ÖBB

We move Austria forward.

ANNUAL REPORT 2015
ÖBB-INFRASTRUKTUR AG

Contents

A. Group Structure and Investments

The ÖBB-Infrastruktur Group must ensure the economical use and provision of Austrian railway infrastructure for all railway operators without discriminating. In addition, the ÖBB-Infrastruktur Group builds the Austrian railway infrastructure on behalf of and for the benefit of its owner, the Republic of Austria. The financing of the capital expenditures in rail infrastructure development is ensured through the cash flow generated, outside capital and guarantees and investment grants from the federal government on the basis of multi-year master plans. Management, development and utilization of real estate belonging to the ÖBB Group is the responsibility of ÖBB-Immobilienmanagement Gesellschaft mbH, a subsidiary of ÖBB-Infrastruktur AG.

The parent company Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereinafter ÖBB-Holding AG) is a joint-stock corporation under Austrian law. The registered office of the company is at Am Hauptbahnhof 2, A-1100 Vienna, and the company is registered in the Company Register at the Commercial Court Vienna under number FN 247642f. ÖBB-Holding AG holds all shares of ÖBB-Infrastruktur AG.

Investments

All of ÖBB-Infrastruktur Group's investments are listed in detail in the investment overview in the annex to the Group's consolidated financial statements. An overview of the number of investments in Austria and abroad (incl. ÖBB-Infrastruktur AG) is provided below:

	as of Dec 31, 2015	as of Dec 31, 2014
Investments >50%	23	23
Investments 20-50%	3	3
thereof abroad	*1*	*1*
Investments <20%	3	3
thereof abroad	*1*	*1*
Total	**29**	**29**
thereof abroad	*2*	*2*

The ÖBB-Infrastruktur Group

The ÖBB-Infrastruktur Group operates 1,097 railway stations and railway infrastructure in Austria, which is used by ÖBB-Personenverkehr AG, Rail Cargo Austria AG, two other companies belonging to the ÖBB Group and other railway operators not belonging to the ÖBB Group. The continuation requirements for the master plan investments initiated through December 31, 2015 – taking into account the effect of the continuation of the master plan from 2016 to 2021 and a 2.5% increase in value – is EUR 12,765.0 million.

ÖBB-Infrastruktur AG has the following material subsidiaries and investments:

Mungos Sicher & Sauber GmbH & Co KG cleans the railway stations, provides special cleaning services, such as graffiti removal, as well as security and other services.

ÖBB-Immobilienmanagement Gesellschaft mbH provides modern real estate services, both within and outside the Group. Its responsibilities include the sale and utilization of real estate, project development, station initiative, property management, facility management, space management, and contract management for film productions and events at railway stations.

The procurement and Group-wide rental and utilization of specialty rail vehicles and equipment and road vehicles, their purchasing, financing, servicing and maintenance are the responsibility of Rail Equipment GmbH & Co KG.

Güterterminal Werndorf Projekt GmbH was established under a private partnership model to create the Werndorf freight terminal and was acquired by the ÖBB-Infrastruktur Group in 2012.

WS Service GmbH was established at the end of 2013 and provides services for and in connection with switch points, and thus in particular the maintenance, inspection and repair of switch points. Weichenwerk Wörth GmbH is Austria's market leader in the production of switch points, insulated rail joints and switch-related logistics services and has also positioned itself as an exporter to Southeastern and Western Europe primarily in the areas of superstructure and industrial switch points. During financial year 2015, 49% of the shares in WS Service GmbH were exchanged for 13.05% of the shares in Weichenwerk Wörth GmbH. As a result, ÖBB-Infrastruktur AG has a 51% stake in WS Service GmbH. In contrast, the 30% stake in Weichenwerk Wörth GmbH was increased to 43.05%.

Since 2011, ÖBB-Infrastruktur AG has had a 50% stake in Galleria di Base del Brennero – Brenner Basistunnel BBT SE and therefore also in the major project "Construction of the Brenner Base Tunnel". The necessary funding is provided to

ÖBB-Infrastruktur AG in addition to the applicable master plan of the Republic of Austria. For the acquisition of the shares, the Republic of Austria has made a shareholder contribution to ÖBB-Infrastruktur AG via ÖBB-Holding AG in the amount of the cost of the investment.

The object of Breitspur Planungsgesellschaft mbH is planning the continuation of the 1520 mm broad gauge rail infrastructure from the border of Ukraine through Slovakia to and within Austria. ÖBB-Holding AG acquired its 25% shareholding in 2013. A capital increase raised the share of the investment to 28.54% in financial year 2015.

Other major subsidiaries of the ÖBB-Infrastruktur Group are ÖBB-Realitätenbeteiligungs GmbH & Co KG, Elisabethstraße 7 Projektentwicklung GmbH & CO KG, Elisabethstraße 9 Projektentwicklung GmbH & Co KG, Gauermanngasse 2-4 Projektentwicklung GmbH & Co KG and Operngasse 16 Projektentwicklung GmbH & Co KG.

B. General Conditions and Market Environment

B.1. General economic conditions

Global economic situation (Change in real % compared to the previous year)

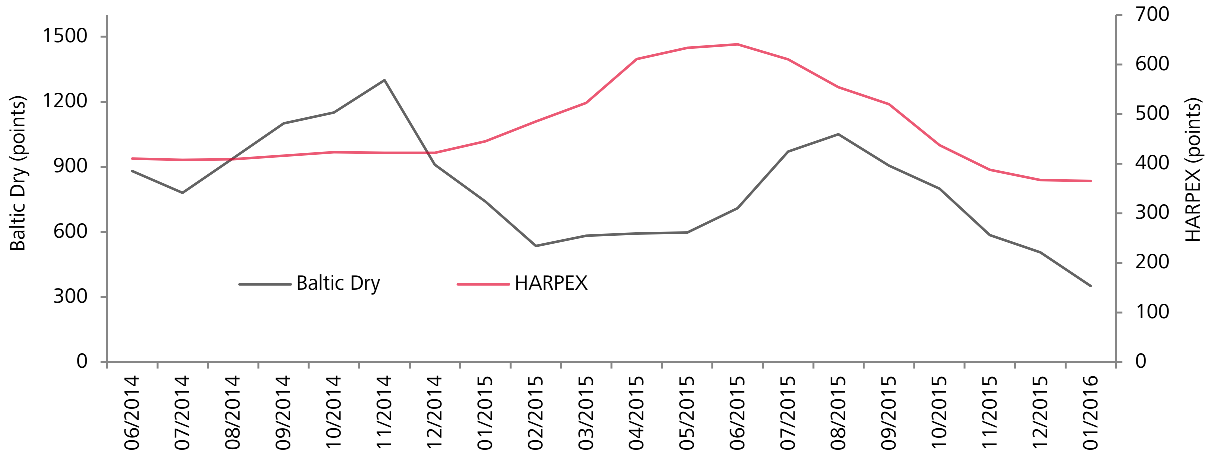
Gross domestic product	2014	2015	2016
Eurozone	0.9	1.6	1.7
EU	1.4	1.9	1.9
USA	2.4	2.5	2.7
China	7.4	6.9	6.5
World trade	3.3	0.5	2.0

Source: EU Commission, winter forecast, 2015/16

The world economy was influenced in 2015, among other things, by a sharp decline in China's exports of up to 25%. This caused growth in world trade to fall back to just +0.5%. Within Europe, the EU's sanctions against Russia had a negative impact on trade. In the last quarters in 2015, the index of world container traffic fell up to 4% below the values of the corresponding quarters of the previous year.

The still smoldering banking and debt crisis has undermined the confidence in the euro in 2015. One clear signal was when the Swiss National Bank removed the cap on the Swiss franc in January. The euro has fallen against the US dollar by an annual average rate of 15%. The decline in the euro exchange rate had a favorable effect on export opportunities for European industry.

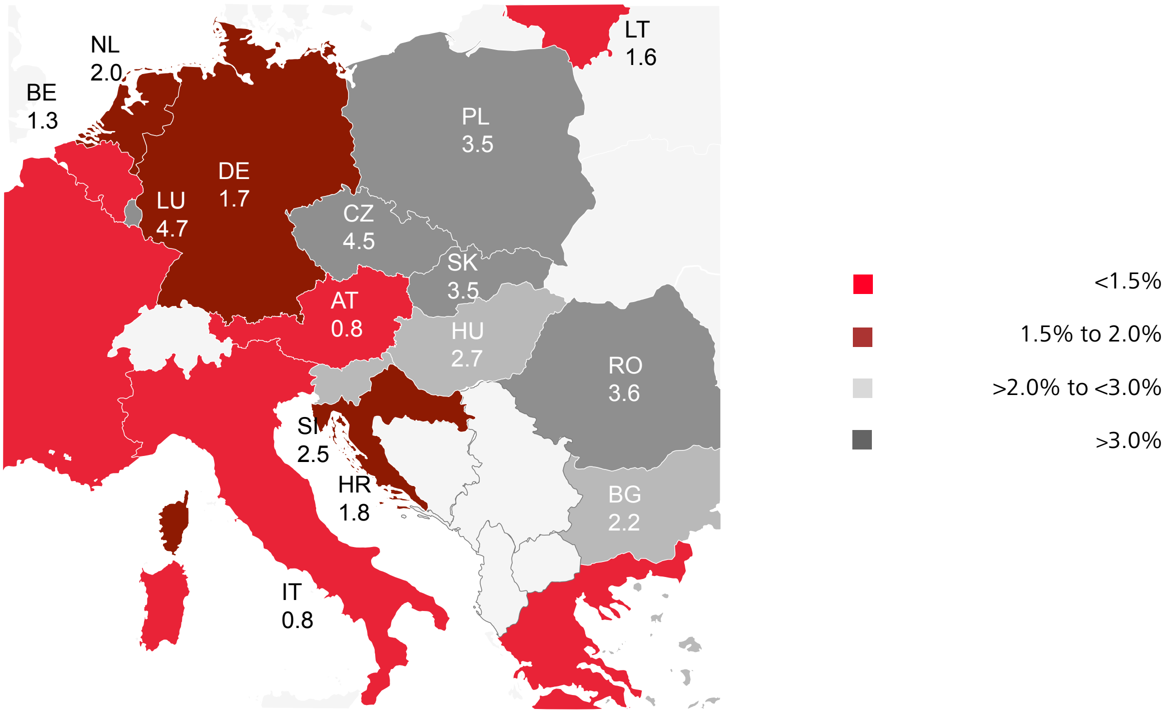
Maritime indices (index points)



Source: Baltic Exchange, January 13, 2016 Harper-Pedersen, January 13, 2016

Maritime indicators provide no reason for optimism regarding the development of world trade at the beginning of 2016. The Baltic Dry Index, which indicates the price trend for commodity shipments, is considered a leading indicator. After a brief recovery, it fell back to a record low. The same applies to the HARPEX index, which enables its followers to draw conclusions about the market situation for finished products based on price developments in container ship traffic. A limitation to be noted is that the maritime transport market is also characterized by a cyclical oversupply of cargo capacity. This currently reduces the quality of the two indices as forecasting tools.

Economic development in 2015 for the European Union (GDP changes compared to the previous year in real %)



Source: EU Commission, January 2016

Economic development in Europe was slightly better at the end of 2015 than had been predicted in the pessimistic forecasts of 2014. However, Austria's growth of +0.8% was the lowest increase in gross domestic product of all the countries in the region.

Key data and forecasts for the economic situation in Austria

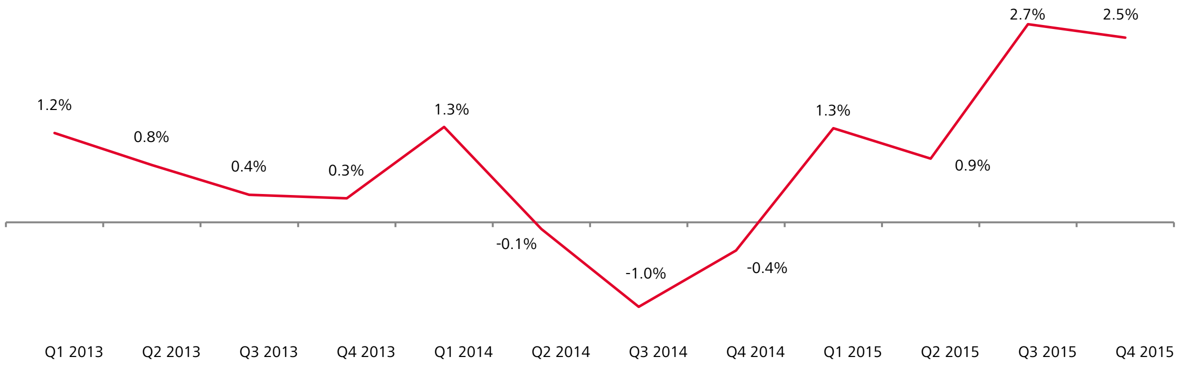
Parameter	Unit	2014	2015	2016
Gross domestic product	Change in % compared to the prior year (real)	0.3	0.8	1.7
Market growth Austria*		3.0	3.0	4.0
Goods exports		2.1	2.5	4.0
Goods imports		0.9	3.2	3.5
Manufacture of goods		0.2	1.2	2.6
Gross capital investment		0.4	0.9	1.8
Crude oil price (Brent)	Change in % compared to the prior year	-8.0	-44.0	9.0
Maastricht deficit	% of the GDP	-1.5	-1.6	-1.9
Inflation rate	%	2.0	1.0	1.8
Unemployment rate	% of the labor force	4.9	5.7	6.1

Source: WIFO, January 13, 2016, Konjunkturportal [Economic Portal], Key Results December 2015

* Change in real imports of partner countries weighted with Austrian export shares

In Austria, GDP growth of 1.7% for 2016 is predicted over the previous year. For rail freight, the development of the production of goods and their export and import is crucial. The increase in imports and exports of goods in 2015 was somewhat below the forecasts of 3.5%. The production of goods lagged very strongly below the forecasts of +2.5%. It reached only +1.2%. +2.6% is forecast again for 2016.[1] The increase in Austrian industrial production and the relatively favorable development of the purchasing managers index of manufacturing output in the last quarters of 2015 provide reason to believe that this objective will be achieved.

Development of industrial production (excluding construction, change compared to the same quarter last year):



Source: Statistik Austria, production index ÖNACE 2008 (Ø 2010=100), EU harmonized working day adjusted

Capital markets and national budget

The interest rate level of government bonds is crucial for the borrowing terms and conditions for ÖBB-Infrastruktur AG. Due to the liability assumed by the Austrian government for the bonds, the interest rate of new issues strongly depends on the interest rates of Austrian government bonds. The secondary market yield on government bonds has been regularly setting record lows for years. The benchmark yield on 10-year government bonds was at 1.5% in 2015. For 2016, a decrease of 1% is expected. For shorter maturities, the secondary market yield on government bonds has now fallen to below 0.4%.

According to the international credit rating agencies, Austria is likely to maintain its credit rating in 2016. In January 2015, Fitch had already lowered its rating for Austria from the top rating of AAA to AA+ with a stable outlook. Fitch confirmed this classification in January 2016. Standard & Poor's also classifies its rating of AA+ as stable. Moody's, however, lowered the outlook for its Aaa rating to negative from stable in October 2015. Moody's sees continued weak economic growth as a barrier to reducing public debt.

B.2. Political and regulatory framework on the European level

Fourth Railway Package

In order to further liberalize and harmonize the European railway transport market, in January 2013 the European Commission submitted the following drafts for the 4th Railway Package, consisting of three Directives and two Regulations. The packages are the result of a single plan for the creation of a European rail market using a legislative "package approach":

- **Further opening up of the national railway passenger transport market, including a revision of the regulation on public service contracts (1370/2007) (Public Service Obligation "PSO"):** This compromise text permits strengthened direct awards of railway passenger transport services. In addition, a generous time limit (max. 10, in exceptional cases 15 years after entry into force) governs the transition from the old to the new system. Furthermore, direct award is a long-term possibility, provided certain performance metrics, such as the increase in quality and/or cost compared to the pre-existing contract, are met. The regulation is currently still under negotiation between the European Parliament, the European Commission and the Member States, so it can be assumed that changes will still be made. This regulation will come into force in 2017.

[1] WIFO, Forecast for 2015 and 2016, September 29, 2015

- **Directive 2012/34/EU Unbundling of railway infrastructure companies and railway operators ("Governance"):** The original Commission draft was based on an institutional separation of the infrastructure operator from the railway operators. This compromise text permits now permits both separate models as well as integrated companies. As a result, it is still possible to maintain the structure of integrated companies (holding structure). Horizontal and vertical mandates regarding management and supervisory boards have been restricted. In addition, the so-called Chinese walls (strong independence criteria) have been reduced to the essential functions (train path allocation and user fee management). As a compromise for maintaining this option, regulators are granted more control rights.
- **Further development of the role of the European Railway Agency (ERA) with respect to the standardization of vehicle registrations and safety regulations (regulation) as well as changes in the safety and interoperability directives:** The technical pillar was relatively uncontroversial in the discussions. Plans include a new version of a directive on railway safety and a directive on the interoperability of the rail system within the EU as well as a directive on the Railway Agency of the European Union (a view to repealing Regulation (EC) no. 881/2004). These measures are intended on the one hand to further harmonize rail transport in Europe and on the other hand to standardize competencies in regulatory affairs of vehicles for transfer to the European Railway Agency (ERA). The negotiations between the European Commission, the European Parliament and the European Council will be applied to an agreement in the spring of 2016.

Revision of the Transport White Paper

In March 2011 the European Commission adopted the **"Transport White Paper – Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system"**:
- The aim of the White Paper is to identify a long-term strategy for mobility solutions. At the same time, undesirable side effects such as congestion, accidents and pollution (air, noise) are to be reduced to a minimum in order to mitigate climate change.
- Other concerns of the White Paper include the shift of 30% of transport over a distance of more than 300 km to rail or maritime transport by 2030 (50% by 2050) as well as reducing greenhouse gas emissions from the transport sector by 60% by 2050.

In the spring of 2015, the strategy paper was subjected to a comprehensive mid-term evaluation, in which the ÖBB participated both as a company and via the European umbrella association CER (Community of European Railways). As a result of this process the European Commission determined that there is no need for new prioritization, but that existing operations and public policy objectives would need to be implemented more quickly and effectively. The revised White Paper is scheduled for publication in the first quarter of 2016.

CER Chairmanship

CEO Christian Kern was re-elected until December 31, 2017, as Chairman of the Community of European Railways and Infrastructure Managers (CER) by the CEOs of the member companies. The CER represents the interests of the railways in Europe and has more than 80 member companies. The members are private companies, national federations of railway companies, pure sales companies, infrastructure operators and integrated companies such as Deutsche Bahn and ÖBB. Consequently, ÖBB remains the first point of contact of the European Commission for rail policy issues.

Call for Promotion by the European Commission

Connecting Europe Facility (CEF Call)

Under the "Connecting Europe Facility" (CEF) regulation, projects of the trans-European transport network (TEN-T) in the EU Member States will be funded with EUR 26 billion (valorized) from the EU financial framework for 2014-2020. CEF provides financial assistance for the completion of the TEN-T core network and its corridors through 2030. This made it possible, among other things, to attract funding for the construction of the Koralm railway line in the amount of EUR 57.5 million as well as for the planning and construction of the Brenner Base Tunnel in the amount of EUR 1.18 billion (for project company BBT SE).

B.3. Market environment

On October 14, the Council of Ministers of the Austrian Federal Government adopted the ÖBB framework plan for the years 2016 to 2021. The focal points of the EUR 14.6 billion package are the development of the Southern line, including the Semmering Base Tunnel and the Koralm railway line, the construction of the Brenner Base Tunnel and the completion of the four-track expansion of the Western line between Vienna and Wels.

The commissioning of the new Vienna-St. Pölten line, with the 2012/13 timetable change, with its considerably shorter traveling times, has increased the attractiveness of the Western line. Since the 2015/16 timetable change, the new Vienna Central Station is in full operation and acts as a national and international transport hub. All of Austria’s main cities and the Vienna airport are directly connected to the Vienna Central Station.

In the Austrian railway network, the consistent interval timetable for rail transport will be gradually implemented in the coming years. In November 2015, the state’s main strategy was anchored in the further expansion of railway infrastructure in the Railways Act. The allocation of routes for cross-border passenger and freight traffic has been regulated in accordance with EU requirements.

A prerequisite for Austria’s top position in rail transport is its dense, well-developed railways infrastructure. With 665 kilometers of line per million inhabitants, Austria has one of the densest rail networks in Europe. That is 60% more kilometers of line per million inhabitants than in Germany, for example, 75% more than in the “old” EU countries and 55% more than in the average of the EU-28. The operating offering for connecting railways remains particularly high – with nine operating sites per 100 kilometers. Germany has only six such operating sites per 100 kilometers. More than 80% of rail freight transported in Austria (target, source and domestic traffic) is transported via connecting railways. In addition, a large portion of container transport goes via rail to industrial and commercial areas.

A step towards improving existing railway network connections with the networks of neighboring countries was the opening of the first two freight corridors. These are the “Baltic-Adriatic Corridor” (the route from Poland to the Czech Republic and Austria to Italy) as well as the Scandinavian-Mediterranean Corridor, which corresponds in Austria to the Brenner Corridor. Based on an EU regulation, since November 2015 through train routes on timetables can be ordered for freight trains on these corridors.

In the energy sector, due to low electricity prices and effective open markets for traction power in Austria starting from January 1, 2016, the main focus is currently on optimizing reinvestments in aging hydropower plants, taking into account life cycle costs. Over the long term, a 25% expansion and optimization of domestic production (currently one-third of the annual needs) is targeted in order to reduce dependence on foreign energy sources, although there are also plans to promote the generation of wind and solar energy for railways in the coming years.

Cost and price levels in the construction industry are significantly influenced by the relevant raw materials (basic materials and raw materials in the production process) and manufacturing products such as concrete, gravel, steel, copper, diesel and gasoline. In 2015, the construction price index for civil engineering declined, while the index for building construction indicated a slightly rising trend. In its construction forecast, the Austrian Institute for Economic Research (WIFO) assumes low real growth for civil engineering over the medium term (2016 to 2018).[2]

In 2016, for the main production volumes, train kilometers and total gross tonne-kilometers will show slight rises of less than 1% compared to 2015, and in this context an increase in traction power consumption is also expected. In 2016, a significantly better result compared to 2015 is forecast in connection with higher income from disposals.

C. Economic report and outlook

C.1. Revenues

Overview	2015	2014	Change	Change in %
Million train-kilometers	145.4	145.1	0.3	0%
Total gross tonne-kilometers in million	75,101.8	75,162.7	-60.9	0%
Self-generated traction power from ÖBB power plants in GWh	801	668	133	20%
Traction power from overhead contact line in GWh	1,767	1,740	27	2%
Floor space incl. exterior spaces rented out in thousands m²	2,705	2,672	33	1%
Revenue in million EUR	2,044.0	2,176.1	-132.1	-6%
Total revenue in million EUR	3,051.4	3,114.7	-63.3	-2%
Total revenue per employee in thousand EUR	172	184	-12	-6%

[2] http://www.viboe.at/uploads/tx_viboelinkct/2015-12-Mittelfristige-Bauprognose-des-WIFO_01.pdf

Performance indicators

The development of train-kilometers (Tkm) is an important indicator for assessing the operational performance of the ÖBB-Infrastruktur Group. The figure increased over the previous year by 0.3 million Tkm to a total of 145.4 million Tkm (previous year: 145.1 million Tkm).

Development of train-kilometers by type of traffic in million	2015	2014	Change	Change in %
Passenger transport	97.5	96.8	0.7	1%
thereof ÖBB Group	*92.7*	*92.1*	*0.6*	*1%*
Goods transport	40.7	41.1	-0.4	-1%
thereof ÖBB Group	*32.7*	*33.3*	*-0.6*	*-2%*
Service trains and light engines	7.2	7.2	0.0	0%
thereof ÖBB Group	*6.0*	*6.2*	*-0.2*	*-3%*
Total	**145.4**	**145.1**	**0.3**	**0%**
thereof ÖBB Group	***131.4***	***131.6***	***-0.2***	***0%***

The development of total gross tonne-kilometers (TGTkm) is another indicator used to assess business performance. While in the 2014 financial year external railway operators accounted for 11.5 billion TGTkm or 15% of the total, in 2015, they accounted for 12.0 billion TGTkm, which corresponds to 16% of the total.

Development of gross tonne-kilometers by type of traffic in million	2015	2014	Change	Change in %
Passenger transport	29,129.5	28,794.0	335.5	1%
thereof ÖBB Group	*27,606.6*	*27,320.7*	*285.9*	*1%*
Goods transport	44,849.2	45,258.1	-408.9	-1%
thereof ÖBB Group	*34,538.9*	*35,330.4*	*-791.5*	*-2%*
Service trains and light engines	1,123.1	1,110.6	12.5	1%
thereof ÖBB Group	*963.0*	*970.5*	*-7.5*	*-1%*
Total	**75,101.8**	**75,162.7**	**-60.9**	**0%**
thereof ÖBB Group	***63,108.5***	***63,621.6***	***-513.1***	***-1%***

Other key performance indicators for sales generated are the in-house generation of traction power in ÖBB power stations and rentable property space.

Development of the electricity sector:

Traction power in GWh	2015	2014	Change	Change in %
Self-generated traction power from ÖBB power plants	801	668	133	20%
Traction power from overhead contact line	1,767	1,740	27	2%

Development of the rentable areas:

Floor space incl. rentable exterior spaces in thousands m²	2015	2014	Change	Change in %
Usage by external parties (outside the Group)*	701	697	4	1%
Usage by ÖBB Group companies other than ÖBB-Infrastruktur AG	332	335	-3	-1%
Usage by ÖBB-Infrastruktur AG	562	558	4	1%
Vacant and public space	1,092	1,063	29	3%
Floor space	**2,687**	**2,653**	**34**	**1%**
Exterior spaces rented out	18	19	-1	-5%
Total portfolio	**2,705**	**2,672**	**33**	**1%**

*The area figure in question refers to floor space in buildings as well as exterior spaces of buildings rented out. Since parking garages are part of the mobility chain, their area is attributed to the railway station area. Consequently, as of FY 2015 the area of parking garages are no longer counted, and the area figure for 2014 has been adjusted accordingly to facilitate comparison.

As in the previous year, the floor space of buildings incl. rentable exterior spaces amounts to 2.7 million m², of which about one-fourth is rented out to third parties. The rest is rented out within the Group, used by the ÖBB-Infrastruktur Group itself or consists of public and vacant spaces.

Revenue

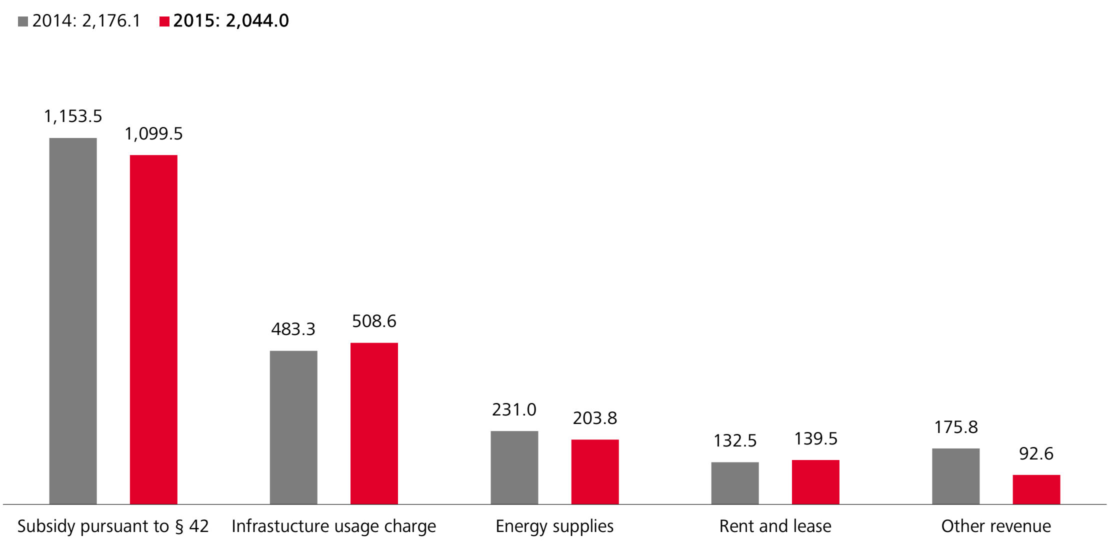
Revenue ÖBB-Infrastruktur Group in million EUR	2015	2014	Change	Change in %
Total group revenue	2,263.6	2,331.8	-68.2	-3%
less intra-group revenue	-219.6	-155.7	-63.9	41%
Revenue	**2,044.0**	**2,176.1**	**-132.1**	**-6%**
Other income (consolidated)	1,007.4	938.6	68.8	7%
Total income	**3,051.4**	**3,114.7**	**-63.3**	**-2%**
thereof with other entities of the ÖBB Group	*720.7*	*729.5*	*-8.8*	*-1%*

As described above, Group revenue reached EUR 2,044.0 million (previous year: EUR 2,176.1 million), of which companies of other sub-groups of the ÖBB Group accounted for EUR 702.0 million (previous year: EUR 709.8 million.

With 17,730 employees (previous year: 16,963 employees) the average revenue per employee amounts to EUR 115 thousand (previous year: EUR 128 thousand),

Revenue is mainly generated in Austria. Revenue in the amount of EUR 61.2 million (previous year: EUR 17.5 million) was generated with customers abroad. This revenue mainly relates to the supply of energy and the infrastructure usage charge.

Development of the group revenue in mil. EUR



C.2. Result of operations

Overview	2015	2014	Change	Change in %
EBIT[3] in million EUR	614.4	635.1	-20.7	-3%
EBIT margin[4] in %	20.1%	20.4%	-0.3%	-1%
EBITDA[5] in million EUR	1,304.8	1,279.9	24.9	2%
EBT in million EUR	12.8	34.6	-21.8	-63%
Return on equity[6] in %	1.1%	2.9%	-1.8%	-62%
Return on assets[7] in %	2.8%	3.0%	-0.2%	-7%

Structure of the Income Statement

The Income Statement of the ÖBB-Infrastruktur Group is structured as follows:

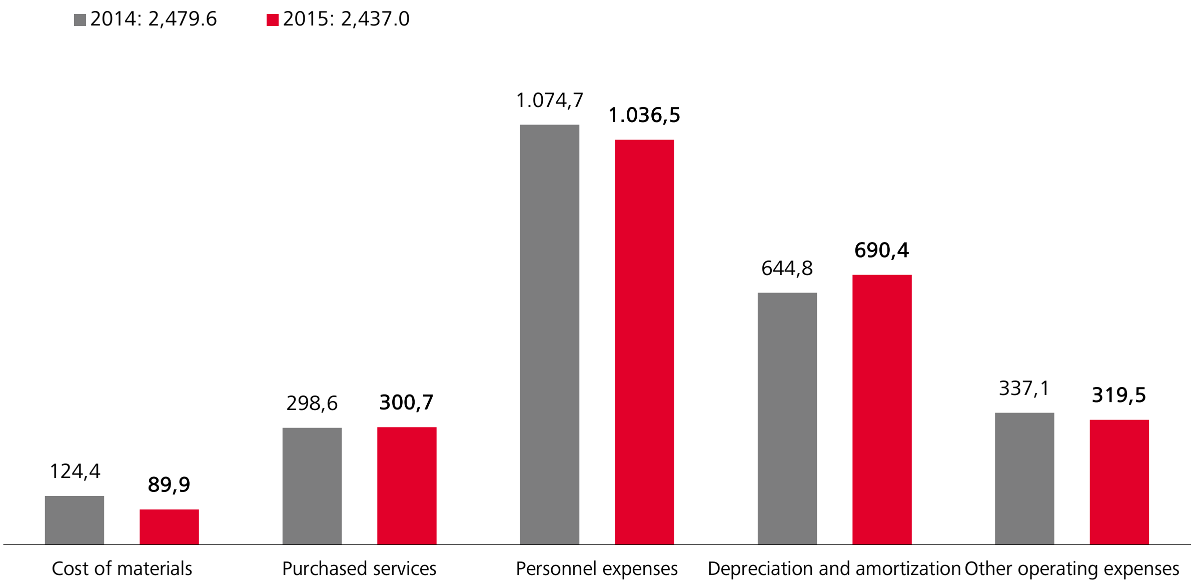
Structure of the Income Statement in million EUR	2015	in % of total income	2014	in % of total income	Change	Change in %
Revenue	2,044.0	67%	2,176.1	70%	-132.1	-6%
Other own work capitalized	292.3	10%	287.2	9%	5.1	2%
Other operating income and increase/ decrease of inventories	715.1	23%	651.4	21%	63.7	10%
Total revenue	**3,051.4**	**100%**	**3,114.7**	**100%**	**-63.3**	**-2%**
thereof from other Group entities	***720.7***	***24%***	***729.5***	***23%***	***-8.8***	***-1%***
Cost of materials	89.9	3%	124.4	4%	-34.5	-28%
Purchased services	300.7	10%	298.6	10%	2.1	1%
Personnel expenses	1,036.5	34%	1,074.7	35%	-38.2	-4%
Depreciation and amortization	690.4	23%	644.8	21%	45.6	7%
Other operating expenses	319.5	10%	337.1	11%	-17.6	-5%
Total expenses	**2,437.0**	**80%**	**2,479.6**	**80%**	**-42.6**	**-2%**
thereof from other Group entities	***203.6***	***7%***	***196.6***	***6%***	***7.0***	***4%***
EBIT	**614.4**	**20%**	**635.1**	**20%**	**-20.7**	**-3%**
Financial result	-601.6	-20%	-600.5	-19%	-1.1	0%
thereof from other Group entities	*-0.8*	*0%*	*0.0*	*0%*	*-0.8*	*0%*
EBT	**12.8**	**0%**	**34.6**	**1%**	**-21.8**	**-63%**

Total revenue of the ÖBB-Infrastruktur Group in the year under review amounted to EUR 3,051.4 million (previous year: EUR 3,114.7 million). With an average headcount of 17,730 (previous year: 16,963) this results in an amount of kEUR 172 (previous year: kEUR 184).

[3] EBIT corresponds to earnings (not including earnings of investments accounted for using the equity method) on the Consolidated Income Statement.
[4] EBIT margin: EBIT/total income
[5] EBITDA: EBIT + depreciation and amortization
[6] Return on equity: EBT/shareholders' equity
[7] Return on assets: EBIT/total capital

Total expenses in the ÖBB-Infrastruktur Group were EUR 2,437.0 million (previous year: EUR 2,479.6 million) and are broken down into the following types of expenses:

Development of operating expenses in mil. EUR



The average personnel expenses per employee of the ÖBB-Infrastruktur Group amounted to kEUR 58 (previous year: kEUR 63). As in the previous year, this equates to a payroll ratio[8] of 43%. The provision recognized in the previous year in the amount of EUR 59.0 million relating to the advance recognition cutoff date was used in the amount of EUR 9.0 million; the difference of EUR 50.0 million was reversed to earnings. The material ratio[9] totaled 4% (previous year: 5%). The average cost of materials and services per employee amounted to kEUR 22 (previous year: kEUR 25).

ÖBB-Infrastruktur Group generated a negative financial result in the year under review of EUR 601.5 million (previous year: EUR 600.6 million).

The fall in EBT to EUR 12.8 million (previous year: EUR 34.6 million) is primarily due to lower property sales.

[8] Payroll ratio: Personnel expenses / total expenses
[9] Material ratio: Cost of materials / total expenses

C.3. Net assets and financial position

Overview	Dec 31, 2015	Dec 31, 2014	Change	Change in %
Total assets in million EUR	22,100.2	21,341.0	759.2	4%
PP&E-to-total-assets ratio in %	91%	90%	1%	1%
PP&E-to-net-worth ratio in %	6%	6%	0%	0%
PP&E-to-net-worth ratio II in %	96%	103%	-7%	-7%
Equity ratio in %	5%	6%	-1%	-17%

Structure of the Statement of Financial Position

The Statement of Financial Position of the ÖBB-Infrastruktur Group developed as follows:

Structure of the Consolidated Statement of Financial Position in million EUR	Dec 31, 2013	Dec 31, 2014	Structure 2014	Dec 31, 2015	Structure 2015	Change from 2014 to 2015
Non-current assets	19,520.1	20,547.0	96%	21,376.0	97%	829.0
Current assets	613.3	794.0	4%	724.2	3%	-69.8
Total assets	**20,133.4**	**21,341.0**	**100%**	**22,100.2**	**100%**	**759.2**
Shareholders' equity	1,173.6	1,198.5	6%	1,206.2	5%	7.7
Non-current liabilities	16,749.5	18,681.5	88%	18,137.3	82%	-544.2
Current liabilities	2,210.3	1,461.0	7%	2,756.7	12%	1,295.7

In the year under review, total assets of sub-group ÖBB-Infrastruktur rose to EUR 22,100.2 million (previous year: EUR 21,341.0 million). The PP&E ratio[10] rose to 91% (previous year: 90%). As of the reporting date, the PP&E-to-net-worth ratio[11] was unchanged year on year, at 6%. PP&E-to-net-worth ratio II, which includes non-current borrowings,[12] was 96% (previous year: 103%). After increasing equity to EUR 1,206.2 million (previous year: EUR 1,198.5 million), the equity ratio[13] was from 5% (previous year: 6%).

Trade receivables decreased from EUR 178.0 million to EUR 128.3 million. Working capital[14] stood at EUR -430.0 million (previous year: EUR -327.9 million).

Information on significant provisions is provided in Note 26.2 in the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Statement of Cash Flow

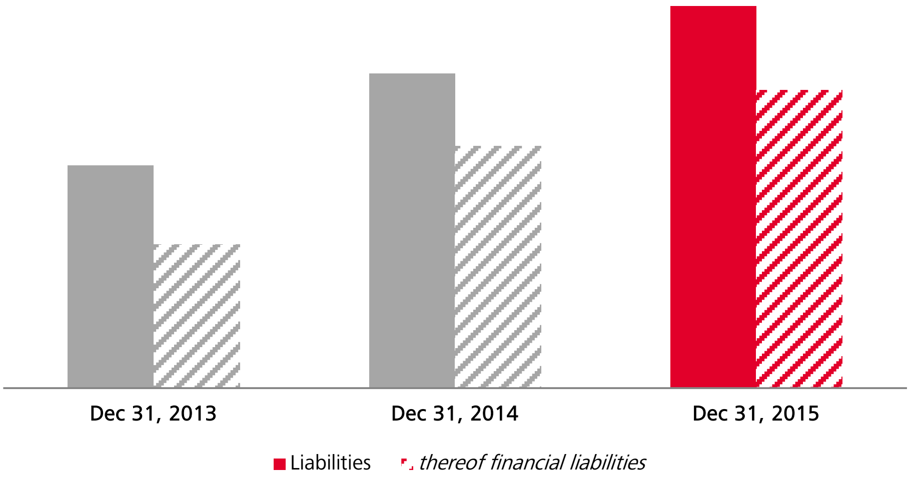
The improvement in free cash flow[15] to EUR -684.5 million (previous year: EUR -1,033.4 million) is in particular the result of lower investment activity compared to financial year 2014. The improvement in cash flow from operating activities is mainly due to the higher internal financing capacity, which is mainly due to the increase in liabilities. The change in cash and cash equivalents with effect on cash flow improved from EUR 248.3 million in the previous year to EUR -1.9 million.

Abstract from the Group Cash Flow Statement in million EUR	Dec 31, 2015	Dec 31, 2014	Change
Cash flow from operating activities	824.2	686.1	138.1
Cash flow from investing activities	-1,508.7	-1,719.5	210.8
Free cash flow	-684.5	-1,033.4	348.9
Cash flow from financing activities	682.6	1,281.7	-599.1
Cash-effective change of funds	-1.9	248.3	-250.2

The detailed Consolidated Statement of Cash Flow is included in the Notes to the Consolidated Financial Statements.

