investments and bank loans taken out in 2016 cover the company's financing needs. Two lines of short-term credit have been taken out by ORES scrl for a total amount of €100 million and are available until the end of 2017. ORES is pursuing a financing policy which calls on a diverse range of sources in the capital market.

INTEREST RATE RISKS

Any change in interest rates has an impact on the level of financial expenses. To minimise this risk, ORES applies a financing and debt management policy designed to achieve the optimum balance between fixed and variable interest rates. Furthermore, hedging instruments are used to protect against uncertainties. The financing policy also takes the maturity of the debt into account.

With a view to controlling interest rate risk, ORES also uses derivatives, such as swaps (short-term rates for long-term rates) and interest rate caps. Debt management and market data are closely monitored. No derivative is used for the purposes of speculation.

FISCAL RISKS

ORES Assets scrl and ORES scrl are both liable for corporation tax. Changes in fiscal regulations and their interpretation by the government may have an impact on the group. However, the tariff system stipulates that any fiscal charges are currently incorporated into tariffs, so the impact of such changes and their interpretation is therefore limited for the ORES group.

RISKS ASSOCIATED WITH ASSETS, LIABILITIES AND LIQUIDITY

When it comes to managing these risks, ORES can request a bank guarantee to offset invoices for network usage fees. The company is also consolidating specific debt recovery measures relating to work carried out as part of managing the networks, by granting public procurement contracts to debt recovery companies.

ORES has short-term financing capacity thanks to its programme of commercial papers and credit lines as outlined above; this means that the liquidity risk is virtually non-existent. Cash flow management means that risks associated with the market, the way assets and liabilities are structured and liquidity are limited. The management bodies have established a prudent investment management policy, based on diversification as well as the use of products with limited risks (in terms of credit and rates). ORES is aware of the issue of negative interest rates when it comes to managing its cash flow. Finally, it is worth pointing out that the tariff system stipulates that all the costs associated with the financing policy are covered by the regulatory budget.

MACRO-ECONOMIC AND FINANCIAL CLIMATE RISKS

The current economic climate may have repercussions on the demand for electricity and natural gas, or on ORES' financing conditions, or even on the profit due to be distributed to associates. These risks and their impact are not normally borne by the Group. The tariff system allows for them to be considered within the context of regulatory balances being approved and allocated, in theory, to the tariffs for the next regulatory period.

RISKS ASSOCIATED WITH IMAGE AND REPUTATION

Generally speaking, certain circumstances, events or the substandard quality of any services provided by ORES may have a negative effect on its image. The company pays particular attention to the quality of the services it provides; this includes setting up projects designed to improve the quality of information or of the services offered to customers. It also strives to avoid the proliferation of received ideas, including in particular by communicating appropriately and using different channels about what it does, by managing distribution costs and by thinking about the different components of customers' energy bills.

2° Data on significant post-closing events

« None »

3° Information on circumstances likely to have a significant influence on the company's development

« None »

4° Information relating to research and development activities

Technical development in terms of network management, smart meters and other developments show that significant development costs are generated and that it is highly probable that they will be spread over longer periods of time than in the past.

With this in mind, ORES srl has taken the option to capitalise staff expenses relating to researchers, technicians and other support staff, insofar as they are allocated to a "development" project.

5° Information relating to the existence of branches of the company

« None »

6° The balance sheet doesn't show a loss carried forward or the profit and loss statement doesn't show a loss for the financial year over two successive financial years

7° All information that must be inserted under the Code des sociétés (Belgian Company Law)

« None »

8° The use of financial instruments by the company

As a reminder, a commercial paper programme was launched at the start of 2011 by ORES srl guaranteed by 8 mixed DNOs, who were its shareholders at the time. This programme was adapted in 2016, making it an open-ended €550 million programme.

Since 2013, ORES srl has been tasked by ORES Assets to find the funding needed for its activity. In 2016, ORES srl took out a new bank loan for €50 million. We would also like to point out that two lines of short-term credit have been taken out by ORES srl for a total of €100 million. Nevertheless, ORES srl must in the future pursue a financing policy which calls on a diverse range of sources in the capital market.

A change in interest rates has an impact on the amount of financial expenses. To reduce this risk as far as possible, ORES srl and ORES Assets apply a financing and debt management policy which aims to reach an optimum balance between fixed and variable interest rates. Furthermore, hedging instruments are used to cover uncertain developments. The financing policy takes account of the difference in the lifetime of borrowings and the lifetime of assets. These three points (interest rates, borrowing terms and use of hedging derivatives) have been the subject of decisions made in the competent bodies of ORES Assets / the 8 mixed DSOs before the merger from ORES srl, which has enabled a financial policy to be laid down that is necessary for active management of the debt. This financial policy was adapted to the market situation in 2016.

With a view to controlling interest rate risk, ORES srl and ORES Assets use derivatives, such as interest rate swaps (short-term rates to long-term rates), as well as interest rate caps. Debt management and market data are closely monitored. No derivative is used for the purposes of speculation.

ORES srl centralises liquidity on behalf of the DSO, and has in this regard a current account with the latter which, if funds are needed, is not consequently exposed to price risk, credit risk, liquidity risk, or cash flow risk.





II. ETHICS AND GOVERNANCE

2.1. MANAGING AND SUPERVISORY BODIES

This first section presents the company’s management and supervisory bodies, as well as details of their members for 2016. Details about the roles of these bodies are available on the ORES website, in the Corporate Governance Charter, adopted by the Board of Directors on 6 February 2009 .

Board of Directors

In 2016, ORES’ Board of Directors had 16 members, plus ORES’ Chief Executive. These members also sit on some of the company’s management and supervisory boards.

The Board of Directors is the company’s decision-making body, with the exception of matters that must be decided by the General Shareholders’ Meeting according to the law, a decree or the articles of association. Its main purpose is to ensure the company’s long-term success, in accordance with, on the one hand, the interests of all third parties involved in achieving this purpose, in other words,

shareholders, staff, clients, suppliers and other creditors, and, on the other, the public service obligations that it assumes.

With this in mind, the Board of Directors: identifies the strategic challenges and risks faced by the company; defines the company’s values, its strategy, the level of risks that it is prepared to take and its key policies; and controls the running of the company’s affairs.

The ORES srl Board of Directors met 9 times in 2016.

THE DIRECTORS ARE :

Didier DONFUT,
Chairman
Christophe DISTER,
Deputy Chairman
Anne VEREECKE, Deputy
Deputy Chairman

Denis BARTH
Yves BINON
Daniel BURNOTTE
Fabian COLLARD
Marc DEBOIS

Renaud DEGUELDRE
Claude DESAMA
Paul FICHEROULLE
Philippe KNAEPEN
Bertrand LESPAGNARD

Guy PETIT
Luc RIGAUX
Marc SIEUX

SECRETARY

Francis GENNAUX – who is also the Secretary of all other managing and supervisory bodies.

Executive and Strategic Committee

This Committee is responsible for preparing the decisions of the Board of Directors on any matter relating to the strategic and confidential tasks listed in the Gas and Electricity decree of 12 April 2001 and 19 December 2002, on presentation of documentation by the Chair of the Management Committee (or Chief Executive) and on his or her proposal.

In 2016, the Executive and Strategic Committee of ORES scrl had 9 members. The Committee met a total of 11 times during the year.

The members of the Executive and Strategic Committee are :
Didier DONFUT (Chair) - Christophe DISTER (Deputy Chair)
Anne VEREECKE (Deputy Chair)) - Denis BARTH - Daniel BURNOTTE - Marc DEBOIS - Renaud DEGUELDRE - Claude DESAMA - Bertrand LESPAGNARD

Appointment and Remuneration committee

The principles and rules relating to the remuneration paid to the company's directors, members of the different Management and Supervisory Boards, as well as the Chief Executive and his or her Management Committee are defined by ORES scrl's Appointment and Remuneration Committee.

This Committee is made up of five directors. It met three times in 2016.

