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Regulated information *Melle, 30 March 2018*

FINANCIAL REPORT OF THE EANDIS SYSTEM OPERATOR-GROUP[1]

AS PER 31 DECEMBER 2017[2]

HIGHLIGHTS

- Eandis System Operator and its peer Infrax are working on a merger of both companies, which would create one single operating company, to be called Fluvius System Operator, for the entire Flemish region.
- Eandis successfully issues a new **retail bond** for the refinancing of a maturing retail bond.
- A further decrease in Eandis System Operator's **headcount**.
- **Operating revenue** for the Eandis Consolidated Group increased by 2,9 per cent, while its **operating expenses** increased by 3,2 per cent.
- **No profit or loss**, since all costs are fully passed on to the distribution system operators (abbreviated to DSOs) based on the 'transfer at cost' principle.

MANAGEMENT REPORT

The Flemish energy distribution sector is undergoing a **major restructuring**. Eandis System Operator and Infrax have formally announced their intention to fully integrate and merge both companies into one single entity, **Fluvius System Operator**. The merger plan will be submitted to both companies' General Assemblies at the end of June 2018. Once the approvals have been obtained, Fluvius will start its operations on 1 July 2018.

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[1] The Eandis System Operator Group comprises Eandis System Operator cvba and its consolidated subsidiaries De Stroomlijn cvba, Atrias cvba and Synductis cvba. As per 31 December 2017, the subsidiaries Warmte@Vlaanderen cvba and Fluvius cvba have not been consolidated, since there have not yet been any activities at these companies.

[2] All comparisons are with the figures reported as per 31 December 2016, unless stated otherwise.

Another part of the major restructuring of the energy distribution sector in Flanders is the **split-up of the financing associations**[3]. According to this plan, the DSOs would take over the public sector's participations in Elia (through Publi-T) and Fluxys (through Publigas). This would enter into effect on 1 April 2018 for Gaselwest/Figga, IMEA/Finea, Intergem/Fingem, Imewo/Finiwo and Iverlek/Finilek. The financing associations IKA and IBE/IBG do not participate in this operation.

The Flemish Government has taken a decision on the roll-out for the **digital meter** in Flanders, and on the technical specifications for these meters as well. This allows Eandis System Operator and Infrax to jointly prepare for the start of the actual roll-out in 2019.

Sustainability, climate objectives and the **battle against energy poverty** remain focal points in Eandis System Operator's strategy and day-to-day operations. Testifying of Eandis's sustainability performance, the German ESG rating agency Oekom Research has awarded Prime Status to Eandis System Operator. This means that Eandis fulfills Oekom's demanding requirements regarding sustainability performance in the utilities sector.

On 31 December 2017, Eandis System Operator counted **3.863 employees** or 3.693,21 full-time equivalents (FTEs). This corresponds to a year-on-year decrease by 104 employees (minus 2,6 per cent). This decrease is fully in line with the trend which started back in 2013. On the same date, the entire Eandis consolidated group consisting of Eandis System Operator, De Stroomlijn and Atrias, had a headcount of 4.167 employees. There are currently no employees at Synductis, Warmte@Vlaanderen and Fluvius.

The overall number of access points for which the DSOs – with Eandis System Operator as their operator - act as **social supplier** has increased from 111.178 (at the end of 2016) to 113.043 (or plus 1,7 per cent). For electricity the increase was 2,0 percent, for gas it was 1,3 per cent.

Two major incidents at mid-tension had a negative impact on the electricity **grid reliability** score. These incidents were in transformer stations in Ghent (September 2017) and Menen/Ypres (December 2017). As a consequence, the average outage time increased from 19 min 47 sec (2016) to 24 min 0 sec (2017).

There has been one change in the composition of the **governing bodies**. On proposal by the shareholding DSO Imewo, as of 19 May 2017 **Mr Paul Teerlinck** has replaced Mr Sven Taeldeman, who resigned on 20 February 2017, as a member of the Board of Directors. Mr Teerlinck has also replaced Mr Taeldeman in the Audit and HR Committees.

Eandis System Operator's current **credit ratings** are A3 (stable outlook) at Moody's and A+ (stable outlook) at Creditreform Rating.

In June 2017, Eandis System Operator issued a **200 million EUR retail bond**, which was received very well by the investment community in Belgium. This new bond has an 8 year maturity (until 23 June

[3] The financing associations are intermunicipal entities closely related to the DSOs. Their main activity is the financing of the municipal participations in the energy sector (notably renewable energy projects and the participations in electricity transmission company Elia and gas transport company Fluxys). These associations are Finiwo, Finea, Fingem, Finilek, Figga, IBE/IBG and IKA.

2025) with a 2,00 per cent fixed rate coupon. The proceeds of this new bond were primarily used for the refinancing of the 2010-2017 4,00 per cent 150 million EUR retail bond which matured and was repaid on 23 June 2017.

RISK FACTORS

The risk factors as described in the Eandis System Operator 2016 Annual Report and the Prospectus dated 2 June 2017 are still valid for the year 2017.

MAJOR EVENTS AFTER REPORTING DATE

It has become clear that the reservations that still existed at the end of 2017 regarding the proposed merger of Eandis System Operator and Infrax due to a possible decision by the Belgian Competition Authority, are no longer valid.

The companies Warmte@Vlaanderen and Fluvius, both having Eandis System Operator and Infrax as shareholders, will be liquidated as soon as possible. Both companies are now in discontinuation.

Mr Christophe Peeters has provisionally been appointed as member of the Board of Eandis System Operator, replacing Mr Geert Versnick. The General Assembly (June 2018) will decide on Mr Peeters' formal appointment.

OUTLOOK

The company will undergo a major change, once the envisaged merger with its peer Infrax will be implemented as of 1 July 2018.

Barring unforeseen economic or regulatory developments, Eandis System Operator expects that in 2018 there will be no substantial deviations from the defined financial and budgetary objectives. The company will continue to closely monitor all relevant financial, economic and regulatory developments.

Management expects to be able to continue to keep the Eandis (Economic) Group's manageable costs and its overall and company-specific risks strictly under control by making use of its extensive array of risk detection and risk management tools.

REPORTING STATUS

These financial statements for the year ended 31 December 2017 were approved for publication by Eandis System Operator's Board of Directors on 28 March 2018.

On 28 March 2018 Eandis's statutory auditor EY Bedrijfsrevisoren, represented by Mr Paul Eelen, issued an unqualified audit opinion in an audit report on the consolidated financial statements of

Eandis System Operator cvba for the year ended 31 December 2017. In this report the auditor states that the consolidated financial statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2017, as well as its consolidated results and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European union.

STATEMENT BY THE RESPONSIBLE PERSONS

The undersigned persons state that, to the best of their knowledge,

- *the financial statements of Eandis System Operator cvba and its consolidated subsidiaries as of 31 December 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies included in the consolidation; and*
- *the management report gives a fair overview of the information required to be included herein.*

Melle, 28 March 2018,

Walter VAN DEN BOSSCHE, CEO

David TERMONT, CFO

PROFILE OF THE REPORTING ENTITY

The consolidated accounts of Eandis System Operator Group as per 31 December 2017 comprise the information of the company Eandis System Operator cvba and its subsidiaries and investments in joint ventures and associates (De Stroomlijn cvba, Atrias cvba, Synductis cvba, Warmte@Vlaanderen cvba and Fluvius cvba). Together they form the 'Eandis System Operator Group' or the 'Group'.

Eandis System Operator cvba is the independent company that carries out operational tasks and public service obligations for electricity and gas at cost price for 7 distribution system operators. These are: Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas.

Due to the principle of 'operating at cost price', the Group's result shows no profit or loss.

ANNEX

Audit Report

Condensed consolidated IFRS financial statements for the year ended 31 December 2017:

- Consolidated statement of profit or loss
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the consolidated financial statements
- Information concerning the parent company

CONTACT

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Independent auditor's report to the general meeting of Eandis System Operator CVBA for the year ended 31 December 2017

As required by law and the Company's by-laws, we report to you as statutory auditor of Eandis System Operator CVBA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of the financial position as at 31 December 2017, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2017 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 19 May 2017, in accordance with the proposition by the Board of Directors **and on recommendation of the audit committee and the workers council.** Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2019. We performed the audit of the Consolidated Financial Statements of the Group during 7 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Eandis System Operator CVBA, which consists of the consolidated statement of the financial position as at 31 December 2017, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2017 and the disclosures, which show a consolidated balance sheet total of € 4.060.640 thousands and of which the consolidated income statement shows a result of the year of € 0 thousands.

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

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Employee benefit liability

- Description of the matter and audit risk:

The employee benefit liability amounts to € € 210,9 million as at 31 December 2017. The Group recognizes the provision for the long-term employee benefits based on the requirement of IAS19 Pensions. The plans of the Group are described in note 19 of the Consolidated Financial Statements.

The valuation of this provision is complex and requires judgments of management. Due to its complexity, the Company is assisted by an external actuary for the calculation of the provision. The valuation of the provision is based on the personnel data included in the pension plans and to which certain actuarial assumptions are applied such as expected inflation, discount rates, projected average salary increases and personnel turnover.

A change in these assumptions or the use of incorrect personnel data would have a material impact on the Consolidated Financial Statements.

Therefore, the valuation of the employee benefit liability is a key audit matter in our audit.

- Summary of audit procedures performed:

Our audit procedures included, amongst others:

- An analysis of the existing plans within the group and discussion with management of potential changes to these plans.
- Testing of the underlying personnel data by means of an analytical review compared to prior year and by a reconciliation (of o.a. gender, salary, age and gender) of a sample to underlying documentation.
- Assessing the competence and independence of the external actuary.
- Involving our internal actuarial specialists to assess the appropriateness of the actuarial models used in accordance with IAS19 and to assess the reasonableness of the significant assumptions (expected inflation, discount rates, projected average salary increases, mortality tables and personnel turnover) used to value the provision.
- Assessment of the adequacy and completeness of the Group's disclosures in note 19 of the Consolidated Financial Statements.

Financing activities

- Description of the matter and audit risk:

The balance sheet of the Group is significantly affected by the Group's financing activity. As at 31 December 2017, the long term interest bearing loans and borrowings of the group amount to € 3.449,3 million and there are no short term interest bearing loans and borrowings, as described in note 18 of the Consolidated Financial Statements. These interest bearing loans and borrowings are subsequently used to grant interest bearing loans to the Distribution System Operators ("DSO's"), for a total amount of € 3.470,9 million classified as long term receivable outstanding, as described in note 13 of the Consolidated Financial Statements. Given the magnitude of these amounts compared to total assets and total liabilities on the one hand and the follow-up and the assessment of management regarding the repayment capacity of the DSO's on the other hand, this is considered as a key audit matter for our audit.