[10] PP&E ratio: PP&E / total assets
[11] PP&E-to-net-worth ratio: Equity / Property, plant and equipment
[12] PP&E-to-net-worth ratio II: (Equity + non-current borrowings) / PP&E
[13] Equity ratio: Equity / total capital
[14] Working capital: inventories (excl. real estate recovery projects) + trade receivables – trade payables – prepayments for inventories
[15] Free cash flow: Cash flow from operating activities + cash flow from investing activities

Liabilities in mil. EUR



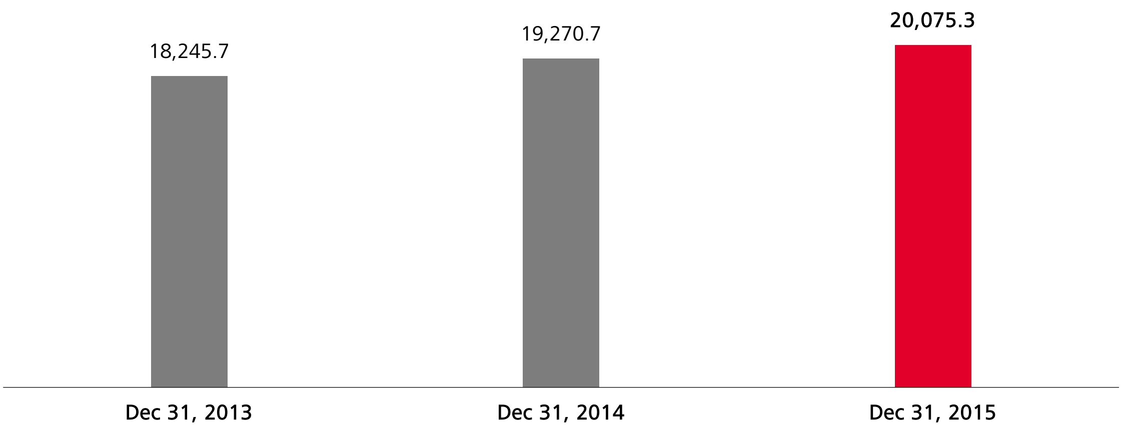
Overall, the liabilities of the ÖBB-Infrastruktur Group increased in the year under review in total by 4% to EUR 20,536.6 million (previous year: EUR 19,733.7 million).

C.4. Capital expenditure and financing measures

Overview	2015	2014	Change	Change in %
Capital expenditure in million EUR	1,814.3	1,858.4	-44.1	-2%
Capital expenditure ratio of total income in %	55%	57%	-2%	-4%
Capital expenditure ratio of carrying amounts in %	9%	10%	-1%	-14%

In total, the ÖBB-Infrastruktur sub-group invested EUR 1,814.3 million (previous year: EUR 1,858.4 million), equivalent to a capital expenditure ratio of 55% (previous year: 57%) of total income[16] and 9% (previous year: 10%) of the carrying amount[17] as of January 1. The calculation is made based on gross investment prior to the deduction of investment grants.

Development of property, plant and equipment in mil. EUR



[16] Capital expenditure ratio: investment in property, plant and equipment / total income
[17] Capital expenditure ratio: investment in property, plant and equipment / carrying amount of PP&E as of January 1.

Areas of investment focus in 2015

Capital expenditures by ÖBB-Infrastruktur AG focused on the following investments in 2015:
- Four-track extension of the Western line (section Vienna – Wels)
- Four-track extension of the Lower Inn Valley route – remaining work
- Expansion of the southern section (Baltic-Adriatic Corridor)
- Construction of the Brenner Base Tunnel
- Construction of freight terminals
- Numerous local transport projects in large urban areas
- Train stations
- Improving tunnel safety on existing lines
- Noise protection measures
- Railway junctions; technical safety, conveyances, replacement measures, such as over- and underpasses
- Construction of Park & Ride facilities
- Large-scale capital expenditure, such as new tracks and switches

Completion of the St. Pölten–Loosdorf track completion (freight train bypass) (Lower Austria), completion of the Ybbs–Amstetten track (Lower Austria), eastern access to Linz Central Station (Upper Austria), selective two-track expansion between Linz–Selzthal (Upper Austria), four-track expansion of the Lower Inn Valley railway (Tyrol) (remaining work), expansion of the St. Margrethen–Lauterach track (Vorarlberg), establishment of the new Vienna South freight center (Vienna/Lower Austria), Wolfurt freight center (Vorarlberg) Semmering base tunnel (Lower Austria/Styria), Koralmbahn sections Wettmannstätten–St. Andrä with the Koralmtunnel (Styria/Carinthia), St. Andrä–Aich (Styria), Aich/Mittlern–Althofen/ Drau (Carinthia) and Althofen/Drau–Klagenfurt (Carinthia), and the Brenner base tunnel (Tyrol/Italy). Equally, the station initiative continued – in addition to the Central Stations in Graz (Styria) and Vienna (Vienna), work progressed at numerous stations and stops, including the stations Hohenems (Vorarlberg) and Rankweil, station Lauterach, shunting area train station Ludesch (Vorarlberg), Brixlegg (Tyrol), Hallwang-Elixhausen (Salzburg), Schärding (Upper Austria), Gmunden (Upper Austria), Korneuburg (Lower Austria), Bruck/ Leitha (Lower Austria), Hollabrunn (Lower Austria), Neunkirchen (Lower Austria), Gmünd (Lower Austria), Waidhofen/Ybbs (Lower Austria), Klosterneuburg-Kierling (Lower Austria), Marchegg (Lower Austria), Neusiedl/See (Burgenland), Mattersburg (Burgenland), Liezen (Styria), and the stops at Brünner Strasse (Vienna), Vienna Quartier Belevedere (Vienna) and Klagenfurt South (Carinthia). To improve the traction power supply, the Uttendorf frequency converter was put into operation.

Milestones on Major Projects

In October 2015, work on the Graz Central Station was completed after six years of renovation. More than 110 km of the 130 km Koralm Tunnel between Graz and Klagenfurt have already been completed or are under construction. The centerpiece here is the Koralm Tunnel. The tunnel boring machines on the Styrian side are already far into the mountain - at the end of the year work was also begun on the construction of the emergency stopping point in the middle of the tunnel. On the Carinthian side, the last tunnel boring machine in the mountain started in October 2015. In January 2015, work also began at the construction stage St. Kanzian, and in April 2015, tunneling began on the Granitztal tunnel chain. In addition, in early November 2015 the new second track between Klagenfurt and Grafenstein was completed.

At the Semmering base tunnel, two of the three tunnel construction sections are under construction. Work was started in the spring of 2015 on the central construction section “Fröschnitzgraben Tunnel”, with the two 400 meter deep shafts, starting from which 13 km of the 27 km long tunnel are being tunneled in the direction of Gloggnitz and Mürzzuschlag. Since the fall of 2015, the miners have also been working in the mountain from the Lower Austrian side in the “Gloggnitz Tunnel” construction section. Work on the third and final “Grautschenhof Tunnel” construction section in Styria is expected to begin in the spring of 2016. The completion of the rail tunnel is planned for 2026.

In the Brenner base tunnel, tunneling work on the Wolf 2 construction section began in November 2013. The tunneling work for the largest construction section thus far, Tulfes-Pfons, began on September 17, 2014. Since March 2015, tunneling work has been in progress on the main tunnel in Austria. In Italy, work on the main tunnels through the peri-Adriatic sea (transition between African and European continental plates) continued to progress. The Eisackunterquerung construction section was awarded at the end of 2014 - preliminary measures are currently being taken. Entries and exits for optimal construction site logistics are being built.

As part of the construction of the Vienna South freight center, at the end of June 2015 the Hennersdorfer Tunnel over the S1 was completed and approved for road traffic. In addition, the building construction has already been completed in the unfinished buildings, and the superstructure work has already begun in the future terminal area.

In the fall, the first preliminary work for the two-track expansion of the Pottendorfer line was completed in the Hennersdorf area (construction of the Johannisweg underpass). For the Pottendorfer line Lower Austria 2 section (Münchendorf–Wampersdorf), in December 2015 the EIA negotiations took place in Ebreichsdorf.

In the station initiative, the last major station along the Western line was brought into full operation in December 2015 in the framework of the grand finale of work on the Vienna Central Station. With the timetable change in mid-December 2015, the new central station serves as a through station. The linking of the western, southern, eastern and northern route to Vienna Central Station and Vienna Meidling creates a regional, national and international transport hub with direct access to all of Austria's main cities and the Vienna airport. The Austrian capital is now, more than ever, a central hub.

Bundled implementation of reinvestment projects in conjunction with route closures

In order to minimize the disruption to railway traffic management and ensure that any disruptions are handled in a transparent manner, ÖBB-Infrastruktur AG bundled the implementation of numerous reinvestment projects during route closures in 2015.

As part of the Ennstal closure in November 2015, in the Liezen station area, among others, work was carried out on the construction and commissioning of a railway bridge, extensive track work, the replacement of two railway crossings (replaced by two underpasses) and the new construction of the loading facility, in addition to extensive work on the Liezen station itself. Also, extensive reinvestment work was undertaken on the Mattersburg railway between Wiener Neustadt Hbf and Loipersbach-Schattendorf during a two-month track closure in July and August 2015. The Mattersburg viaduct was completely restored.

Migration of further sections into the five operating centers

The control areas of the five operating centers were again significantly expanded in 2015. For example, the section Hallwang-Elixhausen–Seekirchen was integrated into the Salzburg operating center, the stations Ernsthofen, Steyr, Kleinreifling, Weyer, Küpfern, Haidinger to Taufkirchen an der Pram were integrated into the Linz operating center, the Vienna Hütteldorf–Tullnerfeld section integrated Wagram to St. Pölten Central Station into the Vienna operating center via nodes, and the railway stations Bruck/Mur, Bruck/Mur Fbf., Kapfenberg, Pernegg and Peggau were integrated into the Villach operating center. Approximately 36% of the main network of ÖBB-Infrastruktur AG is already managed by the five operating centers.

Project		Capital expenditure 2015 in million EUR	Projected or effected completion
Modification and new construction of stations	Vienna Main Station (incl. Südtiroler Platz) Full operation[1]	54.9	2012/15
	Graz Main Station	17.5	2015
	Station Aurachkirchen	1.0	2015
	Station Brixlegg	0.2	2015
	Station Bruck/Leitha	7.0	2015
	Station Gmunden	11.8	2015/17
	Station Gmünd	2.8	2015
	Station Hallwang-Elixhausen	7.3	2015
	Station Hollabrunn	6.0	2015
	Station Kammer-Schörfling	0.4	2015
	Stop Klagenfurt Süd	1.4	2015
	Station Klosterneuburg-Kierling	1.4	2015
	Station Korneuburg	1.2	2015
	Station Ludesch	6.3	2015
	Station Marchegg	14.1	2015
	Station Neunkirchen	0.6	2015
	Station Neusiedl/See	7.4	2015
	St. Pölten Alpen Station	5.1	2015
	Station Waidhofen/Ybbs	5.6	2015
	Station Wien Gersthof	0.3	2016
	Station Wien Quartier Belvedere	5.8	2015
	Station Wien Süßenbrunn	2.0	2015
	Station Wieselburg a. d. Erlauf	1.7	2015
Parking garages	Parking garage Baden	4.9	2016
	Parking garage St. Pölten	6.6	2015
Greater Vienna	Freight center – Vienna South	60.0	2016/17
	Pottendorfer Line (Meidling–Blumental)	0.2	2023
	Expansion Vienna–Bratislava	1.4	2023
Western line	St. Pölten–Loosdorf (goods transport bypass)	74.3	2017
	Track completion Ybbs–Amstetten [4)]	24.4	2015/17
	Eastern entrance Linz Main Station	11.9	2018
	Short-distance transport Salzburg–track extension Freilassing[5]	1.5	2013/17
Southern line	Pottendorfer Line (Blumental–Münchendorf)	19.6	2023
	Gloggnitz–Mürzzuschlag: existing Semmering track	5.8	2015
	Semmering-Base tunnel	112.9	2026
	Bruck/Mur–Graz	3.7	2023
	Koralm railway Graz–Klagenfurt	330.7	2023
Pyhrn-Schober route	Wels–Passau[3]	17.7	2020/21
	Linz–Selzthal [3)]	7.2	2016
Brenner route	Four track extension Unterinntal (Kundl/Radfeld - Baumkirchen)[6]	9.9	2012/18
	Brenner Base Tunnel	106.3	2026
Arlberg route	Rhine Valley Concept[3]	6.7	2017
	St. Margrethen–Lauterach [3)]	4.5	2020
Programs	Noise protection	17.2	
	Park & Ride	15.8	
	Railway cross-roads	17.9	
Reinvestments in the railway network		526.7	
Others (incl. intangible assets)		264.7	
Total master plan and other investment projects		1,814.3	

[1] Partial operation 2012
[2] Stimulus package
3 Commissioning in phases by sub-project
4 Completion of Amstetten station 2019
[5] Salzburg approval: Commissioning of the entire Austrian section to the border: 2013. Commissioning of the entire route, including the German section (DB measures): planned until prospectively end of 2017
[6] Commissioning of Unterinntal took place in 2012, remaining work by 2018

C.5. Corporate strategy

Strategy and strategy implementation

FIT 2015 completed

In the years 2010-2015, the FIT 2015 program influenced the strategic orientation of the ÖBB Group. The main objective was to become so economically strong that ÖBB can again invest in the future of the Group through its own power. This goal was not just achieved in 2014, one year earlier than planned, it was also exceeded. In addition, FIT 2015 also stands for a significantly improved offer, increased customer satisfaction and increased employee satisfaction. At least as important as this is that over the same period the company's reputation, image and brand value has been restored or increased significantly. In doing so, FIT 2015 created a solid basis on which ÖBB can continue building.

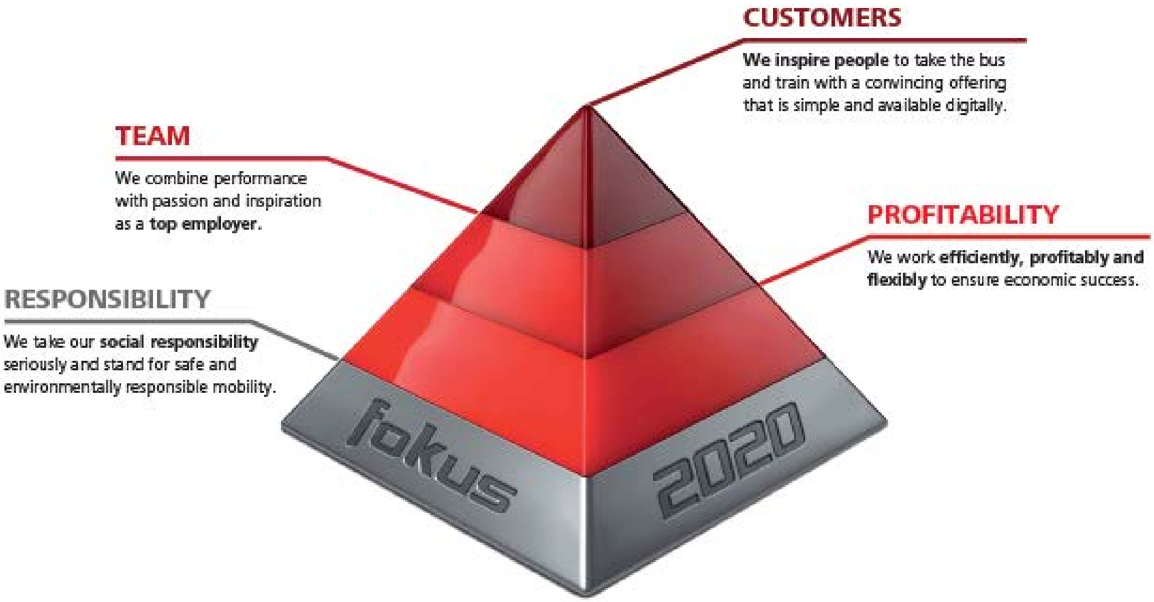
In 2015, many milestones were marked and successes achieved in the implementation of corporate strategy. Examples of this are the following:

- With 109 hectares of surface area, the total project of the Vienna Central Station is one of the largest construction projects in Austria in recent decades. It combines a new station building with the development of an entire neighborhood. On the former site of the old South Station, ÖBB-Infrastruktur built a modern through station in the years 2010-2015. In 2012, the new central station went into partial operation. The official opening was in December 2014. On December 13, 2015 the new ÖBB timetable came into effect. ÖBB customers benefit with the full entry into effect of new travel options and shorter travel times. Since the timetable change, the ÖBB long-distance trains travel on the Western line via Vienna Meidling to the Vienna Central Station. The linking of the western, southern, eastern and northern route to Vienna Central Station and Vienna Meidling creates a regional, national and international transport hub with direct access to all of Austria's main cities and the Vienna airport. The Austrian capital is now, more than ever, a central hub. The large light-filled building with a helm roof, the "BahnhofCity Vienna Central Station", in which there are about 90 shops and restaurants, invites travelers, locals, residents and neighbors to visit and linger. By 2020, a new municipal area will be created on 59 hectares around the new Central Station. It will provide homes and jobs for 30,000 people.
- WLAN in the long-distance trains and at the stations: By the end of 2015, all ÖBB Railjets were equipped with a new, more powerful WLAN system that offers passengers significantly better performance for surfing the web and obtaining travel information in the form of a customer portal. After the WLAN test operation at Vienna's Central Station, the Vienna Westbahnhof, the Wiener Neustadt Central Station, 11 additional stations were also were equipped with WLAN in 2015. By the end of 2016, Austria's train passengers will receive powerful, complimentary WLAN access at a total of 30 stations.
- By the end of 2016, 34 new trains with Cityjet coaches will be delivered. Two trains have already been transporting passengers since December 13, 2015, and 32 additional trains will be delivered by the end of 2016 and gradually deployed: Overall, at the end of next year there will be 16 trains available for commuters in Vienna and Lower Austria, nine trains in Upper Austria, and nine additional trains will be traveling in Styria.
- Modification of Graz Central Station: In 2006, extensive renovations were begun to create an ultramodern train station. With the completion of work on the new mobility hub in 2015, this large investment project was successfully handed over to the customers.
- SMILE, the research project on integrated mobility, was successfully completed and it has received numerous awards, including the award in the category "Customer Experience" at the UITP (Union Internationale des Transports Publics) World Congress 2015 in Milan.
- To improve customer information, the Supervisory Board approved an investment by ÖBB-Holding AG in the company Verkehrsauskunft Österreich (VAO) GmbH. The aim of VAO is to provide cross-modal traffic information for all of Austria in order to integrate all events related to public transport and individual transport.

Many important objectives have been achieved, but the environment remains challenging. Europe and Austria are faced with the challenges of increased competition resulting from progressive liberalization, the impacts of digitization, which will create new competitors for ÖBB, increasing customer needs, and muted economic development.

This requires a clear positioning on the part of the company, a new strategic direction. In the next five years, ÖBB intends to push its development into a customer-oriented company even more strongly. The program was presented in autumn 2015 and adopted by the Supervisory Board: Focus 2020.

Focus 2020 – Our Vision



Focus 2020 – Objectives and important initiatives

The Focus 2020 strategy is comprehensively outlined in the four dimensions of customer, team, efficiency and responsibility. Based on its vision for these four dimensions, ÖBB has set ambitious goals that are being pursued using a number of initiatives.

Customers

The aim:
- We move 500 million passengers and deliver 150 million tonnes of freight.

The most important initiatives:
- New business units:
  - Long-distance bus services: ÖBB plans to enter the market with its own fleet of long-distance buses. The first decisions on this were made in the fall of 2015. The start of the first long-distance bus service is scheduled for summer 2016.
  - Integrated mobility: Last year, the findings from the SMILE research project on the topic of integrated mobility as a basis for co-operation with a start-up company were evaluated, and finally a separate company was founded to implement the innovative business idea: iMobility GmbH.

- Internationalization in freight transport:
  - Joint Venture Rail Cargo Group with BALO: For the past year, the Rail Cargo Group has been collaborating with the Turkish shipping company BALO (Büyük Anadolu Lojistik Organizasyonlar). The construction of a corridor in the direction of Turkey provides a backbone for future transport and the improved integration of Turkey into Europe.
  - Market expansion in Northwest Europe: To secure growth in Northwest Europe (RCL-Benelux, RCL-DE), the shareholding structure of RCG will be optimized by increasing the share in relevant minority holdings relevant to the core business and new strategic investments will be sought.

- Digitization:
  - WLAN and mobile phone service in the trains and at the stations: It should be possible to make phone calls and browse the Internet with the highest quality connections on trains and in stations so that rail customers will be able to make even better use of their travel time. In addition, ÖBB will provide multimedia content in cooperation with a major media partner.
  - Ticketshop 2.0: In 2015 testing was begun on a new ÖBB ticket app with the aim of creating the best digital travel companion for public transport in Austria. The official launch is planned for 2016. The new app will not only make it easier to buy tickets, but in the future it will also function in the same way across all sales channels. The new system offers customers a standardized look and feel across all sales channels.

Team

The aim:
- We are among the top 10 employers in Austria.

The most important initiatives:
- With a focus on "Attractive Employer" and "Generation Management", ÖBB has set clear priorities in order to achieve the ambitious goal. In the coming years, investments will be made both in the apprenticeship program (in 2015 the foundation was laid for a new, central apprenticeship workshop in Vienna) and in the education and training of employees. Other priorities are the strengthening of performance management of managers and the expansion of employer branding.

Efficiency

The aim:
- We earn our capital costs and invest in our future.

The most important initiatives:
- Increase efficiency of operational processes: Competitiveness, particularly in the market areas, will continue to be the focus of productivity and efficiency enhancing measures.
- Shared Service and Overhead: With the company-wide "Speed Up!" program, ÖBB is pursuing the objective of significantly streamlining internal operational processes and thus reducing bureaucracy. The Group's Business Competence Center will increasingly be positioned as a central competence partner for services.

Responsibility

The aim:
- We create trust through sustainability and security.

The most important initiatives:
- As the largest mobility provider in Austria, ÖBB is aware of its social responsibility and therefore sets clear priorities. And so ÖBB will increase energy efficiency through the development of renewable energy and significantly increase the share of renewable energy.
- In order to develop the already high level of safety, ÖBB launched the "Error Culture" program and is also working steadily on the increase in the subjective sense of security of customers and employees.

Overall, the strategic initiative portfolio includes more than 160 individual projects and programs, which are each assigned to one of four target dimensions whose progress is regularly monitored and reported to management.

C.6. Other important events and outlook

Corporate Rating

oekom research AG is one of the world's leading rating agencies in the area of corporate responsibility. It is therefore a specialist in the analysis and evaluation of the environmental and social performance of companies that finance their company on the capital market.

Corporate Responsibility Prime

rated by

oekom research

In the last independent assessment carried out by the leading international rating agency, which was published in 2014, ÖBB-Infrastruktur AG was ranked first, a sensational performance. A total of 44 transport infrastructure companies from Europe, the USA, Brazil, Asia and Australia were subjected to a rigorous review. Only five of them achieved prime status, and ÖBB-Infrastruktur AG was the winner for the second time (the first time was in 2012).

Sustainability means future viability, through the best possible balance between economic, environmental and social/societal objectives. An action is sustainable in the best sense if it satisfies current needs, it can be globalized and the needs of future generations are not compromised.

ÖBB-Infrastruktur AG has already built sustainability into its corporate purpose to build and operate infrastructure for generations. The high social, economic and also environmental compatibility of rail as a transport infrastructure contributes significantly to sustainable development in Austria.

The current market understanding of the prevailing conditions make it almost impossible to present rail infrastructure projects as an economic positive. In the long term, however, and taking into consideration external transport costs such as accident costs, environmental costs, congestion costs, health costs, etc., trains are the economically best form of mass transportation.

The assessment by oekom research AG shows that ÖBB-Infrastruktur AG is also among the best in international comparison.

We create the conditions for sustainable mobility in the future.

General conditions and challenges

Disruptive developments and innovations

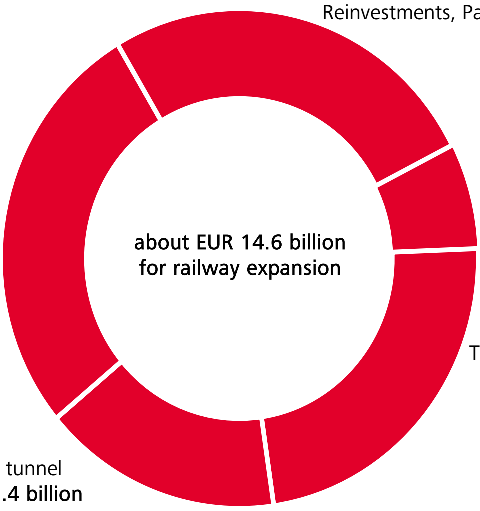
Technological development in recent years is increasingly turning value chains and financing models of entire industries upside down. Even in traditional industries, new business models arise from nowhere and disrupt entire sectors. Transport, logistics and mobility service providers are also coming under increasing pressure because of disruptive developments. Mobility concepts such as car sharing and long-distance buses have become serious competitors for the railways. . Merely reacting to these developments will not create a path to success in the future. There must be room and opportunity, fostered by ÖBB as a business enterprise, for innovation and the implementation of imaginative ideas that benefit rail and bus customers.

Encouraging increase in passenger rail transport in international comparison

Rail traffic increased the most in Austria 2003-2013 in the EU-wide ranking (Eurostat). Accordingly, domestic railway passenger transport services in Austria recorded the highest relative increase of 3.2 percentage points in the past ten years. Austria is therefore number one in rail passenger transport. In 2003, 9.5% of total passenger-kilometers in Austria took place via domestic railway transport. Ten years later, this had already risen to 12.7%. At the EU level, the share of rail in domestic passenger transport increased from 6.7% to 7.6% in those ten years.

Approval of the 2016-2021 framework plan

With the approval of the framework plan, in 2015 the Austrian government laid the foundation for the continuation of the intensive expansion of the rail infrastructure. Each year, EUR 2.0 billion is invested in the construction and expansion of the rail infrastructure. This continuation of the infrastructure initiative makes it possible, among other things, to implement the synchronized timetable as a major element for increasing the comfort of customers and developing freight capacity.



Outlook for the ÖBB Group

Mobile phone network coverage in ÖBB trains

ÖBB, the Bundesministerium für Verkehr, Innovation und Technologie [Federal Ministry of Transport, Innovation and Technology] (BMVIT) and three Austrian mobile phone companies will significantly improve mobile network coverage along the main railway lines in Austria in 2016. By the end of 2016, in an initial step network coverage along the S-Bahn network in Greater Vienna and the Western line Vienna-Salzburg route will be developed. In a second step, the Southern line, the S-Bahn network in Styria, Carinthia, Tyrol and Vorarlberg will have improved mobile coverage beginning in 2016.

The total project cost of EUR 100.0 million will be allocated to the partners as follows: BMVIT and ÖBB will pay two-thirds, and the three mobile phone companies will pay the remaining third.

Development of the Southern line

With the expansion of this north-south axis, which runs from Vienna to Italy and through the direct connection to the Northern railway from Vienna to the Czech Republic, a fast and efficient railway line will be constructed which serves to secure Austria's position as a business center. It combines the economic areas in the north of the EU with those in the south. Austria's two central projects of this Baltic-Adriatic corridor comprise the Koralm Railway Graz-Klagenfurt and the Semmering Base Tunnel.

The expansion of the Koralm Railway will also make rapid progress in 2016. It will still take about seven years until the full commissioning of the 130 km long section of the Southern line. When operations begin in December 2023, what was once a two-hour bus ride between the two provincial capitals will instead be a 45-minute train ride. It takes one hour and 20 minutes less to drive to Vienna from Carinthia; with the commissioning of the Semmering Base Tunnel in 2026 the travel time between Klagenfurt and Vienna will only be two hours and 40 minutes, making rail travel more than just competitive with driving. During the project, the sixth longest railway tunnel in the world will be built (32.9 km) eleven train stations will be fully updated and a further twelve will be completely rebuilt. The construction of the Koralm Railway makes ÖBB the largest investor in the province of Carinthia, creating sustainable jobs and improving the quality of the area as a location for business.

The ceremonial start of the construction of the Semmering Base Tunnel took place in 2012. After the completed tunneling, in spring of 2015 excavation work started in Styria on the middle of the three tunnel sections (Fröschnitzgraben Tunnel); since fall of 2015, the tunnel (Gloggnitz Tunnel) is also progressing in Lower Austria. As one of the best and most reviewed projects in Austria, the Semmering Base Tunnel is a key project for the Southern line and is needed to make mobility in Austria more environmentally friendly. The tunnel will create improved conditions for the railway to shift the transport of more goods from road to rail. With this project alone, rail passengers will see from a time savings of 30 minutes between Vienna and Graz. The historical Ghega Railway, the world's first mountain railway is, as a UNESCO World Heritage Site, operated as a full-fledged railway (regional and excursion traffic, replacement route during maintenance).

In the south of Vienna, ÖBB is building an intermodal freight center, which will be in partial operation with the first stage of work at the end of 2016. The Vienna South freight center is a cutting-edge interface for traffic from the Vienna region to the most important economic centers throughout Europe. Together with west-bound freight traffic, it forms a powerful network that optimally connects the Vienna region with its trading partners. This also facilitates transport to the main seaports. With the expansion measures in the terminals in Wels and Wolfurt, ÖBB is investing in improving freight transport and in the shift from road to rail.

D. Non-financial performance indicators

D.1. Real estate management

ÖBB owns 25,000 buildings, making it one of Austria's largest property owners. ÖBB-Immobilienmanagement Gesellschaft mbH – a wholly-owned subsidiary of ÖBB-Infrastruktur AG – provides integrated real estate services, primarily within ÖBB Group.

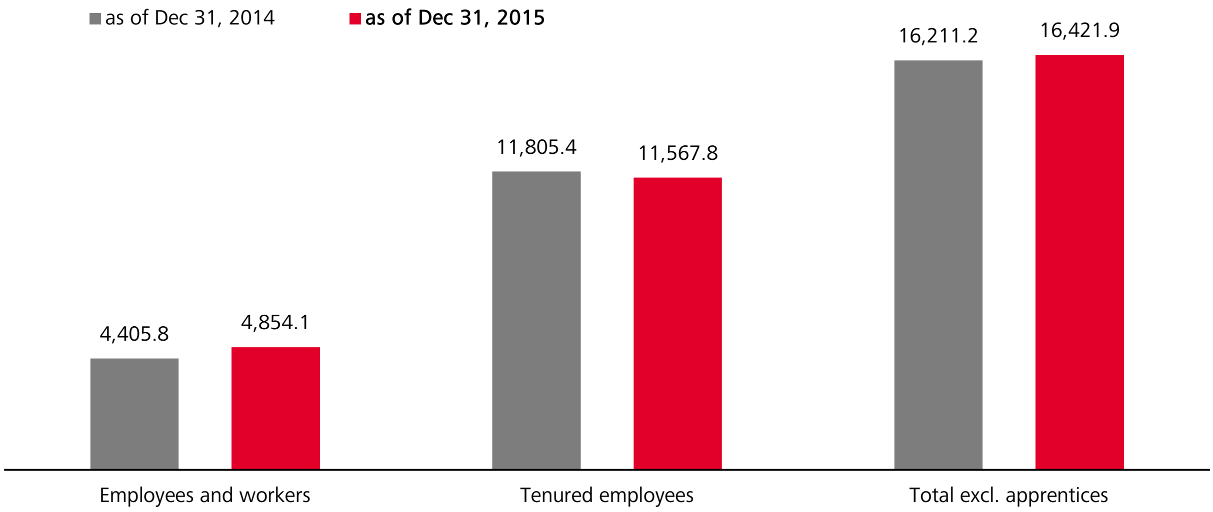
It develops and sells properties that are not necessary for operations, and is responsible for the life cycle management of an extensive portfolio of 5,000 buildings and more than 1,100 stations and stops. The services portfolio comprises both commercial and technical facility management for every single building owned by ÖBB Group, including train stations. Its responsibilities include the preparation of quality standards and testing systems relevant to building construction. ÖBB-Immobilienmanagement Gesellschaft mbH represents companies in this area in national and international standards committees. Across Austria, a team of 750 employees ensures professional and efficient management of the extensive services portfolio.

The ÖBB-Infrastruktur sub-group was able to contribute EUR 46.3 million (previous year: EUR 86.6 million) to profits in financial year 2015 from the sale of properties.

D.2. Human capital report

The headcount of the ÖBB-Infrastruktur Group is composed as follows:

Employee structure in the ÖBB-Infrastruktur Group



Number of employees (headcount)	Dec 31, 2015	Dec 31, 2014	Change Reporting date	in %	Average 2015	2014
Employees	3,261	3,019	242	8%	3,130	2,915
Workers	1,661	1,443	218	15%	1,562	1,432
Tenured employees	11,657	11,860	-203	-2%	11,757	11,950
Total (excl. apprentices)	**16,579**	**16,322**	**257**	**2%**	**16,449**	**16,297**
Apprentices	1,377	1,403	-26	-2%	1,281	666
Total (incl. apprentices)	**17,956**	**17,725**	**231**	**1%**	**17,730**	**16,963**

Number of employees (FTE)	Dec 31, 2015	Dec 31, 2014	Change Reporting date	in %	Average 2015	2014
Employees	3,197.4	2,966.2	231.2	8%	3,070.2	2,869.7
Workers	1,656.7	1,439.6	217.1	15%	1,558.3	1,426.6
Tenured employees	11,567.8	11,805.4	-237.6	-2%	11,678.5	11,899.6
Total (excl. apprentices)	**16,421.9**	**16,211.2**	**210.7**	**1%**	**16,307.0**	**16,195.9**
Apprentices	1,377.0	1,403.0	-26.0	-2%	1,281.6	665.5
Total (incl. apprentices)	**17,798.9**	**17,614.2**	**184.7**	**1%**	**17,588.6**	**16,861.4**

Tenured employees are ÖBB employees who are subject to the General Terms and Conditions of Employment with Austrian Federal Railways (AVB), joined the company prior to January 1, 1995, and cannot be dismissed, pursuant to the provisions of the AVB.

The headcount of the ÖBB-Infrastruktur Group increased in the year under review to 17,956 employees, 65% (previous year: 67%) of whom were tenured employees. The average age in the ÖBB-Infrastruktur Group in Austria (excl. apprentices) was 46.0 years (previous year: 43.5 years). The percentage of women (including apprentices) was 7.4%, (previous year: 7.3%).

Apprenticeship program in the ÖBB Group

ÖBB Group is Austria's largest training center for technical apprenticeships, and offers 22 apprenticeship professions. In 11 apprenticeship workshops, ÖBB is currently training 1,700 young people to become highly skilled workers. The ÖBB-Personenverkehr and Rail Cargo Austria sub-groups mainly train apprentices in commercial professions, while ÖBB-Infrastruktur AG and ÖBB-Postbus GmbH predominantly offer technical apprenticeships. The training program is recognized by the state, and graduates regularly win numerous prizes and awards at vocational competitions each year. For example, ÖBB received the Vienna quality seal as the top training company for 2015-2018, and, together with its apprentices, was the national winner in the metal and electrical engineering category in Vienna and Tyrol. ÖBB also sponsors "Lehre mit Matura" [apprenticeship with qualification for university entrance] scheme, giving its apprentices an opportunity for further advancement. In addition to professional training, importance is also attached to developing social skills.

In order to provide modern training, new buildings are planned for the apprenticeship workshops in Vienna, Knittelfeld and Bludenz. This is a contribution, as an attractive employer, to recruit the employees of tomorrow today. There is a specific focus on training in regions where there will be high demand in the future.

Under the motto "Diversity as Opportunity", 31 apprentices took part in a training project at ÖBB-Infrastruktur AG specially aligned to the needs of young refugees. Young people who fled their countries (primarily from Afghanistan and Syria) unaccompanied by an adult caregiver are supported by special programs, intensive training in German and mathematics as well as tutoring and mentoring throughout their apprenticeship. This project is conducted in cooperation with AMS Vienna and the association lobby.16. This initiative was awarded the "State Mobility Prize".

Since mid-2012, the ÖBB thematic exhibition, entitled "Years of Repression – Railways and National Socialism in Austria 1938-45", has been in place. Particularly dedicated apprentices participated in its preparation.

The 25 best apprentices from 11 ÖBB-training workshops took an intensive two-week study trip to Poland, with a focus on the Holocaust and World War II.

An important initiative in ÖBB's new strategy program is the expansion and optimization of educational institutions. The establishment as the number 1 railway-specific educational supplier is being driven by bundling training at the railway training center and the design of a modern educational campus.

With a capital expenditure of about EUR 20.0 million, a new, modern, central apprenticeship workshop will be built in the 10th district of Vienna. Upon completion at the end of 2017 it will be the largest technical apprenticeship center in Austria. In total, the new ÖBB apprenticeship workshop can accommodate 700 apprentices and 50 trainers. Accommodations are also available in the apprentice hostels connected to the workshop.

The concentration of the locations of the three Viennese current apprenticeship workshops (Penzing, Innstraße, Floridsdorf) into a central apprenticeship workshop will create the conditions to further expand the company's role as the largest technical apprentice trainer in the country and offer attractive career opportunities to young people from all over Austria in the future.

Continued training

ÖBB Academy is a corporate university that bundles strategically relevant advanced education programs for various management levels, experts, newcomers and talented employees at ÖBB Group. It promotes interdisciplinary networks that transcend hierarchies. Fall 2015 marked the completion of advanced training by participants in 13 instructional programs. The fifth program for university graduates – entitled "Trainees for Mobility" started in September 2015. In 2014, an Alumni Club was established as a forum for continued dialog among the graduates.

Taking into account the FOCUS 2020 corporate strategy, emphasis was placed on management in financial year 2015. The *Management* initiative: *Focus on Quality* has the goal of further developing this management work throughout the Group. In particular, focus is on the implementation of a common understanding of management and performance, which makes a significant contribution to increasing the success of the company. ÖBB management competences constitute the basis of the activities. These were developed in the summer of 2015 and now set out clear standards of the kind of behavior that is expected of all management. This ensures clarity for industry executives and transparency for all employees in the Group.

Employer Branding

A comprehensive employer branding strategy with corresponding performance indicators was developed in 2014 to ensure uniform presentation of the Group as an attractive employer. A new, Group-wide presentation of ÖBB as employer was developed under the motto "Ticket to a successful career" as a key element of the strategy.

In 2015, the ÖBB Employer Branding Team organized a total of 14 recruiting fairs, of which six targeted academics, and eight apprentices. The main target groups for the fairs in 2015 were potential apprentices as well as university students majoring in engineering and economics disciplines. Further employer branding measures, such as the trainee blog or participation in Girls' Day / Daughter Day, were continued. ÖBB ranked among the very best, for example, in Career's Best Recruiter survey, and was again among the top 50 most attractive employers in Austria (Universum Student Survey Austria).

Equality in the ÖBB Group

ÖBB actively promotes equal opportunities for men and women, including an Equal Opportunities Policy introduced in 2011 and a Diversity Officer, who was also appointed in 2011. The Group strives to ensure equal treatment irrespective of gender, age, ethnic origin, sexual orientation or disability, to promote equal opportunities and to better reconcile work and care responsibilities through special programs. Ten regional Equal Opportunities Officers advise and support colleagues who feel they are being discriminated against or treated unfairly due, for example, to their gender, ethnicity, sexual orientation or age. An Equal Opportunities Board supports the work of the regional Equal Opportunities Officers and ensures their continuous ongoing training.

Numerous measures have been put in place to increase diversity and, for example, to increase the number of new hires who are women to 20% by 2020: targeted recruiting of female apprentices in particular, female quotas for ÖBB Academy training programs, career workshops, coaching programs for women, seminars on the Equal Treatment Act, Gender/Diversity Management workshops, structured generation management, measures to reconcile work and private life such as the Work&Family Audit, childcare in Timi's Mini MINT preschools near the company focusing on mathematics, IT, science and technology, and hourly childcare through Flying Nannies. At the training programs of ÖBB Academy, women account for more than 25% of participants, and one-third of the supervisory board mandates are held by women.

Diversity in the company is on the rise. Employees come from 54 different countries around the world. Interculturalism plays an increasingly important role. Sociocultural emphases such as "Halal" or "Live Kosher" were discussed in Open Space, differences and similarities were negotiated and cultural skills for their partnership in the workplace were sharpened.

