



Annual Report 2011

ÖBB-Holding AG



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Consolidated Management Report

This Management Report complements the Consolidated Financial Statements of Österreichische Bundesbahnen-Holding Aktiengesellschaft, Vienna, (hereinafter referred to as "ÖBB Group") that must mandatorily be established pursuant to § 244 UGB [Austrian Commercial Code] and that is submitted to the Commercial Court Vienna under Company Register number FN 247642 f. The Consolidated Financial Statements as of December 31, 2011, were established pursuant to § 245a (2) UGB in accordance with the International Financial Reporting Standards ("IFRS/IAS") adopted by the International Accounting Standards Board ("IASB"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") as well as the interpretations of the Standards Interpretation Committee ("SIC"), which have come into force and been adopted by the European Union as of December 31, 2011. In addition, a subsidiary of Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereinafter referred to as "ÖBB-Holding AG"), the company ÖBB-Infrastruktur Aktiengesellschaft, is obligated to establish consolidated financial statements pursuant to § 245 (5) UGB because it issued bonds listed for trade in a regulated market. The consolidated financial statements of ÖBB-Infrastruktur Aktiengesellschaft are submitted to the Commercial Court Vienna under Company Register number FN 71396 w.

A. GROUP STRUCTURE, PARTICIPATIONS AND BRANCH OFFICES

Structure of the ÖBB Group

The Austrian Federal Railways are structured in accordance with the *Bundesbahnstrukturgesetz* [Federal Railways Structure Act]. ÖBB-Holding Aktiengesellschaft (hereinafter "AG") has been at the top of the holding structure since 2005; as parent company it is responsible for strategic orientation of the entire Group.

ÖBB-Holding AG holds all the shares in ÖBB-Personenverkehr AG, Rail Cargo Austria AG and ÖBB-Infrastruktur AG. These three corporations and their respective subsidiaries are hereinafter referred to as ÖBB-Personenverkehr sub-group, Rail Cargo Austria sub-group and ÖBB-Infrastruktur sub-group.

The sub-groups ÖBB-Personenverkehr and Rail Cargo Austria are responsible for customer-friendly, profit-oriented and environmentally friendly transportation of people and goods. Their common subsidiaries ÖBB-Produktion GmbH and ÖBB-Technische Services-Gesellschaft mbH provide services in the fields of traction and maintenance of rail vehicles.

The ÖBB-Infrastruktur sub-group is, on the one hand, responsible for ensuring availability of the Austrian railway infrastructure in a cost-effective way without discriminating any of the railway companies; on the other hand, it installs the Austrian railway infrastructure on behalf of the Republic of Austria, based on the master plan agreed by the federal government. Financing for the extension of the railway infrastructure is ensured by means of the generated cash flow and borrowed capital for which the Republic of Austria assumes guarantees. The grants of the federal government are fixed based on grant agreements with a term of several years.

In order to increase the information content, the developments and aspects of the sub-groups will be detailed separately in some parts of this Management Report.

Participations

The **Overview of Participations in the Notes on the Consolidated Financial Statements** lists all the participations of the ÖBB Group. The following table only gives a summary by sub-group and country.

	Sub-group (including double counts)					Total DC ²⁾	Total (without DC)
	ÖBB- Personen- verkehr	Rail Cargo Austria	ÖBB- Infrastruktur	Others	Total		
Affiliated subsidiaries	9	55	32	7	103		103
<i>of which abroad</i>	1	43	0	0	44		44
Participating subsidiaries	4	27	2	2	35	-2	33
<i>of which abroad</i>	0	19	0	0	19	0	19
Other subsidiaries	3	13	2	2	20	-1	19
<i>of which abroad</i>	3	12	2	1	18	-1	17
Total	16	95	36	11	158	-3	155
<i>of which abroad</i>	4	74	2	1	81	-1	80

¹ only companies that can be influenced directly

² double count: subsidiary whose shares are held by several sub-groups

Outside Austria, the ÖBB Group holds investments in 80 companies whose registered offices are located in the following countries: Hungary (25), the Czech Republic (8), Slovakia (6), Italy (6), Rumania (5), Belgium (4), Poland (4), Slovenia (3), Netherlands (3), Bulgaria (2), Croatia (2), Serbia (2) as well as one investment each in Bosnia-Herzegovina, Germany, Greece, Liechtenstein, Russia, Sweden, Switzerland, Spain, Turkey and the Ukraine.

ÖBB-Holding AG and other companies

ÖBB-Holding AG constitutes the strategic controlling company of the ÖBB Group. The purpose of ÖBB-Holding AG is to exercise its rights as shareholder in the companies in which it holds a direct or indirect interest, aiming at a strategic alignment. The main tasks of the company include: overall coordination of the establishment and implementation of the companies' policies as well as ensuring transparency regarding the public funds used.

Following the redefinition of ÖBB-Holding AG as strategic controlling company, establishment of ÖBB-Shared Service Center Gesellschaft mbH and ÖBB-IKT Gesellschaft mbH (hereinafter referred to as "ÖBB-IKT GmbH") as service companies was completed in 2010. They are now responsible for inter-group cross-divisional functions and services in the personnel and IT departments. ÖBB-IKT GmbH constitutes the competence center for information, communication and railway technologies for the entire ÖBB Group.

The three sub-groups

ÖBB-Personenverkehr sub-group

The ÖBB-Personenverkehr sub-group is the largest mobility service provider in Austria. It services 1,110 traffic stations (train stations and stops) throughout Austria in passenger transport by railway, and the busses of ÖBB-Postbus GmbH service approximately 22,000 stops, connecting almost all of the 2,360 Austrian municipalities by ÖBB busses; in about 870 municipalities it constitutes the only public means of transport.

Rail Cargo Austria sub-group

Rail Cargo Austria AG, whose registered office is located in Vienna, is the subsidiary of ÖBB responsible for the transportation of goods and acting on an international level. It offers transport and logistics services for goods from all kinds of industries. Its core competencies in railway transportation and forwarding ensure an environmentally friendly, technically mature, reliable and cost-efficient transport and logistics system. The sub-group disposes of an international transport and logistics network, combines the advantages and benefits of all carriers and coordinates them in an optimal way.

ÖBB-Infrastruktur sub-group

The ÖBB-Infrastruktur sub-group provides the railway infrastructure and operates 1,178 traffic stations (goods and passenger transport). 26 railway undertakings are entitled to use the ÖBB railway infrastructure, including ÖBB-Personenverkehr AG, Rail Cargo Austria AG and two other companies affiliated with the ÖBB Group.

The sub-group is furthermore responsible for 2,174 planning and construction projects throughout Austria, of which 1,439 projects have a term of more than one year. The funding requirements for the master plan investments started before December 31, 2011 - taking the effects of the approved master plan for the years 2011 to 2016 into account and prevalorized at 2.5% - amount to EUR13,134 million.

B. ECONOMIC REPORT AND OUTLOOK

B.1. National economic environment and trends

Economic development

Following the recession in 2008/2009, the recovery of the European economy continued in 2011. However, the economic development in the Eurozone has weakened significantly since August.

While the forecast in spring 2011 predicted a growth of 1.8% in the Eurozone in 2012, the turbulences caused by the Euro debt crisis resulted in a significant downward correction of the forecast for Europe. The economic growth expected for the Eurozone in 2012 is now only 0.5%. The expected growth for the EU 27 is only +0.7%¹. Taking the intensified saving programs of the public authorities into account, this expected value is probably still higher than the actual growth.

¹ Rehn/EU Commission, fall forecast 2011

Global economic situation

Gross domestic product	Unit	2008	2009	2010	2011	2012
Austria	in %	+1.4	-3.8	+2.3	+2.9	+0.8
Eurozone	in %	+0.4	-4.3	+1.8	+1.6	+0.5
new EU-countries	in %	+4.1	-3.2	+2.2	+3.0	+1.8
EU27	Change in % compared to the prior year	+0.5	-4.3	+1.8	+1.7	+0.7
USA	in %	+1.9	-0.3	-3.5	+3.0	+1.0
China	in %	+9.6	+9.2	+10.4	+9.5	+8.5
worldwide	in %	+2.8	-0.7	+5.1	+3.8	+3.1

Source: WIFO monthly report 10/2011, forecast for 2011 and 2012

Austria cannot escape from this development, either. Following a period of strong recovery from the end of 2010 to the beginning of 2011, the economic development weakened significantly in the middle of the year. The experts of WIFO expect a significantly lower economic growth of 0.8% in Austria in 2012. The development of goods imports (+4.5%) and goods exports (+4.5%) will be much less dynamic in 2012 than it was in the financial year 2011.

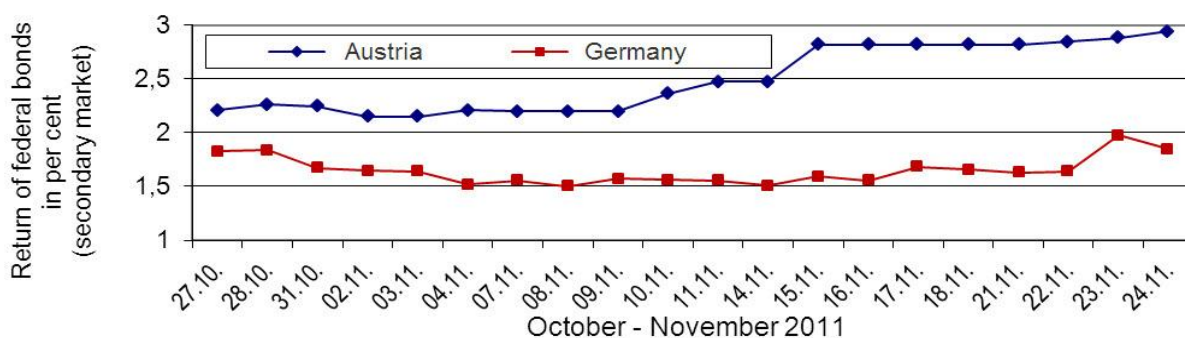
Key data and forecasts for the economic situation in Austria

Parameter	Unit	2008	2009	2010	2011	2012
Gross domestic product	in %	+1.4	-3.8	+2.3	+2.9	+0.8
Goods exports	in %	+0.5	-18.8	+12.8	+8.5	+4.5
Goods imports	Change in % compared to the prior year	+0.6	-14.3	+10.3	+7	+4.5
Gross investments	in %	+0.7	-11.9	+3.6	+7.7	+0.8
Crude oil price	in %	+34	-37	+29	+38	-9
Net borrowing of the state	% of the GDP	-0.9	-4.1	-4.6	-3.1	-3.1
Unemployment rate	% of the labor force	3.8	4.8	4.4	4.2	4.4

Source: WIFO monthly report 10/2011, forecast for 2011 and 2012

Debt crisis affects capital cost

Despite the continuing debt crisis, the overall interest level of government bonds is moving towards an all-time low. The bonds issued by ÖBB-Infrastruktur AG still profit from the credit rating of the Austrian state, but the market for bonds is reacting to the precarious debt situation of certain states of the Eurozone with growing differences in interest rates. Smaller states like Austria, and thus ÖBB-Infrastruktur AG, tend to be put at a disadvantage compared to larger countries by this development.



Source: Austrian National Bank, German Federal Bank

Within the months of October and November 2011, the interest level of Austrian government bonds increased by approximately 0.8%, while the difference to the interest in Germany tripled. In total, the interest level in Austria at the beginning of the year 2012 is still below the level on which the medium-term planning of ÖBB-Infrastruktur AG was based. The development of the debt crisis gives cause for concern both on the Austrian and the European level.

Capital markets

The situation on the capital markets was characterized by a high volatility in 2011. The national debt crisis that started in Greece has worsened and hit several European countries. The rating agencies downgraded major national economies, causing severe insecurity in the market environment in general.

Austria was well able to sustain its position in this volatile environment, which had a positive effect on ÖBB-Infrastruktur AG as well. Therefore, bonds amounting to a total of EUR2.3 billion were issued at the capital market in 2011, all of which are listed in Euro. Due to the low interest rates, this funding was selected from the long-term segment, in accordance with the long-term investments.

The AAA rating of ÖBB-Infrastruktur AG confirmed by Moody's in October 2011 remains unchanged, whereas the AAA rating of ÖBB-Infrastruktur AG fixed by the rating agency Standard & Poor's in July 2011 was set at "CreditWatch Negative" in December, in analogy to the rating of the Republic of Austria. In January 2012, Standard & Poor's downgraded several states simultaneously; the Republic of Austria lost its AAA rating and is now classified as AA+ Negative. The rating of ÖBB-Infrastruktur AG was lowered to the same level accordingly.

Key data of goods and passenger transport in Austria

(Difference compared to the prior year in %)

Transportation of goods	2006	2007	2008	2009	2010	2011
Railway* (tonnage-kilometers)	9.0	1.9	2.5	-18.9	13.0	1.0
Road (tonnage-kilometers)	2.6	8.2	-0.4	-12.4	3.7	3.5
New registrations of trucks	4.3	6.3	2.2	-23.6	9.4	19.0
Transportation of passengers	2006	2007	2008	2009	2010	2011
Railway (passenger-kilometers)	2.1	3.2	13.8	-0.7	1.0	0.9
Air transport (passengers)	5.8	10.1	4.2	-8.5	6.7	4.1
New registrations of passenger cars	0.2	-3.4	-1.5	8.8	2.8	6.0

*all railway companies

Source: Statistics Austria, ÖBB

Railway goods transport: framework conditions and forecast for 2012

In 2011, railway goods transport in Poland and Germany is in the positive range with an average 8%. France and Italy are in the negative range again. With an average of -12%, the development is particularly unfavorable in East and Southeast Europe. Since the middle of the year 2011, the demand for transport services dropped again in Austria. If the trend of the last quarter of 2011 continues in 2012, railway goods transports are expected to suffer a decrease of 3% compared to 2011.²

Framework conditions for ÖBB passenger transport

Since 2011, Austria is among the top countries in the liberalization index. Like goods transports, ÖBB passenger transport is also working in a widely liberalized environment. Besides the beginning competition in long-distance railway transport, long-distance bus transport, in particular in the direction of eastern neighbors, has become a competitor of growing importance. ÖBB-Postbus is actively competing in various calls for tenders with respect to short-distance and regional transport. ÖBB-Personenverkehr AG will meet these challenges in 2012 by means of pricing measures and quality improvements that have already met a positive reaction in the market in 2011. The saving measures of the public authorities could constitute "headwinds" in 2012. The high fuel prices, on the other hand, could continue to provide "tailwinds". Although high fuel prices cause additional costs for the ÖBB-Postbus, they also lead to an increasing demand for public transportation.

B.2. Regulatory environment and trends

White Paper on the EU transport policy until 2020

In March 2011, the European Commission published the White Paper on the European traffic policy until 2020. The White Paper provides the strategic orientation of EU traffic policies regarding competitiveness, climate change and financing, and contains a comprehensive catalog of specific measures. The proposals for the liberalization of national passenger transport and for the complete separation of infrastructure and distribution are of particular relevance for the railway sector. Planned initiatives aiming at the reinforcement of the cooperation of regulatory authorities and infrastructure operators are important as well. The list of measures furthermore comprises a proposal to internalize the external costs for all carriers in order to create equal competition conditions. For the railway sector, this could result in the introduction of a noise-dependent infrastructure usage charge as well as a ban on conventional cast iron inserts for freight cars.

² Source: UIC statistics, own calculations and estimates

Amendment of the First Railway Package

In fall 2010, the European Commission presented the long-awaited proposal for amendment of the First Railway Package. An important objective of the amendment is non-discriminating access to services (sale of tickets, workshops, cleaning facilities, railway stations and shunting yards, etc.).

In November 2011, the Parliament accepted the amendment of the First Railway Package in the first reading. As the positions of the Commission, the Council and the Parliament still differ, an agreement now has to be reached in a second reading.

The liberalization of the national passenger transport and the separation of infrastructure and distribution are not directly dealt with by the amendment. However, the Parliament asked the European Commission to submit proposals on vertical separation of railway infrastructure and railway undertakings, on a European regulatory authority and on the opening of the market of national passenger transport in 2012.

Fourth Railway Package

In order to further liberalize and standardize the European railway transport market, further adaptations of the EU law are currently being developed. Proposals on the following topics are expected:

- further opening of the national railway passenger transport market, amendment of the regulation on public service orders (1370/2007) regarding mandatory calls for tenders
- creation of a European regulatory authority (railway regulator on EU level)
- continuation of the separation of railway infrastructure and railway undertakings (unbundling)
- development of the role of the European Railway Agency (ERA) regarding standardization of vehicle registration and safety provisions (amendments of safety and interoperability directives)

Semmering and Koralm railway in the Trans-European Transport Network

Since the beginning of 2009, an amendment of the Trans-European Transport Networks (TEN-T) is underway. The European Commission has elaborated a proposal for a multimodal and coherent core network. The core network - which is part of the overall network - is supposed to comprise the sections of the infrastructure of major strategic importance offering the highest European "added value". This concept replaces the concept of 30 prioritized projects established in 2004. Under the headline "Connecting Europe facility", the draft for the multi-year financial framework of the EU (2014 to 2020) provides for an increased concentration of funds for the extension of the Trans-European Transport Network. Both the draft of the financing plan 2014 to 2020 and the draft of the core network (October 2011) provide for the southern section of the Baltic-Adriatic Sea axis, the connection from Vienna to Bologna via Graz and Klagenfurt, in addition to the already planned axes through Austria. The northern section - the connection from Danzig to Vienna via Warsaw - has already been identified as priority project 23. Discussions in the European Parliament and in the Council will follow.

Emission trading is expected to increase the price of traction power

Electric power is the "fuel for railways". In contrast to the production and consumption of fuels for road transport, electric power is subject to energy and environment charges that do not apply for gas or diesel in this form. Furthermore, power generation is subject to emission trading. Emission trading is already causing an increase of the price for traction power for the railways. The charges are expected to increase further from 2013. The national allocation plans will then be replaced by an EU-wide overall maximum of 1.97 billion metric tons of CO₂. This value is scheduled to be reduced by 1.74% per year to 1.72 billion metric tons in 2020. Energy suppliers have to purchase all emission certificates by auction in 2013 already. The European Commission itself expects power prices to increase by 15% from 2013 for this reason alone. Other surveys anticipate an increase of power prices by up to 50%. According to a study of the IHS, an increase of the power prices to up to three times the current wholesale price has to be expected (IHS 2008, p. 22).³

³ Weyerstrass, Jaenicke, Schönpflug, Künftige Entwicklungen der Energiepreise [Future Developments of Energy Prices], p.20 and 24 http://www.uni-erfurt.de/fileadmin/user-docs/Juniorprofessur_Oekonometrie/Energiepreise.pdf

Energy tax

The European Commission has submitted a proposal for an amendment of energy taxation. The amendment is scheduled to come into effect in 2013.

The energy tax will be composed of two components:

- tax on CO₂ emissions of the energy product amounting to EUR20.00 per metric ton of CO₂
- tax on the energy content amounting to EUR9.60 per gigajoule.

For diesel for road transport, the proposed minimum rates approximately equal the current Austrian tax rate. For diesel for railway transport, the draft provides only the CO₂ component as mandatory tax.