- Summary of audit procedures performed:

We performed following procedures:

- Assessing the accounting treatment of the interest bearing loans and receivables and corresponding transaction costs.
- Reconciling the interest cost and interest income of these loans with the respective terms and conditions as included in the underlying agreements.
- Reconciling the nominal amounts of the loans with underlying contracts, confirmations and payments.
- We received from management of the Group, the long term financing plan for the Group, including those of the Distribution System Operators in order to determine the repayment capacities. These plans were assessed taken into consideration the statutory financial statements of the DSO's as well as discussions with management and those charged with governance.
- Assessing the adequacy and completeness of notes 13 and 18 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium. This responsibility includes: designing, implementing and maintaining internal control which the Board of Directors determines to be necessary to enable the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company s ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Director's report and other information included in the annual report, as well as to report on these elements.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report is consistent with the Consolidated Financial Statements and has been in prepared accordance with article 119 of the Belgian Companies Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report and other information included in the annual report,

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not express any form of reasonable assurance regarding the individual elements included in the annual report.

The non-financial information required by article 119 §2 of the BCC has been included in the Board of Director's report on the Consolidated Financial Statements, which is part of section B of the annual report. The Group has prepared this non-financial information based on the Global Reporting Initiative standards (hereafter "GRI"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with GRI. Furthermore, we do not express any certainty about individual elements included in this non-financial information.

Independence matters

Our auditor's office and our network has not performed any services that are not compatible with the statutory audit of the Consolidated Financial Statements and has remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the statutory audit of the Consolidated Financial Statements as referred to in article 134 of the Belgian Companies Code were duly itemized and valued in the notes to the Annual Accounts.

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Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Gent, 28 March 2018

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
Represented by

Paul Eelen
Partner*
*Acting on behalf of a BVBA/SPRL

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EANDIS SYSTEM OPERATOR Group

Consolidated Financial Statements IFRS

Year end 31 December 2017

Content

Financial Statements

Consolidated statement of profit or loss

(In thousands of EUR)	Notes	2017	2016
Operating revenue		**1.027.178**	**998.121**
Revenue	3	1.006.062	975.843
Other operating income	3	21.116	22.278
Operating expenses		**−1.009.886**	**−978.829**
Cost of trade goods		−89.056	−88.851
Cost for services and other consumables	4	−554.667	−522.885
Employee benefit expenses	5	−367.179	−360.963
Depreciation, amortization, impairments and changes in provisions		1.672	−5.473
Other operational expenses		−656	−657
Result from operations		**17.292**	**19.292**
Finance income	6	107.918	109.107
Finance costs	6	−115.790	−119.206
Profit before tax		**9.420**	**9.193**
Income tax expenses	7	−9.420	−9.193
Profit for the period		**0**	**0**

Consolidated statement of comprehensive income

(In thousands of EUR)	Notes	2017	2016
Profit for the period		**0**	**0**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains (losses) on long-term employee benefits	19	5.147	−5.311
Actuarial gains (losses) on rights to reimbursement on post-employment employee benefits	12	−5.147	5.311
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**0**	**0**
Total comprehensive income for the period		**0**	**0**

Consolidated statement of financial position

(In thousands of EUR)	Notes	2017	2016
Non-current assets		**3.685.531**	**3.534.199**
Intangible assets	8	469	780
Property, plant and equipment	9	2.392	2.303
Investment in joint ventures and associates	10	30	30
Other investments	11, 21	832	832
Rights to reimbursement on post-employment employee benefits	12	210.947	259.363
Long-term receivables, other	13	3.470.861	3.270.891
Current assets		**375.109**	**818.190**
Inventories	14	33.646	35.295
Short-term receivables, other	13	0	150.000
Trade and other receivables	15, 21	290.671	322.646
Receivables cash pool activities		19.402	307.587
Cash and cash equivalents	16, 21	31.390	2.662
TOTAL ASSETS		**4.060.640**	**4.352.389**
EQUITY	**17**	**1.099**	**1.099**
Total equity attributable to owners of the parent		**1.006**	**1.006**
Share capital, reserves and retained earnings		1.006	1.006
Non-controlling interest		**93**	**93**
LIABILITIES		**4.059.541**	**4.351.290**
Non-current liabilities		**3.660.276**	**3.506.515**
Interest bearing loans and borrowings	18, 21	3.449.329	3.247.152
Employee benefit liabilities	19	210.947	259.363
Current liabilities		**399.265**	**844.775**
Interest bearing loans and borrowings	18, 21	0	561.321
Trade payables and other current liabilities	20, 21	289.535	269.868
Liabilities cash pool activities	20, 21	96.415	0
Current tax liabilities	20, 21	13.315	13.586
TOTAL EQUITY AND LIABILITIES		**4.060.640**	**4.352.389**

Consolidated statement of changes in equity

(In thousands of EUR)	Share Capital	Reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total
Balance at 1 January 2016	**18**	**2**	**0**	**20**	**1.079**	**1.099**
Change in consolidation scope	897	70	19	**986**	−986	**0**
Result for the period	0	0	0	**0**	0	**0**
Other comprehensive income	0	0	0	**0**	0	**0**
Subtotal	**897**	**70**	**19**	**986**	**−986**	**0**
Balance at 31 December 2016	**915**	**72**	**19**	**1.006**	**93**	**1.099**
Balance at 1 January 2017	**915**	**72**	**19**	**1.006**	**93**	**1.099**
Change in consolidation scope	0	0	0	**0**	0	**0**
Result for the period	0	0	0	**0**	0	**0**
Other comprehensive income	0	0	0	**0**	0	**0**
Subtotal	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 31 December 2017	**915**	**72**	**19**	**1.006**	**93**	**1.099**

Further information was disclosed in the note 'Equity'.

Consolidated statement of cash flows

(In thousands of EUR)	Notes	2017	2016
Profit for the period		0	0
Amortization of intangible assets	8	330	428
Depreciation on property, plant and equipment	9	853	920
Impairment current assets (Reversal -; Recognition +)	21	−2.855	4.125
Gains or losses on realization receivables		223	106
Net finance costs	6	7.872	10.099
Gains or losses on sale of property, plant and equipment		22	23
Income tax expense	7	9.420	9.193
Operating cash flow before change in working capital and provisions for employee benefits		**15.865**	**24.894**
Change in inventories	14	1.649	10.022
Change in trade and other receivables	15	40.784	−71.289
Change in trade payables and other current liabilities	20	13.490	32.999
Net operating cash flow		**55.923**	**−28.268**
Interest paid		−107.186	−116.792
Interest received		101.376	108.652
Financial discount on debts	6	365	291
Income tax paid	7	−9.691	−1.596
Net cash flow from operating activities		**56.652**	**−12.819**
Proceeds from sale of property, plant and equipment	9	2	10
Purchase of intangible assets	8	−19	−4
Purchase of property, plant and equipment	9	−966	−744
Acquisition of companies and other investments	10	0	−19
Proceeds from sale of other investments	11	0	168
Net investments in long term receivables	13	30	−141
Net cash flow used in investing activities		**−953**	**−730**
Repayment of borrowings	18	−150.000	0
Proceeds from bonds/borrowings	18	199.737	0
Change in current liabilities	18	−411.308	186.071
Change in cash pool	15, 20	384.600	−173.495
Provide long-term loans	13	−200.000	0
Repayment provided long-term loans	13	150.000	0
Net cash flow from/used in financing activities		**−26.971**	**12.576**
Net increase/decrease in cash	**16**	**28.728**	**−973**
Cash and cash equivalents at the beginning of period		**2.662**	**3.635**
Cash and cash equivalents - at the end of period		**31.390**	**2.662**

Notes to the consolidated financial statements

1 Corporate information

Eandis System Operator, formerly Eandis, a limited liability partnership (‘coöperatieve vennootschap met beperkte aansprakelijkheid’/’société coopérative à responsabilité limitée’) under Belgian law, is registered in Belgium, at Brusselsesteenweg 199, 9090 Melle. It is registered under number 0477.445.084 in the central enterprise register of Ghent (section Ghent). The consolidated financial statements of Eandis System Operator for the year ended 31 December 2017 contain the information of the company and its subsidiary, investments in joint ventures and associates (see note 'List of group entities included in the consolidation '), and together they form the 'Group'.

The shareholders of Eandis System Operator are seven Distribution System Operators or DSOs in the Flemish region (Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas), that are distributing both electricity and gas.

The role of Eandis System Operator is limited mainly to the development, the operation and the maintenance for the Flemish DSOs of the low voltage and mid voltage distribution networks for electricity as well as their low pressure and mid pressure distribution networks for gas. The grid assets themselves remain owned by the Flemish DSOs that are also the holders of the electricity and gas distribution system operator licences granted by the Flemish energy regulatory authority, VREG.

Eandis System Operator cvba operates in 229 cities and municipalities in the Flemish Region (Belgium) but also in 4 municipalities of the Walloon region. The Group employed on average 4.262 persons during 2017. The company carries out its operational activities at cost price without charging any commercial margin to the Distribution System Operators. This means that all costs incurred are passed through to the DSOs according to fixed allocation rules. Each month Eandis System Operator invoices each of the DSOs for the operational services rendered. The result of the Group is without profit or loss.

The DSOs have appointed Eandis System Operator as their operating company.
The Flemish energy regulator (VREG) decided in 2015 to grant permission to the distribution system operators Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek and Sibelgas to call on the services of the operating company Eandis System Operator for electricity and gas. This authorisation shall apply from 5 September 2014 for electricity and from 14 October 2015 for gas for a period of twelve years.
For more information, visit our website www.eandis.be

In October 2011, Eandis System Operator obtained an A1 rating (negative outlook) from the rating agency ‘Moody's Investors Service Ltd.' (Moody's). On 14 December 2016 this rating was downgraded to A3 with a stable outlook as a result of the non-execution of the merger of the seven DSOs in Eandis Assets and the discontinuation of the process to attract a private partner for this merged company. Despite the downgrade, Eandis System Operator remains a solid issuer with a rating that aligns with many of its European peers. See also the press releases of Eandis System Operator dated 14 December 2016 and 3 October 2016 on www.eandis.be.

On 18 January 2017, Eandis System Operator obtained a second rating. The German credit rating agency Creditreform Rating AG granted Eandis System Operator an A+ rating with stable outlook. On 19 January 2018 this rating was reconfirmed.

On 27 March 2017, the press reported on some policy initiatives introduced by the Flemish Energy Minister Tommelein regarding the future structure of the Flemish energy distribution and of Eandis

System Operator, and more particularly about an integration of the operating companies Eandis System Operator and Infrax. The Board of Directors of Eandis System Operator took note of this and ascertained that the ideas expressed by the Minister fit the vision of Eandis System Operator and the steps already taken to establish Fluvius, a joint company of Eandis System Operator and Infrax. Therefore, Eandis System Operator stated that it was looking forward to working on the future of the sector in consultation with the Flemish government.

The Boards of Directors of both companies approved the proposed merger on 1 July 2018 on 4 (Eandis System Operator) and 5 (Infrax) October 2017 respectively. The management committees of both companies were instructed to take the necessary preparatory measures for the realization, including the procedure towards the Belgian Competition Authority. For the legal establishment of the integrated Fluvius a merger by acquisition of Infrax by Eandis System Operator was chosen, whereby Eandis System Operator cvba will change its name to Fluvius System Operator cvba. The existing joint venture of Eandis System Operator and Infrax, the cvba Fluvius that acted as a purely supporting and non-operational vehicle, will be dissolved with liquidation. The legal transaction chosen (merger by acquisition) offers the most advantages in the realization of the integration of the two operating companies in the areas of human resources, current financial obligations and legal aspects.

