ANNUAL REPORT

2008

B HOLDING

What happened in 2008?

“Yes we can”. On 4 November, Barak Obama was elected the 44th President of the United States.

The global financial crisis was declared in September.

The Summer Olympics in Beijing were held from 8 to 24 August.

On 4 February, Carla Bruni married Nicolas Sarkozy at the Elysée Palace.

And at SNCB-Holding?

At the service of customers and society!

The independent survey carried out at the request of SNCB-Holding of station users, passengers and non passengers alike, is categorical: first and foremost SNCB Group's customers want service!

Faced with this demand, our responsibility as managers is to ask ourselves the question: have we ourselves, and SNCB-Holding, which we manage, been at the service of our customers and society?

We have the satisfaction of being able to reply positively to this question: yes, SNCB-Holding has been at the service of its customers and society.

» By virtue of its financial management

Operating profit increased by 49.5% compared with 2007 to €111.2 million and, although investments (€200 million, +2%) are ongoing, the debt held by SNCB-Holding for the group as a whole continues to reduce (-€178.3 million). It is currently less than it was in 2005. Thanks to rigorous control of its financial positions, and in particular the alternative financing concluded between 1988 and 2003, SNCB-Holding has been spared the global financial crisis. SNCB Group is continuing its shift to international IFRS standards which will take effect on 1 January 2010. This is necessary for retaining access to credit markets on the best terms and also serves as a transparency gauge for valuing financial commitments.

Jean-Claude FONTINOY
Chairman of the Board of Directors

» By virtue of recruitment

1,711 new staff were recruited in 2008. But "gouverner, c'est prévoir" (governance means foresight). The SNCB Group age pyramid is such that, within the next 10 years, we will need to replace half the staff. So as not to be caught unawares, SNCB-Holding has launched a new recruitment campaign. It is spectacular and original. Spectacular because it plays on the passion every citizen has for railways and is being run on all the media. Original because it features, on posters and TV commercials, the same people who make rail transport possible because railway workers are playing the part of railway workers! They show how proud they are to work for the great SNCB family. The campaign is also effective because, since it was launched, the number of candidates applying for jobs in the SNCB Group has been increasing sharply. They are looking for stability of employment, quality of remuneration, the strong possibility of internal promotion, the pleasure of working in a team, a good balance between private life and business life. These are the benefits of the SNCB Group, and embodied in a social contract negotiated in 2008!

» By virtue of putting stations back at the heart of mobility

In every city, mobility policies are once again being built around stations. The station is resuming its central role of translativity. It brings things together. It brings city districts together, it brings forms of transport together, it brings people together. SNCB-Holding is investing in the country's 37 largest stations, which account for 80% of passengers. There, it is developing the passenger terminal, of course, but also car and cycle parks. To allow users to manage their time better and benefit from this. By reducing interchange time by shortening the distance from car and cycle parks and tram and bus stops to platforms. By enabling services to be found in stations which make waiting more interesting in terms of management. 358 retail or service outlets are open in stations, which has made them more welcoming. In which more than 700 events are taking place and which are breathing life back into stations. The station is also a flagship of economic redeployment and an architectural tourist attraction as in Liège-Guillemins or Antwerp-Central, the world's fourth most beautiful station according to an American study.

» By virtue of its fight for the environment

In January 2009, SNCB Group's energy bill was the highest in history at €12.4 million. In 2008, electric + diesel energy cost €123 million, also a record. But if we do nothing, the bill will grow to 150 then to 180 million in future years. Plans have been put in place to reduce consumption, for both cartage (80%) and other expenses. By doing nothing more than turning off SNCB Group's 16,000 computers, we save 1%. SNCB-Holding has launched a major environmental awareness campaign among its staff. The campaign has earned the Group, a first prize from the International Union of Railways, for taking action in the area of sustainable development.

On a wider scale, the train is THE solution to problems of network congestion and emission of greenhouse gases. Taking the train instead of the car means emitting five times less CO_2. This is the message that railways will be sending in early December 2009 at the Conference of the Parties, COP15, in Copenhagen where the Kyoto agreements will be reviewed. For more information, please visit www.ecopassenger.org. An international initiative, hailed by Pr. Jacques van Ypersele, climatologist, deputy chairman of GIEC who, in 2007, obtained the Nobel Peace Prize. A friend of trains!

» By virtue of passenger safety

With 216.6 million passengers passing one another in stations, sparks are bound to fly. Securail staff, by their mere presence in their red and black uniforms and stricter control when necessary, are there to reassure. A deterrent presence like the 1,700 cameras installed around the major stations. Specially trained and sworn staff analyse these images and, behind the screens, keep watch. They have up-to-date technology which is used in compliance with the laws on privacy. It is not widely known, but the security services of transport companies and security companies around the world come to Brussels to familiarise themselves with a secure and efficient technical installation. A far cry from the first security camera in Belgium installed by SNCB in 1994 at the Gare du Midi. 15 years ago!

SNCB-Holding has been at the service of comfort by virtue of a major “suspicious items or behaviour” campaign. The free 0800/30.230 telephone number is available to the public. In 2008 the “Security Operation Center” received over 50,000 internal and external calls.

2008 will therefore have been a good year for SNCB-Holding which, with the other companies, is preparing for 2010 with confidence: In addition to the Belgian presidency of the European Union, 2010 is the year of the 175th anniversary of railways in Belgium, the first continental line opened in the presence of the King on 5 May 1835, and the fifth year of the new SNCB Group structure. These anniversaries, if current trends are maintained, will be celebrated as they deserve. With pride. On 5 May 1835, Belgian railways led the world. 175 years later, our wish, along with our 38,000 employees, is to scale those heights again.

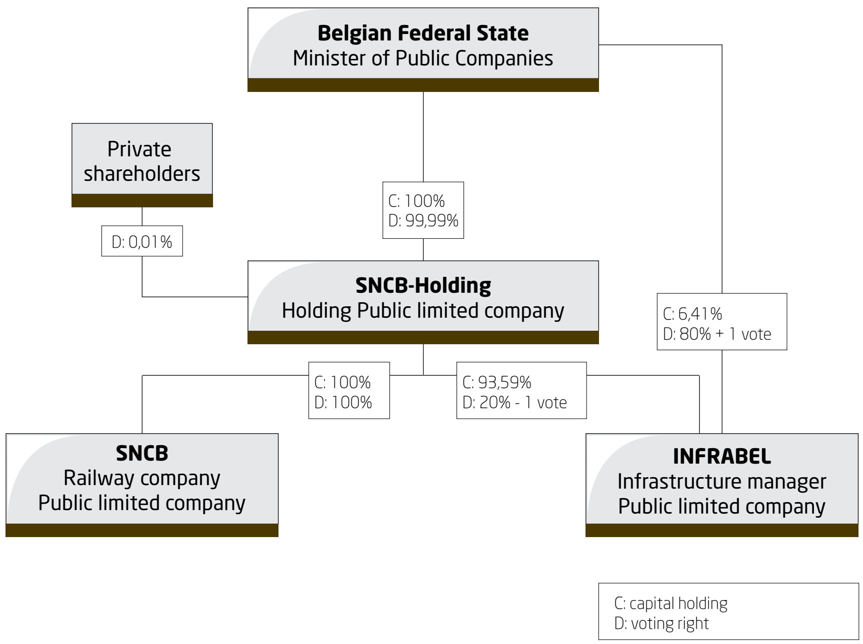
Jannie HAEK
CEO

Contents

2. Ambitions and achievements

SNCB-Holding intends to play a decisive role on the mobility stage in Belgium. As a public services provider, it also wants to respond to social issues such as sustainability and diversity.

It performs this task in collaboration with the other two SNCB Group companies. Infrabel is the infrastructure manager and SNCB is the rail transport services operator.



SNCB-Holding is turning stations into meeting places

As owner of all the stations in Belgium, SNCB-Holding itself provides ongoing management and maintenance of the 37 major stations, and management of the commercial areas in all the stations. Operation of the other 180 stations is given under concession to SNCB.

It is vital to improve the capacity and attractiveness of stations in order to be able to continue to sustain the growth in passenger transport. SNCB-Holding is implementing a modernisation programme to turn stations into practical and pleasant meeting places, giving the larger ones a wide range of services and businesses.

To offer a visual identity to this new concept, a multicoloured logo was created in early 2009 for "La Gare" [The Station]. This new logo evokes not only dynamism and change, but also protection and conviviality, meetings and feelings, vitality and diversity.

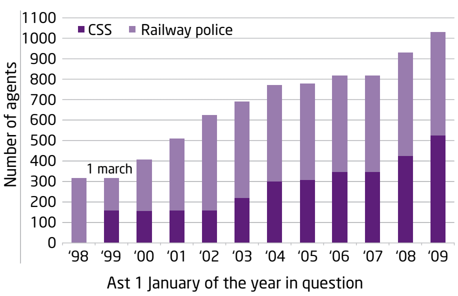
het Station Ⓑ
la Gare

The Securail function: provide security in trains and stations

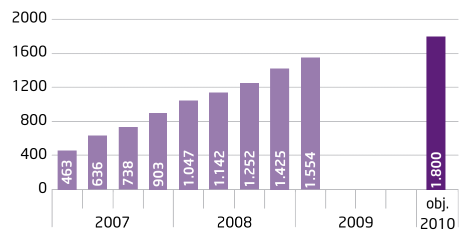
Through its Securail internal security service, SNCB-Holding provides security on trains and stations for passengers and its own staff.

In 2008, significant investments were agreed at technological and human levels. Securail staff work in collaboration with the authorities and the railway police.

Evolution of Railway police force and Corporate Security Service (= Securail)



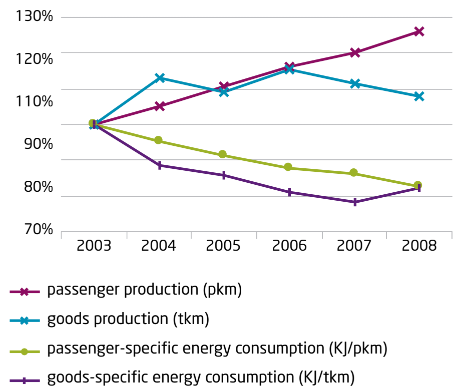
Cameras operating in stations

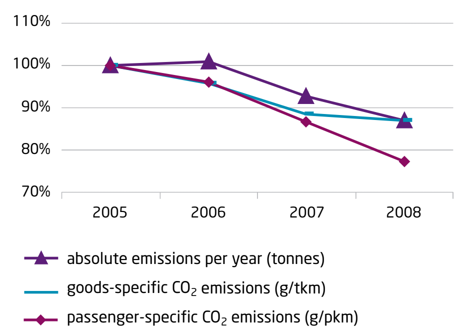


The environ-mental impact must reduce even further

SNCB-Holding coordinates the Group's environmental policy. Per unit transported, rail is much more ecological than other forms of transport.

The energy efficiency of rail traffic has increased sharply over the past few years. CO_2 emissions have reduced significantly for two years running, both in absolute volume and per unit transported.





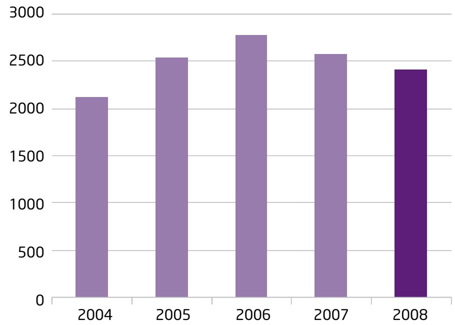
SNCB-Holding is a major services provider within the Group

In 2008 ICTRA, the SNCB-Holding IT et Telecom backbone, provided SNCB and Infrabel with services valued at approximately 80 million euros.

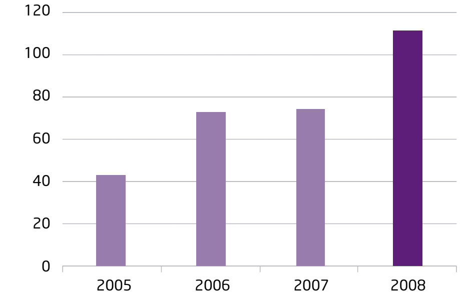
SNCB-Holding is the employer of all the personnel, 38,587 people at the end of 2008, and it makes these personnel available to the three companies. The major challenge over the next few years will be to recruit around 1,800 people per year to offset the retirement of employees who were part of the baby boom generation.

SNCB-Holding guarantees the unicity of the Group's financial management. The consolidated debt of SNCB-Holding, SNCB and Infrabel fell from 2.6 to 2.4 billion euros.

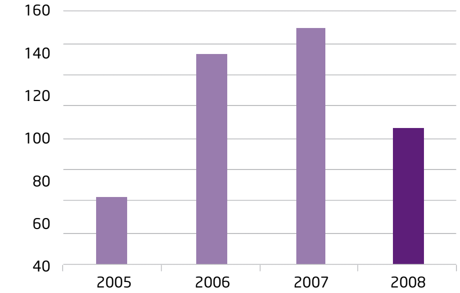
CONSOLIDATED DEBT OF SNCB-HOLDING, SNCB AND INFRABEL



SNCB-HOLDING EBITDA



SNCB GROUP EBITDA



B-Mobility knowledge centre

SNCB-Holding is developing B-Mobility as a knowledge centre for mobility, as an office for studying for specific subjects connected with transport and the economy, and as promoter and representative of the railway with external organisations.

B-Mobility supports SNCB-Holding so that it can be recognised by the stakeholders and the transport sector as a "preferred partner" for its knowledge, skills and provision of services, particularly as regards mobility.

B-Mobility
HOLDING

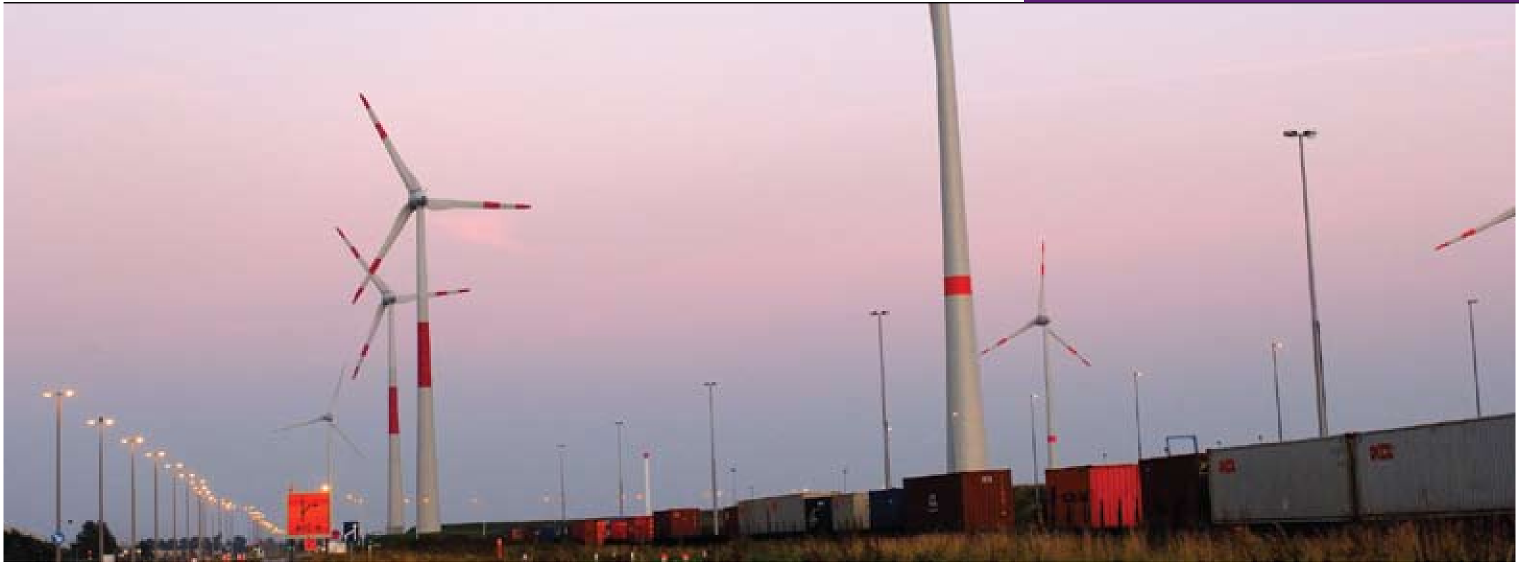
Mobility Forum

B-Mobility plays a pioneering role in organisation of the Mobilys mobility forum.

The theme of the last edition was "Greening transport".

Koen Kerckaert, B-Mobility executive:

"It is essential for the SNCB Group to participate actively in the social debate regarding the future of our mobility. At the "Greening Transport" forum, the SNCB Group, the regional transport companies, Febiac and FEB signed a memorandum insisting on the need for sustainable mobility. Although a number of initiatives had already been taken, the various parties stress that other measures by the State and transport operators are indispensible. The contribution of the railways is crucial in this respect."

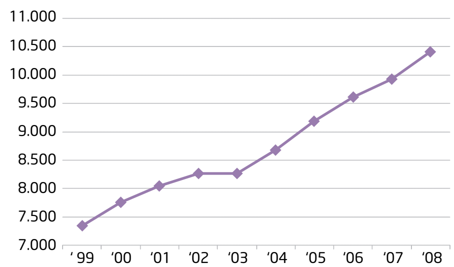


The Group’s transport services are developing along very different lines:

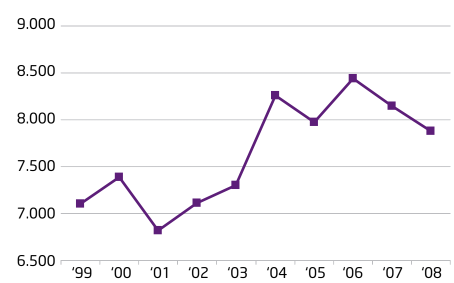
» strong growth sustained for passenger transport

» impact of the economic crisis on goods transport

passenger traffic 10^6 vkm
(national + international) 1999 - 2008



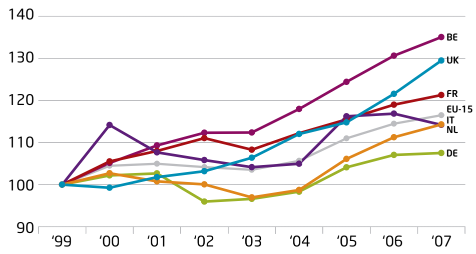
goods traffic 10^6 tonnes-km 1999 - 2008



» passenger transport registers the strongest growth in Europe

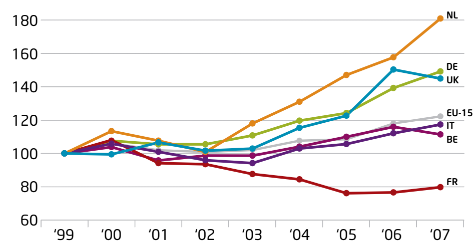
» goods transport experienced a downturn in 2007

Passenger traffic by rail (p-km) in Europe
(1999 = 100)



Source : DG TREN until 2007

Goods traffic by rail (t-km) in Europe
(1999 = 100)

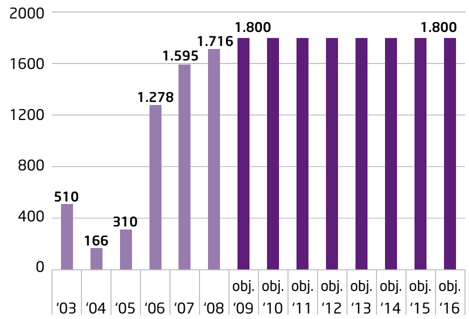


Source : DG TREN until 2007

* non-domestic 2008 numbers not available as at the closing of the annual report

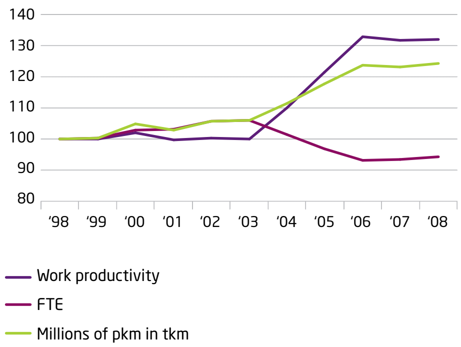
Over 1,700 people recruited in 2008, and during the following years

External recruitment 2003-2008, obj. 2009-2016



Group productivity stabilises following spectacular growth since 2003

(1998 = 100)



3. SNCB-Holding: structure and strategy

With effect from 01.01.2008

Board of Directors

Chairman:
Jean-Claude FONTINOY

CEO:
Jannie HAEK

Board of Directors:
Eddy BRUYNINCKX, Antoon COLPAERT, Jean-Claude DEHOVRE (1), Edmée DE GROEVE (2), Catherine GERNAY, Geertje SMET, Magali VERDONCK, Marianne VERGEYLE, Melchior WATHELET.

Executive Committee

Chairman:
Jannie HAEK

Executive officers:
Michel ALLE (Finance),
Vincent BOURLARD (Real Estate),
Alex MIGOM (Strategy and Coordination),
Tony VAN DEN BERGHEN (Human Resources),

Audit Committee

Chairman: Geertje SMET

Members:
Eddy BRUYNINCKX, Catherine GERNAY, Melchior WATHELET,

Appointments and Remuneration Committee

Chairman:
Jean-Claude FONTINOY

Members:
Jean-Claude DEHOVRE(1), Edmée DE GROEVE (2), Jannie HAEK, Marianne VERGEYLE

Strategic Committee

Chairman:
Jannie HAEK

Members:
The other 9 directors
The 4 executive officers
Representatives of union bodies:
Claude BOSSICART (3), Dominique DALNE, Michel ABDISSI, Jean-Pierre GOOSSENS, Marc VAN LAETHEM (4), Luc PIENS (5), Serge PITELJON (6), Roland VERMEULEN (7).

Steering committee

Chairman:
Jannie HAEK

Members:
Marc DESCHEEMAECKER, Luc LALLEMAND, Marc VAN LAETHEM, Gérard GELMINI, Jos DIGNEFFE.

Government Commissioner

Marc BOEYKENS

Board of Auditors

Chairman:
Herman VAN IMPE

Membres:
Michel DELBROUCK, Michel de FAYS, Franki VANSTAPEL.

Auditors

Herman VAN IMPE on behalf of BVBA Van Impe, Mertens & Associates

Michel DELBROUCK on behalf of ScPRL Michel DELBROUCK & Co

Jean FOSSION on behalf of PricewaterhouseCoopers Réviseurs d'Entreprises sccrl

(1) Died 31 July 2008.
(2) With effect from 29 August 2008
(3) Until 21 October 2008.
(4) Until 6 March 2008.
(5) With effect from 6 March 2008
(6) With effect from 21 October 2008
(7) Until 1 December 2008

CORPORATE GOVERNANCE

This section describes the administration of the company, known as Corporate Governance.

Its purpose is to explain the Company's operating rules in the light of Corporate Governance principles, the guarantee of the smooth running of the management bodies.

In order to perform its obligations correctly, SNCB-Holding is supported not only by its Board of Directors but also by three specialist committees, the Audit Committee, the Appointments and Remuneration Committee, and the Strategic Committee, as well as the Executive Committee and other consultative commissions and committees, such as:

- the Steering Committee
- the National Joint Commission
- the Three CEOs Committee
- the Strategic Unit

And the inspection bodies, such as the Government Commissioner and the Board of Auditors.

For a more detailed description of the management structure and the operating rules of the management bodies, please see the Corporate Governance Charter published on the SNCB-Holding website (www.b-rail.be).

Board of Directors

14 Board meetings in 2008

Composition

The Board is made up of 10 members, including the CEO. At least one third of the members must be of the opposite sex (Article 162 bis § 1 of the Law of 21 March 1991). Linguistic parity is observed.

Functioning

Frequency of meetings
"The Board meets as often as is required by the interests of the Company, and at least four times a year." (Article 10 of the Articles of Association).

Topics handled
In 2008, in addition to ongoing matters, the Board of Directors made resolutions and followed up a certain number of major items of business:

- establishment of the SNCB Group consolidated 2008-2012 business plan;
- establishment of the SNCB Group consolidated 2008-2012 investment plan;
- approval of the management contract;
- the 2008-2010 social contract heads of agreement and the social contract relating to work breaks;
- tracking of the Mind³ project (Enterprise Resource Planning);
- implementation of a Working Group for the National Railway Museum;
- monitoring of the ABX disputes file;
- analysis of the Roland Berger study on collaboration between SNCB-Holding, Infrabel and SNCB;
- analysis of the Audit Authority's audit on the SNCB Group;
- HR policy; the issue of recruitment and the SNCB Group 2009 HR Communication Plan;
- monitoring of the impact for SNCB-Holding of the credit crunch and the financial markets situation;
- 2007 SNCB Group report on the environment and analysis of energy consumption of SNCB Group buildings and workshops;
- creation of an own manager of B-Parking car parks;
- restructuring of the Fonds de l'Infrastructure Ferroviaire (Railway Infrastructure Fund - FIF) and transfer of FIF assets to SNCB-Holding.

Melchior WATHELET	Jannie HAEK	Jean-Claude FONTINOY	Eddy BRUYNINCKX	Paul MATTHYS
Geertje SMET	Catherine GERNAY	Marianne VERGEYLE	Edmée De GROEVE	Magali VERDONCK

Audit Committee

12 meetings of the Audit Committee in 2008

Frequency of meetings

The Audit Committee meets at regular intervals. The Chairman of the Committee can convene special meetings to enable the Committee to fulfil its remit properly.

Topics handled

The main topics dealt with by the Audit Committee in 2008 covered:

- the annual accounts of SNCB-Holding and the consolidated annual accounts for 2007;
- the 2008 quarterly accounts;
- the main findings and recommendations made by Internal Audit in its reports;
- the follow-up to the recommendations made by Internal Audit and the action plans agreed between the latter and the operational management;
- the Internal Audit 2009 proposed activities programme, in particular the audit tasks to be carried out;
- the SNCB-Holding operating budget for 2009;
- tracking of the Mind³ project (Enterprise Resource Planning);
- the Inspection Committee's charter;
- restructuring of the Fonds de l'Infrastructure Ferroviaire (FIF) and transfer of FIF assets to SNCB-Holding.
- analysis of the Audit Authority's audit on the SNCB Group;
- The European Commission inquiry into the SNCB capital increases;
- monitoring of the impact for SNCB-Holding of the credit crunch and the financial markets situation;
- monitoring the development of the ABX file and in particular the disputes file.

Chairman: Geertje SMET

Members: Eddy BRUYNINCKX, Catherine GERNAY, Melchior WATHELET,

Appointments and Remuneration Committee

7 meetings of the Appointments and Remuneration Committee in 2008

The existence of the Appointments and Remuneration Committee is required by Article 161 ter of the Law of 21 March 1991.

Frequency of meetings

The Committee meets as often as required in the interests of the Company.

Chairman: Jean-Claude FONTINOY

Members: Jean-Claude DEHOVRE(1), Edmée DE GROEVE (2), Jannie HAEK, Marianne VERGEYLE

Executive Committee

44 meetings of the Executive Committee in 2008

- Jannie HAEK, CEO,
- Michel ALLE, Chief Financial Officer,
- Vincent BOURLARD, Chief Real Estate Officer,
- Alex MIGOM, Chief Officer of Strategy and Coordination,
- Tony VAN DEN BERGHEN, Chief HR Officer.

All the members of the Executive Committee carry out full functions within the SNCB or represent it (Article 162 quarter of the Law of 21 March 1991).

Frequency of meetings

Meetings of the Executive Committee are held in principle every week, normally on Mondays.

Powers

In accordance with Article 162 ter of the Law of 21 March 1991, "the Executive Committee is in charge of the day-to-day management of the company and its representation in relation to this management, as well as executing the decisions of the Board of Directors. The members of the Executive Committee form a Board. They can share out tasks."

Tony VAN DEN BERGHEN Michel ALLÉ Jannie HAEK Alex MIGOM Vincent BOURLARD

Steering Committee

15 meetings of the Steering Committee in 2008

The Steering Committee was set up in SNCB by the General Meeting of 28 May 2004. This is a statutory body with powers to assist in the development of new structures, business plans, and problems of operational management.

Frequency of meetings

The Committee meets at least once a month. It can be convened by any member or by the SNCB-Holding Executive Committee. The latter or any member can add items to the agenda (Article 25 of the Articles of Association).

Topics handled

- the 2008-2010 social contract heads of agreement;
- the social contract relating to work breaks;
- the 2008-2012 management contracts between the State and SNCB-Holding, Infrabel and SNCB respectively;
- the 2008-2012 consolidated business plan and the SNCB-Holding, Infrabel and SNCB business plans;
- the 2008-2012 consolidated investment plan;
- examination of issues related to aspects of HR: personnel development, recruitment issues, career plan etc.

Chairman: Jannie HAEK

Members: Marc DESCHEEMAECKER, Luc LALLEMAND, Marc VAN LAETHEM, Gérard GELMINI, Jos DIGNEFFE.

Strategic Committee

11 meetings of the Strategic Committee in 2008

This Committee was set up by the Law of 22 March 2002 modifying the Law of 21 March 1991 (Article 161 ter §§ 1, 5, 5bis, 6 and 7 of the Law of 21 March 1991). This Committee was installed on 20 December 2002.

Frequency of meetings

This Committee meets whenever decisions have to be taken by the Board on strategic matters for which the prior opinion of the Committee is required, and whenever the management contract has to be discussed.