Overall, the amendment is expected to be neither advantageous nor disadvantageous for the railways. The directive provides a clearer situation for the calculation of fiscal cost coverage in road transport (road cost). Only the portion of the energy component directly applicable for fuels can be evaluated as contribution to road cost. The CO₂ component and the portion of the energy tax also payable for heating fuels on the other hand are not transport-specific. The lack of cost transparency in truck transport - also with reference to the road costs incurred - would become even more obvious.

Euro-vignette - including external cost in truck toll

After years of discussions, the EU ministers of transport and the Parliament agreed on the possibility (!) of higher road tolls for trucks in Europe. The so-called "Euro-vignettes" Directive ("Road Cost Directive") allows the member states to calculate certain additional charges for costs caused by noise and air pollution. External congestion costs, on the other hand, may only be charged in a form of toll that does not cause any additional cost.

The railway sector welcomes this agreement, but it points out that an even stricter regulation would be required to create equal competition conditions in the transport sector. It is regrettable that the congestion costs, which account for 40% of the external costs, are not included in the regulation, and that an appropriation of the additional revenues is not taken into consideration. The member states have to adopt the new provisions into their respective national law by October 16, 2013. As inclusion of environmental costs in the toll is not mandatory, it will depend on the influence of the respective interest groups on traffic policies whether this possibility will be used.

Megatrucks ("Gigaliners")

The approval of so-called megatrucks in all of Europe would have a negative effect on railway goods transport, and in particular on combined freight transport. "Gigaliners" are trucks with a total weight of up to 60 tons and a vehicle length of up to 25.25 meters. Approval of such vehicles throughout the EU is not anticipated at the moment. However, the European Commission is expected to propose minor adjustments regarding the admissible length of semi-trailers and to legalize cross-border traffic of megatrucks between states in which these vehicles are permitted. It is furthermore expected that drag-reducing additions for trucks will be permitted. This would have a negative effect on combined freight transport, because such vehicles would be too wide or too high for transportation by railway.

MARKET ENVIRONMENT OF THE ÖBB-PERSONENVERKEHR SUB-GROUP

The number of passengers in long-distance passenger transport increased slightly in the financial year 2011 compared to the prior year. In short-distance passenger transport, the number of passenger decreased by 1%. In total, 450 million passengers used the services provided by the ÖBB-Personenverkehr Group in 2011. Securing an offer for the customers corresponding to the demand and at the same time improving the degree of cost recovery on the individual lines was and still is the key objective in short-distance as well as long-distance transport. The conclusion of the new contract on public services between the Ministry of Transport, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG) and ÖBB-Personenverkehr AG in February 2011 was an important milestone. This contract fixes the new regulations with respect to the relationship between the federal government and the railways in short-distance and long-distance railway transport and secures the basic offer of public railway transport commissioned by the federal government with a volume of 70.7 million scheduled kilometers per year in the long term (April 2010 to the end of 2019).

Short-distance and regional passenger transport

Based on the transport service agreements concluded with the federal government and the states, the development of the result in short-distance and regional transport is positive and stable. With reference to the traction services provided, the numbers of passengers develop positively in all regions, in particular in Vorarlberg, Styria and Carinthia. Programs for further improvement of the service quality focusing on travel comfort and passenger information are being developed in order to increase customer acceptance.

Long-distance passenger transport

Throughout the past years, the number of passengers in long-distance passenger transport remained almost constant in national as well as international railway connections. The development in national demand shows a significant increase for the *Westbahn* [Western Railway] (+2.8%), due to the increased use of the premium product "railjet" and attractive new offers such as SparSchiene Austria. Transport in cooperation with DB across the Brenner (from Munich to Verona or Bologna/Venice via Innsbruck) recorded a considerable increase in the number of passengers (+7.2%). The extended utilization of the railjet trains on the *Südbahn* [Southern Railway] since October 2011 leads to a considerable improvement of the quality of the offer on this main axis. Punctuality of the ÖBB long-distance trains improved significantly; it was among the leading group in international comparison in 2011.

In international transport, a significant increase was recorded due to marketing activities in the form of collaborations with DB, SBB, České Drahy (Czech national railways) and MAV Start (Hungarian national railways), even without the impairments in air transport ("ash cloud" in April 2010). The positive development in the outgoing transport controlled by ÖBB continued; after the strong increase throughout the last years, a further increase by 3.1% (as of October 2011) was achieved.

Bus transport

ÖBB-Postbus GmbH transported 233 million passengers in 2011. In line bus traffic (regional and inner-city bus transport), the Postbus holds a market share of 52%. ÖBB-Postbus GmbH disposes of 2,200 busses, which cover a distance of 150 million kilometers per year on 830 lines (30,000 courses), i.e. more than 400,000 km per day. The subsidiary ČSAD AUTOBUSY České Budějovice a.s., which transports 7 million passengers and covers a distance of 9.6 million kilometers per year in the Budweis region, is successful again as well.

MARKET ENVIRONMENT OF THE RAIL CARGO AUSTRIA SUB-GROUP

With respect to performance in the transportation of goods by railway, Germany, Austria and the eastern neighbors of Austria recorded a stagnation or further decline in volume. A recovery was recorded in Bulgaria and Romania. Italy and France suffered severe drops. The Polish goods transport railways recorded significant gains, but the development slowed at the end of the year.

Organizational unit Cargo industries

Coal: After the anticipated recovery in the steel industry in the first semester 2011, steel products showed a decrease in the 3rd quarter due to the current economic crisis. The 4th quarter saw a slight decrease in the volumes of raw materials.

Chemicals/Mineral oil: New competitors in the railway market, who increasingly address major customers as well, influence the development of the mineral oil/chemicals market. Despite this, it was possible to secure the business volume over a period of several years with these customers.

Wood/Agriculture: The volumes decreased slightly compared to the prior year. Significant increases in the volumes of domestic transport are opposed by decreases in the international area, in particular in raw wood imports. In the second semester, the political situation in North Africa resulted in severe slumps in the volumes of Koper transports - with shipping to the Levant - carried out with the own production. With respect to exports to the key market of the sawmill industry in Italy, the market position was strengthened by means of return loads with the production subsidiary Rail Cargo Italia. From September to January 2012, 1.7 million tons of sugar beets were transported within the framework of the beet campaign.

Commercial goods/Building material: Increases in the automotive area more than compensated the decreases in the rail vehicle sector. Compared to the prior year, paper production in Austria had to cope with a significant downturn of the economy in the second semester of 2011. In the sector of linen goods, the decrease of the prior years continued. In domestic transport, the Rail Cargo Austria group withdrew from certain sectors, causing total volumes in the commercial goods segment to decrease significantly in 2011.

After the severe decrease in revenue and income in the prior year, the contribution by the forwarding companies developed as planned in the year under review. Due to a slight increase of the gross margin, the gross earnings improved in this area compared to the prior year.

Organizational unit Intermodal

Combi Cargo: The course of the Combi Cargo business was characterized by the turnaround project. In addition to the introduction of NINA (National Intermodal Network Austria), reductions of production costs and price increases for other products in the national unaccompanied combined transport were agreed. With the exception of national unaccompanied combined transport, the volumes were higher than those of the prior year. Due to the economic situation, container transport in particular recorded decreases in the last quarter.

As of September 21, 2011, Intercontainer Austria GesmbH was merged with Rail Cargo Austria AG, organizational unit Intermodal. The financial year 2011 was characterized by difficult framework conditions and increasing competition. Lack of quality - due to lack of capacities in the ports and terminals - increased the pressure both in the continental and in the highly competitive maritime sector. New partnerships and the intensification of existing collaborations with other actors helped secure the volumes.

Combined road/railway transport: The combined road/railway transport was characterized by the reorganization of the business field in 2011. Impairments due to extreme weather at the Brenner and strikes in Italy negatively affected the transport volumes. Still, balanced earnings were achieved.

MOBILER: In the past year, transports for major customers were expanded in particular in the business field MOBILER. This resulted in further increases in earnings.

Business field Terminal Service Austria: The development of the transshipment volumes at the sites operated by the business field TSA was positive in 2011 - due to the introduction of new train services and a good order situation in the export industry. In order to secure the necessary capacities, investments were made in the extensive implementation of the latest version of the terminal IT system KLV 2000 and in a new gantry crane at the Wels site.

Organizational unit Contracted logistics

The total turnover of the prior year was mostly maintained. The trend as regards volumes continues in that the total number of shipments is decreasing, but the average weight of the shipments is increasing steadily. This development was reinforced by reorganization measures in the past financial year.

Technical Services

ÖBB-Technische Services Gesellschaft mbH (TS) generated about 91% of its revenue amounting to EUR415.7 million from services provided to companies of the ÖBB Group. The continued intense commitment in Europe together with the subsidiaries Technical Services Slovakia s.r.o. and TS Hungaria Kft. significantly contributes to the success of ÖBB-Technische Services-Gesellschaft mbH within the Group.

MARKET ENVIRONMENT OF THE ÖBB-INFRASTRUKTUR SUB-GROUP

The ÖBB-Infrastruktur sub-group is affected by various developments in its environment.

Economic developments:

- Noticeable recovery of the volumes of goods transported by railway despite noticeable aftereffects of the global economic crisis, but decrease in the infrastructure usage charge due to the low price basis

Legal developments:

- Liberalization of long-distance passenger transport
- Recast of the First Railway Package on a European level

Political developments:

- Due to the debt situation in the Eurozone, the state is under increasing pressure to save money, causing repeated political discussions about restructuring of the expenses of the national budget and related discussions about major infrastructure projects
- Raise of the average age of retirement and almost complete termination of early retirements

Technical developments:

- Development of the interoperability and harmonization of EU networks (TSI, ETCS)
- Continuing global awareness and technology boost by means of an investment promotion action for alternative energy sources and fuel types, also caused by the nuclear accident in Japan (Fukushima)

Railway transport market

26 railway undertakings were entitled to use the ÖBB infrastructure as of the end of 2011, i.e. three railway undertakings more than at the end of 2010. For 2012, three new access authorizations are expected (in goods transport). The number of authorized companies is thus expected to increase to 29 by the end of 2012.

In 2011, the train-kilometers in passenger transport decreased by 3%; the total gross tonnage-kilometers in goods transport remained stable compared to 2010; while the positive trend of 2010 regarding goods transport volumes (total gross tonnage-kilometers +12% compared to 2009) continued in the first months of 2011, the transport volumes decreased from June 2011 compared to the values of the prior year. Therefore, the total gross tonnage-kilometers for the entire year 2011 remained almost constant, compared to the prior year, at 45.2 billion.

With a view to train-kilometers, goods transport increased by 7% in 2010, whereas it decreased by 4% in 2011. As a result of the continued efforts to optimize the production process, the load factor in goods transport increased by an average 4% as measured by the train weight.

In the second stage of the conversion to a route price model appropriate for the cause and in order to increase competitiveness, the infrastructure usage charge in railway goods transport was reduced significantly by -14%.

In the medium term, the ÖBB-Infrastruktur Group will progressively introduce a more differentiated route price model that is based in particular on the cost-by-cause and usage principle, taking the compatibility with the railway market into account.

The year 2011 was particularly characterized by continued optimization and cost reduction measures in cooperation with the railway undertakings; the ÖBB-Infrastruktur sub-group lists the following adjustments and measures:

- Closure of tracks with no or too little transport demand and beginning of negotiations on the sale of lines to the state of Upper Austria
- Continuous adjustment of shunting activities by means of ongoing adjustments of the railway undertaking production and short-term implementation in the schedule
- still no reservation or cancellation fees in goods transport

B.3. Revenues

Group revenue

Overview	2011	2010	Change	Change in %
Direct revenue in mil. EUR	2,748.7	2,635.1	113.6	4%
Government grant for operations according to § 42 (1) <i>Bundesbahngesetz</i> in mil. EUR	1,033.0	1,054.0	-21.0	-2%
Public services in mil. EUR	661.8	671.4	-9.6	-1%
Revenue in mil. EUR	5,271.6	5,136.1	135.5	3%
Total revenue in mil. EUR	6,249.8	6,081.8	168.0	3%
Total revenue per employee in thousand EUR	144	134	10	7%

The ÖBB Group registered an increase in revenue by 3% to EUR5,271.6 million (prior year: EUR5,136.1 million) in the financial year 2011. 52% of revenue (prior year: 53%) or EUR2,748.7 million (prior year: EUR2,635.1 million) come from direct sales in the market, 16% of which from passenger transport and 36% from goods transport. The comparison of revenues from direct market sales with the prior year thus shows an increase by 4%.

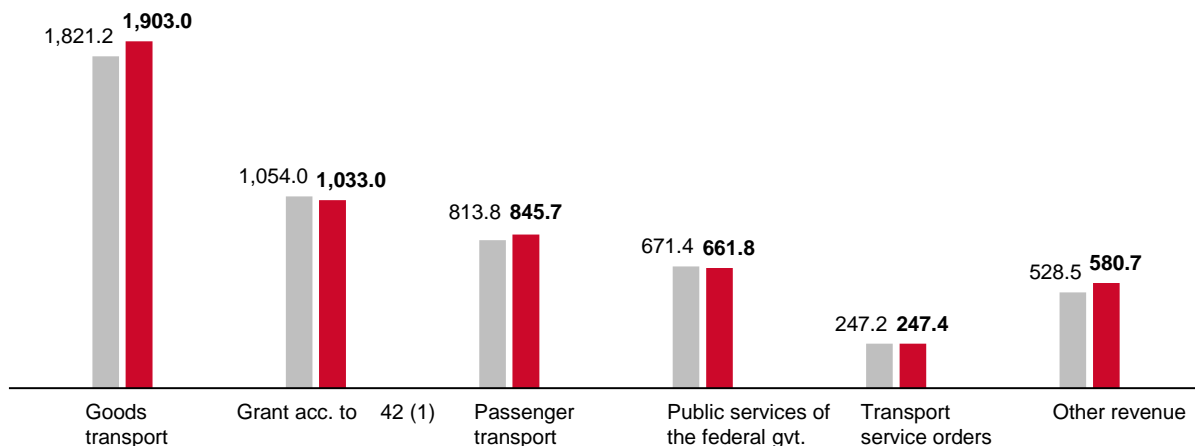
Due to the increase in revenues and the decrease of the average number of staff from 45,352 to 43,300 employees, the figure "Total income per employee"⁴ increased to EUR144,000 (prior year: EUR134,000). The revenue generated abroad amounting to EUR1,488.6 million (prior year: EUR1,367.9 million) accounts for about 17% (prior year: 16%) of the unconsolidated Group revenue.

⁴ Total income per employee: total income/average number of staff

The following diagram shows the revenue according to the Consolidated Financial Statements in the amount of EUR5,271.6 million (prior year: EUR5,136.1 million) according to its respective origin.

Development of the revenues of the ÖBB-Group according to their origin in mil. EUR

■ 2010: 5,136.1 ■ 2011: 5,271.6



In 2011, 36% (prior year: 37%) of the revenue or EUR1,903.0 million (prior year: EUR1,821.2 million) were generated by direct sales in the Rail Cargo Austria sub-group, 16% (prior year: 16%) were generated by direct sales of passenger transport services in the market in the amount of EUR845.7 million. The transport services commissioned by the federal states and the communities increased slightly by EUR0.2 million to EUR247.4 million.

Other revenue generated in the market increased by 10% compared to the prior year to EUR580.7 million (prior year: EUR528.5 million). This amount comprises income from rent and lease amounting to EUR172.9.8 million (prior year: EUR166.8 million) and income from the trade in energy amounting to EUR200.9 million (prior year: EUR163.7 million).

The payments made by the federal government are indicated by sub-group and origin in the following table:

Payments of the federal government in mil. EUR	Sub-groups			Total
	ÖBB-Personen- verkehr	Rail Cargo- Austria	ÖBB-Infra- struktur	
Government grant for operations according to § 42 (1) <i>Bundesbahngesetz</i>	-	-	1,033.0	1,033.0
	-	-	(PY: 1,054.0)	(PY: 1,054.0)
Public services ordered by the federal government according to § 48 <i>Bundesbahngesetz</i>	565.1	96.7	-	661.8
	(PY: 567.8)	(PY: 103.6)	-	(PY: 671.4)
Revenues for infrastructure according to § 42 (2) <i>Bundesbahngesetz</i>	-	-	390.7	390.7
	-	-	(PY: 308,0)	(PY: 308,0)
Total payments of the federal government	565.1	96.7	1,423.7	2,085.5
	(PY: 567.8)	(PY: 103.6)	(PY: 1,362.0)	(PY: 2,033.4)

According to § 42 *Bundesbahngesetz*, the federal government pays a grant for the costs of operation and provision of the infrastructure to the users and a grant for maintenance, planning and construction of the railway infrastructure. The payments made to the ÖBB-Personenverkehr sub-group result from the public service agreements on short-distance and long-distance passenger transport by railway concluded with the federal government pursuant to § 48 *Bundesbahngesetz* for several years. The payments made to the Rail Cargo Austria sub-group result from the transport of hazardous material and waste and from services provided in the framework of the combined transport.

In the financial year 2011, the government grant pursuant to § 42 (1) and (2) increased to EUR1,423.7 million (prior year: EUR1,362 million). The payment of the government for operations and provision decreased by EUR21.0 million compared to the prior year to EUR1,033.0 million (prior year: EUR1,054.0 million). These payments pursuant to § 42 (1) *Bundesbahngesetz* account for 20% of the consolidated revenue.

The revenue from public services for the federal government decreased by 1.4% to EUR661.8 million (prior year: EUR671.4 million). With distinction of the clients who commissioned the public transport services, the federal government accounts for 13% of the consolidated revenue, and the federal states and communities account for 5%.

Structure of revenue by sub-group

in mil. EUR	2011	2010	Change	Change in %
Sub-group ÖBB-Personenverkehr	1,748.6	1,719.5	29.1	2%
Sub-group Rail Cargo Austria	2,508.8	2,412.8	96.0	4%
Sub-group ÖBB-Infrastruktur	2,110.2	2,154.9	-44.7	-2%
ÖBB-Holding AG and other companies	1,007.7	973.6	34.1	4%
less consolidation of sub-groups	-2,103.7	-2,124.7	21.0	1%
Group revenue acc. to Consolidated Financial Statements	5,271.6	5,136.1	135.5	3%
Other income	978.2	945.7	32.5	3%
Total revenue	6,249.8	6,081.8	168.0	3%

Revenue of the ÖBB-Personenverkehr sub-group

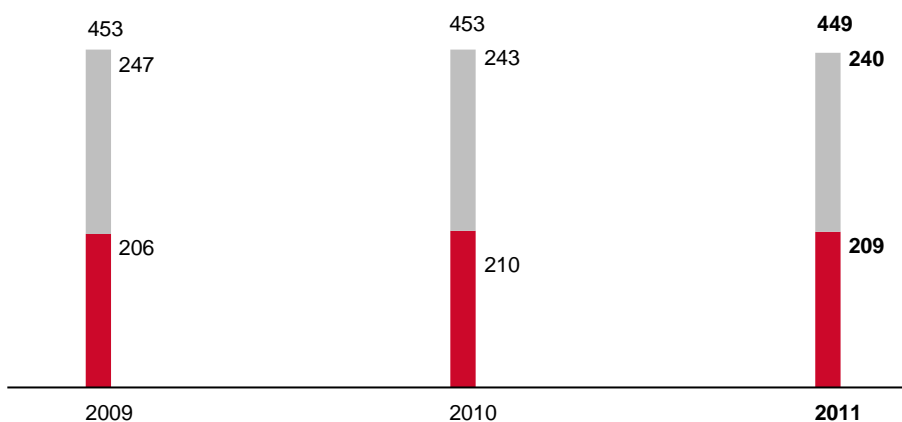
Overview	2011	2010	Change	Change in %
Mil. of transported passengers	449	453	-4	-0.9%
Sale of ÖBB regular customer cards	1,768,275	1,746,284	21,991	1.3%
Revenue in mil. EUR	1,748.6	1,719.5	29.1	1.7%
Total revenue in mil. EUR	1,782.4	1,747.3	35.1	2.0%
Total revenue per employee in thousand EUR	243	231	12	5.2%

Despite a slight decrease of the number of passengers to 209 million passengers (prior year: 210 million), the ÖBB-Personenverkehr sub-group achieved a 2% increase in total income. The number of passengers in the business unit Bus decreased as well to 240 million passengers in the financial year 2011 (prior year: 243 million). On the other hand, the sales of ÖBB regular customer cards - the VORTEILScard - increased by 1.3% to 1,768,275 cards (prior year: 1,746,284 cards) by means of targeted marketing activities.