The members of the Appointment and Remuneration Committee are:
Philippe KNAEPEN (Chair) - Fabian COLLARD - Marc DEBOIS - Guy PETIT - Marc SIEUX

Audit Committee

This Committee met 3 times during 2016. Its role is to assist the Board of Directors by providing it with opinions relating to the company's accounts but also on the company's internal audit system, the internal audit programme, and the conclusions and recommendations made by this internal audit in reports. The Audit Committee is made up exclusively of non-executive and independent directors. In accordance with point 9 of article

96 §1, Mr Luc Rigaux, in his capacity as auditor at the Cour des comptes, has the necessary expertise in terms of accountancy and auditing.

The Audit Committee has five members:
Denis BARTH (Chair) - Yves BINON - Renaud DEGUELDRE - Philippe KNAEPEN - Luc RIGAUX

Ethics Committee

The Ethics Committee is responsible for checking that the company's staff and directors observe the rules relating to the confidentiality of personal and business information. It met once in 2016.

The Ethics Committee has five members:
Luc RIGAUX (Chair) - Yves BINON - Daniel BURNOTTE - Paul FICHEROULLE - Marc SIEUX

Management Committee

The operational management of the company, including day-to-day management and its representation with regard to third parties, is entrusted to the Management Committee. The Committee in theory meets once a week, apart from during the summer (July/August). The Chair invites members and any guests to meetings and puts together the agenda.

AS OF 31 DECEMBER 2016, ORES SCRL'S MANAGEMENT COMMITTEE WAS MADE UP OF:

**CHAIR –
CHIEF EXECUTIVE**
Fernand GRIFNÉE

**DIRECTEUR
PUBLIC AFFAIRS
& COMMUNICATION**
Isabelle CALLENS

**DIRECTOR OF THE
ADMINISTRATION,
LEGAL AND INSURANCE
DEPARTMENT**
Christine DECLERCQ

**DIRECTOR OF THE
TECHNICAL DEPARTMENT**
Benoît HOUSSARD

**DIRECTOR OF THE
CONTRACT & CUSTOMER
MANAGEMENT AND
OPERATING STRATEGY
DEPARTMENT**
Inne MERTENS

**DIRECTOR OF FINANCE
& CONTROLLING
DEPARTMENT**
Dominique OFFERGELD

**DIRECTOR OF THE
HUMAN RESOURCES
DEPARTMENT**
Chantal PONT

**DIRECTOR OF THE
INFRASTRUCTURE
DEPARTMENT**
Philippe
VAN OPDENBOSCH

SECRETARY

Francis GENNAUX

* As of 31/12/2016, the Chief Executive acted as interim Director of the IT Department.

2.2. REMUNERATION

Preliminary observation

Since it was set up in 2009, ORES and its shareholders have been clear about their desire for excellence and the successful management of electricity and natural gas distribution networks. The same is true for its governance and structures. A rationalisation process was therefore launched in 2013, with the inter-municipal organisation, ORES Assets.

The goal pursued within the context of this process is connected to the many challenges faced by the distribution sector, including energy transition, development of renewable energy outputs connected to the distribution network, digitising activities, improving customer service, consolidating

the company's operating efficiency and the need for greater transparency for the group in the capital markets. The ORES group also intends to maintain the strong, close ties that it has with local authorities. The creation of the inter-municipal organisation – the largest inter-municipal energy organisation in the country – was accompanied by the establishment of eight industry committees, equipped with powerful decision-making powers and boasting a total of 90 directorships.

ORES has decided to publish the remuneration details below voluntarily, when there is no legal obligation to do so.

Board of Directors

In 2016, ORES scrl's Board of Directors had 16 members. They also sit on some of the company's management and supervisory

boards, as well as receiving remuneration for this (see the first part of this section – Management and Supervisory bodies).

PRINCIPLES OF REMUNERATION IN 2016

The remuneration paid to the directors on the Board of Directors of ORES scrl is as follows:

Role	Total remuneration	Frequency of payment
Chairman of the Board of Directors	€21,500 gross per year + attendance fees of €538	Every six months (remuneration* + attendance fees + km travel**)
Deputy Chairman of the Board of Directors	€10,500 gross per year + attendance fees of €538	Every six months (remuneration* + attendance fees + km travel**)
Member of the Board of Directors without a specific role	€5,400 gross per year + attendance fees of €538	Every six months (remuneration(*) + attendance fees + km travel(**))

(*) weighted according to attendance rates – subject to an attendance clause.

(**) €0.3461/km

REMUNERATION POLICY FOR THE NEXT FINANCIAL YEAR

It is important to point out that as of 1 July 2017, the inter-municipal organisation ORES Assets and its subsidiary ORES Scrl will have a "mirror" Board of Directors. As a result, the same people will be on both Boards; they will be remunerated for just one of these two positions (as it happens, for ORES

Assets) according to their actual presence and meetings and in accordance with the remuneration limits stipulated by the Local Democracy and Decentralisation Code (CDLD, or Code de la Démocratie locale et de la Décentralisation), and the other position (for ORES scrl) is fulfilled free of charge.

OVERVIEW OF INDIVIDUAL TOTAL FEES RECEIVED IN 2016

SURNAME	First name	Board of Directors	Executive and Strategic Board	Audit Committee*	Ethics Committee*	Appointment and Remuneration Committee*	Total gross received (in €)
BARTH	Denis	9/9	9/11	3/3			19.510
BINON	Yves	8/9		2/3	1/1		10.81
BURNOTTE	Daniel	6/9	8/11		1/1		11.424
COLLARD	Fabian	5/9				2/3	8.918
DEBOIS	Marc	8/9	10/11			3/3	13.655
DEGUELDRE	Renaud	7/9	9/11	3/3			12.818
DESAMA	Claude	9/9	11/11				12.281
DISTER	Christophe	4/9	3/11				10.063
DONFUT	Didier	9/9	11/11				40.959
FICHEROULLE	Paul	9/9			1/1		10.871
GRIFNÉE	Fernand	9/9	11/11	3/3	1/1	3/3	-
KNAEPEN	Philippe	7/9		2/3		3/3	16.441
LESPAGNARD	Bertrand	9/9	11/11				13.655
PETIT	Guy	9/9				3/3	11.428
RIGAUX	Luc	8/9		3/3	1/1		16.720
SIEUX	Marc	9/9			1/1	3/3	11.707
VEREECKE	Anne	8/9	10/11				21.067

(*) actual presence at meetings / meetings held during the financial year

Management Committee

The company's management is entrusted to the Management Committee, which, as of 31 December 2016, was made up of the Chief Executive, who chairs the committee, and 7 other members.

The Chief Executive manages the company on an independent basis. ORES does not allow the role of managing the company to be fulfilled by someone within the company. He is liable for personal income tax and for all the social security contributions associated with the remuneration that he receives.

The remuneration allocated to the Chief Executive is made up of the following elements:

- basic remuneration (fixed)
- remuneration linked to performance according to whether fixed targets have been achieved with a short-term (45% target) and long-term (15% target) variable
- a set of benefits applicable to the sector and very similar to those granted to members of the Management Committee (group insurance plan, representation costs, vehicle, medical cover).

For services provided in 2016, the remuneration awarded to the Chief Executive is as follows:

	Total gross allocated for 2016 (€)
Basic remuneration (fixed) (as of 31 Dec. 2016)	261.236
Annual variable short-term remuneration (45% target) for 2016	pending decision by the ARC on 2/5/2017
Annual variable long-term remuneration (15% target) for 2016	pending decision by the ARC on 2/5/2017

The total remuneration for the seven other members of the management Committee as of 31 December 2016, for the services provided in the previous year, is as follows:

	Total gross allocated for 2016 (€)
Basic remuneration (fixed) (as of 31 Dec. 2016)	1.132.400
Annual variable remuneration for 2016	pending decision by the ARC on 2/5/2017

The members of the Management Committee also receive all the benefits established by the sector, as is the case for all of the company's executives.



