

Société Générale de Belgique
Generale Maatschappij van België



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In 1995 Société Générale de Belgique posted an increase in profit on ordinary activities for the fourth year running, despite persistently low consumption levels and the weakness of the US dollar.



The service sector companies (Fortis AG, Generale Bank and Tractebel) registered significantly higher profits but the industrial sector was faced with various problems and as a result was obliged to implement drastic cost cutting programmes. Union Minière adopted an ambitious industrial plan which includes downsizing and major investments in state of the art technology in its sector.

Sagem, which was included in the Générale's consolidated accounts for the first time, made a positive contribution to the Group's income.

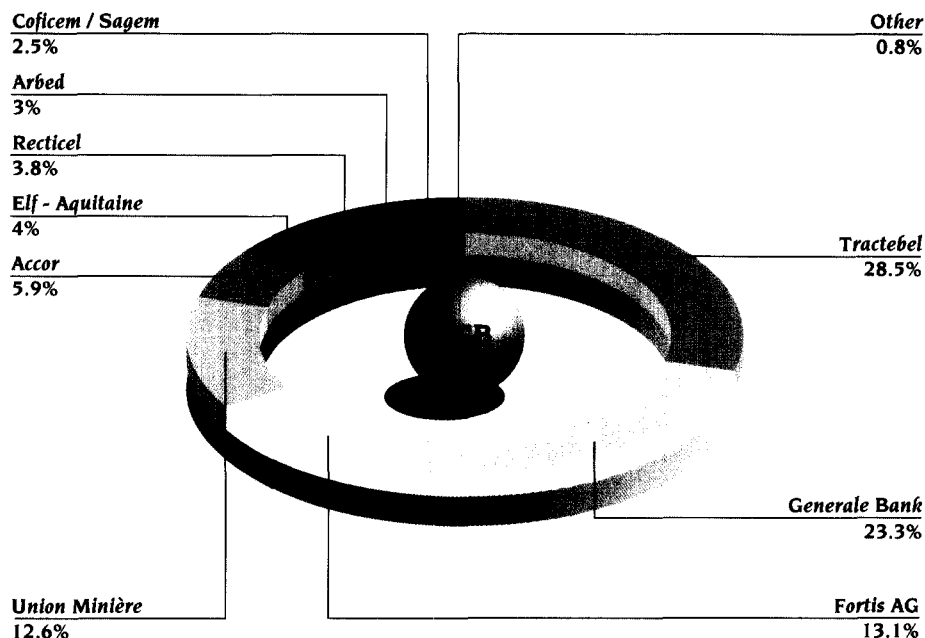


Group companies also continued to implement their international expansion in 1995, moving into promising markets in Eastern and Western Europe, North America and Asia.

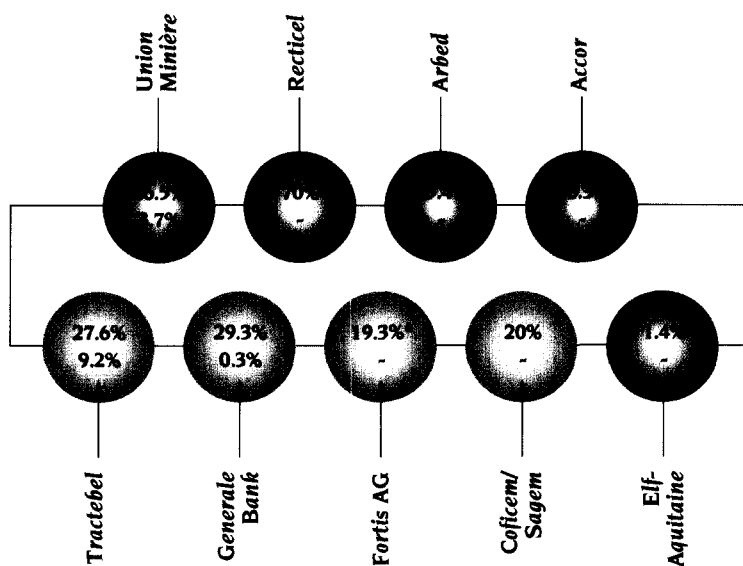
■ Contents

Introduction	<i>page 1</i>
Principal Shareholdings	<i>page 3</i>
Financial Highlights of the Group	<i>page 4</i>
Letter to the Shareholders	<i>page 6</i>
Management Stucture	<i>page 10</i>
Directors' Report on the Consolidated Accounts	<i>page 12</i>
Highlights of 1995	<i>page 13</i>
Shareholders' Committee	<i>page 17</i>
Patronage and Human Resources	<i>page 18</i>
The Key Companies of the Group	<i>page 21</i>
Consolidated Accounts	<i>page 41</i>
Management Report and Accounts	<i>page 63</i>
Useful Addresses	<i>page 86</i>

Estimated Value of Shareholdings (31/12/95)



Principal Shareholdings (31/12/95)



Remarks:

- Upper figures indicate direct holdings, lower figures denote indirect holdings
- Also included in the Générale's portfolio : Finoutremer and Compagnie de Suez

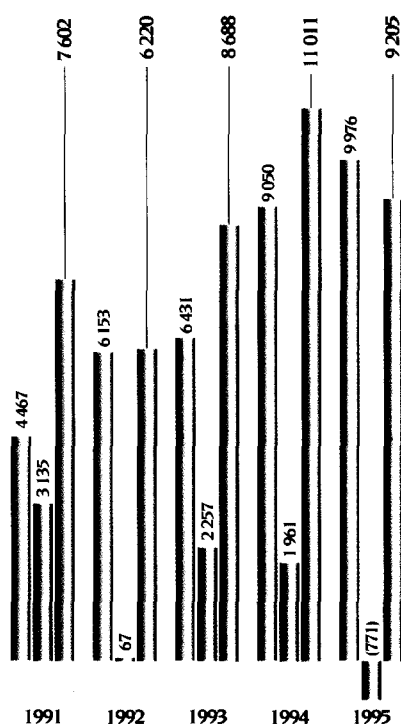
* 19.7% at 1/3/1996

- Fully consolidated companies
- Companies accounted for by the equity method
- Non-consolidated companies
- Investment portfolio

■ Financial Highlights of the Group

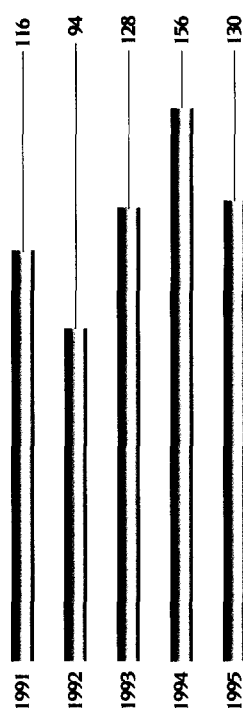
Structure of the Results

(Group share) 1991-1995
(millions of BEF)



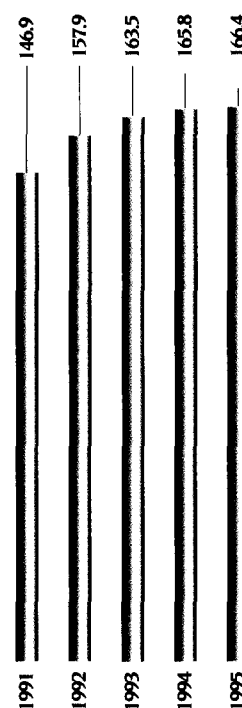
Net Profit per Share

(Group share) 1991-1995
(BEF)



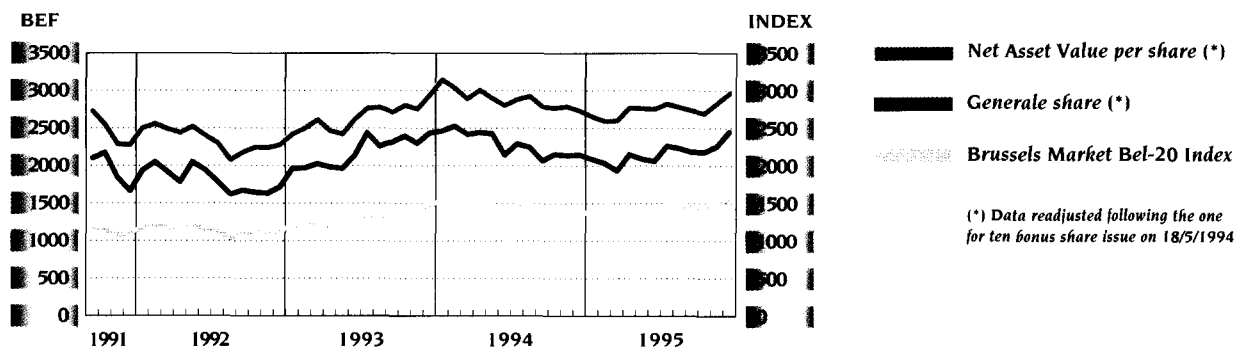
Capital and Reserves

(Group share) 1991-1995
(billions of BEF)



- Profit on ordinary activities
- Exceptional profit
- Net profit

Generale Share and Brussels Market Index (1991 - 1995)



Financial highlights of the Group ■

	1995	1994	1993	1992	1991
Results * (BEF millions)					
Profit on ordinary activities	766	1 263	3 049	4 330	1 706
Exceptional Profit (Loss)	(1 828)	2 240	1 835	(420)	1 724
Profit of Companies included under the Equity Method	10 780	9 488	7 270	6 892	8 508
Consolidated Profit	9 482	12 323	10 504	8 449	9 968
Total Net Profit - Group Share	9 205	11 011	8 688	6 220	7 602
Balance Sheet (BEF millions)					
Tangible Fixed Assets	28 007	30 041	36 170	72 906	71 826
Financial Fixed Assets	143 946	138 582	132 621	131 259	132 066
Total Capital and Reserves (1)	196 402	196 360	192 345	199 090	185 432
Group Capital and Reserves (1)	166 470	165 769	163 519	157 862	146 861
Amounts Payable after one year	15 357	15 054	17 757	47 349	49 325
Working capital	39 431	37 975	40 485	42 978	29 576
Number of Shares issued and Market Capitalization					
Shares Outstanding at 31.12	70 601 069	70 601 069	64 182 790	64 182 790	64 182 790
Shares calculated on full dividend entitlement basis at 31.12	70 601 069	70 601 069	61 680 838	60 398 760	59 137 417
Market Capitalization at 31.12 (BEF millions) (2)	173 679	152 498	169 443	121 947	106 828
Figures per Ordinary Share, Adjusted (BEF)					
Total Net Profit - Group Share	130	156	128	94	116
Gross Dividend	116	114	104	102	102
Group Capital and Reserves	2 358	2 348	2 316	2 236	2 240
Estimated Net Asset Value at 31.12 (3)	2 968	2 740	2 950	2 288	2 286
Market Price : high	2 475	2 636	2 477	2 077	2 291
low	1 805	2 025	1 714	1 505	1 568
at 31.12	2 460	2 160	2 400	1 727	1 673
Ratios					
Return on Equity : $\frac{\text{(group net profit)}}{\text{(group capital and reserves (4))}}$	5.6%	6.7%	5.5%	4.2%	5.2%
Debt Ratios (gearing) : $\frac{\text{(amounts payable after one year)}}{\text{(total capital and reserves)}}$	7.8%	7.7%	9.2%	23.8%	26.6%
Yield : $\frac{\text{(gross dividend)}}{\text{(year end market price 31.12)}}$	4.7%	5.3%	4.3%	5.9%	6.1%
Market Return : $\frac{\text{(price variation + gross dividend)}}{\text{(year end market price 31.12)}}$	20.0%	(6.3%)	46.3%	8.6%	3.8%

(1) At 31.12

(2) Number of shares outstanding multiplied by year-end Brussels stock market price of ordinary shares, less uncalled capital (BEF 11,268 billion) from 1991.

(3) Total capital and reserves after appropriation of profit + net dividend income + potential capital gains on portfolio.

(4) At 31.12 + newly created shares in proportion to their dividend entitlement.

* These amounts are taken from the Consolidated Income Statement and include minority interests, unless specified otherwise; the figures given in the press release of 1 April 1996, and the data in the upper chart at the top of page 4 on the profits from ordinary activities and exceptional profits only include the Group share.

■ Letter to the Shareholders



Ladies and
Gentlemen,

Once again, for the fourth year running, we are pleased to announce a significant increase in our consolidated profit on ordinary activities, which has risen by 10% compared with 1994. As we said before, we feel that the best measure of how we perform over time is the profit which the Group generates on ordinary activities, especially in view of the fact that the Group companies and the holding company have now completed the major part of their work on refocusing on core activities.

Our operating environment was not particularly good, with economic activity slowing down sharply in the second half of the year, certain European currencies depreciating significantly and the dollar losing considerable ground against most currencies over the course of the year.

But vigorous efforts on the part of Group companies enabled us to face this challenge and to generate a profit in excess of what we had anticipated in last year's annual report.

Uncertainty and unease were the two words most commonly used to describe the economic and social climate prevailing in Europe in 1995. We fear that it will be much the same in 1996. For some considerable time now, we have been aware that we are living in a world where we all depend one upon the other, and this fact is brought home to us even more sharply when the economy slows down; this is when we all realise the extent of this interdependency, the irreversible nature of the internationalisation of trade and finance, and just how vulnerable we are if we fail to adapt to meet the challenges facing us.

In Europe only monetary union and the introduction of a single currency on 1 January 1999 could create the right conditions for a stable economic area, which is a vital prerequisite for stimulating investment and promoting employment.

Monetary union offers Belgium a window of opportunity, since it provides a framework solution to the unavoidable task of reorganising our public finances.

As company directors, we are aware that lack of confidence in the future, the erosion of the sentiment that each rising generation could be certain of a better standard of living than the previous generation, and increasing levels of poverty are all symptoms which require the attention of people in a position of responsibility.

If companies do not rise to the challenge posed by the need to be competitive they cannot survive, but without social consensus their environment is threatened. The Belgian and European model is based on solidarity and impartiality; it must be preserved.

With this in mind, we have defined a priority strategy for the Group geared to safeguarding its future development; by retaining our position as leader on our traditional markets, and to promoting the Group's international expansion.

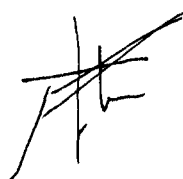
The strategic targets suggested by the directors of our main companies are also adopted by the holding company, and we provide these companies with help and support wherever this is needed to create the right conditions to achieve these targets.

This is the parent company's «raison d'être». It is inconceivable that Union Minière could have announced both a reorganisation programme impacting 1995's results by nearly BEF 6 billion and an industrial investment programme for the next few years totalling BEF 22 billion without the wholehearted support of its main shareholder. Could Generale Bank and Fortis AG have contemplated further expansion projects, following the major investment programmes already implemented, if they had not been sure they could rely on support from their shareholder, Société Générale de Belgique?

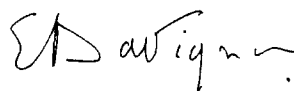
We, for our part, believe that we can combine such a dynamic, expansion-oriented approach with our ongoing strategy of enhancing your company's profitability.

We also aim to provide you with the sort of information you wish to receive. Your Shareholders' Advisory Committee, which was selected by an independent jury, has already held several meetings to advise us on how best to achieve this objective.

In the light of our past experience, we can say that if the current economic and financial situation remains stable, then our consolidated net profit and consolidated profit on ordinary activities for 1996 should be at least equal to what we achieved in 1995.



Philippe LIOTIER
Chief Executive Officer



Etienne DAVIGNON
Chairman of the Board

■ Management Structure

Board of Directors

Chairman

Etienne Davignon

Deputy Chairmen

Maurice Lippens

Gérard Mestrallet (from 6.9.95)

Gérard Worms (until 6.9.95)

Chief Executive Officer

Philippe Liotier (from 2.10.95)

Gérard Mestrallet (until 2.10.95)

Board Members

Jean Arvis (until 13.2.96)

Philippe Bodson

Alain Chaigneau (until 30.6.95)

Valère Croes*

Jean-Claude Dehovre

François de Laage de Meux

Bernard Egloff*

Jean Gandois

Jean Godeaux*

François Jaclot (from 13.2.96)

Joseph Kinsch

Philippe Malet

Xavier Moreno

Patrick Ponsolle

Alain Seugé (from 6.9.95)

Piet Van Waeyenberge

Karel Vinck

Gérard Worms

Secretary

Jean-Pierre Standaert

Executive Committee

Chairmen*

Maurice Lippens

Gérard Mestrallet (from 6.9.95)

*The chairmanship alternates, from one AGM to another, between Mr. Lippens and Mr. Mestrallet, the latter having succeeded Mr. Worms on 6.9.95.

Members

Philippe Bodson

Alain Chaigneau (until 30.6.95)

Valère Croes

Etienne Davignon

François Jaclot (from 13.2.96)

Philippe Liotier

Xavier Moreno

Alain Seugé (from 6.9.95)

Karel Vinck

Secretary

Jean-Pierre Standaert (from 25.9.95)

Alain Chaigneau (until 30.6.95)

Group Committee

Chairman

Etienne Davignon

Deputy Chairmen

Philippe Liotier

Karel Vinck

Members

Philippe Bodson

Bruno Morelli

Luc Vansteenkiste

and the Members of the Management Committee

Secretary

Vincent Bribosia

Advisers

Edgard Bossuyt

Paul De Keersmaecker

Philippe de Woot de Trixhe

Jean Van Marcke

Representatives Abroad

Japan and South-East Asia

Isabelle Hupperts

People's Republic of China

Lino Giudice

Zaire

Pierre Linard de Guertechin

Coordination in Belgium

Georges Nève

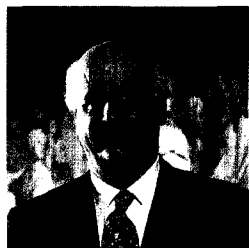
Joint Statutory Auditors

• PRICE WATERHOUSE
Company Auditors, S.C.C.
represented by Robert Peirce

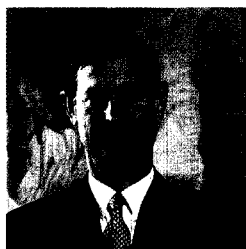
• DELOITTE & TOUCHE
Company Auditors, S.C.C.
represented by Claude Pourbaix

* Members of the Internal Audit Committee

E. Davignon



Ph. Liotier



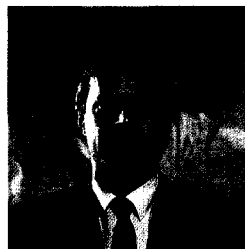
K. Wendel



P. Buffet



J.P. Standaert



A. Chaigneau



J.J. Massart

Chairman

Philippe Liotier,
Chief Executive Officer

Members

Patrick Buffet,
Director, Industrial Holdings and Strategy

Alain Chaigneau,
Finance Director (from 1.7.95)

Etienne Davignon,
Chairman of the Board

Francis Depré,
Finance Director (until 30.6.95)

Jean-Jacques Massart,
Director of Communication
Director of Human Resources

Jean-Pierre Standaert,
Secretary General, Director Legal Affairs

Klaus Wendel,
Director Management Systems

Secretary: Vincent Bribosia

■ Directors' Report on the Consolidated Accounts

Over the course of 1995 the Générale and its subsidiary holding companies acquired an additional 15% interest in Coficem, the holding company which controls Sagem, in accordance with the plans announced in last year's report; this has brought the Group's interest in Coficem up to 20% and as a result this investment is now included under the equity method. ■ The most significant transactions took place in the operating companies. ■ Union Minière sold its Swedish zinc mine to the Australian company, North Limited. In October 1995 the company announced that it was adopting a new Industrial Plan aimed at enhancing the group's competitiveness and increasing its ability to withstand certain external factors. This plan comprises various phases: a redefinition of strategy, an investment programme totalling around BEF 22 billion, internal reorganisation and a package of measures which will have repercussions on employment levels. This plan entailed setting aside BEF 4.5 billion in provisions to cover termination costs and BEF 1.3 billion to cover charges related to industrial facilities. ■ Recticel concluded two joint venture agreements. In Spain the German company, CWW-Gerko, acquired a 50% interest in Insonit (formerly Celulalo), previously a wholly owned subsidiary of Recticel. In Germany Recticel took over the vehicle seat foam operations of Johnson Controls at Espelkamp; these operations have been transferred to a new company, Recticel JCI Formschaum, in which Recticel holds 75%. Recticel also acquired certain assets from Europlastic, Düsseldorf. The group's activity levels were hit by a sharp rise in the price of raw materials; the group was not able to pass on this increase through selling prices immediately in view of the difficult market conditions in Western Europe. Recticel has implemented a reorganisation programme in response to this difficult situation. ■ Generale Bank consolidated its strategic position by acquiring Credit Lyonnais Bank Nederland, which is now known as Generale Bank Nederland Group. It also took over Compagnie de Suez's interest in Fimagest, a company specialising in asset management. The profit for the year showed a significant increase. ■ Tractebel continued to expand at international level, inter alia by making a successful take-over bid for the American electricity producer, CRSS; in Belgium Tractebel increased its participating interest in Electrabel by 0.68% and in Watco by 5%. ■ CGER/ASLK-Bank acquired a 97% interest in SNCI when it was privatized. ■ The Suez shares held by the Group (as last year, 1.53% of the shares issued) were marked to their market value as at 31 December 1995 (FRF 202). ■ In accordance with the presentation of consolidated accounts required by the Royal Decree of 6 March 1990, ordinary and exceptional income and charges of fully consolidated subsidiaries are included in full (100%), disregarding the fact that minority interests vary from one subsidiary to another. The Group's share in the net income of companies included under the equity method is carried on one line and therefore it is not possible to

Group share in the income from ordinary activities per Company *Unaudited analysis*

(BEF millions)	1995	1994
Union Minière	701	337
Recticel	(313)	373
Tractebel	3 593	3 201
Generale Bank	4 180	3 882
Fortis AG	2 067	1 824
Coficem / Sagem	201	-
Accor (dividends)	278	274
SGB and Subsidiary holding companies	(731)	(841)
Group share in net income from ordinary activities	9 976	9 050
Group share in exceptional income	(771)	1 961
Group share in net income	9 205	11 011

determine the Group's share in their ordinary and exceptional income. In the case of the Générale Group this procedure does not reveal the Group's share in the "ordinary operating income" or the breakdown of this income between fully consolidated subsidiaries, subsidiaries included under the equity method and the parent company. ■ Since 1988 the Générale has published details of the breakdown of its yearly and half-yearly income for the purpose of providing a more complete analysis. This analysis represents an unaudited restatement of the consolidated figures.

