

Annual Report 2005

Submitted by the Board of Directors
to the General Assembly of 17th May 2006

Second part
Annual accounts

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Second part
The annual accounts



S.A. UNDER PUBLIC LAW
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Introduction

Business representation

Infrabel was incorporated on 29 October 1994 in the form of a public limited liability company of public law and acts as administrator of the Belgian railway infrastructure following the European guidelines aiming at the separation between the administration of the railway infrastructure and the operation of the railway transportation services. Its bylaws were published in the Royal Decree of 19/10/2004. The registered office of the undertaking is located in Barastraat 110, 1070 Brussels.

Financial year

The financial years starts on 1 January and ends on 31 December of each year. The financial year 2005 is the company's first full financial year.

Contribution of assets and liabilities

Although the company was incorporated on 29 October 2004, the contribution of assets and liabilities by the former NMBS only took place on 1 January 2005, together with the secondment of the personnel allocated to it.

The table below reproduces the amounts as of 1 January 2005 per large heading of the balance sheet.

Contribution of assets and liabilities by the former NMBS

in millions €			
Assets		Liabilities	
Setting-up costs	0.26	Capital	1,450.06
Concession right	1,360.00	Issue premiums	299.32
Tangible and intangible fixed assets	1,289.42	Capital subsidies	1,655.33
Capital assets	3.68	Provisions for risks and charges	50.40
Accounts receivable at + 1 year	0.0	Debts at - 1 year	0.35
Stocks	135.54	Adjustment accounts	0.01
Other accounts receivable	664.81		
Money Investments	0.20		
Adjustment accounts	1.56		
TOTAL	3,455.47	TOTAL	3,455.47

Capital

The capital comprises 14,500,615 registered shares without mention of nominal value.

On 31/12/2005, the shareholders' situation is as follows:

- the Belgian State with 1,064,746 shares, namely 7.34% of the capital,
- NMBS Holding with 13,435,869 shares, namely 92.66% of the capital.

Although the Belgian State only holds a minority of the shares, it is entitled to 80% + 1 vote for the decisions in the corporate management bodies.

The annual accounts are filed with the National Bank of Belgium.

Printed copies of the annual report are available at the corporate registered office and will be sent to the people requesting so.

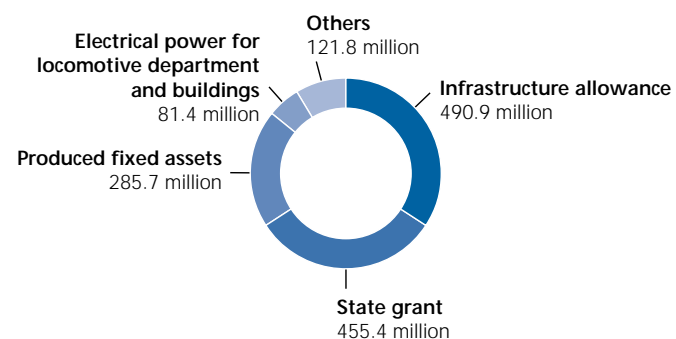
The annual report is also available on the corporate website (www.infrabel.be).

Core figures

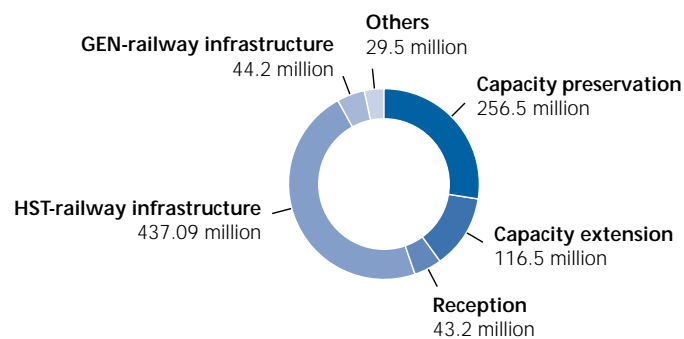
EBITDA and EBT

in millions €	
Operating proceeds	1,435.03
Operating costs	1,373.53
Gross operating income (EBITDA)	61.50
Depreciations, write-downs and provisions	65.44
Net operating income (EBIT)	-, 3.94
Financial result	54.82
Exceptional result	-, 1.87
Global result (EBT)	49.01

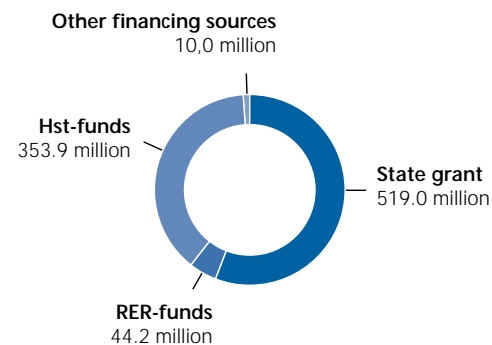
Operating proceeds



Realized investments (CAPEX)



Investment financing



Balance sheet

Infrabel balance sheet amounts to a total of **4,616,535,206.48** EUR as of 31/12/2005 as compared to a total of 3,455,473,321.87 EUR as of 01/01/2005.

The balance sheet is presented in the following pages with the amount per heading of the assets and liabilities.

Annual Report of The Board of Directors to the General Shareholders' Meeting of 17 May 2006

The Board of Directors has the pleasure to report on the situation and results of the company during the past financial year 2005, consistent with the legal and statutory provisions.

1. Situation of the company

1.1 Milestones of the year 2005

Infrabel was incorporated on 29 October 2004. It started its operational activities on 01 January 2005. At that date the company received also its assignments, staff, as well as assets and liabilities. The contribution of such assets and liabilities was decided by the former NMBS during its General Meeting of 31 December 2004.

The Council of Ministers and the Board of Directors of the company approved the management contract between the State and Infrabel on 27 May 2005.

The first challenge for Infrabel was the layout of a strategic plan. Such plan baptized BRIO ("Belgian Railway Infrastructure Objectives"), came into being after extensive consultation of the corporate stockholders. The plan runs over the period 2006-2010 and points out 22 strategic priorities that have generally speaking, as objective to modernize in depth Infrabel industrial equipment. The Board of Directors approved BRIO at first reading on 13 October 2005 and definitively on 06 February 2006.

A cell added directly to the Managing Director and Steering Committee was called into existence on 11 October 2005 in order to guarantee a dynamic and consistent realisation of the strategic priorities.

All in all 2005 was a year of transition for the NMBS Group and a start up year for Infrabel.

During this year Infrabel consolidated its new structures, more precisely by:

- the assignment of part of the essential functions of the Belgian State to the Direction "Access to the Network Management";
- the assignment of the 3 main missions (conformance controls, proposal of technical standards, drafting of the Net Statement) from the Network Management to said Management, and simultaneously the installation within said Management of a department in-charge of the operation safety;
- the integration within the Infrastructure Management of the function "Purchasing" and "Large Projects"

- the professional organisation of the Corporate Governance resulting from the splitting up of the Central Services of the former NMBS;
- the organisation of a reinforced function of management control in order to assist the Management Committee in its financial steering process, especially upon start up of the company.

During the entire year 2005, numerous decisions were also taken in order to complete the reform of the Belgian Railways:

- completion and signature of intra-group agreements;
- more accurate determination of the respective competences of each of the 3 companies of the NMBS Group;
- start up of the consultative bodies within the group;
- completion of the negotiations relating to additional contribution of grounds;
- drafting of the consolidated corporate plan of the NMBS Group;
- contractual determination of the relationships with the Funds for Railway Infrastructure (FSI), especially the drafting of the agreement of putting at disposal of the railway infrastructure;
- adjustment of the charge for the use of the railway infrastructure.

Eventually a number of large building sites in progress have evolved positively in 2005. The Curve of Nossegem was so brought into use, which allows direct connections between Leuven and Brussels National airport.

1.2 Positioning of the company

On 1 January 2005 Infrabel, administrator of the Belgian railway infrastructure, had two clients, namely NMBS and DLC.

