Paribas

The activities of the PARIBAS Group are organized around two businesses:
• the international commercial bank with
- BANQUE PARIBAS, focused on commercial banking, market activities, institutional and private management, securities custody and consulting;
- PARIBAS Affaires Industrielles which takes interests in other companies.
• Specialized Financial Services with COMPAGNIE BANCAIRE.

The PARIBAS Group recorded a net income (Group share) of FRF 4,350 million after a loss of FRF (3,998) million in 1995 due to extraordinary provisions on the interest in COMPAGNIE DE NAVIGATION MIXTE and on real estate assets which no longer had an impact on the 1996 results. This year, the PARIBAS Group completed its FRF 15 billion asset sale programme.

According to PARIBAS' usual presentation, this result may be explained as follows:

• the contribution of BANQUE PARIBAS was FRF 1,661 million, compared to FRF (3,720) million, reflecting strong revenue growth (Commercial Banking, Capital Markets and Financial Services) which exceeded the rise in operating charges, the maintenance at a moderate level of banking provisions, a positive contribution from non-operating items (which had been quite negative in 1995) and a lower tax burden. BANQUE PARIBAS' financial resources were strengthened, in particular by a FRF 4 billion capital increase;

• the contribution of PARIBAS Affaires Industrielles was FRF 3,197 million, compared to FRF 2,173 million, benefiting from the strong rise in capital gains from sales (16% of AUDIOFINA, 35% of AXIME, 5% of POLIET - the remaining 52% being sold over 3 years -, 13% of POWER CORP, UGC DA), despite the reduction in results from equity-accounted companies;

• the contribution of COMPAGNIE BANCAIRE was FRF (583) million, compared to FRF 338 million. A capital gain on the sale of 6% of CETELEM and strong business results (savings and loans) partially offset the FRF 2.5 billion extraordinary provision on real estate;

• CREDIT DU NORD, which contributed FRF 190 million (compared to FRF 3 million) will be gradually sold to SOCIÉTÉ GÉNÉRALE, which will acquire a 62% interest of said firm in 1997, with the sale of the remainder taking place over the next three years;

• the contribution of holding activity (the holding company's debt and overhead) of FRF (115) million, compared to FRF (2,792) million, benefited from capital gains from sales of interests of COMPAGNIE DE NAVIGATION MIXTE.

Contribution to:

	Restricted consolidation		Consolidation (transitive)	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1996	15	0.6	74	2.9
Estimated value at 31.12.1996	0	0.0	1,127	44.5

Consolidated key figures (FRF million)

	1993	1994	1995	1996
Equity (before allocation)	41,364	45,261	40,166	40,329
Net profit (Group share)	1,449	1,715	(3,998)	4,350
Earnings per share (FRF)	14.3	15.6	(33.9)	39.7
Dividend per share (FRF)	12.0	12.0	12.0	13.0
Estimated value per share (FRF)	580	493	438	483

Cobepa

***Cobepa**, traditionally operating in Benelux and Canada, carries out two major functions as a merchant bank and an active investor, bringing added value over the long-term to its investments.*
Its inclusion in the worldwide network of PARIBAS gives it access to professional expertise, market information and business contacts, allowing it to deal with the international nature of business today.

In 1996, its fortieth business year, COBEPA continued its policy to refocus its portfolio, broaden its client base, simplify structures, maximise its shares' visibility and improve results.

COBEPA sold most of its interest in POWER CORPORATION OF CANADA for CAD 326 million, generating a yearly average internal rate of return of 23% in CAD and 14.5% in BEF. Following this operation, Canadian subsidiary P.P.L. maintains a 2.5% interest in POWER CORPORATION.

At the beginning of September, COBEPA underwrote 5% of the BEF 11 billion capital increase of MOBISTAR, a company which develops and operates Belgium's second largest mobile phone network. Its MOSANE and IBEL subsidiaries underwrote 5% and 1.01%, respectively, of the capital, a total investment for the Group of BEF 1,210 million. The MOBISTAR network began operations on schedule and has been an excellent commercial success.

In November, as part of its partnership agreement, COBEPA and HOLDING GROUPE JOSI sold COMPAGNIE D'ASSURANCES GROUPE JOSI to WINTERTHUR-EUROPE ASSURANCES, creating a consolidated capital gain of BEF 800 million. COBEPA participated for BEF 1 billion in the capital increase of WINTERTHUR-EUROPE ASSURANCES by taking up 4.8% of its capital. COBEPA still has a 22.2% interest in HOLDING GROUPE JOSI, which took a 9.6% interest in WINTERTHUR-EUROPE ASSURANCES.