In 2015, the Group gave out the first ÖBB Diversity Award. Around 30 innovative concepts developed throughout the Group by nearly 100 employees on diversity issues such as age-appropriate work, ethical corporate management, the inclusion of employees with disabilities. The best ideas were awarded prizes. A third of concepts are already being implemented.

Health, occupational safety and social

The objective of the health care management is to maintain and support the ability to work and the health of the ÖBB employees. ÖBB's healthcare strategy has been improved with the help of representatives of its cooperation partner Versicherungsanstalt für Eisenbahnen und Bergbau (VAEB) [insurance institution for railway and mining]. The "ÖBB Healthcare Management" program has been extended to include "Healthcare as a Leadership Task" and "Coming Back to Work". In 2015, the regions and target groups "Coming Back to Work" were extended until, by the end of the year, the offer was already available to around 50% of all employees. A manual was published on the theme of "Healthy Management" to support executives with difficult communication situations on health topics. In the area of occupational safety, intense work was done on the project "Redesign P32 - health policies for employee suitability". The new regulation is intended to regulate the area of employee suitability (medical and psychological) in the ÖBB Group. As a result, the Railway Act and Directive 2007/59 EC are implemented within the company. The objective here is to put the new version into force in 2016.

ÖBB Group offers its employees the following voluntary social benefits, which have been grouped into a proprietary business unit – ÖBB-BCC GmbH – since May 2014: Staff canteens, child care, vacations in holiday homes/apartments, help with finding housing, and support for sports and cultural activities. Setting up this business unit not only optimizes the social benefits offered by the ÖBB Group but also underscores the value the ÖBB Group places on its employees. In addition, the Group offers subsidized travel in Austria and abroad as well as aid and support if an employee has an accident at work or on the way to work, or suffers any other kind of emergency.

Working to retirement age

The two work time models, which were developed together with the employee representatives, aimed at helping older employees stay healthy and capable of gainful employment for longer, are used by the employees of Group companies if the requirements and the corresponding agreement with the employer are in met.

And so the Group has been able to agree age-appropriate part-time work models with more than 200 tenured employees since July 1, 2014 – four years before meeting the requirements for statutory semi-retirement. In addition, about 100 tenured employees have taken advantage of the semi-retirement program that has been possible as per Section 27 Unemployment Insurance Act (AlVG) since January 1, 2015.

ÖBB employee survey

From January 19 to February 6, 2015, the second Group-wide ÖBB employee survey was conducted. In total 41,326 employees were surveyed. 21,964 people participated in the survey, representing a response rate of 53.2%. This represents an increase of 6.6 percentage points compared to the 2013 survey. The subjects of the survey included the areas of the company, working environment, activity, management, information, perspectives and balance between private and professional life. Overall job satisfaction reached 64 points out of 100, and increase of two points. With an increase of three points in the job satisfaction over 2013, ÖBB-Infrastruktur AG is now at 66 points, two points above the Group average.

D.3. Research and development report

The constant development of the overall railway system with the focus on customer value and increasing efficiency is of central importance to the ÖBB Group. In addition, ÖBB is a major innovation driver for the Austrian railway industry.

R&D is centrally managed in the ÖBB Group, with decentralized implementation. The activities are mainly focused on integrated passenger mobility, intermodal sustainable freight mobility, innovative construction technology and the interaction of vehicle and track infrastructure (Vehicle Track Interaction).

The research projects of the ÖBB Group range from innovative construction technologies (for example, use of lightweight concrete to protect infrastructure against rockfall, avalanches or vehicle impact) to the development of new mobility services/customer services, such as the interconnection of the railway with phone taxi services and electric lending vehicles or the new ÖBB Ticket Shop 2.0 ticket app.

A large number of projects are sponsored by national and European programs. ÖBB-Infrastruktur AG will participate, for example, together with other European railways, in the framework of the EUROC Consortium, the Shift2Rail Joint Undertaking, to promote the development of innovative products and services to enhance the competitiveness of railways in the next six years.

86 R&D projects were in progress at ÖBB-Infrastruktur AG in 2015. The current portfolio of R&D projects amounts to EUR 19.7 million (over the entire duration of the projects in progress, without deduction of sponsorship). Expenses for research and development amount to EUR 3.7 million (previous year: EUR 3.0 million).

Examples of ongoing projects

Innovative construction engineering

Project AGU-T – capacity utilization studies of concrete segments

This focus on tunnel construction studies the capacity utilization of concrete segments. The behavior of concrete segments is studied in various stress scenarios with a specially designed and built test rig. This information is used to optimize the segments with respect to dimensions or material.

Additional fields of activity include studies during tunneling, for example, a prototypical approach for improving the bed of the concrete segments or testing a camera system at the tunnel face in order to visualize the geology ahead of the tunneling machine.

Vehicle-track interaction

Project OBAL – Collection of vehicle data for the objective assessment of conspicuous behavior in operation

The aim of this project is to further develop the existing track measuring points to the point where, without affecting operation up to the maximum line speed of 250 km/h, it will be possible to both detect and report unstable vehicle behavior and collect information on their wheel profiles under these conditions. If successful, for the first time, in the case of unstable vehicle behavior which puts substantial stress on materials, especially at high speeds, it will be possible to make an objective assessment of the track and the vehicle, without being dependent on vehicle data provided by third parties. This knowledge is significant for the optimization of required maintenance measures for the track, and thus for the efficient allocation of resources in the context of maintenance. In addition, a railway operator can be approached with this knowledge when it has caused unstable vehicle behavior.

D.4. Environmental report

As a company that engages in sustainable actions, in all its decisions, ÖBB takes into account social and environmental responsibility in addition to economic success. Decisions are made on the basis of environmental sustainability, including the efficient and environmentally friendly use of resources, and by doing so, ÖBB makes significant contributions to the reduction of negative effects on human health and environment.

The ÖBB Group presents its CSR and sustainability performance every two years in a special sustainability report. The contents reported reflect the aspects of sustainable development that are relevant and material to the business activities. The 2015 ÖBB Sustainability Report was prepared in accordance with the specifications for the G4 "Core" option of the Global Reporting Initiative (GRI) and comprises the calendar years 2013-2014.

ÖBB is aware of the challenges of climate change and already covers about 90% of its traction power needs with climate-friendly hydropower. With a continuous reduction of the specific CO_2 emissions of 168,549 tonnes of CO_2 since 2006, in 2014 ÖBB reduced its emissions by 32% versus 2006 and is therefore still the most environmentally friendly motorized means of transport. The aim of ÖBB is to expand this environmental advantage in the future by systematically raising and implementing this CO_2 optimization potential.

Increasing energy efficiency plays a key role in this respect. ÖBB has continued to implement its ambitious energy-saving program. The energy saving measures implemented since 2010 can save up to 125 GWh per year. The total savings corresponds to the average electricity consumption of almost 30,000 households. To this end, ÖBB uses three levers for optimization: technical and operational measures as well as employee behavior.

The table shows that energy consumption and related CO_2 emissions are falling steadily:

Key environmental indicators	2014	2013	absolute	Change in %
CO_2 emissions total (t)	366,510	374,858	-8,348	-2.2%
Energy consumption total (GWh)	2,141	2,164	-23	-1.1%

Noise is currently one of the largest environmental risks of rail transport. As an environmental pioneer, ÖBB takes the noise issue very seriously and is making great efforts to reduce rail noise. Comprehensive noise abatement measures include stationary noise protection along lines, such as noise prevention in expansion lines and new lines, construction of noise walls and soundproof windows and noise reduction measures on rolling stock through the purchase of new "quiet freight cars" and retrofitting of existing freight cars.

D.5. Accessibility

Making access to the railway and train travel as barrier-free as possible is an important goal both for people with disabilities as well as for parents with children, the elderly and travelers with luggage. In 2006, together with experts from organizations of disabled people, a staged plan was developed in accordance with Article 19 of the Federal Law on Equal Opportunities for the Disabled, which represents the measures of the ÖBB Group overall. These have been consistently implemented and further developed.

Infrastructure

At the end of 2015, around three-quarters of all travelers benefit from modern, barrier-free stations; by 2025 this figure will be 90% of travelers. Under the staged plan, 117 stations have already been made accessible; in 2025 there will be around 270 stations. At the same time, 62 other stations and stops have been renovated under the staged plan.

ÖBB actively seeks out its customers for feedback: for example, the "Stakeholder Dialogs" that were conducted with representatives of people with disabilities in eight provincial capitals between September 2015 and March 2016.

D.6. Safety

The public perception of the Austrian Federal Railways is closely linked to the issue of safety. Safety is the result of consistent and targeted measures based on standardized, systemically supported trend monitoring and risk analyses.

At ÖBB, four areas of activity related to the issue of security are considered: occupational and plant safety with all components of railway operations, public safety with primary focus on employees and customers, and the occupational safety of the employees.

The level of security on the railways of ÖBB-Infrastruktur AG has been continuously improved in recent years. The reasons for this include regular monitoring by ÖBB-Sicherheitsleistung, using safety-related indicators for the early detection of any problem areas that might arise, as well as rapid countermeasures when deviations are detected.

In the safety program, safety measures (e.g., retrofitting of train detection systems or work on the auxiliary level) are defined and implemented. These measures are the tool for maintaining the level of safety, countermeasures for deviations and regular improvement of safety performance.

An essential component of a company in the further improvement of safety is an open and nonjudgmental attitude towards errors in terms of a highly developed culture of errors. The purpose of the error culture them is to make errors transparent and thus allow targeted corrective action. The newly installed "confidential reporting" represents a framework for further development.

New European Regulations 402/2013 and 1136/2015 on the common safety method for risk evaluation and assessment required an adjustment of operational risk management. These Regulations have established new harmonized safety objectives for technical systems throughout Europe. This ensures the further harmonization of the European safety level.

Since we are also an infrastructure operator on Swiss territory, a Swiss safety authorization analogous to the safety authorization in Austria is required. This security authorization was granted through 2018 with the close cooperation of the Federal Office of Transport in Switzerland.

For the railway sector, together with the Verkehrswissenschaftlichen Gesellschaft (ÖVG), the information event "Safe on the tracks - safety and security in railway transport" was held.

A security conference was held with the managers of the operational areas of ÖBB-Infrastruktur AG. Internal contributions as well as guest lectures by OMV and Austro Control on security issues contributed to the success of the event.

The refugee situation put the newly built crisis center through its first test.

In connection with the refugee flows, ÖBB crises management successfully managed the accommodation of about 70,000 people in ÖBB emergency shelters and the transport of almost 300,000 asylum seekers to Germany. In this process, no accidents or incidents were reported involving personal injury.

The occupational safety of our employees was further improved. Of particular note is the restructuring of the service remedy DB 601.02, which provides new and clear regulations for the processes and responsibilities in construction projects and will thus contribute significantly to the safety of actions.

E. Group Relationships

Parent company ÖBB-Holding AG

The parent company ÖBB-Holding AG is a joint-stock corporation under Austrian law. The registered office of the company is at Am Hauptbahnhof 2, A-1100 Vienna. The company was founded and established on the basis of Article 2 of the Bundesbahnstrukturgesetz [Federal Railways Structure Act] of 2003. The company is registered in the Company Register at the Commercial Court Vienna under number FN 247642f. ÖBB-Holding AG is the sole shareholder of ÖBB-Infrastruktur AG and provides various services such as marketing and treasury services for ÖBB-Infrastruktur AG and other Group companies. These services are provided by means of Group allocation or by cost allocation to the Group companies. In the financial year 2015, EUR 15.7 million (previous year: EUR 15.9 million) was allocated to the ÖBB-Infrastruktur Group as a Group allocation.

The main direct subsidiaries of ÖBB-Holding AG are the sub-group parent companies ÖBB-Personenverkehr Aktiengesellschaft ("ÖBB-Personenverkehr AG"), Rail Cargo Austria Aktiengesellschaft ("Rail Cargo Austria AG") and ÖBB-Infrastruktur Aktiengesellschaft ("ÖBB-Infrastruktur AG").

ÖBB-Personenverkehr AG

The main task of ÖBB-Personenverkehr AG is the transport of persons, including the provision of public services as well as the production and operation of all the facilities necessary to do this with the exception of the railway infrastructure and the provision of all related business or businesses resulting therefrom, in particular the management of passenger transport on the basis of tariffs and timetables. In the financial year 2015 EUR 310.9 million (previous year: EUR 296.1 million) in total income was generated. EUR 14.0 million (previous year: EUR 9.5 million) was allocated to the ÖBB-Infrastruktur Group.

Rail Cargo Austria AG

The main task of Rail Cargo Austria AG is the transport of freight, including the provision of public services as well as the production and operation of all the facilities necessary to do this with the exception of the railway infrastructure and the provision of all related business or businesses resulting therefrom, in particular the management of freight transport. In the financial year 2015, Rail Cargo Austria AG generated total income of EUR 170.7 million (previous year: EUR 168.8 million). As in the previous year, EUR 0.9 million was 2.0 allocated to the ÖBB-Infrastruktur Group from Rail Cargo Austria AG. Purchased services amounting to EUR 0.4 million (previous year: EUR 1.0 million) were capitalized.

ÖBB-Produktion Gesellschaft mbH

ÖBB-Produktion Gesellschaft mbH ("ÖBB-Produktion GmbH") is the joint subsidiary of ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The main task of the company is the provision of traction services and other services for other railway operators. In the financial year 2015 EUR 185.6 million (previous year: EUR 198.4 million) in total income was generated. EUR 11.5 million (previous year: EUR 11.3 million) was allocated to the ÖBB-Infrastruktur Group. Purchased services amounting to EUR 0.3 million (previous year: EUR 0.3 million) were capitalized.

ÖBB-Technische Services-Gesellschaft mbH

ÖBB-Technische Services-Gesellschaft mbH ("ÖBB-Technische Services-GmbH") is the joint subsidiary of ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The main task of the company is the provision of services in connection with rail-bound vehicles. In the financial year 2015 EUR 23.0 million (previous year: EUR 24.9 million) in total income was generated. EUR 26.0 million (previous year: EUR 24.9 million) was allocated to the ÖBB-Infrastruktur Group. Purchased services amounting to EUR 11.2 million (previous year: EUR 9.7 million) were capitalized.

ÖBB-Business Competence Center GmbH

As an intra-Group services company, ÖBB-Business Competence Center GmbH mainly provides standardized administrative services. In the financial year 2015 EUR 22.0 million (previous year: EUR 25.9 million) in total income was generated. EUR 74.3 million (previous year: EUR 88.0 million) was allocated to the ÖBB-Infrastruktur Group for internal services. Purchased services amounting to EUR 2.5 million (previous year: EUR 3.7 million) were capitalized.

F. Opportunities / Risk report

The opportunity/risk management procedure applies to all relevant business processes and key financial indicators in the main Group companies, and therefore is considered to be an important instrument of corporate governance. The objective is to promptly identify and proactively manage opportunities/risks through appropriate measures in order to protect existing and future success and growth potential. Based on updated evaluations or lessons learned, all identified opportunities/risks are continuously subjected to qualitative and quantitative assessment, particularly with respect to the possible impacts and likelihood of occurrence.

The ÖBB Group defines opportunities and risks generally as events or developments that might cause a positive or negative deviation of results from the assumptions made during planning. Consequently, the revision of the risk/return portfolio is conducted in sync with the planning processes.

The corporate Directive and the opportunity/risk management manual that are binding for the entire Group define rules, margins and minimum requirements of risk management for all entities involved. The first objective of the risk policy is unrestricted safeguarding of business operations. According to this, risks may only be taken if they are calculable and associated with an increase in income and in the company value.

Opportunity/risk management process

This process is supported by risk management software. Following an assessment and consolidation of the individual risks/opportunities in the corporate risk/opportunity platform, a report to the Board of Management of ÖBB-Holding AG is prepared which describes the major risks and respective counter-measures and/or opportunities. This ensures that Supervisory Board and Audit Committee of ÖBB-Holding AG and of the Group companies are provided with detailed information regarding the current opportunity/risk situation.

As part of the continuous improvement process, in 2015 the project "Development of opportunity and risk management in the ÖBB Group" was implemented. As part of the process, the level of maturity of the risk management system was assessed in comparison to well-known benchmark companies in Austria, a high level of maturity was certified and potential for further development was identified, which was already largely realized in 2015.

In the ÖBB-Infrastruktur sub-group the function of a sub-group risk manager has been set up to ensure the professional handling of opportunities and risks as well as the ongoing implementation of the risk and opportunity management process: He is responsible for the opportunity and risk management process in the sub-group and the Company. In the sub-group he performs the opportunity and risk consolidation and aggregation and determines its overall opportunities and risk position. He reports to the Board of Management and senior management and to the Group's opportunity and risk manager. He puts the proposed opportunity and risk control measures up for discussion and resolution, and assumes advisory and training tasks. In addition, in all business areas, staff offices, and all major investments, decentralized risk managers and contacts have been defined who support managers responsible for risk ("risk owners") in identifying opportunities and risks in their areas of responsibility.

Risk areas and material risks of the sub-group ÖBB-Infrastruktur

The opportunity/risk areas applicable since the introduction of the corporate opportunity/risk management system were not changed during the period under review. They ensure the structured and standardized registration and handling of all relevant opportunities and risks:

Strategy	Operations	Finance/ accounting
Sales/ Distribution	Staffing/ Management/ Organisation	Legal Department/ Liabilty
Purchasing/ Procurement	Data processing	Subsidiaries/ Holdings

For the year 2016, the most important opportunities and risks of the ÖBB-Infrastruktur sub-group, none of which pose a danger to the portfolio, are allocated to the opportunity/risk fields as follows:

Strategy

Strategy risk is the risk of not achieving strategic objectives that have been set. Rigorous monitoring of programs and measures reduces virtually all strategy implementation risks.

Operating business

Risks of force majeure/natural hazards are addressed by established systems or programs: For example, a natural hazard management system has been implemented (incl. weather information system, flood information system/natural hazard map). Failure risks in the area of all telecommunications services and essential data network services for railway operations are addressed with preventive risk-reduction measures such as emergency plans, creating redundancies or the relocation of the system premises. Despite the generally extremely high reliability of the operating centers, partial or total failures resulting from terrorism, sabotage or natural events such as fire cannot be excluded entirely. Therefore, an integrated approach to key elements such as failure signal boxes, remote control areas, operating center cells and customer information systems is part of our management strategy.

Finance/accounting

This risk area includes interest rate risk, counterparty credit risk and the risk of price changes. Details and measures on risk reduction are treated in the section “Risks related to financial instruments”.

Sales/distribution

Risks are inherent both in weaker economic growth and increasing competition. These risks are mitigated by observing and analyzing customer behavior and adapting our portfolio of products and services accordingly. This measure also increases the opportunity to attract new customers and to further exploit the market potential of existing customers.

Personnel/management/organization

There is a risk here that failure to implement or incomplete implementation of planned measures, such as efficiency improvements, could lead to increases in personnel expenses. Rigorous control procedures minimize this risk.

Law/liability

With the introduction of the "Code of Conduct", the risk of costs due to fines for infringement of provisions under anti-trust law will be reduced in the future. A Compliance Team was set up in 2013 to assist primarily in this area of risk as part of an early warning and monitoring system, with the ultimate aim of avoiding risk and thus preventing damage.

Changes in legislation and regulations – at both the national and international levels – can lead to increased system costs in the rail sector (e.g. through new technical or organizational requirements). Accordingly, the development of different business units is carefully reviewed for possible effects in order to react at an early stage. There is also some risk associated with various competition authority processes in which RUs that are new to the market attempt to use legal means to fight past price increases/components in the infrastructure usage fee or attempt to prove a lack of transparency and injurious pricing in connection with the charges for traction power.

Purchasing/procurement

Fluctuation prices for various raw materials constitute the largest risk in the infrastructure area, particularly with respect to steel. In the rail and switch points areas and in other areas of construction, price trends and raw materials indices are very carefully analyzed and the results are incorporated into the rolling plans and in the purchase negotiations.

Data processing

System failures can cause additional costs and loss of revenue in the operating business units. Effort is made to minimize the risk through a variety of measures which are developed, planned and implemented in a special IT risk management system.

Subsidiaries/investments

The proceeds from utilization and the exact timing of realization in the real estate area depend on the respective market developments. Risk management acts early on in structuring the negotiations and through targeted portfolio management.

According to Association Liability Law [Verbandverantwortlichkeitsgesetz], the regulation stipulating that companies can be held liable and convicted for the punishable actions of their employees or decision-makers applies to ÖBB Group as well. The legal risk management system of the Group addresses this risk by identifying offenses under criminal law – such as negligence, environmental crimes and corruption – evaluating the current situation, and putting risk mitigation measures in place. Preventive measures have also been established by introducing monitoring and reporting systems and by issuing general behavior directives in the Code of Conduct. Further risk mitigation is ensured through appropriate training programs and clear assignment of responsibilities.

Risks related to financial instruments

Original financial instruments

Original financial instruments in the ÖBB-Infrastruktur AG (finance-related receivables and liabilities, trade receivables and payables, financial assets and securities) are reported in the Statement of Financial Position. Detailed information is provided in the respective statements in the Notes to the Financial Statements.

Derivative financial instruments

ÖBB Group employs derivative financial instruments to hedge against risks associated with currencies, interest rate changes and raw material prices. The Group directives prohibit the issue or holding of derivative financial instruments for speculative purposes. Derivative financial instruments are concluded only with reference to a hedged item, and furthermore, the permissible financial transactions are defined by the Group directives. The measurement of derivative financial instruments is consistent with the applicable accounting standards.

Most derivatives (90% of the nominal value) are non-structured standard hedges (plain vanilla interest rate swaps and cross-currency interest rate swaps). A structured derivative accounts for only a small portion, namely 10% of the nominal volume. This structured derivative has a total nominal volume of EUR 20.0 million with a term through 2022.

Risk definition and risk management with respect to financial instruments

ÖBB-Holding AG, which only enters into financial transactions on behalf and for the account of Group companies with their consent and upon their instruction, has created a risk-oriented monitoring environment that comprises, among others, guidelines and procedures for risk assessment, and for approving, reporting and monitoring financial instruments. The protection of Group company assets is the first priority for any and all financial activities. An important task of the Group Finance department, which is responsible for this, is the identification, assessment and limitation of financial risks. Risk limitation does not mean absolute elimination of financial risks, but reasonable and transparent control of quantifiable risk items within a specific framework for activities that has to be agreed with the respective Group companies. The most important financial risks are described in more detail below:

Liquidity risk

The primary aim of ÖBB Group in financial terms is to secure the necessary liquidity. Liquidity risk means the risk that a company might have difficulties meeting its obligations arising from financial liabilities that are settled by cash payment or by the supply of another financial asset. The main tasks of the Group Finance department of ÖBB Group therefore include planning cash flows, agreeing sufficient credit lines and adequately diversifying creditors to ensure a consistent flow of cash.

Interest rate risk

Risks arising from changes in market interest rates may affect the financial result of the ÖBB Group due to the structure of its Statement of Financial Position. The Group therefore strives to limit the influence of possible market interest rate fluctuations on results to a level agreed with all Group companies.

Derivative financial instruments for managing interest rate risks are transacted on the basis of portfolio analyses and recommendations by Group Finance, and of corresponding decisions by Group companies.

Foreign exchange rate risk

ÖBB Group companies are not exposed to any material currency risks. Most finance agreements are denominated in euros.

There are no relevant exchange rate risks from cross-border leasing transactions, as the contractual liabilities in foreign currencies are matched by corresponding assets and receivables with matching volumes and maturity in the same amounts.

Derivative instruments that are suitable for the management of exchange rate risks (currency swaps) are concluded based on portfolio analyses and recommendations by the Group Finance department and on corresponding decisions of the Group companies.

Credit risk

Credit risk describes the potential loss from failure by business partners to honor their financial commitments (mainly money market transactions, investments, positive present value swap transactions). Compliance with the limits underlying the credit risk management and individually allocated to each financial partner is checked daily.

Apart from the original transactions with ÖBB's financing partners, counterparty risk also exists in connection with cross-border leases. For cross border leasing transactions, security deposits, payment undertaking agreements and swaps were concluded with financial partners for lease payments during the term and the purchase price at the end of the term. Cross-border lease management handles the administration, execution, risk management, and economic termination of existing cross-border leases. It aims, specifically, to monitor all the rights and obligations arising from the transactions, to ensure execution in accordance with the agreements, to avoid risks, and to ensure the profitability of the entire portfolio.

In recent years, the Group has managed to significantly reduce the original volume of existing cross-border leases without having to reimburse the deferred tax benefit that was secured at the time of transaction. In 2015, one transaction was terminated early while maintaining the tax benefit. For two transactions, the legal actions towards planned completions in the years 2016 and 2017 were undertaken. ÖBB's strategy of actively managing the risk associated with the transactions and taking advantage of opportunities to terminate transactions under economically acceptable conditions has not changed, and will not change in future. Please refer to Consolidated Financial Statements Note 30.3 for more information on cross-border leases.

Internal control system

The members of the Boards of Management and Managing Directors of the Group companies are aware of, and embrace their responsibility to establish an appropriate internal control system (ICS). For the ICS, the minimum standard to be implemented by the sub-groups was formulated.

Control environment

The ICS at ÖBB Group is highly focused on process monitoring procedures and accounting issues. It supports the compliance with the relevant provisions and the given business policy (Compliance), ensures the correctness and reliability of the financial reporting (Financial Reporting), and supports the profitability of the operational activities (Operations).

It is based on the internationally acknowledged COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) and provides the management with an accepted basis for analysis and control tasks.

The ICS is based on the principle that audit measures regarding essential/critical business processes are documented in a complete and comprehensible fashion, that the organizational structure is documented comprehensibly (organization chart, job description, functional description, etc.) and adjusted on a regular basis, and that the applicable regulations and internal specifications are widely known and available.

Risk assessment and control activities

Key risks are identified, assessed and captured at regular intervals, based on the process documentation. Suitable monitoring activities are determined in order to reduce the risk to an appropriate level. Regular self-assessment with rotating areas of key focus and documented results makes sure the monitoring procedures are effective.

In light of the size of the corporation, an Internal Audit function has been established within the ÖBB Group. The Internal Audit function verifies the existence of an efficient ICS in the Group companies and checks certain ICS components based on an approved annual audit schedule. The results are submitted to the Audit Committee of the relevant Supervisory Board in the form of an activity report.

A Compliance function has also been set up to perform independent event-related audits with the support of the Compliance Officers in all sub-groups. Putting preventive measures in place is a further essential aspect of compliance.

Information and communication

Consistent with the decentralized Group structure, each sub-group establishes an appropriate, effective ICS. Likewise, each is responsible for the structure and maintenance of their own system.

ICS documentation within ÖBB Group has been standardized with respect to minimum requirements, and was published in 2012 in the form of a compulsory minimum standard for implementation throughout the entire Group. Moreover, the organizational units of the Group are responsible for standardized and computerized documentation of the key checks defined within the processes, including the risk areas and corresponding test steps. Reports to management are also based on this non-editable, annotated and verifiable data.

Accounting

When the auditors audit the annual financial statements, the ICS also forms part of the auditing mandate. The resulting findings are submitted to the Audit Committee of the Supervisory Board

As far as the pre-accounting processes are concerned, broad standardization was achieved when the relevant workflows were transferred to a Group-wide financial shared-service unit, ÖBB-Business Competence Center GmbH. Accounting activities are still carried out in the ÖBB-Infrastruktur Group.

ÖBB Group SAP R/3 software is used to account for all business transactions within the ÖBB-Infrastruktur Group. As such, data transfers within the Group are largely automated in ÖBB-Holding AG, where data is sent for central processing in the SAP Netweaver BI consolidation system and the financial statements of the ÖBB-Infrastruktur Group are prepared.

Corporate accounting is based on an IFRS Group Manual (published and regularly updated by the Accounting department at ÖBB-Holding AG), which specifies and communicates important accounting requirements based on IFRS for the entire Group. The Accounting team is regularly trained on new developments in accounting to avoid any risk of accidental misstatement.

The information provided in the Notes to the Consolidated Financial Statements is compiled using standardized Group software. After the audit by local auditors (in accordance with Austrian statutory regulations and principles of due and proper auditing of financial statements, the International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the General Terms and Conditions for Audits within ÖBB Group), all subsidiaries deliver extensive Reporting Packages comprising all the relevant accounting data (income statement, statement of financial position, cash flow statement, notes to the consolidated financial statements) required for the preparation of the Consolidated Financial Statements. The audit is confirmed by a “Report on the IFRS Group Reporting Package”; this report has to be submitted in order for the respective Reporting Package to be processed. This external control system constitutes a supporting element of the ICS.

The Supervisory Board is informed about the economic development of the Group in regular intervals, in particular within the framework of the mandatory audit committee of ÖBB-Infrastruktur AG, by means of consolidated presentations.

G. Significant events after the reporting date are

Information for this section is provided in Note 36 in the Notes to the Consolidated Financial Statements.

H. Notes on the Management Report

This Management Report contains statements and forecasts referring to the future development of the ÖBB-Infrastruktur Group and the economic environment in which it operates. Any and all forecasts were made based on the information available at the time of compilation. Actual developments may therefore differ from the expectations described in the Management Report.

Vienna, March 31, 2016

The Board of Management

DI Franz Bauer	Ing. Mag. (FH) Andreas Matthä	KR Ing. Franz Seiser
(Department of Infrastructure Investment)	(Finance, Market, Service Department)	(Operations and Systems Department)

GLOSSARY OF TERMS

BMVIT	Federal Ministry of Transport, Innovation and Technology
DB	Deutsche Bahn/ German Railways
EBIT	Earnings before interest and tax
EBT	Earnings before tax
RU	Railway operator
R&D	Research and Development
TGTkm	Total gross tonne-kilometers
GWh	Gigawatt hour
ICS	Internal Control System
Newcomer	Newcomer
PT	Public transport
railjet	New main line train
Traction	Propulsion of trains by traction vehicles

Statement pursuant to Article 82 (4) clause 3 BörseG

Statement of all legal representatives

We confirm to the best of our knowledge, that the consolidated financial statements prepared in accordance with the applicable accounting standards give a true and fair view of the assets, financial and earnings position of the Group and that the consolidated management report presents the business performance, the business result and the position of the Group and thus provides a true and fair view of the assets, financial and earnings position and that the consolidated management report describes the material risks and uncertainties to which the Group is exposed.

We confirm to the best of our knowledge, that the financial statements of the parent company prepared in accordance with the applicable accounting standards give a true and fair view of the assets, financial and earnings position of the company and that the management report presents the business performance, the business result and the position of the company and thus provides a true and fair view of the assets, financial and earnings position and that the management report describes the material risks and uncertainties to which the company is exposed.

Vienna, March 31, 2016

The Board of Management

DI Franz Bauer
(Department of Infrastructure Investment)

Ing. Mag. (FH) Andreas Matthä
(Finance, Market, Service Department)

KR Ing. Franz Seiser
(Operations and Systems Department)

Consolidated Income Statement 2015

	Note	2015 in kEUR	2014 in kEUR
Revenue	4	2,043,981.5	2,176,114.5
Change in finished goods, work in progress and services not yet chargeable		488.9	2,729.6
Other own work capitalized	5	292,309.7	287,249.9
Other operating income	6	714,582.8	648,569.9
Total income		**3,051,362.9**	**3,114,663.9**
Cost of materials and purchased services	7	-390,594.0	-422,958.3
Personnel expenses	8	-1,036,474.3	-1,074,660.9
Depreciation and amortization	9	-690,416.5	-644,751.7
Other operating expenses	10	-319,519.0	-337,152.0
Earnings before interest and taxes (EBIT excluding investments accounted for using the equity method)		**614,359.1**	**635,141.0**
Earnings of investments accounted for using the equity method	17	580.0	967.8
Interest income	11	35,140.7	36,079.9
Interest expenses	11	-635,556.9	-638,096.3
Other financial income	12	43,698.0	52,973.9
Other financial expenses	12	-45,375.6	-52,478.1
Financial result (incl. earnings of investments recorded using the equity method)		**-601,513.8**	**-600,552.8**
Earnings before income taxes (EBT)		**12,845.3**	**34,588.2**
Income taxes	13	-12,021.7	-5,835.2
Net income		**823.6**	**28,753.0**
Proportion of net income attributable to:			
shareholders of the parent company		775.9	28,753.0
non-controlling interests		47.7	0.0

Consolidated Statement of Comprehensive Income 2015

	Note	2015 in kEUR	2014 in kEUR
Net income		**823.6**	**28,753.0**
Remeasurement gains (losses) on defined benefit plans		1,159.7	-3,652.9
Income taxes		-6.0	28.3
Items that will never be reclassified ("recycled") subsequently to the income statement		**1,153.7**	**-3,624.6**
Unrealized loss from cash flow hedges	24	-8,239.0	-11,624.0
Reclassification of realized income from cash flow hedges	24	10,418.5	12,441.0
Unrealized income from available-for-sale reserve	24	-2,223.3	1,706.2
Income taxes		-292.0	-1,573.6
Items that are or may be reclassified ("recycled") subsequently to the income statement		**-335.8**	**949.6**
Other comprehensive income		**817.9**	**-2,675.0**
Comprehensive income		**1,641.5**	**26,078.0**
Proportion of comprehensive income attributable to:			
shareholders of the parent company		1,593.8	26,078.0
non-controlling interests		47.7	0.0

Consolidated Statement of Financial Position as of December 31, 2015

Assets	Note	Dec 31, 2015 in kEUR	Dec 31, 2014 in kEUR
Non-current assets			
Property, plant and equipment	14	20,075,263.2	19,270,717.3
Intangible assets	15	370,296.3	369,949.6
Investment property	16	126,668.7	129,721.9
Investments recorded using the equity method	17	49,274.7	43,796.7
Other financial assets	18	576,888.4	530,496.8
Other receivables and assets	20	152,880.2	165,588.0
Deferred tax assets	13	24,776.8	36,710.5
		21,376,048.3	**20,546,980.8**
Current assets			
Inventories	21	54,991.8	74,325.8
Trade receivables	20	128,293.2	178,040.7
Other receivables and assets	20	206,608.8	243,924.4
Other financial assets	18	108,144.0	66,195.9
Assets held for sale	19	40.6	601.9
Cash and cash equivalents	22	226,043.2	230,890.0
		724,121.5	**793,978.7**
		22,100,169.8	**21,340,959.5**

Shareholders' equity and liabilities	Note	Dec 31, 2015 in kEUR	Dec 31, 2014 in kEUR
Shareholders' equity			
Share capital	23	500,000.0	500,000.0
Additional paid-in capital	24	538,884.2	538,884.2
Cash flow hedge reserve	24	-15,975.6	-17,863.1
Available for sale reserve	24	8,443.9	10,667.2
Retained earnings	24	174,578.7	166,785.4
Equity attributable to shareholders of the parent company		1,205,931.2	1,198,473.7
Equity attributable to non-controlling interests	23	285.4	0.0
		1,206,216.6	**1,198,473.7**
Non-current liabilities			
Financial liabilities	25	17,825,600.4	18,350,364.2
Provisions	26	267,474.1	280,589.2
Other liabilities	27	44,211.2	50,557.9
		18,137,285.7	**18,681,511.3**
Current liabilities			
Financial liabilities	25	1,716,011.0	523,400.7
Provisions	26	89,900.0	128,206.5
Trade payables	27	580,789.5	528,499.1
Other liabilities	27	369,967.0	280,868.2
		2,756,667.5	**1,460,974.5**
		22,100,169.8	**21,340,959.5**

Consolidated Statement of Cash Flow 2015

	Note	2015 in kEUR	2014 in kEUR
Earnings before income taxes (EBT)		12,845	34,588
Non-cash expenses and income			
+ Depreciation and amortization on property, plant and equipment, intangible assets and investment property	9	859,934	816,975
+ Depreciation/ - appreciation on non-current financial assets		290	1,000
- Amortization of investment grants	9	-169,518	-172,223
+ Losses / - gains on disposal of property, plant and equipment, intangible assets and investment property		14,092	9,388
+ Losses / - gains on disposal of financial assets		-130	-1,911
- Other non-cash income / + other non-cash expenses		-405	-1,935
+ Interest expenses	11	635,557	638,096
- Interest income	11	-35,141	-36,080
Changes in assets and liabilities			
- Increase / + decrease in inventories	21	2,558	18,638
- Increase / + decrease in trade receivables and other assets		62,649	18,823
- Increase / + decrease in trade payables, other liabilities and deferrals		132,018	-91,118
+ Increase / - decrease in provisions	26	-51,422	83,773
- Interest paid		-641,197	-633,892
+ Interest received		2,086	1,999
- Income tax paid	13	-41	-41
Cash flow from operating activities a)		824,176	686,080
+ Proceeds from disposal of property, plant and equipment and intangible assets		37,133	32,683
- Expenditures for property, plant and equipment and intangible assets	14, 15	-1,718,974	-1,847,957
+ Proceeds from disposal of financial assets		43,596	1,897
- Expenditures for investments in financial assets		-106,314	-55,082
+ Proceeds from investment grants	14, 15	234,685	147,322
- Repayment of investment grants		0	-559
+ Proceeds from the sale of consolidated subsidiaries and other business units		0	1,159
- Expenditures for acquisition of consolidated subsidiaries		0	-187
+ Dividends received		1,048	1,056
+ Redemption of loans granted / - grant of loans (from investing activities)		120	151
Cash flow from investing activities b)		-1,508,706	-1,719,517
+ Capital contributions paid in from non-controlling interests		179	0
+ Proceeds from issue of bonds and loans	25	762,252	2,138,348
- Redemption of bonds and loans		-79,632	-856,466
- Payment of finance lease receivables		-187	-178
Cash flow from financing activities c)		682,612	1,281,704
Cash flow from operating activities a)		824,176	686,080
Cash flow from investing activities b)		-1,508,706	-1,719,517
Free Cash Flow (a+b)		-684,529	-1,033,437
Funds at the beginning of the period		213,258	-35,009
Change in the funds resulting from cash flows (a+b+c)		-1,917	248,267
Funds at the end of the period		211,341	213,258

For details on the composition of the fund, please refer to Note 34.

Consolidated Statement of Changes in Shareholders' Equity 2015

	Share capital in kEUR	Additional paid-in capital in kEUR	Cash flow hedge reserve in kEUR	Available for sale reserve in kEUR	Retained earnings in kEUR	Total shareholders' equity in kEUR	Non-controlling interests in kEUR	Total shareholders' equity in kEUR
As of January 01, 2014	*500,000.0*	*538,884.2*	*-17,106.5*	*8,961.0*	*142,879.0*	*1,173,617.7*	*0.0*	*1,173,617.7*
Net income					28,753.0	28,753.0		28,753.0
Other comprehensive income			-756.6	1,706.2	-3,624.6	-2,675.0		-2,675.0
Comprehensive income			**-756.6**	**1,706.2**	**25,128.4**	**26,078.0**	**0.0**	**26,078.0**
Other changes					-1,222.0	-1,222.0		-1,222.0
As of December 31, 2014	**500,000.0**	**538,884.2**	**-17,863.1**	**10,667.2**	**166,785.4**	**1,198,473.7**	**0.0**	**1,198,473.7**

	Share capital in kEUR	Additional paid-in capital in kEUR	Cash flow hedge reserve in kEUR	Available for sale reserve in kEUR	Retained earnings in kEUR	Total shareholders' equity in kEUR	Non-controlling interests in kEUR	Total shareholders' equity in kEUR
As of Jan 01, 2015	*500,000.0*	*538,884.2*	*-17,863.1*	*10,667.2*	*166,785.4*	*1,198,473.7*	*0.0*	*1,198,473.7*
Net income					775.9	775.9	47.7	823.6
Other comprehensive income			1,887.5	-2,223.3	1,153.7	817.9		817.9
Comprehensive income			**1,887.5**	**-2,223.3**	**1,929.6**	**1,593.8**	**47.7**	**1,641.5**
Sale of interests in subsidiaries					5,863.7	5,863.7	58.7	5,922.4
Capital paid in by non-controlling interests							179.0	179.0
As of December 31, 2015	**500,000.0**	**538,884.2**	**-15,975.6**	**8,443.9**	**174,578.7**	**1,205,931.2**	**285.4**	**1,206,216.6**

The number of shares remains unchanged at 100,000.

