ANNUAL REPORT 2009

B HOLDING

Table of Contents

1. Message from the Chairman and the CEO

For SNCB-Holding, 2009 was an excellent year, for a great many reasons: we were able to celebrate the completion of our border to border TGV works with the inauguration of Antwerp-Central and Liège-Guillemins stations. These events attracted attention from all around the world, and the international press even proclaimed that "Belgium has reinvented railway architecture". Improvements and renovations at other stations were also completed on schedule, whilst our recruitment campaigns achieved a 93% success rate. The GSM-R network is now fully operational, and the number of security cameras has been further increased, mainly within stations. We also weathered the financial crisis very well, which has led to a high level of confidence on the part of the financial markets, and the financial objectives of our corporate plan were exceeded to the tune of 6 million euros.

The results of the SNCB Group, on the other hand, present a totally different picture: 2009 was a bad year for SNCB, particularly in its cargo business. For the Group, this led to an EBITDA figure 300 million euros below forecasts, whilst SNCB-Holding was obliged to reduce the value of its shareholding in SNCB by 862 million euros.

The situation is worrying but not dramatic, and indebtedness was actually 13 million euros below planned levels at the end of 2009. The Group closed the year on an EBITDA loss of 116 million euros, compared to positive results of 86 million in 2008, and 150 million in 2007. This is the level we must regain in order to reduce our debt, so we must ensure that 2009 is not repeated, and see to it that from this year onwards, we return to the positive trends we have experienced in recent years.

With this in mind, SNCB-Holding has not hesitated to take the necessary action over the past few months. It stepped in to guarantee the continuation of public service activities, assured SNCB of its solidarity and support, and submitted a plan to its subsidiary containing measures to improve its situation by 2012. SNCB-Holding itself has also taken measures relating to its own management.

Other major challenges are facing the SNCB Group: 2009 saw the worst train punctuality figures since 1998, whilst growth in passenger numbers weakened for the first time in 10 years.

Finally, we remain in a state of shock following the Buizingen disaster.

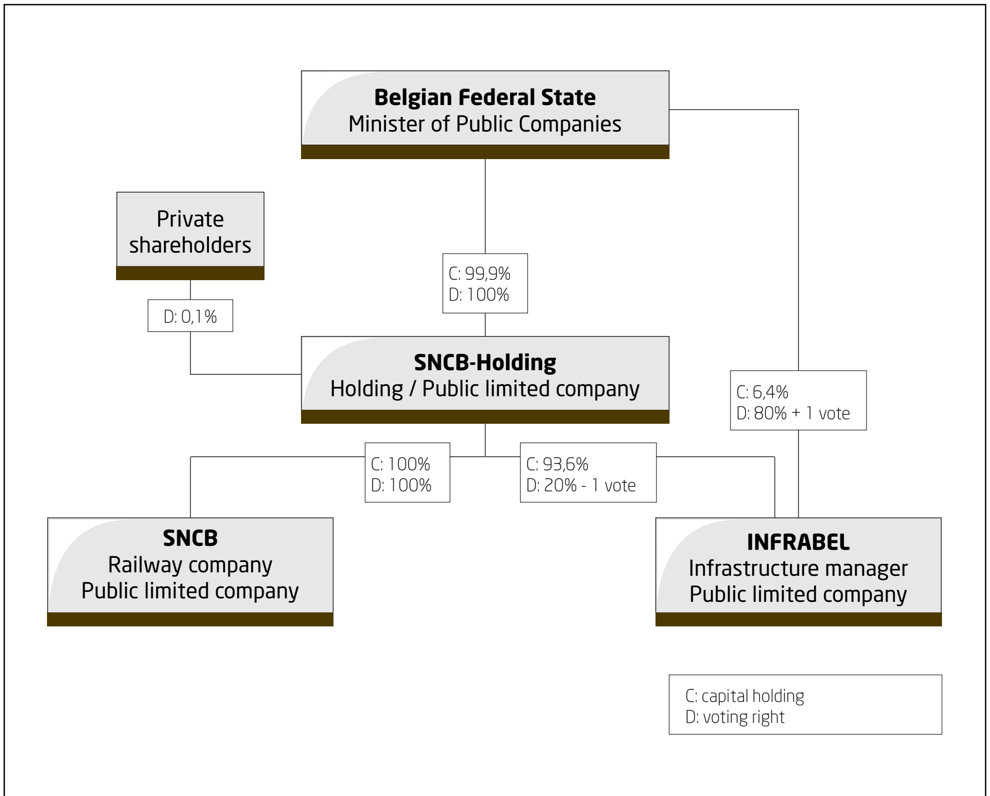
The scale of the tragedy confirms the extent to which safety must be our very highest priority, and the atrocity of the events must touch all those who work on the railways at the deepest level.

For the eighteen victims of the Buizingen tragedy, for their families and for the 400,000 passengers who travel by rail each day, the SNCB Group is directing all its efforts into ensuring that the railways return to the highest levels of safety, in order to restore the confidence of the whole country.

Jean-Claude FONTINOY
Chairman of the Board of Directors

Jannie HAEK CEO

2. Overview of SNCB-Holding and SNCB Group



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, the railway infrastructure manager and SNCB, the rail transport services operator.
- is the employer of all SNCB Group personnel and provides personnel management services.
- is the owner of all the stations, car parks and cycle stores throughout the Belgian rail network. It provides ongoing management and maintenance of the 37 major stations. Operation of the other 176 stations is given under concession to SNCB.
- through its Securail personnel, in red uniforms, ensures the safety of passengers and its personnel, as well as the surveillance of buildings and installations.
- provides IT and telecommunication services to SNCB and Infrabel.
- centralises the treasury activities of the three companies and is the sole provider of the Group's financial management.
- coordinates the development of investment and business plans and environmental policy.
- manages the historical railway heritage.

SNCB-HOLDING IN CHRONOLOGICAL ORDER IN 2009

5 January 2009

A new system of project sheets is developed in the Strategy & Coordination department to improve the monitoring of the management of investments in rail infrastructure, rolling stock, stations and car parks. Since the beginning of 2010, these web sheets have also been available to the general public via the SPF Mobilité et Transports website www.mobilit.fgov.be/railinvest/fr.

28 January 2009

This is the final year of preparation of the MIND³ project. MIND³ is an ERP (Enterprise Resource Planning) tool intended to help the SNCB Group make the best use of its resources (money, machinery, stock and personnel) and operational processes in an integrated manner. At the beginning of 2010, the GO LIVE was scheduled to enable over 2,500 staff, for SNCB-Holding alone, to access the SAP (Systems, Applications, Products) IT system

10 and 11 March 2009

The Mobilys Rail Meets Road forum, a collaboration between the SNCB Group and FEB, FEBIAC, STIB, TEC and De Lijn, is held at the Dexia Congress Center in Brussels. This first joint event was devoted to ecological transport or sustainable transport. For the first time, companies from both public and private sectors make a written commitment to the public, the Greening Transport Memorandum (www.b-mobility.eu).

19 March 2009

The SNCB-Holding Executive Committee organises its Strategy Day, with a programme featuring a look back at the results of the "My opinion" survey relating to employee satisfaction. Strategic projects such as Mind³, H2R and la Gare are also presented.

20 March 2009

Launch of the new visual identity for stations and the brand new website www.lagare.be. Customers can find information on stations, shops and services, and also station renovation projects and press releases relating to stations and events being held there. At the same time, SNCB-Holding also introduces a new updated line.

23 March 2009

The SNCB-Holding Human Resources department launches a new large-scale recruitment campaign in the press, in stations, on television and in cinemas. 40% of the current 38,000 employees will reach pension age in the next few years which means we need to recruit enormous numbers of train drivers and guards, freight train drivers, electrical engineers, security agents, engineers etc.

29 May 2009

Noorderkempen station is officially inaugurated as a new multimodal railway station to open up the north part of Campine. It is located in Brecht, along the Antwerp – Breda – Rotterdam – Amsterdam high-speed line. The first trains between the new station and Antwerp-Central are put into service on 15 June 2009.

30 May 2009

After more than 4 years' work, the renovated Bruges station is inaugurated. A pleasant 20-metre-wide underground passage allows for ease of passenger flow. Raised ultra-modern platforms, equipped with lifts, provide comfort, with special attention to the disabled.

16 June 2009

The Group laboratory obtains an extension of its accreditation. The lab in Schaerbeek has been Belac-accredited since 1999 according to standard NBN EN ISO 17 025. Belac accreditation represents official approval of the quality of a laboratory's services on a European level. It also extends to both general organisation and testing.

30 June 2009

Securail, the internal railway security service, strengthens its collaboration with the security services of the other Belgian public transport companies de Lijn, STIB and TEC. The four CEOs sign heads of agreement for developing joint actions on security and prevention and exchange of knowledge and experiences.

18 September 2009

On Friday 18 September, the new Liège-Guillemins station is officially inaugurated in the presence of HRH Prince Philippe of Belgium. The people of Liège are then invited to attend the fabulous spectacle "Gare à Vous!" specially designed and staged for the occasion by Franco Dragone.

24 September 2009

Technology Day '09, a mini technology expo with direct demonstration of ICT solutions for today and tomorrow. ICTRA and its subsidiary Syntigo show they are ready to assist their customers in the coming decade with fine-tuned state-of-the-art technologies. The applications demonstrated were provided in collaboration with SNCB and Infrabel who have both invested heavily in information for passengers, centralisation of data and standardisation of processes.

25 September 2009

On Friday 25 September, projectors focus on Antwerp-Central to celebrate the official end of the work, in the presence of the Prince and a large number of VIPs. The first copies of the station novel on which five Flemish authors collaborated roll off the printing press enthroned in the hall. Newsweek crowns Antwerp-Central the fourth most beautiful station in the world.

8 October 2009

B-Mobility, the SNCB-Holding Strategic Mobility knowledge centre, publishes its first mobility monitor "A Look@Mobility by Rail" and presents it at a forum organised in the International Convention Center at Ghent. Simultaneously, B-Mobility launches its website www.b-mobility.eu.

29 October 2009

For the eleventh time, the Institut des Réviseurs d'entreprises [Institute of Registered Auditors] grants the "Award for Best Belgian Sustainability Report". The first SNCB Group 2008 sustainability report gets a special mention. According to the jury, the Group provided an excellent first report, well structured and easily readable with clearly identified challenges in the area of sustainability (downloadable from the website http://www.b-rail.be/corp-r/N/assets/pdf/company/durability_2008_f.pdf)

14 November 2009

The "Nuit de la Gare" [Station Night] is once more a resounding success. Over 5,000 people meet at Antwerp-Central, Brussels-Central and Liège-Guillemins to party into the small hours to the sound of different Belgian and French DJs.

20 November 2009

The 26th Cycle Point is officially opened at Lokeren station and the 27th, at Roulers station. In a cycle point, customers can either rent a bike or leave their own bike under surveillance or get it repaired These tasks are subcontracted by SNCB to socio-economic organisations. Four days later, the Brussels-Luxembourg cycle point is opened.

24 November 2009

The two thousandth surveillance camera is officially put into service at Tournai station. Since 2006, SNCB-Holding has been equipping its larger stations with surveillance cameras. Images are monitored round the clock at the Security Operations Center (SOC) in Brussels.

5 December 2009

Choosing a train means choosing the planet. Leaving from Brussels, around four hundred scientists, politicians and militant ecologists went by train to Copenhagen to take part in the Global Climate Summit which was held in the Danish capital. This was a strong gesture by UIC, SNCB-Holding, SNCB and other partners from the railway world and environmental sector focusing on contributing to a sustainable planet.

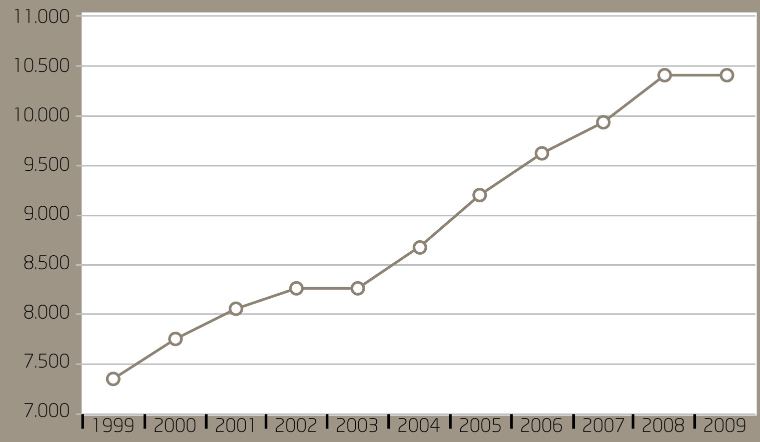
10 December 2009

SNCB-Holding and Cambio managers tie the knot in the station. Carsharing is now possible in four Belgian stations: Brussels-Midi, Namur, Antwerp-Central and Antwerp-Berchem.

THE GROUP BY NUMBERS:

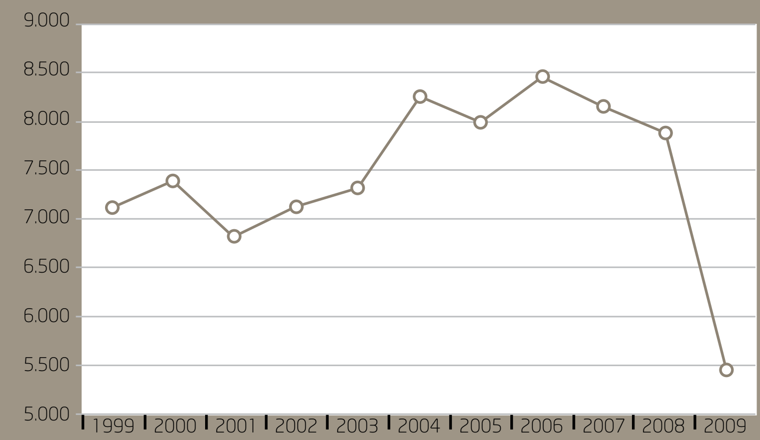
The economic crisis has slowed the growth in passenger traffic

passenger traffic 10^6 pkm (national+international) 1999-2009



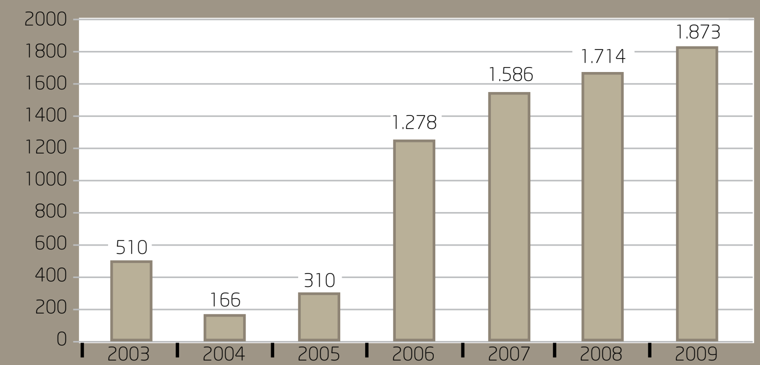
Freight traffic has suffered a major downturn

freight traffic 10^6 tonnes-km 1999-2009



Over 1,800 recruitments needed to maintain the required skills level

External recruitment 2003-2009 (FTE)



LEGAL CONTROLS OFFICE

SNCB-Holding has an accredited controls office which focuses on prevention and protection of the safety of its workers, customers and property, for the whole Group.

This Legal Controls Office, which is part of the Stations department, performs conformity checks, periodic controls, risk analyses on electrical installations and infra-red thermographic inspections. More than 4,600 electrical installations were inspected in 2009, and 20,000 low-tension electrical boards or high-tension cells by thermography.

The office inspected more than 500 fuel oil tanks.

And the number of legal controls on equipment in the lifting equipment sector owned by the Group is truly impressive! These inspections are carried out prior to commissioning and during periodic controls. A selection of notable numbers for 2009: 258 lifts, 291 escalators, 1,000 bridge cranes, 200 lifting platforms, 500 cylinder bases, 80,000 miscellaneous lifting equipment items and accessories...

Lastly, with regard to fire prevention, compliance of buildings and fire-fighting equipment is checked: a total of almost 18,000 extinguishers and 2,000 hose reels a year.

TRANSURB TECHNIRAIL – INTERNATIONAL SUBSIDIARY

Transurb Technirail is a Belgian engineering and management design office specialising in the public transport field. A limited liability mixed ownership company, it brings together the human resources and technological capacities of its partners: SNCB, STIB and the leading Belgian private transport engineering companies.

Transurb Technirail's activities are centred on two areas: Technical Support, combining the activities of pure design and engineering and General Contracting, combining the activities of manufacture or supply of different kinds of equipment (wagons, locomotives, long welded rails etc) and turnkey projects (maintenance workshops, terminals etc).

Transurb Technirail is active on all four continents with projects in Jamaica (Kingston bus terminal), France (Eurotunnel etc), Norway (driving simulators), Algeria (supervision of signalling & telecommunications projects), Morocco (supervision of Casablanca tram construction), Egypt, Tunisia, Madagascar etc, and Asia (participation in high speed lines in Korea and Taiwan).

For the seventh year running since its restructuring in 2003, the company ended the 2009 financial year with a profit.

Transurb Technirail's ambition is to grow significantly and become the recognised export unit of Belgian know-how in public transport thanks to additional motivated partners.

Supervision of the modernisation of Constanta station in Romania

Design and production of Algiers suburban train driving simulator

3. SNCB-Holding: structure and strategy

With effect from 01.01.2009

Board of Directors

Chairman: Jean-Claude FONTINOY

CEO: Jannie HAEK

Board of Directors: Eddy BRUYNINCKX, Antoon COLPAERT(1), Edmée DE GROEVE (2), Catherine GERNAY, Luc JORIS (3), Paul MATTHYS (4), Geertje SMET (5), Magali VERDONCK, Marianne VERGEYLE, Melchior WATHELET.

Executive Committee

Chairman: Jannie HAEK

Executive Officers: Michel ALLE (Finance), Vincent BOURLARD (Stations), Alex MIGOM (Strategy & Coordination), Tony VAN DEN BERGHEN (Human Resources),

Audit Committee

Chairman: Geertje SMET (5)

Members: Eddy BRUYNINCKX, Catherine GERNAY, Melchior WATHELET.

Appointments and Remuneration Committee

Chairman: Jean-Claude FONTINOY

Members: Edmée DE GROEVE (2), Jannie HAEK, Luc JORIS (3), Marianne VERGEYLE

Strategic Committee

Chairman: Jannie HAEK

Members: The other 9 directors
The 4 Executive Officers - Representatives of union bodies: Michel ABDISSI, Dominique DALNE, Jean-Pierre GOOSSENS, Luc PIENS, Serge PITELJON.

Steering committee

Chairman: Jannie HAEK

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

Government Commissioner

Marc BOEYKENS

Board of Auditors for inspection of statutory accounts

For the financial year 2008:

Chairman: Herman VAN IMPE

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

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

Not forgetting 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 refer to the Corporate Governance Charter published on the SNCB-Holding website (www.sncb-holding.be).

With effect from the financial year 2009*:

Chairman: Ignace DESOMER (6)

Members: Eric CLINCK, Michel de FAYS, Michel De SAIVE, Franki VANSTAPEL (7).

Auditors for inspection of the consolidated accounts of the SNCB-Holding - Infrabel consortium

For the financial year 2008:

Herman VAN IMPE on behalf of Burg. BVBA Van Impe, Mertens & Associates
Michel DELBROUCK on behalf of ScPRL Michel DELBROUCK & Co
Jean FOSSION on behalf of Pricewater-houseCoopers Réviseurs d'Entreprises sccrl

With effect from the financial year 2009*:

Mr Michel De SAIVE and Mr Eric CLINCK on behalf of KPMG réviseurs d'entreprises S.C.C.R.L.

* As the mandate of the auditors expired at the general meeting in May 2009, SNCB-Holding took the initiative of appointing new auditors by means of a public contract according to a negotiated procedure.

Although the current auditors are the candidates retained on conclusion of the public contract procedure, their appointment by the general meeting of 29 May 2009 was not possible because of the union opposition expressed on 27 May 2009 to the National Joint Commission, acting as works council. An order from the Brussels Commercial Court issued on 2 June 2009 nevertheless confirmed this choice pending final appointment.

(1) Until 07 April 2009.
(2) Until 20 September 2009.
(3) With effect from 21 September 2009.
(4) With effect from 24 April 2009.
(5) Died 23 December 2009.
(6) With effect from 17 December 2009.
(7) Until 16 December 2009.

Luc Joris Melchior Wathelet Paul Matthys Eddy Bruyninckx Catherine Gernay
Magali Verdonck Lieve Schuermans Jean-Claude Fontinoy Jannie Haek Marianne Vergeyle

BOARD OF DIRECTORS

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 2009, in addition to ongoing matters, the Board of Directors made resolutions and followed up a certain number of major items of business:

- SNCB-Holding 2009-2013 Financial Plan;
- monitoring the SNCB capital issue;
- financing of the B-Cargo restructuring and governance of the SNCB Cargo sector;
- inauguration of Antwerp and Liège stations;
- stabilisation of the SNCB Group debt;
- approval of the first amendment to the 2008-2012 management contract;
- development of the SNCB Group energy bill;
- tracking and budget of the Mind³ project (Enterprise Resource Planning);
- monitoring the Working Group's work for the National Railway Museum;
- HR action plan and presentation of career plan;
- intra-group contracts with SNCB and Infrabel;
- procedure for appointing auditors for auditing the SNCB-Holding accounts and the consolidated accounts of the SNCB-Holding – Infrabel consortium;
- environmental policy plan and sustainability report;
- SNCB-Holding mobility monitor;
- taking measures in connection with the risk of a swine flu epidemic;
- monitoring the impact for SNCB-Holding of the credit crunch and the financial markets situation;
- participation of SNCB-Holding in Cambio - carsharing;
- monitoring the restructuring of the Fonds de l'Infrastructure Ferroviaire (Railway Infrastructure Fund - FIF) and transfer of FIF assets to SNCB-Holding.
- supervision of subsidiaries and presentation of the Publifer, Euro Liège TGV, Syntigo and Rail Facilities strategy;
- renewal of certain SNCB-Holding basic insurances.

19 Board meetings in 2009

AUDIT COMMITTEE

Functioning

Frequency of meetings

The 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 2009 covered:

- the SNCB-Holding annual accounts and the consolidated annual accounts for 2008;
- the 2009 quarterly accounts;
- SNCB-Holding 2009-2013 Financial Plan;
- monitoring of the SNCB capital issue;
- financing of the B-Cargo restructuring and governance of the SNCB Cargo sector;
- the report relating to stabilisation of the SNCB Group debt;
- 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 2010 activities programme, in particular the audit tasks to be carried out;
- analysis of the relations between SNCB-Holding Internal Audit and Infrabel;
- update of the Internal Audit charter of SNCB-Holding Internal Audit;
- the SNCB-Holding operating budget for 2010;
- monitoring and budget of the Mind³ project (Enterprise Resource Planning);
- appointment of auditors for auditing the SNCB-Holding accounts and the consolidated accounts of the SNCB-Holding – Infrabel consortium;
- monitoring the impact for SNCB-Holding of the credit crunch and the financial markets situation;
- monitoring the impact of the transition to IFRS standards;
- monitoring the development of the ABX file and in particular the disputes file.

16 meetings of the Audit Committee in 2009

APPOINTMENTS AND REMUNERATION COMMITTEE

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

Functioning

Frequency of meetings

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

10 meetings of the Appointments and Remuneration Committee in 2008

STRATEGIC COMMITTEE

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 20th December 2002.

Functioning

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 needs to be discussed.

Topics handled

In addition to the matters covered by its ability to give an opinion, the Strategic Committee was consulted with regard to the following:

- the SNCB-Holding annual accounts and the consolidated annual accounts for 2008;
- the 2009 quarterly accounts;
- the update of the 2008-2012 multiannual investment plan;
- the SNCB-Holding investment budget for 2010;
- the SNCB-Holding operating budget for 2010;
- the first amendment to the management contract;
- the restructuring of the SNCB Cargo business.

10 meetings of the Strategic Committee in 2009

Michel Allé Alex Migom Jannie Haek Vincent Bourlard Tony Van den Berghen

EXECUTIVE COMMITTEE

- 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 perform full functions within SNCB-Holding or represent it (Article 162 quater of the Law of 21March 1991).

Functioning

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 responsible for 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."

51 meetings of the Executive Committee in 2009

STEERING COMMITTEE

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 operational management problems.

Functioning

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 main topics dealt with by the Steering Committee in 2009 covered:

- the restructuring of the Cargo business;
- the first amendments to the 2008-2012 management contracts;
- the H2R project;
- the equalisation of pensions;
- an examination of topics relating to HR aspects: the development of the workforce, the recruitments issue, employee satisfaction survey etc.

13 meetings of the Steering Committee in 2009

NATIONAL JOINT COMMISSION

Topics handled

- creation of traffic info agent grades, chief info agent, sales agent and chief sales agent;
- creation of technical coordinator and chief technical coordinator grades – access conditions for these grades;
- legal controls – creation of "legal controls" technician and chief "legal controls" technician grades in the H Stations department;
- validation of useful experience acquired prior to recruitment;
- filling graduate (and similar) posts;
- creation of grades, specialisms and "conduite infra" [infra driving] promotion subdivision in the I-Infrastructure department;
- recruitment of (chief) electromechanical engineers;
- logistics personnel;
- first amendments to the respective management contracts between the State and SNCB-Holding, the State and Infrabel and the State and SNCB;
- personnel status – section XIII - Union Bylaws; General Regulations on union relations – Sheet 548

5 meetings of the National Joint Commission in 2009

THE 3 CEOs COMMITTEE

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

10 meetings of the 3 CEOs Committee in 2009

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 CEO.

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 other Committees.

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

Attendance at meetings is a necessary requirement for obtaining attendance tokens.

Name	Attendance at SNCB-Holding Board and Committee meetings				Directors' gross remuneration (excluding compensation for overheads)	
	Board (total 19)	Audit Committee (total 16)	Appts. and Rem. C. (total 10)	Strategic Committee (total 10)	SNCB-Holding Board and Committees (€)	Mandates in other Group companies (€)
J-C. FONTINOY	19	16	10	10	55.833,37	11.400,00 (1)
E. BRUYNINCKX	18	14	-	10	27.066,63	-
A. COLPAERT	3/3	-	-	1/1	1.900,00	8.300,01 (2)
E. DEGROEVE	8/10	-	6/8	4/6	8.000,00	25.133,36 (3)
C. GERNAY	18	13	-	10	26.666,63	0,00 (4)
G. SMET	12	10	-	5	18.233,37	13.500,00 (5)
M. VERDONCK	19	-	-	10	22.366,63	-
M. VERGEYLE	15	-	9	8	24.566,63	-
M. WATHELET	15	15	-	9	26.366,63	200,00 (4)
P. MATTHYS	15	-	-	9	17.266,64	-
L. JORIS	9	-	2	4	9.099,99	-

(1) Director of SNCB and Chairman of Euroliège TGV - (2) Chairman of the Board of Directors of Infrabel - (3) Chairwoman of the Board of Directors of SNCB and Director of Euroliège TGV, Director of SNCB-Holding until 20 September 2009 - (4) Director of Euroliège TGV - (5) Director of SNCB and Euroliège TGV

Executive Committee

Remuneration of Chief Executive Officer

The gross remuneration paid in 2009 to the CEO was €498,279.66. This includes bonuses for 2008. Bonuses for services for 2009 will only be determined in 2010, 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 CEO.

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%).

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.
- productivity bonus: variable according to an assessment coefficient of 0 to 3. An annual assessment is carried out by the CEO and submitted to the Appointments and Remuneration Committee. The assessment 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 2009 to members of the Executive Committee other than the CEO, amounted to €1,405,377.32. Bonuses for 2008 are included in this amount. Bonuses for services for 2009 will only be determined in 2010, 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.

GOVERNMENT COMMISSIONER

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 at the request of a Government Commissioner, who may be appointed and revoked by the King at the proposal of the Minister concerned."

The Commissioner 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 21March 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.

The Board 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."

INTERNAL AUDIT AND 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 of and advice on the assessment of risk management, control and corporate governance processes. These activities gives rise to recommendations addressed to the Management with a view to reinforcing the effectiveness and efficiency of these processes;
- centralised control of public and non-public contracts: verification of their conformity with regard to the legal provisions on contracts, delegation and sub-delegation 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.

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.

Audits of the 2009 plan relating to SNCB-Holding involve in particular:

- support in connection with the audit of the consolidated annual accounts of the SNCB-Holding SA - Infrabel SA consortium;
- alternative financial transactions;
- application of financial policy;
- sale of immovable property, granting of concessions and occupation rights;
- management of ICTRA personnel;
- staff canteens - HACCP
- control of overall energy consumption in SNCB Group buildings and installations;
- applications, printing and distribution of free passes and tickets for domestic traffic (travel concessions);
- reports to the Belgian Federal Public Service Employment, Labour and Social Dialogue and correspondence exchanged between it and the SNCB Group concerning welfare at work;
- Mind³: assistance in connection with the drafting of procedures and verification that internal controls are maintained.

