RESILUX
INNOVATIVE PACKAGING

ANNUAL REPORT 2016

WWW.RESILUX.COM

YOU GET LOTS OF BOTTLE FROM RESILUX PREFORMS

Design and photography: TVC reclamebureau bv - Dongen, Nederland

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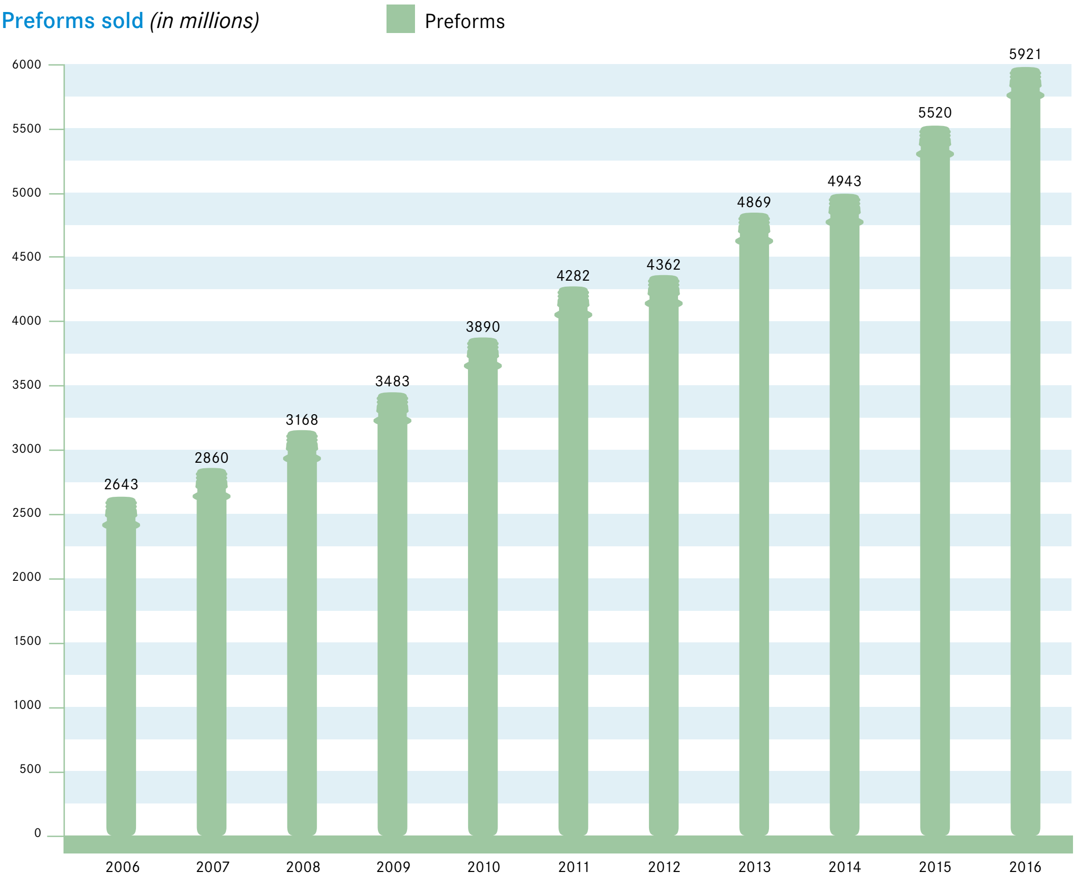
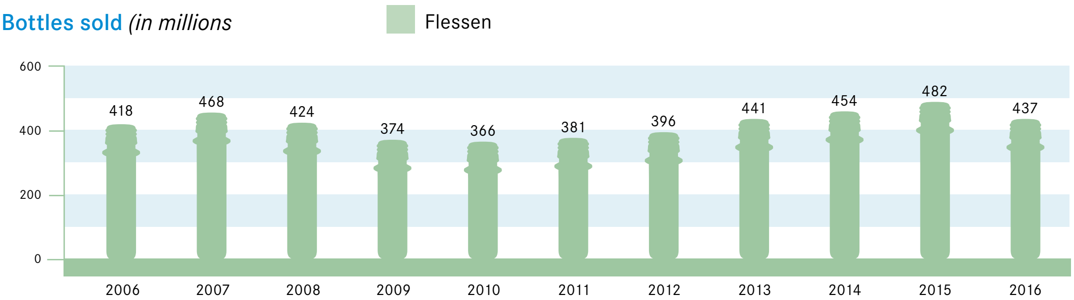
Preforms sold *(in millions)*



Bottles sold *(in millions*



RESILUX
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The annual report is available on the internet in Dutch and English. >>> www.resilux.com
Het jaarverslag is beschikbaar op het internet in het Nederlands en Engels. >>> www.resilux.com

The Dutch version is the official version. The English version is a translation with no legal force.

RESILUX INNOVATIVE PACKAGING

CHAIRMAN'S STATEMENT

2016 has been a turbulent year for our company.

The discontinuation of the joint venture Airolux required long and difficult negotiations with strained nerves and where the mind could never stop from thinking.
The result of these negotiations eventually resulted in an exit arrangement for Resilux with a final settlement in July.

Later in the year, Bain Capital started up negotiations to make an offer on Resilux and to combine Resilux with Petainer. These negotiations were very intensive and very complicated. Eventually, Bain Capital did not proceed with the offer because of an antitrust issue we totally did not expect.

The conclusion of this event is very important because it proves that Resilux has built up a strong position in the market. This is now clearly known in the industrial and financial world.
These spotlights will remain focused on Resilux whereby we must clearly define our position on the basis of a strong financial base, good technology, an extensive product range and a favorable geographic spread.

Striking in 2016 are the underlying performances of our various production units resulting in very strong results that are unmatched in our existence.

It is clear that ever increasing dynamics are present at Resilux. This will largely increase the working field both geographically and in terms of products and technology. All of this is furthermore fueled by an unprecedented consolidation movement that is felt globally. This requires our permanent full attention and focus. An equally important and striking factor is that our presence in Eastern Europe is becoming stronger.

As always, I conclude by saying that it remains an honor for me to be Chairman of the Board of Directors of this strong company and we remain faithful to our statement made at the time of stock market introduction in 1997:
we do it better, cheaper and faster!

A. De Cuyper
Chairman of the Board of Directors

RESILUX
INNOVATIVE PACKAGING

RESILUX PROFILE

Since its foundation, the production of PET (polyethylene terephthalate) packaging in the form of preforms and bottles has been the core business of Resilux. The preforms are blown into bottles by Resilux or by the customer, and then filled with water, soft drinks, edible oils, ketchup, detergents, milk, beer, wine, fruit juices, etc.

Resilux is a family company by origin that became operational in June 1994. Since 1997, it has been listed on Euronext Brussels. The Company has an extensive network of sales and service offices in various countries. Alongside the main establishment in Belgium, Resilux has a number of production units in Spain (1997), Russia (1999), Greece (2000), Switzerland (2000/2001), Hungary (2002) and the United States (2001/2004). Resilux has various sales offices in the above countries, as well as in many other countries on different continents.

Resilux produces preforms and bottles for many applications and in various weights, colours and forms. Preforms and bottles are produced for both single use and multiple use. As well as for barrier-sensitive products, Resilux offers various solutions. Moreover, the Resilux R&D centres are continually researching ways to further improve quality, to increase and develop the barrier qualities of PET, and to renew and optimise the preform and bottle designs.

Resilux also has bottle-blowing projects at different customers. Resilux provides to the filling companies the necessary know-how and if required the infrastructure and manpower. These activities can be located on the customer's premises (in-house), right next to the customer (wall-to-wall) or near to the customer (satellite).

Resilux endeavours to achieve a global spread of risk and maximum flexibility. The strong position of Resilux is the result of very high productivity, its technological leadership whereby quality and innovation come first, and its extensive geographic distribution.

The production is highly automated and the production technology has to a large extent been optimised in-house.
Part of Resilux's know-how is protected by patents and registered designs.

RESILUX
INNOVATIVE PACKAGING

CONSOLIDATED KEY FIGURES (1)

Including revenues and expenses from selling shares JV Airolux

	2016 IFRS	2015 IFRS	2014 IFRS
Key figures from the profit and loss account *(in thousands of Euro)*			
Turnover	293,667	291,559	282,348
Total revenues	326,015	295,579	284,846
Added value (2)	95,109	72,523	64,846
Operating cash flow - EBITDA (3)	60,819	38,468	33,083
Depreciation and operational non-cash costs	14,393	14,249	14,057
Operating result	46,426	24,219	19,026
Financial result	-1,382	-2,536	-3,273
Result before taxes	45,044	21,683	15,754
Taxes	-4,237	-3,817	-3,206
Net result, part of Group	40,807	17,866	12,548
Result based on the equity value	18,884	-8,074	-2,493
Net result after result based on the equity value	59,691	9,792	10,055
Key figures from the balance sheet *(in thousands of Euro)*			
Equity	147,568	87,709	81,507
Equity (incl. subordinated loans)	149,162	89,303	83,054
Net financial debt (excl. subordinated loans) (4)	-22,319	33,154	36,425
Total assets and total liabilities	256,191	205,983	187,552
Key figures per share *(in Euro)*			
Operating cash flow – EBITDA (3)	30.71	19.42	16.71
Operating result	23.44	12.23	9.61
Net result, part of Group	20.61	9.02	6.34
Net result after result based on the equity value (2)	30.14	4.94	5.08
Average number of shares	1,980,410	1,980,410	1,980,410
Key figures per share - diluted (5) *(in Euro)*			
Operating cash flow – EBITDA (3)	30.04	19.00	16.34
Operating result	22.93	11.96	9.40
Net result, part of Group	20.15	8.82	6.20
Net result after result based on the equity value (2)	29.48	4.84	4.97
Average number of shares	2,024,860	2,024,860	2,024,860
Proposed gross dividend (6)	2.00	2.00	1.90

(1) Figures are fully in conformity with IFRS-rules.
(2) Revenues minus trade goods and raw materials minus services and other goods.
(3) Operating profit plus depreciations and write offs of intangible and tangible assets, plus provisions for write offs in value relating to stocks and trade accounts receivable.
(4) Interest-bearing Financial obligations minus available funds and investments.
(5) In 2013 44,450 warrants have been issued and attributed to the members of the personnel.
(6) The Board of Directors will propose to the General Shareholders' Meeting to pay a gross dividend of € 2.00 per share.

Excluding revenues and expenses from selling shares JV Airolux = after restatement

	2016 IFRS	2015 IFRS	2014 IFRS
Key figures from the profit and loss account *(in thousands of Euro)*			
Turnover	293,667	291,559	282,348
Total revenues - after restatement	300,361	295,579	284,846
Added value (1) - after restatement	74,458	72,523	64,846
Operating cash flow - EBITDA (2) - after restatement	40,168	38,468	33,083
Depreciation and operational non-cash costs	14,393	14,249	14,057
Operating result – after restatement	25,775	24,219	19,026
Financial result	-1,382	-2,536	-3,273
Result before taxes - after restatement	24,393	21,683	15,754
Taxes - after restatement	-5,219	-3,817	-3,206
Net result, part of Group – after restatement	19,174	17,866	12,548
Key figures per share *(in Euro)*			
Operating cash flow - EBITDA (2) - after restatement	20.28	19.42	16.71
Operating result – after restatement	13.01	12.23	9.61
Net result, part of Group – after restatement	9.68	9.02	6.34
Average number of shares	1,980,410	1,980,410	1,980,410
Key figures per share - diluted (3) *(in Euro)*			
Operating cash flow - EBITDA (2) - after restatement	19.84	19.00	16.34
Operating result - after restatement	12.73	11.96	9.40
Net result, part of Group - after restatement	9.47	8.82	6.20
Average number of shares	2,024,860	2,024,860	2,024,860

(1) Revenues minus trade goods and raw materials minus services and other goods.

(2) Operating profit plus depreciations and write offs of intangible and tangible assets, plus provisions for write offs in value relating to stocks and trade accounts receivable.

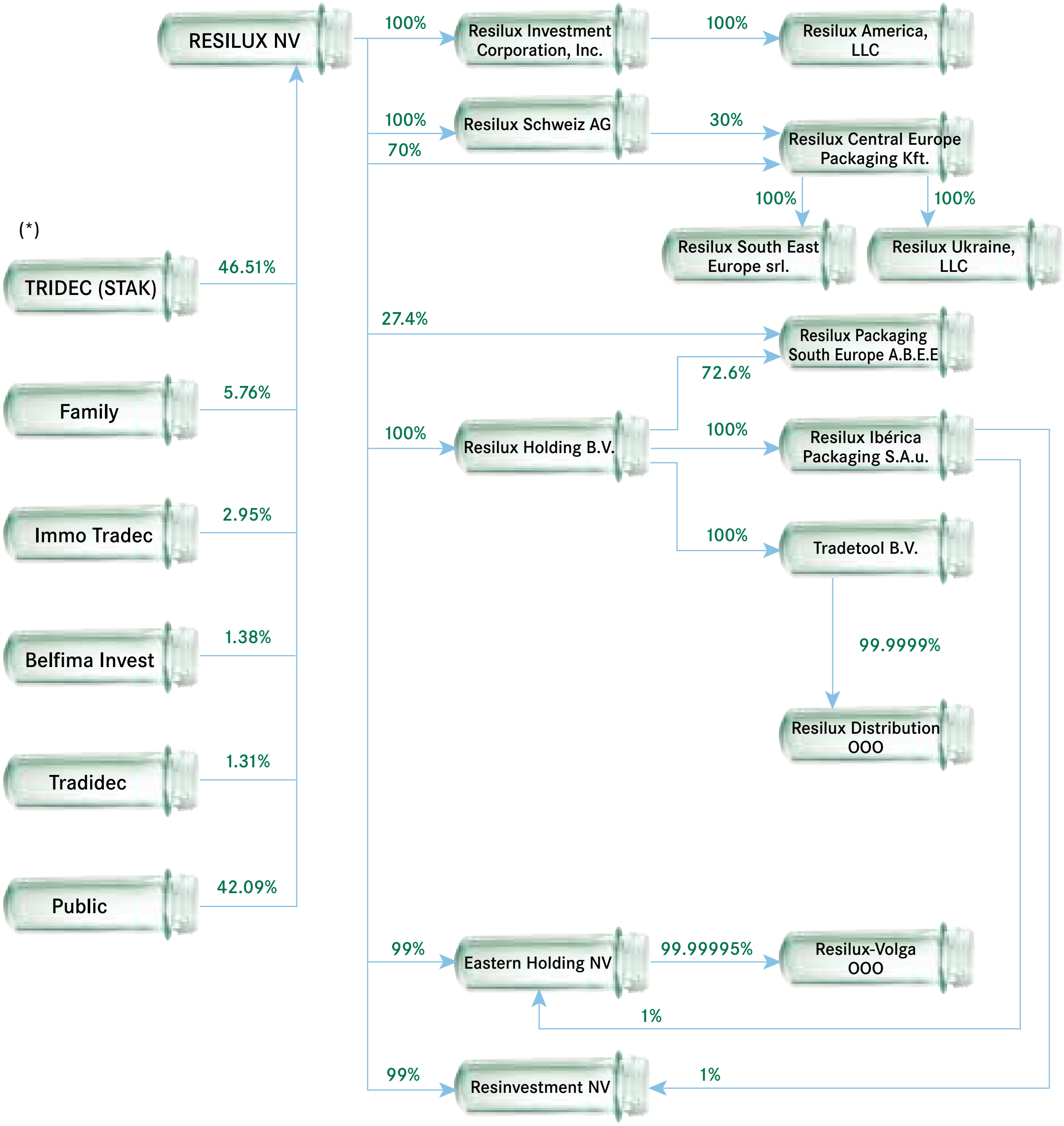
(3) In 2013 44,450 warrants have been issued and attributed to the members of the personnel.

SHAREHOLDERS AND GROUP STRUCTURE

Resilux started the production of PET preforms in June 1994. Since October 3rd, 1997, Resilux has been listed on Euronext Brussels. The price per share of the stock exchange introduction was EUR 30.99.

The capital of Resilux NV including share premiums amounts to € 33,839,969 on December 31st, 2016. The registered capital stands at € 17,183,856 and is represented by 1,980,410 no par-value shares, which each represent a 1/1,980,410th share of the registered capital.

On December 31st, 2016 the structure of the Resilux Group was (according to IFRS) as follows:



(*) Percentages calculated on the basis of the number of outstanding shares (1,980,410) and the shareholding such as it appears in the last transparency declaration of May 6th, 2010 as received on May 12th, 2010 following the provisions of article 29 of the Law of May 2nd, 2007 on disclosure of major holdings and the last notification in respect of the exemption from the obligation to launch a bid following the provisions of article 74 of the Law of April 1st, 2007 on Takeover Bids, as received on August 31st, 2015.

RESILUX INNOVATIVE PACKAGING

Since 1994, Resilux has started up or acquired a number of operational activities in different countries:

1) Spain

In June 1997, the first foreign production unit called Resilux Ibérica Packaging S.A.u. became operational in Spain. According to IFRS, it is a 100% daughter of Resilux Holding B.V. with a capital of € 3,804,991.10 as per December 31st, 2016.

2) Russia

Since its foundation in 2007, Resilux Distribution OOO organises the sales and purchase operations, and has a capital of RUR 108,811,252.70 as per December 31st, 2016. The production operations are incorporated into Resilux-Volga OOO. According to IFRS, Resilux-Volga OOO is a 99.99995% subsidiary of Eastern Holding NV with a capital of RUR 204,258,500 as per December 31st 2016.

3) Switzerland

In March 2000, Resilux NV acquired 100% of the shares of the Swiss company Altoplast-Claropac AG, a company that produced PET preforms and bottles. In March 2001, Resilux NV acquired 100% of the shares of a second Swiss company, Femit Plastic AG, a company that also produced PET preforms and bottles. In order to optimise synergies, the two companies were merged in 2004 and became Resilux Schweiz AG. As per December 31st, 2016 this company has a capital of CHF 18,000,000.

4) Greece

In June 2000, Resilux started up a production unit in Greece, Resilux Hellas A.B.E.E.. On October 11th, 2010 the name of the company has been changed into Resilux Packaging South Europe A.B.E.E.. As per December 31st, 2016 this 72.6% subsidiary of Resilux Holding B.V. has a capital of € 11,420,509.

5) United States

In December 2000, Resilux NV acquired - through an American holding company set up for this purpose, Resilux Investment Corporation, Inc. - a shareholding of 16.67% in Resilux America, LLC. This company produces and commercialises PET packaging for niche markets - such as food products, household products, cosmetics, pharmaceutical products, etc - and continues to invest in the expansion of its preform activities.

Since January 1st, 2005, Resilux Investment Corporation, Inc. holds all shares of Resilux America, LLC. As per December 31st, 2016 this company has a capital of USD 30,250,000.

6) Hungary

In March 2002, Resilux started a new production unit in Hungary. A new company was set up for this purpose, Resilux Hungária Packaging Kft. of which currently 70% of the shares are held by Resilux NV and 30% by Resilux Schweiz AG. On June 14th, 2011, the company name has been changed into Resilux Central Europe Packaging Kft.. As per December 31st, 2016 the capital of Resilux Central Europe Packaging Kft. is HUF 2,429,568,531, share premium included.

7) Romania

On November 4th, 2009 Resilux South East Europe srl. was established in Romania. As per December 31st, 2016 this 100% subsidiary of Resilux Central Europe Packaging Kft. has a capital of RON 107,000.

8) Ukraine

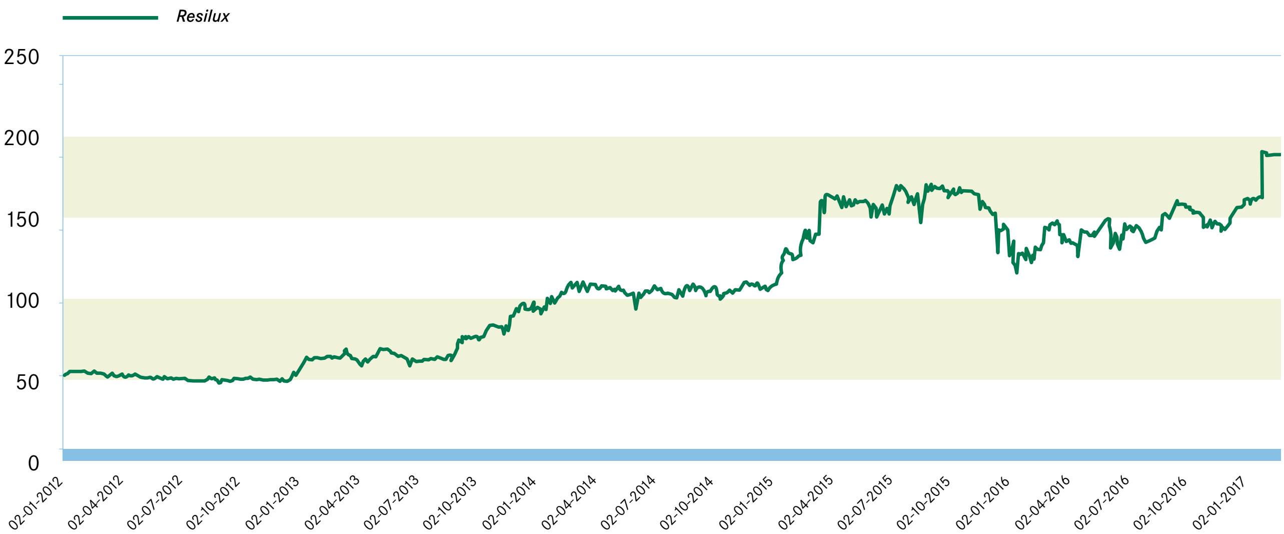
On June 13th, 2014 Resilux Ukraine LLC was established. This company organises the sales operations in Ukraine. As per December 31st, 2016 this 100% subsidiary of Resilux Central Europe Packaging Kft. has a capital of UAH 250,000.

RESILUX AND THE BRUSSELS STOCK EXCHANGE

Stock exchange listing

The Resilux share is listed since October 3rd, 1997. Resilux is listed on Euronext Brussels under the code 'RES' with ISIN code BE0003707214 / sector description 2723: Industrials / Containers & Packaging.

During the past 5 year, the stock price of the Resilux share on Euronext Brussels evolved as follows *(in Euro)*:



Some key stock market figures of Resilux are given below *(amounts in Euro):*

Key stock market figures	2016	2015	2014	2013	2012
Average daily volume in units	1,031	2,030	1,446	1,930	950
Number of shares on 31.12	1,980,410	1,980,410	1,980,410	1,980,410	1,980,410
Market capitalisation at closing price	310,924,370	284,386,876	211,111,706	184,673,232	105,932,131
Turnover	37,195,169	77,691,253	38,364,709	34,855,088	12,452,702
Highest price	159.95	172.10	111.80	96.23	55.50
Lowest price	116.40	106.15	90.50	55.49	47.59
Closing price	157.00	143.60	106.60	93.28	53.49
Average price	142.00	153.39	104.37	69.71	51.13
Price/Operating cash flow (1)	7.0	7.9	6.2	4.5	3.9

(1) Based on the average number of shares and average price during the year. The total amount of shares has remained the same in 2016. For 2016, the operating cash flow excluding income and expenses related to the sales of the shares of the joint venture Airolux was used.

In 2016 the Resilux share reached its highest price of € 159.95 on September 22nd, 2016. The lowest share price of 2016 was reached on January 20th, 2016 and was € 116.40.

In order to maintain sufficient activity involving the share, a liquidity and market activation contract was concluded with Bank Degroof NV.

FINANCIAL CALENDAR

Annual financial report 2016 and other legal documents available	April 19th, 2017
General Shareholders' Meeting 2017	May 19th, 2017
Dividend ex-date (*)	May 29th, 2017
Dividend record date (*)	May 30th, 2017
Dividend payment (payment date) coupon no.15 (*)	May 31th, 2017
Publication of the half year results for financial year 2017 and analysts meeting	August 31th, 2017
Publication of the year results for financial year 2017 and analysts meeting	March 8th, 2018
General Shareholders' Meeting 2018	May 18th, 2018

(*) Subject to approval by the General Shareholders' Meeting 2017

INVESTOR RELATIONS

The annual financial report is available as pdf-file in Dutch and in English on the website www.resilux.com.

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Telephone: (+32) 9 365 74 74, Fax: (+32) 9 365 74 75
Contact person: Dirk De Cuyper (info@resilux.com)

FINANCIAL SERVICE PROVIDER

Bank Degroof Petercam has been appointed for the financial servicing towards the shareholders.

RESILUX INNOVATIVE PACKAGING

CAPITAL - SHARES - VOTING RIGHTS - SHAREHOLDERS TRANSPARENCY LEGISLATION

Capital - shares - voting rights

Following a capital increase on December 19th, 2006 the registered capital of the Company amounts to € 17,183,856 represented by 1,980,410 no par-value shares, which each represent a 1/1,980,410th share of the registered capital.

Pursuant to the issuance of a Warrant Plan by the Company in the beginning of 2013, warrants on the shares of the Company have been allocated to the Company Staff, of which an amount of 44,450 warrants are still circulating with an exercise price of € 62.22 per warrant. These warrants can be exercised per during the months April 2017 and October 2017.

Registered capital:	€ 17,183,856
Total amount of issued stock with voting right (no par-value)	1,980,410
Total amount of voting rights ("denominator") – 1 vote/share	1,980,410
Total amount of non-issued stock with voting rights in circulation (warrants)	44,450
Total amount of new stock with voting rights after exercising all warrants – 1 vote/new share	44,450
Total amount of stock with voting rights after exercising all warrants	2,024,860
Total amount of voting rights after exercising all warrants – 1 vote/share	2,024,860

Shareholders structure

In accordance with Article 14 of the Company's articles of association, for the application of articles 6 to 10 of the Law of May 2nd, 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions, the applicable quotas have been set at 3%, 5%, and multiples of 5%.

On the basis of the notification of shareholding of May 6th, 2010, as received on May 12th, 2010 by the Company (article 29 of the Law of May 2nd, 2007 on disclosure of major holdings) and the last notification in respect of the exemption from the obligation to launch a bid (article 74 of the Law of April 1st, 2007 on Takeover Bids), as received on August 31st, 2015 by the Company, Tridec Stichting Administratiekantoor (STAK) owned 921,000 shares of the Company (46.51%), the De Cuyper family 114,072 shares (5.76%) and the companies Immo Tradec NV 58,534 shares (2.95%), Belfima Invest NV 27,333 shares (1.38%) and Tradidec NV 25,973 shares (1.31%), as per December 31st, 2016.

Tridec STAK - a foundation under Dutch law the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec act in mutual consultation. Together they possess 1,146,912 Company shares. This represents 57.91% of the shares, and therefore control of the Company.

All remaining Company shares (833,498 - 42.09%) are owned by the public.

RESILUX
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Shareholder	Current voting rights/share	% of issued Company stock
Tridec Stichting Administratiekantoor (*)	921,000	46.51%
De Cuyper family (*)	114,072	5.76%
NV Immo Tradec (*)	58,534	2.95%
NV Belfima Invest (*)	27,333	1.38%
NV Tradidec (*)	25,973	1.31%
Public	833,498	42.09%
Total	**1,980,410 ("denominator")**	**100%**

(*) Tridec Stichting Administratiekantoor acts in mutual consultation with the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec. These in mutual consultation acting parties are not in the possession of warrants to the Resilux shares.

The shareholders and control structure of Resilux NV is set out in the Corporate Governance Charter of Resilux NV. This information is also available on the Company's website – heading Investor Relations – General Information.

CORPORATE GOVERNANCE DECLARATION 2016

1. Corporate Governance Charter (part of the annual report on the statutory financial statements in accordance with Article 96 of the Companies Code)

The Corporate Governance declaration is part of the annual report on the statutory financial statements and consequently subject to the control of the External Auditor.

1.1 Corporate Governance Code – Reference code (section 96, §2, 1° Companies Code)

As a Belgian company quoted on Euronext Brussels, Resilux NV uses as reference code the Belgian Code on Corporate Governance of listed companies, published on March 12th, 2009 and aims to comply with the principles and provisions of this code, unless a grounded derogation is made, making use of the principle “Comply or Explain”.

The Code can be consulted on the website of the Corporate Governance Committee: www.corporategovernancecommittee.be

1.2 “Comply or Explain” (section 96, §2, 2° Companies Code)

The exceptions to the application of provisions of the Code are explained as follows:

Provision 4.15 of the Code: “The Corporate Governance Statement contains information concerning the most-important characteristics of the evaluation process of the Board of Directors, its committees and its individual directors.”

Given the limited scope and specific composition of the Board of Directors, its committees and the number of individual directors, and although the evaluations are done in accordance with the provisions of the Corporate Governance Code (periodically, under the leadership of the Chairman, in compliance with target objectives), there is no formally developed evaluation process that defines, a.o. evaluation criteria, the evaluation procedure, attendance quorum, and all such.

Provision 7.7 of the Code: “Non-executive directors receive neither performance-related remuneration such as bonuses or long-term stock-related incentive programmes nor benefits in kind or benefits linked to pension schemes.”

The Chairman of the Board of Directors – unlike the other non-executive directors – does not receive any fixed emoluments for the performance of his duties as a non-executive director and Chairman of the Board of Directors but instead receives only benefits in kind in the form of a car and a mobile telephone.

This exception is justified by specific circumstances and by the fact that (1) provision 7.8 of the Code mentions "other benefits" accorded to non-executive directors and that (2) the new section 96, §3, 3° of the Companies Code mentions "remuneration and other benefits" and thus does not impose any statutory prohibition against according benefits in kind to non-executive directors.

Principle 7.11 of the Code: "To bring the interests of the members of the executive management in line with those of the Company, an appropriate proportion of their remuneration package is linked to corporate and individual performances."

The remuneration package of each member of the Executive Committee consists of a fixed sum, warrants and a number of current benefits in kind and representation allowances. The introduction of a general variable pay policy in order to bring the interests of members of the executive management in line with those of the Company is still under re-consideration.

Given the trends in relevant legislation and Corporate Governance in this area, the existing remuneration policy will be re-evaluated the next coming years and adapted or further elaborated if necessary.

1.3 Internal control and risk management systems (section 96, §2, 3° Companies Code)

The Board of Directors, the Audit Committee and the executive management (Executive Committee) are responsible for measuring business risks and the effectiveness of the internal control and risk management systems. These internal control and risk management systems are aimed to identify, evaluate, manage and follow up the financial and other risks with a view to ensuring (1) the achievement of the Company's stated objectives, (2) reliable reporting (whether financial or otherwise) and (3) due compliance with the applicable laws and regulations.

General

- *Control Environment*

  The Company endeavours to create a control environment that is adapted to the needs and size of the Company and its affiliates and that adequately supports the four other internal control elements via:
  - defining and communicating the strategy, philosophy, values, corporate culture and management style of the Company.
  - defining and describing the Company structure, job descriptions and qualifications, duties, competence and responsibility domains, HR policy.
  - compliance with the Corporate Governance Charter, applicable regulations and the Company's articles of association, on the basis of which the responsibilities of the Board and its committees are set.

