



SOCIÉTÉ GÉNÉRALE DE BELGIQUE
GENERALE MAATSCHAPPIJ VAN BELGIË

[in 1999]



Member of SUEZ LYONNAISE DES EAUX

SOCIÉTÉ GÉNÉRALE DE BELGIQUE GENERALE MAATSCHAPPIJ VAN BELGIË

[in 496]

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SGB's contribution to the consolidated results of Suez Lyonnaise des Eaux (at 31.12)

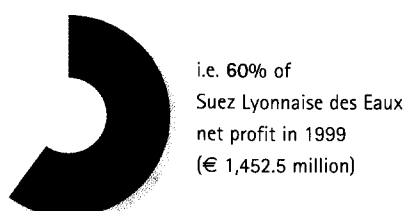
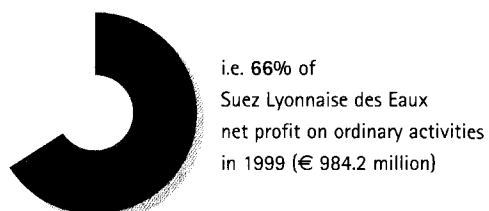
1998



1999

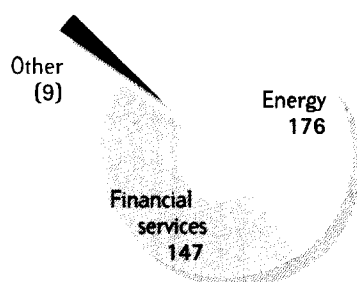


- Net profit on ordinary activities - group share (millions of €)
- Exceptional net profit - group share (millions of €)



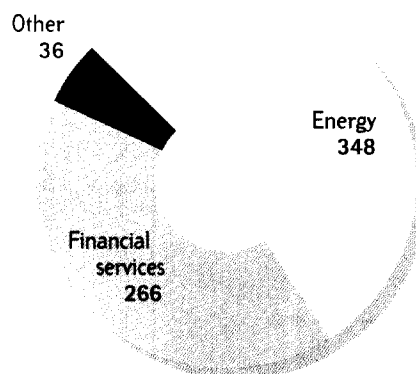
Analysis of SGB's contribution to the consolidated net profit on ordinary activities of Suez Lyonnaise des Eaux (millions of €) (at 31.12)

1998



Total : € 314 million

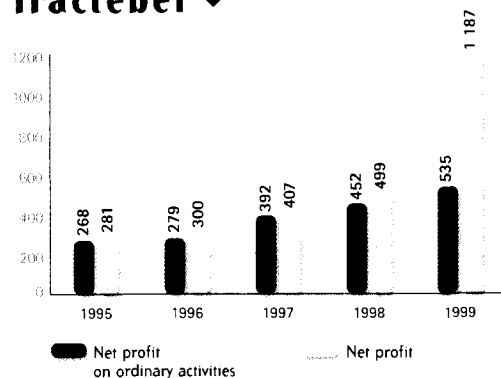
1999



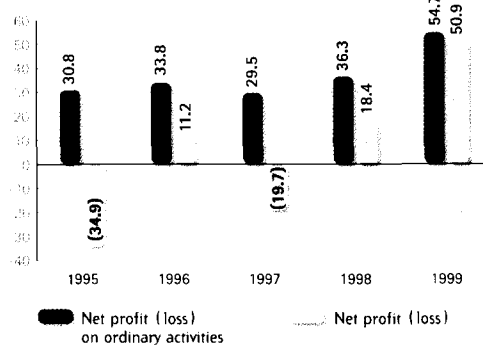
Total : € 650 million

Results of the SGB group companies (millions of €) (at 31.12)

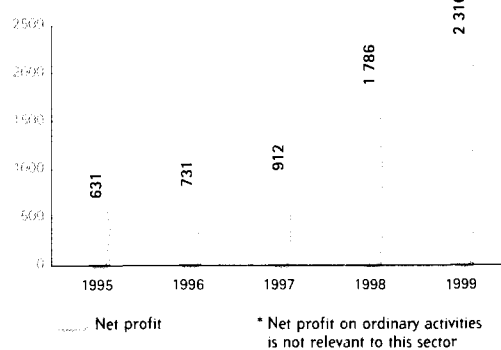
Tractebel ♦



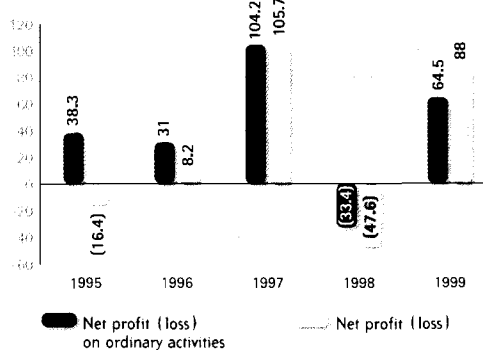
Elyo ♦



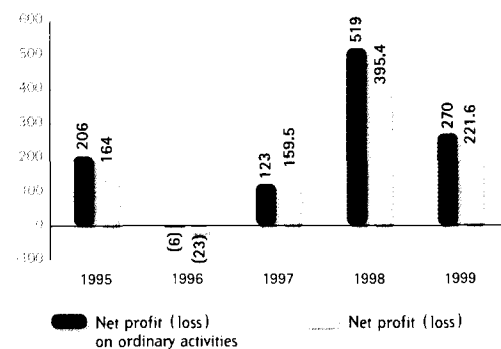
Fortis* ♦



Union Minière ■



Arbed ■



♦ Group share
 ■ Group share + minority shareholders

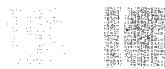
CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S Message



To our regular readers it may seem as though we are stating the obvious but the facts cannot be ignored: the results achieved in 1999, which are a faithful reflection of the options taken in 1998, are once again an all-time record for Société Générale de Belgique.