Internal Audit is also heavily involved in the Mind³ project and more specifically the support it provides to the operational introduction teams.

In order to provide as much information as possible in the area of public and non-public contracts, Internal Audit has added a new section entitled "Legislation, regulations and documentation relating to public/non-public contracts" to its website. This heading, addressed to employees of the three SNCB Group companies, has been available since the beginning of 2010.

With the aim of strengthening the control of operating risks, the Audit Committee signalled its agreement to the development of Internal Audit's activities in the fields of prevention and the fight against fraud. The development of these activities will be progressively strengthened in 2010.

At the request of the Audit Committee, in 2010 Internal Audit will also carry out an update of the SNCB Holding operational and financial risks charts compiled in 2007. These charts will allow Internal Audit to better define the objective of its activities. It is incumbent on the Management to better evaluate its internal controls and, as appropriate, adapt or strengthen them, in the context of ongoing improvement of the risk management process.

4. Stations as focal points

Stations constitute focal points in towns and boroughs. Their economic and social importance is obvious.

In the past few years, SNCB-Holding has made massive investments in them. This is because we felt that stations represented much more than a mere gateway to rail transport.

It was now time to clearly redefine the concept of a station. Thus the "la Gare" [The Station] brand was launched in March 2009.

The "la Gare" brand

Large stations conforming to the basic idea of the philosophy of the station – no lost time, a place for meeting and rationalising time – were given a new visual identity and a clearly identifiable logo. They attract attention, symbolise the new strategy and evoke a certain outline for station visitors.

The multicoloured logo and corresponding Identity Design suggest architecture, a bridge linking inside and outside. A communication pathway between station and town. A logo evoking not only dynamism and exchanges, but also a feeling of protection and welcome. Encounters and emotions. The colours accentuate the aspects of vitality and diversity of the new philosophy.

The "la gare" project seeks to confer a clearly identifiable image onto transformed stations and their social and commercial functions, for both passengers and the local community around the stations, the different players and concessionaires.

The new website www.lagare.be, dedicated to the online brand, is a practical and accessible tool for use by station visitors which has information on shops and services, development projects and any events taking place there.

Stations that already fulfil the brand's promises are identifiable by the totems placed at station entrances and the inclusion of the logo on the stations' other signs.

Antwerp-Central, restored to its former glory!

We can compare Antwerp-Central to a butterfly slowly emerging from its cocoon. The grand old lady which was declared a listed monument in 1975 has benefited from a prodigious dose of youth serum in recent years.

From a dead-end station, Antwerp-Central has been transformed into a through station. Following the development of the North-South Junction, the station gained somewhat in surface area. It was then decided to provide a second access on the Lange Kievitstraat side. Following the example of the station hall, the designer Eurostation and architect Jacques Voncke opted in favour of a project emphasising the daylight on the different underground platform levels. Not for nothing did the American magazine Newsweek award Antwerp-Central fourth place in the classification of the world's most beautiful stations.

On Friday 25 September, the work ended. Prince Philippe was among the most enthusiastic to visit the site, accompanied by SNCB-Holding CEO Jannie Haek and Burgomaster Patrick Janssens. The inauguration attracted its share of people curious to look at and admire 'their' finally finished station.

Liège-Guillemins, Dragone show!

On completion of the work that started in 2000 at Liège-Guillemins, a new era began in 2009. The station is reborn as a unique space illustrating the new station concept to perfection. Because the Station is alive and this is experienced by the 30,000 travellers who use it every day.

On 18 September, Liège-Guillemins was officially inaugurated in the presence of Prince Philippe. The inauguration culminated with a stunning show staged by Franco Dragone.

The new 'glass station' has no façade and it is easy to get from one side to the other. Two pedestrian walkways and a sub-rail passageway link the Guillemins district to the 'Colline de Cointe' district. The 200m-long and 40m-high dome, the splendid canopies and covered platforms also provide the traveller with a feeling of safety and protection. Numerous services are also available, because the station is more than ever turning towards the town. Euro Liège TGV and Santiago Calatrava, designer and architect of the station, imagined it as a modern, airy construction, both light and robust thanks to a careful combination of concrete, glass, steel and natural stone from the region.

The new Liège-Guillemins presents a superb welcoming structure, for both domestic and international trains. It is playing a part in the city's development.

With Brussels-Midi, Antwerp-Central, Liège-Guillemins and the 3 high speed lines (the Liège-German border section was opened in June), Belgium is currently the first European country with a completely finished TGV network. From there, passengers can easily get to Brussels, Paris, London and Germany.

Other achievements

SNCB-Holding has also invested heavily in the renovation of the stations in Courtrai, Mons, Gembloux, Noorderkempen, Bruges and Leuven. In many cases, these station renovations are part of a masterplan dedicated to the entire surrounding areas of stations.

EUROSTATION AND EUROGARE

Two SNCB-Holding subsidiaries, Eurostation and Eurogare (formerly EuroLiègeTGV), play a crucial role in execution of the station strategy. Both have solid experience in the development of station areas. They act as technical design offices, and therefore also provide monitoring and performance of architectural and rail projects. By being involved in these areas, sustainable mobility is placed at the heart of society, thereby enabling the (re)activation of the urban fabric. They are active in the north and south of the country respectively, as well as abroad.

Eurostation has a subsidiary, Euro Immo Star, which acts as a precursor in the development of masterplans for station areas and other key mobility issues.

For these subsidiaries, 2009 was a particularly busy year.

Eurostation saw its work of several years at Antwerp-Central station rewarded with the title of "The fourth most beautiful station in the world", and the beginning of the Malines station area project. Other major Eurostation projects concern the surrounding areas of Ghent-Sint-Pieters, Brugge Sint-Michiels, Hasselt, Ostend, Kortrijk and Roulers stations, and the Brussels airport underpass (Diabolo project).

Created in 1993, the current Eurogare was given the task of designing and providing the construction of the new Liège-Guillemins station inaugurated in September 2009. Since 2001, Eurogare's business has diversified and today covers the south of the country. In 2009, its projects included Liège-Guillemins station, Mons station, studies on lines 124 and 161 stations and halts in Walloon Brabant, signal boxes in the Walloon Region, the Angleur workshop, Herstal station and Namur station.

A host of services

SNCB-Holding manages the 37 largest of the country's 213 stations. Management of the other 176 stations is given under concession to SNCB.

These 37 stations receive 3 million passengers a week (65% of the Belgian total) and hundreds of thousands of other residents from surrounding areas. They represent intermodal points par excellence: domestic service train, TGV, bus, tram, metro, car, cycle, taxi; this cohabitation of different means of transport does not exist anywhere else. The number of car parks and cycle stores continues to grow.

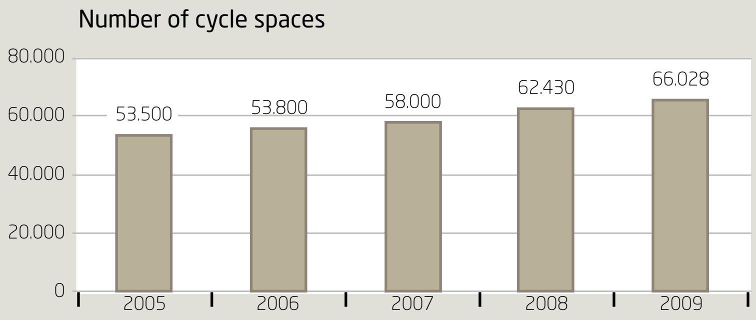
Stations design the urban fabric that surrounds them and constitute a motive force for economic development. They offer an impressive range of commercial activities. The 23,706m² floor area houses over 320 retail outlets, but more and more services are also flourishing in the station: cycle points, ironing workshops, postal points, job-services, car hire agencies, tourist information offices etc. Every year, hundreds of events enrich the life of stations.

THREE STATIONS TRANSFORMED INTO A TEMPLE OF ELECTRONIC MUSIC ON 14 NOVEMBER 2009

The "Nuit de la Gare" [Station Night] is an original concept that allows stations to be discovered in an unusual way. More than ever before, the heart of the city is also beating in stations, where there is always something happening.

During the night of 14 to 15 November 2009, from 22:00 to 05:00, a number of well-known Belgian and international DJs followed one another at the turntables in front of 5,000 people, to the rhythm of electronic music. From 22:00, the party was in full swing at Brussels-Central, Antwerp-Central and Liège-Guillemins.

We are increasing the capacity and protection of cycle stores



All the old station bike racks are being systematically replaced by new racks enabling bikes to be attached by the wheel and the frame. Eventually, stores will also be fully covered and with sufficient lighting. In order to achieve greater levels of security, some of them will be equipped with a card access system and cycle locks.

At the end of 2009, we had 66,028 cycle spaces, 3,600 more than the previous year. The aim is still to reach 83,000 spaces by the end of 2012.

The "cycle points" project in full swing

By the end of 2009, 31 cycle points had already been put into service in as many stations, including three in Brussels. Updates on the latest situation can be found at www.fietspunten.be

By the beginning of 2011, the target is to have 41 active cycle points, including the first four in Wallonia. Subsequently, around 50% of the cycle spaces available throughout the network will be placed under the cycle points department.

CYCLE POINTS OFFER THEIR SERVICES

At a cycle point, it is possible to have your cycle kept under surveillance and so leave it with nothing to worry about.

SNCB-Holding subcontracts their operation to socio-economic organisations. From its beginning, the project has received the support of federal and regional authorities.

A Service Level Agreement describing the desired quality standards is entered into with cycle point operators. This requires operators to ensure ongoing cover from 07:00 to 19:00 every working day and provide surveillance of cycle and motorcycle parking bays.

In addition to the tasks performed on behalf of SNCB-Holding, a cycle point can also offer services such as bike hire and minor repairs. In certain cycle points, there is even more on offer: tourist information, organised bike tours, riding lessons, bike repair courses, bikewashes, services carried out for Cambio, and you can even bring your laundry for ironing.

“Carsharing”: collective and individual advantages

In December 2009, SNCB-Holding began a collaboration with the carsharing provider Cambio which involves making parking spaces available to Cambio.

Based on the fact that carsharing does not compete with public transport and that carsharers readily use public transport, the union between carsharing points and stations should prove highly fruitful.

The shareholding in the capital of Cambio is consistent with the vision and remit of SNCB-Holding.

Enter the “bikesharing” concept

In order to facilitate approach transport for trains and buses, SNCB-Holding is collaborating with FIETSenWERK, the cycle points coordination organisation, on a national ‘bikesharing’ concept.

“Bikesharing” is being added to the participation in Cambio and integrated into the SNCB-Holding strategy as a decisive partner with regard to mobility in Belgium which is developing this mobility in series. The modal shift is thus being stimulated in a positive fashion. Carsharing is the first step, bikesharing the second.

CAMBIO

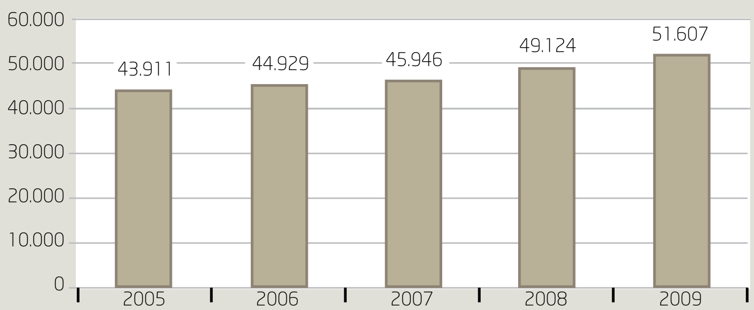
Cambio carsharing is a flexible formula whereby cars are offered to users (individuals, organisations or companies) at different places in different cities, day or night. Every Cambio customer has access to all Cambio vehicles by means of a chip card and PIN, using advance booking, 24/7. The customer pays according to use (time and distance) and apart from a reasonable monthly fee, does not have to pay any fixed costs, or worry about insurance, technical checks or maintenance. The ideal solution for people who do not need to use a car often and who use public transport or a cycle for their daily journeys. Cambio also represents an ideal solution as an alternative to the second family car. There are different models in the range (from small city cars to 7-seater people carriers) and a parking space is always available in the car park.

In Belgium, Cambio is structured as follows. Optimobil Belgium is the parent company and has four shareholders: Taxistop, Cambio Germany, VAB and SNCB-Holding. It also has three subsidiaries: Optimobil Bruxelles, Optimobil Flandres and Optimobil Wallonie in which the regional public transport companies STIB, De Lijn and SRWT respectively have a shareholding. Cambio points have been opened in the Antwerp-Central, Antwerp Berchem, Brussels-Midi and Namur SNCB stations. In 2010, Cambio will extend its range to around fifty cars in SNCB-Holding stations.

Car parks

At the end of 2009, the number of parking spaces amounted to 51,607. The target of 54,000 spaces in 2012, specified in the management contract entered into with the federal authorities, is already 95.57% met! SNCB-Holding has created a subsidiary, B-Parking, to manage its car parks.

Number of car park spaces



B-PARKING

The remit of B-Parking SA is to manage the car parks so that customers with a train card can be certain of getting a parking space, with rates in line with local market prices and operating costs covered by revenues. All this without discouraging people from using public transport.

2009 was B-Parking’s first financial year, which explains why it ended with a small loss.

In 2009, the company opened the first five car parks with barriers at Ghent-Sint-Pieters, Antwerp-Central, Antwerp-Berchem, Liège-Guillemins and Sint-Niklaas.

Cleanliness and safety: what our customers want!

Firmly convinced that cleaner stations are also safer stations, we dedicate 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; these showed an average rate of 86.5% in 2008, but climbed to 88.79% in 2009, already well above our target!

For 2010, we have 300 staff specially assigned to cleaning stations. External firms are used to supplement these SNCB-Holding staff on an as-needed basis.

The Stations department intends to obtain ISO9001 certification during 2010 for station, car park and platform cleaning activities.

In 2009, the concept of selective waste sorting was introduced. During 2009, it was also decided to install a new type of bin in 6 "at risk" stations in 2010. As well as selective waste sorting, they also resist acts of terrorism.

PUBLIFER

Publifer is a Joint Venture between SNCB-Holding and Clear Channel Belgium. It is responsible for developing the advertising potential of railways for which it has exclusivity.

Publifer's sphere of action is focused partly on the inside of stations and partly on the surrounding areas of SNCB Group stations and other properties.

In the context of an extremely fragile economy, the advertising market in 2009 suffered heavily from the consequences of the credit crunch and still remains highly competitive.

Despite the particularly difficult situation, the activity was supported by the development of exclusive commercial proposals in stations.

These managed to partly offset the drop in turnover from advertising hoardings linked mainly to competitive pressure and the sale of certain SNCB Group properties.

In this difficult context, Publifer managed to return a small profit.

Commercial and catering outlets

Shops and catering outlets contribute to enhancing the activity and welcoming nature of stations and their surrounding areas.

Despite the credit crunch, SNCB-Holding was able to increase its turnover in 2009 from commercial concessions and dispensers present in stations by over 10%. Revenue from advertising via Publifer however followed the general downward trend.

In combined terms, this still represents a roughly 5% increase in revenue for SNCB-Holding from concessions.

Existing brands also managed to increase their turnover in 2009, thanks both to an increase in the number of points of sale and a considerable rise in revenue from their existing points of sale.

Two new shopping galleries were opened in Bruges and Liège-Guillemins. They offer a wide range of food, catering, non-food and services for travellers and people just passing through.

In various other stations, the quality of the catering offer was extended by the introduction of new brands and concepts, for example a take away café, a Doner Kebab outlet and a fruit juice bar. They are responding to the changes in habits of consumers.

Different new concepts, unknown in Belgium, were launched.

The Starbucks at Antwerp-Central is definitely the most striking example.

SNCB-Holding also wants to improve the identification of certain brands present in the largest stations.

In certain stations, additional drinks and confectionery dispensers were installed in integrated modules. Collaboration with banks for ticket dispensers was also extended, with the result that currently over 40 ticket dispensers are present in the country's 50 largest stations.

Temporary sales actions, such as subscriptions for telecom operators, were also a big success.

5. Developing the security service

Any place frequented by large numbers of people will inevitably have its share of those with not such good intentions. Railways are no exception. Also the number of train passengers has been continuing to grow for ten years. This has led us to develop a suitable strategy in order to guarantee a feeling of safety among passengers and personnel.

Over the past few years, professionalisation of the personnel and resources of the internal security service, Corporate Security Services, has become an ongoing priority for SNCB-Holding.

Over 500 staff

At the end of 2009, the service was 500 strong, made up primarily of agents in the red Securail uniform. They are present in stations and on trains, and also provide surveillance of buildings and installations.

Security Operations Center

They are managed by the Security Operations Center, which is the keystone of everything to do with security in the SNCB Group. In 2009, the Centre logged over 58,000 calls.

Prevention

Prevention is the byword. The Management Contract entered into with the federal authorities provides for the creation of a "Prevention and Corporate Security Unit". It was launched in September 2008 and is made up of a team of 7 criminologists. Communication, participation and integral approach are the watchwords. Examples of initiatives include:

- Contacts established with schools. At Ottignies, the local "Not at School" project was kicked off to combat school absenteeism. In other schools, courses were given to discourage illegal trafficking.
- As part of the specific plan to combat the feeling of insecurity in the 10 most vulnerable stations, cycle stores and car parks, an analysis was carried out based on the quality barometer and questionnaires completed by passengers. The results of these questionnaires will be used to draw up a specific action plan.

Risk analysis and technical security

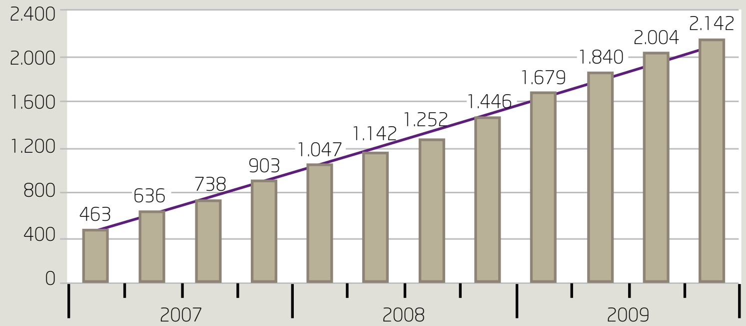
The service also has a Risk Management Unit. In collaboration with its internal partners, it is able to define and assess certain safety parameters (cameras, reception, techno-prevention etc). The data is integrated into a security plan for each site. Each plan aims to achieve a maximum level of security for the site via physical, electronic and organisational measures.

In 2009, projects relating to car parks and cycle stores were kicked off. Corporate Security Services is also responsible for improving security and managing the car parks and cycle stores.

The Malaga programme for implementation of video surveillance at stations and other sites continued without a break in 2009. As at 31 December 2009, there were over 2,000 cameras operational in 50 stations. The SNCB Group also has 483 more cameras outside stations (CLIs, office buildings, traction sub-stations etc).

On 15 September 2009, a new control room (LCR) was brought into service in Liège. This control room supports the Security Operations Center. It provides management and protection of the high speed line, the Soumagne tunnel and the new Liège-Guillemins station.

Growth in the number of cameras at stations



Strengthening partnerships

with the police

On 11 June 2009, the new operating protocol between the railway police (SPC) and Corporate Security Service (CSS) was signed. Under this protocol, the two partners seek to achieve a joint approach to and management of rail issues, to create a framework for the exchange of all relevant information and to handle operational collaboration on the ground.

with towns and boroughs

During the year, Corporate Security Services made contact with 295 towns and boroughs with a view to entering into a cooperation agreement. As at 31 December 2009, 37 towns and boroughs had signed a statement of intent, while 48 statements of intent were being drafted and 52 were under negotiation.

with public transport companies

On 30 June 2009, a cooperation agreement was signed between SNCB-Holding, STIB, De Lijn and TEC/SRWT. This cooperation agreement provides for:

- an integrated and integral approach to safety;
- actions with regard to public control authorities and other partners;
- an exchange of information;
- organisation of an annual theme day;
- quarterly meetings.

In collaboration with the other public transport companies, the 'Prevention and Corporate Security Unit' took the initiative of developing a prevention project targeted at school children. Discussions on the subject started in October 2009.

An integrated security approach to station renovation

Corporate Security Services has always been involved in development projects. For example, dark corners and blind spots should be avoided in stations. Corporate Security Services brings its experience to bear, at the service of the Group and its external partners. In 2009, an important agreement was concluded with Eurostation and the service is involved as a partner in its own right in large-scale projects such as Ghent-Sint-Pieters, Malines etc.

Operations

Assaults

With regard to the problem of assaults, the "Anti-Assault Masterplan" involving some forty proactive, preventive, repressive and curative measures was drawn up. This Masterplan is monitored and evaluated every two months.

Metal theft

To combat the theft of metals, a working group has been set up by the Group. In particular it has produced a photo album of all the metals and (fibre) optic cables used by the SNCB Group for provision to the legal authorities and the police. During contacts with the federal Public Prosecutor's Department, reclassification of the facts was requested in order to be able to impose heavier penalties on perpetrators of criminal acts. At a legislative level, a ministerial order establishing the role and collaboration of scrap dealers was drawn up.

Graffiti

Here also an intra-group working group was created. The priorities of this permanent working group are focused on conducting targeted patrols on the basis of analyses of incidents by Corporate Security Services, making SNCB aware of the need for fast cleaning of rolling stock, closure of the most affected sidings where passenger equipment is parked and insistence on the legal authorities providing adequate follow-up.

Administrative penalties

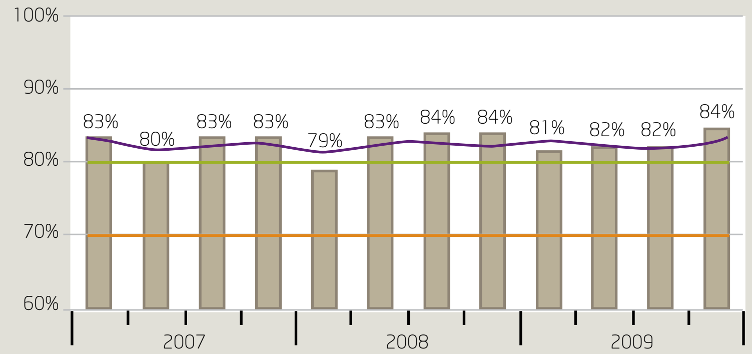
In July 2009, the SNCB Group sent a joint comment on the proposed draft law for the railway police with specific reference to the introduction of administrative penalties in view of the effective application of sanctions aimed at discouraging fraud and any other form of nuisance. The draft text is currently being examined by the different departments concerned.

Nightly surveillance

Since April 2009, five nightly patrols made up of external security agents have been active on the Belgian rail network. They provide property surveillance and combat theft (of metal), vandalism and graffiti. An initial assessment shows that the result of their presence is positive. They also assist the ordinary Securail patrols which provide general surveillance. They are managed in real time by the Security Operations Center (SOC).

Feeling safe

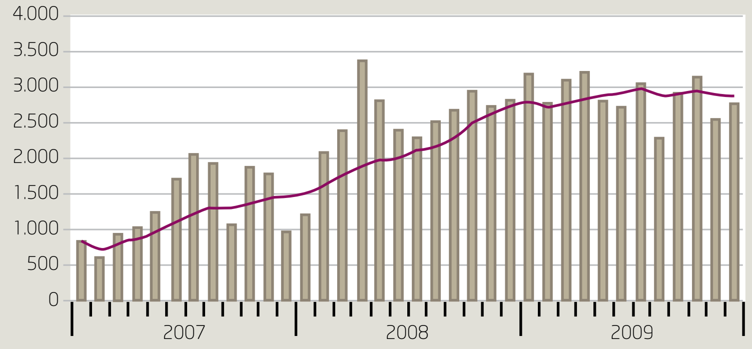
The chart below illustrates the changes in the feeling of security levels experienced by passengers, on the basis of a quarterly questionnaire.



Number of Securail patrols conducted

All Securail teams conduct patrols in stations and on trains.

In 2009, 34,534 patrols were conducted on trains, representing an 18% increase compared with 2008. The chart below shows the number of trains patrolled by month.



6. Energy consumption and emission

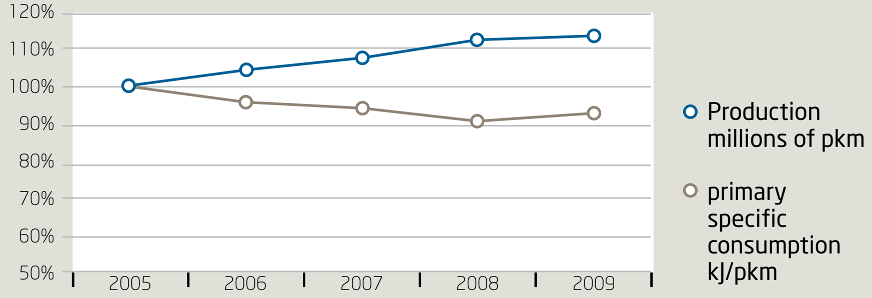
The climate, the environment and sustainability are at the heart of all our concerns. In these scenarios, a great deal of hope is being placed on the rail sector at all political levels.

As a backdrop, in 2009 the SNCB Group published its first Sustainability Report (cf. http://www.b-rail.be/corp-r/N/assets/pdf/company/durability_2008_f.pdf) which sets out the social, economic and ecological foundations of the SNCB Group.

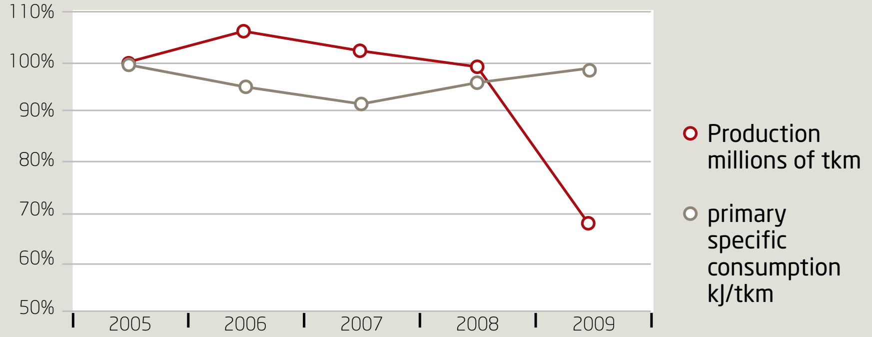
Also in 2009, the three companies Infrabel, SNCB and SNCB-Holding drew up a 2009-2012 environmental policy including a number of concrete measures aimed at strengthening internal environmental cooperation.

The major contribution to protection of the environment, however, involves organising rail transport in the most efficient and qualitative way possible. The intrinsic advantages of rail technology for protection of the environment, namely energy efficiency and low emissions, must be considered as benefits that cannot be ignored.

Changes in specific energy consumption passenger transport



Changes in specific energy consumption freight transport



Between 2005 and 2008, the percentage number of passengers increased by more than the train offer. The average occupation of trains improved as a consequence and specific energy consumption reduced accordingly. This trend did not continue in 2009. Compared with 2008, the stock (gross tkm of trains) rose by over 3% against an increase of only 0.2% in the number of passenger-kms. This translates to a slight increase in specific energy consumption and, therefore, a slight reduction in energy efficiency.

Compared to an average car journey, an average train journey needs just 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 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.

Because of the credit crunch, freight traffic recorded an unprecedented drop in revenue in 2009. Despite the considerable drop-off in volumes, energy efficiency stayed reasonably high.

Transporting goods by rail is still twice as efficient energy-wise than by lorry.

Extremely low CO_2 emissions

The failure of the Copenhagen Summit in December 2009 has in no way changed the ambitious European 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 reduction of at least 15%.

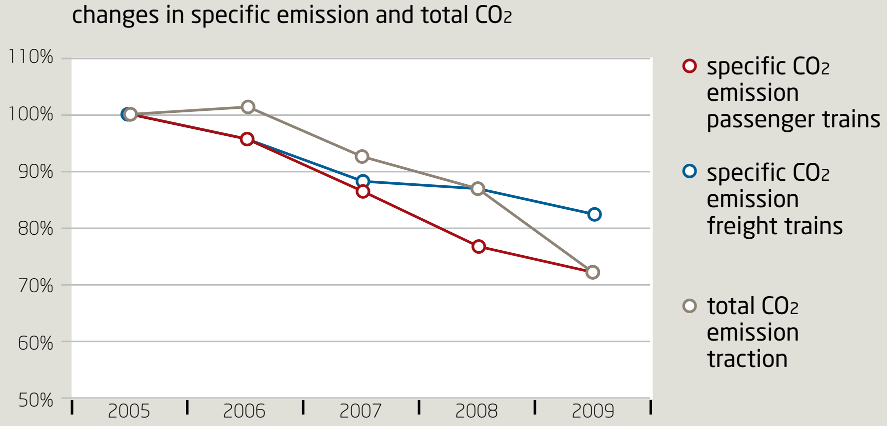
In our CO_2 calculation, as well as direct emissions caused by diesel traction, we also take account of indirect emissions caused by diesel and electricity production.