2.3. Prospects

On 31 January 2017, the Boards of Directors of ORES Assets and ORES srl decided to pursue a programme designed to rationalise the group's structures and governance, by approving the following principles:

1. Elimination of the Industry Committees on 30 June 2017.
2. Following this, the creation of consultation structures designed to consolidate the company's local roots, especially in terms of aspects relating to the tariff policy, investments and dividends.
3. The establishment of "mirror" Boards of Directors in the two companies, ORES srl and ORES Assets. This means that the same people will be on both Boards; they will be remunerated for just one of these two positions according to their actual presence at meetings and in accordance with the remuneration limits stipulated by the Local Democracy and Decentralisation Code (CDLD, or Code de la Démocratie locale et de la Décentralisation), and the other position is fulfilled free of charge. The positions held on consultation committees will also be filled at no charge.

This reform will be proposed at the General Meeting on 22 June 2017, to come into force on 1 July the same year. It will of course be implemented in accordance with applicable laws and decrees, if necessary adapted to changes in legal requirements.



III. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AFTER DISTRIBUTION

	(amounts in €)			
	APP.	Codes	Financial Year	Previous Financial Year
ASSETS				
FIXED ASSET		21/28	829.854.113,37	746.869.709,8
Set-up costs	6.1	20	3.828.460,4	4.415.368,96
Intangible Assets	6.2	21	12.425.597,91	9.328.927,65
Tangible Assets	6.3	22/27		
Land and buildings		22		
Facilities, machinery and tooling		23		
Furniture and vehicles		24		
Finance leases and similar entitlements		25		
Other tangible assets		26		
Fixed assets under construction and advances paid		27		
Financial Fixed Assets	6.4/6.5.1	28	817.428.515,46	737.540.782,15
Affiliates	6.15	280/1	810.750.000	731.324.689
Securities holdings		280		
Accounts receivable		281	810.750.000	731.324.689
Other companies with which there is a shareholding connection	5.14	282/3	6.215.624,96	5.760.702,65
Securities holdings		282	827.316,26	1.737.904,92
Accounts receivable		283	5.388.308,7	4.022.797,73
Other financial assets		284/8	462.890,5	455.390,5
Stocks and shares		284		
Cash receivables and guarantees		285/8	462.890,5	455.390,5
CURRENT ASSETS		29/58	321.760.227,21	262.787.730,28
Receivables more than one year old		29		
Trade receivables		290		
Other receivables		291		
Inventory and orders in progress		3	33.569.304,55	29.242.393,10
Inventory		30/36	33.569.304,55	29.242.393,10
Supplies		30/31	33.569.304,55	29.242.393,10
Work in progress		32		
Finished products		33		
Goods		34		
Buildings intended for sale		35		
Payments on account		36		
Orders in progress		37		
Receivables due within one year		40/41	174.462.198,86	121.684.934,92
Trade receivables		40	31.536.558,18	31.934.669,46
Other receivables		41	142.925.640,68	89.750.265,46
Cash investments	5.5.1/5.6	50/53	105.482.080,49	105.482.080,49
Treasury shares		50		
Other investments		51/53	52.320.743,34	105.482.080,49
Cash assets		54/58	59.840.221,45	4.886.807,53
Accruals and deferrals	5.6	490/1	1.567.759,01	1.491.514,24
TOTAL ASSETS		20/58	1.155.442.800,98	1.014.072.809,04

(amounts in €)

	APP.	Codes	Financial Year	Previous Financial Year
LIABILITIES				
EQUITY		10/15	480.752,97	485.666,17
Share Capital	6.7.1	10	457.560	457.560
Subscribed capital		100	457.560	457.560
Non-called-up capital		101		
Legal reserve		11		
Upward value adjustments		12		
Reserves		13		
Legal reserve		130		
Unavailable reserves		131		
For treasury shares		1310		
Other		1311		
Tax-free reserves		132		
Available reserves		133		
Profit (loss) carried forward (+)/(-)		14		
Capital grants		15	23.192,97	28.106,17
Advanced to shareholders on distribution of net assets		19		
PROVISIONS AND DEFERRED TAXES		16	7.500.000	7.500.000
Provisions for risks and expenses		160/5	7.500.000	7.500.000
Pensions and similar obligations		160		
Tax expenses		161		
Major repairs and maintenance		162		
Other risks and charges	6.8	163/5	7.500.000	7.500.000
Deferred taxes		168		
DEBTS		17/49	1.147.462.048,01	1.006.087.142,87
Debts more than one year old	6.9	17	810.750.000	819.750.000
Financial debt		170/4	810.750.000	819.750.000
Subordinated loans		170		
Unsubordinated bond issues		171	630.000.000	630.000.000
Lease finance debt and similar liabilities		172		
Credit Institutions		173	180.750.000	189.750.000
Other borrowing		174		
Trade Debts		175		
Suppliers		1750		
Notes payable		1751		
Prepayments received on orders		176		
Other debts		178/9		
Debts payable within one year		42/48	317.316.969,69	167.376.213,29
Debts payable within one year falling due within the year	6.9	42	59.000.000	
Financial debt		43	130.000.000	50.000.000,00
Credit Institutions		430/8	130.000.000	50.000.000,00
Other borrowing		439		
Trade Debts		44	62.621.426,9	62.338.637,66
Suppliers		440/4	62.621.426,9	62.338.637,66
Notes payable		441		
Prepayments received on orders		46		
Tax, salary and social security liabilities	6.9	45	49.840.599,77	43.458.188,16
Taxes		450/3	5.221.564,17	1.191.345,20
Salaries and Social Security expenses		454/9	44.619.035,6	42.266.842,96
Other debts		47/48	15.854.943,02	11.579.387,47
Accruals and deferrals	6.9	492/3	19.395.078,32	11.579.387,47
TOTAL LIABILITIES		10/49	1.155.442.800,98	1.014.072.809,04

PROFIT AND LOSS STATEMENT

	(amounts in €)			
	APP.	Codes	Financial Year	Previous Financial Year
Sales and services		70/76A	578.332.763,17	592.617.742,78
Revenue	6.10	70	564.290.987,73	578.639.574,19
Manufacturing work-in-progress, finished products and orders in progress: increase (reduction) (+)/(-)		71		
Self-constructed assets		72	6.163.560,8	5.113.173,75
Other income from operations	6.10	74	7.878.214,64	8.864.994,84
Cost of goods and services sold		60/66A	574.350.615,6	587.944.225,22
Raw materials and goods		60	64.696.523,75	65.256.842,23
Purchases		600/8	69.023.435,2	70.410.529,37
Stocks: reduction (increase) (+)/(-)		609	-4.326.911,45	-5.153.687,14
Miscellaneous goods and services		61	255.329.574,9	263.146.083,49
Salaries, social security expenses and pensions (+)/(-)	6.10	62	251.040.713,23	250.023.408,13
Depreciation and write-downs of set-up costs, in intangible and tangible assets		630	3.066.890,54	1.915.218,53
Write-downs of inventory, in orders in progress and in trade receivables: increases (decreases) (+)/(-)		631/4		
Provisions for risks and expenses: increases (used and withdrawn) (+)/(-)	6.10	635/8		7.500.000
Other operating expenses	6.10	640/8	216.913,18	102.672,84
Operating expenses carried to assets as restructuring costs (-)		649		
Non-recurrent operating expenses	6.12	66A		
Operating profit (loss) (+)/(-)		9901	3.982.147,57	4.673.517,56
Financial income		75/76B	30.847.414,08	30.334.107,9
Recurrent financial income		75	30.771.770,38	30.334.107,9
Income from financial investments		750		
Income from current assets		751	30.648.456,23	30.323.610,54
Other financial income	6.11	752/9	123.314,15	10.497,36
Non-recurrent financial income	6.12	76B	75.643,7	
Financial expenses		65/66B	30.847.414,08	30.334.107,9
Recurrent financial expenses	6.11	65	30.847.414,08	30.334.107,9
Debt charges		650	30.681.906,84	30.157.470,45
Write-downs of current assets other than inventory, orders in progress and trade receivables: increases (decreases) (+)/(-)		651		
Other financial expenses		652/9	165.507,24	176.637,45
Non-recurrent financial expenses (+)/(-)		9903	3.982.147,57	4.673.517,56
Profit (Loss) from the financial year before taxes (+)/(-)		780		
Deductions on deferred taxes		680		
Transfer to deferred taxes	6.13	67/77	3.982.147,57	4.673.517,56
Taxes		670/3	3.996.150,3	4.673.517,56
Tax adjustments and reversals of fiscal provisions		77	14.002,73	