■ **Key events for Société Générale de Belgique and its subsidiary holding companies**

In **January 1995** the European declaration against social exclusion was signed.

In **June 1995** Alain Chaigneau was appointed Finance Director.

In **September 1995** Philippe Liotier was appointed Chief Executive Officer, to replace Gérard Mestrallet, who had been appointed Chairman of Suez. In his letter to the Suez shareholders, Mr. Mestrallet confirmed that Suez would continue its policy towards the Générale, in other words it would continue to support its strategy.

In **February 1996** the interest in Fortis AG was increased by half a percent.

■ **Key events for the Générale Group companies and investments**

Accor

In **June 1995** the interest held in CIWLT was increased to 99.32% following a successful bid for the remaining shares in CIWLT not held by Accor in exchange for Accor shares.

In **June 1995** 59 "Pizza del Arte" restaurants in France and 7 "Boeuf Jardinier" restaurants were sold to the Le Duff group.

In **July 1995** Accor transferred Eurest International and the 33% interest in Eurest France to the Compass group in exchange for a 22.5% interest in Compass and FRF 2.1 billion in cash.

In **November 1995** Accor Asia Pacific Corporation (AAPC Ltd) signed a partnership agreement with Anglo-Asian Strategic Management Inc. on the acquisition of four hotels in the Philippines.

In **December 1995** a FRF 5 billion syndicated loan was taken out with a consortium of 38 banks to refinance the group's debts.

In **December 1995** a cooperation agreement was signed with the Japanese company, Hokke Club, which has 12 hotels in Japan and two in India and Nepal, i.e. a total of 2,200 rooms. These hotels will operate under the Mercure banner and the cooperation between the two groups will be coordinated by a wholly owned subsidiary of Accor, which is currently being set up.

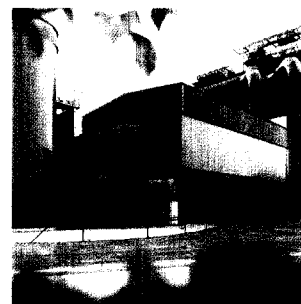
In **January 1996** an agreement to reorganise Europcar was signed with the German car manufacturer, Volkswagen.

Arbed

In **January 1995** Sidstahl was set up as a joint marketing company for flat products.

In **July 1995** the share held by Sidmar, the Arbed group's leading flat products manufacturer, in Stahlwerke Bremen was increased from 51.01% to 67.68%.

In **October 1995** the electric arc furnace and continuous casting line came on stream at ProfilArbed in Differdange and an electric arc furnace and continuous casting line were inaugurated at Stahlwerk Thüringen in Unterwellenborn, Germany.



In **November 1995** the Luxembourg wire-drawing operations were merged into one single unit in Luxembourg.

In **December 1995** the interest held in Sidmar was increased from 67.41% to 71.74% following the transfer to Arbed of the shares held by the Italian group, Falck.

In **January 1996** an industrial plan was put forward for the long products sector involving the creation of mini-mills and the reorganisation of staffing levels in Luxembourg.

Fortis AG

In **January 1995** a change in Fortis' management structure was announced, with four CEOs taking over the four main geographical areas.

In **September 1995** CGER/ASLK-Bank took over the 50% interest held by the Belgian State in SNCI (credit facilities for industry) and made a take-over bid for the remainder.

In **September 1995** the parent companies, Fortis AG and Fortis AMEV, were listed on the London and Luxembourg stock exchanges.

In **December 1995** Fortis celebrated its fifth anniversary and was awarded the "Best Financial Information" prize by the Belgian financial analysts association.

In **January 1996** the Danish life assurance operation, Livsforsikrings Aktieselskabet Utrecht was sold to the Danish insurance company, Almindelige Brand.

In **February 1996** the American car insurance subsidiary, Superior Insurance Company, was sold off.

In **February 1996** the Swiss insurance company, Swiss Ré, acquired a 3.59% interest in Fortis AG.

Generale Bank

In **September 1995** the Bank was chosen as the Belgian Post Office's partner in connection with plans to sell financial products through the network of 1,600 post office branches.

In **December 1995** Generale Bank acquired Credit Lyonnais Bank Nederland (CLBN), the fourth largest bank in the Netherlands.

In **December 1995** Generale Bank acquired a 73.4% interest in the French company, Fimagest.

Recticel

In **April 1995** Recticel acquired a controlling interest in Europlastic in Düsseldorf, which specializes in producing "ester" foams for technical applications, particularly in the automotive sector.

In **June 1995** a joint-venture company was set up with the German company, Johnson Controls, to produce foam for car seats.

In **June 1995** a marketing agreement was signed with Toscana Gomma (Italy) to promote the two groups' industrial products on the Italian market.

In **January 1996** a reorganisation programme was announced at a cost of BEF 350 million, covered by provisions in the 1995 accounts.

In **March 1996** Recticel took over the Swiss company, Superba, and set up a joint venture in the Czech Republic with Gumotex, the leading Czech manufacturer of polyurethane products for the furniture and automotive industries.

Coficem - Sagem

In **February 1995** the company acquired Canal Plus's interests in Eurodec, the decoder producer.

In **May 1995** a supply contract for decoders was signed with the American company, EchoStar, which produces receivers for satellite television programmes.

In **November 1995** a supply contract for drones was signed with the Dutch army.

In **February 1996** in partnership with Lockheed Martin, the company supplied automatic fingerprint recognition systems to the "FBI".

Tractebel

In **March 1995** a new agreement was signed with the Electricity and Gas Supervisory Committee, 40 years after the first agreement setting up this Committee was concluded.

In **March 1995** Powerfin concluded an agreement to build and operate a 260MW power station at Toranagallu, India.

In **May 1995** Européenne de Services set up a jointly owned (public and private sector) company in Quebec to provide waste management services for the 95,000 inhabitants of Haut Richelieu.

In **June 1995** American Tractebel made a successful friendly take-over bid for the independent American electricity producer, CRSS.

In **July 1995** Tractebel and Limburgse Participatie Maatschappij (LPM) merged several design offices and set up Technum Flanders Engineering.

In **July 1995** Powerfin acquired a 12.5% interest in the utilities company, Stadtwerke Bremen, which provides electricity, heating, gas and water for the city of Bremen.

In **September 1995** Fabricom took over Logan Fenamec, which manufactures baggage transport systems for airports and industrial transport systems on the UK and French markets.

At the end of 1995 Watco (Fabricom group) acquired several Dutch companies in the waste management sector, forming a sound operating base in the Netherlands.

In **December 1995** Powerfin acquired a 48.76% interest in a power station at Dunamenti, Hungary.

In **December 1995** Européenne de Services (Fabricom group) continued to expand its operations in the waste management sector in Canada, Poland (waste management for the towns of Czystochowa and Radom) and south-western France.



In **January 1996** the Fabricom group increased its interest in Watco from 60% to 74.96%.

In **January 1996** Compagnie Immobilière de Belgique signed a contract for a property development project in Warsaw, which is being jointly financed by the EBRD and Generale Bank.

In **January 1996** the Belgian Council of Ministers approved the first phase of the electrical infrastructure programme for the period 1995-2005.

In **February 1996** a joint venture was set up in Thailand to operate a gas supply network for industry in the Bangkok area.

Union Minière

In **July 1995** Huron Valley Europe was set up at Overpelt with the American partner, Huron Valley Steel and LPM, to process non-ferrous scrap from shredded vehicles and discarded household appliances.

In **August 1995** the Swedish zinc mine, Ammeberg Mining, was sold to the Australian company, North Limited, for USD 178.6 million.

In **September 1995** a joint venture was set up in Japan with Nikko Rica and Mitsui to produce spherical nickel hydroxide for use in batteries.

In **October 1995** the company signed an engineering contract with the Thai company, Padaeng, to increase its production of zinc cathodes.

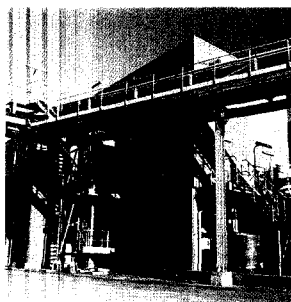
In **October 1995** the company announced its three-year industrial plan (1996-1998) designed to boost the group's competitiveness. This plan entails BEF 22 billion in investments and an overall 30% reduction in the workforce in Belgium.

In **January 1996** Megapode (a 50% owned subsidiary of Sibeka) took over the synthetic diamond manufacturing and marketing operations of the German family-owned group, Winter.

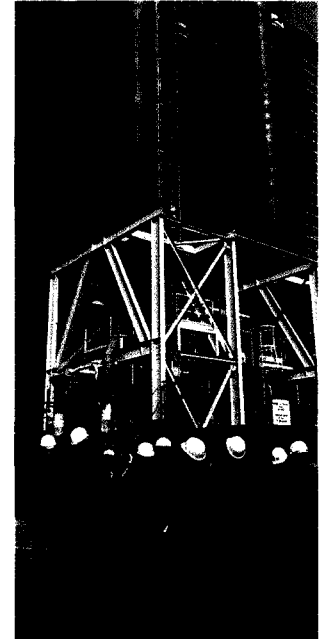
In **January 1996** the company acquired a 19.9% interest in NFI, a specialist holding company in the non-ferrous sector which controls Metallo Chimique. In addition, the two groups signed an agreement, primarily for the supply of copper anodes by Metallo Chimique, and also on the operation of a collection network for recyclable materials.

In **February 1996** the company acquired a 10% interest in Thai Copper Industries Limited, which is planning to build a copper smelter and refinery.

In **February 1996** the company took a 75% interest in a joint venture to produce fine cobalt powder for the Chinese market. The other 25% is held by Shanghai Jiuling Smelter, the leading Chinese producer of metal powders.



At the Annual General Meeting held on 17 May 1995 it was proposed to set up a Shareholders' Advisory Committee comprising 20 persons holding Générale shares who were not represented on the Board of Directors. ■ The Générale's aim was twofold; it wished to give these shareholders an opportunity to make their views known on the methods and procedures it used to inform its shareholders and it also wished to familiarize them with Group companies' achievements in Belgium and abroad. ■ An application notice was published in the international press in June and July 1995 and more than 660 shareholders expressed an interest in becoming members of the Committee. ■ A jury of independent experts from the business and finance sector selected the first twenty members of the Committee. Candidates were chosen on the basis of the reasons given for wishing to join the Committee and objective criteria specific to Belgium. Of the candidates selected, nine are from Flanders, six from Wallonia, three from Brussels and two are non-Belgian. ■ The first meeting was held in October 1995 at the Générale's head office. The Committee members had an opportunity to meet the teams from the Générale's Communications Department and also certain members of the Management Committee. The main tasks of the Shareholders' Committee were clearly defined at this meeting: to offer constructive criticism on the activities of the Communications Department (financial information); experience at first hand how the holding company and its subsidiaries in Belgium and abroad operate in order to acquire a better understanding of their functioning and development. ■ Various initiatives will also be taken in order to give other shareholders who have expressed an interest an opportunity to learn more about the Group. ■ The Committee met for the second time on 15 March 1996. A visit was organized to Tractebel to see its waste sorting and recycling operations. ■ On 29 April 1996 the Committee visited Recticel's polyurethane foam production plant at Wetteren. ■ The Committee also gave its opinion on drafts of documents to be presented at general meetings and on the annual report. The suggestions made by Committee members will help us to gradually align our information policy on shareholders' requirements.



Shareholders' Committee visiting the Brussels incinerator, operated by Gecowatt, a Fabricom Group subsidiary.

■ Patronage

Notwithstanding the slight recovery, the overall economic situation throughout 1995 was such that Société Générale de Belgique decided to focus its patronage activities, in response to growing social need, on the scientific and cultural fields, where public funding is shrinking year by year, and on charitable causes, where requirements are becoming ever more acute. ■ Once against around 60 associations and institutions received aid - sometimes modest but nonetheless

significant - in the four areas chosen by the Générale: culture, heritage protection, scientific research and humanitarian aid. ■ In the field of music, the Générale continued to support Belgium's two leading orchestras, "I Fiamminghi" in Flanders and the "Orchestre Philharmonique de Liège et de la Communauté Française" in Wallonia. In addition the Générale contributed towards financing the production of a compact disc of works by Sibelius played by the Orchestre Philharmonique de Liège. The Société Philharmonique de Bruxelles and the Concerts de Midi also received support from the Générale's patronage fund. ■ The Horta Museum is currently being restored with joint funding from the public and private sector (including the Générale and Union Minière). The first phase of the work has already been completed; the major building work has been carried out and craftsmen are now in the process of restoring Victor Horta's architectural casting workshop, which had been turned into a garage in the 1930s. The work on the roof is expected to be finished by the beginning of winter 1996. ■ The Générale paid particular attention to scientific research; it helped finance various international projects, one of the most remarkable being the excavations at Tell Beydar in Syria. The project team, which includes specialists - archaeologists and epigraphists - from Belgian, European and Syrian universities, has uncovered a city dating back to 3,000 BC. This discovery will significantly increase our knowledge of urban development at that time. The excavations have proved particularly fruitful; an impressive series of cuneiform tablets has been discovered together with various other artefacts which will shed light on the economy, and the trading and communication methods of the period. ■

The Générale prides itself on its innovative and creative approach to patronage activities - as is evidenced by its original "Patronage Fund"(*) arrangements. True to its long-standing tradition, it introduced a new type of patronage in 1995: skills lending. It cannot be denied that financial resources are essential, but human resources, especially in the form of specialist skills in the fields of management and communication, are also vital for setting up and developing large-scale projects. Various charitable foundations received advice and assistance from specialists from the Générale. ■ As far as the least favoured members of society are concerned, the Générale focused its attention on children, either children suffering from chronic diseases or children from deprived backgrounds. ■ For several years, the Générale has been an active member of the Fondation Prométhéa, the Stichting voor Kunstpromotie and, at European level, Cerec. These organizations promote dialogue between the business world and the world of the arts.

(*) The operating arrangements for the Patronage Fund are laid down in the articles of association of the Générale; under these arrangements a maximum amount of 33 centimes per share is allocated to the Fund each year.



Archaeological excavations at Tell Beydar, Syria.

In response to rising unemployment among young people, and the difficulty they face in acquiring the "experience" so often demanded by potential employers, Société Générale de Belgique set up a novel training scheme in 1994. The Générale took on a young university graduate in each of its five divisions for a period of one year with a normal contract of employment. During this period the "trainees" had an opportunity to acquire practical work experience in their field, which should prove a real asset in their search for employment in the future. Out of the six people who had taken part in this programme five had found a permanent job well before their contract with the Générale ended. ■ Although the number of young people involved may seem insignificant compared with the overall problem of unemployment in Europe, it is nonetheless equivalent to 10% of the Générale's executive staff. ■ This programme could also give other companies pause for thought, as it clearly illustrates just how quickly young people can find their place in the world of work if only they are given a chance to prove themselves. ■ Encouraged by the success of this programme, the Générale took on another five graduates from different fields for the period 1995-1996.

From left to right:

Florence Thys, Department of Finance

University diploma in Economics

Université Libre de Bruxelles

Vrije Universiteit Brussel

Patrick Maes, Department of Communication

University diploma in Economics

Katholieke Universiteit Brussel,

Katholieke Universiteit Leuven

Sandra Cerfontaine, Department of Industrial Holdings and Strategy

University diploma in Commercial and Financial Sciences

Institut Catholique des Hautes Etudes Commerciales (Brussels)

Marie-Noël Dochy, Department of Legal Affairs

University diploma in Law

Facultés Universitaires Saint-Louis (Brussels)

Université Catholique de Louvain

NB: The Management Systems Department is currently in the process of recruiting a trainee.



Fully consolidated companies

- | | |
|-----------------|----------------|
| ■ Recticel | <i>page 22</i> |
| ■ Union Minière | <i>page 24</i> |

Companies included under the equity method

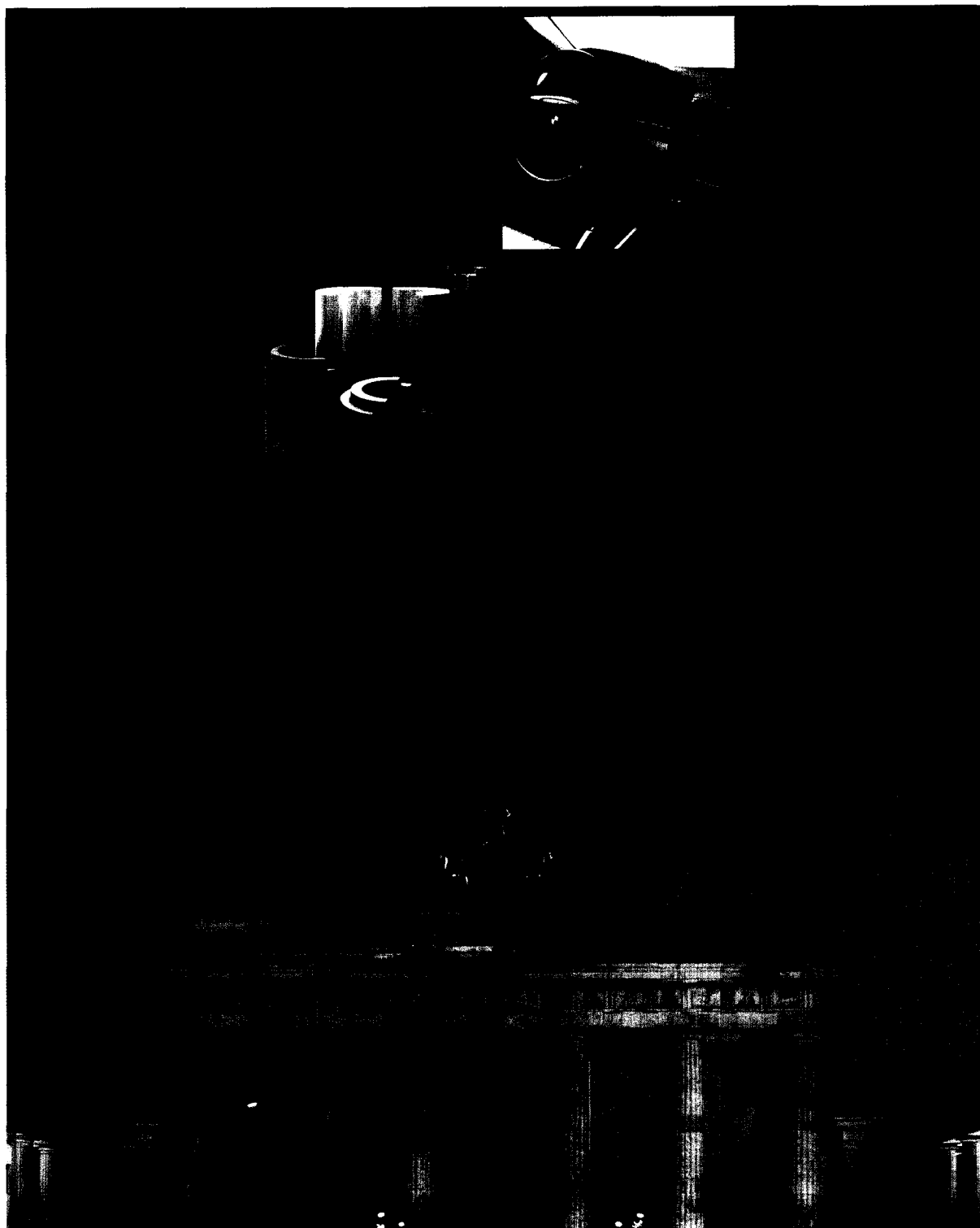
- | | |
|-----------------|----------------|
| ■ Fortis AG | <i>page 26</i> |
| ■ Generale Bank | <i>page 28</i> |
| ■ Sagem | <i>page 30</i> |
| ■ Tractebel | <i>page 32</i> |

Non-consolidated companies

- | | |
|---------|----------------|
| ■ Accor | <i>page 36</i> |
| ■ Arbed | <i>page 38</i> |

Notes on the figures for the eight key companies:

- Figures are in millions of BEF, unless specified otherwise.
- The "net profit" includes the Group's share and that of minority shareholders.
- Capital and reserves include the Group's share and that of minority shareholders and are given after appropriation of the profit.
- The stock market capitalization is obtained by multiplying the total number of shares by the market price for ordinary shares as at 31 December.



Recticel increased the international spread of its operations, through the joint venture with Johnson Controls GmbH and the acquisition of Europlastic, both located in the industrial heartland of Germany.

.....