This financial report for the financial year ended 31 December 2017 was approved on 28 March 2018 by the Board of Directors.

2 Summary of significant accounting policies

2.1 Statement of compliance and basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standard Board (IASB) and endorsed by the European Union. The Group has not early adopted any new IFRS standard that is effective after 2017.

The consolidated financial statements were expressed in thousands of euro, which is the functional currency and presentation currency of the Group. They have been prepared with the assumption that business activities will be continued and under the historical cost convention method unless otherwise stated.

2.2 Principles of consolidation

The consolidated financial statements comprise all subsidiaries over which the Group has control. There is control when the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Such a form of control is supposed to exist if Eandis System Operator, directly or indirectly, holds more than half of the voting rights in the entity. The existence and impact of potential voting rights that were exercisable or convertible at that time, are being taken into consideration when judging whether the Group has the control to determine the financial and operating policies of another entity.
Subsidiaries are fully consolidated from the date on which the Group obtains control until the date on which control ends.
Investments in associates are companies in which a significant influence is exercised over the financial and operational policy, but for which there is no control. This is usually evidenced by the ownership of 20 % up to 50 % of the voting rights.
A joint venture is a joint arrangement whereby the Group has joint control of that arrangement.

These investments and joint ventures are accounted for in the consolidation using the equity method as from the date that significant influence or joint control is obtained until the date that the significant control or joint control ceases.

The financial reporting of the subsidiaries, investments in joint ventures and associates is prepared for the same reporting year as that of the parent company, using consistent accounting principles. All intercompany transactions, balances and unrealized gains and losses between group companies have been eliminated.

Non-controlling interest in the net assets of the consolidated subsidiaries has been individually reported in equity of the parent company. Non-controlling interest consists of the amount of that interest at the acquisition date and the non-controlling share in the equity changes since the date of the business combination. Losses relative to the minority higher than the non-controlling interests in the subsidiary's equity have been allocated to the Group's interests with the exception of those cases in which the minority has a binding obligation to make additional investments to compensate for the losses and is able to do so.

An overview of the subsidiaries of the Group is set out in note 'List of group entities included in the consolidation'.

2.3 Segment reporting

The Group does not distinguish between different segments, neither at the level of activities, nor geographically, since the Group generates income as the operating company for Flemish DSOs.

2.4 Significant accounting policies

The accounting policies are consistently applied with last year's accounting principles.

a) Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company provided that the income can be measured reliably and its collection is likely.

Goods sold and services rendered

The proceeds from the sale of goods and services rendered are recognized in the statement of profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue is recognised at the moment the incurred costs are invoiced via a monthly management fee. The vast majority of these costs are passed on to the shareholders, Distribution System Operators.

Finance income includes mainly interest realized from lending on funds from the bond issuances and from the cash pool activities. This interest is recognized when acquired and for the period to which it refers (taking into account the effective interest rate of the asset), unless collectability is doubtful.

Dividends received are recognized in the statement of profit or loss at the moment they are granted.

b) Expenses

Expenses are recognized in the statement of profit or loss in the year in which they occur.

The premiums for *Rational Energy Use (RUE)* paid to private individuals and companies are recognized as an expense in the statement of profit or loss.
These premiums are granted to individuals and companies that invest in energy-efficient applications such as installing insulation, high-efficiency glazing, solar water heater, and others. These premiums are evaluated every year in consultation with the Flemish government and can vary in size and application. A REG action plan is agreed on per calendar year.

The finance costs include interest on loans, calculated using the effective interest rate method, and bank charges. All interest and other costs incurred in connection with loans or other financial transactions such as hedging options are recognized as financial expenses when they occur.

The income tax of the year comprises the tax charge payable. The tax on profit is recognized in the statement of profit or loss. The current tax expenses are the expected current taxes payable on the taxable income for the year, based on tax rates in effect at the statement of financial position date and any adjustment to current taxes payable from previous years.

c) Intangible assets

Intangible assets are measured at cost less any accumulated amortizations and impairment losses. Intangible assets with a finite useful life are amortized on a straight-line basis over the expected useful life.

The following amortization percentage based on the estimated useful life is used:

Software	20,00 %

d) Property, plant and equipment

Property, plant and equipment is measured at historical cost less accumulated depreciation and impairment losses. The historical cost comprises the initial purchase price and any costs directly attributable to bringing the asset to the condition necessary for it to be operational in the manner intended by management.

Depreciation

Depreciation is recognized monthly in the statement of profit or loss on a straight-line basis as of the month following the date of bringing into use. Depreciation is calculated over the estimated useful life of each component of an item of property, plant and equipment.

The applied depreciation percentages on the basis of the average useful life are as follows:

Office furniture and equipment	10,00 %
Leasehold improvement	11,12 %
Computer equipment and hardware	20,00 % and 33,33 %
Test equipment (Electronic Vehicles in Action)	50,00 %
Charging stations for electric vehicles	10,00 %
Motor- & bicycles	20,00 %

Repair and maintenance costs that do not increase the future economic benefits, are recognized in the statement of profit or loss as expenses incurred.

Gains and losses on sale

Any gain or loss arising from the sale of property, plant and equipment is included in the statement of profit or loss. They are recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

Leasing
Lease of assets under which all the risks and rewards incidental to ownership are substantially retained by the lessor, is classified as operational lease.
Lease payments based on operational leases are expensed on a straight-line basis, unless another systematic method is more representative for the time pattern of the benefits for the user.

Impairment
For each of the Group's property, plant and equipment it is assessed on each statement of financial position date whether there are any indications of impairment for a particular asset. If any such indications exist, the recoverable amount of the asset has to be estimated.
Impairment has been recognized if an asset's carrying amount exceeds the recoverable value. Impairment has been charged directly to the statement of profit or loss.

e) Investments in joint ventures and associates

Investments are accounted for at trade date.
These investments are at initial recognition measured at fair value, unless the fair value cannot be reliably determined in which case they are measured at cost.
An impairment is recognized if the carrying amount exceeds the expected realizable value.

f) Other investments

Investments are accounted for at trade date.
Investments in equity securities are undertakings in which the Group does not have significant influence or control. This is the case for companies where the Group holds less than 20% of the voting rights. Such investments are designated as available for sale financial assets and are at initial recognition measured at fair value, unless the fair value cannot be reliably determined in which case they are measured at cost.
An impairment is recognized if the carrying amount exceeds the expected realizable value.

g) Inventories

Inventories are measured at purchase cost. Their value is determined using the moving weighted average method.
An impairment is carried out for consumption goods or necessities that, due to their obsoleteness, are no longer usable for operational purposes or of which the estimated sale price is below the net realizable value. If items of inventory have not been used for more than a year, a loss of 100,00 % is recorded.
This impairment loss is recognized as an expense in the statement of profit or loss.

h) Trade and other receivables

Trade and other receivables are measured at their amortized cost.
In the case of a bankruptcy or judicial reorganization the receivable is immediately impaired and the value added tax recovered, on the basis of a certificate obtained from the curator or a publication of the closing of the bankruptcy in the annex to the Belgian State Gazette.
The receivable of the work carried out and services delivered, with the exception of, on the one hand, the damages handled by the legal department and, on the other hand, the receivables from the affiliated municipalities, which are overdue for more than 6 months are recognized as doubtful and are therefore impaired at 100,00 % (excluding VAT).
Receivables are permanently impaired (written off) using the provision for bad debts that was set up for this purpose as soon as certificates, provided by bailiffs, lawyers or debt collection agencies can demonstrate that recoverability is not possible. Also when it can be revealed that the revenue associated with a possible recovery does not compensate (i.e. is not economically justified) the costs for this recovery, the receivable is completely impaired using the provision which was set up for this purpose.

The impairment losses are recognized in the statement of profit or loss.

i) Cash and cash equivalents

Cash and cash equivalents comprise the readily available cash resources, deposits that can be immediately withdrawn from credit institutions and other short-term, highly liquid investments (with a maximum maturity of 3 months), that are readily convertible to known amounts of cash. They are stated at face value, which approximates their fair value. For the purpose of the cash flow statement, they are presented as cash and cash equivalents.

j) Loans and borrowings

Interest bearing loans are recognized initially at fair value. Subsequent to initial recognition, interest bearing loans are valued at amortized cost, in which any difference between the proceeds and the reimbursement is charged to the statement of profit or loss using the effective interest method over the maturity of the loans.

k) Employee benefit liability

Pension plans and other post-employment benefits

The contributions for defined contribution plans have been recognized as an expense at the moment when incurred. Up to 2015 these kinds of pension plans were valued by using the intrinsic value and any individual difference between the mathematical reserve and the minimum guaranteed amount was recorded as a liability in the financial statements.

The law was amended on 18 December 2015 and from 1 January 2016 the guaranteed yield was changed to a variable yield (see note 'Pensions and other post-employment benefit plans'). Hence, the provision for defined contribution pension plans is valued as from 2016 according to the 'Projected Unit Credit'-method (PUC) without projection of the future premiums. The amount recognized in the balance sheet is the difference between this provision and the fair value of plan assets.

The Group's liabilities for the defined benefit plans, as well as for the subsequent costs, have been valued on the basis of the 'Projected Unit Credit' method. The amount recognized in the balance sheet represents the present value of the pension liabilities (Defined Benefit Obligation) mentioned, less the fair value of plan assets.

Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding interest) which is reflected in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. They are included in the statement of comprehensive income, as items not to be reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability.

The amounts recognized in the statement of profit or loss comprise service costs (including current service costs, past service costs, gains and losses on other long-term employee benefits as well as curtailments and settlements), net interest expense or income and remeasurement.

The Group presents the first two components of the defined benefit costs in the statement of profit or loss on the line item Employee benefit expenses and Financial expenses.

Other long-term employee benefits contain provisions for retirement and jubilee bonuses.

These benefits are treated in the same manner as pension plans; however, past service costs and actuarial gains and losses have immediately been recognized in the statement of profit or loss.

Right to reimbursement on post-employment employee benefits

A right of reimbursement on post-employment employee benefits has been recognized as an asset, since it is absolutely certain that another party (the shareholders, Distribution System Operators)

will take over all obligations relating to the personnel rights of the company's employees or retired employees.
The reimbursement rights are therefore recognized at the same value as the recognized employee benefit liabilities (fair value). The adjustments in the period as a result of changes in the assumptions or experience adjustments are all recognized as other comprehensive income as well as these adjustments for the reimbursement rights.

l) Trade and other liabilities

Trade and other liabilities have been stated at amortized cost.

m) Current tax liabilities

Taxes on the result of the financial year include the taxes due. The taxes contain the expected tax liability on the taxable income of the year and adjustments to the tax liability of prior years. For the calculation of the taxes on the taxable income of the year, the tax rates were used that were enacted (or substantially enacted) by the end of the reporting period.

