CONSOLIDATED **FINANCIAL STATEMENTS 2017**

INFRABEL GROUP

Consolidated income statement

	Note	31/12/2017	31/12/2016
Turnover	25	998.727.425,35	954.026.806,59
State funding	24	148.329.622,45	182.187.329,91
Own production		440.966.288,76	468.568.831,61
Other operating income	25	20.499.253,48	13.488.247,81
Operating revenues before capital grants		**1.608.522.590,04**	**1.618.271.215,92**
Purchases of raw materials, consumables and goods		-213.669.678,34	-227.708.756,33
Services and other goods	25	-1.241.875.437,23	-1.256.926.345,53
Employee benefit expenses	26	-53.439.938,35	-60.271.938,71
Other operating costs	25	5.783.936,81	6.378.068,75
Operating charges before depreciation and impairments		**-1.503.201.117,11**	**-1.538.528.971,82**
Operating result before capital grants, depreciation and impairments		**105.321.472,93**	**79.742.244,10**
Capital grants	24	643.738.844,04	599.263.964,61
Depreciation and impairments		-666.270.343,79	-623.563.059,36
Operating result		**82.789.973,18**	**55.443.149,35**
Financial income	27	241.909.718,80	127.218.760,53
Financial costs	27	-181.033.725,92	-224.772.724,72
Share of the net result of investments accounted for by using the equity method	9	658.497,25	-414.628,73
Result before taxes		**144.324.463,31**	**-42.525.443,57**
Taxes	28	-1.442.408,21	-620.447,19
Net result		**142.882.055,10**	**-43.145.890,76**
Net result attributable to:			
Shareholders of the Group		142.728.031,88	-43.439.864,09
Minority interest		154.023,21	293.973,32

The notes from 1 to 35 form an integral part of the IFRS consolidated financial statements as at 31st December 2017.

Consolidated statement of other comprehensive income

	31/12/2017	31/12/2016
Net result	**142.882.055,10**	**-43.145.890,76**
Minority interest	*154.023,21*	*293.973,32*
Shareholders of the Group	*142.728.031,88*	*-43.439.864,08*
Other comprehensive income		
Items that cannot be reclassified to profit or loss in subsequent periods		
Actuarial changes on post employment employee benefits	724.213,10	-15.228.835,58
Part in the other comprehensive income of investments accounted for using the equity method	-35.812,84	-1.263.149,48
Subtotal of items that cannot be reclassified to profit or loss in subsequent periods	**688.400,26**	**-16.491.985,06**
Total of other comprehensive income	**688.400,26**	**-16.491.985,06**
Total comprehensive income	**143.570.455,36**	**-59.637.875,82**
Total comprehensive income attributable to:		
Shareholders of the Group	143.416.432,15	-59.931.849,14
Minority interest	154.023,21	293.973,32

The notes from 1 to 35 form an integral part of the IFRS consolidated financial statements as at 31st December 2017.

Consolidated statement of financial position

	31/12/2017	31/12/2016
Intangible assets	1.475.021.017,44	1.492.852.638,96
Property, plant and equipment	17.822.218.019,61	17.614.711.335,42
Land	1.608.365.722,90	1.605.933.380,10
Buildings	488.005.140,45	469.378.454,78
Railway constructions	5.219.716.992,71	5.061.380.126,69
Railway infrastructure	7.566.298.610,08	7.166.532.537,76
Rolling stock railway	78.526.802,63	77.590.216,97
Other plant & equipment	591.815.638,62	539.814.122,21
Fixed assets under construction	2.269.489.112,22	2.694.082.496,91
Investments accounted for using the equity method	12.465.509,22	11.965.324,80
Other financial assets	678.874.423,97	599.248.990,87
Amounts receivable after one year	1.125.900.010,71	1.143.930.849,56
Derivative financial instruments	5.555.976,52	42.517.959,80
Deferred taxes	112,85	0,00
Non current assets	**21.120.035.070,31**	**20.905.227.099,41**
Inventories	239.640.004,42	247.481.386,27
Trade and other receivables	411.916.711,58	424.613.382,44
Derivative financial instruments	0,00	0,00
Term accounts	20.023.445,98	173.200.338,37
Cash and cash equivalents	207.943.392,94	193.682.544,75
Current assets	**879.523.554,92**	**1.038.977.651,83**
Assets classified as held for sale	**900.000,00**	**0,00**
Total assets	**22.000.458.625,23**	**21.944.204.751,24**
Share capital	982.580.391,67	982.580.391,67
Share premium	299.317.752,80	299.317.752,80
Consolidated reserves	17.935.967,50	-121.227.967,86
Equity attributable to the group	**1.299.834.111,97**	**1.160.670.176,61**
Non-controlling interest	3.638.378,30	4.644.585,08
Total equity	**1.303.472.490,26**	**1.165.314.761,69**
Debts from employee benefits	177.295.864,00	179.855.343,72
Provisions	41.825.224,16	41.993.263,13
Financial debts	2.987.706.454,90	2.956.652.566,41
Derivative financial instruments	121.824.310,81	49.649.273,57
Deferred taxes	128.855,90	0,00
Other debts	558.870.743,18	588.480.622,38
Capital grants	15.078.343.940,60	14.923.910.789,04
Non current liabilities	**18.965.995.393,55**	**18.740.541.858,25**
Debts from employee benefits	82.514.887,41	83.440.596,16
Provisions	59.580.471,14	62.652.570,23
Financial debts	146.544.587,40	484.650.754,39
Derivative financial instruments	8.091.445,01	10.197.992,28
Trade payables	594.338.606,27	634.072.834,81
Income tax and other taxes	10.687.501,25	23.840.676,40
Social debts	9.372.361,51	10.139.772,27
Capital grants	641.642.374,85	554.163.993,10
Other debts	178.218.506,58	175.188.941,66
Current liabilities	**1.730.990.741,42**	**2.038.348.131,30**
Liabilities related to assets classified as held for sale	**0,00**	**0,00**
Total equity and liabilities	**22.000.458.625,23**	**21.944.204.751,24**

The notes from 1 to 35 form an integral part of the IFRS consolidated financial statements as at 31st December 2017.

Consolidated statement of changes in equity

	Share capital	Share premium	Consolidated reserves	Equity attributable to the group	Non-controlling interest	Total equity
Balance as per January 1, 2017	**982.580.391,67**	**299.317.752,80**	**-121.227.967,86**	**1.160.670.176,61**	**4.644.585,08**	**1.165.314.761,69**
Result of the year	0,00	0,00	142.728.031,88	142.728.031,88	154.023,21	142.882.055,10
Other comprehensive income	0,00	0,00	688.400,26	688.400,26	0,00	688.400,26
Change in consolidation scope	0,00	0,00	-5.210,90	-5.210,90	-1.160.229,99	-1.165.440,89
Change in revaluation surpluses	0,00	0,00	-4.124.785,90	-4.124.785,90	0,00	-4.124.785,90
Dividends	0,00	0,00	-122.500,00	-122.500,00	0,00	-122.500,00
Balance as per December 31, 2017	**982.580.391,67**	**299.317.752,80**	**17.935.967,50**	**1.299.834.111,97**	**3.638.378,30**	**1.303.472.490,26**

	Share capital	Share premium	Consolidated reserves	Equity attributable to the group	Non-controlling interest	Total equity
Balance as per January 1, 2016	**982.580.391,67**	**299.317.752,80**	**-60.817.280,60**	**1.221.080.863,93**	**4.350.611,76**	**1.225.431.475,68**
Result of the year	0,00	0,00	-43.439.864,08	-43.439.864,08	293.973,32	-43.145.887,76
Other comprehensive income	0,00	0,00	-16.491.985,06	-16.491.985,06	0,00	-16.491.985,06
Change in revaluation surpluses	0,00	0,00	-1.175.871,94	-1.175.871,94	0,00	-1.175.874,94
Dividends	0,00	0,00	-245.000,00	-245.000,00	0,00	-245.000,00
Balance as per December 31, 2016	**982.580.391,67**	**299.317.752,80**	**-121.227.967,86**	**1.160.670.173,61**	**4.644.585,08**	**1.165.314.761,69**

The notes 1 until 35 form an integral part of the IFRS consolidated financial statements on 31 December 2017.

Consolidated statement of cash flows

	31/12/2017	31/12/2016
Cash flow from operating activities		
Net result for the year	**142.882.055,10**	**-43.145.890,76**
Adjustments for:		
Depreciation and impairments on intangible assets and property, plant and equipment	666.390.195,62	623.563.059,36
Write-down on inventories, impairment losses on trade and other receivables	-7.635.330,89	-7.142.979,03
Provisions	-6.725.326,53	16.354.656,30
Employee benefits	-4.930.139,59	1.031.984,49
Financial charges on IAS 19 debts	2.971.312,20	3.857.197,75
Losses (Gains) on disposal of fixed assets	-2.082.939,35	-286.586,57
Changes in fair value of derivative financial instruments	2.742.133,90	-19.811.923,94
Changes in fair value of and impairment losses on other financial assets and liabilities	-109.203.811,52	92.323.942,34
Interest grants recognised in net result	-48.723.609,58	-44.167.467,21
Investment grants recognised in net result	-643.738.844,04	-558.788.106,20
Interest income and expense	88.592.937,15	88.747.262,06
Dividends	-300.000,00	
Income taxes	1.442.408,21	1.172.036,10
Share of net result of entities accounted for using the equity method	-658.497,25	414.628,73
Taxes paid	-1.723.625,01	-4.417.407,85
Currency translation differences	-3.909.686,46	-26.623.439,19
Change in net working capital	**-113.819.389,84**	**43.110.799,62**
Inventories	8.163.716,32	5.471.431,98
Trade and other receivables	-58.170.976,18	8.240.010,94
Trade and other payables	-63.812.129,98	29.399.356,70
Cash flow from operating activities	**-38.430.157,88**	**166.191.766,00**
Cash flow from investing activities		
(Acquisition)/sale of intangible assets	-37.487.127,85	-57.541.810,85
(Acquisition)/sale of property, plant and equipment	-900.956.162,72	-849.899.734,20
(Acquisition)/sale of other financial assets	1.003.184,60	-10.752.711,17
Interests received	7.909.123,93	8.722.309,00
Dividends received	300.000,00	
Cash flow from investing activities	**-929.230.982,04**	**-909.471.947,22**

The notes 1 until 35 form an integral part of the IFRS consolidated financial statements on 31 December 2017.

Consolidated statement of cash flows

	31/12/2017	31/12/2016
Cash flow from financing activities		
Net redemption/payments of derivative financial instruments	73.521.477,77	-2.051.973,17
Increase of financial liabilities	17.830.000,00	50.538.698,89
Redemption of financial liabilities	-167.731.465,70	-17.122.185,75
Interests paid	-96.502.061,08	-97.469.571,06
Interest grants received	48.723.609,58	48.852.865,44
Changes in the capital grants	952.903.535,15	951.110.526,34
Cash flow from financing activities	**828.745.095,72**	**933.858.360,69**
(Decrease)/Increase in cash and cash equivalents	-138.916.044,20	190.578.179,47
Cash and cash equivalents at the beginning of the year	**366.882.883,12**	**176.304.703,65**
(Decrease)/Increase in cash and cash equivalents	-138.916.044,20	190.578.179,47
Cash and cash equivalents at the end of the year	**227.966.838,92**	**366.882.883,12**

The consolidated statement of cash flows for 2016 has been changed with regards to the interest income and expense (88.747.262,06 €) and the interests paid (-97.469.571,06 €). The interest grants are now mentioned as a separate line. These modifications in the consolidated statement of cash flows have no influence on the result of 2016.

The notes 1 until 35 form an integral part of the IFRS consolidated financial statements on 31 December 2017.

Consolidated statement of cash flows

	2016.12	Cashflow		Non-cash changes					2017.12
		Redemption	New	Currency translation differences	Capitalized interests	Accrued financial charges	Fair value adjustment on financial debt	Other non cash movements	
Bank loans	134.051.297,92	-116.074,98	-	-	-			195.290.000,00	329.225.222,94
Bonds	1.218.382.198,44	-	-	-	385.185,73			-	1.218.767.384,17
Non-subordinated debt	-	-	-	-	-			-	-
Leasing	663.926.195,23	-	-	-	-			-8.627.340,27	655.298.854,96
Other financial borrowings	464.878.434,53	-	-	-59.391.769,09	25.676.308,44			-	431.162.973,88
Accrued charges - financial charges	18.947,89					4.061.489,04			4.080.436,93
Fair value adjustments on financial debt	475.395.492,40						-125.771.648,50		349.623.843,90
Non-current financial debts	2.956.652.566,41	-116.074,98	-	-59.391.769,09	26.061.494,17	4.061.489,04	-125.771.648,50	186.662.659,73	2.988.158.716,78
Bank loans	296.745.112,59	-36.629.027,61	-	-	-			-195.290.000,00	64.826.084,98
Bonds	100.000.000,00	-100.000.000,00	-	-	-			-	-
Non-subordinated debt	19.578.916,53	-22.408.916,53	2.830.000,00	-	-			-	-
Leasing	8.159.693,19	-8.577.446,58	-	-	-			8.394.184,42	7.976.431,03
Other financial borrowings	7.952.261,88		15.000.000,00	-	-			-452.261,88	22.500.000,00
Other financial borrowings	-								-
Accrued charges - financial charges	52.084.665,53					-2.284.590,89			49.800.074,64
Fair value adjustments on financial debt	130.104,67						859.630,20		989.734,87
Current financial debts	484.650.754,39	-167.615.390,72	17.830.000,00	-	-	-2.284.590,89	859.630,20	-187.348.077,46	146.092.325,52
Total of financial debts	3.441.303.320,80	-167.731.465,70	17.830.000,00	-59.391.769,09	26.061.494,17	1.776.898,15	-124.912.018,30	-685.417,73	3.134.251.042,30
Investment grants			952.903.535,15						
Interest grants			48.723.609,58						
Interests paid		-96.502.061,08							
Derivatives - non-current liabilities	-50.361.661,12		89.287.898,93						38.926.237,81
Derivatives fair value adjustment - non-current liabilities	100.010.934,69						-17.112.861,69		82.898.073,00
Derivatives - current liabilities	8.474.435,38		-382.990,37						8.091.445,01
Derivatives fair value adjustment - current liabilities	1.723.556,90						-1.723.556,90		-
Derivatives - non-current assets	6.086.137,02		-15.383.430,79						-9.297.293,77
Derivatives fair value adjustment - non-current assets	36.431.822,78						-21.578.552,49		14.853.270,29
Derivatives - current assets	-		-				-		-
Derivatives fair value adjustment - current assets	-		-				-		-

The notes 1 until 35 form an integral part of the IFRS consolidated financial statements on 31 December 2017.

Notes to the consolidated financial statements

Note 1

Corporate information

The consolidated financial statements of Infrabel and its subsidiaries, hereinafter referred to as Infrabel Group or Group, as per 31 December 2017, were authorised for issue by the Board of Directors on 16 April 2018. Infrabel SA is a limited company under public law which registered office is located at 1060 Brussels, Place Marcel Broodthaers 2. Infrabel is registered under the company number 0869.763.267. The last amendments to its statutes were published in the Belgian Official Journal, dated **27 February 2018**.

Infrabel is the manager of the Belgian railway infrastructure.

The legislator set the **public service missions** of the Infrabel Group as follows:

1. acquisition, design, construction, renewal, maintenance and management of the railway infrastructure;
2. management of regulation and security systems of this infrastructure;
3. provision, to railway companies, of the services defined by the Law;
4. allocation of the available railway infrastructure capacity;
5. pricing, billing and collection of fees for using the railway network and for the services referred to in 3;

Beside the public service missions, the Group delivers IT and telecommunication services.

Information about the structure of the Group can be found in note 5.

Note 2

Summary of significant accounting policies

2.1 Basis of preparation and statement of compliance

The consolidated financial statements of Infrabel as per 31 December 2017 have been prepared in accordance with 'International Financial Reporting Standards (IFRS)' as adopted by the European Union and that have been published till 31 December 2017, namely the standards published by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRIC (International Financial Reporting Interpretations Committee).

All figures are expressed in euros (EUR), except if specifically indicated.

These consolidated financial statements are prepared based on the principle of the valuation:

- of certain financial assets and liabilities at fair value: financial derivatives, financial assets available for sale, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss;
- of certain elements of patrimony based on their present value: liabilities and receivables in excess of one year accompanied by a zero interest rate or an abnormally low interest rate as well as non-current provisions. The discount rates used are the IRS according to the duration concerned, except for liabilities related to IAS 19 where discount rates are determined by reference to market yields at the reporting date based on high quality corporate bonds, and according to their duration;
- of other balance sheet items at their historical cost except for certain revaluations previously recorded in the Belgian accounts and retained in the IFRS accounts, as well as some property, plant and equipment for which the Group has decided to apply the fair value principles at the IFRS transition date (1 January 2013) and the application of this fair value as deemed cost at this transition date.

The following new standards, amendments and interpretations are mandatory for the first time for the financial year beginning 1 January 2017:

• IAS 7 (Amendment), *'Cash flow Statement' – Disclosure initiative'* (effective date 1 January 2017). This amendment introduces a new note into the annual report that is intended to enable users of the financial statements to evaluate the changes to the liabilities as a consequence of financing activities. This note is included after the Cash flow Statement. This contains a reconciliation between the starting and closing balance of the cash flow from financing activities.

• IAS 12 (Amendment), *'Recognition of deferred tax assets for unrealised losses'* (effective date 1 January 2017). This amendment makes it clear that unrealised losses on debt instruments measured at fair value in the financial statements but only valued at cost for tax purposes, can give rise to deductible temporary differences. In addition, a number of principles have been added for the measurement of available profits. This amendment has no influence on the consolidated financial statements of the Infrabel Group.

• Annual improvements to IFRS standards that make minor changes or clarifications to this standard: IFRS 12 *'Disclosure of interests in other entities'*. This standard clarifies the scope of the disclosure required. This amendment has no influence on the consolidated financial statements of the Infrabel Group.

The following standards, amendments to standards and interpretations, which have been published by the IASB and approved by the European Union and whose application will be mandatory for the first time for the financial year beginning on 1 January 2018 or later, were not applied early by the Group:

• IFRS 2 (Amendment), *'Classification and measurement of share-based payment transactions'.* This standard contains changes in the accounting conditions for cash-settled share-based payment transactions. Changes in the classification of share-based transactions with net settlement and the amendment of a transaction that was originally classified as a cash-settled share-based transaction whereby the transaction is now classified as an equity-settled transaction. It is not expected that this amendment will have an impact on the Infrabel Group.

• Amendments to standard IAS 40 *'Investment property'* in relation to transfers of investment property. They clarify that the transfer of real estate from (or to) the 'investment property' category may only occur if there is an evident planned change of use. This change must be supported by evidence. It is not expected that this amendment will have an impact on the Infrabel Group.

• The clarification of IFRIC 22 *'Foreign currency transactions and advance consideration'* (effective date 1 January 2018) stipulates that the transaction date used to determine the exchange rate corresponds to the date of initial recognition of the non-monetary asset as a consequence of the advance consideration or non-monetary liability for the deferred income or if the transaction is recognised in various stages, a transaction date is determined for each stage. It is not expected that this clarification will have an impact on the Infrabel Group.

• Annual improvements to IFRS standards that make minor changes or clarifications to this standard: IAS1 *'Presentation of Financial Statements'.* Deletion of short-term exemptions for first-time adopters. This deletion has no influence on the consolidated financial statements of the Infrabel Group.

• The amendment with regard to IAS 28 (effective date 1 January 2018) *'Investments in associates and joint ventures'* obliges entities to apply IFRS 9 *'Financial instruments'* to long-term interests that essentially form part of the net investment of the entity, but to which the equity method is not applied. This change has no influence on the consolidated financial statements of the Infrabel Group.

• IFRS 9 *'Financial instruments'* (effective date 1 January 2018). This standard is due to replace IAS 39 *'Financial instruments: Recognition and measurement'*. IFRS 9 introduces a new model with regard to the recognition of impairment losses based on 'expected' losses and limited adjustments to the classification and measurement of financial assets. IFRS 9 also contains new general requirements for hedge accounting that further align hedge accounting with risk management.
Infrabel Group has carried out a provisional impact analysis for the first two aspects of IFRS 9. This provisional assessment is based on the currently available information and may

change as a consequence of further detailed analyses or additional information that may be made available to Infrabel Group in the future. In general, Infrabel Group does not expect any significant effects on its balance sheet and equity, not even in the event of application of the simplified method of expected credit losses.

Expected loss model

IFRS 9 contains requirements for a new provisions model under which credit losses are recognised at an earlier juncture. The difference from the current IAS 39 standard is the change from an incurred loss model to an expected loss model. This will lead to an increase in write-downs on trade receivables. In future, Infrabel Group will already have to estimate the payment default risk when initially recording a trade receivable, and if necessary, record an impairment. An initial calculation as of 31 December 2017, based on the simplified approach of expected credit losses, leads to a further impairment of €1.2 million on trade receivables, in addition to the impairments of €5.7 million actually recorded as of 31 December 2017.

Classification and measurement

Infrabel Group expects that the application of the new requirements concerning classification and measurement will not have any significant effects on its balance sheet or equity. No changes in the classification or the measurement method are expected.

Hedge accounting

Infrabel Group has not yet taken a decision about whether it wishes to make use of the greater flexibility under IFRS 9 to start applying hedge accounting. This will be examined in 2018.

• IFRS 15 '*Revenue from contracts with customers'* (effective date 1 January 2018). This new standard is due to replace the existing standards IAS 18 '*Revenue*' and IAS 11 '*Construction contracts*', as well as a number of related IFRIC interpretations, including IFRIC 13 '*Customer Loyalty Programmes*'. This standard introduces a new five-step model for the recognition of revenue derived from contracts with customers. The basic principle of this standard is that an entity recognises revenue to the extent that this is a reflection of the transfer of promised goods or services to customers, for an amount that reflects the remuneration to which the entity feels it is entitled in exchange for those goods or services. The standard also introduces more extensive disclosure about revenue. Infrabel Group has carried out a provisional assessment of IFRS 15 at Infrabel. Changes may yet be made to this assessment as a consequence of more detailed analysis. Infrabel's activities encompass:

- Infrastructure fee;
- Energy supply;
- Information technology and telecommunications (ICT)
- Studies and assistance (except ICT);
- Asset management;
- Miscellaneous.

IFRS 15 is not expected to have an impact on any of these activities. Analysis has yet to be carried out at subsidiaries, but its impact on the consolidated operating income will nevertheless be very limited.