With a number of staff averaging 7,321 employees (prior year: 7,551), the total income per employee equals EUR243,000 (prior year: EUR231,000). The part of the total group revenue generated abroad, which amounts to EUR140.3 million (prior year: EUR133.4 million), accounts for 8% (prior year: 11%).

Transported persons in mil.

■ Passengers railway ■ Passengers bus



Mil. of transported people	2009	2010	Change from 2009 to 2010	2011	Change from 2010 to 2011	Change from 2010 to 2011 in %
Long-distance railway transport	33	34	1	34	0	0%
Short-distance railway transport	173	176	3	175	-1	-1%
Total railway	206	210	4	209	-1	0%
Bus	247	243	-4	240	-3	-1%
Total	453	453	0	449	-4	-1%

Revenue of the sub-group ÖBB-Personenverkehr

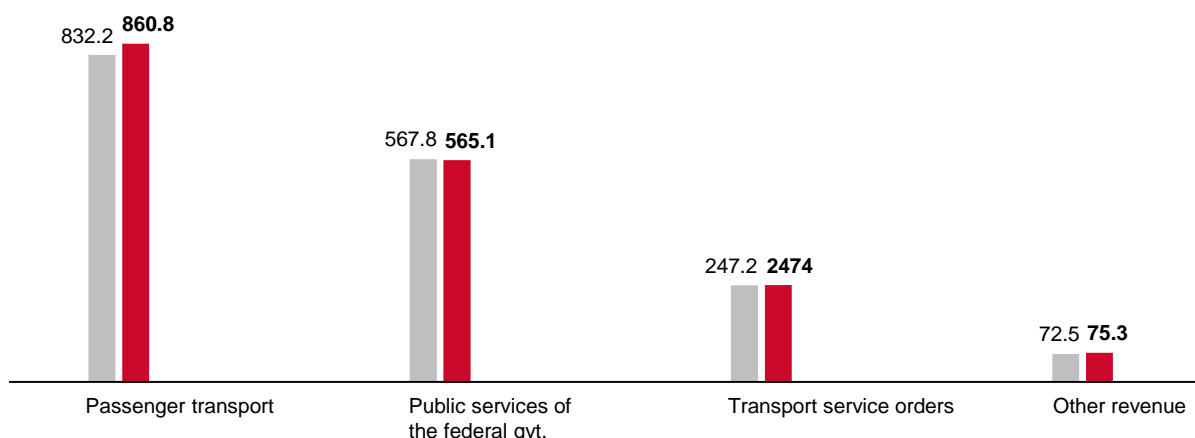
in mil. EUR	2011	2010	Change	Change in %
Total Group revenue	1,781.8	1,187.1	594.7	50.1%
<i>thereof abroad</i>	140.3	133.4	6.9	5.2%
Income from public service orders	565.1	567.8	-2.7	-0.5%
Intra-group revenue	-598.3	-35.4	-562.9	-1590.1%
Group revenue	1,748.6	1,719.5	29.1	1.7%
Other income	33.8	27.8	6.0	21.6%
Total revenues of the Group	1,782.4	1,747.3	35.1	2.0%
<i>thereof with other entities of the ÖBB Group</i>	26.4	25.6	0.8	3.1%

With respect to the revenue, an increase of 1.7% to EUR1,748.6 million (prior year: EUR1,719.5 million) was registered in the year under review 2011. Direct sales in the market (railways and bus) amounted to EUR860.8 million (prior year: EUR663.4 million) and account for 49% (prior year: 39%) of the sub-group's revenue. The execution of public service orders commissioned by the public authorities accounts for 46% (prior year: 57%) of revenue. Orders of the states and communities account for EUR247.4 million (prior year: EUR247.2 million) and orders of the federal government for EUR565.1 million (prior year: EUR567.8 million).

The other revenue comprises income from rent and lease amounting to EUR40.0 million (prior year: EUR34.9 million) and maintenance income amounting to EUR9.7 million (prior year: EUR11.2 million). Revenue generated abroad - mainly in Germany and Eastern Europe - increased by EUR6.9 million or 5%.

Revenue of the ÖBB-Personenverkehr sub-group in mil. EUR

■ 2010: 1,719.5 ■ 2011: 1,748.6



Revenue of the Rail Cargo Austria sub-group

Overview	2011	2010	Change	Change in %
Volume of goods transported in mil. tonnes (consolidated)	123.7	124.1	-0.4	-0.3%
Revenue in mil. EUR	2,508.8	2,412.8	96.0	4.0%
Total revenue in mil. EUR	2,602.9	2,495.2	107.7	4.3%
Total revenue per employee in thousand EUR	253	227	26	11.4%

Despite the difficult economic situation, the Rail Cargo Austria sub-group was able to increase its total income by 4% to EUR2,602.9 million (prior year: EUR2,495.2 million). The transport volume in tons is an important performance indicator for the transport business of the Rail Cargo Austria sub-group. Contrary to the prior year, the transported volume indicated in the table below is consolidated for the entire Group. The prior year amounts were adjusted accordingly.

With a number of staff averaging 10,292 employees (prior year: 11,002 employees), the total income per employee amounts to EUR253,000 (prior year: EUR227,000). The part of the unconsolidated revenue generated abroad, which amounts to EUR1,210.4 million (prior year: EUR1,136.6 million), accounts for 37% as in the prior year. Thus, the revenue generated abroad increased by EUR73.8 million or 6%.

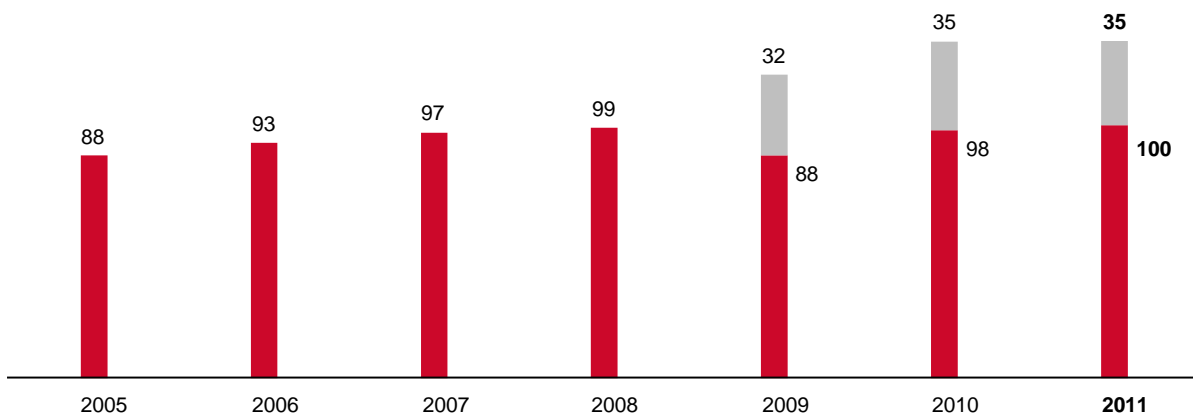
Transported volume in mil. tons (consolidated)	2011	2010	Change	Change in %
Conventional wagonload transport	89.4	89.2	0.2	0.2%
Unaccompanied combined transport	19.1	19.0	0.1	0.5%
Combined road/railway transport	13.5	14.3	-0.8	-5.6%
General cargo	1.7	1.6	0.1	6.2%
Total	123.7	124.1	-0.4	-0.3%

The Rail Cargo Austria sub-group recorded a slight decrease of the consolidated volumes in goods transport by 124.1 million to 123.7 million tons in the year under review compared to the prior year.

Billions of tonnage-kilometers (consolidated)	2011	2010	Change	Change in %
Conventional wagonload transport	20.6	20.0	0.6	3.0%
Unaccompanied combined transport	4.1	3.5	0.6	17.1%
Combined road/railway transport	2.6	2.4	0.2	8.3%
General cargo	0.0	0.0	0.0	-
Total	27.3	25.9	1.4	5.4%

Tonnes transported in mil. (not consolidated)

■ Rail Cargo Austria AG ■ Rail Cargo Hungaria Zrt.



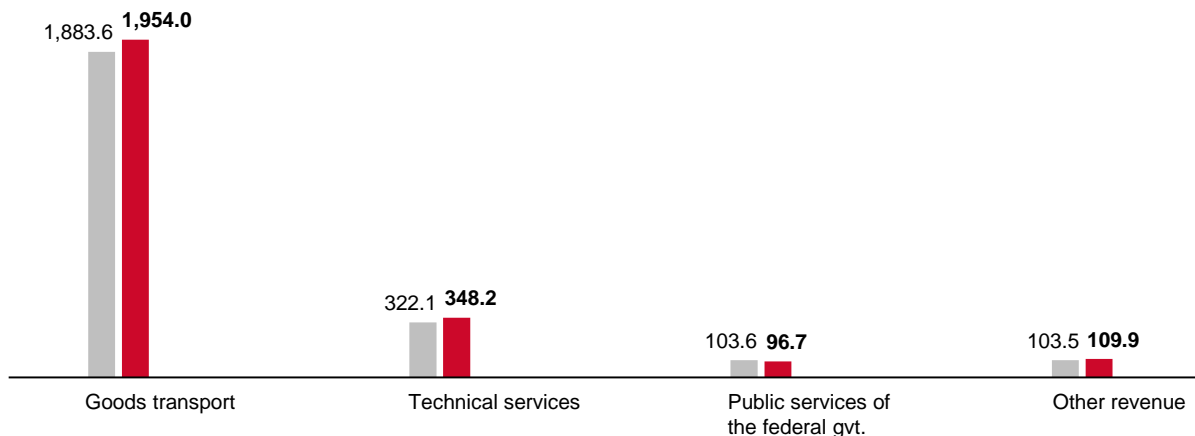
Revenue of the Rail Cargo Austria sub-group

Revenue of the Rail Cargo Austria sub-group (in mil. EUR)	2011	2010	Change	Change in %
Total Group revenue	3,261.8	3,064.2	197.6	6%
<i>thereof abroad</i>	1,210.4	1,136.6	73.8	6%
Income from public service orders	96.7	103.6	-6.9	-7%
Intra-group revenue	-849.7	-755.0	-94.7	-13%
Group revenue	2,508.8	2,412.8	96.0	4%
Other income	94.1	82.4	11.7	14%
Total revenues of the Group	2,602.9	2,495.2	107.7	4%
<i>thereof with other entities of the ÖBB Group</i>	403.0	414.0	-11.0	-3%

In total, revenue of the Rail Cargo Austria sub-group increased by 4% to EUR2,508.8 million (prior year: EUR2,412.8 million). Revenue generated from goods transport services directly in the market accounts for EUR1,954.0 million or 78% (prior year: EUR1,883.6 million or 78%). The compensation of the federal government for the execution of public service orders accounts for EUR96.7 million or 4% of revenue (prior year: EUR103.6 million or 4%). The item "Other revenue" comprises revenues from rent and lease amounting to EUR66.7 million (prior year: EUR65.4 million). ÖBB-Technische Services-Gesellschaft mbH accounts for EUR348.2 million.

Development of revenue of the Rail Cargo Austria sub-group in mil. EUR

■ 2010: 2,412.8 ■ 2011: 2,508.8



Revenue of the ÖBB-Infrastruktur sub-group

Overview	2011	2010	Change	Change in %
Mil. train-kilometers	144	148	-4	-3%
Total gross tonnage-kilometers in mil.	73,963	73,863	100	0%
Total consumption of traction power in GWh	1,928	2,044	-116	-6%
Useable floor space of real estate in thousand m ²	2,731	2,719	12	0%
Revenue in mil. EUR	2,110.2	2,154.9	-44.7	-2%
Total revenue in mil. EUR	2,936.7	2,890.6	46.1	2%
Total revenue per employee in thousand EUR	171	158	13	8%

The revenue decreased by 2% compared to the prior year. The train-kilometer performance decreased by 3% compared to the prior year to 144 million Tkm (prior year: 148 million Tkm).

Income per employee at an average of 17,214 employees (prior year: 18,333 employees) amounts to EUR171,000 (prior year: EUR158,000).

**Development of train-kilometers
by type of transport in mil.**

	2011	2010	Change	Change in %
Passenger transport	93	96	-3	-3%
<i>thereof ÖBB Group</i>	92	95	-3	-3%
Goods transport	43	44	-1	-2%
<i>thereof ÖBB Group</i>	38	40	-2	-5%
Service trains and locomotive trains	8	8	0	0%
<i>thereof ÖBB Group</i>	7	7	0	0%
Total	144	148	-4	-3%

An indicator for the assessment of the business development is the development of the total gross tonnage-kilometers (TGTKm), which increased by 100 million TGTKm in the financial year 2011. While external railway undertakings accounted for 5.7 million TGTKm or 8% of the total in the financial year 2010, in 2011 they accounted for 6.6 million TGTKm, which corresponds to 9% of the total.

**Development of gross tonnage-kilometers
by type of transport in mil.**

	2011	2010	Change	Change in %
Passenger transport	27,619	27,605	14	0%
<i>thereof ÖBB Group</i>	27,294	27,383	-89	0%
Goods transport	45,206	45,120	86	0%
<i>thereof ÖBB Group</i>	39,097	39,722	-625	-2%
Service and locomotive trains	1,138	1,138	0	0%
<i>thereof ÖBB Group</i>	951	1,041	-90	-9%
Total	73,963	73,863	100	0%

The self-produced kilowatt-hours of electricity amounting to 594 GWh (prior year: 699 GWh) and the floor space of properties rented out constitute further performance indicators for the revenue generated. The floor area of the buildings is the same as in the prior year, i.e. 2.7 million m² surface. Of these 2.7 million m², almost one third is rented out to third parties. The rest is rented out within the Group or used by the ÖBB-Infrastruktur group itself.

Development of the electricity sector:

Traction power in GWh

	2011	2010	Change	Change in %
Production of traction power	594	699	-105	-15%
Purchased traction power	1,334	1,345	-11	-1%
Total consumption of traction power	1,928	2,044	-116	-6%

Development of the areas rented out:

Useable real estate areas in thousand m²

	2011	2010	Change	Change in %
Usage by external parties (outside the Group)	850	826	24	3%
Usage by Group companies	364	382	-18	-5%
Usage by the ÖBB-Infrastruktur Group	476	490	-14	-3%
Vacant and public space	1,041	1,021	20	2%
Total portfolio	2,731	2,719	12	0%

Revenue of the ÖBB-Infrastruktur sub-group

in mil. EUR	2011	2010	Change	Change in %
Total Group revenue	2,479.9	2,497.1	-17.2	-1%
Intra-group revenue	-369.7	-342.2	-27.5	-8%
Group revenue	2,110.2	2,154.9	-44.7	-2%
Other income	826.5	735.7	90.8	12%
Total revenues of the Group	2,936.7	2,890.6	46.1	2%
<i>thereof with other entities of the ÖBB Group</i>	764.3	793.6	-29.3	-4%

As detailed above, the revenue of the sub-group amounted to EUR2,110.2 million (prior year: EUR2,154.9 million); EUR743.8 million (prior year: EUR786.8 million) of this amount were generated with companies of other sub-groups of the ÖBB Group. The revenue is generated primarily within Austria. Revenue, mainly from the supply of power, in the amount of EUR112.4 million (prior year: EUR75.7 million) was generated with customers abroad.

B.4. Result of operations

Result of operations of the ÖBB-Group

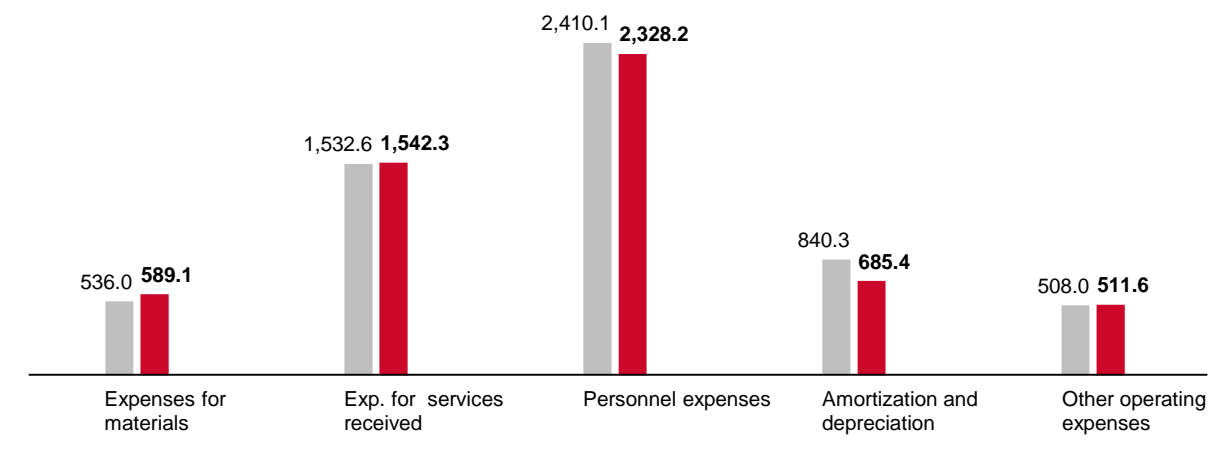
Overview	2011	2010	Change	Change in %
EBIT in mil. EUR	593.2	254.8	338.4	133%
EBIT margin in %	9.5%	4.2%	5.3%	126%
EBITDA in mil. EUR	1,278.6	1,095.1	183.5	17%
EBT in mil. EUR	-27.9	-329.8	301.9	92%
Return on equity in %	-2.0%	-22.3%	20.3%	91%
Return on assets in %	2.6%	1.2%	1.4%	117%

Structure of the Consolidated Income Statement (in mil. EUR)	2011	in % of the total income	2010	in % of the total income	Change	Change in %
Revenue	5,271.6	84%	5,136.1	84%	135.5	3%
Other own work capitalized	392.5	6%	404.9	7%	-12.4	-3%
Other revenue and increase/decrease of inventories	585.7	9%	540.8	9%	44.9	8%
Total income	6,249.8	100%	6,081.8	100%	168.0	3%
Expenses for materials	589.1	9%	536.0	9%	53.1	10%
Expenses for services received	1,542.3	25%	1,532.6	25%	9.7	1%
Personnel expenses	2,328.2	37%	2,410.1	40%	-81.9	-3%
Amortization and depreciation (incl. impairments)	685.4	11%	840.3	14%	-154.9	-18%
Other operating expenses	511.6	8%	508.0	8%	3.6	1%
Total expenses	5,656.6	91%	5,827.0	96%	-170.4	-3%
EBIT	593.2	9%	254.8	4%	338.4	133%
Financial result	-621.1	-10%	-584.6	-10%	-36.5	-6%
EBT	-27.9	0%	-329.8	-5%	301.9	-92%

At an amount of EUR6,249.8 million (prior year: EUR6,081.8 million), the total income increased by 3% compared to the prior year. The EBIT of the ÖBB Group increased by 133% to EUR593.2 million (prior year: EUR254.8 million) during the year under review. Accordingly, the EBIT margin⁵ increased from 4.2% in the prior year to 9.5%. After the negative result of -EUR329.8 million in the prior year, this year shows a negative EBT of -EUR27.9 million. The EBITDA⁶ amounts to EUR1,278.6 million (prior year: EUR1,095.1 million). The return on equity⁷ increased to -2.0% (prior year: -22.3%), the return on assets⁸ amounts to 2.6% (prior year: 1.2%).