Recticel is a Belgian company with centres of operations throughout Europe and in North America. It specializes in developing, producing, processing and marketing polyurethane foams for the furniture, bedding (mattresses), automotive (seats, fascia boards and encapsulated windscreens), industrial and insulation sectors. ■ The upturn which Recticel has enjoyed over the past two years was brought to a halt in 1995 by a sharp, unexpected rise in the price of raw materials, which account for about half the cost of polyurethane products. Recticel was unable to pass on this rise through selling prices and, added to a drop in consumption in the second half of 1995, this obliged the company to take further measures to boost productivity and safeguard its market share. ■ For 1995 the company posted a net loss (Group share) of BEF 682 million, against a profit of BEF 507 million in 1994, with sales improving appreciably from BEF 29.6 billion in 1994 to BEF 32.3 billion in 1995, an increase of 9.2% (4.8% on a constant consolidation scope basis). ■ Despite these recent difficulties, Recticel continued to increase the international spread of its operations, mainly via acquisitions and cooperation agreements in its key sectors of activity. ■ In the automotive sector Recticel set up a joint venture, in which it is the majority shareholder, with Johnson Controls GmbH. The new company, Recticel JCI Formschaum, based at Espelkamp in Germany, produces

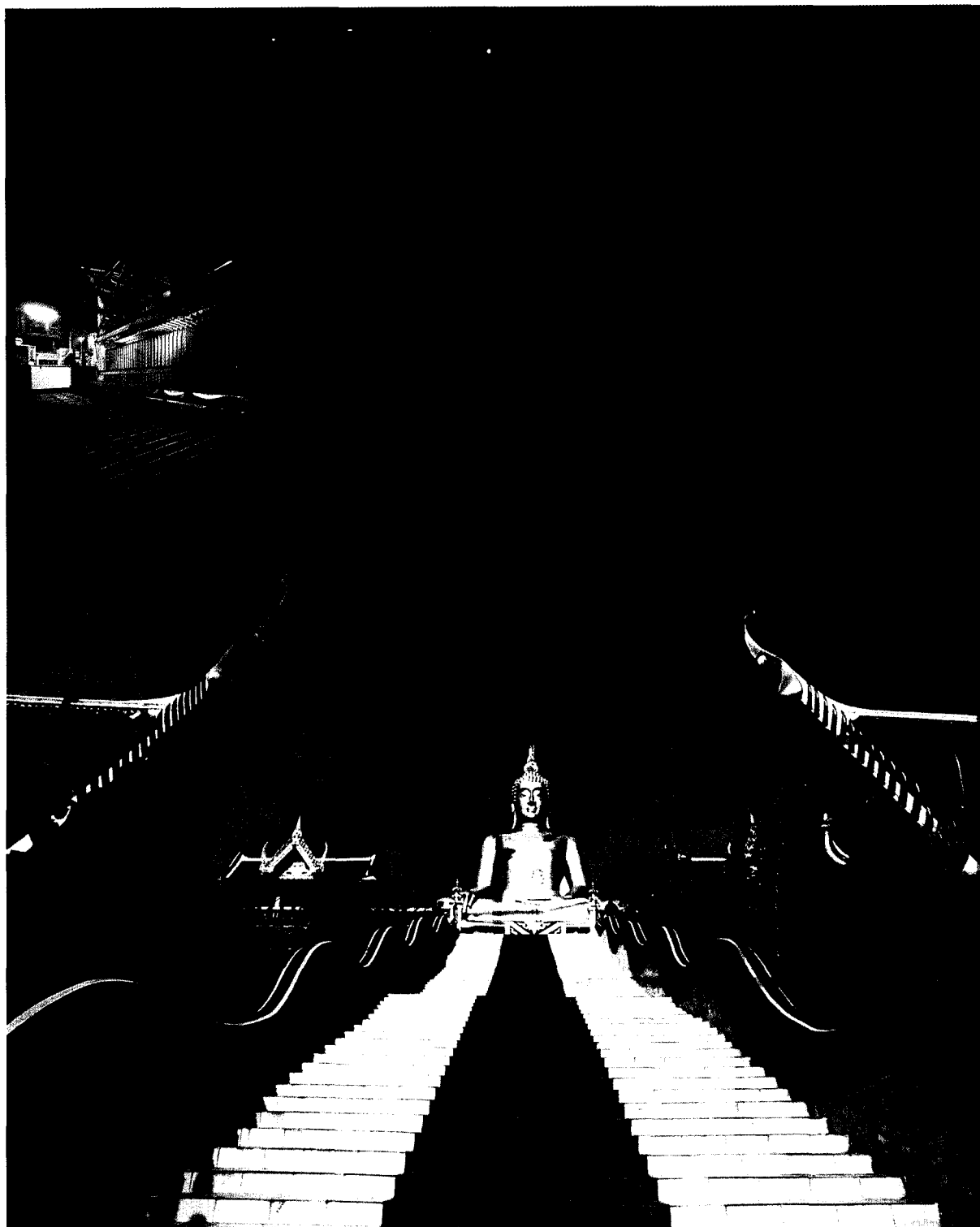
(BEF million)	1995	1994
Turnover	32 317	29 604
Net profit (Loss)	(650)	535
Profit (Loss) per share (BEF)	(23.68)	18,50
Shareholders' equity	8 466	9 137
Stock market capitalisation	10 707	14 541
Direct holding	69.95%	70.05%
Dividend per share (BEF) (pref.)	-	30

moulded cushions for car seats and will be the main supply centre for new fittings for Volkswagen, a new outlet for the plant, in addition to the existing client base of Ford, Mercedes and BMW. ■ Recticel also acquired Europlastic, a German company based in Düsseldorf specializing in the production of ester foams for technical applications. These foams are mainly used for foam-backed fabrics which are widely used in the automotive industry and as insulation, filtering and sound proofing materials. This acquisition has consolidated Recticel's presence in the technical foams sector

and has also given the company a significant production capacity in the industrial heartland of Germany. ■ Recticel joined up with the Italian producer Toscana Gomma and set up Tigierre to promote its products on the Italian market. The new company will use the two manufacturers' complementary product ranges to offer improved customer services on the Italian market and exploit the significant synergy potential.



Luc Vansteenkiste
Chief Executive Officer



In 1995, Union Minière took the first steps towards international expansion, especially on the promising South-east Asian markets, with projects in China, Japan and Thailand.

Union Minière (UM) is a world leader in the non-ferrous metals sector. Its centres of operations in Europe and the United States produce and market more than 20 metals for use in the basic and advanced technology sectors, construction and research. Its activities cover mining, smelting, refining, primary transformation, recycling and engineering. The metals are split into five main lines of business: zinc, copper, cobalt, germanium, and complex metallurgy of lead, precious and special metals. ■ For the past five years Union Minière has been faced with an extremely difficult operating environment, marked by the depreciation of the US dollar against the Belgian and French franc, and depressed prices for non-ferrous metals. In view of persistent low profitability levels, despite the significant measures implemented to boost earnings, the Group decided to carry out an in-depth analysis of its operations. The outcome was an industrial plan, which is intended to consolidate Union Minière's leading position in the majority of its key sectors and provide a sound basis for the group's international expansion. ■ In order to reduce wage costs, Union Minière is obliged to trim its workforce in Belgium and France by 1,900. The other phase of the Industrial Plan involves investments totalling BEF 22 billion over the period 1996-1998 for new industrial facilities (a copper refinery at Olen, development of new smelter technology, and modernization and extension of the precious metals refinery at Hoboken), research and development in the zinc sector and reducing

(BEF million)	1995	1994
Turnover	127 351	122 912
Net profit (Loss)	(662)	89
Profit (Loss) per share (BEF)	(39)	(6)
Shareholders' equity	38 697	39 830
Stock market capitalisation	48 623	61 243
Direct holding	46.51%	46.51%
Dividend per share (BEF)	-	-

operating costs, primarily in the zinc refining sector. At the same time Union Minière has plans to establish itself on the international market, particularly in promising areas such as the Far East. ■ At the end of 1995 and the beginning of 1996, UM took the first steps towards increasing the geographical spread of its operations. It acquired a 10% interest in Thailand in Thai Copper Industries Ltd., which is planning to build a copper smelter and refinery; it set up a joint venture in China with Shanghai Jiuling Smelter, Shanghai Blue Lotus Metals Co., in which UM has a 75% stake, and

which will produce fine cobalt powder for the Chinese market; and it set up a jointly owned company in Japan, together with Nikko Rica and Mitsui, to produce spherical nickel hydroxide for manufacturing rechargeable batteries. ■ Union Minière sold off its Swedish mine, Ammeberg Mining, to the Australian company, North Limited., as part of its ongoing policy of concentrating on its core businesses. ■ The main impact of these measures should be felt over the next few years but even in 1995 they helped Union Minière achieve a 3.2% increase in sales revenues in 1995 (BEF 127 billion) compared with 1994. Despite a substantial rise in operating income (BEF 1.8 billion in 1995, against BEF 1 billion in 1994) the group closed the year with a net loss of BEF 954 million, down BEF 800 million on 1994, owing to the reorganisation charges entailed by the Industrial Plan.



Karel Vinck
Chief Executive Officer



Through the joint venture set up with the savings bank "la Caixa", Fortis consolidated its position in Spain, particularly on the life insurance market.

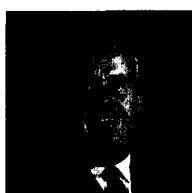
Fortis is an international financial group comprising more than 100 companies in the insurance, banking and asset management sectors in Western Europe, the United States and Australia. The parent companies of Fortis are Fortis AG in Belgium and Fortis AMEV in the Netherlands. ■ Fortis' performance in 1995 was excellent. It implemented a two-prong strategy aimed at consolidating the strong positions the group already holds on certain markets, and building up new positions, mainly through a policy of external growth. ■ In the course of 1995 all Fortis' business sectors showed a healthy trend, with the exception of health care in the United States and third-party liability insurance for drivers in Australia. ■ In Belgium banking activities accounted for a substantial share of the rise in profits, which was achieved despite a significant drop in capital gains realized on the bond portfolio. ■ As in the Netherlands, the Belgian-based Fortis companies carried out a thorough overhaul of their management procedures with the aim of improving the quality of the services offered and bringing down costs. ■ In 1995 ASLK/CGER-Bank, in which Fortis has held a controlling interest of 49.9% since 1993, acquired nearly all the shares of SNCI (credit facilities for the industry), substantially increasing its presence on the corporate loans markets. ■ In the Netherlands the insurance and banking sectors both achieved higher profits. ■ In Spain, through the joint venture set up with the savings bank, "la Caixa", Fortis continued to

expand its market share, particularly in the life insurance market. This sector generated a significant increase in profit. ■ With the exception of the health business, operations in the United States turned in a particularly good performance. Fortis' strategy on this vast market is based on segmentation; it continuously adapts its range of products and services to the requirements of individual markets. In particular, this strategy has generated an appreciable rise in sales, excluding the negative impact of the depreciation in the US dollar on Fortis' figures, which are expressed in ECU. ■ Reflecting

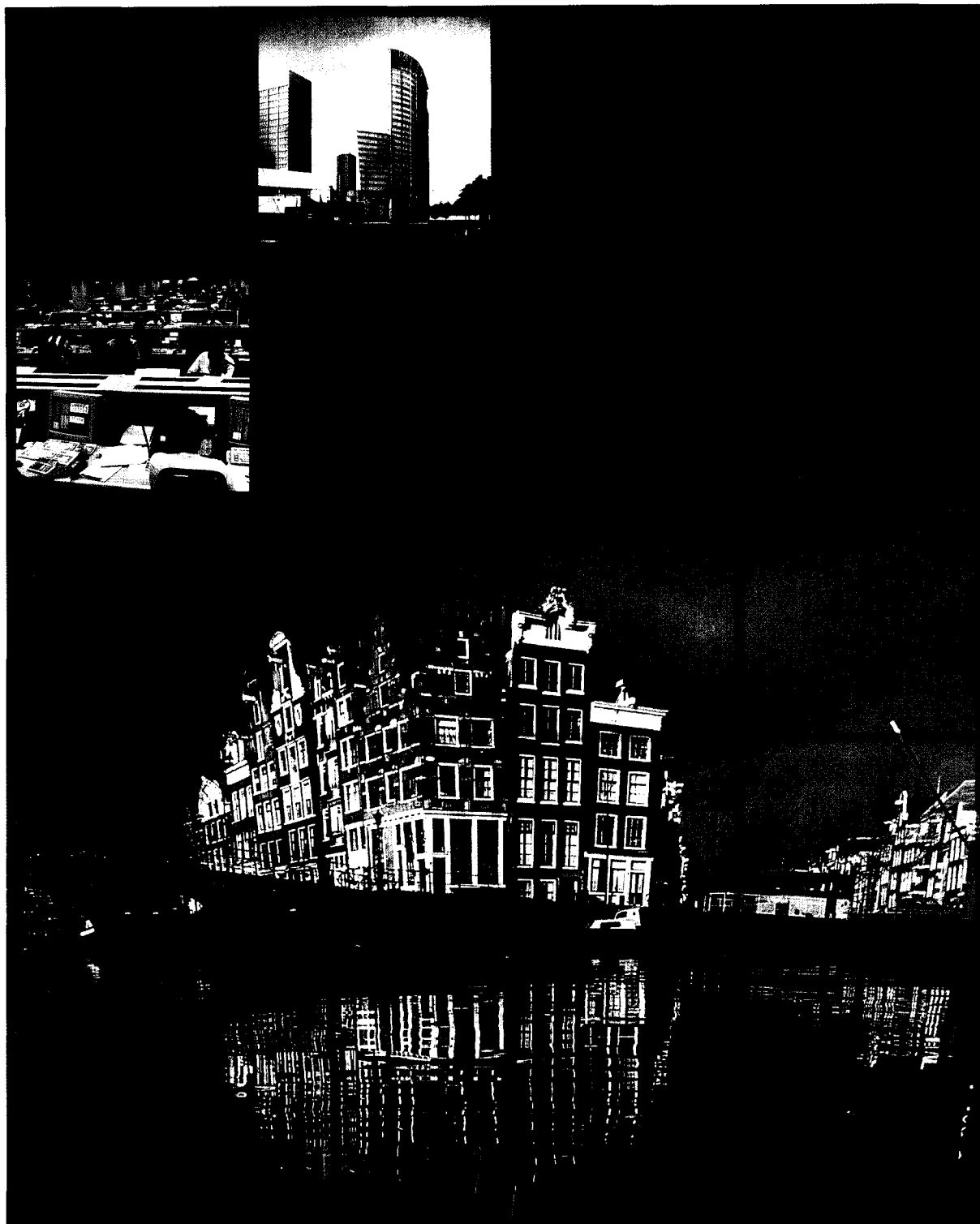
its international dimension, not only in its areas of business but also on the financial markets, the shares of the two parent companies of Fortis were listed on the London and Luxembourg stock exchanges in 1995. ■ Fortis and its parent companies have regularly generated a return on equity in excess of 12% and consequently they attracted a particularly positive response from investors in 1995. Fortis aims to continue its expansion and maintain the ROE it offers above 12%. ■ For 1995 Fortis posted a profit of ECU 631 million, a rise of 15% compared with 1994. Its total assets stood at ECU 125 billion and its shareholders' equity at ECU 4.8 billion.

(BEF million)	1995	1994
Net profit (Fortis)	24 005	21 714
Shareholders' equity (Fortis)	180 226	167 531
Stock market capitalisation (AG)	129 469	95 391
Direct holding	19.31%	19.19%
Dividend per share (BEF)	84	74.25

fortis AG



Maurice Lippens
Chairman • Chief Executive Officer



Following the acquisition in 1995 of Credit Lyonnais Bank Nederland, now Generale Bank Nederland, G-Bank has become the fourth largest bank in the Netherlands.

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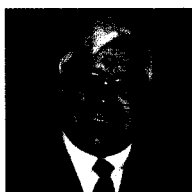
Generale Bank is the keystone of a group made up of around 150 banks and companies of various sizes. It is the largest private sector financial institution in Belgium, with 1,100 branches on the domestic market and a network of centres of operations worldwide. Generale Bank offers a comprehensive range of financial products and services to private individuals, corporate customers, banks and public authorities. The 1994 edition of *The Banker* ranked it 28th in Europe and 56th at world level in terms of its total assets. ■ Following the agreement concluded with the Belgian Post Office at the beginning of 1995, a joint subsidiary was set up, the Banque de la Poste/Postbank, to distribute standard banking products through the network of 1,600 post office branches. In the space of only a few months this new subsidiary had attracted nearly BEF 8 billion in deposits from around 70,000 customers. This new acquisition should help G-Bank increase its share of the retail banking market in Belgium. ■ At international level the main event of the year was the take-over of Credit Lyonnais Bank Nederland, the fourth largest bank in the Netherlands. This bank is now a wholly owned subsidiary of G-Bank and has changed its name to Generale Bank Nederland. This acquisition was part of G-Bank's strategy to expand its operations within a 400 km radius of Brussels. ■ G-Bank also acquired a 73.37% interest in Fimagest, a French company specializing in asset management for third parties. This acquisition should enable G-Bank to consolidate its

(BEF million)	1995	1994
Total assets	4 739 154	4 039 877
Net profit	16 153	15 540
Profit per share (BEF)	914	847
Shareholders' equity	132 477	121 593
Stock market capitalisation	155 694	120 706
Direct holding	29.32%	29.37%
Dividend per share (BEF)	385	360

position on the coveted securities management market.

■ Finally, Generale Bank extended its European network by opening a representative office in Reading (UK), a rapidly growing industrial centre in the Thames valley. ■ In Hong Kong G-Bank has a network of more than 20 branches dealing with retail and corporate customers. In 1995 it set up Grand Generale Asia Ltd. together with Grand Resources Holding, a subsidiary of the Guangdong Development Bank and the People's Bank of China. The new company will specialize in securities broking and asset management. ■ The Bank is also

firmly established in South-East Asia and the Far East with nine permanent representative offices in Ho Chi Minh Ville, Beijing, Shanghai, Jakarta, Tokyo, etc. In 1995 it signed new framework agreements with four Vietnamese banks with a view to financing exports of Belgian capital goods and services totalling BEF 650 million. ■ In Africa Generale Bank is mainly represented by its subsidiary, Banque Belgo-laise, which continued to implement its expansion policy, concentrating on sub-Saharan Africa. ■ For the 1995 financial year Generale Bank registered an 8% increase in consolidated net profit, which stood at BEF 13.7 billion, against BEF 12.7 billion in 1994, providing proof of the bank's dynamic approach and commitment to establishing itself as an essential financial partner.



Ferdinand Chaffart
Chairman of the General Management Committee



Sagem strengthened its position on the American market following the contract awarded by EchoStar for the delivery of numerical television decoders for direct reception of satellite programmes.

Sagem is a French group operating in the high-technology sector. Its main companies are: Sagem S.A., SAT and Silec. In 1995 it generated a 10.1% increase in sales revenues, which totalled FRF 15.08 billion, including FRF 5.05 billion from exports. It employs 14,700 worldwide. The Group's share of the consolidated net profit stood at FRF 548.9 million, an increase of 12.7%. ■ The Générale's interest in Sagem is held via Coficem, in which it holds 20%; Coficem holds a 40% interest in Sagem's capital and 53% of the voting rights. ■ The Sagem group is the European leader in several areas: inertial systems, fax machines, telecom terminals and pay television terminals. Its subsidiary, SAT, is the European leader in the field of data communication and videocommunication and is also the second largest manufacturer of optronic systems in Europe. Silec is the leading producer of high performance cables for energy and telecommunications and enjoys a worldwide reputation in its field. ■ The Sagem group has enjoyed a steady rise in export sales thanks to its presence in 95 countries and especially to its subsidiaries, R&D centres and production centres outside of France, e.g. in the United States, the United Kingdom and Germany. ■ In 1995 Sagem moved into the GSM mobile phone market and launched the "Sagem R400" series of top of the range mobile phones, entirely designed and manufactured in France. ■ Sagem also achieved a worldwide first with the launch of its Phonefax 330 and 350 personal fax machines, which use ordinary paper.



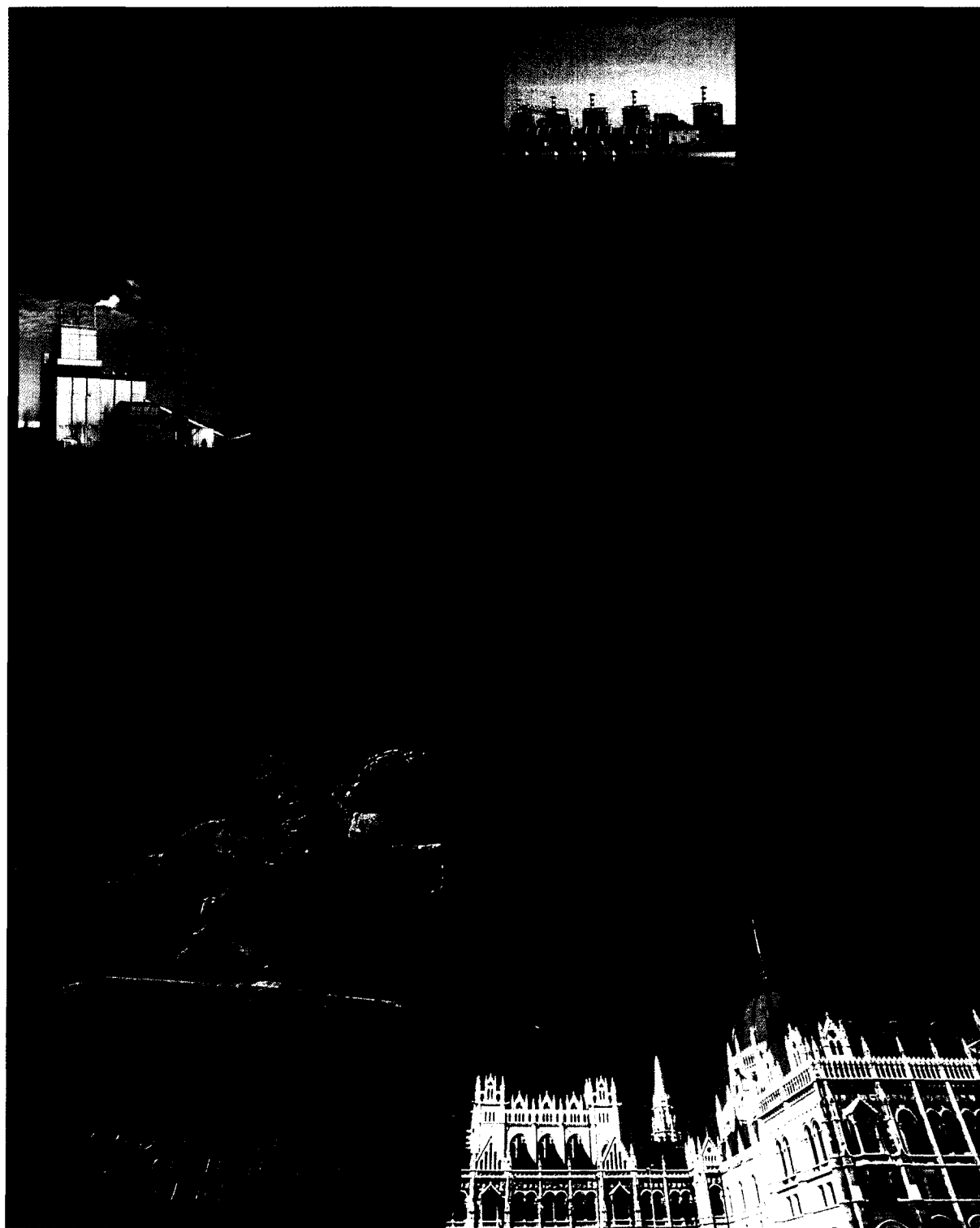
Previously this type of machine was only available on the corporate business market. ■ 1995 also marked the delivery of the 7 millionth analogue television decoder, a sector where Sagem is the European market leader. ■ In the numerical television sector, the Sagem group was selected by the American operator, EchoStar, to supply hundreds of thousands of numerical decoders for direct reception of satellite programmes. ■ Another example of the Sagem group's innovative capacity and high level of technological skill was the world première launch by SAT of the first multi-function modem to be approved in

France which can operate on both the GSM network and the switched telephone network. ■ Finally, Sagem S.A. concluded an important supply contract with the Netherlands for four sections of Sperwer light observation drones.

NB: Figures not available at time of publication.



Pierre Faure
Chairman • Chief Executive Officer



In 1995 Powerfin acquired an interest in the Dunamenti power station, in Hungary. The total generating capacity of power stations in which the group holds participating interests stood at more than 6,000 MW as at 31 March 1996.