• IFRS 16 *'Leases'* (effective date 1 January 2019). IFRS 16 is due to replace the current leasing standard, IAS 17. The new standard contains the principles for the recognition, measurement, presentation and disclosure of lease contracts, both for lessors and lessees. For lessors, the principles of IAS 17 continue to apply, whereby lease contracts are treated as financial or operational leasing. Lessees, on the other hand, have to apply one model to all lease contracts. For all lease contracts with a lease period of more than one year, right-to-use assets and lease liabilities must be recognised in the balance sheet, unless the assets concerned have a low value. In the profit and loss account, the costs of these lease contracts must be presented as amortisation on right-to-use assets and interest on the lease liabilities. This means that a number of leases that are currently classified as operational leases under IAS17, and for which at present there are no recognised assets or liabilities, will have to be recorded as financial leases. The analysis of the potential impact of this standard on the accounts of the Infrabel Group is still ongoing. It is already clear that there will be an impact on the rental contracts for buildings and company cars. This will be studied further depending on its materiality in the consolidated financial statements.

• Changes to the interpretation of IFRIC 23 *'Uncertainty over income tax treatments'* (effective date 1 January 2019) clarifies the recognition and applicable measurement in the case of uncertainty about income tax treatments. It is not expected that these changes will have an impact on the Infrabel Group.

• New standard IFRS 17 *'insurance contracts'* (effective date 1 January 2021) containing the requirement that insurance obligations are measured as compared with the present performance value. The standard contains a uniform measurement and presentation approach for all insurance contracts and will replace IFRS 4. The new standard has no influence on the consolidated financial statements of the Infrabel Group, since it only applies to insurance companies.

2.2 Consolidation

The consolidated financial statements of Infrabel include the accounts of Infrabel, a limited company under public law, the accounts of the subsidiaries, after elimination of intercompany transactions, and the investment of the Group in associated entities and joint ventures.

2.2.1 Subsidiaries

The assets, liabilities, rights and obligations, income and expenditure of Infrabel, a limited company under public law, and the subsidiaries over which it exercises control, are included in the consolidated financial statements according to the full consolidation method. Control is the power to manage the financial and operational policies of an entity so as to derive benefits from its operations. This control is deemed to exist where the Group holds more than half of the voting rights, but this presumption can be rebutted if there is material evidence to the contrary. In determining whether or not there is control, the existence of potential voting rights that can be exercised or that are immediately convertible are considered.

A subsidiary is consolidated from the acquisition date, i.e. the date on which control is transferred to the acquirer party. From that time, the parent company (the acquirer) includes total comprehensive income of the subsidiary in the total consolidated comprehensive income and includes the assets, liabilities and contingent liabilities acquired at fair value, including any goodwill resulting from the acquisition, in the consolidated statement of financial position. A subsidiary ceases to be consolidated from the time at which the Group ceases to hold control.

‘Common control’ transactions are treated according to the ‘predecessor’ accounting method. (historical cost)

For consolidation purposes, intra-group balances and transactions require to be fully eliminated. Non-realised intra-group profits and losses are adjusted.

The consolidated financial statements are prepared using uniform accounting principles within the Group.

2.2.2 Investments in associates

Associates are those entities in which the Group has significant influence on the financial and operational policies but which it does not control or jointly control. These investments are incorporated into the consolidated financial statements according to the equity method from the date on which the significant influence begins until the date on which the significant influence ceases.

2.2.3 Joint ventures

Joint ventures are those entities in which the Group has joint control and where such control is established by an agreement. Joint control implies that the venture’s financial and operational policy is implemented with the unanimous consent of all parties which share the control. The Group’s interests in joint ventures are accounted for using the equity method, from the date that joint control first exists until the date it ceases.

2.2.4 Conversion of the financial statements of subsidiaries prepared in a foreign currency

All monetary and non-monetary assets and liabilities are converted in the consolidated financial statements using the closing rate method. Income and expenditure are converted using the average rate over the period under consideration.

2.2.5 Non-controlling interests

Non-controlling interests represent the part of results and net assets that are held by the Group and recorded separately from the parent’s interests in the consolidated statement of comprehensive income and the consolidated statement of financial position, as part of equity, in a separate section.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

2.3 Foreign currency transactions

The financial statements of each entity of the Group are presented in the currency of the economic environment in which the entity is performing its activities (the operating currency). The consolidated financial statements are expressed in the operating currency of the parent companies, being Euro, which is the presentation currency of the consolidated financial statements.
Transactions in foreign currencies are recorded in the operating currency of the entities, using the exchange rates at the time of the transaction. Exchange gains and losses from the settlement of such operations and from the conversion of monetary assets and liabilities denominated in foreign currency at the foreign exchange rate at the closing date are included in net result.

2.4 Goodwill

Goodwill resulting from business combinations is recognised as an asset as from the date control is obtained (the acquisition date). The Group measures goodwill as the difference between the aggregate of the fair value of the consideration transferred at the acquisition date and the net amount of the identifiable assets acquired and the liabilities assumed at acquisition date. If this excess is negative, the resulting gain from the bargain purchase is recognised immediately in profit or loss.

Goodwill is not amortised but is reviewed for impairment. Impairment is tested annually and more frequently if there are indications for impairment. The accounting treatment of impairments is described in more detail in these accounting principles of the consolidated financial statements under ‘Impairment’.

2.5 Intangible assets

An intangible asset is recorded in the statement of financial position when the following conditions are met:

1. the asset is identifiable, i.e. either it can be separated (if it can be individually sold, transferred or rented) or it results from contractual or legal rights;
2. it is probable that the asset will generate economic benefits;
3. the Group has control over the asset;
4. the cost of the asset can be measured reliably.

Intangible assets are measured according to the cost model, i.e. at the initial cost price less any accumulated depreciation and any accumulated impairment losses.

The initial cost of intangible assets:

- that **are acquired separately** includes costs directly attributable to the transaction (purchase price net of trade discounts and other rebates), excluding indirect costs;
- that **are generated internally** is equal to the sum of the expenses incurred as from the date the assets first meet the recognition criteria in accordance with IAS 38, i.e. as from the time the Group can demonstrate (1) that the project is technically feasible,

(2) that there is an intention of using or selling the asset, (3) how the asset will generate future economic benefits, (4) that there exist adequate resources to complete the project and (5) that the expenditure can be measured reliably. These expenses include direct costs plus the operating costs of the operational services (except depreciation of assets financed by grants). The hourly rate is calculated taking into account all costs of short-term employee benefits, except for training costs and expenditures on safety, plus all costs of other long-term employee benefits, post-employment benefits and termination benefits (where related to staff that is still partially employed).
Only the development costs of internally generated software are capitalised; research costs are recognised immediately in net result. The development costs only include: (a) design (functional and technical blueprint), (b) programming and configuration, (c) developing interfaces, (d) technical documentation for internal use, (e) hardware integration and (f) testing.
Expenditures subsequent to the initial recognition are recognised in net result, except if it can be demonstrated that it generates new, significant economic benefits;

- that **are acquired as part of a business combination** is the fair value on the date of acquisition.

The cost of the asset also includes borrowing costs if the intangible assets necessarily take a period of more than one year to get ready for use of sale. The capitalisation rate is either equal to that of a specific loan or equal to the weighted average borrowing costs applicable to the outstanding loans of the Group, excluding those loans that have been contracted specifically.

Intangible assets are amortised on a straight-line basis over their probable useful life. The amortisable amount corresponds to the acquisition cost, whereby the residual value is supposed to be equal to zero. The useful lives applied are the following:

Categories	Probable useful life
Operational licence for using the Belgian railway network	99 years
ERP development costs and other software on 10 years	10 years
Other software development costs on 5 years	5 years
Websites	3 years
Software acquired from third parties	5 years
Licences	term of the contract

Amortisation starts when the asset is ready for use.

The useful life and amortisation method for intangible assets with a limited useful life are reviewed annually at balance sheet date. Changes in the estimated useful life or anticipated consumption of future economic benefits generated by the asset are accounted for by changing the useful life or amortisation method, as the case may be, and are treated as changes in accounting estimates.

Impairment tests are performed on intangible assets when there are indications that the carrying value would not be recovered through their use or their sale. The intangible assets that are not yet ready for use, are subject to an annual impairment test at balance sheet date.

2.6 Property, plant and equipment

Property, plant and equipment are measured according to the cost model, at initial cost less accumulated depreciation and any accumulated impairment charges. The initial cost includes:

- any costs directly attributable to the purchase transaction, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Group;
- the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located (obligation for which the Group incurs these costs either when the asset is acquired or is manufactured).
- The cost therefore does not include study costs and the costs of feasibility studies incurred in connection with construction projects of property, plant and equipment (railway infrastructure, etc.), the costs of management and general administration or salary costs and other operating expenses that cannot be allocated to an investment activity.

The initial cost price of property, plant and equipment that is generated internally is equal to the sum of the costs incurred from the time the assets first meet the recognition criteria set down in IAS 16, i.e. where it is probable that the future economic benefits will flow to the Group and the cost of the asset can be reliably determined. These costs include direct costs plus the operating costs of the operational services (except depreciation on assets financed by grants). The hourly rate is calculated taking account of all costs of short-term employee benefits, except for training costs and expenditures on safety, plus all costs of other long-term employee benefits, post-employment benefits and termination benefits (where related to staff that is still employed part-time). In addition, costs subsequent to the initial recognition are recognised in net result, except if it can be demonstrated that these generate new and significant economic benefits.

Costs of maintenance and repairs that merely maintain the value of property, plant and equipment without increasing it, are recognised in net result. However, costs of major maintenance and major repair works that increase the future economic benefits that generated by the asset are recognised as a separate component of the cost price. The cost price of property, plant and equipment is split among significant (sub-) components. These significant (sub-) components, which are replaced at regular intervals and therefore have a useful life that differs from that of the main asset, are depreciated over their own, specific useful life. In case of a replacement, the asset is no longer recognised in the statement of financial position and the new asset is amortised over its own useful life.

The cost of the asset also includes borrowing costs if the property, plant and equipment necessarily take a period of more than one year to get ready for use or sale. The capitalisation rate is either equal to that of a specific loan or equal to the weighted average borrowing costs applicable to the outstanding loans of the Group, excluding those loans that have been contracted specifically.

Property, plant and equipment are fully depreciated over their probable useful life using the straight-line method of depreciation. The depreciable amount is usually the cost of the asset. The useful lives applied are as follows:

Categories	Probable useful life
Land	N/A
Administrative buildings	60 years
Components of administrative buildings	10 to 30 years
Industrial buildings	50 years
Components of industrial buildings	15 to 20 years
Track and associated components	25 to 100 years
Structures and associated components	10 to 120 years
Level crossings and associated components	10 to 30 years
Railway infrastructure - signalling	4 to 35 years
Miscellaneous railway infrastructure	7 to 80 years
Railway rolling stock, excluding wagons	locomotives : 35 years
Wagons	wagons : 40 years special wagons: 20 to 40 years
Road vehicles	6 to 10 years
Other plant and various equipment	5 to 50 years
Furniture	10 years
ICT	4 to 10 years
Leasehold improvements to property, plant and equipment	15 years or the shorter of the term of the contract and the useful life of the component

The useful life and depreciation method for property, plant and equipment are reviewed annually at balance sheet date. Changes in estimated useful life or anticipated consumption of future economic benefits generated by the asset are accounted for by changing the useful life or depreciation method, as the case may be, and are treated as changes in estimates.

2.6.1 Land classified as held for sale

Land classified as held for sale is measured following the revaluation model, thus at the lower of its carrying amount and fair value less costs to sell and potentially less impairments. Revaluations will be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Land is transferred to ‘Assets held for sale’ when the criteria of IFRS 5 ‘Non-current assets held for sale and discontinued operations’ are met.

2.7 Leases

2.7.1 Leases for which the Group is the lessee

A lease is recorded as a finance lease if the Group acquires virtually all the risks and rewards incidental to ownership of the asset. The Group recognises these finance leases as assets and liabilities for amounts equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is recognised partly as a finance cost and partly as reimbursement of the liability. The finance cost is spread over the various lease commitment periods so as to result in a constant periodic charge over the remaining balance of the liability. Property, plant and equipment held under a finance lease are depreciated over the shorter of the lease term and the useful life of the asset.

A lease is recorded as an operating lease where virtually all risks and rewards incidental to ownership of the asset are not transferred to the lessee. Lease payments relating to an operating lease are recognised as costs on a straight-line basis in net result over the lease term.

2.7.2 Leases for which the Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives. Rental income is recognised on a straight-line basis over the lease term.

Finance leases are, for the lessor, accounted for as a sale combined with a financing. The asset is derecognised from the statement of financial position (with capital gain or loss recognised in net income) and a receivable is recognised representing the cash flows to be received relating to both principal and interest.

2.7.3 Cross-border arrangements

Three “concession and concession back” transactions were transferred to the Infrabel Group following the restructuration of the SNCB Group. These transactions are recognised based on their economic substance according to SIC 27. Property, plant and equipment continue to be recognised in the Group's consolidated financial statements. The investment accounts and related payment obligations towards lenders are recognised in the consolidated statement of financial position except for investment accounts contracted with a public authority with a high quality rating, or with a counterparty that is guaranteed by a State with a high quality rating, or counterparties of these arrangements.

2.8 Investment properties

An investment property is property (land or a building) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation, rather than for:

- use in the production or supply of goods or services or for administrative purposes; **or**
- sale in the ordinary course of business.

IAS 40 is only applicable to investment properties for mixed use in the case that:
- the portion held to earn rentals or to get capital gains and the portion held for own use can be sold separately;
- the portion held for own use amounts to less than 5% of the whole.

Investment properties are measured according to the cost model. All accounting principles relating to property, plant and equipment are therefore likewise applicable to investment properties.

2.9 Interests under equity method

Entities over which the Group exercises joint control together with one or more parties pursuant to a contractual arrangement with those parties, and associates, over which the Group exercises significant influence without exercising control are accounted for according to the equity method.

Impairment on interests under equity method are recorded when the carrying value is higher than the recoverable amount. Interests under equity method are subject to an impairment test as an individual asset (including the goodwill paid to acquire this interest) where there is an objective ground to believe the interest has suffered an impairment loss.

2.10 Impairment losses

An impairment loss is recorded on intangible assets (including goodwill) and property, plant and equipment when the carrying value of the asset is higher than its recoverable amount. The recoverable amount of an asset is the higher of:

1. its fair value less costs to sell (being the amount that the Group would receive upon sale of the asset); and
2. its value in use (being the amount that the Group would generate by continuing to use the asset).

Where possible, these tests are carried out for each individual asset. However, if the assets do not generate independent cash flows, the test needs to be done at the level of the cash-generating unit (or 'CGU') to which the asset belongs (CGU = the smallest identifiable group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets).

An annual impairment test should be performed if goodwill is allocated to a CGU, and if there are indications there has been an impairment loss. In the event that no goodwill is allocated to the CGU, an impairment test should only be performed if there are indications there has been an impairment loss. Goodwill acquired as part of a business combination is allocated to the acquired subsidiaries and, as the case may be, to the CGUs that are expected to benefit from the synergies resulting from the business combination.

When an impairment loss is identified, it is first allocated to goodwill. Any surplus must then be allocated to the other assets of the CGU in proportion to their carrying values, but only to the extent that the allocation does not bring the carrying values of the assets below their fair value less costs to sell. An impairment loss against goodwill may never be reversed in a subsequent period. Impairment losses against property, plant and equipment are reversed if this is justified in the circumstances.

It is possible to account for an impairment loss on an individual asset resulting from an indication of impairment related to that individual asset (e.g. as a result of damage suffered), regardless of whether the asset is or is not (fully or partially) financed by grants.

Impairment losses cannot be recorded on assets that are part of a CGU that is fully financed by grants. If impairment losses are determined for CGUs that are partially financed by grants, they must be allocated proportionally to the assets (and to the investment grants relating to them).

2.11 Inventories

Inventories shall be measured at the lower of cost and net realisable value.

The cost of replaceable inventories is determined by applying the weighted average price method. Inventories of lesser importance and whose value and composition remain stable over the period are recognised in the statement of financial position at a fixed value.

The cost of inventories includes the acquisition cost and other costs incurred in bringing the inventories to their first location and condition. The cost of manufactured inventories includes the direct and indirect production costs, except for finance costs and overheads that do not contribute in bringing the inventories to their first location and condition.

A write-down is recorded if the net realisable value of an item of inventory at balance sheet date is less than its carrying value. Slow-moving parts are subject to a write-down on the basis of technical and economic criteria.

2.12 Trade and other receivables

Receivables are initially measured at their nominal value and, after initial recognition, at their amortised cost, i.e. the present value of the cash flows to be received (except where the impact of discounting is not significant).

Receivables are measured individually. Impairment losses are recognised where cash recovery is doubtful or uncertain, for the entire amount or partially.

Prepayments and accrued income related to trade and other receivables are also accounted for under “Trade and other receivables”.

We refer to note 30 for more information about the receivable towards the Belgian State as part of a cross-border arrangement, booked at fair value.

2.13 Derivatives

Derivatives are recognised in the statement of financial position at their fair value on each balance sheet date, determined using various measurement techniques. Changes in fair value are recognised in net result.

Financial instruments’ fair value is classified in 3 levels, as defined by IFRS 13 paragraph 72. Financial instruments classified as level 1 are quoted financial instruments whose fair values are determined by the quoted price at the reporting date. Unquoted financial instruments’ fair value for which similar quoted instruments in terms of nature and maturities are available, is determined by those instruments. For other unquoted instruments, the fair value is determined using valuation technics such as the net asset value, the discounted cash flows or valuation models used for options. Models taking into account hypothesis based on market data are part of the level 2 of the fair value hierarchy while other models based on unobservable market data are part of the level 3 of this hierarchy.

Derivative financial instruments' fair value is determined using valuation technics such as valuation models used for options or the discounted cash flows method. Models take into account hypotheses based on market data observed on the reporting date and are part of the level 2 of the fair value hierarchy as defined by IFRS 13 paragraphs 81 and 82.

The Group makes use of derivatives (IRS, IRCS) to hedge against possible untoward developments in interest and exchange rates. The Group does not use derivatives for speculative purposes.

However, certain derivative transactions, although constituting a hedge from an economic point of view, do not meet the strict criteria of IAS 39 for applying hedge accounting. In case of hedges as defined in IAS 39, specific rules apply relating to the accounting of the effects of the hedges and those of the hedged operations in the income statement of the same accounting year. The Group has decided not to apply the hedge accounting principles.

2.14 Other financial assets

Financial investments are initially measured at fair value of the consideration paid to acquire them, including transaction costs. For derivatives and financial assets valued at fair value through profit or loss however, transaction costs cannot be included in the valuation.

Subsequently they are classified into different categories and a valuation rule specific for each category is applied:

1. Financial assets at fair value through profit or loss include (a) financial assets held for trading and (b) assets for which the Group decided on a voluntary basis to classify them, at inception, in the category 'at fair value through profit or loss'. Derivatives are also designated as held for trading unless they are qualified as hedging transactions. These financial assets are measured at fair value at each balance sheet date with any changes in fair value being recognised in net result.
2. Held-to-maturity investments are non-derivative financial assets, with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. These assets are valued at amortised cost.
3. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recorded in the statement of financial position under trade and other receivables at amortised cost using the effective interest method.
4. Available-for-sale financial assets are a residual category that includes all financial assets not classified in one of the categories mentioned above, for which the Group does not have both the intention and the ability to hold to maturity. These available-for-sale financial assets are recorded at fair value. Changes in fair value are reported in other comprehensive income until the assets are impaired or sold. At the time of sale, gains or losses accumulated in other comprehensive income are recycled into net income.

Shares' fair value is determined based on the most appropriate financial criteria to each company's particular situation. Criteria generally retained are the market value or the share in the equity and the profitability forecasts when the market value is not available. Loans and deposits' fair value is valued using market values, rates curves and credit spreads of each issuer.

A financial asset that is not recorded at fair value through profit or loss is reviewed at each balance sheet date to determine whether there is objective evidence of impairment. An impairment loss is recognised if there is objective evidence that an adverse event occurred after the initial recognition of the asset, and that this event has a negative impact on the estimated future cash flows of the asset.

Purchases and sales of financial assets are recognised at settlement date.

Accrued financial income related to other financial assets are classified as other financial assets.

We refer to notes 30 and 31 for more information about the other financial assets related to the cross-border arrangements and the Public Private Partnerships.

2.15 Cash and cash equivalents

This includes cash on hand and at bank, amounts in the process of collection, short-term investments (with an initial maturity of no more than three months), extremely liquid, short-term investments that are easily convertible into a known sum of money and that are hardly subject to changes in value, together with bank overdrafts. The last of these are recorded under financial liabilities on the liabilities side of the statement of financial position.

Cash and cash equivalents are recognised in the statement of financial position at their amortised cost.

2.16 Non-current assets held for sale

A non-current asset (or group of assets) is classified as held for sale if its carrying amount is recovered principally through a sale transaction rather than through continuing use. This means that the asset is available for an immediate sale in its current condition and that the sale is very probable (official decision to sell, active search for a buyer, very probable sale within a year).

At the moment of classification as asset held for sale, the asset is valued at the lower of carrying value and fair value less costs to sell. The non-current assets held for sale are no longer depreciated.

2.17 Discontinued operations

A discontinued operation is an activity that either meets the criteria for being classified as held for sale or has been disposed of, and additionally meets the following criteria:

- the cash flows from the activity can be distinguished, operationally and for financial reporting purposes;
- the activity is a separate major line of business or geographical area of operations;

- it is part of a single co-ordinated sales plan or is being purchased with a view of resale.

2.18 Share capital

The ordinary shares are classified under the ‘Share capital’ section. The share capital comprises two categories:

- issued share capital, consisting of amounts that the shareholders have committed to paying up in full;
- uncalled share capital: the portion of the issued share capital over which the Management Board of one of the consolidated entities has not yet issued a call.

2.19 Employee benefits

2.19.1 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in expenses when the related service has been rendered by the staff members. Employee benefits that have not yet been paid out at balance sheet date are recognised under the ‘Social debts’ section.

2.19.2 Post-employment benefits

Post-employment benefits are employee benefits (other than short term and termination benefits) that are due after the completion of employment.

Post-employment benefits can be subdivided into two categories:

- defined contribution plans: these are plans where the Group pays contributions to a separate entity and has no legally enforceable or *de facto* obligation to pay any additional contributions. These contributions are recognised in expenses over the periods during which service has been rendered by the staff members. If contributions were paid upfront (or have not yet been paid), they are recognised on the assets (or liabilities) side of the statement of financial position;
- defined benefit plans: these are all plans that are not defined contribution plans.

Post-employment benefits that fall under the category of defined benefit schemes are measured based on an actuarial valuation. They are accounted for (after deduction of any plan assets) to the extent that the Group must bear the costs resulting from the service rendered by the staff members. This can result from Law, a contract, or “vested rights” based on past practice (constructive obligation). The actuarial method to be used is the projected unit credit method.