The reinforcement of the energy division, the consolidation of the financial sector centring on Fortis and Union Minière's return to profit are the key factor underlying the substantial rise in the Générale's profit on ordinary activities.

Making the Tractebel group a world leader remains the top priority. The successful share exchange offer made by Suez Lyonnaise des Eaux and the Générale for Tractebel, the acquisition by Société Générale de Belgique of Elyo with a view to subsequently transferring it to Tractebel and so completing the construction of a single energy division within the Suez Lyonnaise des Eaux group, the controlling interest acquired by Electrabel in EPON, the leading Dutch electricity producer, and the on-going international expansion in the energy sector have highlighted the group's dynamic force. But, although it is essential to make the most of market openings as and when they occur, it is also vitally important, in an operating environment which is rapidly evolving following the liberalisation of the gas and electricity sector in Europe, to define a growth strategy for the medium term.



In January 1999 Tractebel's strategy committee asked the general management to set up an "ambitious industrial plan". At the beginning of 2000 the new Chief Executive Officer, Jean-Pierre Hansen - Tractebel and Philippe Bodson having noted with regret their failure to agree - put forward a series of proposals taking into account Tractebel's specific requirements.

In the Fortis group, "Fortis Bank" was created as a result of the amalgamation of the group's banking operations, subsequently joined by Banque Générale du Luxembourg following a share exchange offer which was supported by its Board of Directors and management.

Union Minière, with the full backing of its shareholder, has achieved a turnaround and has moved back into the black, marking the start of a period of sustainable growth. The company is now looking at the various options available to it to continue its development.

In the course of the past year the new working relationship between Société Générale de Belgique and Suez Lyonnaise des Eaux, the sole shareholder, was clearly defined, with the Générale assuming delegated responsibilities. Its management continues to report to the Executive Committee and the Board of Directors. No changes have been made to the composition of these two bodies so as to ensure that the company continues to benefit from the skills and experience of their members, in relation to both corporate governance and strategy.

The commitment and motivation of SGB's entire staff have ensured that the harmonisation of working methods within the group has gone forward smoothly. The skills and the results achieved have encouraged the Franco-Belgian group, Suez Lyonnaise des Eaux to develop a unique strategy relying on two headquarters, one in Paris and the other in Brussels.

Christine Morin-Postel
Chief Executive Officer

Etienne Davignon
Chairman of the Board

SOCIÉTÉ GÉNÉRALE DE BELGIQUE S.A. Directors' Report



The foremost event in 1999 was the acquisition by Société Générale de Belgique, from Suez Lyonnaise des Eaux, of Elyo, a company operating in the energy sector. SGB has undertaken to transfer this interest to Tractebel with a view to creating a single Energy division within Suez Lyonnaise des Eaux.

In the second half of the year Suez Lyonnaise des Eaux and Société Générale de Belgique jointly launched a share exchange offer for the outstanding Tractebel shares they wished to acquire. This offer was successful and by the time it closed the interest held in Tractebel had been increased to 98.18%. In the course of the first half of 2000, the shares acquired by Suez Lyonnaise des Eaux under the offer will be transferred to Société Générale de Belgique.

Société Générale de Belgique's portfolio also underwent other major changes, with the interest held in Coficem being sold to Suez Lyonnaise des Eaux, followed by the acquisition at the end of the year of the balance of Genfina's capital, previously held by the Tractebel group.

Finally the Générale sold off Fortis (B) shares during the year, bringing down its holding from 21.7% at the end of 1998 to 20.2% at the end of 1999. These sales were effected under the commitment entered into in 1998, at the time we transferred our interest in Generale Bank to Fortis AG, to the effect that we would eventually reduce our holding in Fortis (B) to approximately 20%.

SGB and Corporate Citizenship

The changes which have taken place in the shareholder base of Société Générale de Belgique have in no way altered its patronage policy. This policy dovetails perfectly with that of Suez Lyonnaise des Eaux, stressing as it does the importance of remaining close to the environment in which it operates, both in terms of its activities and the values it represents.

Reflecting the philosophy underlying SGB's patronage policy – which focuses on long-term involvement rather than random, event-based actions – we continued to support projects initiated in the past. In 1999 the Générale assisted 51 associations.

1999 and also 2000 will remain marked by two very important, closely linked projects, which form part of the Brussels 2000, European city of culture, programme of events.

Firstly, Société Générale de Belgique is participating in this prestigious, year-long event as a structural sponsor, along with nine other large companies. Secondly, the Générale decided to make a permanent contribution to the city in the form of a unique project, which is both unexpected and ambitious: the restoration of the Roman crypt underneath the Cathedral of Saint Michael and Saint Gudula.

The crypt was discovered in October 1991 by the archaeologists of the Royal Society of Archaeology in Brussels. On completion of the excavation work the crypt was provisionally filled in to safeguard the stability of the cathedral. Without the Générale's intervention the crypt would have been lost forever under the new stone floor of the choir which was laid under the restoration programme which is now nearing completion.

The crypt has been roofed over with a concrete slab to permit visitor access. It dates back to at least 1047 and is the oldest monument in Brussels which can be visited. It pre-dates the first crusade, when Godfrey of Bouillon was crowned King of Jerusalem (1099) or, for our English readers, the Battle of Hastings (1066).

The restoration of the crypt adds a historical and archaeological dimension to the remarkable renovation of the Cathedral of Saint Michael and Saint Gudula and provides an important insight into the origins of the city of Brussels.