2.5 Summary of changes in accounting policies applicable as from 2017

The new and amended standards and interpretations applicable from 1 January 2017 do not affect the consolidated financial statements of the Group. These new and amended standards and interpretations applicable for the accounting year beginning on 1 January 2017 were the following:

- Amendments to IAS 7 *Statement of Cash Flows* – Disclosure Initiative, applicable from 1 January 2017
  The amendments are part of the Disclosure Initiative of the IASB; they require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods.

- Amendments to IAS 12 *Income Taxes* – Recognition of Deferred Tax Assets for Unrealised Losses, applicable from 1 January 2017
  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

- Annual Improvements Cycle - 2014-2016 (published in December 2016), applicable from 1 January 2017.
  The improvements relate to amendments of the scope of disclosure requirements in IFRS 12 and clarify that the disclosure requirements (other than those in paragraphs B10–B16) apply to an entity’s interest in a subsidiary, a joint venture or an associate that is classified as held for sale.

2.6 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the amounts of revenue and expenses. The estimates and the underlying assumptions have been based on past experience and several other factors that are believed to be reasonable given the circumstances. The results thereof form the basis for the judgment on the carrying amount of assets and liabilities that could not be deduced in a simple way from other sources. The actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or the period of the revision and future periods, if the revision affects both current and future periods.

Pensions and other post-employment benefit plans
The cost of the pension plans and other long-term employee benefits and the present value of the pension obligation are determined using actuarial valuations. This involves making various assumptions that may differ from actual developments in the future. Due to the complexity of the actuarial calculations and the long-term nature of the obligation, the defined benefit obligation is highly sensitive to changes in the assumptions. The major assumptions and the sensitivity analysis are disclosed in note ‘Pensions and other post-employment benefit plans’.

2.7 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

The Group runs a project to assess the impact of the new standards IFRS 9, IFRS 15 and IFRS 16 and to evaluate any system adjustments.

- Amendments to IFRS 2 *Share-based Payment* - Classification and Measurement of Share-based Payment Transactions, effective 1 January 2018

- Amendments to IFRS 4 *Insurance Contracts* – Applying IFRS 9 *Financial instruments* with IFRS 4 *Insurance Contracts*, effective 1 January 2018

- IFRS 9 *Financial Instruments*, effective from 1 January 2018
  This standard was issued in the framework of a wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group intends to apply the new standard on the required effective date and will not apply the standard early.
  The Group has carried out a preliminary impact analysis for all three aspects of IFRS 9:
  - Classification and valuation: the main financial assets of the Group include loans, lent on to the DSOs and currently recorded at amortized cost. These loans are held to obtain contractual cash flows and it is expected to obtain cash flows that only consist of receipts of principal and interest. The Group has analyzed the characteristics of the contractual cash flows of each of these loans in detail and concluded that these instruments meet the criteria of IFRS 9 for valuation at amortized cost. Consequently, the current accounting treatment can be preserved under the new standard.
  - Impairments: all trade receivables of the Group are short term receivables. The currently used depreciation principles may be maintained under the new standard. The impairment for the receivables of social customers will be adjusted. The additional costs for impairment that will be recognized will also be passed on to the shareholders, DSOs, and will therefore not affect the Group's results.
  - Hedge accounting: the Group has no derivatives, hence hedge accounting does not apply.

- Amendments to IFRS 9 *Financial Instruments* - Prepayment Features with Negative Compensation, effective 1 January 2019

- IFRS 15 *Revenue from Contracts with Customers*, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15, effective 1 January 2018
  IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. IFRS 15 shall apply to financial years beginning on or after 1 January 2018. The Group intends to apply the new standard on the required effective date retrospectively and will not apply the standard earlier.
  The Group has carried out an impact analysis of which the main findings are;
  the main revenue stream of the Group results from passing on the costs of development, management and maintenance of the distribution networks to its shareholders, the seven DSOs. IFRS 15 has no effect on the processing of these proceeds. Consequently, the current accounting treatment will be preserved under the new standard.

- IFRS 16 *Lease*, effective 1 January 2019
  IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset in the profit or loss statement. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
  During 2018, the Group will continue to carry out its assessment of the possible impact of IFRS 16 on the consolidated financial statements.

- IFRS 17 *Insurance Contracts*, effective 1 January 2021

- Amendments to IAS 28 *Investments in Associates and Joint Ventures* – Long term Interests on Associates and Joint Ventures, effective 1 January 2019

- Amendments to IAS 40 *Investment Property* – Transfers of Investment Property, effective 1 January 2018

- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*, effective 1 January 2018

- IFRIC 23 *Uncertainty over Income Tax Treatments,* effective 1 January 2019

- Annual Improvements Cycle - 2014-2016, effective 1 January 2018

- Annual Improvements Cycle – 2015-2017, effective 1 January 2019

- Amendments to IAS 19 *Amendments, Curtailment or Settlement*, effective 1 January 2019

Performance of the year

3 Operating revenue

(In thousands of EUR)	2017	2016
Recharge of costs to the distribution system operators	1.000.481	970.053
Construction works for third parties	5.581	5.790
Revenue	**1.006.062**	**975.843**
Other operating revenue	**21.116**	**22.278**
Total	**1.027.178**	**998.121**

The total operating revenue has increased, when compared to 2016, with 29.057 k EUR from 998.121 k EUR to 1.027.178 k EUR.

The Group realized most of its revenue from management fees invoiced mainly to the Distribution System Operators. The pass-through via the management invoices reflects all costs necessary in order to carry out its duties as an independent service delivery company for the operation of the electricity and gas grids.
The billing of 'Construction works for third parties' comprises revenue from various executed works for third parties for. energy services to local authorities (ESLA) and public lighting.

Hereunder is the detail of the pass-through to the customers:

	2017		2016	
Company	Revenue in k EUR	% relative to revenue	Revenue in k EUR	% relative to revenue
Gaselwest	194.037	19,3%	194.954	20,0%
IMEA	109.799	10,9%	98.409	10,1%
Imewo	233.164	23,2%	216.260	22,2%
Iveka	137.880	13,7%	141.924	14,5%
Iverlek	203.820	20,3%	200.081	20,5%
Other	127.362	12,7%	124.215	12,7%
Total	**1.006.062**	**100,0%**	**975.843**	**100,0%**

The 'Other operating revenue' mainly comprises groundworks in synergy, whereby their respective share in the costs is charged to the other utility companies as well as repayments of general costs of contractors, insurance companies and other entities.

4 Cost for services and other consumables

(In thousands of EUR)	2017	2016
Cost contractors for grid construction and maintenance	234.880	208.037
Cost for direct purchases	68.115	65.471
Fee for usage of installations including charges	63.283	64.269
Advertising, information, documentation, receptions a.o.	6.672	7.576
Subsidy for rational use of energy (RUE)	62.804	72.595
Contracts and administration costs	12.584	8.581
Consultancy and other services	58.222	51.220
Other	48.107	45.136
Total	**554.667**	**522.885**

The cost for services and other consumables increases with 31.782 k EUR compared to 522.885 k EUR in 2016 and amounts to 554.667 k EUR in 2017.

The costs for the rational use of energy (RUE) amount to 62.804 k EUR in 2017 and 72.595 k EUR in 2016. These costs reflect the payment of the premiums for RUE applied for by individuals and companies. For 2017, the Flemish Government provided for the payment of the same RUE premiums as for 2016. The subsidy amounts are lower for certain applications in 2017 as well as stricter technical conditions apply in the field of energy.

The item 'Other' comprises the costs for rent, communication, transportation, insurance, seminars and other.

All of these costs have been recharged mainly to the Distribution System Operators.

5 Employee benefit expenses

(In thousands of EUR)	2017	2016
Remunerations	261.585	257.575
Social security contributions	67.326	70.644
Contributions to defined benefit plans and other insurances	16.610	14.850
Other personnel costs	21.658	17.894
Total	**367.179**	**360.963**

The employee benefit expenses amounted to 367.179 k EUR in 2017, an increase of 6.216 k EUR compared to 360.963 k EUR in 2016.

The average number of employees amounted to 4.262 persons in 2017.

6 Financial results

(In thousands of EUR)	2017	2016
Interest income distribution system operators	107.454	108.623
Interest income banks	5	1
Other financial income	459	483
Total financial income	**107.918**	**109.107**
Interest expenses distribution system operators	68	89
Interest expenses banks	965	1.004
Interest expenses bond loans	107.371	108.510
Other financial expenses	7.386	9.603
Total financial expenses	**115.790**	**119.206**

The interest income was principally realized from the interest on the loans to the Distribution System Operators, as well as the interest on the cash pool activities with the Distribution System Operators.

Other financial income mainly comprises financial discounts (365 k EUR in 2017; 291 k EUR in 2016), income from the sale of ‘investments in other companies’ (0 k EUR in 2017; 81 k EUR in 2016).

The interest expenses were the result of the interest on the bond loans, loans with the banks and partly from the cash pool activities with the Distribution System Operators.
The other financial expenses comprise costs related to debt, financial costs for rent, interest costs on pension liabilities and various bank costs.

7 Income tax expenses

(In thousands of EUR)	2017	2016
Current income tax expenses	−10.062	−9.200
Current income tax expenses on previous year result	642	7
Total income tax expenses	**−9.420**	**−9.193**

(In thousands of EUR)	2017	2016
Profit before tax	9.420	9.193
Effect non-deductible expenses	20.182	17.877
Effect deductible expenses	−1	−3
Tax basis	**29.601**	**27.067**
Total current income tax expenses	**−10.062**	**−9.200**

* Subject to the Belgian legal tax rate of 33,99 %

Total income tax expenses amount to 9.420 k EUR at the end of 2017 and 9.193 k EUR at the end of 2016. This increase is the result of the higher amount of non-deductible expenses on which the tax calculation is based.
The income tax expenses consist of prepaid taxes for the financial year 2017 (4.337 k EUR; 2016: 1.569 k EUR), the estimated income taxes for 2017 (5.725 k EUR; 2016: 7.631 k EUR) and a regularization for the 2015 financial year (-642 k EUR).
Also in 2017 the amount of 5.354 k euro was paid that relates to 2015. As a result, the total of taxes paid amount to 9.691 k EUR (2016: 1.569 k EUR).

On 22 December 2017, the Federal Parliament approved the corporate income tax reform that will lead to a step-by-step reduction of the current tax rate of 33,99 % from 2018 onwards. The tax rate will be 29,58 % as from tax year 2019 (financial year 2018) and 25,00 % as from tax year 2021 (financial year 2020). Compensatory measures were also introduced as this reform had to be budget neutral.