(amounts in €)				
	APP.	Codes	Financial Year	Previous Financial Year
Profit (Loss) from the financial year (+)/(-)		9904	0	0
Deductions from tax-free reserves		789		
Transfer to tax-free reserves		689		
Profit (Loss) from the financial year to be allocated (+)/(-)		9905		

APPENDICES

STATEMENT OF SET-UP COSTS

	(amounts in €)		
	Codes	Financial Year	Previous Financial Year
Net book value at the end of the financial year		XXXXXXXXXX	4.415.368,96
Movements during the financial year			
New costs incurred	8002		
Depreciation	8003	586.908,56	
Other (+)/(-)			
Net book value at the end of the financial year		3.828.460,4	
Including			
Capital formation and increase costs, loan issue expenses and other set-up costs	200/2	3.828.460,4	
Restructuring costs	204		

STATEMENT OF INTANGIBLE FIXED ASSETS

	(amounts in €)		
	Codes	Financial Year	Previous Financial Year
RESEARCH AND DEVELOPMENT COSTS			
Acquisition value at the end of the financial year		XXXXXXXXXX	12.848.563,38
Movements during the financial year			
Acquisitions, including capitalised production	8021	6.163.560,8	
Asset disposals and retirements	8031		
Transfers between items (+)/(-)			
Acquisition value at the end of the financial year		19.012.124,18	
Depreciation and downward value adjustments at the end of the financial year		XXXXXXXXXX	3.519.635,73
Movements during the financial year			
Recorded	8071	3.066.890,54	
Traded in	8081		
Acquired from third parties	8091		
Cancelled as a result of asset disposals and retirements	8101		
Transferred between items (+)/(-)			
Depreciation and downward value adjustments at the end of the financial year	8121	6.586.526,27	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	210	12.425.597,91	

STATEMENT OF FINANCIAL ASSETS

	(amounts in €)		
	Codes	Financial Year	Previous Financial Year
AFFILIATED COMPANIES - SHAREHOLDINGS, STOCKS AND SHARES			
Acquisition value at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Acquisitions	8361		
Sales and disposals	8371		
Transfers between items (+)/(-)			
Acquisition value at the end of the financial year			
Capital gains at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Recorded	8411		
Acquired from third parties	8421		
Cancelled	8431		
Transferred between items (+)/(-)			
Capital gains at the end of the financial year			
Downward value adjustments at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Recorded	8471		
Trade-ins	8481		
Acquired from third parties	8491		
Cancelled as a result of asset sales and disposals	8501		
Transferred between items (+)/(-)			
Downward value adjustments at the end of the financial year			
Uncalled amounts at the end of the financial year		XXXXXXXXXX	
Movements during the financial year (+)/(-)			
Uncalled amounts at the end of the financial year			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR			
AFFILIATED COMPANIES - RECEIVABLES			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		XXXXXXXXXX	731.324.689
Movements during the financial year			
Additions	8581	79.425.311	
Reimbursements	8591		
Recorded write-downs	8601		
Reversed write-downs	8611		
Exchange differences (+)/(-)	8621		
Other (+)/(-)			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	281	810.750.000	
CUMULATIVE WRITE-DOWNS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR	8651		

STATEMENT OF FINANCIAL ASSETS

	(amounts in €)		
	Codes	Financial Year	Previous Financial Year
RELATED BUSINESSES - SHAREHOLDINGS, STOCKS AND SHARES			
Acquisition value at the end of the financial year		XXXXXXXXXX	1.737.904,92
Movements during the financial year			
Acquisitions	8362		
Sales and disposals	8372	910.588,66	
Transfers between items (+)/(-)			
Acquisition value at the end of the financial year		827.316,26	
Capital gains at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Recorded	8412		
Acquired from third parties	8422		
Cancelled	8432		
Transferred between items (+)/(-)			
Capital gains at the end of the financial year			
Downward value adjustments at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Recorded	8472		
Trade-ins	8482		
Acquired from third parties	8492		
Cancelled as a result of asset sales and disposals	8502		
Transferred between items (+)/(-)			
Downward value adjustments at the end of the financial year			
Uncalled amounts at the end of the financial year		XXXXXXXXXX	
Movements during the financial year (+)/(-)			
Uncalled amounts at the end of the financial year			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		827.316,26	
RELATED BUSINESSES - RECEIVABLES			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		XXXXXXXXXX	4.022.797,73
Movements during the financial year			
Additions	8582	1.365.510,97	
Reimbursements	8592		
Recorded write-downs	8602		
Reversed write-downs	8612		
Exchange differences (+)/(-)	8622		
Other (+)/(-)			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	283	5.388.308,7	
CUMULATIVE WRITE-DOWNS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR	8652		

(amounts in €)

	Codes	Financial Year	Previous Financial Year
RELATED BUSINESSES - SHAREHOLDINGS, STOCKS AND SHARES			
Acquisition value at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Acquisitions	8363		
Sales and disposals	8373		
Transfers between items (+)/(-)			
Acquisition value at the end of the financial year			
Capital gains at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Recorded	8413		
Acquired from third parties	8423		
Cancelled	8433		
Transferred between items (+)/(-)			
Capital gains at the end of the financial year			
Downward value adjustments at the end of the financial year		XXXXXXXXXX	
Movements during the financial year			
Recorded	8473		
Trade-ins	8483		
Acquired from third parties	8493		
Cancelled as a result of asset sales and disposals	8503		
Transferred between items (+)/(-)			
Downward value adjustments at the end of the financial year			
Uncalled amounts at the end of the financial year		XXXXXXXXXX	
Movements during the financial year (+)/(-)			
Uncalled amounts at the end of the financial year			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR			
OTHER COMPANIES - RECEIVABLES			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR		XXXXXXXXXX	455.390,5
Movements during the financial year			
Additions	8583		
Reimbursements	8593	7.500	
Recorded write-downs	8603		
Reversed write-downs	8613		
Exchange differences (+)/(-)	8623		
Other (+)/(-)			
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	285/8	462.890,5	
CUMULATIVE WRITE-DOWNS ON RECEIVABLES AT THE END OF THE FINANCIAL YEAR	8653		

INFORMATION RELATING TO SHAREHOLDINGS

SHAREHOLDINGS, SHARES AND ASSOCIATED RIGHTS HELD IN OTHER COMPANIES

Information is listed below on the companies in which the company has a shareholding (included under headings 280 and 282 of assets) as well as other businesses in which the company holds shares and associated rights (included under headings 284 subscribed and 51/53 of assets) representing at least 10% of the subscribed capital.

NAME, full address of the REGISTERED OFFICE and for companies regulated by Belgian law, indication of the COMPANY NUMBER	SHARES AND ASSOCIATED RIGHTS HELD			DATA EXTRACTED FROM THE LAST AVAILABLE ANNUAL FINANCIAL STATEMENTS			
	DIRECTLY		BY SUBSIDIARIES	ANNUAL FINANCIAL STATEMENTS MADE UP TO	CURRENCY CODE	EQUITY	NET PROFIT/LOSS
	NUMBER	%	%			(+) OR (-)	(IN UNITS)
N-ALLO BE 0466.200.311 Limited liability cooperative company Chaussée de Louvain 658 1030 Schaerbeek BELGIUM Ordinary	4.077	14		31-12-2015	EUR	2.999.659	962.369
ATRIAS SCRL BE 0836.258.873 Galerie Ravenstein 4/2 1000 Bruxelles BELGIUM Ordinary	62	17		31-12-2015	EUR	18.600	0

CASH INVESTMENTS AND DEFERRED CHARGES AND ACCRUED INCOME

(amounts in €)