Tractebel, which celebrated its 100th anniversary in 1995, is a Belgian industrial group specializing in generating and distributing electricity, distributing gas, environmental services, cable television, real estate, infrastructures and industrial installations. It is divided into seven industrial units with a significant degree of synergy. ■ Over the past few years this originally Belgian-oriented group has succeeded in increasing the geographical spread of its activities to such an extent that it now enjoys a worldwide reputation as a highly respected industrial partner. Between 1990 and 1994 it achieved a 140% increase in turnover on its foreign operations, against a corresponding 29% increase in Belgium. ■ Tractebel achieved a major breakthrough in the **International Gas and Electricity** sector in 1995, with the conclusion of numerous projects and cooperation agreements, the majority via Powerfin. The total generating capacity of power stations in which the group holds participating interests stood at more than 6,000 MW as at 31 March 1996. ■ In the United States American Tractebel Corporation made a successful friendly take-over bid for the American electricity generator, CRSS, which operates a series of power stations with a total generating capacity of 500 MW and which has a portfolio of development projects equivalent to around 840 MW. ■ Powerfin acquired a 12.5% interest in Stadtwerke Bremen, under a privatisation programme in the Western part of Germany. This utilities company, which provides electricity, heating, gas and water

(BEF million)	1995	1994
Turnover	321 699	297 777
Net profit	31 497	29 410
Profit per share (BEF)	823	778
Shareholders' equity	262 971	254 296
Stock market capitalisation	167 254	132 089
Direct holding	27.53%	27.63%
Dividend per share (BEF)	370	355

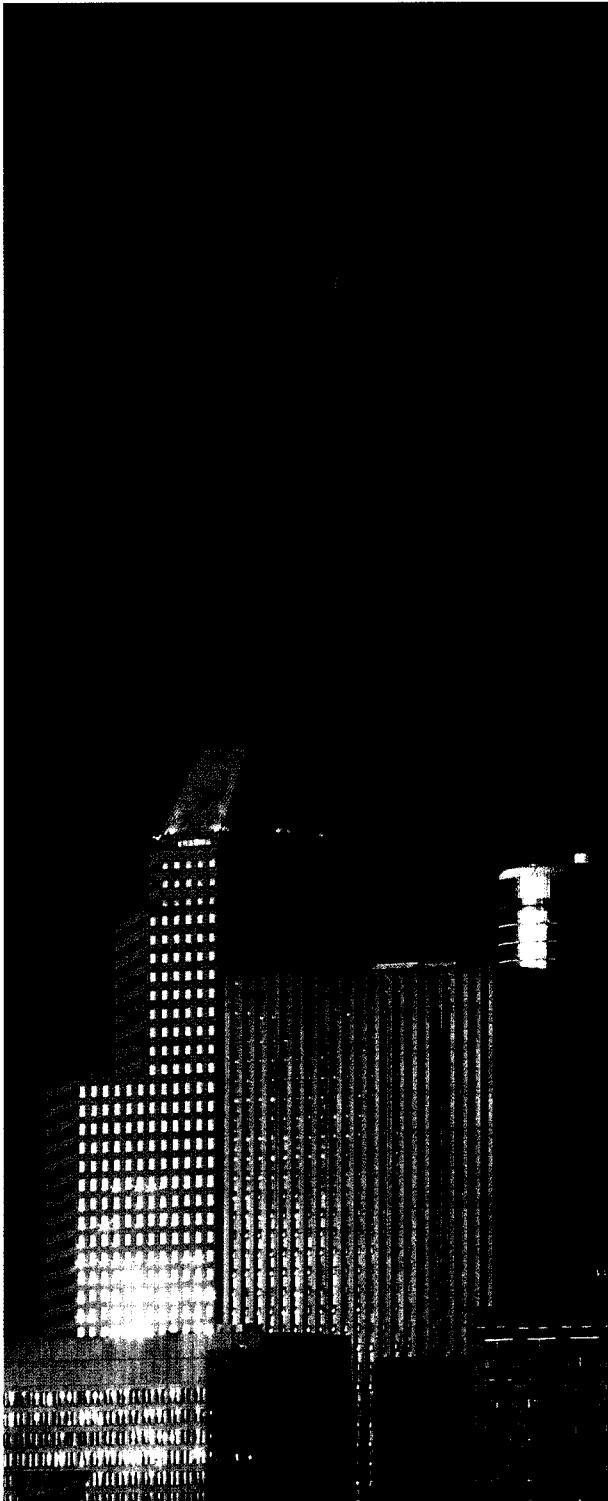
for the 550,000 inhabitants of Bremen, generates an annual turnover of around BEF 26 billion. ■ Through its subsidiary Rosen, Powerfin was awarded a contract to build a power station (combined gas and steam cycle) at Rosignano in Italy to produce 352 MW of electricity for the Italian network and 410 t/h of steam for the Solvay plant at Rosignano. ■ In Chile and Hungary Powerfin acquired interests in power stations at Tocopilla (594 MW) and Dunamenti (1,976 MW). ■ The Windsor power station in Ontario (Canada) came on stream according to schedule in 1995 and work on the

Al Manah power station and network of high tension power lines in the Sultanate of Oman is progressing according to plan. Tractebel also concluded agreements to build new power stations in India and Kazakhstan and a gas distribution network in Thailand. ■ In the **Technical Installations and Community Services** sector the Fabricom group continued to expand its basis of operations in the United Kingdom; it concluded a cooperation agreement with a company in the modular construction sector (pre-fabricated factory units) and, at the end of August, took over Logan-Fenamec, which specializes in internal transport systems for industry. ■ In Spain Tractebel España acquired a 30% interest in Metroparc, a car park operator. ■ In the **Environment** sector the group consolidated its international position on the integrated waste management market. It concluded several new agreements, including a domestic waste processing contract in



Philippe Bodson
Chairman of the General Management Committee
Managing Director

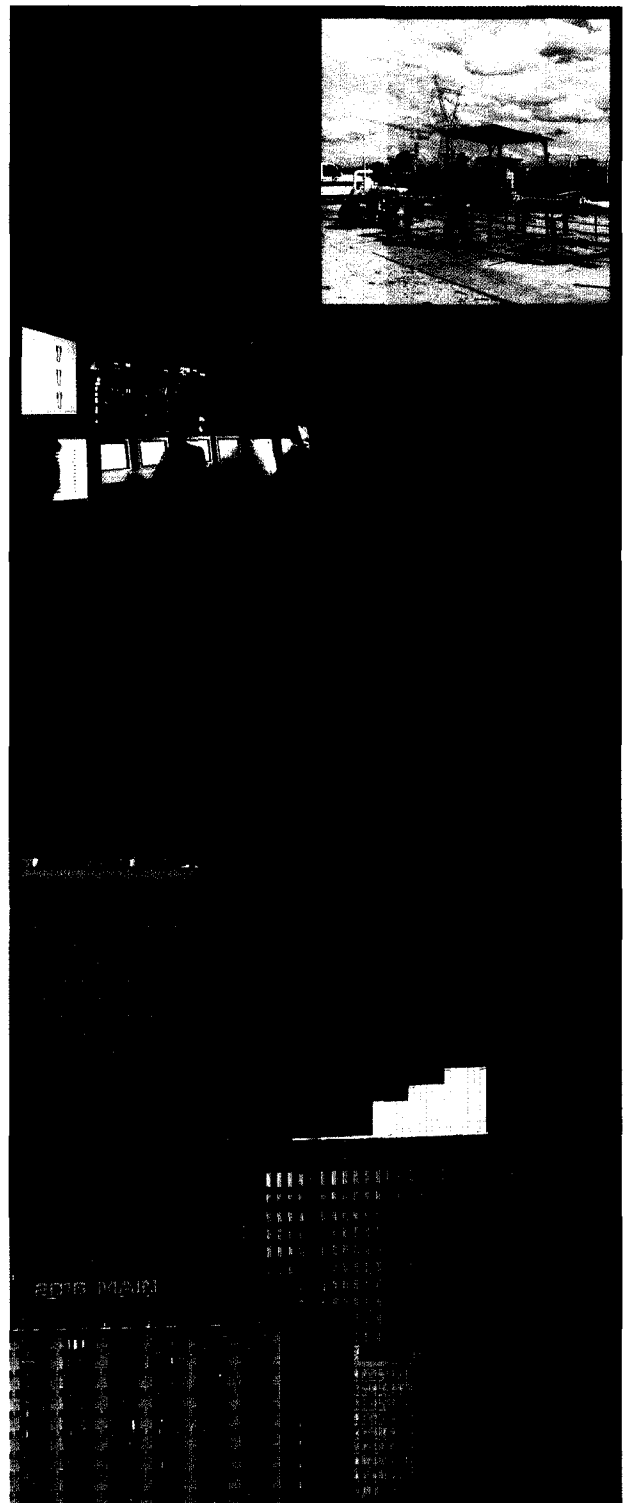
.....
American Tractebel Corporation made a successful
friendly take-over bid for the American electricity
generator, CRSS, which operates a series of power
stations with a total generating capacity of 500 MW.
.....



Quebec for a community of 95,000, and two similar contracts in Poland for Radom (300,000 inhabitants) and Czestochowa (260,000 inhabitants). It also acquired Drimm, a company based in south-western France which owns and operates a landfill site with a volume of 2.1 million cubic metres. ■ The teams from Tractebel's **Engineering** unit worked on several projects using state-of-the-art technology, confirming their reputation for technical skills and know-how. Tractebel Development, a subsidiary of Tractebel Engineering, was recently awarded a contract to carry out a geological survey to determine the route for a major motorway running across Taiwan from east to west, with a total length of 125 km, including 55 km of tunnels. The planned route goes through mountainous terrain and the project will involve interpreting geological data from satellite images in order to precisely locate major geological structures, faults and folds in the earth's crust, and the principal areas of instability for each alternative route. ■ In connection with the Tacis and Phare aid programmes for the former Soviet Union and central Europe, Tractebel Engineering is working with Corys, Siemens and Thomson on a project to develop eight units to simulate the operation of VVER nuclear power stations on six different sites in five countries. These simulators will be used to provide the many different forms of training required for operators in order to develop a

safety-oriented approach in Eastern Europe. ■ Various other projects are currently being studied in Africa (Guinea, Mali, Congo) and Asia (India, Vietnam, China).

■ For the **Real Estate** unit 1995 was marked by the development of a complex in Warsaw (Poland), which was jointly financed by the European Bank for Reconstruction and Development and Generale Bank. In Belgium Compagnie Immobilière de Belgique set up a joint venture with Leasinvest to manage a portfolio of contracts worth BEF 240 million. ■ In Belgium, which is still Tractebel's main market, particularly for its **Gas** and **Electricity** unit, the Belgian Council of Ministers approved the first phase of the electricity infrastructure plan. This plan covering the period 1995-2005 was submitted by Electrabel in 1995. ■ The consolidated net profit (group share) for 1995 stands at BEF 11.3 billion, 5.7% up on 1994, with turnover totalling BEF 322 billion in 1995, against BEF 298 billion in 1994. These healthy results were achieved, despite a less than buoyant operating environment, thanks to the dynamism of Tractebel's staff.





Accor Asia Pacific Corporation is listed on the Sydney Stock Exchange and has become the region's leading hotel network, with 116 hotels belonging to the Sofitel, Novotel, Mercure and Ibis chains.

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Accor is one of the world's largest operators in its two core sectors: **Hotels** and **Company Services**. In 1995 Accor generated turnover of FRF 31 billion, against FRF 33 billion in 1994 (on a constant consolidation basis and disregarding exchange rate fluctuations, turnover would have shown an increase of 7.3%). This improvement is due to higher occupancy rates and prices in the hotel sector in the United States, together with the steady rise in Company Services. ■ Throughout 1994 and 1995 the Group made a concerted effort to reduce its overall level of debt. Over the same period Accor continued its expansion drive, particularly on the emergent Pacific Rim markets. ■ Accor has set itself the target of reducing its debts to FRF 17 billion by the end of 1996, compared with the 1993 level of FRF 23.5 billion. This essentially involves refocusing activities on its core businesses. Consequently it sold off its "Pizza del Arte" chain to the Le Duff group; it also sold part of its motorway catering operations to the Charterhouse group and disposed of its "L'Ecluse" restaurant chain via a management buyout. ■ Accor also joined up with Compass with a view to creating one of the world's leading large-scale catering groups, with Compass taking over Eurest International and Accor's 33% interest in Eurest France. This merger has made Accor the main shareholder in the new group, with a participating interest of 22.5%. ■ Accor also took steps to refinance its debt, floating two bond issues totalling FRF 3.2 billion and concluding an international loan for FRF 5 million with a consortium

(FRF million)	1995	1994
Turnover	31 012	33 472
Net profit	*	927
Profit per share (BEF)	*	28.6
Shareholders' equity	*	16 101
Stock market capitalisation	18 360	14 480
Direct holding	10.55%	11.6%
Dividend per share (BEF)	*	18

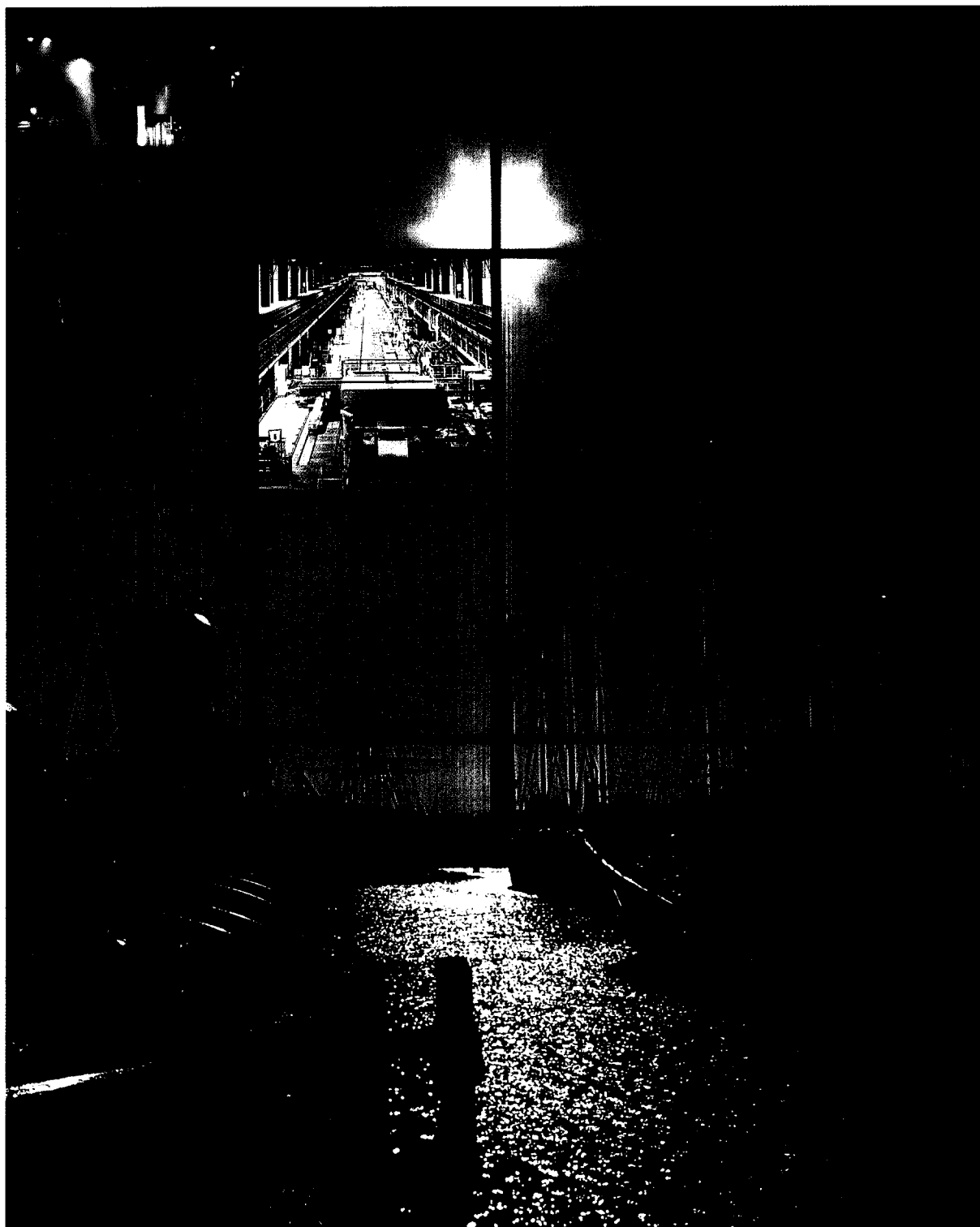
* Not available at time of publication.

of 38 banks. As a result it succeeded in refinancing FRF 8.2 billion of its debt in 1995. ■ Other measures, reflecting the company's dynamic approach, were aimed at achieving economies of scale. They include a successful take-over bid for the outstanding balance (30%) of shares in CIWLT, in exchange for Accor shares, and an agreement to reorganise Europcar with the German car manufacturer, Volkswagen. ■ But the most significant event of 1995 was the Accor group's continuing expansion on the Pacific Rim and Brazilian markets. ■ Accor Asia Pacific Corporation (AAPC Ltd) is

now the region's leading hotel network, with 116 hotels belonging to the Sofitel, Novotel, Mercure and Ibis chains. 24 new hotels were opened in 1995. ■ Accor's expansion in this region is underpinned by its policy of working with local partners; in the Philippines four hotels were taken over with Anglo-Asian Strategic Management Inc., and in Japan Accor signed a cooperation agreement with Hokke Club, giving it a foothold in the Japanese middle-market hotel sector. ■ In Brazil Accor is the undisputed leader in the service voucher sector; sales volumes of the 14 products and services developed by Accor showed a 30% rise over 1994.



P. Dubrule and G. Pélisson
Co-Chairmen



Arbed consolidated its position as one of the most important producers of flat products in Europe following the take-over of STAHLwerke BREMEN by its subsidiary Sidmar.

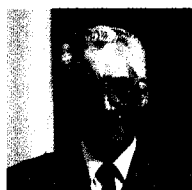
Arbed is an international industrial group based in Luxembourg, operating worldwide. It comprises 9 main lines of business. The group is one of the world's largest steel makers, producing 11.5 million tonnes of steel a year. ■ Following the take-over of STAHLwerke BREMEN by its subsidiary Sidmar, the group consolidated its position as one of the most important producers of flat products in Europe. In the long products sector it is a leading producer of beams and piling. It is also a major player on the European market for stainless steel flat products, one of the world's main producers of steelcord and the leading producer of drawn steel products in South America. It has an international selling, marketing and trading network consisting of around fifty centres throughout the world. The group's operations also include the production of super-thin copper sheets and mechanical engineering. ■ Consumption of steel products fluctuated widely throughout the year and consequently the Arbed group's operating environment was marked by sharp contrasts in activity levels in 1995. The group benefited significantly from the development strategy implemented over the course of the past few years, and in particular from its stronger position in the flat products sector thanks to STAHLwerke BREMEN being consolidated for the first time. The figures for 1995 show a marked improvement over 1994, with sales standing at LUF 257 billion, against LUF 206 billion, a rise of 25%. ■ Throughout 1995 Arbed continued to consolidate its position on the

(LUF million)	1995	1994
Turnover	257 105	205 694
Net profit	6 615	414
Profit per share (LUF)	414	42
Shareholders' equity	100 797	92 642
Stock market capitalisation	30 299	41 061
Direct holding	15.44%	15.87%
Dividend per share (LUF)	*	-

* Not available at time of publication.

international market by expanding into areas with high development potential. Sidstahl was set up to improve marketing in the flat products sector. In addition, the group stepped up its efforts to establish itself on the Eastern European market and the promising South-East Asian market. ■ 1995 was a year of dynamic change and development, as illustrated by the following: the electric arc furnaces and continuous casting lines at Stahlwerk Thüringen and ProfilARBED gradually approached nominal capacity, a management contract was signed by Belgo-Mineira, the group's leading

company in Brazil, with Mendes Junior Siderurgia, and steel drawing operations in Luxembourg were reorganised. ■ Faced with increasingly severe competition and new challenges on mini-mills, the flat products sector put forward an industrial plan at the end of the year, which includes setting up compact, flexible steelworks and reorganising jobs in Luxembourg. ■ As part of its strategy to strengthen its flat products sector Arbed increased its interest in Sidmar by purchasing the shares held by the Italian group, Falck, bringing its holding up to 71.74%. Sidmar, in its turn, stepped up its interest in STAHLwerke BREMEN from 51.01% to 67.68%. ■ The remarkable results achieved confirm that Arbed has adopted the right strategy over the past few years to boost its growth in a very competitive sector.



Joseph Kinsch
Chairman of the Board
Chairman of the General Management Committee

Consolidated accounts

NOTES TO THE 1995 CONSOLIDATED ACCOUNTS

RESULTS

After increasing by 40% in 1993 and 27% in 1994 the Group's **net profit** fell this year by 16%, or BEF 1,806 million, to BEF 9,205 million.

On examining the major components of the income statement it can be seen that the main reason for this difference between 1994 and 1995 is to be found in the exceptional earnings from the fully consolidated subsidiaries, which fell from BEF 2,240 million in 1994 to - BEF 1,828 million in 1995, i.e. an overall reduction of BEF 4,068 million.

The profit from ordinary activities posted by these companies was also lower, falling from BEF 1,263 to 766 million. Taxes payable decreased by BEF 432 million but the most significant improvement was registered by companies included under the equity method, which generated income of BEF 10,780 million in 1995, compared with BEF 9,488 million in 1994, an increase of BEF 1,292 million.

Turnover rose by 5% to BEF 161 billion. As can be seen from the table below Union Minière and Recticel both contributed to this increase. Readers will find a more detailed analysis of these two companies' sales figures in their annual reports.

Sharp rises in the price of raw materials and the cost of developing new product lines resulted in a substantial drop in Recticel's operating income; this is the reason why the operating income from the Group's fully consolidated companies decreased by nearly half.

The **financial income** posted by the fully consolidated companies continued to improve, a trend which has been in evidence for the past four years. Union Minière's easier cash position following the sale of Union Mines and the Swedish mine was the most important factor in this improvement, which is even more significant considering that a BEF 573 million write-down was booked to mark the Suez shares to market.

As can be seen from the table, the **profit from ordinary activities** fell by 40%, but it should be remembered that these figures include only the fully consolidated subsidiaries. Union Minière's improved performance was more than offset by the deterioration at Recticel, which posted a loss on ordinary activities. The "Other" companies, i.e. mainly the Générale and its subsidiary holding companies, normally post a loss on ordinary activities since, on consolidation, all the operating costs, financial results and depreciation on goodwill on all the investments are borne by them.