Assets

8 Intangible assets

(In thousands of EUR)	Licences and similar rights	Total
Acquisition value at 1 January 2017	4.749	**4.749**
Acquisitions	19	**19**
Acquisition value at 31 December 2017	**4.768**	**4.768**
Amortization and impairment at 1 January 2017	3.969	**3.969**
Amortization	330	**330**
Amortization and impairment at 31 December 2017	**4.299**	**4.299**
Net book value at 31 December 2017	**469**	**469**

(In thousands of EUR)	Licences and similar rights	Total
Acquisition value at 1 January 2016	4.745	**4.745**
Acquisitions	4	**4**
Acquisition value at 31 December 2016	**4.749**	**4.749**
Amortization and impairment at 1 January 2016	3.541	**3.541**
Amortization	428	**428**
Amortization and impairment at 31 December 2016	**3.969**	**3.969**
Net book value at 31 December 2016	**780**	**780**

9 Property, plant and equipment

(In thousands of EUR)	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Acquisition value at 1 January 2017	70	68 799	1 490	**70 359**
Acquisitions	115	709	142	**966**
Sales and disposals	0	−144	−68	**−212**
Acquisition value at 31 December 2017	**185**	**69 364**	**1 564**	**71 113**
Depreciation and impairment at 1 January 2017	25	67 401	630	**68 056**
Depreciation	15	729	109	**853**
Sales and disposals	0	−120	−68	**−188**
Depreciation and impairment at 31 December 2017	**40**	**68 010**	**671**	**68 721**
Net book value at 31 December 2017	**145**	**1 354**	**893**	**2 392**

(In thousands of EUR)	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Acquisition value at 1 January 2016	70	68.749	1.913	**70.732**
Acquisitions	0	50	694	**744**
Sales and disposals	0	0	−1.117	**−1.117**
Acquisition value at 31 December 2016	**70**	**68.799**	**1.490**	**70.359**
Depreciation and impairment at 1 January 2016	18	66.528	1.674	**68.220**
Depreciation	7	873	40	**920**
Sales and disposals	0	0	−1.084	**−1.084**
Depreciation and impairment at 31 December 2016	**25**	**67.401**	**630**	**68.056**
Net book value at 31 December 2016	**45**	**1.398**	**860**	**2.303**

As of 31 December 2017 and 2016 there were no limitations on ownership and on property, plant and equipment which serve as guarantee for obligations.

There were no engagements for the acquisition of property, plant and equipment at the end of 2017 and 2016.

10 Investments in other companies

The investments in other companies amount to 30 k EUR at the end of 2017 and 30 k EUR at the end of 2016. These investments are held in Atrias cvba, Synductis cvba, Warmte@Vlaanderen cvba and Fluvius cvba.

On 9 May 2011, Atrias cvba was established as a joint initiative of Belgium's five largest distribution system operators Eandis, Infrax, Ores, Sibelga and RESA.
Atrias is a central clearing house for the Distribution System Operators and charged with the development of a Message Implementation Guide (MIG), the development of a clearing house application, and the management and maintenance of this application. MIG describes how the communication flow between the various players of the energy market should happen.
The Group has acquired 25 % of the shares representing an amount of 5 k EUR.
Atrias is an unlisted company and has no official price quotation.

Synductis cvba was founded on 21 December 2012 and aims to coordinate the infrastructure works by various utility companies in the Flemish cities and municipalities and so reduce nuisance of the works.
Eandis System Operator participates in the 'implementation coordination' and 'planning coordination' sectors. The Group held an investment of 7 k EUR or 33,23 % of the shares during 2017 (2016: 33,24 %).
Synductis is an unlisted company and has no official price quotation.

The Group receives its share of the operating costs of Atrias and Synductis. But the Group also grants services and funding (see note ‘Related parties’).

During 2016, the Group participates for 50,00 % in the newly formed company Warmte@Vlaanderen cvba (amounting to 9 k EUR) and also for 50,00 % in the company Fluvius cvba (amounting to 9 k EUR). These companies are commonly owned by Eandis System Operator and Infrax (distribution operator for natural gas, electricity, cable television and sewerage in the Flemish region) but are not yet operational.

11 Other investments

The other investments comprise the participations still held by the Group in the business centres situated in the distribution area of Gaselwest (business centres Kortrijk, Roeselare, Flemish Ardennes and Waregem) and Imewo (business centres Bruges, Ghent, Meetjesland and Ostend). The other investments amount to 832 k EUR at the end of 2017 (2016: 832 k EUR).

12 Rights to reimbursement on post-employment employee benefits

The costs related to the employee benefit liabilities are recoverable from the Distribution System Operators. At the end of 2017 the rights to reimbursement on the long-term employee benefits amounted to 210.947 k EUR and 259.363 k EUR at the end of 2016 (see note ‘Pensions and other post-employment benefit plans’).

13 Short- and long-term receivables, other

(In thousands of EUR)	2017	2016
Receivable from DSO following lending-on funds from issuance bonds with private investors (retail)	0	150.000
Total short-term receivables	**0**	**150.000**
Receivable from DSO following lending-on funds from issuance bonds with private investors (retail)	370.000	170.000
Receivable from DSO following lending-on funds from issuance bonds with institutional investors (stand alone)	440.000	440.000
Receivable from DSO following lending-on funds from issuance bonds with European institutional investors (EMTN program*)	2.660.500	2.660.500
Other	361	391
Total long-term receivables	**3.470.861**	**3.270.891**

*Euro Medium Term Note (EMTN) programme – see note 'Financial instruments'

The long-term receivables increase from 3.270.891 k EUR at the end of December 2016 to 3.470.861 k EUR at the end of December 2017 because of the issuance of a retail bond amounting to 200.0000 k EUR in June 2017 that is lent on to the DSOs.

The short-term receivables, on the other hand, decreased by 150.000 k EUR from 150.000 k EUR to 0 k EUR due to the repayment of the retail bond by the DSOs to Eandis System Operator, who in turn had to repay its bondholders.

The terms of the long-term loans to the Distribution System Operators were identical to those of the respective bond loans (see note 'Interest bearing loans and borrowings').

14 Inventories

(In thousands of EUR)	2017	2016
Trade receivables - gross	39 526	41 207
Impairments on trade receivables	−5 880	−5 912
Total	**33 646**	**35 295**

The impairment losses (charge back) amounted to 32 k EUR in 2017 (2016: 5.247 k EUR netted write back). These amounts were included in the profit or loss account.

15 Trade and other receivables, receivables cash pool activities

(In thousands of EUR)	2017	2016
Trade receivables - gross	159.006	217.693
Impairments on trade receivables	−3.586	−6.440
Trade receivables - net	**155.420**	**211.253**
Other receivables	**135.251**	**111.393**
Total trade and other receivables	**290.671**	**322.646**
Receivables cash pool activities	**19.402**	**307.587**

The trade receivables consist mainly of receivables with the Distribution System Operators and amount to 117.309 k EUR in 2017 and 176.564 k EUR in 2016. This decrease in the receivables from the Distribution System Operators is the result of the larger amount of charges at year end 2016 to be invoiced to the DSOs and the DSOs paying these management fees at their due date instead of direct payments.
Besides, receivables are recorded amounting to 37.413 k EUR (2016: 33.836 k EUR) relating to an external customer group. Based on the valuation principles, an impairment of 3.586 k EUR (2016: 6.440 k EUR) was to be recorded.

The increase in the 'Other receivables' is mainly due to an increase of the receivable amounting to 71.275 k EUR (2016: 52.941 k EUR) for a VAT amount to be recovered from the members of the VAT group. The other receivables also contain accrued interest from the Distribution System Operators on the bonds that were recharged.

The item 'Receivables cash pool activities' comprises the balances on the accounts of the Distribution System Operators related to the cash pool and should be evaluated together with the item 'Liabilities cash pool activities'.

The information regarding outstanding balances with the associate was included in note 'Related parties'

16 Cash and cash equivalents

Cash resources amount to 31.390 k EUR in 2017 (2016: 2.662 k EUR) and comprise bank deposits, cash resources and fund investments that are readily exchangeable into cash.
All resources are reported in euro.
As a result of the low (and even negative) interest on deposit accounts, the surplus of cash received from the sale of heat and power certificates, the green energy certificates and the intervention by the Flemish Energy Agency in particular of the sale of the aforementioned green energy certificates for the DSOs, is held as cash and cash equivalents.

Liabilities

17 Equity

The separate components of shareholders' equity and the movements therein from 1 January 2016 until 31 December 2017 are included in the 'Statement of changes in equity'.

The share capital amounts to 915.124,84 EUR (unchanged since 2016) and was fully subscribed and paid up. It is represented by 17.189.104 shares without indication of nominal value. Each share represents 1/17.189.104th part of the capital. The shares are nominative in the name of the Distribution System Operators and are distributed as follows:

Distribution System Operator	Amount in EUR	Number of shares	%
Gaselwest	151.886	2.852.920	16,60
IMEA	125.921	2.365.216	13,76
Imewo	205.136	3.853.144	22,42
Intergem	100.169	1.881.507	10,95
Iveka	131.258	2.465.460	14,34
Iverlek	177.811	3.339.885	19,43
Sibelgas	22.944	430.972	2,51
Total	**915.125**	**17.189.104**	**100,00**

The total share capital consists of the fixed part, amounting to € 18.550,00 and the variable part, amounting to € 896.574,84. The variable part of the capital is the result of the acquisition of the activities and employees of the subsidiary Indexis cvba as at 1 January 2016. The minority interest of 30 %, held by ORES, was transferred to the DSOs.
The merger was part of a reorganization of the energy market, in which all gridoperators of Atrias wanted to establish a federal clearing house. Therefore, the company Atrias cvba was founded by the distribution system operators.
The activities of Indexis overlapped with those of Atrias. Partly due to the introduction of an important application at ORES, the Indexis application will be used exclusively by and for Eandis System Operator. Therefore it was decided that Eandis System Operator would merge with Indexis. Consequently, all the assets and liabilities were merged into Eandis System Operator at 1 January 2016 but excluding the French-speaking staff who are transferred to ORES, but are seconded to Eandis System Operator.

The reserves amount to 72 k EUR at the end of 2017 2016: 72 k EUR).
The legal reserve was formed out of profits to be distributed at a rate of 5,00 % up to a maximum of 10,00 % of the assigned capital.

The Group's results are in all cases without profits or losses, since all operational costs can be billed through to mainly the Distribution System Operators.

The non-controlling interest at the end of 2017 amounts to 93 k EUR (2016: 93 k EUR) comprising the participation held by Farys/TMVW in De Stroomlijn.

18 Interest-bearing loans and borrowings

(In thousands of EUR)	2017	2016
Long-term loans	**3.449.329**	**3.247.152**
Current portion of long-term loans	0	150.012
Short-term loans	0	411.309
Short-term loans	**0**	**561.321**
Total	**3.449.329**	**3.808.473**

At the balance sheet date of 2017, the interest bearing loans and borrowings decrease with 359.144 k EUR from 3.808.473 k EUR in 2016 to 3.449.329 k EUR in 2017.

The retail bond loan of 150.000 k EUR repaid in 2017 was refinanced with a new issue of a retail bond loan of 200.000 k EUR. The successful sale by the Distribution System Operators of mainly green energy certificates and additionally, the purchase of green energy certificates and heat and power certificates by the Flemish Energy Agency resulted for Eandis System Operator to a full reduction of the short term financing for the Distribution System Operators.

