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INFRAX

Financial report on the aggregated financial statements 30 June 2017

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1 Information on the company

Infrac cvba was established on 7 July 2006 and acts as the joint operating company of Infrac Limburg, Infrac West, Iveg, PBE and Riobra.

In the name of and for the account of its shareholders, Infrac performs the following tasks, among others:

- In general the provision of management and other services and making know-how available to its shareholders;
- The preparation for and the implementation of the decisions of the governing bodies of its shareholders;
- All operational tasks within the framework of the operation, maintenance, and development of the networks and installations;
- The provision of all services to users of the distribution networks within the framework of the activities of its shareholders in the technical, administrative and commercial area;
- The promotion of cooperation among the shareholders;
- The creative development of new products and services.

Within the framework of the policies set out by its partners, the company is responsible for the operation, maintenance and development of the networks in activities related to electricity, natural gas, cable TV, communications and sewer systems.

The Flemish energy distribution sector is facing a **major restructuring**. On 10 May 2017, after having obtained their shareholders' approval, both DSO operating companies, Eandis System Operator and Infrac, announced their intention to fully integrate both companies into one single entity, Fluvius, in the future. Thus Fluvius is set to become a best-in-class multi-utility operator for the entire Flemish Region. The end point of this integration process is planned for 2020. This move towards integration is inspired by the realisation that the logistical and financial challenges in the energy sector in the upcoming years are huge and that all relevant parties have more to gain than to lose from closer collaboration and enhanced efficiency. Integration will undoubtedly allow for more economies of scale and efficiency gains for all partners involved, which will allow substantial savings on the expenses for operations and investments. The current age pyramid at both companies will facilitate a gradual reduction in headcount in a natural way. The future integration of the operating companies does not directly impact the DSOs of both groups. Besides, both well-known brand names, Eandis and Infrac, will remain until further notice.

2 Summary of the most important accounting policies and valuation rules

In the paragraphs below, a summary of the accounting policies and valuation rules is given. These have been determined by the Board of Directors of the different DSOs¹ under Belgian GAAP.

For regulated activities the guidelines of the regulator VREG are applied. On 1 July 2014 the authority to set rates for electricity and gas was transferred from the federal regulator CREG to the regional regulators, being VREG (for the Flemish region) and CWaPE (for the Walloon region). The CWaPE has indicated that it will maintain the existing regulations for the Walloon region for the years 2015, 2016 and 2017, which means that there are no changes in accounting procedures. As of 2015 the VREG uses a new rate-setting method for electricity and gas for the DSOs, based on a revenue-cap system instead of the cost-plus system used in the past. This results in a few adjustments in accounting procedures as will be explained further below.

¹ Distribution System Operator

2.1 Principles of aggregation

The aggregated annual figures include the following DSOs:

Infrac, Infrac Limburg, Inter-energa, Inter-aqua, Infrac West, Inter-media, Iveg, Riobra and PBE. The Infrac aggregation consists of the aggregation of the annual financial statements, prepared in accordance with Belgian GAAP, of all the DSOs.

The term aggregation is used instead of consolidation. This means that the individual annual accounts of the above-mentioned entities, prepared in accordance with Belgian GAAP, are added up, which eliminates the intragroup transactions (sales, costs, dividends) and positions (participations, receivables, liabilities).

The information relative to the accounting periods ending on 30 June 2017 and 31 December 2016 is drawn on the one hand from the individual unaudited half-year 2017 figures and on the other hand from the annual accounts for 2016 of each DSO.

The unaudited half-year figures of the various DSOs have been/will be approved by the members of the Boards of Directors of all DSOs.

Since Infrac is not obligated by Belgian accounting legislation to draw up annual cash-flow statements, the cash-flow summary included in this report for the financial years 2017 and 2016 is based on the unaudited half-year figures 2017 versus the audited annual figures for 2016 of the individual DSOs, and is drawn up according to the formulae used by the FIRST software (software used to file statutory accounts in Belgium).

2.2 General valuation rules

1. Formation expenses

Costs incurred prior to starting trading and various costs relating to fixed assets under construction are recorded at their acquisition value and are depreciated linearly over 5 years.

2. Intangible fixed assets

Intangible fixed assets include the cost of software licences, research and development costs, concessions, patents and costs of making the inventory and the modelling of sewer networks and are valued at acquisition value. The costs for software licences are depreciated linearly over a period of 5 years, the costs for making the inventory and the modelling of sewer networks are depreciated linearly over a period of 10 years.

The VREG applies a depreciation rate of 20% (5 years) to costs for research and development, concessions, patents, licences, knowhow, trademarks and other intellectual rights, and a rate of 0% on advance payments. The VREG has indicated that it will not allow depreciation on goodwill and formation expenses.

3. Property, plant and equipment

As prescribed in the Royal Decree of 30 January 2001 implementing the Belgian Companies Code, tangible assets, including any additional acquisition costs, are recorded at their acquisition or contribution value, except fixed assets the company produces itself, which are valued at production cost, established in accordance with Article 37 of the Royal Decree of 30 January 2001 implementing the Companies Code.

Revaluation

It should be noted that further to the Flemish Community (Department of Domestic Affairs) circular BA 2003/02 of 25 April 2003, the Boards of Directors of the different DSOs decided on 22 March 2004 to cease re-valuing tangible assets annually as of the financial year 2003. Re-valuations that were made in the past, were retained in the annual accounts and will continue to be depreciated using the depreciation methods provided by the regulators.

Valuation of the RAB for the distribution networks for electricity and natural gas

RAB stands for 'regulated asset base'. It is the basis for calculating depreciation and the fair profit margin. The RAB value consists of the initially calculated and regulator-approved economic reconstruction value of the regulated tangible assets (iRAB or initial RAB value), increased by the annual investments and decreased by the annual depreciations and disposals. The economic reconstruction value of the regulated tangible assets is based on a detailed technical inventory of all network components. The RAB value is calculated each year as follows:

- Plus
 - New investments.
- Less
 - contributions by network users;
 - subsidies;
 - depreciations and reductions of value;
 - disposals
 - disposal of assets at their historic acquisition value plus
 - 2% annual depreciation of the revaluation surplus (approximately equal to the average annual disinvestment).

3.1 Depreciation

Depreciation is based on the acquisition or contribution value, less contributions by network users. Revaluation surpluses on the regulated assets are depreciated at 2% p.a. in accordance with CREG, VREG and CWaPE rules.

Depreciation is applied on a linear basis using the percentages specified below.

Depreciation is calculated *pro rata temporis* from the date when the assets concerned are put into service. No depreciation is applied to fixed assets under construction (work in progress) or to land.