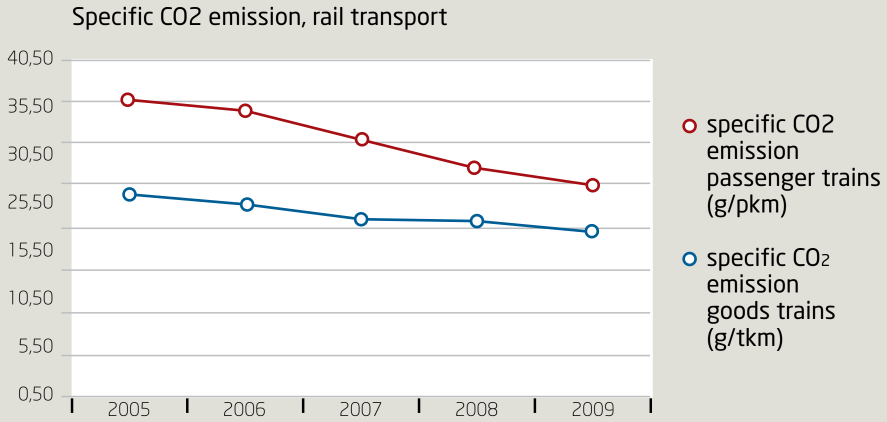
In 2009, over 96% of passenger traffic and around 75% of freight traffic was carried by electric traction. Owing to the new reduction in indirect CO_2 emissions from electricity production, specific CO_2 emissions continue to fall, although there is a slight increase in specific energy consumption.

Anyone who is interested can calculate the ecological footprint of their daily journeys. The website www.ecopassenger.org is available to everyone.

Freight transport companies and shippers can find information at www.ecotransit.org.

The SNCB Group has an ambitious plan for continuing to improve rail transport energy efficiency and reduce specific CO_2. 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 CO2 balance for the transport sector is 4 times higher than what rail adds in quantity of CO2. It is therefore more important for rail to develop first and then to ensure a reduction in CO2 emissions per unit of production.

Energy consumption in buildings

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.

Overall, for all SNCB Group sites combined, average annual energy consumption fell by around 3.5% in 2009 compared to 2005. This is not such a good result as the previous year which recorded a drop of almost 6%. The average temperature of winter months in 2005 and 2009, however, was not significantly different. The many snowfalls, after which it was necessary to reheat points more frequently than in previous years, may partly explain this not so good result, and also perhaps the entry into service of the new Liège-Guillemins station.

Land clean-up

In accordance with regional legislation, soil studies and soil clean-up work continued. Over the past 10 years, a total of 34 million euros has been devoted to the study and clean-up of land. In 2009, 2.5 million euros was spent on sites in Wondelgem, Merel-beke, Kortrijk, Antwerp, Auderghem, Leuven, Brussels and Stockem.

Noise pollution

Pursuant to Directive 2002/49/EC of 25 June 2002 relating to the assessment and management of noise in the environment, in 2009 the Regions finalised the chart regarding noise along the main railway lines. It concerns all lines with more than 60,000 trains a year. The Flemish Region provides this information to the public via the website http://www.lne.be/themas/hinder-en-risicos.

7. Investing in IT and knowledge

Maintaining railway equipment in good order, extending, renovating and modernising it: this all absorbs considerable investment. The chart below illustrates this.

Group investments hit a record high

In 2009, the amount of Group investments reached 1.846 billion euros, a 29% increase over 2008!

Infrabel and SNCB-Holding completed construction of the high speed lines and corresponding stations in Belgium, a first in Europe!

The RER works around Brussels continued.

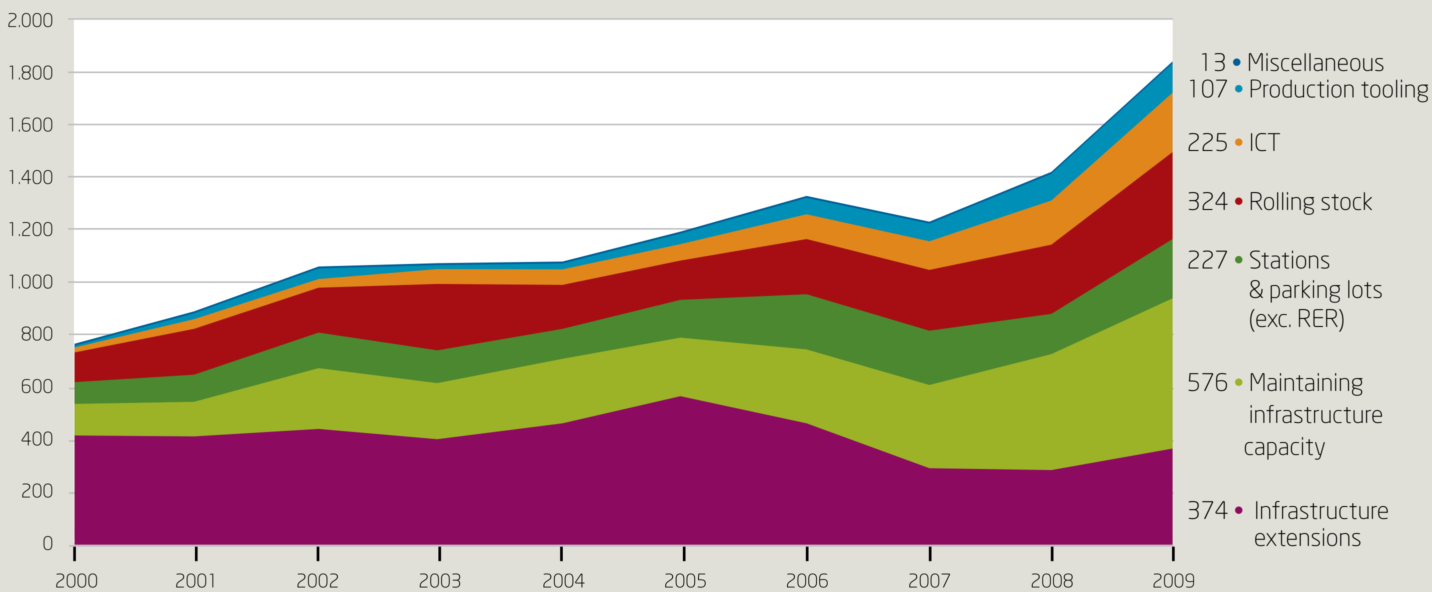
The PPP projects for the Liefkenshoek rail link, and the national airport link "Diabolo", were also continued following their launch in 2008 (the costs are not included in the chart).

SNCB continues to replace its old rail equipment and increase the number of available seats, thanks essentially to the extra M6 double-decker carriages coming off the production line.

While in 2009, SNCB-Holding dedicated significant resources to management and security systems.

For its part, SNCB-Holding invested 228 million euros in 2009 in stations, car parks, IT , telecommunications and security. More than twice as much as in 2005!

SNCB Group investments 2000-2009 (current € Mio)



(thousands of current euros)	**2005**	**2006**	**2007**	**2008**	**2009**
stations	63.096	86.472	89.940	95.959	97.836
car parks	6.904	39.611	53.081	30.496	29.536
service and management office buildings	10.108	13.908	7.744	16.002	5.741
IT, management and surveillance systems	23.838	27.777	40.057	53.905	90.174
other	1.714	2.642	1.236	3.726	4.364
Total	**105.660**	**170.410**	**192.058**	**200.088**	**227.651**

Stations and car parks make up the lion's share.

The stations with the highest expenditure were Antwerp-Central, Brugge, Liège-Guillemins, Brussels-Midi, Brussels-Central, Charleroi-Sud, Ghent-Sint-Pieters, Mons and Gembloux.

By the end of 2009, 2,142 surveillance cameras were operational, 50% more than previously! 483 cameras were also installed in places other than stations, such as workshops, management office buildings and Infrastructure Logistics Centres.

IT

The demands of IT and investments in telecoms continue to grow.

The Holding division ICTRA and its subsidiary Syntigo had to pull out all the stops.

SYNTIGO

Syntigo, a subsidiary of SNCB-Holding, is responsible for assessing the SNCB Group information technology skills and telecommunication services. It is made up of three business units, namely:

- B-Telecom, responsible for enhancing telecommunication services. B Telecom plays a growing role as alternative telecom operator on the Belgian market and in neighbouring countries;
- B-Systems, responsible for enhancing information technology skills relating to ticket reservation and sales systems (both paper and electronic) for customers such as SNCB B-Europe, NS International, BeNe-Rail International, the carrier FYRA, CFLs as well as travel agencies and tour operators;
- and B-Excellence, responsible for providing specialist profiles for the SNCB Group.

2009 saw the completion of a number of major projects. In particular, acquisition of the Scarlet fibre optic network by Syntigo B-Telecom demonstrates the capacity for development of this business which has experienced 2-figure growth, over 10%, despite unfavourable economic conditions. For Syntigo B-Systems, the entry into service of the new "Transporter - Carrier" management systems for the new FYRA train demonstrates the leading role played in the mobility sector.

Lastly, the 2009 financial year closed with a profit and Syntigo will distribute a dividend to its shareholders.

SNCB and Infrabel modernised their sales systems, passenger information systems, communication technology etc. In collaboration with SNCB-Holding, they launched the large-scale Mind³ ERP project on 1st January 2010.

This abundance of projects and achievements creates additional data flows. WDM (Wavelength Division Multiplexing) technology has enabled ICTRA to simplify the transmission capacity of its fibre optic network and improve the transmission quality.

Video surveillance images from the Malaga project are one of the flows using fibre optics. As well as cameras placed in stations and buildings, ICTRA has also made some forty traction sub-stations secure. This is not just a question of cameras, but a fully integrated Building Management System providing interaction between video surveillance and fire and intrusion detection.

For Infrabel, cameras will be provided on the platforms of large stations, in signal boxes and on railway bridges. For SNCB, a pilot project is under way for cameras installed in train drivers' cabins.

Preparations are also under way for installation of video surveillance in smaller stations such as Renaix and Bockstael, as well as halts and information kiosks.

All the images are managed at a national level at the Security Operations Center in Brussels. Here, images are viewed day and night on large screens.

As regards the Security Operations Center, ICTRA is currently responsible for developing a management coordination platform integrating all the protection technologies, namely access control, video surveillance, intrusion and fire detection and surveillance of car parks. By 2012, this integration should enable the operator to manage all its protection technologies via a single interface.

The Parking Management Access project kicked off at the end of 2008 to guarantee optimum security in station car parks and sufficient spaces available for users.

The aim is to provide the car parks of the country's 37 main stations with barriers, access arches, ATMs, intercoms, surveillance cameras etc, all fully integrated by 2013. A monitoring system enables all parking facilities to be remotely managed from the control room in Brussels.

Holders of a train card can use it as an access card to the car park by activating the card when buying it at the ticket office. A system for reducing rates according to the frequency of purchase of parking spaces is also planned: the more you park, the less you pay.

At the end of 2009, 7 car parks were equipped with a Parking Management system in 6 different stations. By the end of 2010, it will be 33 car parks in 16 stations. ICTRA has also launched a pilot project at Brussels-Central for cycle parks equipment.

Knowledge

B-Mobility, the SNCB-Holding knowledge centre for mobility, presented its first mobility monitor "A Look@Mobility by Rail" in October 2009. This presentation took place at a forum organised at the International Convention Center in Ghent, with the support of the federal authorities, the Kennisinstituut voor Mobiliteitsbeleid [Netherlands Institute for Transport Policy Analysis] (KiM Nederland), the Federal Planning Bureau and members of the team.

The aim of the mobility monitor is to highlight the main developments and trends in Belgian and European mobility, to make them understood, to explain the vision of railways with regard to the sustainability of mobility and to study in greater detail the challenges awaiting rail in the future.

The monitor proposes six recommendations for sustainable mobility, namely to:

- reform taxation with regard to transport;
- align regional planning to sustainable mobility;
- optimise intermodality;
- sustain intelligent mobility by ICT;
- raise awareness;
- invest in sustainable means of transport.

Information relating to this B-Mobility Day is available on the website www.b-mobility.eu.

8. New colleagues and skills

Almost 1,900 new colleagues in 2009!

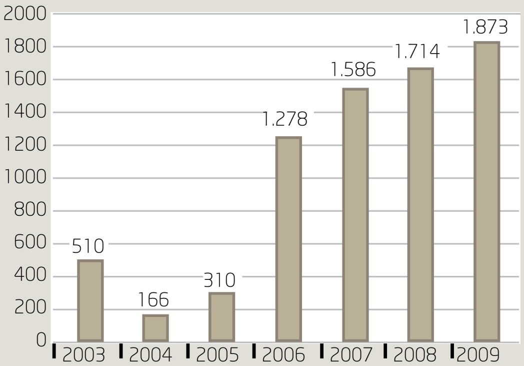
On the external recruitment front, the target of 1,800 new staff was met and even exceeded with no less than 1,873 new colleagues joining us in 2009. So the efforts in this area are continuing at a high level. An excellent result when considering the characteristic SNCB Group age pyramid which represents a daily challenge and, at the same time, a not insignificant opportunity to recruit new staff.

The special attention afforded in 2008 to shortages in certain job areas (eg: train attendants and train drivers) bore fruit: by September 2009, the recruitment demands were largely met. Currently, there is a shortage of electromechanical engineers, and this applies throughout Europe.

With regard to "Employer attraction", the SNCB Group was one of the 2009 Stars for best employer (awarded by RH Tribune and Vacature/Références) and also received the Cinérail d'or at the international festival of the same name in Paris. The SNCB Group was rewarded for its cinema and TV recruitment campaign advertising spot.

The welcoming of new applicants is becoming increasingly vital with the SNCB Group. This is why the Ambassadors Club was born at the end of 2009. What is its aim? To offer employees, the Group's "ambassadors", ways of representing our company even better, especially at employment fairs and in schools. Because it is our employees themselves who can best convince potential applicants.

External recruitment

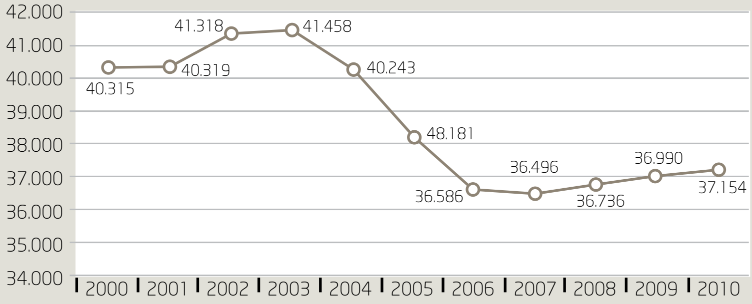


Number of new staff	
Driving personnel	446
Graduate positions	327
Technical personnel	304
Administrative personnel	283
Blue-collar workers	202
Train attendants	184
Deputy station masters	127
Total	**1.873**

As at 1st January 2010, the SNCB Group had 38,792 employees on the payroll, corresponding to 37,154 full-time equivalents. 7,698 employees (20%) worked a 32-hour week and 845 (2%) part-time. It is also worth mentioning that 1,873 new employees recruited in 2009 included almost 21% women. An increase of almost 2% compared with 2008, enabling us to meet the target set in the management contract.

The split of employees between companies is as follows:

FTE changes 2000-2009 (figures as at 1st January)



	Number	FTE
SNCB-Holding	4.272	4.025
Infrabel	12.849	12.342
SNCB	20.979	20.118
Mutual Fund (Caisse des Soins de Santé)	158	145
Secondment to various authorities	534	524
Total	**38.792**	**37.154**

New selection tests

We would also add that internal selection tests, in other words promotion tests for going to a higher grade, underwent a thorough reworking in 2009. The aim of this complete overhaul is to emphasise even more what an applicant "can do", whatever technical or other skills they possess. Applicants are now asked questions and presented with situations that are related to and could possibly happen in the grade for which they are taking the exam.

This makes the selection test a much closer reflection of the daily life they can expect in the new grade. Applicants who pass this sort of selection test can therefore adopt their new responsibilities with nothing to worry about. Those who pass the selection test are then subject to a psycho-professional assessment following which a development (training) programme is drawn up.

Train@Rail

Last year, Train@Rail was active on various fronts: efforts were concentrated on supporting change courses and the strategic challenges for the SNCB Group.

Examples include:

- Language training remains an ongoing priority. In 2009, Train@Rail focused on extension and renewal. The reform of linguistic exams at Selor was an excellent opportunity to carry out an in-depth rework of language training for train drivers and insist on practical knowledge and abilities. In addition, Train@Rail language trainers developed their own e-learning package targeted at employees wishing to prepare for the Selor exam computerised tests.

- The line management training course developed in 2008 at the request of two departments proved a resounding success and an adapted form was offered to the other departments. Line management staff review different aspects of prevention and protection at work and certain legal obligations in the area of welfare at work.

- The first sessions of the Start@Rail programme took place in autumn. New university or specialist institute graduates are invited to information sessions on the SNCB Group, site visits and management training. Start@Rail offers new staff a more detailed view of the structure, remit and main activities of the different companies and departments. Train@Rail thereby contributes to improving welcoming and integration, at a time when the SNCB Group age pyramid is at a significant stage of departures and arrivals.

- Of the courses offered by the Management & Leadership School, the most in demand in 2009 were those on communication, stress management and time management. In these areas, the satisfaction score exceeded 80%. In addition to customised projects, the development of applied skills management remains the main focus with training sessions on "feedback", writing job descriptions, skills-oriented discussions etc.

- In addition, Train@Rail also collaborated on change projects such as Mind³ and H2R. In this regard, the most effective approach was researched each time: business theatre, simulations, information sessions, management coaching. Analysis of the results shows that the next period will also involve real needs in this area in order to arrive at a results-based achievement.

H$_2$R

HR staff aspire to offer a quality service and a customer-oriented approach. Thanks to H2R, the HR community change programme, the HR department can continue to improve and meet new challenges.

Whereas previous years had focused on choices and preparatory work, H2R finally reached cruising speed in 2009. The programme staff had to work twice as hard, because the introduction of phase one of the H2R programme needed to be finalised by January 2010. This first phase was necessary to enable Mind³ to be put into production, because Mind³ makes use of some of the personal data from the individual file drawn from H2R. Definition of processes and introduction of the new IT system (SAP) required a colossal effort. Programme staff and end-users from different departments involved in this first phase were invited to take part in information sessions and training. The H2R intranet site was developed and put online.

And the efforts were rewarded because, by the end of 2009, everything was ready for launching the first phase of H2R on 5 January 2010.

Staff welfare

The social benefits offered to members of staff contribute to their welfare and motivation. They can play a key role in the company's attraction. Below is a selection of 2009 initiatives:

- ongoing modernisation of staff canteens;

- organisation of non-residential stays for children of in-house staff during the summer holidays.

9. Financial management report

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

Annual accounts: key figures and notes

The year ended with an EBITDA of €121.6 million, up by 9.3% on the previous year, thanks to an increase in operating income (+€144.9 million) which more than offset the increase in operating costs (+€134.5 million). Although a number of contrasting changes combine to make up this difference, the €37.7 million fall in rental costs was a significant factor.

The two major components of the EBITDA are turnover (€2,519.1 million) and personnel costs (€2,123.4 million).

After taking into account undisbursed expenses (-€215.9 million) and financial income (+€270.0 million), a significant part of which comprises capital subsidies offsetting depreciation charges, the current profit amounts to €175.7 million, down by 17.2% compared with 2008.

Exceptional items impacted adversely on the final result of €89.8 million, mainly due to the value reduction carried out on the shareholding in SNCB (-€862.7 million) and the €135.0 million provision made to meet commitments made by SNCB-Holding in connection with the restructuring of the Cargo business carried out by SNCB. These exceptional charges are however largely offset by exceptional income, mainly resulting from the early settlement of alternative financing transactions, changes to the accounting treatment of the adoption of pensions operation made in 2005 and capital gains on the sale of fixed assets.

EBT was €85.9 million, before income resulting from the 2005 accounting reform (+€49.8 million) and a transfer to immunised reserves (-€89.3 million).

The overall balance for SNCB-Holding was €11,940.9 million, representing a slight reduction compared with the previous year (€12,140.4 million). The balance sheet structure is characterised by a significant amount of fixed assets (€5,463.9 million) essentially representing tangible fixed assets (€1,549.0 million), and above all financial fixed assets (€3,845.4 million), which include in particular the shareholdings in the capital of Infrabel and SNCB.

The rest of the assets is made up of current assets (€6,477.0 million), including €3.680.2 million of receivables falling due in more than one year resulting mostly from alternative financing transactions, and €1,637.5 million of cash investments also resulting from either alternative financing transactions or funds managed on behalf of public authorities (RER Fund or Liefkenshoektunnel).

Liabilities are made up of €1,963.4 million of shareholders' equity, €859.6 million of provisions for contingencies and expenditure, and €9,118.0 million of financial, commercial, payroll and social short- and long-term debts.

Adaptation of valuation rules

The SNCB Group made the decision to present its consolidated accounts according to IFRS standards with effect from the 2010 financial year.

To facilitate this migration, a progressive reworking of the valuation rules was undertaken in order to integrate, to the extent allowed by Belgian accounting law, the principles contained in the IFRS standards.

The most significant changes implemented in 2009 were the following:

- new rules for calculating value reductions on shareholdings (impact: -€701.5 million);
- change to valuation rules concerning fixed assets in order to align these rules to the predominating principles according to IFRS standards (impact: -€5.6 million);
- update of long-term non-interest-bearing receivables and debts or those yielding abnormally low interest (impact: +€14.9 million);
- reworking of the rules for calculating value reductions on receivables (impact: -€2.1 million);
- transfer of IAS 19 provisions relating to age-related leave and long service-related bonuses to Infrabel and SNCB (impact: +€22.6 million);
- application of the percentage progress method for orders in progress (impact: +€0.1 million).

In addition, reference should be made to the consequences of the Law of 23 November 2009 relating to the "Net Present Value" balance on alternative financing transactions, intended to cancel out the effect of integration of the amount of profit into the capital of SNCB-Holding (at net discounted value) resulting from alternative financing transactions concluded previously, and which had been incorporated into the capital on the occasion of the accounting reform which took place on 1st January 2005. The impact on the 2009 result was -€138.9 million.

Change in indebtedness

During the 2009 financial year, SNCB-Holding's net debt reduced by €137.9 million, from €2,933.5 million to €2,795.6 million. This net debt is made up of both balance sheet debts and off-balance sheet debts contracted with financial institutions subject to deduction of certain cash investments, specific receivables and liquid assets.

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, with a margin of ±5%. At the end of December 2009, this fixed-variable ratio was 62.87% and 37.13% respectively.

On the other hand, the consolidated net debt of the group formed by SNCB-Holding, Infrabel and SNCB increased by €315.6 million, from €2,415.3 million to €2,730.9 million. The main reason is the utilisation of cash resulting from the completion of investment plans, the financial resources for which had previously been made available to the group.

Significant events after the balance sheet date

In view of the worrying change in the financial situation of the SNCB Group, and in particular of SNCB (rail operator), SNCB-Holding took the initiative in early 2010 of carrying out a comprehensive diagnosis of the situation. This was done in collaboration with the SNCB and Infrabel financial departments and led to a report subject to complete consensus. On this basis, the SNCB-Holding, Infrabel and SNCB Boards of Directors were requested to take the necessary measures to achieve a consolidated EBITDA of €150 million in 2012. This level is necessary to ensure stabilisation of the consolidated net debt which is an objective set by the State in the management contracts. These measures were decided on by the respective Boards of Directors. For SNCB, the decision was taken on 21 May by the Board and communicated by a letter dated 26 May to SNCB-Holding. Only after this decision by the SNCB Board of Directors, and its consequences on continuity, was the SNCB Board of Auditors in a position, on 25 May, to issue its report on the 2009 accounts. This explains the consequent delay in issuing the SNCB-Holding Board of Auditors report and sending it to shareholders. The SNCB Ordinary General Meeting of 27 May 2010 approved the company accounts as at 31 December 2009.

On completion of this process, there was no impact on the financial statements.

In addition, on 26 May, the European Commission approved the restructuring of the SNCB business.

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

Apart from the circumstances mentioned below on the point of risks, there are no particular circumstances 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

The SNCB-Holding profit and loss account shows a positive result of €46.4 million, after taking into account an €89.3 million transfer to immunised reserves. This corresponds to an operating result (EBITDA) of €121.6 million.

As at 31 December 2009, the net debt of SNCB-Holding was €2,795.6 million compared with €2,933.5 million at 31 December 2008, which reflects the quality of the company's financial situation.

However it should be noted that on 10 August 2009, the SNCB-Holding Standard & Poor's rating was downgraded from AA+ to AA (outlook stable). The Moody's rating was maintained at Aa1 (outlook stable).

The SNCB-Holding result is heavily influenced by book entries resulting from the transition to IFRS standards. In particular, it is worth mentioning the value reduction of €862.7 million applicable to the shareholding in SNCB, a public limited company, of which SNCB-Holding is the sole shareholder.

The SNCB-Holding Board of Directors is monitoring the changes in the SNCB financial situation with attention and concern as this negative impact risks jeopardising the financial equilibrium of the whole SNCB Group and, at the same time, compromising the achievement of the aims of the management contract. The SNCB operating result (EBITDA) in 2009 was a negative €287.8 million as against a negative €108.1 million in 2008. This change reflects the worsening of the economic and financial situation of SNCB's three business sectors: B Mobility (National Passengers), B-Europe (International Passengers) and B-Logistics (B Cargo).

As regards B-Logistics, the SNCB-Holding Board of Directors repeatedly drew the attention of SNCB and the State to the need to file a restructuring plan, by 31 December 2009, in accordance with Community guidelines on State aid to rail companies. The plan was duly prepared in the 2nd half of 2009 by the B-Logistics executives in SNCB, with the support of SNCB-Holding. In accordance with the guidelines, this plan provides for spinning off the {} B Logistics business and, on the basis of forecasts prepared by the management, the resulting subsidiary must return to equilibrium in 2012. SNCB-Holding undertook to make a non-refundable contribution of €135 million to execution of the B-Logistics restructuring plan. The plan was submitted to the European Commission by the Belgian State on 23 December 2009.

As regards the SNCB Group as a whole, SNCB-Holding managed to meet the conditions necessary for implementing a financial recovery programme enabling the Group to guarantee overall financial equilibrium. The attention of the supervisory authorities was drawn to the change in SNCB's financial situation and, in January 2010, the procedure set out in article 109 of the SNCB-Holding management contract was implemented. In accordance with this procedure, SNCB-Holding sent an assessment report to the Minister responsible, prepared in collaboration with SNCB and Infrabel, and submitted recommendations. The SNCB-Holding Board of Directors approved the savings programme which represents its contribution to the Group's financial equilibrium and will continue to closely monitor changes in SNCB's financial situation.

Reporting and control

Each month, an activity report is drawn up by the Finance Treasury department for the Chief Financial Officer, 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.

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, Para 8 and 9 of the management contract between the State and SNCB-Holding.

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

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

In connection with funding its debt and concluding various alternative financing transactions, 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 counterparties need 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, which SNCB-Holding manages in the name and on behalf of the State.

Liquidity risk

When financing is contracted, account is taken of the forecast changes in the future cash flow in order to level out and reduce the cash balances as far as possible. Investments and loans must be aligned to each other in order to limit risks at an 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 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 pre-financing contracted by SNCB-Holding for the TGV project, which is covered, 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 minimum rating criteria of the counterparties according to the term of the investment.

Maximum amounts per counterparty 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 counterparties 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 counterparty, in the event of cancellation of the total outstanding amount of the derivatives entered into with the latter.

Recourse to CSAs restricts the risk to a ceiling, which varies according to the rating of the counterparty.

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

With counterparties that have received a "negative credit watch", no new transactions 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.

In 2008 and 2009, 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, five of which required corrective measures.

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

SNCB-Holding succeeded in doing this for these five transactions:

- for one transaction, the deposit was replaced by a letter of credit from Eurofima;
- for three transactions, the deposit was retained provisionally by SNCB-Holding but replaced within the transaction by a guarantee from the State and two payment obligations from Eurofima.
- for the remaining transaction, the deposit expired, settlement was made, and the transaction was replaced by US-Treasury strips.

On 19 December 2009, SNCB-Holding was faced with a sixth transaction. However, the investor warned SNCB-Holding that the deposit did not have to be replaced because it was invested in a financial institution which became a subsidiary of the investor.

Despite the rating of the subsidiary not meeting the contractual level, the investor

considers that its subsidiary's rating in the current circumstances is sufficient.

The updated cost of the Eurofima letters of credit, the Belgian State guarantee and the sale of a deposit and its replacement by the purchase of US-Treasury strips is estimated at €6.5 million.

Legal fees paid to different law firms for 2008 and 2009 amount to €764,204.29.