PARIBAS DEELNEMINGEN invested nearly BEF 1 billion in the capital of three Dutch small- and medium-sized enterprises: KONINKLIJKE SENS LABEL, a family-owned company which is one of Europe's largest label manufacturers, VEGRO BEHEER, leader in the wholesale distribution of heating and sanitary equipment and APPLEBEE, a new chain of American-style restaurants.

IBEL took a 18% interest in INDUSTRIAL LAUNDRY GROUP, a manufacturer of industrial washing machines present in Belgium and in the United States, by the side of its management. It also took a 1% interest in TELENET HOLDING, a new cable telephony project.

COBEPA played its merchant bank role in the acquisition of DESIMPEL by HANSON BRICKS, AXA's public offer of exchange on AXA BELGIUM, the offer by S.C.L. (SAFMARINE-CMB) on COMPAGNIE GÉNÉRALE MARITIME as part of its privatisation by the French government, the purchase of GAN BELGIUM by SWISS LIFE and the acquisition of France's SACREN, a credit insurance company, by Germany's GERLING Group and its Belgian subsidiary, ASSURANCES DU CRÉDIT DE NAMUR.

In 1996, the net economical income totalled BEF 5,890 million. The allocation of negative currency translation adjustments, posted to income at the time of the deconsolidation of the interest in POWER CORPORATION, brought the Group's share of net income to BEF 3,209 million.

Contribution to:

	Restricted consolidation		*Consolidation (transitive)*	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1996	62	2.5	62	2.5
Estimated value at 31.12.1996	1,406	55.5	1,406	55.5

Consolidated key figures (BEF million)

	1993	1994	1995	**1996**
Equity	42,388	47,744	47,056	**50,064**
Net profit (Group share)	3,749	4,577	3,361	**3,209**
Earnings per share (BEF)	90.6	107.1	78.9	**75.0**
Gross dividend per share (BEF)	46.6	49.8	53.3	**57.3**
Estimated value per share (BEF)	1,461	1,353	1,423	**1,662**

Compagnie de Suez

The SUEZ Group is one of France's largest holding companies. SUEZ transformed itself from a group dominated by banking at the beginning of the year to a group dominated by industry following the sale of BANQUE INDOSUEZ and it acquisition of a larger interest in TRACTEBEL.
After eight years of indebtedness, SUEZ once again has a positive treasury and is making a profit.

Five events marked 1996:

- the sale of 100% of BANQUE INDOSUEZ to CRÉDIT AGRICOLE (51% on 1 July and the balance at the end of December) for FRF 11.9 billion gave rise to a consolidated capital gain of FRF 300 million and put an end to the Group's exposure to the volatility of market activity;
- treasury at SUEZ turned positive with more than FRF 5 billion at the end of 1996. At the end of 1995, SUEZ still had net debt of FRF 4.5 billion and during 1996 had to finance FRF 5 billion in real estate losses. Positive treasury at the end of 1996 is mainly explained by the sale of INDOSUEZ, as well as by other efforts aimed at refocusing its business during the year (sale of GARTMORE, SALINS DU MIDI, FONCIÈRE LYONNAISE,..);
- given the still difficult Paris real estate market, SUEZ stepped up the pace of its exit from this sector due to be completed by the year 2001 by entering into agreements with WHITEHALL (GOLDMAN SACHS) on the sale of its entire portfolio of real estate receivables from third parties and its own real estate developments for a net value of FRF 4 billion, reflected by a capital loss of FRF 1 billion in the 1996 accounts. In three years, SUEZ divided its net commitments by six, from FRF 14.1 billion at the end of 1995 to FRF 4.8 billion at the end of 1996;
- in September 1996, SOCIÉTÉ GÉNÉRALE DE BELGIQUE, a subsidiary in which SUEZ has an 63% interest, acquired the interests of GROUPE BRUXELLES LAMBERT and ROYALE BELGE in TRACTEBEL, thereby raising its shareholding from 39.8% to 64.2%. This reinforcement, which represented an investment of around FRF 8 billion, was made for two reasons. The strategic reason: SUEZ decided to develop its presence in the sector of services to local authorities and infrastructures. The financial reason: this operation has a positive impact on SGB and SUEZ results;
- throughout 1996, the shareholder structure was modified. Four groups, supporting its new strategy now form the heart of the shareholding structure: CRÉDIT AGRICOLE, SAINT-GOBAIN, GROUPE BRUXELLES LAMBERT and AXA-UAP. The cross holding with ELF AQUITAINE was terminated.