Depreciation of the transmission network (36kV/70kV) is applied in accordance with the CREG guidelines as laid down in the Royal Decree on long-term rates (Royal Decree of 8 June 2007):

- 2 % (50 years) for electricity transmission cables and lines of 36kV and 70kV;
- 3% (33 years) for industrial buildings, posts, cabins, stations, plus equipment in the 36kV and 70kV stations;
- 20% (5 years) for other equipment and furniture;
- 20% (5 years) for vehicles and IT equipment.

The VREG will apply the following depreciation rates as of 2015:

- 0% for land;
- 3% (33 years) for industrial buildings;
- 2% (50 years) for administrative buildings;
- 2% (50 years) for electricity distribution cables and lines and for natural gas distribution pipelines;
- 3% (33 years) for posts, cabins, stations, connections and metering equipment for electricity and natural gas distribution;

- 6.67% (15 years) for re-used cabin equipment;
- 10% (10 years) for remote-read and budget meters, CHP installations, teletransmission and fibre optic cables, CAB, telecontrol and dispatching equipment, tools and furniture, and other tangible assets (also single operator);
- 20% (5 years) for vehicles;
- 33% (3 years) for administrative equipment (IT and office equipment);
- 20% (5 years) for smart metering project, clearing house project and smart grids project.

The CWaPE applies the following depreciation rates in 2015 and 2016 and 2017 (according to the accounting regulations of the CREG as included in the Royal Decree of 2 September 2008 that has in the meantime been repealed):

- 3% (33 years) for industrial buildings;
- 2% (50 years) for administrative buildings;
- 2% (50 years) for electricity distribution cables and lines and for natural gas distribution pipelines;
- 3% (33 years) for posts, cabins, transformation stations and metering equipment;
- 10% (10 years) for teletransmission and fibre optic cables;
- 20% (5 years) for vehicles;
- 10% (10 years) for remote read and budget meters, CHP installations, CAB, telecontrol and dispatching equipment, lab equipment, tools and furniture, electronic cable TV equipment and other tangible assets;
- 33% (3 years) for administrative equipment (IT and office equipment).

New depreciation rates may be set by the VREG and/or the CWaPE from 2018 onwards.

3.2 Cost price components

The capitalised costs of contractors, direct personnel costs and materials are increased by an allowance for indirect costs.

These indirect costs include that part of general administrative and operational costs that cannot be directly attributed to identified investment expenses

4. Financial fixed assets

The financial fixed assets are recorded at acquisition value. A devaluation is carried out if their value is reduced permanently.

5. Stocks - works in progress

The stocks in the warehouses are included in the balance sheet at their rolling average prices. Work in progress is shown at cost price. Advance payments are recorded in the balance sheet under section 46.

The devaluation of stock is calculated on the basis of the rotation speed of the stock. The calculation is made as follows:

Stock items not moved during the last 12 months:

a devaluation provision of 33% of the value as recorded in the inventory of stocks.

Stock items not moved during the last 24 months:

a devaluation provision of 66% of the value as recorded in the inventory of stocks.

Stock items not moved during the last 36 months:

a devaluation provision of 100% of the value as recorded in the inventory of stocks.

As of accounting year 2016, the strategic stock (spare parts) is not included in the obsolete stock.

6. Accounts receivable and accounts payable

The accounts receivable and payable are booked at their original value. On 30 June 2017 there were no receivables or payables in foreign currencies.

Outstanding receivables are completely written off after the end of the collection procedures.

The following debtors are viewed as doubtful:

- customers or debtors who have been declared bankrupt or have sought protection from their creditors;
- debtors for whom delivery has been suspended for non-payment;
- claims on customers who have moved and are unreachable.

Rules to provide for doubtful debtors are based on the past-due balance as of 30 June of the current financial year. These receivables are in Infrax's annual accounts (as it invoices for and on behalf of the Distribution System Operators). For this a distinction is made between reduced rate customers (social customers) and non-reduced rate customers (other customers). Calculations for each of these groups of customer are made as follows:

Reduced rate customers (Infrax acts as a social provider)

- For reduced rate customers with a payment agreement, a devaluation provision is made of 50% of the total outstanding balance excluding VAT;
- For customers with a collective debt settlement, a devaluation provision is made of 100% of the total outstanding balance excluding VAT;
- For all other receivables, a devaluation provision of 100% is made for those balances excluding VAT that have been outstanding for more than half a year (180 days).

Non-reduced rate customers - other customers

The percentages used in calculating the provision for the other receivables are as follows:

- Outstanding balances excluding VAT due < 60 days: 0%;
- Outstanding balances excluding VAT due > 60 days and < 180 days: 20%;
- Outstanding balances excluding VAT due > 180 days and < 365 days: 40%;
- Outstanding balances excluding VAT due > 365 days and < 730 days: 60%;
- Outstanding balances excluding VAT due > 730 days: 80%.

7. Capital grants received

Because of the uncertain nature of both the receipt, the date of receipt and the size of the grant, the granted capital grants are booked at the time of receipt.

The capital grants received from various Authorities for investments in sewer works amount to 12,3 million euros in the first 6 months of the accounting year 2017.

8. Financial instruments

To cover interest risks on some of their long term loans, various DSOs make use of an IRS (interest rate swap) in which the floating EURIBOR interest rate is exchanged for a fixed IRS-rate for the whole duration of the loan. Here is a summary of the interest rate swaps in force on 30 June 2017:

- Bank loan Infrac (2011-2031): 70 million euro – - 6,529,130.94 euro MTM value on 30 June 2017;
- Bank loan Infrac West (2012-2022): 30 million euro – - 493,617.72 euro MTM value on 30 June 2017;
- Bank loan Iveg (2012-2022): 10 million euro – - 164,540.46 euro MTM value on 30 June 2017;
- Bank loan PBE (2012-2022): 10 million euro – - 164,540.46 euro MTM value on 30 June 2017;
- Bank loan Inter-energa (2012-2022): 40 million euro - - 743,563.08 euro MTM value on 30 June 2017;
- Bank loan Inter-aqua (2012-2022): 20 million euro – - 371,781.54 euro MTM value on 30 June 2017;
- Bank loan Inter-aqua (2016-2036): 58.6 million euro – - 9,250,316.84 euro MTM value on 30 June 2017.

As these financial instruments are only used for interest rate hedging, the mark-to-market value (the “MTM value”) has not been included in the accounting (in accordance with Belgian accountancy norms), but is explained in the comments in the statutory annual accounts made up at the end of the year.