On 20 July 2005 the Minister of Mobility attributed a safety certificate to a third operator, SNCF-Fret, which let go its first train on 12 December 2005.

Within the framework of the liberalisation policy of the railway traffic launched by the European Commission since 1991, Infrabel is among others increasingly confronted with a multi-operator environment.

In order to take up the challenges created by this new frame, Infrabel has set up an "Access to the Network Management" that is independent and takes decisions on a non discriminatory basis.

The infrastructure allowances were increased in order to create a better balance between the own receipts and the State grant. Nevertheless the new rate structure has allowed to keep a competitive position with regard to the competing infrastructure operators in the neighbouring countries.

Considering the success of the passengers transport for several years, the number of sold tracks and the number of train kilometres associated to that category of transportation are going up. On the other hand the liberalisation of the goods transportation forces the operators to permanently reconsider their commercial strategy. Even if a light decrease of the number of train kilometres results from this, the receipts of the operators have still increased, what is also a positive indicator for Infrabel.

Besides the charge for use, the State grant for operations represents the second most important source for Infrabel turnover. The level of such grant has been fixed contractually with the State.

The third source of revenue is represented by the produced fixed assets, of which the stability depends on the punctual payment by the State of the means financing the long-range investment plan of the company.

As far as environmental impacts are concerned, provisions have been set up that are in principle sufficient to allow the treatment of contaminated grounds.

1.3 Important events occurred after the closing of the financial year

The Board of Directors of NMBS Holding has approved the consolidated corporate plan of NMBS Group on 6 February 2006.

Infrabel's Board of Directors approved the BRIO strategic plan definitively on the same day.

1.4 Research and development

Infrabel improves constantly the technology it is using, more precisely within the framework of the modernisation of its industrial equipment.

1.5 Additional offices

Besides its 370 working offices within the country, Infrabel has two direct subsidiaries: TUC RAIL NV and Chantier de Créosotage de Bruxelles NV, respectively active in the field of railway infrastructure studies and works, and in the field of creosoting.

1.6 Core indicators

Infrabel makes use of several core indicators, of which the values for the years before 2005 are given only as an indication.

Some of these indicators relate namely to a reality that has strongly evolved between the old and the new structure.

The most important indicators for Infrabel are as follows:

	2003	2004	2005
A			
Number of tracks (in millions)	-	-	1.987
Number of corresponding train kilometres (in millions)	106.3	106.8	102.6
B			
EBT (global result)	-	-	+ 49.01
C			
Punctuality of the passengers trains in inland transportation with neutralisation	95.3%	95.7%	94.8%
Ditto without neutralisation	92.6%	93.2%	91.9%
D			
Quality barometer passengers inland transportation			
a) general index of satisfaction	7.25	7.44	7.44
b) punctuality of the trains	6.74	7.00	6.99
c) quality of the information in the stations	7.28	7.39	7.38
E			
Work force expressed in full-time equivalents as of 31 December of this year	-	14,350	13,628

2. Financial data relating to the financial year 2005

2.1 Balance sheet

The balance sheet as of 31.12.2005 and compared against the situation on 01.01.2005, can be summarised as follows (in million EUR):

Assets

in millions €	01.01.2005	31.12.2005
FIXED ASSETS	2,653.36	3,517.17
I. Setting-up costs	0.26	0.15
II. Intangible fixed assets	1,370.74	1,359.04
III. Tangible fixed assets	1,278.68	2,154.43
IV. Capital assets	3.68	3.55
CURRENT ASSETS	802.11	1 099.37
V. Accounts receivable at more than one year	0.00	7.87
VI. Stocks and orders in progress	135.54	139.31
VII. Accounts receivable at one year as a maximum	664.81	589.90
VIII. Money Investments	0.20	351.83
IX. Liquid assets	0.00	0.06
X. Adjustment accounts	1.56	10.40
TOTAL ASSETS	3,455.47	4,616.54

The balance sheet of the company as of 31 December 2005 amounts to a total of **4,616.54 million EUR** against 3,455.47 million EUR as of 1 January 2005, date at which the contribution of assets and liabilities to the company took place.

The growth is especially due to the fact that the company came to its cruising speed after its incorporation on 29 October 2004.

The fixed assets have increased by 863.80 million EUR, mainly to be found in the tangible fixed assets. During the financial year, important amounts have been invested in new railway infrastructure, of which 437.09 million EUR

Liabilities

in millions €	01.01.2005	31.12.2005
EQUITY CAPITAL	3,404.71	4,034.40
I. Capital	1,450.06	1,450.06
II. Issue premiums	299.32	299.32
IV. Reserves	0.00	2.45
V. Carried forward result	0.00	46.56
VI. Capital subsidies	1,655.33	2,236.01
PROVISIONS AND DEFERRED TAXES	50.40	63.08
VII. Provisions and deferred taxes	50.40	63.08
DEBTS	0.36	519.06
VIII. Debts at more than one year	0.00	0.58
IX. Debts at one year as a maximum	0.35	378.17
X. Adjustment accounts	0.01	140.31
TOTAL LIABILITIES	3,455.47	4,616.54

for HST works, 441.35 million EUR for classical investment projects, 44.20 million EUR for the regional express network for promoting the mobility in and around Brussels and 4.45 million for the development of software for internal applications.

The current assets have increased by 297.26 million EUR. The variation is to be found especially in the available means within the framework of the still to be carried out investment works.

The equity capital of the company amounts to 4,034.40 million EUR, or 87% of the total balance sheet.

2.2. Profit-and-loss account

The first financial year is closed with a positive operating result (EBITDA) of 61.5 million EUR and a positive global result (EBT) of 49.01 million EUR.

The profit-and-loss account can be summarised as follows:

OPERATING PROCEEDS	1,435.03
Turnover	1,142.63
- infrastructure compensation	490.86
- State grant	455.35
- others	196.42
Changes in the orders in progress	2.57
Produced fixed assets	285.68
Various proceeds	4.15
OPERATING COSTS	1,373.53
Raw and auxiliary materials	108.17
Services and various goods	1,260.13
- personnel costs	689.04
- FSI compensation	300.00
- others	271.09
Other operating costs	5.23
GROSS OPERATING RESULT (EBITDA)	61.50
Depreciations, write-downs and provisions	65.44
NET OPERATING RESULT (EBIT)	-3.94
Financial result	54.82
Exceptional result	-1.87
GLOBAL RESULT (EBT)	49.01

2.3 Processing of the result

The profit to be allocated amounts to:

- profit of the financial year to be allocated: 49,013,232.08 EUR
- profit/loss carried forward of the preceding financial year: 222.12 EUR
- profit to be allocated: 49,013,454.20 EUR

The Board of Directors proposes the following result processing:

- addition to the capital and issue premiums: 0.00 EUR
- addition to the legal reserves: 2,450,661.60 EUR
- addition to the available reserves: 0.00 EUR
- carrying forward to the following financial year: 46,562,792.60 EUR
- compensation of the capital (dividend): 0.00 EUR
- payment to the directors: 0.00 EUR
- payment to other rightful claimants: 0.00 EUR

Total: 49,013,454.20 EUR

The proposal above is suggested with a view to the building of sufficient working capital at short term to guarantee a normal and sound business operation.

2.4. Additional activities of the Auditors

During the financial year the auditors have, besides their ordinary mandate, performed the following services:

- preparation of the increase of capital within the framework of the reorganisation of the NMBS Group: 52,500.00 EUR
- report relating to the additional financial needs for the HST: 16,000.00 EUR
- complete control following articles 57 and 68 of the management agreement: 42,000.00 EUR.

2.5. Assessment rules

The assessment rules applied upon closing of the annual accounts as of 31 December 2005 have been drafted by the Steering Committee of 20 September 2005 and approved by the Board of Directors held on 29 September 2005.

The assessment rules are attached to the annual accounts.

2.6. Conflict of interests

In the course of the preceding financial year, no transactions that can give rise to a conflict of interests between a director and the company such as described in article 523 of the Company Code had took place.