Development of operating expenses in mil. EUR

■ 2010: 5,827.0 ■ 2011: 5,656.6



⁵ EBIT margin: EBIT/total income

⁶ EBITDA: EBIT + depreciation and amortization

⁷ return on equity: EBT/shareholder's equity

⁸ return on assets: EBIT/total capital

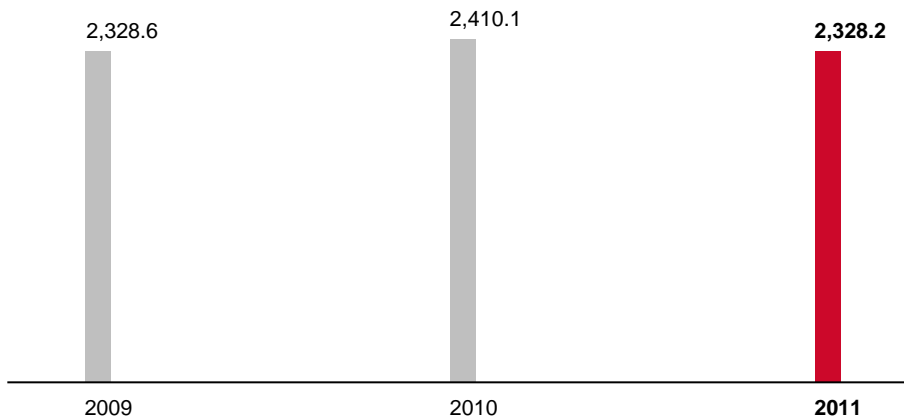
The total expenses decreased by EUR170.4 million to EUR5,656.6 million (prior year: EUR5,827.0 million) in the financial year 2011.

The personnel expenses decreased by 3% compared to the prior year to EUR2,328.2 million (prior year: EUR2,410.1 million) and still constitute the largest expense category. The average personnel expenses per employee amount to EUR54,000 (prior year: EUR53,000). The personnel cost/total income ratio, which measures the share of the personnel expenses in the total income, decreased to 37% (prior year: 40%).

Expenses for materials increased to EUR589.1 million (prior year: EUR536.0 million). This item comprises expenses for purchased traction power amounting to EUR298.2 million (prior year: EUR272.9 million) and expenses for liquid fuels amounting to EUR98.6 million (prior year: EUR84.7 million).

The expenses for services received amounting to EUR1,542.3 million (prior year: EUR1,532.6 million) constitute the second largest expense category. This item primarily comprises fees for rented vehicles, transport services and infrastructure usage charges for third-party railways. Furthermore, this item comprises other services received consisting primarily of goods and services that cannot be capitalized in connection with repairs, maintenance, cleaning and other services in the freight forwarding sector. The combined share of expenses for materials and services received in the total income is 34% as in the prior year. Depreciation and amortization expenses decreased by EUR154.9 million to EUR685.4 million (prior year: EUR840.3 million).

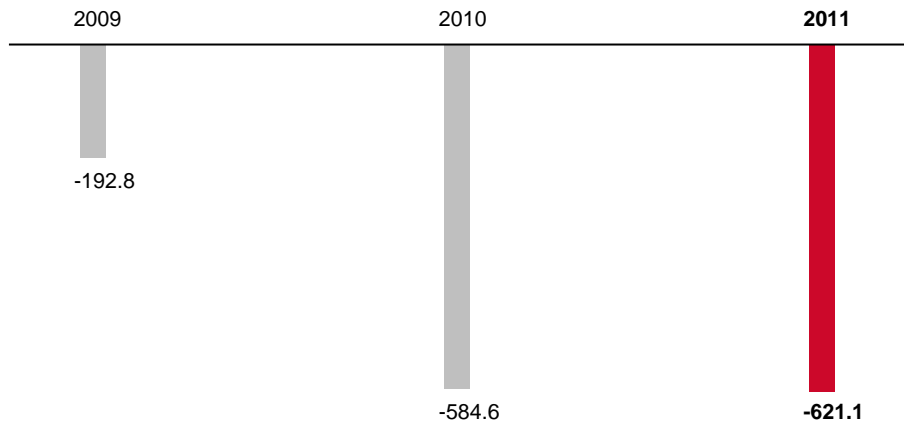
Development of personnel expenses in mil. EUR



Due to the decrease of the average number of staff by 5% to 43,300 employees, the personnel expenses decreased by 3% compared to the prior year to EUR2,328.2 million (prior year: EUR2,410.1 million). Details regarding the personnel structure and the development of the number of staff are given in Chapter C. Personnel Report of the Management Report.

A reduction was achieved for taxes and duties (-0.5% to EUR41.9 million), operating costs (-10% to EUR119.8 million), rent, leasing and licensing expenses (-16% to EUR34.2 million), expenses for information technology and office supplies (-9% to EUR30.1 million), and brokerage fees (-11% to EUR11.1 million). The other expenses increased (+13% to EUR250.2 million). In total however, the other operating expenses increased by EUR3.6 million or 1% to EUR511.6 million (prior year: EUR508.0 million).

Development of the financial result in mil. EUR



The ÖBB Group presents a negative financial result amounting to -EUR621.1 million (prior year: -EUR584.6 million) for the reporting year 2011.

Result of operations of the ÖBB-Personenverkehr sub-group

Overview	2011	2010	Change	Change in %
Revenue in mil. EUR	1,748.6	1,719.5	29.1	1.7%
Total income in mil. EUR	1,782.4	1,747.3	35.1	2.0%
Total expenses in mil. EUR	-1,722.1	-1,714.2	-7.9	-0.5%
EBIT in mil. EUR	60.3	33.1	27.2	82.2%
EBIT margin in %	3.4%	1.9%	1.5%	78.9%
EBITDA in mil. EUR	146.1	111.8	34.3	30.7%
Financial result in mil. EUR	-44.4	-46.1	1.7	3.7%
EBT in mil. EUR	15.9	-13.0	28.9	222.3%
Return on equity in %	3.3%	-2.6%	5.9%	226.9%
Return on assets in %	2.0%	1.1%	0.9%	81.8%

The ÖBB-Personenverkehr sub-group achieved an increase in revenue by 1.7% to EUR1,748.6 million (prior year: EUR1,719.5 million) during the year under review. Expenses for materials increased by 9.1% to EUR133.4 million (prior year: EUR122.3 million). After a positive result amounting to EUR33.1 million in the prior year, the sub-group presents an EBIT amounting to EUR60.3 million in the financial year 2011. The financial result increased to -EUR44.4 million (prior year: -EUR46.1 million). The sub-group presents a positive EBT amounting to EUR15.9 million for the financial year 2011 (prior year: -EUR13.0 million). The return on equity amounted to 3.3% in 2011 (prior year: -2.6%), the return on assets amounted to 2.0% (prior year: 1.1%). The EBIT margin increased from 1.9% in the prior year to 3.4%. The EBITDA amounts to EUR146.1 million (prior year: EUR111.8 million).

The personnel expenses of the sub-group were reduced by EUR7.2 million or 2% compared to the prior year to EUR376.8 million in the financial year 2011 (prior year: EUR384.0 million). The average personnel expenses per employee amount to EUR52,000 (prior year: EUR51,000). The share of the personnel expenses in the total income was reduced to 21% (prior year: 22%). The expenses for materials amounting to EUR133.4 million (prior year: EUR122.3 million) comprise, among others, expenses for traction power amounting to EUR42.1 million (prior year: EUR43.8 million) and for liquid fuels amounting to EUR56.7 million (prior year: EUR47.4 million). The services received increased by 3% compared to the prior year to EUR972.5 million (prior year: EUR946.7 million). This item comprises fees for rented vehicles amounting to EUR25.7 million (prior year: EUR33.0 million), transport services amounting to EUR445.3 million (prior year: EUR438.1 million) and infrastructure usage charges for third-party railways amounting to EUR257.8 million (prior year: EUR254.5 million). The combined share of the expenses for materials and services received in the total income accounted for 62% (prior year: 61%).

Result of operations of the Rail Cargo Austria sub-group

Overview	2011	2010	Change	Change in %
Revenue in mil. EUR	2,508.8	2,412.8	96.0	4.0%
Total income in mil. EUR	2,602.9	2,495.2	107.7	4.3%
Total expenses in mil. EUR	-2,591.2	-2,774.6	183.4	6.6%
EBIT in mil. EUR	11.7	-279.4	291.1	104.2%
EBIT margin in %	0.4%	-11.2%	11.6%	103.6%
EBITDA in mil. EUR	90.4	-59.1	149.5	253.0%
Financial result in mil. EUR	-60.3	-73.8	13.5	18.3%
EBT in mil. EUR	-48.6	-353.2	304.6	86.2%
Return on equity in %	*)	*)	*)	*)
Return on assets in %	0.6%	-12.3%	12.9%	104.9%

*) Ratio not significant

In the financial year 2011, major steps were taken towards management of the crisis. The Rail Cargo Austria sub-group was able to increase the EBIT to EUR11.7 million (prior year: -EUR279.4 million). Thus, despite several special negative effects, the EBIT was in the positive range for the first time since 2007. In the year under review, this increase of the EBIT amounted to EUR291.1 million. The increase in total income by 4.3% to EUR2,602.9 million (prior year: EUR2,495.2 million) results in an EBIT margin of 0.4%, after -11% in the prior year. The financial result increased from -EUR73.8 million in the prior year to -EUR60.3 million, which is mainly due to the omission of an impairment made in the financial year 2010 in the amount of EUR43.6 million. On the other hand, the interest result decreased by EUR12.2 million due to the debt situation of the sub-group. Furthermore, the EUR funding of Rail Cargo Hungaria Zrt. resulted in measurement losses amounting to EUR18.3 million. Accordingly, an EBT of -EUR48.6 million (prior year: -EUR353.2 million) is recognized for 2011. Due to the negative amount of the shareholder's equity, the return on equity was not calculated. The return on assets amounts to 0.6% (prior year: -12.3%), and the EBITDA amounts to EUR90.4 million (prior year: -EUR59.1 million).

The total expenses of the Rail Cargo Austria sub-group amounting to EUR2,591.2 million (prior year: EUR2,774.6 million) were 6.6% lower than in the prior year. The expenses for services received, which decreased by 0.2% to EUR1,687.4 million (prior year: EUR1,690.8 million) in the year under review, constitute the largest expense category. This item comprises expenses for transport services, infrastructure usage charges including public services and personnel leasing, rent for railway and road vehicles and other services. The personnel expenses decreased to EUR426.3 million in the year under review (prior year: EUR463.7 million). As the average number of staff decreased, the average personnel expenses per employee decreased from EUR42,000 in the prior year to EUR41,000. The share of the personnel expenses in the total income was 16% (prior year: 19%). The total of the expenses for materials and services received corresponds to 72% (prior year: 75%) of the total income.

Result of operations of the ÖBB-Infrastruktur sub-group

Overview	2011	2010	Change	Change in %
Revenue in mil. EUR	2,110.2	2,154.9	-44.7	-2.1%
Total income in mil. EUR	2,936.7	2,890.6	46.1	1.6%
Total expenses in mil. EUR	-2,392.7	-2,394.1	1.4	0.1%
EBIT in mil. EUR	544.0	496.5	47.5	9.6%
EBIT margin in %	18.5%	17.2%	1.3%	7.7%
EBITDA in mil. EUR	1,025.7	949.2	76.5	8.1%
Financial result in mil. EUR	-535.6	-485.6	-50.0	-10.3%
EBT in mil. EUR	8.4	10.9	-2.5	-22.9%
Return on equity in %	0.8%	1.0%	-0.2%	-20.0%

The total income of the ÖBB-Infrastruktur sub-group amounted to EUR2,936.7 million in the year under review (prior year: EUR2,890.6 million), i.e. with a number of staff averaging 17,214 employees (prior year: 18,333 employees), the income per employee amounted to EUR171,000 (prior year: EUR158,000). This means that the total income increased by EUR46.1 million or 1.6% compared to 2010. This increase results on the one hand from an increase of the government grant pursuant to § 42 *Bundesbahngesetz* and on the other hand from an increase of the infrastructure usage charge due to the increase in train-kilometers, gross tonnage-kilometers and prices. Furthermore, the revenue generated from energy supplies increased due to higher electricity prices and sales to external railway undertakings and industrial companies.

The ÖBB-Infrastruktur sub-group generated an EBIT of EUR544.0 million in 2011 (prior year: EUR496.5 million) and an EBIT margin⁹ of 18.5% (prior year: 17.2%).

The ÖBB-Infrastruktur sub-group generated a negative financial result of EUR535.6 million in the reporting year (prior year: -EUR485.6 million). The EBT amounted to EUR8.4 million in 2011 (prior year: EUR10.9 million).

The total expenses of the sub-group decreased by 0.1% to EUR2,392.7 million in 2011 (prior year: EUR2,394.1 million). The personnel expenses constituted the largest expense item in 2011, decreasing by 5% to EUR1,041.4 million (prior year: EUR1,093.6 million). Average personnel expenses per employee amounted to EUR60,000 as in the prior year. The share of the personnel expenses in the total income of the sub-group corresponds to 35% (prior year: 38%). The second largest expense item is constituted by depreciation and amortization because of the operational responsibility of the sub-group. Due to increased investments in the prior years, this item increased by 6% to EUR481,7 million in the year under review (prior year: EUR452,7 million). As in the prior year, 20% of the total income are allotted to expenses for materials and expenses for services received.

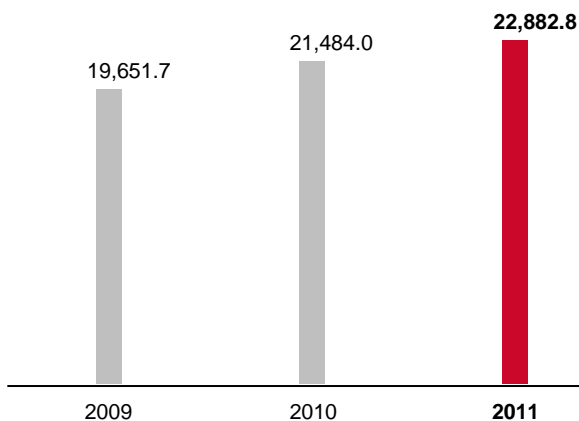
B.5. Result of operation and financial position

Net assets and financial position of the ÖBB-group

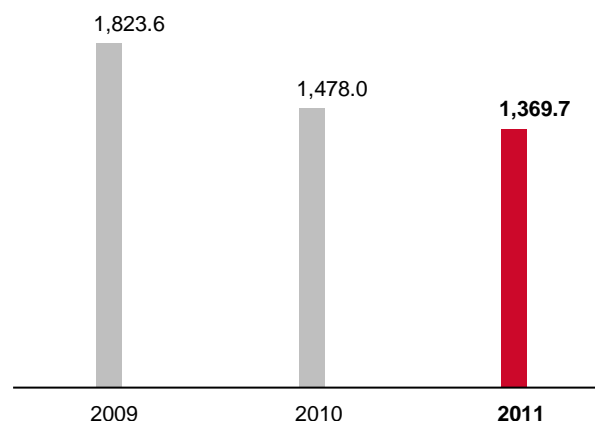
Overview	2011	2010	Change	Change in %
Total assets in mil. EUR	22,882.8	21,484.0	1,398.8	7%
PP&E-to-total-assets ratio in %	86%	85%	1%	1%
PP&E-to-net-worth ratio in %	7%	8%	-1%	-13%
PP&E-to-net-worth ratio II in %	103%	99%	4%	4%
Working capital in mil. EUR	-211.3	-75.5	-135.8	-180%
Equity ratio in %	6%	7%	-1%	-14%
Cash-effective change of funds in mil. EUR	79.8	96.8	-17.0	-18%

Structure of the Statement of Financial Position (in mil. EUR)	Dec 31, 2009	Dec 31, 2010	Structure		Structure 2011	Change from 2010 to 2011
			2010	Dec 31, 2011		
Non-current assets	18,439.1	20,057.6	93%	21,435.0	94%	1,377.4
Current assets	1,212.6	1,426.4	7%	1,447.8	6%	21.4
Total assets	19,651.7	21,484.0	100%	22,882.8	100%	1,398.8
Shareholder's equity	1,823.6	1,478.0	7%	1,369.7	6%	-108.3
Non-current liabilities	14,349.6	16,558.6	77%	18,724.4	82%	2,165.8
Current liabilities	3,478.5	3,447.4	16%	2,788.7	12%	-658.7

Development of total assets in mil. EUR



Development of equity in mil. EUR



⁹ EBIT margin: EBIT/total income

Mainly because of the investments in property, plant and equipment, total assets of the ÖBB Group increased by 7% to EUR22,882.8 million in the year under review (prior year: EUR21,484.0 million). As of the reporting date, the property, plant and equipment accounted for 86% (prior year: 85%) of total assets (PP&E-to-total-assets ratio¹⁰). These investments were primarily financed with borrowings through the issue of bonds. The PP&E-to-net-worth ratio¹¹ was 7% as of December 31, 2011 (prior year: 8%). Taking the non-current borrowings into account, the PP&E-to-net-worth ratio II¹² is 102% (prior year: 99%).

The working capital¹³ amounts to -EUR211.3 million (prior year: -EUR75.5 million).

As of December 31, 2011, the ÖBB Group presents an equity ratio¹⁴ of 6% (prior year: 7%). The increase of total on the liabilities side is primarily due to new issues of bonds.

Notes on the Consolidated Cash Flow Statement

The free cash flow¹⁵ increased to -EUR1,227.0 million in the reporting year (prior year:-EUR1,857.8 million). The cash effective change of funds and cash equivalents changed from -EUR96.8 million to EUR79.8 million.

