TAQA MOROCCO INCREASING RESULTS AS OF 31ST DECEMBER 2016

- A strong operating performance of the units 1 to 6 with a global availability rate of 92.5%,
- An increasing Net Income Group Share,
- An availability rate of Units 1 to 4 of 93.1% taking into account Unit 1 major overhaul and Unit 3 planned overhaul in accordance with the Maintenance Plan,
- An availability rate of 91.3% for Units 5 & 6 taking into account Unit 5 minor overhaul as part of the Maintenance Plan,
- A proposed dividend distribution of MAD 37 per share, higher than 2015 by 23%, representing a dividend yield of 4.7%*.

TAQA Morocco Management Board, meeting on 20th March 2017, under the chairmanship of Mr. Abdelmajid Iraqui Houssaini, approved the Company's statutory and consolidated financial statements as of 31st December 2016 as follows:

CONSOLIDATED ACCOUNTS

In Mdh	2016	2016 e*	Variation 16/16 e in %	2015	Variation 16/15 in %
Turnover	8,049	8,799	-8.5%	8,888	-9.4%
EBITDA	3,508	3,320	5.7%	3,605	-2.7%
Operating Profit	2,576	2,471	4.3%	2,666	-3.4%
Financial Result	-709	-755	6.1%	-748	5.2%
Net Profit	1,298	1,180	10.1%	1,291	0.5%
Incl. Net Income Group Share	978	878	11.4%	966	1.3%
Incl. minority interest	319	301	6.1%	325	-1.9%
Net Debt/EBITDA	3.1x	3.5x	-9.3%	3.3x	-5.4%

* Refering to Business Plan

The **Net Income Group Share** increased by **11.4%** compared to Business Plan and by **1.3%** compared to Full Year 2015.
This increase is mainly due to:

- Strong operating performance of all units, taking into account the execution of the maintenance plan,
- A rigorous operating cost control policy which contributed to the **increase of the operating margin rate** to **32%** versus **28%** per the Business Plan and **30%** achieved in 2015,
- An improvement in the Financial Result performance, owing to the control of the interest expenses and the optimization of cash investments.

2016 was marked by the decrease of the coal price by 14% on the international market. The decrease had an impact on the turnover and coal cost expenses without significant impact on the consolidated Net Income.

STATUTORY ACCOUNTS

In Mdh	2016	2016 e*	Variation 16/16 e in %	2015	Variation 16/15 in %
Turnover	4,506	4,812	-6.4%	4,887	-7.8%
EBITDA	1,310	1,168	12.2%	1,316	-0.5%
Operating Income	763	667	14.5%	772	-1.1%
Financial Result	352	283	24.2%	252	39.5%
Net Income	939	817	14.9%	842	11.4%

* Refering to Business Plan

The **Net Income** has improved by **14.9%** compared to Business Plan and by **11.4%** compared to Full Year 2015. This increase is mainly due to:

- The availability rate improvement of Units 1 to 4, going up from **91.1%** in 2015 to **93.1%** in 2016,
- The increase of **operating margin rate** up from respectively **13.9%** as per the Business Plan and **15.8%** in 2015 to **16.9%,** mainly due to ongoing efforts in operational productivity improvement,
- The Financial Result increase, due to a higher JLEC 5&6 dividends distribution and the optimization of interest expenses on loans.

TAX AUDIT

TAQA Morocco has faced a Tax Audit in 2016. A risk provision has been booked to face the potential tax adjustments that could result from this Tax Audit.

TAQA Morocco considers that the potential tax adjustments will not have any significant impact on the result, nor the net equity or the liquidity of the Company.

DIVIDENDS

The Management Board has decided to submit for approval to the General Assembly, a dividend distribution of **MAD 37 per share**. This dividend will be paid on, or before 25th July 2017.

OUTLOOKS

Building on its operational expertise, TAQA Morocco will continue its efforts to achieve the objectives set for 2017 in the Business Plan.
TAQA Morocco Group will continue to seek any potential development opportunities in Morocco and Africa.

* Based on share price as at 17 March /2017

Subsidiary of Abu Dhabi National Energy Company «TAQA»

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TAQA MOROCCO