2.7. Proposal of discharge to the Directors and Auditors

The General Meeting is asked to give discharge to the Directors as well as to the Auditors and to approve the annual accounts such as presented to you.

2.8. Appointments

On the occasion of the General Meeting, no terms of offices are expiring and there are no resigning directors.

No reappointments or appointments are henceforth necessary.

Done in Brussels on 30 March 2006.

On behalf of the Board of Directors

Antoon Colpaert

Chairman Board of Directors

Luc Lallemand

Chief Executive Officer

Balance sheet

Assets

amounts in €	1 January 2005	31 December 2005
FIXED ASSETS	2,653,361,514.56	3,517,165,819.54
I. Setting-up costs	255,389.26	150,050.10
II. Intangible fixed assets	1,370,743,455.37	1,359,041,212.04
III. Tangible fixed assets	1,278,685,004.63	2,154,426,567.81
A. Grounds and buildings	167,039,005.50	209,015,904.69
B. Installations, machines and equipment	326,118,497.27	414,790,512.99
C. Furniture and rolling stock	23,405,709.01	20,641,796.02
E. Other tangible fixed assets	203,562,020.57	209,126,818.55
F. Assets in construction and advance payments	558,559,772.28	1,300,851,535.56
IV. Capital assets	3,677,665.30	3,547,989.59
A. Allied companies	3,677,157.12	3,546,731.41
1. Participations	2,627,157.12	2,646,731.41
2. Accounts receivable	1,050,000.00	900,000.00
C. Other capital assets	508.18	1,258.18
1. Shares		750.00
2. Accounts receivable and securities in cash	508.18	508.18
CURRENT ASSETS	802,111,807.31	1,099,369,386.94
V. Accounts receivable at more than one year	3,630.49	7,872,489.46
A. Commercial claims	3,630.49	22,489.46
B. Other accounts receivable		7,850,000.00
VI. Stocks and orders in progress	135,545,679.02	139,305,189.91
A. Stocks	134,603,873.76	137,587,776.62
1. Raw materials and auxiliary materials	121,856,194.35	123,080,680.64
2. Goods in preparation	12,747,679.41	14,507,095.98
B. Orders in progress	941,805.26	1,717,413.29
VII. Accounts receivable at one year as a maximum	664,805,394.95	589,904,380.82
A. Commercial claims	58,404.64	164,952,333.93
B. Other accounts receivable	664,746,990.31	424,952,046.89
VIII. Money Investments	200,000.00	351,828,000.00
B. Other investments	200,000.00	351,828,000.00
IX. Liquid assets	0.00	63,332.62
X. Adjustment accounts	1,557,102.85	10,395,994.13
TOTAL ASSETS	3,455,473,321.87	4,616,535,206.48

Liabilities

amounts in €	1 January 2005	31 December 2005
EQUITY CAPITAL	3,404,714,020.66	4,034,402,502.27
I. Capital	1,450,061,500.00	1,450,061,500.00
A. Subscribed capital	1,450,061,500.00	1,450,061,500.00
II. Issue premiums	299,317,752.80	299,317,752.80
IV. Reserves	11.69	2,450,673.29
A. Legal reserves	11.69	2,450,673.29
V. Carried forward result	222.12	46,562,792.60
VI. Capital subsidies	1,655,334,534.05	2,236,009,783.58
PROVISIONS AND DEFERRED TAXES	50,399,445.00	63,075,785.50
VII. Provisions and deferred taxes	50,399,445.00	63,075,785.50
A. Provisions for risks and charges	50,399,445.00	63,075,785.50
4. Other risks and charges	50,399,445.00	63,075,785.50
DEBTS	359,856.21	519,056,918.71
VIII. Debts at more than one year		577,510.79
D. Other debts		577,510.79
IX. Debts at one year as a maximum	349,973.92	378,171,825.64
A. Debts at more than one year falling due during the year		16,944.03
B. Financial debts	6,063.87	
1. Credit institutions	6,063.87	
C. Commercial debts	320,611.03	339,969,997.68
1. Suppliers	320,611.03	339,969,997.68
D. Advance payments received on orders		1,862,856.80
E. Debts relating to taxes, remunerations and social charges	23,299.02	35,599,712.37
1. Taxes	6,160.63	35,593,492.50
2. Remunerations and social charges	17,138.39	6,219.87
F. Other debts		722,314.76
X. Adjustment accounts	9,882.29	140,307,582.28
TOTAL LIABILITIES	3,455,473,321.87	4,616,535,206.48

Clarification of the balance sheet

Intangible fixed assets

The intangible fixed assets comprise on the one hand the right to operate the Belgian railway network, of which the book value amounts to 1,346,262,626.26 €; this right is depreciated over 99 years. They include on the other hand the amounts invested in software for internal applications that were developed by the company itself. The book value of such software amounts to 12,778,585.93 €.

Tangible fixed assets

Infrabel has every year an important investment budget. The corporate investments are meant on the one hand for further extension and modernisation of the classical railway infrastructure. Furthermore Infrabel invests important amounts

in the finishing of HST infrastructure from border to border and in investment projects for a better accessibility of Brussels (GEN). Within this framework let's mention the opening end 2005 of the so-called bend of Nossegem allowing a direct connection between Leuven and the Brussels National Airport.

The net growth of the tangible fixed assets with respect to the contribution of assets and liabilities as of 1 January 2005 amounts to 875,741,563.18 €. This is the difference between the new investments for 922,641,591.41 € and the booked depreciations for 46,902,388.01 €.

The growth of the investments was especially realised in the following headings (in millions €):

Investments

in millions €				
	Classical investments	HST-investments	GEN-investments	Total
Structural works (bridges, tunnels, ...)	58.89	202.49	1.58	262.96
Railway installations	178.95	108.70	30.22	317.87
Signalling apparatus	72.37	47.57	1.50	121.44
Overhead wires	40.96	25.83	1.71	68.50
Buildings	26.56	34.15	2.58	63.29
Others	63.62	18.35	6.61	88.58
TOTAL	441.35	437.09	44.20	922.64

Capital assets

The company has a participation of 2,646,731.41 € in its subsidiaries subdivided as follows:

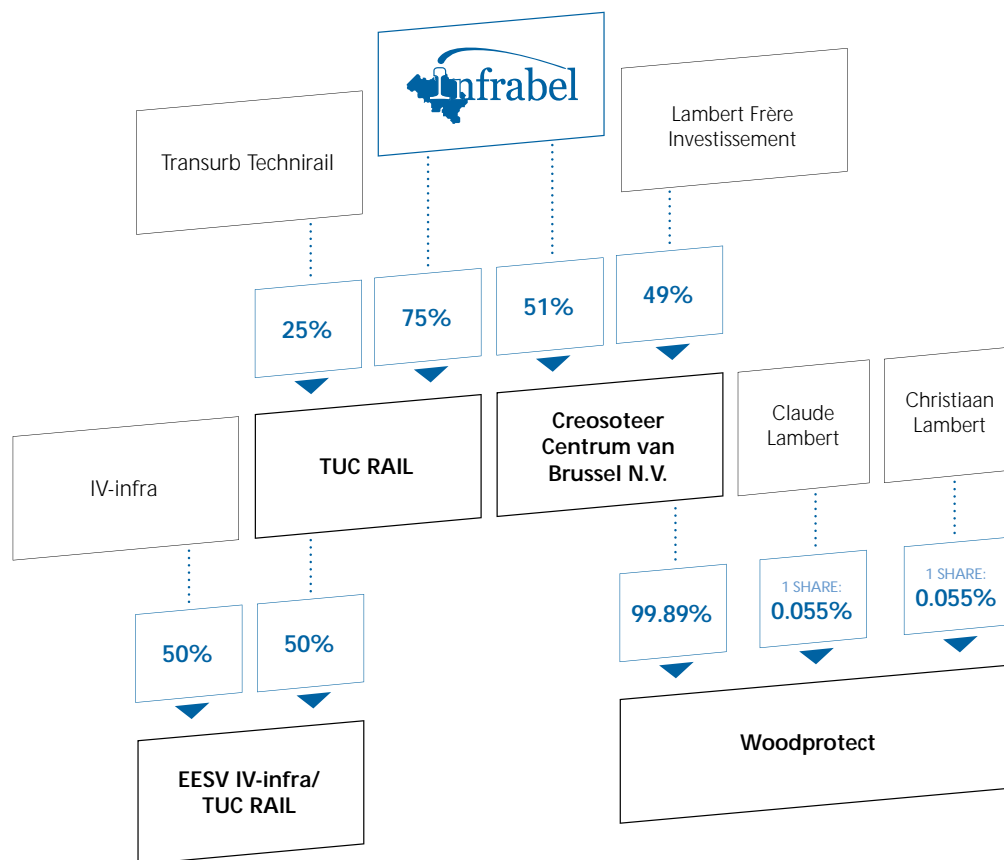
- Tuc Rail N.V., for 1,487,361.15 €,
- Chantier de créosotage de Bruxelles SA, for 1,159,370.26 €

The company has further a debt of 900,000.00 € on Woodprotect NV.