The discount rate used is based on the market rates on the calculation date of high quality corporate bonds with a similar duration than the liabilities. The other actuarial assumptions (mortality rates, future salary increase, inflation, etc.) are the Group's best estimates.

Since actuarial assumptions are used to measure these liabilities, actuarial gains and losses inevitably arise, resulting from changes in the actuarial assumptions from one financial year to the next and also from differences between the actuarial assumptions used and reality. Actuarial gains and losses relative to post-employment benefits are recognised in other comprehensive income.

2.19.3 Other long-term employee benefits

The other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service.

The figure recognised in the statement of financial position is equal to the present value of the liabilities, less any fair value of plan assets. Calculations are made according to the projected unit credit method. The actuarial gains and losses are recognised in net result.

2.19.4 Termination benefits

Termination benefits are benefits payable as a result of the Group's decision to terminate an employee's employment (or of a group of employees) before the normal retirement date, or an employee's decision (or of a group of employees) to accept voluntary redundancy in exchange for those benefits.

A liability measured on an actuarial basis is recognised for these payments to the extent that the Group has an obligation. The liability is discounted if benefits are payable after 12 months.

For all these employee benefits (with the exception of short-term employee benefits), the interest cost represents the passage of time. It is accounted for under financial expenses.

2.20 Provisions

A provision is only recognised if:

1. the Group has a present obligation (legal or constructive) to incur expenditure further to a past event;
2. it is probable that an outflow of resources will be required; **and**
3. a reliable estimate can be made of the amount of the obligation.

If significant (mainly for long-term provisions), the provision has to be discounted. The effect of the time value of money on the provision is recognised in financial expenses. The discount rate is the IRS according to the duration of the future cash flows.

A provision for environmental obligations (soil clean-up, etc.) is only recognised if the Group has a legal or constructive obligation.

If the Group has an onerous contract, a provision has to be accounted for. Before a provision for onerous contract is accounted for, the Group accounts for any impairment losses on the assets that are used in executing the related contract.

Provisions for future operating losses are forbidden.

A provision for restructuring is only recognised if it can be demonstrated that the Group has a constructive obligation to restructure, and to do so no later than at balance sheet date. This obligation needs to be evidenced by:

- the existence of a detailed formal plan in which the most important features of the restructuring are identified; **and**
- the start of implementation of the plan or notification of the most important features of the plan to the relevant persons.

2.21 Financial liabilities

Financial liabilities are initially measured at fair value, less – for financial liabilities other than those at fair value through profit or loss – transaction costs relating to the issuance of loans. Following their initial recognition, financial liabilities other than those at fair value through profit or loss, are measured at their amortised cost by applying the effective interest method, with amortisation of the issue or redemption premiums through net result.

Financial liabilities' fair value is determined using valuation technics such as valuation models used for options or the discounted cash flows method. Models take into account hypothesis based on market data observed on the reporting date and are part of the level 2 of the fair value hierarchy as defined by IFRS 13 paragraphs 81 and 82.

See notes 30 and 31 for more information about the financial liabilities related to the cross-border arrangements and the Public-Private Partnerships.

2.22 Income taxes – Deferred tax assets / liabilities

Income taxes comprise both current and deferred taxes. The current tax comprises the taxes to be paid (or recovered) on the taxable result of the past financial year, together with any adjustment to the taxes to be paid (or recovered) with regard to previous accounting years. The figure is in practice usually calculated with reference to the tax rate at balance sheet date.

The deferred tax on temporary differences between the tax base of an asset or liability and the carrying value in the consolidated IFRS financial statements is calculated according to the balance sheet liability method. The deferred tax is measured on the basis of the expected tax rate at the time the asset is realised or the liability is settled. In practice, it is usually the tax rate in force at balance sheet date that is applied.

Nonetheless, there are no deferred taxes on:

1. the initial recognition of goodwill that is not tax deductible,
2. the initial recognition of assets and liabilities (except for acquisitions of subsidiaries) that have no effect on the accounting profit or taxable profit; and
3. temporary differences related to interests in subsidiaries and joint ventures in so far as it is not probable that dividends will be distributed in the future.

Deferred tax assets are only recognised when it is probable that taxable profit will be available for crediting the existing deductible temporary differences in future reporting periods, for instance those resulting from recoverable tax losses. This criterion is tested on each balance sheet date.

Both current and deferred taxes are calculated at the level of each taxable entity. The (deferred) tax assets and (deferred) tax liabilities belonging to different subsidiaries may not be netted.

2.23 Trade and other payables

Trade and other payables are initially measured at their nominal value and subsequently at amortised cost, i.e. the present value of the future cash flows (except where the impact of discounting is not significant).

2.24 Social debts

Social debts are initially measured at their nominal value and subsequently at amortised cost, i.e. at the present value of the future cash flows (except where the impact of discounting is not significant).

2.25 Grants

Operating grants are recognised in net result under the section ‘Operating income before investment grants’.

Investment grants acquired within the framework of investments in intangible assets and property, plant and equipment are accounted for on the liabilities side of the statement of financial position and are accounted for in operating income (‘Investment grants’ section) in proportion to the depreciation on the assets for which they were received.

Financial grants received in the context of loans are deducted from financial expenses.

2.26 Other debts

Other debts are initially measured at their nominal value and, after initial recognition, at amortised cost, i.e. at the present value of the future cash flows to be paid (except where the impact of discounting is not significant).

The dividends that the Group distributes to its shareholders are accounted for under “Other debts” in the financial statements during the period in which they were authorised by their shareholders. Deferred income, i.e. the portion of income that is collected ahead of time during the current financial year or during previous financial years but which relates to a subsequent financial year, is also recorded under ‘Other debts’.

2.27 Operating income and operating expenses

Revenues associated with services are accounted for in net result according to the completion of the services.

Revenues derived from the sale of goods are accounted for in net result when the risks and rewards incidental to ownership of the asset are transferred from the seller to the buyer.

Rentals from investment properties are included in the turnover.

Revenues and costs associated with construction contracts shall be recognised as income and expenses respectively, by reference to the stage of completion of the contract activity and to the expected margin at the end of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognised as an expense immediately. The percentage of completion is determined by comparing the actual contract costs for the activities performed to date, with the estimated total cost of the project.

Costs relating to services or to the sale of goods are included in operating charges.

2.28 Financial income and financial expenses

The income resulting from interests is recognised in net result if it is acquired using the effective interest method. Dividends are recognised in net result when the Group acquires the right to collect the payments.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in net result using the effective interest method. Gains and losses from exchange rate differences are recognised on a net basis.

2.29 Rights and obligations

The rights and obligations that are not recognised in the statement of financial position are listed by category if they are likely to have a material influence on the financial statements.

This concerns in particular rights and obligations resulting from orders placed or received, forward contracts, bonds, guarantees or collaterals, whether real or not, entered into by the Group in favour of third parties, or from the receipt in deposit or pledge of assets belonging to third parties.

2.30 Cash flow statements

The cash flow statements from operating activities are presented using the indirect method, according to which net result is adjusted for the effects of transactions without cash flows, movements in working capital and elements of income or expenses related to cash flows from investing and financing activities.

Note 3

Critical accounting estimates and significant judgements

The preparation of consolidated financial statements in accordance with IFRS brings the Group to establish significant judgements, estimates and assumptions that affect the application of the valuation rules, and the reported amounts of assets, liabilities, income and expenses, and which, contain by nature a certain degree of uncertainty. Those estimates are based on experience and on assumptions that the Group considers reasonable based on the circumstances. Per definition, actual results might be and will often be different from those estimates. Revisions of the accounting estimates are recognised during the period in which the estimates are revised, and throughout subsequent concerned periods. Judgements and estimates concern mainly the following areas:

3.1 Impairment of assets

The recoverable amount of each asset or CGU is determined either as the fair value of the asset or CGU less costs to sell, or as the value in use of the asset or CGU if the latter is higher. These computations use estimates and assumptions related to discount rates, growth rates, indexes, future capital needs and future operating results.

We refer to note 7.2 for a sensitivity analysis.

3.2 Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not quoted on an active market (such as derivatives traded over the counter) is determined using valuation techniques. The Group selects the methods and retains the assumptions that seem to be appropriate, based principally on existing market conditions at reporting date. The Group uses the discounted cash flow method for a variety of available-for-sale financial assets that are not traded on active markets.

We refer to note 4.2.1 for a sensitivity analysis.

3.3 Employee benefits

Liabilities arising from employee benefits are actuarially determined, based on different financial and demographic assumptions. Any variation of these assumptions would impact the amount of the liability. An important assumption that has a major sensibility on the liability is the discount rate. At each closing, the Group determines this rate by reference to high quality corporate bonds with similar maturity at closing date. Other major assumptions are based on the market, or reflect the Group’s best estimate (see additional information disclosed in note 19).

A sensitivity analysis on main assumptions is presented in the note 19.5.

3.4 Useful life of property, plant and equipment

Property, plant and equipment mainly include railway infrastructure, railway constructions and land. Depreciation is computed as from the date at which the asset is ready to be used, according to the straight line method and according to a rate corresponding to the estimated useful life of the asset. This useful life has been estimated by management and corresponds to the period during which the asset is expected to be available to be used by the Group. Estimated useful life takes into consideration the expected use by the Group, expected physical wear that depends on operational factors such as the maintenance program, technical and economical obsolescence and legal limitations and other similar limitations (such as the leasing contract period). For a detail of the useful lives estimated for property, plant and equipment, we refer to note 8. However, actual useful life might differ because of numerous factors. This could result in a shorter or longer useful life. If the estimated useful life appears to be incorrect, or if there is a change in the circumstances in such manner that the estimated useful life has to be revised, this could lead to an impairment loss or an increased or decreased depreciation charge for the upcoming periods. Useful lives are examined at each closing date and prospectively adjusted if necessary.

3.5 Deferred tax: recovery of deferred tax assets

Deferred tax assets are only recognised for deductible temporary differences and losses carried forward if it is a probability that future taxable profits will offset these losses and differences and if tax losses remain available given their origin, their period of occurrence and their compliance with the legislation relating to their recovery. The Group's ability to recover deferred tax assets is assessed through an analysis which is mainly based on business plans and the uncertainty surrounding economic conditions and uncertainties in the markets in which the Group operates. Given the various uncertainties described above, a time horizon of three years is used by the Group in its analysis. The underlying assumptions of this analysis are reviewed annually.

Note 4

Capital and financial risk management

4.1 Capital management

Infrabel's financial policy with regard to capital management consists in ensuring a financing structure that guarantees long-term financial continuity, and is sufficient to maintain a good rating from the international rating agencies. With this objective Infrabel has set itself the goal of stabilising its debt position. With that aim in mind, Infrabel is keeping a close watch on its net financial debt position and that of its subsidiaries.
The Infrabel Group deems its net financial debt position to be:

1) Financial obligations (including the derivative financial instruments),
2) Minus the other financial assets connected with these financial liabilities (including the derivative financial instruments), i.e. the financial investments made in the context of the cross-border arrangements,
3) Minus the balance of the 'Back-to-Back' transactions pursuant to the Royal Decree of 30 December 2004 - Annex 4 and
4) Minus the available term accounts, cash and cash equivalents.

The net financial debt on 31 December 2017 is as follows:

	Net financial debt				Others	Carrying amount
	Nominal	Fair value adjustments	Accrued income	Total		
Financial assets	**849.283.207,88**	**241.853.237,21**	**19.898.582,49**	**1.111.035.027,58**	**1.086.365.358,83**	**2.197.400.386,41**
Non current financial assets	**620.694.603,05**	**241.853.237,21**	**19.288.008,29**	**881.835.848,55**	**928.494.562,65**	**1.810.330.411,20**
Other financial assets	527.889.374,63	132.660.380,31	17.137.126,09	677.686.881,03	1.187.542,94	678.874.423,97
Receivables more than 1 year	104.253.404,39	94.339.586,61	0,00	198.592.991,00	927.307.019,71	1.125.900.010,71
Derivative financial instruments	-11.448.175,97	14.853.270,29	2.150.882,20	5.555.976,52		5.555.976,52
Current financial assets	**228.588.604,83**	**0,00**	**610.574,20**	**229.199.179,03**	**157.870.796,18**	**387.069.975,21**
Other receivables	621.765,91	0,00	610.574,20	1.232.340,11	157.870.796,18	159.103.136,29
Derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00
Term accounts	20.023.445,98	0,00	0,00	20.023.445,98	0,00	20.023.445,98
Cash and cash equivalents	207.943.392,94	0,00	0,00	207.943.392,94	0,00	207.943.392,94
Financial liabilities	**2.768.627.173,00**	**433.511.651,77**	**58.364.068,16**	**3.260.502.892,93**	**181.882.411,77**	**3.442.385.304,70**
Non current financial liabilities	**2.673.324.656,99**	**432.521.916,90**	**56.016,77**	**3.105.902.590,66**	**3.628.175,05**	**3.109.530.765,71**
Financial debts	2.634.454.435,95	349.623.843,90	0,00	2.984.078.279,85	3.628.175,05	2.987.706.454,90
Derivative financial instruments	38.870.221,04	82.898.073,00	56.016,77	121.824.310,81	0,00	121.824.310,81
Current financial liabilities	**95.302.516,01**	**989.734,87**	**58.308.051,39**	**154.600.302,27**	**178.254.236,72**	**332.854.538,99**
Financial debts	95.302.516,01	989.734,87	50.243.468,96	146.535.719,84	8.867,56	146.544.587,40
Derivative financial instruments	0,00	0,00	8.091.445,01	8.091.445,01	0,00	8.091.445,01
Other debts	0,00	0,00	-26.862,58	-26.862,58	178.245.369,16	178.218.506,58
Net financial debt	**1.919.343.965,12**	**191.658.414,56**	**38.465.485,67**	**2.149.467.865,35**		

The net financial debt on 31 December 2016 is as follows:

	Net financial debt				Others	Carrying amount
	Nominal	Fair value adjustments	Accrued income	Total		
Financial assets	**912.312.251,17**	**278.367.361,38**	**21.559.972,00**	**1.212.239.584,55**	**1.116.941.104,68**	**2.329.180.689,23**
Non current financial assets	**544.824.813,37**	**278.367.361,38**	**20.878.785,40**	**844.070.960,15**	**941.626.840,08**	**1.785.697.800,23**
Other financial assets	442.186.116,21	137.633.899,52	18.121.721,48	597.941.737,21	1.307.253,66	599.248.990,87
Receivables more than 1 year	99.309.624,06	104.301.639,08	0,00	203.611.263,14	940.319.586,42	1.143.930.849,56
Derivative financial instruments	3.329.073,10	36.431.822,78	2.757.063,92	42.517.959,80	0,00	42.517.959,80
Current financial assets	**367.487.437,80**	**0,00**	**681.186,60**	**368.168.624,40**	**175.314.264,60**	**543.482.889,00**
Other receivables	604.554,68	0,00	681.186,60	1.285.741,28	175.314.264,60	176.600.005,88
Derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00
Term accounts	173.200.338,37	0,00	0,00	173.200.338,37	0,00	173.200.338,37
Cash and cash equivalents	193.682.544,75	0,00	0,00	193.682.544,75	0,00	193.682.544,75
Financial liabilities	**2.862.860.187,31**	**577.260.088,66**	**60.575.377,89**	**3.500.695.653,86**	**175.643.874,45**	**3.676.339.528,31**
Non current financial liabilities	**2.430.876.465,00**	**575.406.427,09**	**0,00**	**3.006.282.892,09**	**18.947,89**	**3.006.301.839,98**
Financial debts	2.481.238.126,12	475.395.492,40	0,00	2.956.633.618,52	18.947,89	2.956.652.566,41
Derivative financial instruments	-50.361.661,12	100.010.934,69	0,00	49.649.273,57	0,00	49.649.273,57
Current financial liabilities	**431.983.722,31**	**1.853.661,57**	**60.575.377,89**	**494.412.761,77**	**175.624.926,56**	**670.037.688,33**
Financial debts	431.983.722,31	130.104,67	52.084.665,53	484.198.492,51	452.261,88	484.650.754,39
Derivative financial instruments	0,00	1.723.556,90	8.474.435,38	10.197.992,28	0,00	10.197.992,28
Other debts	0,00	0,00	16.276,98	16.276,98	175.172.664,68	175.188.941,66
Net financial debt	**1.950.547.936,14**	**298.892.727,28**	**39.015.405,89**	**2.288.456.069,31**		

The details of the derivative financial instruments and the financial debts are presented in notes 12 and 21, and those of the receivables and other financial assets in notes 10 and 13.

4.2 Financial risk management

Infrabel applies an active risk management strategy to manage liquidity, exchange rate, interest and credit risk. A financial policy has been defined and approved by the Board of Directors, whereby risk management is strictly controlled.

Debt management

Debt management must be understood as managing not only debts recognised in the statement of financial position but also off-balance long-term financial commitments and hedging (derivatives and deposits) for interest rate, currency and liquidity risks.

Main items of debt management:

Debt management requires that to the extent possible, the expected trend in future cash flows is taken into account in order to balance the incoming and outgoing cash flows.

- Any structural treasury surplus must be used, to the extent that it is financially advantageous, to reduce debt.
- Long-term net debt of the Group must be contracted for minimum 60% as fixed rate instruments and for maximum 40% as floating rate instruments.
- The weighted residual maturity of long-term debt of the Group is in principle fixed at a minimum of 5 years.
- The repayment of the debt is spread over time, in terms of liquidity as well as in terms of interest rate risk.
- Any debt operation, even a short-term one, that generates a currency risk, must be immediately and fully hedged in EUR in order to eliminate the currency risk on the principal and on the interest.

Treasury management

Treasury management must be understood as centralised treasury management (cash flows over less than one year) of Infrabel and its subsidiaries. Payment conditions of short-term loans or borrowings to the benefit of or to be borne by the Group of all the entities considered under the centralisation perimeter are those prevailing in the market on an arm's length basis.

Main items of treasury management:

- Investment limits must be respected in the case of treasury surplus after deducting treasury allocated to subsidiaries and to financing transactions.
- Any investment implying currency risk must be immediately and fully hedged in EUR in order to eliminate the currency risk on the principal and on the interest except if the investment (in currency) itself concerns the hedging of a currency risk in relation to a cross-border arrangement.
- In order to finance remaining cash shortages, the Group can rely on credit lines (confirmed and unconfirmed credit lines).

Management of derivatives

Infrabel uses interest rate and currency swaps in order to cover interest rate and currency risks in line with the financial policy.

Main items of management of derivatives:

- Any operation on derivatives is tested for compliance with the requirements of Infrabel's financial policy.
- Any transaction related to interest or currency rates must hedge an underlying basis transaction.
- Investments and borrowings must be aligned with each other in order to limit risks.
- For hedging transactions, at least three counterparts must be previously consulted.
- Credit risk towards counterparties for derivatives must be systematically covered by the closing of Credit Support Annexes (CSA).

4.2.1 Market risk: currency risk

The Group is exposed to currency risk arising from borrowing operations in foreign currencies.

Any significant borrowing operation, even a short-term one, that generates a currency risk, must be immediately and fully hedged in EUR (principal and interest) using derivatives. The hedged position can be subject to a floating or fixed interest rate. All existing commercial exchange rate risks with an equivalent value of 100.000,00€ per main currency (USD, CHF and GBP) and for all other currencies together, must be directly hedged.

Assets and liabilities relative to cross-border arrangements are in USD. The currency risk is largely covered by swap-agreements. For a description of the cross-border arrangements, we refer to note 30.

a. Financial instruments by currency

31/12/2017	Euro	USD	Other	Total
Financial assets				
Trade and other receivables	1.537.281.404,46	535.317,83	0,00	1.537.816.722,29
Derivatives	-237.749.362,23	243.305.338,75	0,00	5.555.976,52
Other financial assets	246.756.947,62	432.117.476,35	0,00	678.874.423,97
Cash and cash equivalents	223.528.867,67	4.020.166,95	417.804,30	227.966.838,92
Total financial assets	**1.769.817.857,52**	**679.978.299,88**	**417.804,30**	**2.450.213.961,70**
Financial liabilities				
Financial debts	2.330.023.192,17	804.227.850,13	0,00	3.134.251.042,30
Derivatives	396.745.785,06	-266.830.029,24	0,00	129.915.755,82
Trade and other payables	1.329.725.703,32	1.702.152,71	0,00	1.331.427.856,03
Total financial liabilities	**4.056.494.680,55**	**539.099.973,60**	**0,00**	**4.595.594.654,15**
Net exposure	**-2.286.676.823,03**	**140.878.326,28**	**417.804,30**	**-2.145.380.692,45**

31/12/2016	Euro	USD	Other	Total
Financial assets				
Trade and other receivables	1.567.970.734,35	545.377,90	28.119,75	1.568.544.232,00
Derivatives	-249.229.659,72	291.747.619,52	0,00	42.517.959,80
Other financial assets	137.240.376,29	462.008.614,58	0,00	599.248.990,87
Cash and cash equivalents	363.395.233,68	3.232.163,21	255.486,23	366.882.883,12
Total financial assets	**1.819.376.684,60**	**757.533.775,21**	**283.605,98**	**2.577.194.065,79**
Financial liabilities				
Financial debts	2.475.495.977,27	965.807.343,53	0,00	3.441.303.320,80
Derivatives	351.594.885,37	-291.747.619,52	0,00	59.847.265,85
Trade and other payables	1.397.528.341,29	213.423,77	633,74	1.397.742.398,80
Total financial liabilities	**4.224.619.203,93**	**674.273.147,78**	**633,74**	**4.898.892.985,45**
Net exposure	**-2.405.242.519,33**	**83.260.627,43**	**282.972,24**	**-2.321.698.919,66**

b. Currency-derivatives

The currency-derivatives are swap transactions concluded exclusively for assets and liabilities related to cross-border arrangements. The Group has chosen not to apply hedge accounting. The derivatives are recognised at fair value through profit or loss. We refer to note 12 – Derivatives.

c. Sensitivity analysis

A sensitivity analysis has been performed at balance sheet date. For currency risk, the sensitivity analysis consists in evaluating the impact of a variation of the closing USD exchange rate relative to EUR by +/- 10%. An increase of the exchange rate of the USD of 10% relative to EUR, compared with the closing rate at 31 December 2017, has a negative impact of 2.265.901,06 € on the income statement. A decrease of 10% has a positive impact of 2.265.901,06 €.

4.2.2 Market risk: interest risk

a. Interest risk

The interest risk is measured under IFRS, more in particular the type of interest rate of the original financial instrument (payables and receivables), excluding derivatives concluded thereafter.