Topics handled

The Strategic Committee was consulted on the following:

- the annual accounts of SNCB-Holding and the consolidated annual accounts for 2007;
- the 2008 quarterly accounts;
- the SNCB-Holding operating budget for 2009;
- the management contracts;
- the change in indebtedness;
- the creation of an own manager of B-Parking car parks;

Chairman: Jannie HAEK

Members: the other 9 directors
The 4 executive officers

Representative of union bodies:
Claude BOSSICART (3), Dominique DALNE, Michel ABDISSI, Jean-Pierre GOOSSENS, Marc VAN LAETHEM (4), Luc PIENS (5), Serge PITELJON (6), Roland VERMEULEN (7).

The 3 CEOs Committee

26 meetings of the 3 CEOs Committee in 2008

The 3 CEOs Committee is the body formed by the CEO of the three companies and chaired by the CEO of SNCB-Holding.
In particular, it prepares the meetings of the Steering Committee and coordinates the projects affecting the whole of the Group.

Topics handled

- evaluation of the previous 2006 - 2007 social contract;
- preparation of negotiations on the 2008-2010 social contract;
- the 2008-2012 consolidated business plan;
- the 2008-2012 consolidated investment plan;
- compliance with the regional apportionment for the investment budget;
- recruitment issues;
- the Roland Berger study relating to the cooperation between SNCB-Holding, Infrabel and SNCB.

National Joint Commission

6 meetings of the National Joint Commission in 2008

Topics handled

- the new structure of the Prevention and Protection at Work joint bodies;
- the splitting of the B-Voyageurs Management;
- the management contracts between the State and SNCB-Holding, Infrabel and SNCB respectively;
- adaptation of the regulations relating to security personnel;
- adaptation of the General Regulations of the union relations to the social contract relating to work breaks;
- the right to a partial career break for certain categories of workers aged over 55.

Government Auditor

Article 162 nonies of the Law of 21 March 1991 stipulates that "SNCB-Holding is subject to the controlling power of the Minister whose portfolio includes the railways. This control is exercised by a Government Commissioner, who may be appointed and revoked by the King on the proposal of the Minister concerned."

The Government Commissioner for SNCB-Holding is Mr Marc BOEYKENS. The Auditor is invited to all the meetings of the Board of Directors, the Executive Committee, and the Strategic Committee, and attends in an advisory capacity. In addition, he attends meetings of the Audit Committee in an advisory capacity.

Board of Auditors

Article 25 §1 of the Law of 21 March 1991 states: "The auditing of the financial position, the annual accounts and the regularity, with regard to the Law and the formal statute, of the operations to be shown in the annual accounts, shall be entrusted, in each independent public company, to a Board of Auditors.

This shall be made up of four members, two of whom are appointed by the Audit Authority from its own members, and the other two by the General Meeting from members of the Institut des Réviseurs d'Entreprises."

Chairman: Herman VAN IMPE

Membres: Michel DELBROUCK, Michel de FAYS, Franki VANSTAPEL.

Remuneration of the Members of the Board of Directors and the Executive Committee

Board of Directors

The General Meeting of 31 May 2006 laid down the principles, detailed below, for determining the remuneration of the directors, with the exception of the Managing Director.

The gross remuneration of the Chairman is made up of a fixed annual part which amounts to €39,200 and a variable part consisting of attendance tokens for meetings.

These tokens are:
- € 500 per Board meeting;
- € 400 per Committee in which he participates.

In addition, he receives an annual compensation for overheads of €2,400.

The gross payment to the other Directors is made up of a fixed annual part which amounts to €13,600 and a variable part consisting of attendance tokens for meetings.

These tokens are:
- € 500 per Board meeting;
- € 400 per meeting of the other Committees.

In addition, they receive an annual compensation for overheads of €1,200.

Attendance at meetings is a necessary requirement for obtaining the attendance token.

Executive Committee

Remuneration of the Chief Executive Officer

The gross remuneration paid in 2008 to the CEO was €468,185.35. This includes bonuses for 2007. Bonuses for services for 2008 will only be determined in 2009, and are therefore not included in this amount.

The Appointments and Remuneration Committee meeting of 4 October 2007 defined 9 criteria for fixing the CEO's management bonuses. Six of these criteria are assessed at SNCB Group level, namely stabilisation of debt, growth in passenger traffic, general customer satisfaction, hiring of personnel, accidents at work and punctuality of trains. Three criteria are assessed according to the SNCB-Holding results, namely operating cash flow, performance of the investment budget and specific objectives assigned to the Managing Director.

There is a double balancing between on the one hand, the Group criteria (55%) and the SNCB-Holding criteria (45%) and on the other hand, between the financial criteria (35%) and the qualitative criteria (65%).

Name	Attendance at SNCB-Holding Board and Committee meetings				Directors' gross remuneration (excluding compensation for overheads)	
	Board (total 14)	Audit Committee (total 12)	Appt. and Rem. C. (total 7)	Strategic Committee (total 11)	SNCB-Holding Board and Committees (€)	Mandates in other Group companies (€)
J-C. FONTINOY	14	12	7	11	56,600.04	10,600.00 (1)
E. BRUYNINCKX	11	9	-	9	25,199.96	-
A. COLPAERT	10	-	-	8	7,400.00	36,900.04 (2)
J-C. DEHOVRE	0	-	0	0	4,533.36	3,966.70(3)
C. GERNAY	14	12	-	11	27,799.96	0.00 (4)
G. SMET	11	8	-	8	17,900.04	12,900.00(3)
M. VERDONCK	13	-	-	11	22,499.96	-
M. VERGEYLE	14	-	7	10	26,199.96	-
M. WATHELET	12	11	-	10	26,399.96	400.00 (4)
E. DE GROEVE	5	-	3	4	5,300.00	38,000.00 (5)

(1) Director of SNCB and Chairman of Euroliège TGV
(2) Chairman of the Board of Directors of Infrabel
(3) Director of SNCB and Euroliège TGV
(4) Director of Euroliège TGV
(5) Chairman of the Board of Directors of SNCB and Director of Euroliège TGV, Director of SNCB-Holding from 29 August 2008

Remuneration of Executive Officers

The Board has fixed the remuneration of the members of the Executive Committee.

The system of remuneration consists of:

1. a fixed part, namely:

- the basic salary;
- the management allocation granted monthly;
- payment for the office: monthly fixed sum.

2. a variable part, namely:

- payment for the office: 0 to 100% of the basic annual salary. The percentage granted is determined by the Appointments and Remuneration Committee on the proposal of the CEO, taking into account the degree of difficulty and social complexity of the office held.
- the productivity bonus: variable according to an appreciation coefficient of 0 to 3. An annual evaluation is carried out by the CEO and submitted to the Appointments and Remuneration Committee. The evaluation is based on meeting previously set targets.

The variable part will represent, on average, approximately 30% of the remuneration.

The holiday allowance, annual bonus and any other entitlements and expenses are determined in accordance with the applicable regulations. Contracted personnel benefit from group insurance and hospitalisation insurance.

The gross total, including benefits in kind, paid in 2008 to members of the Executive Committee other than the CEO, amounted to €1,365,348.19. This includes bonuses for 2007. Bonuses for services for 2008 will only be determined in 2009, and are therefore not included in this amount.

Mandate in subsidiaries and participation companies

The Board Meeting of 25 February 2005 resolved that the positions of director held in subsidiaries by members of the SNCB Group would not be remunerated.

Contribution of Internal Audit to controlling risk

The aim of Internal Audit is to help the Management Bodies and the Management to achieve their objectives by virtue of better risk control.

To do this, it performs three groups of complementary activities:

- the internal audit itself: provision and advice on the evaluation of risk management, control and corporate governance processes. This activity gives rise to recommendations addressed to the Management with a view to reinforcing the effectiveness and efficiency of these processes;
- centralised control of markets/contracts: verification of their conformity with the legal provisions of the markets, the delegation and subdelegation of powers, the needs of the business and the resolutions of its Management Bodies;
- administrative inquiries in (presumed) cases of fraud, theft or other events capable of damaging the company's financial, commercial or moral interests.

Internal Audit (H-AI) performs the above activities for the three SNCB Group Companies (SNCB-Holding, SNCB and Infrabel) and their respective subsidiaries, in respect of their management autonomy and the objectives fixed by their Management Bodies. However, the "essential functions" of the infrastructure manager are excluded from its sphere of operation.

With the collaboration of the Management, Internal Audit compiled in 2007 an SNCB-Holding operational and financial risks chart. This chart enables Internal Audit to better target the focus of its work, and enables Management to better evaluate its internal controls and, as appropriate, adapt or reinforce them, in the context of ongoing improvement of the risk management process.

During the fourth quarter and in agreement with Senior Management, Internal Audit prepares its business plan for the following year. This plan is submitted in December for approval by the Audit Committees.

In 2008, the audits concerning SNCB-Holding included in particular:

- application of legislation on protection of the environment;
- management, awareness and application of HR instructions;
- definition of recruitment needs and compliance with SLAs concluded between the H-HR Management and SNCB/Infrabel;
- management of IT systems and applications access authorisations;
- application of the SNCB Group financial policy, administrative organisation and Treasury Department control procedures;
- SNCB-Holding internal invoicing;
- the policy for usage of SNCB-Holding land and buildings;
- design of the ERP Mind³ project internal control system.

Following agreement with Operations Management, the final version of the audit reports is sent to the Executive Officers and general managers concerned and to the CEO, the Chairman of the Audit Committee and the Chairman of the Board of Directors. These reports, and in particular their conclusions and recommendations, are also presented to and discussed by the Audit Committee. Internal Audit then carries out regular follow-up of its main recommendations and compiles a six-monthly report on the subject for the Management Bodies.

4. Stations are becoming meeting places

Since our entry into the 21st century, the train has achieved remarkable success. The pillars of this success are a rediscovered trust in public transport and massive investment. Stations have been the main focus of this investment.

During the development of this investment programme, we considered stations as much more than just a door to rail transport.

Stations should become an effective interface between the different forms of transport and a pleasant meeting place. They should be a real invitation to travel, even for occasional travellers.

We translate these aspirations by an architecture and layout open to the city and integrated into it. Station approaches must be easily accessible to pedestrians. Passengers must not encounter any obstacles changing from their bicycle, car or bus to the train. Once inside the station, they also like to have a wide range of services and commercial outlets available.

Marleen Verdonck, head of station investments projects, on the philosophy of sustainability applied by SNCB-Holding for the construction and renovation of its stations:

"We want to profile ourselves openly as a sustainable mobility operator. SNCB-Holding, in collaboration with public authorities, ensures better occupancy of space on either side of the station by means of translativity, to improve accessibility via the rear of the station and freeing up urban areas. At the same time, our objective is to develop the socio-economic fabric of station surroundings.

During the construction and renovation of the stations, SNCB-Holding is committing to implement solutions geared to global energy savings:

- *integrating the concept of 'life cycle cost analysis' in the choice of materials;*
- *taking architectural and technical options enabling maintenance costs to be reduced;*
- *taking architectural and technical options enabling energy consumption to be reduced;*
- *applying the use of renewable energy techniques".*

The "masterplans" enable this vision of the station in the city or its environment to be realised.

These architectural studies are based on an integral approach. The studies are aimed at creating pleasant station approaches and blending squares, streets and paved areas, car parks, bus stations, shops and catering establishments. The frail passenger and public transport occupy a central place. The station is once again finding its place as a dynamic component of the city. Station approaches must be transformed into a welcoming area with real soul where people can live, work and relax.

Herwig Persoons, CEO of the Eurostation studies and town planning office, talks about the Mechelen station approaches project:

Integrating the station into the commercial life of the city: how do we do it? "We always start with an urban study in which we ask ourselves what the part the station will play in the city. Then we focus on ways of redynamising the station (and its approaches) in an urban context. Mechelen station is located outside the ramparts which, at a certain point, were transformed into an urban motorway, which led to an erosion of the link between the centre and the station. The Masterplan aims at restoring urban routes which will be extended under the station. Mechelen will then be able to continue its growth under the tracks."

Do the environment and sustainable durables have a place in this 'Masterplan'? "Definitely, Eurostation is a pioneer in energy saving. We are currently studying the use of transparent solar panels for Oostende station. And in Mechelen, we are implementing the most sustainable and innovative techniques. And more generally: our 'Masterplan' prioritises frail passengers and public transport in the area around the station."

In renovated areas, accommodation is often becoming extortionate. How can we avoid this? "Creating a joint enterprise such as a public limited company, in which Eurostation and the local authorities are partners, is likely to avoid building developers hiking the prices."

During recent years, masterplans have been steadily developed and implemented in several locations around the country. Namur is well advanced, Antwerp-Central is complete, and work is under way or plans envisaged for other cities: Mons, Gent-Sint-Pieters, Liège-Guillemins, Mechelen, Gembloux, Oostende, Aalst etc.

In this regard, the collaboration with De Lijn, TEC, STIB, Infrabel and local authorities is vital.

Of course, each station will not be entitled to a masterplan, but dozens of stations will be renovated and overhauled and will benefit from an attractive and airy appearance.

Marc Taminiaux of Assets Management, concerning the renovation of Tournai station:

"There are stations that have potential, as we say. Tournai is one of them. Renovation was important to restore its image. Work has been going on at the station since 2001 and the visible results are mind-boggling: the station is impressive!

The initial work involved re-doing the roof and installing a new heating system. Then renovation of the façades was carried out and the painstaking repair of the large number of stones. The new skylights completed the picture.

Now it's the turn of the ticket offices, which are being replaced by a new installation.

So we will go from 4 to 5 ticket offices, two of which are installed in the form of a mini travel centre.

Very soon the commercial outlets will be installed in a dedicated space near the snack bar and also accessible via the platforms. They include: a new Relay and a sandwich bar.

Heat insulation of the roof space will also be provided, and arrangement of the first floor into ad hoc areas for drivers and train staff. When it is complete, this work will signal the end of the project and a new page in the station's history."

During all the work and renovation, particular attention has been paid to "people with reduced mobility". This refers not only to people with a physical handicap, but also parents travelling with young children and people who cannot move around very easily. A long-term project is therefore under way to adapt all the stations to be able to respond to a certain number of accessibility criteria. By 2012, 52 stations around the country accounting for 60% of all passengers will be adapted. They will have as a minimum kerbless access, automatic doors, guiding lines for the partially sighted, suitable toilet facilities and a sufficient number of parking spaces.

As of today, 7 station buildings already meet all these criteria: Namur, Sint-Niklaas, Brussels-Central, Ghent-Dampoort, Brussels National Airport, Louvain-La-Neuve.
And in dozens of other stations, adaptations are already partly complete: Arlon, Andenne, Aalst...

Infrabel and SNCB are working in parallel towards the same objective of accessibility. Infrabel is installing lifts and access ramps to platforms, and installing warning and tactile paving on platforms. A programme lasting several years is under way to bring low platforms to a standard height. SNCB is fixing the floor height of its new trains as a function of these standard platforms and providing assistance for handicapped people boarding and leaving trains.

Commercial and catering outlets

Shops and catering outlets are an excellent way of integrating the station into city life. Shops also contribute to reinforcing security.

In 2008, SNCB-Holding's total income generated by commercial outlets, restaurants, distributors and advertising amounted to 16 million euros, 17% up on the previous year. This turnover was generated by 323 shops occupying a total floor area of 21,000m² and more than 530 food and cash distributors.

Buffets are regularly renovated and kept up to date. They represent a stable element in terms of turnover. Growth however is coming from another sector.

The Antwerp-Central and Brussels-Central shopping galleries, opened in 2007, are experiencing growing success. In these large stations, just like in the small ones, we are pursuing our campaign to seduce major brands. They number passengers and local residents among their clients! Sandwich bars in particular are reporting outstanding results.

Stefaan Van Echelpoel, stations "concessions" manager:

"We're also looking for new specialist partners who want to be active with a concept of retailing in large stations:

- *A new take-away café concept was launched successfully in Namur and Brussels-Central and will also be introduced in Spring 2009 in the underpass at Brugge station.*
- *A Doner Kebab outlet was opened in November 2008 in Antwerp-Berchem. As the first sales results show, it is heavily frequented by commuters. A second outlet for this same concept will open in Brussels-Central in early 2009.*
- *A fruit juice outlet has been launched in Gent-Sint-Pieters geared to a young female public. Brugge will follow in Spring 2009".*

Cleanliness goes hand in glove with safety

Firmly convinced that cleaner stations are safer stations, we are dedicating an enormous amount of energy to cleaning and maintenance. We have committed to the State to achieve a cleanliness rating of 86% in the 37 large stations by 2012. Every month we carry out regular measurements which showed an average rate of 82.9% in 2007, but which climbed to 86.5% in 2008, already well above our target!

To improve the durability and effectiveness of daily cleaning, we are halfway through completing a programme focused primarily on offering all these stations more meticulous maintenance. Deep cleaning is followed by protection of canopies, interior and exterior woodwork, underpass approaches, cycle shelters, toilets, staircases, walls, waiting rooms. Floors and escalators are scrubbed.

In 2009, we want to obtain ISO 9001 certification for station maintenance!

In 2008 we began equipping stations with waste bins allowing selective sorting of refuse: PMD packaging, paper/cardboard, glass and other waste.

We launched a pilot project with 203 bins in 4 stations (Brussels-Midi, Ostend, Charleroi and Ottignies). After a difficult start, selective sorting by passengers is proving highly satisfactory. Following evaluation, we decided to opt for transparent bins instead of metal ones. Eventually Antwerp-Central, Brussels-Central, Brussels-Nord, Brussels-Midi, Charleroi, Ghent-Saint-Pierre, Leuven, Liège-Guillemins, Namur, Ostend and Ottignies will be equipped in the same way.

Jean-Claude Thirionet talks about selective waste sorting:

"Brussels-Midi, Oostende, Charleroi-Sud and Ottignies are the first stations in the country to have selective sorting bins. If you go through Brussels-Midi, you will probably already have noticed them: rectangular in shape, they have four different-coloured openings to allow better sorting of the waste.

It is separated as follows: green for glass waste, blue for packaging (cans, plastic bottles), yellow for paper and cardboard waste and white for miscellaneous waste such as food. There are about fifty of them around the whole station. Afraid of using the wrong bin? No problem: pictograms show the user how to avoid making a mistake.

This operation falls within the context of SNCB-Holding's proactive policy regarding protection of the environment. Respect for our surroundings: we can all benefit. This action sets an example and invites people to contribute to respecting the environment".

By bike or car to the station

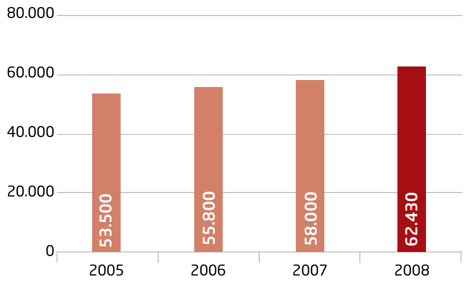
The sharp increase in the number of people travelling by train during the last decade has definitely aggravated the problems of parking. Occupation of 90% and above is normal for car parks at large stations. Depending on the station, we estimate that between ¼ and ½ of passengers get to the station by bike or car.

In the past, car park management systems were too different. In 2008, therefore, SNCB-Holding created the subsidiary B-Parking, a car park manager with the following functions: managing the parking spaces and cycle stores in a professional manner paying special attention to intermodal forms of transport connecting with public transport. B-Parking implements its policy with effect from 2009. Car parks will receive their own visual identity, a uniform access code, differential pricing and camera surveillance.

Meanwhile, we continued in 2008 to invest in the renovation and extension of car parks. Almost 3,170 additional spaces were created and 750 spaces renovated. These new spaces bring the capacity of all the car parks in the network to 49,124 spaces, less than 10% short of the 54,550 spaces scheduled for 2012 in the management contract. Work was completed in 28 of the 210 stations, in particular Namur, Charleroi-Sud, Hasselt, Landen, Turnhout, Aarschot, Deinze, Knokke, Izegem.

Number of car park spaces

Number of cycle spaces



5. Guaranteeing security and the feeling of security

The SNCB Group's security policy is based on three main lines: more security personnel on the ground, close collaboration with the police and use of technical support (camera surveillance, anti-intrusion alarms etc).

The Federal State attaches enormous importance to safety. In the 2008-2012 management contract, it was stipulated that the SNCB-Holding security service must draft a strategic action plan defining the aims of the general issue of security on the railways. The approach is evaluated on the basis of a certain number of indicators.

In 2008, Corporate Security Service drew up an initial strategic plan.

Being present on the ground

Using human resources is the main feature.

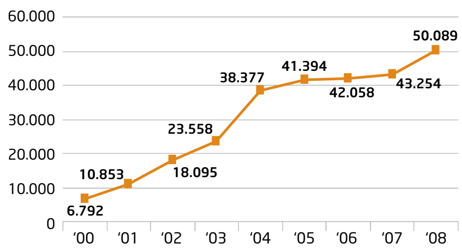
At the end of 2008, Corporate Security Service employed 436 people. The personnel are mainly present in stations and on trains and wear a red Securail uniform. They also provide surveillance of the Group's buildings and land.

During the year, train squads and regional teams were reinforced, and the management appointed a number of criminologists.

Operation of the service was optimised on 1 March 2008 by merging the National Control Room, the Antwerp control room and the Call Centre to form the Security Operations Center.

Camera images and alerts are permanently monitored and all incident messages are followed up. It is from the SOC that Securail teams are dispatched on site.

SOC calls (2000-2008)



Prevention and Corporate Security strategic plan

Partnership agreements with cities and local authorities

Corporate Security Service wants mainly to concentrate on prevention and corporate security of passengers, customers and personnel. A "Prevention and Corporate Security" unit was created for this purpose. It drafted a "Prevention and Corporate Security" strategic plan putting the accent on communication and closer collaboration with local authorities in the sphere of prevention. Partnership agreements have been concluded with these authorities. Contacts have been established with schools, street workers and social authorities.

An initial communication campaign was carried out in 2008. Three very eye-catching posters were posted in stations. They placed the accent on public spiritedness and vigilance. A female centaur, a ghost and a knight in armour encouraged customers and personnel to flag any suspicious people or situations to Securail calling the freephone number 0800/30 230.

Hendrik Vanderkimpen, head of Corporate Security Service:

"The SNCB Group security strategy is also in line with the National Security Plan and the zonal security plans of the police zones.

A structural agreement, with both the federal police, the "Railway Police" and the local police services must allow the available personnel to be managed as effectively as possible.

We are making efforts to collaborate more intensively with the local police on railway property. We are focusing mainly on prevention and a deterrent presence in stations.

In this context, with certain cities and local authorities, we are concluding partnership agreements permitting an integrated approach. We will evaluate and adapt these commitments every year. Five collaboration agreements were concluded in 2008; twelve are in their final phase".

Legislation on security in public transport

2008 saw the publication of uniform, integrated and coordinated legislation on security, which takes account of the specific issue of public transport. A criminal section was added. It now includes banning offenders from stations and increased sentences in cases of offences against personnel.

In 2008, Corporate Security Service took the initiative of launching a structural agreement between the various public transport companies.

On 23 April 2008, SNCB-Holding organised a Security Day with the parties concerned on the theme of the issue of aggression in public sectors. One of the conclusions arising was that an integrated security policy needs to go beyond the limits of mere public transport.

Protection and technoprevention plans

The presence of security personnel and the use of surveillance technologies are significant, but clearly they can only bear fruit if they are operating in an environment which itself generates a feeling of security.

To be able to intervene effectively, Corporate Security Service drafted a protection plan accompanied by a risk analysis and identification of risks for each request for surveillance and protection of stations, car parks, cycle stores, port sites or workshops.

16 protection plans were drawn up in 2008.

Joke De Maet talks about the Corporate Security Service operations:

"SNCB Group is taking measures on three fronts: increasing security personnel, collaborating even better with the police and justice, equipping itself with effective technical resources.

By 2010, we want to have installed 1,800 surveillance cameras in the country's 51 largest stations. We started in 2006.

The cameras are not only useful in cases of aggression. They also come to the fore in cases of bomb alerts or falls, for example. They have a decided deterrent effect. Hooliganism is less in areas with video surveillance.

The National Control Centre in Brussels, recently rebaptised Security Operations Center, receives images from all the cameras installed on our sites around the clock".

Video surveillance is also planned for other locations such as the Infrastructure Logistics Centres, administrative buildings, workshops and signal boxes.

Night patrols multiplied in 2008 and additional surveillance and protection initiatives will be taken to avoid metal theft, vandalism and graffiti.

6. Reducing our ecological footprint

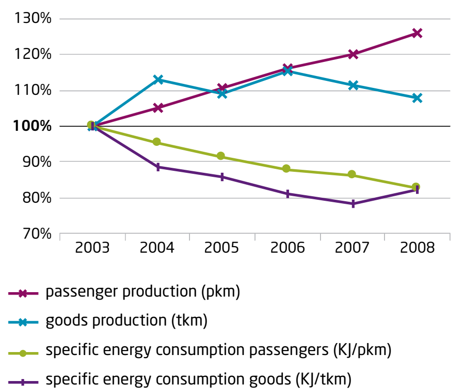
Current concerns regarding energy supplies, compliance with post-Kyoto targets, fine particle emissions, noise pollution, represent numerous challenges for the railway sector, but at the same time offer exceptional opportunities.

Rail now has the ambition of being part of the solution and not the problem.

Specialists and politicians alike start from the principle that the development of public transport and rail transport in particular is a key element that can contribute significantly to resolving the problems facing us.

Rail is leading us along the way to a more sustainable world!

Energy efficiency of trains



Since 2003, the increase in transport services, expressed in passenger-kilometres, has outstripped the growth in energy consumption. In 2008 we experienced a 4% reduction in specific energy consumption, following a 14% reduction between 2003 and 2007.

In 2008, tonnes-kilometres expended dropped by only 3% despite the economic crisis. Net tkm consumption increased by 5% because the ratio of net tkm to gross tkm slightly reduced.

Compared to an average car journey, an average train journey needs half the energy: only 2.5 litres of diesel equivalent per 100km. Taking an average occupancy of 1.4 people per car, this is the equivalent of a car with an average consumption of 3.4 litres/100km, always supposing that one exists or is in design.

In rush hours, with an occupancy 3 to 4 times greater and an average of only 1.2 people per car, the train is 7 to 9 times less energy hungry.

In 2008, the rail sector in Belgium broadly hit the European *"post-Kyoto target"* for CO_2 emissions

Europe has set a target to output 20% less greenhouse gases by 2020 compared with 2005. For Belgium and the "non Emission-Trading Sectors", including transport, this represents a minimum reduction of 15%.

In our CO_2 calculation, as well as direct emissions caused by diesel traction, we also take account of indirect emissions caused by diesel and electricity production.

Despite an increase in global production, in absolute terms, CO_2 emissions from passenger and goods traffic by rail reduced by 13% in 2008 compared with 2005. But bearing in mind our ambition to complete the necessary modal shift, we are making great efforts to reduce specific emissions.

Each extra passenger or tonne of goods transported by rail is potentially equivalent to one less passenger or tonne of goods on the roads. The favourable CO_2 balance for the transport sector is 4 times higher than that added by rail in quantity of CO_2. For rail, it is therefore more important to develop first and then to ensure the reduction in CO_2 emissions per unit produced.

Compared with 2005 – the reference year for post-Kyoto targets - specific CO_2 emissions for passenger and goods transport by rail - have already reduced by 23% and 13% respectively.

And what is more, this reduction must be added to the reduction of 30% and 20% respectively recorded during the period 1990-2005.

It should be pointed out that this remarkable result is half due to the efforts of the electricity sector in Belgium, while the other half is the result of greater energy efficiency as mentioned above and the reduction in transport due to diesel traction in favour of electric traction.

But this does not mean that the rail sector is resting on its laurels. The SNCB Group has drawn up an ambitious plan for continuing to improve rail transport energy efficiency and reduce specific CO_2 emissions.

The UIC web site www.ecopassenger.org allows anyone who wants to to calculate the environmental impact of their daily journeys.

Goods transport companies or shipping companies can get more information at www.ecotransit.org.

Land clean-up

In 2010, we will celebrate the 175th anniversary of railways in Belgium. This is without doubt a happy event. But this also means that there is a lot of land which has been or is being used for more than a century by the railways and related activities. What was accepted as normal practice 150, 100 or 50 years ago has left traces in the soil of SNCB Group land.

In accordance with regional legislation, soil studies and soil clean-up work have been carried out. Over the past 10 years, a total of 32 million euros have been devoted to the study and clean-up of land. In 2008, 1.4 million euros were devoted to sites in Merelbeke, Courtrai, Antwerp, Gent-Sint-Pieters, Brugge, Leuven, Brussels and Stockem.

Energy consumption in buildings is falling

On 8 July 2005, the SNCB Group committed to growth in energy efficiency, compared with 2005, of 7.5% by 2012, and 20% by 2020, in stations, workshops and other buildings.

In 2008, fulfilling this commitment was achieved by energy audits, the internal awareness and information campaign, the appointment of "energy relays" for the 100 most energy-hungry sites, and above all, by investment in measures focused on increasing energy efficiency.

For any investment project, the TRIAS Energetica principle upheld by the CSTB (Centre Scientifique et Technique du Bâtiment) must from now on be respected.

- Stage 1: maximum reduction in energy requirement;
- Stage 2: investment in high energy efficient equipment;
- Stage 3: maximum use of renewable energy sources for the inevitable energy consumption which results.