	Codes	Financial Year	Previous Financial Year
CASH INVESTMENTS – OTHER INVESTMENTS			
Stocks, shares and investments other than fixed-income investments		4.999.345,96	4.999.345,96
Stocks and shares - Book value increased by the uncalled amount	8681	4.999.345,96	4.999.345,96
Stocks and shares - Uncalled amount	8682		
Precious metals and works of art			
Fixed income securities	52		
Fixed-income securities issued by credit institutions	8684		
Term deposits held with loan institutions	53	44.500.000	98.849.999
With a residual term or notice term		52.450.000	
of less than one month	8686	36.000.000	52.450.000
of more than one month to less than one year	8687	8.500.000	46.399.999
of more than one year	8688		
Other cash investments not listed above	8689	2.821.397,38	1.632.735,53
ACCRUALS AND DEFERRALS			
Breakdown of heading 490/1 from assets if the latter represents a significant amount			
Rentals and rental charges 2017		271.015,67	
Stock option hedging premium		338.670,84	
Interest receivable on investments		67.252,09	
Interest charges to be deferred		196.183,27	
Other charges to be deferred		694.637,14	

STATEMENT OF SHARE CAPITAL AND SHAREHOLDING STRUCTURE

	(amounts in €)		
	Codes	Financial Year	Previous Financial Year
STATEMENT OF SHARE CAPITAL			
Share capital			
Subscribed capital at the end of the financial year	100P	XXXXXXXXXX	457.560
Subscribed capital at the end of the financial year	100		
	Codes	Amounts	Number
Changes during the financial year			
Representation of the share capital			
Share categories			
Ordinary Shares		457.560	2.460
Registered Shares	8702	XXXXXXXXXX	
Bearer and/or dematerialised shares	8703	XXXXXXXXXX	
	Codes	Uncalled amount	Called amount unpaid
Unreleased capital			
Uncalled capital	101		XXXXXXXXXX
Called capital, unpaid	8712	XXXXXXXXXX	
Shareholders liable to pay up shares			
	Codes	Financial Year	
Treasury shares			
Held by the company itself			
Amount of share capital held	8721		
Number of corresponding shares	8722		
Held by its subsidiaries			
Amount of share capital held	8731		
Number of corresponding shares	8732		
Share issue undertaking			
Following exercise of conversion rights			
Amount of outstanding convertible borrowings	8740		
Amount of share capital to be subscribed	8741		
Corresponding maximum number of shares to be issued	8742		
Following exercise of subscription rights			
Number of subscription rights in circulation	8745		
Amount of share capital to be subscribed	8746		
Corresponding maximum number of shares to be issued	8747		

Authorised unsubscribed share capital	8751	
	Codes	Financial Year
<hr/>		
Shares not representing capital		
Distribution		
Number of shares	8761	
Number of votes which are attached	8762	
Breakdown by shareholder		
Number of shares held by the company itself	8771	
Number of shares held by subsidiaries	8781	

SHAREHOLDING STRUCTURE

OF THE COMPANY AT THE YEAR-END

	%	Shares held
<hr/>		
ACTIONNAIRES		
ORES ASSETS	99,68%	2452
RESA	0,04%	1
IDEFIN	0,04%	1
IPFH	0,04%	1
FINEST	0,04%	1
SOFILUX	0,04%	1
FINIMO	0,04%	1
SEDIFIN	0,04%	1
IEG	0,04%	1

PROVISIONS FOR OHER RISKS AND CHARGES

	(amounts in €)
	Financial Year
BREAKDOWN OF SECTION 164/5 OF LIABILITIES WHERE THIS IS A SIGNIFICANT AMOUNT	
Compliance of our plans	7.500.000

STATEMENT OF AMOUNTS PAYABLE, ACCRUED CHARGES AND DEFERRED INCOME

	Codes	Financial Year
BREAKDOWN OF LIABILITIES ORIGINALLY DUE IN MORE THAN ONE YEAR, LISTED ACCORDING TO THEIR DUE DATES		
Debts payable within one year falling due within the year		
Financial debt	8801	59.000.000
Subordinated loans	8811	
Unsubordinated bond issues	8821	
Lease finance debt and similar liabilities	8831	
Credit Institutions	8841	59.000.000
Other borrowing	8851	
Trade Debts	8861	
Suppliers	8871	
Notes payable	8881	
Prepayments received on orders	8891	
Other debts		
Total debts payable within one year falling due within the year		59.000.000
Debts due in more than one year but with no more than 5 years to run		
Financial debt	8802	480.750.000
Subordinated loans	8812	
Unsubordinated bond issues	8822	350.000.000
Lease finance debt and similar liabilities	8832	
Credit Institutions	8842	130.750.000
Other borrowing	8852	
Trade Debts	8862	
Suppliers	8872	
Notes payable	8882	
Prepayments received on orders	8892	
Other debts		
Total debts due in more than one year but with no more than 5 years to run		480.750.000
Debts with more than 5 years to run		
Financial debt	8803	330.000.000
Subordinated loans	8813	
Unsubordinated bond issues	8823	280.000.000
Lease finance debt and similar liabilities	8833	
Credit Institutions	8843	50.000.000
Other borrowing	8853	
Trade Debts	8863	
Suppliers	8873	
Notes payable	8883	
Prepayments received on orders	8893	
Other debts		
TOTAL DEBTS WITH MORE THAN 5 YEARS TO RUN	8913	330.000.000

	(amounts in €)	
	Codes	Financial Year
SECURED DEBTS		
Debts guaranteed by the Belgian public authorities		
Financial debt	8921	
Subordinated loans	8931	
Unsubordinated bond issues	8941	
Lease finance debt and similar liabilities	8951	
Credit Institutions	8961	
Other borrowing	8971	
Trade Debts	8981	
Suppliers	8991	
Notes payable	9001	
Prepayments received on orders	9011	
Salary and social security liabilities	9021	
Other debts		
TOTAL DEBTS GUARANTEED BY THE BELGIAN PUBLIC AUTHORITIES	9061	
DEBTS GUARANTEED BY ACTUAL SECURITIES CONSTITUTED OR IRREVOCABLY PROMISED ON THE COMPANY'S ASSETS		
Financial debt	8922	
Subordinated loans	8932	
Unsubordinated bond issues	8942	
Lease finance debt and similar liabilities	8952	
Credit Institutions	8962	
Other borrowing	8972	
Trade Debts	8982	
Suppliers	8992	
Notes payable	9002	
Prepayments received on orders	9012	
Tax, salary and social security liabilities		
Taxes	9032	
Salaries and Social Security expenses	9042	
Other debts	9052	
TOTAL DEBTS GUARANTEED BY ACTUAL SECURITIES CONSTITUTED OR IRREVOCABLY PROMISED ON THE COMPANY'S ASSETS	9062	
	Codes	Financial Year
TAX, SALARY AND SOCIAL SECURITY LIABILITIES		
Taxes		
Tax liabilities due		
Non-due tax liabilities		1.276.219,26
Estimated tax liabilities		3.945.344,91
Salaries and Social Security expenses		
Liabilities due to the ONSS (National Social Security Office)		
Other salary and social security liabilities		44.619.035,6
		Financial Year
ACCRUALS AND DEFERRALS		
Breakdown of heading 492/3 from liabilities if the latter represents a significant amount		
Provisions related to staff		4.553.144,44
Financial expenses to be charged		14.817.565,84
Insurance premium to be charged		24.368,04