Board and Committees

BOARD OF DIRECTORS*

Chairman

Etienne Davignon

Deputy Chairmen

Maurice Lippens ■
*Chairman-Chief Executive Officer,
Fortis (B)*

Gérard Mestrallet ♦
*Chairman of the Executive Board,
Suez Lyonnaise des Eaux*

Chief Executive Officer

Christine Morin-Postel

Board Members

Michel Bleitrach ■ *(since 19/5/99)*
Chairman-General Manager, Elyo

Philippe Bodson ●
Board Member, Tractebel

Philippe Brongniart ♦
*Member of the Executive Board,
Suez Lyonnaise des Eaux*

Patrick Buffet ♦
Deputy General Manager, Suez Lyonnaise des Eaux

Valère Croes ●
Chairman, Sabena

Jean-Claude Dehovre ●
Chairman, SRIW

François de Laage de Meux ●
*Chairman, Comité national français de la
Chambre de Commerce internationale*

Thierry de Rudder ▲
*Chief Executive Officer,
Groupe Bruxelles Lambert*

Gérald Frère ▲ *(since 19/5/99)*
*Chief Executive Officer,
Groupe Bruxelles Lambert*

Jean Gandois ●
Former Chairman, Cockerill-Sambre

Jean-Pierre Hansen ■ *(since 19/5/99)*
*Chairman of the Management Committee and
Chief Executive Officer, Tractebel*

François Jaclot ♦
*Member of the Executive Board,
Suez Lyonnaise des Eaux*

Joseph Kinsch ■
Chairman, Arbed

Philippe Liotier ▲
Deputy Chairman, Recticel

Philippe Malet ♦
*Former member of the Supervisory Board,
Suez Lyonnaise des Eaux*

Xavier Moreno ♦
Chairman-General Manager, Suez Industrie

Patrick Ponsolle ▲
Executive Chairman, Eurotunnel Group

Hugo Vandamme ●
Chief Executive Officer, Barco

Piet Van Waeyenberge ▲
Chairman-Chief Executive Officer, De Eik

Karel Vinck ■
Chief Executive Officer, Union Minière

Gérard Worms ▲
Partner, Rothschild et Cie Banque

Secretary

Jean-Pierre Standaert

**The periods of office of the members of the Board of Directors expire at the close of the Annual General Meeting of 2000, except for Michel Bleitrach, Gérald Frère, Jean-Pierre Hansen, François Jaclot and Hugo Vandamme, whose periods of office expire at the close of the Annual General Meeting of 2002.*

♦ *De facto representative of Suez Lyonnaise des Eaux*

■ *Member of the management of Group companies*

● *Independent*

▲ *Does not belong to any of the above categories*

EXECUTIVE COMMITTEE

Chairman

Gérard Mestrallet

Members

Michel Bleitrach *(since 19/5/99)*

Philippe Brongniart

Patrick Buffet

Valère Croes

Etienne Davignon

Jean-Pierre Hansen

François Jaclot

Maurice Lippens

Xavier Moreno

Christine Morin-Postel

Karel Vinck

Secretary

Jean-Pierre Standaert



AUDIT COMMITTEE

Chairman

François de Laage de Meux

Members

Valère Croes

Hugo Vandamme

REMUNERATION COMMITTEE

Etienne Davignon

François Jaclot

Gérard Mestrallet

Christine Morin-Postel

MANAGEMENT COMMITTEE

Chairman

Christine Morin-Postel
Chief Executive Officer

Members

Eric Bitton
Director Planning and Control

Etienne Davignon
Chairman of the Board

Jean-Jacques Massart
Communications Director
Human Resources Director

Jean-Pierre Standaert
Secretary General
Director Legal Affairs

Michel Van den Berghe
Finance Director

Secretary

Jean-Pierre Standaert

ADVISERS

Paul De Keersmaecker

Philippe de Woot de Trixhe

Jean Van Marcke

REPRESENTATIVES ABROAD

Japan / Southeast Asia
SGB Representative Office, Tokyo

People's Republic of China
Lino Giudice

Democratic Republic of the Congo
Representative Office

Coordination in Belgium
Georges Nève

JOINT STATUTORY AUDITORS

ARTHUR ANDERSEN
Company Auditors, SC C
Represented by Henri Lemberger
Montagne du Parc 4 - 1000 Brussels

DELOITTE & TOUCHE
Company Auditors, SC C
Represented by Claude Pourbaix
Avenue Louise, 240 - 1050 Brussels

Corporate Governance at SGB

The de-listing of the "part de réserve" shares in no way altered the manner in which the decision-making bodies of Société Générale de Belgique operate.

In addition, in view of the relative importance within the Group of the activities managed from Belgium, Suez Lyonnaise des Eaux has decided to leave the SGB's Board of Directors in place, and to continue to call on the skills and experience of the independent directors on the Board who have a more detached view of the issues to be dealt with.

In fulfilment of its commitment, Société Générale de Belgique continued to implement its communication policy in order to keep the general public and economic and financial circles up to date with developments at SGB within the Suez Lyonnaise des Eaux group.

THE BOARD OF DIRECTORS

The Board of Directors held 7 meetings in 1999.

In particular, it discussed the acquisition of Elyo and the sale to Suez Lyonnaise des Eaux of the participating interest held in Coficem, the share exchange offer launched jointly by Suez Lyonnaise des Eaux and SGB for the Tractebel shares, and the take-over bid made by Suez Lyonnaise des Eaux for the outstanding SGB shares it wished to acquire.

The Board also received reports on the organisation, activities and future plans of Group companies.

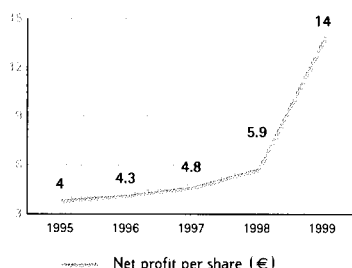
COMMITTEES SET UP BY THE BOARD OF DIRECTORS

1. Executive Committee

Pursuant to article 12 of the articles of association, the Board of Directors has set up an Executive Committee. The Chairman and Chief Executive Officer are members of this Committee by right. The other members are appointed by the Board from among its members. This Committee finalises the proposals to be submitted to the Board of Directors, supervises day-to-day management and the due implementation of delegations of power. The Executive Committee meets at least once every 2 months.