For stations, this principle must of course be reconciled with improvement, accessibility, attractiveness and a feeling of security for visitors. The more people who choose the train for their journeys, the more efficient our country's transport will be from an energy standpoint.

Overall, for all SNCB Group sites combined, electricity consumption has certainly increased compared with 2005, but this increase is largely offset by a greater reduction in heating oil and gas consumption. The overall energy efficiency of final energy consumption has already reduced by around 6%.

For the SNCB-Holding sites alone, we are showing an overall 12% improvement in energy efficiency of final energy consumption.

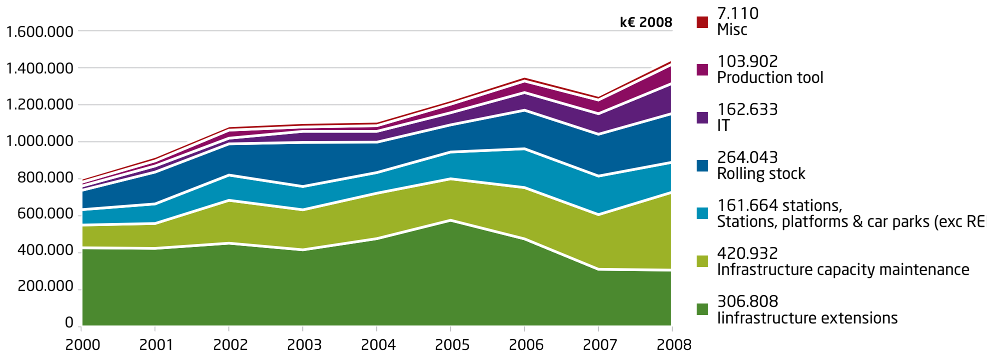
7. Investing

For many years, the SNCB Group has supported the continual growth in passenger traffic by investing massively, either to create greater capacity, or to modernise or improve quality.

The Group invests considerable amounts in infrastructure, trains, stations and management systems

In 2008, the Group invested 1,427 million euros, a 16% increase compared with 2007!

Group Investments 2000-2008



(figures do not include investments made by third-party partners in connection with PPPs)

The completion of high speed lines is in sight for Infrabel and the RER (Regional Express Network) work on the outskirts of Brussels is well under way.

The PPP projects for the Liefkenshoek rail link and the "Diabolo", the national airport link, were launched in 2008 (the costs are not included in the above chart).

SNCB is replacing its old railway equipment and permanently increasing the number of seats offered, and at the same time expanding its fleet of locomotives.

In addition, since 2007, each of the three companies has invested considerably in modernisation of management systems via implementation of ERP software systems.

SNCB-Holding is concentrating on stations, car parks, cycle parks and security

For its part, SNCB-Holding invested 200 million euros in 2008 in stations, car parks, IT and telecommunications, not to mention security. This was almost double the amount spent in 2005!

SNCB-Holding Investments in 2008

(thousands of euros)	**2005**	**2006**	**2007**	**2008**
stations	63,096	86,472	89,940	95,959
car parks	6,904	39,611	53,081	30,496
service and management office buildings	10,108	13,908	7,744	16,002
IT, management and surveillance systems	23,838	27,777	40,057	53,905
other	1,714	2,642	1,236	3,726
Total	**105,660**	**170,410**	**192,058**	**200,088**

Modernisation, transformation or extension work was carried out in 34 stations. The stations with the highest expenditure were Antwerp-Central, Brugge, Liège-Guillemins, Brussels-Central, Charleroi-Sud, Kortrijk, Gent-Sint-Pieters, Brussels-Luxembourg and Gembloux.

The Malaga security project mainly involves the installation of surveillance cameras and a centralised management system of these cameras. At the end of 2008, 1,425 cameras were operational in 34 stations.

8. Transporting data

In our country, hundreds of thousands of people take the train daily and over 20,000 tonnes of goods are transported every day.

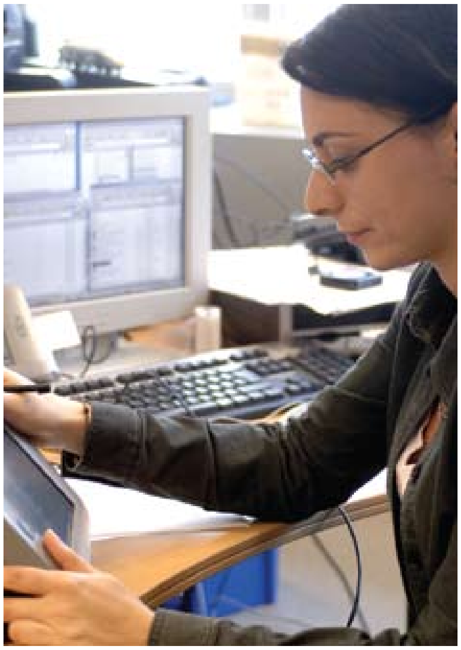
Likewise, enormous volumes of data (voice data, images etc) are carried around our telecommunications network, which is one of the largest in Belgium. It is used by numerous high technology applications.

The brain behind all these applications is ICTRA, the SNCB-Holding IT and telecommunications division.

Then and now

The age of railways having to standardise times in our country is long gone. All station clocks are linked to the parent clock, so the time is exactly the same in all the stations. This has also been done in cities. The idea of punctuality has now taken on another dimension.

Thanks to ICTRA, every SNCB customer can now plan his journey on-line, check prices, buy tickets and, very soon, check whether a train is late and by how many minutes (www.railtime.be). For these operations, millions of bits and bytes are imported and exported. And the same also goes for our many other applications: the train staff's super compact mobile office (IBIS), the land-train communication system (GSM-R), the constant monitoring of trains in service (Traffic Control Solution), the location of locomotives by GPS (Atlas). All these high technology solutions were developed piece by piece by ICTRA to make train journeys more comfortable, safer and more punctual.



Mobile office

Does a passenger in a train need some information? Using a pocket computer, a train attendant can check up-to-date information on timetables, estimated arrival times at each station, departure and arrival times. If a passenger gets off at a stopping point with no ticket office, he can buy a ticket from the attendant and can even pay by credit card. So the portable computer is a true mobile office running entirely paperlessly! The device also enables a train report to be produced: occupancy rate and composition, reservation, faults and breakdowns etc. It also sends the SNCB central computer SMS messages containing information on the route.

GPS location of locomotives

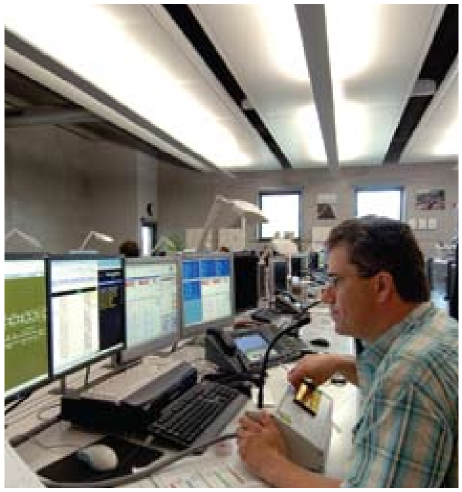
To be able to monitor its rolling stock in real time, SNCB must be permanently aware of the exact location and operational status of all its locomotives. It is assisted in this task by a fleet management system with GPS functionality. Planning the use and maintenance of equipment is simple. SNCB is also able to act more efficiently in the event of network disruptions or other incidents. The locomotives' GPS module sends data to the exchanges via automatic SMS messages. The system has been operating wonderfully for several years. It allows SNCB to manage its equipment more easily and use it to optimum effect.

Land-train communication

The digital radio-communication system GSM-R (GSM for Railways) considerably increases the security of trains, passengers and personnel. This system enables communication between trains, signal boxes and Traffic Control. For example? It warns a train in danger and all the trains nearby in just a few seconds. GSM-R is extremely reliable and will gradually replace the current analogue network. GSM-R posts are being installed alongside tracks and driver's cabs are being modified. At the end of 2008, GSM-R was 95% ready, and is due for completion in 2009.

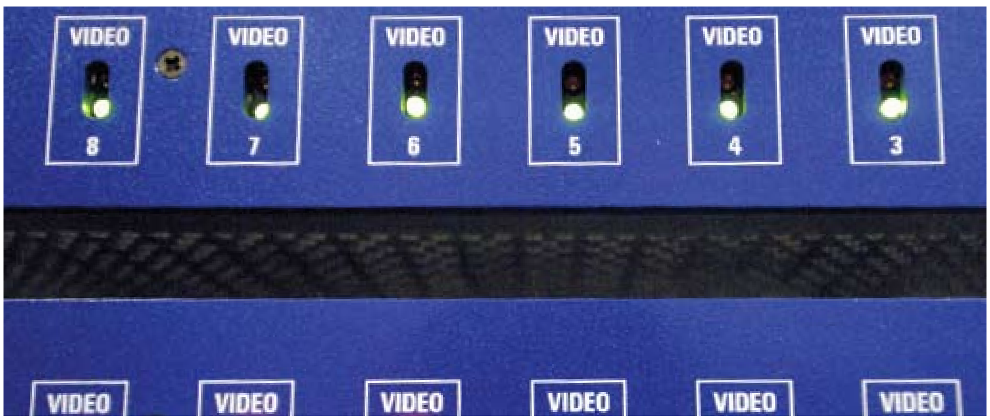
Monitoring rail traffic in real time

3,700 passenger trains and 1,100 goods trains are in service every day on the Belgian rail network. A complex and delicate organisation managed by Infrabel with one of the most modern and powerful Traffic Control systems in Europe. In the national control room, 26 staff monitor every train movement around the clock, 7 days a week, in real time. They also measure punctuality. In the event of a problem, they act immediately.



Video surveillance

A wide-ranging programme to install cameras in 51 selected stations has been under way since 2006 and will be completed in 2010. At the end of 2008, 1,400 cameras were already installed. Cameras will also be installed in the 173 traction sub-stations, on various platforms, in signal boxes and on railway bridges. By 2013, the car park entrances and exits of the 37 largest stations will also have cameras integrated into ticket machines and ATMs.
All the images are managed at a national level at the Security Operations Center in Brussels. Camera images can be used as evidence by the police. Here, images are viewed day and night on large screens. The cameras primary functions are as follows: formal identification of people, listing of suspicious individuals, control and observation of a secure zone, and removal of doubt in the event of use in combination with anti intrusion protection. By virtue of special software, images are analysed automatically and suspicious movements are detected.



9. Recruitment and training

Over 1,700 new colleagues in the SNCB Group!

Since 2006, the Group has been heavily increasing recruitment to be prepared for the departures which are expected. Over 1,700 new staff came on board in 2008!

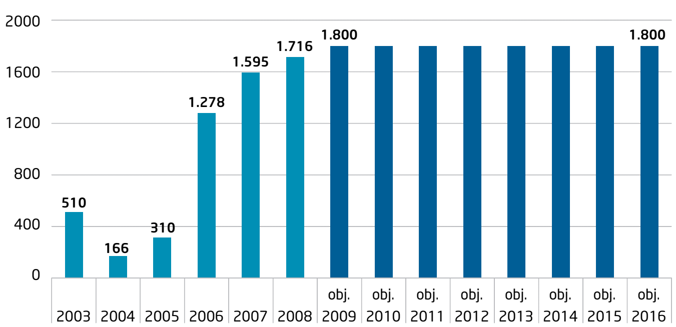
The roll-out of recruitment has been optimised: all tests to be taken by "electro-mechanical" engineers take place in a single day, extra PC rooms have been arranged and jury members have received special training.

We have supported this recruitment via advertising campaigns across the media, schools and employment exchanges. The importance of the human being in our organisation has been a main theme.

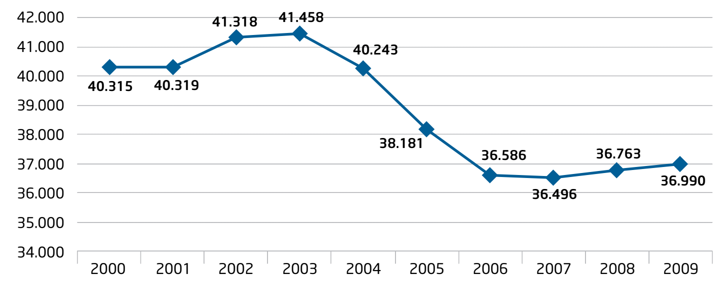
Special attention has been paid to hard-to-fill vacancies such as train attendants, train drivers, technicians, and also to regions with shortages, specifically Antwerp, Gent and the Hainaut region.

We will need to pursue this intensive recruitment for eight to ten years, especially in the context of continuous growth in passenger transport.

External recruitment 2003-2008, obj. 2009-2016



FTE changes 2000-2008 (figures as at 1 January)



The largest recruitment numbers concerned the following professional categories:

	Number of new staff
Train drivers	301
Train attendants	209
Graduate positions	205
Shunting drivers	148
Mechanical engineers	88

The split of employees between companies is as follows:

	nombre	ETP
SNCB-Holding	4,149	3,906
Infrabel	12,692	12,198
SNCB	21,054	20,216
Mutual fund (Caisse des Soins de Santé)	157	144
Secondment to various authorities	535	525
Total	**38,587**	**36,990**

As at 1 January 2009, the SNCB Group had 38,587 employees on the payroll, corresponding to 36,990 full-time equivalents. 7,524 employees (19%) worked a 32-hour week and 819 (2%) part-time.

Different, but on the same track: equality diversity

Tony Van den Berghen, Chief HR Officer:

"The SNCB Group is the country's biggest employer and wants to set an example and play a pioneering part in equality and diversity. The social groups being addressed by our services must be able to recognise themselves in the people working in our Group. In practising a policy of openness, we want to show that differences of origin, age, colour of skin, sex, customs and religion are an asset in achieving efficient functioning of the Group".

During the summer of 2008, we launched an internal awareness campaign "Egalité Diversité" (Equality Diversity). With the theme 'Différents, mais sur la même voie' (Different, but on the same track), at different times we distributed 3 posters each illustrating a different point of view: sex (he or she), age (20 or 3x20) and origin (from here or elsewhere). In collaboration with Connect, the internal staff magazine, a brochure was distributed which gave more information concerning the importance of diversity and the efforts the Group wants to make in this area.

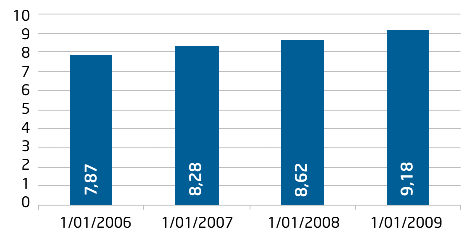
The efforts already made by the Group were rewarded in September by an extension of the "Egalité Diversité" label for the period 2008-2009.

Label
Egalité Diversité

Traditionally, women have always been poorly represented in the Group, but their proportion of the workforce is growing year on year. As at 1 January 2008, this figure was 9.18%.

Among the new employees recruited in 2008, 18% were female, and this percentage equates to the proportion of female applicants.

Females in the Group (%)



Discovering, developing and using abilities: managing skills

The development of skills management, which was introduced several years ago in different HR processes, was continued during the year.

Since then, we have been using in particular a skills dictionary, a job description template, a technical skills description template, framework contracts with external assessment firms for testing skills profiles and a range of Train@Rail training options aligned to these skills.

These skills aids have already been partly introduced for executives, graduates and the posts of train driver and train attendant.

Skills management is also embodied in the social contract concluded for the period 2008-2010:

- invitations to apply for a management career appointment must take place on the basis of a job description with a skills profile;
- job descriptions with a skills profile will also be included in the selection and recruitment process for graduate positions;
- skills management should also be introduced in selection tests allowing graduates to apply for middle management positions.

Train@Rail is continuing to develop its role of knowledge and development platform

As well as an extended internal training offering, our Train@Rail training centre has also provided teaching, organisational, logistics and content driven training, and was therefore present on a number of fronts in 2008. Some notable achievements:

- the "Organisation and operation of the SNCB Group" course was revised with the help of a number of internal Group employees;
- extra attention was given to language courses, which were reinforced, on both a quantitative and qualitative level. Train@Rail not only wants to train its employees better for the compulsory Selor exams, but also to offer custom-designed possibilities to those wishing to perfect their knowledge of the second national language;
- a new training course was finalised for line management;
- as well as an open training offer based on the skills dictionary, Train@Rail also responded to requests for coaching of teams and creation of custom-designed development courses for specific groups. apparently the most requested topics were communication and change courses;
- to give an even more professional character to skills management, Train@Rail set up a group of experts responsible for drafting job descriptions and skills profiles. The feedback procedure for performance management was also supported by specific training;
- in-depth evaluation of training results fed back to the trainers was used to prepare a reworked offering, which during the next few years should guarantee permanent support for training within the SNCB Group.
- at the logistics level, two priorities were established in 2008: concrete implementation of LMS (Learning Management System) and radical adaptation of the range of course premises. From September, an IT wing renovated from top to bottom was able to be made partly available for SAP training.

The first "my opinion" satisfaction survey

In Autumn, we conducted a satisfaction survey for the first time in which all SNCB Group employees could take part. We worked with an outside partner who sifted and analysed the data and who also guaranteed confidentiality of the responses. Around 40% of employees took part. The analyses will serve as a starting point for specific actions. The operation will be repeated in a few years time.

We have put everything in place to improve communication

In 2008, the HRM Class, an assembly reserved for HR executives of the 3 companies, was devoted to more effective communication. Under the theme "Two ears and one mouth", the people present were invited in a humorous way to think about their way of communicating and were encouraged to better share their knowledge and information.

During 2008, several initiatives of differing magnitude were taken in order to improve communication with different target groups.

A new welcome brochure was produced for statutory employees. In the part "Working in the SNCB Group: in practice", new employees receive in clear terms a great deal of practical information about the different aspects of a career within the SNCB Group.

The complicated non-statutory employees wage slip was replaced by a new wage slip enabling different remuneration items to be located much more easily.

A web site went on line for the attention of SNCB Group pensioned personnel. This secure site of course includes all the important data related to the various types of pension. Pensioned employees can access information relating to the railworkers mutual insurance company or even travel concessions.

The Headway HR (H_2R) programme on the starting blocks

A quality service and a customer-oriented approach are extremely important. H-HR wants the services provided to be even more professional and to go from a personnel department to an entirely separate HR services provider. Against this background the preparation of the H2R programme was carried out in 2008. H2R is an integrated transformation programme built on four pillars: a common IT platform, rationalised processes, a new HR organisation model and a professional approach to change management. Transparency, effectiveness and efficiency are the keywords. Access to information will be simplified thanks to the principle of Manager Self Service (MSS) and Employee Self Service (ESS).

In 2008, several important choices were made, in particular as regards software and implementation partner. Preparatory work was carried out during a number of workshops to enable the H2R programme to actually start as from January 2009.

10. Financial management report

In accordance with articles 95 and 96 of the Companies Code, the management report provides information on the following points:

Annual accounts: key figures and notes

The structure of the SNCB-Holding balance sheet did not change materially compared with the previous financial year. The balance sheet total was €12,140.4 million. Almost half of the assets consist of fixed assets (€6,032.3 million), in particular financial fixed assets which for the most part comprise the significant holdings in Infrabel and SNCB capital.

Current assets make up the other half of the assets (€6,108.1 million) and include among other things €3,470.8 million of debts falling due in more than one year resulting from financing transactions, as well as €1,598.2 million of cash investments.

Liabilities are made up of €1789.0 million of shareholders' equity, €832.4 million of provisions and €9,519.0 million of long and short-term debts.

EBITDA increased by 49.5% to €111.2 million. This gives a greater increase in income than in expenditure. Income increased by 6.1% to a total of €2,449.2 million.

As regards expenditure, the most significant increase in absolute terms concerns the overall payroll which registered an increase of 4.5%, in particular because of salary indexing carried out 3 times during 2008.

The overall Holding result (EBT) fell: a loss of €151.7 million. This negative result comes mainly from exceptional expenditure in 2008 of €363.8 million. This exceptional expenditure is essentially the direct consequence of the adaptation of valuation rules and the change in provisions for contingencies, commented on in more detail below.

Adaptation of valuation rules

For the presentation of the annual accounts, the valuation rules have been gradually adapted, within the limits of Belgian accounting standards, to IFRS standards, in preparation for IFRS reporting in 2010.

Standard IAS 16 provides in particular that tangible fixed assets with different useful lives must be depreciated at their own rate. For the accounting to comply with this standard, €182.9 million of additional depreciation expenditure was recorded, set off by subsidies of €147.0 million recorded under income.

Standard IAS 19 determines that the current value of benefits granted to personnel in the long term or subsequent to employment must be the subject of a provision for contingencies and expenditure. Three types of benefits were the subject of a provision for the first time during the 2008 financial year, namely:

1. union bonuses paid for non-active employees (€2.2 million);
2. additional age-related leave (€8.2 million);
3. allocations paid for part-time workers (€62.6 million).

In accordance with the opinion of the Board of Auditors, a write-back of the general provisions for contingencies and expenditure was made. As this expenditure could not be justified as concrete contingencies, they can no longer be provided for. This change resulted in a positive impact of €12.5 million.

Furthermore, value reductions are now calculated and included under shareholdings in public companies. This is the case for the holding in the capital of SNCB, which was the subject of a value reduction of €158.0 million.

Change in indebtedness

During the 2008 financial year, SNCB-Holding's net debt reduced by €260.8 million, from €3,194.3 million to €2,933.5 million. This net indebtedness is made up of both balance sheet and off-balance sheet debt contracted with financial institutions.

Its reduction is mainly a result of the improved operating cash position, a reduction of off-balance sheet debts and a reduction in working capital requirements.

The company's strict financial policy provides in particular that the ratio of fixed to variable interest rates must be 2/3 to 1/3.

The fixed-variable ratio is 62.45% and 37.55% respectively, which is in accordance with the provisions of the financial policy.

The Group's consolidated net debt reduced by €178.2 million.

The total net debt was €2,415.3 million.

The main reasons for this reduction in Group debt correspond to those of the reduction at the SNCB-Holding company level.

The consolidated 2008-2012 business plan shows that the consolidated net debt will reduce slightly as from 2009 and significantly in 2012. Currently, the companies are ahead with regard to this business plan.

Significant events after the balance sheet date

There were no material events after the balance sheet date to be recorded.

Circumstances possibly having a material influence on the development of the company

Apart from the circumstances mentioned below on the point of risks and uncertainties at a financial level, no particular circumstance is currently worth highlighting.

Research and development

Within SNCB-Holding, there is no research or development capable of being valued as such.

Branches

SNCB-Holding does not have any branches.

Application of continuity rules

Given that the Holding company's result is negative, it is necessary to provide special justification regarding continuity rules. Despite the Holding company's net loss, the company's objective is to pursue its activities, with the secondary object of stabilising and reducing the rate of indebtedness. These objectives are provided for in the management contract between the Belgian State and SNCB-Holding.

Unlike the net result, EBITDA and EBIT are positive and, in both cases, higher by some 50% than the previous year's results, which were also positive. The 2008 results are €111.2 million and €85.0 million respectively. The negative 2008 result comes mainly from the change in valuation rules in accordance with IFRS standards.

The high level of SNCB-Holding debt is the major continuity risk. Following the efforts to stabilise this debt during previous years, it was partially reduced in 2008. This is a positive signal as regards continuity.

SNCB-Holding still has an AA+/Aa1 financial rating allocated by international rating agencies Standard & Poor's and Moody's. This assessment is based in particular on the fact that the public status of SNCB-Holding excludes it from application of the law on bankruptcy. Furthermore, it can only be put into liquidation on the basis of an Act of Parliament.

Reporting and control

Each month, an activity report is drawn up by the Finance Treasury department for the Manager Director of Finance, the General Manager of Finance, Accounting, Internal Audit, and the Board of Auditors.

Each quarter, the Finance Department reports on the financial activities to the Executive Committee, the Audit Committee and the Board of Directors, as part of the presentation of the financial statements.

In addition, Internal Audit is responsible for the following:

- carrying out a six-monthly check that the derivatives used comply with the rules laid down within the framework of the financial policy in force;
- ensuring that the derivatives used are entered in the books as provided for by the Company's valuation rules;
- ensuring that Accounting receives on time all the signed documents regarding the derivatives contracted (these documents must be sent to Internal Audit at the same time);
- ensuring that the data provided in monthly reports is complete and correct;
- presenting a six-monthly report on this subject to the Audit Committee and the Board of Directors.

Risks and uncertainties relating to the use of financial instruments and the company's financial situation

In view of the internal regulations in force regarding the management and reduction of risks, it is clear that the existing contracts relating to derivatives will only have a marginal impact on the company's cash flow, liquidity, credit, and price risks.

These risks are assessed quarterly at their market value and the necessary provisions are made or written back.

With regard to the use of the financial resources of the RER Fund, the Finance department produces:

- a quarterly report to the DGTT – Direction Transport Ferroviaire – pursuant to Clause 67, Para 5 of the management contract between the State and SNCB-Holding
- a special yearly report to the Ministry of Public Enterprises and the DGTT pursuant to Clause 67, Part 8 and 9 of the management contract between the State and SNCB-Holding.

With regard to the management of the resources in the Railway Investment Fund, Finance provides the Federal Government with a specific report pursuant to the Royal Decree of 07 December 2008 relating to payment to the "Fonds des Investissements Ferroviaires" account of the investment resources not used by SNCB Group.

The resources managed by SNCB Holding for the LiefkensHoek Rail Link under the scrutiny of the Flemish Region are the subject of a special yearly report, on 31 March and 30 September sent to the Flemish Region via Infrabel, pursuant to the co-financing agreement with the parties concerned.

Within the scope of funding its debt and concluding various alternative funding operations, SNCB-Holding carries out active management with a view to controlling certain risks, in particular relating to liquidity, exchange, and credit and interest rates. For this purpose, it has drawn up a financial policy, approved by the Board of Directors, laying down stringent regulations for this risk management.

To cover exchange and interest rate risks, products known as "derivatives" are used. These are swaps, forward rate agreements, options, forward exchange contracts and futures, the underlying securities being an interest rate, inflation, an exchange rate, energy products (including diesel for diesel traction and traction electricity) or a credit.

These transactions are entered in the accounts in accordance with Belgian accounting legislation.

Three counterparts have to be consulted in advance for the conclusion of hedging transactions. Trading operations are excluded.

The financial policy mentioned above is also applicable for the financial resources of the RER Fund and the Railways Investment Fund, which SNCB-Holding manages in the name and on behalf of the State.

Liquidity risk

When funding is contracted, account is taken of the forecast evolution of the future cash flow in order to level out and reduce the cash balance as far as possible. Investments and loans must be aligned to each other in order to limit risks at internal level to the maximum.

In addition, the liquidity risk is covered by a spread over time of the due dates of the debt.

Thus, 20% at most of the outstanding debt may mature in the same year, with a maximum of 10% of the debt per quarter.

Exchange risk

Any debt transaction, even short term, generating an exchange risk, must be immediately covered in full in EUR (capital and interest) by the use of derivatives. The position covered can be accompanied by a floating or fixed rate of interest.

Interest rate risk

The working methods for limiting liquidity risks, described above, are also applied to covering interest rate risks.

The aim is for the part of the fixed rate debt to represent 2/3 of the total debt.

This ratio may be adjusted according to market conditions, but set procedures must be complied with.

The prefinancing contracted by SNCB-Holding for the TGV project, which has cover, is not taken into account in the ratio calculation.

Credit risk

Investments must be in the form of a loan and cannot use risk capital. They are subject to strict criteria of minimum rating of the counterparts according to the term of the investment.

Maximum amounts per counterpart have also been set. These limits are, however, not applicable to investments and instruments that benefit from an AAA/Aaa rating or are issued or guaranteed by the Belgian Government.

For derivatives, the credit risk in relation to the counterparts must be routinely distributed and covered by Credit Support Annex (CSA) contracts. With regard to contracts of this type, regular calculations are made of the net amount that should be paid by either SNCB-Holding or the counterpart, in the event of cancellation of the total outstanding amount of the derivatives entered into with the latter.

Recourse to CSA restricts the risk to a ceiling, which varies according to the rating of the counterpart.

If a bank's rating falls below BBB+/Baa, the contracts with this bank must be transferred to another bank benefitting from a higher rating.

With counterparts that have received a "negative credit watch", no new transaction can be carried out during the period of this negative credit watch.

Impact of the credit crunch

Since September 2007, following the initial shockwaves on the financial markets, more rigorous monitoring of risks has been carried out.

In view of the ongoing credit crunch, accrued risks are of two kinds:

a) risks relating to contractual commitments

The investment concerns a financial product or a deposit which, following a fall in the rating of the financial institution with which it was concluded, itself no longer meets the quality stipulated contractually by the investor.

During 2008, this was the subject of intensive reporting to the Executive Committee, the Audit Committee and the Board of Directors.

Specifically these concerned financial products or deposits operated in connection with a total of 57 alternative financing transactions, 5 of which required corrective measures.

In connection with these 5 transactions, and following the drop in rating by the rating agencies, SNCB-Holding had to replace 5 deposits in as many transactions, by investments with the contractually stipulated rating.

SNCB-Holding succeeded in doing this for 4 transactions:

- for one transaction, the deposit was replaced by a letter of credit from Eurofima;
- for 3 transactions, the deposit was retained provisionally by SNCB-Holding but replaced within the transaction by a guarantee from the State and 2 payment obligations from Eurofima.