For other transactions in progress, the rating of the deposit always meets the quality 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 downgrade 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 Aa2 by Moody's).

The SNCB Group's financial policy specifies that for investments of more than 6 months, the counterparty must at the 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.

A legal action was immediately brought by a specialist London law firm.

It was decided by the Board of Directors, for the whole of 2009, 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 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 2009 SNCB-Holding joined Infrabel and SNCB in their ambitious sustainable development and new and high performance infrastructures projects to provide the mobility of tomorrow:

- SNCB-Holding guarantees the pre-financing 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 TGV infrastructure work. In return, 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. In 2007, SNCB-Holding borrowed €95.82 million over 10 years and €57 million over 20 years. The final tranche of €115.68 million was due to be placed on the market in 2009 for a period of 27 years. In view of the lack of opportunity for recovery on international markets in 2009, SNCB-Holding will take the necessary steps during 2010.
- The commitment by SNCB-Holding to finance the purchase, at the lowest cost price, of 60 Siemens Class 18 locomotives for €146.00 million, thus enabling the SNCB rolling stock to be renewed in good time. 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. This was embodied in agreements entered into between the Belgian State and SNCB, SNCB and SNCB-Holding, and SNCB-Holding and Eurofima.

Regional pre-financing

On 5th 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 pre-financing of new railway infrastructures. Thanks to their financial input, SNCB-Holding can pre-finance 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 ultimately 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 Brussels-Luxembourg line modernisation 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 up to 15 minutes, which will put Brussels 2 hours from Luxembourg. This work will be ongoing from 2006 to 2014 and represents an investment of 458.7 million euros, 289.2 million of which will be pre-financed.

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 2016 and represents an investment of 111.2 million euros, 102.4 million of which will be pre-financed.

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 facilities designed to take a transfer terminal. This work will continue from 2007 to 2010, and 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.

Construction of the Liefkenshoek rail link in the Port of Antwerp is being 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 pre-financing or, in the case of the Liefkenshoek rail link, by the PPP construction.

For each project to be financed, SNCB-Holding has provided or will provide a wholly-owned SPV (Special Purpose Vehicle); it takes on the market debt and places the amount of the loans at the disposal of the SPVs according to their requirements. Interest on these loans is paid by contributions from the Region concerned, up to an agreed ceiling.

To date, three SPVs have been established: 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 pre-financing of the three SPVs with a Belgian bank.

The situation of the three SPVs at the end of 2009 is as follows:

SPV 162

The work done under SPV 162, which has been completed, was sold to SNCB-Holding on 29 December 2008 for €40.2 million ex-VAT, then on 17 December 2009, for €27.2 million, which then led to increases in Infrabel capital by means of a contribution in kind for equivalent amounts.

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.

As at the end of 2009, SNCB-Holding has loaned SPV 162 a total of €74 million.

SPV Zwankendamme

As at the end of 2009, work was still under way. SNCB-Holding has loaned SPV Zwankendamme a total of €6.2 million.

SPV Brussels Port

As at the end of 2009, work was still under way. SNCB-Holding has loaned SPV Brussels Port a total of €2.6 million.

Fonds Liefkenshoektunnel

In accordance with the co-financing agreement signed on 20 December 2007 between the Flemish Region, Infrabel and SNCB-Holding on the rail link known as Liefskenhoek, SNCB-Holding manages funds received from the Flemish Region in a special account which, at the end of December 2009, was in credit to the tune of €47.9 million.

Transactions with related parties executed under non-market conditions

Pursuant to the Royal Decree of 10 August 2009, SNCB-Holding is obliged to provide additional information on material transactions with related parties executed under non-market conditions, in particular by companies meeting more than one of the criteria set out in article 16, §1, sub-paragraph 1 of the Companies Code.

Although transactions with SNCB are not covered by the provisions of the Decree since SNCB-Holding is the sole shareholder thereof, it should be noted that transactions with them are either executed at cost price (in particular the secondment of personnel), or subject to intra-group contracts (already or being entered into) which have been subject to in-depth negotiations between the parties, on the basis of market references when these were available. For certain rolling stock sub-leasing contracts, entered into at the time of implementation of the new SNCB Group structure on 1st January 2005, no market reference was or still is available.

With regard to Infrabel, in which SNCB-Holding holds 93.5% of the shares and 20% less one share of the voting rights, no transactions were executed under non-market conditions. In fact, the transactions provided by SNCB-Holding are either executed at cost price (in particular the secondment of personnel) or subject to intra-group contracts (already or being entered into) which have been subject to in-depth negotiations between the parties, on the basis of market references when these were available. Likewise, the transactions provided by Infrabel are either executed at cost price (in particular the supply of electricity) or subject to intra-group contracts (already or being entered into) which have been subject to in-depth negotiations between the parties, on the basis of market references when these were available.

No material transactions were executed with other subsidiaries or sub-subsidiaries not directly or indirectly wholly owned by SNCB-Holding.

For the sake of prudence, it is also specified that no material transactions were executed under non-market conditions with companies not directly or indirectly wholly owned by the State, which owns 99.9% of the SNCB-Holding shares. Furthermore no material transactions were entered into under non-market conditions with members of management or executive bodies or persons related thereto.

Annual accounts

I. SNCB-HOLDING – INFRABEL CONSORTIUM REPORT FOR 2009

Preparation of the accounts

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 the 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.

Therefore, 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.

1. Scope of consolidation

During the 2009 financial year, the scope of consolidation evolved as follows:

	Number of companies
31/12/2008	65
IN	9
OUT	2
31/12/2009	72

This **change in the scope of consolidation** is explained as follows:

- establishment of three companies within the context of property development:
  a) development of Ghent station: SOFA (Group percentage interest: 100%) and SOFA INVEST (Group percentage interest: 50%);
  b) Hasselt law court: SOHA (Group percentage interest: 100%);
- acquisition of 24.01% shareholding by SNCB-Holding in OPTIMOBIL BELGIUM whose corporate object is carsharing;
- acquisition, shareholding and creation of four companies in the freight business:

	Group percentage control
Ro-Ro-Service Berlin	50%
GN Transportgesellschaft	49%
IFB France	100%
IFB Italia	100%

- creation by SNCB (100% interest) of YPTO in connection with the implementation of SAP;
- liquidation in June 2009 of UNILOG, active in the freight sector;
- exclusion from the scope of consolidation of RAILLINK, active in the passenger sector (distribution systems).

In addition, in April 2009, TRW (freight sector) carried out a €41.2 million capital increase by the issue of 155,869 shares. This increase was fully subscribed and paid up by SNCB by a contribution in kind of 3,986 wagons.

2. Balance sheet

Consolidated assets

The consolidated assets appear as follows:

ASSETS	2008	2009	Difference	
			In € million	%
Fixed assets	**16589**	**17781.3**	**1192.3**	**6.7**
Establishment expenses	0.6	0.5	-0.1	
Intangible fixed assets	1544.4	1552	7.6	0.5
Consolidation differences	1.9	1.3	-0.6	-46.2
Tangible fixed assets	14887.4	16073.9	1186.5	7.4
Financial fixed assets	154.7	153.6	-1.1	-0.7
Current assets	**9564.7**	**9389.6**	**-175.1**	**-1.9**
Receivables falling due in more than one year	3493.8	3531.8	38	1.1
Stock and orders in progress	481.5	593	111.5	18.8
Receivables falling due within one year	1403.9	1537.1	133.2	8.7
Cash investments	3792.9	3439.6	-353.3	-10.3
Liquid assets	56.1	54.8	-1.3	-2.4
Prepayments	336.5	233.3	-103.2	-44.2
TOTAL ASSETS	**26153.7**	**27170.9**	**1017.2**	**3.7**

Fixed assets amount to **€17,781.3 million**, an increase of €1,192.3 million compared with 2008.

This change is almost exclusively related to tangible and intangible assets which increased by €1,194.1 million, as a consequence of the Group's investment policy, including:

a) +€1,129.6 million for the former SNCB (SNCB-Holding – SNCB – Infrabel);
b) +€35.4 million in subsidiaries active in the goods sector (primarily the acquisition by TRW of SNCB wagons) - impact on the consolidated accounts of €32.8 million;
c) +€26.3 million for the Eurostation sub-group, active in the property sector in the Brussels and Flemish regions.

Current assets amount to **€9,389.6 million**, a reduction compared with 2008 of €175.1 million, including:

a) –€354.6 million relating to cash investments and liquid assets, a reduction exclusively due to the former SNCB (SNCB-Holding – SNCB and Infrabel), a consequence in particular of the acceleration of investments;
b) +€171.2 million for receivables including +€146 million relating to the alternative financing of rolling stock (repayment of the debt and the interest cost are assured by the State).

It should be noted that, due to the Seventh Directive (Article 19 §2 83/349/EEC), the shares held by SNCB-Holding in Infrabel, and those in SNCB-Holding held by Financière Rue de France, are reclassified among treasury shares, which generates an asset of €1.96 billion.

Consolidated liabilities

The consolidated liabilities appear as follows:

LIABILITIES	2008	2009	Difference	
			In € million	%
Shareholders' equity	**16.093,2**	**16.785,5**	**692,3**	**4,1**
Third-party interests	**6**	**5,9**	**-0,1**	**-1,7**
Provisions and deferred taxes	**1.237,3**	**1.111,5**	**-125,8**	**-11,3**
Debts	**8.817,2**	**9.268**	**450,8**	**4,9**
Debts falling due in more than one year	2.485,7	2.888,7		
Debts falling due within one year	2.599,4	2.659		
Accruals	3.732,1	3.720,3		
TOTAL LIABILITIES	**26.153,7**	**27.170,9**	**1.017,2**	**3,7**

The movement in **shareholders' equity** as compared with 2008 is **+€692.3 million**, including:

a) +€1.098.2 million relating to capital subsidies (+€1,096.6 million for the former SNCB (SNCB-Holding – SNCB and Infrabel));
b) –€405.7 million resulting from the change in consolidated reserves, ie the 2009 financial year results (Group share) of –€205.7 million and the transfer to capital subsidies of €200 million. This transfer is part of the State's budget policy for 2009.

Provisions and deferred taxation amount to **€1,111.5 million**, a reduction of €125.8 million compared with 2008, as a consequence of the application of IFRS standards to the Group and more specifically to the breakdown of tangible assets into components. As a corollary to this application of components, provisions for major repairs and maintenance were virtually eliminated.

Total indebtedness was **€9,268 million**, an increase compared with 2008 of €450.8 million, including +€457.4 million due to the increase in financial indebtedness of the former SNCB (SNCB-Holding – SNCB and Infrabel).

3. Profit and loss account

The consolidated profit and loss account appears as follows:

LIABILITIES	2008	2009	Difference	
			In € million	%
Sales and services	**4.048,8**	**3.682,4**	**-366,4**	**-10**
Cost of sales and services	**-4.259,5**	**-4.470,5**	**-211**	**4,7**
Operating results	-210,7	-788,1	-577,4	-73,3
Financial results	361,6	812,5	450,9	55,5
Exceptional income	-137,2	-227,3	-90,1	-39,6
Taxes on earnings	-2,7	-2,1	0,6	-28,6
Consolidated companies' results	11	-205	-216	105,4
Share of the results of companies accounted for by the equity method	1,6	-0,7	-2,3	328,6
Consolidated profit/loss	**12,6**	**-205,7**	**-218,3**	
Group share of the results	12,4	-205,7	-218,1	
Third parties' share of the results	0,2	0	-0,2	

The Group share of the consolidated results shows a **loss of €205.7 million**, as against +€12.4 million for the 2008 financial year. It is made up as follows:

	2008	2009	Difference
			In € million
SNCB-Holding	-47.5	-138.3	-90.8
Infrabel	111.6	83.7	-27.9
SNCB	-153.1	-211.9	-58.8
Restricted consolidated scope	**-89**	**-266.5**	**-177.5**
SNCB-Holding division	115	28.6	-86.4
Infrabel division	0.6	0	-0.6
SNCB division	-14.2	32.2	46.4
	12.4	**-205.7**	**-218.1**

The reason for the **changes in the results** is mainly to be found:

a) in the statutory accounts of the **former SNCB entities** (SNCB-Holding – SNCB and Infrabel), namely -€285.5 million, resulting in a reduction, compared with 2008, of €196.5 million;
b) in the €86.4 million reduction in the results of the **SNCB-Holding subsidiaries**. The previous financial year was marked by a capital gain of €101.9 million resulting from the sale by Eurostation of the companies Instruction and Immo-Instruction;
c) in the increase of €46.4 million in the results of the **SNCB subsidiaries**. HOWEVER, €53.18 million of this change comes from the consolidated entries relating to the wagons contributed by SNCB to Xpedys in 2008. In 2008, a provision for major maintenance and repairs was made for these wagons contributed by SNCB (impact on 2008 results: -€26.59 million). In 2009, as a result of the application of IFRS standards, the provision made in 2008 was cancelled (impact on 2009 results: +€26.59 million).

The other consolidated management report issues as prescribed by the Companies Code are dealt with in the management reports on the statutory annual accounts of the consolidating companies.

Furthermore, it should be noted that for the SNCB-Holding & Infrabel Consortium, amounts and/or subjects of transactions with associated parties carried out under non-market conditions are not applicable.

II. UNCONSOLIDATED COMPANY ACCOUNTS

A. Notes to the annual accounts

1. Key information

a) Investments

SNCB-Holding continued its sustained policy of investments in its own areas of business activities.

In 2009, it invested over €227.6 million in tangible and intangible fixed assets, in particular stations (€63.5 million) and car parks (€42.0 million).

Through financial fixed assets acquired during the year (€31.4 million), SNCB-Holding also contributes to the financing of investment projects such as the modernisation of the Brussels-Luxembourg line (€26.8 million), and the ports of Zeebrugge (€3.2 million) and Brussels (€1.4 million).

b) Personnel

The main expenses for SNCB-Holding are personnel expenses. These represent 84.3% of turnover.

The total payroll, drawn up in accordance with accounting law principles, amounts to €2,123.4 million for the year 2009.

	2009	2008	∆%
Remuneration and social security contributions (in € million)	2.123,4	1.994,5	6,5%
Personnel in FTE[1]	37.130	36.810	0,9%

The increase in payroll costs comes essentially from the increase in the workforce, and also the consequences of the three indexations that happened during the 2008 financial year.

[1] FTE = Full-Time Equivalent

c) Change of valuation rules

The SNCB Group decided on 1st January 2010 as the date for applying the IFRS international accounting standards for presentation of its consolidated accounts.

Since 2006, the working group responsible for preparing this conversion has analysed then progressively communicated the consequences on the different headings of the financial statements.

As the conclusions and recommendations were published, the SNCB-Holding accounting departments chose to immediately launch a migration process, aimed at implementing the rules recommended by the IFRS standards in the company accounts, at least when they are compatible with the provisions of Belgian accounting law.

This is reason why the valuation rules applicable to preparation of the annual accounts have been modified annually over the course of the last few financial years.

This year too, a number of adaptations are necessary in order to complete this convergence process.

Valuation of holding in SNCB

The worrying financial situation of SNCB led SNCB-Holding to review the way in which up to now it has calculated its value reductions in this holding. The method was in fact based on historical changes in shareholders' equity, which was too slow to reflect the degradation in the results being achieved by SNCB.

As a consequence, it was decided to opt for a forward valuation, in accordance with the principles set out in standard IAS 36, based on the discounting of expected future cash flows. This entailed making a value reduction of €862.7 million in 2009.

Adjustment in the value of tangible and intangible fixed assets in progress

In 2008, the valuation of tangible fixed assets in use had been adapted to make it compliant with IFRS principles, in particular standard IAS 16. This led to a review of the initial acquisition cost, excluding certain previously activated expenses. Assets had been broken down according to the components approach. Finally, the useful life of the components had been adjusted so as to correspond more closely to economic reality.

This work continued in 2009, this time focusing on tangible and intangible fixed assets in progress. Bearing in mind the fact that the majority of investments are subsidised, the final impact on the profit and loss account was however limited to an overall -€5.6 million.

Adjustment of long-term non-interest-bearing receivables and debts or those yielding abnormally low interest

To comply with standard IAS 37, long-term non-interest-bearing receivables and debts or those yielding abnormally low interest are now subject to adjustment intended to record them at their current value.

Orders in progress at fixed prices or capped real prices

The application of standard IAS 11 led to recognising profit or loss spread over the state of completion of orders in progress.

Removal of provisions for events that have not yet occurred

According to standard IAS 37, a provision must be made only if the following three conditions are met:

- there is a current (legal or implicit) obligation resulting from a past event;
- it is (more than 50%) probable that an outflow of funds representing economic benefits will be necessary to extinguish the obligation;
- the amount of the obligation can be reliably estimated.

These considerations led to cancelling the provision made in respect of the costs of advice in connection with the write-back of debt by the State in 2005 and the ABX transfer, because although these activities are linked to a past event, the fees represent activities still to be performed in respect of which SNCB-Holding has no current obligation.

d) Transfer of provisions to Infrabel and SNCB

Provisions relating to personnel benefits were determined for the Group personnel as a whole. The question arose as to whether or not these various provisions (which do not all have the same characteristics) should be spread over the various Group companies.

The analysis carried out revealed that the transfer to SNCB and Infrabel of the IAS 19 provisions relating to age-related leave and long service-related bonuses was justified. This led to a positive result of €22.6 million for SNCB-Holding.

e) Adjustment of balance of provision for loss-making contract relating to sub-lease of rolling stock

During the reorganisation of Group structures in 2005, a "provision" – technically entered under accruals – of €1,353.4 million was made, to cover the difference between:

- lease payments made by SNCB-Holding to investors for rolling stock under Sale & Rent Back transactions, and
- lease payments re-invoiced to SNCB for this equipment.

The amount of this "provision" was calculated at the end of 2004, in particular:

- on the basis of then-current interest rates;
- assuming that the transactions would all continue to their normal contractual term;
- by including transactions in the course of final negotiation which should have qualified as Sale & Rent Back transactions.

At the end of 2009, a large number of the parameters used at the time were no longer applicable (changes in interest rates to historical ceilings, early settlement of transactions, non-finalisation of financing transactions that were expected). Taking these parameters into account, an adjustment of €536.0 million was made under exceptional income for the year.

f) Application of the Law of 23 December 2009 relating to the "Net Present Value" balance on alternative financing transactions

Article 202 of the programme law of 23 December 2009 contains the following provision:

"The public limited company SNCB-Holding is obliged:

1. to record as a debt, in the profit and loss account, the balance of the net present value of alternative financing transactions previously entered as capital;
2. to include this balance in its profit and loss account, spread over the term of the transactions concerned."

The impact of this measure has a negative influence on the 2009 results of €138.2 million.

g) Change to the accounting treatment of the adoption of pensions by the State

Since 1 January 2006, the State has adopted the obligations previously assumed by the SNCB Group arising from certain specific measures with regard to pensions for statutory personnel, by payment of a one-off amount of €296.0 million by SNCB-Holding.

It was agreed that SNCB and Infrabel would repay their respective portions to SNCB-Holding over a period of 15 years.

For this reason, a provision was made in SNCB-Holding, corresponding to the total value of the interest for which Infrabel and SNCB did not accept responsibility.

In 2009, following the negotiation, then the conclusion, of an intragroup contract relating to this capital repayment transaction incumbent on Infrabel and SNCB respectively, a receivable was recognised in the Holding accounts (and the corresponding debts in the SNCB and Infrabel accounts).

The provision made to cover the interest of financing the adoption of pensions was cancelled in 2009 as to €47.6 million.

The nominal value of the receivables recorded in Infrabel and SNCB was €28.1 million and €163.7 million respectively, taking into account that these non-interest-bearing receivables must be adjusted.

The impact of this change on the 2009 results was a positive €197.5 million.

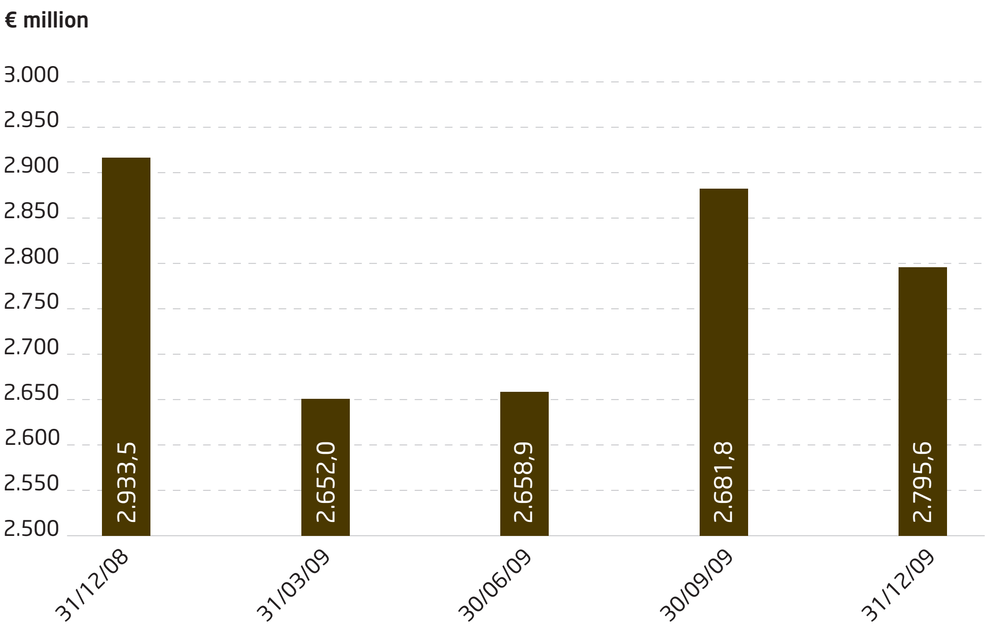
h) Change in indebtedness

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.

SNCB-Holding's net indebtedness is the debt contracted with financial institutions (on or off-balance sheet debt):

+ interest-yielding intragroup debts;
- interest-yielding 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-yielding receivables relating to intragroup companies.

As shown in the chart below, during the 2009 financial year, SNCB-Holding's net indebtedness reduced by €137.9 million to a total of €2,795.6 million.



2. Balance sheet

a) Assets

The balance sheet structure is characterised by a significant amount of fixed assets (€5,463.9 million) essentially representing tangible fixed assets (€1,549.0 million), and above all financial fixed assets (€3,845.4 million), which include in particular the holdings in the capital of Infrabel and SNCB.

Current assets (€6,477.0 million) make up the rest of the assets, including €3.680.2 million of receivables falling due in more than one year resulting mostly from alternative financing transactions, and €1,637.5 million of cash investments also resulting from either alternative financing transactions or funds managed on behalf of public authorities (RER Fund or Liefkenshoektunnel).

b) Liabilities

Liabilities are made up of €1,963.4 million of shareholders' equity, €859.6 million of provisions for contingencies and expenditure, and €9,118.0 million of financial, commercial, payroll and social short- and long-term debts.

3. Operating results

a) EBITDA

The year ended with an EBITDA of €121.6 million, up by 9.3% on the previous year, thanks to an increase in operating income (+€144.9 million) which more than offset the increase in operating costs (+€134.5 million). Although a number of contrasting changes combine to make up this difference, the €37.7 million fall in rental costs was a significant factor.

The two major components of the EBITDA are turnover (€2,519.1 million) and personnel costs (€2,123.4 million).

b) EBT (without accounting reform)

EBT was €85.9 million, before income resulting from the 2005 accounting reform (+€49.8 million) and a transfer to immunised reserves (-€89.3 million).

B. Balance Sheet

1. Assets

ASSETS		31/12/2009		31/12/2008
Fixed assets		**5.463.879.574,55**		**6.032.301.862,56**
Establishment expenses		0,00		0,00
Intangible fixed assets		69.436.737,49		69.033.941,08
Tangible fixed assets		1.548.997.355,55		1.325.769.223,63
Land and buildings	808.057.693,71		431.378.253,58	
Plant, machinery and equipment	200.519.650,19		271.457.851,17	
Fittings and rolling stock	4.656.920,31		3.937.243,07	
Finance leasing and similar interests	255.579.311,09		0,00	
Other tangible fixed assets	99.140.149,19		125.503.913,33	
Fixed assets in progress and payments on account	181.043.631,06		493.491.962,48	
Financial fixed assets		3.845.445.481,51		4.637.498.697,85
Associated companies				
Holdings	3.792.895.747,33		4.586.791.975,74	
Receivables	39.567.666,01		37.754.274,55	
Other companies with which there is an investment link				
Holdings	12.319.977,61		12.269.977,61	
Receivables	0,00		0,00	
Other trade investments held as fixed assets				
Shares and interests	189.026,78		192.384,39	
Cash bonds and receivables	473.063,78		490.085,56	
Current assets		**6.477.046.410,70**		**6.108.064.581,92**
Receivables falling due in more than one year		3.680.150.932,72		3.470.812.014,13
Trade debtors	0,00		0,00	
Other amounts receivable	3.680.150.932,72		3.470.812.014,13	
Stock and orders in progress		8.495.047,95		6.101.388,72
Stock				
Supplies	720.149,93		2.431.752,35	
Manufacture in progress	0,00		0,00	
Finished products	0,00		0,00	
Goods	0,00		96.788,88	
Properties intended for sale	0,00		0,00	
Payments on account	0,00		0,00	
Orders in progress	7.774.898,02		3.572.847,49	
Receivables falling due within one year		771.278.125,34		630.049.481,96
Trade debtors	398.743.839,98		317.960.392,88	
Other amounts receivable	372.534.285,36		312.089.089,08	
Cash investments		1.637.502.241,56		1.598.192.348,52
Treasury shares	0,00		0,00	
Other investments	1.637.502.241,56		1.598.192.348,52	
Liquid assets		4.125.288,95		2.524.132,65
Prepayments		375.494.774,18		400.385.215,94
TOTAL		**11.940.925.985,25**		**12.140.366.444,48**

2. Liabilities

LIABILITIES		31/12/2009		31/12/2009		31/12/2008
Shareholders' equity			**1.963.355.161,48**			**1.788.969.619,81**
Capital			741.778.929,39			741.778.929,39
Subscribed capital		741.778.929,39			741.778.929,39	
Uncalled capital (-)		0,00			0,00	
Share premiums			0,00			0,00
Capital gains on revaluation			0,00			0,00
Reserves			89.324.261,30			0,00
Legal reserve		0,00			0,00	
Illiquid reserves						0,00
For treasury shares		0,00			0,00	
Other		0,00			0,00	
Immunised reserves		89.324.261,30			0,00	
Liquid reserves		0,00			0,00	
Deferred income (loss brought forward) (-)			-49.967.347,61			-96.342.179,16
Capital subsidies			1.182.219.318,40			1.143.532.869,58
Provisions and deferred taxes			**859.553.367,30**			**832.359.305,33**
Provisions and deferred taxes			859.553.367,30			832.359.305,33
Provisions for contingencies and expenditure						
Pensions and similar obligations		325.810.381,25			308.058.482,72	
Tax charges		0,00			0,00	
Major repairs and maintenance		0,00			0,00	
Other contingencies and expenditure		533.742.986,05			524.300.822,61	
Deferred taxes		0,00			0,00	
Debts			**9.118.017.456,47**			**9.519.037.519,34**
Debts falling due in more than one year			2.938.970.312,98			2.542.756.184,29
Financial debts	Subordinated loans	0,00			0,00	
	Unsubordinated debenture loans	677.000.000,00			677.000.000,00	
	Finance leasing and similar debts	987.113.152,49			724.353.637,86	
	Credit institution	1.195.766.282,89			986.726.577,42	
	Other borrowings	0,00			0,00	
Trade creditors	Suppliers	14.757.186,66			85.080.673,50	
	Bills payable	0,00			0,00	
Payments received on account of orders		10.000.000,00			10.000.000,00	
Other debts		54.333.690,94			59,595,295.51	
Debts falling due within one year			2.474.192.096,97			2.545.552.713,78
Debts of more than one year falling due within the year		72.205.810,62			82.310.105,47	
Financial debts	Credit institutions	23.315.512,65			18.998.146,53	
	Other borrowings	706.522.877,46			647.715.309,90	
Trade creditors	Suppliers	320.660.385,53			329.623.125,37	
	Bills payable	0,00			0,00	
Payments received on account of orders		16.725.094,18			11.451.412,86	
Tax, payroll and social security debts	Taxation	69.853.088,04			68.000.345,61	
	Remuneration payments and social security contributions	392.735.863,94			338.904.019,88	
Other debts		872.173.464,55			1.048.550.248,16	
Accruals			3.704.855.046,52			4.430.728.621,27
TOTAL			**11.940.925.985,25**			**12.140.366.444,48**

C. Profit and loss account

1. Profit and loss account

	31/12/2009	31/12/2008	Δ%
SALES AND SERVICES	**2.594.086.379,23**	**2.449.227.852,35**	**5,9%**
Turnover	2.519.120.535,46	2.380.678.858,21	5,8%
Change in orders in progress	4.282.778,14	2.811.463,20	52,3%
Capitalised production	45.726.979,57	44.731.386,88	2,2%
Other operating income	24.956.086,06	21.006.144,06	18,8%
COST OF SALES AND SERVICES	**-2.472.490.978,83**	**-2.338.027.696,58**	**5,8%**
Raw materials and supplies	-11.858.673,71	-12.899.474,07	-8,1%
Miscellaneous goods and services	-334.051.364,16	-328.860.475,54	1,6%
Remuneration payments and social security contributions	-2.123.414.394,81	-1.994.529.498,19	6,5%
Other operating expenses	-3.166.546,15	-1.738.248,78	82,2%
EBITDA	**121.595.400,40**	**111.200.155,77**	**9,3%**
Depreciation	-213.762.311,13	-71.775.490,41	197,8%
Value reductions	-778.453,68	876.979,04	N.S.
Provisions	-1.376.473,35	44.654.823,51	N.S.
EBIT	**-94.321.837,76**	**84.956.467,91**	**N.S.**
Financial income	**400.494.252,66**	**421.277.593,00**	**-4,9%**
Capital subsidies	201.864.463,42	237.225.792,50	-14,9%
Other financial income	198.629.789,24	184.051.800,50	7,9%
Financial expenses	**-130.478.381,33**	**-294.148.732,79**	**-55,6%**
Cost of external debts	-71.890.716,05	-138.219.673,63	-48,0%
Other costs of debts	-8.151.647,47	-37.712.397,51	-78,4%
Provision for income from derivatives and pensions	30.934.987,38	-98.483.040,35	N.S.
Other financial expenses	-81.371.005,19	-19.733.621,30	312,3%
Exceptional income	**-89.754.556,35**	**-363.778.319,47**	**-75,3%**
EBT before neutralisation of loss-making SRB contract	**85.939.477,22**	**-151.692.991,35**	**N.S.**
Neutralisation of loss-making SRB contract	49.759.615,63	81.465.668,14	-38,9%
Allocation to immunised reserves	**-89.324.261,30**	**0,00**	**N.S.**
EBT	**46.374.831,55**	**-70.227.323,21**	**N.S.**

2. Appropriations and drawings

	31/12/2009	31/12/2008
PROFIT (LOSS) TO BE APPROPRIATED		
Profit (loss) for the year to be appropriated	46.374.831,55	-70.227.323,21
Retained profit (loss brought forward) from previous year	-96.342.179,16	-26.114.855,95
RETAINED EARNINGS		
Loss carried forward	49.967.347,61	96.342.179,16

D. Cash flow Statement

CHANGE IN NET INDEBTEDNESS	from 01.01.2009 to 31.12.2009
Opening net debt	**-2.933.501.142,37**
Cash flow from operations	-470.272.596,73
Cash flow from investments	99.340.791,76
Change in Working Capital Requirements (WCR)	-83.126.608,20
Change in off-balance sheet debt	591.983.737,79
Net debt as at 31 December 2009	**-2.795.575.817,75**

E. Notes (Appendices)

1. Statement of establishment expenses

At the end of the 2009 financial year, there were no establishment expenses entered in the accounts.