- *Risk Management Process*

  The Company identifies and analyses the potential internal and external events and factors that may affect the Company and the realization of its (strategic, operational, financial, legal) objectives. Depending on the nature of the risk, the Company endeavours to take measures, to define action plans, to set up new management systems or optimize existing ones in order to keep the risks within the limits of the risk appetite of the Company.

- *Control Activities*

  The Company's risks are managed on a regular and permanent manner and controlled by different agencies, departments, procedures, processes and systems:
  - Procedures, guidelines, processes, analysis and reports (whether automated or not)
  - Departments/functions that (partially) carry out control activities
  - Finance department (reporting & controlling)
  - Legal department
  - Credit Management
  - Sales Controller
  - Quality control (production and products)
  - Risk Manager and Health and Safety Officer
  - The integration of control activities into important processes and systems (ICT)
  - The Board of Directors and its various committees
  - The management structure of the Company and its affiliated companies
  - External audit

- *Communication and Information*

  The Company acknowledges the importance of reliable, timely information and promotes making this a goal in terms of both its internal and its external communication as well as aligning its reporting in this respect.

- *Supervision and steering*

  The quality and effectiveness of the internal controls and the control and management systems are supervised by:
  - The Board of Directors
  - The Audit Committee
  - Executive management (Executive Committee) and daily supervision
  - Finance & Controlling
  - The compliance function as exercised by the Company Secretary
  - The financial audit process carried out by the external auditor
  - External quality control/quality audit - BRC
  - Inspections done by the insurance company (Risk Management property damage)

On March 6th, 2017 the Audit Committee decided the following:

The development of a reference framework for internal control and risk management within the Company is a gradual, evolving process that fits the needs and characteristics of the Company. Furthermore, it depends on the aims, scope and complexity of the organisation's activities and processes or even the internationalisation thereof.

In the framework of internal control and risk management, the Company paid in 2016 relatively much attention to:

a) the further adjustment of the organization in order to complete the strategy with regard to the opportunities and threats as perceived by the Company on the market- and other strategic risks in various regions.
   This strategy is based primarily on both the further diversification of the application of existing products, and the addition of new products, in order to serve as much as possible segments, customers and regions. Innovation and R&D are considered to be crucial in this matter. Special attention was paid to the internal processes and organization of both the aforementioned aspects;

b) further development of HR;

c) the further implementation of an operational excellence plan in which all company processes are being analyzed and adjusted where necessary;

d) the optimization of systems and procedures regarding quality control and claim handling;

e) the optimization of systems regarding pricing, margin control and follow-up of the results;

f) change management and organization. In 2013, the cooperation with an external specialized company has been started in order to speed up the process. These efforts were continued in 2016, with a lot of attention for the units abroad;

g) the optimization of processes and procedures regarding (approval and implementation of) investments, managing the working capital and managing the costs;

h) the development and optimization of reporting and management information.

In general, it can be stated that the current systems and processes - given the organisation's scope, structure and operations - function properly, though, since the organisation, in a number of areas, is still in the stage of further formal development and roll out, there is still a need for further formalization and development in the field of:

a) the control environment and more specifically in the area of: job descriptions and skills, duties, areas of competence and responsibility and HR policy;
b) risk management processes: the development and creation of a general risk matrix and an ERM (Enterprise Risk Management) system to take inventory of, analyse, monitor and manage risks in a systematic and structured manner;
c) risk response and control activities: refine existing procedures and control activities and create new ones in function of the Company's needs.

In the meantime the Company has hired a permanent internal responsible for HR. End 2011, the Company also decided to create the function of Internal Control and Risk Manager Coordinator. The filling of this position has been postponed in awaiting the outcome of the analysis of the overall organization and its needs. In 2017 the filling of this position will be further examined, taking into account the current transformation process of the Company.

Conclusion:
Given the organisation's scope, structure and operations, the Audit Committee concluded that the existing internal control and risk management systems and procedures, their operation and the steering thereof based on everyday supervision and control are still sufficient to ensure effective identification, management and publication of the most important risks.

In 2017, the filling of the function of Internal Control and Risk Management Coordinator and the implementation of the conclusions of the analysis phase of the organisation should contribute to the further formalization, professionalization, improvement and adaptation of the existing control environment, risk management processes and control activities in order to meet the objectives and needs of the organization.

Internal control and risk management systems set up for financial reporting risks

The internal control and management system set up for financial reporting risks is aimed at assuring reasonable certainty in producing reliable financial reporting relative to the Company's business and in being able to prepare and publish annual accounts in accordance with the IFRS accounting principles.

Procedures and Reporting Processes

- The accounting teams are responsible for due and proper closing of the bookkeeping. Financial Accounting Manuals are provided for the most-important sections of the bookkeeping.
- The Company has developed procedures relating to various business processes (procurement, sales, personnel, investments, etc.).
- The Company prepares annual budgets (sales prognosis, financial budget, investment budget and cash flow chart).
- Sales and production quantities from the various Resilux plants are reported daily. In the case of sales data, attention is additionally paid to volumes sold and prices charged.
- Each month, financial statements are reported and consolidated at group level.
- Special financial reports are produced periodically (quarterly and half-yearly).

Information systems have been developed to assist the Company and are constantly adjusted to new needs as they arise.

Control Activities

- The various controllers examine the figures for accuracy by making comparisons with historical figures and budget figures, and also reconciling the financial reporting with the management reporting. There are special procedures to guarantee the adequacy of the financial provisions.
- By means of random sampling, examinations are done in order to check whether the procedures relative to various business processes are being properly applied, whereby the focus lies on material transactions.
- Annual budgets are analysed, discussed and approved by the Board of Directors. Over the course of the year, deviations from budget are analysed by the controllers and explained. This results in appropriate actions to be taken.
- The reports are periodically discussed with the management of the various plants. Attention is also paid to non-quantitative performance indicators.
- Quarterly, the financial reporting is discussed by the Audit Committee and all critical accounting issues and financial uncertainties are reported and discussed with the management, the external auditor and the Board of Directors.
- Each year, the external auditor examines and assesses the annual accounts.

1.4 Information regarding article 34 of the Royal Decree of November 14th, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market. (implementation of the takeover Directive)) (see also article 96, §2, 4° Companies Code regarding article 34, 3°, 5°, 7° en 8°).

a) On December 31st, 2016 the registered capital of the Company amounts to 17,183,856 represented by 1,980,410 no par-value shares, which each represent a 1/1,980,410th share of the registered capital. All shares are fully paid and each share confers the right to one vote.

Based on the last transparency notification of May 6th, 2010, as received on May 12th, 2010 the shareholders' structure on December 31st, 2016 is as follows:

Aandeelhouder	Current voting rights/share	% of issued Company stock
Tridec Stichting Administratiekantoor (*)	921,000	46.51%
De Cuyper family (*)	114,077	5.76%
NV Immo Tradec (*) controlled by Tradec Invest NV	58,534	2.95%
NV Belfima Invest (*) controlled by Peter De Cuyper	25,333	1.28%
NV Tradidec (*)	25,973	1.31%
Public	835,493	42.19%
Total	**1,980,410 ("denominator")**	**100%**

(*) Tridec Stichting Administratiekantoor acts in mutual consultation with the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec.

b) No restrictions are laid down by statute or in the Company's articles of association on the transfer of securities, neither on the exercise of voting rights that apply to the securities issued by the Company.

c) Special control rights - Statutory provisions

Article 11 - Preferential right

In case of a capital increase, implemented other than by way of a non-monetary contribution or merger, and subject to any different decision by the General Shareholders' Meeting or the Board of Directors, the existing shareholders will be given preference to the new shares, in proportion to the part of the registered capital represented by their shares. The pre-emptive right may be exercised for a period of at least fifteen days, to be calculated from the day on which the subscription for new shares opens.

The subscription price and the period during which the pre-emptive right may be exercised will be determined by the General Shareholders' Meeting or, if the resolution to increase the capital has been adopted in accordance with Article 603 of the Belgian Companies Code, by the Board of Directors.

If the ownership of shares is divided into usufruct and bare ownership, the bare owner of the shares will have the pre-emptive right. In case of pledged shares, the owner-pledgor will have the pre-emptive right.

Article 15 – Nomination right

Insofar as Tridec Stichting Administratiekantoor holds at least 35% of the Company's shares, it will have the statutory right to nominate four directors. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper are appointed upon nomination by Tridec Stichting Administratiekantoor.

Article 29 – Convening

A special or an Extraordinary General Shareholders' Meeting must be convened whenever required by the interests of the Company and must be convened every time shareholders who collectively represent one-fifth of the registered capital so request.

Article 30 – Right to add items to the agenda and file new proposed resolutions

One or more shareholders who jointly hold at least 3% of the Company's registered capital may, by no later than the twenty-second day prior to the date of the General Shareholders' Meeting, add items to be discussed to the agenda of the General Shareholders' Meeting and submit motions to be voted concerning items included on the agenda or to be included on the agenda, provided that the shareholders can demonstrate that, on the date when they file an item for the agenda or a motion for vote, they are shareholders of the Company. This right shall not be valid for General Shareholders' Meetings convened after a first General Shareholders' Meeting that was not deemed valid for deliberations as the required attendance quorum was not reached.

d) There are no other share plans for employees according to which the rights of control are not directly executed by the employees.

e) The Company has no knowledge of agreements between shareholders which could lead to a limitation of the right to transfer securities and/or exercising the right to vote.

f) The members of the Board of Directors are appointed by the General Shareholders' Meeting.

According to article 16 of the Company's articles of association, the remaining Directors can temporarily fill in a vacancy for Director. In that case, the General Shareholders' Meeting will proceed to a final appointment during their next meeting.

According to article 15 of the Company's articles of association, the Board of Directors can have a maximum of seven members and, as already mentioned above, as long as Tridec Stichting Administratiekantoor holds at least 35% of the shares of the Company, it has the right to nominate four candidates for an appointment as Director.

Other Directors will be nominated by the Remuneration and Nomination Committee, taking into account the needs of the Company and in accordance with the selection criteria and appointment procedure set up by the Board of Directors.

For the composition of the Board of Directors, the necessary diversity and complementarity in the matter of skills, practice and knowledge is taken into account.

At least three Directors must be independent.

The members of the Board of Directors are appointed for a maximum period of four year each.

The General Shareholders' Meeting can deliberate and vote for changes of articles, considering the conditions imposed by articles 540, 543, 558, 559 and onwards of to the Companies Code.

g) The Company's articles of association provide the following arrangements in relation to the powers of the governing body regarding the issuance or redemption of shares of the Company.

Temporary provisions - Authorised capital

For a period of five years from the publication of the General Shareholders' Meeting's resolution of 20 May 2016 in the Schedules to the Belgian Official Journal, the Board of Directors will be authorised to increase the registered capital on one or more occasions to the amount of €17,183,856.00 (seventeen million, one hundred and eighty-three thousand, eight hundred and fifty-six euros).

The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves of any kind and/or by an issue premium.

In addition to the issue of ordinary shares, capital increases decided on by the Board of Directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares and/or warrants in favour of staff and through the issue of convertible bonds and/or bonds with warrants.

The Board of Directors is granted the authority to limit or cancel the pre-emptive right in the interests of the Company if the capital increase is implemented within the scope of the authorised capital.

The Board of Directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the Company or its subsidiaries.

The General Shareholders' Meeting has expressly granted the Board of Directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the Company of a public takeover bid for the securities of the Company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal.

If a capital increase is implemented by means of cash subscriptions with an issue premium, the Board of Directors will be authorised to stipulate that the issue premium will be earmarked for the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the Board of Directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.

The Board of Directors is authorised to amend the Company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Temporary provisions - Purchase of own shares

The Board of Directors is authorised, in accordance with article 620 and following of the Company Code, to acquire shares, profit-sharing certificates or associated certificates of the Company at the expense of the latter, if this acquisition is necessary to preventing the Company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the Extraordinary General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

In accordance with article 620 and following of the Company Code, the Board of Directors is authorised to acquire shares, profit-sharing certificates or associated certificates of the Company at the expense of the latter, by purchase or exchange, for the maximum amount of twenty percent (20%) of the issued capital, at a unit price no lower than the accounting par value and no higher than twenty percent (20%) above the highest closing quote of the share over the most recent twenty (20) stock exchange trading days preceding the transaction.
The authorisation to acquire is valid for a period of five (5) years to be calculated from the publication of the resolution of the Extraordinary General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowed by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

The Board of Directors is authorised, in accordance with article 622 §2 of the Belgian Companies Code, to transfer ownership of own shares:

(i) in the framework of transactions, such as takeovers or acquisition of tangible or intangible assets, opportune for the strategic development of the company, and at a price at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, increased with ten percent (10%);
(ii) in the framework of exercising stock options granted to the personnel of the company or its subsidiaries or self-employed service providers with a high management position within the company or its subsidiaries, and at a price of the option at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, increased with ten percent (10%);
(iii) in the framework of article 3, paragraph 2 of the warrant plan of 28 January 2013 and for the price of the warrants.

h) The Company is not involved in important agreements that come into force, change or expire in case the Company is subject to a change of control as a result of a public takeover bid, or the consequences of it.

i) There are no agreements between the Company and its directors or employees which provide for indemnities in case the directors resign or are dismissed without a valid reason, or when the employment of the employees is finished, as a result of a public takeover bid.

1.5 The composition and functioning of the Board of Directors and its committees (Article 96, § 2, 5 ° Companies Code)

a) The Board of Directors

The Board of Directors of Resilux NV consists of seven members:

- Alex De Cuyper, Chairman and non-executive director;
- Dirk De Cuyper, Managing Director, executive director;
- Peter De Cuyper, Managing Director, executive director;
- FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck, non-executive director;
- Guido Vanherpe BVBA represented by its permanent representative Guido Vanherpe, non-executive director, independent;
- LVW INT. BVBA represented by its permanent representative Dirk Lannoo, non-executive director, independent ;
- Chris Van Doorslaer, non-executive director, independent.

As long as Tridec Stichting Administratiekantoor has a participation of at least 35%, it has the statutory right to nominate four directors. Alex De Cuyper, Dirk De Cuyper en Peter De Cuyper are appointed upon nomination by Tridec Stichting Administratiekantoor.

Alex De Cuyper established Thovadec Plastics NV in 1961. He was director of this company until 1988. From 1974 to 1994 he was a judge in commercial cases at Ghent Commercial Court. After being appointed as Managing Director of Resilux NV for a number of years, Alex De Cuyper now is Chairman of the Board of Directors of Resilux NV. He is also director of various other companies.

Dirk De Cuyper obtained marketing, distribution and technical qualifications and worked for Netstal Maschinen AG, a manufacturer of industrial machinery including machines for the production of PET preforms, amongst others as subcontractor in sales and services for the PET department. Since the establishment of Resilux NV he is appointed Managing Director responsible for the daily management of the Company and together with Peter De Cuyper he is the main representative of the executive management.

Peter De Cuyper has a Master degree in Law and a Master degree of Economic Law. After having worked as in-house lawyer for an insurance company in 1992, he became Financial Director of Resilux NV on January 1st, 1993 and held this position until October 2002. He was appointed Managing Director responsible for the daily management of the Company and together with Dirk De Cuyper he is the main representative of the executive management.

Francis Vanderhoydonck, permanent representative of FVDH BEHEER BVBA, has a Master degree in Law and Economic Sciences and obtained an MBA from New York University. From 1986 to 1998, he worked at Generale Bank, where he held a number of positions in the investment banking department. From 1995 to 1998, he was responsible for this department. Today, he works at Maple Finance Group, which is specialised in the management of private equity investment funds and corporate finance. He is also director in various companies.

Guido Vanherpe, permanent representative of Guido Vanherpe BVBA, has a Master degree of Economic Sciences and a Master of Business Administration. He began his career at Procter & Gamble Belgium. From 1989 to 1993, he worked at Unilever Belgium (Sales & Marketing Manager, Chilled Foods Division) and then joined La Lorraine Bakery Group (Sales & Marketing Manager) where he was appointed CEO in 1995. Guido Vanherpe is also CEO of Vanobake Baking & Milling Group (holding company).
In addition he is a member of the management board of the AIBI (Association Internationale de la Boulangerie Industrielle), the FGBB (Federatie van Grote Bakkerijen van België) and FEVIA (Federatie van de Voedingsindustrie in België) and, he is also director at Ter Beke NV.

Dirk Lannoo, permanent representative of LVW INT. BVBA, is Master of Law. He started his career at General Motors and joined Katoen Natie in 1986. Today, he is Vice Chairman of Katoen Natie. He was also director of Punch International, the printing and publishing company Lannoo, Febiac and is currently director of the Flanders Institute for Logistics.

Chris Van Doorslaer holds degrees in civil, electronic and mechanical engineering (University of Ghent), a degree in management (Vlerick Management School), Master of Business Administration (Flanders Business School) and export management (Antwerp Management School). He began his career at Unilever and held various management positions at Fiskars from 1989 to 1997. Since 1997, he has been CEO of Cartamundi, global market leader in playing cards and cards for games. He is also a director at Miko NV and a member of the protection committee of the non-profit organisation Ingobyi.

Two of the seven members of the Board of Directors of Resilux NV are executive directors, namely Dirk De Cuyper and Peter De Cuyper. They are both Managing Director and responsible for the daily management of the Company and as member of the Executive Committee, they are the main representatives of the executive management.

Alex De Cuyper, Chairman of the Board of Directors, and FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck have no executive role in Resilux NV. The same applies to the three independent - as in the Company Code and annex A of the Corporate Governance Code 2009 - directors of Resilux NV, being:

- Guido Vanherpe BVBA represented by its permanent representative Guido Vanherpe, who was co-opted by the Board of Directors on November 26th, 2007; and since May 16th, 2008 appointed by the General Shareholders' Meeting as member of the Board of Directors. The mandate of Guido Vanherpe BVBA shall end on the General Shareholder's Meeting of 2019.
- LVW INT. BVBA represented by its permanent representative Dirk Lannoo, who was co-opted by the Board of Directors on March 8th, 2006 and was appointed since May 19th, 2006 by the General Shareholders' Meeting as member of the Board of Directors, initially as permanent representative of Lexxus BVBA and since May 21st, 2010 as permanent representative of LVW INT. BVBA. The mandate of LVW INT. BVBA shall end on March 7th, 2018.
- Chris Van Doorslaer, who was appointed by the General Shareholder's Meeting on May 20th, 2011 for a period of four years and carried out his mandate as permanent representative of CVD BVBA during the period as from August 23rd, 2011 until the General Shareholder's Meeting of 2015. He was reappointed by the General Shareholder's Meeting of 2015 for a period of 4 years until the General Shareholder's Meeting of 2019.

These non-executive and independent directors are not (and have not been) employees of Resilux NV or a related company. There is no other relationship with the Company or its Directors that could jeopardise their independence as director.

For now there were no concrete efforts taken to make sure that at least one third of the members of the Board of Directors is from another sex than that of the other members.

In 2016, the Board of Directors has deliberated ten times. Alex De Cuyper, Peter De Cuyper, Dirk De Cuyper, Chris Van Doorslaer and Guido Vanherpe have attended all the meetings. Dirk Lannoo and Francis Vanderhoydonck were excused one time.

At these meetings, various issues were discussed, amongst others the Company's strategy, discussions on the budgets and the approval of new investment projects, tax issues, the evolution of the operations and the situation of the subsidiaries, the financial results and reports, credit management, external audit, internal control and risk management, customer projects and cooperation projects (joint venture Airolux), real estate, research and development, establishment and approval of all the necessary legal documents, lawsuits and disputes, implementation and monitoring of a new regulation, Corporate Governance and performances of and interaction with the Executive Committee.

Besides these formal meetings, informal meetings were regularly held to inform and consult the members of the Board of Directors on the progress of specific matters. The executive directors report regularly to the Chairman of the Board of Directors, who in turn informs and consults the other directors. In this way, all directors, including the non-executives, are closely involved in the development of, and the control over the policy of the Company and by extension the Group.

The Internal Regulations of the Board of Directors are set out in Annex 1 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the composition, the competences and the operation of the Board of Directors.

b) Audit Committee

At the end of 2004 the Board of Directors of Resilux NV set up an Audit Committee, which assists the Board of Directors in its supervisory and monitoring role with a view to control in the broadest sense. The Audit Committee's tasks relate to monitoring, analysis and advice regarding internal control and risk management, internal and external audit, and financial reporting as well as the evaluation of the independancy of the external auditor. The final decision making remains with the Board of Directors.

Currently the Audit Committee consists of four members, who are all non-executive director, namely Guido Vanherpe BVBA, represented by its permanent representative Guido Vanherpe, LVW INT. BVBA represented by its permanent representative Dirk Lannoo, Chris Van Doorslaer and FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck and – except for one member (namely FVDH BEHEER BVBA) – independent.

At least one member is independent and has the necessary expertise in the area of auditing and accounting.

In 2016, the Audit Committee has deliberated four times. Chris Van Doorselaer, Dirk Lannoo and Guido Vanherpe have attended all the meetings. Francis Vanderhoydonck was excused one time.

During these meetings, various issues were discussed, such as the monitoring of the financial reporting process and the effectiveness of the internal control and risk management of the Company; monitoring the statutory audit of the annual accounts and the consolidated accounts, including the follow up of questions and recommendations made by the external auditor and reviewing and monitoring of the independence of the external auditor and the provision by the external auditor of additional services to the Company.

The Internal Regulations of the Audit Committee are set out in Annex 4 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the composition, the competences and the operation of the Audit Committee.

c) Remuneration and Nomination Committee

At the end of 2004 the Board of Directors of Resilux NV set up a Remuneration and Nomination Committee. The Remuneration and Nomination Committee submits proposals and suggestions to the Board of Directors in relation to the Company's appointment and remuneration policy of directors, the CEO and the other members of the Executive Committee, as well as their individual appointment and remuneration;

Where appropriate, the Board of Directors, in turn, shall submit proposals in these matters to the shareholders. The competence to decide upon the appointment and the individual remuneration of the directors is entrusted to the shareholders.

Currently, the Remuneration and Nomination Committee consists of five members, who are all non-executive director, namely Guido Vanherpe BVBA, represented by its permanent representative Guido Vanherpe, LVW INT. BVBA represented by its permanent representative Dirk Lannoo, Chris Van Doorslaer, Alex De Cuyper and FVDH BEHEER BVBA represented by its permanent representative Francis Vanderhoydonck and – except for two members (the Chairman of the Board of Directors and FVDH BEHEER BVBA) – independent directors.

Based on its current composition, the Remuneration Committee has the necessary expertise in the area of remuneration policy.

In 2016, the Remuneration and Nomination Committee has deliberated four times. Alex De Cuyper, Chris Van Doorslaer, Guido Vanherpe and Dirk Lannoo have attended all the meetings. Francis Vanderhoydonck was excused one time.

During these meetings, various issues were discussed, such as advising on the remuneration of the main representatives of the executive management, the redaction of the draft annual remuneration report and the evaluation of its effectiveness and its Internal Regulations.

The Internal Regulations of the Remuneration and Nomination Committee are set out in Annex 5 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the composition, the competence and the operation of the Remuneration and Nomination Committee.

d) The Executive Committee

The Executive Committee is responsible for the implementation of the policy of the Board of Directors and for managing Resilux NV, without prejudice to the competence of the Managing Directors as to the Company's day-to-day management.

Managing Director Dirk De Cuyper is mainly responsible for production, purchase and research, development and innovation, while Managing Director Peter De Cuyper mainly takes care of the financial/administrative part and provides support to the various subsidiaries of the Resilux group. Both Managing Directors take care in concert of the sales, the sales strategy and the sales organisation of the Group and each individual unit. They are jointly committed to the further development and growth of the Group.

As of November 26th, 2014, the Executive Committee of Resilux NV consists of nine members, amongst whom seven non-members of the Board of Directors:

- Dirk De Cuyper, Managing Director
- Peter De Cuyper, Managing Director
- William Dierickx, Technical Director
- Ivan Dierickx, Production Director
- Philippe Blonda, Business Development & Marketing Director Added Value/Specialties
- Peter Mommerency, Group Finance Manager
- Annelies Goos, New Business Director
- Herman Verley, Group ICT Manager
- Elke Van der Straeten, Chief Legal Counsel

William Dierickx en Ivan Dierickx are technicians with many years of extensive experience in injection moulding production. From 1978 to 1990 they worked for Thovadec Plastics NV, an injection moulding company owned by the family De Cuyper. After having worked for Plastimat NV, a PET company, they started up the operational activities at Resilux NV. Now, William and Ivan Dierickx are responsible for all technical and production related matters at Resilux NV.

Philippe Blonda, who holds a degree in industrial engineering, supplemented his studies with a master in business economics (KUL) and an MBA (University of Limburg). Since 1991, he has built up professional expertise in PET packaging through his European work experience in technical commercial functions as sales manager, marketing manager and product development manager at Johnson Controls Plastics and Schmalbach Lubeca. From 2005 to 2008, he was the general manager of Retal France (formerly Sodripack NV). On January 1st, 2009, he joined Resilux, where he took up a position as the Resilux Group's Marketing and Sales Director on June 1st, 2010. Since the beginning of 2014 he is focusing increasingly on the development and exploitation of new markets and products and on increasing the sales of the existing portfolio of added value business in his position of Business Development & Marketing Director Added Value/Specialties.

Peter Mommerency obtained a Master in Applied Economic Sciences, with a special Master in Accountancy. He started his career in 1988 at the audit department of PriceWaterhouseCoopers. From 1992 until 2003, he worked as Financial Controller in Belgium and Scandinavia for the pharmaceutical group Nycomed. In 2004 he joined Resilux where he works as the Resilux Group's Finance Manager.

Annelies Goos obtained a Master in law (FUNDP Namur, KUL Leuven, University of Heidelberg) in 1996 and obtained, a year later, her postgraduate degree in supplementary fiscal studies (KUL). From August 1997 to October 2003, she worked at KPMG and Deloitte as a tax consultant in an international environment. In October 2003, she joined the Resilux Group's legal department. Since October 2013 she is the Resilux Group's New Business Director.

Herman Verley studied Electronics and built up expertise in the field of Informatics along his career. In 1986, he began his career at Belcomp NV as Technical and Product Manager. After five years Herman Verley joined Tritech NV, an important distributor of hard- and software in the BeNeLux, where he held the position of Product Manager. Since 1994, he is working for Resilux where he is responsible for all ICT-matters within Resilux Group.

Elke Van der Straeten obtained a Master in Law (KUL), with a special master in Labor science (UC Louvain-la-Neuve and Université des Sciences Sociales Toulouse) and a postgraduate in EC Competition Law (King's College London). As from August, 1998 until March, 2007, she worked as a legal advisor in Belgium and in Hungary. As from March 2007 until July 2012 she worked as an Attorney-at-law at the Ghent Bar with corporate law as specialism. In July 2012 she joined the legal department of Resilux Group. Within Resilux, she also carries out duties as Company Secretary and Compliance Officer.

The Executive Committee meets as often as the Company's interest requires a meeting to be convened. In principle, there is one meeting per week at a fixed time.

The Internal Regulations of the Executive Committee are set out in Annex 6 to the Corporate Governance Charter of Resilux NV. The Internal Regulations explain amongst others the competences, as well as to the operation and the composition of the Executive Committee.

1.6 Remuneration Report (section 96, §3 Companies Code)

a) Description of the procedure used to develop a remuneration policy and determining the individual remunerations of directors and the Executive Committee

The Remuneration and Nomination Committee makes proposals and recommendations to the Board of Directors on the appointment and remuneration policy, the individual remuneration and appointment. of the directors, the main representatives of the executive management (in casu the Managing Directors) and the other members of the Executive Committee.

In these matters, - where appropriate -, the Board of Directors also makes proposals to the Shareholders. The decision-making power on the appointment and the individual remuneration of directors - and the approval or disapproval of certain severance payments for the main representatives of the executive management and other members of the Executive Committee or certain variable fees to independent directors - remains with the shareholders.

b) Statement of the applied remuneration policy

Directors
Article 22 of the Company's articles of association stipulates that the mandate of the Board of Directors is unpaid, unless the General Shareholders' Meeting decides otherwise.

The General Shareholders' Meeting approved for each of the non-executive directors a compensation of € 15,000 per year, with the exception of the Chairman, also a non-executive director, to whom a payment in kind in the form of a car and a mobile phone (incl. covering of the costs related to the use of these benefits in kind) is granted.

The remuneration of the Directors is regularly benchmarked with a relevant sample of listed companies wich allows the Company to attract directors with the relevant skills that are fit to the Company's ambitions.

No remuneration was attributed to the two executive directors in their capacity of (managing) directors.

Except for the payment in kind accorded to the President, none of the non-executive directors received any performance-based remuneration such as bonuses or share-related incentive programs in the long-term, nor benefits in kind or benefits related to pension plans.

Executive Committee
The remuneration policy and the individual remuneration of the members of the Executive Committee, including the executive directors in their capacity as member of the Executive Committee/main representatives of the executive management, are established or approved by Board of Directors of the Company, on the proposal and recommendations made by the Remuneration Committee.

The level and structure of the remuneration of the members of the Executive Committee are such that, taking into account the nature and scope of their individual responsibilities, qualified and experienced professionals can be attracted, retained and motivated.

Information available on the remuneration of similar positions in other Belgian companies, as well as the concrete duties within the Company are taken into account whilst determining the remuneration.

The current remuneration package of each member of the Executive Committee consists of a fixed remuneration and a number of usual benefits in kind and representation allowances. The introduction of a general variable remuneration policy in order to bring the interests of members of the executive management in line with those of the Company is still under re-consideration.

For all members of the Executive Committee, with the exception of the Directors, an additional pension plan is provided for, based on a predetermined fee. The construction and management of the pension plan is entrusted to an insurance company.

In 2013, warrants on the shares of the Company have also been granted to the members of the Executive Committee (with the exception of the main representatives of the executive management) according to the Warrant Plan 2013.
Actually, within the framework of the authorized capital, the Board of Directors has approved a Warrant Plan 2013 for the issuance of 50,000 warrants on the shares of the Company in favour of the selected employees of the Company, by notarial deed dated February 4, 2013. The warrants have a validity of 5 years, starting as from the date of the offer. They can be exercised as from the first day of the fourth calendar year following the year in which the offer has been made until the last day of their validity, per during the exercise periods as provided for in the Warrant Plan 2013 (the months April 2017 and October 2017).

None of the members of the Executive Committee received any performance related remuneration such as bonuses or share-related incentive programs in the long-term.