For the remaining transaction, SNCB-Holding continued its negotiations with the investor with a view to replacing the deposit within the transaction by a guarantee from the State with provisional preservation of the deposit by SNCB-Holding.

These negotiations should be completed by 31 May 2009.

For the 2008 financial year SNCB-Holding expects a provision of €6.9 million to be made, intended to cover the updated cost of the State guarantee and the Eurofima solutions for the remaining term of the 5 transactions.

For the other current transactions, the rating of the deposit still meets the quality stipulated contractually by the investor, or a rating has not been stipulated contractually by the investor for the deposit.

b) risks relating to the SNCB Group's financial policy

The investment concerns an investment or financial product which, following a drop in the rating of the financial institution with which it was concluded, no longer complies with the limit set according to the SNCB Group's financial policy as approved by our Board of Directors (minimum rating of long term investments of at least AA- by Standard & Poor's and Aa3 by Moody's).

The SNCB Group's financial policy specifies that for investments of more than 6 months, the counterpart must at that time have a credit rating of at least AA- and Aa3 by Standard & Poor's and Moody's and cannot be on "negative credit watch" by one of the two credit rating agencies (C.A. 03/10/2006 – doc. CA 2006/172).

These risks were also the subject of regular reporting to the Executive Committee, the Audit Committee and the Board of Directors.

In view of the defaulting management, by a financial institution, of the "Equity Defeasance" instrument acquired from it by SNCB-Holding in connection with an alternative financing transaction, a "letter before action" was sent on 12/02/2009.

In the event of an unsatisfactory reaction, legal action will be taken.

It has been decided to temporarily suspend the SNCB Group's financial policy in respect of banks who at the year-end have a rating lower than that stipulated in the SNCB Group's financial policy, in view of the general downgrading of the banking system on a global level and the (temporary) de facto nationalisation of most of the American and European banks, along with daily monitoring of the underlying risks.

With regard to the swaps concluded on investments, and in view of the CSAs (Credit Support Annexes) concluded by SNCB-Holding, there are no particular risks arising from the credit crunch.

Controlling risks with Infrabel and SNCB

In 2008 SNCB-Holding joined Infrabel and SNCB in their challenge to control costs, and also in the face of the ambitious sustainable development and new and high performance infrastructure projects to provide the mobility of tomorrow.

Two concrete examples:

- With regard to the credit crunch, special provisions have been made which apply to Infrabel and SNCB in view of the management of their assets.
- SNCB-Holding guarantees the prefinancing for completion of the TGV after the signing of an agreement on 9 October 2006 between the Government, SNCB-Holding and Infrabel – €69 million will thus be dedicated to stations and car parks and 205 million to construction and completion of the TGV infrastructure work.

  The State pays SNCB-Holding an annual amount. Finalisation of the TGV project is thus financed in a structured way to cover the group's debt risk.

  For this, SNCB-Holding arranged two loans on 30 June 2007, one of €95.8 million over 10 years and one of €57.0 million over 20 years. It was the intention in 2008 to place the final tranche on the market over 28 years. Because of the credit crunch, this was not possible on terms acceptable to SNCB-Holding. Given that €41.6 million of prefinancing was still available as at 31/12/2008, SNCB-Holding will, in 2009, look for opportunities arising on the international capital market in the course of re-establishment.
- SNCB-Holding's commitment to financing the purchase of the first series of RER trains at the best cost price, thus enabling SNCB to cover part of its passenger rolling stock capacity deficit by 2010-2011.

  The aim is twofold: to reduce SNCB Group's financial risk as far as possible (loan from Eurofima at the best market rates and financial charge borne by a specific State subsidy) taking into account its expertise in setting up favourable mechanisms for the Group, while contributing to improving the operating conditions of its subsidiary at the service of its customers.

  On 14 May 2008, the final order was confirmed by SNCB to Siemens AG for a fixed amount of €478.95 million.

  The agreement between the Belgian State, SNCB-Holding and SNCB relating to the financing of this RER equipment was signed on 07 July 2008.

Regional advance funding

On 5 December 2006, for the first time in the history of the SNCB Group, the country's three Regions and the Federal Government entered into an agreement on the prefinancing of new railway infrastructures. Thanks to their financial input, SNCB-Holding can prefinance these investments, the realisation of which will be accelerated.

SNCB-Holding is advancing the necessary funds for Infrabel to proceed with execution. The Regions are contributing to the payment of interest charges, and the investments will finally be paid for by the contribution of federal investment granted to the SNCB Group.

The implementation of three of the six infrastructure products, for which rapid and coordinated execution is seen as a priority by the three regions, will thus be speeded up. These are modernisation of the Brussels-Luxembourg line, modernisation of the Zeebrugge marshalling yard, and the Port of Brussels railway link.

The aim of the modernisation of the Brussels-Luxembourg line is to improve connections between the three main headquarters buildings of the European institutions. This project involves considerable work on modernising infrastructures and extending capacity, and will permit a time-saving of 15 minutes, which will put Brussels 2 hours from Luxembourg. This work will be ongoing from 2006 to 2013 and represents an investment of 458.7 million euros, 289.2 of which will be prefinanced.

Modernisation of the Zeebrugge marshalling yard is designed to absorb the expected increase in goods traffic (target of 12.2 million tonnes a year). This work will continue from 2007 to 2011 and represents an investment of 111.2 million euros, 102.4 of which will be prefinanced.

The aim of the Port of Brussels railway link is to assist in the development of the port by means of appropriate railway investments including installations designed to take a transfer terminal. This project represents an investment of 5 million euros.

The financing of two of the other three approved projects is being prepared. This refers in particular to the building of a new station at Gosselies airport and a car park at Louvain-la-Neuve station.

The construction of the Liefkenshoek rail link in the Port of Antwerp will be financed by a public-private partnership.

The involvement of the Regions does not constitute a new source of financing for rail investment. The six projects mentioned above remain ultimately payable by the federal investment contribution fixed in the management contracts. The involvement of the Regions enables completion to be accelerated by having the financial charge borne by prefinancing or, in the case of the Liefkenshoek rail link, by the PPP construction.

For each project to be financed, SNCB-Holding will provide an SPV (Special Purpose Vehicle) which it will own 100%, take on the market debt and place the amount of the loans at the disposal of the SPVs according to their requirements. Interest on the loans will be paid (in full or in part) by contributions from the Region concerned.

At the end of 2007, three SPVs were already in place: SPV 162, for the work on the Brussels-Luxembourg line, SPV Zwankendamme for the Port of Zeebrugge work and SPV Brussels Port for the Port of Brussels work.

On 28 September 2007, SNCB-Holding concluded the necessary financing for prefinancing of the three SPVs with a Belgian bank.

The situation of the three SPVs at the end of 2008 is as follows:

<u>SPV 162</u>
At the end of 2008, work carried out for SPV 162 valued at €40.25 million (ex VAT) were able to be sold to SNCB-Holding, which gave rise in a second phase to an increase in Infrabel capital by a contribution in kind for an equivalent amount.

In accordance with the procedures set out in the 19 December 2008 agreement between SNCB-Holding and the Belgian State, SNCB-Holding transferred the shares obtained to the Belgian State.

At the end of 2008, SNCB-Holding lent SPV 162 a further amount of €7.02 million.

<u>SPV Zwankendamme</u>
At the end of 2008, SNCB-Holding lent SPV Zwankendamme a total amount of €3.01 million.

<u>SPV Brussels Port</u>
At the end of 2008, SNCB-Holding lent SPV Brussels Port a total amount of €1.17 million.

On 05 December 2008, the Flemish Region made a second payment of €16 million for the Liefkenshoek project. The table below summarises the situation as at 31 December 2008.

Liefkenshoek	**31/12/2008**
Payments made by the Flemish Region:	
Payment on 21 December 2007	7,000,000.00
Payment on 05 December 08	16,000,000.00
Total	**23,000,000.00**
Allocation and other income	
2007 interest	7,398.61
2008 interest	389,451.93
Balance available for Liefkenshoek	**23,396,850.54**

Annual Accounts

CONTENTS

I. UNCONSOLIDATED COMPANY ACCOUNTS

A. Notes to the annual accounts

1. Key information

a) Investments

SNCB-Holding's investments are broken down into different categories of assets. If however a part of the investments is allocated to intangible fixed assets, the major part thereof appears under tangible fixed assets and financial fixed assets.

Intangible fixed assets increased by €23.8 million compared with the 2007 numbers. This increase is the consequence of depreciation of €8.4 million compared with investments of €32.2 million. The areas in which SNCB-Holding invested are, on the one hand, the acquisition of software licences and on the other hand, software programs developed internally. The latter are valued at cost. The financing of these investments is almost entirely provided by means of capital subsidies.

Net tangible fixed assets have a current net total value of €1,325.8 million. This represents a reduction in net value of €109.1 million compared with 2007. This reduction is mainly due to the fact that this year, depreciation is greater than additional investments owing to alignment of the valuation of these assets in line with IFRS standards.

The table below summarises the various investments and depreciations entered in the accounts in 2008. These investments are largely financed by capital subsidies or third party intervention.

(in € million)	Amount	Total
Investments		**167.8**
Hardware	16.6	
Telecom	4.9	
Railway stations	52.1	
Car parks	61.2	
Administrative buildings	30.0	
Other	2.2	
Miscellaneous	0.8	
Depreciation		**-309.7**
Normal	-63.3	
Exceptional	-63.7	
Written-back	0.2	
IFRS Alignment	-182.9	

Financial fixed assets currently amount to 4,637.5 euros. This represents a reduction of €172.4 million compared with 2007. The following chart shows the items contributing to this reduction.

(in € million)	Montant	Total
Increases in acquisition value		**27.3**
Creation of B-Parking	0.1	
Loan to SPV 162	23.0	
Loan to SPV Zwankendamme	3.0	
Loan to SPV Brussels Port	1.2	
Disposals and retirements		**-40.2**
Repayment of SPV 162 loan	-40.2	
Transfer to cash investments		**-2,4**
Rail Facilities (< 1-year loan)	-1.7	
Foncière Rue de France	-0.7	
Value reductions recorded		**-158.3**
Syntigo shareholding	-0.3	
SNCB shareholding	-158.0	
Write-back of reduction in value		**1.2**
Eurostation shareholding	1.2	
Total		**-172.4**

b) Personnel

The main expenses for SNCB-Holding are personnel expenses. They represent 84.3% of operating expenses for 2008.

The total payroll, drawn up in accordance with accounting law principles, amounts to €1,994.5 million for the year 2008.

	2008	2007	Δ %
Remuneration and social security contributions (in € million)	1.994,5	1.908,7	4,5
Personnel in FTE	36.810	36.702	0,3

The above table shows a 4.5% increase in payroll compared with 2007. Part of this increase can be explained by an increase in the workforce. A large part of the increase in salary costs is attributable to the following:

- impact of indexation in 2008 (the major cause of the increase in salary costs);
- increase in gross remuneration linked to long service;
- increase in the value of meal vouchers;
- impact of allocations for Saturday and night shifts;
- increase in the provision for untaken leave days.

c) Change of valuation rules

The adaptation of valuation rules had a material impact on the 2008 results. The valuation rules are progressively adapted in order to better respond, within the limits of BEGAAP (Belgian accounting principles), to IFRS standards (international accounting standards), which will be the basis of reporting in 2010.

Standard IAS 16 concerns tangible fixed assets: more expenses are considered as operating costs and therefore cannot be capitalised. In addition, the major components included in a tangible fixed asset and which have a different useful life than the principal asset must be depreciated over their specific life. The impact of this operation has resulted in an additional depreciation charge of €182.9 million, partly offset by an amount of €147.0 million of compensatory subsidies.

Standard IAS 19 stipulates that benefits such as granting an additional day's leave to an in-house employee who has reached the age of 45, and a second day when he reaches 50, irrespective of his length of service, must be provided for, but only for people for whom such additional days represent an actual cost to the company: this concerns people engaged in irregular cycles because the company will need to carry out additional recruitment to continue to provide their services. 8.2 million euros have therefore been charged exceptionally to expenses.

Similarly, following the social agreement concluded for the 2003-2008 period, the Company pays Union organisations an annual amount of €10 per pensioned member of the SNCB Group.

Now this benefit has to be valued for both current and future pension recipients. The provision amounts to 2.2 million euros. In addition, there is a further benefit for workers who do not benefit from "pre-retirement" leave: they can opt to work part-time (half-time or 32 hours/week), for which SNCB-Holding has created compensation systems through additional benefits. The terms for granting these allocations are limited to staff members in grades 7, 8 and 9 and the allocation percentage is 5% and 3.5% respectively of salary. The corresponding provision amounts to 62.6 million euros. At the end of 2008, owing to the adaptations already made in previous years, the company is virtually fully compliant with Standard IAS 19.

In the opinion of the Board of Auditors, the miscellaneous risks provision covers too general a risk and as soon as the application of the principle of care recognised by Belgian accounting law was no longer sufficient to justify it being retained in the accounts, it was removed. This change had a positive impact of 12.5 million euros.

Standard IAS 36 stipulates that shareholdings are subject to value reductions when the amount recoverable from the shareholding is less than its book value. Until now, SNCB-Holding considered that no value reduction in the value of any shareholding should be made on a public sector company. In view of the unfavourable economic outlook and the development of European law in sectors open to competition, the exemption consisting of excluding public companies from the sphere of application of value reductions is no longer justified. Consequently this new situation led to SNCB-Holding having to effect a reduction in value of its shareholding in the SNCB capital. In view of the business transfers recently carried out by SNCB in favour of its subsidiaries, it was considered more appropriate to take into consideration the latest consolidated reserves for the SNCB subgroup. The value reduction recorded is €158.0 million.

d) Change in indebtedness

Controlling debt is an important aspect of the management contract between the Belgian State and the company. SNCB-Holding's indebtedness has a historical origin and does not consist only of the long-term loans on the balance sheet. To obtain the total indebtedness, we also have to take into account off-balance sheet debts.

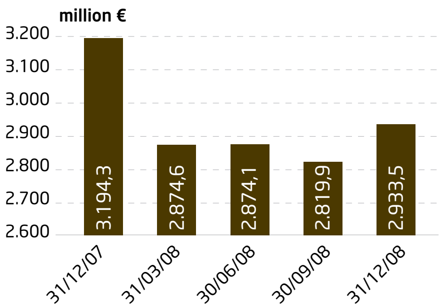
SNCB-Holding's net indebtedness is the debt contracted with financial institutions (not included in the accounts in the balance sheet or off-balance sheet):

+ interest-bearing intragroup debts;
- interest-bearing intragroup cash investments;
- "back to back" transactions concluded with the State in connection with the write-back of debt to 1 January 2005;
- liquid assets and cash investments with banks not managed on behalf of third parties (RER Fund, Liefkenshoektunnel, Employee Benefits Fund);
- cash investments earmarked for partial repayment of the nominal debt amount contracted with financial institutions;
- interest-bearing debts relating to intragroup companies.

During the period in question, SNCB-Holding's net debt changed as follows:

31/12/2007	**Total indebtedness**
Financial institutions	3,626,833,869.43
Current account	-2,224,105.84
Miscellaneous	-430,340,915.69
Total	**3,194,268,847.90**
31/12/2008	
Financial institutions	3,848,056,477.74
Current account	-2,440,568.52
Miscellaneous	-912,114,766.85
Total	**2,933,501,142.37**
12-month variation	**-260,767,705.53**

In 2008, debt reduced by €260.8 million to a total of 2,933.5 million euros. The evolution of the total debt for the year 2008 may be represented graphically as follows:



2. Balance sheet

a) Assets

Almost half of the assets consist of fixed assets (€6,032.3 million), mainly composed of financial fixed assets which for the most part comprise holdings in Infrabel and SNCB capital. The relative share of fixed assets in the total balance sheet slightly reduced during 2008. This difference compared with the previous year is mostly due to the application of IFRS standards which resulted in significant value reductions as at the end of 2008.

Current assets make up the other half of the assets (€6,108.1 million) and include in particular €3,470.8 million of debts falling due in more than one year resulting from financing transactions, and €1,598.2 million of cash investments. These last 2 items increased sharply compared with the 2007 numbers.

b) Liabilities

Liabilities are made up of €1,789.0 million of shareholders' equity, €832.4 million of provisions and €9,519.0 million of long and short-term debts. The increase in overall balance sheet liabilities is mainly due to the increase in debts falling due within the year and the increase in accruals.

3. Operating results

a) EBITDA

EBIDTA increased by 49.5% to 111.2 million euros. The positive change in EBITDA compared with the previous financial year derives essentially from the growth in sales and services.

Under disbursed operating costs, the most significant increase in absolute numbers is salary costs: these increased by 4.5%. The main reason for this increase is automatic salary indexing, which occurred 3 times during 2008.

Income increased by 6.1% to a total of €2,449.2 million. This sharp increase is explained by the increase in re-invoicing of salary costs payable by Infrabel and SNCB (the increase in income is largely due to the increase in salaries).

b) EBT (without accounting reform)

Unlike EBIDTA, EBT shows a negative result of -€151.7 million. This represents a deterioration of the order of €102.8 million compared with 2007, a year already showing a loss of -€48.9 million. The changes which turned the EBITDA to a negative EBT are as follows: non-cash operating costs (-€26.2 million), a positive financial result of €127.1 million and an exceptional result of -€363.8 million.

The deterioration in EBT compared with the previous financial year mainly comes from the deterioration in exceptional results which is largely attributable to value reductions calculated according to IFRS standards.

B. Balance sheet

1. Assets

ASSETS	31 December 2008		31 December 2007	
Fixed assets		**6,032,301,862.56**		**6,290,043,441.93**
I. Establishment expenses		0.00		0.00
II. Intangible fixed assets		69,033,941.08		45,234,567.97
III. Tangible fixed assets		1,325,769,223.63		1,434,870,064.91
A. Land and buildings	431,378,253.58		580,554,149.00	
B. Plant, machinery and equipment	271,457,851.17		285,749,225.26	
C. Fittings and rolling stock	3,937,243.07		3,149,536.29	
D. Finance leasing and similar interests	0.00		0.00	
E. Other tangible fixed assets	125,503,913.33		112,997,123.95	
F. Fixed assets under construction and payments on	493,491,962.48		452,420,030.41	
IV Financial fixed assets		4,637,498,697.85		4,809,938,809.05
A. Associated companies				
1. Holdings	4,586,791,975.74		4,743,824,283.08	
2. Receivables	37,754,274.55		53,132,882.66	
B. Other companies where there is a holding link				
1. Holdings	12,269,977.61		12,269,977.61	
2. Receivables	0.00		0.00	
C. Other financial fixed assets				
1. Holdings	192,384.39		208,689.35	
2. Receivables	490,085.56		502,976.35	
Current assets		**6,108,064,581.92**		**4,557,057,013.05**
V. Receivables falling due in more than one year		3,470,812,014.13		2,254,919,588.61
A. Trade debtors	0.00		0.00	
B. Other amounts receivable	3,470,812,014.13		2,254,919,588.61	
VI. Stock and orders in progress		6,101,388.72		2,803,719.47
A. Stock				
1. Supplies	2,431,752.35		2,076,460.78	
2. Manufacture in progress	0.00		0.00	
3. Finished products	0.00		0.00	
4. Goods	96,788.88		182,862.61	
5. Properties intended for sale	0.00		0.00	
6. Payments on account	0.00		0.00	
B. Orders in progress	3,572,847.49		544,396.08	
VII. Receivables falling due within one year		630,049,481.96		733,738,626.22
A. Trade debtors	317,960,392.88		269,155,430.71	
B. Other amounts receivable	312,089,089.08		464,583,195.51	
VIII. Cash investments		1,598,192,348.52		1,118,075,420.14
A. Treasury shares	0.00		0.00	
B. Other investments	1,598,192,348.52		1,118,075,420.14	
IX. Liquid assets		2,524,132.65		2,308,547.81
X. Prepayments		400,385,215.94		445,211,110.80
TOTAL		**12,140,366,444.48**		**10,847,100,454.98**

2. Liabilities

LIABILITIES		31 December 2008		31 December 2007	
Shareholders' equity			**1,788,969,619.81**		**1,878,849,862.79**
I. Capital			741,778,929.39		741,778,929.39
A. Subscribed capital		741,778,929.39		741,778,929.39	
B. Uncalled capital (-)		0.00		0.00	
II. Share premiums			0.00		0.00
III. Capital gains on revaluation			0.00		0.00
IV. Reserves			0.00		0.00
A. Legal reserve		0.00		0.00	
B. Illiquid reserves					
1. For treasury shares		0.00		0.00	
2. Other		0.00		0.00	
C. Immunised reserves		0.00		0.00	
D. Liquid reserves		0.00		0.00	
V. Retained earnings (loss brought forward) (-)			-96,342,179.16		-26,114,855.95
VI. Capital subsidies			1,143,532,869.58		1,163,185,789.35
Provisions and deferred taxes			**832,359,305.33**		**734,406,397.34**
VII.			832,359,305.33		734,406,397.34
A. Provisions for contingencies and expenditure					
1. Pensions and similar obligations		308,058,482.72		332,511,409.58	
2. Tax expenditure		0.00		0.00	
3. Major repairs and maintenance		0.00		0.00	
4. Other contingencies and expenditure		524,300,822.61		401,894,987.76	
B. Deferred taxes		0.00		0.00	
Debts			**9,519,037,519.34**		**8,233,844,194.85**
VIII. Debts falling due in more than one year			2,542,756,184.29		2,496,551,734.04
A. Financial debts	1. Subordinated loans	0.00		0.00	
	2. Unsubordinated debenture loans	677,000,000.00		706,520,000.00	
	3. Finance leasing and equivalent debts	724,353,637.86		577,450,848.23	
	4. Credit institutions	986,726,577.42		993,033,199.40	
	5. Other borrowings	0.00		0.00	
B. Trade creditors	1. Suppliers	85,080,673.50		146,732,319.82	
	2. Bills payable	0.00		0.00	
C. Payments received on account of orders		10,000,000.00		0.00	
D. Other debts		59,595,295.51		72,815,366.59	
IX. Debts falling due within one year			2,545,552,713.78		2,214,021,263.46
A. Debts of more than one year falling due within the year		82,310,105.47		176,358,851.47	
B. Financial debts	1. Credit institutions	18,998,146.53		11,757,943.23	
	2. Other borrowings	647,715,309.90		810,240,521.69	
C. Trade creditors	1. Suppliers	329,623,125.37		226,864,343.18	
	2. Bills payable	0.00		0.00	
D. Payments received on account of orders		11,451,412.86		11,859,952.05	
E. Tax, salary and social security debts	1. Taxation	68,000,345.61		66,647,451.76	
	2. Remuneration payments and social security contributions	338,904,019.88		314,953,853.14	
F. Other debts		1,048,550,248.16		595,338,346.94	
X. Accruals			4,430,728,621.27		3,523,271,197.35
TOTAL			**12,140,366,444.48**		**10,847,100,454.98**

C. Profit and loss account

1. Profit and loss account

	2008	2007	Δ %
Operating Income	**2,449,227,852.35**	**2,308,331,766.14**	**6.1**
Turnover	2,380,678,858.21	2,257,850,176.44	5.4
Change in orders in progress	2,811,463.20	261,875.52	973.6
Capitalised production	44,731,386.88	33,635,144.71	33.0
Other operating income	21,006,144.06	16,584,569.47	26.7
Operating costs	**-2,338,027,696.58**	**-2,233,949,113.48**	**4.7**
Raw materials and supplies	-12,899,474.07	-10,909,950.19	18.2
Miscellaneous services and goods	-328,860,475.54	-311,207,717.79	5.7
Remuneration payments and social security contributions	-1,994,529,498.19	-1,908,714,191.04	4.5
Other operating costs	-1,738,248.78	-3,117,254.46	-44.2
EBITDA	**111,200,155.77**	**74,382,652.66**	**49.5**
Depreciation	-71,775,490.41	-62,225,501.13	15.3
Capital losses	876,979.04	602,994.87	45.4
Provisions	44,654,823.51	44,166,987.61	1.1
EBIT	**84,956,467.91**	**56,927,134.01**	**49.2**
Investment income	**421,277,593.00**	**182,512,785.77**	**130.8**
Capital subsidies	237,225,792.50	53,523,789.94	343.2
Other investment income	184,051,800.50	128,988,995.83	42.7
Investment expenses	**-294,148,732.79**	**-165,144,459.62**	**78.1**
Cost of external debts	-138,219,673.63	-134,388,814.22	2.9
Other costs of borrowing	-37,712,397.51	-29,736,362.33	26.8
Provision for income from derivatives and pensions	-98,483,040.35	35,807,466.63	-375.0
Other investment expenses	-19,733,621.30	-36,826,749.70	-46.4
Exceptional items	-363,778,319.47	-123,165,753.22	195.4
EBT before neutralisation of SRB contract	**-151,692,991.35**	**-48,870,293.06**	**210.4**
Neutralisation of loss-making SRB contract	81,465,668.14	94,710,877.01	-14.0
EBT	**-70,227,323.21**	**45,840,583.95**	**-253.2**

2. Appropriations and drawings

	31 December 08	31 December 07
A. PROFIT (LOSS) TO BE APPROPRIATED		
1. Profit (Loss) for the year to be appropriated	-70,227,323.21	45,840,583.95
2. Retained profit (loss brought forward) from previous year	-26,114,855.95	-71,955,439.90
B. DEDUCTION FROM SHAREHOLDERS' EQUITY		
1. On capital and share premiums		
2. On reserves		
D. RESULT CARRIED FORWARD		
2. Loss carried forward	96,342,179.16	26,114,855.95

D. Cash flow Statement

Change in net indebtedness	from 01/2008 to 31/12/2008
Opening net debt	**-3,194,268,847.90**
Cashflow from operations	136,202,770.78
Cashflow from investments	-26,229,260.43
Change in Working Capital Requirements (WCR)	99,189,823.33
Change in off-balance sheet debt	51,604,371.85
Net debt as at 31 December 2008	**-2,933,501,142.37**

E. Notes (Appendices)

1. Statement of establishment expenses

As in 2007, the establishment expenses balance is zero.