Extract from the Consolidated Cash Flow Statement

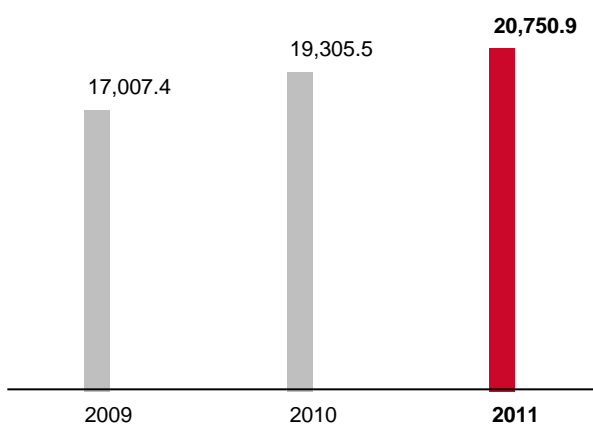
in mil. EUR	Dec 31, 2011	Dec 31, 2010	Change
Cash flow from operating activities	585.6	463.7	121.9
Cash flow from investing activities	-1,914.0	-2,321.5	407.5
Free cash flow	-1,328.4	-1,857.8	529.4
Cash flow from financing activities	1,408.2	1,954.6	-546.4
Cash-effective change of funds	79.8	96.8	-17.0

The detailed Consolidated Cash Flow Statement is included in the Notes on the Consolidated Financial Statement.

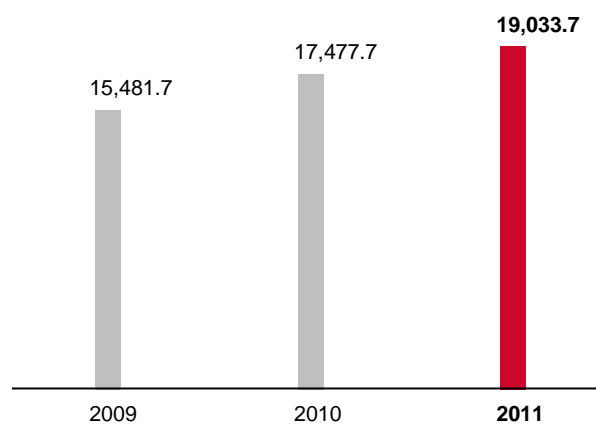
Liabilities

The liabilities of the ÖBB Group amounted to a total of EUR20,750.9 million in 2011 (prior year: EUR19,305.5 million) and were composed as illustrated by the diagram below. The external financing of the ÖBB Group is mainly procured by means of bonds. These bonds are recognized in the Statement of Financial Position of ÖBB-Infrastruktur AG at an amount of EUR12,018.9 million (prior year: EUR10,696.1 million).

Liabilities in mil. EUR



Financial liabilities in mil. EUR



¹⁰ PP&E-to-total assets ratio: property, plant and equipment/total assets

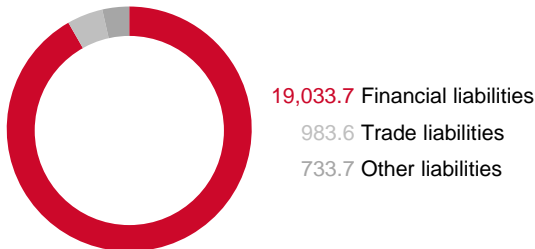
¹¹ PP&E-to-net-worth ratio: shareholder's equity*100/property, plant and equipment

¹² PP&E-to-net-worth ratio II: (shareholder's equity + non-current borrowings)/property, plant and equipment

¹³ Working capital: inventories + trade receivables + down payments on non-current assets - trade payables - down payments on orders received

¹⁴ Equity ratio: shareholder's equity/total capital

¹⁵ Cash flow from operating activities + cash flow from investing activities

Composition and residual terms of liabilities as of Dec 31, 2011 (in mil. EUR)

The financial liabilities of the ÖBB Group comprise all liabilities from bonds as well as liabilities due to banks and EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial AG [European Company for the Financing of Railroad Rolling Stock]. In total, the financial liabilities increased by 8.9% or EUR1,556.0 million to EUR19,033.7 million in the year under review (prior year: EUR17,477.7 million). The residual terms of the liabilities are indicated in the following table.

Terms of the liabilities (in mil. EUR)	Total	Current	in %	Non-current	in %
Financial liabilities	19,033.7	961.6	5.1%	18,072.1	94.9%
Trade payables	983.6	983.6	100.0%	0.0	0.0%
Other liabilities	733.7	432.6	59.0%	301.1	41.0%

Net assets and financial position of the ÖBB-Personenverkehr sub-group

Overview	2011	2010	Change	Change in %
Total assets in mil. EUR	2,945.2	2,971.7	-26.5	-1%
PP&E-to-total-assets ratio in %	62%	62%	0%	0%
PP&E-to-net-worth ratio in %	27%	27%	0%	0%
PP&E-to-net-worth ratio II in %	128%	125%	3%	2%
Equity ratio in %	17%	17%	0%	0%

Structure of the Statement of Financial Position (in mil. EUR)	Dec 31, 2009	Dec 31, 2010	Structure 2010	Dec 31, 2011	Structure 2011	Change from 2010 to 2011
Non-current assets	2,601.4	2,579.0	87%	2,493.8	85%	-85.2
Current assets	293.3	392.7	13%	451.4	15%	58.7
Total assets	2,894.7	2,971.7	100%	2,945.2	100%	-26.5
Shareholder's equity	506.8	492.6	17%	488.0	17%	-4.6
Non-current liabilities	1,373.0	1,791.6	60%	1,869.2	63%	77.6
Current liabilities	1,014.9	687.5	23%	588.0	20%	-99.5

The total assets of the ÖBB-Personenverkehr sub-group decreased by EUR26.5 million to EUR2,945.2 million in the year under review (prior year: EUR2,971.7 million). As in the prior year, property, plant and equipment accounted for 62% of the total assets (PP&E-to-total-assets ratio) as of the reporting date. The PP&E-to-net-worth ratio was 27% at this date as in the prior year, the PP&E-to-net-worth ratio II was 128% (prior year: 125%). The working capital amounted to -EUR51.9 million (prior year: EUR146.8 million). Following a decrease of the shareholder's equity by EUR4.6 million to EUR488.0 million (prior year: EUR492.6 million), the resulting equity ratio as of December 31, 2011, is 17% as in the prior year.

The liabilities of the ÖBB-Personenverkehr sub-group recorded a decrease in total by 2% to EUR2,300.4 million (prior year: EUR2,352.5 million). The financial liabilities decreased by EUR70.2 million or 3% to EUR1,936.3 million in the year under review (prior year: EUR2,006.5 million).

Net assets and financial position of the Rail Cargo Austria sub-group

Overview	2011	2010	Change	Change in %
Total assets in mil. EUR	2,071.5	2,274.0	-202.5	-9%
PP&E-to-total-assets ratio in %	39%	34%	5%	15%
PP&E-to-net-worth ratio in %	-14%	-2%	-12%	-600%
Equity ratio in %	-6%	-1%	-5%	-500%

Structure of the Statement of Financial Position (in mil. EUR)	Dec 31, 2009	Dec 31, 2010	Structure 2010	Dec 31, 2011	Structure 2011	Change from 2010 to 2011
Non-current assets	1,414.1	1,288.6	57%	1,253.5	61%	-35.1
Current assets	773.6	985.4	43%	818.0	39%	-167.4
Total assets	2,187.7	2,274.0	100%	2,071.5	100%	-202.5
Shareholder's equity	365.6	-15.7	-1%	-114.7	-6%	-99.0
Non-current liabilities	906.7	1,106.0	49%	1,074.3	52%	-31.7
Current liabilities	915.4	1,183.7	52%	1,111.9	54%	-71.8

Total assets of the sub-group decreased by EUR202.5 million or 9% compared to the prior year to EUR2,071.5 million (prior year: EUR2,274.0 million). Property, plant and equipment accounted for 39% (prior year: 34%) of total assets (PP&E-to-total-assets ratio) as of the reporting date. The PP&E-to-net-worth ratio is 14% (prior year: -2%). The working capital amounts to EUR216.8 million (prior year: EUR137.0 million). Following a decrease of the shareholder's equity by EUR99.0 million to -EUR114.7 million (prior year: EUR1576 million), the resulting equity ratio as of December 31, 2011, is -6% (prior year: -1%).

The liabilities of the sub-group recorded a decrease in total by EUR103.2 million or 5% to EUR1,974.7 million (prior year: EUR2,077.9 million). The financial liabilities increased to EUR1,528.3 million (prior year: EUR1,477.9 million).

Net assets and financial position of the ÖBB-Infrastruktur sub-group

Overview	2011	2010	Change	Change in %
Total assets in mil. EUR	19,028.9	17,756.3	1,272.6	7%
PP&E-to-total-assets ratio in %	85%	83%	2%	2%
PP&E-to-net-worth ratio in %	7%	8%	-1%	-13%
PP&E-to-net-worth ratio II in %	106%	104%	2%	2%
Equity ratio in %	6%	6%	0%	0%

Structure of the Statement of Financial Position (in mil. EUR)	Dec 31, 2009	Dec 31, 2010	Structure 2010	Dec 31, 2011	Structure 2011	Change from 2010 to 2011
Non-current assets	15,235.9	16,915.2	95%	18,162.7	95%	1,247.5
Current assets	665.8	841.1	5%	866.2	5%	25.1
Total assets	15,901.7	17,756.3	100%	19,028.9	100%	1,272.6
Shareholder's equity	1,096.5	1,133.3	6%	1,115.5	6%	-17.8
Non-current liabilities	12,643.6	14,170.9	80%	16,008.8	84%	1,837.9
Current liabilities	2,161.6	2,452.1	14%	1,904.6	10%	-547.5

Total assets of the ÖBB-Infrastruktur sub-group increased by 7% to EUR19,028.9 million (prior year: EUR17,756.3 million) as of the end of the year 2011. The PP&E-to-total-assets ratio was 85% (prior year: 83%). The PP&E-to-net-worth ratio was 7% as of the reporting date 2011 (prior year: 8%). Taking non-current borrowings into account, the resulting PP&E-to-net-worth ratio II is 106% (prior year: 104%). The working capital amounted to -EUR495.2 million (prior year: -EUR461.5 million). Following a decrease of the shareholder's equity by EUR17.8 million to EUR1,115.5 million (prior year: EUR1,133.3 million), the resulting equity ratio as of December 31, 2011, is 6% (prior year: 6%).

The liabilities of the ÖBB-Infrastruktur sub-group recorded an increase in total by 7.8% to EUR17,595.6 million in the year under review (prior year: EUR16,323.8 million). After an increase of the financial liabilities by 8.1% to EUR16,522.3 million (prior year: EUR15,290.4 million), this category accounts for 94% of all liabilities.

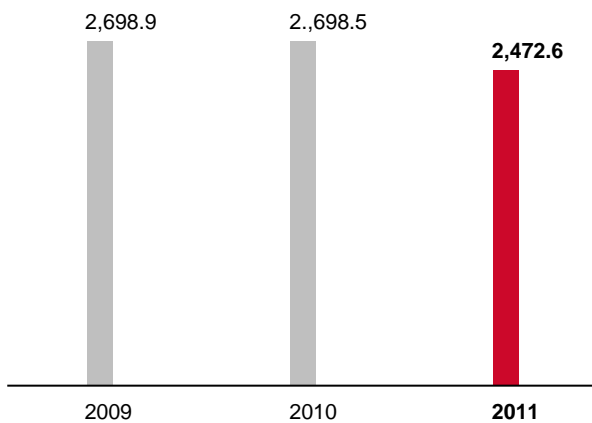
In the financial year 2011, fixed-interest bonds amounting to EUR2.3 billion were issued through the Euro Medium Term Note (EMTN) Program established in 2005 for financing of the infrastructure investments and refinancing of bonds due.

B.6. Capital expenditure and financing

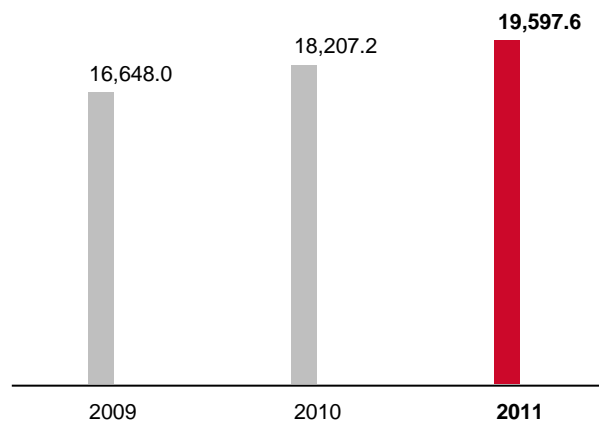
Overview	2011	2010	Change	Change in %
Capital expenditure in mil. EUR	2,472.6	2,698.5	-225.9	-8%
Capital expenditure ratio of total income in %	39%	42%	-3%	-7%
Capital expenditure ratio of carrying amounts in %	13%	15%	-2%	-13%

During the year under review, the ÖBB Group invested - capital expenditure being defined as an addition to the fixed assets at cost - in intangible assets and property, plant and equipment amounting to a total of EUR2,472.6 million (prior year: EUR2,698.5 million). This amount corresponds to a capital expenditure ratio of 39% (prior year: 42%) of total income¹⁶ or 13% (prior year: 15%) according to the carrying amounts¹⁷ as of January 01, 2011.

Capital expenditure in mil. EUR



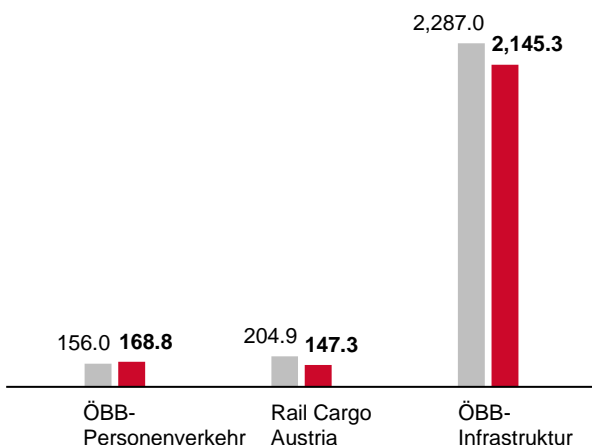
Property, plant and equipment in mil. EUR



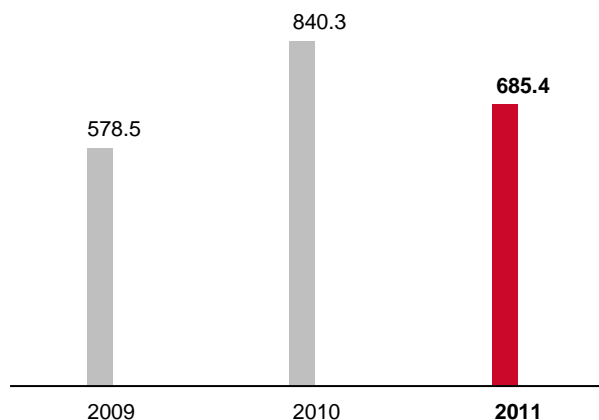
The largest part of the capital expenditures and financing measures was taken by the ÖBB-Infrastruktur sub-group. The property, plant and equipment of this sub-group with a carrying amount of EUR16,134.6 million (prior year: EUR14,741.6 million) account for about 82% (prior year: 81%) of the entire property, plant and equipment of the ÖBB Group, which amounts to EUR19,597.6 million (prior year: EUR18,207.2 million). The depreciation expenses decreased by EUR154.9 million to EUR685.4 million (prior year: EUR840.3 million), due mainly to a need for impairment of the fixed assets in the prior year.

Overview over capital expenditures of the sub-groups in mil. EUR

■ 2010: 2,647.9 ■ 2011: 2,461.4



Development of depreciations of the ÖBB-Group 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 amounts of PP&E as of January 01, 2011

Capital expenditures of the ÖBB-Personenverkehr sub-group

Overview	2011	2010	Change	Change in %
Capital expenditure in mil. EUR	168.8	156.0	12.8	8%
Capital expenditure ratio of total income in %	9%	9%	0%	0%
Capital expenditure ratio of carrying amounts in %	9%	9%	0%	0%

During the year under review, the ÖBB-Personenverkehr sub-group invested EUR168.8 million (prior year: EUR156.0 million) in intangible assets and property, plant and equipment. This corresponds to a capital expenditure ratio of 9% of the total income or 9% of the carrying amounts as of January 01, 2011, as in the prior year.

Capital expenditures	Amount in mil. EUR
Railjet	117.5
Busses	24.0
Ticket4all	6.4
Capital expenditures for short-distance transport	4.6
Ticket machines	2.2
Other	14.1
Total capital expenditures	168.8

Capital expenditures of the Rail Cargo Austria sub-group

Overview	2011	2010	Change	Change in %
Capital expenditure in mil. EUR	147.3	204.9	-57.6	-28%
Capital expenditure ratio of total income in %	6%	8%	-2%	-25%
Capital expenditure ratio of carrying amounts in %	19%	27%	-8%	-30%

During the year under review, the Rail Cargo Austria sub-group invested EUR147.3 million (prior year: EUR204.9 million) in intangible assets and property, plant and equipment. This corresponds to a capital expenditure ratio of 6% (prior year: 8%) of total income or 19% (prior year: 27%) of the carrying amounts as of January 01, 2011.

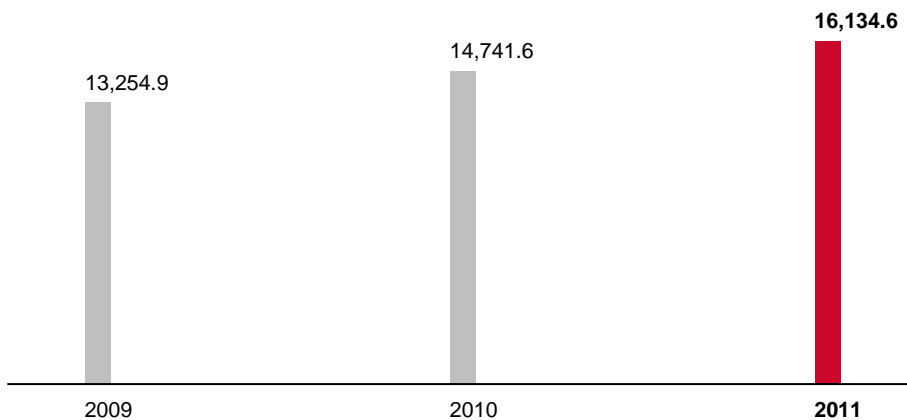
in mil. EUR	Description	Invested amount
Property, plant and equipment		145.1
Type Talns bulk freight cars	Replacement of old cars by modern bulk freight cars	9.7
Type Habb sliding-wall cars	Replacement of out-of-date cars	39.8
Type Shimms steel transport cars	To secure scheduled transports, top quality cars are required	1.5
Type Eanos, open cars	Maintenance of car capacity to improve competitiveness	4.1
Type Habb sliding-wall cars	Reliable provision in suitable quality can only be guaranteed by own procurement	9.6
Other rolling stock		24.9
Land and buildings	Primarily workshops	26.6
Other property, plant and equipment		28.9
Intangible assets		2.2
Total		147.3

Capital expenditure of the ÖBB-Infrastruktur sub-group

Overview	2011	2010	Change	Change in %
Capital expenditure in mil. EUR	2,145.3	2,287.0	-141.7	-6%
Capital expenditure ratio of total income in %	72%	75%	-3%	-4%
Capital expenditure ratio of carrying amounts in %	14%	16%	-2%	-13%

In total, the ÖBB-Infrastruktur sub-group invested EUR2,145.3 million in the year under review (prior year: EUR2,287.0 million), resulting in a capital expenditure ratio of 72% (prior year: 75%) of the total income and of 14% (prior year: 16%) of the carrying amounts as of January 01, 2011.

