

*Financial report***ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS****ACCOUNTING PRINCIPLES****General information**

The consolidated financial statements are prepared on the basis of commercial operating values and in accordance with accounting recommendations (Swiss GAAP FER) and the Swiss Stock Corporation Act. They provide a true and fair view of the Group's net assets, financial position and results of operations. Consolidation is based on audited and unified financial statements prepared by the Group companies.

The financial statements of Jungfraubahn Holding AG and the consolidated financial statements of the Jungfraubahn Group were approved by the Board of Directors on 27 March 2017.

Deviations from continuity

In the reporting period, the adjustments to Swiss GAAP FER standards 3 and 6, which were implemented on 1 January 2016, were applied. With revenue recognition from brokerage transactions, only the value of the internally generated service is recorded as net proceeds. The previous year's figures for the income statement have been adjusted accordingly, which means that the operating income and the operating expenses of the previous year are kCHF 3,208 lower. The annual result remained unchanged.

Closing date

The uniform closing date for all companies included in the consolidation is 31 December. The associated company Skilift Bumps AG is an exception to this rule (30 June). As in previous years, Skilift Bumps AG due to the lesser importance of the company does not have to prepare interim financial statements as at 31 December.

Scope of consolidation

The consolidated financial statements include the financial statements of Jungfraubahn Holding AG and its holdings. The holdings of the Group can be seen in the Notes to the individual financial statements of Jungfraubahn Holding AG. The holdings are broken down as follows:

Group companies

Group companies are companies in which Jungfraubahn Holding AG has a direct or indirect share of more than 50 per cent.

Associated companies

Associated companies are companies in which Jungfraubahn Holding AG holds 20 to 50 per cent and has a significant influence.

Non-consolidated holdings

Non-consolidated holdings (up to 20 per cent) are reported under «financial assets».

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Consolidation method

Group companies

Assets and liabilities, as well as expenses and income, are 100 per cent accounted for according to the full consolidation method. Capital consolidation is carried out according to the Anglo-Saxon method (purchase method). Goodwill paid in connection with a share acquisition is usually depreciated over 5 years, in justified cases over 20 years. A passive difference (badwill) is credited to the income statement in the financial year.

The minority interests in equity and income are shown separately on the balance sheet and the income statement. Receivables, liabilities as well as deliveries and services between group companies, including resulting profits, are eliminated.

Associated companies

These companies are included in the consolidated financial statements using the equity method less value adjustments necessary for economic reasons.

Non-consolidated holdings

The non-consolidated participations reported in the «financial investments» are valued at the acquisition cost less value adjustments necessary for economic reasons.

Valuation principles

Balance sheet items are valued according to uniform guidelines. The valuation is based on the acquisition or production costs (principle of historical costs). The most important rules for the various items are set out below:

Foreign currencies

The conversion of positions in foreign currencies is carried out according to the closing rate method. The effects from foreign currency adjustments are recorded in the period result.

Receivables

Receivables are stated at the nominal value less value adjustments necessary for economic reasons.

Inventories

In particular, articles sold in souvenir shops are included in this item. The valuation is carried out at acquisition cost or - if this is lower - at the realisable disposal value. Any discounts are recorded as a reduction in acquisition costs. Consumables and operating materials are reported as «deferred accruals» in the sense of prepaid expenses.

Tangible assets

Property, plant and equipment and spare parts are recognised at acquisition or production values and amortised using the straight-line method over the estimated period of their use (spare parts corresponding to the period of the related property, plant and equipment). Land is not amortised. The planned useful lives for:

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Investment item	Years
Railway stations	50
Depots and workshops	50
Railway substructure and superstructure	25 – 80
Gondola lift, chairlift and ski lift stations	20 – 50
Ski slopes and fixed snowmaking equipment	10 – 25
Hiking trails and climbing routes	20 – 30
Power plant and technical water buildings	50 – 80
Restaurants and accommodation	10 – 50
Car parks and parking spaces	20 – 40
Residential buildings	50
Administration buildings	50
Other buildings	50
Railway installations	15 – 40
Gondola lifts	30
Chairlifts and ski lifts	10 – 30
Snowmakers	6 – 10
Power plant and technical water facilities	10 – 40
Other facilities	4 – 20
Rail vehicles	30
Slope vehicles	6
Cars	4 – 10
Other vehicles	4 – 10
Office equipment	5 – 8
Devices and tools	5 – 10
IT equipment	5 – 20
Communication equipment	5 – 20

Impairment

On each balance sheet date, an assessment is made as to whether there are any signs of impairment of the book values of the Jungfraubahn Group's assets. If there are any signs, the recoverable value of the assets is determined. An impairment loss is recognised in profit or loss.

Financial assets

Financial assets are stated at acquisition costs, less value adjustments necessary for economic reasons.

Intangible assets

Intangible assets (software, concessions and rights as well as goodwill) are recognised at cost and depreciated over the estimated or contractually determined useful lives. The planned useful lives for:

Investment item	Years
Software	5 – 10
Concessions and rights	15 – 100
Goodwill	5

Liabilities

Liabilities are stated at their nominal value.

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Provisions

Provisions are probable obligations that are based on events in the past, the amount and / or maturity of which is uncertain but can be estimated. The valuation is based on uniform business management criteria.

Sales realisation

The revenues of the Jungfraubahn Group stem mainly from the sale of travel tickets (transport income). Transport income is realised with the completion of the sales transaction in the sales system and posted in the corresponding period. Proceeds from long-term travel tickets are deferred on a monthly basis and are settled over the entire duration of the travel tickets.

Taxes

Current taxes on profits are deferred on the basis of the business results reported in the reporting year according to the principle of current-year measurement.

For deferred taxes, all differences between tax rates and group values are measured at full tax rates and reported in the balance sheet (comprehensive liability method). To calculate the deferred tax burden, the future expected tax rate is applied to each company at the time of dissolution. Deferred tax assets on tax-deductible losses carried forward are not capitalised but shown in the Notes.

Employee pension funds

All employees of the Jungfraubahn Group are insured by the legally independent personnel pension fund of Jungfrau Railways. The purpose of the fund is to insure the employees against the economic consequences of age, death and disability. All workers aged over 17 are insured.

The assets of the foundation are not included in the consolidated financial statements. In the statement of income, the contributions demarcated for the period are presented as personnel expenses. The balance sheet includes the corresponding deferred tax assets or liabilities as well as liabilities arising from contractual, regulatory or legal principles. It is assessed annually whether there is an economic benefit or an economic obligation from the organisation's perspective. The annual accounts of the pension fund, which are prepared in Switzerland in accordance with Swiss GAAP FER 26, and other calculations which represent the financial situation, the existing excess cover or shortfall under the actual circumstances, serve as a basis.

Transactions with related parties

Business relationships with related parties are settled under market conditions. This applies in particular to business transactions with BEKB | BCBE, Gebäudeversicherung Bern, Garaventa AG, Graf AG, Hoch- & Tiefbau, Holzbau, as well as with associated companies and personnel services.

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SEGMENT INFORMATION

CHF (thousands)	2016	2015	Change	in %
Segment sales				
Net sales Jungfraujoch - Top of Europe	110,855	117,569	-6,714	-5.7%
Net sales Adventure mountain	18,431	15,580	2,851	18.3%
Net sales Winter Sports	24,187	26,808	-2,621	-9.8%
Net sales other segments [1]	42,130	41,228	902	2.2%
Elimination group-internal sales	-26,573	-25,697	-876	3.4%
Total operating income according to profit and loss account	169,030	175,488	-6,458	-3.7%
Segment results EBITDA				
EBITDA Jungfraujoch – Top of Europe	54,169	62,481	-8,312	-13.3%
EBITDA Adventure mountain	7,627	5,348	2,279	42.6%
EBITDA Winter sports	-202	2,139	-2,341	-109.4%
EBITDA other segments [1]	9,483	9,434	49	0.5%
Group eliminations	2	-7	9	-128.6%
Total EBITDA according to the income statement	71,079	79,395	-8,316	-10.5%