Tractebel

Tractebel is a key world player in the energy (electricity and gas) and associated services sectors (engineering, technical installations, waste management and communications).



The group has established a presence in more than 100 countries and possesses a total electricity generating capacity of more than 43,000 MW per year, of which more than 19,000 is located outside Europe. It also operates natural gas distribution networks in three continents.

Following the share exchange offer made in the second half of 1999 Suez Lyonnaise des Eaux and Société Générale de Belgique together hold interests in Tractebel totalling more than 98%. Tractebel forms the focus of Suez Lyonnaise des Eaux' energy sector interests, and is in charge of developing all the group's activities in this sector.

In 1999 the group's consolidated net profit increased by 138% to € 1,187 million, and sales revenues climbed to € 11,380 million, i.e. 3.6% higher than in 1998. The net profit on ordinary activities (group share), which is the true indicator of growth, amounted to € 535.18 million, an increase of 18.3% over the previous year. All the operating units contributed to this upward trend, with "Tractebel International Electricity and Gas" (EGI) and "Technical Installations and Community Services" showing particularly strong growth.

A CHANGING SECTOR

The energy sector has not been spared the ever-growing trend towards concentration and mergers which has

affected many industrial and service sectors. The gradual liberalisation of markets in Europe and North America and the privatisation of many energy systems in emerging economies have created new market openings.

Tractebel is in an excellent position to cope with the challenges posed by the changing market place, not only as a result of the synergy between its gas and electricity operations, and its extremely performant production facilities, but also because it anticipated these developments by expanding its activities abroad.

TRACTEBEL IN EUROPE

In advance of the liberalisation of the European electricity and gas market, Tractebel and its subsidiaries, Electrabel and Distrigas, have over the course of the past ten years stepped up their activities in all branches of the energy business – production, transport, distribution and sales – and also in new businesses, such as trading, and in new technologies, in response to the need to produce energy from renewable sources and to comply with environmental requirements.

In the electricity sector Tractebel and Electrabel are members of the Scandinavian energy exchange, Nordpool, which is well known for its innovative and pioneering approach to energy trading. Electrabel has expanded its trading activities and is now present on



Special attention paid to the environment

all the European energy exchanges (APX in Amsterdam, of which it is a founder member, Spanish Pool, it is part of all European trading indices). It has also set up new marketing subsidiaries in the Netherlands and Spain and concluded a partnership agreement with the Swiss producer, EOS, to supply energy to Italian consumers.

On the production front, Electrabel substantially increased its advanced technology generating capacity by acquiring Epon, the largest electricity producer in the Netherlands. This acquisition makes the group the world's leading combined cycle and heat/power generator and provides the group with a bridgehead to the North German market.

Following this acquisition Electrabel ranks as the fifth largest European electricity producer. Electrabel's European production network has been expanded as a result and now covers the Benelux countries, Hungary, Italy, Northern Ireland and Portugal.

On the sales front, Electrabel was awarded a series of new contracts with key industrial customers outside Belgium.

The gas sector also concluded various strategically important operations, including stepping up its interest in Interconnector (the underwater gas pipeline linking the United Kingdom and Belgium). It now holds a 10% stake in Interconnector.

Whether dealing with individuals, companies, local authorities or the State, the Tractebel group always makes every effort to remain close to its environment.

Continuing the numerous campaigns which have been launched to promote the Rational Use of Energy - incentives for buying household appliances which use less energy, encouraging people to use low wattage light bulbs, etc. - Electrabel launched the "Solar House" campaign. This campaign, which is designed to increase public awareness of the use of renewable energy sources, offers an incentive to householders who use solar energy to heat their homes.

In the industrial sector, the group took advantage of the move towards liberalisation and other developments in the electricity market in Europe to significantly expand the range of services it offers to industrial customers, in the form of recommendations to reduce energy consumption, rational use of air conditioning, the creation of quality labels for electricity supplies, the implementation of environmental management systems, etc.

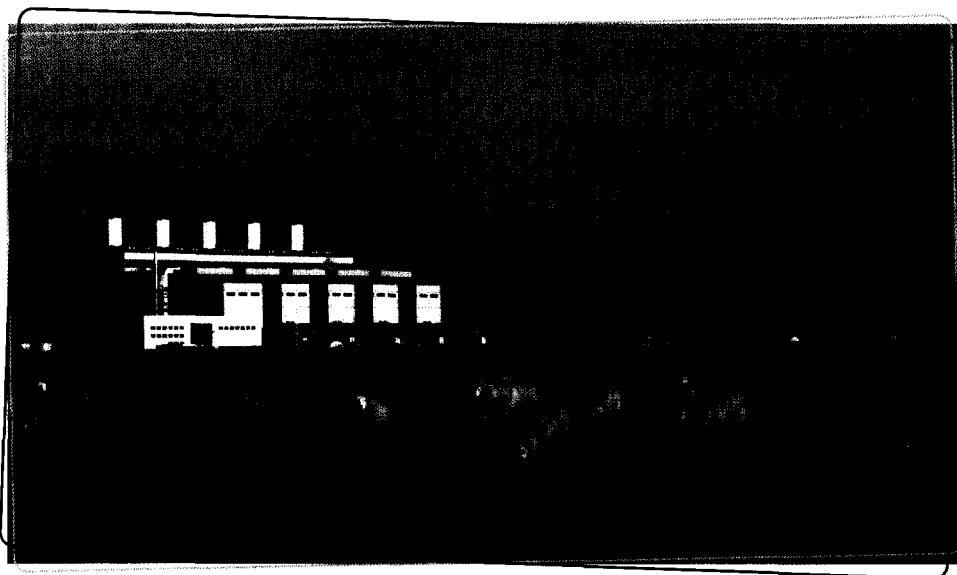
The Tractebel group makes its know-how available to the community and works closely with scientific and university bodies. The group has set up an extensive programme to carry out accurate, regular measurements of the impact of greenhouse gas emissions on the climate, in Belgium and throughout the rest of Europe, and to assess the resources needed to remedy this problem and attain the targets set at the Rio and Kyoto conferences.