OPERATING PROFIT

	(amounts in €)		
	Codes	Financial Year	Previous Financial Year
OPERATING INCOME			
Net turnover			
Breakdown by activity category			
Network operator		564.290.987,73	578.639.574,19
Breakdown by geographical market			
Belgium		564.290.987,73	578.639.574,19
Other income from operations			
Operational subsidies and compensatory amounts obtained from public authorities publics	740		
OPERATING EXPENSES			
Workers for whom the company has introduced a DIMONA [immediate recruitment declaration] statement or who are on the general register of staff			
Total number at the year-end date	9086	2.370	2.414
Average number of staff calculated in full-time equivalents	9087	2.374	2.400,4
Number of hours actually worked	9088	3.466.722	3.496.427 `
Personnel Costs			
Remuneration and direct social benefits		136.796.654,63	132.482.235,84
Employers' social insurance contributions		41.169.862,32	40.488.422,81
Employers' premiums for extra insurance		55.251.581,7	57.503.172,11
Other staff costs		9.729.666,78	9.036.195,95
Retirement and survivors' pensions		8.092.947,8	10.513.381,42
Provisions for pensions and similar obligations			
Increases (uses and withdrawals) (+)/(-)	635		
Write-downs			
On stocks and orders in progress			
Recorded	9110		
Trade-ins	9111		
On trade receivables			
Recorded	9112		
Trade-ins	9113		
Provisions for risks and expenses			
Constitutions			7.500.000
Uses and withdrawals			
Other operating expenses			
Taxes and fees related to operations		102.619,39	102.619,39
Other	641/8	53,45	53,45
Temporary staff and individuals made available to the company			
Total number at the year-end date		61	54
Average number calculated in full-time equivalents		60,9	54,2
Number of hours actually worked		104.952	94.428
Costs for the company		3.573.661,88	3.254.484,45

FINANCIAL AND EXCEPTIONAL INCOME

(amounts in €)

	Codes	Financial Year	Previous Financial Year
RECURRENT FINANCIAL INCOME			
Other financial income			
Subsidies granted by public authorities and charged to the profit/loss account			
Capital grants	9125	4.913,2	9.826,4
Interest subsidies	9126		
Breakdown of other financial income			
Miscellaneous		118.400,95	77,43
Capital gains on disposals of current assets			593,53
Depreciation of loan issue costs			585.015,40
Interest recorded under assets			
Write-downs on current assets			
Recorded			
Withdrawals			
Other financial expenses			
Amount of discount to be borne by the company on the negotiation of receivables	653		
Financial provisions			
Increases			
Uses and withdrawals			
Breakdown of other financial expenses			
Miscellaneous		15.096,28	18.011,47
Management fee			4.395,55
Commission on line of credit on unraised funds		150.410,96	154.230,43

(amounts in €)

	Codes	Financial Year	Previous Financial Year
INCOME AND EXPENDITURE OF AN EXTRAORDINARY SIZE OR IMPACT			
NON-RECURRENT FINANCIAL INCOME			
Non-recurrent operating income	76	75.643,7	
	76A		
Adjustments to depreciation and write-downs on intangible and tangible fixed assets			
Reversals of provisions for extraordinary risks and operating costs			
Capital gains on the disposal of intangible and tangible fixed assets			
Other non-recurrent operating income			
Non-recurrent operating financial income	76B	75.643,7	
Write-backs on financial fixed assets			
Reversals of provisions for extraordinary risks and financial expenses			
Capital gains on the disposal of financial fixed assets			
Other non-recurrent financial income			
NON-RECURRENT FINANCIAL EXPENSES			
Non-recurrent operating expenses	66		
	66A		
Depreciation and non-recurrent write-downs on set-up costs, on intangible and tangible fixed assets			
Provisions for extraordinary operating risks and expenses: increases (use) (+)/(-)			
Capital loss on the disposal of intangible and tangible fixed assets			
Other non-recurrent operating expenses			
Non-recurrent operating expenses carried to assets as restructuring costs (-)			
Non-recurrent financial expenses	66B		
Write-downs on financial investments			
Provisions for extraordinary financial risks and expenses- increases (use) (+)/(-)			
Capital loss on disposal of financial fixed assets			
Other non-recurrent financial expenses			
Non-recurrent financial expenses carried to assets as restructuring			

DUTIES AND TAXES

	(amounts in €)	
	Codes	Financial Year
TAXES ON PROFIT/LOSS		
Taxes on the financial year profit/loss	9134	3.996.150,3
Taxes and deductions due or paid	9135	50.805,39
Surplus of payments of taxes or deductions recorded under assets	9136	
Estimated additional tax		3.945.344,91
Taxes on previous financial years' profit/loss	9138	
Additional tax due or paid	9139	
Estimated or set-aside additional tax		
Main sources of disparities between the profit before tax, expressed in the accounts, and estimated taxable profit		
Non-deductible expenditure		12.585.521,84

Impact of extraordinary profit/loss on the amount of tax on the profit/loss for the financial year

	(amounts in €)	
	Codes	Financial Year
Sources of deferred taxes		
Deferred assets	9141	
Cumulative tax losses, deductible from subsequent taxable profit	9142	
Other active deferrals		
Deferred liabilities		
Breakdown of deferred liabilities		

	(amounts in €)		
	Codes	Financial Year	Previous Financial Year
VALUE-ADDED TAX AND TAXES BORNE BY THIRD PARTIES			
Value-Added Taxes, entered into			
THE company's accounts (deductible)	9145	69.993.054,33	70.632.166,37
By the company		94.999.414,86	97.736.259,61
Amounts held borne by third parties, for			
Payroll tax	9147	39.475.592,88	40.359.045,78
Withholding tax		50.805,39	242.306,58

OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

	(amounts in €)	
	Codes	Financial Year
PERSONAL GUARANTEES CONSTITUTED OR IRREVOCABLY PROMISED BY THE COMPANY AS A GUARANTEE AGAINST THIRD-PARTY DEBTS OR COMMITMENTS		
Including		
Outstanding bills of exchange endorsed by the company	9150	
Outstanding bills of exchange drawn or guaranteed by the company	9151	
Maximum amount up to which other commitments from third parties are guaranteed by the company		
ACTUAL GUARANTEES		
Actual guarantees constituted or irrevocably promised by the company on its own assets, as a guarantee against the company's debts or commitments		
Mortgages		
Book value of charged properties	9161	
Amount of registration	9171	
Pledges against goodwill – Amount of registration	9181	
Pledges against other assets – Book value of pledged assets	9191	
Collateral provided on future assets - Amount of the assets in question		
Actual guarantees constituted or irrevocably promised by the company on its own assets, as a guarantee against third-party debts or commitments		
Mortgages		
Book value of charged properties	9162	
Amount of registration	9172	
Pledges against goodwill – Amount of registration	9182	
Pledges against other assets – Book value of pledged assets	9192	
Collateral provided on future assets - Amount of the assets in question		
AMOUNTS OF GOODS AND VALUES, NOT DISCLOSED ON THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT AT RISK TO AND FOR THE BENEFIT OF THE COMPANY		
SIGNIFICANT COMMITMENTS FOR ACQUISITIONS OF FIXED ASSETS		
SIGNIFICANT COMMITMENTS FOR DISPOSALS OF FIXED ASSETS		
FUTURES MARKET		
Goods purchased (to be received)	9213	
Goods sold (to be supplied)	9214	
Goods purchased (to be received)	9215	
Goods sold (to be supplied)	9216	
COMMITMENTS RESULTING FROM TECHNICAL GUARANTEES ATTACHED TO SALES OR SERVICES ALREADY CARRIED OUT		
AMOUNT, NATURE AND FORM OF DISPUTES AND OTHER SIGNIFICANT COMMITMENTS		
Guarantees from ORES Assets for the commercial bills issue programme		1.352.500.000
Sureties received under public procurement contracts		16.281.697,05
Stock Options plan		9.193.823,88

MEASURES TAKEN TO COVER THE RESULTING

	(amounts in €)	
	Codes	Financial Year
PENSIONS INCUMBENT UPON THE COMPANY ITSELF		
Estimated amount of commitments resulting from services already performed	9220	
Bases and methods for this estimate		
NATURE AND FINANCIAL IMPACT OF SIGNIFICANT POST-CLOSING EVENTS NOT TAKEN INTO ACCOUNT IN THE BALANCE SHEET OR THE PROFIT AND LOSS STATEMENT		
PURCHASING OR SALES OBLIGATIONS WHICH THE COMPANY HAS AS ISSUER OF SALES OR PURCHASING OPTIONS		
NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT RECORDED ON THE BALANCE SHEE		
So long as the risks or advantages arising from these transactions are significant and insofar as disclosure of the risks or benefits is necessary to assess the financial situation of the company		
OTHER OFF-BALANCE-SHEET RIGHTS INCLUDING THOSE NOT LIKELY TO BE QUANTIFIED		