[1] Other segments include, in particular, the JungfrauBahn power station, JungfrauBahnen Management AG and the Lauterbrunnen car park

COMMENTS

0 Scope of consolidation

In the reporting year, the newly founded companies Grindelwald Grund Infrastruktur AG, Grindelwald (80% holding), and Mürrenbahn AG, Lauterbrunnen (100% holding) were included in the scope of consolidation. They were recognised in the consolidated financial statements using the fully consolidated method.

1 Receivables from deliveries and services

CHF (thousands)	2016	2015
Receivables from third parties	7,582	9,321
Receivables from associated companies	172	59
Value adjustments	-49	-231
Net value	7,705	9,149
Change	-1,444	

2 Accrued income

CHF (thousands)	2016	2015
Operating material and consumables, printed matter, service clothing	2,309	2,279
Credit refund of tax payments	1,255	36
Credit from energy supplies	687	727
Prepaid insurance premiums	1,337	1,374
Miscellaneous	1,589	3,681
Total	7,177	8,097
Change	-920	

*Financial report***3 Financial investments**

Acquisition values	CHF (thousands)	Balance sheet value 01/01/2016	Inventory 01/01/2016	Additions	Disposals	Inventory 31/12/2016
Associated companies		3,136	4,076	2,382	-35	6,423
Non-consolidated holdings		526	576			576
Loans		68	68	1,574	-811	831
Securities		578	1,271	24		1,295
Fixed deposits		2,025	2,025			2,025
Total acquisition values		6,333	8,016	3,980	-846	11,150

Depreciation and amortisations	CHF (thousands)	Inventory 01/01/2016	Additions	Disposals	Inventory 31/12/2016	Balance sheet value 31/12/2016
Associated companies		940			940	5,483
Non-consolidated holdings		50			50	526
Loans		0			0	831
Securities		693	3		696	599
Fixed deposits		0			0	2,025
Total depreciation and amortisations		1,683	3	0	1,686	9,464

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4 Tangible assets - acquisition values 2016

Investment item	CHF (thousands)	Balance sheet value 01/01/2016	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016
Undeveloped land		1,484	1,945	0	0	0	1,945
Developed land		9,185	10,342	1,960	673	-308	12,667
Railway stations		27,309	53,281	1,154	1		54,436
Depots and workshops		13,573	23,257				23,257
Railway substructure and superstructure		75,881	103,202	4,001	687	-1,965	105,925
Gondola lift, chair lift and ski lift stations		18,657	36,355				36,355
Ski slopes and fixed snowmaking equipment		19,034	33,352		-44	-11	33,297
Hiking trails / climbing routes		484	940	187			1,127
Power station		13,272	18,242	789			19,031
Restaurants and accommodation		15,350	29,847				29,847
Car parks and parking spaces		3,283	16,519	95	-673	-49	15,892
Residential buildings		3,699	5,287			-35	5,252
Administration buildings		1,190	2,497				2,497
Other buildings		54,930	101,155	41	1	-16	101,181
Total land and buildings		255,847	434,276	8,227	645	-2,384	440,764
Railway installations		34,552	80,753	4,043	34	-716	84,114
Gondola lifts		14,412	27,802	1	67		27,870
Chairlifts and ski lifts		24,158	52,710	232			52,942
Snowmaking equipment		1,801	4,760	197		-386	4,571
Power stations		20,860	33,075	2,765	276	-16	36,100
Other facilities		10,281	17,882	689	10	-186	18,395
Total facilities		106,064	216,982	7,927	387	-1,304	223,992
Rail vehicles		108,623	207,684	12,953	19,642	-6,385	233,894
Slope vehicles		3,713	8,202	54		-19	8,237
Cars		355	955	240		-44	1,151
Other vehicles		393	1,161	113			1,274
Total vehicles		113,084	218,002	13,360	19,642	-6,448	244,556
Office equipment		0	1,403			-10	1,393
Devices and tools		2,105	8,610	1,179	3	-162	9,630
IT equipment		1,511	2,981	15		-67	2,929
Communication equipment		262	336				336
Total other property, plant and equipment		3,878	13,330	1,194	3	-239	14,288
Installations under construction		27,767	27,767	14,873	-20,677	0	21,963
Spare parts / material supplies		7,362	13,169	989	0	-651	13,507
Total		515,486	925,471	46,570	0	-11,026	961,015