The MTM value is subject to fluctuations in the interest markets. The negative value of the IRS-contracts is fully compensated by the low Euribor rates on which the loan contracts are based.

3 Financial statements

3.1 Aggregated income statement

(In Thousands of EUR)	Note	1 st sem 2017	1 st sem 2016
<u>OPERATING INCOME</u>		<u>450,115</u>	<u>531,774</u>
Turnover	4.1.1	359,559	340,091
Change in the stock of work in progress	4.1.3	1,717	525
Other operating income	4.1.3	84,594	183,852
Non-recurring operating income	4.1.4	4,245	7,306
<u>OPERATING CHARGES</u>		<u>379,584</u>	<u>465,689</u>
Trade goods and raw materials	4.2.1	10,102	10,724
Services and other goods	4.2.2	222,608	307,976
Remuneration, social security and pensions	4.2.3	70,637	71,592
Amortization and depreciation of non-current assets	4.2.4	56,806	56,497
Impairment stocks, work in progress and trade receivables	4.2.5	584	2,777
Provisions for liabilities and charges	4.2.6	2,545	-159
Other operating charges	4.2.7	3,065	2,832
Non-recurring operating charges	4.2.8	13,236	13,450
<u>OPERATING PROFIT</u>		<u>70,531</u>	<u>66,085</u>
<u>FINANCIAL INCOME</u>		<u>16,671</u>	<u>16,594</u>
Income from financial fixed assets	4.3.1	6,939	6,919
Income from current assets	4.3.2	110	104
Other financial income	4.3.3	9,622	9,570
<u>FINANCIAL CHARGES</u>		<u>15,216</u>	<u>17,169</u>
Debt charges	4.4.1	15,198	17,033
Other financial charges	4.4.2	17	135
<u>PROFIT (LOSS) BEFORE TAX</u>		<u>71,987</u>	<u>65,510</u>
Transfer from deferred taxes	4.5	158	421
Transfer to deferred taxes	5.5	-	-
<u>TAXES</u>		<u>22,383</u>	<u>17,492</u>
Income taxes	4.6	22,408	17,492
Adjustment of income taxes and write-back of tax provisions	4.6	-25	-
<u>PROFIT (LOSS) OF THE PERIOD</u>		<u>49,761</u>	<u>48,439</u>
Transfer to untaxed reserves		-	-
<u>PROFIT (LOSS) FOR THE REPORTING PERIOD</u>		<u>49,761</u>	<u>48,439</u>

3.2 Aggregated balance sheet

(In Thousands of EUR)	Note	30/06/17	31/12/16
<u>Non-current assets</u>		<u>3,481,799</u>	<u>3,447,881</u>
Formation expenses	4.7	0	5
Intangible fixed assets	4.8	23,815	23,330
Property, plant and equipment	4.9	3,153,712	3,137,635
Financial fixed assets	4.10	105,257	105,254
Affiliated enterprises		11,547	11,547
Other enterprises linked by participating interests		12,942	12,942
Other financial assets		80,768	80,765
Long term receivables	4.12	199,015	181,658
<u>Current assets</u>		<u>650,607</u>	<u>687,207</u>
Stocks and work in progress	4.11	37,497	35,198
Amounts receivable within 1 year	4.12	164,450	168,165
Current investments	4.13	7,011	12,011
Cash and cash equivalents	4.13	57,329	45,307
Deferred charges and accrued income	4.14	384,320	426,526
TOTAL ASSETS		4,132,405	4,135,088

(In Thousands of EUR)	Note	30/06/17	31/12/16
<u>SHAREHOLDERS' EQUITY</u>	3.3	<u>2,813,411</u>	<u>2,752,906</u>
Capital	4.15	1,081,560	1,081,360
Share premium account		115,589	115,589
Revaluation surpluses		523,084	523,084
Reserves	4.15	859,667	859,667
Investment grants		183,750	173,206
Result for the financial year to 30/06/2017		49,761	
Provisions for liabilities and charges	4.16	23,721	21,280
Deferred taxes	4.16	13,466	12,182
<u>LIABILITIES</u>		<u>1,281,807</u>	<u>1,348,720</u>
<u>Non-current liabilities</u>	4.17	<u>849,840</u>	<u>881,708</u>
Financial debts		841,922	873,790
Other debts		7,918	7,918
<u>Current liabilities</u>	4.18	<u>258,497</u>	<u>299,395</u>
Current portion of long term payables		74,057	75,290
Financial debts		25,250	25,250
Trade payables		72,456	69,904
Advance payments on work in progress		1,405	1,636
Taxes, remuneration and social security		61,903	79,701
Other amounts payable		23,427	47,613
Accruals and deferred income	4.19	173,469	167,617
TOTAL LIABILITIES		4,132,405	4,135,088

3.3 Aggregated statement of changes in equity

(In Thousands of EUR)	Share Capital	Share premium account	Revaluation surpluses	Reserves	Accumulated profits*	Investment grants	Total
Total on 1 January 2016	1,080,505	114,582	534,948	767,714	40,985	162,302	2,701,036
Total income for the reporting period	855	1,006	-11,864		84,508	10,904	85,409
Addition/decrease reserves				15,006			15,006
Dividends payable					-48,546		-48,546
Total on 31 December 2016	1,081,360	115,588	523,084	782,720	76,947	173,206	2,752,906
Total income for the reporting period	200				49,761	10,544	60,505
Addition/decrease reserves							
Dividends payable							
Total on 30 June 2017	1,081,560	115,588	523,084	782,720	126,708	183,750	2,813,411

* the sum of the accumulated profits and the reserves corresponds to the total reserves + result of the first 6 months 2017 on the balance-sheet.