RELATIONSHIPS WITH AFFILIATED COMPANIES , ASSOCIATED COMPANIES AND OTHER COMPANIES WITH WHICH THERE IS A SHAREHOLDING CONNECTION

(amounts in €)

	Codes	Financial Year	Previous Financial Year
AFFILIATED COMPANIES			
Financial Fixed Assets	280/1	456.072	456.072
Securities holdings		456.072	456.072
Subordinate receivables			
Other receivables			
Receivables	9291	1.365,54	549,95
Payable in more than one year			
Payable within one year		1.365,54	549,95
Cash investments	9321		
Actions			
Accounts receivable			
Debts	9351		
Due in more than 1 year		810.750.000	731.324.689
Due within 1 year		159.985.472,52	113.309.764,53
Personal and actual guarantees			
Constituted or irrevocably promised by the company as a guarantee against affiliated company debts or commitments		1.602.500.000	1.602.500.000
Constituted or irrevocably promised by affiliated companies as a guarantee against the company's debts or commitments			
Other significant financial commitments	9401		
Financial Income			
Income from financial investments			
Income from current assets		30.429.626,56	30.429.626,56
Other financial income			
Debt charges			
Other financial expenses			
Disposals of capital assets			
Capital gains realised			
Capital losses realised			
ASSOCIATED COMPANIES			
Financial Fixed Assets	282/3	6.215.624,96	5.760.702,65
Securities holdings		827.316,26	1.737.904,92
Subordinate receivables			
Other receivables		13.132,66	4.022.797,73
Receivables	9292	13.132,66	40.658,51
Payable in more than one year			
Payable within one year		13.132,66	40.658,51
Debts	9352	538.552,91	1.385.728,94
Due in more than 1 year			
Due within 1 year			1.385.728,94

(amounts in €)

Financial Year

TRANSACTIONS WITH RELATED PARTIES CARRIED OUT UNDER CONDITIONS OTHER THAN MARKET CONDITIONS

Such transactions must be mentioned if they are significant, including the amount and an indication of the nature of the connection with the related party, as well as any other information on the transactions which would be necessary to gain a better understanding of the financial position of the company.

FINANCIAL RELATIONSHIPS WITH :

	(amounts in €)	
	Codes	Financial Year
THE DIRECTORS AND MANAGERS, NATURAL PERSONS OR LEGAL ENTITIES WHO DIRECTLY OR INDIRECTLY CONTROL THE COMPANY WITHOUT BEING CONNECTED TO IT OR OTHER COMPANIES CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS OR ENTITIES		
Receivables on the aforementioned persons/entities	9500	
Main conditions for the receivables, interest rate, term, amounts potentially repaid, cancelled or for which this has been waived		
Guarantees constituted in their favour	9501	
Other significant commitments subscribed in their favour	9502	
Direct and indirect salaries and pensions allocated, charged to the profit and loss account, where mention of this does not elusively or principally concern the situation of a single identifiable person or entity		
To directors and managers	9503	798.311,05
To former directors and former managers	9504	
	(amounts in €)	
	Codes	Financial Year

THE AUDITORS AND PERSONS OR ENTITIES WITH WHOM THEY ARE CONNECTED

Auditors' fees	9505	16.050
Fees for extraordinary services or special tasks carried out within the company by the auditor(s)		
Other certification tasks		
Tax consultancy assignments		
Other assignments outside the auditing task		1.800
Fees for extraordinary services or special tasks carried out within the company by persons or entities with whom the auditor(s) are related		
Other certification tasks		
Tax consultancy assignments		
Other assignments outside the auditing task		

Statements pursuant to article 133, paragraph 6 of the Code des sociétés [Belgian Company law]

STATEMENT RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Information to be completed by companies subject to the provisions of the Code des sociétés [Belgian Company Law] relating to consolidated financial statements

INFORMATION TO BE COMPLETED BY THE COMPANY IF IT IS A SUBSIDIARY OR JOINT SUBSIDIARY

Name, full address of the registered office and, if the company is regulated by Belgian law, the company number of the parent company (companies) and an indication if this (these) parent company (companies) draw(s) up and publish(es) consolidated accounts in which these annual financial statements are incorporated by consolidation*:

ORES Assets
Consolidating parent company - The largest assembly
BE 0543.696.579
Avenue Jean Monnet 2
1348 Louvain-la-Neuve
BELGIQUE

* If the company's accounts are consolidated at several levels, the information is given on the one hand for the largest set and on the other hand for the smallest set of companies of which the company is part as a subsidiary and for which the consolidated financial statements are drawn up and published.

SOCIAL AUDIT

Numbers of joint committees on which the company depends: 326

STATEMENT OF PERSONS EMPLOYED

Workers for whom the company has introduced a DIMONA [immediate recruitment declaration] statement or who are on the general register of staff

	Codes	Total	1. Men	2. Women
DURING THE FINANCIAL YEAR				
Average number of workers				
Full-time		2.051	1.524	527
Part-time		337	125	213
TOTAL IN FULL-TIME EQUIVALENTS (FTE)		2.374	1.647	727
Number of hours actually worked				
Full-time		2.439.784	2.297.333	142.451
Part-time		1.026.938	781.398	245.540
TOTAL		3.466.722	3.078.731	387.991
Personnel Costs				
Full-time		210.724.089,42	164.144.100,08	46.579.989,34
Part-time		32.223.676,01	13.405.891,14	18.817.784,87
TOTAL		242.947.765,43	177.549.991,22	65.397.774,21
Amount of benefits granted in addition to salary	1033			

	Codes	P. Total	1P. Men	2P Women
DURING THE PREVIOUS FINANCIAL YEAR				
Average number of workers in FTE	1003	2.400,4	1.670,7	729,7
Number of hours actually worked	1013	3.496.427	3.128.655	367.772
Personnel Costs	1023	239.510.026,71	176.928.300,94	62.581.725,77
Amount of benefits granted in addition to salary	1033			

Workers for whom the company has introduced a DIMONA [immediate recruitment declaration] statement or who are on the general register of staff (continued)

	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
As at the year-end date				
Number of workers	105	2.038	325	2.399,9
By type of work contract				
Permanent contract		1.926	324	2.234,1
Fixed-term contract		112	1	165,8
Contract for carry out a clearly defined piece of work				
Replacement contract				
By sex and level of study				
Men	120	1.517	119	1.634
primary level	1200	414	21	434,3
secondary level	1201	659	77	734,9
higher non-university level	1202	298	19	316,8
university level	1203	146	2	148
Women	121	521	213	721,6
primary level	1210	124	56	177
secondary level	1211	92	42	132
higher non-university level	1212	252	97	342,8
university level	1213	53	18	69,8
By professional category				
Management personnel	130	234	20	252,6
Employees	134	1.804	312	2.103
Workers	132			
Other	133			

Temporary staff and individuals made available to the company

	Codes	1. Temporary staff	2. Individuals made available to the company
AVERAGE NUMBER OF PERSONS EMPLOYED			
Number of hours actually worked			31,60
Costs for the company			49.774
Frais pour l'entreprise	152	1.231.035,79	2.342.626,09

TABLE OF STAFF MOVEMENTS DURING THE FINANCIAL YEAR

	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
INPUT				
Number of workers for whom the company has introduced a DIMONA [immediate recruitment declaration] statement or who were registered on the general register of staff during the financial year	205	100	3	100,6
By type of work contract				
Permanent contract	210	39	2	39,4
Fixed-term contract	211	61	1	61,2
Contract for carry out a clearly defined piece of work	212			
Replacement contract	213			
	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
STAFF DEPARTURES				
Number of workers whose contract end date has been recorded in a DIMONA statement or on the general staff register during the financial year.	305	143	4	144,9
By type of work contract				
Permanent contract	310	61	4	62,9
Fixed-term contract	311	82	0	82
Contract for carry out a clearly defined piece of work	312			
Replacement contract	313			
By reason of termination of contract				
Pension	340	27		27
Unemployed with company supplement	341	13		13
Dismissal	342	16		16
Other grounds	343	87	4	88,9
Including: the number of persons who are continuing, at least part-time, to provide services for the company as self-employed	343	87	4	88,9