This year the **exceptional items** give a negative balance of BEF 1.8 billion, compared with the positive balance of BEF 2.2 billion in 1994.

In 1995 there were few sales of fixed assets which generated significant capital gains at the level of the Générale Group. Union Minière realized a profit of BEF 4.1 billion on the sale of Ammeberg Mining (Swedish mine) and BEF 0.3 billion on sales of land and buildings in Germany. The Générale itself booked a capital gain of BEF 0.5 billion on the consolidated accounts on the sale of the second part of its headquarters (see comments on the parent company's accounts).

In October 1995 Union Minière announced it was putting in place a far-reaching reorganisation programme. The impact of this plan was reflected in the Group's accounts in the form of miscellaneous provisions, mainly to cover termination costs, and exceptional depreciation of industrial facilities totalling BEF 5.8 billion. Faced with a sharp rise in the price of raw materials and a more difficult operating environment, Recticel also decided to significantly reorganise various companies belonging to the group, at a total cost of BEF 360 million.

The Group closed the year with a **pre-tax loss** of BEF 1,062 million, against a pre-tax profit of BEF 3,503 million in 1994.

Nearly all the fully consolidated companies booked lower **income taxes** for 1995 than for the previous financial year. Union Minière accounted for a substantial share of the total tax charge of BEF 236 million, the tax charges and credits booked by the other companies being much lower.

Company	Turnover		Profit (loss) on ordinary activities		Profit (loss) of companies included under the equity method	
	1995	1994	1995	1994	1995	1994
Union Minière	127 348	122 908	1 538	1 022	410	199
Recticel	32 320	29 604	(333)	661	-	-
Other	930	794	(439)	(420)	-	(10)
Tractebel					3 987	3 972
Generale Bank					4 098	3 508
Fortis AG					2 074	1 819
Coficem					211	-
Total	160 598	153 306	766	1 263	10 780	9 488

Overall, the fully consolidated companies closed the financial year with a net loss of BEF 1.3 billion, BEF 4.1 billion less than the previous financial year. From the consolidated income statement it can be seen that the Group's fully consolidated industrial subsidiaries generated lower operating income in 1995 and, in particular, booked exceptional charges to cover reorganisation costs.

By contrast, the **contribution from the companies included under the equity method** showed a significant improvement, rising from BEF 9,488 to 10,780 million. As can be seen from the table below, this increase is not solely due to the fact that Coficem was consolidated for the first time in 1995, it is also due to the progress achieved in particular by Tractebel, Generale Bank and Fortis AG.

BALANCE SHEET

The main balance sheet items registered little change; the only significant increases were shown by fixed assets (consolidation goodwill and investments included under the equity method) and provisions for liabilities and charges.

ASSETS

Fixed assets increased by BEF 7 billion to BEF 188 billion. The changes in consolidation goodwill (see details in § 7 of the Notes) include the BEF 2.9 billion booked by the Générale on Coficem and the BEF 0.6 billion booked by Recticel on the acquisition from JCI and an amount of BEF 1.1 billion in depreciation. The net book value of consolidation goodwill increased by BEF 3 billion.

Net **tangible fixed assets** decreased by BEF 2 billion owing to Union Minière's sale of its Swedish mine and the exceptional depreciation of industrial facilities scheduled for reorganisation (BEF - 2.9 billion), at Recticel, the cost of acquiring a company from JCI and the fact that the amount invested during the year exceeded the depreciation charge for the year, i.e. a net difference of BEF 0.9 billion.

The table in § 5.2 of the Notes gives a detailed breakdown of the various types of tangible assets and the changes in them.

The acquisition of Coficem accounts for BEF 1.6 billion of the BEF 6.5 billion increase in the item **"companies included under the equity method"**. The balance corresponds to the difference between the income generated by these companies in 1995 and the dividends paid out during the same period (for a detailed analysis of changes, see § 5.3.A of the Notes).

The increase in the price of Recticel's raw materials in 1995 coupled with Union Minière's steady level of activity contributed to the rise in the value of **stocks**, which stood at BEF 30.6 billion, against BEF 28.4 billion in 1994.

LIABILITIES

Capital and reserves remained at the same level as at the end of 1994. The corresponding share of minority interests decreased owing to the fact that dividends paid out by profit-making companies exceeded, overall, these companies' share of the profit for the year.

Shareholders' equity increased by BEF 700 million as a result of a BEF 1,015 million transfer to reserves, which was partly offset by negative foreign exchange translation differences and a withdrawal from reserves, as explained in § 6 of the Notes.

Union Minière's reorganisation programme, which was mentioned above in connection with exceptional charges for the year, also had an impact on the **provisions for other liabilities and charges**, which increased by BEF 4.5 billion owing to the amounts allocated.

The item **debts** showed various changes but overall the increase was only BEF 685 million.

CONSOLIDATED BALANCE SHEET AT DECEMBER 31

ASSETS

(millions of BEF)

	1995	1994
	188 089	181 242
FIXED ASSETS		
Intangible fixed assets	1 548	1 003
Concessions, patents, licenses	309	153
Goodwill (purchased)	771	686
Software	337	90
Other intangible fixed assets	3	2
Advance payments	128	72
Goodwill	14 588	11 616
Tangible fixed assets	28 007	30 041
Land and buildings	9 437	11 354
Plant, machinery and equipment	13 464	14 928
Furniture and vehicles	1 457	1 484
Leasing and other similar rights	572	346
Other tangible fixed assets	273	298
Assets under construction and advance payments	2 804	1 631
Financial fixed assets	143 946	138 582
Investments included under equity method	98 132	91 662
Non-consolidated investments	42 049	42 811
Amounts receivable	3 765	4 109
CURRENT ASSETS	92 134	94 280
Amounts receivable after one year	801	4 786
Trade debtors	122	132
Other amounts receivable	679	4 654
Stocks and contracts in progress	30 605	28 902
Stocks	29 939	28 506
Contracts in progress	666	396
Amounts receivable within one year	34 203	27 922
Trade debtors	23 988	22 803
Other amounts receivable	10 215	5 119
Current investments	21 325	26 304
Other investments	21 325	26 304
Cash at bank and in hand	2 800	4 157
Deferred charges and accrued income	2 400	2 209
TOTAL ASSETS	280 223	275 522

LIABILITIES AND SHAREHOLDERS' EQUITY

(millions of BEF)

	1995	1994
	196 402	196 360
CAPITAL AND RESERVES		
Group capital and reserves	166 470	165 769
Capital	58 928	58 928
Share premium account	42 167	42 167
Reserves	63 872	62 981
Negative goodwill	3 954	3 954
Cumulative translation adjustment	(2 451)	(2 261)
Minority interests	29 932	30 591
PROVISIONS AND DEFERRED TAXES	16 562	12 588
Provisions for liabilities and charges	15 969	11 882
Pensions and similar obligations	5 951	6 174
Taxation	31	99
Major repairs and maintenance	481	547
Other liabilities and charges	9 506	5 062
Deferred taxes	593	706
CREDITORS	67 259	66 574
Amounts payable after one year	15 357	15 054
Financial debts	14 095	13 939
Trade debts	90	0
Other amounts payable	1 172	1 115
Amounts payable within one year	49 475	48 825
Current portion of amounts payable after one year	4 930	3 950
Financial debts	8 504	9 030
Trade debts	14 182	16 882
Advances received on contracts	1 160	799
Taxes, remuneration and social security	6 000	6 418
Other amounts payable	14 699	11 746
Accrued charges and deferred income	2 427	2 695
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	280 223	275 522

CONSOLIDATED INCOME STATEMENT

(millions of BEF)

	1995	1994
Operating income	164 656	155 918
Turnover	160 598	153 306
Increase (decrease) in stocks of finished goods, work and contracts in progress	1 744	742
Own work capitalized	506	359
Other operating income	1 808	1 511
Operating charges	163 833	154 419
Raw materials, consumables and goods for resale	110 533	102 635
Purchases	110 341	103 944
(Increase) decrease in stocks	192	(1 309)
Services and other goods	16 788	16 060
Remuneration, social security costs and pensions	28 521	27 727
Depreciation and amounts written off intangible and tangible fixed assets	5 905	6 024
Increase (decrease) in amounts written off stocks, contracts in progress and trade debtors	360	270
Increase (decrease) in provisions for liabilities and charges	67	(36)
Other operating charges	1 659	1 739
Operating profit	823	1 499
Financial income	5 803	5 990
Income from financial fixed assets	1 239	1 510
Income from current assets	2 231	2 283
Other financial income	2 333	2 197
Financial charges	5 860	6 226
Interest and other debt charges	2 356	2 425
Amounts written off current assets	755	114
Other financial charges	2 749	3 687
Financial profit (loss)	(57)	(236)
Profit (loss) on ordinary activities	766	1 263

CONSOLIDATED INCOME STATEMENT

(millions of BEF)

	1995	1994
Exceptional income	6 285	7 984
Adjustments to depreciation and other amounts written off intangible and tangible fixed assets	45	0
Adjustments to amounts written off financial fixed assets	57	185
Adjustments to provisions for exceptional liabilities and charges	629	298
Capital gains on disposals of fixed assets	5 287	6 942
Other exceptional income	267	559
Exceptional charges	8 113	5 744
Exceptional depreciation and amounts written off intangible and tangible fixed assets	1 297	910
Amounts written off financial fixed assets	217	3 127
Provisions for exceptional liabilities and charges	5 147	193
Loss on disposals of fixed assets	70	40
Other exceptional charges	1 382	1 474
Exceptional profit (loss)	(1 828)	2 240
Profit for the year before tax	(1 062)	3 503
Income taxes	(236)	(668)
Profit for the year of consolidated companies	(1 298)	2 835
Group share of results of companies included under the equity method	10 780	9 488
Profit	10 802	9 505
Loss	(22)	(17)
Consolidated profit	9 482	12 323
Minority interests	277	1 312
Group share	9 205	11 011

CONSOLIDATED APPROPRIATION ACCOUNT

(millions of BEF)

	1995	1994
Appropriation of Group share	9 205	11 011
Transfers from (to) reserves	(1 015)	(2 929)
(Remuneration of company shareholders)	(8 190)	(8 082)
Appropriation of minority share	277	1 312
Transfers from (to) minority share	290	(485)
(Remuneration of minority shareholders)	(567)	(827)

STATEMENT OF CASH FLOWS

(millions of BEF)

	1995	1994	1993
Operating activities			
Net consolidated profit, Group share	9 205	11 011	8 688
Net consolidated profit, minority share	277	1 312	1 816
Net profit of companies included under the equity method	(5 287)	(4 634)	(2 725)
Depreciation of tangible fixed assets	5 881	5 744	9 414
Amortization of intangible fixed assets and goodwill	1 277	1 190	2 238
Release of capital subsidies	(115)	(150)	(220)
Amounts written off (written back to) financial fixed assets	161	2 945	4 885
Other exceptional charges (income) with no impact on the cash balance	128	(195)	3 854
Movements of provisions for liabilities and charges	4 287	305	(1 389)
(Gain) Loss on disposals of fixed assets	(5 136)	(6 933)	(13 005)
Cash flow	10 678	10 595	13 556
Change in working capital	(8 671)	7 407	12 735
Impact of changes in scope of consolidation and translation differences on working capital	61	(636)	(6 985)
Net cash provided by (used in) operating activities	2 068	17 366	19 306
Investing activities			
Acquisition of tangible fixed assets	(5 162)	(4 053)	(8 116)
Acquisition of intangible fixed assets	(476)	(293)	(468)
Acquisition of new companies	(4 568)	(348)	(2 040)
Acquisition of additional shares in Group companies	(983)	(5 770)	(7 966)
Purchase of shares in non-consolidated companies	(845)	(12 394)	(932)
New loans granted, including purchase of debentures	(882)	(4 671)	(753)
Sub-total of acquisitions	(12 916)	(27 529)	(20 275)
Sale of tangible fixed assets	1 675	1 099	1 050
Sale of intangible fixed assets	0	0	27
Sale of Group companies	4 834	4 422	10 844
Sale of shares in Group companies	1 036	8 109	10 644
Sale of shares in non-consolidated companies	447	9 236	2 154
Repayment of loans and disposal of debentures	4 909	252	644
Sub-total of sales	12 901	23 118	25 363
Net cash provided by (used in) investing activities	(15)	(4 411)	5 088
Financing activities			
Amounts received from shareholders following a capital increase	25	0	5 744
Amounts paid to shareholders following a capital repayment	(5)	(1)	(163)
Capital subsidies	35	66	16
New loans	8 532	3 213	4 840
Repayment of loans	(7 437)	(9 796)	(6 571)
Dividends paid by the parent company to its shareholders	(8 070)	(7 098)	(6 867)
Dividends paid by subsidiaries to minority shareholders	(977)	(545)	(1 705)
Net cash provided by (used in) financing activities	(7 897)	(14 161)	(4 706)
Change in cash and cash equivalents less short-term debts to financial institutions	(5 844)	(1 206)	19 688
Cash and cash equivalents at beginning of financial year	21 574	20 611	923
Change in method of booking the "current portion of long-term debts" towards credit institutions		2 169	
	21 574	22 780	
Cash and cash equivalents at end of financial year	15 730	21 574	20 611
Change in the net position of cash at bank and in hand	(5 844)	(1 206)	19 688

Profits carried forward by companies included under the equity method have risen significantly since 1993. In the statement of cash flows the profit carried forward by these companies is deducted from the net profit, which is equivalent to replacing the Group's share in these companies' profits with the dividend income received by the shareholding companies, in order to calculate the change in the Group's net cash balance from operating activities.

The income statement and Notes §.5.1 and 5.2 contain details of amounts charged for depreciation and amortization. As regards tangible and intangible fixed assets such charges were made at Union Minière and Recticel. The total of BEF 5.9 billion for depreciation on tangible fixed assets includes an amount of BEF 1.2 billion in exceptional charges to cover Union Minière's reorganisation programme.

An amount of BEF 1.1 billion was charged for depreciation of goodwill, comprising BEF 0.7 billion for the Générale, BEF 0.2 billion for Union Minière and BEF 0.2 billion for Recticel.

Additional amounts were allocated to the provisions for liabilities and charges in view of the reorganisation measures decided by Union Minière (BEF 4.5 billion) and Recticel (BEF 0.4 billion); these charges were partly offset by amounts written back by the Générale and its subsidiary holding companies (BEF 0.4 billion) and Recticel (BEF 0.2 billion).

Working capital requirements gave rise to a negative difference of BEF 8.7 billion in the net cash provided by operating activities in 1995, compared to the significant positive difference registered in the past two financial years. During the financial year under review stocks at Union Minière and Recticel increased by BEF 1 billion and 0.6 billion respectively. As at 31 December 1994 Union Minière's trading subsidiaries had significant commitments outstanding towards suppliers and reduced the balance by BEF 2.8 billion over the course of the 1995 financial year. Finally, at the end of the year the GCC granted a short-term loan for BEF 3 billion to a subsidiary of Compagnie de Suez and Recticel registered a BEF 1.3 million increase in trade receivables.

The capital gains and losses realized on sales of fixed assets are described in the section on exceptional income and charges.

Acquisitions of tangible fixed assets (BEF 5.2 billion) were mainly booked by Union Minière and Recticel (BEF 3.4 and 1.7 billion respectively); at Group level the main acquisitions were in new companies: Coficem (BEF 3.5 billion) and Recticel-JCI (BEF 1.1 billion).

Sales of tangible fixed assets were booked by the Générale (headquarters: BEF 0.8 billion) and Union Minière (Altenberg land and buildings: BEF 0.6 billion). The only consolidated interest sold off was Ammeberg, Union Minière's Swedish mine.

New loans (BEF 8.5 billion) were contracted by Union Minière (BEF 4.6 billion) and Recticel (BEF 3.9 billion); repayments were made by Union Minière (5.7 billion), the Générale and Recticel (BEF 0.8 billion each).

NOTES TO THE 1995 CONSOLIDATED ACCOUNTS

NB: Unless otherwise indicated, all amounts are in millions of BEF.

§ 1 CRITERIA FOR METHOD OF CONSOLIDATION

Full consolidation is applied to companies in which the consolidating company has a de facto or de jure controlling interest.

Proportional consolidation is applied to companies jointly held and managed by a limited number of shareholders.

The equity method is applied for associated companies over which significant influence is exercised by one or more companies included in the consolidation.

In significant cases where one of these criteria is not applied, the reason is given in § 2 below.

§ 2 SCOPE OF CONSOLIDATION

§ 2.1 List of the main companies and their subsidiaries fully consolidated by the Generale

Name, registered office and country	Percentage interest in	
	1995	1994
Société Générale de Belgique, Brussels - B	100.00	100.00
Union Minière, Brussels - B	50.16	50.16
Union Minière France, Bagnolet - F	50.16	50.16
Union Minière SF, Brussels - B	50.16	50.16
Sogem, Brussels - B	49.98	49.94
Union Minière Mexico, Mexico City - MEX	26.80	20.07
Metalrame, Avellino - I	50.16	50.16
K.M.Z.M., Machelen - B	42.89	42.46
Asturienne Penamet, Pantin - F	50.16	50.16
Sibeka, Brussels - B	27.33	27.33
Syndiaco, Tortola - BVI	27.33	27.33
Syndianed, Vianen - NL	27.33	27.33
Diamant Boart ICC, Brussels - B	27.17	27.17
Diamant Boart, Brussels - B	27.17	27.17
Sibinter, Luxembourg - L	27.33	27.33
CEDEE, Brussels - B	100.00	100.00
Centrans, Rotterdam - NL	-	100.00
Centre de Coordination "Générale", Brussels - B	100.00	100.00
CIG-Intersys Group, Brussels - B	68.49	68.50
Finoutremer, Brussels - B	55.16	55.16
Agriges, Brussels - B	55.16	55.16
Agricom, Brussels - B	52.38	52.38
Chanic, Brussels - B	30.86	30.86
Recticel, Brussels - B	69.95	70.05
Recticel Deutschland, Bexbach - D	69.95	70.05
Recticel, Kesteren - NL	69.95	70.05
Schlarrafia, Bochum - D	69.95	70.05
Recticel UK, Afreton - GB	69.95	70.05
Recticel Foam Corp., Laporte - USA	69.95	70.05
Recticel, Clichy-La-Garenne - F	69.95	70.05

§ 2.1 List of the main companies and their subsidiaries fully consolidated by the Generale (continued)

Name, registered office and country	Percentage interest in	
	1995	1994
Recticel Holdnoord, Kesteren - NL	69.95	70.05
Centre de Coordination Recticel - Brussels - B	69.95	70.05
Recticel JCI Formschaum - Espelkamp - D	69.95	-
RUS Inc. - Wilmington - USA	69.95	70.05
Genfina, Brussels - B	60.00	60.00
GIF, Luxembourg - L	100.00	100.00
GIF, Rotterdam - NL	100.00	100.00
GIF, Curaçao - NA	100.00	100.00
Sogenbel, Brussels - B	100.00	100.00
Tanks, Nassau - BAH	100.00	100.00
UFI, Liège - B	99.98	99.98

§ 2.2. List of the main companies included under the equity method by the Générale

Tractebel, Brussels - B	34.38	34.40
CIB, Brussels - B	10.60	10.57
Rineau, Nantes - F	31.01	31.03
Fabricom Group, Brussels - B	33.85	33.87
Gecoli, Linkebeek - B*	-	10.75
CPTÉ - Linkebeek - B	10.60	10.99
Powerfin, Brussels - B	21.07	20.97
Distrigaz, Brussels - B	14.31	14.32
Electrabel, Brussels - B	11.81	11.59
Coditel, Brussels - B	27.31	27.34
American Tractebel, New York - USA	27.01	20.97
Générale de Banque, Brussels - B	29.97	30.00
Banque Parisienne de Crédit, Paris - F	29.97	30.00
Banque Belgo-Zaïroise, Brussels - B	16.55	16.13
Générale de Banque Belge pour l'Etranger, Brussels - B	29.97	30.00
Banque Générale du Luxembourg, Luxembourg - L	13.13	13.09
Eurolease, Brussels - B	29.97	30.00
Compagnie de Gestion et de Banque Gonet, Geneva - CH	29.97	29.99
Generale Bank & Co, Cologne - D	29.97	30.00
Generale Bank Nederland - Rotterdam - NL	28.26	-
Fortis AG, Brussels - B	19.31	19.19
AG 1824, Brussels - B	9.66	9.62
Amev / VSB 1990, Utrecht - NL	9.66	9.62
CGER Banque, Brussels - B	4.82	4.80
CGER Assurances, Brussels - B	4.82	4.80
SNCI - Brussels - B	4.69	-
Caifor, Barcelona - E	4.83	4.81
AG 1990, Utrecht - NL	19.31	19.25
Coficem - Paris - F	20.00	-
Sagem - Paris - F	8.14	-
Sat - Paris - F	5.70	-
Silec - Paris - F	5.24	-

* Gecoli took over CPTÉ in 1995.

§ 2.3 List of companies

The two lists above include only those subsidiaries and associated companies held directly by the Générale, as well as the main companies included in their consolidated accounts.

In 1995, the full scope of consolidation of the Générale Group comprised : 191 fully consolidated companies, 7 proportionally consolidated companies and 801 companies included under the equity method. For the previous year, these figures were 199, 6 and 721 respectively.

The full list of consolidated subsidiaries and companies included under the equity method comprises a large number of relatively insignificant holdings. As such it would be of little interest to the reader to publish this list here. This list has been deposited with the National Bank of Belgium together with the company and consolidated accounts; it can also be obtained on request from the Communication Department of the Générale.

The annual reports of the main companies consolidated or included under the equity method by the Générale also supply further detailed information on their respective scopes of consolidation.

§ 2.4 Non-consolidated companies

Subsidiaries not consolidated:

because they are not significant :

- Société Générale de Belgique (Japan) Co. Ltd, Tokyo - J
 - Société d'Investissement du Bassin Liégeois, Liège - B
- in liquidation :
- De Coene, Courtrai - B
 - Belgatel, Brussels - B

Associated company not included under the equity method because its consolidation would not be significant :

- Société Espace Léopold, Brussels - B

The full list of non-consolidated subsidiaries and companies not included under the equity method at subsidiary and sub-subsidiary level comprises 486 companies. It would be of little interest to the reader to publish this list here, given the small size of these companies. This list has also been deposited with the National Bank of Belgium together with the company and consolidated accounts and can be obtained on request from the Communication Department of the Générale.