Further details on the Statement of Changes in Shareholders' Equity can be found in Notes 2, 23 and 24.

Notes to the Consolidated Financial Statements as of December 31, 2015

A. BASIS AND METHODS

ÖBB-Infrastruktur Aktiengesellschaft (hereinafter ÖBB-Infrastruktur AG), with its registered office in 1020 Vienna, Praterstern 3, FN 71396 w, is a registered limited liability company as defined in the Austrian Stock Corporation Act, whose shares are held by the Österreichische Bundesbahnen Holding Aktiengesellschaft (hereinafter ÖBB-Holding AG).

ÖBB-Infrastruktur AG and its subsidiaries form the ÖBB-Infrastruktur AG corporate group (hereinafter ÖBB-Infrastruktur Group). The share capital is divided into 100,000 no-par shares. The shares are registered in the name of ÖBB-Holding AG and are not traded publicly. The sub-group is in a group relationship with ÖBB-Holding AG, and is fully consolidated. The Consolidated Financial Statements of ÖBB-Holding AG are submitted to the Commercial Court Vienna under Company Register number FN 247642 f.

The function of ÖBB-Infrastruktur AG is, in particular, that of a railway infrastructure company, in which a demand-oriented and secure railway infrastructure (including high-performance tracks) is planned, built, provided, operated and maintained (regular maintenance, inspection, fault clearance, repair and reinvestment). Shunting services can also be provided.

The core business of ÖBB-Infrastruktur group also includes the power procurement, power supply and power portfolio management as well as real estate leasing.

In accordance with Article 51 of the Bundesbahngesetz [Austrian Federal Railways Act], as amended, ÖBB-Infrastruktur AG does not require a concession pursuant to the Eisenbahngesetz [Railways Act] of 1957 for either the construction or the operation of main and branch lines. It has the rights and obligations of a railway operator with respect to the planning and construction of new railway infrastructure projects.

Financing of investments in rail infrastructure development as well as operations and maintenance are ensured through internally generated cash flow, borrowings as well as guarantees and payments by the federal government on the basis of multi-year framework plans and subsidy agreements. Management, development and utilization of real estate belonging to the ÖBB Group is the responsibility of ÖBB-Immobilienmanagement GmbH, a subsidiary of ÖBB-Infrastruktur AG. The construction of the Brenner base tunnel and all structures necessary for construction work and subsequent operation, as well as the provision of facilities after completion for the parties authorized to access the network during the operational phase, is the responsibility of Galleria di Base del Brennero - Brenner Basistunnel BBT SE, a joint venture of the ÖBB-Infrastruktur Group.

1. Accounting principles

In accordance with Article 244 of the UGB [Austrian Commercial Code], ÖBB-Infrastruktur AG is required to prepare Consolidated Financial Statements. The Consolidated Financial Statements as of December 31, 2015 were prepared pursuant to Article 245a (2) UGB [Austrian Commercial Code] in conjunction with the "IFRS Regulation" in accordance with the International Financial Reporting Standards ("IFRS", "IAS") issued by the International Accounting Standards Board ("IASB"), and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC", "SIC"), which became effective and were endorsed by the European Union until December 31, 2015 along with the additional requirements under Article 245a UGB. With these Consolidated Financial Statements according to IFRS, ÖBB-Infrastruktur AG issues exempting Consolidated Financial Statements pursuant to Article 245a UGB [Austrian Commercial Code] in accordance with internationally accepted accounting principles.

The Consolidated Financial Statements are presented in euros (EUR). All amounts indicated in these Notes are presented in millions or thousands of EUR, unless another currency unit is indicated. Rounding differences may occur as the rounded presentation includes figures not shown that are subject to precise internal calculation.

Disclosure on amended and new IFRS regulations

The following standards and interpretations were amended compared to the Consolidated Financial Statements as of December 31, 2014 or were to be applied initially on a mandatory basis due to the endorsement by the EU or due to the regulation coming into effect. These standards affect the Consolidated Financial Statements only if they are marked "yes" in the respective column of the following table.

Revised and amended standards/interpretations		Effective as of[1]	Impact on the Consolidated Financial Statements
IFRIC 21	Levies	Jun 17, 2014	no
AIP 2011-2013	Improvements to IFRS, cycle 2011-2013	Jan 01, 2015	no

1) applicable for financial years starting on or after the indicated date.

Outlook on future IFRS amendments

The following standards and interpretations were issued by the IASB and were endorsed by the EU with the exception of those labeled with Note 2. The option of applying individual standards early was not exercised. The potential impact of the new and amended standards is currently being evaluated.

Standards/interpretations		Effective as of[1]	Expected impact on the Consolidated Financial Statements
New standards and interpretations			
IFRS 14	Regulatory deferral accounts	Jan 01, 2016[3]	no
IFRS 15	Revenue from Contracts with Customers	Jan 01, 2018[2]	currently evaluated
IFRS 9	Financial instruments	Jan 01, 2018[2]	yes
IFRS 16	Leases	Jan 01, 2019[2]	yes
Amended standards and interpretations			
AIP 2010-2012	Improvements to IFRS, cycle 2010-2012	Feb 01, 2015	no
IAS 19	Recognition of contributions from employees or third parties for a defined benefit plan	Feb 01, 2015	no
IFRS 11	Acquisition of an interest in a joint operation	Jan 01, 2016	no
IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization	Jan 01, 2016	no
IAS 16 and IAS 41	Agriculture: Bearer Plants	Jan 01, 2016	no
IAS 27	Equity Method in Separate Financial Statements	Jan 01, 2016	no
AIP 2012-2014	Improvements to IFRS, cycle 2012-2014	Jan 01, 2016	no
IAS 1	Presentation of Financial Statements	Jan 01, 2016	no
IFRS 10, 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	Jan 01, 2016[2]	no
IAS 12	Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses	Jan 01, 2017[2]	no
IAS 7	Statement of Cash Flows - Changes in liabilities arising from financing activities	Jan 01, 2017[2]	yes

1) applicable for financial years starting on or after the indicated date
2) not yet adopted by the EU
3) is currently not incorporated into EU law

IFRS 15 includes a five-step model to be applied to revenue from contracts with customers (with a few exceptions). The type of transaction or the sector of the entity are not relevant. IFRS 15 contains additional qualitative and quantitative disclosure obligations. These are aimed at enabling users of the financial statements to understand the nature, amount, timing and the uncertainties of revenue and the resulting cash flows arising from contracts with customers. The impact of IFRS 15 on the Group is currently being evaluated by working groups. For revenue and other operating income, no significant changes are expected in the amount and timing of income recognition. A detailed analysis is now being conducted with respect to the revenue from electricity trading, real estate recovery projects and certain services provided for third parties, which amount to about 8% (prior year: about 10%) of total revenue (revenue and other operating income).

IFRS 9 concerns the classification and measurement of financial assets and financial liabilities, hedge accounting and impairment of financial assets. The application of the improvements of IFRS 9 is expected to have an effect on the classification and measurement of financial assets as well as hedge accounting, but will not affect the classification and measurement of financial liabilities in the Consolidated Financial Statements.

In January 2016, the new leasing standard IFRS 16 was issued, which will replace IAS 17 in the future. Lessees will be required to report assets and liabilities for most lease agreements, regardless of whether they are operating or finance leases in accordance with the criteria of the previous IAS 17. There will be only minor changes for lessors compared to accounting according to IAS 17. The impact of IFRS 16 on accounting for lease agreements on the Consolidated Financial Statements will be analyzed in more detail in the near future.

In January 2016, the IASB published amendments to IAS 7 Statement of Cash Flows. The objective of the changes is to improve presentation of the change in the debt of the company. Changes with an effect on cash flow, changes resulting from the acquisition or disposal of companies, exchange rate changes, changes in fair value, etc. will be required to be reported.

2. Consolidation principles and basis of consolidation

Consolidation principles

Reporting date

The reporting date for all fully consolidated companies included in the Consolidated Financial Statements is December 31.

Foreign currency translation

Foreign currencies are translated in accordance with the functional currency concept. The functional currency of all subsidiaries included in the Consolidated Financial Statements is the respective national currency. The Consolidated Financial Statements are presented in euros, the functional currency of the parent company.

As all subsidiaries use the euro as their functional currency, no currency translation from the consolidation of foreign operations was necessary for preparation of the consolidated financial statements.

Foreign currency transactions are first translated into the functional currency by the Group companies at the spot rate applicable on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at each reporting date at the respective spot rate. Translation differences from financial assets and financial liabilities are recognized in the financial expenses or financial income as relevant. All other currency translation differences are recognized through profit or loss in other operating income or expense. Non-monetary items measured at cost denominated in a foreign currency are translated at the rate applicable on the date of the transaction. Non-monetary items measured at fair value denominated in a foreign currency are translated at the rate applicable at the time the fair value is determined.

Consolidation

Subsidiaries (capital consolidation)

Subsidiaries are entities controlled by the Group. The Group controls an investee if it is exposed or has rights to variable returns from its involvement with the investee and has the ability to exercise control over the investee to affect the amount of these returns. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date the Group obtains control until the expiration of control.

Accordingly, the results of operations of the businesses acquired or sold during the reporting year are included in the Consolidated Income Statement and in the other comprehensive income from the date of acquisition or until the date of disposal respectively. If the Group loses control of a subsidiary it derecognizes the assets and liabilities of the subsidiary and other equity components.

Accounting and measurement methods are applied consistently by all subsidiaries in the ÖBB-Infrastruktur Group.

Business combinations

Business combinations are accounted for according to the purchase method. The acquisition costs are measured at the total of the consideration transferred, measured at fair value at the acquisition date, plus the share of non-controlling interest in the acquired company. For each business combination, the acquirer measures the share of non-controlling interest in the acquired company at the corresponding share of the identifiable net assets of the acquired company. Any costs incurred in the course of the business combination are recognized as expense in other operating expenses.

When an entity is acquired, the Group assesses the suitable classification and designation of the financial assets acquired and liabilities assumed in accordance with the contractual terms, economic circumstances and general conditions given at the time of the acquisition. This also includes a separation of the embedded derivatives embedded in a host contract. In case of business combinations carried out in stages, the equity share in the acquired company previously held by the acquirer is re-measured at fair value at the time of the acquisition, and the resulting profit or loss is recognized in profit or loss in the current period. Any agreed contingent consideration is recognized at the fair value at the time of the acquisition. Subsequent changes in the fair value of contingent consideration which constitute an asset or a liability are recognized either in the profit or loss or in other comprehensive income according to IAS 39. Contingent consideration classified as an equity instrument is not re-measured, and its payment is accounted for in equity.

At initial recognition, goodwill is measured at cost, determined as the excess amount of the total consideration transferred plus the amount of the share of the non-controlling interest over the identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets acquired, the difference is recognized in profit or loss. After the initial recognition, goodwill is measured at cost less cumulative impairment charges. For the purpose of the impairment test and from the time of acquisition, the goodwill acquired in the course of a business combination is allocated to those cash-generating units of the Group that are expected to benefit from synergies from the business combination, irrespective of whether other assets or liabilities of the acquired entity are attributed to these cash-generating units.

When goodwill has been allocated to a cash-generating unit and a business unit of it is sold, the goodwill attributable to this business unit is taken into account in determining the carrying amount of the business unit and the proceeds from the sale of this business unit. The amount of the goodwill sold is determined on the basis of the relative values of the business unit sold and the remaining part of the cash-generating unit.

Associated companies

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over the decision-making processes.

Except for investments classified as held for sale, shares in associated companies are included in the Consolidated Financial Statements using the equity method of accounting. They are initially recognized at cost, which is adjusted to reflect changes in the interest of the ÖBB-Infrastruktur Group in the net assets subsequent to the acquisition date and to reflect losses resulting from impairment. Losses exceeding the recognized investment in an associated company are not recognized, unless a commitment for additional contributions exists.

If the acquisition cost of the interest acquired by the ÖBB-Infrastruktur Group exceeds the fair values of the identifiable assets and liabilities of the associated company at the date of acquisition, such excess amount is accounted for as goodwill included in the value of the investment. If the acquisition cost of the interest acquired by the ÖBB-Infrastruktur Group is less than the fair values of the identifiable assets and liabilities at the date of acquisition (i.e. discount upon acquisition), the difference is recognized in profit or loss in the period the acquisition occurred.

Joint ventures

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is defined by the following characteristics: the parties are bound by a contractual agreement in which joint control is allocated to two or more parties to the agreement.

A joint venture is a contractual arrangement regarding an economic activity in which two or more parties have joint control, whereby they have rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint ventures are accounted for in the Consolidated Financial Statements using the equity method.

Elimination of intercompany accounts

Receivables are offset with the corresponding liabilities and provisions between the subsidiaries included in the Consolidated Financial Statements in the course of the elimination of intercompany accounts.

Revenue and expense elimination

All intra-group expenses and revenues are eliminated in the course of the revenue and expense elimination. When assets are constructed by the ÖBB-Infrastruktur Group itself, any revenue arising therefrom is recognized in own work capitalized after taking into account elimination of the unrealized profits.

Unrealized profit elimination

Unrealized profits resulting from intra-group sales of assets or asset construction and from contribution of assets to subsidiaries were eliminated in the Consolidated Financial Statements.

Composition of and change in the basis of consolidation

In addition to ÖBB-Infrastruktur AG, the basis of consolidation includes 13 (previous year: 13), fully consolidated and 2 (previous year: 2) associated companies and joint ventures which are accounted for using the equity method, and therefore a total of 16 (prior year: 16) companies. The companies included in the Consolidated Financial Statements are disclosed in Note 35.

The basis of consolidation is defined to enable the Consolidated Financial Statements to give a true and fair view of the net assets, financial position and results of operations of the ÖBB-Infrastruktur Group. The subsidiaries not consolidated are those with a small business volume whose revenues, assets and liabilities jointly account for less than 1% of the consolidated amounts.

Basis of consolidation	Consolidated	At equity method of accounting	Total
As of Jan 01, 2014	11	2	13
thereof foreign companies	*0*	*1*	*1*
Initial consolidation	4	0	4
Disposal (sale)	-1	0	-1
As of Dec 31, 2014 = As of Dec 31, 2015	**14**	**2**	**16**
thereof foreign companies	*0*	*1*	*1*

Changes to the level of shareholdings of the Group's investments

In 2015, the ÖBB-Infrastruktur Group exchanged 49% of the shares in the fully consolidated affiliated company WS Service GmbH for 13.05% of the shares in Weichenwerk Wörth GmbH. As a result, the Group's share of WS Service GmbH of 100% was reduced to 51%. The share sold in the carrying amount of the net assets is kEUR 59, which was transferred to non-controlling interests. The Group's share of Weichenwerk Wörth GmbH of 30% was increased to 43.05%. ÖBB Infrastruktur AG recognizes the WWG shares it holds in accordance with the equity method, since control of the company is carried out by the co-shareholder and ÖBB therefore "only" has significant influence, so that the conditions of an associate as defined by IAS 28 are fulfilled. Additionally, shares in an existing associated company were purchased without changing the classification as an associate.

With respect to the additional acquired WWG shares (13.05%), the fair value of the consideration was determined in the amount of kEUR 5,923 and compared with the pro rata net assets existing as of March 31, 2015 amounting to kEUR 1,478, resulting in a difference in the amount of kEUR 4,445. A capital gain of kEUR 5,864 was realized and reported directly in equity. There was no net cash inflow or outflow.

The following overview provides details regarding the required adjustments to fair values and the deferred tax. The residual difference in the amount of kEUR 2,199 was classified as goodwill.

Calculation of goodwill (partial goodwill method)	in kEUR
fair value of consideration	5,923
pro rata net assets as of 31 March 2015	-1,478
Difference	**4,445**
Customer relationship – ÖBB Infrastruktur AG	-2,766
Customer relationship – other industrial customers	-123
Inventories	-106
Deferred tax	749
Pro rata net assets at fair value	**-2,246**
Goodwill	**2,199**

3. Summary of significant accounting policies

Basis of preparation of financial statements

The Consolidated Financial Statements are prepared on the basis of amortized cost, with the exception of derivative financial instruments and available-for-sale financial instruments that were measured at fair value. The carrying amounts of the assets and liabilities recognized in the Statement of Financial Position and designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to reflect changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

Property, plant and equipment and investment property

Property, plant and equipment and investment property are recognized at cost less depreciation and possible impairments. Cost includes certain expenses incurred in the course of the construction or development of the rail infrastructure network, such as acquisition cost, material and personnel expenses, directly attributable fixed and variable overhead, the present value of obligations resulting from demolition, dismantling and removal of assets and restoration of sites, and borrowing costs directly attributable to qualifying assets. VAT charged by suppliers with a subsequent entitlement to input tax deduction is not included in cost. Property, plant and equipment under a finance lease are recognized at the lower of the present value of the minimum lease payments or its fair value.

Property, plant and equipment and investment property are depreciated on a straight-line basis over the estimated useful life, and recognized in depreciation and amortization in the Consolidated Income Statement. Leased property, plant and equipment (held under finance leases) and fixtures in third-party buildings are also depreciated over their estimated useful life if ownership is expected to be transferred at the end of the lease term. Otherwise, they are depreciated over the shorter of the lease term or the useful life.

A in the previous year, useful lives are:

	Years
Buildings	
Substructure	20–150
Superstructure	10–50
Roadbed and track	35–40
Security and telecommunications equipment	4–30
Automobiles and trucks	5–25
Technical equipment and machinery	
High-voltage and lightning equipment	15–50
Tools and equipment	4–20
Machinery	9–15

Costs for maintenance measures and repairs are expensed as incurred, whereas replacements and value-improving capital expenditures are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and resulting gains or losses are recognized in other operating income or expenses. The useful lives and the methods of depreciation presented above are also applied to assets presented in the line item "Investment property".

Investment grants

Grants (investment grants) provided to the ÖBB-Infrastruktur Group are recognized in the Statement of Financial Position when it is certain that the grant will be received and all attached conditions will be complied with. Asset-related grants, in particular investment grants, are deducted directly from the cost of the related assets. The depreciation expenses less income from the amortization of these grants are recognized in the Consolidated Income Statement. Generally, investment grants are amortized over the useful life of the asset for which the grant was received.

Goodwill and other intangible assets

The ÖBB-Infrastruktur Group does not currently account for any goodwill or other intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are recognized at cost less amortization on a straight-line basis.

Intangible assets are amortized on a straight-line basis over the estimated useful life, and recognized in depreciation and amortization in the Consolidated Income Statement.

As in the previous year, the straight-line amortization is based on the following useful lives:

	Years
Investment grants	3–150
Concessions	4–20
Software	2–20
Other intangible assets	10–30

Investment grants are amortized depending on the useful life of the asset for which the grant was paid. The useful life can be up to 150 years in individual cases, but in general, it is 20 years.

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets with finite useful lives are tested for impairment if events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. The impairment test is performed for all items of property, plant and equipment and intangible assets. In accordance with the provisions of IAS 36, an impairment loss is recognized if the carrying amount exceeds the higher value which results from the fair value less cost to sell and value in use. The fair value less cost to sell corresponds to the amount that can be obtained in an arm's length sales transaction. The value in use corresponds to the discounted estimated future net cash flows that are expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment losses are recognized in a separate line item in the Consolidated Income Statement.

If changes in circumstances indicate that the carrying amount of an asset exceeds its fair value, the value in use is calculated in the context of the impairment test. The value in use is determined by estimating the future cash flows of the cash-generating units based on the business plans that were derived from past results and the best estimates of the

Board of Management of future developments. The growth rates assumed in the business plans (budget 2016 and medium-term plan 2017–2020) reflect the weighted average growth rates based on market estimates. Cash flow forecasts going beyond the period covered by the business plan are based on steady growth rates for subsequent years and do not exceed the long-term weighted average growth rate for the industry and the country in which the cash-generating unit operates.

If the recoverable amount of the cash-generating unit exceeds its carrying value, no impairment exists for the relevant cash-generating unit. If the recoverable amount of the cash-generating unit is less than its carrying value, an impairment loss is recorded for this unit. The impairment loss is allocated proportionally to the assets of the cash-generating unit, although the assets of the cash-generating unit may not be written down to an amount which is below their recoverable amount. The reductions in the carrying amount represent expenses from the impairment of the individual assets.

If there is any indication that an impairment of assets no longer exists, the impairment loss is entirely or partially reversed through profit or loss up to a maximum of the amortized cost.

No indicators of impairment were identified for any cash-generating unit either for 2014 or for 2015 and therefore no impairment tests were performed. For the rail infrastructure cash-generating unit, no indicators currently exist due to the following preamble to the grant agreement in accordance with Art 42 of the Austrian Federal Railways Act. ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and are further defined in Article 31 of the Federal Railways Act. The basis for the financing of the Company is given in Article 47 of the Federal Railways Act, according to which the federal government is responsible for ensuring that ÖBB-Infrastruktur AG has the funds required to fulfill its tasks and maintain its liquidity and equity, insofar as the tasks are included in the business plan pursuant to Article 42 (6) of the Federal Railways Act. The commitment regulated by the federal government in this provision is implemented by the grant agreements pursuant to Article 42 (1) and (2) of the Federal Railways Act. It is the understanding of the contractual parties that the objective of the grant agreements, irrespective of their respective terms, is to permanently guarantee the value of the assets of the ÖBB-Infrastruktur AG sub-group used for the tasks pursuant to Article 31 of the Federal Railways Act, which also conforms to the official task according to the Federal Railways Act."

More information will be given in the chapter "Benefits from the Republic of Austria, master plan for investments in the infrastructure and guarantees of the federal government" in Note 32.

Impairment of investments in associated companies and joint ventures

Subsequent to the application of the equity method according to IAS 28.31 and IFRS 11 it has to be determined at each reporting date as to whether there is any objective indication of an impairment of the carrying amount in accordance with IAS 39.58 et seqq. If indicators are identified, the recoverable amount of the investment must be determined in accordance with IAS 36 Impairment of Assets. If there is an impairment, the investment must be written down accordingly. Reference is made to the previous paragraph regarding Art. 42 of the Austrian Federal Railways Act in relation to any impairment of the Galleria di Base del Brennero – Brenner Basistunnel BBT SE.

Non-current assets held for sale

Assets held for sale are measured at the lower of their carrying amount or their fair value less cost to sell. Assets classified as "held for sale" are not depreciated and reported in a separate line item in the Statement of Financial Position. Gains or losses from the sale of these assets are recorded together with the gains or losses from the disposal of property, plant and equipment and intangible assets as other operating income or expenses or, in case of an investment, in the other financial result.

Inventories

Inventories include material and spare parts used primarily for the expansion, maintenance and repair of defects of the Group's own railway networks and real estate development projects. Materials and spare parts are measured at the lower of cost or net realizable value, with cost being determined on the basis of the moving average cost method. The net realizable value is determined based on the estimated selling price in the ordinary course of business, less estimated costs to complete and selling costs still to be incurred. Self-manufactured inventories and reconditioned reusable materials are capitalized at production cost. Allowances are recorded for obsolete inventory and excessive production cost from self-manufactured inventories.

For spare parts and materials, replacement costs are deemed to be the best available measure of their net realizable value.

Also presented in inventories is real estate which is no longer used in operations and is now under development for later sale ("real estate recovery projects"). These are former railway station and system facilities or business premises which were used for continuous operations. They consist of significant projects being developed on a large scale. Real estate recovery projects are either held for sale in the ordinary course of business, in preparation for sale, or designated for such preparation.

They are recognized at cost and measured at the reporting date at the lower of carrying amount or net realizable value. The net realizable value is the estimated selling price less expected development and selling costs yet to be incurred.

The cost of inventories includes all costs of purchase, development and processing, as well as any other costs incurred to bring the inventories to their present condition. If the production costs exceed the net realizable value a write-down is recorded.

Financial instruments

General information

Financial assets and liabilities are recognized when the ÖBB-Infrastruktur Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when:

- all the contractual rights to the cash flows from the financial asset have expired or been settled or
- all risks and rewards arising from the asset have been transferred to another party or
- the power to control the financial asset has been transferred to another party in its entirety.

A financial liability may only be derecognized when it has been extinguished, i.e. when the contractual obligation has been settled or canceled or has expired. Purchases and sales of financial assets are recognized at the settlement date (date of fulfillment). Derivative financial instruments are recognized at the date of conclusion (trade date).

Financial assets and liabilities are initially recognized at the fair value of the consideration given or received. Transaction costs are included in the initial recognition, except in the case of financial instruments measured at fair value through profit or loss.

Cash and cash equivalents

The ÖBB-Infrastruktur Group recognizes cash on hand, cash in banks and highly liquid financial investments with remaining maturities of three months or less as cash and cash equivalents. Balances with the affiliated company ÖBB-Finanzierungsservice GmbH, which is responsible for liquidity management between the companies of the ÖBB-Holding Group, are also recognized as cash and cash equivalents. Money market deposits with original maturities of more than three months are classified as other current financial assets along with securities. Cash and cash equivalents, including current liabilities due to ÖBB-Finanzierungsservice GmbH, represent the funds for the Statement of Cash Flow.

Financial assets and liabilities

Financial instruments disclosed in the Statement of Financial Position as financial assets are measured at their fair value with the exception of loans and receivables. The financial instruments disclosed in the Statement of Financial Position as financial liabilities are measured at amortized cost. Derivative financial instruments are measured at fair value. Changes in the fair value of derivative financial instruments are recognized through profit or loss or in other comprehensive income, depending on whether the derivative financial instrument is used to hedge the fair value of an item recognized in the Statement of Financial Position (fair value hedge) or fluctuations in future cash flows (cash flow hedge). For derivative financial instruments designated as fair value hedges, changes of the fair value of the hedged asset or liability and of the derivative financial instrument are recognized in profit or loss. For derivative financial instruments designated as cash flow hedges, changes in the fair value of the effective portion of the hedging instrument are recognized via the other comprehensive income in equity (cash flow hedge reserve). The effects stated in the cash flow hedge reserve are recognized in profit and loss when the hedged item is recognized in profit and loss. Changes in the fair value of the ineffective portion of the hedge and changes in the fair value of derivative financial instruments not classified as a hedge are recognized in profit or loss immediately. Hedge accounting is applied in the ÖBB-Infrastruktur Group. See Note 29.2. on the hedge accounting.

Changes in the fair value of derivative financial instruments not designated as a hedging instrument are recognized in profit or loss.

In accordance with IAS 39, the ÖBB-Infrastruktur Group classifies securities and certain non-current financial instruments as available-for-sale (AFS) and measures them at fair value. Unrealized gains and losses are recognized in the other comprehensive income.

Non-current derivative financial instruments (interest swaps for hedging purposes) are divided into a current and a non-current portion based on the discounted payment streams in the applicable time frames. If a derivative financial instrument has an overall clearly negative fair value, any current positive portion is not recognized as a current asset because this presentation would be misleading in light of the clearly negative fair value, and is thus reported collectively as non-current liability. The same applies to the reverse case of a derivative financial instrument with an overall clearly positive fair value and a negative fair value of the current portion.

The impairment test for securities is based on a two-step approach, which examines whether the carrying amount or cost differs significantly from the fair value of the securities, and the period of time for which such a difference exists. Losses from impairments are recognized in income in the period as other financial expense.

If there is an indication that an impairment no longer exists, the ÖBB-Infrastruktur Group has to reverse all or part of the impairment in profit or loss, unless these financial assets are carried at cost or are equity instruments classified as “available for sale”. For equity instruments classified as “available for sale” and carried at cost, reversal of the impairment is not permitted. For equity instruments classified as “available for sale” and measured at fair value, any increase in the fair value is recognized in the other comprehensive income.

Trade receivables

Trade receivables are recognized at the lower of amortized cost or fair value. Impairments are recognized if collection of the claims can no longer be expected due to customer-specific circumstances. If such doubts regarding the collection of the receivables occur, these receivables are measured at the lower realizable amount and specific allowances are recognized on the basis of identifiable risks. Impairment indications include significant financial difficulties of the contractual partner, insolvency proceedings initiated against the debtor, unsuccessful dunning and execution attempts, effective breach of contract (e.g. default or failure to pay) and other information raising doubts about the solvency of the debtor. The debtor’s creditworthiness is considered accordingly in determining the amount of impairment. As soon as the irrecoverability of the receivable has been determined, the receivable is derecognized. Allowances are recorded in separate allowance accounts.

Construction contracts, if significant, are recognized according to the percentage of completion method.

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade receivables and payables, receivables due from and liabilities due to related companies approximate their fair values. The fair values of available-for-sale securities result from directly or indirectly derivable prices. The fair value of non-current financial receivables, financial liabilities and swap agreements is based on the present value of future cash flows, discounted at the ÖBB-Infrastruktur Group’s estimated current interest rate at which comparable financial instruments may be concluded. Existing credit risk is considered when determining the fair values.

The ÖBB-Infrastruktur Group estimates whether the fair value of assets for which no quoted prices are available – mainly investments – corresponds to their carrying amount or cost based on the latest financial information available. These assets are impaired if the investment generates losses over an extended period or in the event of significant changes in the business environment.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and it is probable that the fulfillment of the obligation will be associated with the outflow of resources and a reliable estimate of the amount of the provision is possible.

The amount of the provision recognized is the best estimate at the reporting date of the expenditure required to settle the present obligation. In doing so, the obligation must take into consideration the inherent risks and uncertainties. If a provision is measured based on estimated cash flows for the fulfillment of the obligation, such cash flows are discounted if the interest effect is material.

If it can be assumed that some or all of the provision necessary for the fulfillment of the economic benefits will be reimbursed by an outside third party, this claim is recognized as an asset when the reimbursement is virtually certain and its amount can be reliably estimated. For further information see Note 26.2.

Leases

Lease agreements in which the ÖBB-Infrastruktur Group as lessee assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Otherwise, they are classified as operating leases. Property, plant and equipment acquired by way of finance leasing is recognized at the lower of the leased item's fair value or the present value of the minimum lease payments at inception of the lease, less depreciation and impairment losses.

If substantially all risks and rewards of ownership are attributable to the ÖBB-Infrastruktur Group as lessor, the leased item is recognized by the ÖBB-Infrastruktur Group. The leased item is recognized according to the regulations applicable to the asset in accordance with IAS 16. The accounting and measurement methods on the cross-border leasing agreements are presented in Note 30.3.

Lease agreements in which the ÖBB-Infrastruktur Group as lessor essentially transfers substantial all of the risks and rewards associated with an asset must be classified as finance leases. Otherwise they are operating leases. Lease receivables are recognized at the amount of the net investment from the lease.

Employee benefit commitments

The ÖBB-Infrastruktur Group has entered into only one individual contractual pension obligation for a former member of the Board of Management. Apart from this obligation, there are only defined contribution plans with respect to pensions. The ÖBB-Infrastruktur Group pays contributions to publicly or privately administered pension and severance insurance plans on a mandatory or contractual basis for these defined contribution plans. Apart from the contribution payments, there are no further payment obligations. The regular contributions are recognized as personnel expenses in the respective period.

All other obligations (severance payments and anniversary bonuses) result from unfunded defined benefit plans for which adequate provisions are recognized. The ÖBB-Infrastruktur Group calculates the provision using the projected unit credit method (PUC method) in accordance with IAS 19 "Employee Benefits". The remeasurement of net defined benefit obligations contains only actuarial gains or losses. The defined benefit obligations are measured in accordance with actuarial principles and are based on an objective estimate of the discounting factor and compensation increases along with turnover. According to this method, the company henceforth recognizes actuarial gains and losses from provisions for severance payments immediately and fully directly in other comprehensive income and those from provisions for anniversary bonuses in personnel expenses. For further information see Note 26.1.

Changes in existing provisions for disposal, restoration and similar liabilities

In accordance with IAS 16 ("Property, Plant and Equipment"), the cost of property, plant and equipment also includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Provisions for disposal, restoration and similar liabilities are measured in accordance with the regulations of IAS 37. The effects of changes in the measurement of existing provisions for disposal, restoration and similar liabilities are accounted for in accordance with IFRIC 1 ("Changes in Existing Decommissioning, Restoration and Similar Liabilities"). The provisions require that any increase of such a liability that reflects the passage of time shall be recognized in profit or loss. Changes in the measurement resulting from changes in the estimated maturity or the amount of the outflow of resources required to fulfill the obligation or from changes in the discount rate shall be added to or deducted from the cost of the relevant asset in the current period. The amount deducted from the cost of the asset may not exceed its carrying amount.

Revenue recognition

Revenue is recorded when the risks and rewards are transferred or when the service has been rendered, when the amount of revenue can reliably be determined and it is sufficiently probable that the economic benefit will flow to the ÖBB-Infrastruktur Group.

Grants related to income

Grants related to expenses awarded to the ÖBB-Infrastruktur Group are recognized in profit or loss and in line with the timing of expenses immediately upon fulfillment of the preconditions. Reference is made to Note 32 regarding the particular features of the grants for financing of the infrastructure.

Interest, royalties and dividends

Interest is recognized using the effective interest method in accordance with IAS 39. Dividends are recognized when the shareholder's right to receive payment is established. Usage fees such as rents are recognized on an accrual basis in accordance with the provisions of the relevant agreement. Turnover rental fees are rental payments which are settled depending on the revenue realized by the lessee, and are recognized when the amount of rent can reliably be determined.

In accordance with IAS 23, borrowing costs for significant qualifying assets are capitalized. For further information see Note 14.

Research and development costs

In accordance with IAS 38 ("Intangible Assets"), research costs refer to original and planned research performed to gain new scientific or technical knowledge and understanding, and they are recognized as expenses in the period in which they were incurred. Development costs are defined as costs incurred for using research findings to achieve technical and commercial feasibility. If development costs cannot be separated from research costs, the development costs are recognized as expenses in the period in which they were incurred in accordance with IAS 38. If the capitalization requirements of IAS 38 are not met, research and development costs are recognized as expenses in the period in which they were incurred. If the capitalization requirements of IAS 38 are met, development costs are capitalized as intangible assets.

Income taxes

In accordance with Article 50 (2) of the Austrian Federal Railways Act as amended by BGBl. No. 95/2009, ÖBB-Infrastruktur AG has been exempt from federal taxes as of 2005, except for turnover tax, from federal administration fees and from court charges and juridical administration fees to the extent that such taxes and duties result from the execution of the respective tasks of ÖBB-Infrastruktur AG under the Federal Railways Act (partial tax exemption).

The following business areas were essentially categorized as subject to income tax:

- Income from energy power transactions
- The provision of services not related to railway infrastructure,
- Management of real estate not representing railway assets as defined in Article 10a of the Federal Railways Act;
- Investment administration.

In December 2005, a tax group contract was concluded with ÖBB-Holding AG as head of the tax group and the majority of the subsidiaries of the entire Group, including ÖBB-Infrastruktur AG and its subsidiaries, as group members. Accordingly, rules on tax equalization were agreed between the head of the tax group and the group members. The positive tax allocations in accordance with these provisions are calculated using the "stand-alone" method (based on the assumption of the tax autonomy of the individual group members for the calculation of the allocation) and are due at the time of approval of the financial statements of each group member, while negative tax allocations are due only upon effective use of the losses by the head of the tax group.

Deferred taxes

Deferred taxes are recognized – taking existing exception clauses into account – for all temporary differences between the tax base of the assets/liabilities and their carrying amounts in the IFRS financial statements (liability method), insofar as these assets and liabilities are related to the business operation that is not exempt from income taxes.

However, if deferred taxes arise from the initial recognition of an asset or a liability resulting from a transaction other than a business combination which neither affects the accounting profit or loss nor the taxable profit at the time of the transaction, no deferred taxes are recognized at the time of initial recognition and thereafter.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associated companies are recognized, unless the ÖBB-Infrastruktur Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future due to this influence.

Deferred taxes are measured at the tax rates (and under the tax regulations) that have been enacted or substantially enacted on the reporting date and that are expected to apply in the period when the deferred tax assets are realized or the deferred tax liabilities are expected to be settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences or loss carry-forwards can be utilized.

If income taxes relate to items that are recognized in the other comprehensive income in the same or a different period, deferred taxes are also recognized in other comprehensive income.

Use of estimates and judgment

The preparation of the Consolidated Financial Statements requires the Board of Management to make estimates and assumptions that may affect the amounts of assets, liabilities and contingent liabilities reported at the reporting date and the amounts of income and expenses of the period under review. Actual results may differ from these estimates. All estimates and assumptions are updated on a regular basis and are based on experience and other factors including expectations with respect to future events deemed to be reasonable under the given circumstances.

The Board of Management has made estimates in applying the accounting policies of the ÖBB-Infrastruktur Group. Additionally, as of the reporting date, the Board of Management made key assumptions concerning the future and identified key sources of estimation uncertainty at the reporting date which bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

a. Employee benefit plans

Obligations for severance payments and anniversary bonuses are measured by applying parameters such as the expected discount rate, long-term salary increases and staff turnover. If the development of the relevant parameters differs significantly from the expectations, this can have a significant effect on the provisions and, as a result, on the net personnel expenses for severance payments and anniversary bonuses of the ÖBB-Infrastruktur Group. The impact of possible changes of parameters is disclosed in Note 26.1.

b. Estimated useful lives of property, plant and equipment and intangible assets

The estimated useful lives are determined according to the circumstances of the company with usual maintenance costs. Actual use may differ from these estimates. According to a sensitivity analysis, a change in the useful life of -/+ 1 year (remaining useful life) would increase the depreciation and amortization by EUR 84.2 million (previous year: EUR 72.0 million) or decrease it by EUR 64.1 million (previous year: EUR 57.1 million), respectively. In the 2014 financial year, useful lives for individual structural systems as well as safety installations and telecommunications systems which no longer meet the latest technological standards were shortened to the expected remaining useful lives, resulting in additional depreciation and amortization of EUR 3.6 million.

c. Provisions

Provisions are measured according to the best estimate, i.e., at the amount that the Company would have to pay, under reasonable consideration, to settle the obligation as of the reporting date or to transfer the obligation to a third party at that time. Reliable statements on a sensitivity analysis, especially regarding the likelihood of occurrence of environmental risks and decommissioning costs, are not possible. The measurement of the provision for decommissioning costs was based on the assumption that the ÖBB-Infrastruktur Group will continue to exist and that the Company and therefore the tracks will continue to operate. Decommissioning costs are estimated and a respective provision is recognized only when the closure of individual tracks is expected in the foreseeable future or when such closure has already been initiated. The amount of the provisions can be found in Note 26.2.

d. Deferred taxes

Deferred tax assets were recognized for temporary differences between the tax base and the carrying amounts of assets and liabilities and for losses carried forward. For information on the tax situation of ÖBB-Infrastruktur AG, refer to the section on the partial tax exemption (under the heading “Income Taxes”). When assessing deferred tax assets, the Board of Management evaluates the prospective usage within the five-year tax planning period (see Note 13).

The recognized deferred tax assets on existing tax loss carryforwards and temporary differences are based on an estimate of the taxable results for the next five years. If the tax assessment regarding the qualification of the segments of ÖBB-Infrastruktur AG changes from “exempt from taxes” and “taxable” or if future taxable profits should be insufficient, this may have a significant impact on the amount of deferred tax assets.

e. Cross-border leasing (CBL)

In respect of contractual parties to investments with at least an AA+ rating or for which a subsidiary guarantor liability is assumed by the government for their performance, the default risk is still regarded as extremely low, so that no need for any change is seen at present and these transactions can continue to be disclosed “off balance.” If there are unexpected defaults on these investments or if requirements for the minimum rating no longer be fulfilled, the obligations from the transactions and the investments will be recognized in the Statement of Financial Position, allowances for these investments will be recognized or the repayment vehicle will be exchanged.

f. Financial obligations and receivables

Various proceedings, lawsuits and other claims against or by ÖBB-Infrastruktur AG and its subsidiaries are pending in the ordinary course of business. These issues are subject to a large number of uncertainties, and the outcome of the negotiations or processes cannot be predicted with certainty. Consequently, as of December 31, 2015, the Board of Management is unable to determine the total amount of financial liabilities or claims, or their impact on the ÖBB-Infrastruktur Group's financial position with final certainty. These procedures could materially affect the results when they are finalized. However, the Board of Management believes that after final settlement of such cases, the financial obligations or impacts will not significantly exceed the provisions recognized, and therefore will not have any material impact on the Consolidated Financial Statements. Receivables are recognized when all the necessary issues have been identified.