In 1999 Electrabel stepped up its activities in the field of renewable energy sources (hydraulic, wind, biomass, waste timber etc.). Several programmes have been initiated, such as the selection of sites for wind farms, upgrading small hydroelectric power stations, recovering energy from waste incineration, recovering waste gases, and the use of sludge from water treatment plants as combined fuels. These initiatives have been developed in addition to the group's other environmental management activities, in particular collecting, sorting, recycling and re-using household and industrial waste.

Tractebel Engineering and its subsidiaries also carry out impact studies and environmental audits and assessments in order to protect rare or threatened species or ecosystems in the long term.

In terms of sales Distrigas now accounts for approximately 4% of the European market. Belgium has become the second most important transit country in Western Europe, mainly due to the position occupied by Zeebrugge as the leading international hub for the natural gas spot market in Europe.

More active trading on the spot markets in Bacton (United Kingdom) and Zeebrugge, coupled with the increase in sales to the Grand Duchy of Luxembourg and the delivery of 4 cargoes of LNG for the Spanish market resulted in an 11.5% increase in gas exports by Distrigas.



ON-GOING INTERNATIONAL EXPANSION

In spring 2000 the Tractebel group announced the key guidelines of its industrial plan. This plan was approved by the Board of Directors of Tractebel

and the Supervisory Board of Suez Lyonnaise des Eaux on 15 March 2000. In geographical terms, the energy group is aiming at establishing itself as a leading player by implementing a policy geared to setting up "energy systems" in Europe, North America and Latin America ("Southern cone").

Elsewhere in the world Tractebel is planning to continue to implement the policy it has followed since it first started operating on the international market: acquisitions as and when market openings occur, firmly based on strict profitability criteria.

In 1999 EGI, the driver behind Tractebel's international expansion, was awarded a series of contracts worldwide.

In Asia, EGI took strategic positions in gas systems, in Bangkok, Singapore and South Korea, for example. By acquiring a majority interest in the South Korean producer, Hyundai Energy, it was able to capitalise on its two core businesses, electricity and gas.

In America EGI developed two major combined cycle electricity generating units in Texas (Wise County, 800 MW and Ennis, 340 MW). It also consolidated its breakthrough into the Mexican market by obtaining a new natural gas distribution licence (Tamaulipas State, a key industrial centre).

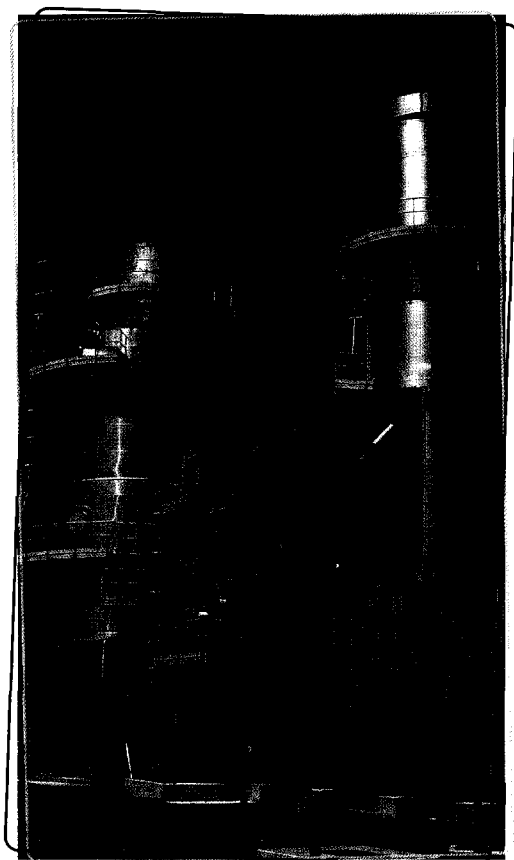
TRACTEBEL'S SERVICE ACTIVITIES

In the Communications sector, investments were carried out to improve the WorldCom network and to enhance the basic infrastructure for Codenet. Two major interests were also acquired in Europe Online Networks and Galileo Communications Ltd, two companies operating in the Internet infrastructure and services sectors.

Fabricom consolidated the excellent reputation it enjoys in Norway and was awarded two new contracts, the first to build a gas terminal at Kårstø, and the second for offshore platform maintenance on the Ekofisk site. In the Technical Management business line Axima's activities increased significantly in Belgium, the Netherlands, France and the United Kingdom. In the Waste Management sector major acquisitions were made in the United Kingdom, the Netherlands and France and new partnerships were set up with local authorities in Belgium, England, Poland and Quebec.

In the electricity sector Tractebel Engineering has already completed numerous projects with a total generating capacity of more than 8,000 MW for combined heat and power generation and gas/steam cycles.

In the gas sector projects include gas treatment (in Thailand), the design and



construction of gas handling facilities (Thailand and the United Kingdom) and fitting out LPG tankers (South Korea) and industrial infrastructure work.

Other projects range from studies for dams (Thailand, Morocco, etc.) supervision of the civil engineering work on the high-speed train link between Paris and Strasbourg, the extension of Brussels airport, cleaning up the Chernobyl site in Russia and improving

nuclear safety in Eastern Europe. The group was awarded several contracts in the aerospace sector, for implementing SAP modules and for designing and installing simulators for the rail transport sector.

These contracts and projects reflect the excellent international reputation enjoyed by Tractebel's engineers for their skill and know-how.

Key Events of 1999



In January the activities of the division KPN Vastgoed Installatieservice (Netherlands) were taken over. This company provides maintenance and technical installation services for buildings.