Given the relevant trends in the field of legislation and Corporate Governance, the Company shall re-evaluate the remuneration policy the coming years and make adaptations, if necessary.

c) Remuneration

Non-executive Directors
In 2016, the following fees were attributed to the non-executive directors:

FVDH BVBA, with permanent representative Francis Vanderhoydonck	€ 15,000.00
Guido Vanherpe BVBA, with permanent representative Guido Vanherpe	€ 15,000.00
LVW INT. BVBA, with permanent representative Dirk Lannoo	€ 15,000.00
Chris Van Doorslaer	€ 15,000.00
Alex De Cuyper (provision of a car and a mobile phone)	€ 8,923.56

Remuneration of members of the Executive Committee, with the exception of the main representatives of the executive management
The members of the Executive Committee, with the exception of two main representatives of the executive management, were paid a total remuneration of € 1,304,077.74 in financial year 2016.

These amounts include:

Basic salaries (gross): € 1,154,763.41
Contributions to the pension scheme / group insurance: € 79,497.64
Other components: benefits in kind and representation allowances: € 69,816.69

Remuneration of Executive Committee members and main representatives of the executive management
Because the executive functions executed by Dirk De Cuyper and Peter De Cuyper at the highest level of the Resilux Group are similar and complementary, they are both regarded as main representatives of the executive committee / executive management and the amounts of their remuneration and other benefits are jointly mentioned.

The two main representatives of the executive management received a joint remuneration amounting to € 1,250,184.83 in financial year 2016.

These amounts include:

Basic allowances: € 1,213,832.12
Other components: € 36,352.71

During financial year 2016, each of the two main representatives of the executive management were granted an exceptional, discretional one-time remuneration of € 900,000,- ('company cost') awarded for the achievement of exceptional company results in 2016 as a result of the extraordinary performance of both main representatives in the framework of the exit process of Resilux out of the joint venture Airolux.

No additional pension plan is put in place for the two main representatives of the executive management.

d) Shares and share options - warrants

During 2016, no shares, share options, warrants or other rights to acquire shares were attributed to one or more members of the Executive Committee, nor were there any exercises or expiring thereof.

e) Departure fees

No recruitment or departure arrangements were made with members of the Executive Committee in 2016.

2. Corporate Governance Charter

The Corporate Governance Charter of Resilux NV is available on the website www.resilux.com.

The Corporate Governance Charter of Resilux NV is supplemented by six Annexes, that form integral part of the Charter:

- Annex 1: Internal Regulations of the Board of Directors
- Annex 2: Policy concerning transactions and other contractual relationships between the Company, members of the Board of Directors and members of the Executive Committee
- Annex 3: Rules on market abuse
- Annex 4: Internal Regulations of the Audit Committee
- Annex 5: Internal Regulations of the Remuneration and Nomination Committee
- Annex 6: Internal Regulations of the Executive Committee

3. Appraisals

Board of Directors

In accordance with the relevant Corporate Governance principles, the annual appraisals were held on January 25th, 2017:

- evaluation by the non-executive directors of their interaction with the Executive Committee;
- evaluation by the full Board of Directors of their interaction with the Executive Committee;
- evaluation by the full Board of Directors of the performance of the Executive Committee and implementation of the strategy;
- evaluation of the functioning and performance of the Audit Committee;
- evaluation of the functioning and performance of the Remuneration and Nomination Committee;
- evaluation of its own effectiveness/size/performance.

All appraisals were positive. During the evaluations, no points were revealed that prompted the Board of Directors to make modifications to ensure the correct composition, efficiency and functioning of the governance structure of the Company.

Remuneration and Nomination Committee

In accordance with the relevant Corporate Governance principles, the following appraisals were held on January 25th, 2017:

- evaluation of the contribution and the performance of the main representatives of the executive management and of the other members of the Executive Committee;
- evaluation of its own effectiveness/internal procedures.

In the framework of its yearly appraisals of the contribution and performance of the main representatives of the executive management (Dirk De Cuyper and Peter De Cuyper) and – in presence of Dirk De Cuyper and Peter De Cuyper – those of the other members of the Executive Committee, the members of the Remuneration and Nomination Committee gave a positive appraisal. Based on these appraisals, no specific recommendations or proposals were made to the Board of Directors.

The periodic evaluation of its own effectiveness and internal procedure was also positive. During the evaluations, no points were revealed that prompted the Board of Directors to make modifications to ensure the correct composition, efficiency and functioning of the governance structure of the Company.

Auditcomité

In accordance with the relevant Corporate Governance principles, the following appraisals were held on January 25th, 2017:

- evaluation of its own effectiveness/internal procedures.

This appraisal was positive. During these evaluations, no points were revealed that prompted the Auditcomité to make modifications to ensure the correct composition, efficiency and functioning of the governance structure of the Company.

4. Certain other transactions or contractual relationships with directors or members of the Executive Committee

The policy concerning transactions and other contractual relationships between Resilux NV on the one hand and the members of the Board of Directors or the members of the Executive Committee on the other hand are set out in Annex 2 to the Corporate Governance Charter.

Cfr. reporting under “point 7. Legal conflicts of Interest” regarding the application of the legal conflicts of interest procedure in 2016.

5. Market abuse

People with managerial responsibilities with an issuer of financial instruments and people closely linked with them must report their personal transactions in certain categories of securities of said issuer to the FSMA (Financial Services and Markets Authority).

This obligation to report arises out of the financial sector and financial services supervision act of August 2nd, 2002 (article 25bis, §2) and articles 13 and 14 of the Royal Decree of March 5th, 2006 which implements the European legislation on the matter.

Pursuant to article 15 of the Royal Decree, the FSMA makes the reported transactions public on her Website.

The rules stipulated by the Board of Directors of Resilux NV to prevent market abuse, which include a code of conduct for each member of the Board of Directors or Executive Committee, are described in annex 3 to the Corporate Governance Charter of Resilux NV.

6. Other transactions

No other transactions to mention.

7. Legal conflicts of interest

Article 523 of the Companies Code provides a specific procedure within the Board of Directors in the event of a possible conflict of interest concerning equity for one or more directors when it comes to decisions taken or transactions carried out by the Board of Directors. The decision or transaction concerned, the resolution adopted as well as the equity-related consequences must be entered in the minutes and be included in extenso in the Company's annual report.

This procedure does not apply to decisions or transactions during the normal course of business at normal market conditions. Likewise, it does not apply to decisions or transactions between companies where one company directly or indirectly holds at least 95% of the voting shares in the other company and transactions and decisions between companies where at least 95% of the voting shares in both companies is directly or indirectly in the hands of another company.

Article 524 of the Companies Code also provides for procedures and rules for transactions and decisions between connected companies. In particular, these transactions must be presented to a committee of 3 independent directors. This committee is assisted by one or more independent experts appointed by the committee. The committee must present a justified, written opinion to the Board of Directors on a number of legally defined items. After having taken note of the report, the Board of Directors must deliberate and vote on the proposed decision or transaction. If the Board departs from the committee's recommendation, this must be justified in the minutes. The Auditor evaluates the reliability of the data provided in the committee's recommendation and in the minutes from the Board of Directors meeting. The committee's decision, an excerpt from the minutes of the Board of Directors and the Auditor's opinion are reported in the Company's annual report.

These principles have been applied multiple times in 2016.

Conflicts of interest – Application of article 523 of the Companies Code in 2016

In 2016, two situations occurred at the level of the Board of Directors which led to the application of (solely) article 523 of the Companies Code.

1. During the meeting of August 29th, 2016 the Board of Directors decided to grant a remuneration of 620,000 EUR (excl. VAT) to CVBA Francis Vanderhoydonck for advice and support to the Company per during the negotiations and settlement of the Airolux file. The following has been recorded in the minutes of the meeting:

   "Before the Board of Directors starts with the deliberation regarding the granting of this remuneration, Francis Vanderhoydonck communicates that he, as ultimate beneficial of the remuneration which shall be granted to CVBA Francis Vanderhoydonck, has a financial interest which conflicts with the proposed decision in accordance with article 523 of the Companies Code.

   In accordance with article 523 of the Companies Code, Francis Vanderhoydonck shall inform the Auditor of the company about the conflict of interest after this meeting.

   Francis Vanderhoydonck leaves the meeting and does not participate in the deliberation and decision making with regard to this point.

   After deliberation, the Board of Directors approves unanimously to grant an amount of 620,000 EUR (excl. VAT) to CVBA Francis Vanderhoydonck as a compensation for its services per during the negotiations and settlement of the Airolux file. The Board of Directors considers the amount to be a fair remuneration for the services provided. The patrimonial consequences for the company are merely financial."

2. During the meeting of November 30th, 2016 the Board of Directors decided on the appointment by the Company of CVBA Francis Vanderhoydonck to assist the Company as an advisor at the intended transactions and operations in the context of the potential, voluntary and conditional public tender offer by Bain Capital Private Equity for all shares and warrants issued by the Company and the issues related to the offer (the 'Transaction'). The following has been recorded in the minutes of the meeting:

"FVDH BEHEER BVBA, represented by its permanent representative Francis Vanderhoydonck, reports that an affiliated company has been contacted to assist the Company as an advisor to the Transaction and consequently has a potential patrimonial conflict of interest as stipulated in article 523 of the Companies Code that could be conflicting with the decision to be made by the Board of Directors with regard to the third point on the agenda. Finally, he reports that he shall inform the Auditor regarding the preceding. Subsequently he leaves the meeting of the Board of Directors and refrains from participating in the further deliberation and decision making with regard to this point on the agenda."

The minutes of the Board of Directors of November 30th, 2016 further state:

"The Board of Directors decides to approve the principle of giving a mandate to CVBA Francis Vanderhoydonck, represented by its permanent representative Francis Vanderhoydonck, to assist the Company as an advisor in the context of the Transaction. Subsequently, the Board of Directors requests to receive on short notice a proposition regarding the compensation for this assignment, to be decided on by the Board of Directors on short notice."

Conflicts of interest – Combined application of article 523 of the Companies Code and article 524 of the Companies Code in 2016

In 2016, 3 situations occurred at the level of the Board of Directors which led to the combined application of articles 523 and 524 of the Companies Code.

1. During the meeting of October 20th, 2016, the Board of Directors, as far as necessary, followed the procedure as stipulated in article 523 and 524 of the Companies Code related to the transfer of patent nr. EP2791030 and related intellectual property rights by the Company to Tradidec NV:

   Application of article 523 of the Companies Code

   The following has been recorded in the minutes of the meeting:

   > *"Prior to the deliberation and decision making by the Board of Directors, Messrs. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper, each director of the Company, give the following explanation - as far as necessary and applicable in accordance with article 523 of the Companies Code.*
   >
   > *The meeting of the Board of Directors shall deliberate and decide regarding the intended transfer by the Company of patent n°. EP2791030 and related intellectual property rights to Tradidec NV, a company affiliated to the De Cuyper family (the "Transaction"). The patent and related rights are specified in detail in Annex 1 to the technical Note, attached to the Advice of the committee of independent directors dated 13 October 2016.*
   >
   > *Mr. Alex De Cuyper informs the Board of Directors that Tradidec NV, a company affiliated to the De Cuyper family, is the counterparty to the Transaction.*
   >
   > *Mr. Dirk De Cuyper informs the Board of Directors that Tradidec NV, a company affiliated to the De Cuyper family, is the counterparty to the Transaction.*
   >
   > *Mr. Peter De Cuyper informs the Board of Directors that Tradidec NV, a company affiliated to the De Cuyper family, is the counterparty to the Transaction.*
   >
   > *Consequently, each of the Messrs. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper possibly have a potential patrimonial interest conflicting with the decisions to be made by the Board of Directors.*
   >
   > *As far as necessary and applicable in accordance to article 523 of the Companies Code, each of the Messrs. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper shall inform the Auditor about the preceeding.*
   >
   > *In accordance to article 523 §1 of the Companies Code they do not participate in the deliberations of the Board of Directors with regard to these transactions or decisions, nor in the voting related hereto."*

Application of article 524 of the Companies Code

In accordance with article 524 of the Companies Code, a committee of independent directors composed of LVW Int. BVBA, represented by Dirk Lannoo, Guido Vanherpe BVBA, represented by Guido Vanherpe and Chris Van Doorslaer, assisted by independent expert Marc Van Hoecke & Co, represented by Marc Van Hoecke, has rendered an advice on this transaction.

The decision of the committee of independent directors reads as follows:
"Assisted by an independent expert within the meaning of article 524 §2 of the Companies Code, the Committee considers that the intended transfer of patent nr. EP2791030 and related intellectual property rights (see attached Note) by Resilux NV to Tradidec NV, a company affiliated to the De Cuyper family, construed according to Belgian law and with company reference number 0464.996.422, under the proposed conditions does not cause an obvious disadvantage in view of the policy conducted by the Company. The Committee also considers that the transaction, taking into account the present conditions, does not cause damage to the Company."

The minutes of the Board of Directors of October 20th, 2016 further state:
"The Board of Directors deliberates on the written advice dated 13 October 2016 as prepared by the committee of independent directors, assisted by the independent expert, in accordance to article 524 of the Companies Code, as far as applicable, and transferred to the Board of Directors on October 18th, 2016. After taking this advice into consideration, the Board of Directors decides to agree with the conclusions of the committee of independent directors.

After deliberation about this point on the agenda, the Board of Directors decides unanimously:
- *to approve the written advice dated 13 October 2016 from the committee of independent directors assisted by the independent expert and the conclusions set forth herein; and*
- *to approve the transfer of the patent n°. EP2791030 and related intellectual property rights to Tradidec NV, a company affiliated with the De Cuyper family, under the modalities as described in point 1 of the advice of the committee of independent directors dated 13 October 2016."*

The Auditor's opinion in his report in accordance with article 524 of the Companies Code, reads as follows:
"Based upon our activities we have no findings to report."

2. During the meeting of November 22nd, 2016 the Board of Directors, as far as necessary, has applied the procedure as stipulated under article 523 and 524 of the Companies Code related to the granting of an exceptional, discretional one-time remuneration to each of the main representatives of the executive management (Dirk De Cuyper and Peter De Cuyper).

Application of article 523 of the Companies Code

The following statements made by Dirk De Cuyper and Peter De Cuyper were already recorded in the minutes of the Board of Directors of August 29th, 2016:
"Dirk De Cuyper and Peter De Cuyper state that the conflicts of interest procedure as provided in article 523 of the Companies Code shall be applied on their behalf, at the deliberation and decision making with regard to the aforementioned remunerations. As beneficiaries of the remuneration they have an financial interest that is conflicting with the decision to be made by the Board of Directors."

The minutes of the Board of Directors of November 22nd, 2016 further state:
"During the meeting of the Board of Directors of August 29th, 2016, Messrs. Dirk De Cuyper and Peter De Cuyper already made statements to the Board of Directors regarding this point on the agenda, insofar as necessary and applicable in accordance to articles 523 and/or 524 of the Companies Code. These statements, as recorded in the minutes of the Board of Directors of Monday August 29th, 2016, are fully repeated, as far as necessary and applicable, by the directors involved. The directors involved also repeat that they shall inform the Auditor of aforementioned statements. Subsequently they leave the meeting of the Board of Directors and refrain from participating in the further deliberating and decision making regarding this point on the agenda."

Application of article 524 of the Companies Code

In accordance with article 524 of the Companies Code, the committee of independent directors composed of LVW Int. BVBA, represented by Dirk Lannoo, Guido Vanherpe BVBA, represented by Guido Vanherpe and Chris Van Doorslaer, has rendered an advice regarding this transaction on November 22nd, 2016. For the completion of their task, the independent directors have been assisted by Mr. Walter Janssens, Senior Client Partner, Korn Ferry Hay Group, appointed by the committee as independent expert because of his HR expertise. Where necessary, additional legal advice has been rendered by Mr. Koen Vanhaerents, lawyer and partner at Baker&McKenzie.

The decision of the committee of independent directors reads as follows:
"Assisted by an independent expert within the meaning of article 524 §2 of the Companies Code and a legal counsel, the Committee considers the granting of an exceptional, discretional one-time remuneration of 900,000 (company cost) to each of the two main representatives of the executive management, related to the achievement of exceptional company results in 2016 as a result of the extraordinary performance of both main representatives in the framework of the exit process of Resilux out of the joint venture Airolux AG, under the present conditions, does not cause an obvious disadvantage in view of the policy conducted by the Company. The committee also considers that, taking into account the context, the intended transactions do not damage the company."

The minutes of the Board of Directors of November 22nd, 2016 further state:
"Decision
After deliberation regarding this point on the agenda, the Board of Directors decides unanimously:
To approve the written advice dated November 22nd, 2016 of the committee of Independent Directors assisted by an independent expert and the decision set forth herein; and as a result to approve to grant an exceptional, discretional one-time envelope of 900,000 (company cost) to each of the two main representatives of the executive management, for the achievement of exceptional company results in 2016 as a result of the extraordinary performance of both main representatives in the framework of the exit process of Resilux out of the joint venture Airolux AG."

The Auditor's opinion in his report in accordance with article 524 of the Companies Code, reads as follows:
"Based upon our activities we consider the financial data, as recorded in the advice of the Committee of independent directors and the minutes of the Board of Directors, to be accurate within the meaning of article 524 of the Companies Code."

3. During the meeting of November 30th, 2016 the Board of Directors, as far as necessary, has applied the procedure as stipulated in article 523 and 524 of the Companies Code related to permitting a Pre-Transaction Investigation on the company and granting access to certain confidential information with regard to the Company and its activities.

Application of article 523 of the Companies Code

The following was recorded in the minutes of the meeting of November 28th, 2016:
"After the preliminary presentation by the Chairman, Alex De Cuyper, Dirk De Cuyper, Peter De Cuyper and FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck, gave the following explanation to the Board of Directors, as far as necessary and applicable according to the articles 523 and 524 of the Companies Code.

Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper report that each of them, through affiliated persons (as already reported to the Company and the public), hold a significant package of shares of the Company. The abovementioned Transaction could lead to a potential public tender offer for the shares of the Company or another transaction with regard to the shares of the Company. The Pre-Transaction Investigation requested by the Counter Parties constitutes one of the preliminary steps to decide whether the Transaction will take place. In this respect, the decision of the Board of Directors whether or not to allow the Counter Parties to conduct a Pre-Transaction Investigation is a decision in which each of the aforementioned directors will have a potential patrimonial interest as stipulated in article 523 of the Companies Code that is possibly conflicting with the decision to be made by the Board of Directors, and/or that potentially could fall within the scope of article 524 of the Companies Code.
Finally, Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper report that they shall inform the Auditor of aforementioned statements. Subsequently they leave the meeting of the Board of Directors and refrain from participating in the further deliberating and decision making regarding this point on the agenda.

FVDH BEHEER BVBA, represented by its permanent representative Francis Vanderhoydonck, reports that an affiliated company has been contacted to assist the Company as an advisor to the Transaction and consequently has a potential patrimonial conflict of interest as stipulated in article 523 of the Companies Code that could be conflicting with the decision to be made by the Board of Directors. Finally, he reports that he shall inform the Auditor of aforementioned statements. Subsequently he leaves the meeting of the Board of Directors and refrains from participating in the further deliberating and decision making with regard to this point on the agenda."

The minutes of the Board of Directors of November 30th, 2016 further state:
"Regarding the second point on the agenda, Messrs. Alex De Cuyper, Dirk De Cuyper, Peter De Cuyper and also FVDH Beheer BVBA, represented by its permanent representative Francis Vanderhoydonck, already made statements to the Board of Directors per during the meeting of the Board of Directors of November 28th, 2016, insofar as necessary and applicable in accordance with articles 523 and/or 524 of the Companies Code. These statements, as recorded in the minutes of the Board of Directors of Monday November 28th, 2016, are being fully repeated by the directors involved, as far as necessary and applicable. The directors involved also repeat that they shall inform the Auditor of aforementioned statements. Subsequently they leave the meeting of the Board of Directors and refrain from participating to the further deliberating and decision making with regard to the second point on the agenda."

Application of article 524 of the Companies Code

Related to this transaction, the committee of independent directors composed of LVW Int. BVBA, represented by Dirk Lannoo, Guido Vanherpe BVBA, represented by Guido Vanherpe and Chris Van Doorslaer, rendered an advice on November 30th, 2016 in accordance to article 524 of the Companies Code. For the completion of their task, the independent directors have been assisted by Mr. Tom Vantroyen, lawyer at the Dutch Brussels Bar and partner at a professional partnership having the structure of a cooperative partnership with limited liability 'ALTIUS', for his legal expertise.

The decision of the committee of independent directors reads as follows:
"The Committee states that providing access to certain confidential information is not of any nature to cause an obvious disadvantage in view of the policy conducted by the Company. "

The minutes of the Board of Directors of November 30th, 2016 further state that the Board of Directors, after taking cognisance of the report of the committee of independent directors, decided the following:
"The Board of Directors concludes, taking into account all of the above, that granting access to certain confidential information is in the interest of the Company and thus allowed."

The Auditor's opinion in his report in accordance with article 524 of the Companies Code, reads as follows:
"As the advice of the Committee of independent directors only concerns whether or not to allow a pre-acquisition investigation, the direct financial consequences are limited and nor the minutes of the board of directors nor the advice of the Committee of independent directors contain financial data." ... "As a consequence we cannot form an opinion about any financial data. However, we consider the assessment made by the Committee of independent directors regarding the patrimonial consequences of the proposed decision for the company and its shareholders to be accurate."

8. The Auditor

The supervision of the annual accounts is entrusted to BCVBA Ernst & Young Company Auditors, Moutstraat 54, B-9000 Gent, Belgium, represented by Mr. Paul Eelen, whose mandate was granted by the General Shareholders' Meeting of May 17th, 2013. At the General Shareholders' Meeting of 2016 the mandate has been prolonged for a term of three years, ending after the General Shareholders' Meeting of 2019.

The Auditor has issued a report without reservations on the Company for the statutory and consolidated annual accounts of the financial year ending on December 31st, 2016.

The fees that were paid to the Auditor in 2016 are listed in the notes to the annual accounts.

Remunerations for complementary services include services of audit, tax and other services in addition to the normal audit services

OPERATIONS

Production process

In addition to bottles and wide mouth jars, packaging foils and blister packs are also made from PET. Strictly speaking, these two applications should also be included in PET packaging, but since they only constitute a minor application and do not form part of Resilux's operations, only the production of PET bottles will be considered here.

The production of bottles from PET plastic uses the technique of injection moulding and blowing. This can be done in one single stage, where the plastic is injected and blown into bottles in a single production line.

There is also a two-stage process where first PET preforms are produced on a production line and then another machine blows them into bottles.
The two-stage process yields a higher output per unit time, and enables the geographic decentralisation of preform and bottle production. The volumes transported to bottling companies are thus lower than with fully blown bottles.

The two-stage process for producing PET bottles

PET preforms are produced in 4 steps:

1. The PET plastic (in the form of granulate) is dried to avoid moisture affecting the mechanical properties of the product;
2. The dried PET is melted in an extruder, mixed and may also be coloured;
3. The molten PET is injected into a mould and it then solidifies to yield a solid preform;
4. The preforms are taken out of the injection mould and after cooling stored for transport to the customer.

The market players in the PET preform and bottle sectors

Producers of PET preforms and bottles can be divided into four categories:

- Producers being part of a multinational in the packaging industry;
- Producers being part of a filling company;
- Independent producers;
- Producers being part of a PET raw material producer.

Packaging multinationals: integration of PET production

In the packaging industry there have been concentrations that have created a number of worldwide groups that produce and sell an extensive range of packaging materials, including PET. As a result of acquisitions, these groups have their own preform and bottle factories. In most cases the integration is only partially.

Production of PET bottles by filling companies

Some very large beverage producers make preforms and bottles themselves instead of buying them externally. Here also, the integration is not always fully completed. It is estimated that these two first categories form approximately one third of the European preform market.

Independent producers: small scale by nature

In Europe there are tens, and in the world hundreds, of producers of PET preforms and/or bottles. These producers often operate regionally or nationally. In many cases they have a high degree of turnover concentration because they only supply one or two large customers. In Europe, only a small number of producers (amongst which Resilux) have activities in different regions.

Producers being part of a PET raw material producer

Some very large producers of PET raw materials have decided some years ago to start to produce preforms themselves. This is in particular in Europe with the larger suppliers of PET raw materials. Recently we see that this formula is not successful and a certain number of suppliers have abandoned it.

PET as a packaging material - position

Convincing product characteristics

PET is an excellent material for bottles and other packaging due to a number of specific product characteristics that make it superior to its competitors on the packaging market. By making a comparison on the basis of a number of requirements that packaging material for drinks and food have to satisfy, PET clearly emerges as the most versatile material.

Material properties	PET	Glass	Tins (alu.)
Transparency	++	++	--
Resistance to breaking	++	--	++
Liquid barrier	++	++	++
Gas barrier	+	++	++
Hot Fill (*)	+	++	++
Use in microwave ovens	+	++	-
Recyclability	++	++	++
Packaging/product interaction	++	++	+
Flexibility of design	++	++	+

(*) important for certain products with specific shelf life requirements

Legend: ++ excellent, + good, - average, -- poor

Bron: Industriebronnen

The production of PET bottles is less capital intensive than glass or cans. The transport and storage of PET is also less expensive. The energy use is less for PET than for glass and aluminium.

A robust market share in the packaging market

PET has been used for drinks packaging since 1970, and has been growing steadily since then.

The first phase of growth: large CSD packaging

PET bottles were initially mainly used for packaging carbonated soft drinks (CSD) in sizes of 1.5 litres or more. The growing consumption of PET in this phase was mainly at the expense of glass packaging.

The further breakthrough of PET packaging: more applications in more sizes

Technical developments in the area of product properties and better control of production processes have ensured that PET packaging has become a viable alternative in a growing number of packaging applications. In addition to this broad wise expansion (more applications), there has also been development in depth, towards more (smaller) sizes.

Some of the current applications of PET packaging, divided into segments:

Carbonated drinks	Water	Other drinks	Edible oils	Food	Non-food
- Colas - Lemonades - Soft drinks	- Spring water - Mineral water	- Fruit juices - Alcoholic drinks - Sports drinks - Ice teas - Milk - Beer and wine	- Miscellaneous edible oils and table oils	- Processed food - Packaged fruit and vegetables - Ketchup, mayonnaise and sauces - Dry snacks	- Cosmetics - Household products - Medicines - Detergents

Many new developments are taking place, in particular for barrier-sensitive products such as beer, fruit juices, milk, wine and other alcoholic drinks. The market of milk and fruit juices experienced a quick growth as from 2006 due to a change-over from other packaging materials to PET.

Core activities

Resilux is specialised in the production and sale of PET preforms and bottles. The use of patented production and processing techniques guarantees filling companies a smooth supply of bottles and preforms in a wide variety of sizes.

In order to optimise customer service, Resilux also organises the blowing of bottles on the customer's premises or in the vicinity of the customer (in-house, satellite and wall-to-wall). Here again, Resilux makes a substantial contribution to the logistical management (just-in-time) of filling companies.

PET preforms

Resilux supplies a full range of PET preforms with a wide variety of weights, colours and sizes for the most diverse applications. Alongside the standard products, Resilux also designs and produces custom made models.

The preform weights vary from 10 grams to 150 grams. With its considerable knowledge and experience in the food, cosmetic and chemical industries, Resilux is able to develop and supply a suitable PET preform for every liquid product.

The bottles made from Resilux preforms are filled with water, carbonated soft drinks, edible oils, ketchup, detergents, milk, beer, soft drinks, wine, juices, etc.

Most preforms consist of one type of material (so called monolayer). Resilux developed its own multilayer technology, where multiple materials can be used.

Both specific Resilux technologies, singlelayer as well as multilayer, allow to increase the barrier of PET bottles. This allows to increase the shelf life of carbonated drinks, beer, milk and wine.

Its valuable expertise in the field of recycling enables Resilux to produce, if requested by the customer, preforms made from recycled material.

PET bottles

Resilux applies the most strict quality standards to its production of PET bottles for one-way or multiple use. Bottles suitable for multiple use are somewhat heavier than the one-way bottles and are characterised by their great firmness. Refillable bottles can be used up to 15 to 20 times. This market is however small compared to the one-way bottles. Resilux recently received long term contracts to produce refill bottles for the German market. Resilux PET bottles are used worldwide on a large scale as packaging for a variety of liquid products. There is an unlimited variety of shapes, weights, colours and sizes of PET bottles, and there are also 'specials' for hot-fill liquids. Hot-fill is a process in which products are filled at a high temperature, whereby the product is packaged sterilised and has a longer shelf life. It is currently possible to hot fill new types of PET bottles without the bottle losing its form or firmness as a result. Hot-fill PET is suitable for use as packaging for products where sterilisation or pasteurisation is important, including:

- Fruit juices and fruit drinks;
- Ice tea and certain 'new age beverages'.

Blowing projects

Resilux is also specialised in blowing preforms into bottles. Thanks to its experience in the production of preforms, Resilux has developed the knowledge and experience that is required for blowing bottles.

Upon request, Resilux organises the bottle blowing in a production area of the customer (in-house) or in a separate hall right next to the existing production facilities (wall-to-wall).

The benefits of Resilux professionals blowing the bottles are undeniable. The customer can concentrate on his core business (production, filling and selling), and the costs of storage and transport of PET preforms and bottles are greatly reduced.

Resilux currently has three in-house blowing projects.

Research & development

The Resilux R&D centres play a vital role in the search to optimise and to improve the technical possibilities of pet packaging. Currently we see an increased search to reduce the weight of the packaging. This can be achieved in two ways: by lowering the weight of the neck (cfr. with the new water neck finish and the new 28mm PCO 1881) and by lowering the weight of the body of the bottle. For this light-weighting, technical know-how is needed to optimise the preform & bottle designs. Also the demand for improved barriers for PET bottles keeps on growing.

To assist its customers with their light-weighting programs and their barrier needs, Resilux has R&D activities in its own labs in Belgium, Spain and the USA, but also in the factories of local filling companies. This cooperation has helped Resilux to develop new barrier technologies like ResiOx® for improved oxygen barrier, ResiMid® and ResiMax® for improved CO2 and O2 barrier and ResiBlock®for light barrier. With these new barriers Resilux is considered as the reference for these new applications.

Resilux is strengthening their efforts to grow in these segments. In Germany, Russia, Greece and Spain milk packaging with our barrier technologies have been introduced. Being a traditional market it takes longer to convert into PET, but tests are ongoing with other major European dairy companies .

New customers have been acquired in other barrier segments over the last year, especially in the beer and wine market. Also the jar market is being developed. Therefor new technologies have been developed.

Resilux is also working on new ecologic friendly barrier solutions: ResiBar Eco®, EcoBar® and BioBar®, part of the ResiBar® family, which will result in an extension of the current range of barrier products. Another development is an environmental friendly material: ResiGrind®.

RESILUX
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PRODUCTION UNITS

BELGIUM, **Wetteren - Resilux NV**

In addition to the statutory seat, Wetteren is also the largest production location for one-way, multiple use, and barrier PET preforms. Resilux NV has 17 production lines at the end of 2016, with a combined annual capacity of around 2 billion preforms. The production capacity in Wetteren is used for supplying preforms to the North-West of Europe, as well as for export outside Europe. The Belgian establishment specialises in developing new technologies, such as different applications to increase the barrier characteristics. These products can be delivered worldwide.