The structure of the capital participation in these subsidiaries is reflected in the following diagram.

Stocks and orders in progress

The company has stocks for a total amount of 137,587,776.62 € in the balance sheet. An important part of these stocks relates to special stock items for the infrastructure, such as ballast, rails, switches, ... for 74.3 million €. The other stock items relate to oils, metals, electrical equipment, solid and liquid fuels, ... for 63.3 million €.



Accounts receivable at one year as a maximum

The commercial claims amount to 164,952,333.93 € and were mainly built during the first year of operation. Among these there are 130.3 millions € accounts receivable within the group.

The other accounts receivable amount to 424,952,046.89 € and comprise especially a claim on SNCB Holding to the extent of the financing balance that should allow to complete HST activities from border to border as planned (257.4 million €), as well as a claim on the State relating to grants still to receive for an amount of 164.4 million €.

Money Investments and liquid assets

On 31/12/2005 Infrabel has a treasury of 351.9 million €. This situation is closely connected with the payment of the State grants for classical investments and of the treasury means for HST investments, still in progress at the end of the year.

Equity Capital

The equity capital amounts to 4,034,402,502.27 € and can be summarised as follows:

- Capital for 1,450,061,500.00 €
- Issue premium for 299,317,752.80 €
- Reserves for 2,450,673.29 €
- Carried forward result for 46,562,792.60 €
- Capital subsidy for 2,236,009,783.58 €.

The growth of the capital subsidies with respect to the contribution of the assets and liabilities as of 1 January 2005, relates to new capital subsidies, mainly from the competent authority, for 630,127,102.26 reduced by depreciations for 49,451,852,73 €.

Provisions and deferred taxes

The built up provisions relate to:

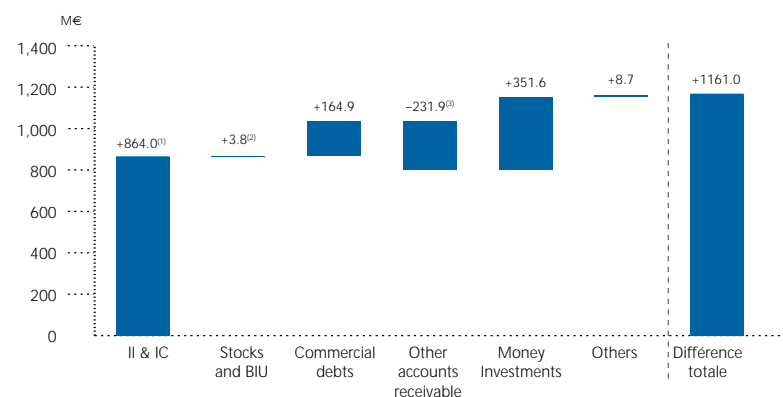
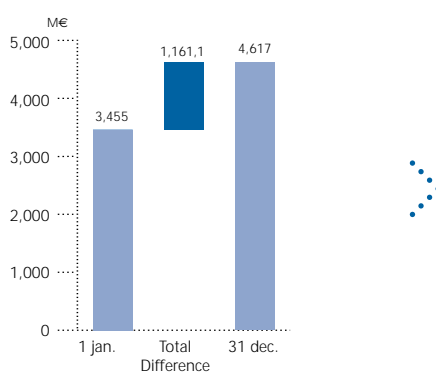
- provisions for environmental costs (decontamination of contaminated soils): 28,253,330.00 €
- integration of Schaerbeek and Etterbeek workshops infrastructure: 15,000,000.00 €
- provisions for uninsured risks and legal disputes: 19,822,455.50 €.

Debts

The short- and long-term debts amount to 519,056,918.71 €, of which an amount of 303,021,827.48 € refers to debts inside the group. The company has no financial debts: the debts relate mainly to commercial debts (339,969,997.68 €).

The changes of balance sheet as compared against the contribution of assets and liabilities as on 1 January 2005 can schematically be represented as follows:

Mutation of assets



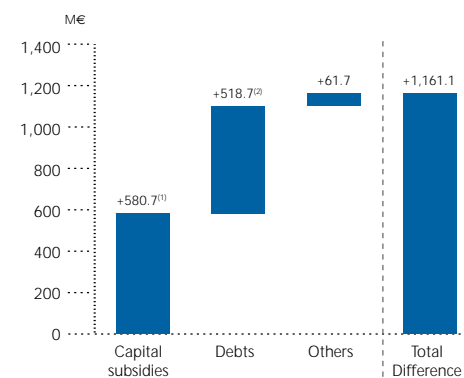
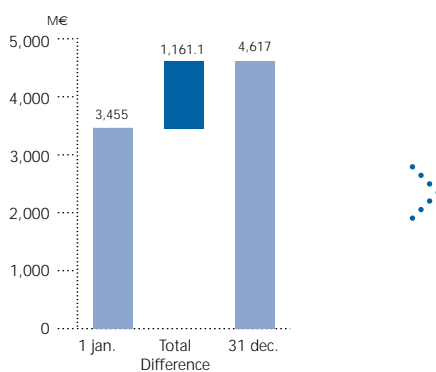
(1) New investments: 927.0 M. Depreciations= -63.0 M€

(2) Inside the group 130.3 M€

(3) Refund financing balance HST: -382.9 M.

Accounts receivable State grants: + 164.4 M€.

Mutation of liabilities



(1) New capital subsidies: 630.1 M. Depreciations: -49.6 M€

(2) Inside the group: 303.0 M€

Loss-and-profit account

Summary of the profit-and-loss account 2005

amounts in €	
I. Operating proceeds	1,435,034,513.86
A. Turnover	1,142,631,674.39
B. Changes in the orders in progress	2,568,350.95
C. Produced fixed assets	285,676,402.57
D. Various proceeds	4,158,085.95
II. Operating costs	1,438,975,584.16
A. Raw materials and auxiliary materials	108,167,522.82
1. Purchases	108,925,770.38
2. Variation of stocks	- 758,247.56
B. Services and various goods	1,260,129,637.12
D. Depreciations and write-downs on setting-up costs, on intangible and tangible fixed assets	61,052,384.28
E. write-downs on stocks, orders in progress and trading debts	- 431,740.63
F. Provisions for risks and charges	4,822,455.50
G. Other operating costs	5,235,325.07
III. Operating result	- 3,941,070.30
IV. Financial proceeds	66,749,549.11
A. Proceeds from capital assets	59,985.00
B. Proceeds from current assets	17,219,381.00
C. Other financial proceeds	49,470,183.11
V. Financial costs	11,929,823.93
A. Debt costs	487,859.36
B. Write-downs on current assets other than meant under II.E.	428,951.79
C. Other financial costs	11,013,012.78
VI. Result of the ordinary business activity before taxes	50,878,654.88
VII. Exceptional charges	329,048.32
A. Taking back of depreciations and write-downs on intangible and tangible fixed assets	120,641.46
B. Taking back of write-downs on capital assets	19,574.29
D. Added value upon realization of fixed assets	153,898.96
E. Other exceptional proceeds	34,933.61
VIII. Exceptional costs	2,194,471.12
A. Exceptional depreciations and write-downs on setting-up costs, on intangible and tangible fixed assets	2,177,378.30
C. Provisions for exceptional risks and charges	3,885.00
D. Losses in value upon realization of fixed assets	11,904.76
E. Other exceptional charges	1,303.06
IX. Result of the financial year before taxes	49,013,232.08