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4 Property, plant and equipment - depreciation and impairments 2016

Investment item	CHF (thousands)	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016	Balance sheet value 31/12/2016
Undeveloped land		461	0	0	0	461	1,484
Developed land		1,157		295	-308	1,144	11,523
Railway stations		25,972	1,067			27,039	27,397
Depots and workshops		9,684	441			10,125	13,132
Railway substructure and superstructure		27,321	3,312		-1,965	28,668	77,257
Gondola lift, chair lift and ski lift stations		17,698	1,233			18,931	17,424
Ski slopes and fixed snowmaking equipment		14,318	1,469		-11	15,776	17,521
Hiking trails / climbing routes		456	104			560	567
Power station		4,970	405			5,375	13,656
Restaurants and accommodation		14,497	552			15,049	14,798
Car parks and parking spaces		13,236	472	-295	-48	13,365	2,527
Residential buildings		1,588	198		-35	1,751	3,501
Administration buildings		1,307	43			1,350	1,147
Other buildings		46,225	2,164		-16	48,373	52,808
Total land and buildings		178,429	11,460	0	-2,383	187,506	253,258
Railway installations		46,201	3,457	-90	-716	48,852	35,262
Gondola lifts		13,390	2,027			15,417	12,453
Chairlifts and ski lifts		28,552	2,036			30,588	22,354
Snowmaking equipment		2,959	360		-386	2,933	1,638
Power stations		12,215	1,444	90	-16	13,733	22,367
Other facilities		7,601	1,515		-186	8,930	9,465
Total facilities		110,918	10,839	0	-1,304	120,453	103,539
Rail vehicles		99,061	8,527		-6,385	101,203	132,691
Slope vehicles		4,489	1,113		-19	5,583	2,654
Cars		600	79		-44	635	516
Other vehicles		768	80			848	426
Total vehicles		104,918	9,799	0	-6,448	108,269	136,287
Office equipment		1,403			-10	1,393	0
Devices and tools		6,505	391		-162	6,734	2,896
IT equipment		1,470	291		-67	1,694	1,235
Communication equipment		74	37			111	225
Total other property, plant and equipment		9,452	719	0	-239	9,932	4,356
Installations under construction		0	0	0	0	0	21,963
Spare parts / material supplies		5,807	1,016	0	-38	6,785	6,722
Total		409,985	33,833	0	-10,412	433,406	527,609

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4 Tangible assets - acquisition values 2015

