

PRESS RELEASE

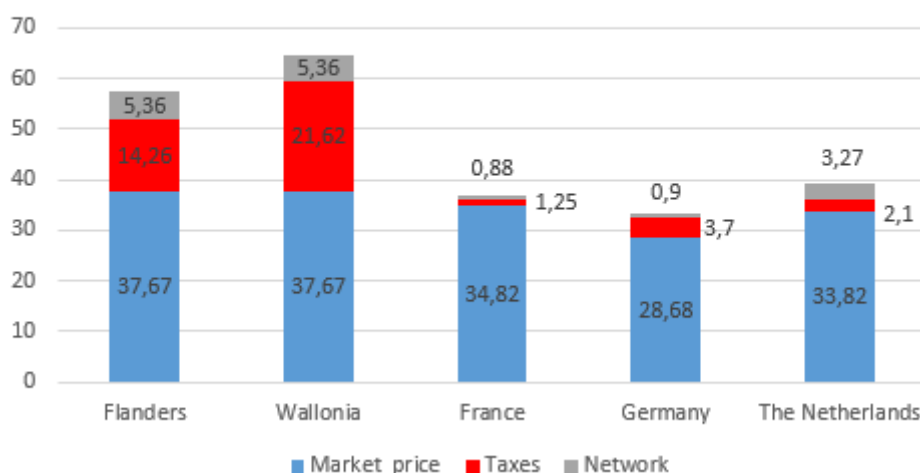
Less taxes on electricity for industrial consumers in our neighbouring countries

Brussels, 11 April 2016 – For the fourth time Deloitte calculated, at the request of Febeliec, the electricity costs for industrial companies in Belgium and in the three neighbouring countries. Progress has been made in certain fields, but Belgian industrial companies continue to pay 16 to 40% more than the average price in neighbouring countries. This handicap is harmful for the investment climate in our country and for our industry's competitiveness in general, thus for employment too. An energy norm proves more than ever to be necessary.

According to the analysis carried out by Deloitte for Febeliec, companies pay 6 to 11€/MWh more in Flanders and 7 to 18€/MWh more in Wallonia, compared to the average electricity prices of all countries screened. Febeliec analysed and interpreted the results and came to the conclusion that the analysis quite differs for the various components of the total electricity cost (electricity price, grid costs and taxes). For energy intensive companies, the surcharge amounts to millions of euros per year – a handicap that cannot be compensated in the current fierce competition.

The electricity price itself was in our country, during 2015, significantly higher than in neighbouring countries, due to the extended unavailability of several nuclear plants and due to a lack of import capacity at moments of peak demand. Towards the end of the year, due to the announced restart of Doel 3 and Tihange 2, and due to the life extension of Doel 1 and Doel 2, Belgian prices rapidly evolved towards the average price of its neighbouring countries. At that time, a lot of companies had already signed contracts for 2016 and take this price handicap along with them for several trimesters, or even for the whole year.

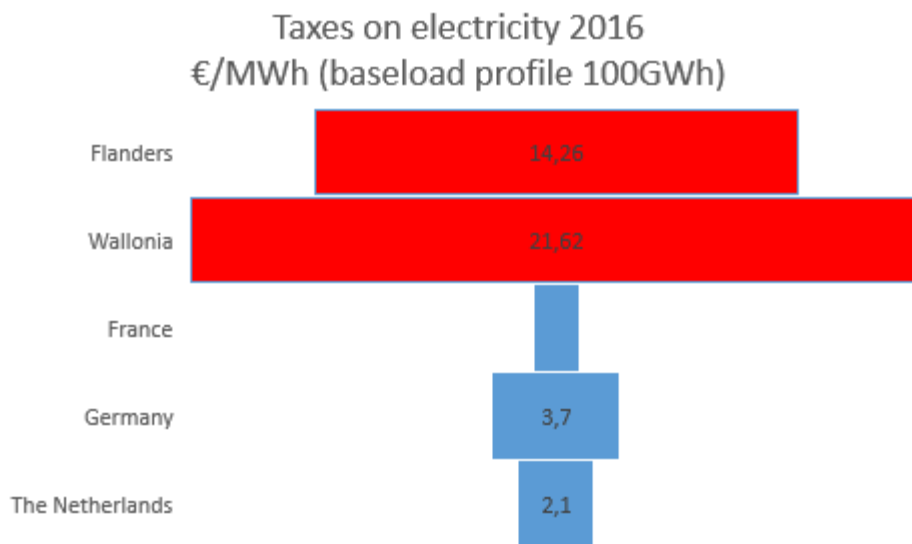
Composition electricity price 2016
€/MWh (baseload profile 100GWh)



Febeliec represents industrial energy consumers in Belgium. It strives for competitive prices for electricity and natural gas for industrial activities in Belgium, and for an increased security of energy supply. Febeliec has as members 8 business associations (chemistry and life sciences, steel, glass, pulp & paper, mining, textiles and wood processing, brick, construction materials) and 26 companies (Air Liquide, Air Products, Aperam, ArcelorMittal, Aurubis Belgium, BASF Antwerpen, Bekaert, Borealis, Covestro, Dow Belgium, Evonik Degussa Antwerpen, Glaxosmithkline, Infrabel, Ineos, Lanxess, NLMK Belgium, Nyrstar Belgium, Praxair, Sol, Solvic, Tessenderlo Chemie, Total Petrochemicals & Refining, Umicore, Unilin, Vynova and Yara). Together they represent over 80% of industrial electricity and natural gas consumption in Belgium and some 230.000 industrial jobs.

As regards grid costs, Elia tariffs remain globally speaking competitive compared to neighbouring countries, but for specific consumption profiles (especially very stable and predictable industrial consumers), all neighbour countries now give significant reductions (up to 90%!) to their industry. Febeliec is thus in favour of allowing the same consumption profiles in our country to benefit from the same reductions.

As regards taxes, especially the partial exemption for the public service obligation, imposed on Elia in Wallonia (buy-in obligation green certificates) was much welcomed. It retroactively and significantly lowered the cost for some companies, as far as they fulfil specific criteria. Still this cost remains substantial and a heavy burden on the Walloon industry. For all Belgian industrial consumers, the cost for the strategic reserve increased to almost 1€/MWh, without degressivity or ceiling. In neighbouring countries too, numerous evolutions were observed, but globally speaking the taxes on electricity consumption, both in Flanders and Wallonia, remain significantly higher than in neighbouring countries.



Febeliec thus continues to plead for the introduction of an energy norm, where the electricity cost of our companies is benchmarked compared to those in the neighbouring countries. If the electricity cost in Belgium is higher than in the neighbour countries, the different competent authorities should take measures in order to restore the competitiveness of our industry. *“The federal, as well as the Flemish and Walloon governments, support the idea of an energy norm”*, says Peter Claes, director of Febeliec. *“We therefore insist that it be introduced as soon as possible.”*

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