The part of the total debt that is financed on the basis of variable interest rates is exposed to the risk of changes in interest rates.

	Carrying amount 31/12/2017	Carrying amount 31/12/2016
Fixed rate instruments		
Financial assets	**555.752.025,70**	**648.697.533,44**
Trade and other receivables	129.348.201,63	126.948.437,59
Other financial assets	426.403.824,07	481.727.117,48
Cash and cash equivalents		40.021.978,37
Financial liabilities	**2.517.323.501,54**	**2.582.297.980,84**
Financial liabilities	2.513.820.050,27	2.578.677.456,53
Trade and other payables	3.503.451,27	3.620.524,31
Total fixed rate instruments	**-1.961.571.475,84**	**-1.933.600.447,40**
Floating rate instruments		
Financial assets	**435.350.792,88**	**320.666.351,08**
Trade and other receivables	10.270.000,00	10.088.000,00
Other financial assets	197.113.953,96	116.895.806,33
Cash and cash equivalents	227.966.838,92	193.682.544,75
Financial liabilities	**734.910.378,07**	**954.376.154,18**
Financial liabilities	338.510.061,48	545.633.071,13
Trade and other payables	396.400.316,59	408.743.083,05
Total floating rate instruments	**-299.559.585,19**	**-633.709.803,10**
Total	**-2.261.131.061,03**	**-2.567.310.250,50**

Unlike the financial statements 2016, the receivable from the State in relation to the PPP Diabolo is not included in the 'Trade and other receivables', since this receivable does not bear interest. To guarantee comparability, the carrying amount as at 31/12/2016 has been adjusted.

At 31 December 2017, approximately 80% of the gross debt of the Group was at fixed rate.

b. Sensitivity analysis of financial charges

A 1% rise of variable interest rates (including derivatives) would cause an increase of 3.912.400,00€ in the financial charges of the Group in 2017.

c. Fair value sensitivity analysis

Changes in market interest rates affect the fair value of non-derivative financial instruments recorded at fair value through profit or loss, and derivatives. This evolution is taken into account in the measurement of the sensitivity of net income.

The sensitivity analysis of the fair value was performed for the Group at the balance sheet date. An increase of 1% in interest rates would have a positive impact on net income of 37.275.613,60€ on 31 December 2017.

4.3 Credit risk

The Infrabel Group is exposed to credit risk on trade and financial receivables.

Under the financial policy, any available short-term liquidity is invested with a number of financial institutions, up to the maximum amount permitted, which depends on the rating of each of the financial counterparties, for a period of maximum 12 months. Any remaining funds are invested with the Debt Agency of the Belgian State. This minimises the counterparty risk; the rating of each of the counterparties is also updated every two weeks.

For the derivatives, the credit risk from the counterparties must be covered systematically by a guarantee in cash, the collateral, governed by the Credit Support Annexes (CSA). For agreements of this type, a calculation is performed regularly of the net amount owed, either by Infrabel or by the counterparty, if the whole of the derivatives between the various parties were cancelled at current market value, and whereby the credit risk is limited to a maximum amount depending on the creditworthiness of the counterparty.

Infrabel is in principle also exposed in the course of its normal business activities to credit risk on trade and financial receivables. However, the credit risk on trade receivables and other debtors is low, because the chief debtors are the Belgian State and the railway operators.

Ageing balance of financial assets at 31 December 2017:

	Net carrying amount	Not due	0-1 month	1-3 months	3 - 6 months	6 - 12 months	1 - 2 years	> 2 years
Trade and other receivables	1.537.816.722,29	461.458.194,22	38.157.681,32	153.033.942,77	6.431.655,36	58.606.066,43	21.348.298,52	798.780.883,67
Derivatives	5.555.976,52	14.853.270,29	0,00	0,00	0,00	0,00	0,00	-9.297.293,77
Other financial assets	678.874.423,97	133.847.923,25	0,00	0,00	20.000.000,00	20.000.000,00	128.170.145,38	376.856.355,34
Cash and cash equivalents	227.966.838,92	207.966.838,92	20.000.000,00	0,00	0,00	0,00	0,00	0,00
Total	**2.450.213.961,70**	**818.126.226,68**	**58.157.681,32**	**153.033.942,77**	**26.431.655,36**	**78.606.066,43**	**149.518.443,90**	**1.166.339.945,24**

Ageing balance of financial assets at 31 December 2016:

	Net carrying amount	Not due	0-1 month	1-3 months	3 - 6 months	6 - 12 months	1 - 2 years	> 2 years
Trade and other receivables	1.568.544.232,00	572.392.348,62	37.981.851,99	10.532.614,59	21.695.863,88	19.662.670,15	41.068.753,84	865.210.128,93
Derivatives	42.517.959,80	36.431.822,78	0,00	0,00	0,00	0,00	0,00	6.086.137,02
Other financial assets	599.248.990,87	138.941.153,18	0,00	0,00	10.001.011,21	0,00	621.765,91	449.685.060,57
Cash and cash equivalents	366.882.883,12	366.882.883,12	0,00	0,00	0,00	0,00	0,00	0,00
Total	**2.577.194.065,78**	**1.114.648.207,70**	**37.981.851,99**	**10.532.614,59**	**31.696.875,09**	**19.662.670,15**	**41.690.519,75**	**1.320.981.326,52**

Other financial assets on 31 December 2017 in which the Group has invested have the following ratings (Standard & Poor's):

31/12/2017					
Rating	Nominal		Fair value adjustment	Accrued income	Total
	Non current	Current		Non current	
Other financial assets					
AAA	**42.990.985,42**	**0,00**	**29.929.929,54**	**2.451.840,53**	**75.372.755,49**
Financial institutions	42.990.985,42	0,00	29.929.929,54	2.451.840,53	75.372.755,49
Aa1 (*)	**58.190.984,89**	**0,00**	**0,00**	**3.534.909,17**	**61.725.894,06**
Financial institutions	58.190.984,89	0,00	0,00	3.534.909,17	61.725.894,06
Aa3 (*)	**81.700.000,00**	**0,00**	**0,00**	**0,00**	**81.700.000,00**
Financial institutions	81.700.000,00	0,00	0,00	0,00	**81.700.000,00**
A+	**36.948.703,41**	**0,00**	**48.427.393,81**	**11.150.376,39**	**96.526.473,61**
Financial institutions	36.948.703,41	0,00	48.427.393,81	11.150.376,39	96.526.473,61
A	**262.289.569,10**	**0,00**	**54.303.056,96**	**0,00**	**316.592.626,06**
Financial institutions	262.289.569,10	0,00	54.303.056,96	0,00	316.592.626,06
A-	**40.000.000,00**	**0,00**	**0,00**	**0,00**	**40.000.000,00**
Financial institutions	40.000.000,00	0,00	0,00	0,00	40.000.000,00
NR	**6.956.674,75**	**0,00**	**0,00**	**0,00**	**6.956.674,75**
Equity securities	1.161.820,00	0,00	0,00	0,00	1.161.820,00
Commercial paper	0,00	0,00	0,00	0,00	0,00
Others	5.794.854,75	0,00	0,00	0,00	5.794.854,75
Total	**529.076.917,57**	**0,00**	**132.660.380,31**	**17.137.126,09**	**678.874.423,97**

Other financial assets on 31 December 2016 in which the Group has invested have the following ratings (Standard & Poor's):

31/12/2016						
Rating	Nominal		Fair value adjustment	Accrued income		Total
	Non current	Current		Non current	Current	
Other financial assets						
AAA	**46.266.881,04**	**0,00**	**32.901.256,33**	**2.638.669,78**	**0,00**	**81.806.807,15**
Financial institutions	46.266.881,04	0,00	32.901.256,33	2.638.669,78	0,00	81.806.807,15
Aa1 (*)	**62.405.199,14**	**0,00**	**0,00**	**3.790.908,70**	**0,00**	**66.196.107,84**
Financial institutions	62.405.199,14	0,00	0,00	3.790.908,70	0,00	66.196.107,84
Aa3 (*)	**33.080.000,00**	**0,00**	**0,00**	**0,00**	**0,00**	**33.080.000,00**
Financial institutions	33.080.000,00	0,00	0,00	0,00	0,00	**33.080.000,00**
A+	**29.978.180,44**	**0,00**	**54.103.520,29**	**0,00**	**664.511,19**	**84.746.211,92**
Financial institutions	29.978.180,44	0,00	54.103.520,29	0,00	664.511,19	84.746.211,92
A	**31.950.000,00**	**0,00**	**0,00**	**0,00**	**0,00**	**31.950.000,00**
Financial institutions	31.950.000,00	0,00	0,00	0,00	0,00	31.950.000,00
A-	**222.114.346,70**	**0,00**	**50.629.112,96**	**11.692.143,00**	**0,00**	**284.435.602,66**
Financial institutions	222.114.346,70	0,00	50.629.112,96	11.692.143,00	0,00	284.435.602,66
NR	**17.698.762,55**	**0,00**	**0,00**	**0,00**	**16.675,41**	**17.715.437,96**
Equity securities	1.286.442,21	0,00	0,00	0,00	0,00	1.286.442,21
Commercial paper	10.000.611,17	0,00	0,00	0,00	0,00	10.000.611,17
Others	6.411.709,17	0,00	0,00	0,00	16.675,41	6.428.384,58
Total	**443.493.369,87**	**0,00**	**137.633.889,58**	**18.121.721,48**	**681.186,60**	**599.930.167,53**

(*) Moody's

The ratings of **cash and cash equivalents** on 31 December 2017 and 31 December 2016 are as follows (Standard & Poor's):

31/12/2017						
Rating	Nominal		Fair value adjustment	Accrued income		Total
	Non current	Current		Non current	Current	
A+	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Financial institutions	0,00	0,00	0,00	0,00	0,00	0,00
A	**0,00**	**110.070.992,57**	**0,00**	**0,00**	**0,00**	**110.070.992,57**
Financial institutions	0,00	110.070.992,57	0,00	0,00	0,00	110.070.992,57
A-	**0,00**	**48.030.725,55**	**0,00**	**0,00**	**0,00**	**48.030.725,55**
Financial institutions	0,00	48.030.725,55	0,00	0,00	0,00	48.030.725,55
NR	**0,00**	**49.841.674,82**	**0,00**	**0,00**	**0,00**	**49.841.674,82**
Cash at bank	0,00	49.841.674,82	0,00	0,00	0,00	49.841.674,82
Other financial assets	**0,00**	**207.943.392,94**	**0,00**	**0,00**	**0,00**	**207.943.392,94**

31/12/2016						
Rating	Nominal		Fair value adjustment	Accrued income		Total
	Non current	Current		Non current	Current	
A+	**0,00**	**41.672.881,84**	**0,00**	**0,00**	**0,00**	**41.672.881,84**
Financial institutions	0,00	41.672.881,84	0,00	0,00	0,00	41.672.881,84
A	**0,00**	**55.487.977,19**	**0,00**	**0,00**	**0,00**	**55.487.977,19**
Financial institutions	0,00	55.487.977,19	0,00	0,00	0,00	55.487.977,19
A-	**0,00**	**47.519.334,56**	**0,00**	**0,00**	**0,00**	**47.519.334,56**
Financial institutions	0,00	47.519.334,56	0,00	0,00	0,00	47.519.334,56
NR	**0,00**	**49.002.351,16**	**0,00**	**0,00**	**0,00**	**49.002.351,16**
Cash at bank	0,00	49.002.351,16	0,00	0,00	0,00	49.002.351,16
Cash and cash equivalents	**0,00**	**193.682.544,75**	**0,00**	**0,00**	**0,00**	**193.682.544,75**

Regional distribution

The financial assets held by the Group are distributed as follows by geographic region:

	31/12/2017	31/12/2016
Belgium	1.747.873.920,82	1.936.853.239,21
Euro zone	113.442.859,32	53.650.530,24
Other Europe	500.287.266,26	389.503.741,73
United States	88.609.915,30	197.153.746,31
Other countries	0,00	32.799,30
Total	**2.450.213.961,70**	**2.577.194.056,79**

Exposure to credit risk on derivatives

Counterparty	Credit risk	Collateral posted	Collateral received	Net exposure 31/12/2017
1	-10.572.861,71	10.600.000,00		27.138,29
2	-81.687.800,00	81.700.000,00		12.200,00
3	-848.697,68	850.000,00		1.302,32
4	-103.822.882,19	103.830.000,00		7.117,81
With CSA	**-196.932.241,58**	**196.980.000,00**	**0,00**	**47.758,42**
6	35.278.279,00			35.278.279,00
7	99.332.470,39			99.332.470,39
8	75.933.462,67			75.933.462,67
9	262.390.570,10			262.390.570,10
Without CSA	**472.934.782,16**	**0,00**	**0,00**	**472.934.782,16**
Total	**276.002.540,58**	**196.980.000,00**	**0,00**	**472.982.540,58**

If the net exposure of the credit risk on derivatives with CSA is negative, the financial institutions have a credit risk on Infrabel. When net exposure is positive, Infrabel has credit risks on the financial institutions.

As required by the financial risk management policy, the Group has concluded bilateral Credit Support Annexes (CSA's) with its derivatives counterparties. The CSA's main purpose is to reduce bilateral counterparty risk. The Group has posted collateral with the counterparties for which the fair value of derivatives has exceeded certain previously agreed thresholds. These thresholds are defined at the level of the CSA of each counterparty and based on its rating.

4.4 Liquidity risk

When debt is contracted, the expected evolution in future cash flows is taken into account, in order to balance the incoming and outgoing cash flows. Investments and borrowing must as far as possible be balanced against each other to neutralise internal risks as much as possible.
In addition, the liquidity risk is covered by spreading the maturity dates of debts over time. The weighted average residual maturity of long-term debt is fixed at a minimum of 5 years.

The table below shows financial liabilities' and financial assets' maturity of future cash flows (principal and interest).

The contractual assets' and liabilities' cash flows by nature and by maturity date are the following at 31 December 2017:

		31/12/2017				
	Carrying amount	Contractual cash flows	< 1 year	1 - 2 years	2 - 5 year	> 5 years
Financial assets						
Trade and other receivables	1.537.816.722,29	1.537.816.722,29	717.687.540,10	21.348.298,52	154.829.720,02	643.951.163,65
Derivatives	5.555.976,52	5.555.976,52				5.555.976,52
Other financial assets	678.874.423,97	801.263.451,40	2.068.494,45	4.136.988,90	6.205.483,35	788.852.484,70
Total financial assets	**2.222.247.122,78**	**2.344.636.150,21**	**719.756.034,55**	**25.485.287,42**	**161.035.203,37**	**1.438.359.624,87**
Financial liabilities						
Financial debts	3.134.251.042,30	3.851.353.465,30	166.748.779,16	391.352.847,62	194.358.406,27	3.098.893.432,25
Derivatives	129.915.755,82	129.915.755,82				129.915.755,82
Trade and other payables	1.331.427.856,03	1.331.427.856,03	757.090.256,56	55.449.840,59	106.093.701,01	412.794.057,87
Total financial liabilities	**4.595.594.654,15**	**5.312.697.077,15**	**923.839.035,72**	**446.802.688,21**	**300.452.107,28**	**3.641.603.245,94**

The contractual assets' and liabilities' cash flows by nature and by maturity date are the following at 31 December 2016:

		31/12/2016				
	Carrying amount	Contractual cash	< 1 year	1 - 2 years	2 - 5 year	> 5 years
Financial assets						
Trade and other receivables	1.568.544.232,00	1.568.544.232,00	557.963.710,15	41.068.753,84	151.652.960,50	817.858.807,51
Derivatives	42.517.959,80	42.517.959,80				42.517.959,80
Other financial assets	599.248.990,87	745.105.257,29	1.995.606,81	3.991.213,62	5.986.820,42	733.131.616,44
Total financial assets	**2.210.311.182,67**	**2.356.167.449,09**	**559.959.316,95**	**45.059.967,46**	**157.639.780,92**	**1.593.508.383,75**
Financial liabilities						
Financial debts	3.441.284.372,91	4.546.170.735,95	525.167.238,91	220.128.367,33	414.581.622,75	3.386.293.506,96
Derivatives	59.847.265,85	59.847.265,85				59.847.265,85
Trade and other payables	1.397.761.346,69	1.395.761.346,69	808.031.602,44	21.392.006,27	133.867.832,86	432.469.905,12
Total financial liabilities	**4.898.892.985,45**	**6.001.779.348,49**	**1.333.198.841,35**	**241.520.373,60**	**548.449.455,61**	**3.878.610.677,93**

4.5 Fair value risk

The table below classifies financial instruments carried at fair value by the three levels defined in the valuation hierarchy. The different levels were defined as follows:

- Level 1: quoted prices in active markets for identical assets and liabilities.
- Level 2: inputs, other than quoted prices of level 1, that are observable for assets or liabilities, directly (e.g. as prices) or indirectly (e.g. derived from prices).
- Level 3: inputs of assets or liabilities that are not based on observable market data.

We refer to note 30 for more information about the financial instruments related to cross-border arrangements.

The fair value hierarchy on 31 December 2017 is as follows:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Fixed income securities and term accounts > 3 months		654.780.623,13	
Other amounts receivable		1.026.511.888,72	
Derivative financial instruments		5.555.976,52	
Total	**0,00**	**1.686.848.488,37**	**0,00**

Liabilities	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss			
Financial debts		3.057.870.530,73	
Derivative financial instruments		129.915.755,82	
Total	**0,00**	**3.187.786.286,55**	**0,00**

The fair value hierarchy on 31 December 2016 is as follows:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Fixed income securities and term accounts > 3 months		573.429.118,01	
Other amounts receivable		1.032.991.173,59	
Derivative financial instruments		42.517.959,80	
Total	**0,00**	**1.648.938.251,40**	**0,00**

Liabilities	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss			
Financial debts		3.361.668.528,97	
Derivative financial instruments		59.847.265,85	
Total	**0,00**	**3.421.515.794,82**	**0,00**

To estimate the fair value of financial instruments, the assumptions and the methods used are:

- for holding interests in companies and investments quoted on a stock exchange: their quoted price;
- for holding interests in unlisted companies: estimation through recent sale transactions and, in absence of such transactions, based on different valuation techniques, such as discounting free cash flows and the multiple method;
- for accounts receivable and other current assets: fair value considering their maturity;
- for cash and cash equivalents: fair value considering their maturity.

Note 5

Consolidation scope

The fully consolidated subsidiaries of the Group are as follows:

Name	Legal form	Share of voting rights in % on December 31, 2017	2016	Registered office	VAT/Registration number
Infrabel	SA under public law	100,00%	100,00%	Brussels	BE0869.763.267
TUC RAIL	SA	100,00%	75,00%	Brussels	BE0447.914.029
Chantier de Créosotage de Bruxelles	SA	51,00%	51,00%	Brussels	BE0428.821.954
Woodprotect Belgium	SA	99,89%	99,89%	Ghent	BE0442.279.220
SPV 162	SA	100,00%	100,00%	Brussels	BE0886.279.892
SPV Brussels Port	SA	100,00%	100,00%	Brussels	BE0889.172.472
SPV Zwankendamme	SA	100,00%	100,00%	Brussels	BE0888.985.105
Ixilio	SA	0,00%	100,00%	Brussels	BE0476.975.427

Compared to 31 December 2016, the consolidation scope for fully consolidated subsidiaries changed in 2017 due to the merger by acquisition of Ixilio SA by TUC RAIL SA.

The entities under the equity method are the following:

Name	Legal form	Share of voting rights in % on December 31, 2017	2016	Registered office	VAT/Registration number
HR Rail	SA under public law	20% (*)	20% (*)	Brussels	BE0541.591.352
Rail Facilities	SA	20,00%	20,00%	Brussels	BE0403.265.325
AlphaCloud	SA	50,00%	50,00%	Mechelen	BE0830.343.457
Corridor Rhine-Alpine	EEIG	25,00%	25,00%	Frankfurt am Main (DE)	DE261369711
Corridor North Sea - Baltic	EEIG	16,67%	16,67%	Warsaw (PL)	PL1132903811
Corridor North Sea - Mediterranean	EEIG	21,80%	21,80%	Luxemburg (LU)	LU21840285

(*) 49% of the capital, but 20% of the voting rights by shareholder agreement. The equity method takes into account the 49%, ownership percentage.

Compared with 31 December 2016, the consolidation scope for the equity method consolidated subsidiaries remained unchanged in 2017.

Note 6

Business combinations

In 2017, there were no business combinations.

Note 7

Intangible assets

7.1 Intangible assets

The movements in the intangible assets as per 31 December 2017 are as follows:

Acquisition value	Software	Concession right	Other intangible assets	Goodwill	Intangible assets
On January 1, 2017	349.216.339,71	1.360.000.000,00	14.953.371,05	115.164.501,25	1.839.334.212,01
Additions - acquisitions	24.645.687,38	0,00	89.325,47	0,00	24.735.012,85
Own production	12.752.115,00	0,00	0,00	0,00	12.752.115,00
Disposals	-6.003.635,69	0,00	-280.638,41	0,00	-6.284.274,10
Sales	0,00	0,00	0,00	0,00	0,00
Transfers	-1.585.357,07	0,00	1.735.947,69	0,00	150.590,62
On December 31, 2017	379.025.149,33	1.360.000.000,00	16.498.005,80	115.164.501,25	1.870.687.656,38

Amortisation and impairments	Software	Concession right	Other intangible assets	Goodwill	Intangible assets
On January 1, 2017	-168.826.336,87	-164.848.484,87	-12.806.751,31	0,00	-346.481.573,05
Depreciation	-40.163.785,18	-13.737.373,74	-1.615.015,61	0,00	-55.516.174,53
Additions to impairments	0,00	0,00	0,00	0,00	0,00
Disposals	6.002.673,03	0,00	280.638,41	0,00	6.283.311,44
Sales	0,00	0,00	0,00	0,00	0,00
Transfers	47.797,20	0,00	0,00	0,00	47.797,20
On December 31, 2017	-202.939.651,82	-178.585.858,61	-14.141.128,51	0,00	-395.666.638,94
Net book value on December 31, 2017	176.085.497,51	1.181.414.141,39	2.356.877,29	115.164.501,25	1.475.021.017,44

The movements in the intangible assets as per 31 December 2016 are as follows:

Acquisition value	Software	Concession right	Other intangible assets	Goodwill	Intangible assets
On January 1, 2016	301.450.821,08	1.360.000.000,00	13.153.530,21	115.164.501,25	1.789.768.852,54
Additions - acquisitions	20.342.462,30	0,00	1.587.554,59	0,00	21.930.016,89
Own production	37.923.582,30	0,00	0,00	0,00	37.923.582,30
Disposals	-7.957.662,00	0,00	-18.789,38	0,00	-7.976.451,38
Sales	0,00	0,00	0,00	0,00	0,00
Transfers	-2.542.863,97	0,00	231.075,63	0,00	-2.311.788,34
On December 31, 2016	349.216.339,71	1.360.000.000,00	14.953.371,05	115.164.501,25	1.839.334.212,01

Amortisation and impairments	Software	Concession right	Other intangible assets	Goodwill	Intangible assets
On January 1, 2016	-136.576.521,82	-151.111.111,13	-11.816.205,88	0,00	-299.503.838,83
Depreciation	-41.579.429,84	-13.737.373,74	-1.009.335,30	0,00	-56.326.138,88
Additions to impairments	0,00	0,00	0,00	0,00	0,00
Disposals	7.957.662,00	0,00	18.789,38	0,00	7.976.451,38
Sales	0,00	0,00	0,00	0,00	0,00
Transfers	1.371.952,79	0,00	0,49	0,00	1.371.953,28
On December 31, 2016	-168.826.336,87	-164.848.484,87	-12.806.751,31	0,00	-346.481.573,05
Net book value on December 31, 2016	180.390.002,84	1.195.151.515,13	2.146.619,74	115.164.501,25	1.492.852.638,96

The goodwill is the result of the restructuring of the SNCB Group on 1 January 2014 and reflects the difference in the value of the transferred net assets according to IFRS or according to the Belgian accounting standards. The value of the transferred net assets, according to IFRS is 115.164.501,25€ lower than according to the Belgian accounting standards, mainly because of a higher value of the financial debt, as it is valued at fair value under IFRS.