SPAIN, **Higuera la Real - Resilux Ibérica Packaging S.A.u.**

This production unit, located in the south of Spain between Sevilla and Badajoz, has 11 production lines with a total annual capacity of around 1.2 billion preforms. The clientele is growing steadily. The majority of the products are supplied in Spain and Portugal. Moreover, product applications have also increased greatly. Alongside preforms for waters, soft drinks and edible oils, preforms are also produced for filling with fruit juices. The Spanish entity has 2 blowing lines.

GREECE **Patras - Resilux Packaging South Europe A.B.E.E.**

The Greek production unit is located in Patras, a medium sized port city around 200 km to the west of Athens. This establishment was set up in the middle of 2000 and has 10 production lines at the end of 2016, with a total annual production capacity of around 1.3 billion preforms. The preforms (for water and carbonated soft drinks) are mainly intended for the Greek market. From here, exports can also go to parts of Central Europe, North Africa and the Black Sea regions. The Greek entity currently also has 2 blowing lines.

RUSSIA, **Kostroma - Resilux-Volga OOO**

Resilux currently produces in Russia using 10 production lines with a capacity of around 1 billion preforms. The factory is located in Kostroma, around 350 km to the north east of Moscow. The preforms are used for making bottles for water, fruit juices and beer and are sold exclusively in the Russian Federation.

SWITZERLAND, **Bilten en** DUITSLAND **- Resilux Schweiz AG**

Resilux Schweiz AG comprises all operations in Switzerland and Germany. Besides the preform activities, Resilux Schweiz AG also has important blowing activities. This entity currently has 10 production lines with a capacity of around 1.1 billion preforms and 6 blowing lines in Bilten. Besides this, Resilux Schweiz AG also has 2 in-house projects in Switzerland and 1 in-house project in Germany.

USA, **Pendergrass, Atlanta - Resilux America, LLC**

In December 2004, Resilux Investment Corporation, Inc. acquired all shares of Resilux America, LLC. Previously, this corporation was a joint venture, set up in 2000, together with American partner, Summit International, LLC, specialised in the design and development of PET packaging. In addition to the further development of new PET packaging, PET containers and preforms for niche markets are produced and commercialised. This mainly concerns non-season-related markets with a high added value, such as food products, household products, cosmetics, personal hygiene, pharmaceutical products and specialities. Resilux America has 7preform lines, 8 single-stage blowing lines for jars and 5 dual-stage blowing lines for bottles.

HUNGARY, **Tuszér - Resilux Central Europe Packaging Kft.**

In the establishment in Hungary, which became operational in March 2001, 11 production lines are used for production at the end of 2016. The total capacity is 1.2 billion preforms. The customers are located in Central and East Europe.

Sales network

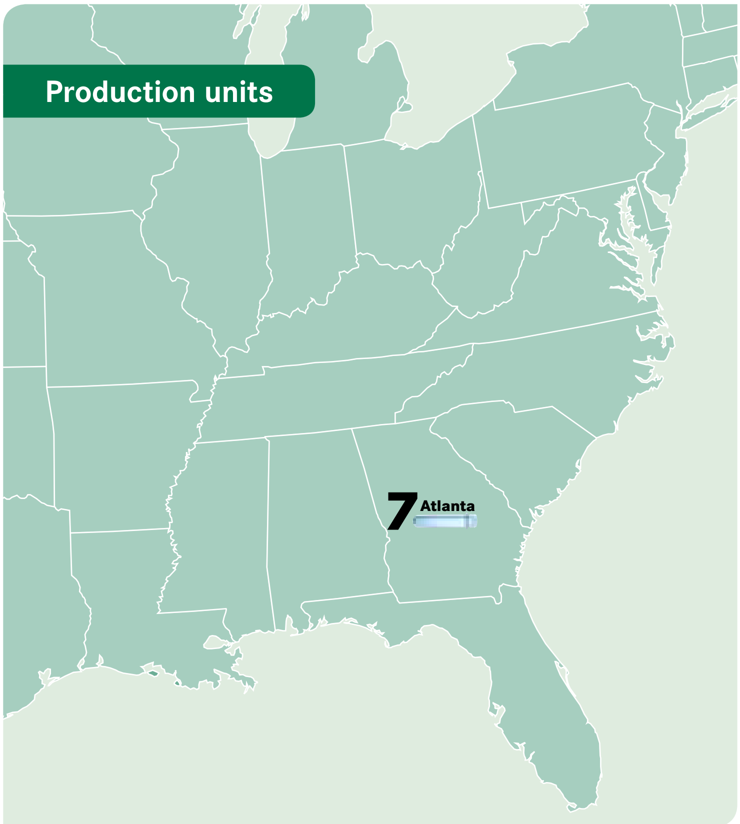
Besides the various production facilities, Resilux has an extensive sales network through its internal sales departments and by working with sales agents, distributors and local sales contacts. This local presence enables to monitor developments on the different markets from very close by and to meet the needs of customers quickly and efficiently.

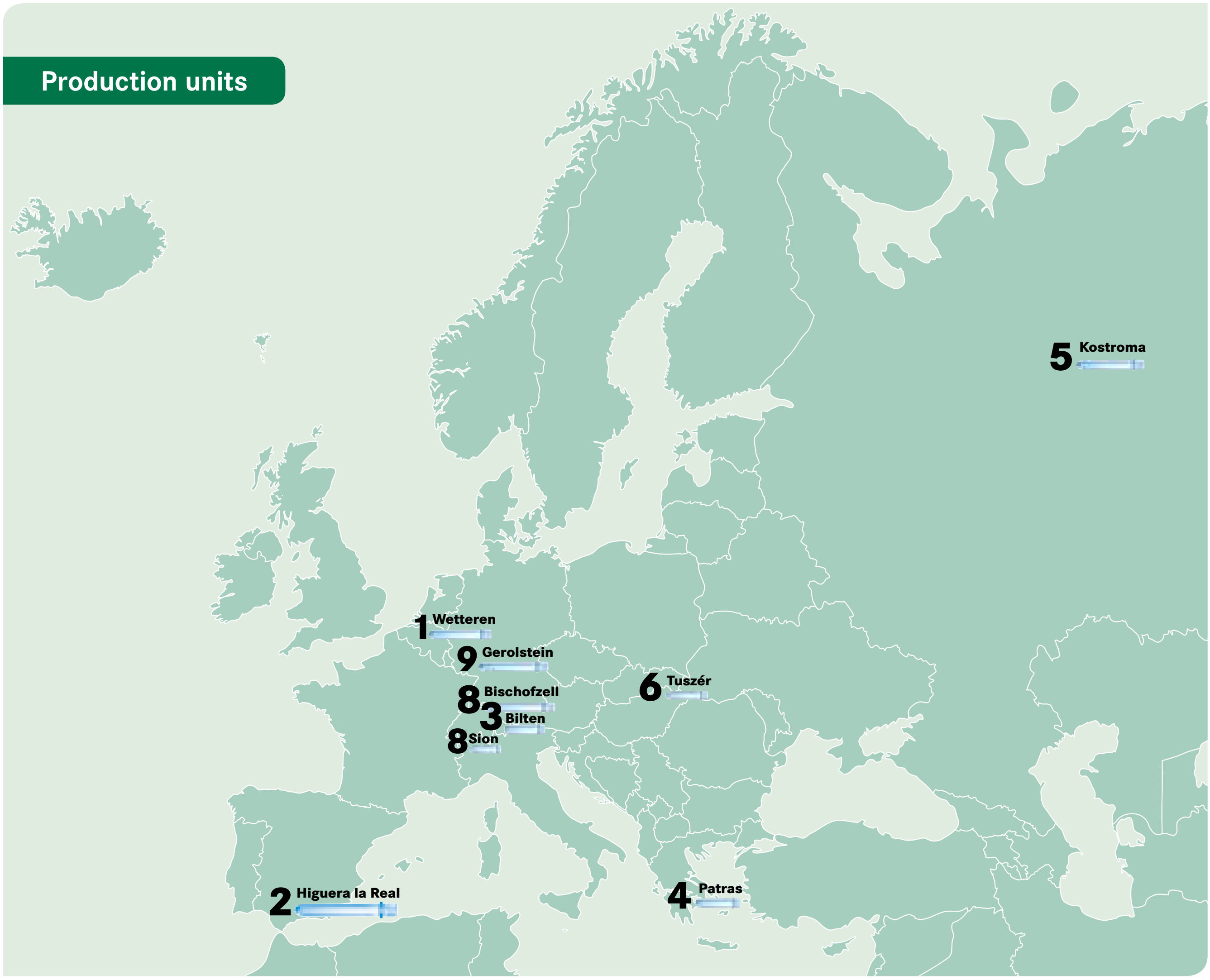
Overview of production units:

1. Belgium - Wetteren
2. Spain - Higuera la Real
3. Switzerland - Bilten
4. Greece - Patras
5. Russia - Kostroma
6. Hungary - Tuszér
7. USA - Atlanta, Georgia

In-house projecten:

8. Switzerland - Sion
   - Bischofzell
9. Germany - Gerolstein





RESILUX INNOVATIVE PACKAGING

DECLARATION REGARDING THE INFORMATION GIVEN IN THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING ON DECEMBER 31ST, 2016

Article 12 of the Royal Decree of November 14th, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

We, the undersigned, Dirk De Cuyper and Peter De Cuyper, acting in our capacity of Managing Directors, declare that to our knowledge:

a) the annual accounts, which are made up in accordance with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of Resilux NV and the consolidated companies;

b) the annual report gives a true and fair view of the development and the results of the Company and of the position of Resilux NV and the consolidated companies, as well as a description of the principal risks and uncertainties which they are facing.

Dirk De Cuyper	Peter De Cuyper
Managing Director	*Managing Director*

RESILUX
INNOVATIVE PACKAGING

REPORT OF THE BOARD OF DIRECTORS

In advance

The Corporate Governance Statement that, pursuant to article 96 §2 and §3 of the Code of Companies, must be included in the annual report of the Board of Directors regarding the 2016 annual statutory accounts, is included in this annual financial report regarding the 2016 accounting year (2016 Annual Report) under the Corporate Governance Declaration and is an integrated part of this Report of the Board of Directors.

1. Introduction

In 2016 Resilux has sold the 50% participation in the joint venture Airolux AG. Airolux AG has repaid all outstanding funding to Resilux.

As a result of increased efforts at the level of the organization, market oriented investments and a further diversification of products and customers, Resilux further increased in 2016 its volumes and operational results (added value, operating cash flow (ebitda) and operating result).

As a result of the sale of the joint venture Airolux AG, the net financial debt position at the end of 2015 was transferred into a net cash position at the end 2016. The Group has a healthy financial structure.

2. Consolidation base

As a result of the sale of the joint venture Airolux AG in 2016 and the repayment of the funding to Resilux, the accumulated historical losses were reversed in the results in the consolidation using the equity method.

3. IFRS

Since 2004 Resilux reports in accordance with the International Financial Reporting Standards set up by IASB, so that the different data over the exercises in this annual report are always established according to the IFRS rules.

4. Operating results

Preforms and bottles sold

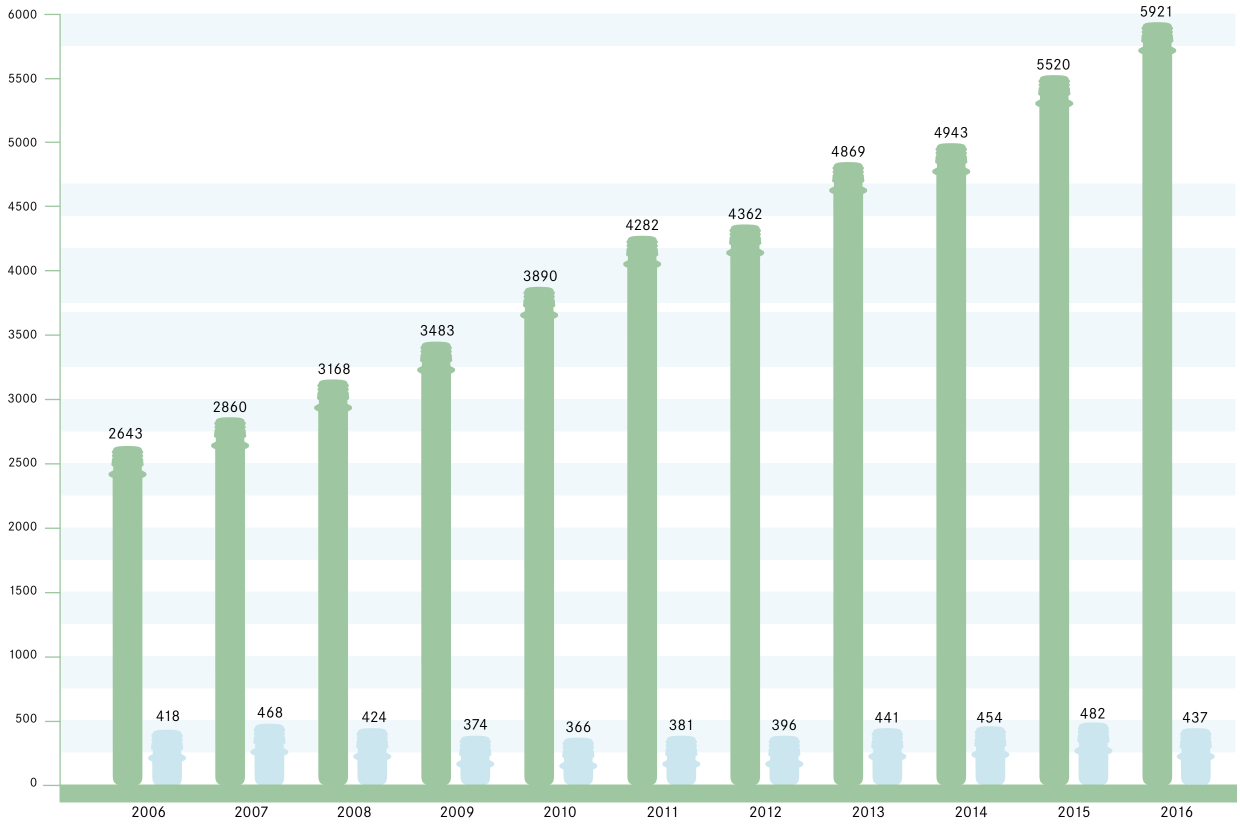
The number of preforms sold increased during the financial year 2016 by 7.3% to 5,921 million compared to 5,520 million in 2015. Sales of preforms increased during the first half year of 2015 by 10.3% and by 4.2% during the second half year of 2016.

The growth continued in West Europe, in East and Central Europe, in Russia and in Ukraine. The sold volumes increased as well on the different export markets. The growth is the result of increased sales efforts and a further diversification of customers and products.

The number of bottles sold decreased by 9.3% to 437 million. The decrease in the number of bottles sold is due to the discontinuation of deliveries to Airolux AG and the transfer of some blowing contracts into sales of preforms with blowing services.

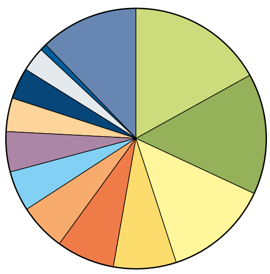
RESILUX
INNOVATIVE PACKAGING

Preforms & bottles sold *(in millions of pieces)*



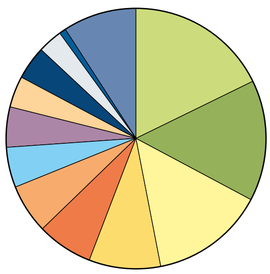
Preforms sold per country:

in 2016



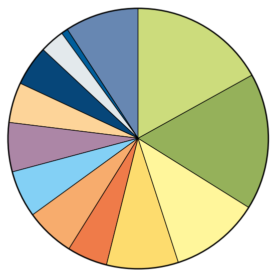
- Eastern and Central Europe (17%)
- Spain and Portugal (15%)
- Russia (13%)
- Greece and Cyprus (8%)
- France (7%)
- Germany (6%)
- Switzerland (5%)
- Benelux (5%)
- North America (4%)
- Scandinavia (4%)
- Italy (3%)
- United Kingdom (1%)
- Others (12%)

in 2015



- Eastern and Central Europe (18%)
- Spain and Portugal (15%)
- Russia (14%)
- Greece and Cyprus (9%)
- France (7%)
- Germany (6%)
- Switzerland (5%)
- Benelux (5%)
- North America (4%)
- Scandinavia (4%)
- Italy (3%)
- United Kingdom (1%)
- Others (9%)

in 2014

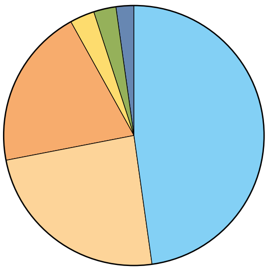


- Eastern and Central Europe (17%)
- Spain and Portugal (17%)
- Russia (11%)
- Greece and Cyprus (9%)
- France (5%)
- Germany (6%)
- Switzerland (6%)
- Benelux (6%)
- North America (5%)
- Scandinavia (5%)
- Italy (3%)
- United Kingdom (1%)
- Others (9%)

RESILUX INNOVATIVE PACKAGING

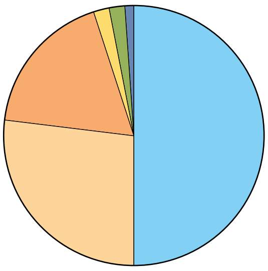
Bottles sold per country:

in 2016



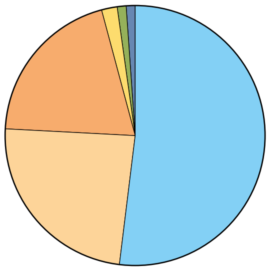
- Switzerland (48%)
- North America (24%)
- Germany (20%)
- Greece (3%)
- Spain (3%)
- Others (2%)

in 2015



- Switzerland (50%)
- North America (18%)
- Germany (27%)
- Greece (2%)
- Spain (2%)
- Others (1%)

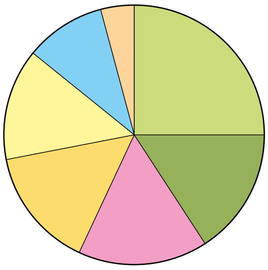
in 2014



- Switzerland (52%)
- North America (20%)
- Germany (24%)
- Greece (2%)
- Spain (1%)
- Others (1%)

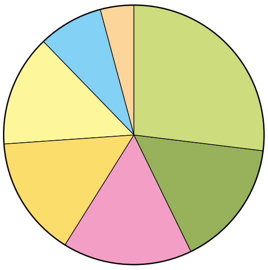
Preforms sold per production unit:

in 2016



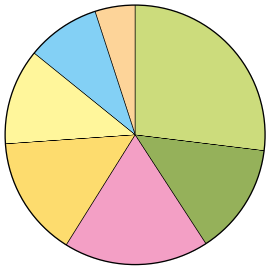
- Belgium (25%)
- Spain (16%)
- Hungary (16%)
- Greece (15%)
- Russia (14%)
- Switzerland (10%)
- United States (4%)

in 2015



- Belgium (27%)
- Spain (16%)
- Hungary (15%)
- Greece (16%)
- Russia (14%)
- Switzerland (8%)
- United States (4%)

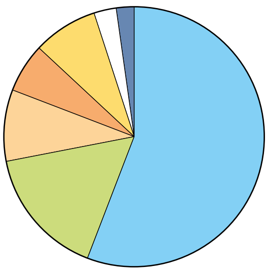
in 2014



- Belgium (27%)
- Spain (18%)
- Hungary (15%)
- Greece (14%)
- Russia (12%)
- Switzerland (9%)
- United States (5%)

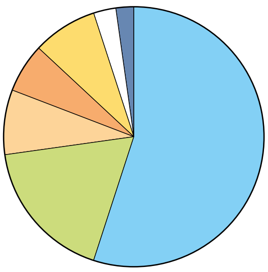
Sales per type of preform:

in 2016



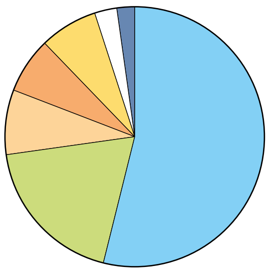
- Water/Carbonated drinks (56%)
- Fruit juices (16%)
- Oil (9%)
- Detergent (6%)
- Beer (8%)
- Milk (3%)
- Others (2%)

in 2015



- Water/Carbonated drinks (55%)
- Fruit juices (18%)
- Oil (8%)
- Detergent (6%)
- Beer (8%)
- Milk (3%)
- Others (2%)

in 2014



- Water/Carbonated drinks (54%)
- Fruit juices (19%)
- Oil (8%)
- Detergent (7%)
- Beer (7%)
- Milk (3%)
- Others (2%)

The PET packaging market remains to have a competitive advantage over other forms of packaging in terms of energy and raw materials consumption.

The geographical spread in Europe continues to be an important factor. The quantitative and qualitative strengthening of the sales organization also continued in 2016 to be a priority contributing to growth.

The split between the different applications remained quite stable. Carbonated drinks and water remain also in 2016 the applications with the highest sales. The sale of barrier products increased further in 2016 compared to 2015.

Raw Materials

Benelux (Euro per ton)[1]

1. Own calculations based on data from PCI (PET Packaging, Resin & Recycling) Ltd. The 'PCI' is a publication that is used as a market price indicator for the PET raw material.

It is well known that Resilux and other preform suppliers pass on fluctuations in raw material prices to their customers at the applicable market rates. Preform producers generally build up their stocks for the peak period, in order to prepare for the summer season when volumes are the highest. This means that they buy and process raw materials before the summer season.

Resilux wants in the coming years to further limit its dependence on seasonal activities. Furthermore, the Company has a strict policy regarding the inventories.

The prices of the raw material showed an increase in the beginning of the year with a peak in April and decreased again till October. Towards year end the raw material prices increased again.

Turnover

In 2016, turnover increased by 0.7% to € 293.7 million despites a bigger increase of the sold volumes. This is the result lower average prices for raw material in 2016 compared to 2015. As known Resilux can pass on fluctuations in raw material prices to the customers.

However, turnover is not the most ideal performance indicator, given that fluctuations in PET prices are charged on to customers. Added value is a better indicator.

Added Value

During the first half of 2016, Resilux has sold its shares in the joint venture Airolux AG. The realised accounting capital gain on the shares amounts to € 25.6 million and is included in the line other operating income. After the deduction of the advisers costs and compensations relating to the sale, the net income on the sale of the shares of Airolux AG amounts to € 20.6 million. This income was realised by Resilux Schweiz AG.

In the further explanation of the operating results for 2016 in the report of the Board of Directors, this amount of € 20.6 million was not taken into account in order to make the comparison with 2015 relevant.

The added value increased by 2.7% or € 1.9 million to € 74.5 million. The average added value per processed tonne as per sold unit decreased slightly in 2016 compared to 2015.

Added value *(in millions of Euro)*

Operational cash costs

The other goods and services increased only by € 0.7 million or 1.5%. The major part of this increase can be explained by increased production volumes. Total remunerations costs have increased by € 1.6 million.

Consolidated operating cash flow (EBITDA)

The consolidated operating cash flow increased by 4.4% in 2016 to € 40.2 million.

Operating cash flow *(in millions of Euro)*

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The breakdown of the cash flow per group entity is as follows:

Consolidated operating cash flow (EBITDA) *(in thousands of Euro)*	**2016**	**2015**	**Change**	**2016 as a % of the total**
Resilux NV	8,288	7,899	4.9%	20.6%
Resilux Ibérica Packaging S.A.u.	6,145	5,987	2.6%	15.3%
Resilux Russia (*)	2,815	3,105	-9.3%	7.0%
Resilux Packaging South Europe A.B.E.E.	2,870	1,835	56.4%	7.1%
Resilux Schweiz AG	14,222	13,840	2.8%	35.4%
Resilux America (**)	4,136	3,253	27.1%	10.3%
Resilux Central Europe Packaging Kft.	1,708	2,763	-38.2%	4.3%
EBITDA before consolidation adjustment and Holdings	40,184	38,682	3.9%	100.0%
Consolidation adjustment and Holdings	-17	-214	92.1%	0.0%
EBITDA after consolidation adjustment and Holdings	40,167	38,468	4.4%	100.0%

(*) Resilux-Volga OOO + Resilux Distribution OOO

(**) Resilux Investment Corporation, Inc. + Resilux America, LLC

Compared to 2015, there was an increase in EBITDA for the plants in Belgium, Spain, Greece, Switzerland and the United States. In the plants in Russia and Hungary the operating cashflow showed a decrease.

Investments

The investments over the last few years are as follows *(in thousands of Euro):*

Investments in the last financial years *(in thousands of Euro)*	**2016**	**2015**
Investments in intangible fixed assets	370	328
Investments in tangible fixed assets	20,356	15,440
Disinvestments	-508	-568
Capital subsidies	-259	0
Total investments	**19,846**	**15,200**

The gross investments for tangible and intangible fixed assets in 2016 amount to € 20.7 million compared to € 15.8 million in 2015. This includes mainly investments in additional production capacity and new production tools. Resilux continues to invest in a further diversification of products, markets and customers.

In 2016 an amount of € 0.3 million of capital grants was deducted from acquisitions.

The total net investments amount to € 19.8 million compared to € 15.2 million in 2015.

Bedrijfsresultaat

The total depreciation and amortisation increased by € 0.2 million and amount to € 14.4 million. The depreciations on fixed assets increased by € 0.3 million, the provisions for stocks decreased by € 0.1 million.

As a result, the operating result for 2016 increased by € 1.6 million or by 6.4% and amounts to € 25.8 million compared to € 24.2 million for 2015.

The breakdown of the operating result per group entity is as follows:

Consolidated operating profit (EBIT) *(in thousands of Euro)*	2016	2015	Change	2016 as a % of the total
Resilux NV	4,864	4,505	4.0%	18.2%
Resilux Ibérica Packaging S.A.u.	4,829	4,466	8.1%	18.7%
Resilux Russia (*)	2,106	2,296	-8.3%	8.2%
Resilux Packaging South Europe A.B.E.E.	1,709	679	151.7%	6.6%
Resilux Schweiz AG	11,054	10,647	3.8%	42.9%
Resilux America (**)	1,304	624	109.0%	5.1%
Resilux Central Europe Packaging Kft.	-167	880	-119.0%	-0.6%
Operating profit before consolidation adjustment and Holdings	25,519	24,097	5.9%	99.0%
Consolidation adjustment and Holdings	256	122	-109.8%	1.0%
Operating profit after consolidation adjustment and Holdings	25,775	24,219	6.4%	100.0%

(*) Resilux-Volga OOO + Resilux Distribution OOO

(**) Resilux Investment Corporation, Inc. + Resilux America, LLC

5. Financial results

Net financial result

The financial result increased from € -2.5 million to € -1.4 million. The net interest expenses decreased by € 0.2 million. During 2015, the foreign exchange results were negative for € -0.8 million whereas in 2016 the foreign exchange results are positive for € 0.4 million. The total net financial result amounts to € -1.4 million.

Profit

Including the realised capital gain on the sale of the shares of Airolux AG, a pre-tax profit was realized of € 45.0 million compared to € 21.7 in 2015 or an increase of € 23.4 million.

The total taxes amount to € -4.2 million. This amount mainly includes taxes payable as the movement on the deferred taxes is close to zero. After taxes, the group has realized a net profit of € 40.8 million or an increase of € 22.9 million.

The result based upon the equity method amounts in 2016 to € 18.9 million. The amounts represents the reversal of the accumulated historical losses since the start of the joint venture Airolux AG. In the past these losses were consolidated using the equity method and deducted from the receivables Resilux had on Airolux AG. In July 206 Resilux has received the repayment of all outstanding funding to Airolux AG for a total amount of € 36.9 million.

After the result based upon the equity method the total profit amounts to € 59.7 million compared to € 9.8 million in 2015.

Net financial debt

Net financial debts decreased in 2016 by € 55.5 million and this results in a net cash position per December, 31st 2016 of € 22.3 million. The decrease is mainly the result of the sale of shares of the joint venture Airolux AG. In July 2016 Resilux received the repayment of all outstanding funding for an amount of € 36.9 million.

For further comments regarding the results and balance sheet structure we refer to “Comments IFRS 2016 compared to 2015: assets, liabilities, income statement and cash flow statement” on page 98. These comments are an integrated part of this report of the Board of Directors.

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6. Principal risks and uncertainties

Concerning the description of the major risks and uncertainties the Company can be confronted with, the exposure to risks arising from foreign currencies, interest rates, raw material prices, and creditworthiness are a consequence of the normal operations of the Group. It is the aim of the Group to manage each one of these risks.

Exchange rate risks

With regard to exchange rates, Resilux has a policy of passive hedging per production unit. This means that the net flows per exchange rate are calculated for each production unit, and if necessary derivatives are used. The most important currencies of the Group are the Euro, the American dollar, the Swiss franc, the Hungarian forint, and the Russian rouble.

Purchases and sales are mainly in Euro and USD or the equivalent of Euro and USD.

The exchange rate risk as a result of the translation of assets and liabilities of foreign subsidiaries to Euro is not covered.

Financial derivatives to cover the net exchange rate flows are valued at their market value. Exchange rate results on creditors and debtors and changes to the market value of the financial instrument are entered in the results for the period in wheich they occur.

Resilux had volgende openstaande wisseltermijncontracten per 31/12/2016:

Sales	USD	500.000	for	HUF	144.225.222
Purchases	EUR	25.000.000	at	CHF	26.925.000
Purchases	EUR	6.500.000	at	HUF	1.917.188.426

According to the riskmanagement policy of the Group, generally between 75% and 100% of all transactions is covered.
The hedgings do not always happen immediately for 100% but can also be made gradually for a longer period.

Interest rate risks

The long and short term financial borrowings are at variable intrest rates and are for the major part covered by interest caps and swaps.

The following contracts were entered into to cover the aformentioned risks: *(in thousands of Euro)*:

- Interest rate swap contracts for an amount of € 24,125, covered at 5 to 10 year with interest rates between 0.8% and 1.73%

The contracts mentioned above are treated in the financial statements as trading instruments and are therefore valued at market value. The changes in the value of financial instruments are incorporated in the income statement.

Purchase of raw materials and risk of inventories

As well known, Resilux and other preform suppliers pass on fluctuations in raw material prices to their customers at the applicable market rates. There is thus mainly a timing risk between purchase and sale. The Company tries to reduce this risk by limiting its dependence on the seasonal activities. Also a more restrictive policy regarding inventories of finished goods is implemented.

Furthermore, the increase of the added value products leads to a decreased sensitivity to changes in prices of raw material.

Credit risk

Resilux has a firm policy on credit risk. Resilux manages its credit risks through customer diversification, by working within set credit limits and periods, and by screening the creditworthiness of the parties it deals with. These risks are also mainly covered by credit insurance. Given the increased risk due to the economic crisis, Resilux has paid extra attention in order to limit this risk.

Seasonality

Resilux continues to work on reducing the dependence on the seasons by the geographical spread of the sales and production units and by using minimum volumes throughout the year in the contracts and by limiting the part of the seasonal packaging.