Detailed loss-and-profit account 2005

amounts in €

Result processing

A. Profit balance to be allocated	49,013,454.20
1. Profit of the financial year to be allocated	49,013,232.08
2. Profit of the preceding financial year carried forward	222.12
C. Addition to the equity capital	- 2,450,661.60
2. to the legal reserve	2,450,661.60
D. Result to be carried forward	0.00
1. Profit to be carried forward	- 46,562,792.60

Clarification of the profit-and-loss account

1. Turnover

amounts in €		
		%
I. Operating proceeds	1,435,034,513.86	
A. Turnover	1,142,631,674.39	79.6%
Infrastructure allowance	490,855,419.66	
State grant	455,351,115.50	
Electrical power for locomotives and buildings	81,367,046.33	
Others	115,058,092.90	

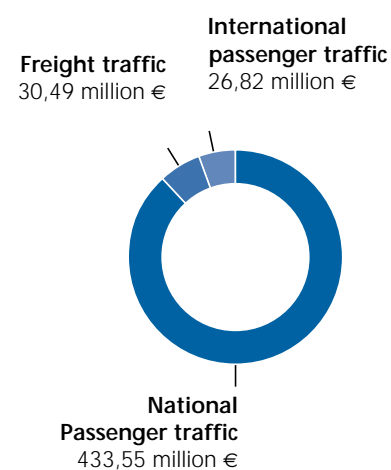
On a total amount of 1,435 million € operating proceeds, the actual turnover amounts to 1,142.6 million € (79.6%).

Of which 490.9 million € proceeding from the infrastructure allowances (43%).

The infrastructure allowance is an allowance calculated per train kilometer for for the use of the Belgian railway infrastructure by the various railway operators both for the national and the international passenger traffic and goods traffic. The share of passenger traffic in the infrastructure allowance amounts to 94.54% against 5.46% for goods traffic.

Besides offering a high-quality and safe railway infrastructure, the maintenance of that infrastructure belongs also to Infrabel's corporate assignment. For this objective the company has received an operating grant of 455.4 million €, this is 39.9% of the turnover.

Distribution of the infrastructure allowance



2. Produced fixed assets

amounts in €		
		%
I. Operating proceeds	1,435,034,513.86	
C. Produced fixed assets	285,676,402.57	19.9%

The heading "produced fixed assets" relates to the neutralization of charges booked to the benefit of investments and that are realized by the own means of the company

itself (works under state control). The amount of the realized investments is booked on the balance sheet under the tangible or intangible fixed assets.

3. Raw materials and auxiliary materials

amounts in €		
		%
II. Operating costs	1,438,975,584.16	
A. Commercial goods, raw and auxiliary materials	108,167,522.82	7.52%
1. Purchases	108,925,770.38	
2. Change in stock	- 758,247.56	

The raw materials and auxiliary materials amount to 108.2 million €. The purchase of the stock items typical of the railway infrastructure amounts to 90 million €, of which 19.8 million € for the purchase of sleepers, 16.7 million €

for the purchase of ballast, 14.3 million € for the purchase of rails and 8.5 million € for the purchase of cables and wires for overhead wires.

4. Services and various goods

amounts in €		
		%
II. Operating costs	1,438,975,584.16	
B. Services and various goods	1,260,129,637.12	87.57%
Personnel costs	689,038,070.37	
FSI allowance	300,000,000.00	
Electrical power	85,147,510.43	
Others	185,944,056.32	

The services and various goods are represented for 54.68% by personnel costs, for 23.81% by the yearly allowance to be paid to the Fund for Railway Infrastructure (FSI) and for 6.76% by the purchase of the locomotive energy.

Within the framework of the reform of the NMBS Group as of 1 January 2005, it has been determined that the entire personnel of the group would be assigned to NMBS Holding. The latter seconds the necessary personnel to Infrabel within the framework of a mutual agreement. This arrangement explains why the personnel charges are booked under the heading "services and various goods" and not under the heading "remunerations, social charges and pensions".

As of 31 December 2005 Infrabel was counting 13,628 workers, expressed in full-time units.

The R.D. of 3 July 2005 states that Infrabel has to pay every year to the FSI for the putting at disposal of the railway infrastructure a fixed amount of 300 million € that is transferred to that Fund within the framework of the takeover of the historical debt of the former NMBS (7.4 billion €).

Within the NMBS Group, Infrabel is entrusted with the coordination of the purchases of electrical power for the whole of the group. These purchases relate to the necessary locomotive power as well as to the power of the buildings. The respective amounts of the purchased electrical power amount to 71.7 million € for the locomotive power and 13.4 million € for the power of the buildings.

5. Depreciations, write-downs and provisions for risks and charges

amounts in €		
II. Operating costs		1,438,975,584.16
D. Depreciations and write-downs on setting-up costs, on intangible and tangible fixed assets	61,052,384.28	
- setting-up costs	52,839.16	
- right of concession	13,737,373.74	
- other intangible fixed assets (mainly software)	2,416,519.37	
- tangible fixed assets	44,845,651.41	
E. write-downs on stocks, orders in progress and trading debts	- 431,740.63	
F. Provisions for risks and charges	4,822,455.50	

The depreciations are booked monthly and start on the first day of the month following that during which the assets can be commissioned, consistent with the approved valuation rules.

The depreciations on tangible and intangible fixed assets are compensated to a large extent by the depreciation of the capital subsidies related thereto. The latter are booked as financial proceeds.

Clarification of the annual account

1. Valuation rules

1.1 Legislation in force

The valuation rules are fixed with due regard for the legal provisions applicable in Belgium and more particularly those derived from the law of 17 July 1975 on the bookkeeping of companies and from the Royal Decree of 30 January 2001 on the enforcement of the Company Code.

1.2. Valuation rules

1.2.1. Setting-up costs

The setting-up costs can be activated and are valued at their acquisition value. They are depreciated every year to the extent of 20%, save for the costs of issue, revision or refinancing of loans, that are distributed over the duration of the loans in question.

1.2.2. Intangible fixed assets

The intangible fixed assets are valued against their acquisition value.

They are depreciated in a linear way to the extent of 20% per year as from the date on which the assets are actually ready for operation.

Within the heading of the intangible fixed assets, there are two particular cases, namely the right and to operate the infrastructure the costs relating to HST.

The operating right of the railway network is depreciated over 99 years as from 01/01/2005, duration that is also taken up in the R.D. of 14 June 2004 on the reform of the management structures of the railway infrastructure.

The HST-related costs bear upon study and development costs that are not directly attributable to a specific inventory heading of the tangible fixed assets, as well as the costs for the homologation of the high-speed trains. These costs are depreciated over a 10-year period as from the commissioning of the HST.

1.2.3. Tangible fixed assets

The tangible fixed assets are booked against the acquisition value.

The museum material and the structural works, if their acquisition value is unknown or if they are a present, are valued against the price of 0.01 €. In case of expertise write-downs or revaluation surplus values will be applied.

All tangible fixed assets in operation are depreciated in a linear way on the basis of their life. The life is regularly analysed.

In case of significant changes, this duration is modified and this is considered as changes of assessments and not as rectifications of errors or changes of bookkeeping methods.

The estimated lifetime of the respective tangible assets is as follows:

Life

Nature of the asset	Depreciation duration			
	In operation		Out of operation	
	Minimum	Maximum	Minimum	Maximum
Grounds	not amortizable	not amortizable	not amortizable	not amortizable
Buildings	10	50	5	50
Structural works	50	120	1	120
Installations of the path	1	100	1	100
Electricity & signalling installations	15	22	8	22
Telecommunication installations	8	20	1	1
Overhead wires and locomotive substation	20	20	20	30
Workshop installations	20	20	20	20
Material	1	10	1	10
Railway transport material	7	35	1	35
Road transport material	4	15	1	6
Containers	10	10	10	10
Residential buildings	not amortizable	not amortizable	50	50

The depreciation starts on the first day of the month following that during which the tangible fixed assets can start to be used. In the case of a work that is financed with investment credits, the date taken into consideration is that of the full or partial completion, without immediate commissioning.