In February Distrigas increased its interest (from 5% to 10%) in Interconnector, the underwater gas pipeline linking the United Kingdom (Bacton) and Belgium (Zeebrugge).

In March Jean-Pierre Hansen was appointed head of Tractebel and Tractebel's role was confirmed as the single Energy division encompassing all the energy activities of the Suez Lyonnaise des Eaux group.

Inauguration in Amsterdam in June 1999 of APX (Amsterdam Power Exchange), with Electrabel as one of the five main founder members.

August: a contract was awarded for maintenance work on the platforms in the North Sea Ekofisk field to the partnership "Ekofisk Alliance" in which Fabricom AS (Norway) holds a 40% interest.

In September Suez Lyonnaise des Eaux and Société Générale de Belgique launched their joint share exchange offer for the outstanding Tractebel shares they wished to acquire. These two companies together now hold an interest of more than 98% in Tractebel.

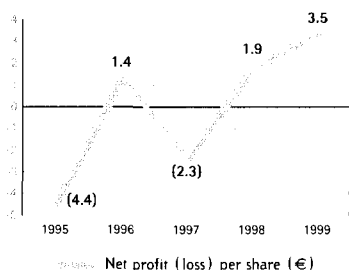
In November Electrabel took over Epon, the leading electricity producer in the Netherlands with a generating capacity of around 4.647 MW, i.e. 33% of the Netherlands' large-scale generating capacity.

In November Européenne de Services (a subsidiary of the Fabricom group) was awarded a waste management contract for the city of Poznan (Poland).

In December Tractebel took a 70% interest in Hyundai Energy Co., the first acquisition on the South Korean electricity market.



1999 saw Elyo confirm its position as part of the Energy Division of Suez Lyonnaise des Eaux, establishing itself as an international group which is close to its customers, with a solid base for expansion in industry.



With sales revenues totalling 2.1 billion €, of which 39% was realised by international operations, the results posted in 1999 are in line with the targets set against the background of a world operating environment marked by the deregulation and privatisation of energy markets.

INTERNATIONAL OPERATIONS, THE TOP PRIORITY

The emergence of a European network: the British, Belgian, Italian and German subsidiaries signalled their group membership by uniting under the Elyo banner, following the example of the French Network companies. This move underscores the reality and strong identity of a European network. Building on its strong position close to its markets, Elyo now has an even more visible customer profile. A key event was the acquisition by Elyo UK of Atlas Wright, which increased its UK market operations by around 85%.

In the United States Trigen responded to the American government's energy challenge by coming up with solutions which were not only technologically innovative - biomass, trigeneration, etc., - but also performant in terms of the output achieved and the environ-

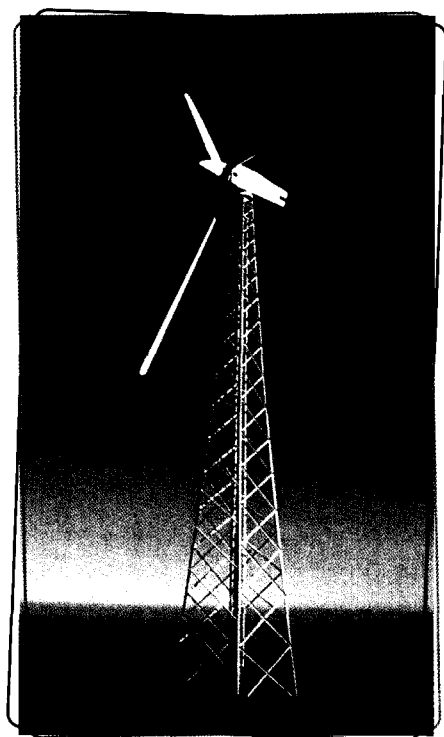
mental impact. Our American subsidiary has concluded long-term contracts with industrial customers in the US (Kodak, Millennium, Boeing, etc.) for a total amount of 2.5 billion dollars.

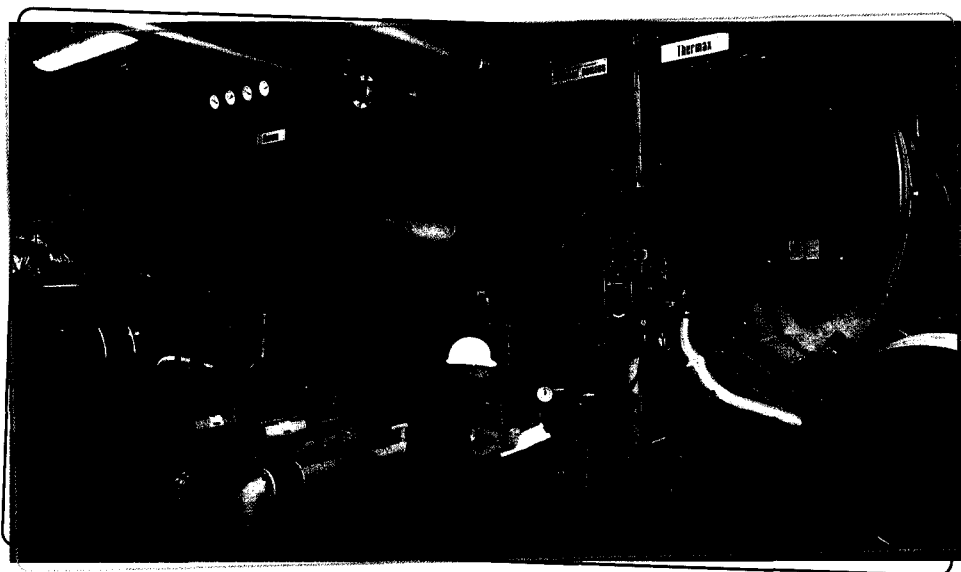
Finally, the contract signed in partnership with Hydro-Quebec International to operate Senelec (the electricity generator, distributor and service provider) enabled Elyo to establish a foothold in Senegal in the face of severe competition.