Investment item	CHF (thousands)	Balance sheet value 01/01/2015	Inventory 01/01/2015	Additions	Reclassification	Disposals	Inventory 31/12/2015
Undeveloped land		1,484	1,659	263	23	0	1,945
Developed land		9,163	10,217	125			10,342
Railway stations		28,223	53,165	165		-49	53,281
Depots and workshops		13,889	23,133	124			23,257
Railway substructure and superstructure		72,313	97,699	5,682	1,002	-1,181	103,202
Gondola lift, chair lift and ski lift stations		19,968	36,305	50			36,355
Ski slopes and fixed snowmaking equipment		19,404	32,345	945	114	-52	33,352
Hiking trails / climbing routes		573	940				940
Power station		13,441	18,068	174			18,242
Restaurants and accommodation		15,355	29,357	556	24	-90	29,847
Car parks and parking spaces		3,774	16,519				16,519
Residential buildings		3,901	5,304			-17	5,287
Administration buildings		1,232	2,497				2,497
Other buildings		54,733	98,878	2,286	8	-17	101,155
Total land and buildings		255,969	424,427	10,107	1,148	-1,406	434,276
Railway installations		31,058	77,266	4,697	1,744	-2,954	80,753
Gondola lifts		15,397	27,605	285		-88	27,802
Chairlifts and ski lifts		25,553	52,098	673		-61	52,710
Snowmaking equipment		1,913	4,528	232			4,760
Power stations		18,648	30,038	2,820	642	-425	33,075
Other facilities		10,638	16,852	1,058	6	-34	17,882
Total facilities		103,207	208,387	9,765	2,392	-3,562	216,982
Rail vehicles		84,410	182,696	13,199	18,595	-6,806	207,684
Slope vehicles		3,676	7,598	1,058	3	-457	8,202
Cars		352	928	94		-67	955
Other vehicles		484	1,161				1,161
Total vehicles		88,922	192,383	14,351	18,598	-7,330	218,002
Office equipment		0	1,403				1,403
Devices and tools		2,026	8,316	431		-137	8,610
IT equipment		1,135	2,674	599		-292	2,981
Communication equipment		301	336				336
Total other property, plant and equipment		3,462	12,729	1,030	0	-429	13,330
Installations under construction		30,814	30,814	19,114	-22,161	0	27,767
Spare parts / material supplies		8,588	13,838	559	0	-1,228	13,169
Total		492,446	884,237	55,189	0	-13,955	925,471

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4 Property, plant and equipment - depreciation and impairments 2015

Investment item	CHF (thousands)	Inventory 01/01/2015	Additions	Reclassification	Disposals	Inventory 31/12/2015	Balance sheet value 31/12/2015
Undeveloped land		175	286	0	0	461	1,484
Developed land		1,054	103			1,157	9,185
Railway stations		24,942	1,079		-49	25,972	27,309
Depots and workshops		9,244	440			9,684	13,573
Railway substructure and superstructure		25,386	3,116		-1,181	27,321	75,881
Gondola lift, chair lift and ski lift stations		16,337	1,361			17,698	18,657
Ski slopes and fixed snowmaking equipment		12,941	1,429		-52	14,318	19,034
Hiking trails / climbing routes		367	89			456	484
Power station		4,627	343			4,970	13,272
Restaurants and accommodation		14,002	585		-90	14,497	15,350
Car parks and parking spaces		12,745	491			13,236	3,283
Residential buildings		1,403	202		-17	1,588	3,699
Administration buildings		1,265	42			1,307	1,190
Other buildings		44,145	2,097		-17	46,225	54,930
Total land and buildings		168,458	11,377	0	-1,406	178,429	255,847
Railway installations		46,208	2,953	-6	-2,954	46,201	34,552
Gondola lifts		12,208	1,270		-88	13,390	14,412
Chairlifts and ski lifts		26,545	2,068		-61	28,552	24,158
Snowmaking equipment		2,615	344			2,959	1,801
Power stations		11,390	1,244	6	-425	12,215	20,860
Other facilities		6,214	1,421		-34	7,601	10,281
Total facilities		105,180	9,300	0	-3,562	110,918	106,064
Rail vehicles		98,286	7,581		-6,806	99,061	108,623
Slope vehicles		3,922	1,024		-457	4,489	3,713
Cars		576	90		-66	600	355
Other vehicles		677	91			768	393
Total vehicles		103,461	8,786	0	-7,329	104,918	113,084
Office equipment		1,403				1,403	0
Devices and tools		6,290	345		-130	6,505	2,105
IT equipment		1,539	223		-292	1,470	1,511
Communication equipment		35	39			74	262
Total other property, plant and equipment		9,267	607	0	-422	9,452	3,878
Installations under construction		0	0	0	0	0	27,767
Spare parts / material supplies		5,250	1,103	0	-546	5,807	7,362
Total		391,791	31,459	0	-13,265	409,985	515,486