The useful life is fixed per inventory heading, each inventory heading represents a number of fixed assets presenting the same technical or legal characteristics and having the same useful life.

When the various components of a same asset have different useful lives, or when they generate benefits for the business at a different rhythm, which requires the application of different depreciation durations and methods, the total costs of such assets will insofar as possible be distributed over the different components.

For the determination of the useful time of related investments, one takes among others into account the residual life of the primary investments.

The useful life of ecological investments may not be longer than the residual useful life of the installations for which such expenditures have been made. Activated ecological expenditures means expenditures meant for contributing permanently to the activity of the business and either relating

to hoped-for environmental advantages and extending the existence of the corporate assets through increase of the capacity or enhancement of the safety or efficiency thereof, or allowing to limit or prevent environmental contamination that might be caused by future activities.

Supplementary or exceptional depreciations should be systematically booked if as a consequence of their technical deterioration or because of a change of the economical or technological circumstances, the book value of the fixed assets is higher than their value in use for the company.

The depreciations booked on the tangible fixed assets can only be taken back when it appears that the depreciation plan applied before has had too quick a depreciation because of modified economic or technological circumstances.

The tangible fixed assets that are retired or can no longer be used in a permanent way for the activity of the company, will, should the case arise, be the object of an exceptional depreciation in order to keep the valuation thereof in line with their supposed equity value.

The amortizable amount is the cost price of the assets diminished with the residual value thereof, insofar as the latter can be determined in a quite reliable way.

1.2.4 Capital assets

Capital assets comprise the interests in other companies with as objective to continue or support their operation, the accounts receivable made available in the longer run in order to support durably the activity of the companies, the shares that are not an interest and the securities paid in cash as permanent guarantee.

The capital assets are valued against their acquisition value. Should the case arise they are corrected with write-downs, if any. The additional expenses relating to their acquisition are booked directly as costs.

For each interest, the shares comprising it will be considered as replaceable assets: after each acquisition, an average value is recalculated for these securities through dividing up the total acquisition value by the total number of securities in portfolio.

When the acquisition price of an interest is given in foreign currency, the acquisition value for which they are booked in the accounts, will be the one in euro, namely the amount resulting from the application of the exchange rate at the date of acquisition. When the amounts are withdrawn, the payment obligation is revalued at the exchange rate applicable at that date, whereby the countervalue of the determined exchange difference is booked with the acquisition value of the capital assets.

The capital assets represented by the accounts receivable are valued against their nominal value, with possible application of the exchange rate at the time of acquisition on the amount given in foreign currency.

If after the acquisition, a permanent change intervenes, it will be proceeded for the interest to a write-down determined individually. The permanent nature of the deterioration is appreciated depending on the evolution of the market value or intrinsic value.

For determining the amount of the write-down to be booked, the following modalities are applied:

- if at the time of an acquisition, the difference between the book value of the interest and the proportional share of the equity capital of the concerned company is lower than 250,000.00 €, a write-down is carried through for the necessary amount on the year following the acquisition. For the subsequent years, any negative fluctuation of the equity capital will be immediately booked as write-down,

- if at the time of the acquisition, the difference between the book value of the interests and the proportional share of the equity capital of the concerned company is between 250,000.00 € and 1,250,000.00 € or if the company is not integrated in a subgroup where there are synergies among the companies, every year as from the year following the acquisition, there will be a write-down equal to the difference, for at least 25%, corrected every year with the evolution of the equity capital. After booking of the write-down for 100%, any negative fluctuation of the equity capital will be booked immediately as write-down.
- if at the time of an acquisition, the difference between the book value of the interests and the proportional share of the equity capital of the concerned company is higher than 1,250,000.00 € or if the company is integrated into a subgroup where there are synergies among companies, it will be proceeded yearly as from the year following that of the acquisition, to a write-down equal to the difference, to the extent of 7.14%, corrected every year with the evolution of the equity capital. After booking of the write-down for 100%, any negative fluctuation of the equity capital will be booked immediately as write-down.
- if the turnover of the companies in which the capital assets are held, is mainly realized with the parent-company, the write-downs will be booked depending of the value in use of these fixed assets for the activities of the parent-company,
- for the capital assets for which there is a liquid financial market and for which the company cannot exercise any significant influence on that market, the write-downs are booked if the difference between the acquisition price of said assets and their average monthly quoted value of the preceding year is significantly positive. In case of significant positive difference, the write-down to be booked will be equal to that difference.

The capital assets represented by accounts receivable incur a write-down if for all or part of the accounts receivable, there is some uncertainty as to the payment thereof at the maturity date.

1.2.5. Accounts receivable at more than 1 year

The accounts receivable are valued against their nominal value, except for the accounts receivable in the form of fixed-interest securities that are valued against their acquisition value.

Write-downs are applied on the accounts receivable if for all or part of them, there is some uncertainty as to the payment thereof at the maturity date.

1.2.6. Stocks and orders in progress

The stocks are valued at the lowest amount between the cost price and the net equity value, namely the estimated selling price in the normal course of the activity, diminished by the estimated costs for the completion and those necessary to realize the sale.

The cost price of the stocks comprises all acquisition and processing costs, increased by the other costs incurred with a view to bring the stocks to the place and in the condition in which they encounter themselves.

The goods in preparation and orders in progress are valued against their manufacturing price.

Some warehouse pieces incur periodically write-downs as a consequence of the regular inspection of their condition by the relevant technical services.

The families of stock items without clear direct relationship with the tangible fixed assets, incur a write-down when they remain at least one year without moving. The write-down percentage applied on the value of the items is determined depending on the known turnover rate of the stock.

For the item families having a direct relationship with clearly identified tangible fixed assets, the calculated write-down is strictly proportional to the depreciation already booked on the fixed assets.

For the orders in progress, write-downs are booked as follows:

- if their manufacture price, increased by the estimated amount of the costs associated thereto still to be incurred, is higher, depending on the circumstances, than the net selling price thereof at the balancing date or the cost price provided in the contracts;
- to the extent of respectively 50 and 100% if the date of performance thereof exceeds the billing date by one or two years, whereby the possibly already collected advance payments are however taken into account.

1.2.7. Accounts receivable at one year as a maximum

The accounts receivable are booked against their nominal value, except for the accounts receivable in the form of fixed-interest securities that are valued against their acquisition value.

Write-downs are applied on the accounts receivable if for all or part of them, there is some uncertainty as to the reimbursement thereof at the maturity date. The write-downs are calculated according to the following principles:

- accident litigations requiring the intervention of the legal department: the write-down is equal to the average loss

of the last 5 financial years, divided up by the average balance of the bad debts of the last 5 financial years, all of it multiplied by the balance at the end of the month of December of the relevant year;

- write-downs against 100% for accounts receivable opened on third people requiring the intervention of the legal department, except if they fall under accident litigations;
- for the other accounts receivable, including these on the State, railway networks and international railway transportation companies, a write-down corresponding to 50% of the amount of the debt if the latter has been payable for more than one year; such percentage is raised to 100% after two years, whereby possibly invoiced advanced payments are taken into account;
- if specific information justifies it, there were still supplementary write-downs booked or taken back on a specific asset.

1.2.8. Investments

The investments are valued against the lowest amount between their acquisition value and the market value.

For the assets acquired by contribution, the value is that fixed in the instrument. If this conventional value is however lower than the market value of the contributed assets, the acquisition value corresponds to this higher market value.

For the fixed-interest securities, if there is a difference between the acquisition value and the reimbursement value, this difference is booked as result pro rata temporis over the remaining duration of the securities as component of the interests yielded by said securities, and according to the case, added to or deducted from the acquisition price of the securities, whereby the booking as result takes place on an actualised basis.