§ 2.5. Consolidation of Tractebel

Consolidation of Tractebel has been maintained under the equity method based on Article 14§ 1 of the Royal Decree of 6 March 1990. This treatment has been discussed in the Annual Reports of Société Générale de Belgique of 1991, 1992 and 1993.

Consolidated balance sheet after appropriation		(millions of BEF)
ASSETS	31.12.1995	31.12.1994
Fixed assets	467 345	450 640
Intangible fixed assets	14 959	11 364
Tangible fixed assets	257 695	257 439
Financial fixed assets	194 691	181 837
Investments included under the equity method	134 275	130 035
Other shareholdings	56 012	46 729
Amounts receivable	4 404	5 073
Current assets	195 478	184 745
Total assets	662 823	635 385
LIABILITIES		
Capital and reserves	262 971	254 296
Group capital and reserves	99 101	94 908
Minority interests	163 870	159 388
Provisions for liabilities and charges	89 120	79 724
Creditors	310 732	301 365
Amounts payable after one year	131 545	127 967
Amounts payable within one year	163 691	162 714
Accrued charges and deferred income	15 496	10 684
Total liabilities	662 823	635 385
Consolidated income statement		(millions of BEF)
	1995	1994
Turnover	326 663	307 688
Cost of sales	315 783	296 822
Operating profit (loss)	10 880	10 866
Financial income (expenses)	27 985	24 672
Profit (loss) on ordinary activities	40 157	36 697
Exceptional income (expenses)	605	1 492
Pre-tax profit (loss) for the year	40 762	38 189
Income taxes	(9 265)	(8 779)
Consolidated profit (loss)	31 497	29 410
Minority interests	20 161	18 689
Group share	11 336	10 721

Tractebel's consolidated accounts are given here for information purposes.

§ 2.6 Movements during the year

A. The Générale

Coficem included (most significant movement), Centrants liquidated and excluded from scope of consolidation.

B. Among the subsidiaries, the main changes in the scope of consolidation were as follows:

- Fortis AG: SNCI included;

- Generale Bank: Banque de la Poste/Postbank and Generale Bank Nederland included; GMIC, Banque Dupuy and Générale de Banque Belge (France) excluded, the latter was taken over by Banque Parisienne de Crédit;

- Recticel: Recticel JCI Formschaum included, Carbo Holding Noord excluded;

- Sibeka: companies belonging to the Diamant Boart network included under the equity method;

- Tractebel: Gecoli took over CPTÉ and adopted the name CPTÉ, Immobilière Tractebel taken over by Tractebel;

- Union Minière: Ammeberg Mining excluded.

§ 3 LIST OF THE MAIN NON-CONSOLIDATED COMPANIES IN WHICH THE GENERALE HOLDS MORE THAN 10%

For the Générale, this applies to the following significant companies: Société Espace Léopold, Belfin, Accor and Arbed.

Among the subsidiaries, the main holdings are as follows:

- Union Minière: Contimine, Laser Power Corporation

Readers will find the relevant information on these companies under point V of the notes to the accounts in the annual reports of each of the shareholder companies.

§ 4 ACCOUNTING PRINCIPLES

Restatements and eliminations

The application of uniform accounting principles within the Group means that the consolidated companies accounts can be prepared on the same economic basis and may require company accounts to be restated in accordance with the accounting principles described below.

Once the balance sheets and income statements have been combined, after being restated where necessary, intra-group balances are eliminated, together with losses and profits on transactions between Group companies.

Gains or losses of interest

A gain or a loss is recorded when there is a reduction in the effective percentage holding in a consolidated company following a capital increase.

When the Group increases its percentage holding in the same circumstances, the subsequent consolidation differences are treated as goodwill.

Conversion of assets and liabilities denominated in foreign currency

Assets and liabilities denominated in foreign currency are translated at the official exchange rates at the end of the financial year. For Belgian companies, this affects items not denominated in Belgian francs. For foreign companies, it concerns items denominated in a currency other than that used for their financial statements. The gains or losses resulting from these conversions as well as the exchange differences realized on the financial year's transactions are recorded in the income statement.

Translation of the financial statements of foreign companies and branches

Balance sheets of foreign companies and branches are translated into Belgian francs at the official exchange rates at the end of the financial year, and income statements at the average rates for the financial year. The differences resulting from the translation of the balance sheets are debited or credited to shareholders' equity; the Group's share in these differences appears in the item Translation differences, as part of consolidated shareholders' equity.

End of the financial period

The consolidated accounts are drawn up for the year ending 31 December, the end of the financial period for the parent company and for most consolidated companies. When a company's financial period ends between 30 September and 31 December, its annual accounts are used without modification. If the financial period ends before 30 September, an interim statement as at 31 December is prepared for consolidation purposes.

Intangible and tangible assets

Assets are carried at historical cost less accumulated depreciation, calculated over the estimated economic life of the assets concerned using the straight-line or reducing balance method.

The useful economic lives applied are as follows:

- Buildings: 20 to 50 years (straight line);

NOTES TO THE 1995 CONSOLIDATED ACCOUNTS

- Equipment and movable assets: 3 to 10 years (straight line or reducing balance);
- Complex installations, machines and specific tools: 5 to 20 years (straight line or reducing balance).

Acquisitions are recorded at cost price. Repairs and maintenance are charged to the income statement. Assets acquired under financial leases are recorded as fixed assets at their original value and rentals paid are replaced in the income statement by depreciation and interest expenses.

Goodwill

When a company is acquired, a difference arises between the cost price of the investment and the corresponding share in the company's equity. This difference is often justified by the existence of unrecorded gains or losses in respect of the underlying assets and liabilities of the acquired company, or in view of the expected future profitability of the investment.

With effect from 1 January 1988, the main differences arising from the reappraisal of assets and liabilities have been added to or deducted from the balance sheet items concerned, and written off, depreciated or adjusted in the income statement according to the rules applicable to the assets and liabilities concerned. The residual intangible difference is included in the consolidated balance sheet under the heading Goodwill and is written off on a straight-line basis over a period not exceeding 20 years.

Financial fixed assets

In the consolidated balance sheet, investments included under the equity method are valued on the basis of the share in the equity determined according to the rules of consolidation rather than on the basis of the book value in the holding company.

Investments in non-consolidated companies represent long-term investments which enable a decisive or significant influence to be exercised within the issuing company, or allow business relations to be established with it, but which do not meet the criteria for consolidation. They are recorded at their acquisition value, taking into account any amounts still not paid up. A specific reduction in value is recorded when the valuation reveals a permanent impairment of value.

Stocks

Stocks are valued at the historical cost obtained by applying the first in, first out (FIFO) method or by the method of the weighted average cost calculated over a period not exceeding the average duration of stocking. Certain non-ferrous products whose prices are subject to significant cyclical fluctuations, are valued according to the last-in, first-out (LIFO) method, so as to give a more faithful view of economic activity. If the realizable value of stocks is less than the cost price, they are reduced in value accordingly.

The cost price of purchased products includes the net acquisition cost and ancillary expenses. For finished products and stocks in progress, the cost price takes into account a proportion of the direct and indirect production expenses.

Contracts in progress

The cost price of long-term contracts is determined in the same way as work in progress; it may also include the financial expenses directly incurred to finance these contracts.

Long-term contracts are valued according to the percentage of completion method.

Amounts receivable and amounts payable

Amounts receivable and amounts payable are carried at their nominal value. If they are denominated in foreign currencies, they are carried at their Belgian franc equivalent at the rate in force on the day of acquisition.

At the end of the financial year, they are valued on the basis of the last exchange rate of the financial year. With regard to receivables, the rules for recording impairment of value are similar to those adopted for securities.

Current investments

This heading includes short-term deposits with credit institutions as well as securities acquired as market opportunities arose or where temporary excess funds had to be placed. They are valued at their acquisition value or at the stock market value for listed securities and the estimated value for unlisted securities, if the latter is lower than cost.

Provisions for pensions

Retirement pensions due under various obligatory retirement schemes to which employers and employees contribute are generally managed by specialist external organisations. The contributions due for the financial year are charged against the profit for the period.

Additional pension plans which generate obligations for the companies concerned are covered by provisions. These amounts are calculated by actuarial methods on the basis of the expected future salaries at the end of the employee's career.

Company taxes

In the consolidated accounts, deferred taxes are recorded on all temporary differences, resulting from expenses and income which are included or excluded from the accounting profit of one financial year but may be deducted from or included in the taxable basis of other financial years in the course of which these differences will reverse. Deferred taxes are calculated on the basis of the latest known tax rate on the date the accounts are drawn up. On this date and for each of the taxable concerns included in consolidation, tax assets and liabilities on all temporary differences are offset. Only the net balance of deferred tax liabilities remaining after offsetting qualifying assets is recorded in the balance sheet.

§ 5 5.1 Statement of intangible fixed assets

	Concessions, patents, trade licenses	Purchased Goodwill	Software	Other intangible fixed assets	Advance Payments	Total
A. Acquisition value						
• At the beginning of the financial year	239	950	257	14	72	1 532
• Movements						
- Changes in consolidation scope	0	196	(1)	0	0	195
- Acquisitions	190	22	117	1	22	352
- Own work capitalized	0	0	123	0	0	123
- Sales	0	0	(1)	0	0	(1)
- Retirals	0	(1)	(1)	(5)	0	(7)
- Transfers	1	4	35	0	34	74
- Translation differences	(1)	(46)	(2)	0	0	(49)
- Subtotal of movements	190	175	270	(4)	56	687
• At the end of the financial year	429	1 125	527	10	128	2 219
B. Depreciation and amounts written off						
• At the beginning of the financial year	86	264	167	12		529
• Movements						
- Charge for year	34	96	27	0		157
- Sales	0	0	(1)	0		(1)
- Retirals	0	(1)	0	(5)		(6)
- Transfers	0	5	0	0		5
- Translation differences	0	(10)	(2)	0		(12)
- Subtotal of movements	34	90	24	(5)		143
• At the end of the financial year	120	354	191	7		672
C. Net book value at						
• the beginning of the financial year	153	686	90	2	72	1 003
• the end of the financial year	309	771	337	3	128	1 548

NOTES TO THE 1995 CONSOLIDATED ACCOUNTS

5.2 Statement of tangible fixed assets

	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leasing and other similar rights	Other tangible fixed assets	Assets under construction & advance payments	Total
A. Acquisition value							
• At the beginning of the financial year	22 160	50 166	5 248	576	2 321	1 631	82 102
• Movements							
- Changes in consolidation scope	(1 758)	(1 133)	(13)	272	(24)	(32)	(2 688)
- Acquisitions	390	1 597	597	7	41	2 147	4 779
- Own work capitalized	11	83	1	0	0	287	382
- Sales	(1 266)	(219)	(292)	(9)	(133)	0	(1 919)
- Retirements	(80)	(326)	(317)	0	0	0	(723)
- Transfers	604	596	59	(24)	58	(1 224)	69
- Translation differences	(150)	(140)	(27)	(2)	(9)	(5)	(333)
- Subtotal of movements	(2 249)	458	8	244	(67)	1 173	(433)
• At the end of the financial year	19 911	50 624	5 256	820	2 254	2 804	81 669

B. Depreciation and amounts written off

• At the beginning of the financial year	10 806	35 238	3 764	230	2 023		52 061
• Movements							
- Changes in consolidation scope	(1 070)	(1 090)	(14)	0	(11)		(2 185)
- Charge for year	1 468	3 715	625	44	74		5 926
- Sales	(775)	(192)	(255)	(8)	(125)		(1 355)
- Cancellations	(80)	(326)	(317)	0	0		(723)
- Transfers	194	(42)	14	(16)	27		177
- Translation differences	(63)	(103)	(17)	(2)	(6)		(191)
- Other movements	(6)	(40)	(2)	1	(1)		(48)
- Subtotal of movements	(332)	1 922	34	19	(42)		1 601
• At the end of the financial year	10 474	37 160	3 798	249	1 981		53 662

C. Net book value

• At the beginning of the financial year	11 354	14 928	1 484	346	298	1 631	30 041
• At the end of the financial year	9 437	13 464	1 457	572	273	2 804	28 007

§ 5.3 Statement of financial fixed assets

A. Holdings included under the equity method

• Value at the beginning of the financial year		91 662
• Movements		
- Changes in consolidation scope		1 149
- Gains/losses of interest		2
- Capital increases		505
- Dividends paid		(5 514)
- Profit (loss) for the financial year		10 780
- Sales		(290)
- Acquisitions		518
- Transfers		(1)
- Other movements		(125)
- Cancellation of internal capital gains		(218)
- Translation differences		(337)
- Subtotal of movements		6 470
• Value at the end of the financial year		98 132

B. Unconsolidated shareholdings

	Acquisition value	Amounts written off
• At the beginning of the financial year	55 514	12 703
• Movements		
- Changes in consolidation scope	(1 248)	(71)
- Acquisitions	969	0
- Sales	(1 225)	(816)
- Provisions	0	674
- Amounts written back	0	(56)
- Translation differences	(132)	(96)
- Transfers and other movements	(78)	(587)
- Subtotal of movements	(1 714)	(952)
• At the end of the financial year	53 800	11 751

	Net book value	Market value
• At the beginning of the financial year	42 811	43 366
• At the end of the financial year	42 049	40 304

C. Amounts receivable

	Acquisition value	Amounts written off
• At the beginning of the financial year	5 531	1 422
• Movements		
- Changes in consolidation scope	(13)	0
- Additions & acquisitions	241	65
- Provisions and amounts written back	0	130
- Repayments and disposals	(372)	(66)
- Translation differences	(155)	(33)
- Transfers and other movements	15	(36)
- Subtotal of movements	(284)	60
• At the end of the financial year	5 247	1 482

	Net book value
• At the beginning of the financial year	4 109
• At the end of the financial year	3 765

NOTES TO THE 1995 CONSOLIDATED ACCOUNTS

§ 6 CHANGES IN SHAREHOLDERS' EQUITY

millions of BEF							
	Number of shares	Capital	Share premium account	Reserves	Negative goodwill	Translation differences	Total
At 31 December 1994	70 601 069	58 928	42 167	62 981	3 954	(2 261)	165 769
• Movements							
- Other movements (*)				(124)			(124)
- Effects of exchange rate changes						(190)	(190)
- Profit generated in 1995				9 205			9 205
- 1995 Dividends declared				(8 190)			(8 190)
At 31 December 1995	70 601 069	58 928	42 167	63 872	3 954	(2 451)	166 470

(*) Under the new regulatory system for pensions in the banking sector in France, French banks are obliged to set aside provisions for past service benefits. Like most banks, Banque Parissienne de Crédit and its subsidiaries, with the approval of the French Banking Commission, transferred this additional provision from reserves. For consistency's sake, Generale Bank adopted the same procedure in its consolidated accounts. This was accepted by the Belgian regulatory authorities. The consolidated accounts of Generale Bank showed a transfer from reserves of BEF 417 million and the accounts of the Générale BEF 124 million.

§ 7 STATEMENT OF GOODWILL ARISING ON CONSOLIDATION

						Goodwill	Negative goodwill
Net book value							
• At the beginning of the financial year						11 616	3 954
• Movements							
- Changes in consolidation scope						3 565	0
- Depreciation charge						(1 120)	0
- Interest gains and losses						2	0
- Sales						(21)	0
- Acquisitions						465	0
- Translation differences						(68)	0
- Other movements						149	0
- Subtotal of movements						2 972	0
• At the end of the financial year						14 588	3 954

Coficem was included for the first time under the equity method, giving rise to goodwill of BEF 2.9 billion. The Générale has decided to amortize the goodwill over a period of 20 years, based on the steady upward trend shown by Sagem's income in the past, and its proven capacity to adapt to market requirements and renew its range of technologically advanced products.

§ 8 STATEMENT OF PROVISIONS AND DEFERRED TAXES

	Pensions and similar obligations	Taxation	Major repairs and maintenance	Other liabilities and charges	Deferred taxes	Total
Net book value						
• At the beginning of the financial year	6 174	99	547	5 062	706	12 588
• Movements						
- Changes in consolidation scope	(92)	0	0	(128)	(68)	(288)
- Charges	1 000	7	504	6 306	79	7 896
- Amounts applied	(976)	(11)	(562)	(1 029)	(14)	(2 592)
- Amounts released	(189)	(65)	(9)	(643)	(110)	(1 016)
- Amounts transferred	41	0	0	(38)	0	3
- Translation differences	(7)	1	1	(24)	0	(29)
- Subtotal of movements	(223)	(68)	(66)	4 444	(113)	3 974
• At the end of the financial year	5 951	31	481	9 506	593	16 562

§ 9 STATEMENT OF DEBTS PAYABLE AFTER ONE YEAR

A. Analysis by maturity date

	y+2	y+3	y+4	y+5	y+6 to 10	y+11 to 15	over y +15	Total
Subordinated loans	0	0	31	0	0	0	0	31
Unsubordinated debentures	1 018	0	1 244	0	63	0	0	2 325
Leasing and similar agreements	250	35	31	23	125	7	0	471
Loans from credit institutions	2 872	1 621	1 600	1 133	2 650	144	0	10 020
Other loans	153	18	17	24	1 036	0	0	1 248
Subtotal of financial debts	4 293	1 674	2 923	1 180	3 874	151	0	14 095
Trade debts	90	0	0	0	0	0	0	90
Other debts*	259	330	8	0	0	25	32	654
Total	4 642	2 004	2 931	1 180	3 874	176	32	14 749

B. Analysis by currency

	BEF	FRF	DEM	GBP	USD	NLG	Others	Total
Subordinated loans	0	0	0	0	0	0	31	31
Unsubordinated debentures	2 326	0	0	0	0	0	0	2 326
Leasing and similar agreements	2	251	218	0	0	0	1	472
Loans from credit institutions	2 616	1 137	4 513	315	589	61	790	10 021
Other loans	1 008	195	0	0	2	40	0	1 245
Total financial debts	5 952	1 583	4 731	315	591	101	822	14 095

* Excluding capital subsidies of BEF 519 million

§ 10 A. Average number of staff

1. Breakdown by grade and geographical area

	Consolidated companies				
	Manual	Clerical	Executives	Managers	Total
• Belgium	5 296	1 951	729	54	8 030
• France	2 010	1 182	364	44	3 600
• Rest of Europe	4 232	1 530	214	49	6 025
• North & South America	297	267	73	11	648
• Asia	4	31	17	9	61
• Total	11 839	4 961	1 397	167	18 364

2. Companies included under the equity method: 105,257 persons.

NOTES TO THE 1995 CONSOLIDATED ACCOUNTS

B. Reconciliation of theoretical and effective tax charge

Theoretical tax charge:	(1,062) x 0.4017 =	(427)
• Dividends from non-consolidated companies (income already taxed)		(374)
• Non-taxable dividends distributed (AFV)		(13)
• Use of deferred tax debits of previous financial years and recoverable tax losses		(433)
• Effect of the financial year's losses		2 529
• Change in deferred tax rate		46
• Foreign tax rate differences		(45)
• Items taxed on other bases		(2 973)
• Non-deductible depreciation		346
• Miscellaneous deductions and adjustments		1 721
• Tax credit		(141)
Effective tax charge as per the income statement		236

§ 11 RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

	1995	1994
• Guarantees given by third parties on behalf of the Group	7 336	6 890
• Guarantees given by the Group on behalf of third parties	2 357	4 920
• Guarantees given by the Group on own property and on its own behalf	3 257	401
• Guarantees received	3 464	425
• Property and stocks held by third parties in their own name but at the Group's risk	48	44
• Commitments to acquire/sell fixed assets	327	6 010
• Forward contracts:		
- Goods	14 585	20 989
- Currencies	26 390	41 858
- Options	411	1 581
- Swaps	10 610	19 339
- Other	1 138	3 668
Total	53 134	87 435
• Third parties' goods and property held by the Group	5 304	4 737
• Miscellaneous rights and commitments	137	2 831

The group uses derivatives to hedge against the risks inherent in its ordinary operations; derivatives are not held for speculative purposes.

DISPUTES

During the 1995 financial year there were no significant developments with regard to the dispute which has been pending since 1990 between Recticel and OVAM (the Flemish regional environmental authority) concerning pollution at Balen; nor has any progress been made as regards solving the problem of the demilitarization of the same site, as demanded by the Belgian Government. There are no significant changes to report in connection with the "former PRB executives" and "Morristown-Tennessee" cases. Through its French subsidiary Plasteurop, Recticel is involved in new legal proceedings in connection with manufacturing defects in some of its products.

Union Minière reported no changes in the situation with regard to the rehabilitation of several industrial sites. At the end of 1995 Sogemin, a subsidiary of Union Minière, was taken to court by the Chilean company, Codelco. At the time this annual report was compiled, it was difficult to foresee the outcome of this case.

Electrabel, a subsidiary of Tractebel, is involved in a dispute with the Belgian Social Security Office and the tax authorities.

Having duly considered the facts at issue, the Boards of Directors of these subsidiaries, together with the Board of Directors of the Générale, have set aside provisions to cover the amounts which, in their opinion, will have to be disbursed.

These companies' annual reports contain details of these risks and give an indication of the potential maximum impact.

§ 12 RELATIONSHIPS WITH AFFILIATED COMPANIES AND COMPANIES LINKED BY PARTICIPATING INTERESTS WHICH HAVE NOT BEEN CONSOLIDATED

This information has been omitted as it is insignificant with regard to the true and fair view and also owing to the fact that obtaining and processing this information would have entailed excessive charges.

§ 13 DIRECTORS' FEES

Total : BEF 130.7 million

FREE TRANSLATION

To the shareholders of Société Générale de Belgique S.A.

In accordance with our responsibilities as auditors and the legal requirements applicable to publicly quoted companies we have examined the consolidated accounts of the Société Générale de Belgique as at 31 December 1995. In the course of our examination we took all steps necessary in accordance with the auditing standards of the Belgian Institute of Auditors and those generally accepted internationally. We have obtained from the directors and officials of the group all the explanations and information which we requested from them.

The consolidated annual accounts of certain companies that make a significant contribution to the consolidated accounts of the Société Générale de Belgique and which are accounted for under the equity method have been examined by the auditors of those companies. In forming our opinion of the consolidated accounts of the Société Générale de Belgique we have relied on the unqualified opinions of these auditors.

In accordance with article 14 §1 of the Royal Decree of 6 March 1990, the application of the equity method to the Group's investment in the Tractebel Group has been maintained for the reasons described in paragraph 2.5 of the notes to the consolidated accounts. We consider that this treatment is appropriate in the circumstances.