2. Statement of tangible fixed assets

a) Research and development costs

No research and development was carried out during 2008.

b) Concessions, patents, licences, know-how, trademarks and similar rights

Acquisition value	
At the end of the previous year	98,438,617.62
Changes in the year	
acquisitions, including capitalised production	32,242,586.88
disposals and retirements	
At the end of the year	130,681,204.50
Depreciation and value reductions	
At the end of the previous year	53,204,049.65
Changes in the year	
recorded	8,443,214.39
write-back of depreciation	-0.62
At the end of the year	61,647,263.42
Net book value at the end of the year	**69,033,941.08**

3. Statement of tangible fixed assets

	LAND AND BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FITTINGS AND ROLLING STOCK	FINANCE LEASING AND SIMILAR INTERESTS	OTHER TANGIBLE FIXED ASSETS	FIXED ASSETS UNDER CONSTRUCTION AND PAYMENTS ON ACCOUNT
Acquisition value						
At the end of the previous year	775,731,442.62	696,737,796.16	9,204,756.65		153,259,123.88	452,420,030.41
Capital gain on revaluation						
Changes in the year						
acquisitions, including capitalised production	54,183.59	277,918.32	313,654.91		11,953,832.65	424,809,325.62
disposals and retirements	126,325,168.91	35,677,125.72	162,406,213.24	73,534,667.60	36,680,510.15	
transfers from one heading to another	3,187,415.86	39,925,016.61	161,702,310.10	73,534,667.60	105,387,983.38	-383,737,393.55
At the end of the previous year	652,647,873.16	701,263,605.37	8,814,508.42	0.00	233,920,429.76	493,491,962.48
Depreciation and value reductions						
At the end of the previous year	195,177,293.62	410,988,570.90	6,055,220.36		40,261,999.93	
Changes in the year						
recorded	169,691,928.56	56,265,757.54	752,178.92		83,259,769.54	
write-back of depreciation	14,169.40	143,256.43	564.88		17,647.22	
acquired from third parties						
written off following disposals and retirements	126,325,168.91	35,677,125.72	1,080,419.12		34,825,212.13	
transferred from one heading to another	-17,260,264.29	-1,628,192.09	-849,149.93		19,737,606.31	
At the end of the previous year	221,269,619.58	429,805,754.20	4,877,265.35		108,416,516.43	
Net book value at the end of the year	**431,378,253.58**	**271,457,851.17**	**3,937,243.07**	**0.00**	**125,503,913.33**	**493,491,962.48**

4. Statement of financial fixed assets

	ASSOCIATED COMPANIES	COMPANIES WITH INVESTMENT LINK	OTHER COMPANIES
Holdings, shares and interests			
ACQUISITION VALUE			
At the end of the previous year	5,207,108,753.92	122,386,097.88	248,725.46
Changes in the year:			
- Acquisitions	62,000.00		
- Disposals and withdrawals			
- Transferred from one heading to another	-280,058,195.12		
At the end of the year	4,927,112,558.80	122,386,097.88	248,725.46
VALUE REDUCTIONS			
At the end of the previous year	306,556,970.84		40,036.11
Changes in the year:			
- Recorded	158,334,836.58		16,304.96
- Written back as surplus	1,240,529.24		
- Written off as a result of disposals and retirements			
- Transferred from one heading to another	-280,058,195.12		
At the end of the year	183,593,083.06		56,341.07
UNCALLED AMOUNTS			
At the end of the previous year	156,727,500.00	110,116,120.27	
Changes in the year			
At the end of the year	156,727,500.00	110,116,120.27	
NET BOOK VALUE AT THE END OF THE YEAR	**4,586,791,975.74**	**12,269,977.61**	**192,384.39**
Receivables			
NET BOOK VALUE AT THE END OF THE YEAR	**53,132,882.66**		**502,976.35**
Changes in the year:			
- Additions	27,198,306.74		
- Repayments	40,248,437.54		495.79
- Value reductions recorded			
- Other	-2,328,477.31		-12,395.00
NET BOOK VALUE AT THE END OF THE YEAR	**37,754,274.55**		**490,085.56**
AGGREGATE VALUE REDUCTIONS ON RECEIVABLES			
AT THE END OF THE YEAR			

5. Holdings and corporate interests held in other companies in 2008

a) Associated companies

	Corporate interests held		
	Directly		By subsidiaries
	Number	%	%
Infrabel SA – BE 869 763 267 Rue Bara 110 - 1070 Brussels	15,545,099	20.00	
SNCB - BE 869 763 069 Avenue de la Porte de Hal 40 - 1060 Brussels		100.00	
Rheinkraft International GmbH Beecker Strasse 11 D-47166 Duisburg			100.00
On Site Rail Bvba - BE 474 471 639 Houtdok 25A, 2030 Antwerp			100.00
RKS Rheinkraft Verwaltungs GmbH Beeckerstrasse 11 D-47166 Duisburg			100.00
RKS Rheinkraft Gmbh & Co KG Beeckerstrasse 11 D-47166 Duisburg			100.00
A+ LOGISTICS SA (in liquidatie) 10, Rue du Chateau, F-59100 Roubaix	1,500	100.00	
SPV 162 SA - BE 886 279 892 Rue de France 58 - 1060 Brussels	2	100.00	
SPV ZWANKENDAMME SA BE 888 985 105 Rue de France 58 - 1060 Brussels	2	100.00	
SPV BrusselsS PORT SA BE 889 172 472 Rue de France 58 - 1060 Brussels	2	100.00	
L.A. Group SA - BE 419 345 054 Rue de France 56-58 1060 Brussels	1,499	99.93	0.07
Rail Facilities SA - BE 403 265 325 Rue de France 58 - 1060 Brussels	9,999	99.99	
Eurostation SA - BE 446 601 757 Rue Brogniez, 54 - 1070 Brussels	2,999	99.97	0.03
Syntigo SA - BE 476 975 427 Place Marcel Broodthaers 8, 1060 Brussels	14,870	99,.99	0.01
Foncière rue de France SA BE 433 939 101 Rue de France 58, 1060 Brussels	1,296	99.54	
Railtour SA - BE 402 698 765 Avenue de la Porte de Hal 40 1060 Brussels			95.44
Inter Ferry Boats SA BE 403 425 869 Houtdok 25A - 2000 Antwerp			99.99
Transurb Technirail SA BE 413 393 907 Rue Ravenstein, 60 Bte 18 1000 Brussels	2,200	88.00	
Tuc Rail SA - BE 447 914 029 Rue de France, 91 - 1070 Brussels			100.00
Euro Liège TGV SA - BE 451 150 562 Place de Bronckart, 26 - 4000 Liège	1,575	75.00	
Chantier de Créosotage de Brussels SA - BE 428 821 954 Avenue de Vilvorde, 304 1130 Brussels			51.00
Liège Logistics Intermodal (L.L.I.) BE 477 584 547 Rue de l'aéropostale 25 4460 Grace Hollogne			65.75
Publifer SA - BE 402 695 993 Bld de la Plaine, 5 - 1050 Brussels	650	50.00	
Thalys International CVBA BE 455 370 557 Place Stéphanie, 20 b15, 1050 Brussels			28.00
EWIV Euratel Europaplatz, 1- 1150 Wien	1	10.00	
Eurostar Group Ltd - Times House Bravingtonswalk Regent Quater - London N1 - 9AW Great-Britain			5.00
GIE Eurail group PO Box 2212, NL Utrecht			2.54
Financière Rue de France BE 878 467 335 Rue de France 56-58 1060 Brussels			100.00
Haeger & Schmidt International GmbH Vinckeweg 22 D-47119 Duisburg			100.00
H&S Container Line GmbH Vinckeweg 22 D-47119 Duisburg			100.00
Inginerie Pentru Transporturi Urbane Si Feroviare SC Bd. Dinicu Golescu 38 (5ème) 77113 Bucuresti 1 (Romania)			100.00
Transurb-Tuc Rail Association Momentanée - BE 872 695 934 Rue Ravenstein 60 b.18 1000 Brussels			100.00
H&S International Rotterdam BV Maasboulevard 30-32 NL - 3331 ML Zwijndrecht			100.00
Transurb Argentine SA Posadas 1120 16° B, Buenos Aires			99.00
Transurb Jamaica - Ellesmer Road 8 - Kingston 10 - Jamaica			100.00
Euro Immo Star SA BE 451 777 894 Rue Brogniez, 54 - 1070 Brussels			100.00
Woodprotect Belgium SA BE 442 279 220 Wiedauwkaai, 91A - 9000 Gent			99.89
Rail Infra Logistics SA BE 419 938 536 Houtdok 25A - 2030 Antwerp			99.93
Kreas Grundstückverwaltungs- gesellschaft mbH u. Co. Umschlaghalle I Duisburg OHG Wilhelm-Theodor-RömHeld Str. 30 D-55130 Mainz			94.00

Limonit Grundstücksverwaltungs-gesellschaft mbH & Co. Umschlaghalle II Duisburg OHG Wilhelm-Theodor-Römheld-Str. 30 D-55130 Mainz			94.00
RKE SA - BE 404 546 814 Kambalastraat 14/ Houtdok Noordkaai Haven 26 2030 Antwerp 3			61.46
Best Logistics Sp.z o.o. Ul Wielka Odrzanska 30/5 70-535 Szczecin Polen			40.00
Associated Terminal Operators SA BE 882 650 114 Zandvoort 2 - Haven 350 2030 Antwerp			50.00
BENE Rail International SA BE 479 863 354 Av. De la Porte de Hal 40 1060 Brussels			50.00
SA Hasselt Stationsomgeving BE 862 570 223 - Kempische Steenweg 293 - 3500 Hasselt			50.00
GEIE IV-Infra/Tuc Rail Noordhoek 37 - NL 3350 CD Papendrecht			50.00
Coil Terminal SA BE 412 581 580 Napelsstraat 79 - 2000 Antwerp			50.00
Transport Route Wagon SA BE 405 772 081 Avenue du Port, 100 - 1000 Brussels			93.26
E.T.G. - Invest SA BE 453 932 284 Transportlaan 12 - 3600 Genk			100.00
E.T.G. - Exploitatie SA BE 453 905 956 Avenue du Port 100 - 1000 Brussels			100.00
ETK Euro Terminal Kehl Hafenstrasse 35, Germany			50.00
Unilog SA - BE 448 133 169 Leuvensesteenweg 443 2812 Muizen			50.00
Xpedys - Rue des deux Gares 80 1070 Brussels			99.99
SM COBRA - Avenue de la Porte de Hal 40 - 1060 Brussels			50.00
Terminal E.C.E. - BE 0878 226 320 Sart d'Avette 110 - 4400 Flémalle			50.00
Raillink BV - Stationsplein De Oost NL 9 - Amsterdam			10.00
B-Parking BE 0899 438 834 Rue de France 56-58 1060 Brussels		100.00	
Brusselss Wood Renewable Vilvoordelaan, 304 1130 Brussels			24.00
OSR France Sprl Rue Berthelot Domaine Paindavoine 13 - Lille			100.00

b) Holdings in companies with which there is an investment link

	Corporate interests held		
	Directly		By subsidiaries
	Number	%	%
Corridor C EESV - Place de la Gare 9 L-1616 Luxembourg			42.00
Sibelit SA - Avenue de la Gare 65 L-1611 Luxembourg			42.50
Combi-Med SA - BE 448 488 210 Avenue du Port 100 1000 Brussels			40.00
Sea-Rail SA - BE 465 812 905 Skaldenstraat, 1 - 9042 Gent			35.00
Belgorail SA - BE 865 739 846 Rue Ravenstein 60 - 1000 Brussels			33.33
Sobetra AS Kapitulska 6 - Trnava (Republic Slovak)			30.00
Dry Port Mouscron-Lille International SA - BE 460 426 930 Boulevard de l'Eurozone, 97 7700 Mouscron			17.97
I.C.R.R.Ltd - 7 Triton Square GB-NW1 3HG London			14.99
European Bulk Terminals SA BE 447 744 674 Skaldenstraat, 1 - 9042 Gent			14.07
ICF SC - BE 403 449 724 Rue de France, 85 - 1060 Brussels			11.52
Eurofima Ritterhof / Rittergasse 20 CH-4001 Basel	25,480	9.80	
SA Anneis - BE 476 327 705 Ten Stadhuize Grote Markt 1 2000 Antwerp			49.05
IFB Service Center - BE 472 910 632 Houtdok 25A - 2030 Antwerp			30.00
Affrètements Van Reeth SARL 53 bis, quai des Grands-Augustins F-75006 Paris			26.00
Terminal Athus SA - BE 419 149 074 Rue du Terminal,13 - 6791 Athus			24.90
Charleroi Dry Port SA BE 468 920 665 rue de Marcinelle, 31 - 6000 Charleroi			22.86
Novatrans Italia SRL Via Tosseti 90 - Milan			18.00
S.G.I.D. Owendo - Libreville, Gabon			11.10
Railteam BV Stationsplein 9 - De Oost NL - 1012 AB Amsterdam			10.00
Combinant SA - Scheldelaan 800 Haven 755 - 2040 Antwerp 4			20.00

c) Other shares

	Corporate interests held		
	Directly		By subsidiaries
	Number	%	%
Hit Rail BV Laan van Puntenburg 100 NL-3511 ER Utrecht	240	8,00	
Frigosuisse Immobilien AG (en liquidation) Hohlstrasse 532 - CH-8021 Zurich			7,69
Brussels-Midi SA - BE 446 446 953 Chaussée de Forest 47 1060 Brussels	45	2,87	
Bureau Central de Clearing CVBA BE 459 711 506 Avenue de la Porte de Hal 40 1060 Brussels			6,80
U.I.R.R. SC - BE 443 774 307 Montoyerstraat 31, bus 11 1000 Brussels			9,09
Bitlar SC - BE 426 081 408 Grote Markt 1 - 8930 Menen			1,37
Novatrans SA Rue de Rocher 21 - Paris			1,11
Eurogateway SRI Via Panseri 100 - Novara			3,00
Carre - Gare ONCF Casa Voyageurs Bd BA Hmad Casablanca Maroc			1,11
Kombiverkehr Deutsche Ges. F. Kombinierten Güterverkehr mbH u. Co.KG Ludwig Landmann Str 405 60486 Frankfurt am Main			0,22

6. Cash investments

	31/12/2008	31/12/2007
Shares	40,248,437.54	
Book value increased by uncalled amount	40,248,437.54	
Fixed-income securities	982,593,883.55	405,828,016.71
Fixed-income securities issued by credit institutions	403,534,878.23	980,239,078.13
Term accounts held with credit institutions	575,350,027.43	712,247,403.43
With a residual or notice period		
of one month maximum	68,401,244.14	172,482,438.20
of more than one month to one year maximum	22,029,749.51	2,489,211.76
of more than one year	484,919,033.78	537,275,753.47

7. Prepayments

a) Asset accounts

	31/12/2008
Main items	
Alternative financing transactions	235,056,156.80
Intragroup dealings	117,276,768.11
Prepaid pensions and remuneration	25,025,448.98
Withholding from holiday pay	12,248,465.64
Miscellaneous	10,778,376.41

b) Liability accounts

Main items	31/12/2008
Alternative financing	
Accounting reform	3,223,515,775.50
Intragroup dealing	963,048,645.98
Conversion differences	22,511,710.95
Credit crunch	13,256,834.77

8. Statement of capital

	31/12/2008	31/12/2007
STATEMENT OF CAPITAL		
Share capital		
Subscribed capital at the end of the year		741,778,929.39
Subscribed capital at the end of the year	741,778,929.39	
	Amounts	Number of shares
Representation of capital		
Classes of shares		
ordinary shares of €2.47893525	167,580,973.33	67,601,997
ordinary shares of €3.09866906	574,197,956.06	185,304,705
shares ranking for dividend		20,000,000
Registered shares	269,269,299	
Bearer shares	3,605,897	
Treasury shares		
Held by its subsidiaries		
Capital amount	16,394,103.00	
Number of shares	1,639,410	

9. Provisions for other contingencies and expenditure

	31/12/2008
Main provisions	
Derivatives	123,456,027.20
Environmental	95,849,973.60
Accidents at work	78,657,662.00
Allocation for part-time work	62,626,182.37
Legal disputes	51,310,426.52
Cost of the adoption of pensions	47,594,570.40
ABX	31,648,751.83
Finance leasing	11,831,044.63
Credit crunch	6,790,441.90
Payroll	319,653,798.47
Write-back of debt	2,940,426.41

10. Statement of debts

a) Breakdown of debts falling due in more than one year by reference to their residual term

	Debts falling due within the year	Debts having more than one year but 5 years maximum to run	Debts having more than 5 years to run
Financial debts:	15,780,681.31	781,865,946.10	1,606,214,269.18
Unsubordinated debenture loans		100,000,000.00	577,000,000.00
Finance leasing and similar debts	7,835,956.45	555,336,800.00	169,016,837.86
Credit institutions	7,944,724.86	126,529,146.10	860,197,431.32
Other borrowings			
Trade creditors:	61,651,646.32	78,218,388.34	6,862,285.16
Suppliers	61,651,646.32	78,218,388.34	6,862,285.16
Payments received on account of orders			10,000,000.00
Other debts	4,877,777.84	5,202,437.08	54,392,858.43
Total	82,310,105.47	865,286,771.52	1,677,469,412.77

b) Guaranteed debts

	Debts guaranteed by:		
	Belgian public authorities	Collateral securities created over the company's assets	
Financial debts:	1,389,261,956.45		
Finance leasing and similar debts	674,723,456.45		
Credit institutions	714,538,500.00		
Trade creditors:	0.00		
Suppliers			
Total	1,389,261,956.45		

c) Tax, salary and social security debts

Taxation: tax debts due	182,251.83
tax debts not due	67,818,093.78
Remuneration payments and welfare contributions:	
other salary and welfare debts	338,904,019.88

11. Operating results

	2008	2007
Other operating income	437,579.40	516,420.60
Including: operating subsidies and amounts of compensation obtained from public authorities		
Workers included on the staff register	-	-
total number on the closing date	37,267.50	36,960.80
average number of staff calculated in full-time equivalents and similar	37,080.50	36,936.40
Staff costs		
Remuneration and direct fringe benefits	1,611,994,652.71	1,536,473,551.54
Employer's National Insurance contributions	317,466,158.25	308,315,107.93
Employer premiums for extra-statutory insurances	12,146,872.09	12,262,854.12
Other staff costs	52,774,064.74	51,417,313.92
Pensions - early-retirement pensions	147,750.40	245,363.53
	1,994,529,498.19	**1,908,714,191.04**
Provisions for pensions		
Allocations (+); drawdowns and write-backs (-)	-26,666,827.21	-38,975,203.06
Value reductions		
On stock and orders in progress		
recorded	17,921.70	306,803.64
written-back (-)	-224,821.14	-12.62
On trade debtors		
recorded	684,262.18	153,872.62
written-back (-)	-1,354,341.78	-1,063,658.51
Provisions for contingencies and expenditure		
Set-ups	42,919,824.58	18,808,362.06
Drawdowns and write-backs (-)	-87,574,648.09	-62,975,349.67
Other operating expenses		
Taxation and duties relating to operation	1,352,067.67	1,778,772.82
Other	386,181.11	1,338,481.64
Casual staff and personnel loaned to the company		
Average number calculated in full-time equivalents	23.4	30.7
Effective number of hours worked	33,916	44,588
Cost to the company	806,744.47	1,078,681.22

12. Financial results

	2008	2007
Other investment income		
Subsidies granted by public authorities and charged to the profit and loss account		
Capital subsidies (depreciation)	248,493,390.96	54,680,457.44
Interest subsidies	11,551,104.56	11,658,962.55
Breakdown of other income if substantial		
Conversion and exchange differences	3,671,428.09	1,784,056.45
Miscellaneous	3,932,390.30	2,582,996.01
Value reduction on current assets		
recorded	5,041,735.66	907,487.34
written back (-)	2,799,965.28	-115,619.86
Other Investment expenses		
Financial provisions		
Created	106,777,564.87	
Drawn down and written back	-8,294,524.52	-35,807,466.63
Breakdown of other Investment expenses if substantial		
Conversion and exchange differences	3,242,742.63	22,650,885.04
Alternative financing transactions	12,850,948.21	12,090,355.21

13. Exceptional items

	31/12/2008
Breakdown of other exceptional income	
ABX	31,051,867.22
Corrections to inventory	12,599,589.47
Alternative financing	14,549,623.00
Reduction of SNCB debt	7,137,985.96
Miscellaneous	1,400,752.69
Breakdown of other exceptional expenses	
ABX Logistics	7,058,058.00
ABX Consultants	487,996.24
ABX Germany	1,812,044.38
Miscellaneous	2,421.23

14. Earnings

	31/12/2008
Sources of tax hold-overs	
Profit hold-overs	4,551,392,172.00
Aggregate tax losses, deductible from subsequent taxable profits	4,193,663,622.47
Other profit hold-overs	
Investment allowance	357,728,549.53
Loss hold-overs	
Breakdown of loss hold-overs	
Capital subsidies	1.143.532.869,58

15. Other taxes and taxation chargeable to third parties

	2008	2007
Value-added tax, equalisation tax and special taxes entered in the accounts:		
to the company	310.449.388,61	262.439.063,16
by the company	728.903.514,74	679.269.114,02
Amounts held chargeable to third parties, on account of:		
Pay-As-You-Earn	580,078,567.72	545,843,400.35
Advance corporation tax	2,948,474.48	3,204,385.74

16. Interests and contingent liabilities

	31/12/2008
PERSONAL GUARANTEES GIVEN OR IRREVOCABLY PLEDGED BY THE COMPANY AS SECURITY FOR DEBTS OR THIRD-PARTY COMMITMENTS	
COLLATERAL SECURITIES	
Collateral securities created or irrevocably pledged by the company over its own assets as security for the company's debts and commitments	
Charges over other assets - Book value of charged assets	1,068,122,116.67
GOODS AND VALUABLES HELD BY THIRD PARTIES IN THEIR OWN NAME BUT AT THE RISK AND FOR THE BENEFIT OF THE COMPANY, UNLESS POSTED TO THE BALANCE SHEET	
Investment in alternative financing	921,806,955.78
MATERIAL COMMITMENTS TO ACQUIRE FIXED ASSETS	
Investments	85,971,781.57
FUTURES MARKETS	
Foreign currency bought (receivable)	2,259,760,251.87
Foreign currency sold (deliverable)	2,259,760,251.87
COMMITMENTS RESULTING FROM TECHNICAL GUARANTEES ATTACHED TO SALES OR SERVICES ALREADY COMPLETED	
MATERIAL DISPUTES AND OTHER MATERIAL COMMITMENTS	
Credit lines	5,477,268,572.81
Guarantees provided by third parties on behalf of the company	4,135,594,449.78
IRS	4,750,395,391.56
SNCB capital increase	30,000,000.00
Third-party contribution to adoption of pensions	209,257,492.71
Personal guarantees provided on behalf of third parties	470,265,181.42

17. Dealings with associated companies and companies with which there is an investment link

	Associated companies		Companies with an investment link	
			2008	2007
Financial fixed assets	4,624,546,250.29	4,796,957,165.74	12,269,977.61	12,269,977.61
- holdings	4,586,791,975.74	4,743,824,283.08	12,269,977.61	12,269,977.61
- receivables	37,754,274.55	53,132,882.66		
Receivables	273,824,363.09	216,322,672.79	212,761,047.67	459,702.49
- falling due in more than one year	708,632.29	708,632.29	212,539,700.00	
- falling due within one year	273,115,730.80	215,614,040.50	221,347.67	459,702.49
Cash investments	109,073,799.29	29,280,759.20		
- receivables	109,073,799.29	29,280,759.20		
Debts	763,400,139.62	854,927,218.40	666,894,500.00	514,270,330.30
- falling due in more than one year	59,505,295.51	72,725,366.59	666,887,500.00	514,244,500.00
- falling due within one year	703,894,844.11	782,201,851.81	7,000.00	25,830.30
Personal and collateral guarantees created or irrevocably pledged by the company as security for debts	447,773,825.96			
Personal and collateral guarantees created or irrevocably pledged by associated companies as security for debts	314,239,432.27	302,288,540.19		
Other financial commitments		266,695,617.10		
Financial results				
Income:				
from financial fixed assets	33,381,772.39	5,082,015.39		
from current assets	3,317,964.53	2,075,499.82		
Other investment income	8,533.30			
Expenses:				
from debts	26,234,452.47	27,180,984.96		
other investment expenses	642,099.34	771,184.80		
Realisation of fixed assets				
Capital gains realised				

18. Financial dealings with the auditor(s) and persons with whom he is (they are) associated

THE AUDITOR(S) AND PERSONS WITH WHOM HE IS (THEY ARE) ASSOCIATED	31/12/2008
Emoluments of the auditor(s)	205,576.24
Emoluments for exceptional services or special assignments performed within the company by the auditor(s)	
Other certification assignments	14,338.20

19. Company balance sheet

STATEMENT OF PERSONNEL EMPLOYED EMPLOYEES INCLUDED ON THE STAFF REGISTER		**Corporate + non-corporate staff and others**					
		2008				**2007**	
During the year and the previous year		1. Full-time	2. Part-time	3. Total (T) or total in full-time equivalents (FTE)		4. Total (T) or total in full-time equivalents (FTE)	
Average number of workers		30,350.5	8,331.4	37,080.5	(FTE)	36,936.4	(FTE)
Effective number of hours worked		43,845,011	9,731,080	53,576,091	(T)	53,125,621.0	(T)
Staff costs (in €)		1,605,487,713.55	357,789,545.31	1,963,277,258.86	(T)	1,870,838,347.59	(T)
Benefits granted in addition to salary (in €)				16,835,926.97	(T)	12,595,027.98	(T)
At the end of the year		1. Full-time	2. Part-time	3. Total in full-time equivalents			
Number of workers registered		30,518	8,343	37,267.5			
By type of employment contract							
Open-ended contract		30,459	8,342	37,207.7			
Fixed-term contract		59	1	59.8			
By gender	Male	28,214	7,031	33,948.4			
	Female	2,304	1,312	3,319.1			
By professional category	Managerial staff	676	32	702.3			
	White-collar workers	12,326	3,586	15,272.9			
	Blue-collar workers	17,516	4,725	21,292.3			
	Other						
CASUAL STAFF AND PERSONNEL LOANED TO THE COMPANY							
During the year		1. Casual staff	2. Personnel loaned to the company				
Average number of people employed		23.4					
Effective number of hours worked		33,916					
Cost to the company (in €)		806,744.47					
TABLE OF STAFF MOVEMENTS DURING THE YEAR							
PEOPLE JOINING		1. Full-time	2. Part-time	3. Total in full-time equivalents			
Number of workers included on the staff register during the year		2.593	79	2.623,2			
By type of employment contract							
Open-ended contract		2.011	79	2.041,2			
Fixed-term contract		582		582,0			
PEOPLE LEAVING		1. Full-time	2. Part-time	3. Total in full-time equivalents			
Number of workers whose end-of-contract date was entered on the staff register during the year		2,088	263	2,315.5			
By type of employment contract							
Open-ended contract		1,561	263	1,793.5			
Fixed-term contract		527	0	522.0			
By reason of end-of-contract	Pension	774	188	961.7			
	Pre-pension	0	0	0.0			
	Dismissal	170	4	173.0			
	Other reason	1,144	73	1,180.8			
INFORMATION ON TRAINING COURSES FOR WORKERS DURING THE YEAR							
		1. Number of workers concerned	2. Number of training hours attended	3. Cost to the company (in €)			
Total workers' training initiatives payable by the employer	Male	33,453	2,435,176	112,033,617.22			
	Female	2,490	141,256	6,536,465.72			

F. Valuation rules

1. Establishment expenses

In principle, establishment expenses are carried during the financial year in which they are incurred.

However, they may be capitalised if the amount exceeds €250,000; in this case they are written off, either according to an apportionment over the term of the loan in the case of issue expenses, or according to a straight-line apportionment over 5 years in the case of other expenses.

2. Intangible fixed assets

This heading includes identifiable, non-monetary assets without any physical substance, held with a view to their use for the production or supply of goods or services, for leasing to third parties or for administrative purposes.

These include in particular:

- development costs, as defined by Standard I.A.S. 38;
- concessions, patents, licences, know-how, trademarks and similar rights when acquired from third parties;
- goodwill;
- payments made on intangible fixed assets.

However, intangible fixed assets can only be entered under assets if:

- they are capable of having a future economic usefulness contributing to the corporate operation;
- the cost of such an asset can be reliably valued.

Research expenses are carried during the financial year during which they are incurred and, as a result, are not capitalised.

Intangible fixed assets are entered at their acquisition value.

Intangible fixed assets are written off in a straight line at a rate of 20% per year as from the date on which the asset is ready to be brought into actual operation.

Additional or exceptional depreciation may be recorded when, because of an alteration or change in economic or technological circumstances, the book value of the fixed assets exceeds the value of their use by the company.

Depreciation recorded on intangible fixed assets may only be written back if, because of an alteration or change in economic or technological circumstances, the depreciation system used previously proves to have been too fast.

3. Tangible fixed assets

This heading includes tangible assets which are held by the company, either to be used in the production or supply of goods or services, or to be leased to third parties, or for administrative purposes, and which are expected to be used over more than one financial year.

Tangible fixed assets are entered at their acquisition value, determined in accordance with the rules specified in point II.1 above.

However the acquisition value excludes:

- expenses inherent in the design phase,
- management services overheads,
- overheads of non-operational services (the real estate zones and the ICTRA "Base Network and Value Added Network" and "Software solutions and IT hardware" services are considered as operating services for SNCB Holding),
- costs associated with personnel training,
- HR Department costs.

Additionally, museum plant and works of art are valued, either at acquisition price or at residual value or, if the acquisition value is unknown or if it is a gift, at a price of €0.01 and, in the event of an expert appraisal, are the subject of value reductions or capital gains on re-valuation.

For stations, administrative buildings, residential buildings and carparks, the acquisition value of tangible fixed assets is broken down into its different components which have different useful lives, and each component is depreciated over its specific useful life. Land, museum plant and works of art whose useful life is deemed unlimited, are not depreciated.

The depreciation starts as from the first day of the month following the month on which the tangible fixed asset can be brought into operation.

Additional or exceptional depreciation may be recorded when, because of an alteration or change in economic or technological circumstances, the book value of the fixed assets exceeds the value of their use by the company.

Depreciation recorded on tangible fixed assets may only be written back if, because of an alteration or change in economic or technological circumstances, the depreciation system used previously proves to have been too fast.

The amount to be depreciated is the cost of the asset, reduced by its residual value, provided the latter can be determined relatively reliably.

For tangible fixed assets whose useful life is unlimited, value reductions are recorded on sustainable capital loss or depreciation.

4. Financial fixed assets

This heading includes:

- holdings, whatever their relative size, in other companies, when the intended aim is to perpetuate or sustain their operation;
- shares and interests which do not amount to an investment, when the holding is intended, by establishing a sustainable specific link with these companies, to contribute to SNCB-Holding's own business;
- receivables made available long-term in order to maintain, sustainably, the said companies' business;
- cash bonds paid on account of continuing guarantees.

Financial fixed assets are entered at their acquisition value, determined in accordance with the rules specified in point II.1 above. They are adjusted, where appropriate, by any value reductions.

Expenses incidental to their acquisition are entered directly as expenses.

For each investment, the securities which make it up are deemed exchangeable assets: after each acquisition, an average value for such securities is recalculated, by dividing the total acquisition value by the total number of securities held on portfolio.

When the acquisition price of an investment is denominated in foreign currency, the acquisition value for which it is entered in the accounts is the acquisition value in euros, namely the amount resulting from applying the conversion rate at acquisition to the amount of the price stipulated in foreign currency. When amounts are called up, the commitment to pay is re-estimated at the conversion rate applicable on that date, the counterpart for the conversion difference recorded being set against the acquisition value of the financial fixed assets.

Financial fixed assets represented by receivables are valued at their nominal value, by possible application of the conversion rate at acquisition to the amount stipulated in foreign currency.

In the event of sustainable change, occurring subsequent to the acquisition, and in an adverse way, in the company's situation, profitability or expectations, the holding or shares held are subject to an individually determined value reduction.

The sustainable nature of the depreciation is evaluated on the basis of the latest company accounts or, if they exist, the latest available consolidated accounts, according to:

- movements in exchange or market value, to the extent that this information is available;
- the intrinsic value of the company or sub-group controlled by the company;
- the results of the company or sub-group controlled by the company and their growth prospects.

Financial fixed assets represented by receivables are subject to value reduction if their repayment on the due date is wholly or partly uncertain or compromised.

5. Receivables falling due in more than one year

This heading includes receivables with a contractual term of more than one year.

Receivables are valued at their nominal value, except for receivables in the form of fixed-income securities which are valued at their acquisition value, determined in accordance with the rules specified in point II.1 above. They are adjusted, where appropriate, by any value reductions.