3.4 Aggregated cashflow statement

	(In thousands of EUR)	Notes	30/06/2017	30/06/2016	
Operating activities composed of	Profit for the reporting period	3.3	49.761	48.439	
	Depreciation/amortization of non-current assets	4.2.4	56.806	56.497	
	Impairment current assets (Recognition +; Reversal -)	4.2.5	584	2.777	
	Changes in provisions (Recognition +; Reversal -)	4.2.6	2.545	-159	
	Dividends received	4.3.1	-6.939	-6.919	
	Extraordinary (reversal) depreciation	4.1.4	0	0	
	Gains/losses on disposal/retirement/sale of fixed assets	4.1.4/4.2.8	1.759	2.629	
	Reversal of provision for liabilities and charges	4.2.6	0	0	
	Movement in investment grants	4.3.3	-1.846	-2.247	
	Cashflow from operating activities			102.670	101.017
	Changes in trade and other payables	4.18	2.552	-3.020	
	Changes in payables for tax, remuneration and social charges	4.18	-17.799	10.190	
	Changes in advance payments	4.18	-231	94	
	Changes in accrued liabilities	4.19	5.853	31.495	
	Changes in operating liabilities			-9.626	38.759
	Changes in receivables > 1 year	4.12	-17.357	-9.156	
	Change in stocks	4.11	-2.298	-2.179	
	Changes in trade and other receivables	4.12	3.716	-8.617	
	Impairment current assets (Recognition +; Reversal -)	4.2.5	-584	-2.777	
	Changes in deferred charges and accrued income	4.14	42.206	150.367	
Changes in operating assets			25.682	127.638	
Changes in provisions and deferred taxes	4.1.4/4.2.8		1.179	217	
	<u>OPERATING CASHFLOW AFTER TAX</u>		119.906	267.631	
Investing Activities in	Formation expenses	4.7	0	0	
	Intangible fixed assets	4.8	-4.206	-2.576	
	Property, plant and equipment	4.9	-69.156	-55.085	
	Financial fixed assets	4.10	-3	-22	
	Proceeds from financial fixed assets	4.3.1	6.939	6.919	
	Losses and gains on disposal/retirement/sale of fixed assets	4.1.4/4.2.8	-1.759	-2.629	
	<u>INVESTMENT CASHFLOW</u>		-68.185	-53.394	
	<u>FREE CASHFLOW BEFORE FINANCING</u>		51.721	214.237	
Financing activities in	Changes in equity	4.15	60.505	55.995	
	Result of the accounting period	3.3	-49.761	-48.439	
	Profit distribution	3.3	0	0	
	Change in investment grants	4.3.3	1.846	2.247	
	Equity		12.590	9.804	
	Changes in financial debts > 1 year	4.17	-31.868	-29.295	
	Changes in financial debts < 1 year	4.18	0	-105.250	
	Changes in amounts payable < 1 year	4.18	-1.233	-3.793	
	Financial debts		-33.101	-138.338	
	Changes in other payables < 1 year	4.18	-24.187	-21.173	
	Changes in other payables > 1 year	4.17	0	0	
Profit distribution of the accounting period	3.3	0	0		
	Other payables		-24.187	-21.173	
	<u>FINANCING CASHFLOW</u>		-44.697	-149.708	
	<u>TOTAL CASHFLOW</u>		7.023	64.530	
	Cash inflow		139.434	284.353	
	Cash outflow		-132.411	-219.824	
	<u>Movement in cash and cash equivalents</u>		7.023	64.530	

4 Notes to the aggregated financial statements

4.1 Operating income

4.1.1 Turnover

(In Thousands of EUR)		1 st sem 2017	1 st sem 2016	
Electricity + 70KV/36KV	Distribution	192,760	212,955	
	Injection	1,368	1,419	
	Transportation costs Elia	60,203	62,729	
	Network contribution	15,496	14,984	
	Revenues 70KV/36KV	6,036	6,000	
	Other	-7,351	-45,112	
	Total electricity + 70KV/36KV	268,512	252,975	
Natural gas	Distribution	50,552	42,755	
	Other	-1,991	3,571	
	Total natural gas	48,561	46,326	
Sewerage	Sewerage fees	34,857	34,249	
	CTV	Fees	5,624	5,425
	Other	Other sales	2,005	1,117
TOTAL		359,559	340,091	

Infrax derived the major part of its revenues from remuneration for the transport of electricity and gas via its distribution grids.

These revenues must be evaluated together with the regulatory transfers (see below).

The other sales in electricity and natural gas include, on the one hand, the supply of energy to persons who, because of payment difficulties, cannot find an energy supplier on the market and, on the other hand, the adjustments in the turnover as a result of the regulatory assets and liabilities. (see note 4.1.2 Regulatory transfers).

The revenues from the sewerage activity include the remuneration received by the drinking water companies from the municipal water purification levy.

The revenues from the cable television distribution activity consist mainly of the Telenet fees received via Interkabel Flanders. This concerns the payments for the conversion of the cable network into an interactive telecommunications network on the basis of the previous agreements of 1996 - namely, an annuity payment and a 'clientele fee'.

The revenues from the cable television distribution activity also include the proceeds related to Infra-X-net and Infra-GIS.

The other sales concern various charges to third parties.

4.1.2 Regulatory transfers

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Addition of transfers	1,688	22,057
Recovery of transfers	13,377	25,667
TOTAL	15,066	47,724

Implementing its new tasks, the VREG approved a new pricing methodology on 30 September 2014 based on income related regulation.

The new method provides for two budgets: an exogenous and an endogenous (non-exogenous) budget. Exogenous costs are costs on which the network operator can have no impact whatever. These costs are listed exhaustively and consist of: REG premiums, green power certificates and combined heat and power certificates, free kWh, transmission costs, levies, taxes (except for corporate income tax, property tax), certain pension contributions and pre-financing costs for the stock of green power certificates and combined heat and power certificates and the regulatory balances. The exogenous costs are passed on to the customers. All other costs (operating costs, depreciation, financing costs, etc.) are 'endogenous'. From now on the VREG itself determines the endogenous budget. For this it relies on the past and extends the sector trend of the past into the future.

As you can see at the top, for 2017 a surplus is realised on the total exogenous budget (the surplus in the first 6 months of 2017 was mainly attributable to a surplus realised on the budget in the turnover of natural gas), whereby the turnover has decreased.

The VREG has established the remuneration for equity and loan capital for 2017 as follows: the shareholders' equity – limited in amount to 40 % of the Regulated Asset Base (RAB) - is reimbursed at 5.2 % after taxes. The loan capital - calculated at 60 % of RAB - and the net working capital are reimbursed at 3 %. The pre-financing of the unsold GPC and CHPC will be reimbursed at an interest rate equal to the legal interest rate in civil and commercial matters, being 1.74 % for 2017. The pre-financing of the regulatory deficits (deficits realised as of 2015) on the exogenous costs (passing on the exogenous costs at actual value will occasion differences between the rates and the accounting cost) will be reimbursed at an interest rate equal to the legal interest rate in civil and commercial matters, being 1.57 % for 2017. The pre-financing of the regulatory assets/liabilities (regulatory assets/liabilities realised before 2015) on the exogenous costs (passing on the exogenous costs at actual value will occasion differences between the rates and the accounting cost) will be reimbursed at an interest rate equal to the legal interest rate in civil and commercial matters, being 2 % for 2017.

The VREG has also decided to settle the deficits and the surpluses accumulated in the period 2010-2014 over a period of 5 years starting with 2016. The deficits and surpluses accumulated in the year 2015 will be recuperated/settled as of 2017.