Capital structure

Resilux is aiming at keeping the ratio between net financial debt and operational cashflow at a level that can be considered by the financial markets as healthier than normal. During 2016 Resilux is meeting largely the covenants of the external financing agreements.

7. Research and development

Resilux spends more and more resources on research and development, patents and licences both on the level of production processes as on the level of finished goods.

The proportion of the production technology designed in-house is maximized in order to create competitive advantages. Some of it is protected by patents and licences.

Considerable efforts are made to further enhance technological leadership within the sector. Quality improvements, cost efficiency and less waste during production remain important topics.

Increased investments are made in lower energy consumption, less production waste, increased output per square meter, automation and decrease of packaging and logistic costs.

Regarding the development of new products and applications, Resilux is very much focused on a development of preform designs for applications which so far have not been used on an industrial scale.

Also the development of preforms with barrier, improving the barrier qualities of PET and the development of new production technologies remain important topics for Resilux and this for existing products as well as for new applications.

During 2016 there were no costs of own research and development that qualified for capitalisation on the balance sheet.

The number of employees of the Resilux Group working on research and development projects is further increased. Furthermore Resilux also cooperates with universities and independent research centres.

In the coming years, Resilux wants to increase the technology component as well in the production process as in the finished product.

8. Environment

Resilux produces preforms made of PET (polyethylene terephthalate). PET is quite easy to recycle. It can be recycled mechanically or chemically.

PET is mainly reused as a fibre for clothing and synthetic fabrics, foils and packaging, and to an increasing extent in the production of PET bottles. Resilux has mastered the technique of 'bottle-to-bottle' recycling, which means that a new bottle can be produced out of a used one.

PET is the most environmentally-friendly product of all packaging on the market for one-way packaging. Scientific studies have shown that PET packaging is more environmentally friendly than glass, for example. The environmental costs of production process, transport, cleaning, etc, all have to be taken into account, and they make the environmental assessment of PET very favourable.

In addition, within the Resilux group, considerable emphasis is placed on energy-saving processes and procedures.

The strategy consists of continuous technological innovation, so that Resilux can respond to changing customer requirements and environmental legislation.

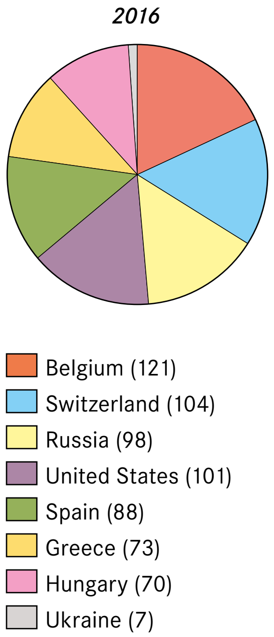
In addition to user-friendliness, PET packaging also guarantees optimum food safety.

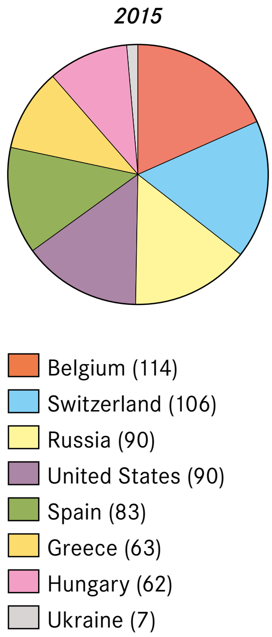
9. Personnel and organisation

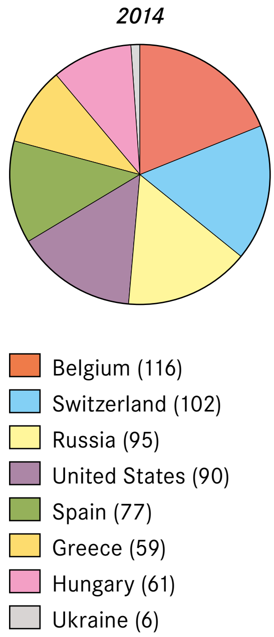
The workforce consisted of 662 people on December 31st, 2016, compared to 615 people on December 31st, 2015 and 606 people in 2014.

The employees are distributed over the various production units as follows:

Number of employees on December 31st:







The average workforce expressed in full-time equivalents was 622 in 2016, compared to 595 in 2015 and 585 in 2014.

10. Warrants

In 2013, the Board of Directors decided to issue a warrant plan. The stock option plan provides for the grant of warrants to the Resilux shares. Each warrant gives the right to subscribe to one Resilux share. The warrants may be exercised during the months of April 2017 and October 2017. A total of 44,450 warrants were granted in 2013. On December 31st, 2016 there are still 44,450 outstanding warrants. These warrants can be exercised at a price of € 62.22.

During 2016, no shares, share options, warrants or other rights to acquire shares were attributed, nor were there any exercises or expiring thereof.

11. Important recent developments

The activities of Resilux are geographically spread and Resilux has the technology to supply all known applications of PET preforms and PET bottles. This enables Resilux to adapt quickly to the ever changing requirements of consumers and also to any changes in law.

Resilux has modern production facilities, where growth can be realised with limited capital expenditures. Resilux also has a solid financial structure.
The current cash flows allow Resilux to invest in additional capacity and new products and to increase the efforts on the level of R&D and innovation.

As a result, Resilux is well positioned to anticipate in the current financial and economic market and the possible changing needs of the consumer.

12. Justification of the independence and expertise of at least 1 member of the Audit Committee

The Board of Directors ensures that the Audit Committee has such financial, accounting and legal expertise as required to fulfil its role effectively.

To justify the independence and expertise on auditing and accounting of at least one member of the Audit Committee pursuant to Articles 96, §1,9° and 119,6° of the Companies Code, reference is made for each member of the Audit Committee to that person's biography, as well as to the confirmation of the independence as included in the Corporate Governance Declaration of the annual financial report covering the fiscal year 2016 (Annual Report 2016).

13. Internal control and risk management systems (article 119, 7° Companies Code)

The internal control and risk management system is created to draw up and publish the consolidated financial statements pursuant to IFRS valuation rules. The most important characteristics of the system can be described as follows.

The organisation of the accounting and control is established in three levels:

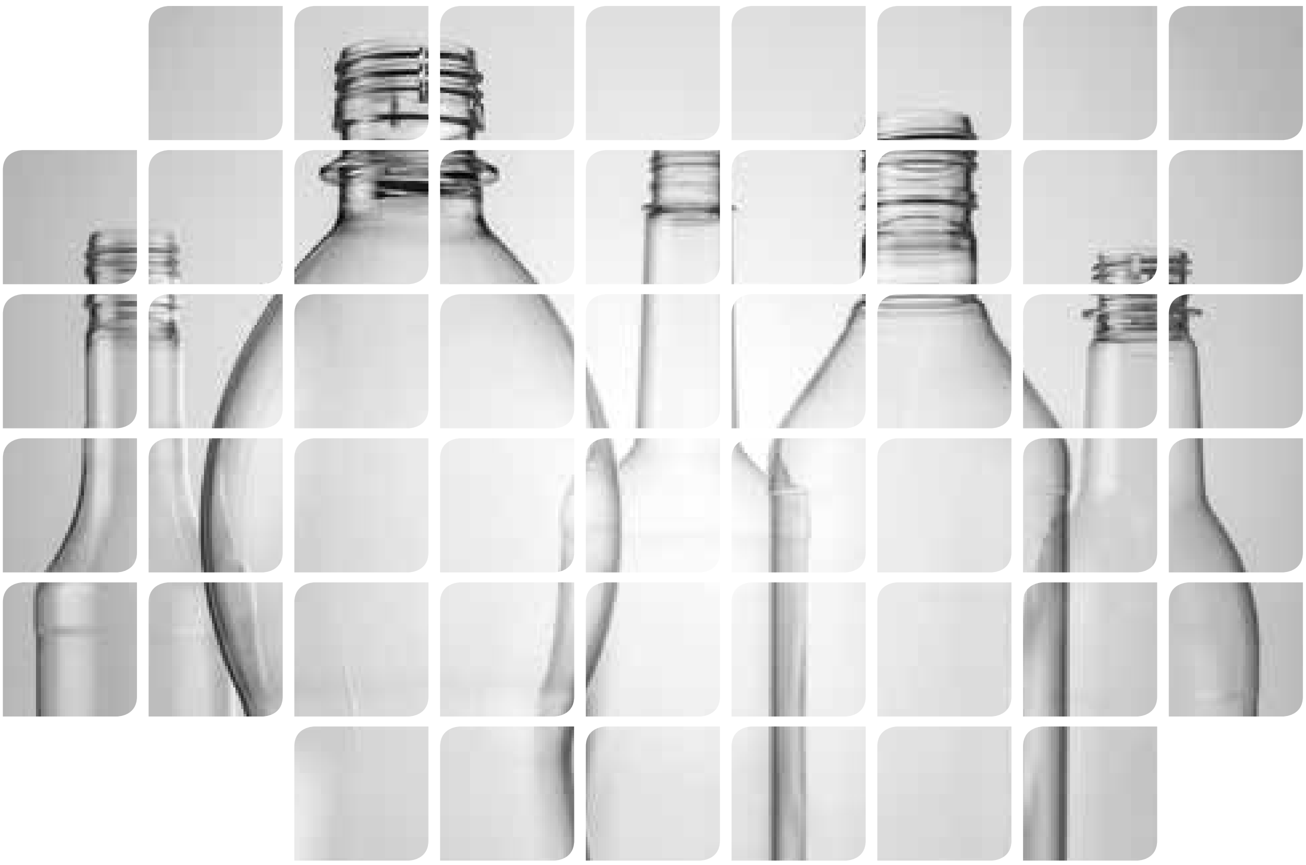
(i) the accounting teams in the various companies of the Group who are responsible for drawing up and reporting on the financial information;

(ii) the controllers at the various levels of the organisation who are responsible for verifying the financial information within their area of responsibility; and

(iii) the control department on Group level, which is responsible for the final control of the financial information received from the different companies and for drawing up the consolidated financial statements.

Information systems have been developed to help the control department on Group level in the controlling and consolidation process and are constantly adapted to their new needs.

Pursuant to the audit process worked out for that purpose, the financial reports from the various companies in the Group are checked and evaluated by foreign external auditors, whilst the Belgian external auditor executes the final control and the review of the consolidation process and the consolidated financial statements that are drawn up by the parent Company Resilux NV.



14. Information regarding article 34 of the Royal Decree of November 14th, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (implementation of the takeover directive)

a) On December 31st, 2016 the registered capital of the Company amounts to € 17,183,856 represented by 1,980,410 no par-value shares, which each represent a 1/1,980,410th share of the registered capital. All shares are fully paid and each share confers the right to one vote.

Based on the last transparency notification of May 6th, 2010, as received on May 12th, 2010 the shareholders' structure on December 31st, 2016 can be presented as follows:

Shareholder	Current voting rights/share	% of issued Company stock
Tridec Stichting Administratiekantoor (*)	921,000	46.51%
De Cuyper family (*)	114,077	5.76%
NV Immo Tradec (*) controlled by Tradec Invest NV	58,534	2.95%
NV Belfima Invest (*) controlled by Peter De Cuyper	25,333	1.28%
NV Tradidec (*)	25,973	1.31%
Public	835,493	42.19%
Total	**1,980,410 ("denominator")**	**100%**

(*) Tridec Stichting Administratiekantoor (controlled by Alex De Cuyper, Peter De Cuyper and Dirk De Cuyper) acts in mutual consultation with the De Cuyper family and the companies NV Immo Tradec, NV Belfima Invest and NV Tradidec.

b) No restrictions are laid down by statute or in the Company's articles of association on the transfer of securities, and neither on the exercise of voting rights that apply to the securities issued by the Company.

c) Special control rights - Statutory provisions

Article 11 - Preferential right

In case of a capital increase, implemented other than by way of a non-monetary contribution or merger, and subject to any different decision by the General Shareholders' Meeting or the Board of Directors, the existing shareholders will be given preference to the new shares, in proportion to the part of the registered capital represented by their shares.

The pre-emptive right may be exercised for a period of at least fifteen days, to be calculated from the day on which the subscription for new shares opens.

The subscription price and the period during which the pre-emptive right may be exercised will be determined by the General Shareholders' Meeting or, if the resolution to increase the capital has been adopted in accordance with Article 603 of the Belgian Companies Code, by the Board of Directors.

If the ownership of shares is divided into usufruct and bare ownership, the bare owner of the shares will have the pre-emptive right. In case of pledged shares, the owner-pledgor will have the pre-emptive right.

Article 15 – Nomination right

Insofar as Tridec Stichting Administratiekantoor holds at least 35% of the Company's shares, it will have the statutory right to nominate four directors. Alex De Cuyper, Dirk De Cuyper and Peter De Cuyper are appointed upon nomination by Tridec Stichting Administratiekantoor.

Article 29 – Convening

A special or an Extraordinary General Shareholders' Meeting must be convened whenever required by the interests of the Company and must be convened every time shareholders who collectively represent one-fifth of the registered capital so request.

Article 30 – Right to add items to the agenda and file new proposed resolutions

One or more shareholders who jointly hold at least 3% of the Company's registered capital may, by no later than the twenty-second day prior to the date of the General Shareholders' Meeting, add items to be discussed to the agenda of the General Shareholders' Meeting and submit motions to be voted concerning items included on the agenda or to be included on the agenda, provided that the shareholders can demonstrate that, on the date when they file an item for the agenda or a motion for vote, they are shareholders of the Company.
This right shall not be valid for General Shareholders' Meetings convened after a first General Shareholders' Meeting that was not deemed valid for deliberations as the required attendance quorum was not reached.

d) There are no other share plans for employees where the rights of control are not directly executed by the employees.

e) The Company has no knowledge of shareholders agreements which could lead to a limitation of the right to transfer securities and/or exercising the right to vote.

f) The members of the Board of Directors are nominated by the General Shareholders' Meeting.

According to article 16 of the Company's articles of association, the remaining Directors can temporarily fill in a vacancy for Director. In that case, the General Shareholders' Meeting will proceed to the final appointment per during their next meeting.

According to article 15 of the Company's articles of association, the Board of Directors can have a maximum of seven members and, as mentioned before, as long as Tridec Stichting Administratiekantoor owns, directly or indirectly, at least 35% of the shares of the Company, it has the right to propose four candidate-Directors to be nominated.

Other Directors will be nominated by the Remuneration and Nomination Committee, taking into account the needs of the Company and in accordance with the selection criteria and appointment procedure set up by the Board of Directors.

For the composition of the Board of Directors, the necessary diversity and complementarity regarding skills, practice and knowledge is taken into account.

At least three Directors must be independent.

The members of the Board of Directors are appointed for a maximum period of four years and can be reappointed.

The General Shareholders' Meeting can deliberate and vote on changes to the articles of association of the Company, taking into account the conditions imposed by articles 540, 543, 558, 559 and onwards of the Companies Code.

g) The Company's articles of association provide the following arrangements in relation to powers of the governing body regarding the issuance or redemption of shares of the Company.

Temporary provisions - Authorised capital

For a period of five years from the publication of the General Shareholders' Meeting's resolution of 20 May 2016 in the Schedules to the Belgian Official Journal, the Board of Directors will be authorised to increase the registered capital on one or more occasions to the amount of € 17,183,856.00 (seventeen million, one hundred and eighty-three thousand, eight hundred and fifty-six euros).

The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves of any kind and/or by an issue premium.

In addition to the issue of ordinary shares, capital increases decided on by the Board of Directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares and/or warrants in favour of staff and through the issue of convertible bonds and/or bonds with warrants.

The Board of Directors is granted the authority to limit or cancel the pre-emptive right in the interests of the Company if the capital increase is implemented within the scope of the authorised capital.
The Board of Directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the Company or its subsidiaries.

The General Shareholders' Meeting has expressly granted the Board of Directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the Company of a public takeover bid for the securities of the Company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal.

If a capital increase is implemented by means of cash subscriptions with an issue premium, the Board of Directors will be authorised to stipulate that the issue premium will be earmarked for the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the Board of Directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.

The Board of Directors is authorised to amend the Company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Temporary provisions - Purchase of own shares

The Board of Directors is authorised, in accordance with article 620 and following of the Company Code, to acquire shares, profit-sharing certificates or associated certificates of the Company at the expense of the latter, if this acquisition is necessary to preventing the Company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the Extraordinary General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

In accordance with article 620 and following of the Company Code, the Board of Directors is authorised to acquire shares, profit-sharing certificates or associated certificates of the Company at the expense of the latter, by purchase or exchange, for the maximum amount of twenty percent (20%) of the issued capital, at a unit price no lower than the accounting par value and no higher than twenty percent (20%) above the highest closing quote of the shares over the most recent twenty (20) stock exchange trading days preceding the transaction.
The authorisation to acquire is valid for a period of five (5) years to be calculated from the publication of the resolution of the Extraordinary General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowed by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 622 §2 of the Belgian Companies Code, to transfer ownership of own shares:

(i) in the framework of transactions, such as takeovers or acquisition of tangible or intangible assets, opportune for the strategic development of the company, and at a price at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, increased with ten percent (10%);

(ii) in the framework of exercising stock options granted to the personnel of the company or its subsidiaries or self-employed service providers with a high management position within the company or its subsidiaries, and at a price of the option at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, increased with ten percent (10%);

(iii) in the framework of article 3, paragraph 2 of the warrant plan of 28 January 2013 and for the price of the warrants.

h) There are no important agreements of which the Company is part and that start, change or finish in case there is a change of control of the Company as a result of a public takeover bid, or the consequences of it.

i) There are no agreements between the Company and the directors or employees which provide for a remuneration in case the directors resign or are being discharged without a valid reason, or when the employment of the employees is finished as a result of a public offer for takeover.

15. Notification in respect of the exemption from the obligation to launch a bid (Article 74 Law of April 1st, 2007)

Pursuant to article 74, §7 of the Law of April 1st, 2007 on Takeover Bids, the Company has duly received the following notification of exemption from the obligation to launch a bid dated February 14th, 2008 as sent on behalf of the parties below acting by mutual agreement.

Subsequently, pursuant to Article 74 § 8 of the Law of April 1st, 2007 on Takeover Bids, the parties below have informed the Company of subsequent changes with regard to their shareholding in the Company by letters dated September 3, 2012, August 29, 2014 and August 31, 2015. As a result, the situation as of August 31st, 2016 can be summarized as follows:

Identity of the persons who, as of August 31st, 2016, held, by mutual consultation, more than 30% of the voting shares in RESILUX NV	Identity of the final controller	Number of shares	%
1. STAK TRIDEC Houtsnip 17, 3766 VD Soest, The Netherlands	-	921,000	46.51%
	STAK TRIDEC	**921,000**	**46.51%**
2. Belfima Invest NV BE 0466 014 328	Peter De Cuyper p.a. Damstraat 4 9230 Wetteren	27,333	
3. Peter De Cuyper p.a. Damstraat 4 9230 Wetteren	-	55,465 of which 20,000 in bare ownership	
	Peter De Cuyper	**82,798**	**4.18%**
4. Tradidec NV BE 0464 996 422	Dirk De Cuyper p.a. Damstraat 4 9230 Wetteren	25,973	
5. Dirk De Cuyper p.a. Damstraat 4 9230 Wetteren	-	52,260 of which 20,000 in bare ownership	
	Dirk De Cuyper	**78,233**	**3.95%**
6. Immo Tradec NV BE 0439 777 214	Tradec Invest NV BE 0453 976 133	58,534	
	Tradec Invest NV	**58,534**	**2.95%**
7. Others (natural persons < 3%)	-	6,347	
	Others	**6,347 + the usufruct, including the voting rights of 40,000 shares**	**0.32%**
Total			**57.91%**

All notices received by the Company on this subject are available on the website at www.resilux.com (Investor Relations – General Information).

16. Outlook, expectations and significant events since the year end

Resilux expects to realise in 2017 results in line with 2016, excluding the effect of the sale of shares of Airolux AG.
Excluding buildings and special projects, Resilux expects to invest an amount of € 12.0 to € 15.0 million.
Resilux will further focus on cost control and on diversification of customers and product mix. The available production capacity will be used in the most optimal way and combined with operational excellence.

Resilux continues to have a strong belief in the enormous potential of PET preforms and bottles over the next years.

The growth prospects for the PET packaging market remain good, and the expectations are that the market will continue to grow over the next 3 to 7 years. In Northwest Europe, the growth will mainly come from new product applications, such as fruit juices and milk, and less from water and soft drinks.

On February 3rd, 2017 Bain Capital announced that it is considering a potential voluntary and conditional tender offer in cash for all shares and warrants issued by Resilux. On the same date, Resilux announced that the potential offer is supported by the founding family shareholders of Resilux and that the board of Resilux intends to recommend the potential offer.

On February 20th, 2017 Bain Capital announced that it is in discussions regarding the potential acquisition of Petainer, a privately held company in the same industry as Resilux. Bain Capital has signed heads of terms with the controlling shareholder of Petainer and intends to combine Petainer with the Resilux group.

On March 28th, 2017 Bain Capital has announced not to acquire Resilux NV.

Bain Capital has made this decision because Bain Capital has been notified by the German anti-trust authority that the intended combined acquisition of Resilux and Petainer has not received clearance in Phase I and would need to proceed to a Phase II review, which would make such combined acquisition difficult to pursue in the context of the required timeline for a delisting process of Resilux.

Since the end of the financial year, no other important events have occurred of a nature to significantly influence the results of the Company.

17. Appropriation of results

The Board of Directors of Resilux NV proposes to the General Shareholders' Meeting to pay a gross dividend of € 2.00 per share for the financial year 2016.

The proposed appropriation of the results is as follows *(in thousands of Euro, Resilux NV statutory accounts)*:

Profit of the financial year to be appropriated	27,050
Profit brought forward from the previous financial year	23,632
Total profit to be appropriated	50,682
Addition to the legal reserves	0
Profit to be distributed	3,961
Profit to be carried forward	46,721

The consolidated reserves (IFRS) can then be shown as follows *(in thousands of Euro)*:

Consolidated reserves

Reserves carried forward on December 31st, 2015	53,045
Consolidated profit for the financial year	59,691
Actuarial gains and losses (net)	104
Warrants personnel	52
Dividend on shares	- 3,961
Total consolidated reserves on December 31st, 2016	108,931

RESILUX
INNOVATIVE PACKAGING

CONSOLIDATED ANNUAL ACCOUNTS 2016

RESILUX INNOVATIVE PACKAGING

BALANCE SHEET *(in thousands of Euro)*

	Notes	31.12.2016	31.12.2015
Non-current assets		**100,995**	**110,793**
Goodwill	4	13,685	13,685
Intangible assets	5	1,558	1,865
Property, plant & equipment	6	79,852	72,943
Other financial assets	7/8	17	15,865
Deferred tax	9	4,649	4,879
Non-current receivables	10	1,234	1,556
Current assets		**155,196**	**95,190**
Inventories	11	51,595	42,346
Trade receivables	10	36,092	30,857
Other current assets	10	5,062	7,153
Cash and cash equivalents	12	62,447	14,834
TOTAL ASSETS		**256,191**	**205,983**
Non-current liabilities	**13**	**147,568**	**87,709**
Verplichtingen op meer dan één jaar		**39,854**	**47,161**
Subordinated loans	14	1,276	1,594
Interest-bearing borrowings	14	30,729	37,085
Other amounts payables	15	1,207	1,541
Provisions	16	4,674	4,567
Deferred tax	9	1,968	2,374
Current liabilities		**68,769**	**71,114**
Subordinated loans	14	318	0
Interest-bearing borrowings	14	9,400	10,904
Trade payables	15	45,394	50,235
Income tax payables		2,594	1,609
Other amounts payables	15	11,063	8,365
TOTAL LIABILITIES		**256,191**	**205,983**

RESILUX INNOVATIVE PACKAGING

INCOME STATEMENT *(in thousands of Euro)*

	Notes	2016	2015
Operating revenues		**326,015**	**295,579**
Turnover		293,667	291,559
Changes in inventories finished goods		4,104	377
Other operating income	17	28,244	3,643
Operating expenses		**279,589**	**271,360**
Raw materials and consumables used		180,573	178,409
Services and other goods		50,333	44,647
Remuneration, social security charges and pensions	18	34,117	32,539
Depreciation and amortisation expense		14,393	14,249
Other operating expenses	17	173	1,516
Operating result		**46,426**	**24,219**
Financial income	19	8,403	8,621
Financial expenses	19	-9,785	-11,157
Result before taxes		**45,044**	**21,683**
Income taxes	20	-4,237	-3,817
Net result		**40,807**	**17,866**
Result based upon the equity method	8	18,884	-8,074
Net result after result based on the equity method		**59,691**	**9,792**
Net profit after equity per share in €		30.14	4.94
Net profit after equity per share diluted in €		29.48	4.84

STATEMENT OF OTHER COMPREHENSIVE INCOME *(in thousands of Euro)*

	Notes	2016	2015
Attributable to profit or loss: the owners of the parent		59,691	9,792
Statement of the unrealized results			
Currency translations adjustments for foreign entities		3,973	1,100
Actuarial gains and losses (net) (*2)	16	104	-980
Total of the unrealized results		**4,077**	**120**
Total of the comprehensive income		**63,768**	**9,912**

*1 recyclable in the income statement

*2 non-recyclable in the income instatement

CASH FLOW STATEMENT *(in thousands of Euro)*

	Notes	2016	2015
Operating activities			
Profit before taxes		46,426	24,219
Depreciation and amortization	5/6/10/11	14,393	14,249
Financial income		-8,403	-8,622
Financial expense		-9,785	11,157
Gain on disposal fixed assets	17	-192	-46
Warrants personnel	18	52	52
Changes in trade receivables	10	-3,923	2,453
Changes in inventory	11	-8,027	-5,474
Changes in trade payables	15	-5,595	7,107
Other changes in net working capital		3,885	1,421
Change in net working capital		-13,608	5,559
Interest received	19	1,035	8,622
Interest paid	19	-2,316	-11,157
Income taxes paid	20	-3,244	-4,164
Cash flow from operating activities		**43,876**	**37,282**
Cash flow from investing activities			
Investments in tangible and intangible fixed assets	5/6	-20,668	-15,768
Investments in financial assets	8	-823	-13,176
Desinvestments in financial assets	8	36,942	0
Receipt of government grants	6	259	0
Proceeds on disposals of fixed assets		755	614
Cash flow from investing activities		**16,465**	**-28,330**
Financing activities			
Dividends paid		-3,961	-3,763
Proceeds from (+), payments (-) of subordinated loans	14	0	47
Proceeds from (+), payments (-) of long-term liabilities	14	-7,191	-764
Proceeds from (+), payments (-) of short-term liabilities	14	1,781	1,091
Cash flow from financing activities		**-12,933**	**-3,389**
Net increase / decrease in cash and cash equivalents	12	47,408	5,563
Effect of exchange rate changes on cash and cash equivalents	12	205	440
Cash and cash equivalents at January 1st	12	14,834	8,831
Cash and cash equivalents at December 31st		**62,447**	**14,834**

RESILUX
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EQUITY *(in thousands of Euro)*

	Amount of shares	Share capital	Issue premium	Revaluation surplus	Other reserves	Currency translations	Total
On January 1st, 2016	**1,980.410**	**17,184**	**16,656**	**2,371**	**50,674**	**824**	**87,709**
Warrants personnel	0	0	0	0	52	0	52
Consolidated result for the financial year	0	0	0	0	59,691	0	59,691
Dividend on shares	0	0	0	0	-3,961	0	-3,961
Actuarial gains and losses (net)	0	0	0	0	104	0	104
Currency translations	0	0	0	0	0	3,973	3,973
On December 31st, 2016	**1,980,410**	**17,184**	**16,656**	**2,371**	**106,560**	**4,797**	**147,568**
On January 1st, 2015	**1,980,410**	**17,184**	**16,656**	**2,371**	**45,572**	**-276**	**81,507**
Warrants personnel	0	0	0	0	52	0	52
Consolidated result for the financial year	0	0	0	0	9,792	0	9,792
Dividend on shares	0	0	0	0	-3,763	0	-3,763
Actuarial gains and losses (net)	0	0	0	0	-979	0	-979
Currency translations	0	0	0	0	0	1,100	-1,100
On December 31st, 2015	**1,980,410**	**17,184**	**16,656**	**2,371**	**50,674**	**824**	**87,709**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

1. Statement of compliance and basis of presentation

The consolidated financial statements of Resilux Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the IASB. The Company has opted not to apply early application of standards and interpretations issued up to December 31st, 2013 with an effective date after December 31st, 2014.

The consolidated financial statements are presented in thousands of Euro and have been prepared under the historical cost basis, and modified for the revaluation of land and buildings, derivative financial instruments and financial assets and liabilities at fair value.

The accounting policies have been applied consistently with the previous year.
The consolidated financial statements are prepared as of and for the period ending December 31st, 2016.
The statements are presented before the effect of the profit appropriation of the parent company to the General Shareholders' Meeting.

2. Principles of consolidation

General

The consolidated financial statements comprise the financial statements of Resilux NV, its subsidiaries and joint ventures, drawn up to December 31st of each year.

Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when Resilux (a) has power over the subsidiary; (b) is exposed to or has the rights to changing income related to its involvement in the subsidiary; (c) has the possibility to use its power in the subsidiary to influence the magnitude of the income from the subsidiary.

Acquisitions of subsidiaries are accounted at in accordance with IFRS 3 'Business Combinations' for business combinations agreed on or after that date.

Joint ventures

Joint ventures are companies in which Resilux NV directly or indirectly holds a significant influence and which are not subsidiaries or joint ventures. This is assumed to be the case when the Group holds at least 50% of the voting rights attached to the shares.

The Financial statements of these companies are prepared in accordance with the same accounting policies used for the Group. The consolidated financial statements contain the share of the Group in the result of associated companies in accordance with the equity method from the day that the joint control or the significant influence is acquired until the day it ends. If the share of the Group in the losses of the associated companies is greater than the carrying amount of the participation, the carrying amount is set at zero and additional losses are recognized only insofar the Group has assumed additional obligations. Participations in associated companies are revalued if there are indications of a possible impairment or of the disappearance of the reasons for earlier impairments.

A list of the Company's subsidiaries and joint ventures is set out in note 2. 'Consolidated companies' on December 31st, 2016.

3. Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).
The consolidated financial statements are presented in Euro, which is the Company's functional and reporting currency.

b) Transactions and balances

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of transaction or at the end of the month before the date of the transaction. At the end of the accounting period the unsettled balances on foreign currency receivables and liabilities are valued at the rates of exchange prevailing at the end of the accounting period. Foreign exchange gains and losses are recognized in the income statement within the period they occur.

c) Financial statements of foreign operations

The Company's foreign operations are considered as foreign entities. Accordingly, assets and liabilities are translated to Euro at the foreign exchange rates prevailing at the balance sheet date. Income statements of foreign entities are translated to Euro at average exchange rates for the period ended. The components of shareholders' equity are translated at historical rates. Exchange differences arising from the transaction of shareholders' equity to Euro at year-end exchange rates are taken to 'Translation reserves' in Capital and Reserves. On disposal of foreign entities accumulated exchange differences are recognized in the income statement as part of the gain or loss on the sale.

4. Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the Company's share of identifiable net assets and contingent liabilities of the acquired subsidiary at the date of acquisition.

Goodwill is expressed in the currency of the subsidiary to which it relates and is translated to Euro using the year-end exchange rate.

Goodwill is stated at cost less accumulated impairment losses.

5. Intangible assets

Intangible assets acquired separately are capitalized at cost. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. (refer accounting policy 14)
Intangible assets acquired as part of a business combination are capitalized at fair value separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortized on a straight-line basis not exceeding 5 years.

6. Research and development costs

Research costs, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed as incurred. Expenditure on development activities whereby research findings are applied to a plan or design for the production of new or substantially improved materials, devices, products, processes and technologies prior to commercial production or use, are capitalized to the extent that it is expected that such assets will generate future economic benefits and the other recognition criteria of IFRS are met. Capitalized development costs are amortized on systematic bases over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable. (refer accounting policy 14).

7. Licenses, patents and similar rights

Expenditures on acquired licenses, patents and similar rights are capitalized and are amortized using the straight-line method over the contractual period, if any.

8. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see accounting principle 14). Land is not depreciated. Costs include purchase price (less any discounts and rebates), import duties, non refundable taxes and any directly attributable costs of bringing the asset to its working condition. Directly attributable costs include, e.g. initial delivery, handling and installation costs and the estimated cost of dismantling and removing the asset and restoring the site. The cost of a self constructed asset is determined using the same principles as for an acquired asset. Subsequent expenditure related to on an item of property, plant and equipment is capitalized when it is probable that it will result in additional future benefits, in excess of the originally assessed standard of performance of the existing asset, and the expenditure can be measured reliably. All other subsequent expenditure is expensed as incurred.

Depreciation is calculated from the date the asset is available for use on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	5 tot 20 jaar
Production machinery	5 tot 10 jaar
Moulds	3 tot 5 jaar
Peripheral equipment	5 tot 10 jaar
Material for quality control	5 jaar
Auxiliary equipment	10 jaar
Silo installation	5 tot 10 jaar
Fire-protection	10 jaar
Furniture	10 jaar
Office machinery	5 jaar
Computer equipment	3 jaar
Vehicles production	5 jaar
Cars	4 jaar
Other tangible fixed assets	underlying asset
Assets under construction	no depreciation applied

Assets direct related to a contract are depreciated in accordance to the specifications stipulated in the related contract.

9. Leases

Finance leases, which effectively transfer to the Group substantially all risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or if lower at net present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the useful life as mentioned under 'property, plant and equipment'
Leases, where the lesser effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the income statement on a straight-line basis over the lease term.

10. Investments

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment (see accounting principle 14).

11. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the weighted average method.

Raw materials and consumables	: cost of purchase on a weighted average base
Finished goods and work-in-progress	: cost of direct materials, labor and a proportion of manufacturing overhead based on normal operating capacity.
Handelsgoederen	: cost of purchase

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

12. Trade and other receivables

Trade debtors and other amounts receivable are shown on the balance sheet at cost less an allowance for doubtful debts. At the balance sheet date, an estimate is made of the bad debts based on the total outstanding amounts. Bad debts are written off during the period in which they are identified.

13. Cash and cash equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, have original maturities of three months or less and are subject to insignificant risk of change in value.

14. Impairment of assets

The carrying amounts of the Company's assets, other than inventories and deferred tax assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of the assets is the greater of net selling price and value in use.
The value in use is determined by the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.
An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, if and only if, there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized.

15. Provisions

Provisions are recognized when the Company has a present obligation (legal or factual) as a result of past events and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

16. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings, are subsequently measured at amortised cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

17. Trade and other payables

Trade and other payables are stated at cost.

18. Employee benefits

Employee benefits are recognized as an expense when the Group consumes the economic benefit arising for service provided by an employee in exchange for employee benefit, and as a liability when an employee has provided service in exchange for employee benefits to be paid in the future. Obligations for the defined contribution plan are recognized as an expense in the income statement as incurred.

In Switzerland, the pension plan is considered as a pension plan of the type 'defined benefit' plan and a provision is made. An independent actuary makes an actuarial valuation of the plan at year-end. The Group recognizes all actuarial gains and losses straight into the statement of other comprehensive income.

Share based payments : The fair value of the warrants granted under the warrant plan of the Group is calculated on the granting day, taking into account the characteristics and conditions at which the warrants are granted. The applied valuation method is in line with generally accepted valuation methods for financial instruments. The valuation method takes into accounts all aspects and assumptions that normal participants with knowledge consider when determining the price. The fair value of the warrants is booked as personnel expense over the period until the beneficiary obtains the warrants unconditionally.

Resilux has a group insurance contract for its employees in Belgium. The new law about occupational pension plans has been published on 18th of December 2015.
This law includes changes that may have an impact on the accounting for defined contribution and defined benefit plans under IAS 19R in Belgium.
The first change relates to the minimum guaranteed return. The new law replaces the 3.25% (employer) and 3.75% (employee) as from 1/1/2016 by 65% of 10-year OLO yield averaged over last 24 months (possibly increased to 75% (1 January 2018) and 85% (2019) if NBB approves) with a minimum of 1.75% and a maximum of 3.75%. For insured plans the current 3.25% and 3.75% remain applicable to pre-2016 contributions. For other plans the new rates also apply to the accumulated pre-2016 contributions as from 1/1/2016 onwards.
Following IAS 19R, this implies that the (so called) Belgian defined contribution plans with a minimum funding guarantee should be accounted for as defined benefit pension plans. Due to the change in law, the Group will no longer use the intrinsic value method as from 2016 onwards. Instead the group will determine the net pension liability in accordance with an actuarial method as required by IAS 19R (Projected Unit Credit Method).
The second change to the law includes an increase of the legal retirement age to 66 year in 2025 and 67 year in 2030. The group does not anticipate a material impact on the pension liability.

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19. Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

20. Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grants relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.
Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset. The grant is recognized as income over the life of the depreciable asset by way of reduced depreciation charge.

21. Derivative financial instruments

Derivative financial instruments are recognized initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The fair values of derivative interest contracts are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument. The fair value of forward exchange contracts is their market price at the balance sheet date.

Derivative financial instruments that are either hedging instruments not designated or not qualified as hedges are carried at fair value with changes in value in the income statement.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in equity.

22. Income taxes

Income tax includes the taxes on the profit or loss for the year and the deferred taxes. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is included directly in the statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

23. New and amended IFRS-standards and IFRIC-Interpretations, effective for financial years starting on January 1st, 2016.

Resilux applied the same IFRS standards as those adopted in the previous years, except for some of the new and amended IFRS standards and IFRIC interpretations applicable for Resilux and effective for the financial year as of 1st January 2016. Resilux has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Annual Improvements to IFRSs 2010-2012 Cycle (issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs 2012-2014 Cycle (issued September 2014), effective 1 January 2016

24. New and amended IFRS-standards and IFRIC-Interpretations, effective for financial years starting after January 1st, 2016.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of Resilux financial statements are disclosed below. Resilux intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions[1], effective 1 January 2018
- Amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial instruments with IFRS 4[1], effective 1 January 2018
- IFRS 9 Financial Instruments, effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers[2], effective 1 January 2018
- IFRS 16 Leases[1], effective 1 January 2019
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative[3], effective 1 January 2017
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses[1], effective 1 January 2017
- Amendments to IAS 40 Investment Property – Transfers of Investment Property[1], effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration[3], effective 1 January 2018
- Annual Improvements to IFRSs 2014-2016 Cycle (issued December 2016)[3], effective 1 January 2017 and 1 January 2018

[1] Endorsed by the EU expected during third quarter 2017.

[2] IFRS 15 including amendments to IFRS 15: Effective date of IFRS 15 has been endorsed by the EU.

2. CONSOLIDATED COMPANIES

Full consolidation

The consolidated financial statements 2016 include the accounts of Resilux NV and its subsidiaries listed in the table below.

Resilux NV	Damstraat 4, 9230 Wetteren RPR Ghent, division Dendermonde BE 0447.354.397	Belgium	100%
Eastern Holding NV	Reukenwegel 40, 9070 Destelbergen RPR Ghent, division Ghent BE 0897.458.153	Belgium	100%
Resinvestment NV	Damstraat 4, 9230 Wetteren RPR Ghent, division Dendermonde BE 0897.468.051	Belgium	100%
Resilux Holding B.V.	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam	Netherlands	100%
Tradetool B.V.	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam	Netherlands	100%
Resilux Ibérica Packaging S.A.u.	Ctra. Nacional 435, KM 99, 06350 Higuera La Real	Spain	100%
Resilux-Volga OOO	Bazovaya Street 12, 156000 Kostroma	Russia (Federation)	100%
Resilux Distribution OOO	Sokolnicheskaya Square 4A, 107113 Moscow	Russia (Federation)	100%
Resilux Schweiz AG	Industrie Ost, 8865 Bilten	Switzerland	100%
Resilux Packaging South Europe A.B.E.E.	Industrial Area of Patras, OT 21 / B2-A5 / 25018 Patras	Greece	100%
Resilux Investment Corporation, Inc.	Orange Street, City of Wilmington 1209, County of New Castle - Delaware 19801	USA	100%
Resilux America, LLC	John Brooks Road 265, Pendergrass, Georgia 30567	USA	100%
Resilux Central Europe Packaging Kft.	Aradi u. 8 5th floor/c 8/10, 1062 Budapest	Hungary	100%
Resilux South East Europe srl.	B-dul Stefan Augustin Doinas n° 47, B1 L4 ScB Ap 4, 310004 Arad	Romania	100%
Resilux Ukraine, LLC	Zhylyanska street 146, 01032 Kiev	Ukraine	100%

3. SEGMENT REPORTING *(in thousands of Euro)*

A segment is a distinguishable component of the Company that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of segments operating in other economic environments.

The geographical segmentation is the basis for the financial reporting of the Company. The Executive Committee following the results of the segments individually to take with regard to allocation of resources and assessing performance decisions. This segmentation is still relevant because the Company, with the exception of Western Europe, almost all sells its products in the region where they are produced. Transfer prices between segments are determined in a manner similar to transactions with third parties.

The segment reporting is in accordance with the management reporting. No additional segmentation has been made because the different activities are related to each other.

Within each segment, there is no single customer representing more than 10% of total revenue.

External customers	61,822	41,578	36,276	30,001	81,597	34,318	34,449	320,041	5,974	326,015
Inter segment	16,195	1,432	215	255	1,808	7	6,506	26,418	-26,418	0
Total turnover	78,017	43,010	36,491	30,256	83,405	34,325	40,955	346,459	-20,444	326,015
Depreciation and amortisation expense	3,604	1,316	709	1,161	3,168	2,832	1,875	14,665	-272	14,393
Operating cash flow (EBITDA)	7,934	6,145	2,815	2,870	36,919	4,136	1,708	62,527	-1,708	60,819
Operating result (EBIT)	4,330	4,829	2,106	1,709	33,751	1,304	-167	47,862	-1,437	46,426
Total assets	166,228	33,994	16,680	24,901	83,769	30,068	23,600	379,240	-123,049	256,191
Total liabilities	74,904	10,947	6,105	17,636	27,595	16,518	14,939	168,644	-60,022	108,622
Investment expenditures tangible and intangible assets	5,150	846	920	2,223	3,454	5,174	2,294	20,061	330	20,391

2015	Western Europe	Spain	Russia	Southern Europe (excl. Spain)	Switzerland	United States	Central Europe	Total segments	Adjustments and eliminations	Consolidated
External customers	59,616	39,767	37,398	30,273	56,287	31,414	36,857	291,612	3,967	295,579
Inter segment	21,127	998	202	500	689	5	3,693	27,214	-27,214	0
Total turnover	80,743	40,765	37,600	30,773	56,976	31,419	40,550	318,826	-23,247	295,579
Depreciation and amortisation expense	3,394	1,521	809	1,156	3,193	2,629	1,883	14,585	-336	14,249
Operating cash flow (EBITDA)	7,899	5,987	3,105	1,835	13,840	3,253	2,763	38,682	-214	38,468
Operating result (EBIT)	4,505	4,466	2,296	679	10,647	624	880	24,097	121	24,219
Total assets (1)	123,596	30,094	12,256	25,317	78,789	29,194	19,282	318,528	-112,817	205,711
Total liabilities	55,741	10,864	5,039	18,882	30,642	16,963	10,311	148,442	-30,167	118,275
Investment expenditures tangible and intangible assets	4,350	861	336	1,735	1,726	5,584	1,442	16,034	-266	15,768
(1) Whereof investment in a joint venture (Airolux AG):	7,196				8,652			15,848		15,848

RESILUX INNOVATIVE PACKAGING

4. GOODWILL *(in thousands of Euro)*

	2016	2015
At cost		
On January 1st	13,685	13,685
On December 31st	**13,685**	**13,685**
Impairment		
On January 1st	0	0
Impairment	0	0
On December 31st	**0**	**0**
Net book value		
On January 1st	13,685	13,685
On December 31st	**13,685**	**13,685**

Goodwill is the difference between the acquisition price of the shareholding and the value of the net assets acquired, revalued according to the consolidated accounting policies of Resilux.
At the setup of the opening balance at January 1st 2004 the transitional measure mentioned in IFRS 1 has been used.

The amount of € 13.7 million refers to the Swiss segment.

Calculations showed that the ecomic value exceeds the net asset value of the segment. The economic value is calculated as the discounted value of the expected cash flows for the next three years. The residual value is determined after three years, taking into account a growth rate of 2%. The used discount rate represents the actual market assesment of the specific risks for the cash generating unit. The discount rate takes into account debt and equity. The cost of the equity is determined by the expected return on investment by the shareholders of the Group. The cost of debt is based upon intrest-bearing loans of the Group. The specific risk of the segment is taking into account by applying individual beta factors. These beta factors are revised every year based upon available public data. The applied weighted average cost of capital is 8.83%.

The cash flow projections are based on the most recent budgets approved by the management. The following years are based on cautious growth in sales volumes with stable margins and constant cost structure. Furthermore, the projections are made with constant commodity prices, interest rates and exchange rates.

Past performance and the expected future market conditions constitute the basis for determining the future cash flows. These cash flows have been prepared by management.

As the economic value is substantially higher than the book value, the management is convinced that a reasonably possible change in a basic assumption does not lead to an impairment.

5. INTANGIBLE ASSETS *(in thousands of Euro)*

	Patents and licences	Other	Total
On December 31st 2015			
Cost or valuation	2,418	3,229	5,647
Accumulated depreciations	1,912	1,870	3,782
Net book amount on December 31st, 2015	**506**	**1,359**	**1,865**
Intangible assets, gross			
Net book amount on January 1st, 2016	2,418	3,229	5,646
- Additions	185	186	370
- Transfers	0	12	12
- Disposals	-122	0	-122
- Foreign currency translations (+)(-)	1	14	15
On December 31st, 2016	**2,482**	**3,440**	**5,922**
Depreciation and impairment			
Net book amount on January 1st, 2016	1,912	1,870	3,782
- Depreciation charge for the year	140	497	637
- Transfers	0	0	0
- Disposals	-63	0	-63
- Foreign currency translations (+)(-)	1	8	9
On December 31st, 2016	**1,989**	**2,375**	**4,364**
Net book amount on December 31st, 2016	**493**	**1,066**	**1,558**

	Patents and licences	Other	Total
On December 31st 2014			
Cost or valuation	2,263	2,895	5,158
Accumulated depreciations	1,769	1,439	3,208
Net book amount on December 31st, 2014	**494**	**1,456**	**1,950**
Intangible assets, gross			
Net book amount on January 1st, 2015	2.263	2.895	5.158
- Additions	151	176	327
- Transfers	0	0	0
- Disposals	0	0	0
- Foreign currency translations (+)(-)	4	158	162
On December 31st, 2015	**2,418**	**3,229**	**5,647**
Depreciation and impairment			
Net book amount on January 1st, 2016	1,769	1,439	3,208
- Depreciation charge for the year	139	437	575
- Transfers	0	0	0
- Disposals	0	0	0
- Foreign currency translations (+)(-)	4	-6	-2
On December 31st, 2015	**1,912**	**1,870**	**3,782**
Net book amount on December 31st, 2015	**506**	**1,359**	**1,865**

The external costs for research and development, which are not capitalised in 2016, amount to € 350.
The external costs for research and development, which are not capitalised in 2015, amount to € 236.

6. PROPERTY, PLANT AND EQUIPMENT *(in thousands of Euro)*

	Land and buildings	Plant and equipment	Furniture and vehicles	Leased fixed assets	Other tangible assets	Assets under construction	Totaal
On December 31st 2015							
Cost or valuation	72,533	162,721	5,376	5,078	1,506	3,272	250,486
Accumulated depreciations	37,241	132,152	4,308	2,388	1,454	0	177,543
Net book amount on December 31st, 2015	**35,292**	**30,569**	**1,068**	**2,690**	**52**	**3,272**	**72,943**
Tangible fixed assets, gross							
On January 1st 2016	72,533	162,721	5,376	5,078	1,506	3,272	250,486
- Additions	2,417	13,931	946	0	0	2,727	20,021
- Transfers	1,037	2,999	7	-896	35	-3,195	-12
- Disposals	-520	-2,149	-391	0	0	-5	-3,064
- Foreign currency translations (+)(-)	1,018	2,864	85	18	2	49	4,037
Op 31 december 2016	**76,485**	**180,367**	**6,024**	**4,201**	**1,543**	**2,850**	**271,468**
Depreciation and impairment							
On January 1st 2016	37,241	132,152	4,308	2,388	1,454	0	177,543
- Depreciation charge for the year	2,583	9,927	527	754	36	0	13,827
- Transfers	0	715	0	-715	0	0	0
- Disposals	-516	-1,600	-386	0	0	0	-2,501
- Foreign currency translations (+)(-)	448	2,221	60	16	2	0	2,747
On December 31st, 2016	**39,756**	**143,416**	**4,510**	**2,442**	**1,491**	**0**	**191,615**
Net book amount on December 31st, 2016	**36,729**	**36,950**	**1,512**	**1,758**	**52**	**2,850**	**78,852**

An amount of € 260 was deducted from capital grants from the acquisitions of realized investments in plant, machinery and equipment.

Regarding rights and commitments not reflected in the balance sheet we refer to note 24.

The financial lease agreements are mainly assets in production machines and equipment. The book value of these leased fixed assets amounts to € 1,758 as per December 31st 2016 and to € 2,690 as per December 31st 2015. These leasing agreements have possibilities to prolong, purchase options but no clauses to adjust the prices.

For a detailed overview of the leasing debts per due date, we refer to note 14.

	Land and buildings	Plant and equipment	Furniture and vehicles	Leased fixed assets	Other tangible assets	Assets under construction	Total
On December 31st, 2014							
Cost or valuation	63,045	148,568	5,338	5,228	1,904	2,969	227,052
Accumulated depreciations	33,056	118,029	4,161	1,841	1,734	0	158,821
Net book amount on December 31st, 2014	**29,989**	**30,539**	**1,177**	**3,387**	**170**	**2,969**	**68,231**
Tangible fixed assets, gross							
On January 1st, 2015	63,045	148,568	5,338	5,228	1,904	2,969	227,052
- Additions	3,984	7,335	395	342	344	3,040	15,440
- Transfers	1,868	2,197	45	-576	-742	-2,792	0
- Disposals	0	-1,897	-504	0	0	0	-2,401
- Foreign currency translations (+)(-)	3,636	6,518	102	84	0	55	10,395
On December 31st, 2015	**72,533**	**162,721**	**5,376**	**5,078**	**1,506**	**3,272**	**250,486**
Depreciation and impairment							
On January 1st, 2015	33,056	118,029	4,161	1,841	1,734	0	158,821
- Depreciation charge for the year	2,538	9,619	505	872	23	0	13,557
- Transfers	0	631	12	-340	-303	0	0
- Disposals	0	-1,372	-461	0	0	0	-1,833
- Foreign currency translations (+)(-)	1,647	5,245	91	15	0	0	6,998
On December 31st, 2015	**37,241**	**132,152**	**4,308**	**2,388**	**1,454**	**0**	**177,543**
Net book amount on December 31st, 2015	**35,292**	**30,569**	**1,068**	**2,690**	**52**	**3,272**	**72,943**

RESILUX INNOVATIVE PACKAGING

7. OTHER FINANCIAL ASSETS *(in thousands of Euro)*

	2016	2015
Other financial assets	17	17
	17	17
Amounts receivable on affiliated enterprises	0	15,848
	0	15,865
The receivable related to loans of the joint venture Airolux AG, reduced by the portion of the result using the equity method after impairment of the investment in Airolux AG.		
In 2016 Resilux has sold the 50% participation in Airolux AG and all loans are repaid by Airolux AG.		
The carrying amounts of the above financial assets are classified as follows:		
Held for trading	17	17
Designated at fair value on initial recognition	0	0
	17	17

The financial fixed assets are valued at original procurement price minus an impairment if necessary.

8. JOINT VENTURES *(in thousands of Euro)*

As of December 31st, 2015 the Group acquired 50% of shares with equal voting rights of Airolux AG, a joint venture established in Switzerland.The joint venture was included in the consolidation according to the equity value.

In 2016 Resilux has sold its 50% stake in Airolux AG and all loans are repaid by Airolux AG.

	2016	2015
Gross receivables Resilux on Airolux	**0**	**36,119**
Net book amount (50%)		
On January 1st, 2015		**-10,972**
Acquisition		0
Results for the financial year		-8,074
Currency translation		661
On December 31st, 2015		**-18,385**
Key figures participation		
Property, plant & equipment		5,153
Intangible assets		1,834
Non-current receivables		24
Current assets		3,905
Non-current liabilities		-27,476
Current liabilities		-1,825
Total net assets		**-18,385**
Turnover		5,880
Net result		-8,074
Condensed cash flow statement		
Operating activities		-5,441
Investment activities		-2,886
Financial activities		7,861
Net change in cash		**-466**
Cash per January 1st		598
Cash per December 31st		132

9. DEFERRED TAX ASSETS – DEFERRED TAX LIABILITIES *(in thousands of Euro)*

	Net		Income statement	
	2016	2015	2016	2015
Non-current assets				
Other assets	0	0	0	0
Property, plant and equipment	-1,618	-1,773	167	511
Intangible assets	-1	5	-4	-51
Non-current receivables	2	0	0	0
Current assets				
Inventories	246	181	57	82
Trade receivables	33	460	-440	347
Other current assets	-436	-402	-59	-88
Non-current liabilities				
Interest-bearing loans and borrowings	1	0	0	40
Provisions	-15	-59	46	-169
Provisions pension	667	646	15	292
Current liabilities				
Trade payables	31	25	-2	14
Other amounts payables	369	361	7	49
Deferred tax on temporary differences	-722	-556	-211	1.026
Other	-15	-15	0	0
Tax values on deferred taxation	-85	-262	177	-118
Tax values on losses	3,502	3,338	72	-151
Foreign currency translations	0	0	1	6
Recognized unrealized results	0	0	-47	-184
Gross tax assets / liabilities	**2,681**	**2,505**	**-8**	**579**

On losses carried forward for an amount of € 10,968 the Group decided not to register any deferred taxes.
This amount includes several amounts that can be carried forward between 5 and 19 years.

10. TRADE RECEIVABLES AND OTHER ASSETS *(in thousands of Euro)*

	2016	2015
Other receivables - long term (*)	1,234	1,556
Trade receivables - short term	40,048	37,003
Trade receivables - provision for impairment of receivables	-3,956	-6,146
Trade receivables - net	**37,326**	**32,413**
VAT receivables	1,167	2,706
Prepaid taxes	90	114
Fair value financial instruments (note 21)	0	6
Other receivables - due within the financial year (*)	563	208
Other receivables	669	1,546
Accruals/deferrals	2,573	2,574
Other assets	**5,062**	**7,153**

(*) Other receivables - long term

Trade receivables are non-interest bearing and have a payment term of 33-120 days.

As per December 31st, 2016 a provision was made for impairment of trade receivables for an amount of € 3,955 (2015: € 6,146).

Movement in the provision for impairment of trade receivables is as follows:

	2016	2015
As per January 1st	**6,146**	**8,726**
Expense of the current financial year	-835	322
Used provisions	-1,385	-3,078
Currency translations	29	176
As per December 31st	**3,955**	**6,146**

Per december 31st 2016	**Total**	**less than 1 year**	**1-5 year**	**more than 5 year**
Other receivables - long term - leasing	1,659	563	1,096	0
Other receivables - long term - non leasing	138	0	138	0
Total	**1,797**	**563**	**1,234**	**0**

It mainly concerns contracts as a lessor for a blowing project in the Spanish and Belgian entities.

The ageing analysis of trade receivables is as follows:

	net book value	not due	due on reporting date				
			overdue less than 30 days	overdue between 31 and 60 days	overdue tussen 61 and 90 days	overdue between 91 and 90 days	vervallen meer dan 120 dagen
2016	**36,092**	**27,016**	5,827	1,219	1,231	507	293
2015	**30,857**	**23,050**	4,090	1,450	551	267	1,449

11. INVENTORIES *(in duizenden Euro)*

	2016	2015
Raw materials	24,432	20,950
Trade goods	701	1,852
Finished goods at cost	27,208	20,325
Write-down	-745	-781
Total inventories	**51,595**	**42,346**

For an inventory amount of € 7,067 guarantees are given.

12. CASH AND CASH EQUIVALENTS *(in thousands of Euro)*

	2016	2015
Cash at bank and in hand	60,946	12,892
Deposits	1,501	1,942
	62,447	**14,834**

There are no investign or financing transactions for which th use of cash or cash equivalents is not required.

13. EQUITY *(in thousands of Euro)*

All shares are fully paid. The share capital is represented by 1,980,410 shares without nominal value, each representing 1/1,980,410th of the share capital.

Revaluation gains are related to the one-off revaluation during the transition to IFRS on January 1st, 2004.

14. INTEREST-BEARING LOANS AND BORROWINGS *(in thousands of Euro)*

Subordinated loans			2016	2015
Non-current subordinated loans			1,276	1,594
Current subordinated loans			318	0
			1,594	**1,594**
Analyses of the subordinated loans as interest rate:	- fixed 8%	1,594		

The subordinated loans can be summarised as follows *(in thousands of Euro)*:
In 2013, the BMI granted a subordinated loan to Resilux NV for an amount of € 1,500.
Until 2015 a part of the interest was added to the capital.

Non-current liabilities	2016	2015
Non-current financial debts	29,859	35,405
Finance lease liabilities	870	1,680
	30,729	**37,085**
Current liabilities	**2016**	**2015**
Current financial debts	5,951	5,902
Finance lease liabilities	663	813
Financial debts less than one year	2,786	4,189
	9,400	**10,904**

	6 months or less	6-12 months	1-5 years	Over 5 years	Total
At December 31st, 2016					
Financial debts	1,977	3,974	19,244	10,615	35,810
Finance lease liabilities	330	333	870	0	1,533
Total long term financial debts	**2,307**	**4,306**	**20,114**	**10,615**	**37,343**

Analysis of long-term financial debts as to currencies:

	2016
EUR	24,062
USD	13,281
	37,343

Analysis of long-term financial debts as to interest rate:

	2016
- fixed (1.75% - 3.764%)	25,968
- variable, swapped into fixed (0.8% - 1.5725%)	11,375
- variable limited by cap agreements (note 21)	**37,343**

Analysis of financial debt less than one year as to currencies:

	2016
RUB	2,786
	2,786

Note 24 includes information relating to rights and commitments.

15. TRADE PAYABLES AND OTHER LIABILITIES *(in thousands of Euro)*

Long term trade and other payables	2016	2015
Trade payables	1,207	1,541
Other payables	0	0
	1,207	**1,541**

Current trade and other payables	2016	2015
Trade payables	45,394	50,235
Other long-term liabilities due within one year	633	502
Other liabilities	3,530	3,371
Derivatives (note 21)	1,206	1,128
Accrued expenses	5,693	3,364
	56,457	**58,600**

Trade payables per December 31st, 2016 are expected to be paid in the first quarter of 2017.

Other payables - long term

On december 31st 2016	Total	less than 1 jaar	1-5 year	more than 5 years
Other payables - long term	1,840	633	821	386
Total	**1,840**	**633**	**821**	**386**

These are primarily interest-free loans to Resilux Ibérica, awarded by the Ministerio de Industria, Turismo y Comercio and the Centro para el Desarrollo Tecnológico Industrial.

16. PROVISIONS *(in thousands of Euro)*

	Onerous contract	Disputes	Pension & similar rights	Total
On January 1st, 2016	**15**	**535**	**4,017**	**4,567**
Additional provisions	26	0	272	618
Unused amounts reversed	0	0	-91	-91
Used provisions	0	-137	0	-137
Foreign currency translations	0	2	35	36
On December 31st, 2016	**41**	**400**	**4,198**	**4,674**

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Pensions and similar rights

The supplementary pension plan for employees in general consists of defined contribution arrangements.
The costs of the premiums paid are entered in the profit and loss account under remuneration, labour-related contributions and pensions. The contributions are managed by an insurance company responsible for the guaranteed return on the contributions of the employer and of the employees. As well as per December 31st 2016 and as per December 31st 2015, these returns were met and as a result no obligation is included in the balance sheet.

Resilux has a group insurance contract for its employees in Belgium. The new law about occupational pension plans has been published on 18th of December 2015. This law includes changes that may have an impact on the accounting for defined contribution and defined benefit plans under IAS 19R in Belgium.
The first change relates to the minimum guaranteed return. Following IAS 19R, this implies that the (so called) Belgian defined contribution plans with a minimum funding guarantee should be accounted for as defined benefit pension plans. Due to the change in law, Resilux will no longer use the intrinsic value method as from 2016 onwards. Instead the group will determine the net pension liability in accordance with an actuarial method as required by IAS 19R (Projected Unit Credit Method).
The second change to the law includes an increase of the legal retirement age to 66 year in 2025 and 67 year in 2030. The group does not anticipate a material impact on the pension liability.

Because of the first time application of IAS 19R for the Belgian pensions, the tabel with the different components of the net expenses in the income statement, the funding status and the amounts included in the balance sheet have been included seperately.