INFORMATION ON TRAINING FOR WORKERS DURING THE FINANCIAL YEAR

	Codes	Total	1. Men	2. Women
Initiatives in terms of formal continuous professional development at the employer's expense				
Number of workers concerned	5801	1.501	5811	643
Number of hours of training undertaken	5802	79.385	5812	24.357
Net cost to the company	5803	11.152.185,97	5813	3.507.824,99
including the gross costs directly linked to training	58031	11.152.185,97	58131	3.507.824,99
including contributions paid and payments to collective funds	58032		58132	
including subsidies and other financial benefits received (to be deducted)	58033		58133	
Initiatives in terms of less formal or informal continuous professional development at the employer's expense				
Number of workers concerned	5821	27	5831	6
Number of hours of training undertaken	5822	4.651	5832	15
Net cost to the company	5823	271.535,99	5833	2.132,93
Initiatives in terms of initial professional training at the employer's expense				
Number of workers concerned	5841	22	5851	7
Number of hours of training undertaken	5842	30.052	5852	22.083
Net cost to the company	5843	127.765,20	5853	38.030,70

ACTIVE VALUATION RULES

SET-UP COSTS:

This heading includes costs relating to the formation, development or restructuring of the company, such as the formation or increase of the share capital, loan issue costs.

The depreciation of set-up costs should follow the requirements of the first paragraph of article 59 of the Royal Decree of 30 January 2001, stipulating that set-up costs are subject to the appropriate depreciation, in annual bands of at least 20% of the sums actually expended. However, the depreciation of loan issue costs may be distributed over the entire term of the loan.

With relation to us, the costs recorded under this item relate to the issue costs of our bonds; they are depreciated as the law proposes over the entire term of the loan.

INTANGIBLE FIXED ASSETS:

Intangible fixed assets are intangible production means. They represent assets that are fixed because the company wishes to use them as operational resources. They imply, in other terms, an operational capacity of a limited or unlimited term. According to the royal decree of 30 January 2001 (article 95, paragraph 1), the following must be distinguished:

- development costs;
- Concessions, patents and licences, know-how, trademarks and other similar rights;
- goodwill;

Intangible fixed assets are accounted for if and only if it is probable that the future economic advantages attributable to the assets will go to the company and if the cost of these assets can be reliably assessed.

Intangible fixed assets are initially assessed at their cost. The cost of an intangible fixed asset generated internally is equal to the sum of the expenses incurred from the date on which this intangible fixed asset meets accounting criteria according to Belgian standards. The cost of an intangible fixed asset generated internally includes all directly attributable costs necessary to create, produce and prepare the fixed asset so that it can be used in the way planned by the management.

After their initial accounting, intangible fixed assets are accounted for at their cost less total depreciation and total impairments. Intangible fixed assets are depreciated according to the straight-line method over the estimated useful life of the fixed asset.

ORES has taken the option of activating development costs as intangible fixed assets.

Development costs likely to be recorded under the assets as intangible fixed assets are the costs of manufacturing and developing prototypes, products, inventions and know-how useful to the future activities of the business.

In this context, the following costs have been activated:

- Staff expenses relating to researchers, technicians and other support staff, insofar as they are allocated to carrying out a project which complies with the definition above;
- The costs of instruments and equipment insofar as and for as long as they are used for carrying out the project. If these are not used for their entire useful life for carrying out the project, only the depreciation costs corresponding to the useful life of the project are therefore admissible;
- The costs of the services of consultants and equivalent services used to carry out the project;
- Other operational costs, including the cost of materials, supplies and similar products, supported directly because of the carrying out of the project.

An intangible fixed asset resulting from the development cost activity is then depreciated using the straight-line method over its useful life (fixed at 5 years) and then reduced by any impairments.

FINANCIAL FIXED ASSETS:

Financial fixed assets are recognised at their acquisition value less the uncalled part.

At the end of each company financial year, an individual assessment of each security in the portfolio is carried out so as to reflect, as satisfactorily a manner as possible, the situation, profitability and prospects of the company in which the interest or shares are held.

RECEIVABLES DUE IN MORE THAN ONE YEAR:

Receivables due in more than one year are accounted for at the book value and are subject to write-downs in the event of long-term depreciation.

INVENTORY:

Stocks are valued at the weighted average price.

ACCOUNTS RECEIVABLE DUE WITHIN ONE YEAR:

Accounts receivable due within one year are valued at their nominal value.

A write-down is made when the estimated value at the financial year-end is less than the book value.

CASH INVESTMENTS:

Investment securities are recorded under balance sheet assets at their purchase price, excluding ancillary costs, or at their transfer value.

At the close of the financial year, they are assessed at the lowest of the following values: purchase price or transfer value or the stock-market value at the financial year-end.

CASH ASSETS

The rules for assessing cash assets are the same as those for receivables due within one year. Asset adjustment accounts:

The expenses exposed during the financial year but chargeable in whole or in part to a previous financial year are recorded in the adjustment accounts based on a proportional rule. Income or fractions of income which are only paid during one or more following financial years but which are to be attached to the financial year in question are accounted for in the amount of the portion relating to the financial year in question.

LIABILITIES

TAX-FREE RESERVES

Capital gains and profits where tax immunisation is subject to them being held in the company's assets are categorised under this heading.

PROVISIONS AND DEFERRED TAXES

At the end of each financial year, the Board of Directors, acting prudently, sincerely and in good faith, examines the provisions to be made.

Debts due in more than one year and within one year: These debts are accounted for at their nominal value

LIABILITY ADJUSTMENT ACCOUNTS

Expenses or the portion of expenses relating to the financial year but which are only paid during a subsequent financial year are recorded in the adjustment accounts for the amount relating to the financial year. The income received during the financial year but which are chargeable in whole or in part to a subsequent financial year are also accounted for in the amount which should be considered to be income for the subsequent financial year



IV. AUDITOR'S REPORT



ORES SCRL

RAPPORT DU COMMISSAIRE À L'ASSEMBLÉE GÉNÉRALE DES ASSOCIÉS DE LA SOCIÉTÉ SUR LES COMPTES ANNUELS POUR L'EXERCICE CLÔTURÉ LE 31 DÉCEMBRE 2015

Conformément aux dispositions légales et statutaires, nous vous faisons rapport dans le cadre de notre mandat de commissaire. Ce rapport inclut notre opinion sur les comptes annuels ainsi que les déclarations complémentaires requises. Les comptes annuels comprennent le bilan au 31 décembre 2015, le compte de résultats de l'exercice clos à cette date et l'annexe.

RAPPORT SUR LES COMPTES ANNUELS – OPINION SANS RÉSERVE

Nous avons procédé au contrôle des comptes annuels de la société pour l'exercice clos le 31 décembre 2015, établis sur la base du référentiel comptable applicable en Belgique, dont le total du bilan s'élève à 1.014.072.809,04 EUR et dont le compte de résultats se solde par résultat de l'exercice de 0,00 € EUR.

Responsabilité de l'organe de gestion relative à l'établissement des comptes annuels

L'organe de gestion est responsable de l'établissement des comptes annuels donnant une image fidèle conformément au référentiel comptable applicable en Belgique, ainsi que la mise en place du contrôle interne qu'il estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Responsabilité du commissaire

Notre responsabilité est d'exprimer une opinion sur ces comptes annuels sur la base de notre audit. Nous avons effectué notre audit selon les normes internationales d'audit (ISA). Ces normes requièrent de notre part de nous conformer aux exigences déontologiques, ainsi que de planifier et réaliser l'audit en vue d'obtenir une assurance raisonnable que les comptes annuels ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les comptes annuels. Le choix des procédures mises en œuvre, y compris l'évaluation des risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraude ou résultent d'erreurs, relève du jugement du commissaire. En procédant à cette évaluation des risques, le commissaire prend en compte le contrôle interne de l'entité relatif à l'établissement de comptes annuels donnant une image fidèle, cela afin de définir des procédures d'audit appropriées selon les circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité.

AUDIT | TAX | CONSULTING

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