The 1996 business year ended with a profit of FRF 843 million, with current income rising 38% to FRF 2,312 million. Net income for 1996 was still marked by the effect of the real estate crisis -which had a FRF 2,541 million negative effect (compared to FRF 5,003 million in 1995)- and by a provisioning effort, in particular on the interest in AXA-UAP, for FRF 500 million.

After having determined and commenced implementation of its strategy, reconstituted its margins of manoeuvre and rediscovered the way to profits, SUEZ must now show its will to create shareholders' value. It is with this in mind that the Board of Directors will propose to the Annual General Meeting that its own shares (4.96% of capital) be cancelled and that the conditions of the merger of SUEZ and LYONNAISE DES EAUX be approved in order to create a world-wide utility group.

Contribution to:

	Restricted consolidation		*Consolidation (transitive)*	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1996	0	0.0	0	0.0
Estimated value at 31.12.1996	0	0.0	740	29.2

Consolidated key figures (FRF million)

	1993	1994	1995	**1996**
Equity	50,665	46,089	41,460	**42,735**
Net profit (Group share)	1,575	(4,784)	(3,959)	**843**
Earnings per share (FRF)	11.56	(32.69)	(26.53)	**5.52**
Dividend per share (FRF)	8.20	8.20	8.20	**24.60**
Estimated value per share (FRF)	469	355	323	**345**

Société Générale de Belgique

SOCIÉTÉ GÉNÉRALE DE BELGIQUE, Belgium's largest holding company, holds interests in seven international companies in industry and services: TRACTEBEL (electricity, gas, engineering, the environment), GÉNÉRALE DE BANQUE (bank and financial services), FORTIS AG (insurance and financial services), UNION MINIÈRE (non-ferrous metals), RECTICEL (polyurethane foam), COFICEM/SAGEM (electronic and telecommunications equipment) and ARBED (steel). Up to 19 February 1997, SGB was the largest shareholder of ACCOR, world-wide leader in the hotel sector.

In 1996, and for the fifth year in a row, GÉNÉRALE once again improved its operating income, despite the persistent economic crisis.

The year's largest transaction was the purchase in September 1996 of more than 3 million TRACTEBEL shares from ELECTRAFINA and ROYALE BELGE for BEF 49.6 billion, thereby raising GÉNÉRALE's percentage interest in TRACTEBEL from 39.8% to 64.2%. GÉNÉRALE followed its acquisition by maintaining the share price on the Stock Market and the issuing of puts. At the beginning of 1997, TRACTEBEL and its POWERFIN subsidiary decided to merge their activities, which would bring GÉNÉRALE's interest in TRACTEBEL down to 50.3%.

GÉNÉRALE also invested in GÉNÉRALE DE BANQUE and in FORTIS AG at the time of their respective increases in capital, in order to maintain its percentage interest in both.

During the year, all of the interests in ELF AQUITAINE and in COMPAGNIE DE SUEZ were sold. In February 1997, GÉNÉRALE sold its interest in ACCOR to institutional investors.

TRACTEBEL, GÉNÉRALE DE BANQUE and FORTIS AG which, together represent 81% of the portfolio, saw their results rise sharply in 1996.

UNION MINIÈRE closed 1996 with a positive net income for the first time since 1990, while RECTICEL, still slightly in the red, continued its turnaround which began during the second half of 1996. COFICEM/SAGEM, in which GÉNÉRALE has maintained its 20% interest, also made a positive contribution to the Group's results.

Contribution to:

	Restricted consolidation		*Consolidation (transitive)*	
	Mio BEF	BEF/share	Mio BEF	BEF/share
Operating result 1996	196	7.7	196	7.7
Estimated value at 31.12.1996	4,206	166.0	4,206	166.0

Consolidated key figures (BEF million)

	1993	1994	1995	**1996**
Equity	163,519	165,769	166,470	**166,335**
Net profit (Group share)	8,688	11,011	9,205	**11,220**
Earnings per share (BEF)	128	156	130	**159**
Gross dividend per share (BEF)	104	114	116	**116**
Estimated value per share (BEF)	2,977	2,769	2,998	**3,443**