2. Statement of intangible fixed assets

a) Research and Development costs

At the end of the 2009 financial year, there were no research and development costs entered in the accounts.

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

Acquisition value:	
At the end of the previous year	130.681.204,50
Changes in the year	
Acquisitions, including capitalised production	58.892.637,35
Disposals and retirements	
At the end of the year	189.573.841,85
Depreciation and value reductions	
At the end of the previous year	61.647.263,42
Changes in the year	
Recorded	58.496.104,41
Write-back of depreciation	-6.263,47
At the end of the year	120.137.104,36
Net book value at the end of the year	**69.436.737,49**

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 IN PROGRESS AND PAYMENTS ON ACCOUNT
Acquisition value						
At the end of the previous year	652.647.873,16	701.263.605,37	7.802.236,70	0,00	233.920.429,76	493.491.962,48
Changes in the year						
- Acquisitions, including capitalised production	1.136.698,58	18.804,55	1.012.271,72		21.465.786,61	993.301.407,49
- Disposals and retirements	80.115.469,98	123.264.324,09	86.377.199,00	232.374.125,08	277.178.642,82	
- Transfers from one heading to another	549.564.525,99	-47.407.045,80	86.177.709,47	499.636.125,08	217.778.424,17	-1.305.749.738,91
At the end of the year	1.123.233.627,75	530.611.040,03	8.615.018,89	267.262.000,00	195.985.997,72	181.043.631,06
Capital gain on revaluation						
At the end of the previous year		0,00	1.012.271,72		0,00	0,00
Changes in the year						
- Recorded						
- Acquired from third parties						
- Cancelled			-1.012.271,72			
- Transfers from one heading to another						
At the end of the year	0,00	0,00	0,00	0,00	0,00	0,00
Depreciation and value reductions						
At the end of the previous year	221.269.619,58	429.805.754,20	4.877.265,35	0,00	108.416.516,43	0,00
Changes in the year						
- Recorded	81.494.118,26	69.386.906,52	485.221,24	11.682.688,91	34.799.792,01	
- Write-back of depreciation	305.758,09	1.400.434,07	5852,19		969.940,29	
- Acquired from third parties						
- Written off following disposals and retirements	42.962.609,15	123.263.420,52	3.073,92		35.552.834,37	
- Transfers from one heading to another	55.680.563,44	-44.437.416,29	-1.395.461,90		-9.847.685,25	
At the end of the year	315.175.934,04	330.091.389,84	3.958.098,58	11.682.688,91	96.845.848,53	0,00
Net book value at the end of the year	**808.057.693,71**	**200.519.650,19**	**4.656.920,31**	**255.579.311,09**	**99.140.149,19**	**181.043.631,06**

4. Statement of financial fixed assets

	ASSOCIATED COMPANIES	COMPANIES WITH AN INVESTMENT LINK	OTHER COMPANIES
Holdings, shares and interests			
ACQUISITION VALUE			
At the end of the previous year	4.927.112.558,80	122.386.097,88	248.725,46
Changes in the year			
- Acquisitions	74,37	50.000,00	
- Disposals and withdrawals			
- Transferred from one heading to another			
At the end of the year	4.927.112.633,17	122.436.097,88	248.725,46
VALUE REDUCTIONS			
At the end of the previous year	183.593.083,06		56.341,07
Changes in the year			
- Recorded	862.708.982,36		3.357,61
- Written back as surplus	24.762.679,58		
- Written off as a result of disposals and retirements			
- Transferred from one heading to another			
At the end of the year	1.021.539.385,84		59.698,68
UNCALLED AMOUNTS			
At the end of the previous year	156.727.500,00	110.116.120,27	
Changes in the year	-44.050.000,00		
At the end of the year	112.677.500,00	110.116.120,27	
NET BOOK VALUE AT THE END OF THE PREVIOUS YEAR	3.792.895.747,33	12.319.977,61	189.026,78
Receivables			
NET BOOK VALUE AT THE END OF THE YEAR	37.754.274,55		490.085,56
Changes in the year			
- Additions	31.368.041,01		
- Repayments	27.162.823,04		2.602,88
- Value reductions recorded			
- Other	-2.391.826,51		-14.418,90
NET BOOK VALUE AT THE END OF THE YEAR	39.567.666,01		473.063,78
AGGREGATE VALUE REDUCTIONS ON RECEIVABLES AT THE END OF THE YEAR			

5. Investments and corporate interests held in other companies in 2009

	Corporate interests held		
		Directly	By subsidiaries
	Number	%	%
Infrabel SA - BE 0869 763 267 Rue Bara 110, 1070 BRUSSELS	15.571.332	20,00	0,00
SNCB - BE 0869 763 069 Avenue de la Porte de Hal 40, 1060 BRUSSELS	20.002	100,00	0,00
A+ Logistics SA (en liquidation) 10, Rue du Chateau, FR-59100 ROUBAIX	1.448	99,20	0,80
SPV 162 SA - BE 0886 279 892 Rue de France 58, 1060 BRUSSELS	2	100,00	0,00
SPV Zwankendamme SA BE 0888 985 105 Rue de France 58, 1060 BRUSSELS	2	100,00	0,00
SPV Brussels Port SA BE 0889 172 472 Rue de France 58, 1060 BRUSSELS	2	100,00	0,00
L.A. Group SA - BE 0419 345 054 Rue de France 56-58, 1060 BRUSSELS	1.499	99,93	0,07
Rail Facilities SA - BE 0403 265 325 Rue de France 58, 1060 BRUSSELS	9.999	99,99	0,00
Eurostation SA - BE 446 601 757 Rue Brogniez 54, 1070 BRUSSELS	2.999	99,97	0,03
Syntigo SA- BE 0476 975 427 Place Marcel Broodthaers 8, 1060 BRUSSELS	14.870	99,99	0,01
Foncière rue de France SA BE 0433 939 101 Rue de France 58, 1060 BRUSSELS	1.301	99,92	0,08
Transurb Technirail SA BE 0413 393 907 Rue Ravenstein 60 - Bte 18, 1000 BRUSSELS	2.200	88,00	0,00
Euro Liège TGV SA BE 0451 150 562 Place de Bronckart 26, 4000 LIEGE	1.575	75,00	0,00
Publifer SA - BE 0402 695 993 bld de la Plaine 5, 1050 BRUSSELS	650	50,00	0,00
Euratel GEIE Europaplatz 1, 1150 VIENNA	1	10,00	0,00
B-Parking - BE 0899 438 834 Rue de France 56-58, 1060 BRUSSELS	20	100,00	0,00
Optimobil Belgium BE 0471 868 277 Rue Thérésienne 7A, 1000 BRUSSELS	237	24,01	0,00
Eurofima Ritterhof / Rittergasse 20, CH-4001 BASEL	25.480	9,80	0,00
Hit Rail BV Stationshal 17 (5e verd), NL-3511 CE UTRECHT	240	8,00	0,00
Bruxelles-Midi SA BE 0446 446 953 Chaussée de Forest 47, 1060 BRUSSELS	45	2,87	0,00

6. Cash investments

	31/12/2009	31/12/2008
Shares	**61.174.018,40**	**40.248.437,54**
Book value increased by uncalled amount	61.174.018,40	40.248.437,54
Fixed-income securities	**790.530.414,97**	**982.593.883,55**
Fixed-income securities issued by credit institutions	788.112.088,42	980.239.078,13
Term accounts held with credit institutions	**785.797.808,19**	**575.350.027,43**
With a residual or notice period		
of one month maximum	360.510.399,36	68.401.244,14
of more than one month to one year maximum		22.029.749,51
of more than one year	425.287.408,83	484.919.033,78

7. Accruals and Prepayments

a) Asset accounts

	31/12/2009
Main items	
Intragroup dealings	175.776.164,35
Alternative financing transactions	151.727.815,73
Prepaid pensions and remuneration	23.112.522,71
Withholding from holiday pay	12.744.466,09
Miscellaneous	12.133.805,30

b) Liability accounts

	31/12/2009
Main items	
Alternative financing	3.164.319.315,84
Deferred income following sale of equipment	193.982.839,99
Reform	155.258.086,29
Accrued interest not due	82.924.092,16
Intragroup	55.675.358,66
Credit crunch	44.395.423,02
Miscellaneous	8.299.930,56

8. Statement of capital

	31/12/2009	31/12/2008
STATEMENT OF CAPITAL		
Share capital		
Subscribed capital at the end of the year	741.778.929,39	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		269.420.640
Electronic and/or bearer shares		3.486.062
Treasury shares		
Held by its subsidiaries		
Capital amount	16.513.938,00	
Number of shares	1.651.394	

9. Provisions for other contingencies and expenditure

	31/12/2009
Main provisions	
B-Cargo	135.000.000,00
Derivatives	92.521.039,82
Accidents at work	86.534.703,00
Environment	77.259.700,41
Part-time allocation	63.253.747,00
Legal dispute	58.823.396,06
ABX	19.617.384,76
Miscellaneous	733.015,00

10. Statement of indebtedness

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

	Debts of more than one year 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	57.594.724,86	1.235.027.693,65	1.624.851.741,73
Unsubordinated debenture loans		300.000.000,00	377.000.000,00
Finance leasing and similar debts		555.336.800,00	431.776.352,49
Credit institutions	57.594.724,86	379.690.893,65	816.075.389,24
Other borrowings			
Trade creditors	9.577.424,59	14.757.186,66	0,00
Suppliers	9.577.424,59	14.757.186,66	0,00
Payments received on account of orders	0,00	0,00	10,000,000.00
Other debts	5.033.661,17	5.116.047,24	49.217.643,70
Total	72.205.810,62	1.254.900.927,55	1.684.069.385,43

b) Guaranteed debts

	Debts guaranteed by:		
	Belgian public authorities	Collateral securities created over the company's assets	
Financial debts:	1.642.045.000,00		
Finance leasing and similar debts	927.506.500,00		
Credit institutions	714.538.500,00		
Trade creditors			
Suppliers			
Total	1.642.045.000,00		

c) Tax, payroll and social security debts

Taxation: Tax debts due	201.775,39
Tax debts not due	69.651.312,65
Remuneration payments and social security contributions	
Other payroll and welfare debts	392.735.863,94

11. Operating results

	2009	2008
Other operating income	812.957,88	437.579,40
including operating subsidies and compensatory amounts obtained from public authorities		
Workers included on the personnel register		
Total number as at the closing date	37.431,00	37.267,50
Average personnel numbers calculated in full-time equivalents and similar	37.418,50	37.080,50
Personnel costs		
Remuneration and direct fringe benefits	1.728.554.012,57	1.611.994.652,71
Employer's National Insurance contributions	327.526.026,32	317.466.158,25
Employer premiums for extra-statutory insurances	10.992.306,52	12.146.872,09
Other personnel costs	56.251.520,11	52.774.064,74
Retirement and survivor's pensions	90.529,29	147.750,40
Provisions for pensions		
Allocations (+); drawdowns and write-backs (-)	17.751.898,53	-26.666.827,21
Value reductions		
On stock and orders in progress		
recorded	172.659,27	17.921,70
written back (-)	-278.882,75	-224.821,14
On trade debtors		
recorded	1.284.869,53	684.262,18
written back (-)	-400.192,37	-1.354.341,78
Provisions for contingencies and expenditure		
Set-ups	105.149.752,04	42.919.824,58
Drawdowns and write-backs (-)	-103.773.278,69	-87.574.648,09
Other operating expenses		
Taxation and duties relating to operation	1.232.070,63	1.352.067,67
Other	1.934.475,52	386.181,11
Casual staff and personnel loaned to the company		
Average number calculated in full-time equivalents	19,9	23,4
Effective number of hours worked	29.018	33.916
Cost to the company	822.493,37	806.744,47

12. Financial results

	2009	2008
Other financial income		
Subsidies granted by public authorities and charged to the profit and loss account		
Capital subsidies (depreciation)	205.783.461,39	248.493.390,96
Interest subsidies	29.618.632,43	11.551.104,56
Breakdown of other income if substantial		
Conversion and exchange differences	20.747.186,10	3.671.428,09
Miscellaneous	2.324.899,49	3.932.390,30
Law of 23/12/2009	8.829.444,28	
Adjustment re adoption of pensions	6.087.313,38	
Value reduction on current assets		
Recorded	6.356.098,04	5.041.735,66
Written back (-)	444.951,34	2.799.965,28
Other financial expenses		
Financial provisions		
Created	5.543.789,87	106.777.564,87
Drawn down and written back	-43.269.219,15	-8.294.524,52
Breakdown of other financial expenditure if substantial		
Conversion and exchange differences	3.022.497,55	3.242.742,63
Alternative financing transactions	17.143.363,07	12.850.948,21
Miscellaneous	2.839.658,15	

13. Exceptional items

	2009
Breakdown of other exceptional income	
Cancellation of loss-making contract	536.046.893,07
Exercise of early alternative financing option	164.395.402,74
Adoption of pensions	168.522.133,47
Corrections to inventory	22.621.289,74
Miscellaneous	10.782.411,98
Alternative financing	15.057.693,15
Breakdown of other exceptional expenses	
Law of 23/12/2009	147.751.205,84
ABX	773.499,84
Miscellaneous	80.540,77

14. Taxes on earnings

	2009
Sources of tax hold-overs	
Profit hold-overs	3.475.590.951,54
Aggregate tax losses, deductible from subsequent taxable profits	3.206.860.575,38
Other profit hold-overs	
Investment allowance	357.728.549,53
Loss hold-overs	
Breakdown of loss hold-overs	
Capital subsidies	1.182.219.318,40

15. Other taxes and taxation chargeable to third parties

	2009	2008
Value-added taxes entered in the accounts:		
To the company	322.067.710,50	310.449.388,61
By the company	829.498.293,25	728.903.514,74
Amounts held chargeable to third parties, on account		
Pay-As-You-Earn	601.796.516,30	580.078.567,72
Advance corporation tax	559.447,80	2.948.474,48

16. Interests and contingent liabilities

	2009
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	1.002.705.298,28
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	
Alternative financing investments	748.982.529,82
MATERIAL COMMITMENTS TO ACQUIRE FIXED ASSETS	
Investments	97.347.968,12
FUTURES MARKETS	
Foreign currency bought (receivable)	1.810.745.548,13
Foreign currency sold (deliverable)	1.810.745.548,13
COMMITMENTS RESULTING FROM TECHNICAL GUARANTEES RELATING TO SALES OR SERVICES ALREADY COMPLETED	
MATERIAL DISPUTES AND OTHER MATERIAL COMMITMENTS	
Credit lines	5.467.268.572,81
Guarantees given by third parties on the company's behalf	4.582.083.437,06
IRS	4.669.785.860,59
SNCB capital increase	456.854.525,42

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

	Associated companies		Companies with an investment link	
	2009	2008	2009	2008
Financial fixed assets	3.832.463.413,34	4.624.546.250,29	12.319.977,61	12.269.977,61
- Holdings	3.792.895.747,33	4.586.791.975,74	12.319.977,61	12.269.977,61
- Receivables				
- Other amounts receivable	39.567.666,01	37.754.274,55		
Receivables	620.101.840,49	273.824.363,09	395.121.327,48	212.761.047,67
- Falling due in more than one year	311.347.154,52	708.632,29	307.941.700,00	212.539.700,00
- Falling due within one year	308.754.685,97	273.115.730,80	87.179.627,48	221.347,67
Cash investments	423.390.189,46	109.073.799,29		
- Receivables	423.390.189,46	109.073.799,29		
Debts	572.070.024,32	763.400.139,62	968.068.567,01	666.894.500,00
- Falling due in more than one year	54.243.690,94	59.505.295,51	968.048.852,22	666.887.500,00
- Falling due within one year	517.826.333,38	703.894.844,11	19.714,79	7.000,00
Personal and collateral guarantees created or irrevocably pledged by the company as security for debts or commitments of associated companies	434.363.169,96	447.773.825,96		
Personal and collateral guarantees created or irrevocably pledged by associated companies as security for debts or commitments of the company	305.012.566,52	314.239.432,27		
Other financial commitments				
Financial results				
Income:				
from financial fixed assets	44.438.844,09	33.381.772,39		
from current assets	2.887.486,64	3.317.964,53		
other financial income	3.219,98	8.533,30		
Expenses:				
from debts	5.327.194,02	26.234.452,47		
other financial expenses	1.764,00	642.099,34		

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	2009
Emoluments of the auditor(s)	275.000,00

19. Company balance sheet

STATEMENT OF PERSONNEL EMPLOYED AND WORKERS INCLUDED ON THE PERSONNEL REGISTER	Corporate + non-corporate personnel and others					
	2009				2008	
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	30.574,10	8.472,80	37.418,50	(ETP)	37.080,50	(ETP)
Effective number of hours worked	44.340.886	9.974.905	54.315.791	(T)	53.576.091,00	(T)
Personnel costs (in €)	1.713.353.422,79	385.845.835,07	2.099.199.257,86	(T)	1.963.277.258,86	(T)
Benefits granted in addition to salary (in €)			18.278.255,41	(T)	16.835.926,97	(T)

At the end of the year		1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of workers included on the personnel register		30.526	8.543	37.431,00
By type of employment contract				
Open-ended contract		30.472	8.543	37.377,00
Fixed-term contract		54	0	54
By gender	Male	27.998	7.176	33.841,50
	Female	2.528	1.367	3.589,50
By professional category	Managerial staff	753	50	794,10
	White-collar workers	12.707	3.597	15.595,40
	Blue-collar workers	17.066	4.896	21.041,50
	Other	0	0	0

CASUAL STAFF AND PERSONNEL LOANED TO THE COMPANY

In the course of the year	1. Casual staff	2. Personnel loaned to the company
Average number of people employed	19,9	0
Effective number of hours worked	29.018	0
Cost to the company (in €)	822.493,37	0

TABLE OF PERSONNEL MOVEMENTS DURING THE YEAR

PEOPLE JOINING		1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of workers included on the personnel register in the course of the year		3.512	36	3.529,60
By type of employment contract				
Open-ended contract		1.981	79	1.986,60
Fixed-term contract		1.531	0	1.531
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 personnel register in the course of the year		3.004	336	3.366,10
By type of employment contract				
Open-ended contract		1.471	336	1.833,10
Fixed-term contract		1533	0	1533
Due to end of contract	Pension	828	288	1152,4
	Pre-pension	0	0	0
	Dismissal	298	8	304
	Other reason	1.878	40	1.909,70

INFORMATION ON TRAINING COURSES FOR WORKERS IN THE COURSE OF 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	29.819	2.821.430	128.070.310,92
	Female	2.125	181.305	8.275.676,97

[1] "The annual accounts should give a true picture of the company's assets, financial situation and results".

F. Valuation rules

1. Applicable legislation

These valuation rules were drawn up to comply with the legal provisions in force in Belgium, with specific reference to those resulting from the Law of 17 July 1975 relating to company accounts, the Royal Decree of 30 January 2001 implementing the Companies Code, the Royal decree of 30 December 2004 applying measures to align the SNCB accounts with common law and adapt it to its new structure, and the programme law of 23 December 2009 or other specific legal provisions.

If appropriate, when legislation or accounting practice do not provide indications with regard to the recording of extraordinary transactions, accounting entries are made in compliance with article 24 of the Royal Decree of 30 January 2001[1], and based, if possible, on opinions issued by the Accounting Standards Commission or the requirements of the IAS/IFRS international accounting rules.

2. Definition of general concepts

a) Acquisition value

Acquisition value means either:

- **the acquisition price**, which, in addition to the purchase price, includes additional costs such as non-recoverable taxes and transport costs.

  The acquisition price of an asset item obtained by means of exchange is the market value of the asset item(s) transferred in exchange; if such value cannot be easily determined, the acquisition price is the market value of the asset item obtained by means of exchange. These values are estimated as at the date of the exchange.

- **the cost price**, which is obtained by adding to the acquisition price of raw materials, consumables and provisions, the manufacturing costs directly attributable to the product or group of products in question and the portion of production costs that are only indirectly attributable to the product or group of products in question, to the extent that such costs relate to the normal period of manufacture.

  The cost price includes indirect production costs, where applicable.

  A distinction must be made among indirect production costs between:

  - industrial costs including:
    - costs of general purpose services, ie the costs of auxiliary activities necessary for the running of production services which have an industrial activity;
    - common costs, i.e. management costs and costs common to the activities of the establishments performing the work;
    - divisional costs, i.e. costs specific to the divisions of the establishments performing the work which cannot be directly attributable to each project.
  - warehousing costs, which are made up of the costs of central and regional warehouses relating to the storage, conservation and distribution of materials intended for consumers of their own establishment and major or occasional consumers of the other establishments.
  - the costs of senior management and of management bodies.

- **the contribution value**, which corresponds to the contractual value of the contributions.

  In the event of allocation or contribution to a company which does not have a distinct legal status, the contribution value can be understood to mean the value attributed to the goods at the time of their contribution or allocation.

  This value cannot exceed the market value on purchase of the goods in question, at the point when the contribution or allocation took place.

The contribution value does not include taxes and costs relating to the contributions; if these are not fully taken into account in the profit and loss account of the financial year during which the contribution is made, they are entered under the "Establishment expenses" heading.

The acquisition value of tangible or intangible fixed assets acquired or constituted as from 1st January 2005 no longer includes interest charges relating to the capital borrowed to finance them, during the period preceding the date of actually putting such fixed assets into use.

The cost price of stock and orders in progress can only include interest charges relating to capital borrowed to finance them to the extent that such charges relate to stocks or orders whose period of manufacture or completion is greater than one year and are relative to the normal period of manufacture of such stocks or completion of such orders.

b) Depreciation

"Depreciation" means amounts included in the profit and loss account relating to establishment expenses and tangible and intangible fixed assets, the use of which is limited in time, with the aim of spreading the amount of such establishment expenses and the acquisition cost, possibly revalued, of the fixed assets over their probable useful life, or to charge such expenses and costs at the time they are incurred.

Depreciation should meet the criteria of prudence, truthfulness and good faith. They should be charged consistently on the basis of methods decided on by the company and may not depend on the results of the financial year.

Depreciation is specific to the asset items for which they were made or recorded. Asset items however whose technical or legal features are completely identical may be globally subject to depreciation.

In the year of acquisition of an asset subject to depreciation, the allocation is calculated on a time-apportioned basis, in other words by multiplying the depreciation concerned on an annual basis by a fraction which, as the numerator, has the number of full months left to run between date on which the asset starts to be used and the end of the year, and has the number 12 as the denominator.

In the year in which the asset is realised, no depreciation is calculated.

c) Value reductions

"Value reductions" are deductions made to the purchase price of asset items other than those subject to depreciation, and intended to take account of the depreciation, final or otherwise, thereof as at the end of the financial year.

Value reductions should meet the criteria of prudence, truthfulness and good faith. They should be charged consistently on the basis of methods decided on by the company and may not depend on the results of the financial year.

Value reductions cannot be maintained if at the end of the year they exceed a current assessment of the depreciation in consideration of which they were made.

3. Balance sheet headings

a) Establishment expenses

<u>Principle</u>

In principle, establishment expenses are charged to the financial year during which they are incurred. However, expenses relating to the issue of loans are spread, actuarially, over the life of the loan in the case of issue expenses, or spread in a straight line over 5 years in the case of other expenses.

b) Intangible fixed assets

Principle

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 IAS 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 use contributing to the corporate operation;
- the cost of such an asset can be reliably valued.

Valuation

Intangible fixed assets are entered at their acquisition value, determined according to the rules specified in point II.1 above, with the proviso that research costs are entered during the financial year in which they are incurred, and are therefore not activated.

Depreciation

Intangible fixed assets are depreciated in a straight line from the 1st month following the date on which the asset is ready to be actually used, as follows:

- Websites: 33.33%;
- ERP software: 10%;
- Other intangible fixed assets: 20%.

Licences acquired from third parties, if acquired over a number of accounting periods, are depreciated over the same number of periods.

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 formula used previously proves to have been too fast.

Special cases

Intangible fixed assets generated internally

An intangible fixed asset resulting from internal development is only entered under intangible fixed assets if the following different conditions are demonstrated cumulatively:

- the technical feasibility necessary for completion of the intangible fixed asset with regard to its commissioning or sale;
- the intention of completing the intangible fixed asset, and using or selling it;
- the capacity to use or sell the intangible fixed asset;
- the way in which the intangible fixed asset will generate probable future economic benefits, in particular the existence of a market for the production resulting from the intangible fixed asset or for the intangible fixed asset itself, or, if it is to be used internally, its use;
- the availability of suitable resources (technical, financial etc) to complete the development and use or sell the intangible fixed asset;
- its capacity to reliably evaluate the expenses attributable to the intangible fixed asset in the course of its development.

In the specific case of application software used internally developed by the company itself or following buyouts of companies or business lines, only the costs resulting from the following can be regarded as intangible fixed assets:

- programming and description of the concept plus the introduction of controls;
- examination of the functional reliability of the concept programmed and examination of the effectiveness of the controls introduced;
- further but fundamental adaptation of the program to modify or extend the application.

Intangible fixed assets with an unlimited life

Intangible fixed assets whose life is not limited in time are only subject to value reductions in cases of sustainable depreciation or capital loss.

c) Tangible fixed assets

Principle

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.

However, items with a purchase price of less than €1,000 are not regarded as tangible fixed assets, with the exception of computers, printers and bicycles.

Valuation

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 feasibility studies,
- expenses inherent in the design phase,
- management services overheads,
- overheads of non-operational services (the real estate areas 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 expert appraisal, are subject to value reductions or capital gains on revaluation.

Depreciation

For stations, administrative buildings, residential buildings and car parks, 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.

Tangible fixed assets are depreciated on the basis of the rates shown in Appendix 1, with the exception of land, museum equipment and works of art whose useful life is deemed unlimited.

Depreciation starts as from the first day of the month following the month on which the tangible fixed asset can be brought into operation. In the case of work financed by investment credit, the date used is that of total or partial termination, when not brought into operation immediately (provisionally withdrawn from use).

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 components of medium-sized and major stations, a residual depreciation period has been determined individually.