For all of Infracore the permitted income in 2017 in Flanders for electricity distribution amounts to 417.3 million euro and for natural gas distribution 88,3 million euro.

4.1.3 Other operating income

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Change in the stock of work in progress	1,717	525
Other operating income	84,594	183,852
TOTAL	86,311	184,377

The other operating income mainly concerns the Telenet operating fee received (9,724 k euro), the sale of green power certificates and combined heat and power certificates (54,405 k euro), the revenues received in the framework of the yearly solidarity exercise related to green power certificates, and the combined heat and power certificates (14,149 k euro).

4.1.4 Non-recurring operating income

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Capital gains on disposal of fixed assets	197	16
Extraordinary income related to receivables	80	59
Other extraordinary income	3,968	7,231
TOTAL	4,245	7,306

A major portion of the gains relate to the withdrawal of articles in stock. This revenue is neutralised by an equal amount in the operating charges (Trade goods and raw materials). Another portion of the gains relate to recovery of precious materials when scrapping products.

The extraordinary income on receivables concerns payments received for which the outstanding receivable had already been written off in the past because it was considered to be no longer collectable.

The other extraordinary income relates mainly to financial reconciliation (settlement of real transported volumes of electricity and gas through FERESO) for an amount of 3,473 k euro.

4.2 Operating charges

4.2.1 Trade goods and raw materials

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Purchase of energy	2,935	2,860
Purchase of grid losses	7,167	7,864
TOTAL	10,102	10,724

Purchase of energy concerns the purchases of electricity and gas for social customers.

The purchase of grid losses is the payments Infrax makes to the energy suppliers for electricity grid losses.

4.2.2 Services and other goods

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Contractors' costs for construction and maintenance of grids	72,817	61,613
Fees including use of installations	3,607	2,192
Advertisements, information, documentation, etc.	1,238	1,262
Public service obligations	149,531	230,772
Contracts and management costs	1,467	1,508
Consultancy and other services	1,988	3,100
Staff of third parties	6,691	4,461
Transportation fee for Elia	61,258	61,222
Other	44,063	43,885
Transfer to fixed assets	-120,052	-102,039
TOTAL	222,608	307,976

Services and other goods decreased by 85,369 k euro compared with the first 6 months of 2016. This decrease is mainly the result of a decrease in the costs related to public service obligations. The costs related to public service obligations include the costs for rational use of energy and the costs related to green power certificates, and combined heat and power certificates. The decrease with respect to the first 6 months of 2016 has to do with the stock increase of green power certificates and combined heat and power certificates during the first half year of 2017.

4.2.3 Remuneration, social security and pensions

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Salaries	49,634	49,459
Employers' contributions to social insurance	16,289	17,211
Other personnel costs (among others charges for pension schemes and supplementary insurance, meal vouchers,.....)	4,714	4,923
TOTAL	70,637	71,592

The personnel costs amounted to 70,637 k euro in the first half year of 2017, a decrease of 1,3% in relation to the first 6 months of 2016. The average number of active members of staff was 1,392.93 FTEs in the first half year of 2017 compared with 1,462.42 FTEs in the first half year of 2016.

4.2.4 Amortization and depreciation of non-current assets

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Amortization and depreciation of non-current assets	56,806	56,497
TOTAL	56,806	56,497

The amortization of intangible fixed assets decreased by 156 k euro. The depreciations on the property, plant and equipment increased by 465 k euro.

4.2.5 Impairment of stocks, work in progress and trade receivables

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Impairment of stocks	- 87	1,030
Impairment of trade receivables < 1year	671	1,747
TOTAL	584	2,777

In the first 6 months of 2017 the provision for impairment of stocks amounted to 2,872 k euro and at the same time the provision for 2016 was reversed for an amount of 2,959 k euro, which means that the net impact in the profit and loss accounts amounts to (87) k euro. The impairment of trade receivables concerns the write-offs of definitely irrecoverable receivables. The significant decrease with respect to 2016 has to do with a catch-up manoeuvre concerning the final write-off of irrecoverable receivables during the first 6 months of 2016.

4.2.6 Provisions for liabilities and charges

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Provision for doubtful debtors	2,545	-159
TOTAL	2,545	-159

The provision for doubtful debtors increases by 2,704 k euro compared to the first half year of 2016. On the one hand, this increase has to do with a catch-up manoeuvre concerning the final write-off of irrecoverable receivables during the first 6 months of 2016. On the other hand, as of 2017, for the calculation of the provision for doubtful debtors, we take into account the outstanding receivables related to new connections. As of the end of 2016, we no longer invoice customers for new connections in advance (previously, every request for a new connection was invoiced in advance).

4.2.7 Other operating charges

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Various taxes	417	184
Sewerage fund	2,648	2,648
TOTAL	3,065	2,832

Various taxes include mainly road tax and property tax.

In her circular letter of April 2014, the Minister of Environment stated that the municipal sanitation income may only be used for (new) investment and maintenance expenses relative to sewerage systems. Investments is also deemed to mean the restoration of the superstructure or the construction of a new superstructure.

The Boards of Directors of Inter-aqua, Riobra, Infrac West and Iveg are complying with that demand and from now on will no longer pay any dividends from the sewerage activity.

Any profits will be reserved and kept available in sewerage funds. The formation of a sewerage fund will also provide a major impetus for additional investments in sewerage infrastructure.

In the first 6 months of 2017 Inter-aqua and Riobra formed a sewerage fund in the amount of 1,410 k euro for Inter-aqua and 1,238 k euro for Riobra.

4.2.8 Non-recurring operating charges

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Capital losses on the disposal/retirement of fixed assets	1,956	2,645
Other extraordinary charges	11,280	10,805
TOTAL	13,236	13,450

The capital losses booked in both the first half year of 2017 and 2016 mainly concern decommissioned assets.

The other extraordinary charges relate mainly to pension contributions for an amount of 10,770 k euro to guarantee pension obligations for the statutory staff.

4.3 Financial income

4.3.1 Income from financial fixed assets

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Income from financial fixed assets	6,939	6,919
TOTAL	6,939	6,919

The income from financial fixed assets concerns the dividends received from various participating interests in other companies including Interkabel Flanders and Publi-T

4.3.2 Income from current assets

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Income from current assets	110	104
TOTAL	110	104

The income from current assets concerns interest on various outstanding receivables and investment earnings.