Software includes specific IT applications, such as, amongst others, SAP.
The concession right includes the right to operate the Belgian railway infrastructure, depreciated over 99 years.

The Group has no intangible assets arising from finance lease arrangements.

The Group has no intangible assets with indefinite useful life.

7.2 Impairment losses

The tests for impairment losses on assets are performed at the level of the cash generating units (CGU) corresponding to legal entities. No impairment losses were recorded in 2017. It should be pointed out that at the CGU Infrabel, only non-subsidised assets are eligible for any impairment loss. This concerns mainly the operating right, part of the land and the goodwill.

The recoverable value of the CGU Infrabel was calculated based on 'value in use' calculations based on cash flow projections from the budgets approved by the Board of Directors for the three-year period from 2018 to 2020. The cash flow projections from these budgets were extrapolated until 2092, the last year of Infrabel's current operating right. Other important hypotheses are:

Operating margin	2.4% starting 2021
Growth rate	1% between 2021 and 2023 2% after 2023
Discount rate	0.6%

The operating margin is based on past experience. The growth rates after the first three years are mainly based on inflation forecasts published by the Federal Planning Office and the IMF. The discount rate corresponds to Infrabel's weighted average cost of capital.

If one of the following changes were to be made to the above hypotheses, the book value and the realisable value would be equal:

Operating margin	2.0% starting 2021
Growth rate	1% between 2021 and 2023 1.5% after 2023
Discount rate	1.01%

Note 8

Property, plant and equipment

8.1 Property, plant and equipment

The movements in property, plant and equipment on 31 December 2017 are as follows:

	Land	Buildings	Railway constructions	Railway infrastructure	Rolling stock railway	Other plant & equipment	Fixed assets under construction	Property, plant and equipment
Acquisition value								
On January 1, 2017	**1.605.933.380,10**	**743.408.309,77**	**5.859.221.082,51**	**12.787.754.481,60**	**163.801.000,65**	**1.406.148.483,89**	**2.694.082.496,91**	**25.260.349.235,43**
Additions - acquisitions	2.192.439,31	13.689.452,94	31.279.567,69	202.279.607,53	1.940.885,39	30.890.242,32	324.621.597,56	606.893.792,74
Own production	0,00	0,00	0,00	0,00	0,00	0,00	294.016.369,44	294.016.369,44
Disposals	0,00	-1.287.213,72	-3.891.602,37	-249.370.871,38	-7.627.898,61	-75.600.977,92	-11.015.531,41	-348.794.095,41
Sales	-1.314.581,30	0,00	0,00	0,00	0,00	-3.376.940,43	0,00	-4.691.521,73
Revaluation - impact on reserves	-1.330.135,58	0,00	0,00	0,00	0,00	0,00	0,00	-1.330.135,58
Transfers - assets held for sale	-900.000,00	0,00	0,00	0,00	0,00	0,00	0,00	-900.000,00
Transfers - within an asset class	3.784.620,37	33.721.663,90	201.295.831,35	683.766.573,76	6.682.190,50	102.814.349,78	-1.032.215.820,28	-150.590,62
On December 30, 2016	**1.608.365.722,90**	**789.532.212,89**	**6.087.904.879,18**	**13.424.429.791,51**	**164.796.177,93**	**1.460.875.157,64**	**2.269.489.112,22**	**25.805.393.054,27**
Amortisations and impairments								
	Land	**Buildings**	**Railway constructions**	**Railway infrastructure**	**Rolling stock railway**	**Other plant & equipment**	**Fixed assets under construction**	**Property, plant and equipment**
On January 1, 2017	**0,00**	**-274.029.854,99**	**-797.840.955,82**	**-5.621.221.943,84**	**-86.210.783,68**	**-866.334.361,68**		**-7.645.637.900,01**
Depreciation	0,00	-28.822.423,66	-74.216.007,88	-416.801.633,47	-7.691.227,61	-83.222.876,64		-610.754.169,26
Disposals	0,00	1.287.213,72	3.891.602,37	246.576.221,35	7.632.635,99	75.608.970,94		334.996.644,37
Sales	0,00	0,00	0,00	0,00	0,00	3.339.947,34		3.339.947,34
Acquisition from third parties	0,00	0,00	0,00	-65.071.755,89	0,00	0,00		-65.071.755,89
Transfers	0,00	37.992,49	-22.525,14	-1.612.069,58	0,00	1.548.805,03		-47.797,20
On December 30, 2016	**0,00**	**-301.527.072,44**	**-868.187.886,47**	**-5.858.131.181,43**	**-86.269.375,30**	**-869.059.519,02**		**-7.983.175.034,66**
Net book value on December 31, 2017	**1.608.365.722,90**	**488.005.140,45**	**5.219.716.992,71**	**7.566.298.610,08**	**78.526.802,63**	**591.815.638,62**	**2.269.489.112,22**	**17.822.218.019,61**

The movements in property, plant and equipment on 31 December 2016 are as follows:

	Land	Buildings	Railway constructions	Railway infrastructure	Rolling stock railway	Other plant & equipment	Fixed assets under construction	Property, plant and equipment
Acquisition value								
On January 1, 2016	1.605.831.498,88	674.473.914,65	5.612.925.584,50	11.938.997.754,22	164.263.072,66	1.299.607.280,41	3.246.493.610,79	24.542.592.716,11
Additions - acquisitions	6.256,44	17.851.965,20	48.726.952,76	134.433.990,95	1.532.755,92	20.690.603,64	339.431.190,83	562.673.715,74
Own production	0,00	0,00	0,00	0,00	0,00	0,00	289.685.663,61	289.685.663,61
Disposals	0,00	-871.405,01	-475.876,23	-111.002.014,59	-3.997.594,16	-13.295.110,39	0,00	-129.642.000,38
Sales	-142,32	0,00	0,00	0,00	0,00	-2.152.094,12	0,00	-2.152.236,44
Revaluation - impact on reserves	-233.841,61	0,00	0,00	0,00	0,00	0,00	0,00	-233.841,61
Transfers	329.608,71	51.953.834,93	198.044.421,48	825.312.515,96	2.002.766,23	101.425.175,91	-1.181.527.968,32	-2.459.645,10
On December 31, 2016	1.605.933.380,10	743.408.309,77	5.859.221.082,51	12.787.754.481,60	163.801.000,65	1.406.148.483,89	2.694.082.496,91	25.260.349.235,43
Amortisations and impairments								
	Land	**Buildings**	**Railway constructions**	**Railway infrastructure**	**Rolling stock railway**	**Other plant & equipment**	**Fixed assets under construction**	**Property, plant and equipment**
On January 1, 2016	0,00	-247.578.874,33	-727.221.481,88	-5.333.458.283,28	-83.384.282,20	-821.906.899,40		-7.213.549.821,09
Depreciation	0,00	-27.507.253,65	-70.738.371,30	-393.493.415,72	-6.824.095,64	-68.673.784,17		-567.236.920,48
Disposals	0,00	871.405,01	475.876,23	111.052.030,07	3.997.594,16	16.765.070,11		133.161.975,58
Sales	0,00	0,00	0,00	0,00	0,00	2.080.714,18		2.080.714,18
Transfers	0,00	184.867,98	-356.978,87	-5.322.274,91	0,00	5.400.537,60		-93.848,20
On December 31, 2016	0,00	-274.029.854,99	-797.840.955,82	-5.621.221.943,84	-86.210.783,68	-866.334.361,68		-7.645.637.900,01
Net book value on December 31, 2016	1.605.933.380,10	469.378.454,78	5.061.380.126,69	7.166.532.537,76	77.590.216,97	539.814.122,21	2.694.082.496,91	17.614.711.335,42

8.2 Impairment losses

Impairment tests for assets are done at the level of the ‘cash generating units’ (CGU) that represent the legal entities. In 2017, no impairment losses were recorded. We refer to note 7.2 for further information.

8.3 Finance leases

The Group holds following assets, included in the total of property, plant and equipment, as a consequence of financial lease contracts at 31 December 2017:

Acquisition value		
	Plant, machinery & equipment	Property, plant and equipment
Opening balance	45.431.522,43	45.431.522,43
Disposals	-39.303.309,33	-39.303.309,33
Ending balance	6.128.213,10	6.128.213,10

Amortisation and impairments		
	Plant, machinery & equipment	Property, plant and equipment
Opening balance	-38.675.808,74	-38.675.808,74
Depreciation	-492.535,12	-492.535,12
Disposals	36.508.659,30	36.508.659,30
Transfers	159,43	159,43
Ending balance	-2.659.525,13	-2.659.525,13
Carrying value at 31 December	3.468.687,97	3.468.687,97

The Group holds following assets, included in the total of property, plant and equipment, as a consequence of financial lease contracts at 31 December 2016:

Acquisition value	Plant, machinery & equipment	Property, plant and equipment
Opening balance	**45.701.474,00**	**45.701.474,00**
Transfers	-269.951,57	-269.951,57
Ending balance	**45.431.522,43**	**45.431.522,43**

Amortisation and impairments	Plant, machinery & equipment	Property, plant and equipment
Opening balance	**-38.402.430,13**	**-38.402.430,13**
Depreciation	-605.580,74	-605.580,74
Disposals	50.015,48	50.015,48
Transfers	282.186,65	282.186,65
Ending balance	**-38.675.808,74**	**-38.675.808,74**
Carrying value at 31 December 2016	**6.755.713,69**	**6.755.713,69**

Note 9

Investments accounted for by using the equity method

9.1 Investments accounted for by using the equity method

	31/12/2017	31/12/2016
Investments in joint ventures	578.931,58	492.611,56
Investments in associates	11.886.577,63	11.472.713,24
Net carrying value	**12.465.509,22**	**11.965.324,80**

9.2 Investments in joint ventures – accounted for by using the equity method

Name	Legal form	Share of voting rights in % on December 31,		Ownership percentage		Registered office	VAT/Registration number
		2017	2016	2017	2016		
AlphaCloud	SA	50,00%	50,00%	50,00%	50,00%	Mechelen	BE0830.343.457
Corridor Rhine-Alpine	EEIG	25,00%	25,00%	25,00%	25,00%	Frankfurt am Main (DE)	DE261369711
Corridor North Sea - Baltic	EEIG	16,67%	16,67%	16,67%	16,67%	Warsaw (PL)	PL1132903811
Corridor North Sea - Mediterranean	EEIG	21,80%	21,80%	21,80%	21,80%	Luxemburg (LU)	LU21840285

AlphaCloud SA offers solutions for the conservation and back-up of IT-data in the Data Center at Muizen (Mechelen).
Infrabel is member of three European Economic Interest Groupings (EEIG). These EEIG's have as objective to promote and develop the rail freight traffic.

Due to the delay in the approval of the annual financial statements of those EEIG's, small differences were identified between the provisional figures used in the consolidation in 2016 and the final reported figures. The decision was therefore made to correct the figures of 2016 in 2017. The correction is situated in the Group's share in the net result of Corridor Rhine-Alpine (-138.927,48 €) and Corridor North Sea-Mediterranean (-305,12 €). The consolidated annual report 2017 does not taken into account the provisional figures of the EEIG's for 2017. The final figures for 2017 of the EEIG's will be taken into account in the consolidated annual report 2018.

The movements in investments in joint ventures are as follows:

	2017	2016
Carrying value as at 1 January	**492.611,56**	**245.773,54**
Group's share in the net result	86.320,02	246.838,02
Group's share of other comprehensive income	0,00	0,00
Carrying value as at 31 December	**578.931,58**	**492.611,56**

The key figures of the joint ventures on 31 December 2017 are as follows:

	AlphaCloud	Corridor Rhine-Alpine	Corridor North Sea - Mediterranean	Corridor North Sea-Baltic	Total
Non current assets	16.091.779,67	-3.867,72	0,00	0,00	16.087.911,95
Current assets	1.735.628,78	3.399.035,23	1.219.032,40	94.725,68	6.448.422,09
Of which					
Cash and cash equivalents	695.833,06	2.919.070,28	692.152,00	84.399,98	4.391.455,32
Non current liabilities	14.595.117,39	342.599,99	625.138,67	0,00	15.562.856,05
Of which					
Financial debts	2.860.442,71	0,00	0,00	0,00	2.860.442,71
Derivative financial instruments	0,00	0,00	0,00	0,00	0,00
Current liabilities	2.105.586,05	3.052.567,52	593.893,73	1.269,90	5.753.317,20
Of which					
Debts + 1 year expiring within the year	714.386,22	0,00	0,00	0,00	714.386,22
Financial debts	714.386,22	0,00	0,00	0,00	714.386,22
Derivative financial instruments	0,00	0,00	0,00	0,00	0,00
Total equity	**1.126.705,01**	**0,00**	**0,00**	**93.455,78**	**1.220.160,79**
Investments accounted for using the equity method	**563.352,51**	**0,00**	**0,00**	**15.579,08**	**578.931,58**
Summarised statement of profit or loss					
Operating revenue	5.314.074,05	0,00	0,00	0,00	5.314.074,05
Interest income	0,00	0,00	0,00	0,00	0,00
Interest expenses	-203.971,67	0,00	0,00	0,00	-203.971,67
Depreciation and impairments	-1.522.884,26	0,00	0,00	0,00	-1.522.884,26
Taxes	-101.291,73	0,00	0,00	0,00	-101.291,73
Net result	**242.205,51**	**-138.927,48**	**0,00**	**-305,12**	102.972,91
Group's share of profit	**121.102,76**	**-34.731,87**	**0,00**	**-50,86**	**86.320,02**
Other comprehensive income	0,00	0,00	0,00	0,00	0,00
Total comprehensive income	**242.205,51**	**-138.927,48**	**0,00**	**-305,12**	**102.972,91**
Group's share of other comprehensive income	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

The key figures of the joint ventures on 31 December 2016 are as follows:

	AlphaCloud	Corridor Rhine-Alpine	Corridor North Sea - Mediterranean	Corridor North Sea-Baltic	Total
Non-current assets	16.763.679,79	2.526,04	0,00	0,00	16.766.205,83
Current assets	2.418.627,69	3.399.035,23	1.219.032,40	96.532,23	7.133.227,55
Of which					
Cash and cash equivalents	1.235.099,82	2.919.070,28	692.152,00	84.399,98	4.930.722,08
Non current liabilities	16.496.517,30	342.599,99	625.138,67	0,00	17.464.255,96
Of which					
Financial debts	2.973.978,09	0,00	0,00	0,00	2.973.978,09
Derivative financial instruments	0,00	0,00	0,00	0,00	0,00
Current liabilities	1.801.290,68	2.920.033,80	593.893,73	2.771,33	5.317.989,54
Of which					
Debts + 1 year expiring within the year	695.181,17	0,00	0,00	0,00	695.181,17
Financial debts	695.181,17	0,00	0,00	0,00	695.181,17
Derivative financial instruments	0,00	0,00	0,00	0,00	0,00
Total equity	**884.499,50**	**138.927,48**	**0,00**	**93.760,90**	**1.117.187,88**
Investments accounted for using the equity method	**442.249,75**	**34.731,87**	**0,00**	**15.629,94**	**492.611,56**
Summarised statement of profit or loss					
Operating revenue	5.172.865,24	1.666.280,00	664.396,05	206.515,84	7.710.057,13
Interest income	0,00	0,00	199,70	0,00	199,70
Interest expenses	-222.967,58	0,00	-326,70	0,00	-223.294,28
Depreciation and impairments	-1.374.509,66	-739,33	0,00	0,00	-1.375.248,99
Taxes	-198.589,45	0,00	0,00	0,00	-198.589,45
Net result	**392.952,42**	**138.927,48**	**0,00**	**93.760,90**	625.640,80
Group's share of profit	**196.476,21**	**34.731,87**	**0,00**	**15.629,94**	**246.838,02**
Other comprehensive income	0,00	0,00	0,00	0,00	0,00
Total comprehensive income	**392.952,42**	**138.927,48**	**0,00**	**93.760,90**	**625.640,80**
Group's share of other comprehensive income	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

9.3 Investments in associates

Name	Legal form	Beneficial interest in % on December 31, 2017	2016	Ownership percentage 2017	2016	Registered office	VAT/Registration number
HR Rail	SA under public law	20,00%	20,00%	49,00%	49,00%	Brussels	BE0541.591.352
Rail Facilities	SA	20,00%	20,00%	49,00%	49,00%	Brussels	BE0403.265.325

HR Rail SA under public law is, according to the Royal Decree of 11 December 2013, the legal employer of all members of the staff.
Rail Facilities provides ‘procurement’-activities to the active and non-active members of the staff of Infrabel, SNCB and HR Rail, and their family members.

The movements for investments in associates are as follows:

	2017	2016
Carrying value as at 1 January	**11.472.713,23**	**13.642.329,46**
Share in the net result from equity accounted investments	572.177,23	-661.466,75
Share in the result of other comprehensive income from equity accounted investments	-35.812,84	-1.263.149,48
Dividends	-122.500,00	-245.000,00
Carrying value as at 31 December	**11.886.577,62**	**11.472.713,23**

The key figures of the associates on 31 December 2017 are as follows:

	HR Rail	Rail Facilities	Total
Non current assets	33.412.116,34	9.225.380,59	42.637.496,93
Current assets	485.521.886,80	5.999.084,62	491.520.971,42
Of which			0,00
Term accounts	45.000.000,00	0,00	45.000.000,00
Cash and cash equivalents	154.094.444,90	1.526.700,35	155.621.145,25
Non current liabilities	60.688.249,33	1.859.201,44	62.547.450,77
Of which			0,00
Financial debts	0,00	1.859.201,44	1.859.201,44
Derivative financial instruments	0,00	0,00	0,00
Current liabilities	444.932.153,92	2.668.435,49	447.600.589,41
Of which			0,00
Debts + 1 year expiring within the year	0,00	1.896.385,46	1.896.385,46
Financial debts	2,42	1.896.385,46	1.896.387,88
Derivative financial instruments	0,00	0,00	0,00
Total equity	**13.313.599,89**	**10.696.828,28**	**24.010.428,17**
Investments accounted for using the equity method	**6.645.131,78**	**5.241.445,86**	**11.886.577,63**
Summarised statement of profit or loss			
Operating revenue	1.976.163.213,35	9.545.813,73	1.985.709.027,08
Interest income	261.958,56	0,00	261.958,56
Interest expenses	-545.671,68	-153.241,58	-698.913,26
Depreciation and impairments	-9.077.173,73	0,00	-9.077.173,73
Taxes	-871.302,73	-163.125,72	-1.034.428,45
Net result	**828.754,79**	**338.953,84**	**1.167.708,63**
Group's share of profit	**406.089,85**	**166.087,38**	**572.177,23**
Other comprehensive income	-73.087,42	0,00	-73.087,42
Total comprehensive income	**755.667,37**	**338.953,84**	**1.094.621,21**
Group's share of other comprehensive income	**-35.812,84**	**0,00**	**-35.812,84**

The key figures of the associates on 31 December 2016 are as follows:

	HR Rail	Rail Facilities		Total
Non current assets	43.402.284,66	12.317.163,79		55.719.448,45
Current assets	461.445.211,65	3.512.188,69		464.957.400,34
Of which				0,00
Term accounts	16.325.906,50	0,00		16.325.906,50
Cash and cash equivalents	113.434.107,71	1.262.545,13		114.696.652,84
Non current liabilities	69.209.684,12	3.755.586,90		72.965.271,02
Of which				0,00
Financial debts	0,00	3.755.586,90		3.755.586,90
Derivative financial instruments	0,00	0,00		0,00
Current liabilities	423.079.879,67	1.465.891,14		424.545.770,81
Of which				0,00
Debts + 1 year expiring within the year	0,00	0,00		0,00
Financial debts	0,00	0,00		0,00
Derivative financial instruments	0,00	0,00		0,00
Total equity	**12.557.932,52**	**10.607.874,44**		**23.165.806,96**
Investments accounted for using the equity method	**6.274.854,76**	**5.197.858,48**		**11.472.713,24**
Summarised statement of profit or loss				
Operating revenue	1.992.977.320,38	8.799.482,51		2.001.776.802,89
Interest income	215.796,40	0,00		215.796,40
Interest expenses	-640.633,13	-177.324,27		-817.957,40
Depreciation and impairments	-8.559.086,54	0,00		-8.559.086,54
Taxes	-88.235,58	-67.779,88		-156.015,46
Net result	**-1.600.101,20**	**250.169,06**		**-1.349.932,14**
Group's share of profit	**-784.049,59**	**122.582,84**		**-661.466,75**
Other comprehensive result	-2.577.856,08	0,00		-2.577.856,08
Total comprehensive income	**-4.177.957,28**	**250.169,06**		**-3.927.788,22**
Group's share of other comprehensive result	**-1.263.149,48**	**0,00**	**0,00**	**-1.263.149,48**

Note 10

Trade and other receivables

The non-current and current trade and other receivables are as follows:

Non-current

Trade and other receivables	31/12/2017	31/12/2016
Trade receivables - acquisition value	0,00	0,00
Trade receivables - impairment	0,00	0,00
Trade receivables	**0,00**	**0,00**
Other amounts receivable - acquisition value	932.172.302,11	928.689.534,51
Other amounts receivable - fair value adjustment	94.339.586,61	104.301.639,08
Other amounts receivable - impairment	0,00	0,00
Other amounts receivable	**1.026.511.888,72**	**1.032.991.173,59**
Deferred charges & accrued income	**99.388.121,99**	**110.939.675,97**
Trade and other receivables	**1.125.900.010,71**	**1.143.930.849,56**

Current

Trade and other receivables	31/12/2017	31/12/2016
Trade receivables	211.393.548,07	211.354.867,97
Trade receivables - impairment	-5.862.547,13	-12.545.959,88
Trade receivables	**205.531.000,94**	**198.794.973,05**
Other receivables	168.741.903,14	187.391.076,92
Other receivables - impairment	-10.332.478,09	-11.488.707,44
Other receivables	**158.409.425,05**	**175.902.369,48**
Amounts due from customers for construction contracts	35.404.530,66	39.229.894,28
Amounts due from customers for construction contracts - impairment	-8.526.944,27	-7.063.341,50
Amounts due from customers for construction contracts	**26.877.586,39**	**32.166.552,78**
Deferred charges & accrued income	**21.098.699,20**	**17.749.487,13**
Trade and other receivables	**411.916.711,58**	**424.613.382,44**
Total trade and other receivables	**1.537.816.722,29**	**1.568.544.232,00**

The other non-current and current receivables as at 31 December 2017 consist mainly of:

- The receivable on the Belgian State related to PPP Diabolo (we refer to note 31 Public-Private Partnerships);
- The receivables on the Belgian State for the realisation of various infrastructure works.