The **movements of the long- and short-term loans** can be analyzed as follows:

(In thousands of EUR)	2017		2016	
	Cash	Non-cash	Cash	Non-cash
Total as at 1 January	**3.808.473**		**3.619.998**	
Movements on non-current loans (LT)				
Proceeds of non-current loans	199.737	0	0	0
Change in non-current loans	0	2.440	0	2.404
Transfer of short-term portion of LT loan to ST	0	0	0	−150.012
Movements on current loans (ST)				
Proceeds of current loans	0	0	411.309	0
Transfer of short-term portion from LT loan to ST	0	0	0	150.012
Change in current loans	0	−12	0	0
Repayment of short-term portion of long-term loan	−150.000	0	0	0
Repayment current loans	−411.309	0	−225.238	0
Total movements	**−361.572**	**2.428**	**186.071**	**2.404**
Total at end of reporting period	**3.449.329**		**3.808.473**	

Loans on long-term

All outstanding loans are expressed in euro and have a fixed interest rate.

For all the bond loans, each of the DSOs is guarantor on a several but non-joint basis, but limited to its proportional share in the capital of Eandis System Operator.
At the end of 2017

(In thousands of EUR)	2017	Initial amount	Current interest rate %	Maturity
Bond issue - retail	369.714	370.000	2,00 - 4,25	2020 - 2025
Bond issue - EMTN*	2.644.335	2.660.500	1,75 - 4,50	2021 - 2033
Bond issue - private**	435.280	440.000	2,60 - 3,55	2027 - 2044
Total	**3.449.329**	**3.470.500**		
Current portion of long-term debt	0	0		
Total long-term loans	**3.449.329**	**3.470.500**		

At the end of 2016

(In thousands of EUR)	2016	Initial amount	Current interest rate %	Maturity
Bond issue - retail	319.958	320.000	4,00 - 4,25	2017-2020
Bond issue - EMTN*	2.642.164	2.660.500	1,75 - 4,50	2021-2033
Bond issue - private**	435.042	440.000	2,60 - 3,55	2027-2044
Total	**3.397.164**	**3.420.500**		
Current portion of long-term debt	−150.012	−150.000		
Total long-term loans	**3.247.152**	**3.270.500**		

* EMTN: Euro Medium Term Note (is a programme to provide to the Group the flexibility to issue bond loans with different maturities)
** Private: bond issues according to German law: Schuldschein and Namensschuldverschreibung as well as private issues to institutionals (stand alone)

The yield at issue price represents the gross actuarial yield at issue.
The capital of the debenture is repayable at maturity.

During the first half of 2017, one additional bond for the general public (retail issue) was issued with a nominal value of 200.000 k EUR, an annual coupon of 2,00 % with a net yield of 1,153 % and for a period of 8 years until 23 June 2025 to replace the retail bond of 2010 that was repayable on 23 June 2017 which had a coupon of 4,00 %.

Loans on short-term

The loans on short-term contain the portion of the long-term loans which are repayable within one year (0 k EUR on year-end 2017, 411.309 k EUR on year-end 2016) and the loans drawn with financial institutions as reported below:

(In thousands of EUR)	Maturity	Available amounts	Amounts used	Amounts not used	Average interest rate*
Commercial paper	NA	522.000	0	522.000	NA
Fixed advances	NA	200.000	0	200.000	NA
Fixed loans/Bank overdraft	NA	200.000	0	200.000	NA
Fixed loans	NA	100.000	0	100.000	NA
Total on 31 December 2017		**1.022.000**	**0**	**1.022.000**	
Commercial paper	(1)	522.000	355.000	167.000	0,06%
Fixed advances	NA	200.000	0	200.000	NA
Fixed loans/Bank overdraft	Daily	200.000	56.309	143.691	0,50%
Fixed loans	NA	100.000	0	100.000	NA
Total on 31 December 2016		**1.022.000**	**411.309**	**610.691**	

* The average interest rate of the used amounts at the end of the period
(1) 50.000 k€ at 13/1/2017, 50.000 k€ at 31/1/2017, 155.000 k€ at 7/2/2017 and 100.000 k€ at 13/2/2017
NA Not applicable

All short-term loans are subscribed by Eandis System Operator in the name and on behalf of the Distribution System Operators who stand surety for their part and act as joint co-debtor except for the bank overdrafts.

19 Employee benefit liability

Defined contribution plans

Employees hired after 1 January 2002 and the executive staff hired after 1 May 1999 are entitled to defined contribution plans: these pension plans provide in a lump sum on retirement resulting from the contributions paid and the return granted by the pension institutions, as well as a lump sum and orphan interests in case of decease before retirement. The financing is carried out by employee contributions and employer contributions that are deposited in pension funds (Powerbel and Enerbel) and group insurances.
The assets are managed within a Luxembourg Fund (Esperides), divided in 4 investment zones, each representing a different risk profile (low risk, medium risk, high risk and dynamic asset allocation). The risk level also has to be managed taking into account the age of the members. This is why the trustees of Powerbel have proposed to the members a new option (2015) to manage their assets. This option, called ‘Life-Cycle’, offers an evolution of the risk exposure from growth to more defensive throughout the member’s career. Each year the participant has the opportunity to change his investment strategy, for the future allowances of the employer or for the totality of the accumulated sums in his account.

Due to the declining level of the interest rates of the bonds, pension institutions, managing the DC-plans, faced the challenge to continue to cover the level of the guaranteed interest rates. A reform

was imposed and was announced with the publication on 24 December 2015 of the Act of 18 December 2015 guaranteeing the sustainability and the social character of supplementary pensions and strengthening the complementary nature with respect to the retirement pension plans. This law entered into force on 1 January 2016.
The amendment implies that the DC pension plans are to be valued as from 1 January 2016 according to the Projected Unit Credit (PUC) method without projection of future contributions. Until 2015 the intrinsic valuation method was applied.
The guaranteed interest will now be variable and each year aligned to the average return over the last 24 months of linear bonds of the Belgian State (OLOs) with a duration of 10 years (at least 1,75 % and maximum 3,75 %).
The new interest rate for 2017 and 2016 is 1,75 % and is applied, according to the vertical method, for all contributions paid to the pension funds and in the insurance company (products of TAK 21 with interest guarantee).

The pension funds are not subject to the Solvency II regulation of insurance companies and can obtain better expected returns by diversification of their investments. Hence, the reserves and a compensation of the group insurance was transferred during 2016 to a pension fund (OFP Powerbel/OFP Enerbel) as a cash-balance plan with a minimum guaranteed return of 3,25 % (see table Classification of the plan investments on the balance sheet date).

Defined benefit plans
The Collective Labour Agreement of 2 May 1952 stipulated an additional pension equal to 75 % of the last annual salary after deduction of the legal pension at the end of a complete career, as well as a survival pension and an orphan allowance. This defined benefit plan has been fully paid up by the employer and the pensions have been paid out directly to the beneficiaries. The remaining subsequent obligations are for the largest part related to current pensions.

The majority of the employees hired before 1 January 2002 and the executive staff hired before 1 May 1999 are entitled to defined benefit plans which provide in the payment of a lump sum on retirement, and a lump sum and orphan interest in case of decease before retirement. These benefits are calculated taking into account the last annual salary and past service. The financing is carried out by employee contributions and employer contributions that are deposited in pension funds (OFP Elgabel and OFP Pensiobel) and group insurances.

Due to changes to the pension regulation in Belgium, the members of the pension plan Pensiobel were offered the opportunity to move as from 1 January 2015 to the defined contribution plan Powerbel. The accumulated and improved acquired rights (in Pensiobel) are capitalized at market returns but with a minimum return equal to 3,25 % (cash-balance plan).

The Group also grants **post-retirement allowances** being reimbursement of healthcare costs and tariff benefits.
The **other long-term employee benefits** contain provisions for retirement and jubilee bonuses.

The current defined benefit plans are financed through pension funds in which the assets, dedicated to specific plans, are identified. The Belgian legislation and the pension regulations provide that the dedicated assets should only finance the relevant benefits. This results for 2017 in determining an **asset ceiling** for two pension plans. The determination of the asset ceiling takes into consideration the projected total benefit payable under the assumptions and as per the pension plan rules.

Right of reimbursement
Since the expenses related to the employee benefits are reclaimable from the Distribution System Operators, rights of reimbursement, equal to the employee benefit liability reported in the balance sheet, are recognized.

Actuarial risks
The defined benefit plans expose the Group to various actuarial risks:

Investment risk
The present value of the defined benefit plan liability is calculated using a discount rate determined to high quality corporate bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment which is reported in the table below ‘Classification of the plan investments on the balance sheet date’.

Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the funds.

Interest rate risk
A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan’s debt investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.
From 2015 onwards, new prospective mortality tables are used as proposed by the Institute of Actuaries in Belgium (IA|BE).

Salary risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

The major actuarial assumptions used at balance sheet date to determine the provision for employee benefits and other allowances:

	2017	2016
Discount rate - pensions DB	1,01%	1,28%
Discount rate - pensions DC	1,66%	1,28%
Discount rate - others	1,55%	1,77%
Expected average salary increase (inflation excluded)	0,85%	0,85%
Expected inflation	1,75%	1,65%
Expected increase of health benefits (inflation included)	2,75%	2,65%
Expected increase of tariff advantages	1,75%	0,25%
Average assumed retirement age	63	63
Mortality table used	IA|BE Prospective Tables	IA|BE Prospective Tables
Turnover	0% to 3,18%	0,00%
Life expectancy in years of a pensioner retiring at age 65:		
For a Person aged 65 at closing date:		
- Male	20	20
- Female	24	24
For a Person aged 65 in 20 years:		
- Male	22	22
- Female	26	26

Amounts recognized in comprehensive income

(In thousands of EUR)	2017	2016
Service cost		
Current service cost	−26.790	−34.741
Cost of early retirement	−133	−26
Actuarial gains/(losses) on other long-term benefits	4.404	−8.069
Net interest on the net defined benefit liability/(asset)		
Interest cost on defined benefit obligation	−12.120	−16.851
Interest income on plan assets	8.623	11.229
Defined benefit costs recognized in profit or loss	**−26.016**	**−48.457**
Actuarial gains/(losses) on defined benefit obligation arising from		
i) changes in demographic assumptions	7.342	26.827
ii) changes in financial assumptions	7.484	−81.571
iii) changes from experience adjustments	26.279	−40.669
Return on plan assets (excluding interest income)	8.220	90.102
Change in the effect of the asset ceiling	−44.178	0
Remeasurements of net defined benefit liability/(asset) recognised in Other Comprehensive Income (OCI)	**5.147**	**−5.311**
Total	**−20.869**	**−53.769**

Amounts recognized in the balance sheet

(In thousands of EUR)	Present value of funded defined benefit obligation	Fair value of plan assets	Funded status
Pensions - funded status	622.763	−645.527	**−22.764**
Pensions - unfunded status	25.547	0	**25.547**
Healthcare costs, tariff benefits - unfunded status	160.828	0	**160.828**
Other long-term employee benefits - funded status	62.525	−15.189	**47.336**
Total defined benefit obligation and longterm employee benefits at 31 December 2017	**871.663**	**−660.716**	**210.947**
Pensions - funded status	670.981	−657.662	**13.319**
Pensions - unfunded status	25.134	0	**25.134**
Healthcare costs, tariff benefits - unfunded status	165.464	0	**165.464**
Other long-term employee benefits - funded status	69.304	−13.858	**55.446**
Total defined benefit obligation and longterm employee benefits at 31 December 2016	**930.883**	**−671.520**	**259.363**