Development of property, plant and equipment of the ÖBB-Infrastruktur sub-group in mil. EUR



With a carrying amount of EUR16,134.6 million (prior year: EUR14,741.6 million), the property, plant and equipment of the ÖBB-Infrastruktur sub-group account for about 82% (prior year: 81%) of the entire property, plant and equipment of the ÖBB Group.

Main capital expenditure according to the master plan 2011 - 2016

ÖBB-Infrastruktur AG defined the following main investment areas for 2011 according to the current master plan 2011 - 2016:

- Four-track extension of the *Westbahn* (section Vienna - Wels)
- Four-track extension of the Unterinntal route
- Connection of *Westbahn*, *Südbahn* and Donauländebahn (Lainzer Tunnel)
- Gradual expansion of the *Südbahn* (Baltic-Adriatic axis)
- Numerous short-distance transport projects in conurbation areas
- Improvement of tunnel safety on existing lines
- Noise protection measures
- Construction of Park & Ride facilities
- Extensive reinvestments

The following projects, among others, were worked on during the year under review: Lainzer Tunnel (Vienna [V]), new track Vienna - St. Pölten (V/Lower Austria [LA]), completion of the track St. Pölten - Loosdorf (goods transport bypass) (LA), completion of the track Ybbs - Amstetten (LA), section Salzburg - Freilassing (Salzburg), four-track expansion of the Unterinntal route (Tyrol), extension of the track St. Margrethen-Lauterach (Vorarlberg), extension of the track Werndorf - Leibnitz (Styria [ST]), Koralm tunnel (K) and Koralm railway sections Aich/Mittlern - Althofen/Drau and Althofen/Drau - Klagenfurt (K). Within the framework of the train station project, work was done in particular on the Salzburg main station, the Main Station Vienna and the Western Station Vienna. The latter was reopened at the end of November 2011 after four years of construction - with the addition of the BahnhofCity Vienna West. Furthermore, the BMVIT issued the building permission for the 27.3 km Semmering base tunnel new (LA/ST) in May 2011. Another positive answer was given with respect to the environmental protection procedure in Styria at the beginning of July 2011. A corresponding answer from Lower Austria is expected.

B.7. Corporate strategy

Challenges for the ÖBB Group

The future belongs to the railways - and to the ÖBB Group, but it provides significant challenges.

Medium- to long-term transport forecasts foresee a massive increase in passenger and goods transports in Austria. The number of passengers and the transported tonnage-kilometers are expected to increase in the two-digit percentage range in the next ten years.

At the same time, ÖBB faces considerable challenges:

- low equity ratios in sales
- opening of the passenger transport market possibly without supporting framework conditions
- reduction of public services in goods transport
- uncertain conditions at Rail Cargo Hungaria Zrt.
- limited possibilities to adapt resources

Strategy process 2011

Based on this background, ÖBB implemented an extensive strategy process in the Group and on sub-group level. The following key issues were addressed:

- **Definition of the core business:**
Definition of market/customer segments and business fields; definition of geographic region(s); market attractiveness; size and growth of accessible markets; profitability of successful companies
- **Definition of ÖBB products/services of:**
Range of services today and 2020; innovation in services/products; migration path
- **Definition of production logic and real net output ratio:**
Production system, resources used; own performance, leased personnel, subcontractors, cooperation partners; tasks, control logic
- **Objectives:**
Market shares; growth rates; target margins and start up; target ratio and development; capital expenditure rates
- **Non-core business:**
Delimitation of transactions from the core business; “exit” strategy/strategies; value-optimized handover of non-core business; justification for exit

The result of the joint efforts was approved by the Supervisory Board of ÖBB-Holding on September 27, 2011, making it binding for the entire Group. Resolutions of the Supervisory Boards of the sub-groups followed at the beginning of October. The program for the future FIT 2015, which is based on this, provides the strategic compass for a successful future of ÖBB.

The three cornerstones of the FIT 2015 program are:

1. Focus on the core business
2. 100% focus on the customer
3. Profitable growth

In the course of the strategy process, the normative propositions of ÖBB were summarized to a single “ambition”: “Let’s get moving.” This ambition is divided into five categories and connected to clear strategic directives for action:

- **Austria and responsibility: We are the railways for Austrians. We move Austria.**
Target-oriented investments in the railway infrastructure and our offer increase the modal share of the railways and contribute significantly to the Austrian habitat. Compliance is an ethical standard for all business activities of ÖBB.
- **Market and profitability: Success through our economic performance and our leadership in the market**
The benefit of capital costs in all sub-groups - irrespective of the current economic development - is the clear definition of the pathway towards sustainable maintenance of the substance. In goods transport, among others, we achieve this by means of clear focus on profitable growth in railway-related industries and attractive markets, and in the field of passenger transport by focusing on the Austrian market. Operative excellence, competitive costing structures and a state-of-the-art HR strategy constitute the framework for sustainable profitability.

– **Customers: Success through our convincing offer for our customers**

The ÖBB invest more than two billion Euros per year in rolling stock and infrastructure projects, at the benefit of our customers. In addition, we invest in ongoing programs aiming at improvement of the service quality (e.g. catering, train facilities). In passenger transport, ÖBB will establish themselves as an integrated mobility provider for the entire mobility chain.

– **System/innovation: We transport the railway system towards the future**

All ÖBB companies are highly integrated from an economic point of view, using synergies of the Group in a target-oriented way. Furthermore, we work towards a high level of cost-efficiency and the highest quality standards by means of strong management and service functions. In all our activities, safety is of the greatest importance.

As an innovative concept, the establishment of a suitable own goods carrier for Central and Southern Europe will strengthen the competitive position of the company in goods transport.

– **Team: Success through our professional team**

ÖBB support top education and training for all groups of employees through their in-house ÖBB Academy and repeat their commitment to their role as leading trainer for apprenticeships in Austria. Furthermore, ÖBB increase the number of women working in the Group by means of an ambitious equality program.

Preconditions for realizing the ambitions

In order to position ÖBB as top player in the European railway market, operative excellence and the creation of a sufficient capital base to finance growth and reduce risks are basic prerequisites.

These ambitious objectives follow up on the positive development of ÖBB. 52% of the 12,000 railway customers questioned said that ÖBB had improved in the past year. Increased service quality, a leading role in punctuality and the improvement of the brand value are further proof. The positive development of the earnings in 2011 shows that the reorganization program is right on track.

The following projects are outstanding examples of the group-wide cost reduction programs fixed in the ÖBB program for the future FIT 2015:

Measures aiming at increasing resource productivity, efficiency and multi-functionality were developed within the framework of the Group project **Production Reorganization**. Clear responsibilities were defined throughout the entire process chain, and ÖBB-Produktion GmbH was defined as cost center under the direct management of the responsible parent company ÖBB-Personenverkehr AG and Rail Cargo Austria AG in the form of an iterative process model. The organizational structures of the companies were realigned accordingly, and a control model based on specific ratios was implemented. This allows synergies in human resources, rolling stock and technology to be used in an optimal fashion, and tasks, competences and responsibilities to be allocated in a clear and unambiguous way. The resulting cost benefits lead to an increase in earnings of the ÖBB Group amounting to EUR30 million in 2011 (instead of the amount of EUR7.5 million planned for this period).

IT New combines all IT initiatives in the entire ÖBB Group regarding increase of efficiency and reduction of costs. For example, the project aims at reducing the number of applications, using common IT platforms and new license models. Target-oriented renegotiation of contracts resulted in sustainable cost reductions of millions of Euros.

The planned cost reduction potential of EUR20 million within the framework of the group project **Purchase Optimization** has even been exceeded. Efficient project management by the Holding Group Purchasing resulted in overall cost reductions amounting to EUR27.13 million. A broad training campaign was carried out with St. Gallen University for improving the know-how regarding purchases and interface partners, Group purchasing was embedded in the Group strategy from an organizational point of view, and the Group directive on purchasing was agreed. The pilot phase for e-procurement started, and a central procurement complaint data base was established.

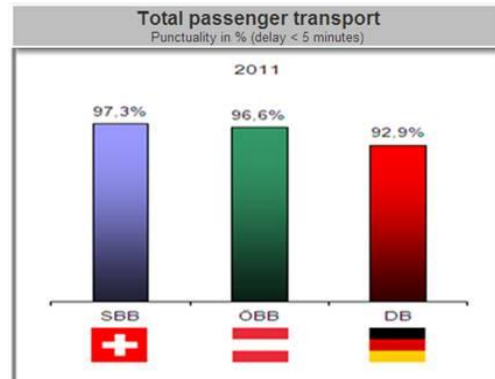
In the course of the project **Reduction of Overheads and Executives**, an overall potential of 1,385 employees has been identified, which has to be raised in the period from January 01, 2010, to December 31, 2012. Within the framework of the project, the staff was reduced by 970 employees in the period from January 01, 2010 to December 31, 2011.

In total, the projects described above and other initiatives of the sub-groups (such as turnaround RCA, working capital management, automation in operation, etc.) lead to a significant contribution to the earnings amounting to EUR190 million in 2011.

The focus on subjects such as punctuality management, Group safety and activities within the framework of Corporate Social Responsibility lead to significant improvements and stabilization on a high level.

Punctuality in passenger transport improved significantly in 2011, delays were reduced in all areas of the ÖBB networks. The result is particularly positive in long-distance transport, where punctuality increased by more than 11% to 87%. In short-distance transport, 97% of all trains were on time. In total, ÖBB achieves a punctuality value of 96.6% in passenger transport, taking the second rank in Europe and the first rank in the EU.

Regarding the issue of **Safety**, ÖBB has always been among the very best in comparison with European railway administrations. Coordinated cooperation of the individual Group companies is ensured by means of the implementation of a "Group coordinator Safety" in ÖBB-Holding on December 01, 2011.



In order to support the positive developments in a sustainable way, a number of further initiatives and projects was elaborated within the framework of the strategy process, which the ÖBB will successfully implement in the next years.

B.8. Other important occurrences and forecast

Forecast ÖBB-Group

Further development of the FIT 2015 strategy and operative implementation on business field level

Another step towards optimized market cultivation - from the point of view of both the customer and ÖBB - is the focus on customer benefit in defined business fields. Clear alignment of the strategic and financial objectives and derivation of the necessary measures to be taken by the business fields are important milestones in 2012.

Forecast ÖBB-Personenverkehr sub-group

In the most important short-distance transport market in and around Vienna, the entire public transportation system is planned to be restructured by restructuring the existing transport associations. The work on the establishment of a unified transport association for the entire Eastern region is scheduled to be continued in 2012 in cooperation with the *Verkehrsverbund Ostregion* [Transport Association Eastern Region]. Furthermore, negotiations for a new transport service agreement for Vienna are underway.

New Westbahn track: The new *Westbahn* track from Vienna to Attnang-Puchheim will be finished for the most part by the end of 2012. This allows for significant accelerations in long-distance transport and thus enables the creation of hubs and the optimization of changes to bus transport in cooperation with the short-distance and regional transport providers. The new track Vienna - St. Pölten (with the Lainzer and the Wienerwald tunnel) allows for a significant improvement of short-distance schedules in the area of the existing *Westbahn* and an increase in the operational quality. Furthermore, additional short-distance trains are planned for the new track within the framework of the new transport service agreements.

Vienna Main Station: The new Main Station in Vienna will in part be available for passenger transport from the change of the timetable 2012/13. It strengthens the East-West axis, and Vienna will become a European hub in international long-distance transport as soon as the station is completely put into operation (from 2015).

Taking the measures taken into account, the development of the company can be expected to be positive in the medium and long term. Anticipated restrictions in individual transport in the future will probably reinforce this trend. With a view to the climate change and the environmental responsibility of the economy, environmentally-friendly means of transport are becoming ever more important for companies. But for this shift to be successful, the railway transport offer has to be attractive.

Forecast Rail Cargo Austria sub-group

The Rail Cargo Austria sub-group has been in a phase of reorganization since 2011. The measures taken in 2011 within the framework of the turnaround program already produced positive results. The increase in productivity resulted in a significant improvement of the cost situation. Other factors of success include the focus on profitable businesses and the optimization of processes and methods.

The “Turnaround” reorganization program will be continued at full force as “Turnaround+” in 2012.

The turnaround program aims at creating the basis for sustainable economic success in the future.

In the Wood segment, price adjustment, cost optimization and process flow innovation measures were implemented. The service grid was focused on 145 core network stations in agreement with the *Interessensvertretung Forst Holz Papier* [Interest group Forest Wood Paper]. Thanks to a cost-optimized traction program, wood chips are transported in an environmentally-friendly way by rail with HANNI since January 01, 2012.

The wood segment is one of the largest segments in the transport portfolio, but cost coverage has traditionally been poor. Therefore, the consistent business alignment of this business field will continue within the framework of “Turnaround+”.

The turnaround project “**Revenue increase in railway logistics**” (Ertragswachstum Schienenlogistik) focuses primarily on the increase of income in the Commercial Goods and Agricultural Transports segments. Furthermore, important steps were taken toward production optimization.

Within the framework of the project **Unaccompanied combined transport**, the National Intermodal Network Austria (NINA) was introduced. NINA provides a reliable network (terminal to terminal connections mainly without shunting) for Austrian intermodal transport and connects Austria overnight.

In the segment **Combined road/railway transport**, costs are planned to be reduced by means of optimized utilization of resources and reductions of terms and waiting times. The planned closure of six relations was abandoned, because the federal government ordered services and public services were provided.

In the organizational unit **Contracted logistics**, unmatched relations were transferred to the road. Furthermore, selected prices were increased and sites were optimized.

Fee optimization for the customer, improvement of internal cost transparency, acquisition of customers and further optimization of the main run between the individual logistics centers will rigorously be continued in 2012.

The objective of the turnaround project “**Income increase in freight forwarding**” (Ertragssteigerung Universalspedition) is to discover additional revenue potential and to clear up loss-generating business fields.

The reorganization measures taken for **Rail Cargo Hungaria** focus on withdrawal from loss-generating businesses, reducing staff and renegotiating services received.

The investment portfolio was reviewed with respect to the strategic objectives of the RCA Group in the course of the project “**RCA investment structure**” (Beteiligungsstruktur RCA) with the objective of tightening and homogenizing the portfolio. Seven investments were already eliminated from the portfolio in 2011.

The tasks of the **Support and assistance units** (overhead) were consolidated within the sub-group in the fields of Accounting, IT and Legal, among others, streamlining the structures.

Another important project is the establishment of central investment controlling and investment management within Rail Cargo Austria AG.

Forecast ÖBB-Infrastruktur sub-group

The long-term strategic orientation of ÖBB-Infrastruktur AG comprises **two part strategies**. Within the framework of the group-wide FIT 2015 strategy process, they will characterize the development of the sub-group in the years to come.

1. Cost strategy: focus on the core business

The infrastructure will be focused and sustainably developed in areas where demand and development potential correspond to the strengths of the railway system.

The given competences regarding provision and dimensioning of facilities as well as safe and cost-efficient operation in the facilities are supposed to be maintained on a high level and further strengthened. With the merger of the Facility Services and the Track and Station Management into the new "Integrated Track Management" as of January 01, 2012, another step was taken towards streamlining of structures and reduction of interfaces, in the sense of further development of the organizational structure. Due not least of all to the resulting synergy effects, the ÖBB-Infrastruktur sub-group is able to focus more closely on its core business.

2. Market strategy: "Zielnetz 2025+"

"Zielnetz 2025+" [target network] is the master plan of ÖBB-Infrastruktur AG for system-oriented and cost-efficient development of the railway infrastructure in Austria. The long-term infrastructure strategy of "Zielnetz 2025+" aims at the introduction of a highly synchronized timetable as well as the elimination of expectable capacity shortages in the network. The target network is based on internationally acknowledged scientific criteria and forms the overall framework for the company objectives of ÖBB-Infrastruktur AG.

- Strengthening of the market position of the railways by increasing track capacity and reducing travel time
- Increase of profitability by implementing the operational remote control strategy incl. train movement checkpoints as well as electrification and line category upgrades of selected tracks
- Upgrade of the infrastructure to the state of the art and development of security services by means of installation of the European Train Control System (ETCS) and GSM-R as well as asset-preserving reinvestment in the existing network.

The measures from the "Zielnetz 2025+" strategy will be implemented in **several stages**:

Stage 1 is explicated in the master plan 2011 - 2016. Main elements of Stage 1 include the commissioning of the four-track *Westbahn* and the Vienna Main Station as well as the creation of a "New *Südbahn*" by extending the Pottendorf line and constructing the new Semmering Base Tunnel and the Koralmbahn railway.

Stage 2 comprises measures that are still required to achieve the objectives based on this master plan.

Stage 3 comprises measures for further optimization and complete achievement of the objectives stipulated in the "Zielnetz 2025+" strategy. These measures can only be implemented in the medium or long run and will continue until after the year 2030.

Milestones 2012

- Change to "right-hand side driving" in the conurbation of Vienna in summer 2012
- Precise implementation of the Brenner closure in summer/fall 2012 (construction and operation)
- Preparation of the commissioning of the new tracks Vienna - St. Pölten, Unterinntal incl. ECTS planned for the change of the timetable in December 2012, and of the partial commissioning of the Vienna Main Station from a technical, operational and legal point of view
- Start of the new train control system ETCS Level 2 / GSM-R
- Conceptual design of the system timetable 2015/2025
- Implementation of investment projects according to schedule with a high level of cost stability
- Definition and preparation of part strategies of ÖBB-Infrastruktur (business fields, technical and functional strategy)
- Implementation of the "Change Masterplan 2012" with focus on "Personnel"

Further objectives for 2012

The grant agreement concluded by the owner and ÖBB-Infrastruktur AG as an element of infrastructure financing and the budget stipulate the following operative objectives, among others:

- increase of punctuality in long-distance passenger transport to 85.5%, in short-distance passenger transport to 96% and in goods transport to 72%;
- reduction of the number of low-speed sections in the core network to 4.780 km²/h (75 sections);
- customer information: 1.90 in normal cases; 2.09 in deviating cases;
- safety development (Infra 3.9);

These objectives serve as a guideline for the implementation and updating of the current medium-term plan of the sub-group.