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5 Intangible assets

Acquisition values	CHF (thousands)	Balance sheet value 01/01/2016	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016
Concessions and rights		2,688	4,700				4,700
Software		3,541	6,948	3,303		-698	9,553
Goodwill		0	428				428
Total acquisition values		6,229	12,076	3,303	0	-698	14,681

Depreciation and impairments	CHF (thousands)	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016	Balance sheet value 31/12/2016
Concessions and rights		2,012	130			2,142	2,558
Software		3,407	784		-698	3,493	6,060
Goodwill		428				428	0
Total depreciation and impairments		5,847	914	0	-698	6,063	8,618

6 Liabilities from deliveries and services

CHF (thousands)	2016	2015
Liabilities from deliveries and services owed to third parties	23,666	15,020
Liabilities from deliveries and services owed to related parties	38	258
Liabilities from deliveries and services owed to associated companies	62	26
Total	23,766	15,304
Change	8,462	

7 Financial liabilities / net financial assets

CHF (thousands)	2016	Maturity less than 1 year	Maturity more than 1 year	Conditionally repayable	Unused limits	2015
Confederation and canton loan under Art. 56 Railway Conveyance Act (non-interest-bearing)	33,743	740		33,003		28,974
Bank liabilities	0				95,000	
Total financial liabilities	33,743	740	0	33,003	95,000	28,974
Liquid funds	58,841					49,088
Net financial assets	25,098					20,114
Change on previous year	4,984					

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8 Other current liabilities

CHF (thousands)	2016	2015
VAT	764	923
Direct tax	2,868	2,303
Social security liabilities	724	19
Clearing balance Jungfrau Ski Region and SBB	105	0
Various other liabilities	56	25
Liabilities to shareholders	166	160
Total	4,683	3,430
Change	1,253	

Among liabilities to shareholders, unpaid dividends are recognised on exchange shares. Exchange shares are non-swapped shares from the mergers of the Jungfrau Holding AG with Wengernalpbahn AG and Jungfrau AG in 1994, with Sesselbahn Innerwengen-Allmend AG in 2002 as well as Bergbahnen Grindelwald-First AG in 2003.

9 Provisions

CHF (thousands)	Holidays / overtime	Various	Demolition Ostgrat building	Deferred taxes	Total provisions
Book value at 01/01/2015	917	2	0	43,648	44,567
Formation	220				220
Use		-2			-2
Dissolution	-24			-668	-692
Book value at 31/12/2015	1,113	0	0	42,980	44,093
of which short-term	1,113	0	0	0	1,113
Book value at 01/01/2016	1,113	0	0	42,980	44,093
Formation	235		950	9	1,194
Dissolution	-49			-876	-925
Book value at 31/12/2016	1,299	0	950	42,113	44,362
of which short-term	1,299	0	0	0	1,299

10 Deferred income

CHF (thousands)	2016	2015
Demarcation of transport income from subscriptions	4,606	5,893
Direct tax	2,999	5,708
Profit sharing	651	1,291
Other demarcations	4,377	5,965
Total	12,633	18,857
Change	-6,224	

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11 Transport income

CHF (thousands)	2016	2015
Jungfraujoch – Top of Europe	100,274	108,483
Adventure mountains	13,281	11,396
Winter sports	19,591	21,986
Gross transport earnings	133,146	141,865
Reductions in revenue	-7,162	-7,896
Total	125,984	133,969
Change	-7,985	