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

Special cases

Investments in leased buildings

Investments made in leased buildings are depreciated over the economic life or the term of the leasing contract, whichever is the shorter.

Fixed assets acquired under finance leasing

For tangible fixed assets acquired under finance leasing and similar interests, the means of financing may not influence the book value of the fixed assets.

Disused fixed assets

Disused fixed assets or those which have ceased to be sustainably employed in the company's business are, if appropriate, subject to exceptional depreciation in order to align their valuation with their probable realisation value.

d) Financial fixed assets

Principle

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 this holding is intended, by the establishment of a sustainable specific link with such 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.

Valuation

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 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.

Depreciation

Infrabel

Owing to both the special status of infrastructure manager held by Infrabel and the legal provisions in force, and in particular article 5 of the Royal Decree of 30 December 2004, it was decided to maintain the historical valuation rule.

In this particular case, the holding in Infrabel is only subject to a value reduction to the extent that the portion of Infrabel's net assets held (as defined by article 617 of the Companies Code) is less than the book value of the holding.

Other holdings

In accordance with the provisions of standard IAS 36, financial fixed assets are subject, at least once a year, to a regular test of their value ("impairment test").

If the impairment test shows that the recoverable amount of the asset concerned is less than its book value, the holding or the shares held are subject to a value reduction.

Recoverable amount means the higher of the following two amounts:

- the fair value of the holding reduced by the selling costs, in other words the amount recoverable by the company if it sells it;
- the value in use of the holding, corresponding to the current value of future cash flows which will be generated by the holding. In accordance with articles 33 to 35 of Standard IAS 36, projections are made on the basis of reasonable forecasts or budgets duly documented over a maximum period of 5 years (if flows of funds are included beyond this horizon, supported justification must be provided and the figures must necessarily ignore the expected consequences of a possible restructuring plan).

If appropriate, when information allowing a value test to be carried out is not available or sufficiently reliable, depreciation is calculated on the basis of the latest company accounts, with the proviso that this process can only apply exceptionally, for holdings which have an insignificant value in relation to the overall SNCB-Holding balance sheet.

Financial fixed assets represented by receivables

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.

e) Receivables falling due in more than one year

Principle

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

Valuation

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.

Depreciation

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

Special case

An entry in the balance sheet of a receivable at its nominal value is accompanied by an entry under accruals and inclusion of the figure on a time-apportioned basis on the basis of the interest comprising the interest contractually included in the nominal value of the receivable or the difference between the acquisition value and the nominal value of the receivable.

In accordance with Standard IAS 37[2], when a long-term receivable is non-interest-bearing or yields an abnormally low interest, it is subject to an adjustment intended to enter it at its current value, at all events if the effect of the adjustment is significant.

For receivables payable or repayable in instalments, where the interest or charge rate is applied throughout the contract period on the initial financing or loan amount, the respective accrued interest and charge amounts to be entered in the accounts and the unaccrued interests and deferred expenditure are determined by application of the real rate to the balance remaining due at the start of each period; this real rate is calculated taking into account the staging and frequency of the payments. Another method can only be applied if it produces, per financial year, equivalent results.

[2] IAS37.45 : "When the effect of the time value of money is significant, the amount of the provision should be the current value of the anticipated expenses deemed necessary to cancel out the obligation."

IAS37.46 : "Given the time value of money, the provisions relating to cash outflows occurring shortly after the closing date are more costly than those relating to cash outflows of the same amount occurring at a later date. When the effect is significant, the provisions are discounted."

IAS37.47 : "The discount rate(s) should be (a) before-tax rate(s) that reflect(s) the current market assessments of the time value of money and of the specific risks to the liability. The discount rate(s) should not reflect the risks for which the future cash flow estimates have been adjusted." [Translation from the French.]"

f) Stock and orders in progress

Principle

The "stock" heading includes the following assets which are:

- 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;
- in the course of production for such a sale, including raw or other materials and supplies already incorporated in the production process;
- 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 for use 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 executed 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 a 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 a standardised fashion.

Valuation

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 the condition it is in, such as purchase price, Customs duties, non-recoverable taxes, transport and maintenance expenses and other costs directly attributable to the acquisition of the finished products, raw materials and services, purchase costs determined as 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.

Fixed production overheads are indirect production costs which remain relatively constant independently of the production volume, such as depreciation and maintenance of buildings and industrial equipment, and workshop management and administration costs.

Variable production costs are indirect production costs which vary as a direct, or almost direct, function of the production volume, such as indirect raw materials and labour.

The cost of stocks of items which are 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.

For orders in progress, the percentage of completion method is applied, which allows the revenue and costs to be recognised in line with the advancement of the order.

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

Depreciation

Stock is subject to regular examination, at least once a year. If appropriate, value reductions are entered on the basis of indications provided by the technical departments concerned.

Value reductions are recorded on orders in progress if their cost price, plus the estimated amount of related costs which are still to be incurred, exceeds, if appropriate, their net selling price on the closing date or the cost price set out in the contracts.

g) Receivables falling due within one year

Principle

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 fall due within twelve months of the end of the last financial year.

Valuation

Receivables are entered in 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.

Depreciation

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

Such reductions are calculated according to the following principles:

- 100% value reductions for receivables opened with third parties necessitating intervention by the Legal Department;
- for other receivables, including those from the State, rail networks and international transport rail organisations, a value reduction corresponding to 100% of the amount of the receivable excluding VAT if outstanding for more than one year;
- if specific information warrants it, additional value reductions or write-backs of value reductions according to the above rules are recorded according to the exact nature of the asset and the information relating thereto.

Special cases

Receivables denominated in foreign currencies are subject to re-estimation on the closing of the accounts on the basis of the latest guideline exchange rate published by the European Central Bank.

h) Cash investments

Principle

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 include the Infrabel shares held by SNCB-Holding and intended to be sold back to the Belgian State.

Valuation

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 currencies, the acquisition value for which they are entered in the balance sheet is re-estimated on the basis of the latest guideline exchange rate published by the European Central Bank.

Depreciation

Cash investments due to be realised in the near future 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.

For cash investments represented by shares or interests, value reductions are recorded as follows:

- if the return or realisation value is known, a value reduction equal to the positive difference between the acquisition value and the return or realisation value is recorded as appropriate;
- if the return or realisation value is not known:
  - a liquid financial market exists and the company cannot significantly influence this market: a value reduction is recorded in such a way as to bring the book value of said assets to the level of their market value established on the basis of the market price on the last day of the financial year.
  - no liquid financial market exists or the company can significantly influence said market: a value reduction is recorded in such a way as to bring the book value of said assets to the lowest level, either the portion of shareholders' equity of the company determined on the basis of the latest known annual accounts, or the market value established on basis of the market price on the last day of the financial year.

When value reductions are no longer justified, they are subject to write-back.

Also, if additional information justifies it, additional value reductions are recorded as part of the criterion of prudence specified in article 32 of the Royal Decree of 30 January 2001.

i) Liquid assets

Principle

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

Valuation

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.

Depreciation

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

j) Prepayments

Principle

This heading includes:

- deferred expenditure, i.e. pro rata charges incurred during the financial year or a previous year but which relate to one or more later years;
- income acquired, i.e. the proportion of income which will only fall due during a later financial year but which relates to a previous year.

Valuation

Deferred expenditure, income acquired and the proportion of interest included in the nominal value of debts are valued at their acquisition value taking due account, for income, of its recoverability.

k) Capital

Principle

Capital is made up of two elements:

- subscribed capital, made up of amounts which the shareholders have undertaken to contribute;
- uncalled capital, namely the proportion of which the company's management bodies have not yet claimed the payment.

Valuation

Shares representing capital are valued at their nominal value.

l) Capital gains on revaluation

Principle

This heading includes unrealised capital gains recorded on the net book value of tangible or financial fixed assets, to the extent that they constitute an increase in the intrinsic value of the capital invested.

Valuation

Capital gains on revaluation are entered at their nominal value and apply only to positive differences between the estimation by an expert of museum equipment and works of art and the net book value entered under assets.

Depreciation

In cases of future capital loss on a revalued asset, the recorded capital gain is cancelled as to the amount not yet depreciated.

m) Reserves

Principle

This heading includes profits of previous financial years not distributed by the company, in a sustainable context, in accordance with legal, regulatory or statutory provisions, following a decision of the Shareholders' General Meeting.

Valuation

Reserves are valued at their nominal value.

n) Capital subsidies

Principle

This heading includes public aid, taking the form of transfers of resources to a company, the main condition of obtaining which is the purchase, construction or acquisition by any means of assets in the long term, granted by:

- the European Community;
- the Belgian State;
- other Belgian or foreign public authorities.

Valuation

Capital subsidies are recorded at their nominal value, and no provision for deferred taxation is entered as long as SNCB-Holding has accumulated tax losses and exemptions resulting from deductions for investments.

Depreciation

Capital subsidies are subject to straight-line depreciation at the same rate as the tangible and intangible fixed assets which they financed.

o) Provisions and deferred taxes

Principle

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.

Personnel benefits are subject to provisions in line with the principles set out in Standard IAS 19, and are classified in the following 4 categories:

- short-term benefits (leave days, compensatory leave and rest days);
- long-term benefits (long service bonuses, age-related leave and unpaid leave);
- end of employment contract benefits (notice 22HR/28HR, contractual pre-retirement pension of temporary staff, notice 31/32 PS of 1996);
- post-employment benefits (CSS [Social Solidarity Fund] contribution of 0.83%, hospitalisation cover of pensioned persons and beneficiaries, accidents at work annuities and union contributions of pensioned persons).

The other provisions are assessed in accordance with the principles set out in Standard IAS 37, which requires the combination of 3 conditions prior to recognising the making of a provision in the event of:

- the existence of a current legal or implicit obligation resulting from a past event;
- the probability of an outflow of funds being greater than 50%;
- the ability to reliably estimate the amount of the obligation.

Valuation

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.

No deduction for deferred taxation is recorded as long as SNCB-Holding has aggregate tax losses and exemptions resulting from deductions for investments.

Provisions relating to personnel benefits take into account the recognition of actuarial gains and losses. The discount rates used are iBoxx rates adjusted in line with actuaries' recommendations.

Provisions other than those relating to personnel are subject to adjustment when the "time" factor is significant. The adjustment rate applied is based on the OLO rate.

Special cases

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.

Provisions for long-term benefits, post-employment benefits and end of employment contract benefits

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

The allocation is calculated according to the Projected Credit Units method, as defined by Standard IAS 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;

Provisions for long-term benefits (long-service bonuses and age-related leave) are however made in the entity which actually uses the member of staff seconded.

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 stage payments contemplated in the contract, representing the capital reconstruction of the value of the asset;

Derivatives

Positions on derivative financial instruments linked to financial debts not resulting from alternative financing transactions as described in Appendix 3, are covered by a matching provision when unrealised losses are recorded, on the closing date, based on their re-estimation at market value.

p) Debts falling due in more than one year

Principle

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

Valuation

Debts are recorded at their nominal value.

Special cases

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.

Debts 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).

q) Debts falling due within one year

Principle

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

Valuation

Debts are recorded at their nominal value.

Special cases

Debts 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).

r) Accruals

Principle

This heading includes :

- charges to be incurred, i.e. the proportion of charges which will only fall due during a later financial year but which relate to a previous year;
- deferred income, i.e. the proportion of income achieved during the financial year or a previous year but which relate to one or more later years.

Valuation

Charges to be incurred, deferred income and interest included in receivables are recorded at their nominal value.

4. Appendices

a) Appendix 1: useful life of tangible fixed assets

ASSETS				DEPRECIATION PERIOD
Main category	Asset	Component/type/class		IFRS
INTANGIBLE ASSETS				
SOFTWARE	**SOFTWARE**	ERP software	Purchased	10
			Developed internally	10
		Websites	Purchased	3
			Developed internally	3
		Other software	Purchased	5
			Developed internally	5
MISCELLANEOUS INTANGIBLE ASSETS				To be determined
FIXED ASSETS IN PROGRESS				
NON-CURRENT ASSETS HELD PENDING SALE				N/A
INVESTMENT BUILDINGS				Ditto buildings
TANGIBLE FIXED ASSETS				
LAND	**LAND**			do not depreciate
Buildings	**STATIONS**			
	Station building	**Component 1**	Structural work (+ Liège Guillemins station roof) Listed façade	100
		Component 2	Roofing Woodwork Completions Murals (works of art) Glass canopy	40
		Component 3	Heating-Air conditioning Sanitary facilities Lifting equipment Electricity Concessions	20
		Component 4	Security system Special equipment Finishing ICT & telephone structured cabling	10
	ADMINISTRATIVE BUILDINGS			
	Administrative buildings	**Component 1**	Structural work Historic façade	60
		Component 2	Roofing Woodwork Completions Murals (works of art) Glass canopy	30
		Component 3	Sanitary facilities Lifting equipment All doors Completion Finishing Electricity	15
		Component 4	Security system Special equipment Heating-Air conditioning ICT & telephone structured cabling	10

Buildings	**INDUSTRIAL BUILDINGS**		
	Building type 1 = "shoebox" type	Structural work	50
		Roof	15
		Tech.	15
	Building type 2 = "warehouse with offices" type	Structural work	50
		Roof	20
		Tech.	15
	Building type 3 = "residential" type	Structural work	50
		Roof	20
		Tech.	15
	Building type 4 = "remaining" type		15
	Additional information: The following buildings belong to type 1 = "shoebox" type: - pure warehouses - traction stations - high voltage stations - switching stations The following buildings belong to type 3 = "residential" type: - service blocks - signalling stations Type 4 includes canopies, shelters and covered cycle shelters etc		
	HOUSING		
	Housing	Structural work	50
		Roof	20
		Technical equipment	15
	CAR PARKS		
	Underground car parks	Structural work	100
		Roofing + woodwork	20
		Technical equipment	10
	Building car parks	Structural work	100
		Roofing + woodwork	20
		Technical equipment	10
	DEVELOPMENT OF LEASED BUILDINGS		
	Development of leased buildings		< contract or component

Rail Infrastructure	**TRACKS**			
	Tracks	**Component 1: rails**		
		Main track + LGV (60 E1 and 50 E2)	UIC 1 to 6	25
			UIC 7 to 9	40
		Secondary track		40
		Component 2: sleepers		
		Main track oak, exotic wood	UIC 1 to 6	25
			UIC 7 to 9	30
		Concrete (Main track + LGV)	UIC 1 to 6	40
			UIC 7 to 9	45
		Main track oak, exotic wood		30
		Concrete secondary track		50
		Component 3: ballast		
		Main track		40
		Secondary track		40
		Component 4: platform		100
		Component 5: track equipment		
		Points and crossings	Main track + LGV	25
			Secondary track	30
		Buffers		50
	ENGINEERING STRUCTURES			
	Tunnels	Waterproofing		20
		Other		120
	"Bridge"	Stonework		120
		Concrete	Platform	75
			Infrastructure	120
			Waterproofing	20
		Iron	Platform	75
			Infrastructure	120
			Anti-rust treatment	20
	Supporting wall			75
	Soundproof wall			20
	Culvert			100
	Rock wall			20
	Concrete storm basins			120
	LEVEL CROSSINGS			
	Level crossings	**Platform**	Concrete platform	25
			Wooden platform (Ghent type)	10
			Rubber platform	15
		Signalling	Components: Signalling: see signalling	see signalling

Rail Infrastructure	**SIGNALLING**			
	Signalling stations	Interlocking	PLP	15
			A1 relay	35
		Order	EBP	7
			A1 relay	35
	Train detection systems			30
	Level crossing signalling (barriers and signalling, e.g. platform)			30
	Lateral signalling			30
	Hot box detectors			20
	Repetition of signalling panels and cabin signalling			25
	LIGHTING, HEATING AND POWER PLANT			
	High voltage station			25
	Low voltage power distribution			20
	Signalling equipment power supply	Communication equipment		25
		UPS installations		15
		Maintenance-free batteries		7
		1kV power supply		25
	Lighting	Internal lighting (e.g. lighting inside buildings)		20
		External lightning		25
	Heating of points			25
	Other LHPP plant	Track breaks		30
		Generators		30
		Lifting facilities		30
		Drawbridges		30
		Pumping installations		30
		Compressed air		30
		Ventilation		30
		Lifts		30
		Escalators		30
		Weighbridges		30
		Other		15
	TRACTION ELECTRICAL PLANT			
	Secondary cabins	Connector cabling	Overhead lines	50
			Cabling	25
		High voltage station		25
		Transformer and rectifier		25
		3kV DC box and 25kV AC box		20
		Batteries		15
	Remote control	Main box		10
		Secondary box		15
	Suspended cables	Gantries or consoles		50
		Guide wire		15
		T-switches		15
		Suspended and fixed insulators, iron parts and miscellaneous cabling		25
	Train preheating facilities			25

Railway rolling stock	**RAILWAY ROLLING STOCK**			
	Diesel locomotives	**Component 1:** main ingredient	L77	40
		Component 2 : "mid-life reconditioning"		20
		Large spare and replacement parts		Component 1
	Electric locomotives	**Component 1 :** main ingredient	L23	60
			L20	50
			L21	50
			L261	50
			L262	50
			L27	50
			L11	30
			L12	30
			L13	30
			L18	30
		Component 2 : "mid-life reconditioning"		1/2 Component 1
		Large spare and replacement parts		Component 1
	Railcars	**Component 1 :** main ingredient	A62	50
			A63	50
			A65	50
			A66	50
			A70C	50
			A70J	50
			A70S	50
			A70T	50
			A73	50
			A73C	50
			A74	50
			A74C	50
			A75	50
			A76	50
			A77	50
			A79	50
			A80	46
			A82	46
			A83	46
			A86	40
			A89	40
			A961	30
			A962	30
		Component 2 : "mid-life reconditioning"		1/2 Component 1
		Large spare and replacement parts		Component 1
	Railcars	**Component 1 :** main ingredient	R41	30
		Component 2 : "mid-life reconditioning"		15
		Large spare and replacement parts		Component 1

Railway rolling stock	**Carriages**	**Component 1 :** main ingredient	IDMS	50
			I6A	40
			I6B	40
			I6BC	40
			I10A	40
			I10B	40
			I10K	40
			I10R	40
			M4MA	40
			M4MB	40
			M4MD	40
			M4MK	40
			M4MX	40
			M5A	40
			M5B	40
			M5MB	40
			M5X	40
			I11A	30
			I11B	30
			I11X	30
			M6A	30
			M6B	30
			M6D	30
			M6X	30
		Component 2 : "mid-life reconditioning"		1/2 Component 1
	High speed trains	**Component 1 :** main ingredient	T3C	30
			PBKA	30
		Component 2 : "mid-life reconditioning"		1/2 Component 1
		Large spare and replacement parts		Component 1
	Wagons	**Component 1 :** main ingredient		30
		Component 2 : "reconditioning"		9
	SERVICE TRANSPORT EQUIPMENT			
	Diesel switching locomotives	Used exclusively for storing or transporting equipment	L77	50
			L78	50
			L82	50
			L91	50
	Diesel locomotives	For rail infrastructure (second-hand)		20
		Other		25
	Electric locomotives			35
	Diesel railcars			25
	Electric railcars			30
	Wagons			30
	Carriages			35

Railway rolling stock	**SPECIAL VEHICLES**		
	Type 1: Carriage, locotractor		20
	Type 2: Carriages (Type 2)		30
	Type 3: Wagon (Type 3)		30
	Type 4: Wagon superstructure replaceable (Type 4)	Wagon	40
		Equipment	20
Miscellaneous plant and equipment	**ROAD TRANSPORT**		
	Small cars and vans (e.g. Citroën Berlingo, Renault Kangoo etc)		4
	Large vans and minibuses (e.g. Ford Transit, Fiat Ducato etc)		7
	Lorries (heavy and light) and buses (if applicable), tractors, breakdown vehicles, industrial vehicles		10
	Trailers, semi-trailers etc		15
	Commercial transport	Trucks	7
		Trailers	10
	BOATS		
	Boats		30
	TELECOMMUNICATIONS		
	Telephony and transmission		5
	Operational telephony and alarm stations		8
	Radio	Fixed installation	8
		Mobile	4
	GSM-R	Fixed installation	15
		Mobile	4
		Server	8
	Sound systems, noticeboards and clocks	Noticeboards	8
		Other	15
	Copper and fibre optic cables		20
	Last mile		To be determined
	Video surveillance system (camera, video server and encoders)		5
	WORKSHOP FACILITIES		
	Workshop facilities	Track breaks	30
		Generators	30
		Lifting facilities	30
		Drawbridges	30
		Pumping installations	30
		Compressed air	30
		Ventilation	30
		Weighbridges	30
		Working platform	30
		Installations - Other	20
	TERMINAL INSTALLATIONS		
	Cranes		30
	Reach Stacker		8
	Straddle carrier with maintenance contract		21
	Straddle carrier without maintenance contract	**Component 1 :** Main ingredient	21
		Component 2 : Reconditioning	7

Miscellaneous plant and equipment	EQUIPMENT		
	Equipment	Lifting equipment	15
		Pit lathe	15
		Folding machine	15
		Milling machine	15
		Cutting machine, grinding machine	15
		Press	15
		Lathe	15
		Work centre	15
		Combined wood and natural and synthetic materials machinery	15
		Drilling machine	15
		Polishing machine	15
		Planing machine	15
		Threading machine	15
		Sanding machine	15
		Sawing machine	15
		Heat treatment equipment	15
		Sewing machine	15
		Printing equipment	15
		Marking machine	15
		Packaging machine	15
		Piercing machine	15
		Cranes	15
		Hoists and Winches	15
		Jacks	15
		Fork lift truck	15
		Equipment - miscellaneous	10
	Waste containers		10
	Laboratory equipment		10
	Kitchen equipment		20
	Fittings		10
	Office equipment (e.g. photocopier, fax, projector, multimedia)		5
	ICT		
	SNCB-specific ICT (Ibis, Yvette)		5
	Computers		4
	Servers		4
	Other computer equipment		5
	Miscellaneous ICT infrastructure equipment		10
	ICT measuring instruments		10
	LAND EQUIPMENT		
	Other land equipment		10
	Fencing		30
	Station square		20
	Ground-level parking facilities * * ground-level car parks also contain uncovered bike racks		20
	Roads		20
	Bus stations		20
	Surface coating for container terminals		5

Miscellaneous plant and equipment	**STATION EQUIPMENT**	
	Station equipment	30
	WORKS OF ART AND MUSEUM COLLECTIONS	
	Works of art and museum collections	residual value

b) Appendix 2: assets and liabilities expressed in foreign currencies and derivative financial instruments

Monetary/non-monetary assets and liabilities

Any transaction which results in the establishment of a position in foreign currencies or the reduction of such a position is converted and recorded in euros at the cash exchange rate ("conversion rate").

For non-monetary assets and liabilities, the acquisition of which has given rise to a foreign currency transaction, the acquisition value is equal to the price denominated in foreign currencies multiplied by the conversion rate. The acquisition is no longer influenced by subsequent changes in the exchange rate.

Monetary assets and liabilities in foreign currencies are initially recorded in euros using the conversion rate applicable on the date of the transaction. These monetary assets and liabilities remain denominated in foreign currencies; their counter-value in euros is subject to changes in the rate of the currency in which they are denominated in relation to the Euro. These changes give rise to "exchange differences" or "conversion differences".

At the year-end, the remaining unhedged assets and/or commitments, denominated in foreign currencies are re-estimated on the basis of the exchange rate observed at the point of the last quotation on the financial markets. This re-estimation gives rise to positive and negative conversion differences entered as prepayments if they are unrealised losses or accruals if they are unrealised gains, in as many different accounts as there are foreign currencies involved. The excess of negative differences compared with positive differences per foreign currency is entered under expenditure in the profit and loss account.

When the accounts are reopened, the conversion difference entries are reversed.

However, when a foreign currency transaction is accompanied by a special hedging transaction, the exchange rate at which the foreign currency receivable or debt will be repaid is fixed definitively, but an exchange difference is recorded to cover any period prior to the special cover.

The situation is presented according to the following balance sheet items:.

ASSETS	
Establishment expenses	Non-monetary
Intangible fixed assets	Non-monetary
Tangible fixed assets	Non-monetary
Financial fixed assets	Non-monetary: when uncalled amounts are called up, the commitment to pay is re-estimated at the conversion rate applicable on that date, and the counterpart for the conversion difference recorded is set against the acquisition value of the financial fixed assets
Receivables falling due in more than one year	Monetary: however, value reductions on receivables are regarded as non-monetary. The value reduction must be examined in parallel with the re-estimation of the receivable and the treatment of the conversion differences.
Stock	Non-monetary
Receivables falling due within one year	Monetary: however, value reductions on receivables are regarded as non-monetary. The value reduction must be examined in parallel with the re-estimation of the receivable and the treatment of the conversion differences.
Cash investments	Monetary
Liquid assets	Monetary: but foreign currency cash values do not generate "unrealised" conversion differences but their re-estimation at the closing rate generates an exchange difference, either positive or negative, in the profit and loss account. Bank accounts showing an overdraft are treated as debts.
Prepayments	Monetary and non-monetary following the elements which generated these various transactions.

LIABILITIES	
Capital	Non-monetary
Share premiums	Non-monetary
Capital gain on revaluation	Non-monetary
Reserves	Non-monetary
Gain or loss brought forward	Non-monetary
Capital subsidies	Non-monetary
Provisions for contingencies and expenditure	Non-monetary
Debts falling due in more than one year	Monetary: however, payments received in foreign currencies represent partly closed exchange positions on receivables. A receivable subject to re-estimation on closing is the net receivable while an exchange difference is recorded for the payment.
Debts falling due within one year	Monetary: however, payments received in foreign currencies represent partly closed exchange positions on receivables. A receivable subject to re-estimation on closing is the net receivable while an exchange difference is recorded for the payment.
Accruals	Monetary and non-monetary following the elements which generated these various transactions.

DERIVATIVE FINANCIAL INSTRUMENTS

For derivative financial instruments concluded for the purpose of hedging loans or commercial transactions, the following accounting rules apply:

- **IRS (Interest rate swap)**

  The company's aim is not to cover the value of an asset against a potential loss but to change the characteristics of a flow of interest, in order to change from fixed interest to variable interest or vice-versa.

  From the execution date until the maturity date, the notional amount of the deal, including the direction, is entered in the accounts under interests and commitments, and it is understood that this notional amount does not in itself express the situation of the company with respect to third party debtors and creditors but merely represents an indicator of the amount on which an IRS is executed.

  Flows of funds relating to IRSs are entered under heading V.A. in the profit and loss account. The accounting method takes account of the substance of the contractual agreement and the prominence of economic reality on the appearance, and the economic reality of the real cost of indebtedness is influenced by this type of financial instrument. If the term of the IRS exceeds that of the loan, the flows for this period would be entered in the profit and loss account under headings IV.C. and V.C.

- **Forward exchange contracts**

  For forward exchange contracts concluded for the purpose of specific hedging of commercial transactions, part of the forward contract is entered under interests and commitments and, on the other side, as an asset or liability in the balance sheet at the forward exchange rate of the contract. When the accounts are closed, no re-estimation of the asset or liability, or of the forward exchange contract, is made.

- **IRCS (Interest Rate Currency Swap)**

  From the date of execution until the maturity date, foreign currencies bought and sold forward are entered in the accounts under interests and commitments, at the hedging rate.

  Flows of interest are entered in the profit and loss account in accordance with the IRSs.

- **FRA (Forward Rate Agreement)**

  From the execution date until the maturity date, the notional amount of the deal, including the direction, is entered in the accounts under interests and commitments, and it is understood that this notional amount does not in itself express the situation of the company with respect to third party debtors and creditors but merely represents an indicator of the amount on which an FRA is executed.

  The differential of interest earned or incurred by the company is entered in the accounts either as deferred income or deferred expenditure and is charged to the profit and loss account under heading V.A., staggered over the hedging period.

- **Caps/floors/collars**

  From the execution date until the maturity date, the notional amount of the deal, showing the direction, is entered in the accounts under interests and commitments, and it is understood that this notional amount does not in itself express the situation of the company with respect to third party debtors and creditors but merely represents an indicator of the amount to which an instrument relates.

  Premiums paid or received are entered under heading X. as either assets or liabilities and are entered in the profit and loss account under heading V.A., staggered over the hedging period.

- **Provision to be made**

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

c) Appendix 3: alternative financing transactions

As well as traditional transactions of the Sale and Lease Back and Sale and Rent Back type, SNCB-Holding has executed other transactions of the Lease and Lease Back, Rent and Rent Back, Concession Concession Back and prepaid Sale and Lease Back type. The accounting principles applied are summarised below, with the proviso that each transaction has its own peculiarities that are specific to it.

The accounting treatment of such transactions relies on external advice, which is based on Belgian legislation and recent Belgian case law and, by default, on IFRS standards.