4.3.3 Other financial income

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Investment grants and interest subsidies	1,847	2,247
Other various financial revenues	7,775	7,323
TOTAL	9,622	9,570

The other financial income concerns, on the one hand, depreciation on the investment grants and interest subsidies and, on the other hand, the long term lease payments made by Telenet. Under the 2008 agreement with Telenet, Infrax receives a fair profit margin (6.25 %) on the value of the cable network that has been leased to Telenet until 2046.

4.4 Financial charges

4.4.1 Debt charges

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Leasing debts	299	357
Interest charges from long and short-term loans	14,899	16,676
TOTAL	15,198	17,033

The interest charges from long and short-term loans concern mainly the financial costs related to bank loans. On the other hand, the costs relating to the issuance of bonds are also included in the section "Interest charges from long and short-term loans" for an amount of 8,057 k euro.

These costs relate to both the interest charges and the costs relating to the issuance of bonds at a discount (disagio) and the other financial costs related to the issuance of bonds in 2013 and 2014.

4.4.2 Other financial charges

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Bank costs	8	7
Other various financial charges	9	128
TOTAL	17	135

The other various financial charges mainly include interest on arrears.

4.5 Withdrawal and/or transfer to deferred taxation

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Withdrawal from deferred taxes	158	421
TOTAL	158	421

Since 1 January 2015, public mission associations are no longer automatically exempt from corporate income tax.

All Infrac-DSOs, with the exception of those that exclusively carry out sewerage management (Riobra and Inter-aqua) are therefore subject to corporate income tax since 1 January 2015.

The withdrawal from deferred taxes in 2017 concerns the portion of deferred taxes related to depreciation on investment grants.

4.6 Taxes

(In Thousands of EUR)	1 st sem 2017	1 st sem 2016
Taxes	22,408	17,492
Adjustment of income taxes and write-back of tax provisions	-25	-
TOTAL	22,383	17,492

The taxes in the first 6 months of 2017 relate mainly to the provision corporate income tax.

4.7 Formation expenses

(In Thousands of EUR)	30/06/2017	31/12/2016
Formation expenses	0	5
TOTAL	0	5

The decrease in the formation expenses is due to the full depreciation of the restructuring costs in 2017.

4.8 Intangible fixed assets

2017 (In Thousands of EUR)	Concessions, patents, licences, brand
Acquisition value on 1 January 2017	89,472
Acquisitions	4,207
Other	-
Acquisition value on 30 June 2017	93,679
Accumulated depreciation on 1 January 2017	66,142
Amortization	3,722
Other	-
Accumulated amortization and impairment on 30 June 2017	69,864
Net book value on 30 June 2017	23,815

The investments for such things as smart meters and grid and clearing house (Atrias) projects are booked as intangible fixed assets.

Intangible fixed assets also include software licensing costs and costs for the inventory and modelling of sewerage networks.

4.9 Property, plant and equipment

2017 (In Thousands of EUR)	Land and buildings	Plant machinery and equipment	Furniture and vehicles	Other *	TOTAL
Acquisition value on 1 January 2017	150,749	5,152,464	107,894	228,486	5,639,593
Acquisitions	550	40,578	40,578	58,805	100,457
Sales and disposals	-169	-6,597	-6,597	-28,993	-35,759
Acquisition value on 30 June 2017	151,130	5,186,445	108,418	258,298	5,704,291
Accumulated depreciation and impairments on 1 January 2017	67,221	2,319,816	98,946	15,976	2,501,959
Depreciation	1,127	49,828	1,395	729	53,079
Sales and disposals	-34	-4,424	-	-	-4,458
Accumulated depreciation and impairments on 30 June 2017	68,314	2,365,220	100,341	16,705	2,550,580
Net book value on 30 June 2017	82,816	2,821,225	8,077	241,593	3,153,711

* Leasing and similar rights, other property, plant and equipment, assets under construction and advance payments.

The acquisitions under the heading "Plant, machinery and equipment" relate mainly to investments in the distribution grids for electricity, natural gas, sewerage and cable TV.

The net book value includes such things as the contributions paid by customers with respect to certain assets (contributions paid by third parties) and corresponds to the actual value of the distribution grids of Infrac.

4.10 Financial fixed assets

(In Thousands of EUR)	30/06/2017	31/12/2016
Affiliated enterprises	11,547	11,547
1. Participating interests	11,547	11,547
2. Amounts receivable	-	-
Other enterprises linked by participating interests	12,942	12,942
1. Participating interests	12,942	12,942
2. Amounts receivable	-	-
Other financial assets	80,768	80,765
1. Shares	80,421	80,421
2. Amounts receivable and cash guarantees	347	344
TOTAL	105,257	105,254

The participation in **affiliated enterprises** concerns the 99,98% holding of the *Provinciale Brabantse Energiemaatschappij* in Intergas. Intergas is the Intermunicipal cooperative for gas distribution in Flemish Brabant and is also a participant in *Inter-energa*. Since mid-2003, Intergas has been transformed from an operating company (gas) into a participating company.

The operating activities were transferred to the grid operator Inter-energa. In addition to the financial monitoring of its assets, Intergas acts as the reference shareholder of Inter-energa and represents the interests of its 16 Flemish-Brabant municipalities.

The enterprises with which there are **participating interests** are Interkabel (12,939 k euro) and Inter-regies (3 k euro).

Interkabel Flanders consists of the mission entrusted associations, namely Infrac West, PBE, Inter-media and Integan, which represents a third of the Flemish cable market.

In addition to the major telecom section, Interkabel also remains active in the implementation of projects in the field of cable TV. Thus, the headends of the cable companies are linked together with fibre optic. This backbone ring transports the signals of a number of TV and radio stations. In addition, Interkabel coordinates the investments of the mission entrusted companies in Telenet.

Inter-regies is the umbrella association of the public electricity, gas and cable distribution sector, established on October 22, 1955 in Brussels, initially under the name "Interpublic". Inter-regies represents Belgian companies active in:

- the management of the electricity distribution grids
- the management of the natural gas distribution grids
- cable television

The **Other financial assets** mainly concern Publi-T shares (79.926 k euro).

Publi-T has as its assignment, management of the share of the Belgian local authorities in Elia, the national transmission grid operator, as well as being the regional administrator of some distribution grids. Publi-T, as a strategic shareholder, constantly monitors the interests of the municipal sector in this market segment.

The shares of Infrac in warmte@vlaanderen and Fluvius represent every time 9 k euro.

4.11 Stocks and work in progress

(In Thousands of EUR)	30/06/2017	31/12/2016
Raw materials and consumables	35,711	35,216
Impairment of stocks	-2,870	-2,957
Projects in progress	4,656	2,939
TOTAL	37,497	35,198

In the first 6 months of 2017 the provision for impairment of stocks amounted to 2,869 k euro and at the same time the provision for 2016 was reversed for an amount of 2,957 k euro, which means that the net impact in the profit and loss accounts amounts to (87) k euro.