In connection with federal taxes, ÖBB-Infrastruktur AG maintains a refund procedure for personnel expenses, the outcome of which is uncertain. It is not likely, that any resulting economic benefits from this refund procedure in the context of the relevant legal provisions on the granting of federal subsidies in accordance with the Austrian Federal Railway Act will finally remain with ÖBB-Infrastruktur AG.

Differentiation of maturities

Deferred taxes are recognized as long-term in accordance with IAS 12. The short-term portion is therefore correspondingly indicated in the Notes (Note 13). Development projects are recognized in inventories, although their realization is not expected within the next twelve months. The long-term portion is indicated in the Notes (Note 21). Long-term trade receivables and trade payables are recognized as short-term items in accordance with IAS 1, with an additional explanation in the Notes.

Concentration of risks

As of the reporting dates, no significant dependence on particular non-group customers, suppliers or creditors whose sudden default might significantly affect business operations existed. Furthermore, there is no concentration of labor services, providers of other services, franchising or licensing rights or other rights that the ÖBB-Infrastruktur Group is dependent on and that could, if suddenly eliminated, severely affect business operations. The ÖBB-Infrastruktur Group invests cash and cash equivalents with various banks with good credit ratings and with ÖBB-Finanzierungsservice GmbH. For information on the grants and grant agreements provided by the Republic of Austria and the dependence of the rest of the ÖBB Group companies, see Note 32.

Capital management

The objective of the financial management of the ÖBB-Infrastruktur Group is to sustainably increase the shareholder value and to maintain a capital structure appropriate for upholding the excellent credit rating. Due to the Company's special situation and its statutory mission, and also as a result of the government's commitment to subsidize infrastructure expenses (both construction, and operation and maintenance) not covered by the Company's income from current operations, the control of the capital structure focuses mainly on debt ratios, which are compared to the respective budgeted values: The Company defines equity as share capital, provisions as well as retained earnings and shares of non-controlling interests, if any. Managed equity as of Dec 31, 2015 amounts to EUR 1,206.2 million (previous year: EUR 1,198.5 million).

B. NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT

4. Revenue

	2015 in EUR million	2014 in EUR million
Government grant pursuant to Article 42 Austrian Federal Railways Act for infrastructure operation	1,099.5	1,153.5
Infrastructure usage charge	508.6	483.3
Revenue from power supply	203.8	231.0
Revenue from rent	139.5	132.5
Revenue from real estate recovery projects	32.0	98.3
Other revenue	60.6	77.5
Total	**2,044.0**	**2,176.1**
thereof from affiliated companies	*702.1*	*709.8*

The proportional contribution of the federal government pursuant to Article 42 Austrian Federal Railways Act is granted for the provision, operation and maintenance of the railway infrastructure and for the fulfillment of the statutory tasks insofar as the revenues that can be achieved by the users of the railway infrastructure do not cover the expenses incurred with economical and efficient management. Further information on the grant contract is provided in Note 32.

The infrastructure usage charge is paid primarily by companies from the rest of the ÖBB-Holding Group for the provision of rail infrastructure.

Revenue from rent accrues for the rental and leasing of real estate. Revenue from power supply results largely from supplying traction power and from energy transactions.

Revenue from construction contracts recognized in the reporting period under other revenue amounts to EUR 32.2 million (previous year: EUR 26.6 million), of which EUR 9.5 million (previous year: EUR 7.9 million) was generated with respect to affiliated companies of the ÖBB Group. These revenues are offset by contract costs of EUR 30.9 million (previous year: EUR 18.1 million). Advance payments received in this connection amount to EUR 2.7 million (prior year: EUR 6.1 million). In addition, other revenue includes revenue from telecommunications services, damage repair, cleaning and security services, and from services related to the operation of container terminals.

For the composition of revenue according to geographic aspects, see Note 33 (segment reporting).

5. Other own work capitalized

Directly attributable personnel expenses and expenses for materials as well as appropriate parts of material and production overhead were taken into account in determining the own work capitalized in connection with the construction of assets. This own work relates mainly to the construction or expansion of the railway infrastructure.

6. Other operating income

	2015 in EUR million	2014 in EUR million
Grant from the Federal Government pursuant to Article 42 Austrian Federal Railways Act for infrastructure	634.5	576.9
Gain from the disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	27.7	23.8
Revenue from the sale of materials	12.9	15.5
Personnel leasing to third parties	8.9	9.8
Miscellaneous other operating income	30.6	20.6
Total	**714.6**	**646.6**
thereof from affiliated companies	*18.7*	*19.7*

The government grant pursuant to Article 42 of the Federal Railways Act for extension and reinvestments is reported in other operating income. Further information on the subsidies agreement is provided in Note 32.

The remaining other operating income in particular includes recharged costs, payments for damages, lease of advertising space, apprentice subsidies and grants related to expenses.

7. Costs of materials and purchased services

	2015 in EUR million	2014 in EUR million
Cost of materials	89.9	124.4
Purchased services	300.7	298.6
Total	**390.6**	**423.0**
thereof from affiliated companies	*85.5*	*72.0*

Cost of materials includes 65.1 million (previous year: EUR 79.1 million) for the cost of the purchasing traction power from third parties or the purchase of electricity for resale to third parties. Expenses for real estate recovery projects total EUR 7.2 million (previous year: EUR 27.2 million).

Expenses for services received mainly comprise goods and services which cannot be capitalized in connection with repairs, maintenance (in particular railway infrastructure), disposal costs, cleaning and other services, as well as rent for rail-bound vehicles and transport services (deadhead transport).

8. Personnel expenses and employees

	2015 in EUR million	2014 in EUR million
Wages and salaries	812.8	838.0
Statutory social security contributions	208.5	221.8
Expenses for severance payments	6.3	6.2
Pension costs	8.9	8.7
Total	**1,036.5**	**1,074.7**

In 2015, the effects of the reversal of the provision for advanced recognition dates (see also Note 26.1) amounting to EUR 49.8 million are recognized as a reduction of personnel expenses.

			Change		Average	
Number of employees (headcount)	Dec 31, 2015	Dec 31, 2014	Reporting date	in %	2015	2014
Employees	3,261	3,019	242	8%	3,130	2,915
Workers	1,661	1,443	218	15%	1,562	1,432
Tenured employees	11,657	11,860	-203	-2%	11,757	11,950
Total (excl. apprentices)	**16,579**	**16,322**	**257**	**2%**	**16,449**	**16,297**
Apprentices	1,377	1,403	-26	-2%	1,281	666
Total (incl. apprentices)	**17,956**	**17,725**	**231**	**1%**	**17,730**	**16,963**

Number of employees (FTE)	Dec 31, 2015	Dec 31, 2014	Change Reporting date	in %	Average 2015	2014
Employees	3,197.4	2,966.2	231.2	8%	3,070.2	2,869.7
Workers	1,656.7	1,439.6	217.1	15%	1,558.3	1,426.6
Tenured employees	11,567.8	11,805.4	-237.6	-2%	11,678.5	11,899.6
Total (excl. apprentices)	**16,421.9**	**16,211.2**	**210.7**	**1%**	**16,307.0**	**16,195.9**
Apprentices	1,377.0	1,403.0	-26.0	-2%	1,281.6	665.5
Total (incl. apprentices)	**17,798.9**	**17,614.2**	**184.7**	**1%**	**17,588.6**	**16,861.4**

9. Depreciation and amortization

	2015 in EUR million	2014 in EUR million
Depreciation on property, plant and equipment	817.8	776.0
Amortization of intangible assets	38.0	36.9
Impairment on assets held for sale	0.0	0.0
Depreciation on investment property	4.0	4.1
less amortization of investment grants	-169.5	-172.2
Total depreciation and amortization	**690.4**	**644.8**

10. Other operating expenses

The other operating expenses of the ÖBB-Infrastruktur Group are as follows:

	2015 in EUR million	2014 in EUR million
Operating costs (incl. IT)	96.9	96.4
Non-income taxes	40.3	37.4
Loss on disposal of property, plant and equipment and intangible assets	37.3	33.1
Training and continuing education	8.4	20.2
Miscellaneous	136.6	150.1
Total	**319.5**	**337.2**
thereof from affiliated companies	*118.2*	*124.6*

Operating taxes includes all non-income-related taxes (electricity tax, motor vehicle tax, property tax, road use charges, other taxes and fees, etc.).

Other operating expenses relate in particular to the cost of office supplies, rental, lease and royalty expenses, travel and other allowances, insurance, damage claims, marketing and advertising expenses, lease of personnel, payments to affiliated companies for transport services for employees and for canteens.

The expenses for services of the auditors of the Consolidated Financial Statements and the separate financial statements are also included in the miscellaneous operating expenses and are as follows:

	2015 in kEUR	2014 in kEUR
Annual financial statements and consolidated annual financial statements audit	312	322
Other auditing services	0	3
Consulting services	0	90
Other services	11	46
Total	**323**	**461**

The annual financial statements and the consolidated financial statements were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in financial year 2015, and in the previous year by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

11. Interest income and expenses

The interest income and expenses of the ÖBB-Infrastruktur Group are as follows:

Interest income/expenses	2015 in EUR million	2014 in EUR million
Interest income	35.2	36.1
thereof from affiliated companies	*4.4*	*6.2*
Interest expenses	-635.6	-638.1
thereof from affiliated companies	*-4.4*	*-6.3*
Total	**-600.4**	**-602.0**
thereof from affiliated companies	*0.0*	*-0.1*

The interest received from swap agreements is offset against the interest expenses from the respective original financial instruments in order to provide a better overview of the financial position.

Interest income relates primarily to interest income from derivative financial instruments and interest income from securities and other investments in connection with cross-border leasing transactions.

Interest expenses in the amount of EUR 531.6 million (previous year: EUR 539.1 million) relate to bonds. Interest expense is also incurred for EUROFIMA loans and other borrowings and interest-related expenses. Expenses for guarantee premiums total EUR 19.3 million (previous year: EUR 18.8 million). Other interest expenses include in particular interest payments and accruals from cross-border leasing transactions of EUR 22.5 million (previous year: EUR 23.3 million).

Interest income related to affiliated companies results largely from interest on receivables from subleases.

12. Other financial result

The other financial result of the ÖBB-Infrastruktur Group is as follows:

Other financial result	2015 in EUR million	2014 in EUR million
Other financial income	43.7	53.0
thereof from measurement/foreign currency translation differences	*42.0*	*47.6*
thereof income from disposal and revaluation of financial assets	*1.1*	*0.1*
thereof from affiliated companies	*0.0*	*0.5*
Other financial expenses	-45.4	-52.5
thereof from measurement/foreign currency translation differences	*-41.5*	*-49.5*
thereof from affiliated companies	*-1.0*	*-0.5*
Total	**-1.7**	**0.5**

Measurement gains/losses from the hedged items in connection with cash flow hedge and fair value hedge accounting are offset against the results from the derivatives in order to provide a better overview of the results of operations of the ÖBB-Infrastruktur Group. Other financial income relates, in addition to foreign exchange differences, in particular to measurement gains from derivatives and recharges to affiliated companies for impairments recognizes in connection with cross-border leasing transactions.

The other financial expenses result, in addition to foreign exchange differences, in particular from fair value changes of derivative financial instruments. Other financial expenses also include impairments in connection with cross-border leasing transactions that have been recharged to other affiliated companies for the most part.

13. Income taxes

Tax expense/tax income

The item income taxes is composed as follows:

	2015 in EUR million	2014 in EUR million
Expense/benefit from tax allocation (group taxation)	-0.4	-0.4
Deferred tax expense/benefit	-11.6	-5.4
Income taxes	**-12.0**	**-5.8**

Income taxes are calculated at 25% of the estimated taxable profit in the financial year.

Deferred taxes developed as follows:

	2015 in EUR million	2014 in EUR million
Deferred tax assets	**36.7**	**43.7**
Recognized amounts as of Jan 01	36.7	43.7
Change in deferred taxes		
recognized in profit or loss	*-11.6*	*-5.4*
recognized in other comprehensive income	*-0.3*	*-1.6*
Recognized amounts as of Dec 31	**24.8**	**36.7**
thereof deferred tax assets	*24.8*	*36.7*
thereof deferred tax liabilities	*0.0*	*0.0*

Deferred taxes recognized in other comprehensive income result primarily from differences between the IFRS carrying amounts and the tax bases resulting from power derivatives, CF-hedges and actuarial gains and losses in accordance with IAS 19.

Based on underlying temporary differences between the carrying amounts in the IFRS consolidated financial statements and the relevant tax bases, deferred taxes in the amount of EUR 19.7 million (previous year: 29.7 million) are classified as non-current. Deferred taxes on losses carried forward in the amount of EUR 5.1 million (previous year: EUR 7.0 million) are expected to be used in financial year 2016 and are therefore classified as current.

The following table shows the main reasons for the difference between the income taxes indicated in profit or loss and the income taxes calculated by applying the statutory tax rate of 25% on the annual taxable income.

	2015 in EUR million	2014 in EUR million
Income before income tax according to IFRS	12.8	34.6
Adjustment of tax-exempt portion pursuant to Article 50 (2) Austrian Federal Railways Act	57.1	76.3
IFRS result for the year – taxable portion	**69.9**	**110.9**
Group tax rate	*25%*	*25%*
Expected expense (-) or benefit (+) from taxes in the financial year	-17.5	-27.7
Effects of changes of recognition	3.3	21.9
Investment income	2.0	0.3
Non-deductible operating expenses and other additions	0.1	-0.3
Accounted income taxes	**-12.0**	**-5.8**
Effective corporate tax rate	**17.2%**	**5.2%**

The effective corporate tax rate of 17.2% (previous year: 5.2%), which differs significantly from the statutory corporate tax rate of 25%, resulted primarily from changes of deferred taxes recognized from tax losses carried forward.

Deferred tax assets and deferred tax liabilities as of Dec 31, 2015, are the result of temporary differences between the carrying amounts in the consolidated financial statements and the relevant tax bases, as well as tax losses carried forward. Changes in recognition of deferred taxes were necessary as the future tax results, which justify the recognition of deferred tax assets, were reassessed.

The deferred taxes are allocated to the following items in the statement of financial position, losses carried forward and tax credits:

	Deferred tax assets Dec 31, 2015 in EUR million	Deferred tax liabilities Dec 31, 2015 in EUR million	Deferred tax assets Dec 31, 2014 in EUR million	Deferred tax liabilities Dec 31, 2014 in EUR million
Assets				
Property, plant and equipment	11.3	-1.5	12.6	-1.5
Intangible assets	0.0	0.0	0.0	0.0
Investment property	0.1	0.0	0.0	0.0
Financial assets	0.1	-1.4	0.0	-1.6
	11.5	**-2.9**	**12.6**	**-3.1**
Liabilities				
Provisions	0.6	-3.2	0.6	-2.8
Other financial liabilities	5.7	0.0	5.7	0.0
	6.3	**-3.2**	**6.3**	**-2.8**
Tax losses carried forward	13.2	0.0	23.6	0.0
Deferred tax assets or deferred tax liabilities	**31.0**	**-6.2**	**42.6**	**-5.9**
Offsetting	-6.2	6.2	-5.9	5.9
Net deferred tax assets or deferred tax liabilities	**24.8**	**0.0**	**36.7**	**0.0**

When assessing deferred tax assets, the Board of Management evaluates the prospective usage within the five-year tax planning period. The use of deferred tax assets requires sufficient taxable income during the periods in which the temporary differences or tax losses can be utilized. The Board of Management considers the scheduled reversal of deferred tax liabilities and the estimated future taxable income for this assessment.

By reference to historical taxable income and projections for future taxable income over years in which tax assets can be utilized, the Board of Management believes that the realization of the tax benefits from the deferred tax assets in the amount of EUR 24.8 million (previous year: EUR 36.7 million) is probable. The temporary differences in the items property, plant and equipment and intangible assets result mainly from the different depreciation/amortization start (pro rata in accordance with IFRS compared to the half-year rule in accordance with the tax code) as well as from different acquisition costs. The temporary differences from the financial assets and liabilities arise due to the different measurement of power derivatives under IFRS (fair value measurement) and tax law (provision for onerous contracts).

Tax loss carryforwards stem from Austrian companies and may be carried forward without restriction. Annual usage of losses carried forward is limited to 75% of the respective taxable income in Austria, however, EUR 2,434.7 million (previous year: EUR 2,428.4 million) result from pre-tax group losses and can therefore be utilized in their entirety against taxable income generated in future periods. The increase results from the consideration of the differences that have resulted from tax assessments in the financial year and the initially recognized tax results.

For tax loss carry forwards amounting to EUR 2,387.8 million (prior year: EUR 2,340.9 million), no deferred taxes are recognized as the recovery in the foreseeable future is not probable.

14. Property, plant and equipment

The schedule of property, plant and equipment below shows the structure of these assets, the changes in the financial year, and the development of investment grants for property, plant and equipment.

in EUR million	Land and buildings	Auto-mobiles and trucks	Technical equipment and machinery	Technical equipment and machinery leased	Other plant, furniture and fixtures	Assets under construction and prepayments	Total
Cost 2015							
Cost as of Jan 01, 2015	24,937.7	360.0	8,603.3	1.5	133.1	2,516.0	36,551.6
Additions	27.2	0.0	2.9	0.0	6.3	1,628.2	1,664.6
Disposals	-119.7	-14.3	-73.0	0.0	-2.2	-18.5	-227.6
Transfers	930.3	26.4	384.3	0.0	7.0	-1,338.7	9.3
Cost as of Dec 31, 2015	25,775.6	372.1	8,917.5	1.5	144.2	2,787.0	37,997.8
Accumulated depreciation and amortization as of Jan 01, 2015	-7,452.9	-203.1	-4,438.4	-1.0	-93.7	0.0	-12,189.2
Depreciation and amortization	-468.4	-30.2	-304.2	-0.2	-14.8	0.0	-817.8
Disposals	97.4	11.8	55.9	0.0	2.2	0.0	167.3
Transfers	-0.2	0.0	0.1	0.0	0.2	0.0	0.2
Accumulated depreciation and amortization as of Dec 31, 2015	-7,824.1	-221.5	-4,686.6	-1.2	-106.1	0.0	-12,839.5
Carrying amounts before investment grants as of Jan 01, 2015	**17,484.8**	**156.8**	**4,164.8**	**0.4**	**39.5**	**2,516.0**	**24,362.4**
Carrying amounts before investment grants as of Dec 31, 2015	**17,951.5**	**150.6**	**4,230.9**	**0.3**	**38.0**	**2,787.0**	**25,158.4**
Investment grants 2015							
As of Jan 01, 2015	-9,567.7	-7.2	-2,952.9	0.0	-4.4	-324.0	-12,856.1
Additions	-47.1	-0.1	-13.1	0.0	0.0	-110.3	-170.6
Disposals	71.4	0.0	20.6	0.0	0.1	0.9	93.0
Transfers	-32.0	0.0	-6.6	0.0	0.0	39.0	0.4
As of Dec 31, 2015	-9,575.4	-7.3	-2,952.0	0.0	-4.3	-394.3	-12,933.3
Accumulated depreciation and amortization as of Jan 01, 2015	5,391.8	7.1	2,361.9	0.0	3.6	0.0	7,764.3
Depreciation and amortization	111.8	0.0	50.5	0.0	0.0	0.0	162.4
Disposals	-58.7	0.0	-17.4	0.0	0.0	0.0	-76.1
Transfers	-0.7	0.0	0.3	0.0	0.0	0.0	-0.4
Accumulated depreciation and amortization as of Dec 31, 2015	5,444.2	7.1	2,395.3	0.0	3.6	0.0	7,850.2
Investment grants as of Jan 01, 2015	**-4,175.9**	**0.0**	**-591.0**	**0.0**	**-0.8**	**-324.0**	**-5,091.7**
Investment grants as of Dec 31, 2015	**-4,131.2**	**-0.1**	**-556.7**	**0.0**	**-0.7**	**-394.3**	**-5,083.1**
Carrying amounts after investment grants as of Jan 01, 2015	**13,308.9**	**156.8**	**3,573.8**	**0.4**	**38.7**	**2,192.1**	**19,270.7**
Carrying amounts after investment grants as of Dec 31, 2015	**13,820.3**	**150.5**	**3,674.2**	**0.3**	**37.3**	**2,392.7**	**20,075.3**

in EUR million	Land and buildings	Auto-mobiles and trucks	Technical equipment and machinery	Technical equipment and machinery leased	Other plant, furniture and fixtures	Assets under construction and prepayments	Total
Cost 2014							
Cost as of Jan 01, 2014	23,871.4	351.9	8,293.7	1.5	129.4	2,407.9	35,055.8
Additions	26.3	0.0	2.3	0.0	7.6	1,737.9	1,774.1
Disposals	-154.5	-16.6	-88.6	0.0	-7.8	-6.0	-273.5
Change in reporting entities	-0.4	0.0	-0.4	0.0	-0.7	0.0	-1.5
Transfers	1,194.9	24.8	396.3	0.0	4.6	-1,623.8	-3.3
Cost as of Dec 31, 2014	24,937.7	360.0	8,603.3	1.5	133.1	2,516.0	36,551.6
Accumulated depreciation and amortization as of Jan 01, 2014	-7,130.5	-188.9	-4,217.3	-0.9	-87.0	0.0	-11,624.7
Depreciation and amortization	-441.1	-29.6	-290.1	-0.1	-15.1	0.0	-776.0
Disposals	118.7	13.6	70.8	0.0	7.6	0.0	210.7
Change in reporting entities	0.3	0.0	0.3	0.0	0.7	0.0	1.3
Transfers	-0.3	1.8	-2.1	0.0	0.1	0.0	-0.5
Accumulated depreciation and amortization as of Dec 31, 2014	-7,452.9	-203.1	-4,438.4	-1.0	-93.7	0.0	-12,189.2
Carrying amounts before investment grants as of Jan 01, 2014	*16,740.9*	*162.9*	*4,076.4*	*0.6*	*42.4*	*2,407.9*	*23,431.1*
Carrying amounts before investment grants as of Dec 31, 2014	**17,484.8**	**156.8**	**4,164.8**	**0.4**	**39.5**	**2,516.0**	**24,362.4**
Investment grants 2014							
As of Jan 01, 2014	-9,551.6	-7.2	-2,964.2	0.0	-4.7	-350.5	-12,878.1
Additions	-38.9	0.0	-8.4	0.0	-0.1	-46.7	-94.1
Disposals	77.2	0.0	38.2	0.0	0.4	0.4	116.2
Transfers	-54.4	0.0	-18.5	0.0	0.0	72.9	0.0
As of Dec 31, 2014	-9,567.7	-7.2	-2,952.9	0.0	-4.4	-324.0	-12,856.1
Accumulated depreciation and amortization as of Jan 01, 2014	5,340.4	7.1	2,341.5	0.0	3.7	0.0	7,692.8
Depreciation and amortization	112.2	0.0	52.8	0.0	0.2	0.0	165.2
Disposals	-60.8	0.0	-32.4	0.0	-0.4	0.0	-93.6
Accumulated depreciation and amortization as of Dec 31, 2014	5,391.8	7.1	2,361.9	0.0	3.6	0.0	7,764.3
Investment grants as of Jan 01, 2014	*-4,211.1*	*-0.1*	*-622.7*	*0.0*	*-0.9*	*-350.5*	*-5,185.3*
Investment grants as of Dec 31, 2014	**-4,175.9**	**0.0**	**-591.0**	**0.0**	**-0.8**	**-324.0**	**-5,091.7**
Carrying amounts after investment grants as of Jan 01, 2014	*12,529.8*	*162.8*	*3,453.7*	*0.6*	*41.4*	*2,057.4*	*18,245.7*
Carrying amounts after investment grants as of Dec 31, 2014	**13,308.9**	**156.8**	**3,573.8**	**0.4**	**38.7**	**2,192.1**	**19,270.7**

The ÖBB-Infrastruktur Group received non-repayable investment grants for property, plant and equipment that are presented as a reduction to acquisition cost. The depreciation of these assets and the corresponding amortization of the investment grants are recognized in profit or loss under depreciation and amortization. Additions to property, plant and equipment due to first-time consolidated companies or disposal due to deconsolidation are presented in separate lines in the schedule of property, plant and equipment.

Reclassifications include both amounts reclassified from prepayments and assets under construction to the specific accounts for completed property, plant and equipment, and intangible assets, and assets reclassified as held for sale and inventories (see Note 19). For details of changes in accounting estimates, see Note 3 Estimated useful lives of property, plant and equipment and intangible assets.

In the financial year, in accordance with IAS 23, the ÖBB-Infrastruktur Group capitalized interest on the cost of qualifying assets amounting to EUR 54.7 million (previous year: EUR 55.1 million). The underlying interest rate for borrowed capital was 3.44%, (previous year: 3.52%). Of the federal subsidies, the amount of EUR 53.6 million was recognized as an investment grant for capitalized interest.

As of Dec 31, 2015, contractual obligations for the purchase of property, plant and equipment (purchase commitments) amounted to EUR 1,990.9 million (previous year: EUR 1,716.3 million).

Property, plant and equipment with the following carrying amounts are pledged as collateral for financial liabilities:

	Dec 31, 2015 in EUR million	Dec 31, 2014 in EUR million
Other technical equipment and machinery	203.4	215.4
Automobiles and trucks	57.7	51.0
Total	**261.1**	**266.4**

Of these assets, EUR 203.4 million (prior year: EUR 215.4 million) are used as collateral for liabilities from cross-border leasing transactions and EUR 57.7 million (prior year: 51.0 million) are used as collateral for EUROFIMA loans.

Losses were incurred from disposals of property, plant and equipment of EUR 37.3 million (previous year: EUR 33.1 million), resulting from scrapping and demolishing assets, the sale of vehicles and other equipment, and the disposal of planning project costs.

Investment grants

The development of investment grants is shown in the schedule of property, plant and equipment. The main providers are as follows:

	Dec 31, 2015 in EUR million	Dec 31, 2014 in EUR million
Republic of Austria	2,649.4	2,461.7
Schieneninfrastrukturfinanzierungs GmbH	1,272.7	1,333.7
former Eisenbahn-Hochleistungsstrecken AG	1,328.5	1,353.4
Other third parties	123.2	123.4
Total	**5,373.8**	**5,272.2**

Investment grants for intangible assets made by these providers total EUR 290.7 million (previous year: EUR 180.5 million) and are included in this list.

Leased and rented assets

Property, plant and equipment include leased assets that are reported separately in the schedule of property, plant and equipment. The leased property, plant and equipment is classified as finance lease due to the structure of the underlying lease agreements and therefore ÖBB-Infrastruktur Group is the beneficial but not the legal owner of the assets. These assets primarily comprise technical equipment and machinery. For further information, see Note 30.

15. Intangible assets

The schedule of intangible assets below shows the structure of the intangible assets and the changes in the financial year.

	Concessions, property rights, licenses in EUR million	Investment grants to third parties in EUR million	Prepayments on intangible assets in EUR million	Total in EUR million
Accumulated cost and amortization 2015				
Cost as of Jan 01, 2015	133.4	893.0	17.6	1,044.0
Additions	2.1	116.4	31.3	149.7
Disposals	-0.4	-2.7	-0.3	-3.4
Transfers	10.8	20.5	-29.7	1.6
Cost as of Dec 31, 2015	145.9	1,027.2	18.9	1,192.0
Accumulated amortization as of Jan 01, 2015	-71.1	-422.5	0.0	-493.6
Amortization	-12.0	-26.0	0.0	-38.0
Disposals	0.4	0.5	0.0	0.9
Transfers	0.0	-0.3	0.0	-0.3
Accumulated amortization as of Dec 31, 2015	-82.7	-448.3	0.0	-531.0
Carrying amounts before investment grants as of Jan 01, 2015	**62.3**	**470.5**	**17.6**	**550.4**
Carrying amounts before investment grants as of Dec 31, 2015	**63.2**	**578.9**	**18.9**	**661.0**
Investment grants 2015				
As of Jan 01, 2015	-33.0	-476.1	0.0	-509.0
Additions	-1.2	-116.4	0.0	-117.6
Disposals	0.0	0.4	0.0	0.4
Change in reporting entities	0.0	0.0	0.0	0.0
Transfers	0.8	-1.2	0.0	-0.4
As of Dec 31, 2015	-33.4	-593.3	0.0	-626.7
Accumulated amortization as of Jan 01, 2015	15.4	313.2	0.0	328.6
Amortization	1.7	5.4	0.0	7.1
Disposals	0.0	-0.1	0.0	-0.1
Transfers	0.0	0.4	0.0	0.4
Accumulated amortization as of Dec 31, 2015	17.1	318.9	0.0	336.0
Investment grants as of Jan 01, 2015	**-17.6**	**-162.9**	**0.0**	**-180.5**
Investment grants as of Dec 31, 2015	**-16.3**	**-274.4**	**0.0**	**-290.7**
Carrying amounts after investment grants as of Jan 01, 2015	**44.7**	**307.6**	**17.6**	**369.9**
Carrying amounts after investment grants as of Dec 31, 2015	**46.8**	**304.5**	**19.0**	**370.3**

	Concessions, property rights, licenses in EUR million	Investment grants to third parties in EUR million	Prepayments on intangible assets in EUR million	Total in EUR million
Accumulated cost and amortization 2014				
Cost as of Jan 01, 2014	127.1	823.0	16.9	967.0
Additions	3.0	55.0	26.3	84.3
Disposals	-5.0	-4.8	0.0	-9.8
Change in reporting entities	0.0	0.7	0.0	0.7
Transfers	8.3	19.1	-25.6	1.8
Cost as of Dec 31, 2014	133.4	893.0	17.6	1,044.0
Accumulated amortization as of Jan 01, 2014	-64.9	-400.2	0.0	-465.1
Amortization	-11.4	-25.5	0.0	-36.9
Disposals	4.8	3.4	0.0	8.2
Change in reporting entities	0.0	-0.3	0.0	-0.3
Transfers	0.4	0.1	0.0	0.5
Accumulated amortization as of Dec 31, 2014	-71.1	-422.5	0.0	-493.6
Carrying amounts before investment grants as of Jan 01, 2014	**62.1**	**422.8**	**16.9**	**501.9**
Carrying amounts before investment grants as of Dec 31, 2014	**62.3**	**470.5**	**17.6**	**550.4**
Investment grants 2014				
As of Jan 01, 2014	-34.1	-422.2	0.0	-456.3
Additions	-1.1	-52.2	0.0	-53.3
Disposals	0.0	0.5	0.0	0.5
Change in reporting entities	0.0	0.0	0.0	0.0
Transfers	2.2	-2.2	0.0	0.0
As of Dec 31, 2014	-33.0	-476.1	0.0	-509.0
Accumulated amortization as of Jan 01, 2014	13.8	308.3	0.0	322.1
Amortization	1.6	5.4	0.0	7.0
Disposals	0.0	-0.5	0.0	-0.5
Change in reporting entities	0.0	0.0	0.0	0.0
Accumulated amortization as of Dec 31, 2014	15.4	313.2	0.0	328.6
Investment grants as of Jan 01, 2014	**-20.3**	**-113.8**	**0.0**	**-134.1**
Investment grants as of Dec 31, 2014	**-17.6**	**-162.9**	**0.0**	**-180.5**
Carrying amounts after investment grants as of Jan 01, 2014	**41.9**	**308.9**	**16.9**	**367.7**
Carrying amounts after investment grants as of Dec 31, 2014	**44.7**	**307.6**	**17.6**	**369.9**

The ÖBB-Infrastruktur Group received non-repayable investment grants for intangible assets that are presented as a reduction to acquisition cost. The amortization of these assets and the corresponding amortization of all investment grants are recognized in profit or loss under depreciation and amortization.

Research and development expenses totaled EUR 3.7 million (prior year: EUR 3.0 million) and were recognized in full in profit and loss since a clear distinction between the development phases and the research phases of the projects is not possible, and the ability of the development to generate future benefits was considered uncertain. In 2015, for the first time expenses amounting to about EUR 2.0 million were capitalized as development costs in assets.

16. Investment property

This category only includes properties that do not qualify as railway assets (Section 10a Railway Act [Eisenbahngesetz]) and can therefore be leased to third parties or sold. Accordingly, investment property comprises mainly properties held for lease and agricultural land. These properties have the same useful lives as the real estate assets recognized under property, plant and equipment.

No impairment pursuant to IAS 36 was necessary. The assets developed as follows:

	2015 in EUR million	2014 in EUR million
Cost		
As of Jan 01	*304.3*	*301.3*
Additions	0.5	7.3
Subsequent acquisition costs	0.1	0.2
Disposals	-2.7	-4.6
Transfers	0.5	0.1
As of Dec 31	**302.7**	**304.3**
Accumulated depreciation and amortization		
As of Jan 01	*174.6*	*173.1*
Depreciation and amortization	4.0	4.1
Disposals	-2.6	-2.6
As of Dec 31	**176.0**	**174.6**
Net carrying amounts as of Dec 31	**126.7**	**129.7**

All investment property held by the ÖBB-Infrastruktur Group is leased under operating lease agreements. Rental income from these leases (excluding operating costs) amounted to EUR 16.7 million (prior year: EUR 18.7 million), which direct attributable expenses (including repairs and maintenance, but excluding operating costs) in the amount of EUR 7.2 million (prior year: EUR 8.9 million). In addition, operating expenses of EUR 0.2 million (prior year: EUR 0.3 million) were incurred for property that does not generate rental income. ÖBB-Infrastruktur Group has not entered into any contracts for the maintenance of its investment properties that lead to a related obligation.

The fair value totals EUR 349.2 million (previous year: EUR 318.7 million). 26% of the properties are valued by external appraisals, which are not based exclusively on market data and are therefore assigned hierarchy level 3. The fair value of the Group's remaining investment property was measured by ÖBB-Immobilienmanagement GmbH intra-Group experts on the basis of the benchmark rents for the respective federal provinces, taking into account any additions and deductions to reflect the condition and location of the building, using the discounted cash flow method. Due to this correction of the input factors observed in the market, the fair value is allocated to hierarchy level 3 in accordance with IFRS 13.

A location-dependent interest rate of 4% to 5%% was used in both reporting years to determine the fair value. Changing the discounts from the benchmark rents by +/- 10% would reduce the fair values by 15.4% (previous year: 18.5%) or increase them by 21.2% (previous year: 16.1%).

17. Investments recorded using the equity method of accounting

Investments that are measured using the equity method of accounting include investments in one joint venture and in one associate.

Joint venture name and registered office	Ownership share in % Dec 31, 2015	Dec 31, 2014
Galleria di Base del Brennero - Brenner Basistunnel BBT SE, I-39100 Bozen	50.0	50.0

Associated company name and registered office	Ownership share in % Dec 31, 2015	Dec 31, 2014
Weichenwerk Wörth GmbH, A-3151 St. Georgen am Steinfeld	43.05	30.0

The following table summarizes the financial information of the companies reported using the equity method of accounting in which ÖBB-Infrastruktur AG is invested as of the reporting date. The table also reconciles the summarized financial information to the carrying amount of the Group's investment. The figures for Galleria di Base del Brennero – Brenner Basistunnel BBT SE are provisional and adjusted for material differences in accounting methods. The reporting date of Weichenwerk Wörth GmbH is March 31.

Investment, name and registered office	Galleria di Base del Brennero - Brenner Basistunnel BBT SE Dec 31, 2015 in EUR million	Dec 31, 2014 in EUR million	Weichenwerk Wörth GmbH Dec 31, 2015 in EUR million	Dec 31, 2014 in EUR million	
Revenue	0.0	0.0	32.7	34.7	
Depreciation	-1.0	-1.0	-0.7	-0.7	
Interest income	0.4	0.3	0.0	0.0	*)
Interest expenses	0.0	0.0	0.0	0.0	*)
Tax expense	0.0	0.0	-1.0	-1.0	
Annual profit/loss from continuing operations	0.0	0.0	2.7	3.1	
Overall result	**0.0**	**0.0**	**2.7**	**3.1**	
Cash and cash equivalents	151.4	42.3	0.0	0.0	*)
Other current assets	36.0	17.3	10.5	12.0	
Non-current assets	13.0	65.1	10.4	9.7	
Current liabilities	48.1	41.8	8.0	7.7	
thereof current financial liabilities	*47.1*	*40.1*	*3.8*	*4.5*	
Non-current liabilities	71.2	1.8	2.5	3.2	
thereof non-current financial liabilities	*0.0*	*0.0*	*2.3*	*3.0*	
Net assets 100%	**81.1**	**81.1**	**10.4**	**10.8**	
Interest of the Group in the net assets of the investee as of 01/01	40.6	40.6	3.2	3.3	
Overall result attributable to the Group	0.0	0.0	0.8	0.9	
Difference in consolidation from share exchange	0.0	0.0	5.7	0.0	
thereof goodwill	*0.0*	*0.0*	*2.2*	*0.0*	
Dividends received from associated companies	0.0	0.0	-1.0	-1.0	
Carrying amount of the interest in the investee as of 12/31	**40.6**	**40.6**	**8.7**	**3.2**	

*) small amounts

Galleria di Base del Brennero – Brenner Basistunnel BBT SE (BBT SE) is the only joint venture operated by the Group. BBT SE is an independent legal entity. Since the Group holds a residual interest in the net assets, it classifies its investment as a joint venture. The purpose and task of BBT SE is to plan and build the Brenner base tunnel. The overall project comprises the construction of the railway tunnel between Tulfes/Innsbruck and Franzensfeste, consisting of the main, inspection and access tunnels; the multifunction stations, engineering equipment, control center, necessary landfills, and the bridges and stations needed to perform the construction work; and putting the tunnel into service. Under the provisions of the State Treaty dated April 30, 2004, Italy and Austria each hold 50% of the share capital of BBT SE. Austria's 50% is entirely owned by ÖBB-Infrastruktur AG and Italy's 50% by TFB Societá di Partecipazioni S.p.A. ÖBB-Infrastruktur-AG has committed to funding 50% of the cost of building the Brenner base tunnel, for which it has received a 100% investment grant from the government. Italy and Austria have contractually agreed to invest additional amounts in proportion to their investments to compensate for any losses, if necessary.

In its provisional annual financial statements, Galleria di Base del Brennero – Brenner Basistunnel BBT SE reported total income, in addition to the figures mentioned above, of EUR 15.1 million (prior year: EUR 14.7 million) and total expenses of EUR 15.5 million (prior year: EUR 14.9 million). Galleria di Base del Brennero – Brenner Basistunnel BBT SE received investment grants of EUR 112.5 million (prior year: EUR 50.0 million). In both reporting years, the Austrian government refunded EUR 106.5 million (prior year: EUR 45.9 million) of this amount, while EUR 6.0 million (prior year: EUR 4.1 million) were refunded by the province of Tyrol on the basis of the share purchase agreement dated April 18, 2011.

The reporting date of Weichenwerk Wörth GmbH is March 31. This company is included on the basis of its interim financial statements as of December 31. The company's business includes the manufacture and recycling of switches and components, buffer stops and insulated rail joints as well as the logistics and transport of the manufactured products and service operations for switches. The acquisition of additional shares in the reporting period is described in Note 2.

18. Other non-current financial assets

2015	Current in EUR million	Non-current in EUR million	Total in EUR million
Investments	0.0	9.0	9.0
Financial assets – leasing	58.8	381.2	440.0
thereof from affiliated companies	*17.1*	*64.6*	*81.7*
Other financial assets	49.3	186.7	236.0
Total	**108.1**	**576.9**	**685.0**
thereof from affiliated companies	*17.1*	*64.6*	*81.7*

2014	Current in EUR million	Non-current in EUR million	Total in EUR million
Investments	0.0	2.6	2.6
Financial assets – leasing	44.1	414.7	458.8
thereof from affiliated companies	*18.5*	*90.3*	*108.8*
Other financial assets	22.1	113.2	135.3
Total	**66.2**	**530.5**	**596.7**
thereof from affiliated companies	*18.5*	*90.3*	*108.8*

Investments

See Note 35 for a full schedule of all investments. In accordance with IAS 39, these investments are classified as available for sale, but measured at cost less impairment as fair values cannot be reliably determined since the investments are not listed shares.