Changes in the present value of the obligation

(In thousands of EUR)	2017	2016
At the beginning of the period	930.883	842.791
Current service cost	24.396	30.960
Interest cost/income	12.120	16.851
Contributions from plan participants	2.394	3.781
Cost of early retirement	133	26
Remeasurement (gains)/losses in Other Comprehensive Income (OCI) arising from		
i) changes in demographic assumptions	−18.009	−23.827
ii) changes in financial assumptions	−3.155	87.769
iii) changes from experience adjustments	−25.266	39.391
Taxes on contributions paid	−1.321	−2.087
Payments from the plan	−50.512	−64.772
At the end of the period	**871.663**	**930.883**

Changes in the fair value of the plan assets

(In thousands of EUR)	2017	2016
Total at 1 January	−671.520	−511.541
Interest income	−8.623	−11.229
Return on plan assets (excluding amounts included in net interest expense)	−7.300	−89.953
Effect of the asset ceiling	44.178	0
Contributions from employer	−65.569	−119.787
Contributions from plan participants	−2.394	−3.781
Benefit payments	50.512	64.771
Total at 31 December	**−660.716**	**−671.520**
Actual return on plan assets	**−15.923**	**−101.182**

Classification of the plan investments on the balance sheet date

The classification of the plan investments in function of the major category at the end of 2017

Category	Currency	Elgabel %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Total %
Investments quoted in an active market		**79,70**	**80,16**	**77,28**	**86,55**	**80,42**
Shares	Eurozone	15,88	17,45	6,62	13,16	**15,79**
Shares	Outside eurozone	21,55	21,14	0	25,16	**21,11**
Government bonds	Eurozone	4,16	4,08	20,47	5,34	**4,75**
Other bonds	Eurozone	29,80	29,32	50,19	33,04	**30,61**
Other bonds	Outside eurozone	8,31	8,17	0	9,85	**8,17**
Unquoted investments		**20,30**	**19,84**	**22,72**	**13,45**	**19,58**
Property		3,72	3,65	7,08	3,25	**3,76**
Cash and cash equivalents		1,08	0,99	2,22	0,17	**1,00**
Other		15,49	15,20	13,42	10,03	**14,82**
Total in %		**100,00**	**100,00**	**100,00**	**100,00**	**100,00**
Total (In thousands of EUR)		**411.153**	**205.790**	**21.451**	**66.500**	**704.894**

The classification of the plan investments in function of the major category at the end of 2016.

Category	Currency	Elgabel %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Total %
Investments quoted in an active market		**88,80**	**88,80**	**74,88**	**88,80**	**87,99**
Shares	Eurozone	21,52	21,52	4,34	21,52	**20,52**
Shares	Outside eurozone	26,68	26,68	2,71	26,68	**25,29**
Government bonds	Eurozone	0	0	23,74	0	**1,38**
Other bonds	Eurozone	20,30	20,30	44,09	20,30	**21,68**
Other bonds	Outside eurozone	20,30	20,30	0	20,30	**19,12**
Unquoted investments		**11,20**	**11,20**	**25,12**	**11,20**	**12,01**
Property		4,70	4,70	4,57	4,70	**4,69**
Qualifying insurance contracts		0	0	3,11	0	**0,18**
Cash and cash equivalents		0	0	1,94	0	**0,11**
Other		6,50	6,50	15,50	6,50	**7,03**
Total in %		**100,00**	**100,00**	**100,00**	**100,00**	**100,00**
Total (In thousands of EUR)		**380.111**	**177.779**	**38.988**	**74.642**	**671.520**

Breakdown of the defined benefit obligation by type of plan participants and by type of benefits

(In thousands of EUR)	2017	2016
Breakdown of defined benefit obligation by type of plan participants	**871.663**	**930.883**
Active plan participants	619.633	640.459
Terminated plan participants with deferred benefit entitlements	29.000	53.219
Retired plan participants and beneficiaries	223.030	237.205
	0	0
Breakdown of defined benefit obligation by type of benefits	**871.663**	**930.883**
Retirement and death benefits	648.310	696.115
Other post-employment benefits (medical and tariff reductions)	160.828	165.464
Jubilee bonuses (Seniority payments)	62.525	69.304

The results of the **sensitivity analysis** are included below to explain the impact of the assumptions.

(In thousands of EUR)	Effect: increase (+) / decrease (-)
Increase of discount rate (0,5%)	−39.786
Average salary increase - excluding inflation (0,5%)	30.791
Increase of inflation (0,25% movement)	13.741
Increase of healthcare care benefits (1,0%)	16.918
Increase of tariff advantages (0,5% movement)	4.980
Increase of life expectancy of male pensioners (1 year)	4.794
Increase of life expectancy of female pensioners (1 year)	9.675

The annual balance of the defined benefit lump sum is financed by the Group through a recurrent allocation expressed as a percentage of the total payroll. This percentage is defined by the aggregate cost method and is reviewed annually. This method of financing is used to smooth out future costs over the remaining period of the plan. The costs are estimated on projected bases (salary growth and inflation taken into account).
The assumptions related to salary increase, inflation, employee turnover and age-term are defined on the basis of historical statistics of the Group. The mortality tables used are the ones corresponding to the observed experience within the financing vehicle. The discount rate is set up with regard to the investment strategy of the company.
These assumptions are challenged on a regular basis.
Exceptional events (such as modification of the plan, change of assumptions, too short degree of coverage...) can eventually lead to additional payments by the Group.

The **average duration** of the defined benefit obligation at 31 December 2017 is 9 years (2016: 9 years).

The Group estimates to contribute 39.836 k EUR to the defined benefit pension plans in 2017 and 11.113 k EUR to the defined contribution plans.

20 Trade payables and other liabilities, liabilities cash pool activities, current tax liabilities

(In thousands of EUR)	2017	2016
Trade debts	87 021	81 572
Invoices to be received	34 630	37 561
Subtotal	**121 651**	**119 133**
VAT	36 587	24 405
Taxes payable on remuneration	1 587	1 767
Remuneration and social security	70 791	76 483
Other current liabilities	58 919	48 080
Total trade payables and other current liabilities	**289 535**	**269 868**
Liabilities cash pool activities	**96 415**	**0**
Current tax liabilities	**13 315**	**13 586**

The items relating to trade payables and other current liabilities decreased with 19.667 k EUR from 269 868 EUR at end 2016 to 289 535 k EUR at end 2017, mainly due to the increase of the VAT balances payable and the other current liabilities.
These other current liabilities mainly comprise the costs to be attributed, principally relating to the finance costs for issuing bonds, car fleet and Information & Communication Technology projects.

The payable cash pool activities amount to 96 415 k EUR at year end 2017 (2016: 0 k EUR as only receivables were recorded then) (see note Trade and other receivables, receivables cash pool activities).

The payment term and conditions for these payables are as follows:
For the standard trade contracts the average payment term was 39 days and for contractors 30 days after invoice date.
The Value Added Tax payable and the withholding tax payable were due 20 and 15 days respectively after the end of the month. All amounts were paid on their expiry date.

Financial instruments

21 Financial instruments: policy

Risks
It is the Group's intention to understand all risks separately, as well as their mutual connections, and to define strategies in order to manage the economic impact on the Group's results. The Audit Committee is responsible for reviewing the risk analysis, for the approval of the recommended risk management strategies, for compliance with the guidelines on risk management and reporting.

The Group's functioning as the operating company for the Distribution System Operators limits to a large degree the risks and their possible negative impact.

Equity structure
The Group's equity structure consists of equity and the financial liabilities.
Apart from the legally required minimum levels for equity that are applicable for Eandis System Operator and its subsidiary, investments in joint ventures and associates the Group is not subject to any external required qualifications for its capital structure.

Within the Group short-term financing has been called upon to support the working capital. The long-term loans are contracted by Eandis System Operator to finance the DSOs and are lent through at the same conditions as the contracted loans.

Credit risk
The credit risk comprises the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum credit risk is each financial asset's balance sheet value.
The Group recharges its costs mainly to its shareholders, its non-controlling interests and the associates, whereby it limits its credit risk.

Ageing analysis of trade receivables past due, but not impaired

(In thousands of EUR)	**2017**	**2016**
0 - 30 days	6.915	2.625
31 - 60 days	1.919	2.115
61 - 90 days	1.084	1.093
91 - 120 days	1.213	1.024
>120 days	6.624	2.436
Total overdue	**17.755**	**9.293**

Movements in accumulated impairments on trade receivables

(In thousands of EUR)	2017	2016
Total at 1 January	−6.440	−2.315
Charge of impaired receivables	−3.688	−6.089
Write back of impaired receivables	6.542	1.964
Total at 31 December	**−3.586**	**−6.440**

Currency risk
The Group is not substantially exposed to currency risk since transactions in currencies other than the euro are limited.

Liquidity risk
The liquidity risk implies the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities. The Group limits this risk by continually scrutinizing cash flows and by taking care that a sufficient number of credit facilities are available.

The Group calls upon several banks to attract resources on short term. Commercial paper was issued within the framework of a treasury bill programme. Fixed advances and commercial papers can be called on with a maturity of one week up to twelve months, as well as fixed loans (straight loans) with a maturity between one day up to one year. All loans have fixed interest rates during the term of the loan except for the bank overdraft that has a variable interest rate.

The Group enters into long-term loans to finance the DSOs. These long-term loans were fully lent on at the same conditions as the contracted loans.
The DSOs use these resources to finance the investments in the distribution grids, to refinance loans and to pay interest.
Eandis System Operator, however, also used a part of the net proceeds of these loans at the end of 2014 to pay the fee in the name and on behalf of the public administrations to Electrabel as part of the latter's exit out of the DSOs.
In 2010 the first bond loans were issued for private investors in Belgium and the Grand Duchy of Luxembourg.

To diversify and broaden its funding resources, so that a safe, reliable, efficient and innovative distribution of energy to the customers can be assured, Eandis System Operator has requested a rating from 'Moody's Investors Service Ltd.' (Moody's).
In October 2011, Moody's granted Eandis System Operator an 'A1' credit rating 'with a negative outlook'. This rating was reconfirmed by Moody's on 5 July 2016. On 14 December 2016, however, Moody's reviewed the rating to A3 (stable outlook) as the merger of the seven DSOs in Eandis Assets was not accomplished and so attracting a private partner for this merged company had to be stopped.
On 18 January 2017, Eandis obtained a second rating. The German credit rating agency Creditreform Rating AG granted Eandis System Operator an A+ rating with stable outlook. On 19 January 2018 this rating was reconfirmed.

Eandis System Operator successfully issued bonds in the framework of its € 5 billion Euro Medium Term Note (EMTN) programme launched in 2011 and runs through 2021. There has always been

a large interest from European investors for the bond issuances and also interest from private investors to whom several bond loans were issued.
In the framework of the € 5 billion EMTN programme an amount of € 2.660,5 million or 53,21 % was issued at the end of 2017. Since year end 2014 no more bonds were issued under this programme.