LEASE AND LEASE BACK TRANSACTIONS

In Lease and Lease Back transactions, the Company sells equipment then leases it straight back, prepaying the entire lease amount on the closing date of the transaction, either direct to the lessor or via deposits opened in the name of the lessee but on which the latter can no longer avail itself of the amount margined, as these deposits serve purely to honour the lessee's obligations arising from the transactions.

Prepayment of the lease amounts is entered under assets under heading III.C. "Tangible fixed assets – Fittings and rolling stock". This asset is depreciated over the residual term of the capitalised item. The gross gain from the transaction is entered as a liability and is depreciated over the term of the transaction.

On the other hand, any deposits are recorded as commitments, as guarantees provided by third parties on the company's behalf. Also included as commitments, as long-term usage rights of capitalised assets, are the accounting values of the assets included under the above-mentioned assets heading III.C.

RENT AND RENT BACK TRANSACTIONS

In RRB transactions executed by SNCB-Holding, the latter rents equipment to a third party, which then rents it back to the owner. The rental of the asset is subject to prepayment in full by the third party of the rental amount on the closing date.

On closing of the transaction, the whole of the rental amount prepaid to SNCB-Holding is charged to a deferred income account, itself reduced by payments made in connection with swaps entered into by SNCB-Holding with a view to the forward purchase of the foreign exchange necessary for payment of future rents and of the option.

Part of the deferred income recorded in this way is invested as liquid assets in an equity account to ensure the hedging of payments not completed in the swap. The deferred income, less this investment, represent the NPV 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 a deferred expenditure account. For any single transaction, a set-off is made between the deferred expenditure and the deferred income.

During the life of the transaction, the flow of income (coverage of the swap and the equity account) as well as the flow of outgoings (payment of the option and rents) are normally charged to the deferred income account or in reduction thereof.

Interest on the equity account is aggregated on the assets side of the deposit increasing the deferred income account.

The NPV is spread over the term of the transaction and charged every year to the profit and loss account under the "Financial income – Other financial income" heading by deduction from deferred income.

CONCESSION CONCESSION BACK TRANSACTIONS

The rules applied for Rent and Rent Back transactions are applicable mutatis mutandis to Concession Concession Back transactions.

PREPAY SALE AND LEASE BACK TRANSACTIONS

The accounting treatment of these transactions is similar to that of an ordinary Sale and Lease Back, with the prepayments treated as Lease and Lease Back transactions.

III. CONSOLIDATED ANNUAL ACCOUNTS

A. NOTES

1. Key information

a) Preparation of the accounts

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 owns less than 20% of the 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.

Therefore, 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.

b) Scope of consolidation

In the course of the 2009 financial year, the scope of consolidation evolved as follows:

	Number of companies
31/12/2008	65
IN	9
OUT	2
31/12/2009	72

<u>Changes in 2009 to shareholdings - **SNCB-holding platform**:</u>

- In 2007, the capital of **Infrabel** was increased by €205,418,000.00 in connection with the completion of the LGV investments. This subscribed capital is paid in cash, by SNCB-Holding, in line with the advancement of the work. In 2007, 25% was paid. In 2009, SNCB-Holding made additional payments of **€44,050,000.00**.

  As with the 2008 transactions, SNCB-Holding acquires part of the finalised investments of SPV (Special Purpose Vehicle) 162, for **€20,925,580.86** and contributes this to **Infrabel** as part of an increase in capital for the same amount by the issue of 26,233 new shares.

  In the **Infrabel** accounts, pursuant to the Law of 20.07.2006, Chap. II Section 1 art. 355, a concomitant transfer to the increases is entered under the "Capital Subsidies" heading of the balance sheet. In 2009, the total amount was **€64,975,580.86**.

- Eurostation (99%) and Euro Immo Star (1%) establish Stedelijke **Ontwikkelingsmaatschappij Fabiolalaan SA (SOFA)** in Ghent. This limited company, with a fully subscribed and paid-up share capital of €25,000,000.00, is consolidated according to the overall integration method with effect from the 2009 financial year.
- Six shares in **Foncière Rue de France** held by its directors were sold on to Rail Facilities (1 share) and SNCB-Holding (5 shares). The percentage overall integration remains unchanged, with the directors acting on behalf of SNCB-Holding.
- Euro Immo Star (97.5%) and Hasselt Stationsomgeving (2.5%) create **Stedelijke Ontwikkelingsmaatchappij Hasselt SA (SOHA)** in Hasselt. This limited company, with a fully subscribed and paid-up share capital of €10,000,000.00, is consolidated according to the overall integration method with effect from the 2009 financial year.
- At an Extraordinary General Meeting, it was decided to dissolve **L.A. Group SA** and put it into liquidation. A liquidator was appointed. Since 2008, having decided to discontinue its activities, this company was included in the consolidation according to the equity method. Until the liquidation is finalised, it continues to be accounted for in this way.
- Holding by SNCB-Holding in the capital of **Optimobil Belgium SA** via the subscription of 237 newly-issued shares as part of a capital increase. This holding amounts to €50,000.00 and represents 24.01% control. In 2009, Optimobil Belgium was accounted for by the equity method in the consolidated accounts.
- SOFA s.a. (50%) and Landsbeeck NV (50%) create the limited company **SOFA INVEST**. This company has a share capital of €1,000,000.00 represented by 1,000 fully subscribed and paid-up shares. In 2009, **SOFA INVEST** is integrated proportionally.

<u>Changes in 2009 to shareholdings - **SNCB platform**:</u>

- During the first half of 2009, the members of the **RAILTEAM BV** Committee decided, in order to reduce costs, not to issue intermediate reports to shareholders. The SNCB representative had to support this decision. With effect from 2009, the company is regarded as an associated company and no longer as a joint venture partner. As a consequence, it is accounted for by the equity method rather than by proportional integration.
- H&S International Rotterdam BV changes its name:
  Haeger & Schmidt International BV Zwijndrecht.
- Following the break in relations between Cemat and TRW and the takeover by IFB of the commercial activities of TRW, the presence of IFB in Italy for traffic operational services to and from Italy proved to be necessary. To this end, IFB acquired all the shares in a "dormant" Italian company: **3R S.R.L.** at a cost of €30,000.00. Following which, IFB changed the name to **IFB ITALIA SRL** and increased the capital by €75,000. The company is globally integrated with effect from 2009.
- Haeger & Schmidt International GmbH acquires 50% of a company in Berlin: **Ro-Ro-Service Berlin** for €12,500.00. This company, controlled jointly with the other shareholder (50% - non-Group), is consolidated with effect from 2009 according to the proportional method.

- IFB pays the balance of the **OSR France** capital subscribed in 2008 at the time of its formation: €150,000.00.
- On 24 April, **T.R.W.** capital increase of €41,183,707.18 (+137.41 share premium) by the issue of 155,869 new shares. This increase is fully subscribed and paid up by SNCB by a contribution in kind of 3,986 wagons. On 7 December, IFB buys back 5 **T.R.W.** shares from minority shareholders for €1,000.00.

  These transactions result in a change in the percentages of control of the Group: SNCB goes from 49.38% to 93.96% and IFB from 43.88% to 5.24%. In 2009, **T.R.W.** is integrated according to the global method as to 99.20% compared with 93.26% at the end of 2008.
- Implementation of decisions taken by **RAILLINK BV** shareholders at the end of 2008 following the delay in the project.

  Namely: to put the company into "sleeping mode" and revise its financial structure by means of a "Waiver Agreement" for all the loans granted by shareholders of a total of €6.1 million. The company is excluded from the scope of consolidation.
- At an Extraordinary General Meeting, the shareholders of **UNILOG SA** approved the closure of the liquidation of the company.
- Rheinkraft International participates in the creation of

  GN Transportgesellschaft mbH. This company is formed with a share capital of €80,000.00 fully subscribed and paid up by Rheinkraft International (as to €39,200.00) and the Nowak brothers (€20,400.00 each).

  GN Transportgesellschaft mbH is accounted for by the equity method in the consolidated accounts from 2009 as to 49%.
- Creation of the limited company **YPTO** with capital of €3,000,000.00 fully subscribed and paid up by SNCB and represented by 3,000 shares. It is 100% globally integrated as from 2009.
- Inter Ferry Boats forms **IFB France SRL** in Bonneuil sur Marne, with a share capital of €1,500,000.00 represented by 150,000 company shares, fully paid up. IFB – sole shareholder – pays up the share capital as to €1,000,000.00.

<u>Changes in 2009 to shareholdings - **INFRABEL platform**</u>:

- In addition, movements in Infrabel capital, namely:
  - additional payment of €44,050,000.00;
  - increase of €20,925,580.86 by the issue of new shares;
  - reduction by concomitant transfer to the increases to the "Capital subsidies" heading.
- Infrabel joins the newly created SCRL [Cooperative Company with Limited Liability]: **SPS FIN scrl** (company object: all kinds of work connected with renewable energy). Infrabel subscribes 4.55% of the capital for €10,000.00. This company remains outside the scope of consolidation.
- Infrabel joins the newly created SCRL [Cooperative Company with Limited Liability]: **GREENSKY scrl** (company object: development of facilities for the production of electricity from wind power). This company is created with capital of €100,000.00 paid up as to €30,000.00. Infrabel subscribes 10% of the capital for €3,000.00. This company is not part of the scope of consolidation.

2. Balance sheet

The total consolidated balance sheet of the SNCB-Holding & Infrabel Consortium amounts to €27,170.9 million as at 31.12.2009, against €26,153.7 million in 2008, a difference of +3.89%.

a) Assets

Fixed assets amount to **€17,781.3 million**, an increase of €1,192.3 million compared with 2008. This change is almost exclusively related to intangible and tangible assets which increased by €1,194.1 million, as a consequence of the Group's investment policy, including:

- +€1,129.6 million for the top companies (SNCB-Holding-Infrabel-SNCB);
- +€35.4 million in subsidiaries active in the goods sector (mainly the acquisition by TRW of wagons from SNCB);
- +€26.3 million for the Eurostation sub-group, active in the property sector in the Brussels and Flemish regions.

Current assets amount to €9,389.6 million, a reduction compared with 2008 of €175.1 million, including:

- -€354.6 million relating to cash investments and liquid assets, a reduction exclusively due to the top companies, a consequence in particular of the acceleration of investments;
- +€171.2 million for receivables including +€146 million in connection with the alternative financing of rolling stock.

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 up the capital of each of the consolidating companies, bearing in mind what is set out 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. The shares held by SNCB-Holding in Infrabel, and those in SNCB-Holding held by Financière Rue de France, were reclassified as treasury shares. In 2009, total treasury shares amounted to €1.96 billion.

b) Liabilities

The movement in shareholders' equity as compared with 2008 is **€692.3 million**, including:

- +€1,098.2 million relating to capital subsidies (+€1,096.6 million for the top companies);
- -€405.7 million resulting from the movement in consolidated reserves, namely: the Group share of the 2009 results (-€205.7 million) and the transfer (€200 million), via allocation of the Infrabel retained earnings under capital subsidies. This transfer is part of the State's budget policy for 2009.

Provisions and deferred taxation amount to €1,111.5 million, a reduction of €125.8 million compared with 2008, as a consequence of the application of IFRS standards to the Group and more specifically to the breakdown of tangible assets into components. As a corollary to this application of components, provisions for major repairs and maintenance were virtually eliminated.

Debts amount to €9,268.00 million, a reduction, compared with 2008, of €450.8 million.

	2009	2008	Δ
SNCB-Holding	**8.328.027.695,24**	7 764.235.805,05	563.791.890,19
Infrabel	**276.641.342,55**	432.395.162,47	-155.753.819,92
SNCB	**449.845.631,63**	400.471.269,49	49.374.362,14
Subsidiaries	**213.532.907,39**	220.085.278,25	-6.552.370,86
	9.268.047.576,81	8.817.187.515,26	**450.860.061,55**

	Debts falling due in more than one year	Debts falling due within one year	Accruals
SNCB-Holding	2.869.318.680,16	1.966.372.951,13	3.492.336.063,95
Infrabel	15.824,42	276.069.224,53	556.293,60
SNCB	235.859,99	249.168.727,74	200.441.043,90
Subsidiaries	19.138.341,09	167.401.298,28	26.993.268,02
2009 consolidated total	**2.888.708.705,66**	**2.659.012.201,68**	**3.720.326.669,47**

c) Profit and loss account

The Group share of the consolidated results shows a loss of **-€205.7 million**, as against +€12.4 million for the 2008 financial year.

The source of the change in Results is mainly to be found:

- in the accounts of the 3 top companies;
- in the reduction of €86.4 million in the consolidated results of the SNCB-Holding subsidiaries. The 2008 financial year was marked by a capital gain of €101.9 million resulting from the sale by Eurostation of the companies Instruction and Immo-Instruction;
- in the increase of €46.4 million in the consolidated results of the SNCB subsidiaries. This change comes mainly from the consolidated entries relating to the wagons contributed in 2008 by SNCB to Xpedys: in 2008, a provision was made in Xpedys for major maintenance and repairs for these wagons contributed by SNCB (for standardisation of valuation rules). In 2009, write-back of the consolidated provision made resulting from the application of IFRS standards (impact on the 2009 results: +€26.59 million).

B. Balance Sheet

1. Assets

	31/12/2009	31/12/2008
FIXED ASSETS	**17.781.308.120,12**	**16.588.997.629,64**
Establishment expenses	**453.083,14**	**602.118,14**
Intangible fixed assets	**1.552.015.955,40**	**1.544.267.159,81**
consolidation differences (positive)	**1.325.614,04**	**1.940.245,90**
Tangible fixed assets	**16.073.885.579,39**	**14.887.462.413,33**
Land and buildings	3.982.613.871,48	3.276.722.174,49
Plant, machinery and equipment	5.612.263.536,08	5.070.627.914,90
Fittings and rolling stock	1.052.629.205,79	1.242.756.657,68
Finance leasing and similar interests	1.398.205.141,47	888.068.325,81
Other tangible fixed assets	126.743.728,65	369.941.974,12
Fixed assets in progress and payments on account	3.901.430.095,92	4.039.345.366,33
Financial fixed assets	**153.627.888,15**	**154.725.692,46**
Companies accounted for by the equity method	137.036.338,32	133.392.154,47
Holdings	83.154.379,06	80.374.448,25
Receivables	53.881.959,26	53.017.706,22
Other companies	16.591.549,83	21.333.537,99
Holdings, shares and interests	13.359.152,71	16.587.478,68
Receivables	3.232.397,12	4.746.059,31
CURRENT ASSETS	**9.389.581.823,29**	**9.564.713.806,50**
Receivables falling due in more than one year	**3.531.791.314,30**	**3.493.767.922,27**
Trade debtors	24.077.893,32	22.956.874,80
Other amounts receivable	3.507.713.420,98	3.470.811.047,47
Stock and orders in progress	**593.037.474,91**	**481.527.028,07**
Stock	453.679.823,95	370.831.770,40
Supplies	430.376.714,77	351.000.680,05
Manufacture in progress	18.553.521,91	14.108.233,81
Finished products	300.879,50	285.261,57
Goods	2.003.308,37	2.532.590,33
Properties intended for sale		
Payments on account	2.445.399,40	2.905.004,64
Orders in progress	139.357.650,96	110.695.257,67
Receivables falling due within one year	**1.537.061.550,76**	**1.403.886.118,98**
Trade debtors	532.730.235,20	406.598.846,58
Other amounts receivable	1.004.331.315,56	997.287.272,40
Cash investments	**3.439.578.932,35**	**3.792.870.072,19**
Treasury shares	1.955.992.773,86	1.890.908.855,10
Other investments	1.483.586.158,49	1.901.961.217,09
Liquid assets	**54.841.941,35**	**56.077.783,68**
Prepayments	**233.270.609,62**	**336.584.881,31**
TOTAL ASSETS	**27.170.889.943,41**	**26.153.711.436,14**

2. Liabilities

	31/12/2009	31/12/2008
SHAREHOLDERS' EQUITY	**16.785.473.043,85**	**16.093.171.748,85**
Capital	**2.191.840.429,39**	**2.191.840.429,39**
Subscribed capital	2.301.853.929,39	2.345.903.929,39
Uncalled capital	(110.013.500,00)	(154.063.500,00)
Share premium	**299.317.752,80**	**299.317.752,80**
Capital gains on revaluation	**4.079.835,98**	**4.079.835,98**
Consolidated reserves (Appendix XI)	**(696.509.441,27)**	**(290.763.745,97)**
CONSOLIDATION DIFFERENCES (NEGATIVE) (APPENDIX XII)	**24.701.897,15**	**24.689.799,97**
CONVERSION DIFFERENCES	**14.480.670,20**	**14.646.702,35**
Capital subsidies	**14.947.561.899,60**	**13.849.360.974,33**
THIRD-PARTY INTERESTS	**5.879.881,66**	**6.088.509,71**
Third-party interests	**5.879.881,66**	**6.088.509,71**
PROVISIONS DEFERRED TAXATION AND TAX HOLD-OVERS	**1.111.489.441,09**	**1.237.263.662,32**
Provisions for contingencies and expenditure	**1.111.437.143,69**	**1.237.231.773,96**
Pensions and similar obligations	336.835.730,58	319.373.324,43
Tax charges	809.206,00	5.330.993,92
Major repairs and maintenance	2.588.816,32	164.491.389,88
Other contingencies and expenditure	771.203.390,79	748.036.065,73
Deferred taxation and tax hold-overs (Appendix VI. B)	**52.297,40**	**31.888,36**
DEBTS	**9.268.047.576,81**	**8.817.187.515,26**
Debts falling due in more than one year (Appendix XIII)	**2.888.708.705,66**	**2.485.663.996,20**
Financial debts	2.863.506.594,79	2.390.136.558,80
Subordinated loans	302.568,75	669.076,38
Unsubordinated debenture loans	661.902.058,12	665.797.276,09
Finance leasing and similar debts	1.000.161.466,79	734.406.295,54
Credit institutions	1.197.740.178,93	989.263.910,79
Other borrowings	3.400.322,20	
Trade creditors	14.757.186,66	85.080.673,50
Suppliers	14.757.186,66	85.080.673,50
Bills payable		
Payments received on account of orders	10.065.280,00	10.065.280,00
Other debts	379.644,21	381.483,90
Debts falling due within one year (Appendix XIII)	**2.659.012.201,68**	**2.599.405.722,31**
Debts of more than one year falling due within the year	83.533.337,97	92.240.947,38
Financial debts	317.769.066,84	282.054.662,18
Credit institutions	1.240.196,50	6.198.356,67
Other borrowings	316.528.870,34	275.856.305,51
Trade creditors	870.027.054,23	679.505.042,61
Suppliers	870.027.054,23	679.421.468,00
Bills payable		83.574,61
Payments received on account of orders	29.093.325,30	26.122.199,54
Tax, payroll and social security debts	495.948.541,40	437.646.428,25
Taxation	87.536.816,70	85.066.487,07
Remuneration payments and social security contributions	408.411.724,70	352.579.941,18
Other debts	862.640.875,94	1.081.836.442,35
Accruals	**3.720.326.669,47**	**3.732.117.796,75**
TOTAL LIABILITIES	**27.170.889.943,41**	**26.153.711.436,14**

C. Profit and loss account

1. Profit and loss account

PROFIT AND LOSS ACCOUNT	2009	2008
Sales and services	**3.682.398.640,66**	**4.048.824.452,27**
Turnover	2.831.451.158,07	3.340.752.496,67
Changes in work in progress, finished products and orders in progress (increase +, reduction -)	30.857.903,13	16.004.127,04
Capitalised production	674.064.261,33	605.605.670,95
Other operating income	146.025.318,13	86.462.157,61
Cost of sales and services (-)	**(4.470.505.985,64)**	**(4.259.492.403,05)**
Goods and supplies	236.271.714,75	276.630.990,62
Purchases	307.542.717,21	330.019.121,62
Change in stock (increase -, reduction +)	(71.271.002,46)	(53.388.131,00)
Miscellaneous goods and services	1.268.160.221,83	1.525.903.522,19
Remuneration, social security contributions and pensions	2.234.262.361,35	2.088.252.695,59
Depreciation and value reductions on establishment expenses, tangible and intangible fixed assets	781.913.922,85	367.136.489,31
Value reductions on stock, orders IN progress and trade debtors (allocations +, write-backs -)	(73.315,93)	29.635.604,54
Provisions for contingencies and expenditure (allocations +, drawdowns and write-backs -)	(70.974.870,93)	(45.336.521,31)
Other operating expenses	20.945.951,72	17.269.622,11
Operating expenditure posted to assets as part of restructuring expenses		
Depreciation of positive consolidation differences		
Operating profit (+)		
Operating loss (-)	**(788.107.344,98)**	**(210.667.950,78)**
Financial income	**2.341.826.592,19**	**655.013.916,17**
Income from financial fixed assets	1.581.212,41	1.991.125,34
Income from current assets	85.826.038,51	152.651.527,99
Other financial income	2.254.419.341,27	500.371.262,84
Financial expenses (-)	**(1.529.287.245,87)**	**(293.410.543,58)**
Cost of debts	135.942.672,85	153.883.678,78
Depreciation of positive consolidation differences	680.706,20	613.575,30
Value reductions on current assets other than those referred to in II.E (allocations +, write-backs -)	3.904.498,83	6.306.443,79
Other financial expenses	1.388.759.367,99	132.606.845,71
Current profit, before tax (+)	**24.432.001,34**	**150.935.421,81**
Current loss, before tax (-)		
Exceptional income	**2.441.732.343,99**	**313.050.043,74**
Write-backs of Depreciation and value reductions on tangible and intangible fixed assets	1.458.526.744,51	21.620.359,03
Write-backs of depreciation on consolidation differences		
Write-backs of value reductions on trade investments held as fixed assets	99.195,20	2.247.793,52

Write-backs of provisions for contingencies and exceptional expenditure	166.508.500,71	17.564.074,57
Capital gains on realisation of fixed assets	48.817.553,16	152.477.835,66
Other exceptional income	767.780.350,41	119.139.980,96
Exceptional expenses (-)	**(2.669.000.261,17)**	**(450.198.347,42)**
Exceptional Depreciation and value reductions on ESTABLISHMENT expenses and tangible and intangible fixed assets	556.399.647,16	277.682.614,35
Exceptional Depreciation of positive consolidation differences		
Value reductions on financial fixed assets	1.315.446,37	22.047,38
Provisions for contingencies and exceptional expenditure	149.347.211,70	118.032.342,23
Capital losses on realisation of fixed assets	27.100.666,38	1.256.290,06
Other exceptional expenditure	1.934.837.289,56	53.205.053,40
Exceptional expenditure posted to assets as part of restructuring expenses		
Negative consolidation differences		
Profit for the year, before tax (+)		**13.787.118,13**
Loss for the year, before tax (-)	**(202.835.915,84)**	
Transfer to deferred taxation and tax hold-overs (-)		**(11.964,48)**
Levies on deferred taxation and tax hold-overs (+)	**8.782,28**	**6.127,06**
Taxes on earnings (-) (+)	**(2.207.302,45)**	**(2.720.891,04)**
Taxation (-)	(2.797.096,23)	(3.199.584,22)
Tax adjustments and write-backs of tax provisions (+)	589.793,78	478.693,18
Profit for the year (+)		**11.060.389,67**
Loss for the year (-)	**(205.034.436,01)**	
Percentage of results of companies accounted for by the equity method	**(674.189,10)**	**1.609.931,61**
Profit-making results (+)	3.859.457,26	4.087.061,24
Loss-making results (-)	(4.533.646,36)	(2.477.129,63)
Consolidated profit (+)		**12.670.321,28**
Consolidated loss (-)	**(205.708.625,11)**	
Third parties' share of the results	**37.070,32**	**239.767,66**
Group share of the results	**(205.745.695,43)**	**12.430.553,62**

2. Appropriations and drawings

Profit (Loss) for the year to be appropriated	**(205.745.695,43)**	**12.430.553,62**
Drawings on shareholders' equity	**(200.000.000,00)**	
On capital and share premiums		
On share premiums		
On reserves (Parent)	(200.000.000,00)	
Appropriation to Reserves	**205.745.695,43**	**(12.430.553,62)**
Parent companies	(285.512.682,77)	64.127.411,83
Other companies within the scope	79.766.987,34	(51.696.858,21)
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 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%	
SPRL 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 ROUTE WAGON Rue des deux gares 80 - 1070 BRUSSELS BE 0405 772 081	99,20%	+ 5,94%
SA LIEGE LOGISTICS INTERMODAL (L.L.I.) Rue de l'aéropostale 25 - 4460 GRACE HOLLOGNE BE 0477 584 547	65,75%	
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%	
SARL OSR FRANCE Domaine Paindavoine 13, Rue Berthelot - FR - 59000 LILLE	100,00%	
SA YPTO Avenue de la Porte de Hal 40 1060 BRUSSELS - BE 0821 220 410	100,00%	Joined the scope in 2009
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%	
SRL IFB ITALIA Via Panseri 118 IT - 28100 NOVARA	100,00%	Joined the scope in 2009
SRL IFB FRANCE Route de l'Île Barbière Bât. B6 FR - 94387 Bonneuil sur Marne	100,00%	Joined the scope in 2009
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	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 BRUXELLES 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%	
SA STEDELIJKE ONTWIKKELINGSMAATSCHAPPIJ HASSELT (SOHA) Grote Breemstraat 41 - 3500 HASSELT	98,75%	Joined the scope in 2009
SA STEDELIJKE ONTWIKKELINGSMAATSCHAPPIJ FABIOLALAAN (SOFA) Raketstraat 1 - 9000 GEND	100,00%	Joined the scope in 2009
SA B-PARKING Rue de France 56-58 - 1060 BRUSSELS BE 0899 438 834	100,00%	
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 Hal 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 ZWIJNDRECHT Maasboulevard 30-32 NL - 3331 ML ZWIJNDRECHT	100,00%	

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 (%)	Reason for exclusion
GmbH KREAS GRUNDSTÜCKVERWALTUNGS-GESELLSCHAFT U CO. UMSCHLAGHALLE I DUISBURG OHG Wilhelm-Theodor-Römheld-Str. 30 DE - 55130 MAINZ	94,00%	art.107 - 3°
SA TRANSURB ARGENTINE Posadas 1120 16° B 1011 BUENOS AIRES - ARGENTINA	99,00%	art.107 - 3°
Ltd TRANSURB JAMAIQUE Ellesmer Road 8 - Kingston 10 - JAMAICA	100,00%	art.107 - 3°
GmbH 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%	
SA PUBLIFER Boulevard de la Plaine 5 - 1050 BRUSSELS BE 0402 695 993 Proportional representation of the two shareholders	50%	
SA BENE RAIL INTERNATIONAL Avenue de la Porte de Hal 40 - 1060 BRUSSELS BE 0479 863 354	50%	
SA SOFA INVEST Rue Brogniez 54 1070 BRUSSELS BE 0821 479 043	50%	Joined the scope in 2009
SCRL THALYS INTERNATIONAL Place Stéphanie 20 Bus 15 - 1050 BRUSSELS BE 0455 370 557	28,00%	
SA TERMINAL E.C.E. Sart d'Avette 110 - 4400 FLEMALLE BE 0878 226 320	50,00%	
SM COBRA **Corridor Opération B-Cargo Railion** Avenue de la Porte de Hal 40 - 1060 BRUSSELS	50,00%	
EWIV EURATEL Europaplatz 1 - AT - 1150 WENEN Due to its legal from, the organization can be considered as a joint venture.	Established without capital	
Ltd. EUROSTAR GROUP Times House - Bravingtonswalk Regent Quarter - GB - LONDON N1 9AW	33,33%	
GEIE IV-INFRA/TUC RAIL Noordhoek 37 - NL - 3350 CD PAPENFRECHT	50,00%	
GEIE CORRIDOR C 9, Place de la Gare - LU - 1616 LUXEMBOURG	42,00%	
GmbH ETK EURO TERMINAL KEHL Hafenstrasse 35 - DE - 77694 KEHL	50,00%	
GmbH RO-RO-SERVICE BERLIN GSG - Hof Plauener Strasse 163 -165 DE - 13053 BERLIN	50,00%	Joined the scope in 2009
SA COIL TERMINAL Napelsstraat 79 - 2000 ANTWERP 1 BE 0412 581 580 Proportional representation of the two shareholders	50,00%	