Financial assets – leasing

Financial assets in connection with leases relate to EUR 75.1 million (previous year: EUR 95.0 million) in receivables from subleases to ÖBB-Produktion GmbH, ÖBB-Personenverkehr AG and Rail Cargo Austria AG and EUR 358.3 million (previous year: EUR 350.0 million) in assets from cross-border leasing transactions (CBL). In addition, recharged claims in the amount of EUR 2.1 million (previous year: EUR 10.5 million) against other companies of the ÖBB Group are included, resulting from allowances in connection with CBL transactions.

Financial assets from non-linked CBL transactions in the amount of EUR 358.3 million (previous year: EUR 350.0 million) relate mainly to long-term loans and securities whose purpose is to cover future payment obligations (lease installments and purchase prices). Capital gains on accumulating investments increase the amount, while servicing payment obligations reduces it. These assets are matched by financial liabilities in the amount of EUR 341.4 million (prior year: EUR 341.8 million). There are restrictions on access to financial assets from leases of EUR 242.2 million (previous year: EUR 255.2 million).

In addition, financial assets amounting to EUR 166.2 million (prior year: EUR 56.2 million), which are reported under other financial assets, have been pledged as collateral for lease liabilities. For further information on leasing and CBL transactions, see Note 30.1 and 30.3.

Other financial assets

Other financial assets consist 2015 primarily of available-for-sale securities in the amount of EUR 166.2 million (prior year: EUR 56.2 million), which are used to secure CBL transactions. Derivatives relating to power forward contracts in the amount of EUR 5.9 million (previous year: EUR 6.3 million) and other derivatives of EUR 0.2 million (previous year: EUR 0.3 million) as well as remaining deposits from the release of CBL transactions in the amount of EUR 60.4 million (previous year: EUR 56.8 million) are also included.

19. Assets held for sale

The line item assets held for sale is composed as follows:

Assets held for sale	2015 in EUR million		2014 in EUR million
As of Jan 01	0.6		3.1
Additions (single assets)	0.0		0.6
Disposals by sale	-0.6		-3.1
As of Dec 31	**0.0**	***)**	**0.6**
of which reported at amortized cost	0.0	*)	0.6

*) small amount

The assets reported under this item of the Statements of the Financial Position in the reporting year 2015 are primarily real estate and railway lines pending sale in 2016. The fair values correspond to the agreed purchase price or the expected outcome of negotiations with the contractual parties, and are therefore allocated to hierarchy level 3 pursuant to IFRS 13.

The expected proceeds on assets held for sale in 2016 are all in excess or equal to the current carrying amounts of the assets. The ÖBB-Infrastruktur Group recorded gains of EUR 5.2 million (previous year: EUR 5.9 million) from the sale of assets held for sale, which were recognized in other operating income, together with the result from the sale of other property, plant and equipment.

No further assets were reclassified between the reporting date and the preparation of the Consolidated Financial Statements as held for sale as of December 31, 2014 nor as of December 31, 2015.

20. Trade and other receivables

These items developed as follows:

Dec 31, 2015	Current in EUR million	Non-current in EUR million	Total in EUR million
Trade receivables	128.3	0.0	128.3
thereof from affiliated companies	*64.6*	*0.0*	*64.6*
thereof from construction contracts	*4.2*	*0.0*	*4.2*
Other receivables and assets	206.6	152.9	359.5
Total	**334.9**	**152.9**	**487.8**

Dec 31, 2014	Current in EUR million	Non-current in EUR million	Total in EUR million
Trade receivables	178.0	0.0	178.0
thereof from affiliated companies	*108.8*	*0.0*	*108.8*
thereof from construction contracts	*5.4*	*0.0*	*5.4*
Other receivables and assets	244.0	165.6	409.6
Total	**422.0**	**165.6**	**587.6**

The carrying amounts of the trade and other receivables (in the case of financial instruments) due to their short term approximate their respective fair values. Trade receivables include receivables with a remaining maturity of more than 1 year in the amount of EUR 0.5 million (previous year: EUR 0.8 million).

Construction contracts in connection with services provided to third parties that are not yet completed are recognized as trade receivables.

Other receivables and assets relate primarily to prepaid guarantee premiums of about EUR 169.4 million (previous year: EUR 182.0 million), tax credit on advance invoices of EUR 38.2 million (previous year: EUR 29.3 million) and VAT claims from the pre-registration period in December in the amount of EUR 77,5 million (previous year: EUR 78.7 million) and salaries for January, which were paid in December, amounting to EUR 31.6 million (prior year: EUR 30.2 million).

Allowances developed as follows:

	Trade receivables		Other receivables	
	2015	2014	2015	2014
	in EUR million	in EUR million	in EUR million	in EUR million
As of Jan 01	*13.3*	*11.0*	*0.0*	*0.0*
Utilization	-0.5	-1.6	0.0	0.0
Release	-1.5	-2.5	0.0	0.0
Additions	2.1	6.4	0.0	0.0
As of Dec 31	**13.5**	**13.3**	**0.0**	**0.0**

Past due receivables and impaired receivables that are not overdue are presented as follows:

Dec 31, 2015 Analysis of past due/ impaired receivables	Gross carrying amount (before impairment) in EUR million	thereof not individually impaired in EUR million	thereof individually impaired (gross) in EUR million	Allowance in EUR million	thereof individual allowance in EUR million	thereof portfolio allowance in EUR million	Net carrying amount in EUR million
Receivables not past due but impaired	0.9	0.0	0.9	0.9	0.9	0.0	0.0
up to 90 days past due	4.2	3.0	1.2	1.0	1.0	0.0	3.2
90 to 180 days past due	14.4	14.1	0.3	0.3	0.3	0.0	14.1
180 to 360 days past due	3.9	2.7	1.2	1.0	1.0	0.0	2.9
more than 360 days past due	13.6	3.1	10.5	10.3	9.6	0.7	3.3
Total exposure	**37.0**	**22.9**	**14.1**	**13.5**	**12.8**	**0.7**	**23.5**

Dec 31, 2014 Analysis of past due/ impaired receivables	Gross carrying amount (before impairment) in EUR million	thereof not individually impaired in EUR million	thereof individually impaired (gross) in EUR million	Allowance in EUR million	thereof individual allowance in EUR million	thereof portfolio allowance in EUR million	Net carrying amount in EUR million
Receivables not past due but impaired	0.8	0.0	0.8	0.8	0.8	0.0	0.0
up to 90 days past due	8.7	1.9	6.8	0.1	0.1	0.0	8.6
90 to 180 days past due	0.3	0.0	0.3	0.2	0.2	0.0	0.1
180 to 360 days past due	1.4	0.0	1.4	1.2	1.2	0.0	0.2
more than 360 days past due	15.2	0.3	14.9	11.0	10.8	0.2	4.2
Total exposure	**26.4**	**2.2**	**24.2**	**13.3**	**13.1**	**0.2**	**13.1**

Based on experience, the management of the ÖBB Infrastructure Group estimates that no additional allowances other than the ones detailed above are required, even if the receivables are past due by more than 30 days.

More information is provided in Note 29.1.c.

21. Inventories

This line item is composed as follows:

	Dec 31, 2015 in EUR million	Dec 31, 2014 in EUR million
Inventories	56.5	76.8
less write down	-1.5	-2.5
Total	**55.0**	**74.3**
thereof measured at cost	*32.5*	*36.5*
thereof measured at net realizable value	*22.5*	*37.8*

The cost of materials and other services received are disclosed in Note 7. There were no reversals of allowances in previous periods in the prior year. Real estate development projects relate to real estate which is no longer used in operations and is now under development for later sale. These are railway station and system facilities which were previously used in continuing operations. They consist of major projects, such as the land of the former Südbahnhof and the Frachtenbahnhof Wien Nord, which are being developed on a large scale.

Impairments in the reporting year 2015 total EUR 1.5 million (prior year: EUR 1.9 million).

Of the real estate development property with a carrying amount of EUR 32.5 million (previous year: EUR 51.8 million), 13.1 million (previous year: EUR 18.8 million) are classified as long term.

22. Cash and cash equivalents

These items developed as follows:

	Dec 31, 2015 in EUR million	Dec 31, 2014 in EUR million
Cash on hand and cash	0.1	0.1
Cash in banks	8.3	6.3
Current account ÖBB-Finanzierungsservice GmbH (Group clearing)	217.6	224.5
Total	**226.0**	**230.9**

This item includes investments with and cash in banks and with ÖBB-Finanzierungsservice GmbH, and cash on hand, all of which are current (terms of less than 3 months). The carrying amounts of these assets are equivalent to their fair values. ÖBB Infrastruktur Group can freely dispose of all cash and cash equivalents. The cash and cash equivalents according to the Statement of Cash Flow comprise the liquid assets listed above and the liabilities to ÖBB-Finanzierungsservice GmbH in the amount of EUR 14.7 million (prior year: EUR 17.6 million) from Group clearing.

23. Share capital, shares of non-controlling interests

Share capital

The share capital of ÖBB-Infrastruktur AG is unchanged at EUR 500.0 million and is fully paid-in. The share capital is divided into 100,000 registered shares. All shares are held by ÖBB-Holding AG.

Non-controlling interests

This item reflects the portion of the equity of any fully consolidated subsidiary that does not belong to ÖBB-Infrastruktur AG. The development of this item is shown in the Consolidated Statement of Changes in Shareholders' Equity.

The following table presents information about WS-Service GmbH, the Company's subsidiary with a non-controlling interest.

Percentage of non-controlling interests	Dec 31, 2015 100% in EUR million
Non-current assets	0.4
Current assets	1.1
Non-current liabilities	0.0
Current liabilities	0.9
Net assets	**0.6**
Carrying amount of non-controlling interests (pro rata)	**0.3**
Revenue	4.6
Profit	0.2
Other comprehensive income	0.0
Overall result	**0.2**
Profit attributable to non-controlling interests	*0.2*
Other comprehensive income attributable to non-controlling interests	*0.0*
Cash flow from operating activities	0.2
Cash flow from investing activities	-0.2
Cash flow from financing activities	0.3
Net increase (net reduction) in cash and cash equivalents	**0.3**

24. Reserves

Unchanged from the previous year, capital reserves total about EUR 538.9 million (previous year: EUR 538.9 million).

The development of the cash-flow-hedge reserve and the available-for-sale reserve is as follows:

	Available for sale reserve		**Cash flow hedge reserve**	
	Development of the carrying amount in EUR million	Income taxes included therein in EUR million	Development of the carrying amount in EUR million	Income taxes included therein in EUR million
As of Jan 01, 2014	*9.0*	*0.0*	*-17.1*	*4.6*
Changes in the fair values	1.7	0.0	-9.9	1.7
Realized gains and losses	0.0	0.0	9.1	-3.3
As of Dec 31, 2014	**10.7**	**0.0**	**-17.9**	**3.0**
Changes in the fair values	-2.3	0.0	-6.3	1.9
Realized gains and losses	0.0	0.0	8.2	-2.2
As of Dec 31, 2015	**8.4**	**0.0**	**-16.0**	**2.7**

See the Statement of Changes in Shareholders' Equity for further explanation.

25. Financial liabilities

The financial liabilities are composed as follows:

2015	< 1 year in EUR million	1 - 5 years in EUR million	> 5 years in EUR million	Total in EUR million
Bonds	1,371.0	3,271.0	10,670.8	15,312.8
Liabilities to banks	9.1	289.4	2,973.4	3,271.9
Financial liabilities leasing	45.2	308.1	64.7	418.0
thereof from affiliated companies	*13.9*	*46.7*	*15.8*	*76.4*
Other financial liabilities	290.8	210.0	38.1	538.9
thereof from affiliated companies	*16.8*	*0.0*	*0.0*	*16.8*
Total	**1,716.1**	**4,078.5**	**13,747.0**	**19,541.6**
thereof from affiliated companies	*30.7*	*46.7*	*15.8*	*93.2*

2014	< 1 year in EUR million	1 - 5 years in EUR million	> 5 years in EUR million	Total in EUR million
Bonds	180.6	3,287.9	11,739.7	15,208.2
Liabilities to banks	11.0	84.3	2,580.6	2,675.9
Financial liabilities leasing	41.8	205.1	190.3	437.2
thereof from affiliated companies	*16.0*	*57.6*	*21.4*	*95.0*
Other financial liabilities	290.0	91.4	171.2	552.6
thereof from affiliated companies	*19.8*	*1.9*	*0.0*	*21.7*
Total	**523.4**	**3,668.7**	**14,681.8**	**18,873.9**
thereof from affiliated companies	*35.8*	*59.5*	*21.4*	*116.7*

The total amount of liabilities with a maturity of more than five years mainly relates to bonds, bank loans, sub-lease liabilities, liabilities from cross-border lease agreements and liabilities due to EUROFIMA.

Liabilities to banks include EUR 3,163.3 million (prior year: EUR 2,562.1 million) of loans from the European Investment Bank (EIB).

Guarantees of the federal government

The federal government has guaranteed bonds in the amount of EUR 15,207.6 million (prior year: EUR 15,206.0 million). Additionally, liabilities due to EUROFIMA of EUR 179.9 million (prior year: EUR 179.8 million) are also secured by federal government guarantees.

Issued bonds

Bonds are composed of the following:

Fair value	Currency	Term		ISIN	Interest rate
1,000,000,000.00	EUR	2005 - 2020		XS0232778083	3.5000%
300,000,000.00	EUR	2010 - 2020	4)	XS0232778083	3.5000%
100,000,000.00	EUR	2006 - 2036	1)	XS0243862876	3.4200%
100,000,000.00	EUR	2006 - 2036	1)	XS0244522396	3.4800%
100,000,000.00	EUR	2006 - 2036	1)	XS0252697130	2)
50,000,000.00	EUR	2006 - 2036	1)	XS0252721450	2)
1,000,000,000.00	EUR	2006 - 2016		XS0271660242	3.8750%
100,000,000.00	EUR	2006 - 2036		XS0275973278	3.4900%
80,000,000.00	EUR	2006 - 2036		XS0275974599	3.4900%
1,300,000,000.00	EUR	2007 - 2022		XS0307792159	4.8750%
200,000,000.00	EUR	2008 - 2022	4)	XS0307792159	4.8750%
100,000,000.00	EUR	2007 - 2037	3)	XS0321318163	4.1715%
100,000,000.00	EUR	2007 - 2037	3)	XS0324893626	4.3975%
50,000,000.00	EUR	2007 - 2037	3)	XS0324895670	4.3975%
100,000,000.00	EUR	2007 - 2037	3)	XS0328866982	4.2270%
50,000,000.00	EUR	2007 - 2037	3)	XS0331427905	4.1950%
50,000,000.00	EUR	2007 - 2037		XS0336043517	3.9900%
1,250,000,000.00	EUR	2009 - 2019		XS0436314545	4.5000%
100,000,000.00	EUR	2010 - 2019	4)	XS0436314545	4.5000%
50,000,000.00	EUR	2011 - 2019	4)	XS0436314545	4.5000%
100,000,000.00	EUR	2009 - 2019		XS0463371236	3MoEURIBOR +0.46%
40,000,000.00	EUR	2009 - 2019		XS0475835863	3.7500%
50,000,000.00	EUR	2010 - 2030		XS0497430172	4.2100%
70,000,000.00	EUR	2010 - 2030		XS0503724642	4.2000%
100,000,000.00	EUR	2010 - 2030		XS0512125849	3.9000%
1,500,000,000.00	EUR	2010 - 2025		XS0520578096	3.8750%
1,000,000,000.00	EUR	2011 - 2021		XS0648186517	3.6250%
50,000,000.00	EUR	2011 - 2021	4)	XS0648186517	3.6250%
1,000,000,000.00	EUR	2011 - 2026		XS0691970601	3.5000%
200,000,000.00	EUR	2011 - 2031		XS0717614951	4.0000%
1,350,000,000.00	EUR	2012 - 2032		XS0782697071	3.3750%
1,000,000,000.00	EUR	2013 - 2023		XS0949964810	2.2500%
75,000,000.00	EUR	2013 - 2033		XS0954197470	2.1250%
1,000,000,000.00	EUR	2013 - 2033		XS0984087204	3.0000%
1,000,000,000.00	EUR	2014 - 2024		XS1138366445	1.0000%
500,000,000.00	EUR	2014 - 2029		XS1071747023	2.2500%

1) Early termination right by investor in 2016, 2) 3.409% provided the 1-year EURIBOR swap rate < 5%, otherwise 1-year EURIBOR swap rate -0.2%, 3) Early termination right by investor in 2017, 4) Increase

From 2005 to 2014, ÖBB-Infrastruktur AG initiated a Euro medium-term note (“EMTN”) program. Payments relating to bonds issued under this framework agreement are guaranteed unconditionally and irrevocably by the Republic of Austria. All bonds listed above were issued by ÖBB-Infrastruktur AG as part of this program.

In 2015, six bonds totaling USD 108.5 million with the CUSIP numbers A5790#AA6 (maturity 2016), A5790#AB4 (maturity 2017), A5790#AC2 (maturity 2017), A5790#AD0 (maturity 2026), A5790#AE8 (maturity 2025) and A5790#AF5 (maturity 2025) were issued.

As of December 31, 2015, the Group has fulfilled all obligations under the loan and credit agreements.

Financial liabilities leasing

Liabilities from leases to affiliated companies exist with regard to ÖBB-Finanzierungsservice GmbH and relate to the financing of the sub-lease transactions with ÖBB-Produktion Gesellschaft mbH, ÖBB-Personenverkehr AG and Rail Cargo Austria AG. These liabilities are matched by financial receivables due from the three affiliated companies mentioned above. Leasing liabilities due to other companies result mainly from non-linked CBL transactions and amount to EUR 341.4 million as of the reporting date (previous year: EUR 341.8 million).

Financial assets amounting to EUR 408.5 million (previous year: EUR 311.4 million) have been pledged to secure liabilities from CBL transactions. See Note 14 with regarding collaterals provided.

Other financial liabilities

Other financial liabilities due to affiliated companies relate to ÖBB-Finanzierungsservice GmbH and are primarily liabilities from current financing in the amount of EUR 14.7 million (previous year: EUR 17.6 million).

Other financial liabilities due to other companies essentially comprise EUROFIMA loans amounting to EUR 179.9 million (previous year: EUR 179.9 million) and accrued interest of EUR 232.4 million (previous year: EUR 231.4 million) as well as liabilities from derivative financial instruments of EUR 44.5 million (previous year: EUR 45.0 million). Of the derivative financial instruments, derivatives with a carrying amount of EUR 17.9 million (previous year: EUR 18.6 million) relate to hedging instruments.

Other financial liabilities also include the repayment amounts from the pre-financing of construction projects in the amount of EUR 2.0 million (previous year: EUR 17.8 million).

See Note 30 for details on lease transactions, and Note 29 for information pursuant to IFRS 7.

26. Provisions

ÖBB-Infrastruktur Group records provisions when an outflow of resources is probable, and the amount of the provision can be reliably estimated. The provision is recognized in the amount of the probable obligation. In the event of scenarios with equal probabilities, the expected amount is determined according to the probability is recognized as provision.

26.1. Provisions for personnel

	Dec 31, 2015 in EUR million	Dec 31, 2014 in EUR million
Statutory severance payments	24.6	24.2
Pensions	1.0	1.0
Anniversary bonuses	109.0	118.2
Advanced recognition date for salary increases	0.0	59.0
Total	**134.6**	**202.4**

With the exception of the actuarial results from the provision for statutory severance payments and pensions, all changes to personnel provisions that affect profit or loss are recognized in personnel expenses.

Actuarial assumptions

The following table shows the assumptions used in measuring the obligations for anniversary bonuses, severance payments, and pensions:

	Dec 31, 2015	Dec 31, 2014
Discount rate severance payments and pensions	2.40%	2.10%
Discount rate anniversary bonuses	1.80%	1.70%
Rate of compensation increase	3.80%	3.90%
Employee turnover rate severance payments	0.00%	0.00 - 0.59%
Employee turnover rate anniversary bonuses of tenured employees	0.00 - 2.99%	0.00 - 3.34%
Employee turnover rate anniversary bonuses of other workers and employees	0.00 - 7.57%	0.00 - 8.18%

Statutory severance payments

A provision for severance payments was recognized for severance claims arising from statutory and contractual regulations for those employees who are not tenured employees. As required by IAS 19, actuarial calculation of the provision is based on the projected unit credit (PUC) method. Measurement is based on the biometric actuarial bases of the Aktuarvereinigung Österreichs (the Actuarial Association of Austria) (AVO) 2008-P by Pagler & Pagler.

Severance obligations to employees hired before January 1, 2003, are covered by defined benefit plans as described below. Following legal amendment, employees hired in Austria after January 1, 2003 are covered by a defined contribution plan. In this connection, in the years 2015 and 2014 ÖBB-Infrastruktur paid EUR 2.6 million and EUR. 2.2 million into the defined contribution plan (VBV Vorsorgekasse AG and APK-PENSIONSKASSE AG).

Upon retirement, eligible employees receive a severance payment equal to a multiple of their monthly base salary – based on their period of service – but no more than twelve monthly salaries. Upon termination of employment, up to three months' salaries are paid immediately, any benefit in excess of that amount being paid over a period not exceeding ten months. In the event of death, the heirs of an eligible employee are entitled to 50% of the severance benefits.

The following table shows the components of net periodic severance cost and the development of the severance provision in the two reporting years:

	2015 in EUR million	2014 in EUR million
Defined benefit commitments as of Jan 01	*24.2*	*18.9*
Service cost	1.4	1.4
Interest cost	0.5	0.6
Subtotal recorded in the net income	1.9	2.0
Actuarial losses (+) / gains (-) from changes in demographic assumptions	0.5	0.6
Actuarial losses (+) / gains (-) from changes in financial assumptions	-1.6	3.2
Experience adjustments	-0.1	-0.1
Recognized in other comprehensive income	-1.2	3.7
Severance payments	-0.4	-0.5
Company sales and acquisitions as well as transfers in the Group	0.1	0.1
Present value of the commitments as of Dec 31	**24.6**	**24.2**

Severance provisions amounting to EUR 0.8 are due in 2016, EUR 2.9 in 2017–2020 and EUR 20.9 million after 2020. The duration is 16.2 (previous year: 17.0) years.

The following sensitivity analysis for the provision of severance payments outlines the effect on the obligations of changes in key actuarial assumptions. In each case, one significant factor was changed, while the others were held constant. In reality, however, it is unlikely that these factors will not correlate. In accordance with IAS 19, the projected unit credit (PUC) method is used to measure both the modified and actual obligations through the application of changed parameters. A change in the actuarial assumptions would have the following effect:

Sensitivity analysis of the provisions for severance payments	Change in assumption	Increase of the parameter / change DBO		Reduction of the parameter / change DBO	
	in %	2015 in EUR million	2014 in EUR million	2015 in EUR million	2014 in EUR million
Interest rate	+/-0.5	-2.1	-2.2	1.7	1.8
Salary increase	+/-0.5	1.7	1.7	-2.1	-2.2

Anniversary bonuses

Tenured and certain other employees (together "employees" in this context) are entitled to anniversary bonuses. In accordance with statutory and contractual provisions, entitled employees receive two months' salary after 25 years of service and four months' salary after 40 years of service. Employees who have at least 35 years of service when they retire also receive an anniversary bonus equivalent to four months' salary.

As required by IAS 19, actuarial calculation of the provision is based on the projected unit credit (PUC) method. Measurement is based on the biometric actuarial bases of the Aktuarvereinigung Österreichs (the Actuarial Association of Austria) (AVO) 2008-P by Pagler & Pagler. The provision is accrued over the period of service with a deduction to reflect employees who leave the company prematurely. Actuarial gains and losses are recognized immediately in profit or loss in the period in which they occur.

The following table shows the components of net expense for anniversary bonuses and the development of the anniversary bonus provisions in the two reporting years:

	2015 in EUR million	2014 in EUR million
Defined benefit commitments as of Jan 01	*118.2*	*108.8*
Service cost	4.9	4.5
Interest cost	1.9	3.5
Anniversary bonuses	-9.8	-9.6
Company sales and acquisitions as well as transfers in the Group	0.4	1.1
Actuarial losses (+) / gains (-)	-10.4	9.5
Experience adjustments	3.8	0.4
Present value of the commitments as of Dec 31	**109.0**	**118.2**

The duration is 8.5 (previous year: 8.5) years.

Sensitivity analysis of the provisions for anniversary bonuses	Change in assumption	Increase of the parameter / change DBO		Reduction of the parameter / change DBO	
	in %	2015 in EUR million	2015 in EUR million	2014 in EUR million	2014 in EUR million
Interest rate	+/-0.5	-4.4	-4.8	4.7	5.1
Salary increase	+/-0.5	4.6	5.0	-4.3	-4.7

Pensions

Defined contribution plans

In Austria, pension benefits for employees are generally provided by the social security institutions, and for railway employees by the Versicherungsanstalt für Eisenbahn und Bergbau (Austrian insurance institution for railway and mining) or the federal government pursuant to Article 52 of the Federal Railways Act. ÖBB-Infrastruktur Group is required to pay pension and health care contributions for current tenured employees to Versicherungsanstalt für Eisenbahn und Bergbau. In addition, the Company offers all ÖBB-Infrastruktur Group employees in Austria a defined contribution plan. Contributions by the Company are calculated as a percentage of salary and may not exceed 1.2%. In the years 2015 and 2014, expenses relating to this plan totaled EUR 8.9 million and EUR 8.5 million.

Defined benefit plans

A defined benefit plan is provided for one former member of the Board of Management (payments beginning on the 60th birthday), under which ÖBB-Infrastruktur Group has been making payments since 2010. This unfunded plan provides for pension payments calculated as a percentage of the salary based on the years of service. The pension amounts to a maximum of 13.2% of the last salary, including pension payments received from the statutory social security institution. The valuation is based on actuarial principles assuming a discount factor of 2.3% (previous year: 2.1%) and a retirement age of 60.

Provisions for recalculation of the advanced recognition cutoff date for ÖBB employees who are subject to the General Terms and Conditions of Employment with Austrian Federal Railways (AVB)

Until 2010, the payroll system under AVB also considered previous periods of service when determining the relevant cutoff date for advance recognition if employees were older than 18 at the time. As this regulation was not consistent with EU law, BGBl. I no. 129/2011 dated December 27, 2011 enforced new regulations in Article 53a of the BBG [Austrian Federal Railways Act] retroactively with effect from January 1, 2004. As a result, service periods prior to the employee's 18th birthday were also considered, while at the same time the requisite period for advance recognition was extended by one year in each case for the first three wage levels, which resulted in the additional recognition not impacting costs.

The Supreme Court filed an action brought by an ÖBB employee affected by this amendment before the European Court of Justice to check whether the new regulation is consistent with EU law. The ECJ decision of January 28, 2015 (C417/13) found that the extension of the advanced recognition periods by three years as enumerated in Article 53a of the Federal Railways Act is incompatible with EU law. Because the Supreme Court fully concurred with this decision in the same action, ÖBB Group may have to recalculate the advance recognition cutoff date to incorporate periods prior to an employee's18th birthday but without extending the advance recognition periods, and to pay the resulting differences in salary. A provision of EUR 59.0 million was accrued in total in 2014 to cover the associated risks.

As a result of this decision, in 2015 there was a new legal regulation of the recognition provisions in the BBG [Austrian Federal Railways Act] (Article 53a as amended BGBl. I No. 64/2015 of 06/17/2015). The recognition rules were thereby retroactively redefined legally in a non-discriminatory way by only recognizing periods in a railway operator, independent of age. In October 2015, after the legal deadline of four months for reporting periods of service for recognition, the advanced recognition date was recalculated for the affected employees. The subsequent payment of differences in compensation arising from the recognition of railway service periods before age 18 was made on November 1, 2015. After review of the legal situation, the above-mentioned provisions were reversed in their full amounts.

26.2. Other provisions

	As of Jan 01, 2015 in EUR million	Utilization in EUR million	Release in EUR million	Interest effects in EUR million	Additions in EUR million	As of Dec 31, 2015 in EUR million
Asset retirement commitment	99.4	-2.7	-27.4	0.2	19.1	88.6
Environmental protection measures	33.8	-0.5	-2.0	0.1	12.5	43.9
Demolition cost and similar obligations	20.1	-6.3	-0.9	0.1	1.8	14.8
Litigations	13.1	-1.1	-1.4	0.0	2.2	12.8
Electricity	0.0	0.0	0.0	0.0	10.9	10.9
Indemnity pensions	3.9	0.0	-0.3	0.0	0.3	3.9
Taxes and fees	8.7	0.0	-6.6	0.0	0.0	2.1
Miscellaneous	27.4	-7.9	-1.9	0.1	28.0	45.7
Total other provisions	**206.4**	**-18.5**	**-40.5**	**0.5**	**74.8**	**222.7**
thereof long-term	*137.1*					*132.8*

The provision for asset retirement costs relates to future expenses in connection with the demolition, dismantling and removing of assets and the restoration of sites. This refers to already or in the near future retired railway lines and in 2015 newly added railway line segments which are to be decommissioned. This provision was recognized only for routes whose decommissioning is sufficiently certain. In the reporting year provisions in the amount of EUR 19.1 million (previous year: EUR 5.6 million) were recognized due to revised cost and interest rate adjustments and newly added line. The reversal of the provision in 2015 relates to sold lines for which the purchaser has assumed the restoration obligation.

The provision for environmental protection measures relates to anticipated restoration measures for contaminated sites. As dictated by law, it was recognized in the amount of the anticipated expenditure. Unchanged from the previous year, reimbursement claims for environmental protection measures exist in an amount of EUR 9.3 million and are recognized under other receivables.

For long-term power-purchase agreements that became onerous contracts because of the grid opening, provisions were recognized in the amount of EUR 10.9 million because a compensation by grid revenues is not expected.

The provision for demolition cost and similar obligations includes demolition costs in connection with the sale of real estate properties.

The provision for litigation was measured based on management's best estimate and based on all litigation risks that were identifiable when the financial statements were prepared. The provision relates to numerous legal disputes arising from the company's business operations.

Obligations from indemnity pensions are measured using mortality tables and are discounted at a discount rate of 0.74% (previous year: 0.9%).

In previous years, a provision for income taxes and fees was formed for non-tariff transport benefits of which unused portions were dissolved in 2015.

Miscellaneous provisions include mainly probable recoveries on infrastructure usage fees in respect of current Supreme Court decisions and expenses for geotechnical analyses in connection with the damages to railway embankments.

Anticipated cash outflow for the provisions

Non-current provisions were discounted at interest rates of 0.1% to 1.5% (previous year: 0.1% to 1.8%). Adjustments due to changes in the discount rate were insignificant. Of the other provisions, EUR 132.8 million (previous year: EUR 137.1 million) are classified as non-current. Payments relating to these provisions are anticipated after 2016, whereas cash outflows relating to provisions classified as current are expected in 2016, while provisions for non-tariff transport benefits that are recognized in the provision for income taxes and fees, litigation and part of the provisions for environmental protection measures, prepayments and similar obligations are mainly classified as current. If there is uncertainty about the maturity, the relevant provisions were largely classified as current (mainly related to miscellaneous other provisions).

27. Trade payables and other liabilities

2015	Current in EUR million	Non-current in EUR million	Total in EUR million
Trade payables	580.8	0.0	580.8
thereof from affiliated companies	*36.5*	*0.0*	*36.5*
thereof to third companies	*544.3*	*0.0*	*544.3*
Other liabilities	369.9	44.2	414.1
of which amortization of Federal subsidies	*190.4*	*0.0*	*190.4*
thereof accrued personnel liabilities	*65.9*	*0.0*	*65.9*
thereof taxes	*25.6*	*0.0*	*25.6*
thereof social security	*9.9*	*0.0*	*9.9*
Total	**950.8**	**44.2**	**995.0**

2014	Current in EUR million	Non-current in EUR million	Total in EUR million
Trade payables	525.6	0.0	525.6
thereof from affiliated companies	*42.6*	*0.0*	*42.6*
thereof to third companies	*483.0*	*0.0*	*483.0*
Other liabilities	280.9	50.6	331.5
of which amortization of Federal subsidies	*126.1*	*0.0*	*126.1*
thereof accrued personnel liabilities	*56.0*	*0.0*	*56.0*
thereof taxes	*23.9*	*0.0*	*23.9*
thereof social security	*11.3*	*0.0*	*11.3*
Total	**809.4**	**50.6**	**860.0**

Trade payables include payables with a remaining maturity of more than 1 year in the amount of EUR 9.0 million (previous year: EUR 8.8 million).

Accrued personnel liabilities consists primarily of overtime and outstanding vacation entitlements in the amount of EUR 56.1 million (previous year: EUR 48.4 million).

Other deferrals within other liabilities mainly comprise the tax benefit from CBL transactions amounting to EUR 1.4 million (previous year: EUR 2.1 million), accrued income from earnings from land lease agreements amounting to EUR 45.0 million (previous year: EUR 50.3 million) and rental and lease expenses amounting to EUR 0.4 million (previous year: EUR 1.1 million).

28. Other guarantees and contingent liabilities

	2015 in EUR million	2014 in EUR million
Contingent liabilities from lease transactions	396.0	397.6
Other contingent liabilities	5.3	4.9
Total	**401.3**	**402.5**

Guarantees from leases (cross-border leasing)

Contingent liabilities from lease transactions relate to cross-border lease transactions that have no economic substance, pursuant to the provisions of SIC 27, and thus the related investments and lease obligations are not reported in the Statement of Financial Position. With respect to these transactions, ÖBB-Infrastruktur Group assumes that the relevant contracting parties of the underlying investments will continue to fulfill their payment obligations in line with the agreement – as in previous periods – and thus no outflows of cash exceeding the payments upon conclusion of the transaction are to be expected. The relevant contracting parties of the affected investments are rated at least AA+ by Standard & Poor's or are subsidiary guaranteed by the federal government. Due to the existing contractual obligation of ÖBB-Infrastruktur Group under the cross-border lease agreements, the obligations related to the unredeemed lease liabilities are disclosed as contingent liabilities. Unredeemed lease obligations are collateralized by pledged assets.

In the event of a claim from cross-border leasing obligations rights of recourse exist against other companies of the ÖBB Group in the amount of EUR 396.0 million (previous year: EUR 373.1 million).

29. Financial instruments

29.1. Risk management

The financial assets and liabilities of ÖBB-Infrastruktur Group are exposed, in particular, to exchange rate risks, interest rate risks and risks arising from the creditworthiness of its contractual partners (credit risk). The Group views financial risk management as the management of market risks and the business management of the individual companies' portfolios with respect to interest rate, currency and commodity price trends. ÖBB-Infrastruktur Group uses derivative financial instruments to hedge these risks. Derivative financial instruments are concluded only with reference to a hedged item.

One core task of risk management is to identify, assess and mitigate financial risks. Risk mitigation does not mean completely eliminating financial risks, but rather the reasonable management within a precisely defined framework of risks that can be quantified at any time.

ÖBB-Holding AG, which only enters into financial transactions on behalf and for the account of ÖBB-Infrastruktur AG and its subsidiary companies with their consent and upon their instruction, has created a risk-oriented monitoring environment that includes guidelines and procedures for risk assessment, and for approving, reporting and monitoring financial instruments. The protection of ÖBB-Infrastruktur Group assets is the first priority for any and all financial activities.

Financial risks are defined as follows:

- 29.1.a. Interest rate risk
- 29.1.b. Foreign exchange rate risk
- 29.1.c. Credit risk
- 29.1.d. Liquidity risk

29.1.a. Interest rate risk

Risks from the exposure to changes of interest rates are risks to the profitability and the value of the ÖBB-Infrastruktur and may occur in the following forms:

- interest payment risk (increased interest expense due to the market development)
- present value risk (change in value of the portfolio)

Risks arising from changes in market interest rates may affect the financial result of the ÖBB-Infrastruktur Group due to the structure of its Statement of Financial Position. Fluctuations in market interest rates that exceed a certain level agreed with the Group companies therefore need to be limited (e.g. by using derivative financial instruments), in order to minimize their effect on earnings performance.

The conclusion of appropriate derivative financial instruments to manage interest risks (interest swaps) is based on portfolio analyses and recommendations by ÖBB-Holding AG and the related decisions of the companies of the sub-group ÖBB-Infrastruktur AG. ÖBB-Infrastruktur Group is exposed to interest rate risks mainly in the Eurozone. In order to implement the risk strategy as effectively as possible, it uses interest rate derivatives contracts taking the present debt structure into account.

Financial instruments (current and non-current) **Dec 31, 2015**	Fixed interest financial instruments in EUR million	Variable interest financial instruments in EUR million
Financial assets	668.7	0.1
Cash and cash equivalents	0.0	226.0
Total	**668.7**	**226.1**
thereof from affiliated companies	*79.6*	*217.6*
Financial liabilities	19,211.0	51.6
thereof from affiliated companies	*78.3*	*14.7*

Financial instruments (current and non-current) **Dec 31, 2014**	Fixed interest financial instruments in EUR million	Variable interest financial instruments in EUR million
Financial assets	563.7	0.1
Cash and cash equivalents	0.0	230.8
Total	**563.7**	**230.9**
thereof from affiliated companies	*98.4*	*224.5*
Financial liabilities	18,499.3	82.9
thereof from affiliated companies	*98.8*	*17.6*

The hedged items were classified as financial instruments at fixed or variable interest, taking the concluded derivatives into account.

Sensitivity analysis for interest rate risk

IFRS 7 requires a sensitivity analysis for market risks, showing how profit or loss and equity would be affected by hypothetical changes in market interest rates. The effects in each period are determined by applying the hypothetical changes in the risk variables to the portfolio of financial instruments at the reporting date. For the purpose of the sensitivity analysis, the portfolio at the reporting date is assumed to be representative for the entire year.

Fluctuations in the market interest rates levied on original fixed interest financial instruments only affect profit or loss if measured at fair value. Accordingly, fixed interest financial instruments measured at amortized cost are not exposed to any interest rate risks.

In the case of fair value hedges designated to hedge interest rate changes, the change in the fair value of the hedged item and the hedging instrument resulting from changes in interest rates in the same period are offset in the Income Statement. Consequently, these financial instruments are also not exposed to interest rate risk.

Market interest rate fluctuations of financial instruments designated as cash flow hedges against interest-related cash flow fluctuations affect the cash flow hedge reserve in equity and are therefore considered in equity-related sensitivity calculations.

Market interest rate fluctuations of original variable interest financial instruments for which interest payments are not hedged against interest rate risks with cash flow hedges are included in the calculation of profit-related sensitivities.

Market interest rate fluctuations of derivative financial instruments not designated as hedging instruments in accordance with IAS 39 affect the other financial expenses or income (changes of the fair value of the financial assets) and are therefore included in profit-related sensitivity calculations.

	Effect in income statement		Effect in shareholders' equity	
	in EUR million	in EUR million	in EUR million	in EUR million
Sensitivity analysis interest rate risk as of Dec 31, 2015	+ 100 base points	- 100 base points	+ 100 base points	- 100 base points
Assets				
Cash and cash equivalents	2.3	-2.2	0.0	0.0
Liabilities				
Financial liabilities	-0.5	0.5	4.8	-5.0

	Effect in income statement		Effect in shareholders' equity	
	in EUR million	in EUR million	in EUR million	in EUR million
Sensitivity analysis interest rate risk as of Dec 31, 2014	+ 100 base points	- 100 base points	+ 100 base points	- 100 base points
Assets				
Cash and cash equivalents	2.2	-2.2	0.0	0.0
Liabilities				
Financial liabilities	-0.8	0.8	7.4	-7.7

29.1.b. Foreign exchange rate risk

ÖBB-Infrastruktur Group is exposed to exchange rate risks resulting primarily from original financial liabilities denominated in foreign currencies. These risks are partially hedged. As of the reporting date, ÖBB-Infrastruktur Group was not exposed to any material risks relating to foreign currency liabilities. Cross currency swaps are used to convert financial liabilities in foreign currencies to euros.

All cash flows (lease payments and returns on assets) relating to cross-border leases are settled with matching maturities in US dollars. Notwithstanding default on the investments, therefore, the Group is not exposed to any currency risk in connection with these transactions.