For the investments given in foreign currency, the acquisition price is converted based upon the last indicative exchange rate published by the National Bank of Belgium.

The investments that will be realized in a near future, incur the necessary write-downs if at the end of the financial year, the estimate of the equity value is lower than their acquisition price.

Write-downs are applied according to whether the equity value is known or not.

In case the equity value is known, a write-down equal to the positive difference between the acquisition value and the equity value is booked.

In case the equity value is unknown, there are two cases:

- if there is a liquid financial market and if the company cannot exercise any significant influence on that market, a write-down is booked in order to bring the book value of these assets back to the level of their quoted value, fixed on the basis of the quotation of the last day of the financial year,
- if there is no liquid financial market or if the company can exert a significant influence on that market, a write-down is booked in order to bring the book value of these assets back to the lowest level between on the one hand, the share in the equity capital of the company, fixed on the basis of the last known annual account, and on the other hand, the quoted value, fixed on the basis of the quotation of the last day of the financial year.

When the write-downs are no longer justified, they are taken back.

1.2.9 Liquid means

The liquid means are booked against their nominal value.

An appropriate write-down is booked when the equity value at the balancing date of the financial year is lower than the nominal value.

1.2.10 Adjustment accounts - Assets

The costs to be carried forward and the obtained proceeds are valued against their acquisition value. For what regards the proceeds, their presumed collectability is taken into consideration.

1.2.11 Capital

The shares representing the capital are valued at their nominal value.

1.2.12 Revaluation surplus values

The revaluation surplus values are booked against their nominal value and relate only to the positive differences between the estimate by an expert of the museum material and structural works and the net book value of these assets.

In case of subsequent loss in value of the revalued assets, the booked surplus value is depreciated to the extent of the still not depreciated amount.

1.2.13 Reserves

The reserves are valued against their nominal value.

1.2.14 Capital subsidies

The capital subsidies are booked against their nominal value.

The capital subsidies are depreciated in a linear way at the same rhythm as the intangible and tangible fixed assets they finance.

1.2.15 Provisions and deferred taxes

The risks and costs for which a provision is formed are estimated case per case on the basis of the elements brought to the knowledge of the company, with due regard for the criteria of caution, uprightness and good faith.

Special cases relate to the provisions for accidents, insolvency and various risks, provisions for environment-bound operating costs and provisions for tangible fixed assets acquired by leasing and similar rights.

1.2.16 Debts at more than one year and at one year as a maximum

The debts are booked against their nominal value.

The debts represented by fixed-interest securities are valued against their acquisition value. When however the actuarial cost thereof, calculated at the time of the issue, taking into account the reimbursement thereof on the maturity date, differs from their nominal cost, the difference between the acquisition value and the reimbursement value is booked pro rata temporis with the results over the still remaining duration of the securities, as component of the cost of these securities, and according to the case, booked as increase or decrease of the acquisition value of the securities (on actuarial basis).

The debts not yielding interests or with an abnormally low interest rate are booked in the liabilities against their nominal value. Such booking goes hand in hand with the booking on the adjustment account of the assets and the booking with the results based on the compound interest of the discount calculated against the market interest rate, when these debts have still more than one year to run until their maturity date, or relate to amounts that were booked as costs on the loss-and-profit account.

1.2.17 Adjustment accounts - Liabilities

The costs to be attributed and income to be carried forward are booked against their nominal value.

2. State of the setting-up costs

amounts in €	
Net book value at the end of the preceding financial year	255,389.26
Mutations during the financial year:	
Depreciations	- 52,839.16
Others	- 52,500.00
Net book value at the end of the financial year	150,050.10
Of which: Setting-up costs or increase of capital, costs upon issue of loans, discount and others	150,050.10

The company is incorporated on 29 October 2004. Whereas the company still had no operating means in 2004, the costs relating to the setting-up were activated and depreciated over 5 years.

3. State of intangible fixed assets

amounts in €	
Concessions, patents, licences, etc	
A. Acquisition value	
At the end of the financial year	26,666.67
Mutations during the financial year:	
Acquisitions, including the produced fixed assets	1,389,095,497.93
At the end of the financial year	1,389,122,164.60
C. Depreciations and write-downs	
At the end of the financial year	1,481.33
Mutations during the financial year:	
Booked	16,153,894.05
Taken back because redundant	-, 0.10
Acquired by third people	13,925,577.28
At the end of the financial year	30,080,952.56
D. Net book value at the end of the financial year	1,359,041,212.04

"Acquired from third people" refers to the contributed intangible fixed assets as of 1 January 2005.

4. State of the tangible fixed assets

amounts in €			
	Grounds and buildings	Installations, machines and equipment	furniture and rolling stock
A. Acquisition value			
At the end of the preceding financial year			
Mutations during the financial year:			
Purchases, including the produced fixed assets	223,251,012.99	807,160,436.53	123,199,251.26
Transfers and retirements	- 8,183.59	- 2,052,986.85	- 2,195,179.15
Transfers from one item to another	45,398,533.22	128,486,284.09	383,247.88
At the end of the financial year	268,641,362.62	933,593,733.77	121,387,319.99
C. Depreciations and write-downs			
At the end of the preceding financial year			
Mutations during the financial year:			
Booked	3,421,637.17	39,683,380.70	3,478,166.27
Taken back because redundant	- 3.14	- , 120,631.89	- , 6.20
Acquired from third parties	56,212,007.49	481,037,100.31	99,777,404.65
Written-off after transfers and retirements	- , 8,183.59	- , 2,052,986.85	- , 2,177,278.84
Transfers from one item to another		256,358.51	- , 332,761.91
At the end of the financial year	59,625,457.93	518,803,220.78	100,745,523.97
D. Net book value at the end of the financial year	209,015,904.69	414,790,512.99	20,641,796.02

amounts in €

	Other tangible fixed assets	Assets in construction and advance payments
A. Acquisition value		
At the end of the preceding financial year		
Mutations during the financial year:		
Purchases, including the produced fixed assets	215,031,809.81	1,481,201,363.69
Transfers and retirements	- 349,932.02	
Transfers from one item to another	6,081,762.94	- 180,349,828.13
At the end of the financial year	220,763,640.73	1,300,851,535.56
C. Depreciations and write-downs		
At the end of the preceding financial year		
Mutations during the financial year:		
Booked	439,845.23	
Taken back because redundant	- 0.13	
Acquired from third parties	11,469,789.24	
Written-off after transfers and retirements	- 349,215.56	
Transfers from one item to another	76,403.40	
At the end of the financial year	11,636,822.18	
D. Net book value at the end of the financial year	209,126,818.55	1,300,851,535.56

* Acquired from third parties* refers to the contributed tangible fixed assets as on 1 January 2005.

5. State of the capital assets

amounts in €		
	Allied companies	Other companies
1. Participations and shares		
A. Acquisition value		
At the end of the preceding financial year		
Mutations during the financial year:		
Purchases	3,284,093.42	750.00
At the end of the financial year	3,284,093.42	750.00
C. Write-downs		
At the end of the preceding financial year		
Mutations during the financial year:		
Taken back because redundant	-19,574.29	
Acquired from third parties	656,936.30	
At the end of the financial year	637,362.01	
Net book value at the end of the financial year	2,646,731.41	750.00
2. Accounts receivable		
Net book value at the end of the preceding financial year		
Mutations during the financial year:		
Additions	1,050,000.00	508.18
Reimbursements	-150,000.00	
Net book value at the end of the financial year	900,000.00	508.18

"Acquired from third people" refers to the contributed capital assets as of 1 January 2005.

6. Interests and corporate rights in other companies

Corporate rights held by	directly	subsidiaries
	Interest percentage	Interest percentage
Tuc Rail S.A.	75%	25 %
Creosoteer Centrum van Brussel N.V.	51%	
Bureau Central de Clearing CVBA	0.69%	6.21 %
Woodprotect N.V.		99.89%
EESV IV-Infra/Tuc Rail Papendrecht NL		50%

7. Money Investments and other investments

amounts in €	
Fixed-interest securities	150,000.00
Forward accounts with credit institutions	17,628,000.00
- one month maximum	17,628,000.00
Other investments not taken up above	334,050,000.00

The available treasury is on the one hand invested within the framework of a cash pooling with NMBS-Holding (heading " other investments" not taken up above), en on the other hand, deposited with credit institutions.