All funds of the bond loans were fully lent on to the DSOs at the same conditions as the bond loans. The resulting receivables for the Group are included in notes 'Short-term receivables, other' and 'Long-term receivables, other'.
An overview of the loans is included in note 'Interest-bearing loans and borrowings'.

The following schedule shows the maturity schedule of the different loans.
At the end of 2017

(In thousands of EUR)	2017	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	369.714	0	169.960	0	199.754
Bond issue - EMTN	2.644.335	0	0	996.093	1.648.242
Bond issue - private	435.280	0	0	0	435.280
Total	**3.449.329**	**0**	**169.960**	**996.093**	**2.283.276**

At the end of 2016

(In thousands of EUR)	2016	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	319.958	150.012	0	169.946	0
Bond issue - EMTN	2.642.164	0	0	498.821	2.143.343
Bond issue - private	435.042	0	0	0	435.042
Total	**3.397.164**	**150.012**	**0**	**668.767**	**2.578.385**

Interest rate risk
The Group has entered into long-term loans with a fixed interest rate.
The resulting financial costs for Eandis System Operator are all passed on to DSOs and are reported as a financial income.

The interest payment for the following years, calculated on the basis of the current interest rate is as follows:

(In thousands of EUR)	**2017**	**2016**
In 2017	0	108.424
In 2018	106.424	102.424
In 2019	106.424	102.424
In 2020	106.424	102.424
In 2021	99.199	95.199
In 2022	76.699	72.698
In 2023 and beyond	477.869	465.870
Total	**973.039**	**1.049.463**

Other
More information about the risks of the Group and the shareholders is included in the prospectus of 2 June 2017 concerning the issuance of a bond loan (retail) and the investor presentation of 1 September 2017. These documents can be consulted on our website www.eandis.be.

Fair value

The fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties that are independent in a transaction at arm's length and not in a forced sale or liquidation sale.

Fair value hierarchy
The Group uses the following fair value hierarchy classification to determine and classify the fair value of the financial instruments by a valuation technique:
Level 1: valuation is based on quoted (unadjusted) prices in an active market for identical assets or liabilities
Level 2: other techniques for which all input with a significant impact on the recorded fair value can be observed either directly or indirectly
Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data

The following methods and assumptions were used to estimate the fair values:
Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate the carrying amounts as to the short-term maturity of these instruments.
The fair value of the unquoted other investments is based on the latest available financial information.
The fair value of the quoted bond loans is based on the indicative quotations on Bloomberg (Bloomberg is a prominent provider of business and financial market news. It delivers world economic news, quotes for stock futures, stocks and other) at the reporting date.

The fair value of the quoted bonds, issued for a total amount of € 3.030,5 million varies according to the market interest rate. The fair value at 31 December 2017 amounts to € 3.407,6 million and differs from the amount that will be reimbursed and the carrying value.

	2017		2016	
(In thousands of EUR)	**Fair value**	**Book value**	**Fair value**	**Book value**
Other investments	984	832	987	832
Cash and cash equivalents	31.390	31.390	2.662	2.662
Oher financial instruments - assets	310.073	310.073	630.233	630.233
Total	**342.447**	**342.295**	**633.882**	**633.727**
Loans on long-term	3.847.603	3.449.329	3.728.065	3.247.152
Loans on short-term	0	0	564.219	561.321
Oher financial instruments - liabilities	399.265	399.265	283.454	283.454
Total	**4.246.868**	**3.848.594**	**4.575.738**	**4.091.927**

Other information

22 Related parties

Transactions between Eandis System Operator and its subsidiaries have been eliminated in the consolidation process and are therefore not included in the present note.
The total remunerations paid to the management committee and the directors for 2017 amounted to € 3.698.619 and € 3.318.972 for 2016. The post-employment benefits included in the total remuneration mentioned amounted to € 697.823 for 2017 and € 624.971,31 for 2016. There are no other benefits in kind, share options, credits or advances in favour of the directors.

Transactions of the Group with companies with a non-controlling interest (Farys/TMVW) were as follows:

(In thousands of EUR)	2017	2016
Amount of the transactions		
Recharge of costs to non-controlling interest companies	4.471	4.804
Recharge of costs from non-controlling interest companies	454	116
Amount of outstanding balances		
Trade receivables	569	605
Trade payables	10	3

Transactions of the Group with other companies (Atrias and Synductis) were as follows:

(In thousands of EUR)	2017	2016
Amount of the transactions		
Recharge of costs to associates	2 026	2 330
Recharge of costs from associates	11 475	7 654
Amount of outstanding balances		
Trade receivables	18 830	16 478
Trade payables	1 847	2 745

Transactions of the Group with its shareholders (Distribution System Operators) were as follows:

(In thousands of EUR)	2017	2016
Amount of the transactions		
Recharge of costs to the Distribution System Operators	1 000 535	970 053
Recharge of costs from the Distribution System Operators	20 340	20 671
Interest income Distribution System Operators	107 454	108 623
Interest expenses Distribution System Operators	68	89
Amount of outstanding balances		
Non-current assets, employee benefits	210 947	259 363
Non-current assets, other	3 470 500	3 270 500
Short-term receivable, other	0	150 000
Trade receivables, invoices to be issued	117 309	176 564
Other receivables, cash pool	−77 013	307 587
Other receivables, accrued financial income bond loan	37 690	31 518
Trade payables	19 703	20 370
Receivable VAT-unit	70 591	52 902
Guarantees and securities received		
Concerning financial obligations	822 000	822 000

All invoices to and from the Distribution System Operators are payable within 30 days after invoice date.

Membership of professional organisations
Eandis System Operator is a member of Synergrid vzw, which is the Belgian common interest federation of the electricity and gas transport and distribution grid operators.
Eandis System Operator is a member of the European Distribution System Operators for Smart Grids (EDSO for Smart Grids).

During 2017 the parent company paid fees of 47 k EUR to the statutory auditor and an amount of 409 k EUR for other assignments. The fee for other assignments was approved by the Audit Committee.

23 Commitments and contingencies

(In thousand of EUR)	2017	2016
Rent deposits, buildings	1.463	1.463
Other bank guarantees	125	125
Total guarantees given	**1.588**	**1.588**
Guarantees obtained from contractors and suppliers	25.485	26.553

Committed orders in 2017 amounted to 16.311 k EUR (2016: 21.132 k EUR).

The Group rented several buildings and adjoining parking lots for a total value of 6.063 k EUR in 2017 and 6.259 k EUR in 2016, as well as vehicles for a value of 4.681 k EUR in 2017 and 4.796 k EUR in 2016.

The future minimum lease payments (included as operational lease liability) relate to buildings, vehicles and other material.
The contracts relating to buildings contain renewal clauses and have an average duration of two years.

The future minimum lease payments under non-cancellable finance leases are as follows:

(in thousands EUR)	2017
In 2018	9.795
In 2019 and 2020	11.610
In 2021 and 2022	3.170
In 2023 and later	180
Total	**24.755**

The Group is involved in legal disputes for which the risk of loss is possible but not likely. Currently, the possible timing of the settlements cannot be estimated reliably.

24 Events after the reporting date

Integration Eandis System Operator and Infrax in Fluvius System Operator
At the end of 2017 there were still some reservations regarding the proposed merger of Eandis System Operator cvba and Infrax cvba into the integrated entity Fluvius System Operator cvba. The reason for this was a possible decision by the Belgian Competition Authority (BMA). At the beginning of 2018, however, it became clear that this reservation was no longer valid. This is an important step towards the actual realization of one integrated operating company for the whole of Flanders, from 1 July 2018.

As a result of the application of the concept ‘control’ in the IFRS standards, the IFRS consolidated financial statements will only be prepared as an integrated operating company as at 31 December 2018. The half-yearly figures as at 30 June 2018 will therefore be prepared at the level of the operating company Eandis System Operator cvba (non-integrated).

25 List of group entities included in the consolidation

Subsidiary	Registered office	Number of shares owned	voting rights
Parent			
Eandis System Operator cvba	Brusselsesteenweg 199, B-9090 Melle		
Subsidiary			
De Stroomlijn cvba	Brusselsesteenweg 199, B-9090 Melle	64,03	64,03
Investment in joint ventures and associates			
Atrias cvba	Ravensteingalerij 4, B-1000 Brussel	25,00	25,00
Synductis cvba	Brusselsesteenweg 199, B-9090 Melle	33,23	32,31
Warmte@Vlaanderen cvba	Boombekelaan 14, B-2660 Hoboken	50,00	50,00
Fluvius cvba	Koning Albert II laan 37, B-1030 Brussel	50,00	50,00

The subsidiaries Warmte@Vlaanderen cvba and Fluvius cvba were established during 2016 but do not contain any activity.

On 7 February 2018, the Board of Directors of Warmte@Vlaanderen cvba decided to liquidate the company as soon as possible. As a consequence, this means that the company Warmte@Vlaanderen cvba is currently in discontinuation.
Since the company does not contain any activities, IFRS 5 *Non-current assets held for sale and discontinued operations* is not applicable.

On 17 March 2018, the Board of Directors of Fluvius cvba decided to liquidate the company as soon as possible. This means that this company is currently in discontinuation.

Information concerning the parent company

The following information is extracted from the statutory Belgian GAAP financial statements of the parent company, Eandis System Operator cvba.
These statutory financial statements, together with the report of the Board of Directors to the General Assembly of Shareholders as well as the auditors' report, will be filed with the National Bank of Belgium within the legally foreseen time limits. These documents are also available as from 30 March 2018 on the website www.eandis.be or on request at the following address: Brusselsesteenweg 199, 9090 Melle.

The statutory auditor's report is unqualified and certifies that the financial statements of Eandis System Operator cvba are prepared in accordance with Belgian GAAP.

Condensed balance sheet **In thousands of EUR, at 31 December**	**2017**	**2016**
Fixed assets	**1.705**	**2.160**
Tangible fixed assets	317	743
Financial fixed assets	1.388	1.417
Current assets	**4.058.300**	**4.348.846**
Amounts receivable after more than one year	3.470.500	3.270.500
Stocks and contracts in progress	33.646	35.295
Amounts receivable within one year	267.920	738.055
Cash at bank and in hand	32.132	9.405
Deferred charges and accrued income	254.102	340.702
Total assets	**4.060.005**	**4.351.006**
Equity	**1.007**	**1.007**
Capital	915	915
Other equity components: reserves, share premium, retained earnings	92	92
Provisions for liabilities and charges	**210.947**	**259.363**
Amounts payable	**3.848.051**	**4.090.636**
Amounts payable after more than one year	3.449.329	3.247.152
Amounts payable within one year	343.585	798.373
Accrued charges and deferred income	55.137	340.702
Total liabilities	**4.060.005**	**4.351.006**

Condensed income statement **In thousands of EUR, at 31 December**	**2017**	**2016**
Turnover	1.046.024	1.050.033
Operating profit (loss)	13.617	13.500
Financial result	−4.363	−4.461
Income taxes	−9.254	−9.039
Profit for the period	**0**	**0**