Defined benefit pension	2016
Amounts stated in the balance sheet	
Net receivables (-liabilities)	-356
Defined benefits obligation (-)	-2,160
Fair value of plan assets	1,804
Receivables (-liabilities) under the defined benefit pension schemes, total	
Liabilities (-)	-2,160
Assets	1,804
Movements in the net asset (liability) stated in the balance sheet	
Net asset (liability) stated in the balance sheet, **opening balance**	0
Net expenses recognized income statement	-148
Net expenses recognized in other comprehensive income statement	-317
Contributions by employer / employee	109
Net receivables (-liabilities) stated in the balance sheet, **closing balance**	-356
Net expenses recognized in the income statement	
Current service costs	140
Interest expenses on defined benefit obligation	13
Interest income on plan assets (-)	-11
Administration cost excluding cost for managing plan assets	6
Net expenses stated in the income	148
Net expenses recognized in the other comprehensive income	
Actuarial gains / losses	-121
Of which: actuarial (gains) / losses arising from financial assumptions	-60
Of which: actuarial (gains) / losses arising from demographic assumptions	0
Of which: experience (gains) / losses	-49
Return on plan assets, excluding interest income	-12
Net expenses stated in the unrealized results	-121

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	2016
Movements in liabilities of the defined benefit pension schemes	
Obligations of the defined benefit pension plans, **opening balance**	0
Current service cost	-140
Interest expenses	-13
Contributions by employee	-30
Payments to (+) / deposits of benefits (-)	0
Actuarial gains / losses, net	-1,991
Administration cost excluding cost for management plan assets	0
Taxes	14
Obligations of the defined benefit pension plans, **closing balance**	-2,160
Movements in plan assets	
Fair value of plan assets, **opening balance**	0
Interest income on plan assets	11
Return on plan assets, excluding interest income	0
Contributions by employer / employee	139
Payments to beneficiaries (-)	0
Administration cost	-14
Benefits (paid) / deposited	-6
Revaluations	12
Other increases through income	1,662
Fair value of plan assets, **closing balance**	1,804
Principal actuarial assumptions	
Discount rate at 31.12	1,40%
Expected rate of salary increases	2,25%-3,05%
Applied mortality tables	NVT
Average duration of the defined benefit pension plans in years	**16,2**
Sensitivity analyses	
Obligation of defined benefit pension plans at 31.12	
Discount rate	
Increase by 25 basis points	2,069
Decrease by 25 basis points	2,260
Expected rate of salary increases	
Increase by 25 basis points	2,185
Decrease by 25 basis points	2,135
Life Expectations	
Increase life expectancy by one year	2,160
Decrease life expectancy by one year	2,160
Other information	
Expected contribution in the next financial year	220
Actual return on plan assets	0,69%

In Switzerland, the pension plan is considered as a 'defined benefit pension plan' for which a provision is booked. The pension plan is in accordance with the labor laws in Switzerland. Swiss pension funds are legally independent from the employer. Therefore, the Swiss pension plans are foundations. The pension plan is under Swiss Labour Law. The contributions are paid to a separately managed fund. Swiss pensionfunds are independent of the employer and are therefore considered as foundations. The management consists of an equal number of representatives of employer and employess. The management is -responsible for the management of the funds and the determination of the investment policy.
The pension funds are financed by both contributions of the employer and the employees.

The invested funds consist of cash and cash equivalents and consequently Resilux is not exposed to significant investment risks.

The following tables show the various components back of the net charge in the income statement, the funding status and the amounts recognized in the balance sheet.

Defined benefit pension - Switzerland	2016	2015
Amounts stated in the balance sheet		
Net receivables (-liabilities)	-3,687	-3,874
Defined benefits obligation (-)	-12,761	-12,247
Fair value of plan assets	9,074	8,372
Receivables (-liabilities) under the defined benefit pension schemes, total		
Liabilities (-)	-12,761	-12,247
Assets	9,074	8,372
Movements in the net asset (liability) stated in the balance sheet		
Net asset (liability) stated in the balance sheet, **opening balance**	-3,874	-2,342
Currency effects	-34	-257
Net expenses recognized income statement	-630	-622
Net expenses recognized in other comprehensive income statement	411	-1,106
Contributions by employer / employee	440	453
Net receivables (-liabilities) stated in the balance sheet, **closing balance**	-3,687	-3,874
Net expenses recognized in the income statement		
Current service costs	556	532
Interest expenses on defined benefit obligation	126	193
Interest income on plan assets (-)	-96	-146
Administration cost excluding cost for managing plan assets	43	42
Net expenses stated in the income	630	622
Net expenses recognized in the other comprehensive income		
Actuarial gains / losses	398	-1,089
Of which: actuarial (gains) / losses arising from financial assumptions	-173	-881
Of which: actuarial (gains) / losses arising from demographic assumptions	533	0
Of which: experience (gains) / losses	38	-208
Return on plan assets, excluding interest income	13	0
Net expenses stated in the unrealized results	411	-1,089

	2016	2015
Movements in liabilities of the defined benefit pension schemes		
Obligations of the defined benefit pension plans, **opening balance**	-12,247	-9,491
Currency effects	-109	-1,042
Current service cost	-556	-532
Interest expenses	-126	-193
Contributions by employee	-440	-453
Payments to (+) / deposits of benefits (-)	363	595
Actuarial gains / losses, net	398	-1,089
Administration cost excluding cost for management plan assets	-43	-42
Obligations of the defined benefit pension plans, **closing balance**	-12,761	-12,247
Movements in plan assets		
Fair value of plan assets, **opening balance**	8,372	7,149
Currency effects	76	784
Interest income on plan assets	96	146
Return on plan assets, excluding interest income	13	-17
Contributions by employer / employee	881	905
Benefits (paid) / deposited	-363	-595
Fair value of plan assets, **closing balance**	9,074	8,372
Principal actuarial assumptions		
Discount rate at 31.12	1,10%	2,00%
Expected rate of salary increases	0,75%	1,00%
Applied mortality tables	BVG2015 GT	BVG2010 GT
Average duration of the defined benefit pension plans in years	**17,2**	**18,9**
Sensitivity analyses		
Obligation of defined benefit pension plans at 31.12		
Discount rate		
Increase by 25 basis points	11,107	11,740
Decrease by 25 basis points	12,095	12,797
Expected rate of salary increases		
Increase by 25 basis points	11,651	12,327
Decrease by 25 basis points	11,510	12,167
Other information		
Expected contribution in the next financial year	11,760	12,437
Actual return on plan assets	11,402	12,056
Other information		
Expected contribution in the next financial year	911	886
Actual return on plan assets	1,07%	1,15%

The provision for pension & similar rights also includes a specfic labour-related liability related to the plant in Greece for an amount of € 189.

17. OTHER OPERATING INCOME (EXPENSE) *(in thousands of Euro)*

Other operating income	2016	2015
Grants	72	39
Insurance reimbursement	82	1,008
Gains on disposal fixed assets	204	84
Other operating income	27,886	2,512
	28,244	3,643
Other operating expenses	**2016**	**2015**
Provision exeptional liabilities & charges	0	81
(Gains) / losses on trade receivables	-835	322
Loss on disposal of fixed assets	12	38
Other operating expenses	996	1,076
	173	1,517

18. EMPLOYEE BENEFIT EXPENSE *(in thousands of Euro)*

	2016	2015
Wages and salaries	25,071	23,829
Social security costs	5,331	5,125
Warrants personnel	52	52
Pension costs - defined contribution plans	270	239
Other personnel expenses	3,393	3,294
Total personnel charges	**34,117**	**32,539**
Average workforce	**638**	**593**
Workers	370	337
Employees	269	256

In 2013, the Board of Directors made the decision to issue a warrant plan. The stock option plan provides for the grant of warrants on Resilux shares. Each warrant gives the right to subscribe to one Resilux NV share. The warrants may be exercised during the months of April 2017 and October 2017.

No warrants were granted, exercised or expired in 2016.

The following table illustrates the number and weighted average exercise price (WAEP) of warrants during the year, and the changes during the year:

	Aantal	GGUP
Outstanding at January 1st	€ 44,450	€ 62.22
Granted during the year	-	-
Expired during the year	-	-
Exercised during the year	-	-
Closed during the year	-	-
Outstanding at December 31st	€ 44,450	€ 62.22
Exercisable at December 31st	-	-

The average remaining term of the warrants on December 31st, 2016 is 0.58 years.

19. FINANCE INCOME (EXPENSE) *(in thousands of Euro)*

	2016	2015
Interest income	1,035	1,560
Net foreign exchange results	6,972	6,502
Other finance income	396	559
	8,403	**8,621**
Interest expenses	2,266	2,582
Interest expenses financial leasings	50	76
Net foreign exchange results	6,599	7,269
Fair value financial instruments (note 21)	73	17
Other finance expenses	797	1,213
	9,785	**11,157**
Finance income - expenses (net)	**-1,382**	**-2,536**

20. INCOME TAXES *(in thousands of Euro)*

	2016	2015
Current income taxes	-4.229	-4.396
Deferred income taxes	-8	579
Total taxes	**-4.237**	**-3.817**
Average actual rate	9,41%	17,60%
Current income before taxes	**45.044**	**21.683**
Theoretical tax rate (tax rate mother company)	33,99%	33,99%
Theoretical taxes related to current income before taxes	-15.310	-7.370
Non-deductible expenses	-217	-218
Permanent differences	0	25
Change of tax rate	118	191
Use of tax assets, not recognised in prior years	97	77
Effect of the difference between actual and theoretical tax rate	2.039	2.459
Tax adjustments related to prior periods	-172	59
Fiscal exemptions (1)	8.896	640
Non capitalisation of tax losses	0	0
Capitalisation of tax losses from the past	312	322
Income taxes	**-4.237**	**-3.817**

(1) This amount mainly includes the tax exemption on the capital gain realized from selling the shares of the joint venture Airolux AG by Resilux

21. DERIVATIVE FINANCIAL INSTRUMENTS

Foreign currency risk

With regard to exchange rates, Resilux has a policy of passive hedging per production unit.
This means that the net exchange rate flows are charged to each production unit and if necessary derivatives are used for this purpose. The Group's most important currencies are the Euro, the American dollar, the Swiss franc, the Hungarian forint, and the Russian rouble. In accordance with the accounting policies, the balances of foreign-currency creditors and debtors are converted at the exchange rate applicable on that date. Financial derivatives to cover the net exchange rate flows are valued at their market value. Exchange rate results on creditors and debtors and changes to the market value of the financial instrument are entered in the results for the period in which they occcur. The results of one financial instrument concerns one particular transaction and are immediately recognized in equity.

Resilux had the following outstanding exchange contracts on 31/12/2016:

Sales USD 500.000 for HUF 144.225.222,11
Purchases EUR 25.000.000 for CHF 26.925.000,40
Purchases EUR 6.500.000 for HUF 1.917.188.425,94

Estimated sensitivity to currency fluctuations *(in thousands of Euro)*

The results of the Company are reported in Euro, which means that the financial positions of foreign currencies are recalculated to the Euro.

The used foreign currencies for recalculations are USD, RUB, CHF and HUF.

A decrease of 10% of the conversion rate towards the used rate for 2016 would have an affect on the operational result as follows: for the USD -119, for the RUB -199, for the CHF -3,068 and for the HUF +15.

A decrease of 10% of the translation rate towards the used rate for 2016 would have the following affect on the currency translation in the equity: for the USD -1,232, for the RUB -184, for the CHF -3,807 and for the HUF -790.

With regard to the exchange rate policy we refer to foreign currency risk.

Interest rate risk

According to the riskmanagement policy of the Group, generally between 75% and 100% of all transactions is covered. The hedgings do not always happen immediately for 100% but can also be made gradually for a longer period.

The following contracts were entered into to cover the aformentioned risks: *(in thousands of Euro)*

- There ar no Cap contracts.
- Interest rate swap contracts for an amount of € 24,125, covered at 5 to 10 year with interest rates between 0.8% and 1.73%

The aforementioned contracts are treated in the financial statements as trading instruments and are consequently valued at market value. The changes to the financial instruments are entered in the profit and loss account.

On December 31st, 2015 Resilux had the following financial instruments valued at fair value *(in thousands of Euro)*:

	2016	2015
Assets valued at fair value		
Foreign exchange contracts	7	9
Liabilities valued at fair value		
Foreign exchange contracts	-48	-3
Interest swaps	-1,165	-1,128

Regarding the valuation technique used to measure the fair value; the used technique corresponds to 'level 2' in which the different levels and related valuation techniques are defined as follows:

- Level 1: quoted (and unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: other techniques for which all inputs which have a significant impact on the recorded fair value are observable (directly or indirectly);
- Level 3: techniques using inputs with a significant impact on the fair value and for which no observable market data are available.

Price risk

As is well known, Resilux and other preform suppliers pass on fluctuations in raw material prices to their customers at the applicable market rates. There is thus mainly a timing risk here between purchase and sale.

Credit risk

The Company has a number of corporate policy provisions for the credit risk relating to trade debtors. Ways in which Resilux manages its credit risks include customer diversification, by strictly monitoring credit limits and periods, and by continuously screening the creditworthiness of the parties with which it deals. Furthermore, the credit risk for most of the external clients is covered by a credit insurance.

22. OPERATING LEASES *(in thousands of Euro)*

	2016	2015
Non-cancellable operating leases are payable as follows:		
Less than one year	35	121
Between one and five years	69	23
More than five years	0	0
	104	**143**
Expenses in income statement	616	398

Non-cancellable operating leases mainly relate to leases of factory facilities, offices, production machinery and equipment. In 2016, € 280 was recognized as an expense in the income statement in respect of operating leases of factory facilities, offices, production machinery and equipment. (2015: € 398).

23. KEY FIGURES PER SHARE *(in Euro)*

based on the average amount of shares	2016	2015
Operating cash flow	30.71	19.42
Operating result	23.44	12.23
Net profit Group share	20.61	9.02
Net result after result based on the equity method	30.14	4.94
Number of shares	1,980,410	1,980,410
Proposed gross dividend per share	2.00	2.00
Total dividend *(in thousands of Euro)*	3,961	3,961

based on the diluted amount of shares	2016	2015
Operating cash flow	30.04	19.00
Operating result	22.93	11.96
Net profit Group share	20.15	8.82
Net result after result based on the equity method	29.48	4.84
Number of shares	2,024,860	2,024,860

24. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET *(in thousands of Euro)*

Resilux has provided the following collateral to guarantee debts:

Subscription amount of the collateral:	118,552
Outstanding debt for which collateral has been provided:	32,876
Amount of the actual mortgage:	29,076
Outstanding debt:	23,281
Amount of proxy to mortgage:	18,483
A private mandate to pledge business assets:	36,265
Outstanding debt:	9,595
Shares pledged:	34,727
Outstanding debts:	2,095
Net book value of the assets for which collateral has been provided:	45,764

Concerning the personal guarantees in favour of the companies within the Group, we refer to the statutory annual accounts of Resilux NV.

25. RELATED PARTY TRANSACTIONS

The related parties of Resilux Group consist of subsidiaries, management and directors.

Non-executive Directors

In 2016, the following fees were attributed to the non-executive directors:

FVDH BVBA, with permanent representative Francis Vanderhoydonck	€ 15,000.00
Guido Vanherpe BVBA, with permanent representative Guido Vanherpe	€ 15,000.00
LVW INT. BVBA, with permanent representative Dirk Lannoo	€ 15,000.00
CVD BVBA with permanent representative Chris Van Doorslaer	€ 15,000.00
Alex De Cuyper (provision of a car and a mobile phone)	€ 8,923.56

Remuneration of members of the Executive Committee, with the exception of the main representatives of the executive management
The members of the Executive Committee, with the exception of two main representatives of the executive management, were paid a total remuneration of € 1,304,077.74 in financial year 2016.

These amounts include:

Basic salaries (gross): € 1,154,763.41
Contributions to the pension scheme / group insurance: € 79,497.44
Other components: benefits in kind and representation allowances: € 69,816.69

Remuneration of Executive Committee members, main representatives of the executive management
Because of the fact that the executive functions that both Dirk De Cuyper as Peter De Cuyper at the head of the Resilux Group exert are similar but complementary, they are both regarded as principal representatives of the executive committee / executive management and the amounts of remuneration and other benefits to be granted to them are stated on a joint manner.

The two main representatives of the executive management received a remuneration amounting to € 1,250,184.83 in financial year 2016.

These amounts include:

Basic allowances: € 1,213,832.12
Other components: € 36,352.71

In 2016, an exceptional one-off and discretionary fee of € 900,000 (company cost) was also granted to each of the two main representatives of the executive management for the exceptional results achieved in 2016 in respect of the Company for the extraordinary performance achieved by the two main representatives in the framework of the process of exit from the joint venture Resilux Airolux.

The composition of the Executive Committee is explained in the Corporate Governance Declaration. (Page 24).

26. AUDITOR AND RELATED PERSONS *(in thousands of Euro)*

Fee for the auditor BCVBA Ernst & Young Bedrijfsrevisoren for all companies:

Within the Group	267

Fee for exceptional services of special assignments performed within the Company by the Auditor:

Other tasks not part of the legally defined auditing tasks	85

27. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On February 3, 2017, Bain Capital has announced that it is considering a potential voluntary and conditional public takeover bid for the shares and warrants of Resilux NV. On the same day Resilux announced that the potential bid is supported by the founding family shareholders of Resilux and the Board of Directors of Resilux intends to support the potential bid.

On February 20, 2017, Bain Capital has announced that it is in talks regarding the possible acquisition of Petainer, a private company operating in the same sector as Resilux. Bain Capital has signed agreements in principle with the controlling shareholder of Petainer and intends to combine Petainer with the Resilux Group.

On March 28, 2017, Bain Capital has announced that they will not proceed with the acquisition of Resilux NV.
Bain Capital has made this decision because she was informed by the German competition authority of the fact that the proposed joint acquisition of Resilux NV and Petainer did not obtaine the approval in a Phase I study and should be subject to a Phase II research, which would complicate the combined acquisition in the context of the required timing for a delisting of Resilux NV.

After the end of the year there have been no other significant events which are of a nature to influence the results of the company significantly.

IFRS COMMENTS FOR 2016 COMPARED TO 2015

Assets *(in thousands of Euro)*

Goodwill (€ 13,685)

Goodwill is the difference between the purchase price of the shareholding and the value of the net assets acquired, revalued according to the consolidated accounting policies of Resilux. The amount of € 13.7 million entirely relates to the Swiss operations.

Intangible fixed assets (€ 1,558)

Intangible fixed assets mainly consist of externally procured development technology, as well as patents and licences for preforms.

Tangible fixed assets (€ 79,852)

During the financial year, an additional net amount of € 19.5 million was invested in tangible fixed assets. This includes mainly investments in additional production capacity and new production tools. During 2016 an amount of € 0.3 million of grants was deducted from the acquisitions. The net investment in 2015 was € 14.9 million.

The depreciation on tangible fixed assets was € 13.8 million and mainly related to production technology.

Other financial assets (€ 17)

This amount included per December 31st, 2016 mainly the receivable Resilux had on the joint venture Airolux AG. In 2016 Resilux has sold the 50% participation in the joint venture Airolux AG. After the sale, all the funding provided by Resilux were fully repaid by the joint venture.

Deferred taxes (€ 4,649)

Deferred taxes are calculated on temporary differences between the book value of the assets and liabilities in the balance sheet and their tax value. The deferred tax is booked to the asset or liability according to the net position per fiscal unit. Deferred taxes are mainly caused by differences in depreciation rates for tangible fixed assets, and tax losses that can be carried forward.

Long term receivables (€ 1,234)

This amount covers mainly contracts as lessor for different blowing projects.

Stocks (€ 51,595)

The total stock (including advance payments) increased by € 9.2 million or 21.8% with respect to the previous financial year. The total stock of raw materials increased by € 3.4 million and the stocks of finished products and trade goods increased by € 5.8 million. This increase is a combination of increased volumes en decreased raw material prices.

Trade debtors (€ 36,092)

The total amount of trade debtors decreased by € 5.2 million. This is the result of the increase of volumes sold partly compensated by decreased raw material prices. The average number of days outstanding in the Group for trade debtors remained stable.

Other assets (€ 5,062)

The main items under other assets are VAT to be reclaimed, other receivables and costs to be carried forward.

Cash at bank and in hand (€ 62,447)

For an explanation of the change in the cash at bank and in hand and short term investments, please refer to the cash flow statement in this annual report on page 64.

Liabilities *(in thousands of Euro)*

Capital (€ 17,184) / Share premium (€ 16,656)

The share capital is € 17.2 million, represented by 1,980,410 shares without nominal value. The capital is fully paid-up.

The history of the capital is as follows:

Date	Type of operation	Amount of the capital (in Euro)	Number of shares
05/05/1992	Formation	123.947	500
02/11/1993	Capital increase	545.366	2.200
27/06/1995	Capital increase	3.197.826	3.642
16/06/1997	Capital increase	4.268.726	4.362
04/09/1997	Shares split by 325	4.268.726	1.417.650
03/10/1997	Capital increase / stock exchange entry	15.423.935	1.777.650
24/12/1998	Capital increase	16.235.717	1.871.210
19/11/1999	Capital increase	16.236.000	1.871.210
19/12/2006	Capital increase	17.183.856	1.980.410

Consolidated reserves (€ 108,931)

The consolidated reserves on December 31st, 2016 were as follows:

Reserves carried forward on December 31st, 2015	53,045
Warrants personnel	52
Consolidated profit for the financial year	59,691
Dividend paid	3,961
Actuarial gains / losses (net)	104
Total consolidated reserves on December 31st, 2016	**108,931**

Foreign currency translations (€ 4,979)

The effect of the conversion of foreign shareholdings in the consolidation to Euro had a positive effect of € 4.0 millon on the capital and reserves. The currency translations on December 31st, 2015 were € 0.8 million.

Subordinated loans long term (€ 1,276) and short term (€ 318)

The BMI (Belgische Maatschappij voor Internationale Investering) has in 2013 granted a new subordinated loan to Resilux NV for a total amount of € 1.5 million. Until 2015 a part of the interest was added to the outstanding capital.

Interest-bearing financial liabilities long term (€ 30,729) and short term (€ 9,399)

The long term financial liabilities decreased by € 6.4 million with respect to 2015. The short term debts (including the current portion of debts payable after one year) decreased by € 1.5 million.

For a further explanation of the change in the debts, we refer to the cash flow statement on page 64 of this report.

Current assets less current liabilities increased per December 31st, 2016 by € 62.3 million to € 86.4 million. December 31st, 2015 the current assets less current liabilities was € 24.1 million.

Provisions (€ 4,674)

The total amount of provisions increased by € 0.1 million and includes mainly the net obligation for the defined benefit pension plan.

Deferred taxes (€ 1,968)

Deferred taxes are calculated on temporary differences between the book value of the assets and liabilities in the balance sheet and their tax value. The deferred tax is booked to the asset or liability according to the net position per fiscal unit. Deferred taxation on assets mainly comes from different depreciation rates for tangible fixed assets, and tax losses that can be carried forward.

Trade creditors (€ 45,394)

Trade creditors decreased by € 4.8 million or 9.6% compared to the previous year. The is explained by lower amounts payables to suppliers of raw materials per December 31st 2016 compared to December 31st 2015.

Taxes (€ 2,594)

In 2016 this section consisted mainly of income tax payable in Switzerland, Belgium and Spain. In 2015 the amount payable was € 1.6 million.

Other liabilities long term (€ 1,207) and short term (€ 11,063)

The long term liabilities relate to a loan of the Ministry of Industry in Spain and an outstanding amount payable to BMI. This section of the short term liabilities contains debts relating to remuneration and labour-related contributions, and also accrued costs and interest and income to be carried forward.

Income statement *(in thousands of Euro)*

Operating income (€ 326,015)

The operating income increased by 10.3% compared to the previous financial year. The turnover in 2016 increased compared to the previous financial year by 0.7% and amounts € 293.7 million. This is the result of an increase of the volumes sold by 5.9% and of lower average raw material prices.

The change in stocks of finished products in 2016 was € 4.1 million. In the financial year 2015 there was a increase in stocks of finished products by € 0.4 million.

For further information, we refer to the operations report earlier in this report, where we mention that added value is a better parameter for Resilux as a result of fluctuations in PET prices being passed on to the customer.

The other operating income amounts to € 28.2 million compared to € 3.6 million in 2015. This amount includes the capital gain realised on the sale of shares in the joint venture Airolux AG for an amount of € 25.0 million. Alos included are gains on sale of tangible fixed assets, costs charged to Airolux AG, received compensation for claims and other operating income.

Operating charges (€ 279,589)

The decrease compared to the previous financial year was € 8.2 million.

The total cost of goods purchased for resale, raw materials and consumables increased by € 1.2 million. This increase is the result higher production volumes in line with the sold volumes.

The total amount of services and other goods and other costs increased by € 5.7 million. The major part of this increase (€ 5.0 million) can be explained by advisers costs and compensations in relation to the sale of the shares in the joint venture Airolux AG. Furthermore the increased is explained by higher production volumes.

Total remunerations costs have increased by € 1.6 million.

The depreciation and amortisation expenses increased by € 0.2 million. The depreciations on fixed assets increased by € 0.3 million, the provisions for inventories decreased by € 0.1 million.

Net financial result (€ -1,382)

The net financial result increased from € -2.5 million to € -1.4 million. The net interest expenses decreased by € 0.2 million. In 2015, the exchange results were negative for € -0.8 million whereas in 2016 these exchange results were positive for € 0.4 million. The total net financial result amounts to € -1.4 million.

Taxes (€ -4,237)

The total income taxes payables amount to € -4.2 million. The movement in deferred taxes is close to zero.

Result based upon the quity method (€ 18,884)

The result based upon the equity method amounts in 2016 to € 18.9 million compared to € -8.1 million in 2016. This results relates to the in 2010 established joint venture Airolux AG. As a result of the sale of the shares of the joint venture Airolux AG, the cumulated historical losses have been reversed via the equity method. These losses were prior to the sales deducted from the funding to Airolux AG. All funding was repaid in 2016 to Resilux.

Cash flow statement *(in thousands of Euro)*

The cash flow statement has been drafted after the conversion of the balance sheet per December 31st, 2015 at closing rate per December 31st, 2016.

The cash flow statement shows a gross operating cash flow during the financial year of € 43.9 million, compared to € 37.3 million in 2015. This is mainly explained by an increase of the profit before taxes by € 22.2 million and an increase of the total net working capital in 2016 by € 13.6 million. This increase of the net working capital is the result of an increase in stocks (€ 8.0 million), an increase of the trade debtors (€ 3.9 million), a decrease in trade creditors (€ 5.6 million) and a decrease in other working capital (€ 3.9 million).

The financial resource requirement for investment operations was € 16.5 million. The gross investments in tangible and intangible fixed assets amount to € 20.7 million compared to € 15.8 million in 2015. The net repayment of the funding of the Joint Venture Airolux AG amounts to € 36.1 million in 2016 compared to a funding of € 13.1 million in 2015.

During 2016 the net cash flow from financing activities was € -12.9 million compared to € -3.4 million in 2015. In 2016 a dividend was paid of € 4.0 million and an amount of € 9.0 million was repaid.

On balance, during the financial year, there was an increase in cash at bank and in hand after currency effects by € 47.4 million, compared to an increase of € 5.6 million in 2015.

STATUTORY AUDITOR'S REPORT *(Free translation from the Dutch original)*

to the general meeting of the company Resilux NV for the year ended 31 December 2016

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2016, the consolidated statement of the realized and non-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2016 and the notes (all elements together "the Consolidated Financial Statements"), and includes as well our report on other legal and regulatory requirements.

Report on the Consolidated Financial Statements - Unqualified opinion

We have audited the Consolidated Financial Statements of Resilux NV ("the Company") and its subsidiaries (together "the Group") as of and for the year ended 31 December 2016, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated balance sheet total of € 256.191 thousand and of which the consolidated income statement shows a profit for the year of € 59.691 thousand.

Responsibility of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISAs") as they were adopted in Belgium. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Group as at 31 December 2016 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements.

- The Board of Director's report to the Consolidated Financial Statements includes, both in form and in substance, the information required by law, is consistent with the Consolidated Financial Statements and does not contain any material inconsistencies with the information that we became aware of during the performance of our mandate.

Ghent, April 7th 2017

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Paul Eelen
Vennoot*
* Acting on behalf of a BVBA/SPRL

ABRIDGED STATUTORY ANNUAL ACCOUNTS OF RESILUX NV 2016

The statutory annual accounts of the Resilux NV Company are presented in an abridged form. In accordance with the Royal Decree of January 30th, 2001 in execution of the Companies Act, these annual accounts, the annual report and the report of the Auditor are submitted to the National Bank of Belgium.

The Auditor has issued a report without reservations.

The full version of the statutory annual account, as well as the accompanying reports, are available on the Company's website as from April 19th, 2017. On request, a copy of these documents can be obtained free of charge at the Company's registered seat.