The following table shows the net foreign currency risk:

Currency-sensitive financial instruments 2015	In USD million
Other financial assets	628.0
Cash and cash equivalents	1.0
Other financial liabilities	-628.0
	1.0
less forward foreign exchange contracts/currency swaps	3.0
Net exchange rate risk	**4.0**

Currency-sensitive financial instruments 2014	In USD million
Other financial assets	565.2
Trade payables	-2.0
Other financial liabilities	-567.0
	-3.8
less forward foreign exchange contracts/currency swaps	8.0
Net exchange rate risk	**4.2**

Sensitivity analysis for exchange rate risk

One derivative exists which completely hedges against the exchange risk of the hedged item (basis swaps), but for which hedge accounting is not applied.

ÖBB-Infrastruktur Group was therefore only exposed to exchange rate risks resulting from unhedged foreign currency liabilities to a limited extent. If the euro had gained (lost) 10% against the US dollar, this would have had no significant effect on results on either of the balance sheet dates.

29.1.c. Credit risk

Counterparty credit risk describes the potential loss from failure by finance partners to honor their financial commitments (mainly money market transactions, investments, funds, positive present value swap transactions). ÖBB-Holding AG checks adherence to the counterparty credit risk limits, which are specified individually for each financial partner, on a daily basis. ÖBB-Infrastruktur Group conducts business with financial partners with a defined rating and objective risk classification by the capital market.

ÖBB-Infrastruktur Group has introduced a counterparty credit risk management system in which the calculation and setting of limits is based primarily on the assessment of financial partners' credit default swap statistics. This ensures the Group's ability to respond rapidly to any changes in the capital markets' risk assessment of the financial partner. The applicable limits and their utilization are monitored daily in order to ensure timely, risk-focused response to market disruptions.

Apart from the original transactions with finance partners, counterparty risk also exists in connection with cross-border leases. For cross border leasing transactions, security deposits, payment undertaking agreements and swaps were concluded with financial partners for lease payments during the term and the purchase price at the end of the term. See Note 30.3 for more information on cross-border leases.

The financial assets of ÖBB-Infrastruktur Group mainly comprise cash in banks, trade receivables, other receivables, and receivables from finance leases and securities. These items represent the maximum loss exposure of ÖBB-Infrastruktur Group with respect to its financial assets. The credit risk comprises the following:

Credit risk from financial instruments	Gross exposure (carrying amount plus impairments) in EUR million	less collateral (FV) in EUR million	Net exposure in EUR million
Total exposure 2015			
Financial assets	686.4	-305.6	380.8
Trade receivables	137.6	0.0	137.6
Other receivables and assets	33.6	0.0	33.6
Cash and cash equivalents	226.0	0.0	226.0
Risk current and non-current assets	**1,083.6**	**-305.6**	**778.0**
thereof neither past due nor impaired			*627.7*
thereof not past due because renegotiated or impaired			*137.1*
thereof past due			*13.2*
Credit risk from issued guarantees	**401.3**	**-396.0**	**5.3**
Total credit risk as of Dec 31, 2015	**1,484.9**	**-701.6**	**783.3**
Total exposure 2014			
Financial assets	599.1	-326.0	273.1
Trade receivables	185.9	0.0	185.9
Other receivables and assets	80.2	0.0	80.2
Cash and cash equivalents	230.9	0.0	230.9
Risk current and non-current assets	**1,096.1**	**-326.0**	**770.1**
thereof neither past due nor impaired			*558.0*
thereof not past due because renegotiated or impaired			*188.7*
thereof past due			*23.4*
Credit risk from issued guarantees	**402.5**	**-373.1**	**29.4**
Total credit risk as of Dec 31, 2014	**1,498.6**	**-699.1**	**799.5**

With respect to the maturity of receivables, see Note 20.

29.1.d. Liquidity risk

The superior goal of ÖBB-Infrastruktur Group in financial terms is to secure the necessary cash flow flexibility for all ÖBB-Infrastruktur Group business operations. For ÖBB-Infrastruktur Group, liquidity risk also means any restrictions in terms of volume or conditions on the Group's ability to borrow or raise capital (e.g. if downgraded by a ratings agency or in-house by a bank) that might hinder the implementation of Group strategy or limit financial scope.

The task thus consists of analyzing the liquidity risk and consistently securing liquidity (mainly by liquidity planning, agreement of sufficient credit lines and sufficient diversification of creditors).

The following tables show the contractually agreed (undiscounted) interest and redemption payments on original and derivative financial liabilities. Actually expected maturities do not deviate from the contractually agreed maturities.

	Carrying amount Dec 31, 2015 in EUR million	Cash-Flows 2016 Interest 2016 in EUR million	Cash-Flows 2016 Redemption 2016 in EUR million	Cash-Flows 2017-20 Interest 2017-2020 in EUR million	Cash-Flows 2017-20 Redemption 2017-2020 in EUR million	Cash-Flows 2021 et seq. Interest 2021 et seq. in EUR million	Cash-Flows 2021 et seq. Redemption 2021 et seq. in EUR million
Original financial liabilities							
Bonds	15,312.8	528.7	1,371.0	1,795.6	3,271.0	2,163.0	10,670.8
Liabilities to banks	3,271.9	105.1	9.1	416.5	289.4	910.0	2,973.4
Finance lease, sub-lease and CBL liabilities	418.0	16.4	45.2	65.3	308.1	26.5	64.7
Other financial liabilities	494.3	10.6	269.8	33.4	186.4	6.5	38.1
Trade payables	580.8	0.0	580.8	0.0	0.0	0.0	0.0
Other liabilities	26.1	0.0	26.1	0.0	0.0	0.0	0.0
Total	**20,103.9**	**660.8**	**2,302.0**	**2,310.8**	**4,054.9**	**3,106.0**	**13,747.0**

	Carrying amount Dec 31, 2014 in EUR million	Cash-Flows 2015 Interest 2015 in EUR million	Cash-Flows 2015 Redemption 2015 in EUR million	Cash-Flows 2016-19 Interest 2016-2019 in EUR million	Cash-Flows 2016-19 Redemption 2016-2019 in EUR million	Cash-Flows 2020 et seq. Interest 2020 et seq. in EUR million	Cash-Flows 2020 et seq. Redemption 2020 et seq. in EUR million
Original financial liabilities							
Bonds	15,208.2	528.8	180.6	1,903.7	3,287.9	2,452.2	11,739.7
Liabilities to banks	2,675.9	98.0	11.0	387.8	84.3	929.0	2,580.6
Finance lease, sub-lease and CBL liabilities	437.2	19.1	41.8	62.1	205.1	34.1	190.3
Other financial liabilities	507.3	10.0	267.1	32.9	93.8	10.7	146.4
Trade payables	525.6	0.0	525.6	0.0	0.0	0.0	0.0
Other liabilities	31.3	0.0	31.3	0.0	0.0	0.0	0.0
Total	19,385.5	655.9	1,057.4	2,386.5	3,671.1	3,426.0	14,657.0

	Carrying amount Dec 31, 2015 in EUR million	Cash-Flows 2016 Interest 2016 in EUR million	Cash-Flows 2016 Redemption 2016 in EUR million	Cash-Flows 2017-20 Interest 2017-2020 in EUR million	Cash-Flows 2017-20 Redemption 2017-2020 in EUR million	Cash-Flows 2021 et seq. Interest 2021 et seq. in EUR million	Cash-Flows 2021 et seq. Redemption 2021 et seq. in EUR million
Derivate financial liabilities							
Interest rate derivatives not designated as hedges	4.4	0.8	0.0	3.3	0.0	1.6	0.0
Power derivatives designated as cash flow hedges	9.5	0.0	21.9	0.0	25.0	0.0	0.0
Interest rate derivatives designated as hedges	8.4	3.0	0.0	6.6	0.0	0.0	0.0
Other derivatives not designated as hedges	22.3	0.0	99.2	0.0	54.2	0.0	4.1
Total	**44.5**	**3.8**	**121.1**	**9.9**	**79.1**	**1.6**	**4.1**
Financial guarantees							
Guarantees from cross-border leasing	396.0	12.1	43.4	49.2	168.4	72.4	184.2
Other guarantees	5.3	0.0	5.3	0.0	0.0	0.0	0.0

	Carrying amount	Cash-Flows 2015 Interest	Redemp-tion	Cash-Flows 2016-19 Interest	Redemp-tion	Cash-Flows 2020 et seq. Interest	Redemp-tion
	Dec 31, 2014	2015	2015	2016-2019	2016-2019	2020 et seq.	2020 et seq.
	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million
Derivate financial liabilities							
Interest rate derivatives not designated as hedges	4.7	0.8	0.0	3.3	0.0	2.5	0.0
Power derivatives designated as cash flow hedges	9.1	0.0	25.4	0.0	17.8	0.0	13.4
Interest rate derivatives designated as hedges	9.5	2.9	0.0	9.0	0.0	0.0	0.0
Other derivatives not designated as hedges	21.7	0.0	91.8	0.0	21.3	0.0	8.1
Total	**45.0**	**3.7**	**117.2**	**12.3**	**39.1**	**2.5**	**21.5**
Financial guarantees							
Guarantees from cross-border leasing	397.6	15.8	8.3	70.4	204.4	102.2	184.9
Other guarantees	4.9	0.0	4.9	0.0	0.0	0.0	0.0

The table includes all financial instruments held in the portfolio as of the reporting date for which payments have already been contractually agreed. Anticipated new debts were not included. Amounts in foreign currencies were translated at the rate applicable on the reporting date. Variable interest payments from financial instruments were determined based on the interest rates applicable on December 31, 2015 and December 31, 2014.

The following interest rate and principle payments are assumed with respect to the derivative financial assets:

	Carrying amount	Cash-Flows 2016 Interest	Redemp-tion	Cash-Flows 2017-20 Interest	Redemp-tion	Cash-Flows 2021 et seq. Interest	Redemp-tion
	Dec 31, 2015	2016	2016	2017-2020	2017-2020	2021 et seq.	2021 et seq.
	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million
Derivative financial assets							
Power derivatives not designated as hedges	5.6	0.0	57.1	0.0	0.8	0.0	0.0
Other derivatives designated as cash flow hedges	0.2	0.0	0.2	0.0	0.0	0.0	0.0
thereof cash paid		*0.0*	*0.2*	*0.0*	*0.0*	*0.0*	*0.0*
Cross currency swaps not designated as cash flow hedges	0.3	0.0	0.3	0.0	0.0	0.0	0.0
Total	**6.1**	**0.0**	**57.6**	**0.0**	**0.8**	**0.0**	**0.0**

	Carrying amount	Cash-Flows 2015 Interest	Redemp-tion	Cash-Flows 2016-19 Interest	Redemp-tion	Cash-Flows 2020 et seq. Interest	Redemp-tion
	Dec 31, 2014	2015	2015	2016-2019	2016-2019	2020 et seq.	2020 et seq.
	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million	in EUR million
Derivative financial assets							
Power derivatives not designated as hedges	6.1	0.0	64.4	0.0	7.6	0.0	0.0
Other derivatives designated as cash flow hedges	0.3	0.0	0.9	0.0	0.4	0.0	0.0
thereof cash paid		*0.0*	*0.9*	*0.0*	*0.4*	0.0	0.0
Cross currency swaps not designated as cash flow hedges	0.2	0.0	0.1	0.0	0.1	0.0	0.0
Total	**6.6**	**0.0**	**65.4**	**0.0**	**8.1**	**0.0**	**0.0**

29.2. Hedging transactions

Hedge Accounting

ÖBB-Infrastruktur Group applies the hedge accounting regulations of IAS 39 relating to hedges of assets and liabilities and future cash flows. This reduces volatilities in the Income Statement. A distinction is made between fair value hedges and cash flow hedges, depending on the hedged item.

For cross currency swaps designated as cash flow hedges, the hedged risk comprises only the exchange rate risk, that is, the risk of a change in the fair value of the hedged item due to changes in the spot rate. In accordance with IAS 39.100, the corresponding amount is transferred from the cash flow hedge reserve to the Income Statement.

When hedging currency risks of floating interest assets and debts, ÖBB-Infrastruktur Group does not apply hedge accounting in accordance with IAS 39 for basis swaps because – according to IAS 21 – the currency translation gains and losses from the hedged items must be recognized in profit or loss in the Income Statement in the same period as the gains and losses resulting from the derivatives used as hedging instruments. However, when fixed-interest hedged items or planned transactions denominated in a foreign currency are hedged, the option to designate this as a cash flow hedge is used.

The ÖBB-Infrastruktur Group meets the requirements of IAS 39 for hedge accounting as follows:

At the inception of the hedge, the relationship between hedging instrument and hedged item, and the reason for the hedge are documented. The documentation includes allocation of the hedging instruments to the respective hedged assets/liabilities and planned transactions, and an assessment of the effectiveness of the hedging instruments. The effectiveness of current hedges is monitored on an ongoing basis; if a hedge becomes ineffective, the hedging relationship is discontinued.

The ÖBB-Infrastruktur Group also enters into hedges which do not comply with the formal requirements of IAS 39 but which contribute to economically effective hedging of financial risks in accordance with the principles of the risk management.

Cash Flow Hedges – Interest rate risks / Exchange rate risks

ÖBB-Infrastruktur Group has entered into payer interest swaps (receive variable – pay fixed) to hedge interest payment risks. The changes in cash flows of the hedged item resulting from changes in the EURIBOR are offset by the changes in cash flows of the interest rate swaps. The objective of these hedges is to transform the variable interest rate bonds into fixed interest rate debts, thus hedging the cash flow from the financial liabilities.

The following table shows the range of maturities and number of cash flow hedges:

Financial instruments	Dec 31, 2015			Dec 31, 2014	
Maturity	Number of swaps	Nominal volume in EUR million	Maturity	Number of swaps	Nominal volume in EUR million
Portfolio	5	199.3	Portfolio	6	192.4
thereof maturing 2016	*0*	*0.0*	*thereof maturing 2015*	*1*	*0.5*
thereof maturing 2017	*2*	*62.3*	*thereof maturing 2016*	*0*	*0.0*
thereof maturing 2018	*2*	*37.0*	*thereof maturing 2017*	*2*	*54.9*
thereof maturing 2019	*1*	*100.0*	*thereof maturing 2018*	*2*	*37.0*
thereof maturing 2020 et seq.	*0*	*0.0*	*thereof maturing 2019 et seq.*	*1*	*100.0*

The effectiveness of the hedging relationship is assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. Effectiveness is tested retrospectively at each reporting date using the dollar offset method. A hypothetical financial derivative serves as the hedged item. All hedging relationships of this type were effective as of the reporting date. As a result of changes in the fair value of the hedging transactions recognized in other comprehensive income, in financial year 2015 and 2014, an amount of EUR -6.3 million and EUR -9.9 million was recognized in the cash flow hedge reserve. See Note 24 for further information on this.

Changes in the fair value of interest rate swaps designated as hedging instruments with respect to future interest payments for variable interest liabilities are recognized in equity through other comprehensive income. These amounts are recognized as finance costs in the period in which the corresponding interest payments from the hedged item affect profit or loss (2015: 3.0 million [previous year: expense of EUR 2.2 million]). Further, ineffective portions of hedge accounting relationships amounting to EUR 0.04 million (previous year: EUR 0.04 million expense) were recognized through profit or loss.

Power derivatives

a) Cash flow hedges

ÖBB-Infrastruktur Group has entered into power derivative contracts (long-term procurement agreements, power purchase and sale forwards) aimed primarily at hedging the power purchase price and managing the portfolio of power suppliers and long-term purchase and sales agreements. The forward contracts are concluded on the OTC market. Changes in the cash flows for the planned power purchases due to changes in the power price are compensated by the changes in the cash flows of the forwards, which are classified as derivatives in compliance with IAS 39. The purpose of the hedging transactions is to fix the variable prices of planned power purchases. Where purchase and sales contracts are offset by matching counter-transactions, both transactions are recognized through profit or loss at their respective fair value.

	Dec 31, 2015			Dec 31, 2014	
Power derivatives designated as hedges Maturity	Number of swaps	Nominal volume in EUR million	Maturity	Number of swaps	Nominal volume in EUR million
Portfolio	40	46.9	Portfolio	42	56.5
thereof maturing 2016	*23*	*21.9*	*thereof maturing 2015*	*22*	*25.3*
thereof maturing 2017	*12*	*18.8*	*thereof maturing 2016*	*11*	*17.8*
thereof maturing 2018	*5*	*6.2*	*thereof maturing 2017*	*9*	*13.4*

In general, the effectiveness of every derivative designated as a hedging instrument is tested prospectively within the framework of its designation and retrospectively at each reporting date. In the course of this effectiveness test, proof must be provided that the change in the fair value of the derivative is between 80% and 125% of the change in the fair value of the designated hedged item resulting from the hedged risk. The hedging relations established are micro-hedges for which all parameters of the hedged item and the hedging transaction that determine the scope of the hedged change in the value are identical but opposed. This indicates an entirely efficient hedging relation, both from a prospective and from a retrospective point of view. The effectiveness was determined retrospectively using the Change in Fair Value method, thus the change in the fair value of the hedging instrument was compared to the change in the value of the hedged item.

The fair value of the power purchase and power sales forwards as of the reporting date is determined based on the EEX (European Energy Exchange) futures rates discounted on the basis of current yield curves.

In the financial year 2015, the recognition of power purchase and power sale forwards as hedging transactions resulted in an amount of EUR -1.1 million (previous year: EUR -6.8 million) less income taxes in the amount of EUR -0.3 million (previous year: EUR -1.6 million) being recognized in the cash flow hedge reserve through other comprehensive income.

b) Other derivatives

The following table shows the range of maturities of those forwards that were concluded for hedging purposes but do not fulfill the formal requirements for cash flow hedge accounting according to IAS 39 due to the fluctuations of the consumption, among other reasons.

	Dec 31, 2015			
Power derivatives not designated as hedges Maturity	Number of swaps Purchases	Nominal volume in EUR million	Number of swaps Sales	Nominal volume in EUR million
Portfolio	64	102.1	49	57.2
thereof maturing 2016	*41*	*72.9*	*40*	*47.9*
thereof maturing 2017	*13*	*15.9*	*5*	*3.8*
thereof maturing 2018	*10*	*13.2*	*4*	*5.5*

	Dec 31, 2014			
Power derivatives not designated as hedges Maturity	Number of swaps Purchases	Nominal volume in EUR million	Number of swaps Sales	Nominal volume in EUR million
Portfolio	50	113.1	50	72.0
thereof maturing 2015	*37*	*91.8*	*43*	*64.4*
thereof maturing 2016	*13*	*21.3*	*7*	*7.6*

29.3. Additional disclosures according to IFRS 7

Financial assets and liabilities held for trading (FAHfT) are measured at fair value. This category consists of derivative financial instruments that are not designated as hedges in accordance with IAS 39 and are therefore required to be classified as held for trading. Gains or losses from the subsequent measurement are recognized in the Income Statement.

Loans and Receivables (LaR) comprise financial assets with fixed or determinable payments which are not traded in an active market and are not held for sale.

Available-for-sale financial assets (AfS) are financial assets which are not allocated to any other category. Equity instruments and interests in investment funds, if not carried at fair value through profit or loss, are required to be classified to this category. In principle, interests in investment funds are always classified to this category unless short-term trading activity can be proven. Investments are allocated to this category as well.

Financial liabilities (FLAC) are initially measured at their fair value and subsequently at amortized cost.

Derivative financial instruments are used by the ÖBB Group for the purpose of hedging its exposure to interest rate and exchange rate risks resulting from financial transactions and fluctuations in the market value of power purchases. All derivative financial instruments are recognized either as assets or liabilities in the Statement of Financial Position and measured at their fair value (market value) in accordance with IAS 39. Changes in the fair value of derivative financial instruments designated as hedging instruments in accordance with IAS 39 are recognized through profit or loss or in other comprehensive income (cash flow hedge reserve), depending on whether the derivative financial instrument is hedging the fair value of an item recognized in the Statement of Financial Position (fair value hedge) or cash flows (cash flow hedge).

Additional disclosures regarding the financial instruments

Cash and cash equivalents, trade receivables and other receivables, as far as they are financial instruments, mainly have a short residual term. Therefore, their carrying amounts as of the reporting date approximate their fair values. The fair values of other non-current receivables correspond to the present values of the payments associated with these assets discounted at the respective interest rates.

The carrying amounts of trade payables and other liabilities, as well as other financial liabilities approximate their fair values. Other non-current receivables and assets and other non-current liabilities and debts mainly comprise non-financial instruments. The fair values of liabilities to banks and other financial liabilities are determined as the present values of the debt related payments based on the applicable yield curve. The following reconciliation shows non-financial instruments and financial instruments from hedge accounting in a separate column in order to enable reconciliation to the carrying amount of the items reported in the Statement of Financial Position.

The fair values in the following tables indicated for each balance sheet item only refer to the financial instruments and also include the carrying amounts of the instruments in the available-for-sale (at cost) category. All financial assets and liabilities, except the available-for-sale assets shown under 29.5 and cash and cash equivalents as well as bonds with an ISIN number, which are reported in the financial liabilities, are measured at fair value pursuant to level 2. Level 2 measurements are based on input parameters – other than the quoted prices included at level 1 – that are either directly or indirectly observable on the market for the asset or liability. The fair value of long-term financial instruments is based on discounted cash flows.

Market prices are used for the indicated fair values of bonds issued with an ISIN number in the amount of EUR 18,116.6 million (previous year: EUR 18,162.8 million), for which a level 1 rating exists. Level 1 measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The sources of the quotations are Bloomberg and Reuters. The bonds were issued on the exchanges in Luxembourg and Vienna. The fair value of bonds with CUSIP numbers that were issued for the first time in 2015 is EUR 103.2 million. These were measured with a valuation model that is based on market parameters in accordance with level 2 rated.

Financial assets as of Dec 31, 2015 in EUR million	Carrying amount	Less non-financial instru-ments	Financial instruments	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Loans and Receiv-ables	Cash	Hedge Accoun-ting	Fair Value
Non-current assets										
Financial assets	576.9	0.0	576.9	178.8	9.0	0.0	389.1	0.0	0.0	635.4
Other receivables and assets	152.9	152.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets										
Financial assets	108.1	0.0	108.1	39.1	0.0	5.9	62.9	0.0	0.2	109.0
Trade receivables	128.3	4.2	124.1	0.0	0.0	0.0	124.1	0.0	0.0	124.1
Other receivables and assets	206.6	173.0	33.6	0.0	0.0	0.0	33.6	0.0	0.0	33.6
Cash and cash equivalents	226.0	0.0	226.0	0.0	0.0	0.0	0.0	226.0	0.0	226.0
Total carrying amount per category				**217.9**	**9.0**	**5.9**	**609.7**	**226.0**	**0.2**	

Financial liabilities as of Dec 31, 2015 in EUR million	Carrying amount	Less non-financial instruments	Financial instruments	At Amortised Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Fair Value
Non-current liabilities								
Financial liabilities	17,825.6	0.0	17,825.6	17,802.4	12.8	10.4	0.0	21,418.0
Other liabilities	44.2	44.2	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities								
Financial liabilities	1,716.0	0.0	1,716.0	1,694.4	13.9	7.5	0.2	1,831.8
Trade payables	580.8	0.0	580.8	580.8	0.0	0.0	0.0	580.8
Other liabilities	370.0	343.9	26.1	26.1	0.0	0.0	0.0	26.1
Total carrying amount per category				**20,103.7**	**26.7**	**17.9**	**0.2**	

Financial assets as of Dec 31, 2014 in EUR million	Carrying amount	Less non-financial instru-ments	Financial instruments	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Loans and Receiv-ables	Cash	Hedge Accoun-ting	Fair Value
Non-current assets										
Financial assets	530.5	0.0	530.5	100.9	2.6	0.0	426.7	0.0	0.3	574.6
Other receivables and assets	165.6	165.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets										
Financial assets	66.2	0.0	66.2	0.0	0.1	6.3	59.8	0.0	0.0	66.2
Trade receivables	178.0	5.4	172.6	0.0	0.0	0.0	172.6	0.0	0.0	172.6
Other receivables and assets	243.9	163.7	80.2	0.0	0.0	0.0	80.2	0.0	0.0	80.2
Cash and cash equivalents	230.9	0.0	230.9	0.0	0.0	0.0	0.0	230.9	0.0	230.9
Total carrying amount per category				**100.9**	**2.7**	**6.3**	**739.3**	**230.9**	**0.3**	

Financial liabilities as of Dec 31, 2014 in EUR million	Carrying amount	Less non-financial instruments	Financial instruments	At Amortised Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Fair Value
Non-current liabilities								
Financial liabilities	18,350.4	0.0	18,350.4	18,327.8	12.2	10.2	0.2	22,515.5
Other liabilities	50.6	50.6	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities								
Financial liabilities	523.4	0.0	523.4	500.6	14.2	8.4	0.2	585.4
Trade payables	528.5	2.8	525.7	525.7	0.0	0.0	0.0	525.7
Other liabilities	280.9	250.0	30.9	30.9	0.0	0.0	0.0	30.9
Total carrying amount per category				**19,385.0**	**26.4**	**18.6**	**0.4**	

Offsetting of financial instruments

In accordance with the regulations set forth in IFRS 7.13C, balancing and potential offsetting that is actually performed in the Statement of Financial Position must be presented. Because there are no agreements regarding actual balancing, the following tables only present the potential offset amounts from power derivatives due to netting agreements and other agreements with contractual partners.

as of Dec 31, 2015	Gross carrying amount reported in EUR million	potential offset amount not reported in the financial statement in EUR million	Net amount after potential offsetting in EUR million
Power derivate assets	5,6	-0.4	5.2
Power derivate liabilities	-13,2	5.2	-8.0

as of Dec 31, 2014	Gross carrying amount reported in EUR million	potential offset amount not reported in the financial statement in EUR million	Net amount after potential offsetting in EUR million
Power derivate assets	6.1	-0.6	5.5
Power derivate liabilities	-13.6	0.6	-13.0

Notes to the Consolidated Income Statement and the Consolidated Statement of Financial Position

The interest income that does not result from financial instruments according to the categories of IAS 39 consists mainly of the reversal of the tax benefit from CBL transactions and from the interest accrued on provisions.

Accrued interest payments from derivative financial instruments (interest rate swaps) that have been designated as hedging instruments in fair value and cash flow hedges under IAS 39 are recognized accordingly as interest income or expense. The interest result is allocated to the valuation categories according to the hedged item. In the period under review, only financial liabilities were hedged.

Net financial results by category

The net financial result by category is presented below:

		Result of subsequent measurement				
Dec 31, 2015	Interest income/ expenses in EUR million	At fair value in EUR million	Foreign currency translation in EUR million	Impairment/ appreciation in EUR million	Result from disposal in EUR million	Result from investments in EUR million
Loans and Receivables (LaR)	29.5	0.0	42.0	0.0	0.0	0.0
Available for Sale Financial Assets (AfS)	4.7	0.0	0.0	0.0	0.1	0.1
Financial Instruments Held-for-Trading (FAHfT, FLHfT)	0.0	-1.7	0.0	0.0	0.0	0.0
Financial Liabilities Measured at Amortised Cost (FLAC)	-632.2	0.0	-41.5	0.0	0.0	0.0
Hedge Accounting	-3.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0

Dec 31, 2014	Result of subsequent measurement Interest income/ expenses in EUR million	At fair value in EUR million	Foreign currency translation in EUR million	Impairment/ appreciation in EUR million	Result from disposal in EUR million	Result from investments in EUR million
Loans and Receivables (LaR)	31.9	0.0	0.0	0.0	0.0	0.0
Available for Sale Financial Assets (AfS)	3.0	0.0	0.0	-1.0	0.0	0.1
Financial Instruments Held-for-Trading (FAHfT, FLHfT)	0.0	2.1	0.0	0.0	0.0	0.0
Financial Liabilities Measured at Amortised Cost (FLAC)	-634.3	0.0	-2.2	0.0	-0.2	0.0
Hedge Accounting	-2.2	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	0.1	0.0	0.2	0.0	0.0	0.0

The interest result from financial liabilities classified as “Financial liabilities measured at amortized cost” includes mainly interest expenses from bonds and loans as well as cross-border leasing transactions. The ÖBB-Infrastruktur Group recognizes the other components of net result in other financial expense or other financial income. The total interest calculated using the effective interest method amounts to EUR 29.5 million (previous year: EUR 32.0 million).

The net financial results do not include any expenses arising from allowances on trade receivables and other receivables and assets. For more information, see Note 20.

29.5. Derivative financial instruments

The following tables show the reported fair values of all derivative financial instruments. They are divided into those that are part of an effective hedging relationship in accordance with IAS 39 (fair value hedge, cash flow hedge) and those that are not.

	Assets		Liabilities	
	Carrying amounts Dec 31, 2015 in EUR million	Carrying amounts Dec 31, 2014 in EUR million	Carrying amounts Dec 31, 2015 in EUR million	Carrying amounts Dec 31, 2014 in EUR million
Interest rate swaps				
without hedge relation	0.0	0.0	4.4	4.7
designated as cash flow hedge	0.0	0.0	8.4	9.5
Cross currency swaps				
without hedge relation	0.3	0.2	0.0	0.0
Power forwards				
without hedge relation	5.6	6.1	13.2	13.6
designated as cash flow hedge	0.2	0.0	9.5	9.1
Other derivatives				
without hedge relation	0.0	0.0	9.1	8.1
designated as hedges	0.0	0.3	0.0	0.0
Total	**6.1**	**6.6**	**44.6**	**45.0**

Other derivatives without hedging relationships relate to swaps connected with a cross-border leasing transaction.

Fair value hierarchy

The following table shows how the fair values of the assets and liabilities recognized at fair value were determined, with categorization into a three-level hierarchy reflecting the proximity to the market of the data included in the determination.

Dec 31, 2015	Level 1	Level 2	Total
Derivatives designated as hedge instrument	0.0	0.2	0.2
Derivatives held for trading	0.0	5.9	5.9
Available for sale	166.4	51.5	217.9
Financial assets	**166.4**	**57.6**	**224.0**
Derivatives designated as hedge instrument	0.0	17.9	17.9
Derivatives held for trading	0.0	26.7	26.7
Financial liabilities	**0.0**	**44.6**	**44.6**

Dec 31, 2014	Level 1	Level 2	Total
Derivatives designated as hedge instrument	0.0	0.3	0.3
Derivatives held for trading	0.0	6.3	6.3
Available for sale	56.2	44.7	100.9
Financial assets	**56.2**	**51.3**	**107.5**
Derivatives designated as hedge instrument	0.0	18.6	18.6
Derivatives held for trading	0.0	26.4	26.4
Financial liabilities	**0.0**	**45.0**	**45.0**

The levels were determined as follows:

Level 1: Quoted prices (unadjusted) are available from an active market for identical financial instruments.
Level 2: Other parameters than those stated for level 1 were used which are observable for the financial instrument (either directly, i.e. as price, or indirectly, i.e. derived from prices).
Level 3: Parameters were used which are not exclusively based on observable market data.

Transfers between the individual levels did not occur. For further details on these financial instruments see Note 29.1.

30. Leasing transactions

30.1. Lessor

ÖBB-Infrastruktur AG owns the rail infrastructure and a large majority of the property of the ÖBB Group.

The assets leased to third parties are investment properties (IAS 40) and buildings that are partially leased out; however, the share of the latter is not predominant, which means that it does not fall under the scope of IAS 40, and cannot be recognized separately. The vast majority of the leases can be terminated. The infrastructure provided to Rail Cargo Austria AG, ÖBB-Personenverkehr AG and other railway operators for usage against payment of a usage fee (including compensation of the federal government) is charged based on a current price list (mileage or gross tonnes transported), and is therefore not classified as a lease but as services provided.

There are 26,700 (previous year: 26,500) perpetual, cancellable leases. In addition, there are also about 6,800 (previous year: 6,600) external lease agreements that will end between 2016 and 2059, and within the ÖBB Group there are 16 (previous year: 10) agreements that end between 2016 and 2110 (previous year: 2016 and 2017. The long-term agreements relate to building leases granted for property. Contingent lease payments relate exclusively to lease agreements that are concluded with third parties and not with Group companies.

As the leased assets, with the exception of investment property, constitute indivisible parts of buildings such as train stations, a disclosure of the carrying amounts is neither meaningful nor possible.

The minimum lease payments from non-cancellable operating lease agreements as of Dec 31, 2015 amount to:

Dec 31, 2015	Total in EUR million	up to 1 year in EUR million	1 to 5 years in EUR million	more than 5 years in EUR million
Land and buildings	420.9	30.6	72.7	317.6
thereof from affiliated companies	*128.4*	*5.1*	*20.2*	*103.1*
Automobiles and trucks	9.8	4.2	5.5	0.1
thereof from affiliated companies	*9.5*	*4.0*	*5.4*	*0.1*
Other technical equipment and machinery	0.8	0.0	0.2	0.6

Dec 31, 2014	Total in EUR million	up to 1 year in EUR million	1 to 5 years in EUR million	more than 5 years in EUR million
Land and buildings	395.7	27.3	65.1	303.3
thereof from affiliated companies	*116.7*	*5.0*	*20.0*	*91.7*
Automobiles and trucks	9.4	4.3	5.1	0.0
thereof from affiliated companies	8.8	3.9	4.9	0.0
Other technical equipment and machinery	*0.9*	*0.0*	*0.2*	*0.7*

In 2015 EUR 1.6 million in contingent lease payments (previous year: EUR 2.2 million) were recognized through profit or loss.

The ÖBB-Infrastruktur Group leases certain properties to affiliated companies under finance leases. The table below shows how the future minimum lease payments for these transactions as of December 31, 2014. As the lease no longer exists because of the takeover of the business on January 1, 2016 due to the confusion of rights, no table for future minimum lease payments is shown as of December 31, 2015.

As of Dec 31, 2014	Minimum lease payments in EUR million	Interest expense included in EUR million	Present value in EUR million
2015	0.3	0.2	0.1
2016 - 2019	1.4	0.8	0.6
after 2019	3.7	1.1	2.6
Total of minimum lease payments	**5.4**	**2.1**	**3.3**
less interest	-2.1		
Present value of lease payments	**3.3**		
less current position	-0.1		
Non-current lease receivables	**3.2**		

30.2. Lessee

Finance leasing

The majority of the agreements that the ÖBB-Infrastruktur Group enters into as a lessee are operating leases of IT hardware and buildings.

In addition, however, certain items of its property, plant and equipment are acquired by means of finance lease agreements. As of the reporting dates, the average effective interest rate was based on the six-month EURIBOR rate, including a contractually agreed premium. The interest rates are agreed upon conclusion of the contracts and are variable. The terms of all leases are stipulated in writing. No agreements were concluded through contingent lease payments.

The net carrying amounts of the finance lease assets by asset category and their respective development are shown in the schedule of property, plant and equipment (Note 14).

As of the reporting date, the ÖBB-Infrastruktur Group had contractually agreed the following minimum lease payments with lessors for the finance lease agreements:

As of Dec 31, 2015	Minimum lease payments in EUR million	Interest expense included in EUR million	Present value in EUR million
2016	0.2	0.0	0.2
2017 - 2020	0.0	0.0	0.0
after 2019	0.0	0.0	0.0
Total of minimum lease payments	**0.2**	**0.0**	**0.2**
less interest	0.0		
Present value of lease payments	**0.2**		
less current position	-0.2		
Non-current lease liabilities	**0.0**		

As of Dec 31, 2014	Minimum lease payments in EUR million	Interest expense included in EUR million	Present value in EUR million
2015	0.2	0.0	0.2
2016 - 2019	0.2	0.0	0.2
Nominal volume	0.0	0.0	0.0
Total of minimum lease payments	**0.4**	**0.0**	**0.4**
less interest	0.0		
Present value of lease payments	**0.4**		
less current position	-0.2		
Non-current lease liabilities	**0.2**		

Operating leases

Future minimum lease payments from non-cancelable operating lease agreements in each of the subsequent periods are as follows:

2015	up to 1 year in EUR million	1-5 years in EUR million	more than 5 years in EUR million
Land and buildings	8.2	33.0	73.2
Technical equipment and machinery	0.1	0.0	0.0
Other plant, furniture and fixtures	6.8	10.2	0.0
Total	**15.1**	**43.2**	**73.2**

2014	up to 1 year in EUR million	1-5 years in EUR million	more than 5 years in EUR million
Land and buildings	8.3	33.3	79.1
Technical equipment and machinery	0.1	0.1	0.0
Other plant, furniture and fixtures	8.0	11.9	0.0
Total	**16.4**	**45.3**	**79.1**

The operating lease agreements mainly refer to buildings and computer equipment. Contingent lease payments have not been agreed. The term of the lease agreements ends in 2040 (signaling and control center). Minimum lease payments amounting to EUR 15.9 million (previous year: EUR 17.1 million), of which EUR 6.9 million (previous year: EUR 8.0 million) were recognized as expenses from affiliated companies in the respective reporting periods.

30.3. Cross-border lease agreements

Between May 1995 and December 2002, Austrian Federal Railways (now ÖBB-Infrastruktur AG) entered into 17 cross-border leasing (CBL) transactions concerning infrastructure assets and rolling stock, of which six transactions were still valid as of December 31, 2015 (previous year: seven).

Essentially two types of transactions were applied:

- Sale and leaseback: In this transaction, the contractual partner is the buyer of the assets and leases them back to ÖBB-Infrastruktur AG.
- Lease and leaseback: ÖBB-Infrastruktur AG leases assets under its legal ownership to the contractual partner and simultaneously leases them back. Here, the contractual partner made upfront lease payments.

As part of the restructuring of ÖBB at the beginning of 2005, a total of five (previous year: six) sub-lease agreements that are still valid were concluded with other companies of the ÖBB Group and the net present value benefit were transferred to the respective companies. In its external relations, ÖBB-Infrastruktur AG remains the contractual partner to all participants.

All leasing payment obligations, including the payments required when exercising the call option were hedged by entering into repayment vehicles with various banks and leasing institutions. In these payment undertaking agreements, the banks or leasing institutions agreed to make the contractual payments at the stipulated payment dates on behalf of ÖBB-Infrastruktur AG. In most CBL transactions, minimum ratings have been established for the banks and leasing institutions. If the minimum rating threshold is not met (rating trigger event), ÖBB-Infrastruktur must replace the liability, the relevant repayment vehicle, with U.S. treasury notes.

Assets subject to the CBL transactions (infrastructure assets and rolling stock) are maintained regularly in accordance with the provisions of the agreements and may, in principle, not be sold, leased, pledged as collateral or decommissioned.

Termination of CBL transactions

In the reporting year 2015, one (previous year: two) CBL transaction with two tranches (trusts) were ended prematurely. One tranche ended by exercising the purchase option, the second was terminated prematurely. Both tranches related in legal terms to ÖBB-Infrastruktur AG in their external relation, but in their internal relation they were recharged to ÖBB-Personenverkehr AG via the sub-leasing agreement.

In addition, for one CBL transaction and one tranche (trust), an additional CBL transaction was contractually fixed through the exercise of purchase options in 2015. Both purchase options become economically effective in January

2016 and, through the sub-lease agreements, affect Rail Cargo Austria AG (complete transaction) and ÖBB-Personenverkehr AG (Trust).

Remediation of the rating trigger for UniCredit Bank Austria

In June 2014, the rating of an equity repayment vehicle (Payment Undertaking Agreement, "PUA" for short) was downgraded, thereby causing the transaction to fall below the minimum creditworthiness specified in the contract. To remediate this rating trigger event, securities had to be provided to the investor in the form of a pledged deposit account with U.S. treasury notes amounting to USD 68.2 million as collateral for the period extending from October 2014 to December 2017. The deposit was financed by borrowing in the same currency. The existing PUA, which the investor no longer required as collateral after the establishment of the deposit account, is serving to repay the loan. This transaction relates in legal terms to ÖBB-Infrastruktur AG in its external relation, but was recharged in its entirety to ÖBB-Personenverkehr AG due to an existing sub-leasing agreement.