By opening new power stations or extending existing concessions, the electricity subsidiaries in Tahiti, New Caledonia and Vanuatu contributed to boosting operations in this region, which suffers from two major disadvantages: problems with access in areas which are a long way from population centres and an unpredictable climate.

INDUSTRIAL CUSTOMERS - AN INCREASINGLY IMPORTANT GROUP

Elyo is recognised as a key player on its markets and enjoys an excellent reputation with leading industrial companies, as is illustrated by its significant achievements in the field of *combined heat and power generation*, in such





diverse sectors as the paper industry (Papeteries du Limousin, Smurfit group), chemicals (Saipol, Millennium, Tioxyde), the aeronautical industry (Matra, Boeing) and the automotive industry (Citroën).

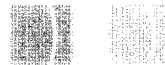
Another of the group's growing core business is *Facilities Management*. In the space of not quite three years Elyo has become number one in this sector in France and Spain. These services, which are offered under the Elyo FM brand, were developed from one of the group's original skills, Management and Maintenance. This multi-technical and multi-service activity is still one of Elyo's core businesses. In 1999 Elyo not only won new clients (Shell, CPC Knorr, FedEx, etc.) it also expanded its existing portfolio (Océanopolis in Brest, the Solvay group, Boxal France, etc.).

THE ENVIRONMENT, A GLOBAL ISSUE

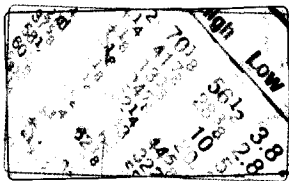
The *urban heating networks* managed by the group also promote the development of combined heat and power generation, reflecting the importance local authorities attach to new environmental solutions: Nantes and Paris are just two examples of the major cities which have adopted this system. Climespace, which operates the capital's

air conditioning network, has constructed an underground cold water storage facility. This offers two major advantages: it obviates the need to build a new production plant and helps reduce noise and other environmental pollution.

The value enhancement of waste products is an integral part of Elyo's all-encompassing environment policy. This activity is carried out by Novergie, a subsidiary jointly owned with SITA. This subsidiary stands out not only for the architectural quality of its new units but also for its innovative technologies. The Azalys centre in Saint-Germain en Laye (France) is a model for waste reduction at European level. Two other industrial facilities came on stream in 1999, Orisane in Chartres and Valoryele in the Eure-et-Loir, confirming the group's deliberate policy of remaining one step ahead of European legislation, which is already very strict in this field.



The Other Shareholdings



Fortis



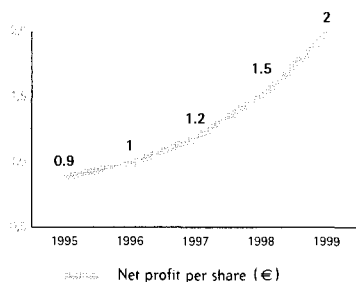
Union Minière



Arbed

Fortis

Fortis is an international group with a leading market position in the fields of insurance, banking and investments. It was one of the pioneers of "bancassurance". The group has more than 62.000 staff on its payroll.



On its domestic market, the Benelux countries, Fortis is one of the leading providers of integrated financial services for retail customers, corporate customers, institutional investors and the public sector.

Elsewhere in Europe, in the United States and Asia Fortis concentrates on specific market segments where it can play a key role and further its growth.

Fortis' strength comes from the fact that it heads a body of sound companies, each of which is firmly established in its local market and is close to its customers. Together these companies form a strong group with significant advantages: a comprehensive product mix, substantial financial resources, extensive risk diversification, a wide range of skills and a sense of responsibility to society. Flexibility at local level is coupled with strength at global level.

Fortis is listed on the Amsterdam, Brussels, London and Luxembourg stock

exchanges and is part of a sponsored *ADR program* in the United States.

By taking control of Generale Bank in 1998 Fortis became the largest company in Belgium. For the past ten years it has been pursuing a policy of internal and external growth, and as a result has achieved the earnings targets set by the management: an annual increase in net profit and earnings per share of between 7% and 12%.

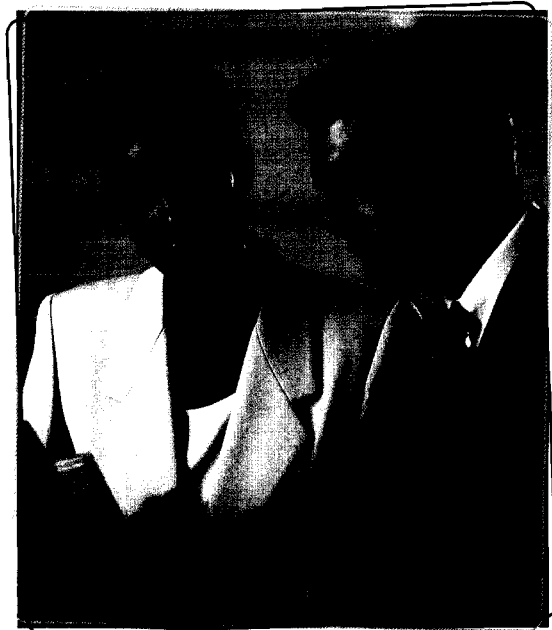
In 1999, Fortis once again posted a healthy growth rate. Internal growth is still a key factor for increasing the group's turnover and net profit. Excluding the capital gains realised on Tractebel (€ 255 million), the net profit increased by 24% and for the first time climbed above EUR 2 billion. In addition, on a constant consolidation basis and excluding currency adjustments, the underlying growth rate stood at 14% compared with 1998.

1999 IN THE BANKING SECTOR

In the banking sector Fortis concentrated the greater part of its efforts on achieving its key objective: integrating its banking operations. On 21 March 2000 Fortis Bank was officially inaugurated. From the start this bank has been the leading bank in the Benelux countries, where the group offers a wide range of services to retail customers, corporate customers and the public sector.