The projects in progress relate to the current ESCO projects, the projects with regard to public lighting for the municipalities and the projects in progress for the autonomous municipal company Etiz. Since 2012, the autonomous municipal company Etiz does no longer pursue any activity, but is still owner of the electricity grid in Izegem. The operational activities of Etiz have been taken over by Infrac.

Energy Service Company (ESCO) offers a complete package of energy services to promote the energy efficiency of municipal buildings.

4.12 Trade and other receivables

(In Thousands of EUR)	30/06/2017	31/12/2016
Receivables outstanding more than one year	199,015	181,658
Amounts receivable within one year	164,450	168,165
TOTAL	363,465	349,823

The long-term receivables concern mainly the claims on Telenet (195,255 k euro) in the context of the long-term lease agreement concluded in 2008 under which the full bandwidth (excluding bandwidth reserved for Infra-X-net) of the cable network was leased exclusively to Telenet up to the year 2046. Infrac retains the "bare" ownership of the cable network; Telenet has obtained the usufruct on the cable network.

The lease fee is a recurring annual fee on the initial value of the cable network at the start of the agreement on the one hand and, on the other hand, a fee for the annual additional investments in the cable network. This long-term lease agreement is an "expansion lease" - i.e., it increases annually by the amounts of the investments made.

These investments are paid back by Telenet over a period of 15 years plus a fair beneficiary margin of 6.25 %.

The amounts receivable within one year consist of:

(In Thousands of EUR)	30/06/2017	31/12/2016
Trade receivables from distribution grid activities	67,348	69,964
Trade receivables as a supplier of social services	8,861	7,817
Other trade receivables	59,331	63,551
Other receivables	28,910	26,833
TOTAL	164,450	168,165

The other trade receivables consist mainly of receivables with respect to work carried out and services provided, and costs passed on to third parties.

The other receivables relate mainly to the repayments to be received in the following 12 months from Telenet in implementation of the long-term lease agreement

4.13 Current investments, cash and cash equivalents

(In Thousands of EUR)	30/06/2017	31/12/2016
Current investments	7,011	12,011
Cash and cash equivalents	57,329	45,307
TOTAL	64,341	57,318

The total liquid assets include short term bank balances, cash accounts and investments in funds that can be converted immediately into cash. All funds are expressed in euro.

4.14 Deferred charges and accrued income

(In Thousands of EUR)	30/06/2017	31/12/2016
Regulatory assets (regulatory transfers)	229,981	257,417
Stock of GPC and CHPC + solidarization	134,141	164,056
Miscellaneous	20,198	5,053
TOTAL	384,320	426,526

The details of the regulatory assets on 30 June 2017 are as follows:

(In Thousands of EUR)	2017	2010 – 2016	TOTAL
Electricity (including Voeren)	5,811	325,383	331,194
Recovery balances electricity 2010-2015 (inclusive transportation network)	-30,972	-83,718	-114,690
Natural gas	-	18,873	18,873
Recovery balances natural gas 2010-2015	-2,275	-3,812	-6,087
Transportation network	-	691	691
TOTAL	-27,436	257,417	229,981

We notice a decrease in the regulatory assets in the first 6 months of 2017 that is mainly a consequence of the recuperation of the deficits from the past (2010 – 2015).

The amounts relative to the years 2010 to 2014 will be recuperated over a period of 5 years starting with 2016. The balances of 2015 will be recuperated starting in 2017.

Stock of green power certificates + solidarization

The stock of certificates has slightly increased in the first half year of 2017. At the end of June 2017 the stock of green power certificates and the combined heat and power certificates represent 111.3 million euro compared to 109.4 million euro at the end of 2016.

The GPC and HPC are valued at 88 euro and 20 euro apiece respectively.

The Flemish Government approved the introduction of a SGEI ('service of general economic interest') payment for the distribution system operators for performing their public service obligation for buying and selling GPCs.

The SGEI regulation, which is carried out via the Flemish Energy Agency (Vlaamse Energie Agentschap - VEA), is limited to GPCs for photovoltaic systems emanating from households and up to an amount of 15 million euro per DSO per year. This means that annually, Infracan sell up to 60 (= 4 x 15) million euro of GPCs to VEA, which then takes them off the market and destroys them.

This regulation also provides that distribution system operators may trade eligible certificates among themselves.

4.15 Equity

The various components of the shareholders' equity and the movements from 1 January 2017 to 30 June 2017 were displayed in the "Aggregated statement of changes in equity".

The share capital amounted to 1,081,560 k euro at the end of June 2017 and has increased by 200 k euro relative to the end of the year 2016. The posted capital amounts to 1,081,843 k euro and the uncalled capital amounts to - 283 k euro.

The table below gives an overview of the capital in euro per activity in the capital (in units) of each DNB at the end of June 2017.

	Electricity	Natural gas	Sewerage	CTV	Public lighting
Capital in euro					
Inter-aqua			378,291,475		
Inter-Energa	83,216,634	70,918,229			22,165,929
Inter-media				18,780,854	
Infrax Limburg	21,839,733		3,823,575	1,347,895	
Infrax West	77,963,175	12,000,000	137,528,725	13,247,450	
Iveg	38,040,000	17,772,500	30,810,000		10,885,000
Riobra			142,855,647		
PBE	70,061			2,806	
TOTAL	221,129,603	100,690,729	693,309,422	33,379,005	33,050,929

In the first 6 months of 2017 the amount of 200 k euro uncalled capital has been deposited for the sewerage activity

The revaluation surpluses have remained unchanged.

The revaluation surpluses relate on the one hand to historic capital gains and to the RAB capital gains. The RAB value represents the value of the capital invested in the distribution grids for electricity and gas.

The initial surplus value on the regulated assets are the subject of an annual yearly evaluation and depreciated at 2% per year. Every four years the depreciation on the RAB surplus will be tested against the actual value with respect to the depreciated assets and if necessary the corrections will be made to the currently used percentage of 2%.

The revaluation surplus is transferred annually at year end to an unavailable reserve account in proportion to the booked depreciations on the revalued portion of the installations booked against the profit and loss account.