Receivables are subject to value reductions if their repayment on the due date is wholly or partly uncertain, or compromised.

6. Stock and orders in progress

The "Stock" heading includes the following assets:

- those held to be sold in the normal course of business, particularly goods acquired with a view to their resale as such, or subject to minor conditioning;
- those in the course of production for such a sale, which include raw or other materials and supplies already incorporated in the production process;
- those in the form of raw materials or supplies to be consumed in the process of production or provision of services, such as supplies of unmachined materials intended to be used in production.

The "Orders in progress" heading includes the following:

- work in progress, completed on behalf of third parties by virtue of an order, but delivery of which has not yet been taken;
- products in the course of manufacture completed on behalf of third parties by virtue of an order, but which have not yet been delivered, save where the products are manufactured in series in standardised fashion;
- services in the course of performance, completed on behalf of third parties by virtue of an order, but which have not yet been delivered, save where the services are provided in standardised fashion.

Stock is valued at cost or net realisation value, whichever is the lower, namely the estimated selling price in the normal course of business, less costs estimated for completion and costs deemed necessary to complete the sale.

The cost of stock includes all acquisition and processing costs, plus other costs incurred in taking the stock to the place and in the condition it is in, such as the purchase price, customs duties, non-recoverable taxes, haulage and maintenance expenses and other costs directly attributable to the acquisition of the finished products, raw materials and services, purchase expenses determined in the form of a percentage by category of articles, less rebates, discounts and allowances.

Stock processing costs include the costs directly linked to the units produced, such as direct labour. They also include the routine allocation of fixed or variable production overheads which are incurred in processing the raw materials into finished products.

The cost of the stock of items which is not usually exchangeable and of goods or services produced and allocated to specific projects is determined by identifying their individual costs. For other items, the cost of the stock is determined by using the method of average prices weighted by quantities.

Manufacture in progress and orders in progress are valued at their cost price.

In no case does the cost price of a stock or an order in progress include the interest on the funds which have been borrowed to finance them.

Certain parts in stock are periodically subject to value reductions following regular examination of their condition by the technical services concerned.

Ranges of articles in stock not exhibiting a direct link with tangible fixed assets undergo a value reduction when they do not experience any movement for at least one year.

For ranges of articles having a direct link with clearly identified tangible fixed assets, a value reduction is calculated in a way strictly proportional to the depreciation already recorded on the said fixed assets.

For orders in progress, value reductions are recorded:

- if their cost price, plus the estimated amount of related costs which are still to be incurred exceeds, as appropriate, their net selling price on the closing date or the cost price contemplated in the contracts;
- at a rate of 50% and 100%, respectively, if their completion date exceeds the invoicing date by 1 or 2 years.

7. Receivables falling due within one year

This heading includes receivables - commercial or otherwise - whose initial term is one year maximum, as well as receivables or parts of receivables whose initial term exceeded one year, but which come to term within twelve months of the end of the last financial year.

Receivables are entered on the balance sheet at their nominal value, save for those in the form of fixed-income securities which are valued at their acquisition value, determined in accordance with the rules specified in point II.1 above. They are adjusted, where appropriate, by any value reductions.

Receivables are subject to value reduction if their repayment on the due date is wholly or partly uncertain or compromised.

8. Cash investments

This heading includes assets other than stock and fixed assets which, by their nature, are immediately realisable and are not intended to be held by the company for more than one year, in order to:

- increase its wealth as a result of distributions in the form of interest, royalties, dividends or others;
- realise capital profits or other benefits similar to those obtained by commercial dealings.

Cash investments are valued at acquisition value, determined in accordance with the rules specified in point II.1 above, or market value, whichever is the lower.

For assets acquired by contribution, the value is the price fixed in the document. However, if such contractual value is less than the market value of the assets brought in, the acquisition value corresponds to this higher market value.

For fixed-income securities, if there is a difference between the acquisition and redemption value, the latter is entered as the figure on a time-apportioned basis over the unexpired term of the securities, as a constituent part of the interest produced by these securities and is, as appropriate, added to or deducted from the acquisition value of the securities, the inclusion as a figure being made on a discounted basis.

For investments whose acquisition price is denominated in foreign currency, the acquisition value for which they are entered in the balance sheet is re-estimated on the basis of the average guideline exchange rates published by the Banque Nationale de Belgique during the closing month.

Cash investments due to be realised shortly are subject to appropriate value reductions if, at the end of the financial year, the estimate of their realisation value is lower than their acquisition price.

9. Liquid assets

This heading includes financial items available, such as cash in hand, securities falling due for collection and demand credit balances at banks.

Liquid assets are recorded at their nominal value and adjusted, where appropriate, by any value reductions.

Liquid assets in foreign currency are revalued on the basis of the latest guideline exchange rate published by the Banque Nationale de Belgique.

An appropriate value reduction is registered when the realisation value as at the financial year-end is lower than the nominal value.

10. Provisions and deferred taxes

This heading includes liabilities whose maturity or amount is uncertain, individually identified by reference to contingencies and expenditure of the same nature, with a view to meeting expenses which are clearly defined as regards their nature but which, as at the financial year-end are either probable or certain, but indeterminate as to their amount.

Contingencies and expenditure which are the subject of a provision are estimated, case-by-case, based on information brought to the Company's attention, whilst ensuring compliance with the criteria of prudence, truthfulness and good faith in accordance with Article 32 of the Royal Decree of 30 January 2001 implementing the Companies Code.

As no deduction for deferred taxation has been recorded, SNCB-Holding has aggregate tax losses and exemptions resulting from deductibilities for investments.

Special cases

a) Provision for environmental operating expenses

This provision covers expenses for which the company is legally liable or, in view of its general policy, to be sanctioned for:

- soil certification to be applied for;
- land lie survey and descriptive soil surveys to be conducted;
- clean-up obligation (ordinary expenses).

This provision is broken down by type of expense and by site and is calculated on the basis of the technology regarding reinstatement of the environment capable of being used and on the basis of the company's estimates as regards costs to be incurred.

b) Provisions for long-term benefits, pre-employment benefits and end of employment contract benefits

Provisions are established in accordance with Standard I.A.S. 19 to cover the current value of obligations undertaken by the company regarding long-term benefits, pre-employment benefits and end of employment contract benefits.

The allocation is calculated according to the Projected Credit Units method, as defined by Standard I.A.S. 19.

These provisions concern in particular:

- long-service bonuses;
- age-related leave;
- unpaid leave;
- Employer's National Insurance contributions to the Social Solidarity Fund on pension benefits;
- hospitalisation cover;
- benefits in the event of accidents at work;
- full-time and part-time career breaks;
- pre-retirement leave;

c) Tangible fixed assets acquired on finance leasing and similar interests

Provided it has not been created as part of the accounting reform which took effect on 1 January 2005, this provision is equal to the difference between the allocation calculated on the actual value of the fixed assets, covered by the contract, and the allocation calculated on the staggered payments contemplated in the contract, representing the capital reconstruction of the value of the asset;

d) Derivatives

The positions on derivative financial instruments linked to financial indebtedness are covered by a matching provision when unrealised losses are recorded, as at the year-end, based on their re-estimation at market value.

11. Debts falling due in more than one year

This heading includes accounts payable which have a contractual term exceeding one year.

Accounts payable are registered at their nominal value.

Non-interest-yielding debts or those yielding abnormally low interest are entered as liabilities at their nominal value; the entry is accompanied by an asset entry as a prepayment and an entry of the figure on a time-apportioned basis on the basis of the compound interest, of the discount calculated at the market rate when such debts:

- fall due in more than one year, and
- relate either to amounts recorded as expenses in the Profit and Loss Account, or to the acquisition price of the fixed assets or business sectors.

Accounts payable represented by fixed-income securities are valued at their acquisition value. However, when their actuarial expense calculated on issue, taking account of their redemption on the due date, differs from their face-charge, the difference between the acquisition value and the redemption value is included in the results on a time-apportioned basis over the unexpired term of the securities, as a constituent part of the expense of these securities and is entered, as the case may be, either as an increase or reduction in the acquisition value of the securities (on an actuarial basis).

12. Debts falling due within one year

This heading includes accounts payable which have a contractual term of less than, or equal to, one year.

Accounts payable are registered at their nominal value.

Accounts payable represented by fixed-income securities are valued at their acquisition value.

However, when their actuarial expense calculated on issue, taking account of their redemption on the due date, differs from their face-charge, the difference between the acquisition value and the redemption value is included in the results on a time-apportioned basis over the unexpired term of the securities, as a constituent part of the expense of these securities and is entered, as the case may be, either as an increase or reduction in the acquisition value of the securities (on actuarial basis).

G. Comments on the limited consolidation of SNCB-Holding - SNCB - Infrabel

1. Structure

The consolidated results as at the end of December 2008 are compiled on the basis of the individual accounts of SNCB-Holding, Infrabel and SNCB, but taking into account a number of particular treatments:

- Elimination of intragroup operations: completing the year-end consolidation consists of showing the overall profit and loss account as though it were a single company. With this in mind, intragroup sales and purchases must be considered as purely internal movements whose amounts balance perfectly and must be eliminated since income for one corresponds to an expense for another.

- Elimination of particular mechanisms: the €1.36 billion operating right provided on 1 January 2005 by SNCB-Holding to Infrabel and the provision of €1.35 billion which was made, on the occasion of the accounting reform of 1 January 2005, by SNCB-Holding to cover the Sale & Rent Back invoicing deficit to SNCB are eliminated for this consolidation period. This entails removing the following:

- income (€81.5 million) covering the difference between on the one hand the amount invoiced to SNCB by SNCB-Holding for leasing of rolling stock under Sale & Rent Back transactions and, on the other hand, the amount paid by SNCB-Holding in connection with these same alternative financing transactions;
- depreciation of €13.7 million entered by Infrabel, relating to network operating rights.

- Elimination of value reduction recorded by SNCB-Holding on SNCB: in its 2008 accounts, SNCB-Holding entered a value reduction of €158.0 million of its financial holding in SNCB capital, in view of the results generated since its creation and also anticipated future prospects. In a consolidated view, this value reduction must be eliminated since SNCB's results are directly integrated in the consolidated accounts.

This limited consolidation enables the overall SNCB Group core business to be considered, namely rail transport.

2. Profit and loss account

The table below shows the consolidated profit and loss account of the 3 companies as at 31 December 2008.

	2008	2007	Δ %
Operating Income	**3,456,728,622.64**	**3,310,916,498.29**	**4.4%**
Turnover	2,941,455,995.83	2,898,714,622.07	1.5%
including State subsidies	1,556,220,569.20	1,510,997,571.41	3.0%
including VN traffic (domestic traffic)	534,448,001.31	511,389,139.21	4.5%
including VI traffic (international traffic)	224,563,481.97	212,869,177.04	5.5%
including B-Cargo traffic (freight)	347,865,285.40	389,193,118.10	-10.6%
including other external income	278,358,657.95	274,265,616.31	1.5%
Change in orders in progress	-1,660,067.32	-3,757,898.05	-55.8%
Capitalised production	477,668,222.87	385,744,942.21	23.8%
Other operating income	39,264,471.26	30,214,832.06	30.0%
Operating costs	**-3,370,297,945.80**	**-3,161,188,150.16**	**6.6%**
Raw materials and supplies	-214,649,116.02	-190,432,249.39	12.7%
Miscellaneous services and goods	-1,151,381,444.19	-1,052,794,523.61	9.4%
FIF	-300,000,000.00	-300,000,000.00	0.0%
Other miscellaneous goods and services	-851,381,444.19	-752,794,523.61	13.1%
Remuneration payments and social security contributions	-1,994,586,914.11	-1,908,772,930.87	4.5%
Other operating expenses	-9,680,471.48	-9,188,446.29	5.4%
EBITDA	**86,430,676.84**	**149,728,348.13**	**-42.3%**
Depreciation	-330,001,706.74	-307,578,706.72	7.3%
Amount recorded	-343,739,080.48	-321,316,080.46	7.0%
Neutralisation of amortisation of operating rights	13,737,373.74	13,737,373.74	0.0%
Value reductions	-17,611,610.57	59,511,933.89	-129.6%
Provisions	59,668,545.00	64,634,727.07	-7.7%
EBIT	**-201,514,095.47**	**-33,703,697.63**	**497.9%**
Investment income	**681,268,135.96**	**395,531,223.14**	**72.2%**
Income from financial fixed assets	35,061,314.53	6,566,362.10	434.0%
Income from current assets	148,176,161.47	119,928,976.14	23.6%
Capital subsidies	467,511,683.08	251,755,476.11	85.7%
Other investment income	30,518,976.88	17,280,408.79	76.6%
Investment expenses	**-295,323,564.04**	**-147,975,190.48**	**99.6%**
Cost of debts	-86,943,854.03	-79,827,633.18	8.9%
Other costs of debts	-72,523,895.95	-52,683,202.56	37.7%
Other investment expenses	-135,855,814.06	-15,464,354.74	778.5%
Exceptional earnings	-198,306,772.43	-200,922,250.60	-1.3%
EBT	**-13,876,295.98**	**12,930,084.43**	**-207.3%**

a) Turnover

The consolidated SNCB Group turnover is split as follows:

Turnover	2008	2007	Δ %
RN (domestic traffic)	534,448,001.31	511,389,139.21	4.5%
VI (international traffic)	224,563,481.97	212,869,177.04	5.5%
B-Cargo (freight)	347,865,285.40	389,193,118.10	-10.6%
Other	278,358,657.95	274,265,616.31	1.5%
Government contributions	1,556,220,569.20	1,510,997,571.41	3.0%
TOTAL	**2,941,455,995.83**	**2,898,714,622.07**	**1.5%**

Although the different business sectors show distinct development patterns, an overall positive change in turnover can be seen compared with 2007; this comes from an improvement in receipts from passenger transport and other activities (mainly the Technical and Production Department), and an increase in contributions received from the State.

b) EBITDA

The table below shows a comparison with the previous year's EBITDA:

EBITDA	2008	2007	Δ %
SNCB-HOLDING	111,200,155.77	74,382,652.66	49.5%
SNCB	-108,075,230.65	7,286,345.25	-1583.3%
INFRABEL	83,305,751.72	68,059,350.22	22.4%
TOTAL	**86,430,676.84**	**149,728,348.13**	**-42.3%**

3. Indebtedness

The consolidated net debt is calculated mutatis mutandis according to the principles defined for calculating the SNCB-Holding indebtedness.

During the period in question, the consolidated net debt evolved as follows:

31/12/07	Total indebtedness
Financial institutions	3,626,833,869.43
Current account	-13,167,219.09
Miscellaneous	-1,020,209,415.69
Total	**2,593,457,234.65**
31/12/08	
Financial institutions	3,848,056,477.74
Current account	-23,880,823.17
Miscellaneous	-1,408,874,044.87
Total	**2,415,301,609.70**
12-month change	-178,155,624.95

II. REPORT OF THE BOARD OF AUDITORS ON THE COMPANY ACCOUNTS

SNCB-Holding
Public limited company

Rue de France 85 - 1060 Brussels

Report of the Board of Auditors to the General Meeting of Shareholders of 29 May 2009 on the annual accounts for the year ended 31 December 2008

Ladies and Gentlemen,

In accordance with the provisions of the law and Articles of Association and, in particular, of Articles 143 and 144 of the Law on Companies applicable to public limited companies, SNCB-Holding, by virtue of Article 37 of the Act of 21 March 1991 reforming certain State-owned economic companies, the Board of Auditors is pleased to report on the performance of its assignment over the 2008 financial year. The report includes its opinion on the annual accounts as well as the required additional notices and information

1. Unqualified certification of the annual accounts

The Board of Auditors has inspected the annual accounts ended 31 December 2008, drawn up using the criteria applicable in Belgium, where the balance sheet total is EUR 12,140,366,444.48 and the profit and loss result balances with a loss for the year of EUR 70,227,323.21.

Drawing up the annual accounts is the responsibility of the management body. This responsibility includes: the design, implementation and monitoring of an internal control regarding the drawing up and faithful presentation of the annual accounts with no significant anomalies arising from either fraud or error, the choice and application of the appropriate valuation rules, and the determination of reasonable accounting estimates according to the circumstances.

The responsibility of the Board of Auditors is to give its opinion on the annual accounts, based on its inspection. The Board of Auditors has carried out its inspection in accordance with the legal requirements and the audit standards applicable in Belgium. These auditing standards require its audit to be organised and carried out in such a way as to obtain a reasonable assurance that the annual accounts do not contain any significant anomalies, whether they be due to fraud or errors.

In accordance with the aforementioned auditing standards, the Board of Auditors has taken account of the company's organisation in administrative and accounting matters as well as its internal audit mechanisms. The Board of Auditors has obtained, from the company's management body and employees, the explanations and information required for its audit. The Board of Auditors has carried out random checks of the evidence for the figures shown in the annual accounts.

It has evaluated the validity of the valuation rules and the reasonable nature of the significant accounting estimates made by the company as well as the presentation of the annual accounts as a whole. The Board of Auditors considers that this work provides a reasonable basis for it to state its opinion.

In the opinion of the Board of Auditors, the annual accounts ended 31 December 2008 give a true picture of the assets, financial situation and results of the company, in accordance with the accounting rules applicable in Belgium.

2. Additional notices and information

The wording and content of the annual report, as well as the company's compliance with the Law on Companies and the Articles of Association, are the responsibility of the management body.

The responsibility of the Board of Auditors is to include in its report the following additional notes and information which are not likely to modify the scope of certification of the annual accounts:

2.1 The management report deals with the information required by the law and without prejudice to the comment above, is consistent with the annual accounts. However, the Board of Auditors is unable to give an opinion on the description of the main risks and uncertainties facing the company, or its situation, its foreseeable development, or the appreciable influence of certain facts on its future growth. The Board of Auditors can, nevertheless, confirm that the information supplied provides no obvious contradictions of the information of which it is aware within the framework of its mandate.

2.2 Without prejudice to formal aspects of minor importance, the accounts are held and the annual accounts drawn up in accordance with the legal and regulatory provisions applicable in Belgium.

2.3 The Board of Auditors does not have any transactions or decisions in breach of the Articles of Association, the provisions of the Law on Companies or the Law of 21 March 1991 to report.

2.4 The allocation of the results, proposed at the General Meeting, is in accordance with the legal and statutory requirements.

2.5 The Board of Auditors expresses its concern at the lack of cohesion in the dealings between group companies, despite the introduction of formal consultative schemes by the management contract between the State and SNCB-Holding and the imposition of uniformity of the group's financial policy.

Brussels, 11 May 2009,

The Board of Auditors

The Audit Authority represented by

M. de Fays Advisor to the Audit Authority	F. Vanstapel First President of the Audit Authority

The Members of
the Institut des Réviseurs d'Entreprises

ScPRL Michel Delbrouck & C° Corporate Auditors Represented by M. Delbrouck Corporate Auditor	BVBA Van Impe, Mertens & Associates Represented by H. Van Impe Corporate Auditor President of the Board of Auditors

III. CONSOLIDATED ANNUAL ACCOUNTS

A. Notes

1. Key information

a) Structure of the SNCB-Holding & Infrabel Consortium

Since 2005, the consolidated accounts have been drawn up on a consortium basis.

In fact, although SNCB is held 100% by SNCB-Holding and is, as a result, consolidated according to the global integration method, the same does not apply to Infrabel.

Although holding a substantial part of this company's capital, SNCB-Holding:

- only possesses less than 20% of voting rights;
- does not have the power to appoint the majority of the directors;
- has power of co-ordination, but not of control.

As a result, both companies are considered as being under sole management by virtue of the management contracts entered into with the State which provide for working as a group in order to meet the assigned targets.

As a result, SNCB-Holding and Infrabel are each a consolidating company. This leads to the equity of both companies being added together, while the shares held by SNCB-Holding in Infrabel are entered in the accounts as treasury shares as part of cash investments.

Integration of the Fonds de l'Infrastructure Ferroviaire [Railway Infrastructure Fund] (FIF) in the Infrabel and SNCB-Holding statutory accounts has a not insignificant influence on the consolidated totals as at 31.12.2008. In fact, by the Royal Decree of 28.09.2008 as amended by the Royal Decree of 19.12.2008, the FIF rail assets were transferred, on 31 December 2008, to the SNCB Group.

b) Changes to the scope of consolidation

During the 2008 financial year, the scope of consolidation evolved as follows:

	Number of companies
31/12/2007	62
IN	6
OUT	3
31/12/2008	65

In the presentation of consolidated figures for 2008, the Consortium is subdivided into three main areas:

The B-Holding platform - 2008 changes:

- Eurostation (99.0%) and Euro Immo Star (1.0%) sell the shareholdings outside the Group which they hold in Instruction and Immo Instruction, for a total amount of €129.6 million (including €25.1 million provisional).
- Putting into liquidation: LA Group sa (formerly ABX Log.Group) and
  A+ Logistics (formerly: ABX France)

  These two companies are held 100% by SNCB-Holding, and until final liquidation they will be consolidated in accordance with the equity method.
- SNCB-Holding creates the sa (public limited company) B-Parking with capital of €62,000.0. The 20 shares representing the capital are fully subscribed and paid up in cash by SNCB-Holding. The purpose of B-Parking is to manage SNCB-Holding's parking spaces, paying particular attention to intermodal forms of transport connecting with public transport (bicycles, rental bicycles and cars), including all possible direct and indirect connecting services.
- At an Extraordinary General Meeting, Euro Immo Star increased its capital from €15,000,000 to €17,500,000 by the creation of 60,000 new shares.

  Eurostation, already 99.99% shareholder - a private owner of the remaining part - subscribes and fully pays up this capital increase.
- At the end of the financial year, EURATEL EEIG acquires a new member – Z.S.R. – with consequent dilution of the proportional integration percentage of 11.1% to 10.0%.

The SNCB platform – 2008 changes:

- Inter Ferry Boats enters into the capital of Terminal ECE via a capital increase reserved for it. Thanks to the subscription and payment of an amount of €260,000, Inter Ferry Boats becomes joint 50% shareholder.

  Terminal ECE (re)joins the Group and will be consolidated proportionally.
- SNCB buys back from minority shareholders 2 shares in Xpedys capital for €96.25.
- Increase in Xpedys capital of €93,560,648.54 via the creation of 1,938,679 new shares, all fully subscribed by SNCB and paid up via a contribution in kind in the form of wagons and its 35% holding in Sea-Rail
- New Xpedys capital increase of €4,499,955.44 by the creation of 93,244 new shares, all fully subscribed by SNCB and paid up in cash.

  Following these transactions, the Xpedys capital is represented by 2,270,204 shares of which only 29 are held by third parties.
- Haeger & Schmidt International, a company held 100% by Xpedys, sells 1/3 of its holding in Best Logistics.

  To date Best Logistics, a company under Polish law, was consolidated globally at 60%; from 2008, it will be consolidated by the equity method at 40%.
- Inter Ferry Boats buys back 100 shares from minority shareholders for an amount of €35,700.00.
- Pursuant to an agreement with Cemat and Novatrans, Inter Ferry Boats acquires almost all their shares in T.R.W, namely:
  - 4,442 Cemat shares for €1,796,826.08 (and €725,400.00 of uncalled capital);
  - 4,594 of the 4,747 Novatrans shares owned by it, for an amount of €1,847,725.72 (and €774,600.00 of uncalled capital).

  Via this transaction, the Group becomes majority shareholder in T.R.W.

  From 2008, T.R.W. and its subsidiaries are no longer consolidated proportionally but globally in the consolidated accounts.

  T.R.W. calls the balance of its subscribed and uncalled capital. Inter Ferry Boats and SNCB each pay €1,500,000.00.

- As expected and in parallel with the creation in 2007 of Railteam BV (alliance with 6 other European TGV operators), creation of the Broker RailLink BV - a company under Dutch law.

  This entity, owner of the distribution and inventory systems interconnection platform of each Railteam member, is created with capital of €750,000.00, exclusively subscribed by the Railteam BV shareholders in the same proportions. Namely, for SNCB 10%.

  Like Railteam BV, RailLink BV is consolidated proportionally

- To allow Meusinvest to participate in its capital, Liège Logistics Intermodal proceeded with a capital increase of €835,000.00 via the creation of 835 new shares. As Liège Logistics Intermodal had been held 100% by the Group since its creation, 500 new shares were subscribed by Meusinvest (outside the Group) and 335 by T.R.W., resulting in a dilution of the percentage control of the Group to 65.7% (19.3% via Inter Ferry Boats and 46.4% via T.R.W.).

- Creation by Inter Ferry Boats of the company under French law OSR France with capital of €300,000.0, fully subscribed by Inter Ferry Boats and paid up as to half.

  OSR France is consolidated globally from the 2008 financial year.

- With Hupac (35%) and BASF Beteilig (45%), Inter Ferry Boats participates in the creation of the sa Combinant. This company, whose registered office is at 2040 Antwerp, is created with capital of €500,000.00, represented by 100 fully subscribed and paid up shares. In addition, a share premium of €75,000.00 per share is also paid up.

  Inter Ferry Boats pays its share in cash, namely €1,600,000.00.

  From 2008, the sa Combinant is consolidated according to the equity method.

- At the General Meeting, the Board of Directors of Frigosuisse Immobilien resigned and the company was put into liquidation.

  The end of the liquidation procedure is expected by the end of the first quarter of 2009.

  This company, of which SNCB holds 7.7% (= €3,173.04), does not fall within the scope of consolidation.

The Infrabel platform – 2008 changes:

- Except for the Infrabel capital increase, subscribed and paid up by a contribution in kind (amortisations of SPV 162) by SNCB-Holding.

- C.C.B. holds 24% on the creation of the sa Brussels Wood Renewable with capital of €2,000,000.0 of which a quarter is paid up.

  Company created for valuation of the biomass in green energy derivatives in the widest sense.

  The €480,000.00 holding, €120,000.00 of which is paid up, is written back in the consolidated accounts as from 2008 according to the equity method.

2. Balance sheet

The total consolidated balance sheet of the SNCB-Holding & Infrabel Consortium amounts to €26,153.7 million as at 31.12.2008, against €17,164.6 million in 2007, a difference of +52.4%.

a) On the Assets side

Establishment expenses increased by €0.6 million. This increase comes mainly from the increase in establishment expenses of the Xpedys subsidiary.

In 2008, the value of the SNCB-Holding & Infrabel Consortium's tangible fixed assets was € 14,887.5 million, €6,210.4 million of which was generated by integration of the Fonds de l'Infrastructure Ferroviaire (FIF), against total tangible fixed assets of €7,879.5 million in 2007. This represents an increase of 88.9%. Excluding the FIF, the increase is around 10.1% for 2008.

During 2008, receivables falling due in more than one year increased by €1,213.0 million compared with 2007 reaching €3,493.8 million.

Article 12 § 3 of the Seventh Directive (83/349/EEC) provides that, in the case of companies under a single management and forming a consortium, it is necessary to add together the capital of each of the consolidating companies, bearing in mind what is prescribed in Article 19 § 2. The latter explicitly mentions that shares held in the capital of the parent company, by itself or by another company included in the consolidation, must be considered in the consolidated accounts as treasury shares.

These treasury shares increased by €40.26 million reaching a total of €1,890.9 million in 2008. This increase is the consequence of the Infrabel capital increase of 55,050 new shares subscribed by SNCB-Holding and the acquisition by Financière Rue de France of 31,506 additional dividend-ranking shares in SNCB-Holding.

Other investments increased more significantly, by €771.3 million to a total of €1,902.0 million.

b) On the Liabilities side

At the end of 2008, negative consolidated reserves showed a slightly more positive result than in 2007. This is the direct consequence of the consolidated profit as at 31 December 2008.

On the liabilities side, the greatest increase was in capital subsidies. These increased by €7,050.1 million to €13,849.4 million. This increase comes mainly from the Infrabel FIF integration.

The total consolidated debt increased by €1,763.0 million reaching a total of €8,817.2 million. This increase was similar for the different companies.

Debts falling due in more than one year remained practically unchanged compared with 2007. In 2008, the total debts falling due in more than one year increased to €2,485.7 million.

Conversely, debts falling due within one year and accruals increased sharply compared with 2007. These increases are mainly the consequence of movements in SNCB-Holding. Debts falling due within one year and accruals in 2008 were €2,599.40 million and €3,732.1 million respectively.

	2008	2007	Δ
SNCB-Holding	**7,764,235,805.05**	6,228,757,998.36	1,535,477,806.69
Infrabel	**432,395,162.47**	332,995,888.45	99,399,274.02
SNCB	**400,471,269.49**	321,861,344.33	78,609,925.16
Subsidiary	**220,085,278.25**	170,584,876.08	49,500,402.17
	8,817,187,515.26	7,054,200,107.22	**1,762,987,408.04**

	Debts falling due in more than one year	Debts falling due within one year	Accruals
SNCB-Holding	2,472,048,164.87	1,846,165,365.31	3,446,022,274.87
Infrabel	26,985.77	361,623,598.26	70,744,578.44
SNCB	239,359.99	205,310,199.44	194,921,710.06
Filiale	13,349,485.57	186,306,559.30	20,429,233.38
2008 consolidated total	**2,485,663,996.20**	**2,599,405,722.31**	**3,732,117,796.75**

3. Profit and loss account

a) EBIT

During the 2008 financial year, the increase in operating expenses (+€311.8 million) was more pronounced than the increase in operating income (+€213.5 million) resulting as at 31.12.2008 in an operating result of -€210.7 million against -€112.4 million at the end of 2007. This -€98.3 million variation is to be found mainly in SNCB.

b) The Group's share of the results

The group's net share of the consolidated results increased to a profit of €12.4 million against a loss of €0.5 million in 2007.