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	2,35%	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)
GmbH GN TRANSPORTGESELLSCHAFT Beecker Strasse 11 -DE - 47166 DUISBURG	49,00%	Joined the scope in 2009
SP.Z O.O BEST LOGISTICS Ul Wielka Odrzanska 30/5 - P 70-535 SZCZECIN	40,00%	
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 IFB SERVICE CENTER Houtdok 25A - 2030 ANTWERP BE 0472 910 632	30,00%	
SA COMBI-MED Avenue du Port 100 - 1000 BRUSSELS BE 0448 488 210	40,00%	
SA COMBINANT Scheldelaan 800 Haven 755 - 2040 ANTWERP BE 0807 056 529	20,00%	
SA L.A. GROUP (en liquidation) 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%	
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 OPTIMOBIL BELGIUM Rue Thérésienne 7A - 1000 BRUSSELS BE 0865 739 846	24,01%	Joined the scope in 2009
SA RAILTEAM Stationsplein 9 - De Oost NL - 1012 AB AMSTERDAM	10.00%	
SA BELGORAIL Rue Ravenstein 60 - 1000 BRUSSELS BE 0865 739 846	33.33%	
SA SEA-RAIL Skaldenstraat 1 - 9042 GENT BE 0465 812 905	35.00%	
SA SIBELIT Avenue de la Gare 65 - LU - 1611 LUXEMBOURG	42.50%	
EUROFIMA Société européenne pour le financement de matériel ferroviaire Ritterhof/Rittergasse 20 - Case Postale CH-4001 BALE	9.80%	
SA A+ LOGISTICS (en liquidation) 10, Rue du Chateau - FR - 59100 ROUBAIX	100.00%	

f) Associated companies which are not accounted for on an equity basis

NAME, full address of Registered Office and, for Belgian companies, VAT NUMBER or NATIONAL NUMBER	Proportion of capital held (%)
AS SOBETRA Andreia Zarnova 1 - 91702 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 SA Rue de France 85 - 1060 BRUSSELS BE 0403 449 724	11,52%
NOVATRANS ITALIA SA Via Tosseti 90 - MILANO	18,00%
S.G.I.D. Owendo - Libreville, GABON	11,10%
GREENSKY SCRL Boulevard du Régent 8 - 1000 BRUSSELS BE 0817 203 422	10,00%
RAILLINK BV Stationsplein 9 - De Oost NL - 1012 AB AMSTERDAM	10,00%

2. Statement of establishment expenses

	2009
Net book value at the end of the previous year	**602.118,14**
Changes in the year:	
- New expenditure committed	17.778,14
- Depreciation (-)	(166.813,14)
- Conversion differences (+) (-)	
- Other changes (+) (-)	
Net book value at the end of the year	**453.083,14**
including: - Expenses relating to the provision and increase of capital, expenses relating to the issue of loans and other establishment expenses	453.083,14
- Restructuring expenses	

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	15.259.845,26	1.803.320.424,33	5.414.444,20	2.173.451,39
Changes in the year:				
- Acquisitions, including capitalised production	598.958,17	174.886.297,69	7.000,00	2.207.958,77
- Disposals and retirements (-)	(300.988,35)	(117.030.198,06)		(35.305,30)
- Transfers from one heading to another (+) (-)	2.181.430,06	279.361,23		(2.181.430,06)
- Conversion differences (+) (-)				
- Other changes		(60.599.185,53)		0,01
At the end of the year	17.739.245,14	1.800.856.699,66	5.421.444,20	2.164.674,81
DEPRECIATION AND VALUE REDUCTIONS				
At the end of the previous year	12.861.191,15	265.569.700,14	3.467.210,83	2.903,25
Changes in the year:				
- Recorded	1.356.890,08	146.485.480,72	456.799,54	60.352,80
- Written back as surplus (-)		(39.413.315,59)		
- Acquired from third parties				
- Written off as a result of disposals and retirements (-)	(300.988,35)	(117.030.128,66)		(35,305.30)
- Transfers from one heading to another (+) (-)		712.974,29		
- Conversion differences (+) (-)				
- Other changes	(19.411,36)			(8.245,13)
At the end of the year	13.897.681,52	256.324.710,90	3.924.010,37	19.705,62
NET BOOK VALUE AT THE END OF THE YEAR (a) - (c)	**3.841.563,62**	**1.544.531.988,76**	**1.497.433,83**	**2.144.969,19**

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 in progress and payments on account (heading IV.F.)
ACQUISITION VALUE						
At the end of the previous 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
Changes in the year:						
- Acquisitions, including capitalised production	10.471.527,05	26.880.093,36	10.885.339,66	5.569.576,54	22.301.360,11	2.501.572.268,09
- Disposals and retirements	(66.810.950,68)	(259.103.552,30)	(274.825.230,23)	(233.030.125,08)	(311.932.531,62)	
- Transfers from one heading to another	1.104.699.646,66	620.764.963,56	104.804.069,10	725.964.998,50	77.186.810,79	(2.633.699.849,84)
- Conversion differences		422,98				
- Other changes	(256.522.134,66)	(713.042.244,35)	1.455.036,30		8.511.369,03	(5.787.688,66)
At the end of the year	5.018.167.663,83	10.352.144.703,66	2.472.495.148,26	1.725.417.113,28	536.266.404,43	3.901.430.095,92
CAPITAL GAINS						
At the end of the previous year		262.997,19	1.012.271,72		7.091.204,17	
Changes in the year:						
- Recorded						
- Acquired from third parties						
- Written off						
- Transferred from one heading to another						
- Conversion differences						
- Other changes			(1.012.271,72)			
At the end of the year		262.997,19			7.091.204,17	
DEPRECIATION AND VALUE REDUCTIONS						
At the end of the previous year	949.607.400,97	5.606.280.102,70	1.388.431.547,47	338.844.337,51	377.348.626,17	
Changes in the year:						
- Recorded	214.720.131,64	707.829.091,48	159.946.732,40	12.950.705,64	100.286.264,68	
- Written back as surplus	(152.271.516,70)	(1.236.232.942,03)	(34.074.695,93)	(70.383,33)	(2.197.887,24)	
- Acquired from third parties						
- Written off as a result of disposals and retirements	(59.428.786,78)	(258.983.354,43)	(101.857.829,16)		(71.048.162,47)	
- Transferred from one heading to another	83.145.518,62	(78.967.721,09)	7.396.877,37	(24.512.688,00)	12.225.038,81	
- Conversion differences		422,98				
- Other changes	(218.955,40)	218.565,16	23.310,32	(0,01)		
At the end of the year	1.035.553.792,35	4.740.144.164,77	1.419.865.942,47	327.211.971,81	416.613.879,95	
NET BOOK VALUE AT THE END OF THE YEAR (a) + (b) - (c)	**3.982.613.871,48**	**5.612.263.536,08**	**1.052.629.205,79**	**1.398.205.141,47**	**126.743.728,65**	**3.901.430.095,92**
including:						
- land and buildings				7.480.309,23		
- plant, machinery and equipment				96.582,17		
- fittings and rolling stock				1.390.628.250,07		

5. Statement of financial fixed assets

1. Holdings		Companies accounted for by the equity method (heading V.A.1.)	Other companies (heading V.B.1.)
ACQUISITION VALUE			
At the end of the previous year		80.734.448,25	26.895.189,55
Changes in the year:	- Acquisitions	74.326,43	20.000,00
	- Disposals and withdrawals	(1.345.341,49)	
	- Transfers from one heading to another	(690,46)	500.000,00
	- Conversion differences	(155.504,22)	
	- Other changes		(3.100.903,69)
At the end of the year		79.307.238,51	24.314.285,86
CAPITAL GAINS			
At the end of the previous year			
Changes in the year:	- Recorded		
	- Acquired from third parties		
	- Written off		
	- Conversion differences		
	- Transferred from one heading to another		
	- Other changes		
At the end of the year			
VALUE REDUCTIONS			
At the end of the previous year			10.307.710,87
Changes in the year:	- Recorded		205.446,37
	- Written back as surplus		(65.024,09)
	- Acquired from third parties		
	- Written off as a result of disposals and retirements		
	- Conversion differences		
	- Transferred from one heading to another		500.000,00
	- Other changes		
At the end of the year			10.948.133,15
UNCALLED AMOUNTS			
At the end of the previous year		360.000,00	
Changes in the year			7.000,00
At the end of the year		360.000,00	7.000,00
CHANGES IN THE SHAREHOLDERS' EQUITY OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD		4.207.140,55	
Share of earnings for the year		(674,189.10)	
Elimination of the amount of dividends relating to these holdings		(1.650.300,03)	
Other types of changes in shareholders' equity		6.531.629,68	
NET BOOK VALUE AT THE END OF THE YEAR (a) + (b) - (c) - (d) + (e)		**83.154.379,06**	**13.359.152,71**
2. Receivables		(heading V.A.2.)	(heading V.B.2.)
NET BOOK VALUE AT THE END OF THE PREVIOUS YEAR		53.017.706,22	4.746.059,31
Changes in the year:	- Additions	864.253,04	1.857.369,39
	- Repayments	(115.000,00)	(1.556.645,96)
	- Value reductions recorded	(300.000,00)	(310.000,00)
	- Value reductions written back		34.171,11
	- Conversion differences		
	- Other	415.000,00	(1.538.556,73)
NET BOOK VALUE AT THE END OF THE YEAR		**53.881.959,26**	**3.232.397,12**
AGGREGATE VALUE REDUCTIONS ON RECEIVABLES AT THE END OF THE YEAR			**(640.928,89)**

6. Statement of consolidated reserves

	2009
CONSOLIDATED RESERVES AT THE END OF THE PREVIOUS YEAR	(290.763.745,97)
Changes in the year:	
- Group share of consolidated results	(205.745.695,43)
- Other changes (To be broken down for significant amounts not attributed to the Group share of the consolidated results)	(199.999.999,87)
Infrabel – Transfer to capital subsidies (Art 204 of the programme law of 23 december 2009)	(200.000.000,00)
CONSOLIDATED RESERVES AT THE END OF THE YEAR	**(696.509.441,27)**

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	1.940.245,90	1.952.850,55		22.736.949,42
Changes in the year:				
- Changes due to an increase in percentage holding	52.257,29	1.070,84		
- Changes due to a reduction in percentage holding				
- Depreciation	(665.832,59)		(14.873,61)	
- Differences included in earnings				
- Other changes	(1.056,56)	11.026,34	14.873,61	
- Transfers from one heading to another				
- Conversion differences				
NET BOOK VALUE AT THE END OF THE YEAR	**1.325.614,04**	**1.964.947,73**		**22.736.949,42**

8. Operating results

a) Net turnover by region

	Africa	North America	South America	Asia	Europe	Oceania	TOTAL by "Activity"
Passengers					1.744.707.555,99		1.744.707.555,99
Eurocargo parcels					121.315.966,47		121.315.966,47
Air & Sea parcels							0,00
Eurocargo freight							0,00
Air & Sea freight							0,00
Full loads freight					198.190.081,28		198.190.081,28
Logistics terminal operation		748.265,47			19.682.113,79		20.430.379,26
Leasing, concessions etc Parcels					47.885.472,71		47.885.472,71
Consultancy bureau & real estate	3.217.856,96		1.034.339,39	94.551,19	69.980.147,27		74.326.894,81
Other services		653.006,00			439.443.987,87		440.096.993,87
Loan of staff					6.895.419,99		6.895.419,99
Miscellaneous		21.649,00			177.580.744,69		177.602.393,69
TOTAL by geographical area	3.217.856,96	1.422.920,47	1.034.339,39	94.551,19	2.825.681.490,06	0,00	**2.831.451.158,07**

b) Aggregate Group turnover in Belgium

These figures show the total sales of Group companies in Belgium.

2009	2008
2.583.825.341,86	2.971.418.387,45

c) Average personnel numbers and costs

	Companies consolidated by global integration	Companies consolidated by proportional integration
	2009	2009
Average personnel numbers	**39.073**	**41**
Blue-collar workers	21.330	25
White-collar workers	16.919	12
Managerial staff	815	4
Other	9	
Personnel costs	**2.231.531.733,27**	**2.730.628,08**
Remuneration payments and social security contributions	2.231.393.958,36	2.730.628,08
Cost of pensions	137.774,91	
Average workforce in Belgium employed by Group companies	**224**	**1**
Casual staff and personnel loaned to the company		
Total number as at the closing date	163	10
Average number calculated in full-time equivalents	136	17
Effective number of hours worked	200.403	30.144
Cost to the company	23.730.956,33	2.657.802,33

d) Exceptional items

Breakdown of OTHER EXCEPTIONAL INCOME, if substantial	2009
- IFRS convergence (SNCB-Holding)	22.621.289,74
- Early exercise of Chrysler option (SNCB-Holding)	164.395.402,74
- Become surplus – exercise of option (SNCB-Holding)	536.046.893,07
- Allocation of financial income included in the provision for soil clean-up (SNCB-NMBS)	3.857.304,67
- IFRS convergence (Infrabel)	4.136.855,84
- Via consolidation restatements:	
- Correction of Kamgebouw acquisition value (Eurostation)	4.672.310,00
- Reversal of write-off of activation of 2008 maintenance costs (Xpedys)	4.003.939,03
- Setting to zero of the equity method accounting value of L.A. Group and A+ Logistics	4.152.859,12
Breakdown of OTHER EXCEPTIONAL EXPENSES, if substantial	
- Correction of 2008 results relating to OMNIO subsidy (SNCB-NMBS)	2.300.000,00
- IFRS convergence (Infrabel)	1.025.185.363,72
- Alternative financing (SNCB-Holding)	147.751.205,84
- Consolidated restatement of leasing differential in connection with SNCB-NMBS wagons	758.030.944,09

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 5 years maximum to run	having more than 5 years to run
Financial debts	69.426.111,68	1.246.531.389,82	1.616.975.204,97
Subordinated loans	56.507,63	176.470,89	126.097,86
Unsubordinated debenture loans		300.000.000,00	361.902.058,12
Finance leasing and similar debts	1.561.553,62	562.312.868,19	437.848.598,60
Credit institutions	58.396.347,46	380.641.728,54	817.098.450,39
Other borrowings	9.411.702,97	3.400.322,20	
Trade creditors	9.577.424,59	14.757.186,66	
Suppliers	9.577.424,59	14.757.186,66	
Bills payable			
Payments received on account of orders	4.529.801,70	65.280,00	10.000.000,00
Other debts		376.644,21	3.000,00
TOTAL	**83.533.337,97**	**1.261.730.500,69**	**1.626.978.204,97**

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 – Credit institutions	89.444,46
TOTAL	**89.444,46**

10. Interests and contingent liabilities

	2009
Amount of personal guarantees provided or irrevocably pledged by companies included in the consolidation as security for debts or third-party commitments	
Amount of collateral securities provided or irrevocably pledged by companies included in the consolidation on their own assets, as security for debts and commitments respectively: mortgages	
- book value of other assets charged	1.002.705.298,28
- registration amount	
Unless they are 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 the consolidation	757.941.428,16
Commitments to acquire fixed assets	3.164.963.684,64
Commitments to transfer fixed assets	
Interests resulting from transactions relating to:	
- interest rates	
- foreign currency bought forward (receivable)	1.810.745.548,13
- goods bought forward (receivable)	
- other similar transactions	
Commitments resulting from transactions relating to:	
- interest rates	
- foreign currency sold forward (deliverable)	1.810.745.548,13
- prices of raw materials or goods	
- other similar transactions	
Technical guarantees attached to sales or services already completed	
Material disputes and other material commitments not referred to above	
IRS	4.669.785.860,59
Guarantee provided by third parties on the company's behalf	4.650.224.937,95

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

	ASSOCIATED COMPANIES		COMPANIES WITH INVESTMENT LINK	
	Financial year	Previous year	Financial year	Previous year
1. FINANCIAL FIXED ASSETS				
Holdings and shares	10.122,36	531.919,87	19.498.312,21	32.525.940,04
2. RECEIVABLES	45.642,95	31.451,04	421.188.227,80	237.045.487,57
Falling due in more than one year			308.482.000,00	212.667.200,00
Falling due within one year	45.642,95	31.451,04	112.706.227,80	24.378.287,57
3. CASH INVESTMENTS	333.812.654,38	52.890.206,22		
Shares	280.058.195,12			
Receivables	53.754.459,26	52.890.206,22		
4. DEBTS	162.833,05	993.097,01	938.777.332,97	681.343.501,74
Falling due in more than one year			927.506.500,00	666.887.500,00
Falling due within one year	162.833,05	993.097,01	11.270.832,97	14.456.001,74
5. PERSONAL AND COLLATERAL GUARANTEES created or irrevocably pledged by the company as security for debts or commitments of associated companies				
6. OTHER SIGNIFICANT FINANCIAL COMMITMENTS				
7. FINANCIAL RESULTS				
Income from financial fixed assets				
Income from current assets	675.705,56	2.492.006,90		
Other financial income	3.219,98	8.533,30		
Cost of debts				
Other financial expenses				

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)	448.557,81
1.2. Emoluments for exceptional services or specific assignments performed within the Group	
a. Other certification assignments	
b. Tax advice	
c. Other assignments outside the function of auditor	
2. Emoluments of persons with whom the auditor(s) is (are) linked	
2.1 Emoluments for the year for audit engagement (optional mention)	
2.2. Emoluments for exceptional services or special assignments performed with the Group	
a. Other certification assignments	
b. Tax advice	35.063,00
c. Other assignments outside the function of auditor	49.000,00

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 statutory 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 the Appendix appearing on page 104 et seq. The accounts of globally or proportionally consolidated companies, and the share of 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° reciprocal 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; CONSO No. 12.
3° capital gains and losses realised on holdings in consolidating companies or 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 paid by the consolidating companies or subsidiaries included in the consolidation to consolidating companies or 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 in foreign currencies

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, and consolidated or equity-accounted holdings, are converted at the rate on 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 cash flow 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 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. The differences between the rents and the asking prices of the assets are charged, either to the liability accruals account as deferred income, or as exceptional expenditure. Deferred income is posted under exceptional items in proportion to the duration 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 rental of the assets being covered by the trusts by prepayment in full on the closing date. In SNCB-Holding, the prepayment is charged to a deferred income account, itself reduced by payments made in connection with 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 as rent or concession. Part of the deferred income 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 deferred income, less this investment, represents 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 a deferred expenditure account. For any single transaction, a set-off is made between deferred expenditure and deferred income. During the life of the transaction, the flow of income (coverage of swaps and the equity account) and the flow of outgoings (payments for the option and rents) are normally charged to the deferred income account or in reduction thereof. Interest on the equity account is aggregated on the assets side of the deposit increasing the deferred income 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 deferred income. CONSO No. 28.

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 acquisition date of the shares and interests or a date close to it. When a company which, previously, was neither consolidated, nor accounted for 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 holdings and their proportional share of the shareholders' equity of the consolidated company is, as far as possible, attributed to 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 "Consolidation differences" heading, 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 depreciated, and charged to the profit and loss account through investment expenses, over:

1°1 year if the amount is less than or equal to €250,000;
2°5 years maximum if:

- I the amount is between €250,000 and €1,250,000; AND
- 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 depreciation, 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 expenditure it will incur, it is posted to the consolidated profit and loss account to the extent and at the time such 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, such investments are considered associated companies, and are 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. CONSO No. 29.

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 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 extinguish the obligation existing on the balance sheet as at the closing date. IAS 19 Provisions.

Since 2006, creation of a provision to hedge the commitment entered into concerning the award of long-service bonuses to staff achieving a certain length of service 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 must 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 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. CONSO No. 30.

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 which the SNCB Group assumes in pursuance of public service assignments which it is given by law are:

1° domestic transport of passengers provided by normal 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:

- I "Turnover" for tasks relating to the domestic transport of passengers provided by normal service trains and to the upkeep, management and operation of the infrastructure;
- II "Other operating income" for expenses linked to pensions and accidents at work;

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

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

Having regard to the fact that 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 a 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 31.12.2009, the equity-accounting value of ABX France was -€8,490,522.72 (including -€3,458,503.08 of earnings for the year).

L.A. Group abandoned the pursuit of its activities and has been accounted for by the equity method since 2008. As at 31.12.2009, L.A. Group's equity method accounting value was -€53,155,808.17 (including -€694,356.04 of earnings for the year). These equity method accounting values were reduced to zero and a provision for the same amount was created in SNCB-Holding. CONSO No. 31.

12. Specific points

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 in 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 (personnel 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 put into place by the splitting of the former SNCB into three entities.

This gives rise to the following particular points under assets: Article 12 §3 of the Seventh Directive (83/349/EEC) provides that, in the case of companies under 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 2009 consolidated accounts:

- the 15,571,332 shares of Infrabel capital held by SNCB-Holding were subject to reclassification under Heading IX.A. as treasury shares, namely a value of €1,951,292,305.25;
- the 16,516,314 SNCB-Holding dividend-ranking shares held by Financière Rue de France were subject to the same reclassification, namely a value of €4,700,468.61.

Capital

In the course of the 2009 financial year:

- the **Infrabel** capital was increased by the issue of 26,233 new shares fully subscribed by SNCB-Holding and paid up by a contribution in kind (work in connection with SPV162).
- in addition, SNCB-Holding paid up an additional €44,050,000.00 of uncalled **Infrabel** Capital (subscribed in 2007).

Pursuant to the Law of 20.07.2006, Chapter II Section 1 art. 355, a concomitant transfer to the payments was entered in the **Infrabel** accounts under the "Capital Subsidies" heading of the balance sheet.

Reserves

Pursuant to Art. 204 of the Programme Law of 23 December 2009, via the allocation of retained earnings, INFRABEL entered a transfer to "capital subsidies" for an authorised maximum amount of €200 million. CONSO No. 33.

13. Financial year 2009

a) Changes to valuation rules

The SNCB-Holding & Infrabel Consortium decided on 1st January 2010 as the date for applying the IFRS international accounting standards for presentation of its consolidated and company accounts.

Since 2007, the working group responsible for preparing this conversion has analysed then progressively communicated the consequences on the different headings of the financial statements.

As the conclusions and recommendations were published, the SNCB-Holding accounting departments chose to immediately launch a migration process, aimed at implementing the rules recommended by the IFRS standards in the company accounts, at least when they are compatible with the provisions of Belgian accounting law.

In 2009, among the changes in valuation rules as part of the process of convergence to IFRS rules:

- the valuation of tangible and intangible fixed assets in progress was subject to in-depth re-examination, in order to remove all the activated elements which cannot be classified as investments in the sense of the IFRS standards;
- Adjustment of long-term non-interest-bearing receivables and debts or those yielding abnormally low interest
- Orders in progress at fixed prices or capped real prices. The percentage progress method which provides for revenue and costs to be recognised in line with the advancement of an order (IAS 11) was applied;
- Removal of provisions for events that have not yet occurred

b) Standardisation of valuation rules for consolidated entities

Although the analysis of the passage to IFRS is over and its conclusions have all been applied by both SNCB-Holding and Infrabel, SNCB has decided to defer certain of these conclusions.

The conclusions deferred to 2010 by SNCB include:

a) breakdown of tangible assets into components, in particular for rolling stock (positive impact on the profit and loss account but not known as at closing);
b) removal of the provision for major maintenance and repairs of rolling stock (positive impact on the profit and loss account of €94.5 million);
c) correction of intangible assets value (non-activation of some overheads and research costs) (negative impact on the profit and loss account but not known as at closing);
d) recording of NPVs as liabilities by correction of tangible assets value (insignificant impact on the profit and loss account but not known as at closing);

In the consolidated accounts, a restatement was entered in the accounts under point b) (only information known). An estimate of the impact of the other points falls somewhere between +€10 and +€15 million.

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

SNCB-Holding SA
Public Limited Company

Rue de France 85 - 1060 Brussels

Auditors' report to the General Meeting of Shareholders of the public limited company SNCB-Holding S.A. and the General Meeting of Shareholders of the public limited company Infrabel S.A. on the consolidated annual accounts of the consortium composed of the public limited company SNCB-Holding S.A. and the public limited company Infrabel S.A. for the financial year ended 31 December 2009.

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Auditors' report to the General Meeting of Shareholders of the public limited company SNCB-Holding S.A. and the General Meeting of Shareholders of the public limited company Infrabel S.A. on the consolidated annual accounts of the Consortium composed of the public limited company SNCB-Holding S.A. and the public limited company Infrabel S.A. for the financial year ended 31 December 2009

In accordance with legal and statutory provisions, we are reporting to you in the course of our engagement as Auditors. This report includes our opinion on the consolidated annual accounts as well as the required additional notices and information. It is further to our deficiency report prepared on 28 April 2010.

Unqualified certification of the consolidated accounts with explanatory paragraphs.

We have inspected the consolidated accounts of the Consortium composed of the public limited company SNCB-Holding S.A. (hereinafter SNCB-Holding) and the public limited company Infrabel S.A. (hereinafter Infrabel) for the financial year ended 31 December 2009, prepared in accordance with the accounting and legal rules generally applicable in Belgium, as described in the Companies Code, and those specific to the Consortium companies, as referred to primarily in the Law of 21 March 1991 and the regulations specific to rail companies, including the Royal Decrees of 30 December 2004 and the Programme Law of 23 December 2009. The overall balance sheet amounts to €27,170,889,943.41 and the profit and loss account shows a loss for the year of €205,745,695.43 (group share).

Preparing the annual accounts is the responsibility of the management body. This responsibility includes: the design, implementation and monitoring of an internal control regarding the preparation and faithful presentation of the consolidated 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 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. 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.

KPMG Réviseurs d'Entreprises, a Belgian civil CVBA/SCRL and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

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KPMG Réviseurs d'Entreprises SCRL
Société civile à forme commerciale (Commercial civil partnership)
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Judicial district: Brussels

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 annual accounts. The choice of these procedures is based on our judgment, including the assessment of the risk that the consolidated annual accounts may contain significant anomalies, or that the latter may result from fraud or error. As part of this risk assessment, we have taken account of the internal control in force within the companies making up the Consortium with a view to the preparation and faithful presentation of the consolidated annual accounts in order to define control procedures appropriate to the circumstances, and not with the aim of expressing an opinion on the efficacy of the internal control of the companies making up the Consortium. We have also evaluated the merits of the valuation rules, the reasonableness of the accounting estimates made by the companies making up the Consortium and the presentation of the consolidated annual accounts in their entirety. Lastly, we have obtained from the management body and employees of the companies making up the Consortium the explanations and information required for our audit.

The financial statements of the public limited company SNCB S.A. (hereinafter NMBS) and Infrabel, and a number of subsidiaries included in the consolidation, of the Consortium were inspected by other boards of auditors and other inspectors; we have based ourselves on their certification. We consider that the evidence gathered, and the reports of the other auditors on which we have based ourselves, provide a reasonable basis for the expression of our opinion.

In our opinion, the consolidated annual accounts ended 31 December 2009 give a true and fair view of the Consortium's net worth, financial situation and results, according to the accounting rules applicable in Belgium and those specific to the Consortium companies.

As mentioned in the reports of the Board of Auditors of the public limited company SNCB-Holding dated 31 May 2010 and SNCB dated 27 May 2010, the consolidated annual accounts, despite the reported losses, were prepared according to the accounting rules on continuity. Without prejudice to our unqualified certification mentioned above, we would draw your attention to the management reports of these two companies in which the respective management bodies, in accordance with Belgian legal obligations, warrant application of the accounting rules on continuity. The measures of redress decided on by the Consortium companies are aimed at ensuring the return over time to financial equilibrium. Compliance with the deadlines for implementing these measures and strict monitoring of their results are crucial for ensuring the continuity of the group.

KPMG

Auditor's report to the General Meeting of Shareholders of the public limited company SNCB-Holding S.A. and the General Meeting of Shareholders of the public limited company Infrabel S.A. on the consolidated annual accounts of the Consortium composed of the public limited company SNCB-Holding S.A. and the public limited company Infrabel S.A. for the financial year ended 31 December 2009

As mentioned in the appendix to the consolidated annual accounts (CONSO 31 and 32), and following the 2005 restructuring, to satisfy the requirements of the European Commission, and the splitting of the national rail company into 3 entities, SNCB-Holding holds shares in Infrabel. As a consequence, the two companies are considered as a Consortium, under Article 10 of the Companies Code and the existing management contracts. Therefore, the shares held by SNCB-Holding in Infrabel are, in accordance with Belgian accounting rules, included under the asset heading "Cash investments – Treasury shares" as to an amount of €1,951,292,305.25. The contribution of the usage right by SNCB to Infrabel is considered as an intra-group transaction and thus eliminated.

Additional notices and information

The preparation and content of the management report on the consolidated accounts fall within the responsibility of the Consortium's management bodies.

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 are aware as part of our engagement.

- The consolidated annual accounts and the management report were not provided to us by the legal deadlines, as stipulated in article 143 of the Companies Code. The deadlines and the availability of the documents required, as stipulated in article 553 of the Companies Code, were not respected. With the exception of this, we have no transactions or decisions to report that were made in violation of the Articles of Association or the Companies Code.

- As indicated in the annual accounts, the valuation rules applied for preparing the 2009 annual accounts have been modified in relation to the previous financial year and the impact of this change on the annual accounts is also included therein.

- Despite the numerous references made to the IFRS in the annual accounts, we would stress that our remit is, purely and simply, to verify the conformity of the annual accounts to the accounting and legal rules generally applicable in Belgium and those specific to the Consortium companies.

- For completeness, we would mention that the valuation rules relating to tangible fixed assets are not identical for all the companies in the Consortium. But as the impact of this is negligible, this has not given rise to any restatement.

Brussels, 31 May 2010

The Board of Auditors

Members of
the Institut des Réviseurs d'Entreprises

KPMG Réviseurs d'Entreprises	KPMG Réviseurs d'Entreprises
Auditor	Auditor
represented by	represented by
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