The movements of the impairments on trade and other receivables are as follows:

Non-current	**31/12/2017**	**31/12/2016**
Additions to impairments	0,00	0,00
Reversal of impairments	0,00	0,00
Impairments on trade and other receivables	**0,00**	**0,00**

Current	**31/12/2017**	**31/12/2016**
Additions to impairments	5.546.525,19	11.241.041,51
Reversal of impairments	-12.859.521,61	-16.639.768,94
Impairments on trade and other receivables	**-7.312.996,42**	**-5.398.727,43**

Note 11

Construction contracts

Construction contracts	Note	31/12/2017	31/12/2016
Receivables related to construction contracts	10	26.877.586,39	32.166.552,78
Debts related to construction contracts	23	3.328.320,36	25.937.496,03

		31/12/2017	31/12/2016
	Beginning balance	32.166.552,78	31.339.942,10
Aggregate amount of:	Recognised profits/losses	-1.007.676,39	119.647,75
	Recognised impairment losses	-529.561,16	-1.060.172,17
	Progress billing	-3.471.841,67	1.560.753,32
	Transfers	-279.887,17	206.381,78
Receivables related to construction contracts		**26.877.586,39**	**32.166.552,78**
Debts related to construction contracts		3.328.320,36	25.937.496,03
Debts related to construction contracts		**3.328.320,36**	**25.937.496,03**

Revenues and costs related to the construction contracts are recognized as revenues and expenses respectively according to the stage of completion of the contract. If the expected margin is negative, an expense is recognized for the total amount of the expected loss. The stage of completion is determined as total cost incurred to date, divided by total expected cost of the contract.

Note 12

Derivatives

Infrabel uses interest rate and currency swaps in order to cover interest rate and currency risks in line with the financial policy of the Group.

We refer to note 4 Capital and financial risk management for more information.

The table below divides the fair value of swaps into three components:

- Nominal: the difference between the outstanding nominal amounts of the receiving leg and the paying leg converted at the closing rate;
- Fair value adjustment;
- Accrued income and expenses.

The details of the derivatives on 31 December 2017 are as follows:

Assets	Nominal	Fair value adjustment	Accrued income	Total
Derivatives used for cash flow management				
	-11.448.175,97	**14.853.270,29**	**2.150.882,20**	**5.555.976,52**
Currency swaps	-11.448.175,97	14.853.270,29	2.150.882,20	5.555.976,52
Total non-current	**-11.448.175,97**	**14.853.270,29**	**2.150.882,20**	**5.555.976,52**

Liabilities	Nominal	Fair value adjustment	Accrued expenses	Total
Derivatives used for cash flow management	**-38.870.221,04**	**-82.898.073,00**	**-56.016,77**	**-121.824.310,81**
Interest rate swaps	-38.870.221,04	-82.898.073,00	0,00	-121.768.294,04
Other derivatives	**0,00**	**0,00**	**0,00**	**0,00**
Other	0,00	0,00	0,00	0,00
Total non-current	**-38.870.221,04**	**-82.898.073,00**	**-56.016,77**	**-121.824.310,81**
Derivatives used for cash flow management	**0,00**	**0,00**	**-8.091.445,01**	**-8.091.445,01**
Interest rate swaps	0,00	0,00	-8.091.445,01	-8.091.445,01
Other derivatives	**0,00**	**0,00**	**0,00**	**0,00**
Other	0,00	0,00	0,00	0,00
Total current	**0,00**	**0,00**	**-8.091.445,01**	**-8.091.445,01**

The interest rate swaps are hedges from a variable to a fixed interest rate, or vice versa, linked to financial debts.

The currency swaps are hedges by cross currency swaps (EUR/USD). The counterpart pays the dollars that are due by Infrabel on loans (receiving leg) and Infrabel pays the interest and capital in euros (paying leg).

Due to the receipt on 30/06/2017 of an amount of 95.820.000,00 € on the receiving leg of an interest rate swap, the nominal balance between the receiving leg and the paying leg of this swap became a credit balance which explains the strong decrease in the nominal value of the interest rate swaps compared to 31 December 2016.

The details of the derivatives on 31 December 2016 are as follows:

Assets	Nominal	Fair value adjustment	Accrued income	Total
Derivatives used for cash flow management				
	3.329.073,10	**36.431.822,71**	**2.757.063,92**	**42.517.959,73**
Currency swaps	3.329.073,10	36.431.822,71	2.757.063,92	42.517.959,73
Total non-current	**3.329.073,10**	**36.431.822,71**	**2.757.063,92**	**42.517.959,73**

Liabilities	Nominal	Fair value adjustment	Accrued expenses	Total
Derivatives used for cash flow management	**50.357.704,22**	**-100.006.977,79**	**0,00**	**-49.649.273,57**
Interest rate swaps	50.357.704,22	-100.006.977,79	0,00	-49.649.273,57
Other derivatives	**0,00**	**0,00**	**0,00**	**0,00**
Other	0,00	0,00	0,00	0,00
Total non-current	**50.357.704,22**	**-100.006.977,79**	**0,00**	**-49.649.273,57**
Derivatives used for cash flow management				
	0,00	**0,00**	**-8.474.435,38**	**-8.474.435,38**
Interest rate swaps	0,00	0,00	-8.474.435,38	-8.474.435,38
Other derivatives	**0,00**	**-1.723.556,90**	**0,00**	**-1.723.556,90**
Other	0,00	-1.723.556,90	0,00	-1.723.556,90
Total current	**0,00**	**-1.723.556,90**	**-8.474.435,38**	**-10.197.992,28**

The other derivatives consist of derivatives embedded in loan agreements, i.e. options for the counterpart to extend the term of the loan.

Note 13

Other financial assets

The table below shows the movements in other financial assets in 2017 and 2016:

	31/12/2017	31/12/2016
At 1 January	**599.248.990,87**	**578.397.896,40**
Change in conso scope - disposals	-24.341,71	
Acquisitions	115.267.031,81	19.387.638,61
Reimbursement of loans and receivables	-10.782.445,31	-1.481.342,02
Capital increase	0,00	752.100,00
Reversal of impairments	0,00	0,00
Fair value adjustment	-4.973.519,21	-16.914.208,80
Transfers - non-current to current	-23.020.000,00	6.820.000,00
Transfers - other	0,00	-0,03
Currency translation differences	4.143.302,91	10.835.640,01
Accrued income	-984.595,39	1.451.266,70
At 31 December	**678.874.423,97**	**599.248.990,87**

The other financial assets as per 31 December 2017 are as follows:

Other financial assets	Nominal	Fair value adjustment	Accrued income	Total
Receivables on investments using equity method	5.769.131,81			5.769.131,81
Other shares (not consolidated)	1.167.676,49			1.167.676,49
Cash guarantees	19.866,45			19.866,45
Fixed income securities and term accounts > 3 months	522.120.242,82	132.660.380,31	17.137.126,09	671.917.749,22
Total as at 31 December 2017	**529.076.917,57**	**132.660.380,31**	**17.137.126,09**	**678.874.423,97**

We refer to note 30 for more information.

The other financial assets as per 31 December 2016 are as follows:

Other financial assets	Nominal	Fair value adjustment	Accrued income	Total
Receivables on investments using equity method	6.390.897,72			6.390.897,72
Other shares (not consolidated)	1.286.442,21			1.286.442,21
Cash guarantees	20.811,45			20.811,45
Fixed income securities and term accounts > 3 months	435.795.218,49	137.633.899,52	18.121.721,48	591.550.839,49
Total as at 31 December 2016	**443.493.369,87**	**137.633.899,52**	**18.121.721,48**	**599.248.990,87**

The other financial assets mainly include:

- Non-current deposits and investments established to cover non-current debts. These investments evolve in function of the fair value of the related debts. They are also subject to exchange rate evolutions (EUR/USD).
- A receivable on AlphaCloud SA.

Note 14

Inventories

The carrying value of inventories can be summarised as follows:

	31/12/2017	31/12/2016
Raw materials	65.568,27	46.469,42
Consumables	226.638.556,65	234.900.174,68
Work in progress	5.607.820,87	6.622.195,29
Finished goods	4.664.514,57	3.768.463,16
Goods purchased for resale	2.663.544,06	2.144.083,72
Inventories	**239.640.004,42**	**247.481.386,27**

The Group has procedures in place which evaluate the obsolescence of stocks that have not rotated during a certain period and which account for impairment losses.

The carrying value of the inventories amounts to 260.092.942,71 € (2016: 268.256.659,03 €) of inventories on which 20.452.938,29 € (2016: 20.775.272,76 €) of impairment losses have been applied.

The impact on the net result of the impairment on inventories is as follows:

Impairments on inventories - impact on net result	31/12/2017	31/12/2016
Additions to impairments	0,00	68,49
Reversal of impairments	322.334,47	2.040.805,75
Impact on net result	**-322.334,47**	**-2.040.737,26**

Note 15

Cash and cash equivalents

	31/12/2017	31/12/2016
Term accounts < 90 days	20.023.445,98	173.200.338,37
Bank accounts	207.942.248,41	193.680.280,05
Other cash equivalents	1.144,53	2.264,70
Cash and cash equivalents	**227.966.838,92**	**366.882.883,12**

Short term deposits vary between 1 day and 3 months depending on the cash needs of the Group.

On 31 December 2017, the Group had 20.023.455,98 € deposits on less than 90 days (2016: 173.200.338,37 €).

On 31 December 2017 the Group had 1.000.000,00€ (2016: 1.000.000,00€) confirmed, unused cash credit lines.

The balance of cash and cash equivalents that is not available amounts to 0.00€ (2016: 0,00€).

The Group's exposure to financial risks is presented in note 4.

Note 16

Non-current assets classified as held for sale

At the end of 2017, it was decided to classify land situated in Namur and belonging to Infrabel as held for sale for an amount of 900.000,00 €. The asset is available for sale and the management assumes that the sale will take place within the year.
The valuation is in accordance with IFRS 5.

The mutation to the non-current assets classified as held for sale is as follows:

	2017	2016
As at 1 January	**0,00**	**0,00**
Transfers - assets held for sale	900.000,00	0,00
Transfers - Property, plant and equipment	-900.000,00	0,00
Sales	0,00	0,00
Surplus value after reported as held for sale	0,00	0,00
As at 31 December	**0,00**	**0,00**

Note 17

Share capital and share premium account

In 2017, no changes occurred in the share capital and in the share premium account.

The evolution in the number of shares representing the share capital is as follows:

	Total number of shares	Number of shares A	Number of shares B
Number of shares on January 1, 2013	**16.786.654**	**1.064.746**	**15.721.908**
Number of shares on December 31, 2013	**16.786.654**	**1.064.746**	**15.721.908**
Split of shares on January 1, 2014	167.866.540	10.647.460	157.219.080
Issue of shares following the partial demerger	42.433.200	42.059.950	373.250
Cancellation of treasury shares	-157.219.080		-157.219.080
Number of shares on December 31, 2014	**53.080.660**	**52.707.410**	**373.250**
Number of shares on December 31, 2017	**53.080.660**	**52.707.410**	**373.250**

On IFRS transition date, 1 January 2013, Infrabel had issued in total 16.786.654 shares with voting rights and without nominal value of which 1.064.746 shares of category A and 15.721.908 shares of category B. Category A shares are held by the Belgian State and category B shares are held by other parties than the Belgian State.

The Extraordinary General Meeting of shareholders of 19 December 2013 decided to split the existing shares by ten (10) as of 1 January 2014. As a result, the share capital is represented by 167.866.540 shares.

In the same Extraordinary General Meeting of shareholders, and as a consequence of the approval of the partial demerger of the merged SNCB, the share capital was increased by issuing 42.059.950 shares of category A and 373.250 shares of category B. As a result of the partial demerger, Infrabel became owner of 157.219.080 treasury shares. The Extraordinary General Meeting of shareholders of 19 December 2013 decided to decrease the share capital by cancellation of these 157.219.080 treasury shares.

On 31 December 2017, the share capital of the Group is represented by 53.080.600 shares with each one voting right, without nominal value, representing each 1/53.080.600 part of the share capital. All shares are fully paid.

The evolution of the share capital and share premium account is as follows:

	Issued capital	Share premium
On 1 January 2013	**1.355.061.500,00**	**299.317.752,80**
On 31 December 2013	**1.355.061.500,00**	**299.317.752,80**
Incorporation of revaluation surpluses	1.164.744.061,45	0,00
Capital increase with issue of new shares	1.675.064.517,69	0,00
Capital decrease by cancellation of treasury shares	-3.550.132.014,36	0,00
Cancellation art. 355 transfer of capital to capital grants	337.842.326,89	0,00
On 31 December 2014	**982.580.391,67**	**299.317.752,80**
On 31 December 2017	**982.580.391,67**	**299.317.752,80**

Following the partial demerger and the Extraordinary General Meetings of shareholders of 19 December 2013 and 21 May 2014, the movements hereafter became effective:

- Incorporation of revaluation surpluses for an amount of 1.164.744.061,45€ without issuing new shares but through the increase of the par value of the existing shares;
- Capital increase of 1.675.064.517,69€ by issuing 42.433.200 shares in return for the net assets received through the partial demerger of the merged SNCB;
- Capital decrease of 3.550.132.014,36€ by the cancellation of the treasury shares received in the partial demerger of the merged SNCB;
- Cancellation of the transfer from capital to capital grants in the context of art. 355 of the Law of 20 July 2006 for an amount of 337.842.326,89€ as a result of the restructuring of the SNCB Group.

At the end of December 2017, Infrabel owned no treasury shares.

Note 18

Consolidated reserves

The movements in the consolidated reserves are as follows:

	Revaluation surpluses	Retained earnings	Consolidated reserves	Total
Balance as at 1 January 2017	**61.919.662,31**	**-189.156.952,12**	**6.009.321,95**	**-121.227.967,86**
Result of the year	0,00	142.728.031,88	0,00	142.728.031,88
Transfer of result Y-1	0,00	-43.439.864,08	43.439.864,08	0,00
Other comprehensive income	0,00	724.213,10	-35.812,84	688.400,26
Revaluation - impact on result	-39.361,30	39.361,30	0,00	0,00
Change in consolidation scope		42.693.240,29	-42.698.451,19	-5.210,90
Change in revaluation surpluses	-4.124.785,90	0,00	0,00	-4.124.785,90
Dividends	0,00	0,00	-122.500,00	-122.500,00
Balance as at 31 December 2017	**57.755.515,11**	**-46.411.969,62**	**6.592.422,00**	**17.935.967,50**

	Revaluation surpluses	Retained earnings	Consolidated reserves	Total
Balance as at 1 January 2016	**62.310.948,97**	**-140.404.738,38**	**17.276.508,87**	**-60.817.280,54**
Result of the year	0,00	-43.439.864,08	0,00	-43.439.864,08
Transfer of result Y-1		-62.201.351,48	62.201.351,48	0,00
Other comprehensive income	0,00	-15.228.835,58	-1.263.149,48	-16.491.985,06
Revaluation surpluses - result	-157.445,05	157.445,05	0,00	0,00
Change in revaluation surpluses	-233.841,61	0,00	0,00	-233.841,61
Transfer	0,00	71.960.392,35	-71.960.388,91	3,44
Dividends	0,00	0,00	-245.000,00	-245.000,00
Balance as at 31 December 2016	**61.919.662,31**	**-189.156.952,12**	**6.009.321,95**	**-121.227.967,86**

Note 19

Employee benefits

As a result of the restructuring of the SNCB Group, effective on 1 January 2014, and the creation of HR Rail, the employee benefits are part of the IAS 19 debts of the Infrabel Group. The contract between HR Rail and Infrabel foresees that HR Rail is the legal employer of the employees, but not the economic employer. This contract also foresees that IAS 19 employee benefits are decentralised and are recognised in the statement of financial position of the Infrabel Group.

19.1 Summary of employee benefits liabilities

The following liabilities relative to employee benefits are recognised in the statement of financial position:

	31/12/2017	31/12/2016
Liabilities in the statement of financial position		
Post-employment benefits	169.978.598,53	171.096.777,80
Other long-term benefits	80.747.378,38	81.529.992,43
Termination benefits	9.084.774,50	10.669.169,60
Total liabilities in the statement of financial position	**259.810.751,41**	**263.295.939,83**
- of which current	82.514.887,41	83.440.596,11
- of which non-current	177.295.864,00	179.855.343,72

19.2 Description of the employee benefits

19.2.1 Post-employment benefits

The applicable post-employment benefits are the following:

Employer contributions to the Social Solidarity Fund

The retired statutory employees and their dependents (children and spouse) and dependents of deceased employees are covered by the Social Solidarity Fund. This fund is partially financed by the Group, with a contribution equal to a percentage of pensions paid.

Hospitalisation insurance

In the context of the social agreement 2008-2010 it was agreed that the Group will continue the financing of premiums to a group insurance covering the hospitalization costs in a room with two beds. This insurance applies to both active and retired statutory employees and their dependents (children and spouse), affiliated to the Fund of Social Works.

Benefits in case of a work accident

Since the statutory employees do not benefit from the legal protection in case of a work accident, a system unique to the Group was established. Based on this system, employees and their dependents are entitled to compensation in case of a work accident, both at work and on the way to work, or in case of occupational diseases. Benefits include the reimbursement of medical care, life annuities, which are dependent on the degree of disability, and annuities and allowances for dependents in case of death following a work accident.

Employer contributions to the union fund

As part of the 2016-2019 union agreement, the Group agreed with the recognised trade union organisations to pay an annual amount of 10 EUR for each affiliated retired employee.

These four types of post-employment benefits are from the type ‘defined benefit plan’ and generate a debt related to employment benefits.

Pension plans

Since 1 January 2007, the Belgian State took over the pension liabilities for the statutory employees, which were previously borne by the Group. The liability of the Group is now limited to the payment of the employer contributions to the State.

As far as the contractual employees are concerned, a defined contribution pension plan is applicable for a very limited number of employees (defined contribution plan). Since these pension plans are from the type ‘defined contribution plan’, they do not generate a debt related to employment benefits.

With the exception of the hospitalisation insurance, which is guaranteed by an insurance company, the post-employment benefits are not pre-financed in an external fund and are therefore not financed by any underlying assets or reimbursement rights.

Other long-term employee benefits

The following other long-term employee benefits are granted to the employees:

Jubilee premiums

Civic decorations are awarded to employees after a certain number of years of service. The procedures for awarding jubilee premiums have been changed in 2017.

Additional holidays in function of age

Additional days off are granted to the statutory employees as from the age of 45 and 50. A corresponding liability is recognised only for the employees for whom service needs to be guaranteed.

Availability leave

Under certain conditions, availability leave can be granted for a period from one to three years. Compensation will be paid to the employees concerned.

Credit days

Credit days granted to the employees may be carried over more than 12 months after the end of the closing date of the accounting year. According to IAS 19 Revised, these benefits will be classified as other long-term employee benefits.

There are no underlying assets nor reimbursement rights to cover these benefits.

19.2.2 Termination benefits

The following termination benefits are granted to the employees:

Partial career break

Statutory employees can benefit from part-time early retirement systems. These systems apply to specific categories of employees who have attained a minimum age, and provide for allowances partially offsetting the loss of working time.

Due to the application of IAS 19 Revised, only the indemnities granted to the employees who joined the scheme until 2006 (date of the scheme change) are considered as termination benefits.

Part-time work

For certain categories of employees who cannot benefit from early retirement, compensatory mechanisms of part-time work exist. These are arrangements of part-time work on a voluntary basis, whereby an additional allowance is provided which partially compensates the loss of working hours.

Due to the application of IAS 19 Revised, only the indemnities granted to the employees who joined the scheme until 2006 (date of the scheme change) are considered as termination benefits.

There are no underlying assets nor reimbursement rights to cover these benefits.