This +€12.9 million variation is made up in particular of the financial result of +€126.1 million, the reduction in the exceptional result of -€1.3 million and the variation in the group's share of the results of the companies accounted for using the equity method [of] -€14.1 million.

B. Balance sheet

1. Assets

	31/12/2008	31/12/2007
FIXED ASSETS	**16,588,997,629.64**	**9,447,674,439.27**
I. Establishment expenses (Appendix VII)	**602,118.14**	**44,715.17**
II. Intangible fixed assets (Appendix VIII)	**1,544,267,159.81**	**1,473,976,250.67**
III. Consolidation differences (positive) (Appendix XII)	**1,940,245.90**	**1,850,581.58**
IV. Tangible fixed assets (Appendix IX)	**14,887,462,413.33**	**7,879,477,075.07**
A. Land and buildings	3,276,722,174.49	1,336,023,118.31
B. Plant, machinery and equipment	5,070,627,914.90	1,503,884,409.41
C. Fittings and rolling stock	1,242,756,657.68	1,261,339,426.72
D. Finance leasing and similar interests	888,068,325.81	807,920,105.17
E. Other tangible fixed assets	369,941,974.12	332,222,646.16
F. Fixed assets under construction and payments on account	4,039,345,366.33	2,638,087,369.30
V. Financial fixed assets (Appendices I to IV and X)	**154,725,692.46**	**92,325,816.78**
A. Companies accounted for by the equity method	133,392,154.47	72,957,150.93
1. Holdings	80,374,448.25	69,008,861.26
2. Receivables	53,017,706.22	3,948,289.67
B. Other companies	21,333,537.99	19,368,665.85
1. Holdings, shares and interests	16,587,478.68	13,833,043.80
2. Receivables	4,746,059.31	5,535,622.05
CURRENT ASSETS	**9,564,713,806.50**	**7,716,959,167.44**
VI.Receivables falling due in more than one year	**3,493,767,922.27**	**2,280,773,563.11**
A. Trade debtors	22,956,874.80	25,978,107.14
B. Other amounts receivable	3,470,811,047.47	2,254,795,455.97
VII. Stock and orders in progress	**481,527,028.07**	**475,787,390.88**
A. Stocks	370,831,770.40	340,294,012.77
1. Supplies	351,000,680.05	312,007,131.87
2. Manufacture in progress	14,108,233.81	19,701,402.76
3. Finished products	285,261.57	268,392.82
4. Goods	2,532,590.33	3,867,788.22
5. Properties intended for sale		1,970,320.61
6. Payments on account	2,905,004.64	2,478,976.49
B. Orders in progress	110,695,257.67	135,493,378.11
VIII. Receivables falling due within one year	**1,403,886,118.98**	**1,595,724,368.29**
A. Trade debtors	406,598,846.58	485,588,431.11
B. Other amounts receivable	997,287,272.40	1,110,135,937.18
IX. Cash investments	**3,792,870,072.19**	**2,981,328,306.77**
A. Treasury shares	1,890,908,855.10	1,850,648,990.92
B. Other investments	1,901,961,217.09	1,130,679,315.85
X. Liquid assets	**56,077,783.68**	**37,090,792.70**
XI. Prepayments	**336,584,881.31**	**346,254,745.69**
TOTAL ASSETS	**26,153,711,436.14**	**17,164,633,606.71**

2. Liabilities

	31/12/2008	31/12/2007
SHAREHOLDERS' EQUITY	**16,093,171,748.85**	**9,023,660,154.27**
I. Capital	**2,191,840,429.39**	**2,191,840,429.39**
A. Subscribed capital	2,345,903,929.39	2,345,903,929.39
B. Uncalled capital	(154,063,500.00)	(154,063,500.00)
II. Share premium	**299,317,752.80**	**299,317,752.80**
III. Capital gains on revaluation	**4,079,835.98**	**4,079,835.98**
IV. Consolidated reserves (Appendix XI)	**(290,763,745.97)**	**(303,194,299.75)**
V. Consolidation differences (negative) (Appendix XII)	**24,689,799.97**	**24,772,129.14**
VI. Conversion differences	**14,646,702.35**	**7,569,988.23**
VII. Capital subsidies	**13,849,360,974.33**	**6,799,274,318.48**
THIRD-PARTY INTERESTS	**6,088,509.71**	**4,588,803.80**
VIII. Third-party interests	**6,088,509.71**	**4,588,803.80**
PROVISIONS, DEFERRED TAXATION AND TAX HOLD-OVERS	**1,237,263,662.32**	**1,082,184,541.42**
IX.	**1,237,263,662.32**	**1,082,184,541.42**
A. Provisions for contingencies and expenditure	1,237,231,773.96	1,082,165,614.71
1. Pensions and similar obligations	319,373,324.43	344,225,327.63
2. Tax charges	5,330,993.92	5,114,495.21
3. Major repairs and maintenance	164,491,389.88	158,933,359.78
4. Other contingencies and expenditure	748,036,065.73	573,892,432.09
B. Deferred taxation and tax hold-overs (Appendix VI. B)	31,888.36	18,926.71
DEBTS	**8,817,187,515.26**	**7,054,200,107.22**
X. Debts falling due in more than one year (Appendix XIII)	**2,485,663,996.20**	**2,407,967,231.76**
A. Financial debts	2,390,136,558.80	2,260,864,709.95
1. Subordinated loans	669,076.38	269,368.39
2. Unsubordinated debenture loans	665,797,276.09	682,267,145.29
3. Finance leasing and similar debts	734,406,295.54	579,065,802.34
4. Credit institutions	989,263,910.79	994,441,432.40
5. Other borrowings		4,820,961.53
B. Trade creditors	85,080,673.50	146,732,319.83
1. Suppliers	85,080,673.50	146,732,319.83
2. Bills payable		
C. Payments received on account of orders	10,065,280.00	
D. Other debts	381,483.90	370,201.98
XI. Debts falling due within one year (Appendix XIII)	**2,599,405,722.31**	**2,059,062,216.29**
A. Debts of more than one year falling due within the year	92,240,947.38	194,197,871.24
B. Financial debts	282,054,662.18	181,722,235.03
1. Credit institutions	6,198,356.67	595,322.14
2. Other borrowings	275,856,305.51	181,126,912.89
C. Trade creditors	679,505,042.61	655,428,799.32
1. Suppliers	679,421,468.00	655,428,799.32
2. Bills payable	83,574.61	
D. Payments received on account of orders	26,122,199.54	24,977,630.47
E. Tax, salary and social security debts	437,646,428.25	401,817,178.85
1. Taxation	85,066,487.07	77,533,712.67
2. Remuneration payments and social security contributions	352,579,941.18	324,283,466.18
F. Other debts	1,081,836,442.35	600,918,501.38
XII. Accruals	**3,732,117,796.75**	**2,587,170,659.17**
TOTAL LIABILITIES	**26,153,711,436.14**	**17,164,633,606.71**

C. Profit and loss account

1. Profit and loss account

PROFIT AND LOSS ACCOUNT	2008	2007
I. Sales and services	**4,048,824,452.27**	**3,835,317,409.55**
A. Turnover (Appendix XIV) A)	3,340,752,496.67	3,213,927,929.52
B. Change in manufacture in progress, finished products and orders in the course of performance (increase +, reduction -)	16,004,127.04	14,575,371.62
C. Capitalised production	605,605,670.95	528,194,388.25
D. Other operating income	86,462,157.61	78,619,720.16
II. Cost of sales and services (-)	**(4,259,492,403.05)**	**(3,947,666,993.77)**
A. Supplies and goods	276,630,990.62	222,525,330.22
1. Purchases	330,019,121.62	252,122,766.16
2. Change in stock (increase -, reduction +)	(53,388,131.00)	(29,597,435.94)
B. Services and miscellaneous goods	1,525,903,522.19	1,411,959,371.85
C. Remuneration, social security contributions and pensions (App. XIV. B)	2,088,252,695.59	1,987,992,676.48
D. Depreciation and value reductions on establishment expenses, tangible and intangible fixed assets	367,136,489.31	338,768,019.22
E. Value reductions on stock, orders in progress and trade debtors (allocations +, write-backs -)	29,635,604.54	13,420,336.68
F. Provisions for contingencies and expenditure (allocations +, drawdowns and write-backs -)	(45,336,521.31)	(45,196,157.52)
G. Other operating expenses	17,269,622.11	18,197,416.84
H. Operating expenses posted to the assets on account of restructuring expenses		
I. Amortisations of positive consolidation differences		
III. Operating profit (+)		
Operating loss (-)	**(210,667,950.78)**	**(112,349,584.22)**
IV. Investment income	**655,013,916.17**	**388,423,456.21**
A. Income from financial fixed assets	1,991,125.34	1,218,013.36
B. Income from current assets	152,651,527.99	117,585,493.83
C. Other investment income	500,371,262.84	269,619,949.02
V. Investment expenses (-)	**(293,410,543.58)**	**(152,921,608.12)**
A. Cost of debts	153,883,678.78	140,029,207.27
B. Amortisations of positive consolidation differences	613,575.30	564,622.81
C. Value reductions on current assets other than those referred to in II E (allocations +, write-backs -)	6,306,443.79	1,285,814.76
D. Other investment expenses	132,606,845.71	11,041,963.28
VI. Current profit, before tax (+)	**150,935,421.81**	**123,152,263.87**
Current loss, before tax (+)		
VII. Exceptional income	**313,050,043.74**	**114,701,190.47**
A. Write-backs of amortisations and value reductions on tangible and intangible fixed assets	21,620,359.03	3,293,808.23
B. Write-backs of amortisations on consolidation differences		
C. Write-backs of value reductions on financial fixed assets	2,247,793.52	2,791,630.56
D. Write-backs of provisions for contingencies and exceptional charges	17,564,074.57	14,710,332.79
E. Capital gains on realisation of fixed assets	152,477,835.66	26,189,446.61
F. Other exceptional income (Appendix XIV) C)	119,139,980.96	67,715,972.28

VIII. Exceptional expenses (-)	**(450,198,347.42)**	**(250,518,862.72)**
A. Exceptional depreciation and value reductions on establishment expenses, tangible and intangible fixed assets	277,682,614.35	25,108,688.50
B. Exceptional amortisations of positive consolidation differences		
C. Value reductions on financial fixed assets	22,047.38	46,316,201.59
D. Provisions for contingencies and exceptional expenses	118,032,342.23	94,606,684.10
E. Capital loss on realisation of fixed assets	1,256,290.06	21,231,104.73
F. Other exceptional expenses (Appendix XIV. C)	53,205,053.40	63,256,183.80
G. Exceptional expenses posted to assets on account of restructuring expenses		
H. Negative consolidation differences		
IX. Profit for the year, before tax (+)	**13,787,118.13**	
Loss for the year, before tax (-)		(12,665,408.38)
X. A. Transfer to deferred taxation and tax hold-overs (-)	(11,964.48)	
B. Equalisation of taxation and tax write-backs (+)	6,127.06	4,983.20
XI. Taxes on earnings (-) (+)	**(2,720,891.04)**	**(3,089,562.63)**
A. Tax (-) (Appendix XIV. D)	(3,199,584.22)	(3,100,426.31)
B. Equalisation of taxation and tax write-backs (+)	478,693.18	10,863.68
XII. Profit for the year (+)	**11,060,389.67**	
Loss for the year (-)		(15,749,987.81)
XIII. Share of the results of the companies accounted for by the equity method	1.609.931,61	15.757.429,59
A. Profit-making results (+)	4,087,061.24	16,333,765.76
B. Loss-making results (-)	(2,477,129.63)	(576,336.17)
XIV. Consolidated profit (+)	**12,670,321.28**	**7,441.78**
Consolidated loss (-)		
XV. Third parties' share of results	**239,767.66**	**500,602.18**
XVI. Group's share of the results	**12,430,553.62**	**(493,160.40)**

2. Appropriations and drawings

A. Profit (Loss) for the year to be appropriated	**12,430,553.62**	**(493,160.40)**
B. Drawings on shareholders' equity		
1. On capital and share premiums		
2. On share premiums		
3. On reserves (Parent)		
C. Appropriation to Reserves	**(12,430,553.62)**	**493,160.40**
1. Parent companies	*64,127,411.83*	*(3,977,144.62)*
2. Other companies within the scope	*(51,696,858.21)*	*3,483,984.22*
D. Distributable profit		

D. Notes (Appendices)

1. Scope and method of consolidation

a) Subsidiaries included in consolidation by global integration pursuant to article 134.1°

NAME, full address of REGISTERED OFFICE and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%)	Change in %age capital holding (compared with previous year)
SA de droit public SNCB - NMBS Avenue de la Porte de Hal 40 1060 Brussels - BE 0869 763 069	100.00%	
GmbH RHEINKRAFT INTERNATIONAL Beecker Strasse 11 - DE - 47166 DUISBURG	100.00%	
BVBA ON SITE RAIL Houtdok 25A - 2030 Antwerp BE 0474 471 639	100.00%	
GmbH RKS RHEINKRAFT VERWALTUNGS Beecker Strasse 11 - DE - 47166 DUISBURG	100.00%	
KG RKS RHEINKRAFT & CO Beecker Strasse 11 - DE - 47166 DUISBURG	100.00%	
SA TRANSPORT RAIL WEG Avenue du Port 100 - 1000 Brussels BE 0405 772 081	93.26%	+ 43.26%
SA LIEGE LOGISTICS INTERMODAL (L.L.I.) Rue de l'aéropostale 25 - 4460 GRACE HOLLOGNE BE 0477 584 547	65.75%	- 34.25 %
SA E.T.G. - INVEST Transportlaan 12 - 3600 GENK BE 0453 932 284	100.00%	
SA E.T.G. - EXPLOITATIE Avenue du Port 100 - 1000 Brussels BE 0453 905 956	100.00%	
SA INTER FERRY BOATS Houtdok 25A - 2030 Antwerp BE 0403 425 869	99.99%	
SA RAIL INFRA LOGISTICS Houtdok 25A - 2030 Antwerp BE 0419 938 536	100.00%	
SA XPEDYS Rue des deux Gares 80 - 1070 Brussels BE 0896 067 192	99.99%	
SA RKE Kambalastraat 14 - Houtdok Noordkaai Haven 26 2030 Antwerp BE 0404 546 814	61.46%	
SA RAIL FACILITIES Rue de France 58 - 1060 Brussels BE 0403 265 325	100.00%	
SA EUROSTATION Rue Brogniez 54 - 1070 Brussels BE 0446 601 757	100.00%	
SA TUC RAIL Avenue Fonsny 39 - 1060 Brussels BE 0447 914 029	100.00%	
SA EURO LIEGE TGV Place de Bronckart 26 - 4000 LIEGE BE 0451 150 562	75.00%	
SA CHANTIER DE CREOSOTAGE DE Brussels Avenue de Vilvorde 304 - 1130 Brussels BE 0428 821 954	51.00%	
SA SYNTIGO Place Marcel Broodthaers 8 - 1060 Brussels BE 0476 975 427	100.00%	
SA FONCIERE RUE DE FRANCE Rue de France 58 - 1060 Brussels BE 0433 939 101	100.00%	
SA FINANCIERE RUE DE FRANCE Rue de France 56-58 - 1060 Brussels BE 0878 467 335	100.00%	
SA WOODPROTECT BELGIUM Wiedauwkaai 91A - 9000 GENT BE 0442 279 220	99.89%	
SA EURO IMMO STAR Rue Brogniez 54 - 1070 Brussels BE 0451 777 894	100.00%	+ 0,01 %
SA B-PARKING Rue de France 56-58 - 1060 Brussels BE 0899 438 834	100.00%	Entrée dans le périmètre en 2008
SA SPV 162 Rue de France 58 - 1060 Brussels BE 0886 279 892	100.00%	
SA SPV ZWANKENDAMME Rue de France 58 - 1060 Brussels BE 0888 985 105	100.00%	
SA SPV BRUSSELS PORT Rue de France 58 - 1060 Brussels BE 0889 172 472	100.00%	
SA TRANSURB TECHNIRAIL Rue Ravenstein 60 B 18 - 1000 Brussels BE 0413 393 907	88.00%	
SA RAILTOUR Av. de la Porte de Halle 40 - 1060 Brussels BE 0402 698 765	95.44%	
SRL INGINERIE PENTRU TRANSPORTURI URBANE SI FEROVIARE Bd. Dinicu Golescu 38 (5ème) RO - 77113 BUCURESTI 1 - ROMANIA	100.00%	
TRANSURB - TUC RAIL Association Momentanée Rue Ravenstein 60 B 18 - 1000 Brussels BE 0872 695 934	100.00%	
GmbH HAEGER & SCHMIDT INTERNATIONAL Vinckeweg 22 - DE - 47119 DUISBURG	100.00%	
GmbH H&S CONTAINER LINE Vinckeweg 22 - DE - 47119 DUISBURG	100.00%	
BV H&S INTERNATIONAL ROTTERDAM Maasboulevard 30-32 NL - 3331 ML ZWIJNDRECHT	100.00%	
SARL OSR FRANCE Domaine Paindavoine 13, Rue Berthelot - FR - 59000 LILLE	100.00%	Entrée dans le périmètre en 2008

b) Subsidiaries which are not consolidated by global integration

NAME, full address of REGISTERED OFFICE and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%))	Change in %age capital holding (compared with previous year)
GMBH KREAS GRUNDSTÜCKVERWALTUNGS-GESELLSCHAFT U CO. UMSCHLAGHALLE I DUISBURG OHG Wilhelm-Theodor-Römheld-Str. 30 DE - 55130 MAINZ	94.00%	
SA TRANSURB ARGENTINE Posadas 1120 16° B 1011 BUENOS AIRES - ARGENTINE	99.00%	
Ltd TRANSURB JAMAIQUE Ellesmer Road 8 - Kingston 10 - JAMAICA	100.00%	art.107 - 3°
mbH LIMONIT GRUNDSTÜCKSVERWALTUNGS-GESELLSCHAFT & Co. UMSCHLAGHALLE II DUISBURG OHG Wilhelm-Theodor-Römheld-Str. 30 DE - 55130 MAINZ	94.00%	art.107 - 3°

c) Common subsidiaries included in the consolidation by proportional integration

NAME, full address of REGISTERED OFFICE and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%)	Change in %age capital holding (compared with previous year)
SA ASSOCIATED TERMINAL OPERATORS Zandvoort 2, Haven 350 - 2030 Antwerp BE 0882 650 114	50.00%	
SA PUBLIFER Boulevard de la Plaine 5 - 1050 Brussels BE 0402 695 993 Proportional representation of the two shareholders.	50.00%	
SA BENE RAIL INTERNATIONAL Halle 40 - 1060 Brussels BE 0479 863 354	50.00%	
CVBA THALYS INTERNATIONAL Place Stéphanie 20 Bus 15 - 1050 Brussels BE 0455 370 557 Common decision-making.	28.00%	
BV RAILTEAM Stationsplein 9 - De Oost - NL 1012 AB AMSTERDAM - Common decision-making.	10.00%	
BV RAILLINK Stationsplein 9 - De Oost NL 1012 AB AMSTERDAM - Common decision-making.	10.00%	Entered the scope in 2008
SM COBRA **Corridor Opération B-Cargo Railion** Avenue de la Porte de Hal 40 - 1060 Brussels	50.00%	
EESV EURATEL Europaplatz 1 - AT - 1150 WENEN Because of its legal nature, the grouping is similar to a common subsidiary.	Set up with no capital	
Ltd. EUROSTAR GROUP Times House - Bravingtonswalk Regent Quarter - GB - LONDON N1 9AW Common decision-making.	33.33%	
EESV IV-INFRA/TUC RAIL Noordhoek 37 - NL - 3350 CD PAPENDRECHT	50.00%	
GmbH ETK EURO TERMINAL KEHL Hafenstrasse 35 - DE - 77694 KEHL	50.00%	
SA COIL TERMINAL Napelsstraat 79 - 2000 Antwerp 1 BE 0412 581 580 Proportional representation of the two shareholders.	50.00%	
EESV ORRIDOR C 9, Place de la Gare - LU - 1616 LUXEMBOURG	42.00%	
SA TERMINAL E.C.E. Sart d'Avette 110 - 4400 FLEMALLE BE 0878 226 320	50.00%	Entered the scope in 2008

d) Common subsidiaries which are not consolidated by proportional integration

NAME, full address of REGISTERED OFFICE and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%)	Change in %age capital holding (compared with previous year)
GIE EURAIL GROUP PO Box 2112 - NL - 3500 GC UTRECHT	2.54%	art.107 - 1°

e) Companies accounted for by the equity method

NAME, full address of REGISTERED OFFICE and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%)	Change in %age capital holding (compared with previous year)
SP.Z O.O BEST LOGISTICS Ul Wielka Odrzanska 30/5 - P 70-535 SZCZECIN	40.00%	-20%
SA UNILOG (in vereffening) Leuvensesteenweg 443 - 2812 MUIZEN BE 0448 133 169	55.00%	
SA TERMINAL ATHUS Rue du Terminal 13 - 6791 ATHUS BE 0419 149 074	24.90%	
SA CHARLEROI DRY PORT Rue de Marcinelle 31 - 6000 CHARLEROI BE 0468 920 665	22.86%	
SA COMBI-MED Avenue du Port 100 - 1000 Brussels BE 0448 488 210	40.00%	
SA IFB SERVICE CENTER Houtdok 25A - 2030 Antwerp BE 0472 910 632	30.00%	
SA L.A. GROUP Rue de France 56-58 - 1060 Brussels BE 0419 345 054	100.00%	
SA BRUSSELS WOOD RENEWABLE Avenue de Vilvorde 304 - 1130 Brussels BE 0808 646 933	24.00%	Entered the scope in 2008
SA ANNEIS Ten Stadhuize - Grote Markt 1 - 2000 Antwerp BE 0476 327 705	49.05%	
SA HASSELT STATIONSOMGEVING Kempische Steenweg 293 b16 - 3500 HASSELT BE 0862 570 223	50.00%	
SA BELGORAIL Rue Ravenstein 60 - 1000 Brussels BE 0865 739 846	33.33%	
SA SEA-RAIL Skaldenstraat 1 - 9042 GAND BE 0465 812 905	35.00%	
SA SIBELIT Avenue de la Gare 65 - LU - 1611 LUXEMBOURG	42.50%	
EUROFIMA Europese maatschappij voor de financiering van spoorwegmaterieel Ritterhof/Rittergasse 20 - Case Postale CH-4001 BALE	9.80%	Entered the scope in 2008
SA A+ LOGISTICS (en liquidation) 10, Rue du Chateau - FR - 59100 ROUBAIX	100.00%	
SA COMBINANT Scheldelaan 800 Haven 755 - 2040 Antwerp BE 0807 056 529	20.00%	Entered the scope in 2008

f) Associated companies not accounted for by the equity method

NAME, full address of REGISTERED OFFICE and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%)
AS SOBETRA Kapitulska 6 - 91701 Trnava - REPUBLIC SLOVAK	30.00%
Sarl AFFRETEMENTS VAN REETH 53 bis, Quai des Grands-Augustins FR - 75006 PARIS	26.00%

g) Companies other than subsidiaries and associated companies

NAME, full address of REGISTERED OFFICE and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%)
DRY PORT MOUSCRON-LILLE INTERNATIONAL NV Boulevard de l'Eurozone 97 - 7700 MOUSCRON BE 0460 426 930	17.97%
EUROPEAN BULK TERMINALS NV Skaldenstraat 1 - 9042 GAND BE 0447 744 674	14.07%
INTER-CAPITAL AND REGIONAL RAIL LIMITED - 7 Triton Square - GB - London NW1 3HG	14.99%
INTERCONTAINER-INTERFRIGO CV Rue de France 85 - 1060 Brussels BE 0403 449 724	11.52%
NOVATRANS ITALIA SA Via Tosseti 90 - MILAN	18%
S.G.I.D. Owendo - Libreville, GABON	11.10%

2. Statement of establishment expenses

	2008
Net book value at the end of the previous year	**44,715.17**
Changes in the year:	
- New expenditure committed	620,860.50
- Depreciation	-63,114.15
- Conversion differences	-343,38
Net book value at the end of the year	**602,118.14**

3. Statement of intangible fixed assets

	Research and development costs	Concessions, patents, licences, etc	Goodwill	Payments on account
ACQUISITION VALUE				
At the end of the previous year	14,298,726.15	1,682,714,992.32	5,347,044.20	1,009,987.75
Changes in the year:				
- Acquisitions, including capitalised production	217,173.56	120,121,584.66	67,400.00	1,907,409.21
- Disposals and retirements		-3,902.60		
- Transfers from one heading to another	743,945.56	-2,316.68		-743,945.56
- Conversion differences				
- Other changes	-0.01	490,066.63		-0.01
At the end of the year	15,259,845.26	1,803,320,424.33	5,414,444.20	2,173,451.39
DEPRECIATION AND VALUE REDUCTIONS				
At the end of the previous year	11,918,536.35	214,644,570.77	2,829,543.92	1,848.71
Changes in the year:				
- Recorded	942,654.80	49,133,324.38	637,666.91	1,054.54
- Written back as surplus		-1.35		
- Acquired from third parties		1,321,470.95		
- Written off as a result of disposals and retirements		-3,902.60		
- Transferred from one heading to another		-1,278.22		
- Other changes		475,516.21		
At the end of the year	12,861,191.15	265,569,700.14	3,467,210.83	2,903.25
NET BOOK VALUE AT THE END OF THE YEAR (a) - (c)	**2,398,654.11**	**1,537,750,724.19**	**1,947,233.37**	**2,170,548.14**

4. Statement of tangible fixed assets

	Land and buildings (heading IV A)	Plant, machinery and equipment (heading IV B)	Fittings and rolling stock (heading IV C)	Finance leasing and similar interests (heading IV D)	Other tangible fixed assets (heading IV E)	Fixed assets under construction and payments on account (heading IV F)
ACQUISITION VALUE						
At the end of the previous year	1,704,986,289.34	2,867,660,101.32	2,753,292,511.90	1,142,730,181.55	643,585,814.05	2,638,087,369.30
Changes in the year:						
- Acquisitions, including capitalised production ...	2,545,462,021.24	7,495,643,895.96	8,406,016.61	8,693,597.67	83,524,591.80	2,559,750,492.35
- Disposals and retirements	-127,746,961.89	-43,786,709.56	-470,979,965.22	-73,534,667.60	-99,713,208.38	-94,909.19
- Transfers from one heading to another	179,332,117.32	378,638,473.24	405,847,689.81	73,297,512.60	121,322,239.42	-1,158,435,715.71
- Conversion differences		-2,355.98	-256.04			
- Other changes	-75,703,890.55	-21,508,384.57	-66,390,063.63	75,726,039.10	-8,520,040.77	38,129.58
At the end of the year	4,226,329,575.46	10,676,645,020.41	2,630,175,933.43	1,226,912,663.32	740,199,396.12	4,039,345,366.33
CAPITAL GAINS						
At the end of the previous year		262,997.19	1,012,271.72		7,091,204.17	
At the end of the year		262,997.19	1,012,271.72		7,091,204.17	
DEPRECIATION AND VALUE REDUCTIONS						
At the end of the previous year	368,963,171.03	1,364,038,689.10	1,492,965,356.90	334,810,076.38	318,454,372.06	
Changes in the year:						
- Recorded	185,749,736.62	174,842,084.49	138,798,067.84	960,356.43	93,691,043.50	
- Written back as surplus	-425,852.97	-20,674,135.43	-225,085.87		-295,283.41	
- Acquired from third parties	544,668,862.42	4,140,183,953.96	12,411.22		34,896,087.11	
- Written off as a result of disposals and retirements	-126,964,217.59	-43,580,117.93	-236,511,474.58		-97,315,560.75	
- Transferred from one heading to another	-14,708,202.18	-5,088,564.53	-9,984,906.41	-161,651.41	29,944,602.75	
- Conversion differences		-2,355.98	-256.04		0.00	
- Other changes	-7,676,096.36	-3,439,450.98	3,377,434.41	3,235,556.11	-2,026,635.09	
At the end of the year	949,607,400.97	5,606,280,102.70	1,388,431,547.47	338,844,337.51	377,348,626.17	
NET BOOK VALUE AT THE END OF THE YEAR	**3,276,722,174.49**	**5,070,627,914.90**	**1,242,756,657.68**	**888,068,325.81**	**369,941,974.12**	**4,039,345,366.33**
including:						
- land and buildings				7,562,062.75		
- plant, machinery and equipment				270,619.01		
- fittings and rolling stock				880,235,644.05		

5. Statement of financial assets

1. Holdings		Companies accounted for by the equity method	Other companies
ACQUISITION VALUE			
At the end of the previous year		69,008,861.26	26,347,814.03
Changes in the year:	- Acquisitions	2,098,685.16	431,525.88
	- Disposals and withdrawals		-30,927.31
	- Transfers from one heading to another	-49,979,119.33	
	- Conversion differences	7,113,626.41	
	- Other changes		146,776.95
At the end of the year		28,242,053.50	26,895,189.55
VALUE REDUCTIONS			
At the end of the previous year			12,514,770.23
Changes in the year:	- Recorded		22,047.38
	- Written back as surplus		-2,241,793.52
	- Acquired from third parties		
	- Written off as a result of disposals and retirements		-8,814.22
	- Conversion differences		
	- Transferred from one heading to another		
	- Other changes		21,501.00
At the end of the year			10,307,710.87
UNCALLED AMOUNTS			
At the end of the previous year			
Changes in the year		360,000.00	
At the end of the year		360,000.00	
CHANGES IN SHAREHOLDERS' EQUITY OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD		52,492,394.75	
Share of earnings for the year		1,609,931.61	
Elimination of dividends relating to these holdings		-1,536,187.50	
Other types of changes in shareholders' equity		52,418,650.64	
NET BOOK VALUE AT THE END OF THE YEAR		**80.374.448,25**	**16.587.478,68**
		80,374,448.25	16,587,478.68
NET BOOK VALUE AT THE END OF THE PREVIOUS YEAR		3,948,289.67	5,535,622.05
Changes in the year:	- Additions		761,428.47
	- Repayments		-1,518,764.37
	- Value reductions recorded		
	- Value reductions written-back		6,000.00
	- Conversion differences		
	- Other	49,069,416.55	-38,226.84
NET BOOK VALUE AT THE END OF THE YEAR		**53,017,706.22**	**4,746,059.31**
AGGREGATE VALUE REDUCTIONS ON RECEIVABLES AT THE END OF THE YEAR			**-96,600.00**

6. Statement of consolidated reserves

	2008
CONSOLIDATED RESERVES AT THE END OF THE PREVIOUS YEAR	-303,194,299.75
Changes in the year:	
- Group share of consolidated results	12,430,553.62
- Other changes	0.16
CONSOLIDATED RESERVES AT THE END OF THE YEAR	**-290,763,745.97**

7. Statement of consolidation and equity method accounting differences

	Consolidation differences		Equity method accounting differences	
	Positive	Negative	Positive	Negative
NET BOOK VALUE AT THE END OF THE PREVIOUS YEAR	1,850,581.58	2,038,124.22		22,734,004.92
Changes in the year:				
- Changes due to an increase in percentage holding	846,060.29	98,982.25		46.97
- Changes due to a reduction in percentage holding		(37,103.23)		(1,448.77)
- Depreciation	(613,575.30)			
- Differences included in results				
- Other changes	(142,820.67)	(142,806.39)		
- Transfers from one heading to another		(4,346.30)		4,346.30
- Conversion differences				
NET BOOK VALUE AT THE END OF THE YEAR	**1,940,245.90**	**1,952,850.55**		**22,736,949.42**

8. Operating results

a) Net turnover by region

	Africa	North America	South America	Europe	TOTAL by "Activity"
Passengers				1,714,980,255.88	1,714,980,255.88
Eurocargo parcels				90,282,632.00	90,282,632.00
Air & Sea parcels					0.00
Eurocargo freight					0.00
Air & Sea freight					0.00
Full loads freight				310,100,791.69	310,100,791.69
Logistics terminal operation		1,375,028.00		20,757,105.46	22,132,133.46
Leasing, concessions, ... Parcels				66,123,541.68	66,123,541.68
Consultancy bureau & real estate	6,594,365.06		1,838,797.86	80,180,121.42	88,613,284.34
Other services				759,809,098.17	759,809,098.17
Loan of staff				6,719,716.77	6,719,716.77
Miscellaneous				281,991,042.68	281,991,042.68
TOTAL by Geographical Zone	6,594,365.06	1,375,028.00	1,838,797.86	3,330,944,305.75	**3,340,752,496.67**

b) Aggregate group turnover in Belgium

These figures show the Group companies' sales in Belgium.