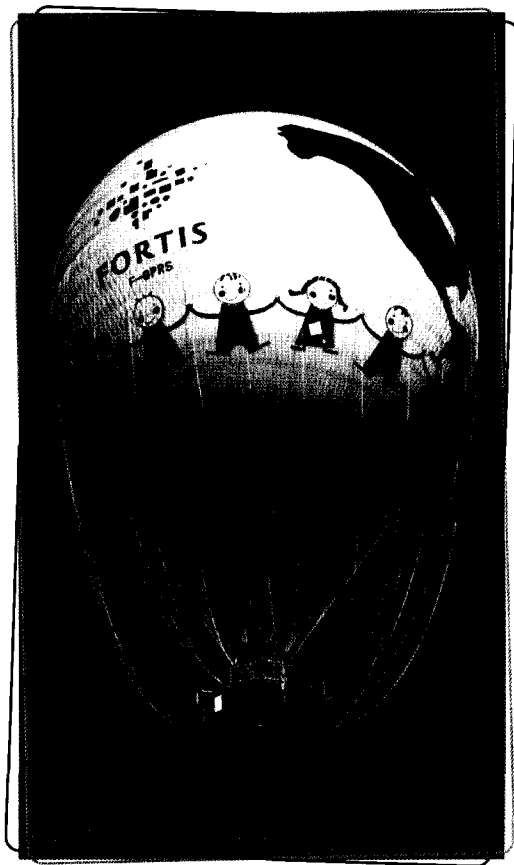
The new banking group, which comprises CGER/ASLK and Generale Bank in Belgium, VSB, Generale Bank Nederland and MeesPierson in the Netherlands, Banque Parissienne de Cr dit in France and the Belgian Bank in Hong Kong, recently expanded following the take-over bid made for Banque G n rale du Luxembourg.

True to its reputation as an innovative company, Fortis immediately took up the challenge raised by new technol-



**Fortis sets a new record:
profit in excess of € 2 billion**

- Increase in net profit: 40%, to € 2.316 billion
- Increase in earnings per share: 32%, to € 2.02
- Internal increase in profit: 28%
- Return on equity: 18.7%
- Increase in insurance premiums: 26%
- Increase in loans to customers: 14%
- Increase in dividend: 25%, to € 0.76



ogies with all the changes they imply for the way in which banks operate. The Internet has broken down barriers between geographical regions and time zones and has also promoted the emergence of non-financial competitors.

With e-commerce forming an integral part of the group's multi-channel distribution strategy, Fortis is already established on the Internet market via its virtual bank, E-banking.com, which operates out of the Grand Duchy of Luxembourg. All the other sectors of activity have also seen a wave of new initiatives and applications based on Internet technology.

INSURANCE, A RAPIDLY CHANGING SECTOR

For Fortis 1999 marked a new stage in the group's international expansion in the insurance sector. The acquisition of American Bankers Insurance Group, one of the two largest credit insurers in the United States, followed by the amalgamation with another American subsidiary, American Security Group, resulted in the creation of a leading specialist insurance company in the

United States, Assurant. This operation fits in perfectly with the Fortis group's strategy, which focuses on specific market segments where the group can play a key role and pursue its growth policy.

But there are other challenges facing companies in the insurance field, such as the development of new distribution channels and new technologies and the impact of these developments on the Life and Non-Life insurance business.

There is no denying that the new economy and e-commerce are important in that they enable contracts to be concluded via the Internet (in other words without going through an intermediary), but other distribution channels are emerging – travel agents, automotive manufacturers, post offices, etc. – and displacing brokers, whose role is changing into that of financial advisers. Against this background bancassurance is becoming an increasingly important aspect of the special relationship between the Bank and its customers, particularly in the form of life assurance and fire insurance contracts linked to mortgage loans. Fortis has a privileged position in this market via Fortis Bank



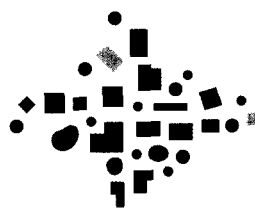


and also through its partnership with the Post Office.

It is expected that the emphasis will shift, both in the rapidly expanding Life sector, where the aim will be to increase premiums and at the same time keep management costs down to their present level, and in the Non-Life sector. This sector is currently suffering from saturation and severe competition and a major creative effort will have to be made to develop new products, whilst keeping tight control over the administration of claims, which is essential to maintain or enhance profitability.

Once again, Fortis is in a particularly strong position to cope with this new operating environment and create added value for its shareholders, customers and staff.

Key Facts ...



FORTIS

Solid partners, flexible solutions

- Amalgamation of **American Bankers Insurance Group** and **American Security Group** to form **Assurant** in the United States.
- Integration of **Northern Star** and **Bishopsgate** in the United Kingdom.
- Creation, in the Benelux, of **Fortis Corporate Insurance** by amalgamating **Fortis Industrial** in Belgium and **AMEV Interlloyd** in the Netherlands.
- Integration of **Generale Bank** and **CGER/ASLK** in Belgium with **VSB**, **MeesPierson** and **Generale Bank Nederland** in the Netherlands to form **Fortis Bank**.

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2000-2001 FINANCIAL CALENDAR

Publication of the results for the 1999 financial year,
16 March 2000

Publication of the results for the 2000 financial year,
March 2001

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<http://www.generale.be>

DOCUMENTS AVAILABLE TO THE GENERAL PUBLIC FOR CONSULTATION

The Memorandum and Articles of Association of Société Générale de Belgique may be consulted at the office of the clerk of the court of Brussels and at the company's registered office. The annual accounts are deposited with the National Bank of Belgium. Decisions to appoint or dismiss members of the governing bodies of Société Générale de Belgique are published in the Riders to the Belgian Official Gazette.

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