We have reviewed the report of the Board of Directors which includes the information required by the Royal Decree of 6 March 1990 and is in agreement with the information contained in the consolidated accounts.

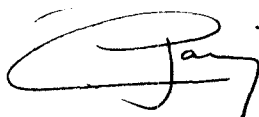
In conclusion, on the basis of our examination of the consolidated accounts, and of the opinions of the auditors of those companies accounted for under the equity method whose accounts we are not directly responsible for examining, we certify, without qualification, that the consolidated accounts of the Société Générale de Belgique as at 31 December 1995 showing total assets of BEF 280,223 million and a profit for the year then ended (Group share) of BEF 9,205 million, give a true and fair view of the assets and liabilities, the financial position, and the results for the year in accordance with the applicable legal and regulatory requirements, and that the explanations given in the notes are adequate.

4 April 1996.

The joint Statutory auditors,



PRICE WATERHOUSE
Company Auditors, SCC
Represented by Robert PEIRCE



DELOITTE & TOUCHE
Company Auditors, SCC
Represented by Claude POURBAIX

Non-consolidated accounts

On 11 December 1995 the Générale converted VVPR (formerly AFV) shares into ordinary shares. The purpose of this operation was to increase the liquidity of Générale shares on the stock market. On this occasion an additional sheet of coupons representing the tax concessions on VVPR shares was attached to the shares. This is known as the "VVPR STRIP".

In future, shareholders wishing to take advantage of the reduced withholding tax on dividends on VVPR shares (15% instead of 25%) must present two coupons: the coupon from the share itself and the corresponding "VVPR STRIP" coupon. If only the coupon from the share is presented a net dividend will be paid, i.e. after deducting withholding tax at 25%.

In accordance with the announcement made in last year's financial report, the 5% interest acquired in 1994 in Coficem, the holding company controlling Sagem, was increased by a further acquisition of 12.45% in January 1995 and 2.55% in December 1995, bringing the percentage held by the Générale up to 20% at the end of the financial year.

Key events for Société Générale de Belgique and its subsidiary holding companies

In **January 1995** the European declaration against social exclusion was signed.

In **June 1995** Alain Chaigneau was appointed Director of Finance.

In **September 1995** Philippe Liotier was appointed Chief Executive Officer to replace Gérard Mestrallet who had taken up the Chairmanship of Compagnie de Suez. In his letter to the shareholders of Suez, Mr. Mestrallet confirmed that Suez would continue its policy with regard to the Générale, which included supporting the Générale's strategy.

In **February 1996** the interest held in Fortis AG was increased by half a percent.

Key figures of Société Générale de Belgique S.A.

	1995	1994	1993	1992	1991
Results (millions of BEF)					
Net profit on ordinary activities	5 819	4 565	4 534	4 560	2 813
[of which dividends from investments]	(6 754)	(5 399)	(6 290)	(5 446)	(5 745)
Net exceptional profit	1 098	2 499	18 391	549	5 336
Net profit	6 917	7 064	22 925	5 109	8 149
Balance sheet (millions of BEF)					
Financial fixed assets of which :	152 721	148 359	132 476	134 757	131 166
Consolidated investments	54 650	53 538	49 517	64 375	66 263
Investments included by equity method	66 034	60 700	54 385	55 062	52 362
Other investments	30 547	32 583	27 008	13 855	12 541
Book value of investments	151 230	146 821	130 911	133 292	130 312
Estimated value of investments (1)	219 141	196 634	195 002	172 076	161 204
Capital and reserves (2)	134 531	135 872	136 958	121 200	111 690
Amounts payable after one year	578	615	653	7 687	10 040
Working capital	(16 972)	(10 434)	6 526	(3 996)	(8 024)
Number of shares issued and market capitalization					
Shares outstanding as at 31 December	70 601 069	70 601 069	64 182 790	64 182 790	64 182 790
Shares calculated on full dividend entitlement basis	70 601 069	70 601 069	61 680 838	60 398 760	59 137 417
Market capitalization at year end 31.12 (millions of BEF) (2) (3)	173 679	152 498	169 443	121 947	106 828
Figures per ordinary share, adjusted (BEF)					
Net profit	98	100	336	75	123
Gross dividend	116	114	104	102	102
Net dividend	87	85	77	76	76
Capital and reserves	1 906	1 925	1 940	1 717	1 742
Market price : high	2 475	2 636	2 477	2 077	2 291
low	1 805	2 025	1 714	1 505	1 568
31.12	2 460	2 160	2 400	1 727	1 673
Ratios					
Return on equity : $\left(\frac{\text{Net profit}}{\text{Capital and reserves (4)}} \right)$	5.1%	5.2%	18.9%	4.6%	7.4%
Debt ratio (gearing) : $\left(\frac{\text{Amounts payable after one year}}{\text{Capital and reserves}} \right)$	0.4%	0.5%	0.5%	6.3%	9.0%
Yield : $\left(\frac{\text{Gross dividend}}{\text{Year end market price}} \right)$	4.7%	5.3%	4.3%	5.9%	6.1%
Market return : $\left(\frac{\text{Price variation} + \text{Gross dividend}}{\text{Year end market price}} \right)$	20.0%	(6.3%)	46.3%	8.6%	3.8%

(1) Market price at year end for listed shares, objective and consistent valuation for unlisted securities

(2) In 1991, less uncalled capital (BEF 11,268 million)

(3) Total number of outstanding shares multiplied by year end Brussels Stock Exchange price of ordinary shares less uncalled capital in 1991.

(4) At previous year end + new shares prorata to dividend entitlement.

COMMENTS ON THE 1995 ACCOUNTS

Dividend distribution

The dividend payment for the 1994 financial year was set at BEF 114.48 gross, giving a net dividend of BEF 85 on the 62,843,516 ordinary shares and BEF 99.15 on the 7,757,553 VVPR shares, the ordinary shares being subject to withholding tax at the rate of 25.75% and the VVPR shares at the reduced rate of 13.39%.

As described in detail in the management report on page 64, the decision to separate the tax concessions on VVPR shares led to certain changes in the way the dividend is paid out. In addition, the withholding tax rate will be amended with effect from 1 January 1996, and a proposal will be submitted to increase the gross dividend.

Consequently, if you approve the proposed appropriation of profit, dividends will be paid out as follows from 23 May 1996 onwards:

- against coupon No. 39 from Générale shares, a gross dividend of BEF 116, i.e. BEF 87 net
- against coupon No. 39 from Générale shares presented together with coupon No. 39 from the "VVPR strips", a gross dividend of BEF 116, i.e. BEF 98.60 net.

Withholding tax at the rate of 25% is deducted in the first case and at 15% in the second case.

Financial position and results for the year

The 1995 financial year closed with a net profit of BEF 6,917 million, BEF 147 million less than the previous year. Profit from ordinary activities increased by BEF 1,254 million, whereas exceptional profit declined by BEF 1,401 million, as illustrated in the following table:

Profit	1995	1994	change
Profit from ordinary activities	5,819	4,565	+1,254
Exceptional profit	1,098	2,499	-1,401
Net	6,917	7,064	-147

The improvement in the **profit from ordinary activities** is due to the increase in dividend income from financial fixed assets (+BEF 1,357 million), partly offset by two negative factors, a slight deterioration in financial income (-BEF 73 million) and a rise in overheads (BEF 50 million).

The increase in **dividend income** was mainly generated by the interests held in the "Générale" Coordination Centre (GCC), Generale Bank, Fortis AG, Recticel and Tractebel. The GCC paid an interim dividend in 1995 and the balance for the previous year, whereas no interim dividend was paid in 1994, hence the difference of BEF 634 million. For 1994 Generale Bank declared a gross dividend of BEF 485.84 per share, an increase of BEF 26.94; since the Générale had increased its holding by 520,000 shares between the two dividend payment dates, the combination of these two factors generated additional dividend

income of BEF 356 million. The same thing occurred at Fortis AG, where the dividend per share was increased from BEF 57 to 74.25 and the number of shares held rose by 200,000, giving BEF 150 million in extra dividend income. In 1995 Recticel significantly increased the dividend paid out per preference share compared with 1994 (BEF 40.40 against BEF 17.51) which produced extra income of BEF 148 million for the Générale. The 4.4% increase in Tractebel's dividend per share generated an additional BEF 76 million overall.

In the Company's report for the 1994 financial year we highlighted the steady upward trend in **financial income** which had been in evidence that year and for the previous four years. This trend was reversed in 1995 but the deterioration was slight, with the loss for the year rising from BEF 216 million in 1994 to BEF 289 million in 1995. The balance of interest paid and received, the most important items making up financial income, was negative, standing at BEF 185 million in 1994 and 432 million in 1995.

The reversal of the trend shown by the net interest balance is due to the contraction in net cash available following the investments in Generale Bank, Fortis AG and, especially, Coficem. Overall financial income showed a less marked deterioration than the interest balance (BEF -73 million, as against BEF -247 million) owing to lower write-downs on current assets (BEF 97 million) and reduced net losses on exchange (BEF 45 million).

Exceptional income and charges

There were relatively few sales of fixed assets, and consequently capital gains and losses realized, in the course of 1995.

Generale Bank took up the purchase option on the second part of the Générale's headquarters at rue Royale 30-40. It initially acquired this option when it bought the first part of the building (rue Royale 20) in 1992. This transaction generated a profit of BEF 730 million for the Générale.

Write-downs booked include an amount of BEF 400 million on Recticel, reflecting this company's earnings for the financial year. Other write-downs, write-backs and exceptional provisions for liabilities and charges reflect the reorganisation measures implemented within the economic unit comprising the Générale's subsidiary holding companies; for example, following the liquidation of Centrains an amount of BEF 945 million was written back, and marking the Suez shares to market required an additional provision for liabilities and charges of BEF 658 million.

BALANCE SHEET

There were no significant changes in the balance sheet.

Following the sale of the second part of the Générale's headquarters, the tangible fixed assets carried under land and buildings and plant, machinery and equipment were reduced to zero.

The main transaction which took place on financial fixed assets in 1995 (BEF 3,450 million) was the acquisition of an additional 15% interest in Coficem, Sagem's controlling shareholder, bringing the Générale's holding up to 20%, as had already been announced in 1994; the stock dividend taken up on Fortis AG (BEF 500 million) is also worth noting.

The main changes to the portfolio were as follows:

Acquisitions

Subscription:

188,704 Fortis AG shares

Purchases:

11,500 Fortis AG shares

590,324 Coficem shares

Disposals

Sales:

19,605 Euroturk shares

2,066,404 Banque Indosuez Turk shares

Cancellation:

2,500 Centrans shares, following completion of the liquidation procedure

Other changes

Acquisition:

66,666 Ifimo shares resulting from the AIP demerger.

In 1992 a long-term debt due from "21" International Holdings Inc. (now Trace International Holdings Inc.) was sold to a bank; in 1995 the favourable evolution of market conditions made the repurchase of this debt (BEF 640 million) advantageous for the Générale.

The marked reduction in amounts receivable within one year, which fell from BEF 8,193 to 644 million, is mainly due to the fact that the Générale did not renew short-term finance facilities granted to the GCC.

Since 11 December 1995 your company's **capital** has been represented by only one single category of share as the 7,757,533 Générale VVPR shares (formerly AFV shares) have now been converted into ordinary shares after separating the

tax concessions offered by these shares. The total number of Générale shares has not changed and still stands at 70,601,069.

Total shareholders' equity decreased by BEF 1.3 billion compared with the end of the previous financial year owing to the dividend payout exceeding earnings for the year.

Debts and in particular *other debts payable within one year* decreased by BEF 2.1 billion, reflecting the reduction in subsidiaries' term deposits.

BALANCE SHEET OF SOCIETE GENERALE DE BELGIQUE S.A. AS AT 31 DECEMBER

ASSETS

(Thousands of BEF)

	1995	1994
FIXED ASSETS	152 720 802	148 516 422
Tangible assets	49 270	157 480
Land and buildings	0	102 566
Plant, machinery and equipment	0	1 187
Furniture and vehicles	49 270	53 727
Financial assets	152 671 532	148 358 942
Affiliated companies	80 798 213	80 800 654
Shares	80 262 161	80 262 294
Amounts receivable	536 052	538 360
Other companies linked by participating interests	57 157 575	52 770 821
Shares	56 456 975	52 045 802
Amounts receivable	700 600	725 019
Other financial assets	14 715 744	14 787 467
Shares	14 511 139	14 512 409
Amounts receivable and cash guarantees	204 605	275 058
CURRENT ASSETS	2 807 589	10 845 174
Amounts receivable after one year	644 918	5 425
Other amounts receivable	644 918	5 425
Amounts receivable within one year	664 622	8 193 372
Trade debtors	115 260	109 260
Other amounts receivable	549 362	8 084 112
Current investments	1 415 540	2 561 359
Other investments and deposits	1 415 540	2 561 359
Cash at bank and in hand	33 564	16 692
Deferred charges and accrued income	48 945	68 326
TOTAL ASSETS	155 528 391	159 361 596

BALANCE SHEET OF SOCIETE GENERALE DE BELGIQUE S.A. AS AT 31 DECEMBER

LIABILITIES

(Thousands of BEF)

	1995	1994
CAPITAL AND RESERVES	134 530 516	135 871 714
Capital	58 928 523	58 928 523
Issued capital	58 928 523	58 928 523
Share premium account	42 749 561	42 749 561
Reserves	32 812 852	34 185 440
Legal reserves	5 892 852	5 710 340
Untaxed reserves	4 870 000	5 275 100
Available reserves	22 050 000	23 200 000
Profit carried forward	39 580	8 190
PROVISIONS FOR LIABILITIES AND DEFERRED TAXATION	1 286 174	1 601 400
Provisions for liabilities and deferred taxation	1 286 174	1 601 400
Other liabilities and charges	1 286 174	1 601 400
CREDITORS	19 711 701	21 888 482
Amounts payable after one year	577 842	614 533
Financial debts	436 705	473 396
Unsubordinated debentures	400 000	400 000
Other loans	36 705	73 396
Other amounts payable	141 137	141 137
Amounts payable within one year	19 019 906	21 105 201
Current portion of amounts payable after one year	36 705	36 698
Financial debts	9	89 474
Credit institutions	9	89 474
Trade debts	132 796	148 255
Suppliers	132 796	148 255
Taxes, remuneration and social security	174 347	261 848
Taxes	45 096	94 413
Remuneration and social security	129 251	167 435
Other amounts payable	18 676 049	20 568 926
Accrued charges and deferred income	113 953	168 748
TOTAL LIABILITIES	155 528 391	159 361 596

INCOME STATEMENT OF SOCIETE GENERALE DE BELGIQUE S.A. AT 31 DECEMBER

CHARGES

(Thousands of BEF)

	1995	1994
Interest and similar charges	576 177	876 992
Other financial charges	181 561	528 358
Services and other goods	343 569	292 026
Remuneration, social security costs and pensions	375 436	387 802
Other operating charges	99 549	83 037
Depreciation and amounts written off formation expenses, intangible and tangible fixed assets	19 857	31 119
Amounts written off	795 082	3 102 879
financial fixed assets	751 762	3 014 555
current assets	43 320	88 324
Provisions for liabilities and charges	635 825	55 955
Loss on disposal	18 899	11 434
of tangible and intangible fixed assets	1 013	305
of financial fixed assets	7 588	5 180
of current assets	10 298	5 949
Exceptional charges	91 860	143 397
Taxes	15 860	20 000
Profit for the year	6 916 944	7 064 033
TOTAL CHARGES	10 070 619	12 597 032
Profit for the year available for appropriation	7 322 044	7 064 033

APPROPRIATION ACCOUNTS

(Thousands of BEF)

	1995	1994
Transfer to reserves	182 512	353 202
To the legal reserve	182 512	353 202
Result to be carried forward	39 580	8 190
Profit to be carried forward	39 580	8 190
Distribution of profit	8 258 142	8 150 069
Dividends	8 189 724	8 082 277
Directors' entitlements	45 120	44 494
Other appropriations: Patronage Fund	23 298	23 298

INCOME STATEMENT OF SOCIETE GENERALE DE BELGIQUE S.A. AT 31 DECEMBER

INCOME

(Thousands of BEF)

	1995	1994
Income from financial fixed assets	6 834 469	5 496 552
Dividends	6 754 143	5 398 506
Interest	80 326	98 046
Income from current assets	109 961	665 121
Other financial income	140 829	333 218
Income from services rendered	98 736	104 438
Other operating income	78 809	78 960
Reinstatement of amounts written off	772 891	405 316
financial fixed assets	763 388	395 604
current assets	9 503	9 712
Release of provisions for liabilities and charges	951 050	13 187
Gains on disposal	1 018 160	5 467 101
of tangible and intangible fixed assets	729 229	1 366
of financial fixed assets	107 094	5 287 814
of current assets	181 837	177 921
Exceptional income	35 536	20 585
Adjustment of income taxes and release of tax provisions	30 178	12 554
TOTAL INCOME	10 070 619	12 597 032
Transfer from untaxed reserves	405 100	0

APPROPRIATION ACCOUNTS

(Thousands of BEF)

	1995	1994
Profit to be appropriated	7 330 234	7 111 461
Profit for the year available for appropriation	7 322 044	7 064 033
Profit brought forward	8 190	47 428
Transfer from capital and reserves	1 150 000	1 400 000
Transfer from available reserves	1 150 000	1 400 000

NOTES TO THE NON-CONSOLIDATED ACCOUNTS

III. STATEMENT OF TANGIBLE FIXED ASSETS

(Thousands of BEF)

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles
a. Acquisition cost			
At the end of the previous financial year	194 602	23 700	283 722
Movements during the year :			
Acquisitions including own work capitalized	0	0	18 944
Sales and disposals	(194 602)	(23 700)	(195 467)
At year end	0	0	107 199
c. Depreciation and amounts written off			
At the end of the previous financial year	92 036	22 513	229 995
Movements during the year :			
Charge for the year	0	0	19 857
Cancelled	(92 036)	(22 513)	(191 923)
At year end	0	0	57 929
d. Net book value at the year end (a) - (c)	0	0	49 270

IV. STATEMENT OF FINANCIAL FIXED ASSETS

(Thousands of BEF)

	Subsidiary companies	Companies linked by a participating interest	Others
1. Shares			
a. Acquisition cost			
At the end of the previous financial year	90 945 446	53 704 661	15 066 563
Movements during the year :			
Acquisitions	0	4 659 118	0
Sales and disposals	(837 093)	(247 945)	(1 269)
At year end	90 108 353	58 115 834	15 065 294
c. Amounts written off			
At the end of the previous financial year	10 683 152	1 583 859	554 154
Movements during the year :			
Charge for the year	751 762	0	0
Released	(763 388)	0	0
Cancelled	(825 335)	0	0
At year end	9 846 191	1 583 859	554 154
d. Uncalled amounts			
At the end of the previous year	0	75 000	0
At year end	0	75 000	0
Net book value at year end (a) - (c) - (d)	80 262 162	56 456 975	14 511 140
2. Amounts receivable			
Net book value at the end of the previous year	538 360	725 019	275 058
Movements during the year :			
Additions	0	0	9 773
Reimbursements	0	0	(80 227)
Translation differences	(2 309)	(24 420)	0
Net book value at year end	536 051	700 599	204 604
Accumulated amounts written off at year end	250 000	0	0

NOTES

V. INVESTMENTS AND SHAREHOLDINGS IN OTHER COMPANIES

Name and Registered Office	Class of share	Shares held			Financial information as per the latest available annual accounts			
		Directly		Through subsidiaries	Financial year end	Currency	Capital and reserves (x 1000)	Net result
		Number	%	%				
A. Holdings in subsidiary companies								
Industry								
Recticel, Brussels VAT 405-666-668	ord. pref. VVPR	12 481 823 6 455 389 253 881	69.95	0.00	31.12.94	BEF	7 131 961	514 246
Non-ferrous								
Union Minière, Brussels VAT 401-574-852	ord. VVPR	10 546 084 963 480	46.51	3.65	31.12.94	BEF	21 114 974	(1 394 000)
Services								
Tractebel, Brussels VAT 403-239-886	ord. VVPR	3 498 685 307 879	27.53	9.62	31.12.94	BEF	81 316 868	9 789 805
Genfina, Brussels VAT 435-084-986	ord.	3 660	60.00		30.06.95	BEF	6 230 144	503 707
Financial Subsidiaries								
"TCI" Tanks Consolidated Investments, Nassau-Bahamas	Cat. A of GBP 1 Cat. B of BEF 1	90 480 000 000	90.00 100.00	10.00	31.12.95	BEF	374 306	(63 561)
"GIF", Luxembourg	ord.	390 000	97.50	2.50	31.12.95	BEF	870 921	(28 968)
"GIF", Curaçao- Neth. Antilles	ord.	4 013	100.00		31.12.95	NLG	437 887	(31 905)
"GIF", Rotterdam-Netherlands	ord.	4 078	100.00		31.12.95	NLG	53 469	(7 295)
Centre de Coordination "Générale", Brussels VAT 427-646-274	ord.	1 699 977	100.00		31.12.95	BEF	18 148 368	886 472
Belgatel (in liq.), Brussels VAT 430-510-348	ord.	2 140 000	100.00		31.12.94	BEF	60 739	3 094
Sogenbel, Brussels VAT 436-443-877	ord.	31 500	96.92	3.08	30.06.95	BEF	208 569	(31 062)
"CEDEE" Compagnie Européenne pour le Développement Electrique et Electronique, Brussels VAT 427-337-062	ord.	312 656	99.99	0.01	15.12.95	BEF	1 462 282	(323 805)
Union Financière et Industrielle "U.F.I.", Liège VAT 402-305-601	ord.	4 998 541	99.98		31.12.95	BEF	(237 472)	1 016
"Finoutremer" Compagnie Financière Européenne et d'Outre-Mer, Brussels VAT 403-227-218	ord.	705 193	55.16	1.47	31.12.95	BEF	4 678 152	272 766
CIG-Intersys Group, Brussels VAT 434-292-952	ord.	605 000	55.00		31.12.95	BEF	27 522	804

V. INVESTMENTS AND SHAREHOLDINGS IN OTHER COMPANIES (continued)

Name and Registered Office	Class of share	Shares held			Financial information as per the latest available annual accounts			
		Directly		Through subsidiaries	Financial year end	Currency	Capital and reserves (x 1000)	Net result
		Number	%	%				
Other holdings								
Société Générale de Belgique, Japan C° Ltd Tokyo-Japan	ord.	500	100.00		31.12.95	JPY	35 881	1 590
"SIBL" Société d'Investissement du Bassin Liégeois, Liège VAT 450-953-889	ord. founder's shares	41 599 0 41 599	100.00 50.00		31.12.94	BEF	423 052	7 052
"SEL" Société Espace Léopold, Brussels VAT 435-890-977	"A"	3 320	16.60	33.40	31.12.94	BEF	264 831	40 046
De Coene (in liq.), Courtrai VAT 405-327-861	ord.	81 250	22.39	77.26	31.12.95	BEF	(651 926)	(32)