8. Adjustment accounts - Assets

amounts in €	
Costs to be carried forward	10,338,162.88
Obtained proceeds	57,831.10

The costs to be carried forward relate to a large extent to salaries and insurance premiums paid in advance.

The obtained proceeds relate to interests.

9. State of the capital

amounts in €		Number of shares
A. Capital		
1. Registered capital		
Subscribed capital	61,500.00	
At the end of the preceding financial year		
Modifications during the financial year	1,450,000,000.00	14,500,000
Contribution in kind as of 1 January 2005	1,450,061,500.00	
2. At the end of the financial year		
2.1. Composition of the capital		
Registered shares without nominal value	1,450,061,500.00	14,500,615

10. State of the debts

amounts in €	Debts with a remaining duration of 1 year as a maximum	more than 1 years but still 5 years as a maximum	more than 5 years
A. Splitting up of the debts with an original duration of more than one year, according to their remaining duration			
Other debts	16,944.03		577,510.79
C. Debts relating to taxes, remunerations and social charges			
1. Taxes			
b) tax debts not yet due			35,593,492.50
2. Remunerations and social charges			
b) other debts relating to remunerations and social charges			6,219.87

Debts with regard to NMBS -Holding within the framework of legal files.

11. Adjustment accounts - Liabilities

amounts in €

Costs to be attributed	45,326,201.29
Proceeds to be carried forward	94,981,380.99

The costs to be attributed related to the vacation-pay and premiums of the seconded personnel.

The proceeds to be carried forward relate to the infrastructure allowance and the intervention of third people for investment works.

12. Rights and obligations not taken up in the balance sheet

amounts in €

Important obligations of purchase of fixed assets	
- tangible fixed assets (for railway infrastructure)	179,336,407.34

13. Relationships with the allied companies and the companies in which it holds an interest

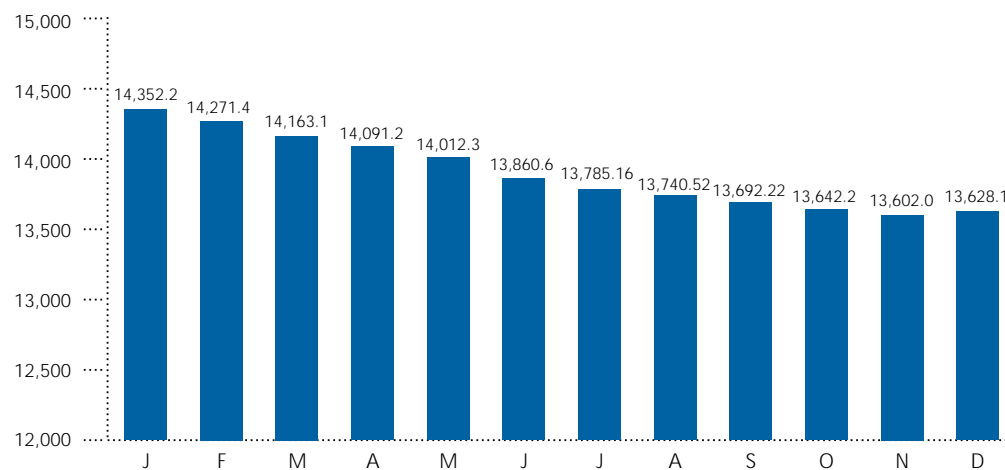
amounts in €	
	Allied companies
1. Capital assets	3,546,731.41
Participations	2,646,731.41
Accounts receivable: others	900,000.00
2. Accounts receivable	396,741,121.95
At more than one year	7,850,000.00
At one year as a maximum	388,891,121.95
3. Money investments	334,200,000.00
Accounts receivable	334,200,000.00
4. Debts	168,238,445.96
At more than one year	550,231.86
At one year as a maximum	167,688,214.10
7. Financial result	
Proceeds from capital assets	59,985.00
Proceeds from current assets	2,019,777.52
Costs of debts	85,684.45

14. Social balance sheet

The company does not have to file a social balance sheet with the National Bank of Belgium because Infrabel does not have own personnel. The necessary personnel, whether statutory or contractual, is seconded from NMBS Holding.

As of 31/12/2005, expressed in full-time units, 13,628 workers were seconded from NMBS Holding.

Personnel evolution



Auditors' Report on the annual account closed as of 31 December 2005

Ladies, Gentlemen,

Consistent with the legal and statutory provisions, and especially articles 143 and 144 of the Company Code applicable to the public limited liability company of public law Infrabel, pursuant to article 37 of the law of 21 March 1991 amending some economic public companies, the Auditors have the honour to report on the performance of their mission.

The Auditors have performed their control mission on the annual accounts for the financial year closed as of 31 December 2005 and drawn up on the basis of the legal and statutory provisions applicable in Belgium. These annual accounts mention a balance total equal to EUR 4,616,535,206.48. The loss and profit account ends in a profit of EUR 49,013,232.08 for the financial year. The Auditors have also proceeded to the specific additional verifications required by the law.

The drawing up of the annual accounts, the assessment of the information to be mentioned in the management report as well as the compliance of the Company with the Company Code and by-laws come within the competence of the management body.

The Auditors have performed the control of the annual accounts consistent with the legal provisions and generally approved control standards.

1. Unreserved statement on the annual accounts

The aforementioned professional standards require that our inspection be organized and performed so as to obtain reasonable assurance that the annual accounts do not include any significant anomalies.

Consistent with such standards, the Auditors have taken into account the organization of the company from an administrative and bookkeeping point of view, as well as its internal control devices. The company officials have answered with clarity the Auditors' requests of information and explanation.

The Auditors have spot-checked the justification of the

amounts presented in the annual accounts. They have assessed the legitimacy of the rules of assessment and significant bookkeeping evaluations done by the company as well as the presentation of the annual accounts as a whole. They take the view that the aforementioned works provide a reasonable basis for uttering their opinion.

In conclusion the Auditors are of the opinion that, considering the legal and statutory provisions applicable in Belgium, the annual accounts closed as of 31 December 2005 give a faithful image of the property, financial situation and results of the company.

2. Additional statements and information

The Auditors complete their report by the following statements and information that are not of a nature to modify the scope of their statement on the annual accounts:

- The management report contains the information required by the law and corresponds to the annual accounts. However the Auditors are not in a position to pronounce themselves on the description of the main risks and uncertainties with which the Company is confronted, as well as its situation, foreseeable evolution or the notable influence of some facts on its future development. The Auditors can nevertheless confirm that the provided information do not show any obvious contradictions with the information they know about within the framework of their assignment.
- Without prejudice to formal aspects of minor importance, the bookkeeping is held and annual accounts established consistent with the legal and statutory provisions applicable in Belgium.
- The Auditors have not heard about operations concluded or decisions taken in breach of the bylaws and provisions of the Company Code and the law of 21 March 1991;
- The allocation of the result proposed to the General meeting is consistent with the legal and statutory provisions.

- Infrabel became operational on 1st January 2005. To this end NMBS Holding has proceeded to a contribution in kind of assets and liabilities as of 1 January 2005 to the Company.

Eventually the Auditors want to thank the management bodies, Finance management and its services for the collaboration and assistance they have obtained for the performance of their assignment.

Done in Brussels, on 28 April 2006.

The Auditors

The National Audit Office

represented by

M. de Fays Counsellor at the National Audit Office	F. Vanstapel First President of the National Audit Office
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The members of the Institute of Auditors

S.c.P.R.L. Michel Delbrouck & C° Auditors represented by M. Delbrouck Auditor	S.c.P.R.L. Van Impe, Mertens & Associates, Auditors represented by H. Van Impe Auditor President of the Body of Auditors
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