12 Compensation received from government

CHF (thousands)	2016	2015
Lauterbrunnen–Wengen infrastructure	3,511	3,163
Regional passenger transport Lauterbrunnen–Wengen	1,488	1,400
Freight transport Lauterbrunnen–Wengen	1,810	1,732
Regional passenger transport Lauterbrunnen–Mürren	2,251	2,165
Total	9,060	8,460
Change	600	

The uncovered costs of the transport service ordered by the public authorities (Federation and Canton of Bern) on the routes Lauterbrunnen–Mürren and Lauterbrunnen–Wengen are paid by the purchaser. The corresponding compensation must be negotiated in advance.

13 Rental income

CHF (thousands)	2016	2015
Catering rental rates	2,076	2,096
Renting of parking spaces	2,120	2,121
Renting of residential and commercial spaces	1,039	1,087
Other renting	1,303	1,246
Total	6,538	6,550
Change	-12	

14 Other income

CHF (thousands)	2016	2015
Experience offers	1,700	1,032
Events	1,161	764
Income from package offers	232	178
Various income	1,902	1,755
Capitalised costs	1,137	1,075
Income from sales of assets	28	31
Total	6,160	4,835
Change	1,325	

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15 Cost of goods

CHF (thousands)	2016	2015
Souvenir shops	-2,673	-2,512
Dining and accommodation	-60	-49
Total	-2,733	-2,561
Change	-172	

16 Personnel expenses

CHF (thousands)	2016	2015
Salaries and wages	-39,652	-39,018
Allowances, uniforms and other benefits	-5,105	-5,742
Social expenditure	-7,667	-7,521
remaining personnel expenses	-1,354	-1,546
Insurance payments	376	387
Total	-53,402	-53,440
Change	38	
Employees (full-time positions)	536	525
Change	11	

The compensation paid to the Management booked under personnel expenses is shown in the remuneration report of JungfrauBahn Holding AG.

17 Employee benefit plans

Number of people	2016	2015
Active insured persons	562	563
Pensioners	241	227
Total persons	803	790
Change	13	
Expenditure for employee benefit plans in thousands of CHF (included in social expenses)	-3,375	-3,318
Change	-57	

18 Pension plans

Economic benefit / economic commitment	Tausend CHF	Surplus cover / shortfall at 31/12/2015	Surplus cover / shortfall at 31/12/2014	Economic part of the organisation at 31/12/2015	Economic part of the organisation at 31/12/2014
Pension plan with surplus cover					
Jungfrau Railways pension fund [1]		704	7,516	0	0
Change		-6,812		0	

[1] The degree of coverage of the Jungfrau Railways pension fund amounts to 116.8% as of 31/12/2015 in the last published financial statements.

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Pension expenses in personnel expenses	CHF (thousands)	2016	2015
Jungfrau Railways pension fund		-3,165	-3,155
Change		-10	

Management insurance is maintained for members of management and extended management. Expenses for the companies amounted to kCHF 210 in 2016 and kCHF 163 in 2015.

19 Other operating expenses

CHF (thousands)	2016	2015
Costs for services	-7,896	-7,903
Rent expenses	-413	-391
Maintenance, renovation and demolition	-9,049	-8,418
Insurance and compensation	-1,604	-1,708
Energy and consumables	-2,407	-2,236
General expenses	-8,041	-7,303
IT	-2,781	-2,193
Marketing	-5,571	-5,386
Events	-1,014	-1,079
Total	-38,776	-36,617
Change	-2,159	

General expenses mainly include administrative costs, fees and duties as well as various sponsorship and cost contributions. The compensation paid to Board members as a general expense is disclosed in the remuneration report of Jungfrau Holding AG.

20 Financial income

Financial income for 2016 includes a badwill of kCHF 2,440, which resulted from the purchase of shares in subsidiaries. There was no badwill in 2015.