2008	2007
2,971,418,387.45	2,893,552,459.69

c) Average number of staff and staff costs

	Companies consolidated by global integration	Companies consolidated by proportional integration
	2008	2008
Average number of staff	**38,556**	**40**
Blue-collar workers	21,376	6
White-collar workers	16,449	30
Managerial staff	717	3
Other	14	1
Staff costs (heading II C)	**2,085,726,736.25**	**2,525,959.34**
Remuneration payments and social security contributions	2,085,535,448.68	2,525,959.34
Cost of pensions	191,287.57	0.00
Average number of staff in Belgium	**0.00**	**0**
employed by group companies	**155**	**9**
Casual staff and personnel loaned to the company		
Total number as at the closing date	152	25
Average number calculated in full-time equivalents	174	24
Effective number of hours worked	248,940	39,727
Cost to the company	20,040,049.34	2,837,243.44

d) Exceptional income

Breakdown of OTHER EXCEPTIONAL INCOME, if substantial	2008
- Setting to zero of the equity method accounting value of L.A. Group	52,461,452.13
- Excep. income entered following the earn-out obtained following transfer of the ABX business by 3i	30,000,000.00
- Correction of tangible fixed assets inventory (IFRS) (SNCB-Holding)	12,599,589.47
Breakdown of OTHER EXCEPTIONAL EXPENSES, if substantial	
- Correction of 2006 results – Exceptional value reduction on receivable (SNCB-NMBS)	7,000,004.04
- Kamgebouw project (Eurostation)	4,750,000.00
- ABX Logistics (SNCB-Holding)	7,051,103.19
- Consolidated restatement of alternative financing transactions in connection with SNCB-NMBS wagons	22,194,067.50

9. Statement of indebtedness

a) Breakdown of original debts falling due in more than one year by reference to their residual term.

	DEBTS		
	falling due within the year	having more than one year but no more than 5 years to run	having more than 5 years to run
Financial indebtedness	24,844,646.56	787,247,435.20	1,602,889,123.60
1. Subordinated loans	12,159.00	176,470.89	492,605.49
2. Unsubordinated debenture loans	0.00	100,000,000.00	565,797,276.09
3. Finance leasing and similar debts	8,917,115.98	559,107,431.00	175,298,864.54
4. Credit institutions	8,891,292.19	127,963,533.31	861,300,377.48
5. Other borrowings	7,024,079.39		
Trade creditors	61,651,646.32	78,218,388.34	6,862,285.16
1. Suppliers	61,651,646.32	78,218,388.34	6,862,285.16
Payments received on account of orders	5,744,654.50	65,280.00	10,000,000.00
Other debts	0.00	291,483.90	90,000.00
TOTAL	**92,240,947.38**	**865,822,587.44**	**1,619,841,408.76**

b) Debts (or part of debts) guaranteed by collateral securities furnished or irrevocably pledged on the assets of companies included in the consolidation

	Debts guaranteed by collateral securities
Financial debts	256,519.22
4. Credit institutions	256,519.22
TOTAL	**256,519.22**

10. Interests and contingent liabilities

	2008
A. 1. Amount of personal guarantees provided or irrevocably pledged by companies included in consolidation as security for debts or third-party commitments	
2. Amount of collateral securities provided or irrevocably pledged by companies included in consolidation on their own assets, as security for debts and commitments respectively: mortgages, book value of other charged assets, registration amount	1,068,122,116.67
3. Unless posted to the balance sheet, goods and valuables held by third parties in their name but at the risk and for the benefit of companies included in consolidation	927,844,200.65
4. a) Commitments to acquire fixed assets	3,206,039,735.09
b) Fixed asset transfer commitments	
5. a) Interests resulting from transactions relating to: foreign currency bought forward (receivable)	2,259,760,251.87
b) Obligations resulting from transactions relating to: foreign currency sold forward (deliverable)	2,259,760,251.87
C. Material disputes and other material commitments not included above	
IRS	4,750,395,391.56
Guarantee provided by third parties on the company's behalf	4,203,804,825.93

11. Dealings with associated companies and companies with which there is an investment link which are not included in consolidation

	ASSOCIATED COMPANIES		COMPANIES WITH AN INVESTMENT LINK	
	Year	Previous year	Year	Previous year
1. FINANCIAL FIXED ASSETS				
Holdings and shares	531,919.87	234,092.11	32,525,940.04	28,496,645.50
2. RECEIVABLES	31,451.04	3,823,572.67	237,045,487.57	187,823,802.07
Falling due in more than one year		3,820,789.67	212,667,200.00	155,426,200.00
Falling due within one year	31,451.04	2,783.00	24,378,287.57	32,397,602.07
3. CASH INVESTMENTS	52,890,206.22			
Shares				
Receivables	52,890,206.22			
4. DEBTS	993,097.01	44,338.58	681,343,501.74	533,326,855.24
Falling due in more than one year			666,887,500.00	514,244,500.00
Falling due within one year	993,097.01	44,338.58	14,456,001.74	19,082,355.24
7. FINANCIAL RESULTS				
Income from financial fixed assets		160,979.37		
Income from current assets	2,492,006.90			
Other investment income	8,533.30			
Cost of debts				
Other investment expenses		5,359.30		

12. The auditor(s) and persons with whom he is (they are) associated

1. Emoluments of the auditor(s)	
1,1 Emoluments for the year for audit engagement (optional mention)	958,932.43
1.2. Emoluments for exceptional services or special assignments performed within the group	
a. Other certification assignments	454,279.45
b. Tax advice	76,324.25
c. Other assignments outside the function of auditor	2,862,226.63
2. Emoluments of persons with whom the auditor(s) is (are) linked	
2.1 Emoluments for the year for audit engagement (optional mention)	96,900.62
2,2. Emoluments for exceptional services or special assignments performed within the group	
a. Other certification assignments	0.00
b. Tax advice	44,500.00
c. Other assignments outside the function of auditor	133,155.00

E. Valuation rules

1. Preparation of the accounts

The consolidated accounts are drawn up in compliance with Belgian accounting legislation, in accordance with the provisions of the Royal Decree of 30 January 2001 relating to consolidated accounts. The consolidated accounts are presented in euros.

The accounting principles are identical to those applied during the previous year and to those of the individual annual accounts of SNCB-Holding and Infrabel, consolidating companies both having the same corporate valuation rules. The valuation rules are uniform for all companies included within the scope of consolidation. If necessary, restatements have been carried out insofar as their merit was not negligible as to the objective of a true and fair view. This also applies to the conversion of tax-inspired valuations into an economic valuation.

2. Scope of consolidation

In addition to SNCB-Holding and Infrabel, the parent companies, the scope of consolidation encompasses all of their subsidiaries, their common subsidiaries and associated companies. However, certain companies are excluded either when, in view of their overall negligible size, their inclusion would not be worthwhile from the point of view of assessment of the net worth, the financial situation or the consolidated results, or when the information necessary for their inclusion in the consolidation cannot be obtained without disproportionate expense or unjustified delay.

The scope of consolidation is set out in Appendices I to IVb.

The accounts of globally or proportionally consolidated companies as well as the share of the shareholders' funds of companies accounted for by the equity method appear in the consolidated accounts as from the date the audit actually starts or a date close to it.

3. Elimination of reciprocal services

In accordance with Article 144, accounts payable and receivable finding their counterpart in another company within the scope of consolidation are eliminated from the consolidated balance sheet.

In accordance with Article 146, the following are eliminated from the consolidated profit and loss account:

1. mutual income and expenditure in respect of transactions carried out between companies included in the consolidation;
2. profit and loss included in the value of an asset appearing in the consolidated balance sheet, acquired by the consolidating companies or a subsidiary included in the consolidation;
3. capital gains and losses realised on holdings in consolidating companies or in subsidiaries included in the consolidation or accounted for by the equity method, disposed of to consolidating companies or subsidiaries included in the consolidation;
4. dividends awarded by the consolidating companies or subsidiaries included in the consolidation to consolidating companies or to subsidiaries included in the consolidation;
5. value reductions on holdings in consolidating companies or subsidiaries included in the consolidation or accounted for by the equity method.

Disposals of fixed assets within the group are not subject to restatement when such transactions are concluded under normal market conditions and have only a negligible influence on the net worth, the financial situation and the overall consolidated results. Their elimination from the internal results would cause disproportionate expense (Article 146 sub-section 3).

4. Conversion of financial statements into foreign currency

Assets and liabilities, interests and commitments as well as income and expenditure, in foreign currency, are converted into EUR according to what is called the closing rate method, namely:

(i) shareholders' equity, as well as consolidated or equity-accounted holdings, are converted at the rate of the day of entering the scope of consolidation (historic rate);

(ii) all other assets and liabilities, both monetary and non-monetary as well as interests and commitments are converted at the closing rate;

(iii) income and expenditure are converted at the average rate for the year.

5. Derivative financial instruments and hedging transactions

The group utilises derivative financial instruments to guard against exchange risks and interest rates arising from its operating, financing and investment activities. In keeping with its cashflow management policy, the group neither holds nor issues any financial instruments for speculative purposes. Financial instruments used for hedging transactions are entered in the accounts in the same way as the items hedged. Accordingly, profits and losses, which are set off against each other, are registered in the profit and loss account for the same year. The group considers that instruments derived from interest rates are income from hedging of debts. The interest differential payable or receivable by virtue of such agreements is entered in the accounts in the form of adjustments of interest charges over the life of the contracts.

On the other hand, swaptions and hedges whose clauses do not exactly tally with those of the matching debt are valued at the end of the financial year at acquisition cost or market value, whichever is the lower.

Estimates of derivative financial instruments and hedging transactions are subject to re-estimation at fair value.

6. Alternative financing transactions

In addition to the traditional transactions of the sale and lease back and sale and rent back type, other alternative financing transactions are concluded. These transactions are of two types:

1. Sale and lease back with prepayment of rents on the transaction closing date, either directly to the lessor or via deposits opened in the name of the lessee, but on which the latter is not allowed to draw the amount margined. Prepayments of rents, gross gain from the derivative deal, are entered under tangible fixed assets and these assets are written off over the initial residual terms of the fixed assets covered by such contracts. Differences between the rents and asking prices of the assets are charged either to accruals as income to be carried forward or as exceptional expenses. Income to be carried forward is posted under exceptional items in proportion to the length of the transactions concerned;

2. Rent and rent back and concession and concession back: SNCB-Holding leases the assets concerned to trusts which then re-lease them to SNCB-Holding, the lease of the assets being covered on the part of the trusts by prepayment in full on the closing date. With SNCB-Holding, the prepayment is charged to a retained earnings account, itself reduced by payments made as part of swaps entered into by SNCB-Holding with a view to the forward purchase of the foreign exchange necessary for payments of future rents and of the option to buy-back interests in the trusts pursuant to lease or concession. A part of the retained earnings recorded in this way is invested as liquid assets in an

equity account to ensure the hedging of payments not completed in the swaps. The retained earnings, less this investment, represent the NPV (Net Present Value) of the transaction or profit made by SNCB-Holding in the transaction. If the third party issues rental invoices in advance, these are charged as commercial debts by an expenses carried forward account. For the same transaction, a set-off is made between expenditure to be carried forward and income to be carried forward. During the life of the transaction, the flow of income (coverage of swaps and of the equity account) and the flow of outgoings (payments for the option and rents) are routinely charged to the retained earnings account or in reduction of the latter. Interest on the equity account is aggregated on the assets side of the deposit increasing the retained earnings account either directly or through the profit and loss account. The NPV is spread over the duration of the transaction and charged every year to the profit and loss account under other investment income by deduction from retained earnings.

7. Consolidation differences

For each company included in the scope of consolidation, the percentage of shareholders' equity is set off by the book value of the shares and interests representing them in the accounts of the companies which hold them.

The set-off is carried out by each subsidiary on the shares and interests acquisition date or a date close to it. When a company which, previously, was neither consolidated, nor accounted for on by the equity method, is consolidated for the first time, the set-off is made on the start date of the year to which the consolidated accounts in which the company in question is consolidated for the first time relate.

The difference between the book value of investments and their proportional share in the shareholders' equity of the consolidated company is, as far as possible, attributed to the assets and liabilities having a value which is higher or lower than their book value in the accounts of the subsidiary in question. The difference remaining is entered in the consolidated balance sheet under the heading "Consolidation differences" as an asset if positive, and as a liability if negative. If positive and negative differences relate to the same subsidiary, they are set off.

Positive consolidation differences are amortised, out of the profit and loss account through investment expenses, over:

1. 1 year if the amount is lower than, or equal to €250,000;

2. 5 years maximum if: (i) the amount is between €250,000 and €1,250,000; AND
   (ii) (ii) the company is not consolidated in a sub-group presenting synergies between companies;

3. 15 years maximum if: (i) the amount exceeds €1,250,000; OR
   (ii) the company is consolidated in a sub-group presenting synergies between companies.

Positive consolidation differences are subject to exceptional amortisations, through exceptional items if, by reason of changes in economic circumstances, maintaining them at this value in the balance sheet is no longer economically justified.

Negative consolidation differences remain recorded as liabilities. However, when a difference corresponds to the forecast, at the time of its recording, of a weakness in the future results of the subsidiary concerned or of expense it will incur, it is posted to the consolidated profit and loss account to the extent and at the time this forecast is realised.

8. Financial fixed assets

Investments classified as long-term assets encompass holdings in companies of which the group does not hold control or in subsidiaries outside the scope of consolidation.

If the group directly or indirectly holds more than 20% of the voting rights and/or significantly influences a company's financial and operational policy, these investments are considered associated companies, companies consolidated according to the equity method. The same applies to subsidiaries outside the scope of consolidation as not complying with the going concern principle or conducting activities which are different to such an extent that their inclusion in the consolidation would not give a true and fair view.

Other long-term investments are entered in the accounts at acquisition cost, less amounts intended to record the sustainable depreciation charges of these holdings. The same applies to subsidiaries outside of the scope of consolidation for reasons, in particular, of their negligible size or disproportionate expenses and/or unjustified delays in obtaining information necessary for their consolidation.

Receivables are valued at their nominal value and are subject to value reductions if their repayment on the due date is wholly or partly uncertain or compromised.

9. Provisions

Provisions are entered in the accounts at the closing date when a group company has an obligation as a result of a past event, when it is likely that a payment influencing the profit or loss will be necessary to meet this obligation. The amount recorded corresponds to the most exact estimate of the expense necessary to cancel out the obligation existing on the balance sheet as at the closing date.

Since 2006, creation of a provision to hedge the commitment entered into concerning the award of long-service bonuses to staff reaching a certain seniority and which are equivalent, in IFRS standards, to defined benefit schemes, for which the recorded actuarial gains or losses as well as the full cost of past services have to be entered in the accounts immediately. The amount has been determined by an independent, approved actuary, and entered in the accounts in the form of an allocation to exceptional provisions.

In addition, a valuation of the commitment entered into by SNCB-Holding as regards post-employment benefits awarded by Fund III. The contribution of 0.83% paid by SNCB-Holding, and which is calculated on pensions paid to staff, less the portion relating to revolving facilities, in accordance with Article 16, Chapter X of the Staff Charter, is more specifically targeted. The amount has been determined by an independent, approved actuary, and entered in the accounts in the form of an allocation to exceptional provisions.

Since 2007, creation of a provision for contingencies and expenditure, intended to cover the cost of post-employment benefits granted by SNCB-Holding in connection with the hospitalisation insurance underwritten in favour of the beneficiaries of the Caisse des Soins de Santé.

As a consequence of the fall in rating of certain financial institutions, SNCB-Holding is faced with risks connected with contractual commitments made to investors or with regard to the SNCB Group's financial policy. To cover future costs arising from solutions implemented by SNCB-Holding, a special provision of €6,790,441.90 was set up at the end of December 2008.

In addition, in the context of convergence to application of IAS/IFRS standards, new provisions were set up in accordance with Standard IAS 19, with a view to covering the future cost of commitments made by the company regarding union bonuses for non-active employees (impact in 2008: €2,213,900.35), age-related leave (€8,183,595.75) and allocations paid for part-time workers (impact in 2008: €62,626,182.37).

10. State contributions

Relations between the SNCB Group and the State are governed by management contracts which incorporate all of the rights and obligations of each of the parties, the SNCB Group constituting an essential element as part of the transport and mobility policy conducted by the Government.

The tasks assumed by the SNCB Group in pursuance of public service assignments it is given by law are:

1° domestic transport of passengers provided by routine service trains, including maintenance of rolling stock used for the purpose;

2° acquisition, construction, maintenance, management and operation of the infrastructure;

3° services which the SNCB Group is obliged to provide for the purposes of the Nation.

For the performance of these tasks, the State pays financial contributions and allowances. These are recorded in the profit and loss account under:

1° "Turnover" for tasks relating to domestic transport of passengers provided by routine service trains and the maintenance, management and operation of the infrastructure;

2° "Other operating income" for expenses linked to pensions and accidents at work;

In addition, contributions for acquisition and construction of infrastructure and for acquisition of rolling stock are recorded as capital subsidies.

11. Equity method accounting of A+ Logistics and L.A. Group

Whereas the Board of Directors of the former SNCB resolved on 1 December 2004:

- that the complete disengagement of activities subsisting in France should henceforth be the only way envisaged by SNCB for "Road Domestic" and "Contract Logistics" activities;
- to authorise the management to embark as soon as possible on a fact-finding exercise and consultation of staff representatives on this project, which needs to be implemented compatibly with the relevant Community rules;

Since 2004, the "ABX France platform" has been included in the consolidation according to the Equity Method.

As at 31.12.2006, the equity-method accounting value of A+ Logistics was

- EUR 5,032,019.64 (no change on 2007, no 2008 accounts available).

L.A. Group abandoned the pursuit of its activities and has been accounted for by the equity method since 2008. As at 31.12[.08], L.A. Group's equity method accounting value was

–€52,461,452.13 (including –€2,397,708.60 loss for the year).

These equity method accounting values were reduced to zero and a provision of the same amount was created in SNCB-Holding.

12. Ongoing harmonisation with IFRS standards

In connection with the ongoing harmonisation with I.F.R.S. standards, it was decided to align the rules relating to tangible fixed assets with IFRS as from the end of the 2008 financial year, since Belgian and IFRS accounting principles are not incompatible in this area.

The impact of this operation led to the entry of an additional depreciation charge of €182,937,296.67, partly set off as to €147,021,752.58 by the amortisation of corresponding capital subsidies (impact in 2008:€35,915,544.09).

13. Specific points

a) Scope of consolidation

Following the restructuring of the former SNCB to meet the European Commission requirements aimed at guaranteeing fair and non-discriminatory access to the railway infrastructure and to ensure its optimal utilisation (and, as a result, a level of the network manager's independence in relation to the network operators), Société Nationale des Chemins de Fer Belges (Belgian National Railways Company) was split into three distinct public limited companies.

A management contract exists between the Belgian State and SNCB-Holding, between the Belgian State and SNCB-NMBS and between the Belgian State and Infrabel.

These management contracts define the mission of each of the three companies and the way in which they should work together to ensure the Government's mobility policy. These management contracts must be implemented under State supervision.

SNCB-Holding holds 100% of the shares representing the capital of SNCB-NMBS. The latter is therefore a subsidiary of SNCB-Holding and fully integrated into the consolidated accounts.

SNCB-Holding holds B shares in Infrabel's capital, the A shares being exclusively held by the Belgian State. Irrespective of the proportion of capital which the A shares represent, they will always be entitled to 80% of the voting rights plus one vote. The State appoints 80% of Infrabel's directors; they must be different from the directors appointed by the State with SNCB-Holding.

In the present case, SNCB-Holding simply coordinates the policies/decisions intended to comply with the management contract determined by the State.

As a result, Infrabel cannot be considered a subsidiary of SNCB-Holding (lack of control).

Article 10 Paragraph 2, 1 of the Companies Code is applicable to the case of SNCB-Holding and Infrabel: a management contract defined by the State requires Infrabel and SNCB-Holding to work in collaboration to perform this management contract (staff seconded by SNCB-Holding to Infrabel; Infrabel's railway investments decided on by the State, financed and guaranteed by SNCB-Holding; common financial management imposed by the State and centralised at SNCB-Holding etc).

SNCB-Holding and Infrabel are considered as forming a Consortium and both companies are deemed consolidating companies (parent companies).

The Consortium Structure, applicable in consolidation, in no way influences the guarantee of autonomy (of management) of either of the entities, imposed by the European Directive and implemented by splitting the former SNCB into three entities.

b) On the Assets side

Article 12 § 3 of the Seventh Directive (83/349/EEC) provides that, in the case of companies under a single management and forming a consortium, it is necessary to add together the capital of each of the consolidating companies, taking into account the provisions of Article 19 § 2. This explicitly mentions that shares held in the capital of the parent company, by itself or by another company included in the consolidation, must be considered in the consolidated accounts as treasury shares.

Application to the 2008 consolidated accounts:

- the 15,545,099 shares of Infrabel capital held by SNCB-Holding were subject to reclassification under Heading IX.A as treasury shares, namely a value of €1,886,316,724.39;

- the 16,394,103 SNCB-Holding dividend-ranking shares held by Financière Rue de France were subject to the same reclassification, namely a value of €4,592,130.71.

IV. REPORT OF THE BOARD OF AUDITORS ON THE CONSOLIDATED ACCOUNTS

SNCB-Holding
Public limited company

Rue de France 85 - 1060 Brussels

Report of the Board of Auditors to the Shareholders' General Meeting on the consolidated accounts of the consortium between the public limited company SNCB-Holding and the public limited company Infrabel for the financial year ended 31 December 2008

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REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS' GENERAL MEETING ON THE CONSOLIDATED ACCOUNTS OF THE CONSORTIUM BETWEEN THE PUBLIC LIMITED COMPANY SNCB-HOLDING AND THE PUBLIC LIMITED COMPANY INFRABEL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

In accordance with statutory provisions, we are reporting to you in the course of our engagement as Auditors of the consortium's consolidated accounts. This report includes our opinion on the consolidated accounts as well as the required additional notices and information.

Unqualified certification of the consolidated accounts

We have conducted the audit of the consolidated accounts of the SNCB-Holding-Infrabel consortium and its subsidiaries (the "Consortium") for the financial year ended 31 December 2008, drawn up on the basis of the accounting benchmark applicable in Belgium, the balance sheet total of which amounts to EUR 26,153,711,436.34 and the profit and loss account of which shows a consolidated loss for the year (Consortium share) of EUR 12,430,553.62.

Drawing up the consolidated accounts is the responsibility of the consolidating companies' boards of directors. This responsibility includes: the design, implementation and monitoring of an internal control regarding the drawing up and faithful presentation of the consolidated accounts with no significant anomalies arising from either fraud or error, the choice and application of the appropriate valuation rules, and determination of reasonable accounting estimates according to the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We have conducted our audit in accordance with statutory provisions and according to auditing standards applicable in Belgium, as enacted by the Institute of Corporate Auditors. These auditing standards require our audit to be organised and implemented in such a way as to obtain a reasonable assurance that the consolidated accounts do not contain any significant anomalies.

In accordance with the aforementioned auditing standards, we have implemented audit procedures with a view to gathering evidence of the amounts and information provided in the consolidated accounts. The choice of these procedures is based on our judgment, in the same way as the assessment of the risk that the consolidated accounts may contain significant anomalies, or that the latter may result from fraud or error. In connection with this risk assessment, we have taken account of the internal control in force within the Consortium with a view to the creation and true presentation of the consolidated accounts in order to define suitable control procedures in the circumstances, and not with the aim of expressing an opinion on the efficiency of the Consortium's internal control. We have also evaluated the merits of the valuation and consolidation rules and the reasonableness of significant accounting estimates made by the Consortium as well as the presentation of the consolidated accounts in their entirety. Finally, we have obtained, from the boards of directors and the employees of the consolidating companies, the explanations and information required for our inspection. We consider that the evidence gathered provides a reasonable basis for expressing our opinion.

In our view, having regard to the law and regulations both general and specific to the two consolidating companies, the consolidated accounts ended 31 December 2008 give a true and fair view of the Consortium's net worth, financial situation and results, according to the accounting benchmark applicable in Belgium.

Additional notices and information

The preparation and content of the management report on the consolidated accounts fall within the responsibility of the consolidating companies' boards of directors.

Our responsibility is to include, in our report, the following additional notices and information which are not likely to change the scope of the certification of the consolidated accounts:

- The management report on the consolidated accounts deals with the information required by law and is consistent with the consolidated accounts. However, we are not in a position to comment on the description of the main risks and uncertainties with which the Consortium is faced, as well as its situation, foreseeable performance or noticeable influence of certain facts on its future development. Nonetheless, we are able to confirm that the information provided does not present any manifest inconsistencies with the information of which we have knowledge as part of our engagement;

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- As indicated in Appendix VI ("Provisions") of the consolidated accounts, the valuation rules applied for preparation of the consolidated accounts have been modified compared with the previous year, mainly as regards the creation of provisions covering post-employment benefits and the rules on depreciation of tangible fixed assets;

- We feel it is appropriate to draw attention to the report of the Board of Auditors on the annual accounts as at 31 December 2008 of SNCB, a subsidiary of the Consortium, expressing doubts which exist regarding the conformity of the allocation of the SNCB capital increases subscribed by SNCB-Holding for a total amount of EUR 510 million since 2005 with the management contracts, the Law of 21 March 1991 reforming certain State-owned economic companies and the European directives. This matter is currently the subject of an examination by the European Commission and, in this context, the Government has replied formally to the questions put by the Commission. We also consider it appropriate to draw attention to the report of the Board of Auditors on the annual accounts of SNCB-Holding and the one relating to the annual accounts of SNCB which refer to a lack of cohesion in dealings between the two companies.

Brussels, 13 May 2009

Board of Auditors on the consolidated accounts

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Corporate Auditors
Represented by
M. Delbrouck
Corporate Auditor

Sc SA Van Impe, Mertens &
Associates, Corporate Auditors
Represented by
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