In April 2015, three additional transactions were restructured due to the rating downgrade last year. The appropriate provisions had been recognized for this in financial year 2014. To remediate this rating trigger event, securities were provided in the form of six pledged deposit accounts with U.S. treasury notes in the CBL transactions. The nominal value of the U.S. treasury notes amounts to USD 128.1 million, with various maturities between 2016 and 2026. The purchase of the U.S. treasury notes was carried out via loans in the corresponding currencies (private placement). The existing PUAs, which ÖBB-Infrastruktur AG no longer requires as collateral after the establishment of the deposit account, are serving, together with two swaps by KA Finanz AG, to repay the private placements entered into for the purchase of the U.S. treasury notes. The securities swap legally relates in its entirety to ÖBB-Infrastruktur AG in its external relation. This also applies to the PUAs that continue to exist, the private placement and the swaps with KA Finanz AG. One CBL transaction with two securities accounts economically affects ÖBB-Infrastruktur itself. Two CBL transactions with four securities accounts will be recharged to ÖBB-Personenverkehr AG and ÖBB-Produktion GmbH via sub-lease agreements.

Accounting

General principles for all CBL transactions:

The ÖBB-Infrastruktur Group remains the beneficial owner of the assets: Due to continuing beneficial ownership, property, plant and equipment sold and leased back is still recognized in the property, plant and equipment of the ÖBB-Infrastruktur Group. The assets transferred to other companies of the ÖBB Group under sub-lease agreements are recognized by these companies in their statements of financial position.

Amortization of the net present value benefit: The net present value benefit realized at the inception of the transaction is recognized in other liabilities and amortized pro rata temporis over the term of the contracts. As of December 31, 2015, the net present value benefit not yet amortized that was attributable to the ÖBB-Infrastruktur Group amounted to EUR 1.4 million (previous year: EUR 2.1 million). Income from the release of the net present value benefit amounting in 2015 to EUR 0.7 million (previous year: EUR 0.7 million) is recognized as interest income in the interest result.

Classification of lease transactions according to their substance:

IAS 17 (Leases) provides detailed rules for the accounting of leases. The substance of the lease transaction is decisive for accounting.

The CBL transactions were classified in accordance with SIC 27 (Evaluating the Substance of Transactions in the Legal Form of a Lease). IAS 17 applies only when the substance of an agreement includes the conveyance of the right to use an asset for an agreed period. In consideration of the regulations of SIC 27, numerous financial assets in the legal ownership of the ÖBB-Infrastruktur Group (securities and bank deposits) and the corresponding lease liabilities do not meet the criteria of assets and liabilities ("linked transactions"), respectively, due to the lack of substance of the agreements, and are therefore not accounted for ("off balance").

In respect of contractual parties with at least an AA+ rating or for whose compliance a subsidiary guarantor liability is assumed by the government, and whose investments are pledged in favor of the investor, the default risk is still regarded as extremely low, so that no need for any change is seen at present and these transactions continue to be disclosed "off balance." However, the creditworthiness (measured by the rating) of contractual partners rated as safe in the past has in some instances deteriorated. For this case, the contractual provisions prescribe, among other requirements, that the affected deposits or payment undertaking agreements shall be replaced or hedged.

In this context, the existing repayment vehicle was collateralized by the acquisition of U.S. treasury notes in a tranche for one transaction. This transaction relates to ÖBB-Infrastruktur AG in its external relation, and was recharged in its entirety to ÖBB-Personenverkehr AG. All items are presented in the Statement of Financial Position

Accounting for assets and lease liabilities (non-linked transactions)

If recognition in the Statement of Financial Position is required, the securities were classified as available for sale (securities) or loans and receivables (deposits with banks and payment undertaking agreements) and measured at fair value or amortized cost. The U.S. treasury notes in 2014 and 2015 for the remediation of the rating trigger were classified as available for sale. Initially, the financial assets are matched with lease liabilities in the same amount, and the U.S. treasury notes are also matched with credit financing in the same amount. Amounts denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. Any changes in the value of the assets resulting from changes in exchange rates are offset by corresponding exchange rate effects on the lease liabilities, and credit financing in the event of a hedged repayment vehicle for one of the tranches of a transaction.

As of December 31, 2015, virtually all banking and financial institutions with which investments were made in the context of cross-border leasing transactions had an investment-grade rating. With the exception of a transaction for which ÖBB-Infrastruktur AG itself bears the financial risk, there is right of regress based on sub-lease agreements concluded with other companies of the ÖBB Group in the event of losses resulting from the default of investments.

Higher credit risks were considered by recording allowances on investments with those contractual parties which have a Standard & Poor’s rating below AA and for which no additional collateral in the form of a guarantor liability or pledged marketable securities of the highest rating in favor of the ÖBB-Infrastruktur Group exist. The amount of the respective allowance is determined using portfolio allowance based on historical probabilities of default, measured by the rating of the contractual parties and the residual term of the transaction in consideration of the individual circumstances. As of December 31, 2015, there were allowances on investments in the amount of EUR 1.4 million (previous year: EUR 2.4 million). Due to the assumption of risk agreed upon in the sub-lease agreements with other companies of the ÖBB Group, a corresponding recharge of the allowances was made to ÖBB-Personenverkehr AG, Rail Cargo Austria AG and ÖBB-Produktion Gesellschaft mbH. Allowances totaling EUR 0.1 million were made to the assets of the transactions attributable to ÖBB-Infrastruktur AG (previous year: EUR 0.1 million).

In the Consolidated Financial Statements as of December 31, 2015, financial assets associated with non-linked leasing transactions amounted to EUR 358.3 million (previous year: EUR 350.0 million). On December 31, 2015, related financial liabilities amounted to EUR 341.4 million (previous year: EUR 341.8 million). EUR -2.2 million was recognized in other comprehensive income from changes in the fair value of securities available for sale (previous year: EUR 1.7 million).

Accounting for transactions without substance (linked transactions)

In accordance with SIC 27, the Company did not recognize any assets or liabilities for these transactions. Therefore, the deposits made and marketable securities purchased in connection with the payment undertaking agreements and the lease prepayments received under the master lease agreement are not recognized in the Statement of Financial Position. The legal obligations under the lease agreements are disclosed as contingent liabilities in the event that the relevant contractual partner fails to meet its payment obligations under the payment undertaking agreements. As of December 31, 2015, contingent liabilities from CBL transactions amounted to EUR 396.0 million (previous year: EUR 397.6 million). All underlying investments have at least an AA+ rating or are collateralized by a guarantor liability issued by the government, and are not associated with hedges of existing repayment vehicles.

31. Service concession arrangements (SIC 29)

The following explanations and disclosures refer to the requirements of SIC 29 (Service Concession Arrangements). These are agreements between enterprises for the provision of services that give the public access to major economic and public facilities.

Liechtenstein concession

Service concession arrangements in the sense of SIC 29 concern the railway infrastructure business area. On June 13, 1977, ÖBB-Infrastruktur Bau AG (now ÖBB-Infrastruktur AG) was granted a concession to operate a railway in the Principality of Liechtenstein that is valid until December 31, 2017. ÖBB-Infrastruktur AG is therefore authorized and obligated to maintain the uninterrupted and proper operation of this railway, which serves for public transportation, throughout the entire duration of the concession. Infrastructure assets in Liechtenstein are the property of ÖBB-Infrastruktur AG. Infrastructure assets in Liechtenstein are the property of ÖBB-Infrastruktur AG. As of Dec 31, 2015, these assets had a carrying amount of EUR 15.5 million (previous year: EUR 15.8 million). The concessionaire assumes responsibility for the conveyance of people, luggage, and freight.

An extension of the concession is pursued. The new Liechtenstein Railways Act came into effect in 2011. This change in the legal situation, in accordance with which even Liechtenstein law has implemented free network access, is relevant for the decision regarding the application for a license. There is a draft of the concession in Liechtenstein, but Austria's suggestion that – analogous to domestic routes – the countries across whose territory the route leads will be asked to pay contributions to the maintenance and operation of the respective national segments will be rejected by the Principality of Liechtenstein. The progress of the negotiations on this issue is expected to have significant influence on the timeframe of the concession proceedings.

Because in recent meetings of the Trilateral Steering Committee the Liechtenstein delegation consistently had no negotiating power granted by the government of Liechtenstein and has now given notice that it will no longer participate in the meetings of the Steering Committee (explicit reference was made to the period of activity of the current government, which ends in 2017), it is necessary to clarify the further procedure of political talks at the level of at least the competent ministries of the three countries bordering the route. Further talks on coordinating actions with Switzerland were planned on the part of BMVIT.

To ensure operations, the draft of a letter to the governments of Liechtenstein and Switzerland is being prepared by ÖBB-Infrastruktur AG, which will ensure the continued operation of the routes through the end of 2020. Agreement to this was signaled by Switzerland, and Liechtenstein has also repeatedly stressed that the pending application for the extension of the concession ensures the continued operation for the duration of the process.

Although upon expiration of the concession in 2017, the assets would be transferred to Liechtenstein, the property, plant and equipment concerned are depreciated over the anticipated longer useful life. This is because, on the one hand, an extension of the concession is likely to be granted due to the scheduled new construction of the track (which is the subject matter of international agreements) and due to the fact that ÖBB is the only applicant for the concession, and is likely to be able to continue its operations; and because, on the other hand, the provision of reversion of the assets without compensation provided in the Railways Act at least requires reconsideration from a legal point of view and waiver by the government is provided for in the law.

Independently of this, in the framework of the Steering Committee, the three states have agreed to obtain an independent evaluation of the current status of the facilities and the issue of whether conservation measures are overdue. The required EIA (environmental impact assessment) permits for the expansion of the Liechtenstein section of the line were received in December 2014 (FL) and June 2015 (A).

On this basis, negotiations at government level on the financing and extension of the concession are now a condition for the issue of whether this project should be implemented, the segments should only be maintained and operated, or if the ÖBB will withdraw its application for a license.

32. Related party transactions

Supplies to and from related parties

Related parties consist of affiliated, not fully consolidated companies of the Group or of the ÖBB-Holding Group, associated companies, the shareholder of ÖBB-Holding AG (Republic of Austria) and their major subsidiaries and key management personnel (members of the Board of Management and the Supervisory Board of ÖBB-Infrastruktur AG).

The Company maintains business relationships at arm's lengths, within the services portfolio of the ÖBB-Infrastruktur Group, with companies in which the Republic of Austria directly or indirectly holds an interest (e.g. Österreichische

Bundes- und Industriebeteiligungen GmbH, OMV Aktiengesellschaft, Autobahnen- und Schnellstraßen- Finanzierungs-Aktiengesellschaft, Telekom Austria AG, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH, Verbund AG) and which are also classified as related parties in accordance with IAS 24. The transactions in the sense of IAS 24 that were carried out with these companies during the reporting year, and that concerned ordinary transactions in the course of the operating business, were insignificant in overall terms and amounted to less than 3% of cost of materials and purchased services and of revenue.

Significant transactions (revenues totaling EUR 31.2 million [previous year: EUR 11.0 million] or expenses totaling EUR 59.9 million [previous year: EUR 46.2 million]) were entered into with the Verbund AG Group and (revenues totaling EUR 4.7 million [previous year: EUR 3.9 million] and expenses totaling EUR 12.6 million [previous year: 0.1 million EUR]) were entered into with the Autobahnen- und Schnellstraßen- Finanzierungs-Aktiengesellschaft Group. On the part of the Autobahnen- und Schnellstraßen- Finanzierungs-Aktiengesellschaft, in the reporting year there were payments for damages related to incidents outside the regular daily business with respect to a bridge collapse in the amount of EUR 1.6 million, of which EUR 1.1 million is recognized as a payable as of December 31, 2015. Unpaid invoices from or to these companies on the reporting date are reported as trade receivables and trade payables.

Purchases were made at market prices less standard volume discounts and other discounts based on the scope of the business relationship.

The following table presents the volume of the transactions carried out between ÖBB-Infrastruktur Group and related parties during the financial year, and the receivables or liabilities resulting from these transactions at the end of the financial year:

	Affiliated companies of the Rail Cargo Austria sub-group		Affiliated companies of the ÖBB-Personenverkehr sub-group		Affiliated, not fully consolidated companies of ÖBB-Infrastruktur		Other affiliated companies	
in EUR million	2015	2014	2015	2014	2015	2014	2015	2014
Sale of goods/ rendering of services	205.6	204.6	318.1	302.9	0.2	0.2	197.0	221.8
Purchase of goods/services/fixed assets	63.2	61.7	20.1	14.0	0.0	0.0	120.4	120.9
Trade receivables	20.0	29.0	27.0	49.6	0.0	0.0	17.6	23.8
Other financial assets	6.1	7.5	38.8	57.1	0.0	3.6	36.8	44.1
Trade payables	18.4	17.9	1.7	2.6	0.0	0.0	16.4	22.1
Other financial liabilities	1.9	3.8	1.3	0.0	0.3	0.3	89.7	112.7

Transactions with remaining affiliated companies of the ÖBB-Group are disclosed separately in the Notes to the Consolidated Financial Statements. The financial debts due to other affiliated companies consist mainly of a liability due to ÖBB-Finanzierungsservice GmbH based on sub-lease agreements from the cross-border lease. This is offset by receivables from Rail Cargo Austria AG, ÖBB-Personenverkehr AG and ÖBB-Produktion GmbH in the same amount, which are reported under other financial assets.

In the reporting year, services were provided by the parent company ÖBB-Holding AG in areas including controlling, finance, communications, marketing, production, technology, security, auditing, group accounting, reporting and taxes, strategy, corporate development, legal, compliance and strategic group purchasing, strategic IT management and strategic human resource management; these services were provided on the basis of individual agreements or through cost allocation. Revenues amounted to EUR 2.0 million (previous year: EUR 0.7 million); expenses were EUR 17.6 million (previous year: EUR 17.7 million). As of December 31, 2015, receivables of EUR 78.9 million (previous year: EUR 81.6 million) and liabilities of EUR 2.9 million (previous year: EUR 5.0 million) were reported. Receivables from ÖBB-Holding AG consist mainly of VAT credits (VAT group).

	Associated companies		Joint ventures	
in EUR million	2015	2014	2015	2014
Sale of goods/rendering of services (total revenue)	3.8	3.7	1.6	1.4
Purchase of goods/services/fixed assets (total expenses)	26.8	27.6	0.0	0.0
Trade receivables	0.5	0.6	1.1	0.4
Other financial assets	2.2	0.0	0.0	0.0
Trade payables	2.0	1.0	0.0	0.0
Other financial liabilities	0.0	0.0	0.0	0.0

There were no transactions carried out in both financial years with board members or executives that required disclosure. Please see Note 28 for information on guarantees issued for affiliated companies.

Transactions with members of the Supervisory Board relate to sales concluded with companies in which the members of the Supervisory Board of ÖBB-Infrastruktur AG also had an office in an executive body of the company.

Benefits from the Republic of Austria, master plan for investments in the infrastructure and guarantees of the federal government

General

ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and are further defined in Article 31 of the Bundesbahngesetz [Austrian Federal Railways Act]. The basis for the financing of the Company is given in Article 47 of the Federal Railways Act, according to which the federal government is responsible for ensuring that ÖBB-Infrastruktur AG has the funds required to fulfill its tasks and maintain its liquidity and equity, insofar as the tasks are included in the business plan pursuant to Article 42 (6) of the Federal Railways Act. The commitment regulated by the federal government in this provision is implemented by the grant agreements pursuant to Article 42 (1) and (2) of the Federal Railways Act. It is the understanding of the contractual parties that the objective of the grant agreements, irrespective of their respective terms, is to permanently guarantee the value of the assets of ÖBB-Infrastruktur AG used for the tasks pursuant to Article 31 of the Federal Railways Act, which also conforms to the official task according to the Austrian Federal Railways Act.

ÖBB-Infrastruktur AG bears the costs incurred for the fulfillment of its tasks. The federal government grants ÖBB-Infrastruktur AG

– a grant pursuant to Article 42 (1) of the Austrian Federal Railways Act, at the request of ÖBB-Infrastruktur AG, in particular for the operation of the railway infrastructure and the provision of the same to its users insofar and for as long as the revenues that can be achieved by the users of the railway infrastructure under the respective market conditions do not cover the expenses incurred with economical and efficient management, and
– grants pursuant to Article 42 (2) of the Austrian Federal Railways Act for the maintenance, planning and construction of the railway infrastructure.

Two separate agreements on the grants pursuant to Article 42 (1) and (2) of the Austrian Federal Railways Act shall be concluded between ÖBB-Infrastruktur AG and the Federal Ministry of Transport, Innovation and Technology (BMVIT) in coordination with the Federal Ministry of Finance (BMF), each with a term of six years, and these agreements shall determine the objective of the grant, the amounts to be granted for this purpose, the general and specific terms and conditions and the payment terms.

Schieneninfrastruktur-Dienstleistungsgesellschaft m.b.H. (SCHIG) monitors compliance with the obligations assumed by ÖBB-Infrastruktur AG in the grant agreements according to Article 42 of the Austrian Federal Railways Act. The monitoring is related to the economic, efficient and appropriate use of funds in the planning, construction, maintenance, deployment and operation of a demand-oriented and safe rail infrastructure.

The 2016-2021 plan was approved by the Supervisory Board of ÖBB-Infrastruktur AG in October 2015.

In August 2015, the Republic of Austria, represented by the Federal Ministry of Transport, Innovation and Technology in coordination with the Federal Ministry of Finance, ÖBB-Infrastruktur AG and ÖBB-Holding AG formally concluded the subsidies agreements pursuant to Article 42 of the Austrian Federal Railways Act that regulates the subsidies from 2015 onwards. The subsidies agreement is valid for 2015.

Infrastructure financing

The grant agreement pursuant to Article 42 (2) of the Austrian Federal Railways Act is based on the business plan to be prepared by ÖBB-Infrastruktur AG pursuant to Article 42 (6) of the Federal Railways Act. One component of the business plan is the six-year master plan to be prepared by ÖBB-Infrastruktur AG pursuant to Article 42 (7) of the Austrian Federal Railways Act, which has to comprise the annual funds for maintenance (in particular repairs and reinvestments) and for investments in expansion. Both the business plan and the master plan shall be amended each year by one year and adapted to the new six-year period.

According to the grant agreement 2014-2019, the federal government shall bear 75% of the annual investments in expansion and reinvestments according to the master plan 2014-2019 (with the exception of the Brenner base tunnel) until 2016 and 80% for the years 2017 and 2018; for these investments, subsidies are granted in the form of an annuity allocated over 30 years. For the Brenner base tunnel project, the federal government provides a 100% grant in the form of an annuity allocated over 50 years. The interest rate corresponds to the rate respectively applicable for long-term financing measures of ÖBB-Infrastruktur AG.

The share of the investments for expansion (with the exception of the Brenner base tunnel) and reinvestments to be assumed by the federal government is continuously reviewed and adjusted as necessary to the current requirements for future grants.

The federal government also grants a subsidy for inspection and maintenance, elimination of malfunctions and repair of the railway infrastructure operated by ÖBB-Infrastruktur AG. The amount of the grant is fixed with consideration of the liquidity requirements based on the business plan of ÖBB-Infrastruktur AG, the limit of the total grant prescribed by Article 42 of the Federal Railways Act and the objectives (performance and output objectives) according to the grant agreement pursuant to Article 42 (1) of the Federal Railways Act. Changes of the functionality and/or the extent of the railway infrastructure operated by ÖBB-Infrastruktur AG result in a corresponding increase or decrease of the grant. Therefore, ÖBB-Infrastruktur AG has to obtain the consent of the BMVIT and the BMF prior to any such change.

In 2015, based on the valid subsidies agreement for 2014 to 2019, an amount of EUR 678.2 million (previous year: EUR 613.1 million) was granted for investments in expansion and reinvestments (with the exception of the Brenner base tunnel); for inspection, maintenance and elimination of malfunctions, an amount of EUR 501.0 million (previous year: EUR 498.8 million) were granted.

ÖBB-Infrastruktur AG has provided investment grants for the construction costs of the Brenner base tunnel in the amount of EUR 112.5 million (previous year: EUR 50.0 million) that were reimbursed to the company by the federal government after deduction of the payments agreed contractually with the federal state of Tyrol in the course of acquisition in the amount of EUR 106.5 million (previous year: EUR 45.9 million).

Infrastructure operation and apprenticeship costs

The federal government grants a subsidy pursuant to Article 42 (1) of the Austrian Federal Railways Act, at the request of ÖBB-Infrastruktur AG, in particular for the operation of the railway infrastructure and the provision of the same to its users insofar and for as long as the revenues that can be achieved by the users of the railway infrastructure under the respective market conditions do not cover the expenses incurred with economical and efficient management.

ÖBB-Infrastruktur AG has to submit an annual rationalization and savings plan with a forecast statement to the Federal Ministry of Transport, Innovation and Technology and the Federal Ministry of Finance.

The agreement on the grant pursuant to Article 42 (1) of the Federal Railways Act is based in particular on the six-year business plan to be prepared by ÖBB-Infrastruktur AG pursuant to Article 42 (6) Austrian Federal Railways Act, which comprises a detailed description of the measures required to fulfill its tasks of providing a secure railway infrastructure corresponding to requirements, including time schedules, budgets, rationalization plans and a forecast with respect to usage fees and other fees and charges. The business plan pursuant to Article 42 (6) Federal Railways Act shall be amended each year by one year and adapted to the new six-year period.

Pursuant to Article 45 Federal Railways Act, the BMVIT charged SCHIG with monitoring the fulfillment of the obligations assumed by ÖBB-Infrastruktur AG under the grant agreement.

This grant agreement defines the objectives to be achieved by ÖBB-Infrastruktur AG in connection with this grant pursuant to Article 42 Austrian Federal Railways Act.

The specific objectives to be achieved by ÖBB-Infrastruktur AG are categorized in particular in general, quality, safety and efficiency objectives agreed with consideration of the statutory tasks of ÖBB-Infrastruktur AG and stipulated in the business plan agreed between the federal government and ÖBB-Infrastruktur AG pursuant to Article 42 para. 6 Federal Railways Act.

The compliance with the obligation for ÖBB-Infrastruktur AG to guarantee and constantly improve the quality and safety of the operated railway infrastructure, which results from the Federal Railways Act, is assessed by means of certain ratios in connection with the grant.

Unless otherwise agreed between ÖBB-Infrastruktur AG and the federal government, the annual grant shall be reduced by the portion of operating expenses incurred for railway infrastructure that is transferred to other operators or no longer operated by ÖBB-Infrastruktur AG, contrary to the provisions of the business plan pursuant to Article 42 para.6 Federal Railways Act.

The entire grants for 2015 according to Article 42 of the Federal Railways Act amounts to EUR 1,850.4 million (previous year: EUR 1,800.0 million). The grant for expansion and reinvestment in the amount of EUR 678.2 million (previous year: EUR 613.1 million) was reduced by EUR 43.7 million (previous year: EUR 36.2 million) to EUR 634.5 million (previous year: EUR 576.9 million) due to the investment measures carried out and more favorable interest rate developments and is presented in other operating income. The grant for operation, inspection, maintenance, fault clearance and repair amounting to EUR 1,172.2 million (previous year: EUR 1,186.5 million) was reduced by EUR 1.8 million (previous year: EUR 0 million) due to apprenticeship programs. In addition, the reversal of provisions created in previous periods in connection with the dismantling of decommissioned routes resulted in income of EUR 18.8 million, which additionally reduces the need for subsidies. Consequently, the amount of EUR 2.4 million recognized in deferred income (previous year: EUR 1.4 million) was recognized in revenues. The subsidy in the amount of EUR 53.6 million attributable to capitalized interest under IAS 23 is considered to be an investment grant and is used to cover future expenses incurred in the form of depreciation. The disclosure in the financial statements is made as a reduction in the subsidy pursuant to Article 42 of the Federal Railways Act and is presented as investment grants. Consequently, the amount of EUR 1,099.5 million (previous year: EUR 1,153.5 million) was recognized through profit or loss for operation, inspection, maintenance, fault clearance and repair. The amounts deferred in connection with the grant for expansion and reinvestment in the amount of EUR 43.7 million (previous year: EUR 36.2 million) as well as in connection with the operational management and apprenticeship program in the amount of EUR 20.6 million (previous year: EUR 40.6 million) is presented in other liabilities.

The development of grants in 2015 breaks down as follows:

in EUR million	Grant agreement 2014-2019	Accruals	Income or loss in 2015
§ 42 (1) operational management	671.2	74.1	597.1
§ 42 (2) inspection/maintenance/repair	501.0	-1.4	502.4
Revenue	1,172.2	72.7	1,099.5
§ 42 (2) Investment (annuity)	678.2	43.7	634.5
Other operating income	678.2	43.7	634.5
Total	1,850.4	116.4	1,734.0

With respect to Group liabilities assumed by the federal government, see Note 25.

In addition, contributions (usually grants for investment measures) from the Austrian provincial governments amounting to EUR 50.8 million (previous year: EUR 49.4 million) and from municipalities in the amount of EUR 13.2 million (previous year: EUR 14.9 million) were received, whereby on the reporting date there were still outstanding receivables amounting to EUR 7.6 million (previous year: EUR 3.1 million) and outstanding liabilities of EUR 0.7 million. Furthermore, EU subsidies amounting to EUR 39.0 million (previous year: EUR 7.1 million) were granted. The investment grants and EU grants are grants from the public authorities or the EU, and are recognized as a reduction of cost in the related assets.

Remuneration of members of the Board of Management

On both reporting dates, the Board of Management of ÖBB-Infrastruktur AG consisted of three members. In accordance with Article 266 (7) UGB, kEUR 1,251 (previous year: kEUR 1,415) was spent for the total remuneration granted for the Board of Management; of this amount kEUR 362 was borne by affiliated companies of the ÖBB Group in 2014. Statutory contributions were made to the severance insurance fund in the amount of kEUR 18 (previous year: kEUR 22), of which kEUR 6 was paid by affiliated companies in 2014 vacation accrual increased by kEUR 30 from kEUR 98 to kEUR 128. Pension payments were made to former members of the Board of Management in the amount of kEUR 41 (previous year: kEUR 41). Provisions for pensions were reduced by kEUR 56 (previous year: increased by kEUR 168).

The total remuneration of the members of the Board of Management is composed of a fixed and a variable component. The amount of the variable annual component is subject to the achievement of objectives agreed with the Executive Committee of the Supervisory Board at the beginning of each financial year.

The employment contracts with top executives (members of the Boards of Management of the parent companies and general managers of companies on comparable levels) include a performance-related component; thus, the success of the company is reflected by the remuneration to a considerable extent. In principle, two-thirds of the remuneration of top executives consists of a fixed base salary, and one-third is a variable performance-related component. At the beginning of each financial year, an individual score card is developed for each company for the purpose of agreeing upon clearly defined, mainly quantitative objectives. These objectives are based on the Group's overall results, its strategy and the focus of the Group's activities. The variable components of the salaries that were paid out are included in the remuneration of the Board of Management indicated above.

The members of the Board of Management of ÖBB-Infrastruktur AG are employees who are seconded for the time of their activity in the Board within a definite ÖBB employment relation in accordance with the general terms and conditions for employment with Austrian Federal Railways (AVB). The Company itself assumes no pension commitments. In the event of withdrawal from office or termination of employment, the relevant provisions of the Stellenbesetzungsgesetz [Appointment Act] apply to the vested rights of future pension payments and claims of the members of the Board of Management. No further claims exist.

Remuneration of members of the Supervisory Board

In accordance with the rules of procedure of the Supervisory Board of ÖBB-Infrastruktur AG and the resolution of the annual general meeting, the ÖBB-Infrastruktur Group shall reimburse the actual invoiced expenses incurred by the members of the Supervisory Board in the course of performing their duty and pay compensation to the shareholder representatives on the Supervisory Board.

The basic remuneration for a Supervisory Board member amounts to kEUR 9 per year. In addition, each Supervisory Board member receives an attendance fee of EUR 200 for each meeting of a Supervisory Board, the Executive Committee or any other committee. The chairman of the Supervisory Board receives 200% of the basic remuneration, and a vice chair within ÖBB-Infrastruktur AG receives 150% of the basic remuneration. For any activity in another Supervisory Board of the ÖBB Group, the member receives an additional 50% of the amounts stipulated above. If several functions are accumulated in one person, the upper limit of kEUR 27 (plus attendance fees) may not be exceeded. Members of the Supervisory Board who are members of the Board of Management, employee representatives, general managers or employees of the ÖBB Group do not receive any Supervisory Board remuneration.

The compensation of the shareholder's representatives on the Supervisory Board for their activities in the ÖBB-Infrastruktur Group amounted to kEUR 35 (previous year: kEUR 37).

33. Segment reporting

A business segment is a component of an entity company that engages in business activities from which it may earn revenues and incurs expenses and whose operating results are reviewed regularly by the entity's chief operating decision-maker with respect to the allocation of resources to the respective segment and the assessment of its performance. It is a group of assets and operating activities providing products or services which are subject to risks and returns that are different from those of other operating segments and for which discrete financial information is available.

Information on company level

Major customers pursuant to IFRS 8.34 are ÖBB-Personenverkehr AG (income of EUR 310.9 million [previous year: EUR 296.1 million]), ÖBB-Produktion GmbH AG (income of EUR 185.6 million [previous year: EUR 198.4 million]) and Rail Cargo Austria AG (income of 170.7 million [previous year: EUR 168.8 million). This income results from infrastructure usage charges and the sale of traction power. These companies are part of the ÖBB Group and are thus affiliated companies.

The following table shows the Group revenue by geographic market, based on the registered offices of the customers, irrespective of the origin of the products/services:

Total income	2015 in EUR million	2014 in EUR million
Austria	2,987.2	3,095.1
Germany	37.7	14.9
Other markets	26.5	2.7
Total	**3,051.4**	**3,114.7**

The presentation of the carrying amounts of the segment assets and the additions to property, plant and equipment and intangible assets, grouped by geographic areas, is omitted as all assets, except for those in Liechtenstein in the amount of EUR 15.5 million (previous year: EUR 15.8 million) are located in Austria. Additions to property, plant and equipment in Liechtenstein total EUR 0.4 million. See Note 4 for external revenues broken down by service.

Information on segment reporting

Segment reporting of the ÖBB-Infrastruktur Group is based on the management structure of the Group. The ÖBB-Infrastruktur Group has only one segment – railway infrastructure.

34. Notes on the Cash Flow Statement

The Cash Flow Statement shows the change in cash of the ÖBB-Infrastruktur Group from inflows and outflows of funds in the reporting year. The Cash Flow Statement is divided into cash flows from operating activities, from investment activities and from financing activities. Operating parts of the Cash Flow Statement are presented using the indirect method. There were no changes to cash and cash equivalents due to changes in exchange rates.

Liquid funds include cash and cash equivalents and current receivables and liabilities with respect to ÖBB-Finanzierungsservice GmbH. Current receivables from ÖBB-Finanzierungsservice GmbH (presented under cash and cash equivalents) amount to EUR 217.6 million (previous year: EUR 224.5 million) and current liabilities (presented under current financial liabilities) in the amount of EUR 14.7 million (previous year: EUR 17.6 million). The part of the interest payment that is capitalized under IAS 23 as part of the production cost of qualified assets is included in operating cash flow. The federal subsidies totaling EUR 53.6 million received in this connection are also recognized in operating cash flow under changes in liabilities from trade payables and other liabilities and deferrals.

Significant non-cash transactions carried out during the reporting year mainly refer to the recognition of assets and liabilities from CBL transactions and reclassifications of real estate recovery projects to property, plant and equipment, the use of which changed during the financial year.

35. Subsidiaries

Information on the subsidiaries, associated companies, investments and other holdings in the ÖBB-Infrastruktur Group as of Dec 31, 2015.

Below is a list of those subsidiaries in which ÖBB-Infrastruktur AG held an investment either directly or indirectly through other affiliated companies. The corporate purpose of the subsidiaries is described in letters a) to h).

ÖBB-Infrastruktur Group	Country, registered office	Type of consolidation	
100% ÖBB-Infrastruktur Aktiengesellschaft	A-1020 Vienna	V	c)
├► 100% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna	V0	f)
├► 100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna	V0	f)
├► 100% Güterterminal Werndorf Projekt GmbH	A-1020 Vienna	V	d)
├► 100% Hans Hechenbichler Erdölprodukte Gesellschaft m.b.H. i.L.	A-1020 Vienna	V0	b)
├► 100% Mungos Sicher & Sauber GmbH	A-1150 Vienna	V	e)
├► 100% Mungos Sicher & Sauber GmbH & Co KG	A-1150 Vienna	V	e)
├► 100% Netz- und Streckenentwicklung GmbH	A-1020 Vienna	V0	d)
├► 100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1020 Vienna	V	a)
├► 100% ÖBB-Projektentwicklung GmbH	A-1020 Vienna	V	b)
├► 100% ÖBB-Realitätenbeteiligungs GmbH & Co KG	A-1020 Vienna	V	b)
├► 100% Businesscenter Linz Entwicklungs- und Verwertungs GmbH & Co KG	A-1020 Vienna	V0	b)
├► 100% Elisabethstraße 7 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V	b)
├► 100% Elisabethstraße 9 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V	b)
├► 100% Europaplatz 1 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	b)
├► 100% Gauermanngasse 2-4 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V	b)
├► 100% Mariannengasse 16-20 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V0	b)
├► 100% Modul Office Hauptbahnhof Graz GmbH & Co KG	A-1020 Vienna	V0	b)
├► 100% Operngasse 16 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V	b)
├► 100% ÖBB-Stiftungs Management Gesellschaft mbH	A-1020 Vienna	V0	h)
├► 100% Rail Equipment GmbH	A-1040 Vienna	V	g)
├► 100% Rail Equipment GmbH & Co KG	A-1040 Vienna	V	g)
├► 51% (PY: 100%) WS Service GmbH	A-3151 St. Georgen am Steinfeld	V	c)
├► 50% Galleria di Base del Brennero - Brenner Basistunnel BBT SE	I-39100 Bozen	E	c)
├► 43.05% (PY: 30%) Weichenwerk Wörth GmbH	A-3151 St. Georgen am Steinfeld	E	c)
├► 28.54% (PY: 25%) Breitspur Planungsgesellschaft mbH	A-1010 Vienna	E0	d)
├► 8% HIT Rail B.V.	NL-3500 HA Utrecht	0	n/a
├► silent partnership „Am Hafen" Garagenerrichtungs- und Betriebs GmbH & Co KG	A-6900 Bregenz	0	n/a
├► partnership Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	A-6762 Stuben/Arlberg	0	n/a

If the figure is preceded by "PY" it refers to the previous year.

Abbreviations:

V	Affiliated, fully consolidated company
V0	Affiliated company not fully consolidated due to its insignificance
E	Investment reported using the equity method (associated company)
E0	Investment not recorded using the equity method due to its insignificance
0	Other investment
N/A	not applicable
i.L.	in Liquidation

Explanation of the purposes of the subsidiaries:

a) Maintenance, management and utilization of real estate properties
b) Project development and utilization of properties
c) Planning and construction (including replacement investment that exceeds maintenance and repair) of railway infrastructure as well as planning and construction of related projects and sub-projects and the provision of railway infrastructure.
d) Optimization and harmonization of infrastructure planning and development
e) Cleaning and special cleaning (e.g. graffiti removal) of railway stations as well as security and other services
f) Research and development, especially in connection with railway infrastructure
g) Procurement, purchasing, financing, maintenance and Group-wide rental of rail vehicles, equipment and rail-bound vehicles
h) Continuing professional training

The following presents the equity and net income from those subsidiaries that were not included in the Consolidated Financial Statements and in which an interest of at least 20% was held. The disclosures regarding equity and net income were taken from the annual financial statements according to respective national accounting laws.

ÖBB-Infrastruktur Group	Shareholders' equity in kEUR Dec 31, 2015	Dec 31, 2014	Profit or loss in kEUR 2015	2014
Austrian Rail Construction & Consulting GmbH	138	141	-2	0
Austrian Rail Construction & Consulting GmbH & Co KG	207	208	-3	-2
Hans Hechenbichler Erdölprodukte Gesellschaft m.b.H. i.L.	423	430	-7	-5
Netz- und Streckenentwicklung GmbH	421	394	28	15
Businesscenter Linz Entwicklungs- und Verwertungs GmbH & Co KG	-2	-1	-1	-1
Europaplatz 1 Projektentwicklung GmbH & Co KG	-2	-1	-1	-1
Mariannengasse 16-20 Projektentwicklung GmbH & Co KG	12,656	12,787	-131	-176
Modul Office Hauptbahnhof Graz GmbH & Co KG	-2	-1	-1	-1
ÖBB-Stiftungs Management Gesellschaft mbH	70	70	0	0
Breitspur Planungsgesellschaft mbH	5,402	1,918	-1,016	-262

Abbreviations:
i.L. in Liquidation

36. Events after the reporting date

On March 31, 2016, the members of the Board of Management of ÖBB-Infrastruktur AG released the audited Consolidated Financial Statements as of December 31, 2015 for submission to the Supervisory Board. The Supervisory Board is charged with reviewing the Consolidated Financial Statements and declaring whether it approves the Consolidated Financial Statements.

On January 1, 2016, the market opening for the traction power market is implemented in connection with a separation of power and grid. In view of the market opening, ÖBB-Infrastruktur AG now faces changed conditions. This can give rise to competitive disadvantages for ÖBB-Infrastruktur AG if any additional costs due to this purchasing strategy compared to short-term procurement cannot be offset through grid fees. Provisions have been formed for any additional costs connected with long-term power purchase agreements.

On March 15, 2016, a CBL transaction was prematurely terminated in its entirety. The CBL transaction legal relates to ÖBB-Infrastruktur AG in its external relation. In the internal relationship, this transaction was recharged to Group companies ÖBB-Personenverkehr AG, ÖBB-Produktion GmbH and Rail Cargo Austria AG as sub-lessees.

37. Executive bodies of the parent company of the Group

Members of the Board of Management
KR Ing. Franz Seiser
DI Franz Bauer
Ing. Mag. (FH) Andreas Matthä

Members of the Supervisory Board

Mag. Christian Kern		Chairman
Mag. Josef Halbmayr, MBA		First Vice Chair
DI Herbert Kasser		Second Vice Chair
Lic.iur. Philippe Gauderon		
Mag. Maria Kubitschek	until July 2, 2015	
Dr. Tanja Wielgoß		
Mag. Silvia Angelo	from July 2, 2015	
Günter Blumthaler		Employee representative
Peter Dyduch		Employee representative
Gottfried Winkler		Employee representative

A report on compensation or advances, loans granted or guarantees entered into in favor of these persons can be found in Note 32.

Vienna, March 31, 2016

The Board of Management

DI Franz Bauer	Ing. Mag. (FH) Andreas Matthä	KR Ing. Franz Seiser
(Department of Infrastructure Investment)	(Finance, Market, Service Department)	(Operations and Systems Department)

Auditor’s Report*

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ÖBB-Infrastruktur Aktiengesellschaft Wien** for the fiscal year from January 1, 2015 to December 31, 2015. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2015, and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company’s management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and in accordance with relevant Austrian laws. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and fair presentation of the consolidated financial statements in order 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2015 and of its financial performance and its cash flows for the fiscal year from January 1, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable Austrian laws.

Comments on the consolidated Management Report

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company’s position. The auditor’s report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, March 31st, 2016

BDO Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gerhard Posautz	Mag. Peter Bartos
Auditor	Auditor

* Disclosure, publication and duplication of the consolidated financial statements together with the auditor's report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.

About this report

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ÖBB-Infrastruktur AG
Praterstern 3
1020 Vienna
Tel: +43 1 93000-0
E-mail: infra.kundenservice@oebb.at
oebb.at/infrastruktur

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The information provided in this report has been compiled to the best of our knowledge and verified with due and proper care. Subject to type-setting errors and misprints. This annual report (created with the help of FIRE.sys) is available only in electronic form at: infra.oebb.at/gb2015

Enquiries regarding the annual report
ÖBB-Holding AG
Group Communications & Marketing
Am Hauptbahnhof 2
1100 Vienna
Tel: +43 1 93000-44075
E-mail: kommunikation@oebb.at
oebb.at

ÖBB Customer Service
24-hour train and bus information is available from ÖBB customer service.
Tel: from Austria, call 05-1717 (without area code) at the local rate; from abroad, please call +43 5-1717.

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