B. Holdings in other companies linked by participating interests

Industry

ARBED, Luxembourg	ord. pref. without voting rights	926 297 440 000	15.44		31.12.94	LUF	45 136 707	453 036
Coficem, Paris-France	ord.	787 324			31.12.94	FRF	567 982	29 306

Financial Services

Generale Bank, Brussels VAT 403-199-702	ord. VVPR	3 934 570 459 438	29.32	0.34	31.12.94	BEF	86 534 678	8 206 749
Fortis AG, Brussels VAT 403-249-586	ord. VVPR warrants	6 712 493 281 028 162 864			31.12.94	BEF	50 594 520	5 574 503
"BELFIN" Compagnie Belge pour le Finance- ment de l'Industrie, Brussels VAT 420-479-855	ord. to be paid 25%	100 000	10.00	13.00	31.12.95	BEF	547 542	17 243

Other holdings

"SPE" Sociedade Portuguesa de Empreendimentos, Lisbon-Portugal	ord. PTE 1 000	85 907	1.72	0.87	31.12.94	PTE	410 810	(2 135 825)
Sybetra, Charleroi VAT 400-398-281	pref. "S"	181	0.22	8.53	31.12.94	BEF	277 468	130 947
Accor, Evry-France	FRF 100 share	2 988 582	10.34		31.12.94	FRF	12 660 000	368 000

NOTES

V. INVESTMENTS AND SHAREHOLDINGS IN OTHER COMPANIES (continued)

Name and Registered Office	Class of share	Shares held			Financial information as per the latest available annual accounts			
		Directly		Through subsidiaries	Financial year end	Currency	Capital and reserves	Net result
		Number	%	%			(x 1000)	

C. Other significant shareholdings

CFE, Brussels VAT 400-464-795	ord.	8 768	0.75		31.12.94	BEF	4 349 925	487 272
Fibelpar, Charleroi VAT 414-752-204	ord. VVPR pref.	6 780 430 441 654 5 493	5.51	12.56	30.06.95	BEF	27 950 083	1 534 967
Elf Aquitaine, Courbevoie-France	ord.	3 600 000	1.33		31.12.94	FRF	46 606 000	(1 487 000)
Sambrinvest, Charleroi VAT 427-908-867	ord. "B"	1 500	7.50	7.50	30.06.95	BEF	238 891	29 418
Nivelinvest, Court-Saint-Etienne VAT 430-636-943	ord. "B"	3 000	10.00	6.67	30.06.95	BEF	32 244	10 113
Siparex Participations, Fribourg-Switzerland	ord. "A"	5 990	1.86		31.03.95	CHF	12 340	(542)
"BATC" Brussels Airport Terminal Cy, Brussels VAT 433-137-365	ord.	52 501	6.56		31.12.94	BEF	3 005 739	318 090
Amorim Investmentos E Participacoes, Lourosa-Portugal	ord. PTE 1 000	3 333 333	6.84		31.12.94	PTE	67 053 877	727 500
Ifimo, Mozelos - Portugal	ord. PTE 1 000	66 666	6.84		31.12.95	PTE	14 734 308	(688)
LGA, Luxembourg	ord.	220 000	50.00		31.12.94	LUF	5 453 590	(24 931)
Flanders Expo, Ghent VAT 427-328-649	ord.	100	1.32	3.95	31.12.94	BEF	786 336	24 558

VI. CURRENT INVESTMENTS, OTHER CURRENT INVESTMENTS AND DEPOSITS

(Thousands of BEF)

	Current year	Previous year
Shares	1 246 635	1 358 442
Book value grossed up by amount uncalled	1 248 235	1 360 042
Uncalled amount	(1 600)	(1 600)
Fixed income securities	0	894 423
Term deposits with credit institutions with a residual term or notice period:	168 905	308 495
• from maximum one month to a year	105 000	0
• one month or less	63 905	308 495

VII. DEFERRED CHARGES AND ACCRUED INCOME

(Thousands of BEF)

	Current year
Deferred charges	15 713
Accrued income	33 232

VIII. SHARE CAPITAL

	Amounts (Thousands of BEF)	Number of shares
A. Share capital		
1. Issued capital		
• At the end of the previous financial year	58 928 523	
• At year end	58 928 523	
2. Structure of capital		
2.1. Categories of shares		
Ordinary shares	58 928 523	70 601 069
2.2. Registered or bearer shares		
Registered shares		52 046 181
Bearer shares		18 554 888
E. Capital authorized but unissued	45 000 000	
G. Details of significant holdings in Société Générale de Belgique's share capital are given in Note XXII below		

IX. PROVISIONS FOR LIABILITIES AND CHARGES

	(Thousands of BEF)
	Current year
Provisions for liabilities	229 353
Provisions for miscellaneous risks	1 056 821

NOTES

X. AMOUNTS PAYABLE

(Thousands of BEF)

	Debts or portion of debts		
	due within the year	having a term over one year and less than 5 years	over 5 years
A. Analysis of amounts originally payable after one year according to their residual terms			
2. Unsubordinated debentures	0	400 000	0
Other amounts payable	36 705	134 112	7 025
Total	36 705	534 112	7 025
C. Taxes, remuneration and social security			Current year
1. Taxes			
b) Taxes not yet due			30 096
c) Estimated taxes due			15 000
2. Remuneration and social security			
b) Other amounts due in respect of remuneration and social security			129 251

XI. ACCRUED CHARGES AND DEFERRED INCOME

(Thousands of BEF)

	Current year
Accrued charges	71 978
Deferred income	15 836
Accrued interest	26 139

XII. OPERATING RESULTS

(Thousands of BEF, except C.1.)

	Current year	Previous year
C.1. Average number of persons employed	96	95
Manual staff	6	6
Clerical staff	57	56
Management	31	31
Others	2	2
C.2. Personnel charges		
a) Wages, salaries and direct benefits	274 496	284 137
b) Employer's social security contributions	67 204	68 577
c) Employer's premiums for non-statutory insurance	32 389	33 611
d) Other personnel charges	1 347	1 477
D. Amounts written off		
2. Trade debtors		
Charge for the year	0	5
F. Other operating charges		
Duties and other taxes relating to operating activities	99 549	83 037

XIII. FINANCIAL RESULTS

(Thousands of BEF)

	Current year	Previous year
A. Other financial income		
Exchange gains	26 345	150 817
Translation differences on foreign currencies	99 740	63 182
Interest and premiums on financial instruments	0	105 024
Commissions and miscellaneous proceeds	14 744	13 973
C. Amounts written off current assets		
Charge for the year	43 320	88 319
Amounts released	(9 503)	(9 712)
D. Other financial charges		
Financial provisions		
• Charged	24 766	35 930
• Applied and released	(24 766)	(35 930)
Exchange gains	30 597	255 061
Foreign exchange conversion differences	110 089	86 062
Interest and premiums on financial instruments	0	144 868
Commissions and other charges	40 875	42 366

XV. INCOME TAXES

(Thousands of BEF)

	Current year
A.1. Income taxes for the current year	15 000
a) Taxes and withholding taxes due or paid	204 487
b) Excess income tax prepayments and withholding taxes included in assets	(204 487)
c) Estimated additional tax (booked to liability heading 450/3)	15 000
A.2. Tax on profit for previous years	860
a) Additional tax due or paid	860
B. Main sources of differences between profit before taxes as stated in the annual accounts and the estimated taxable profit	
Deduction of definitively taxed income	5 900 000
Transfer from tax-free reserves	405 100
Capital gains, capital losses, amounts written down and amounts written back not included in taxable income	1 045 000
Taxable provisions and write-backs of taxes on provisions	316 000

NOTES

XVI. OTHER TAXES AND TAXES PAYABLE BY THIRD PARTIES

(Thousands of BEF)

	Current year	Previous year
A. Value added tax, equalization taxes, special taxes charged during the year :		
1. to the company (deductible)	26 740	42 258
2. by the company	31 613	29 272
B. Amounts deducted from third parties for		
1. Withholding tax on salaries	118 781	120 890
2. Withholding tax on investment income	923 685	972 243

XVII. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

(Thousands of BEF)

	Current year
Personal guarantees given or irrevocably promised by the company as security for third parties' debts or commitments	
Maximum amount of guarantees given by company to secure other commitments of third parties	2 275 000
Goods and property held by third parties in their own name but at the risk or for the benefit of the company, if they are not carried in the balance sheet	
<i>Significant commitments to purchase fixed assets</i>	
Various put options granted	60 000
<i>Significant commitments to sell fixed assets</i>	
Various call options granted	3 000

Supplementary provisions for pension and retirement

The company guarantees its employees a retirement income or survivors' pension based on seniority and end of career salary. Insurance policies cover these commitments. The required mathematical reserves are recalculated annually.

New financial instruments

The company occasionally uses derivatives to hedge against the risks inherent in its ordinary operations; derivatives are not held for speculative purposes.

XVIII. RELATIONSHIPS WITH SUBSIDIARY COMPANIES AND COMPANIES LINKED BY PARTICIPATING INTERESTS

(Thousands of BEF)

	Subsidiary companies		Companies linked by participating interests	
	Current year	Previous year	Current year	Previous year
1. Financial fixed assets	80 798 213	80 800 654	57 157 575	52 770 821
shareholdings	80 262 161	80 262 294	56 456 975	52 045 802
other amounts receivable	536 052	538 360	700 600	725 019
2. Amounts receivable	123 122	6 694 304	148 137	99 511
after one year	0	0	5 425	5 425
within one year	123 122	6 694 304	142 712	94 086
3. Current investments	143 474	156 511		
shares	143 474	156 511		
4. Amounts payable	10 520 699	12 567 191	76 310	145 670
after one year	136 843	136 843	36 705	73 396
within one year	10 383 856	12 430 348	39 605	72 274
5. Real or personal guarantees given or irrevocably promised by the company as security for subsidiary companies' debts and commitments	2 275 000	2 911 600		
7. Financial results				
Income				
from financial fixed assets	3 312 290	2 461 290		
from current assets	46 229	568 615		
other financial income	1 350	6 568		
Charges				
interest and other debt charges	507 647	756 086		
other financial charges	496	9 677		
8. Disposal of fixed assets				
losses realized	3 491	0		

XIX. FINANCIAL RELATIONS WITH DIRECTORS

(Thousands of BEF)

	Current year
a) Directors and managers	
4. Direct and indirect remuneration and pensions included in the Income Statement, to the extent that this disclosure does not solely or primarily concern the situation of a single identifiable person:	56 432

NOTES

XX. SUMMARY OF ACCOUNTING PRINCIPLES, AS REQUIRED BY ARTICLE 7 OF THE LAW OF 17 JULY 1975

I. Formation expenses

Expenses incurred for capital increases or for issuing debentures, whether convertible or not, are written off over five years. Conversion expenses are charged during the financial year in which they are incurred.

II. Tangible fixed assets

Tangible fixed assets are carried as assets in the balance sheet at their purchase price or at their production cost or at the assigned value at the moment of contribution. Depreciation is recorded on a straight-line basis at the rates allowed for tax purposes, i.e. :

- | | |
|-------------------------------------|----------------|
| • Buildings | 3 % per year; |
| • Alterations to occupied buildings | 10 % per year; |
| • Computer equipment | 33 % per year; |
| • Other equipment | 20 % per year; |
| • Furniture | 10 % per year; |
| • Safes | 5 % per year; |

Ancillary costs and, in particular, non-recoverable VAT, are written off during the year in which they are incurred, except for costs incurred on motor vehicles, which are written off at the same rate as the purchase price.

III. Financial fixed assets

Investments and other shares held in portfolio

Except for shares held as at 31 December 1977, whose historic book value was adjusted during the 1977 transitional accounting period, by virtue of an exemption obtained from the Regulatory Authority, acquisitions are carried as assets in the balance sheet at their purchase or contribution price, taking into account any amounts still to be paid up.

At the end of each financial year, each individual share included in financial assets is assessed so as to reflect in as satisfactory a manner as possible the position, profitability, or prospects of the company concerned.

The method of valuation is chosen objectively taking into account the nature and characteristics of the share.

It may be based on one or other of the values traditionally used for such a valuation, or else be based on the suitably weighted average of several of these values.

The method of valuing a particular share is applied consistently from one financial year to another, unless changing circumstances render it impossible. In such a case, and if the change has significant consequences, a special mention will be included in the Notes to the accounts.

When this valuation shows a lasting impairment of value against the recorded value, an amount equal to such impairment is written off.

Amounts are written back when a lasting rise in value is observed on a share which had previously been written down.

As in the past, the rule is not to revalue shares even when underlying capital gains are identified by independent valuers.

Amounts receivable

At the time of the transaction, amounts receivable are stated at their nominal value. Amounts in foreign currencies are recorded at the Belgian franc equivalent at the rate prevailing on the day of acquisition. At the end of the year, they are restated at the year-end exchange rate.

The rules for writing down receivables are similar to those for shares.

IV. Amounts receivable after and within one year

Amounts receivable are stated in the balance sheet at their nominal value. Receivables in foreign currencies are recorded in Belgian francs at the exchange rate on the day of the transaction and revalued on the basis of the exchange rate at the close of the financial year.

An amount is written off when repayment on the due date of all or part of a receivable is uncertain or doubtful or when the realizable value at the financial year end is lower than the book value, provided the impairment in value is permanent in the case of amounts receivable after one year.

V. Current investments and cash at bank and in hand

In principle, investment shares for which there is a significant market, are valued at the last Stock Exchange quotation of the financial year.

Other investments and cash at bank and in hand are valued in the same way as amounts receivable within one year.

VI. Provisions for liabilities and charges

At balance sheet date, the Board examines what provisions should be made to cover, in particular :

- major repairs or maintenance;
- risks resulting from advances or from guarantees;
- other risks, where appropriate.

Provisions from previous years are regularly reviewed and released to income if no longer required.

VII. Amounts payable after and within one year

These amounts are recorded at their nominal value.

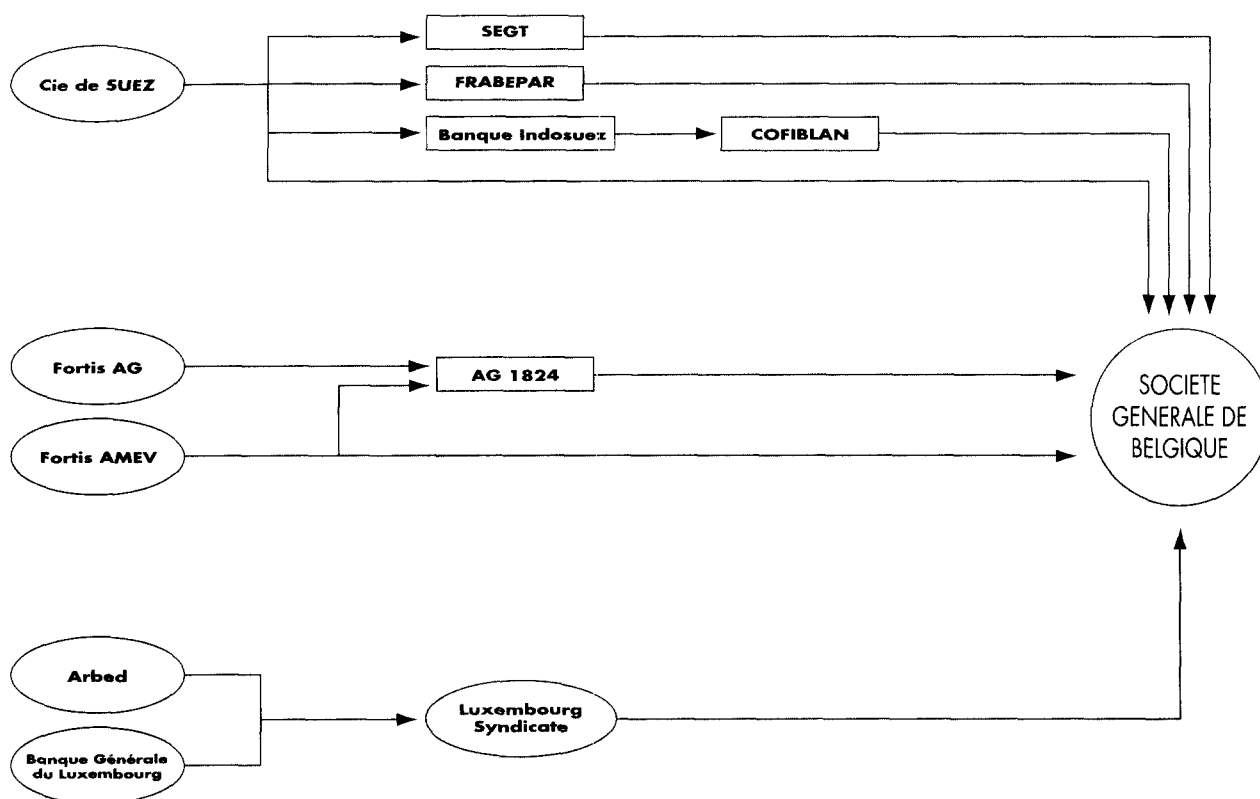
XXI. DURING THE 1995 FINANCIAL YEAR, SOCIETE GENERALE DE BELGIQUE GAVE VARIOUS SPECIAL ASSIGNMENTS TO ITS AUDITORS

The fees paid for these special assignments amount to:

BEF 310 000 for Price Waterhouse, Company Auditors, SCC

BEF 200 000 for Deloitte & Touche, Company Auditors, SCC.

XXII. SIGNIFICANT SHAREHOLDINGS IN SOCIETE GENERALE DE BELGIQUE AS AT 31 DECEMBER 1995



NOTES

Name of direct shareholders :			Date of last statement received art. 4 § 2 Law of 2/3/1989	Number of shares	% (*)
Compagnie de SUEZ :				44 192 055	62.59%
Compagnie de SUEZ SA	1 rue d'Astorg	75008 PARIS	14.04.95	34 859 575	49.38%
FRABEPAR SA	rue Blanche, 27	1060 BRUSSELS	14.04.95	6 235 704	8.96%
SEGT SA	1 rue d'Astorg	75008 PARIS	14.04.95	319 229	0.45%
COFIBLAN SA	rue Blanche, 27	1060 BRUSSELS	14.04.95	2 687 547	3.81%
Voting rights exercised jointly by Fortis AG and the Luxembourg Syndicate :				9 375 810	14.60%
Fortis AG :				7 575 810	11.80%
AG 1824 SA	boulevard E. Jacqmain, 53	1000 BRUSSELS	08.04.91	7 560 180	11.77%
SODINVEST SA	boulevard E. Jacqmain, 53	1000 BRUSSELS	08.04.91	5	(**)
G. SIMONS & Cie SA	Suikerrui 5 - Bus 1	2000 ANTWERP	08.04.91	825	(**)
AMEV Levensverzekering NV	Archimedeslaan 10	3500 UTRECHT HB	08.04.91	9 200	0.01%
AMEV Levensverzekeringen NV	rue de la Loi, 13	1000 BRUSSELS	08.04.91	5 600	0.01%
Luxembourg Syndicate :				1 800 000	2.80%
• ARBED SA	19 avenue de la Liberté	2930 LUXEMBOURG	08.04.91	652 500	1.02%
• Banque Générale du Luxembourg SA	14 rue Aldringen	1906 LUXEMBOURG	08.04.91	465 000	0.72%
• SIDARFIN NV	Kouter, 188	9000 GHENT	08.04.91	682 500	1.06%

(*) The denominator used to calculate the percentage is 64,210,066 (including the 149,061 warrants outstanding as at this date) for statements as at 8 April 1991 and 70,601,069 for statements as at 14 April 1995.

(**) For the record

The above list strictly complies with the most recent transparency statement received by the Générale. However, certain changes did occur in its shareholder base in 1995, but no limits were exceeded and consequently it was not necessary to draw up a new statement. The chart representing the structure of the shareholder base as at 31 December 1995 takes account of changes advised to the Générale.

STATEMENT ON THE CONSOLIDATED ACCOUNTS

The company prepares and publishes consolidated accounts and a consolidated management report in accordance with the provisions of the Royal Decrees of 25 November 1991 and 6 March 1990.

The annual consolidated accounts of Société Générale de Belgique are included in the consolidated accounts of Compagnie de Suez, 1 rue d'Astorg, 75008 Paris (France). A copy of this company's consolidated accounts may be obtained from its registered office.

FREE TRANSLATION

In accordance with legal and statutory requirements, we examined the annual accounts at 31 December 1995 of Société Générale de Belgique SA. Our examination was made in accordance with the general auditing standards and recommendations of the Belgian Institute of Auditors. We have been able to rely for our audit procedures on an administrative organization which includes a system of internal control appropriate to the nature and extent of the company's activities. We have obtained from the directors and officials of the company all the information and explanations which we requested from them.

Based on our audit procedures, we confirm that :

- the accounting records are maintained and the annual accounts are drawn up in accordance with the relevant legal and regulatory requirements ;
- the annual report of the Board of Directors contains the information required by the law and is consistent with the annual accounts ;
- the appropriation of results proposed to the general shareholders' meeting is in accordance with the company's statutes and company law ;
- we have no knowledge of any transactions undertaken or decisions taken in violation of the company's statutes or company law.

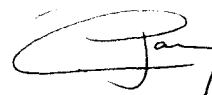
In conclusion, we certify without qualification that, in our opinion, the annual accounts at 31 December 1995 of Société Générale de Belgique SA - which show total assets of BEF 155,528 million and a profit for the year then ended of BEF 6,917 million - give a true and fair view of the company's net worth, its financial position and its results for the year, in compliance with legal and statutory requirements. The explanations given in the notes are adequate.

4 April 1996

The joint Statutory Auditors



PRICE WATERHOUSE
Company Auditors, SCC
Represented by Robert PEIRCE



DELOITTE & TOUCHE
Company Auditors, SCC
Represented by Claude POURBAIX

Head Office

Société Générale de Belgique

Generale Maatschappij van België

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A n n u a l R e p o r t 1 9 9 5

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Brussels Trade Register 17.487

V.A.T. 403.203.264

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*Information on the Générale and its group
can be found on Internet at the following address:*

<http://www.generale.be/>

*Ce rapport est également disponible en français
Dit jaarverslag is eveneens verkrijgbaar in het Nederlands*

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