19.3 Liabilities relating to employee benefits

The following amounts are recognised in the statement of financial position relative to employee benefits:

	31/12/2017				31/12/2016			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
Amount recognised in the statement of financial position								
Defined benefit obligation end of period	169.978.598,53	80.747.378,38	9.084.774,50	**259.810.751,41**	171.096.777,80	81.529.992,43	10.669.169,60	**263.295.939,83**
Fair value of plan assets end of period	0,00	0,00	0,00	**0,00**	0,00	0,00	0,00	**0,00**
Total	**169.978.598,53**	**80.747.378,38**	**9.084.774,50**	**259.810.751,41**	**171.096.777,80**	**81.529.992,43**	**10.669.169,60**	**263.295.939,83**
Of which: Net liability recognised	*169.978.598,53*	*80.747.378,38*	*9.084.774,50*	**259.810.751,41**	*171.096.777,80*	*81.529.992,43*	*10.669.169,60*	**263.295.939,83**
Of which: Net assets recognised	*0,00*	*0,00*	*0,00*	**0,00**	*0,00*	*0,00*	*0,00*	**0,00**
Of which: Unfunded plans	*169.978.598,53*	*80.747.378,38*	*9.084.774,50*	**259.810.751,41**	*171.096.777,80*	*81.529.992,43*	*10.669.169,60*	**263.295.939,83**
Of which: Funded plans	*0,00*	*0,00*	*0,00*	**0,00**	*0,00*	*0,00*	*0,00*	**0,00**

The amounts relating to defined benefit plans recognised in total comprehensive income is detailed as follows:

		31/12/2017				31/12/2016			
		Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
	Note								
Defined benefit cost									
Current service cost		4.015.511,49	26.909.574,12	0,00	**30.925.085,61**	5.005.736,72	35.041.244,84	10.682,13	**40.057.663,69**
Net interest (*)		2.906.175,36	78.380,52	65.136,84	**3.049.692,72**	3.493.273,56	113.630,40	135.163,32	**3.742.067,28**
Remeasurements (other long term and termination benefits)		0,00	-4.527,82	-681.651,86	**-686.179,68**	0,00	81.308,60	-697.949,56	**-616.640,96**
Transfers		-365.541,82	-22.593,28	-8.093,47	**-396.228,57**	-117.895,01	-90.096,37	30.873,98	**-177.117,40**
Past service cost		0,00	181.873,81	0,00	**181.873,81**	0,00	0,00	0,00	**0,00**
Total defined benefit cost		**6.556.145,03**	**27.142.707,35**	**-624.608,49**	**33.074.243,89**	**8.381.115,27**	**35.146.087,47**	**-521.230,13**	**43.005.972,61**
Included in:									
Services and other goods	25	***3.649.969,67***	***27.064.326,83***	***-689.745,33***	**30.024.551,17**	***4.887.841,71***	***35.032.457,07***	***-656.393,45***	**39.263.905,33**
Finance costs	27	***2.906.175,36***	***78.380,52***	***65.136,84***	**3.049.692,72**	***3.493.273,56***	***113.630,40***	***135.163,32***	**3.742.067,28**
Included in the statement of other comprehensive income (- = gain)		**-724.213,10**	0,00	0,00	**-724.213,10**	**15.228.835,58**	0,00	0,00	**15.228.835,58**

(*) Of which: expected return on plan assets = 0

According to IAS 19R, actuarial gains and losses on post-employment benefits are recognised in other comprehensive income. Actuarial gains and losses relating to other long-term benefits and termination benefits are recognised in net result.

The total amount of premiums paid by the Group in 2017 related to defined contribution plans amounts to 2.726.744,66 € (2016: 2.249.684,67 €).

The change in discounted value of the defined benefit obligation and in fair value of plan assets during the reporting period can be summarised as follows:

Change in defined benefit obligation:

	31/12/2017				31/12/2016			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
Defined benefit obligation								
As at 1 January	**171.096.777,80**	**81.529.992,43**	**10.669.169,60**	**263.295.939,83**	**154.362.312,17**	**77.162.109,89**	**12.513.140,09**	**244.037.562,15**
Current service cost	4.015.511,49	26.909.574,12	0,00	**30.925.085,61**	5.005.736,72	35.041.244,84	10.682,13	**40.057.663,69**
Interest cost	2.906.175,36	78.380,52	65.136,84	**3.049.692,72**	3.493.273,56	113.630,40	135.163,32	**3.742.067,28**
Actuarial (gains)/losses	-724.213,10	-4.527,82	-681.651,86	**-1.410.392,78**	15.228.835,58	81.308,60	-697.949,56	**14.612.194,62**
Benefits paid	-6.950.111,20	-27.925.321,40	-959.786,61	**-35.835.219,21**	-6.875.485,22	-30.778.204,93	-1.322.740,36	**-38.976.430,51**
Transfers	-365.541,82	-22.593,28	-8.093,47	**-396.228,57**	-117.895,01	-90.096,37	30.873,98	**-177.117,40**
Defined benefit obligation as at 31 December	**169.978.598,53**	**80.747.378,38**	**9.084.774,50**	**259.810.751,41**	**171.096.777,80**	**81.529.992,43**	**10.669.169,60**	**263.295.939,83**

The split of the discounted value of the defined benefit obligation between the active and the non-active population (pensioners and dependents) is as follows:

	31/12/2017				31/12/2016			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
Defined benefit obligation as at 31 December								
Liability relative to active members	49.727.701,56	80.747.378,38	9.084.774,50	**139.559.854,44**	53.449.644,50	81.529.992,43	10.669.169,60	**145.648.806,53**
Liability relative to pensioners and non-active members (beneficiaries,...)	120.250.896,97	0,00	0,00	**120.250.896,97**	117.647.133,30	0,00	0,00	**117.647.133,30**
Total defined benefit obligation as at 31 Decembe	**169.978.598,53**	**80.747.378,38**	**9.084.774,50**	**259.810.751,41**	**171.096.777,80**	**81.529.992,43**	**10.669.169,60**	**263.295.939,83**

Change in fair value of plan assets:

	31/12/2017				31/12/2016			
	Post employment benefits	Other long term benefits	Termination benefits	Total	Post employment benefits	Other long term benefits	Termination benefits	Total
Fair value of plan assets								
As at 1 January								
Employer contributions/benefits paid directly by employer	6.950.111,20	27.925.321,40	959.786,61	**35.835.219,21**	6.875.485,22	30.778.204,93	1.322.740,36	**38.976.430,51**
Benefits paid	-6.950.111,20	-27.925.321,40	-959.786,61	**-35.835.219,21**	-6.875.485,22	-30.778.204,93	-1.322.740,36	**-38.976.430,51**
As at 31 December	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

The reconciliation with the statement of financial position is as follows:

	31/12/2017 Post employment benefits	Other long term benefits	Termination benefits	Total	31/12/2016 Post employment benefits	Other long term benefits	Termination benefits	Total
Funded status								
Defined benefit obligation as at 1 January	171.096.777,80	81.529.992,43	10.669.169,60	**263.295.939,83**	154.362.312,17	77.162.109,89	12.513.140,09	**244.037.562,15**
Total	**171.096.777,80**	**81.529.992,43**	**10.669.169,60**	**263.295.939,83**	**154.362.312,17**	**77.162.109,89**	**12.513.140,09**	**244.037.562,15**
Amount recognised in the statement of financial position								
As at 1 January	**171.096.777,80**	**81.529.992,43**	**10.669.169,60**	**263.295.939,83**	**154.362.312,17**	**77.162.109,89**	**12.513.140,09**	**244.037.562,15**
Total expense recognised in the profit or loss statement	6.556.145,03	27.142.707,35	-624.608,49	**33.074.243,89**	8.381.115,27	35.146.087,47	-521.230,13	**43.005.972,61**
Actuarial (gains)/losses in other comprehensive income	-724.213,10	-	-	**-724.213,10**	15.228.835,58	-	-	**15.228.835,58**
Employers contributions/benefits paid directly by the employer	-6.950.111,20	-27.925.321,40	-959.786,61	**-35.835.219,21**	-6.875.485,22	-30.778.204,93	-1.322.740,36	**-38.976.430,51**
As at 31 December	**169.978.598,53**	**80.747.378,38**	**9.084.774,50**	**259.810.751,41**	**171.096.777,80**	**81.529.992,43**	**10.669.169,60**	**263.295.939,83**
Cumulative actuarial gains/losses in other comprehensive income	-	-	-	-	-	-	-	-

For 2018, the Group expects that the contributions and benefits paid directly will total 6,6 million € (2017: 6,4 million €) for the post-employment benefits, 29,0 million € (2017: 29,0 million €) (including credit days) for the other long-term employee benefits and 0,9 million € (2017: 1,1 million €) for termination benefits.

19.4 Split of actuarial gains and losses

The actuarial gains and losses may be split as follows:

	31/12/2017 Post employment benefits	Other long term benefits	Termination benefits	Total	31/12/2016 Post employment benefits	Other long term benefits	Termination benefits	Total
Actuarial (gains)/losses								
(Gain)/loss due to changes in financial assumptions	-785.178,84	7.311,49	-37.638,87	**-815.506,22**	14.226.352,03	394.721,65	478.805,26	**15.099.878,94**
(Gain)/loss due to changes in demographic assumptions	-408.683,25	0,00	0,00	**-408.683,25**	-231.113,99	3.322,98	0,00	**-227.791,01**
Experience (gain)/loss	469.648,99	-11.839,31	-644.012,99	**-186.203,31**	1.233.597,54	-316.736,03	-1.176.754,82	**-259.893,31**
Total actuarial (gains)/losses	**-724.213,10**	**-4.527,82**	**-681.651,86**	**-1.410.392,78**	**15.228.835,58**	**81.308,60**	**-697.949,56**	**14.612.194,62**

19.5 Actuarial assumptions and sensitivity analysis

Actuarial assumptions:

The liabilities for employee benefits are calculated on an actuarial basis, based on the projected unit credit method. The main underlying parameters (financial and demographic assumptions) used in the calculation of the liability can be summarised as follows:

	31/12/2017	31/12/2016
Discount rate		
Post-employment benefits	1,74%	1,71%
Other long-term benefits	0%-1,24%	0%-1,25%
Termination benefits	0%-0,71%	0%-0,66%
Expected return on plan assets	0,00%	0,00%
Inflation rate	2,00%	2,00%
Medical cost increase	2,00%	2,00%
Mortality tables	MR and MR-1 (if birth date after 1950)/FR	MR and MR-1 (if birth date after 1950)/FR

As per 31 December, the discount rate used to discount the liabilities is determined by reference to the market yield at reporting date of high quality corporate bonds with similar duration as the liabilities (source: Bloomberg).

The assumption for medical costs increase (including inflation) was determined based on the current contract. All assumptions represent the best estimate of the Group.

	31/12/2017	31/12/2016
Post-employment benefits	15,63	15,54
Other long-term benefits (*)	12,07	11,51
Termination benefits	8,34	8,03
Weighted average duration	**15,15**	**14,98**

(*) does not take into account the liability relative to the credit days

The assumptions relating to mortality are based on the official mortality tables and on the experience observed within the Group.

	Employees (life expectancy at pension)	Ex-employees and family
Men	18,9	14,9
Women	21,5	10,0

Sensitivity analysis

	Impact on the discounted liability as at 31/12/2017	
	Increase	Decrease
Discount rate (0,5% change)		
Post-employment benefits	-12.534.308,58	12.605.090,44
Other long-term benefits	-354.163,53	378.021,61
Termination benefits	-366.954,18	384.376,60
Medical cost increase (1% change)	5.626.560,67	-4.475.260,90
Mortality (change of life expectancy with 1 year)	11.552.205,96	-

Note 20

Provisions

The movements in provisions for the year 2017 can be summarised as follows:

	Legal disputes	Soil sanitation	Restructuring	Other	Total
As at 1 January 2017	**51.658.116,87**	**33.297.848,15**	**5.630.603,25**	**14.059.265,09**	**104.645.833,36**
Of which:					
Non-current	11.620.991,78	24.066.992,79	5.630.603,25	674.675,31	**41.993.263,13**
Current	40.037.125,09	9.230.855,36	0,00	13.384.589,78	**62.652.570,23**
Booked in total comprehensive income:					
Additions of the year for new provisions	18.929.174,56	1.573.384,38	0,00	823.797,69	21.326.356,63
Utilisation during the year	-4.939.879,58	-1.060.750,00	-2.206.951,58	-78.670,54	-8.286.251,70
Reversals of the year (-)	-14.159.888,18	-581.504,90	0,00	0,00	-14.741.393,08
Financial charges	-51.329,17	13.538,05	0,00	0,00	-37.791,12
Effect of the change of interest rates	-920.948,69	-580.110,10	0,00	0,00	-1.501.058,79
Other movements	-125.000,00	0,00	0,00	125.000,00	0,00
On December 31 2017	**50.390.245,81**	**32.662.405,58**	**3.423.651,67**	**14.929.392,24**	**101.405.695,30**
Of which:					
Non-current	7.931.609,80	29.748.957,92	3.423.651,67	721.004,77	**41.825.224,16**
Current	42.458.636,01	2.913.447,66	0,00	14.208.387,47	**59.580.471,14**

The movements in provisions for the year 2016 can be summarised as follows:

	Legal disputes	Soil sanitation	Restructuring	Other	Total
As at 1 January 2016	**52.546.316,76**	**33.327.178,03**	**8.305.000,00**	**13.371.060,00**	**107.549.554,79**
Of which:					
Non-current	10.701.332,53	26.335.825,72	8.305.000,00	811.182,05	**46.153.340,30**
Current	41.844.984,23	6.991.352,31	0,00	12.559.877,95	**61.396.214,49**
Booked in total comprehensive income:					
Additions of the year	12.963.096,04	105.117,74	5.630.603,25	13.384.589,78	32.083.406,81
Utilisation during the year	-11.950.611,86	-334.438,00	-8.305.000,00	-11.506,74	-20.601.556,60
Reversals of the year (-)	-1.958.677,19	-164.193,24	0,00	-12.559.877,95	-14.682.748,38
Financial charges	16.829,73	98.300,74	0,00	0,00	115.130,47
Effect of the change of interest rates	-51.976,84	265.882,88	0,00	0,00	213.906,04
Other mouvements	93.140,23	0,00	0,00	-125.000,00	-31.859,77
On 31 December 2016	**51.658.116,87**	**33.297.848,15**	**5.630.603,25**	**14.059.265,09**	**104.645.833,36**
Of which:					
Non-current	11.620.991,78	24.066.992,79	5.630.603,25	674.675,31	**41.993.263,13**
Current	40.037.125,09	9.230.855,36	0,00	13.384.589,78	**62.652.570,23**

Legal claims

The provision for legal claims represents the present value of the best estimate of outflow of resources because of legal claims filed against the Group, and for which the occurrence is probable. (probability > 50%).

Contingent liabilities that represent the legal claims against the Group for which the probability of outflow of resources is low, are disclosed in note 29.

In order not to harm Infrabel Group's position in negotiations with other parties about the cause of the provision, contingent liability or contingent asset, the future or expected outflows and their timing are not mentioned.

Soil sanitation
The provision for soil sanitation represents the present value of estimated costs of work to be executed in respect of legal and constructive obligations for the depollution of land.
The variation of the provision for historic soil pollution is the consequence of new pollution that has been observed, of utilisations of these provisions and of a change in the estimates as a consequence of, for example, better methods for measuring the pollution.

Restructuring
TUC RAIL SA has booked a utilisation of 2.206.951,58 € related to the merger by acquisition of Ixilio SA.

Other provisions
The other provisions include a provision for tax disputes. Following a tax control at HR Rail, Infrabel has partially repaid the income related to certain exemptions from payroll withholding tax included in the payroll withholding tax declaration of 2013. Provisions have been recorded for the tax years 2014 and 2015. During the year 2016 Infrabel applied the strictest interpretation of the tax rules. Hence, a provision was not necessary. Since 2017, this tax mechanism does no longer apply to Infrabel. The provisions amount to 14.208.387,47€ as per 31 December 2017.

Note 21

Financial liabilities

This note provides information on the contractual terms of interest-bearing borrowings signed by the Group. For additional information on the Group's exposure to interest rate risk, exchange rate risk and liquidity risk, we refer to note 4.

The non-current financial liabilities as at 31 December 2017 are as follows:

	Bank loans	Bonds	Fin.debts - current account	Leasing	Other financial borrowings	Total	Accrued charges	Total
As at 1 January 2017	**134.075.631,33**	**1.218.382.198,44**	**0,00**	**663.926.195,23**	**940.249.593,51**	**2.956.633.618,51**	**18.947,89**	**2.956.652.566,40**
New debts	0,00	0,00	0,00	0,00	0,00	0,00		0,00
Reimbursement of debts	-116.074,98	0,00	0,00	0,00	0,00	-116.074,98		-116.074,98
Capitalized interests	0,00	385.185,73	0,00	0,00	25.676.308,44	26.061.494,17		26.061.494,17
Transfers - non-current to current	195.290.000,00	0,00	0,00	-8.627.340,27	0,00	186.662.659,73		186.662.659,73
Other movements	0,00	0,00	0,00	0,00	0,00	0,00	3.609.227,16	3.609.227,16
Currency translation differences	0,00	0,00	0,00	0,00	-59.391.769,09	-59.391.769,09		-59.391.769,09
Fair value adjustment	298.537,63	0,00	0,00	0,00	-126.070.186,12	-125.771.648,49		-125.771.648,49
As at 31 Decembre 2017	**329.548.093,98**	**1.218.767.384,17**	**0,00**	**655.298.854,96**	**780.463.946,74**	**2.984.078.279,85**	**3.628.175,05**	**2.987.706.454,90**

The 195.290.000,00€ increase in non-current bank loans is mainly the consequence of INTEL exercising two options to extend by two years two bank loans in the amount of 260.000.000,00€. This amount was reclassified from current financial liabilities to non-current financial liabilities. In addition, an amount of 64.710.000,00€ was reclassified from non-current to current, since it falls due within the year.

The Infrabel Group has the following non-current financial debts:

- Non-convertible bonds from the EMTN (Euro Medium Term Note) program and private placements amounting to 1.218.767.384,17€;
- Financial debts with financial institutions amounting to 329.225.222,94€;
- Leasing debts, amongst others the financial liabilities towards PPP Liefkenshoek Rail Link, amounting to 655.298.854,96€ (we refer to note 31 for more information);
- Other financial debts amounting to 431.162.973,88€ related to ‘concession and concession back’ contracts for certain HST (high speed train) lines (we refer to note 30 for more information).

For the derivatives and fixed income securities connected to these financial debts, we refer to notes 12 and 13.

The current financial liabilities on 31 December 2017 can be summarised as follows:

Current financial debts

	Bank loans	Bonds	Fin.debts - current account	Leasing	Other financial borrowings	Total	Accrued charges	Total
As at 1 January 2017	**296.875.217,26**	**100.000.000,00**	**19.578.916,53**	**8.159.693,19**	**7.952.261,88**	**432.566.088,86**	**52.084.665,53**	**484.650.754,39**
New debts	0,00	0,00	2.830.000,00	0,00	15.000.000,00	17.830.000,00	0,00	17.830.000,00
Reimbursement of debts	-36.629.027,61	-100.000.000,00	-22.408.916,53	-8.577.446,58	0,00	-167.615.390,72	0,00	-167.615.390,72
Transfers - non-current to current	-195.290.000,00	0,00	0,00	8.627.340,27	0,00	-186.662.659,73	0,00	-186.662.659,73
Other movements	0,00	0,00	0,00	-233.155,85	-452.261,88	-685.417,73	-1.832.329,01	-2.517.746,74
Fair value adjustment	859.630,20	0,00	0,00	0,00	0,00	859.630,20	0,00	**859.630,20**
As at 31 December 2017	**65.815.819,85**	**0,00**	**0,00**	**7.976.431,03**	**22.500.000,00**	**96.292.250,88**	**50.252.336,52**	**146.544.587,40**

The current leasing debts relate mainly to the current debt related to PPP Liefkenshoek Rail link.

The amount of other financial borrowings corresponds entirely to the debt towards HR Rail for the deposit it has placed at Infrabel.

The non-current financial liabilities at 31 December 2016 are as follows:

Non-current financial debts

	Bank loans	Bonds	Fin.debts - current account	Leasing	Other financial borrowings	Total	Accrued charges	Total
As at 1 January 2016	**405.876.762,63**	**1.318.011.950,41**	**0,00**	**660.319.688,82**	**812.186.717,11**	**3.196.395.118,97**	**23.713.902,82**	**3.220.109.021,79**
New debts	0,00	0,00	0,00	11.757.520,48	0,00	11.757.520,48		11.757.520,48
Reimbursement of debts	-116.112,59	0,00	0,00	0,00	0,00	-116.112,59		-116.112,59
Capitalized interests	0,00	370.248,03	0,00	0,00	23.553.378,35	23.923.626,38		23.923.626,38
Transfers - non-current to current	-271.630.000,00	-100.000.000,00	0,00	-8.151.014,07	0,00	-379.781.014,07		-379.781.014,07
Other movements	0,00	0,00	0,00	0,00	0,00	0,00	-23.694.954,93	-23.694.954,93
Conversion differences	0,00	0,00	0,00	0,00	16.296.871,25	16.296.871,25		16.296.871,25
Fair value adjustment	-55.018,71	0,00	0,00	0,00	88.212.626,80	88.157.608,09		88.157.608,09
As at 31 December 2016	**134.075.631,33**	**1.218.382.198,44**	**0,00**	**663.926.195,23**	**940.249.593,51**	**2.956.633.618,51**	**18.947,89**	**2.956.652.566,40**

The current financial liabilities at 31 December 2016 are as follows:

Current financial debts

	Bank loans	Bonds	Fin.debts - current account	Leasing	Other financial borrowings	Total	Accrued charges	Total
As at 1 January 2016	**25.382.525,38**	**0,00**	**0,00**	**5.759.023,37**	**452.261,88**	**31.593.810,63**	**26.247.506,81**	**57.841.317,44**
New debts	0,00	0,00	30.828.916,53	0,00	7.500.000,00	38.328.916,53	0,00	38.328.916,53
Reimbursement of debts	-5.728,91	0,00	-11.250.000,00	-5.750.344,25	0,00	-17.006.073,16	0,00	-17.006.073,16
Transfers - non-current to current	271.630.000,00	100.000.000,00	0,00	8.151.014,07	0,00	379.781.014,07	0,00	379.781.014,07
Other movements	0,00	0,00	0,00	0,00	-452.261,88	-452.261,88	26.289.420,60	25.837.158,72
Fair value adjustment	-131.579,21	0,00	0,00	0,00	0,00	-131.579,21	0,00	**-131.579,21**
As at 31 December 2016	**296.875.217,26**	**100.000.000,00**	**19.578.916,53**	**8.159.693,19**	**7.500.000,00**	**432.113.826,98**	**52.536.927,41**	**484.650.754,39**

The characteristics of the financial liabilities as at 31 December 2017 are as follows:

Characteristics of the financial liabilities	Currency	Coupon	Final maturity	Nominal (EUR)	Carrying amount (EUR)
Bank borrowings	EUR	Floating	< 1 year	64.826.084,98	65.838.263,60
			1 - 2 years	306.150.148,63	306.150.148,63
			2 - 5 years	23.075.074,31	23.397.945,35
Total bank borrowings				**394.051.307,92**	**395.386.357,58**
Bonds	EUR	Zero coupon	< 1 year		23.844.976,29
			> 5 years	841.767.384,17	841.767.384,17
		Floating	< 1 year		2.612.145,21
			> 5 years	377.000.000,00	377.000.000,00
Total bonds				**1.218.767.384,17**	**1.245.224.505,67**
Finance lease liabilities	EUR	Fix	< 1 year	7.976.431,03	7.976.431,03
			1 - 2 years	16.233.268,73	16.233.268,73
			2 - 5 years	32.583.149,97	32.583.149,97
			> 5 years	606.482.436,26	606.482.436,26
Total finance lease liabilities				**663.275.285,99**	**663.275.285,99**
Other financial liabilities	EUR	Fix	< 1 year	22.500.000,00	46.263.903,71
			1 - 2 years	0,00	0,00
	USD	Fix	> 5 years	431.162.973,88	780.463.946,74
Accrued charges	EUR		< 1 jaar		8.867,56
			> 5 jaar		3.628.175,05
Total other financial liabilities and accrued charges				**453.662.973,88**	**830.364.893,06**
Fin. debt - current account	EUR	Floating	< 1 year	0,00	0,00
Total other financial liabilities				**0,00**	**0,00**
Total financial liabilities				**2.729.756.951,96**	**3.134.251.042,30**

The difference between the carrying amount and the nominal value is related to the fair value adjustments and the accrued charges.