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

Assets *(in thousands of Euro)*	2016	2015
FIXED ASSETS	**89,138**	**95,480**
Intangible fixed assets	**574**	**582**
Tangible fixed assets	**10,486**	**8,781**
Land and buildings	2,309	2,211
Installations, machinery and equipment	5,374	4,100
Furniture and vehicles	664	493
Leasing and other similar rights	360	1.060
Other tangible assets payments	28	0
Assets under construction and advance payments	1,751	917
Financial fixed assets	**78,078**	**86,117**
Affiliated enterprises	77,983	78,826
Shareholdings	77,983	77,983
Receivables	0	843
Companies with which there is a shareholding relationship	17	7.213
Shareholdings	17	17
Receivables	0	7.196
Other financial fixed assets	78	78
Accounts receivable and cash guarantees	78	78
CURRENT ASSETS	**70,825**	**21,751**
Accounts receivable after more than one year	**475**	**696**
Other accounts receivable	475	696
Stocks and contracts in progress	**12,951**	**12,584**
Stocks	12,951	12,584
Raw materials and consumables	6,777	5,788
Finished goods	5,328	4,171
Goods purchased for resale	846	627
Advance payments	0	1,998
Accounts receivable within one year	**10,938**	**6,126**
Trade debtors	4,159	5,107
Other accounts receivable	6,779	1,019
Cash at bank and in hand	**45,942**	**1,870**
Accrued charges and deferred income	**519**	**475**
TOTAL ASSETS	**159,963**	**117,231**

RESILUX
INNOVATIVE PACKAGING

Liabilities *(in thousands of Euro)*	2016	2015
CAPITAL AND RESERVES	**83,943**	**60,218**
Capital	**17,184**	**17,184**
Issued capital	17,184	17,184
Share premium account	**16,656**	**16,656**
Reserves	**3,371**	**2,679**
Legal reserve	1,718	1,718
Untaxed reserve	1,653	961
Profit / loss brought forward	**46,721**	**23,632**
Investment grants	**11**	**67**
PROVISIONS AND DEFERRED TAXES	**90**	**117**
Provision for liabilities and charges	**0**	**0**
Pensions and similar obligations	0	0
Other liabilities and charges	0	0
Deferred taxes	**90**	**117**
CREDITORS	**75,930**	**56,896**
Accounts payable after one year	**2,393**	**3,877**
Financial debts	2,393	3,877
Subordinated loans	1,275	1,594
Leasing and other similar obligations	503	1,112
Credit institutions	615	1,171
Others loans	0	0
Accounts payable within one year	**73,447**	**52,937**
Current portion of accounts payable after one year	1,339	1,184
Financial debts	933	1,343
Credit institutions	933	1,343
Trade creditors	13,530	19,565
Suppliers	13,530	19,565
Prepayments Received	0	0
Taxes, remuneration and social security	3,713	2,160
Taxes	2,645	1,221
Remuneration and social security	1,068	939
Other accounts payable	53,932	28,685
Accrued charges and deferred income	**90**	**82**
TOTAL LIABILITIES	**159,963**	**117,231**

PROFIT AND LOSS ACCOUNT (PRESENTATION IN VERTICAL FORM) *(in thousands of Euro)*

	2016	2015
Operating income	**78,146**	**80,672**
Turnover	70,040	75,274
Change in stock of finished goods and goods in progress	1,157	-888
Own work capitalised	0	0
Other operating income	6,566	6,189
Non recurrent operating income	383	97
Operating charges	**73,635**	**76,527**
Goods for resale, raw materials and consumables	44,712	49,385
Purchases	45,897	51,216
Change in stocks (-/+)	-1,185	-1,831
Services and other goods	15,856	14,441
Remuneration, social security charges and pensions	9,284	8,722
Depreciation and amounts written off formation expenses, Intangible and tangible fixed assets	3,624	3,722
Amounts written off stocks and trade creditors	-24	33
Provisions for liabilities and charges	0	0
Other operating charges	172	201
Non recurrent operating charges	11	23
Operating profit	**4,511**	**4,145**
Financial income	**26,868**	**4,402**
Recurrent financial income	26,868	4.402
Income from financial fixed assets	25,745	87
Income from current assets	297	364
Other financial income	826	3,951
Non recurrent financial income	0	0
Financial charges	**1,912**	**4,723**
Recurrent financial charges	1,912	4,723
Interest and other debt charges	1,129	1,169
Other financial charges	783	3,554
Non recurrent financial charges	0	0
Profit / loss for the financial year before taxes	**29,467**	**3,824**
Transfer from deferred taxes	**27**	**40**
Transfer to deferred taxes	**0**	**0**
Taxes	**1,752**	**1,251**
Taxes	1,752	1,295
Adjustment corporate taxes	0	44
Profit / loss for the financial year	**27,742**	**2,613**
Substraction to untaxed reserves	**52**	**59**
Transfer to untaxed reserves	744	744
Profit / loss for the financial year to be appropriated	**27,050**	**1,928**

RESILUX INNOVATIVE PACKAGING

APPROPRIATION OF PROFIT *(in thousands of Euro)*

	2016	2015
Balance of profit to be appropriated	**50,682**	**27,593**
Profit for the financial year to be appropriated	27,050	1,928
Profit / loss brought forward from the previous financial year	23,631	25,665
Profit / loss to be carried forward	**46,721**	**23,631**
Profit to be distributed	**3,961**	**3,961**
Dividends	3,961	3,961

NOTES TO THE ACCOUNTS

VIII. Statement of capital *(in thousands of Euro)*

	Amounts	Number of shares
Capital		
Issued capital (heading I.A. of liabilities)		
- At the end of the preceding period	17,184	
- At the end of the period	17,184	
Structure of the capital		
Different categories of shares		
Shares without face value that each represent 1/1,980,410th of the capital	17,184	1,980,410
Registered shares - bearer shares/dematerialised		
Registered		622
Dematerialised		1,979,788
Amount of authorised capital, not issued	**17,184**	

Shareholder structure of the Company at the year end, as shown by the notifications that the Company has received:

Notifications in accordance with the transparency legislation (Law of May 2nd, 2007 on the the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions).

Date	Who	Number of shares	% [1]
06/05/2010	Tridec Stichting Administratiekantoor under Dutch law, Houtsnip 17, 3766 VD Soest, The Netherlands Acting in mutual consultation with the De Cuyper family, NV Immo Tradec, NV Belfima Invest and NV Tradidec	921,000	(46.51%)
06/05/2010	Family De Cuyper - Notifier: Dirk De Cuyper, Acting in mutual consultation with Tridec Stichting Administratiekantoor, NV Immo Tradec, NV Belfima Invest and NV Tradidec	114,077	(5.76%)
06/05/2010	NV Immo Tradec – BE 0439 777 214 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Belfima Invest and NV Tradidec	58,534	(2.95%)
	NV Belfima Invest – BE 0466 014 328 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Immo Tradec and NV Tradidec	25,333	(1.28%)
	NV Tradidec – BE 0464 996 422 Acting in mutual consultation with Tridec Stichting Administratiekantoor, Family De Cuyper, NV Belfimat Invest NV Immo Tradec	25,973	(1.31%)

[1] % berekend met in de noemer het aantal uitstaande aandelen (1,980,410)

GENERAL INFORMATION ON RESILUX NV

1. GENERAL INFORMATION

1.1. Name

RESILUX NV

1.2. Registered office

Damstraat 4 - 9230 Wetteren - Belgium

1.3 Company number

RPR Ghent - division Dendermonde
VAT BE 0447.354.397

1.4. Incorporation, amendments to the Company's articles of association, duration

The Company was incorporated on May 5th, 1992, by notarial deed published in the Annexes to the Belgian Official Journal of May 28th, 1992 under number 920528-59.

The Company's articles of association have been amended several times, the last time by the Extraordinary General Shareholders' Meeting of May 20th, 2016.

The Company has been incorporated for an indefinite period of time.

1.5. Legal form

Resilux is a limited liability company (société anonyme/naamloze vennootschap) incorporated under Belgian law.

1.6. Financial year

As from 2001, the financial year commences on January 1st and ends on December 31st of each year. Previously, the financial year used to cover the period as from July 1st to June 30th of the following year. Exceptionally, the 1999/2000 financial year was extended by six months.

1.7. Audit of the annual accounts

The supervision of the annual accounts is entrusted to BCVBA Ernst & Young Company Auditors, Moutstraat 54, B-9000 Gent, Belgium, represented by Mr. Paul Eelen whose mandate was granted by the General Shareholders' Meeting of May 17th, 2013. At the General Shareholders' Meeting of 2016 the mandate has been prolonged for a term of three years, ending after the General Shareholders' Meeting of 2019.

For the statutory and consolidated annual accounts of the financial year ending on December 31st, 2016, the Auditor has issued a report without reservations.

1.8. Consultation of Company documents

The Company's statutory and consolidated annual accounts and the accompanying reports are deposited with the National Bank of Belgium.

According to the articles 535 and 553 of the Companies Code, the annual accounts and accompanying reports are yearly sent, free of charge, to the nominal shareholders, to the warrant holders, to the Directors and to the Auditor.

Every holder of dematerialised shares can, by submitting a certificate drawn up by a recognised account holder or settlement services confirming the number of dematerialised shares subscribed under the name of the shareholder, obtain a copy of the documents at the headquarters of the Company once the convocation for the General Shareholders' Meeting has been published.

Once the convocation for the General Shareholders' Meeting has been published, every holder of nominal shares, every holder of dematerialised shares and every warrant holder may consult the following at the Company headquarters:

1° the list of shareholders whose shares are not fully paid up, with reference to the amount of their shares and their place of residence;
2° the list of public funds, shares, bonds and other stock of companies who are part of the portfolio.

The annual financial report with the abridged statutory and consolidated annual accounts, the reports from the Board of Directors and the Auditor regarding the consolidated annual accounts for the financial years 2003 to 2016 can be consulted in Dutch and in English (and in French until the financial year 2012) on the Company's website (www.resilux.com) and are also available in hardcopy on request. Only the Dutch version of the annual report is legally binding. The versions in other languages are free translations of the original Dutch version.

The full version of the approved statutory accounts, with the accompanying undersigned reports from the Board of Directors and the Auditor regarding the financial years 2006 to 2016 are published on the Company's website.
Any interested party can register free of charge to receive emails with press releases and the compulsory financial information, which is also available on the Company's website.

The convocation for the General Shareholders' Meeting/Extraordinary General Shareholders' Meeting is published in the Belgian Official Journal, in a national newspaper and in media that may be reasonably assumed to ensure the effective dissemination of information to the public within the European Economic Area that is quickly and non-discriminatory accessible, and is also available on the website, as well as the respective power of attorney forms, - if appropriate - the draft amendments of the Company's articles of association, and the undersigned minutes from the last General Shareholders' Meeting.

Decisions regarding the appointment and dismissal of members of the Board of Directors as well as other decisions or reports that must be published by law are published in the Annexes to the Belgian Official Journal and are also announced on the Company's website.

The Company's articles of association and special reports required by the Code of Companies are available for consultation at the court registry of the Commercial Court of Dendermonde, and also at the headquarters of the Company and on the Company's website.

The Corporate Governance Charter can be consulted on the Company's website.

2. EXCERPTS FROM THE COMPANY'S ARTICLES OF ASSOCIATION

2.1. Objects of the Company

Article 2 - Objects

The objects of the Company are, both for its own account and for that of third parties or in participation with third parties, acting by itself or through the agency of any other natural or legal person in Belgium or abroad:

1. To perform all transactions relating to the trade, import and export, purchase and sale, demonstration, hiring out, representation and commission trade:
   - in relation to synthetic materials, finished products and related articles, the manufacturing or recycling thereof in wholesale and retail trade and thus to perform all relevant transactions without any restriction.
     This description thus both covers production by means of all existing technologies, including injection, extrusion, blow moulding, thermoforming, welding techniques and others, and the combination or purchase of all forms of synthetic materials, raw materials, semi-finished and finished products, moulds or other technical peripherals, the hiring of agencies in these agreements as well as the marketing and sale of all these products.
   - in relation to all machines that are of use to the plastic processing industry, spare parts and accessories, including both the Company's own construction of these machines, moulds and technical peripherals and all forms of services for the plastic processing industry, such as training, breakdown, repair, innovation, installation and consulting services.

2. Taking out of patents on own inventions or those relating to the improvement of existing systems, the granting of license agreements.
3. The supervision of all managerial instructions, the performance of all mandates and duties that relate directly or indirectly to its Company objects or may contribute towards the achievement of its objects.

The Company may perform all commercial, industrial, financial, movable or immovable transactions that may be directly or indirectly necessary or useful for the achievement of its objects.

The Company may by means of contribution, merger, subscription, purchase of shares or in any other way be involved in all dealings that have similar or related objects or whose objectives are important to the achievement of its Company objects.

2.2. Capital

Article 5 - Share capital

The registered capital is fixed at € 17,183,856,00 represented by 1,980,410 no par-value shares, which each represent a 1/1,980,410th share of the registered capital.

Article 6 - Change of the subscribed capital

The registered capital may not be increased or decreased, other than by means of a resolution of the General Shareholders' Meeting of shareholders, deliberating according to the conditions required for the amendment of the articles of association. The General Shareholders' Meeting may only adopt a resolution to reduce the registered capital in accordance with the rules laid down in Articles 612, 613 and 614 of the Belgian Companies Code.

Artikel 7 - Authorised capital

In accordance with Article 603 of the Belgian Companies Code, the Board of Directors may be granted the authority to increase the registered capital on one or more occasions. The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves, subject to compliance with Article 603 et seq. of the Belgian Companies Code. In addition to the issue of ordinary shares, capital increases decided on by the Board of Directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares in favour of personnel and through the issue of convertible bonds and warrants.

The Board of Directors is granted the authority to limit or cancel the pre-emptive right in the interests of the Company if the capital increase is implemented within the scope of the authorised capital.

The Board of Directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the Company or its subsidiaries.

The General Shareholders' Meeting may expressly grant the Board of Directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the Company of a public takeover bid for the shares of the Company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code.If a capital increase is implemented by means of cash subscriptions with an issue premium, the Board of Directors will be authorised to stipulate that the issue premium will be credited to the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the Board of Directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.The Board of Directors is authorised to amend the Company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Article 8 – Nominal shares – Bearer shares – Dematerialised shares
The partly paid-up shares are registered.
The fully paid-up shares and other securities of the Company are registered or dematerialised, within the limits envisaged by the applicable legislation.

The holder of dematerialised securities may at any time request the conversion thereof into registered securities and vice versa at his expense. The dematerialised security is represented by an entry on account, in the name of the owner or holder, at an approved account holder or at a settlement institution.

A register will be kept at the Company's registered office for every category of registered securities in accordance with Article 463 of the Belgian Companies Code. Any holder of securities may examine the register in relation to his securities.

The Board of Directors is authorised, subject to compliance with the statutory rules, to replace the existing register with an electronic register.

In case of an electronic share register, a new copy will be made after every alteration. These copies will be kept at the Company's registered office.

Article 11 - Preferential right
In case of a capital increase, implemented other than by way of a non-monetary contribution or merger, and subject to any different decision by the General Shareholders' Meeting or the Board of Directors, the existing shareholders will be given preference to the new shares, in proportion to the part of the registered capital represented by their shares.
The pre-emptive right may be exercised for a period of at least fifteen days, to be calculated from the day on which the subscription for new shares opens.
The subscription price and the period during which the pre-emptive right may be exercised will be determined by the General Shareholders' Meeting or, if the resolution to increase the capital has been adopted in accordance with Article 603 of the Belgian Companies Code, by the Board of Directors.
If the ownership of shares is divided into usufruct and bare ownership, the bare owner of the shares will have the pre-emptive right. In case of pledged shares, the owner-pledgor will have the pre-emptive right.

If the General Shareholders' Meeting or Board of Directors decides to request an issue premium, this must be fully paid upon subscription and credited to a non-distributable reserve that may only be reduced or reversed by a resolution of the General Shareholders' Meeting or the Board of Directors that is adopted in the manner required for an amendment of the articles of association. The issue premium will serve as a guarantee to third parties to the same extent as the registered capital.

2.3. Management

Article 14 - Transparency declaration

The applicable quota pursuant to Articles 6 to 10 inclusive of the Belgian Act of May 2nd, 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions is determined at 3%, 5% and multiples of 5%.

2.4. Management and Supervision

Article 15 - Right of nomination

The Company is managed by a Board of Directors of at least three and no more than seven members, shareholders or otherwise, who are appointed by the General Shareholders' Meeting of shareholders, which may suspend and dismiss them at any time. Their term of office may not exceed four years. The directors are eligible for reappointment. At least three of the directors must be independent.

Four of the directors will be appointed from among the candidates nominated for that purpose by the trust office 'TRIDEC', insofar as it, as well as all entities that are directly or indirectly controlled by it (control is understood as the competence de iure or de facto to have a decisive influence on the appointment of the majority of its directors or managers or on the orientation of its policy), directly or indirectly hold at least thirty-five per cent of the Company's shares at the time of both the nomination of the candidate directors and the appointment by the General Shareholders' Meeting.

Article 23bis

In accordance with Article 524bis of the Belgian Companies Code, the Board of Directors may assign its management powers to a management committee, however without this assignment being able to relate to the general policy of the Company or all acts that are reserved for the Board of Directors on the basis of other statutory provisions.
The conditions for the appointment of the members of the management committee, their dismissal, their remuneration, their term of office and the procedures of the management committee will be determined by the Board of Directors.
The Board of Directors is responsible for supervising that committee.
A member of the management committee who has a direct or indirect conflict of interests of a financial nature with a decision or transaction that falls within the scope of the committee's authority must notify the other members thereof before the committee deliberates. The provisions of Article 524ter of the Belgian Companies Code must also be observed.
An Audit Committee and a remuneration committee will be established within the Board of Directors in accordance with Article 526bis and 526quater of the Belgian Companies Code.

2.5. General Shareholders' Meeting

Article 29 - Meeting

The General Shareholders' Meeting will be held every year at three o' clock in the afternoon on the third Friday of May, at the registered office or at another venue as stipulated in the meeting notices, in order to listen to the annual report and the audit report as drawn up respectively by the Board of Directors and the statutory auditors being read out, to approve the annual financial statements and remuneration report, to appoint directors and statutory auditors and to generally deliberate on all agenda items.

If this day is a public holiday or an extra day's holiday following a public holiday (typically to make a long weekend), the meeting will be held on the next working day.

A special or an Extraordinary General Shareholders' Meeting must be convened whenever required by the interests of the Company and must be convened every time shareholders who collectively represent one-fifth of the registered capital so request.

After the approval of the annual financial statements, the meeting will hold a special vote to decide whether or not to discharge the directors and statutory auditors from liability.

Article 30 - Right to add items to the agenda and file new proposed resolutions
The Board of Directors or the statutory auditor(s) will convene the General Shareholders' Meeting.
The meeting notices will at least contain the information provided for in Article 533bis of the Belgian Companies Code. They will be given in the form and within the periods prescribed by Articles 533 et seq. of the Belgian Companies Code.

The agenda must contain the items to be discussed and the motions. The Audit Committee's motion for the appointment or reappointment of the statutory auditor will be included in the agenda.

The people who must be given notice of a General Shareholders' Meeting pursuant to the Belgian Companies Code and who participate in or arrange to be represented at a meeting will be regarded as having been given valid notice. The same people – before or after a General Shareholders' Meeting that they have not attended – may also waive their right to rely on a lack of notice or a defective notice.

One or more shareholders, who jointly hold at least 3% of the Company's registered capital, may, in accordance with Article 533ter of the Belgian Companies Code, have items to be discussed placed on the agenda of the General Shareholders' Meeting and submit motions with regard to items to be discussed that are included or are to be included on the agenda.

The shareholders will not be entitled to do this if a second Extraordinary General Shareholders' Meeting is convened because the required quorum was not reached for the first Extraordinary General Shareholders' Meeting.
Requests must comply with the requirements of Article 533ter of the Belgian Companies Code.

Requests will be formulated in writing and accompanied either by the text of the items to be discussed and the relevant motions or the text of the motions to be placed on the agenda.

A postal or e-mail address will be stated, to which the Company will send proof of receipt of these requests.

The Company must receive these requests by no later than the twenty-second day prior to the date of the General Shareholders' Meeting. They must be sent to the Company with due observance of the formalities mentioned in the meeting notice.
The Company will confirm receipt of the requests within a period of forty-eight hours calculated from that receipt.

The Company must publish the amended agenda not later than the fifteenth day prior to the date of the General Shareholders' Meeting.

The items to be discussed and the motions that are placed on the agenda under this provision will only be discussed if the aforementioned share of the registered capital is registered in accordance with Article 31 of these articles of association.

Article 31- Admission requirements
The right to participate in and to exercise the right to vote at the General Shareholders' Meeting will only be granted on the basis of the accounting entry of the shareholder's registered shares at midnight (Belgian time) on the fourteenth day prior to the General Shareholders' Meeting, either by their entry in the Company's share register or by their entry in the accounts of an approved account holder or a settlement institution, regardless of the number of shares that the shareholder holds on the date of the General Shareholders' Meeting.

The time and date referred to in the first paragraph form the registration date.

The shareholder must state that he wishes to participate in the General Shareholders' Meeting no later than the sixth day prior to the date of the meeting, with due observance of the formalities mentioned in the meeting notice and by submitting the proof of registration that was handed to him, by the approved account holder or settlement institution, to the Company or to the person appointed by the Company for that purpose.
The holders of warrants and bonds and the holders of depositary receipts, whether these securities are registered or dematerialised, may attend the General Shareholders' Meeting, provided that the conditions for admission laid down for the shareholders are fulfilled.

The name and address or registered office of every shareholder that has given notice of his wish to participate in the General Shareholders' Meeting will be included in a register designated by the Board of Directors, together with the number of shares that he held on the registration date, which he used to indicate his willingness to participate in the General Shareholders' Meeting, as well as the description of the documents that prove that he did hold those shares on the registration date.

Article 32- Representation by proxy

All shareholders who are entitled to vote may vote in person or by proxy. A shareholder may only designate one person as proxy holder for a specific General Shareholders' Meeting, notwithstanding the exceptions provided for by the Belgian Companies Code. The proxy holder must not be a shareholder.
The Company will provide the forms that may be used for voting by proxy on its website, supplemented, where applicable, by any additional items to be discussed and additional motions that are placed on the agenda and/or simply by any motions that are formulated.

The designation of a proxy must be in writing and signed by the shareholder.

The Board of Directors may determine the form of proxies in the meeting notice. Notice of the proxy to the Company must be given in writing and in accordance with the terms set out by the Board of Directors in the meeting notice.

The Company must receive the original proxy by no later than the sixth day prior to the date of the General Shareholders' Meeting.

Proxies that are communicated to the Company before the publication of a supplemented agenda, in accordance with Article 533ter of the Belgian Companies Code, will remain valid for the items to be discussed on the agenda to which they apply. Notwithstanding the above, the proxy holder may deviate during the meeting from any instructions of the principal in respect of the items to be discussed on the agenda for which new motions have been submitted in accordance with Article 533ter of the Belgian Companies Code, if carrying out those instructions could prejudice the principal's interests. The proxy holder must notify the principal hereof.

The proxy must state whether the proxy holder is authorised to vote or must abstain from voting on the new items to be discussed on the agenda.

Article 33 - Organisation

Each General Shareholders' Meeting is chaired by the chairman of the Board of Directors or, in his absence, by a managing director or, in his absence, by the oldest director.
The chairman appoints the secretary, who does not have to be a shareholder or director.
If justified by the number of shareholders, the meeting will elect two vote tellers. The directors in attendance make up the General Shareholders' Meeting committee.

Article 35 - Number of votes - Exercise of the voting right

Every share confers the right to one vote.

The voting right associated with jointly owned shares may only be exercised by the person designated by all co-owners. The voting right associated with a share that is encumbered with a usufruct vests in the usufructuary. The voting right associated with a share that is pledged vests in the owner-pledgor.

The holders of bonds may attend the General Shareholders' Meeting in an advisory role.

In accordance with Article 541 of the Belgian Companies Code, the voting right for partially paid-up shares will be suspended if the requested payments are not made when they become due and payable

Article 36 - Attendance List, Question law, Majorities, Remote voting
An attendance list stating the names of the shareholders and the number of shares with which they are participating in the meeting will be signed by each of them or their representatives before the meeting is opened.

The representatives of legal entity shareholders must submit the documents that establish their capacity as a body or special representative.

An attendance list that indicates the names and addresses of the holders of bonds, warrants and depositary receipts that were issued with the Company's cooperation, as well as the number of securities that they hold, will also be signed by these holders or their proxy holders.

The General Shareholders' Meeting cannot deliberate on items that are not on the agenda, unless all shareholders are personally present or represented at the meeting and unilaterally agree to extend the agenda.

The directors will answer the questions put to them by the shareholders, during the meeting or in writing, in relation to their report or the agenda items, insofar as the disclosure of details or facts is not of such a nature that it could prejudice the Company's business interests or the confidentiality which the Company or its directors have undertaken to observe.

The statutory auditor(s) will answer the questions put to him/them by the shareholders, during the meeting or in writing, in relation to his/their report, insofar as the disclosure of details or facts is not of such a nature that it could prejudice the Company's business interests or the confidentiality which the Company, its directors or the statutory auditor(s) have undertaken to observe.

As soon as the meeting notice is published, the shareholders may direct written questions to the directors in relation to their report or the agenda items, and to the statutory auditors in relation to their report, insofar as those shareholders comply with the formalities of Article 31 of these articles of association. These questions must reach the Company by no later than the sixth day prior to the meeting.

Barring any statutory provisions or provisions of the articles of association to the contrary, resolutions will be adopted by an ordinary majority of the votes cast, regardless of the number of shares represented at the meeting. Blank and invalid votes will not be counted as cast votes.

If a single candidate does not achieve an absolute majority of the votes cast in case of a resolution to appoint a director or statutory auditor, a second vote will take place between the two candidates who received the most votes.
If the votes are tied in case of the second vote, the oldest candidate will be elected.
A secret ballot will only take place if it is requested by the majority of members of the General Shareholders' Meeting.

The above does not affect the right of any shareholder to vote by letter using a form that will be provided by the Company, on condition that the Board of Directors provided for this option in the meeting notice.

The form for voting by letter must include at least the following information, as provided for in Article 550 §2 of the Belgian Companies Code:
1° the name and place of residence or registered office of the shareholder;
2° the number of votes that the shareholder wishes to cast during the General Shareholders' Meeting;
3° the form of the held shares;
4° the agenda of the meeting, including the motions;
5° the period within which the Company must receive the form for remote voting;
6° the signature of the shareholder.
Forms that do not refer to either the manner of voting or abstention are void.

If a motion which has already been voted on is altered during the meeting, the voting will be deemed to be void.

The Company must receive the form for voting by letter by no later than the sixth day prior to the General Shareholders' Meeting.

The form for remote voting that is sent to the Company for a specific meeting will apply to successive meetings that are convened with the same agenda.

A shareholder who has voted remotely by letter may not choose any other manner of participation in the meeting for the number of votes thus cast.

Forms for remote voting that were received by the Company before the publication of a supplemented agenda, in accordance with Article 533ter of the Belgian Companies Code, will remain valid for the items to be discussed on the agenda to which they relate. Notwithstanding the above, voting on an item to be discussed on the agenda for which a new motion has been submitted, in accordance with Article 533ter of the Belgian Companies Code, will be void.

The holders of registered bonds or warrants, as well as the holders of registered depositary receipts that are issued with the Company's cooperation, are entitled to inspect the adopted resolutions at the Company's registered office.

2.6. Appropriation of profit

Article 41 - Payment

The surplus of the balance sheet that remains after the deduction of all costs and charges of any nature, depreciation/ amortisation and tax and other provisions constitutes the net profit. The following will be deducted from this profit:

- five per cent for the creation of a statutory reserve fund until this fund totals one-tenth of the registered capital;
- the balance will be at the disposal of the General Shareholders' Meeting, which will decide on its appropriation on the understanding that no dividends may be paid or profit-sharing bonuses awarded if the assets, as they appear on the balance sheet minus the provisions and debts, are or would be lower than the sum of the paid-up capital plus the reserves, all in accordance with Article 617 of the Belgian Companies Code;
- the Board of Directors is granted the authority, although under its own responsibility, to pay an interim dividend on the result of the financial year, subject to the provisions of Article 618 of the Belgian Companies Code.

Article 42 - Payment of dividends

The payment of dividends will take place each year at the time and place determined by the General Shareholders' Meeting or the Board of Directors.

2.7. Winding up - Liquidation

Article 43 - Early winding up

In accordance with Articles 633, 634, 645 and 646 of the Belgian Companies Code, the Company may be dissolved early by means of a resolution of the General Shareholders' Meeting, deliberating as for the amendment of the articles of association.

Article 44 - Liquidation

In case of the dissolution of the Company, the General Shareholders' Meeting will appoint one or more liquidators and determine their powers and remuneration.
In the absence of such an appointment, the Board of Directors acting in the capacity of a liquidation committee will oversee the liquidation.
In the absence of any decision to the contrary, liquidators will act jointly and have the most extensive powers in accordance with Articles 186, 187, 188 and 190 to 195 inclusive of the Belgian Companies Code.

Article 45 - Distribution

After the payment of all debts, charges and expenses of the Company, the net assets will firstly be used to return the fully paid-up amount of the shares that have not yet been repaid in cash or in kind.
Any surplus will be awarded in equal parts to the shares.
If the net proceeds are insufficient to repay all the shares, the liquidators will pay those in preference that are fully paid-up to a greater extent until they are on an equal footing with the shares that are fully paid-up to a lesser extent or make a further call for capital that is payable by these latter shares.

2.8. Temporary provisions

Authorised capital

For a period of five years from the publication of the General Shareholders' Meeting's resolution of May 20th, 2016 in the Schedules to the Belgian Official Journal, the Board of Directors will be authorised to increase the registered capital on one or more occasions to the amount of € 17,183,856.00 (seventeen million, one hundred and eighty-three thousand, eight hundred and fifty-six euros).

The capital may be increased by means of a monetary or non-monetary contribution as well as by the conversion of reserves of any kind and/or by an issue premium.

In addition to the issue of ordinary shares, capital increases decided on by the Board of Directors, may also be implemented through the issue of preference shares, through the issue of shares without voting rights, through the issue of shares and/or warrants in favour of staff and through the issue of convertible bonds and/or bonds with warrants.

The Board of Directors is granted the authority to limit or cancel the pre-emptive right in the interests of the Company if the capital increase is implemented within the scope of the authorised capital.

The Board of Directors is authorised to limit or cancel the pre-emptive right in favour of one or more people, even if these people are not personnel of the Company or its subsidiaries.

The General Shareholders' Meeting has expressly granted the Board of Directors the authority to increase the subscribed capital on one or more occasions as from the date of the notice from the Financial Services and Markets Authority (FSMA) to the Company of a public takeover bid for the securities of the Company, by means of monetary contributions with the cancellation or limitation of the existing shareholders' pre-emptive right or by means of non-monetary contributions in accordance with Article 607 of the Belgian Companies Code. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal.

If a capital increase is implemented by means of cash subscriptions with an issue premium, the Board of Directors will be authorised to stipulate that the issue premium will be earmarked for the non-distributable 'issue premiums' account, which will constitute a guarantee to third parties to the same extent as the registered capital and, except for the possibility of conversion into capital by the Board of Directors, may only be disposed of in accordance with the conditions laid down by the Belgian Companies Code for amendments to the articles of association.

The Board of Directors is authorised to amend the Company's articles of association in accordance with the capital increase that was decided on within the scope of its authority.

Purchase by the Company of shares in its own capital

The Board of Directors is authorised, in accordance with article 620 and following of the Company Code, to acquire shares, profit-sharing certificates or associated certificates of the Company at the expense of the latter, if this acquisition is necessary to preventing the Company from suffering imminent, serious damage. This authorisation is valid for a period of three (3) years to be calculated from the publication of the resolution of the Extraordinary General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of three (3) years. Insofar as allowable by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

In accordance with article 620 and following of the Company Code, the Board of Directors is authorised to acquire shares, profit-sharing certificates or associated certificates of the Company at the expense of the latter, by purchase or exchange, for the maximum amount of twenty percent (20%) of the issued capital, at a unit price no lower than the accounting par value and no higher than twenty percent (20%) above the highest closing quote of the shares over the most recent twenty (20) stock exchange trading days preceding the transaction.
The authorisation to acquire is valid for a period of five (5) years to be calculated from the publication of the resolution of the Extraordinary General Shareholders' Meeting of 20 May 2016 in the Annexes to the Belgian Official Journal. This authorisation can be renewed for periods of five (5) years. Insofar as allowed by law (among others article 622 of the Company Code), the authorisation to transfer ownership is valid without limitation in time.

The board of directors is authorised, in accordance with article 622 §2 of the Belgian Companies Code, to transfer ownership of own shares:

(i) in the framework of transactions, such as takeovers or acquisition of tangible or intangible assets, opportune for the strategic development of the company, and at a price at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the transaction, increased with ten percent (10%);

(ii) in the framework of exercising stock options granted to the personnel of the company or its subsidiaries or self-employed service providers with a high management position within the company or its subsidiaries, and at a price of the option at least equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, decreased with ten percent (10%) and at most equal to the average closing quote of the share of the most recent thirty (30) calendar days preceding the granting of the options, increased with ten percent (10%);

(iii) in the framework of article 3, paragraph 2 of the warrant plan of 28 January 2013 and for the price of the warrants.

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