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21 Taxes on profits

CHF (thousands)	2016	2015
Distribution by tax type		
Income taxes	-8,780	-11,027
Deferred taxes on profits	867	668
Total	-7,913	-10,359
Change	2,446	
Analysis of taxes on profits		
Ordinary earnings before taxes on profits	38,877	46,844
Average applicable tax rate before taking account of losses carried forward	21.1%	22.4%
Expected taxes on profits related to the ordinary result	-8,203	-10,474
Effect of changes in non-capitalised losses carried forward	220	-2
Effect of tax-free company parts	37	188
Other effects	33	-71
Total	-7,913	-10,359
Effective tax rate	20.4%	22.1%

The Group's average income tax rate is based on the weighted average tax rate resulting from the profit or loss before tax as well as the tax rate of each individual company.

With the companies Firstbahn AG, Bergbahn Lauterbrunnen-Mürren AG, Grindelwald Grund Infrastruktur AG as well as Mürrenbahn AG there are tax-deductible losses carried forward totalling kCHF 4,583 (previous year kCHF 5,633). The resulting non-capitalised deferred tax claim is kCHF 1,013 (previous year kCHF 1,233).

22 Equity

Share capital

The share capital of Jungfraubahn Holding AG is fully paid up, amounting to CHF 8,752,500 at 31 December 2016 and is divided into 5,835,000 registered shares with a nominal value of CHF 1.50. Rights and restrictions related to the shares are explained in Section 6 of the Corporate Governance report.

Treasury shares

At 31 December 2016, the company held 4,704 registered treasury shares with a nominal value of CHF 1.50 each (previous year 14,737 registered treasury shares).

In the reporting year, 20,476 (previous year: 16,138) of the Company's registered treasury shares were purchased at an average price of CHF 94.89 (previous year: CHF 93.97) and 30,509 (previous year 23,271) registered treasury shares were sold at an average price of CHF 93.15 (previous year CHF 93.05).

Since 2005, the employees of the Jungfrau Railway Group as well as the administrative boards of Jungfraubahn Holding AG have been given the option of voluntarily purchasing a limited number of registered shares of Jungfraubahn Holding AG at a preferential price. In the reporting year, this price was CHF 32.00 per registered share (previous year CHF 25.00). The difference between the preferential price and the average acquisition price

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was recognised in the income statement under personnel expenses. In this way 20,970 registered treasury shares were sold in the reporting year (previous year 20,990).

The share ownership of the Board members and management is shown in the annexe to the financial statements of Jungfraubahn Holding AG.

Reserves

The non-distributable, statutory or legal reserves amounted to kCHF 24,392 at 31 December 2016 (previous year kCHF 24,524).

23 Significant non-cash transactions

CHF (thousands)	2016	2015
Sale of treasury shares from acquisition of shares in Bergbahn Lauterbrunnen-Mürren AG and Harderbahn AG (7,364 shares, excluding transaction costs kCHF 1)	667	0
Contribution in kind by third-party shareholder upon founding of Grindelwald Grundinfrastruktur AG (land)	1,960	0
Total	2,627	0
Change	2,627	

24 Other information

CHF (thousands)	2016	2015
Sureties, guarantees and pledges in favour of third parties		
Investment obligations	14,363	23,649
Assets pledged to secure building lease charges	51	33
Guarantee obligations	26	26
Joint and several liability for all value-added tax liabilities of the Jungfraubahn Group (including Berner Oberland-Bahnen AG)	p.m.	p.m.
Joint and several liability for the obligations of the simple partnership Jungfrau Ski Region	p.m.	p.m.
Other obligations not to be recognised		
Lease obligations from long-term leases	12,143	12,494
• of which due within 1 year	454	450
• of which due in 1-5 years	1,437	1,412
• of which due in more than 5 years	10,252	10,632

25 Events after the balance sheet date

Since the balance sheet date of 31 December 2016, no events have occurred which affect the meaningfulness of the consolidated financial statements for 2016.