The characteristics of the financial liabilities as at 31 December 2016 are as follows:

Characteristics of the financial liabilities	Currency	Coupon	Final maturity	Nominal (EUR)	Carrying amount (EUR)
Bank borrowings	EUR	Floating	< 1 year	296.745.112,59	296.790.918,92
			1 - 2 years	64.710.000,00	64.785.085,96
			2 - 5 years	69.341.297,92	69.341.297,92
Total bank borrowings				**430.796.410,51**	**430.917.302,80**
Bonds	EUR	Zero coupon	< 1 year	100.000.000,00	123.540.584,66
			> 5 years	741.382.198,44	741.674.780,63
		Floating	< 1 year		12.222.930,94
			> 5 years	477.000.000,00	477.000.000,00
Total bonds				**1.318.382.198,44**	**1.354.438.296,23**
Finance lease liabilities	EUR	Fix	< 1 year	8.159.693,19	8.159.693,19
			1 - 2 years	16.301.688,34	16.301.688,34
			2 - 5 years	27.652.099,32	27.652.099,32
			> 5 years	619.972.407,57	619.972.407,57
Total finance lease liabilities				**672.085.888,42**	**672.085.888,42**
Other financial liabilities	EUR	Fix	< 1 year	7.500.000,00	7.500.000,00
	EUR	Fix	> 5 years	464.878.434,53	956.782.916,82
Total other financial liabilities				**472.378.434,53**	**964.282.916,82**
Financial debts - current account	EUR	Floating	< 1 year	19.578.916,53	19.578.916,53
Total other financial liabilities				**19.578.916,53**	**19.578.916,53**
Total financial liabilities				**2.913.221.848,43**	**3.441.303.320,80**

Financial liabilities relating to finance lease contracts

The maturities of the liabilities relating to finance lease contracts are as follows:

	Less than 1 year	Between 1 & 5	More than 5	Total
Present value of future minimum lease payments				
Future minimum lease payments	6.163.181,49	44.804.663,45	607.591.102,52	658.558.947,46
Interest/future finance charges on contracts	40.992.726,51	197.460.233,95	655.703.782,40	894.156.742,86
Total	**47.155.908,00**	**242.264.897,40**	**1.263.294.884,92**	**1.552.715.690,32**

Commitments for minimum rents due under non-cancellable operating lease contracts are included in note 32.

Note 22

Deferred tax assets/liabilities

As at 31 December 2016, the Group did not recognise any deferred tax receivables related to recoverable tax losses and tax credits.

The deferred tax assets and liabilities at 31 December 2017 are related to temporary differences.

Deferred tax assets/liabilities	31/12/2017	31/12/2016
Deferred tax assets related to :		
Recoverable tax losses and tax credits	0,00	0,00
Deferred tax assets	112,85	0,00
Deferred tax liabilities	-128.855,90	0,00
Total	**-128.743,05**	**0,00**

Note 23

Trade and other payables

Non-current

Trade and other debts	31/12/2017	31/12/2016
Debts related to work in progress	0,00	707.036,06
Others debts	558.870.743,18	587.773.586,32
Trade and other debts	**558.870.743,18**	**588.480.622,38**

Current

Trade and other debts	31/12/2017	31/12/2016
Trade payables	591.010.285,91	608.842.374,84
Trade payables related to construction contracts	3.328.320,36	25.230.459,97
Income tax and other taxes	10.687.501,25	23.840.676,40
Social debts	9.372.361,51	10.139.772,27
Other debts	178.218.506,58	175.188.941,66
Trade and other debts	**792.616.975,61**	**843.242.225,14**
Total trade and other debts	**1.351.487.718,79**	**1.431.722.847,52**

The other non-current and current payables consist of:

- The contractual obligation towards the private partner in the PPP Diabolo of the yearly contribution of 9,0 million € (indexed) during the term of the PPP;
- The deferred revenues in connection with the infrastructure fee invoiced to railway operators 2 months in advance;
- The deferred revenues related to receivables towards the Belgian State.

Trade debts are free of interest and are normally paid within 30 days, except for trade debts related to construction contracts. Other debts are also free from interest.

Note 24

Grants

24.1 Investment grants

The movements during the year can be summarised as follows:

	31/12/2017	31/12/2016
At 1 January	**15.478.074.782,14**	**15.126.228.220,40**
New grants	952.903.535,15	951.110.526,34
Transfers - grants to income statement	-643.738.844,04	-599.263.964,61
Transfers - other	-67.253.157,80	0,00
At 31 December	**15.719.986.315,45**	**15.478.074.782,14**
Of which		
Non-current	15.078.343.940,60	14.923.910.789,04
Current	641.642.374,85	554.163.993,10

Investment grants obtained for investments in intangible assets and property, plant and equipment are presented as liabilities on the balance sheet and are recognised in operating result at the same rate as the depreciation of the fixed assets for which they were obtained.

24.2 Operating grants

Operating grants are recognised in net result under the section ‘Operating revenues before capital grants’. Operating grants include the basic allowance, granted by the State, as well as – only for 2016 - the partial exemptions on the payroll withholding tax, part of the economic recovery plan. This plan was stopped in 2017. Operating grants for 2017 amount to 148.329.622,45 € (2016 : 182.187.329,91 €).

24.3 Interest grants

Interest grants received in the context of loans are deducted from financial costs. The impact of the interest grants on the financial costs at 31 December 2017 amounts to -44.192.792,88 € (2016: -44.167.467,21 €).

Note 25

Operating income and expenses

25.1 Operating income

25.1.1 Turnover

	31/12/2017	31/12/2016
Infrastructure fee	728.963.091,78	702.447.310,98
Supply of energy	114.908.407,23	116.519.489,12
ICT	55.950.557,12	43.241.862,05
Studies and assistance (except ICT)	59.763.135,10	48.460.909,10
Property management	8.256.537,29	7.459.715,48
Other sales	30.885.696,83	35.897.519,86
Turnover	**998.727.425,35**	**954.026.806,59**

25.1.2 Other operating income

	31/12/2017	31/12/2016
Surplus values on the sale of non-current and current assets	2.101.636,93	328.437,57
Compensation received from third parties	13.468.923,59	-211.071,58
Other operating income	4.928.692,96	13.370.881,82
Other operating income	**20.499.253,48**	**13.488.247,81**

25.1.3 Operating expenses

25.1.4 Services & other goods

	31/12/2017	31/12/2016
Employee costs	743.134.883,49	757.866.218,21
Energy supply and other supplies	109.868.998,76	145.887.398,05
Maintenance and repairs	118.915.477,93	111.287.069,25
Rental expenses	53.559.713,19	61.992.166,87
Costs related to operations	22.903.353,92	19.959.224,81
Other operational costs	193.493.009,94	159.934.268,34
Services and other goods	**1.241.875.437,23**	**1.256.926.345,53**

The employee costs cover the amounts invoiced by HR Rail with regards to the personnel put at disposal of Infrabel and the costs, excluding the financial costs, related to the IAS 19 provisions.

In 2017, HR Rail put at disposal of the Group an average of 10.559,3 FTE (2016: 10.642 FTE).

25.1.5 Other operating costs

	31/12/2017	31/12/2016
Provisions for risks and other charges	-3.326.308,74	-3.068.679,32
Impairments	-7.635.330,89	-7.439.464,69
Losses on disposals of non current and current assets	138.549,41	339.551,54
Other operating costs	5.039.153,41	3.790.523,72
Other operating costs	**-5.783.936,81**	**-6.378.068,75**

Note 26

Employee benefit expenses

26.1 Employee benefit expenses

	31/12/2017	31/12/2016
Salaries, remuneration and other short term employee benefits	40.748.135,25	45.867.157,86
Social security contribution	10.413.581,30	11.929.666,32
Employer contribution for extra-legal insurances	2.062.522,71	2.184.553,30
Other employee charges	215.699,09	290.561,23
Employee benefit expenses	**53.439.938,35**	**60.271.938,71**

The decrease of the employee expenses in 2017 compared to 2016 is mainly due to the restructuring of TUC RAIL SA.

As the entire personnel of Infrabel is put at disposal by HR Rail to Infrabel, these costs are not included in the employee benefit expenses, but in note *25.2.1 Services and other goods*.

26.2 Employee headcount

	31/12/2017	31/12/2016
Workers	14	19
Employees	620	714
Weighted average number of personnel (in FTE)	**634**	**733**
Weighted average number of interims (in FTE)	**1**	**8**

Note 27

Financial income and costs

27.1 Financial income

Financial income	**31/12/2017**	**31/12/2016**
Interest gains on:		
Non-current financial assets	490.942,51	207.712,68
Current assets	30.717.991,52	32.291.044,84
Fair value adjustment	150.911.754,61	40.467.178,91
Surplus on realisation of current assets	1,00	1.214,88
Exchange differences	79.774,99	47.860,95
Currency translation differences	59.443.403,45	53.957.648,20
Other financial income	265.850,72	246.100,07
Financial income	**241.909.718,80**	**127.218.760,53**

27.2 Financial costs

Financial costs	**31/12/2017**	**31/12/2016**
Interest expenses on:		
Financial liabilities	77.178.960,68	79.947.005,68
Provisions	0,00	115.130,47
Debts related to employee benefits	3.049.692,72	3.742.067,28
Fair value adjustment	44.450.076,99	112.847.618,10
Exchange differences	73.177,34	60.296,50
Currency translation differences	55.540.314,64	27.334.209,01
Other financial costs	741.503,55	726.397,68
Financial costs	**181.033.725,92**	**224.772.724,72**

The increase in financial income and the decrease in financial costs in 2017 is mainly the consequence of the positive impact of the change in interest rates on the fair value adjustments of the financial instruments. In 2017, long-term interest rates rose, which led, inter alia, to a lower fair value of financial liabilities in comparison with 2016, with financial income of €124.9 million. Long-term interest rates fell in 2016, which led, inter alia, to a higher fair value of the financial liabilities in comparison with 2015, with a financial cost of €88.1 million.

Note 28

Income taxes

The table below shows a reconciliation between tax (expense)/income on the total comprehensive income before taxes (and without investments accounted for by using the equity method) at the Belgian statutory tax rate and tax expense/income on total comprehensive income at the effective tax rate at 31 December 2017 and 31 December 2016.

28.1 Effective tax rate

	31/12/2017	31/12/2016
Income before taxes (without investments accounted for by using the equity method)	143.666.012,26	-42.058.537,82
Income taxes	1.313.665,34	614.006,79
Effective tax rate	**0,91%**	**-1,46%**

28.2 Reconciliation between effective tax rate and applicable tax rate

	31/12/2017	31/12/2016
Applicable tax rate	**33,99%**	**33,99%**
Result before taxes (without investments accounted for by using the equity method)	143.666.012,26	-42.058.537,82
Income taxes (based on the applicable tax rate)	**48.832.077,57**	**-14.295.697,01**
Non-taxable income of Infrabel	-47.278.186,82	14.952.968,42
Tax-free results	-247.865,92	1.185.654,65
Effect of disallowed expenses	691.951,90	660.938,13
Effect of tax deduct	-418.698,18	-111.996,94
Use of fiscal losses	-240.624,75	0,00
Correction for restructuring provisions	0,00	-1.604.615,81
Other adjustments	-24.988,46	-173.244,66
Income taxes	**1.313.665,34**	**614.006,79**

Infrabel is exempt of income taxes (CIR art. 220 – art. 180).

28.3 Income taxes in the total comprehensive income

	31/12/2017	31/12/2016
Tax over the period under review	-1.313.665,16	-614.006,79
Deferred taxes	-128.743,05	-6.440,40
Total income taxes	**-1.442.408,21**	**-620.447,19**

Note 29

Contingent assets and liabilities

The contingent liabilities as at 31 December 2017 amount to 15.390.537,37 € (2016: 4.060.771,20 €). This amount represents legal claims against the Group for which the probability that an outflow of resources will be required to settle the obligation is remote.

The contingent assets as at 31 December 2017 amount to 47.757.855,58 € (2016: 14.207.061,50 €).

Note 30

Cross-border arrangements

Several cross-border leasing transactions, concluded in the past, were transferred to Infrabel as a result of the restructuring of the SNCB Group (assets conceded to a Trust, and then immediately conceded back to the SNCB Group aimed at realising financial benefits shared with the Trust). The underlying property, plant and equipment of those transactions is related to railway infrastructure (high-speed lines).
The transactions do entail some restrictions on the use of the underlying assets (e.g. no sale, no sublease without prior consent of the Trust).
At the end of the initial basic term, the Group has several options based on the type of transaction including:

- Exercise the purchase option;
- Return the assets to the Trust, who will use them for its own purpose;
- Return the assets to the Trust, for whom the Group will act as a sales agent for the assets;
- Extend the arrangement by a lease or service contract beyond the initial basic term of the arrangement; or
- Find a third party who will assume the remaining obligations towards the Trust under a lease or service contract.

These so-called “Cross-border arrangements” are accounted for based on their economic substance in accordance with SIC 27, which can be summarised as meaning that in accounting terms, these transactions should be treated as not having taken place.
The Infrabel Group kept the property, plant and equipment on its statement of financial position and did not recognize any gain or loss from the sale transactions to the Trust.
The investment accounts (investment of a portion of the proceeds arising from the head lease) and related payment obligations towards the Trust (over the duration of the arrangement and including the buy-back option) are recognised in the Group’s consolidated statement of financial position. The investment accounts and related payment obligations towards the Trust are recognised in accordance with IAS 39 in “Other financial assets” (see note 13) and “Financial liabilities” (see note 21).
For certain transactions, the Group used derivatives in order to hedge interest rate and foreign exchange risks. In those cases the Group applied the ‘fair value option through profit and loss’ as foreseen by IAS 39 to account for the financial assets and liabilities. For an analysis of the use of derivatives, we refer to note 12. The analysis of the financial risk management related to the use of financial instruments, including the financial instruments related to the cross-border arrangements, is explained in note 4.
In order to avoid an accounting mismatch, the Group opted to recognise all financial instruments relating to these transactions at fair value. This means that the other financial assets, the financial liabilities and the derivatives linked to these transactions are recorded at fair value through profit and loss.

Note 31

Public-Private Partnerships

At the request of its majority shareholder, Infrabel entered into 2 Public-Private Partnerships (PPPs): the Diabolo PPP (Closing 28 September 2007 - Investment amount: €290 million) and the Liefkenshoek Rail Link PPP (Closing 5 November 2008 - Investment amount: €690 million).

Diabolo PPP:

This PPP concerns the rail infrastructure linking Brussels Airport station to the L26N railway line which runs in the central reservation of the E19 motorway (between Mechelen and Brussels). The concession runs until 8 June 2047 inclusive, and comprises part of Brussels Airport station and two drilled tunnel shafts including the specific rail technical equipment (tracks, overhead power lines, signalling, ...).

The private partner bears the construction risk and the demand risk. For that reason it receives - in accordance with the Diabolo legislation of 30 April 2007 - in addition to a contribution from the rail infrastructure manager and from the railway undertakings that serve Brussels Airport station, a passenger contribution (the Diabolo supplement).

Infrabel's obligation towards the private partner, which retains all the rights of use of this rail infrastructure, is accounted for under other liabilities. On the other hand, Infrabel's receivable from the Belgian State completely covers the payment of this contribution.

Liefkenshoek Rail Link PPP:

This PPP concerns the rail infrastructure in the port of Antwerp connecting the left bank (Waaslandhaven) with the right bank (Antwerp North marshalling yard). The development contract runs until 21 January 2051 inclusive, and encompasses the whole bedding of the route (16.2 km), including the renovated Beveren tunnel (1.2 km) and the Antigoon tunnels (two drilled tunnel shafts each 6 km long). The PPP is limited to the civil engineering work of the line, as well as the automated smoke and heat extraction and foam fire extinction system. The classic rail technical equipment (tracks, overhead power lines, signalling, etc.) do not form part of this PPP.
The private partner bears the construction risk and the availability risk. For that reason, it receives an availability fee.
The assets connected with the Liefkenshoek Rail Link PPP are treated as owned assets, since Infrabel is the legal owner. The liabilities connected with it have the characteristics of a financial leasing liability, and were therefore treated as such.

Note 32

Rights and obligations

The amount of contractual commitments for the acquisition of property, plant and equipment is 1.157.158.729,75€ (2016: 1.063.092.290,13€).

The amount of contractual commitments for the acquisition of services is 304.128.027,39€ (2016: 291.562.675,57€).

The personal guarantees given by the Group for third parties amount to 47.896.894,66 € (2016: 51.655.473,32€).

Credit lines granted to third parties by the Group amount to 10.000.000,00€ as at 31 December 2017 (2016: 27.772.854,18€).

Guarantees given by third parties to the Group amount to 321.704.740,39€ (2016: 349.101.247,43€) and mainly concern the personal guarantees given by contractors and guarantees on assets needed to achieve the corporate objective.

The guarantees given by the Group on own assets amount to 171.271.416,07€ as at 31 December 2017 (2016: 175.103.365,28€).

Commitments for future minimum lease payments due under contracts of non-cancellable operating leases amount to 226,9 million € as at 31 December 2017 (2016: 190,9 million €) , of which 31,9 million € due within one year, 128,8 million € due after one year and within five years and 66,2 million € due after five years.

Note 33

Information on related parties

33.1 Consolidated companies

The list of subsidiaries and interests under the equity method is included in note 5.

33.2 Relations with the State

33.2.1 Holding interests

The Belgian State is the ultimate and principal shareholder of Infrabel SA under public law.

33.2.2 Management contracts

The Belgian State signed a management contract with Infrabel for the period from 1 January 2008 to 31 December 2012, and legally extended until a new management contract becomes effective.

Infrabel is, in its role of railway infrastructure manager, an essential part of the transportation system in Belgium.

The legislator set the **public service missions** of Infrabel as follows:

1. acquisition, construction, renewal, maintenance and management of railway infrastructure;
2. management of regulation and security systems of this infrastructure;
3. provision to railway companies of the services defined by the Law;
4. allocation of available railway infrastructure capacity;
5. pricing, billing and collection of fees for using the railway network and for the services referred to in 3;

The management contract is not limited to merely defining the public service missions. It also stipulates certain tasks to be performed in order to fulfil these missions.

In order to allow Infrabel to perform the public service missions entrusted to it under the management contract, it receives grants from the Federal (i.e. National) Government and, to a lesser extent, from federated entities (Regions) for certain specific projects. For additional information, we refer to note 24 - Grants.

33.2.3 Services to public administrations

The Group provides services, such as but not limited to ICT services, construction and maintenance works, to the Belgian State and to various public administrations of the Belgian State. All these transactions are conducted as in a normal client/provider relationship, and under terms that are not more favourable than those offered to other clients and providers.

33.3 Relations with key management

The directors and the members of the Management Board of Infrabel SA under public law are considered as key management of the Group.

The total amount of compensation provided to directors and members of the Management Committee amounts to 1.289.290,46€ in 2017 and 1.207.241,25€ in 2016.

Key management compensation consists only of salary and short-term benefits. In 2017 and 2016 there has been no payment of termination benefits, post-employment benefits or long-term benefits.

We refer to the Corporate governance chapter and the remuneration report of the statutory annual report of Infrabel for more information related to the members of the Board of Directors, members of the Management Committee, the rules of conduct and remuneration policy of the Group.

Note 34

Auditors’ fees

In 2017, the Infrabel Group recorded an amount of 381.776,45€ (2016: 335.238,00€) relative to audit fees relating to the control of the annual accounts by the auditors of the Group. The costs related to tax advice amounted to 32.630,00€ in 2017 (2016: 33.100,00€). In 2017, other services were provided by the auditors for an amount of 7.000,00€ (2016: 39.102,32€).

These fees can be broken down as follows:

	31/12/2017	31/12/2016
Assignments relating to the control of the annual accounts	381.776,45	335.238,00
Assignments relating to tax advice	32.630,00	33.100,00
Other assignments	7.000,00	39.102,32
Auditors' fees	**421.406,45**	**407.440,32**

Note 35

Events after the reporting date

On 2 February 2018, the Cabinet approved the multi-year investment plan 2017-2020 and the strategic multi-year investment plan 2018-2031 of Infrabel.

INFRABEL SA DE DROIT PUBLIC

Board of Auditors' report
to the general meeting
on the consolidated financial statements
for the year ended 31 December 2017

Free Translation - The original versions of this report are in Dutch and in French.

Statutory auditors' report members of the Board of Auditors (hereafter "Board of Auditors") to the general meeting of the company Infrabel SA de Droit Public on the consolidated financial statements for the year ended 31 December 2017

In the context of the statutory audit of the consolidated financial statements of the company Infrabel SA de Droit Public (the Company) and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditors' report. It includes our report on the audit of the consolidated financial statements as well as our report on the other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditors by the general meeting of 17 May 2017, following the proposal formulated by the board of directors issued upon presentation by the workers' council. Our statutory auditors' mandate expires on the date of the general meeting deliberating on the consolidated financial statements closed on 31 December 2019. We have performed the statutory audit of the consolidated financial statements of the company Infrabel SA de Droit Public for the first year this year.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of 22.000.458.625,23 EUR and for which consolidated income statement and other comprehensive income shows a profit for the year of 142.882.055,10 EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2017, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium, and the set of rules specific to the company, as included in the law of 21 March 1991 on the reform of certain public economic companies, as well as the specific regulation for railway companies. Our responsibilities under those standards are further described in the 'Board of auditors' responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the board of directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the board of directors for 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 (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Statutory Board of auditors' report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the contents of the management report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the Board of auditors

In the context of our mandate and in accordance with the Belgian standard that is supplementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the annual report, as well as to report on these elements.

Aspects relating to the management report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 119 of the Company Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- Financial data for the financial year 2017 (pages 35 à 39)
- Corporate Governance (page 34)

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading.

Based on the procedures we have performed, there are no material misstatements we have to report to you.

We do not express any form of assurance whatsoever on the management report on the consolidated financial statements and on the other information contained in the annual report on the consolidated financial statements.

Statement concerning independence

Our audit firms and our networks did not provide services which are incompatible with the statutory audit of annual accounts and our audit firm remained independent of the Company during the terms of our mandate.

Brussels, 26 April 2018

Board of Auditors

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Represented by

Felix Fank
Statutory auditor

KPMG Réviseurs d'Entreprises Soc. Civ. SCRL
Represented by

Erik Clinck
Statutory auditor