C. PERSONNEL REPORT

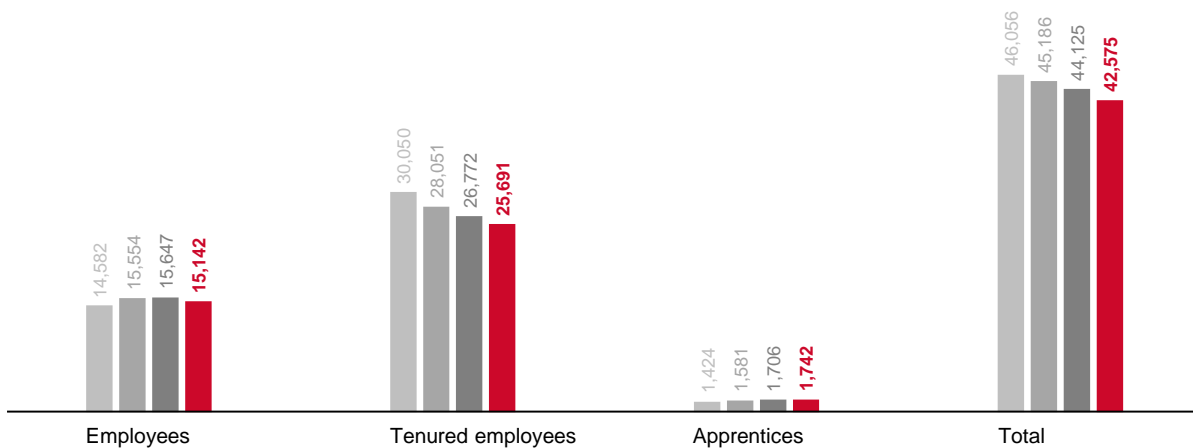
The ÖBB Group is one of the largest employers in Austria. As of the end of the year 2011, 40,833 active employees (without apprentices) were employed in the entire Group including the Rail Cargo Hungaria group. Compared to the prior year, this corresponds to a reduction of the number of staff by 1,586 employees. The ÖBB Group is also one of the largest training facilities in Austria. As of the end of the year 2011, 1,742 apprentices were employed in the Group, which constitutes an increase by 36 apprentices compared to the end of the year 2010.

Employee structure in the ÖBB Group

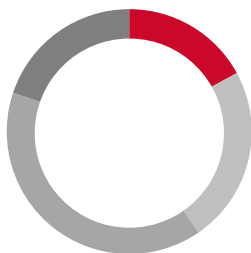
Employee structure	Dec 31, 2011	Dec 31, 2010	Reference date	Change	2011	Average
				in %		
Employees	15,142	15,647	-505	-3%	15,304	15,864
Tenured employees	25,691	26,772	-1,081	-4%	26,437	27,912
Total employees	40,833	42,419	-1,586	-4%	41,741	43,776
Apprentices	1,742	1,706	36	2%	1,559	1,576
Total incl. apprentices	42,575	44,125	-1,550	-4%	43,300	45,352

Employee structure in the ÖBB-Group

■ Dec 31, 2008 ■ Dec 31, 2009 ■ Dec 31, 2010 ■ Dec 31, 2011



Allocation of employees as of December 31, 2011



7,267	ÖBB-Personenverkehr sub-group
9,949	Rail Cargo Austria sub-group
16,904	ÖBB-Infrastruktur sub-group
8,455	ÖBB-Holding AG and other companies

The ÖBB-Infrastruktur sub-group, which accounts for 40% of all employees, and the Rail Cargo Austria sub-group accounting for 23% constitute the company units with the highest number of staff. The average age is 42.3 years, and the ratio of female employees is 8.4%.

Apprenticeship in the ÖBB Group

The ÖBB Group offers young people throughout Austria a wide range of apprenticeship trainings. The companies of the ÖBB Group train young people in 22 different professions at several sites. The ÖBB-Personenverkehr and Rail Cargo Austria sub-group mainly offer commercial apprenticeships, while ÖBB-Shared Service Center Gesellschaft mbH and ÖBB-Postbus GmbH mainly offer apprenticeships in the technical area. ÖBB participates in the "Lehre mit Matura" [apprenticeship with qualification for university entrance] scheme, giving its apprentices an opportunity for further qualification.

Including the apprentices admitted in September 2011, the ÖBB Group is training 1,742 apprentices. Thus, the ÖBB Group is one of the largest training facilities in Austria. 400 of the 510 apprentices admitted in September 2011 are male (78%), and 110 are female (22%).

ÖBB-Shared Service Gesellschaft mbH

Of the 510 apprentices admitted by the ÖBB Group in 2011, ÖBB-Shared Service Center Gesellschaft mbH assumed the apprenticeship of 420 apprentices. The apprentices are trained in eleven ÖBB training workshops.

Extensive knowledge about the railway system and the operational regulations and detailed skills in the fields of safety, communication and technology will be imparted in the new professional training course for Track Construction Engineering starting in 2012.

Rail Cargo Austria sub-group

At the beginning of September 2011, 31 apprentices took up their apprenticeship with the Rail Cargo Austria sub-group. In total, 143 apprentices were employed as of the end of the year. They are completing an apprenticeship as forwarding agent - some of them are completing a complementary training as freight forwarding logistics agent. Additional further education seminars and language trainings within the Rail Cargo Austria Language Academy constitute a solid basis for a successful career.

ÖBB-Personenverkehr sub-group

In order to meet the demand in skilled personnel, the ÖBB-Personenverkehr sub-group is training a total of 99 apprentices as mobility service agent. Since 2008/09, advanced English coaching as well as communication and customer orientation seminars are included in the training.

ÖBB-Postbus GmbH is training about 46 apprentices in technical and commercial professions throughout Austria. The focus lies on automotive engineering and system electronics for commercial vehicles. All the apprentices are integrated in everyday operations from the start. The training is complemented by subject-specific events.

Continued training

1. ÖBB akademie

As Corporate University, the ÖBB akademie combines strategically relevant continued training activities for various management levels and experts as well as newcomers and talents within the ÖBB Group. This way, the ÖBB akademie makes a significant contribution to sustainable company management and the development of people and the company.

2. Social and methodological competence

Continued training events such as sales, communication, presentation and personality trainings and training programs for managers, language and EDP trainings

3. Corporate technical training

The offers are arranged according to cross-divisional functions (e.g. personnel, accounting/controlling, purchase), and all offers include trainings of group-wide importance. The ÖBB Einkaufsakademie [Purchase Academy] started in October. Social and technical competences are complemented with new methods, new knowledge and new perspectives, aiming at generating and individual as well as entrepreneurial added value.

4. Company-specific technical training

Comprises training offers relevant for specific companies

Employer Branding

The ÖBB-Employer Branding team organized a total of seven recruiting trade fairs in 2011, three for university graduates and four for apprentices. The main target groups for the fairs in 2011 were potential apprentices as well as university students of technical and economical branches.

Furthermore, the two current High Potential Programs, namely the WU Top League Program of the Vienna University of Economics and Business and the TUtheTOP Program of the Vienna University of Technology, were terminated. These cooperations have the objective to awaken the interest of potential specialists and trainees in ÖBB. Another important point of the Employer Branding 2011 was the development of the employer brand ÖBB with the objective to establish the ÖBB Group as an attractive employer within and outside of the Group. The experts in Human Resources showed professionalism and quality of the highest level in recruiting: within the framework of the CAREER'S BEST RECRUITERS survey, ÖBB obtained the first place in the "transport and traffic" sector and won the golden seal. "Career's Best Recruiters" is an annual survey carried out by GPK Event- und Kommunikationsmanagement GmbH in cooperation with the Ministry of Science. The survey analyzes the Employer Branding performance of the one thousand Austrian and German companies with the highest revenue. The main criteria of the survey include handling of unsolicited applications, homepage, social web activities, trade fair presentations and presence in online job market platforms.

Equality in the ÖBB Group

ÖBB works actively for equality of men and women. Since July 01, 2011, the ÖBB Group has its own equality policy. The objectives: ensuring equality without consideration of the sex, age, ethnicity, sexual orientation, or handicaps; promotion of equal opportunities and improvement of the compatibility of job and care obligations by means of specific programs.

The policy provides for an institutionalization of equality. Ten regional equality officers assist and support colleagues who feel that they are at a disadvantage and treated unfairly vis-à-vis the other sex. An equality committee elaborates specific programs. Since December 01, 2011, the ÖBB Group has a diversity officer.

In order to increase the proportion of women in the company and strengthen diversity, specific equality objectives were formulated in the new ÖBB strategy. The equality objectives 2015 include:

- increase of the proportion of women from 8.4% (in 2011) to 11% by 2015
- increase of the proportion of female executives from 8.6% (in 2011) to 15% by 2015
- increase of the proportion of female members of the Supervisory Boards (shareholder and employee representatives) in ÖBB-Holding AG - currently 11.11% - and in the direct subsidiaries of the holding (ÖBB-Infrastruktur AG, ÖBB-Personenverkehr AG, Rail Cargo Austria AG and ÖBB-Shared Service Center GmbH) - currently 10.26% - to 25% by 2013
- increase of the proportion of female apprentices from 18.5% (Stand 2011) to 20% by 2015
- 25% proportion of women in top performer and high potential programs
- monitoring of equality objectives

Health care management

The health care management of ÖBB-Holding AG in the field of strategic corporate personnel management is coordinated centrally since 2009, with the objective of maintaining and supporting the ability to work and the health.

Within the framework of the 1st Strategic Health Care Committee since 2008 for determination of the FIT 2015 health care strategy, one key issue was the introduction of a *Betriebliches Case Management* [Company Case Management] (BCM). The BCM supports sick employees and employees who had had an accident in recovering their ability to work and returning to their respective jobs. In 2011, two pilot projects started at ÖBB-Technische Services-Gesellschaft mbH and ÖBB-Infrastruktur AG. Within the health care strategy, implementation of a campaign "Healthy and fit 2015" throughout Austria including inter-company measures was agreed as well.

The establishment of an *Elektronisches Gesundheitsinformationssystem* [Electronic health information system] (EGIS) in cooperation with the *Versicherungsanstalt für Eisenbahnen und Bergbau* [insurance company for railways and mining] (VAEB) allows to recognize relations between sicknesses and work-specific strain within the respective functional groups of employees.

In 2011, the internal medical suitability guidelines of P32 were adapted for the first time to the EU Directives in order to guarantee the deployment of drivers in international transport.

The coordination of employee protection within ÖBB-Holding was adopted, and all statutory requirements were fulfilled.

ÖBB Labor market

Since May 02, 2011, the communication platform offers pooled information on important personnel issues: apprenticeship, initial and further training offers of the ÖBB akademie, placement service, health care management, mobility policy, current job offers and application advice. This way, the attractive service portfolio of Austria's largest employer was united under a single brand, giving all employees orientation within the ÖBB Group in the future. At the same time, the ÖBB Labor market supports the intra-group labor market and makes career opportunities in the ÖBB Group more transparent.

Placement service of the ÖBB Labor market

As personnel management tool for the control of regional and cross-regional corporate personnel balancing, the placement service supports the implementation of the corporate HR strategy by relieving the personnel expenses.

By making the actual demand and offer of workforce in the Group companies visible, employees who could no longer be employed in their original area due to organizational streamlining and reorganization measures or due to service retraction respectively or due to inaptitude determined by an occupational physician and service retraction are taken care of, requalified and placed by the placement service of the ÖBB Labor market. The jobs offered by the placement service cover the entire range of professions exercised in the ÖBB Group. As a dynamic and ambitious service provider, the activities focus on employer services for the Group companies as well as employee services for the employees that have to be taken care of, with the objective of placing the employee in a new, permanent and secure job.

The department Strategic Personnel Management of ÖBB-Holding AG is responsible for the strategic positioning of the placement service, and ÖBB-Shared Service Center GmbH with its own organizational unit is responsible for operative handling and implementation of the strategic specifications.

Management structures and cross-divisional functions

The structures and competences of the management in all the Group companies are being examined in the course of the reorientation and reorganization. The objective is to streamline management structures and make them more efficient, and to establish a new, sustainable regulatory framework for the management of ÖBB.

With respect to cross-divisional functions such as personnel management and accounting, purchase and IT, multiplication of positions and responsibilities should be minimized by means of centralization and shared service structures.

In the future, the ÖBB job model as control tool is planned to ensure integrated strategic personnel planning, development and remuneration. Transparent presentation of the professional perspectives with respect to development opportunities, career planning and remuneration are expected to make ÖBB more attractive as employer for potential and current employees.

D. REAL ESTATE MANAGEMENT

With about 26,000 properties and a total surface of 197 million square meters, ÖBB is one of the largest real estate owners in Austria. ÖBB-Immobilienmanagement GmbH - a wholly-owned subsidiary of ÖBB-Infrastruktur AG - acts as a professional integrated real estate service provider primarily within the ÖBB Group, but also on third markets.

It develops properties that are not necessary for operations to the point where they can be utilized, and manages an extensive portfolio of 5,300 buildings incl. traffic stations throughout their entire life. In 2011, ÖBB-Immobilienmanagement GmbH was able to establish itself as an important source of revenue for the ÖBB Group. This success was due mainly to sustainable rental of train stations and objects and to efficient project development in the conurbations.

The range of services provided comprises three main tasks: project development, station and property management and utilization. Approximately 860 employees at the headquarters in Vienna and in five other regions handle all the activities throughout Austria in a professional and efficient way. ÖBB-Immobilienmanagement GmbH is a member of the "Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft" [Austrian Association for Sustainable Real Estate Management] (ÖGNI), who promotes sustainability in the Austrian real estate industry.

E. RESEARCH AND DEVELOPMENT REPORT

In the course of the strategy process of ÖBB Holding AG, an R&D strategy for the Group was developed for the first time. This R&D strategy aims at creating a homogenous alignment within the group regarding innovation issues. This objective is supposed to be achieved by means of three activity packages:

– Package 1 - Thematic focus:

This package deals with the identification and definition of key issues which, if pursued, have a direct positive influence on the corporate strategy. Issues with significance for the entire Group, such as energy efficiency, sustainability or telematics, are of particular importance.

– Package 2 - Efficient group-wide handling:

Handling of the topic of R&D is suboptimal in some areas, because the initiation, follow-up and implementation of R&D project results have to be done parallel to the normal tasks in many areas. ÖBB-Infrastruktur AG is an exception from this system; it already has a well-working innovation management with its own staff office at its disposal.

– Package 3 - Strategic partnerships:

In their external relations, ÖBB used to have a wide variety of cooperation partners for research projects. The objective of strategic collaborations is to compile specific competences for specific subject fields, so that larger issue complexes can be dealt with over a period of several years.

Selected research projects

ÖBB-Holding AG

eMORAIL

The eMORAIL research project focuses on the design of an innovative, cost-effective, environmentally friendly mobility solution for commuters. This solution promotes the appreciation of electric vehicles as complementary mobility solution in combination with public transport and presents an alternative to owning a passenger car.

In the eMORAIL project, a business model is developed which offers users an ÖBB tickets in connection with an electric vehicle at their place of residence and an intermodal eCarsharing and eBike offer at the destination. Additional services regarding information, repair, maintenance, etc. offer the public transport customers a high level of comfort and user-friendliness; they are provided in cooperation with the respective municipalities and communities.

In June 2011, the intermodal eCarsharing offer started at the West Station with three electric vehicles; the website (<http://www.emorail.at/>) is online since August. Integrated eMobility services for commuters in rural regions and the eMORAIL platform for integrated registration, information, reservation and payment are currently being developed and will enter the testing phase in 2012, together with the eBike offer; interested private and commercial test users in the test regions (natural park region "Südsteirisches Weinland" and "Bucklige Welt") have already signed up. The eMORAIL project was nominated for the Austrian National Mobility Award 2011 in the category Intelligent E-Mobil in October 2011.

Rail Cargo Austria AG

Research project Multimodal bulk goods and pallet container within the framework of the "i2v Intermodality and Interoperability of Transport Systems" program

The profitability of multimodal railway transport systems depends very much on the reduction of empty runs. Therefore, in cooperation with the project partners, Rail Cargo Austria, business unit MOBILER, is developing a multimodal bulk goods container which can be loaded with pallets laterally from both sides or from behind for the outward journey; for the return journey, it can be loaded with heavy bulk goods from above and unloaded by rearward dumping. This way, goods that had to be transported in two different types of containers can now be combined, forming a circle of commodity flows. The flexibility of the MOBILER handling makes it possible to address potential customers without a direct railway connection. This way, the railways are becoming competitive again in transports that used to be reserved for trucks.

ÖBB-Infrastruktur AG

Transport infrastructure research (FIV)

A well developed and interconnected road and railway network is the basis for safe, comfortable and reliable mobility. The increasing demands on transport infrastructure, increasing maintenance costs, high energy consumption and increasing awareness for the environment and people require continuous investment in research and development.

Together with the Federal Ministry of Transport, Innovation and Technology (BMVIT) and the highway authority ASFINAG, ÖBB-Infrastruktur AG started the joint transport infrastructure research initiative (FIV) in Vienna on October 17, 2011. The first call for tenders with respect to R&D services and pre-commercial procurement comprises three key issues (road; railway; road and railway) and is remunerated by the three participants with a total of EUR4 million.

KLIWA - Adjustment measures of ÖBB-Infrastruktur to the climate change

In order to proactively work against the negative effects of global warming on ÖBB-Infrastruktur and prepare for possible consequences in the best possible way, possible adjustment measures are developed in cooperation with the *Umweltbundesamt* [Federal Environment Agency]. This early consideration of possible negative effects of climate change allows for proactive measures to be initiated in order to mitigate these effects and increase safety in railway operations. In this respect, ÖBB is a pioneer in international comparison.

F. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) or sustainable action is a much discussed issue at the moment. The ÖBB Group is a company that acts in a sustainable way and set great store by balanced performance under economic, ecologic and social aspects.

The ÖBB Group plays a decisive role for the national economy, for the environment and for the society, and it presents an excellent performance in these areas - in all major aspects of consideration in the subject field of sustainability. The CSR performance is impressive: The ÖBB Group is one of the major drivers of the economy in Austria, provides climate and environmentally friendly mobility by railway and bus, is one of the major employers in the country and provides important services for the society. In order to fulfill its corporate social responsibility and further increase awareness in this respect, a coordination office is implemented within ÖBB-Holding AG - the CSR Group coordinator of ÖBB is the main contact person.

ÖBB sustainability report 2010 published in October 2011

The ÖBB Group presents its CSR and sustainability services in specific report to the public. These reports are published every other year. The latest ÖBB sustainability report with the title "Wir bewegen Österreich" [We move Austria] was published on October 14, 2011. Websites on CSR/sustainability are available on the internet as well.

Environmental report

The performance of ÖBB in the subject field of environmental protection was continuously developed in the year under review - some extracts will be given in the following:

The low carbon dioxide emissions compared to other means of transport is one of the major advantages of ÖBB with a view to the environment and is due to the large proportion of renewable energies in traction power. As a result, the CO₂ emissions differ significantly from those of the major competitors car, truck, and airplane. The results of the ÖBB climate balance for the transport sector published in the first semester 2011 show these advantages in an impressive way and prove that ÖBB even improved compared to the prior year. Overall greenhouse gas emissions were reduced, as were CO₂ emissions in passenger and goods transport by railway with reference to the transport services provided.

In order to further reduce energy consumption and related costs, ÖBB-Holding AG initiated a group-wide energy savings project with a term of several years in 2011. Under the project management of ÖBB-Infrastruktur AG (business unit Energy), several part projects pursue different objectives which, together, will ultimately result in a reduction of consumption and costs.

The activities in the field of "sustainable mobility" progressed as well in 2011. The usage of electric vehicles is another step towards ecological restructuring of the ÖBB fleet and activities for the customer, as the subsidized "eMORAIL" (Integrated eMobility Service for Public Transport) project for connection of the railways and other electric mobility solutions in individual transport (electric cars) shows.

In the field of "ÖBB & Nature", the focus was placed on the initiation and execution of a cooperation agreement between ÖBB, DB and SBB for the program "Destination Nature" in the past year. In the future, these three railway organizations

want to provide and advertise environmentally friendly travel offers to specific natural scenes in Austria, Germany and Switzerland. The high commitment of ÖBB for the environment (renaturation after construction projects, initiatives for the protection of species and biodiversity, natural hazard management, etc.) was again successfully presented to the public in 2011 - e.g. at the Nature Festival in Linz or at the Days of the Protection of Species in Schönbrunn.