The overview of the reserves is as follows:

(In Thousands of EUR)	Legal reserves	Unavailable reserves	Untaxed reserves	Available reserves	TOTAL
TOTAL on 1 January 2016	48,400	394,801	454	365,045	808,700
Endowment/decrease in reserves	2,139	11,824	233	36,772	50,968
TOTAL on 31 December 2016	50,539	406,625	687	401,817	859,668
Endowment/decrease in reserves					
TOTAL on 30 June 2017	50,539	406,625	687	401,817	859,668

A legal reserve is formed in relation to a profit to be allocated, amounting to from 5% up to a maximum of 10% of the fixed portion of the capital as determined by the articles of association.

Since 2008 amounts have been recorded as unavailable reserves equal to the depreciation of the (RAB surplus) revaluation surplus in accordance with the settlement with the CREG.

4.16 Provisions and deferred taxes

(In Thousands of EUR)	30/06/2017	31/12/2016
Provision for Telenet - Proximus	14,090	14,090
Provision for doubtful debtors	9,324	6,801
Deferred taxes	13,466	12,182
Other	308	389
TOTAL	37,188	33,462

The provision for Telenet – Proximus:

In response to the acquisition of the cable television customers and the establishment of a long-term lease on the cable network by Telenet, Belgacom, today Proximus, has initiated a claim at the Court of First Instance for the annulment of the contracts and to obtain a remuneration for damages. At first instance, this claim was rejected (verdict of 6/4/2009). In response to that, Proximus initiated a higher appeal at the Court of Appeals at Antwerp. But the case has been assigned to the cause list. In response to a judgement of the Council of State in this case (dd. 26 May 2014), Proximus has submitted a Statement in Support of Claim accompanied by a report by Frontier Economics. Proximus demands in its statement that the complete documents related to the agreement between Telenet, Interkabel and the cable companies be made available. At the same time, it is asking for these agreements to be declared invalid and, based on an expert report that it commissioned, it is seeking compensation of 1.4 billion euro. The aforementioned contracts do contain, via an indemnity mechanism borne by Telenet, a limitation of liability for the cable companies. The Board of Directors has therefore decided to book a provision out of precautionary considerations in function of that contractual arrangement. The Board of Directors is persuaded that the risks and associated uncertainties, taking into account all known current elements, have been sufficiently provided for in Interkabel and/or the annual accounts of the DSOs concerned.

The provision for doubtful debtors has increased by 2,523 k euro in the first 6 months of 2017. For a calculation of the provision, see the valuation rules.

The other provisions include provisions for life insurance.

4.17 Non-current liabilities

(In Thousands of EUR)	30/06/2017	31/12/2016
Financial debts	841,922	873,790
Other debts	7,918	7,918
TOTAL	849,840	881,708

The financial debts consist of:

- leasing debts for an amount of 3,611 k euro;
- long term EMTN bonds (see explanation at the bottom of this detail) in the amount of 498,789 k euro;
- subordinated loan to associates for an amount of 25,061 euro for the dividends still to be paid out in the years 2017-2019;
- bank loans with a balance of 314,461 k euro.

The other debts relate mainly to the acquisition of the grids of Kampenhout and Steenokkerzeel from Sibelgas in the amount of 7,897 k euro.

4.17.1 EMTN - Euro Medium Term Note

With a view to financing investment expenditures in electricity, cable distribution, natural gas and sewerage networks and the financing of the working capital, Infracvba started an EMTN programme in 2013 for the issue of bonds for a total amount of 500,000,000 euro spread over 4 years.

This program is part of a diversification of financing sources, in addition to the existing conventional financing through bank loans, short-term credit lines and issuing commercial paper.

The programme, approved by the FSMA on 1 October 2013, is fully guaranteed by the partners of Infracvba.

In 2013 the first issue took place amounting to 250 million euro with a nominal interest rate of 3.75% and a duration of 10 years.

After obtaining the rating in October 2014, Infracvba released the second issue of bonds. The updated prospectus was approved by the FSMA on 22 October 2014. The issue was very successful now as well. 250 million euro in bonds was issued for a duration of 15 years at a nominal interest rate of 2.625 %.

Because of the rating there was more international interest than during the first issue in 2013.

In addition to this EMTN programme Infracvba has a commercial paper programme of up to 200 million euro - see amounts payable within 1 year, and a credit line up to 200 million euro at Dexia Bank and KBC Bank.

4.18 Current liabilities

(In Thousands of EUR)	30/06/2017	31/12/2016
Current portion of long term payables	74,057	75,290
Financial debts	25,250	25,250
Trade payables	72,456	69,904
Advance payments on work in progress	1,405	1,636
Taxes, remuneration and social security	61,903	79,702
Other amounts payable	23,427	47,613
TOTAL	258,497	299,395

For a summary of the section “Current portion of long term payables” we refer to the explanatory notes on Non-current liabilities - Financial + Other debts above.

The balance of financial debts of maximum one year relate to the debts to financial institutions relative to commercial paper that is to be settled within a year. These are MTN notes (Medium Term Notes) with an original maturity of 5 years.

The trade payables have increased by 2,552 k euro.

The advance payments on work in progress mainly concern the invoiced advances in connection with sewerage works to be carried out.

The taxes, remuneration and social security liabilities have decreased by 17,799 k euro in comparison to the end of 2016 mainly because of a decrease in the liability booked relative to remuneration and social security.

The other debts have decreased by 24,187 k euro in the first 6 months of 2017. At the end of 2016, these debts related mainly to the allocated dividends for an amount of 16,762 k euro paid out in the first half year of 2017. In addition, in the first half year advances on the dividend 2017 are being paid out.

4.19 Accruals and deferred income

(In Thousands of EUR)	30/06/2017	31/12/2016
Operating differences (regulatory transfers)	96,635	109,164
Turnover-energy in the meters	38,037	32,765
Miscellaneous	38,797	25,688
TOTAL	173,469	167,617

The details of the regulatory liabilities on 30 June 2017 are as follows:

(In Thousands of EUR)	2017	2010 - 2016	TOTAL
Electricity (inclusive Voeren)	878	74,783	75,661
Return balances electricity 2010-2015 (inclusive transportation network)	-15,894	-5,683	-21,577
Natural gas	6,322	69,151	75,473
Return balances natural gas 2010-2015	-4,135	-30,672	-34,807
Transportation network	300	1,585	1,885
TOTAL	-12,529	109,164	96,635

Operating differences consist of the surpluses natural gas and electricity, see also 4.14, that will be settled in the future rates. The decrease is mainly due to the return of the surpluses 2010-2015.

The heading "Turnover-energy in the meters" relates to the amount of turnover represented by the energy supplied and registered on the meters, but not yet invoiced to the customers, offset with the advances received.

The miscellaneous balance primarily concerns balances of federal contribution and financial charges still to be paid.