The ÖBB sub-groups carried out various environmental activities as well in 2011. For example: ÖBB-Personenverkehr AG - program "Destination Nature", first solar bus used in line traffic, and fuel-saving trainings for the bus drivers of ÖBB-Postbus GmbH throughout Austria. Rail Cargo Austria AG - key issues regarding employee mobility, energy and resource efficiency and environmental and employee protection, training of traction unit drivers of ÖBB-Produktion GmbH regarding power-conscious driving and improvement of power usage in the workshops of ÖBB-Technische Services GmbH. ÖBB-Infrastruktur AG - focus on raising the awareness of the environment of the employees (awareness campaign), completion of the "green Book" on the subject of biodiversity (sensitivity and conflict potential maps), fuel-saving trainings and "directions" on the subject of "Sustainable procurement".

Accessibility

More than 450 million passengers used the trains and busses of ÖBB in the year 2011. ÖBB implemented numerous improvements in order to enable people with a mobility handicap to travel in a comfortable, stress-free and barrier-free way. The basis of these improvements was the staged plan pursuant to § 19 *Bundes-Behindertengleichstellungsgesetz* [Federal Law on Equal Opportunities for the Disabled]. This staged plan was elaborated by experts of the ÖBB companies following discussions with representatives of the associations of disabled persons.

The continuous elimination of those barriers that persons restricted in their mobility encounter are carried out in 3-year steps until 2015 in coordination with representatives of people with a mobility handicap. The "Corporate coordination of accessibility" (Konzernkoordination Barrierefreiheit) unit established by ÖBB-Holding is responsible for optimum alignment and coordination of the measures.

Short-distance transport

The *Behindertengleichstellungsgesetz* [Equality Act for Disabled Persons] is applicable in its entirety with respect to barriers related to railway vehicles from 2016. Therefore, modernization of the short-distance train fleet (utilization of new trains with barrier-free access) is underway at full force. At the end of 2011, 188 Talent sets, 60 Desiro sets and 67 double-decker cars were in use. For example, ÖBB invests EUR12 million in the equipment or retrofitting of accessible toilets and an installed access aid in a total of 67 double-decker cars until 2012.

Long-distance transport

In the course of an upgrading program, ÖBB converted 12 vehicles into multifunctional cars (comfort compartment for two wheelchairs, accessible toilets) in cooperation with associations for disabled persons. The same direction is taken with the railjet high-speed train; 42 sets are currently in use. By July 2012, all 51 railjet sets will be on their way. Newly installed lifts, modern optical and acoustic passenger information and accessible toilets are just some examples for the features characterizing the railjet train as a state-of-the-art, accessible premium train.

Postbus

Since the end of 1999, all newly purchased low-floor vehicles were purchased with a mechanical or electrical folding ramp. A seat for passengers with reduced mobility is already part of the standard equipment. In the future, all busses are planned to be equipped with a special area with restraint system as a standard. Since the end of 2011, approximately 56% of the bus fleet (without reserve coaches and vintage busses) or 50% of the entire bus fleet are barrier-free. EUR6 million have been spent for additional equipment for accessibility since 2006.

Infrastructure (traffic stations)

By 2015, all traffic stations frequented by at least 2,000 passengers per day and the major traffic stations in county seats are planned to be barrier-free. A total of 140 traffic stations throughout Austria will be designed completely barrier-free. On so-called interoperable tracks, traffic stations have to be appropriately equipped for disabled persons in accordance with the technical Specifications Interoperability - Persons with Reduced Mobility (TSI-PRM) standard. Highlights in the implementation of the staged plan since the past year under review include the modifications of the stations St. Pölten, Neumarkt-Kallham, Straßhof, Feldbach, Herzogenburg, Melk, Peggau-Deutschfeistritz and Vienna West and the opening of the stop Wolfsberg Reding. Furthermore, certain traffic stations were and are equipped with elevators and guide systems for visually impaired persons (e.g. Hütteldorf, Schladming).

Website

The ÖBB Group's webpage and the ÖBB travel portal www.oebb.at (relaunched in September 2010) are barrier-free both from a technical and point of view and with respect to content. The other companies of the ÖBB Group will upgrade their respective webpages to full accessibility in the next years. The website www.hauptbahnhof-wien.at is one of the official reference projects for the new, global Web-Content Accessibility Guidelines, and it is the only commercial offer among the reference websites to have achieved the AA level.

Events regarding barrier-free public transport

The Austrian discussion tour "Information, Dialogue and Action - Barrier-free Mobility in Public Transport - Your Concerns are taken seriously" (August 2010 - July 2011) and the roadshow "Supporting understanding: Experience barriers in everyday life" (FAIRständnis schaffen: Barrieren im Alltag selbst erleben) are two examples of events aiming at presenting measures for accessibility to the public and promoting understanding for this issue.

G. RISK REPORT

The ÖBB Group is increasingly confronted with the opportunities and risks created by the liberalization of European railway transports and the increasingly intense competition. All identified risks are continuously assessed in terms of quality and quantity, in particular with respect to possible extent of losses and the probability of loss, based on the updated evaluations or on experience.

Risk management in the ÖBB Group

The risk portfolio of the ÖBB Group is evaluated on a regular basis. Risks and opportunities are defined as events or developments that might cause a negative or positive deviation of results from the assumptions made during planning.

The risk management accompanies all relevant business processes and financial items of the important Group companies. The risk management manual that is binding for the entire Group defines rules, margins and minimum requirements of risk management for all company units involved. The first objective of the risk policy is unrestricted safeguarding of the business activity. According to this, risks may only be taken if they are calculable and associated to an increase in the revenues and the company value. Extensive risk identification, assessment, control and reporting constitute the basis for this. This process is supported by a risk management software. Following assessment and consolidation of the individual risks in the corporate risk platform, a report to the Executive Board of ÖBB-Holding AG is established which describes the most important risks and respective counter-measures. Based on this, the Supervisory Board and the audit committee of ÖBB-Holding AG and of the Group companies are provided with detailed information regarding the current risk situation.

The risk fields applicable since the introduction of the corporate risk management system were not changed during the year under review. They serve for structured and standardized registration and processing of all relevant risks:

Strategy	Operations	Finance/ Accounting
Sales/ Distribution	Personnel/ Management/ Organization	Legal issues/ Liability
Purchase/ Procurement	Information processing	Subsidiaries/ Investments

For the year 2012, the most important risks are distributed to the risk fields as follows:

- Risk field Strategy: Risks arising from the non-achievement of fixed strategy objectives. They are reduced by means of strict controlling.
- Risk field Operations: Risk of additional expenses due to mandatory particle filters for diesel locomotives.
- Risk field Finance/Accounting: See chapter "Risks associated with financial instruments".

- Risk field Sales/Distribution: Risks arise, on the one hand, from the aftereffects of the economic crisis and, on the other hand, from the poor economic growth. Close observance and analysis of customer behavior as well as a comprehensive adjustment of the offer help to reduce this risk.
- Risk field Personnel/Management/Organization: There is a risk of non-achievement of the objectives of the ÖBB Job market and resulting additional personnel expenses.
- Risk field Legal issues/Liability: Costs incurred due to own loss and disruptions in operation caused by accidents and cases of force majeure that are not covered by insurances. Other risks arise from the imminent additional expenses due to the implementation of the decision of the CJEU on allowable periods of service before the age of 18, fines for infringement of provisions under anti-trust law, and additional expenses due to the amendment of the *Eisenbahnkreuzungsverordnung* [Railway Crossing Ordinance].
- Risk field Purchase/Procurement: The main risk consists in fluctuations of the prices of certain commodities.
- Risk field Information processing: System failures can cause additional costs and loss of turnover in the operative business units.
- Risk field Subsidiaries/Holdings: The highest risk consists in impairments of the fixed assets in the course of impairment tests within the framework of the annual financial statements.

Pursuant to the *Verbandsverantwortlichkeitsgesetz* [Association Liability Law], the regulation stipulating that companies can be held liable and convicted for actions of their employees or decision-makers that are punishable applies to the ÖBB Group as well. In order to hedge against this risk, relevant areas with respect to criminal law, e.g. regarding cases of negligence, environmental offense and corruption, are identified in the framework of legal risk management, the current situation is evaluated and measures to avoid the risk are determined. Preventive measures have also been established by introducing monitoring and reporting systems and by issuing general behavior directives in the Code of Conduct. Corresponding trainings and the creation of clear and unambiguous areas of responsibility also aim at minimizing risks.

Risk related to financial instruments

Financial instruments

Financial instruments within ÖBB Group (receivables and liabilities resulting from financing activities, trade receivables and liabilities as well as long-term financial assets and current marketable securities) are reported in the consolidated statement of financial position. Detailed information is given in the respective notes to the consolidated financial statements.

Derivative financial instruments

The ÖBB Group uses derivative financial instruments primarily for the purpose of hedging its exposure to exchange rate and interest rate risks and commodity price risks. The group guidelines prohibit the issuing or holding of derivative financial instruments for speculative purposes. Derivative financial instruments are only used for hedging purposes, and the Group guidelines define admissible financial transactions. If hedge-accounting is not applicable for derivative financial instruments, these are measured according to the IFRS provisions.

Risk definition and risk management with respect to financial instruments

ÖBB-Holding AG performing financial transactions on behalf of and on the account of group companies only according to their approval and order, has created a risk-oriented control environment which outlines guidelines and processes for the assessment of risks, the approval, reporting and supervision of financial instruments. Highest priority of all financial activities is the protection of the group company's assets. An essential task of the competent Group Finance department is to identify, assess and limit financial risks. The limitation of risks does not mean complete avoidance of any financial risks, but a reasonable and transparent control of quantified risk items within a framework to be precisely predetermined with the group companies. Most important financing risks are discussed below.

Liquidity risk

The primary aim of ÖBB Group treasury management is the safeguarding of the necessary liquidity. Liquidity risk means any limitation of the independents or the ability to raise capital which might jeopardize the execution of the corporate strategy. Therefore, one of the main objectives of ÖBB Group's cash and treasury management department of group finance is to consistently secure the liquidity of all group companies by a realistic liquidity plan, arranging for sufficient credit lines, and sufficiently diversifying creditors.

Interest rate risk

Risks arising from changes in the market interest rates can affect the financial result of the ÖBB Group due to the given structure of the Statement of Financial Position. Therefore, it is necessary to limit possible market interest rate fluctuations exceeding a

certain level that has to be agreed with the Group companies, e.g. by using derivative financial instruments, in order to minimize the effects of such fluctuations on the result.

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

Foreign exchange rate risk

ÖBB Group's financing is based mainly on Euro. Funding was concluded partially in foreign exchange to take advantage of interest rate benefits, however such were converted to Euro liabilities by using derivative financial instruments (interest rate swaps) in compliance with volume and terms. Foreign exchange rate risks were not hedged in case of a proportionally very low financing raised in Swiss Francs.

No significant foreign exchange rate risks resulting from cross-border leasing transactions exist, as contractual liabilities in foreign exchange are, as far as possible, matched by relating investments and receivables of the same amount and with adequate volumes and terms.

Suitable derivative instruments to manage foreign exchange rate risks (exchange rate swaps) are concluded based on portfolio analyses and recommendations by the Group Finance department and relating decisions made by the group companies.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations (predominantly money-market transactions, investments, funds, swap transactions with positive cash value). The limits underlying the credit risk management which are individually allocated to each financial partner are monitored for compliance on a daily basis.

The actual limits and their use are under daily supervision in order to be able to react to market disturbances like those experienced e.g. in the financial crisis 2008, in due time and in a risk-oriented manner.

Credit risks exist outside of originated transactions with ÖBB's financial partners in connection with cross-border-leasing. For Cross-Border-Leasing transactions, security deposits, payment undertaking agreements and swaps were concluded with financial partners to pay lease payments during the term and the purchase price at the end of the term. For more information on cross-border-leasing agreements, refer to Note 30.3 in the Notes on the Consolidated Financial Statements.

Internal control system

The Executive Boards and managing directors of the ÖBB Group companies respectively are aware of the responsibility to establish an appropriate internal control system, and they assume this responsibility accordingly.

The ICS of the ÖBB Group focuses on process-related monitoring measures and on accounting-related issues. It supports compliance with the relevant directives and the given business policy (Compliance), the correctness and reliability of financial reporting (Financial Reporting), and the efficiency and profitability of the operational activities (Operations). It is based on the internationally accepted COSO framework (Internal Control and Enterprise Risk Managing Frameworks of the Committee of Sponsoring Organisations of the Treadway Commission) and thus provides the management with an accepted analysis and control tool.

In accordance with the decentralized Group structure, each sub-group provides evidence of an appropriate, effective ICS. The sub-groups themselves are responsible for establishment and maintenance.

With a view to the size of the company, an additional Internal Review unit has been established. For the ICS, it is responsible for the basic framework which constitutes the formulated minimum standard to be implemented in the sub-groups. It verifies the existence of an efficient ICS in the Group companies and checks certain ICS components based on an approved annual review schedule, the results being reported to the audit committee of the respective Supervisory Board in the form of an activity report.

The basis for the ICS is 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 regulations and internal specifications are widely known and available.

Based on the process documentation, the important risks are identified, assessed and recorded on a regular basis. Suitable audit activities are determined in order to reduce the risk to an appropriate level. The effectiveness of the audits is tested and documented by means of a regular self-evaluation with revolving main issues.

The audit and reporting system is designed in such a way as to enable the Executive Board to recognize risks and react quickly.

In the course of the year 2010, standardized documentation of the ICS provided in the ÖBB Group has been prepared for the most part. This documentation was published in the form of a minimum standard and implemented and prepared for approval in the Group in the course of the year 2011.

The ICS for the accounting process is also part of the regular audit schedule of the auditors in the course of the annual audit, the results being reported to the audit committee of the Supervisory Board.

Business transactions are in principle recorded with the software SAP R/3 in the ÖBB Group; some foreign subsidiaries also use other software solutions. Therefore, data transfer within the Group is mostly carried out automatically or by means of upload files sent to ÖBB-Holding AG, where the data is processed centrally in the SAP Netweaver BI consolidation system.

An IFRS group manual (published and updated at regular intervals by the Accounting department of ÖBB-Holding AG) constitutes the basis of corporate accounting. It stipulates and communicates important accounting requirements based on the IFRS in a standardized way for the entire Group. The employees in Accounting are continuously trained with respect to new developments in accounting in order to avoid any risk of accidental false reporting.

Software purchased by ÖBB-Holding AG specifically for this purpose is used for the data contained in the Notes. Following audit by local auditors (in accordance with Austrian legal regulations and principles of due and proper annual auditing as well as the International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board (IAASB) of the International federal government of Accountants (IFAC) and the General Terms and Conditions for Audits within the ÖBB Group), all subsidiaries submit extensive Reporting Packages comprising all the relevant accounting data (income statement, statement of financial position, cash flow statement, notes) required for the preparation of the Consolidated Financial Statements. Upon receipt, the audited Reporting Packages are processed by Group Accounting of ÖBB-Holding AG. This external control system forms part of and supports the ICS.

The Supervisory Board is informed about the economic development of the Group in regular intervals, in particular in the framework of the audit committee of ÖBB-Holding AG that must mandatorily be created, by means of consolidated presentations.

H. Significant events after the reporting date

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Information on this chapter is provided in Note 36 in the Notes on the Consolidated Financial Statements.

I. Notes on the Management report

This Management Report contains statements and forecasts referring to the development of the ÖBB Group and its economic environment in the future. Any and all forecasts were made based on the information available at the time of compilation. Therefore, the actual developments may deviate from the expectations described in the Management Report.

Vienna, April 05, 2012

The Executive Board

Mag. Christian Kern m.p.

KR Ing. Franz Seiser m.p.

Mag. Josef Halbmayr MBA m.p.

Glossary

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BMF	Federal Ministry of Finance
BMVIT	Federal Ministry of Transport, Innovation and Technology
ČD	České dráhy, a.s (Czech national railways)
DB	Deutsche Bahn (German railways)
DPI	Dynamic Passenger Information
DVB	Digital Video Broadcast
ECO-Driver-Trainings	Program for fuel-conscious driving
EisbG	Eisenbahngesetz (Railway Act)
EMTN	European Medium Term Note
ETCS	European Train Control System
EVU	Railway undertaking
R&D	Research and development
TGTkm	Total gross tonnage-kilometers
GSM-R	GSM-Railway
GWh	Gigawatt-hour
GWL	Public services
IBE	Infrastructure usage charge
IKS	Internal Control System
ISO	International Standardization Organization
MAV	Magyar Államvasutak (Hungarian national railways)
Newcomer	New hireer
ÖV	Public transport
ÖZIV	Österreichischer Zivil-Invalidenverband (Austrian Association of Persons with Disabilities)
railjet	New long-distance train
REX	Regional express train
ROLA	Combined road/railway transport
SBB	Schweizerische Bundesbahnen (Swiss Federal Railways)
Traktion	Propulsion of trains by tractive units
TSI	Technical Specifications for Interoperability
UKV	Unaccompanied combined transport
VAI	Transport labor inspectorate

Consolidated Financial Statements

Consolidated Income Statement 2011

	Note	2011 in KEUR	2010 *) in KEUR
Revenue	4	5,271,626.9	5,136,142.0
Change in finished goods, work in progress and services not yet chargeable		1,574.1	4,145.3
Other own work capitalized	5	392,542.8	404,873.5
Other operating income	6	584,083.2	536,657.6
Total revenue		6,249,827.0	6,081,818.4
Expenses for materials and services received	7	-2,131,399.5	-2,068,623.2
Personnel expenses	8	-2,328,152.8	-2,410,121.6
Depreciation and amortization	9	-685,402.7	-645,066.0
Impairments	9	0.0	-195,222.0
Other operating expenses	10	-511,643.4	-508,005.5
Earnings before interest and taxes (EBIT without equity in earnings from associated companies)		593,228.6	254,780.1
<i>EBIT without impairments</i>		<i>593,228.6</i>	<i>450,002.1</i>
Equity in earnings from associated companies	17	5,019.9	5,068.1
Interest income	11	82,921.7	87,645.9 *)
Interest expense	11	-695,116.2	-636,875.6 *)
Other financial income	12	69,568.9	99,569.1
Other financial expense	12	-83,530.0	-139,947.5
Financial result incl. equity in earnings from associated companies		-621,135.7	-584,540.0
Earnings before income tax (EBT)		-27,907.1	-329,759.9
Income taxes	13	-7,272.6	-8,289.3
Consolidated net income		-35,179.7	-338,049.2
Consolidated net income attributable on a pro rata basis:			
to the shareholder of the parent company		-35,343.0	-336,264.0
to non-controlling interests		163.3	-1,785.2

*) adjusted prior year amounts, cf. Note 11

Consolidated Statement of Comprehensive Income 2011

	Note	2011 in KEUR	2010 in KEUR
Consolidated net income		-35,179.7	-338,049.2
Unrealized income from Cash Flow Hedges (after tax)	24	-41,787.9	6,149.1
Realized income from Cash Flow Hedges (after tax)	24	-559.0	-802.8
Unrealized income from Available for Sale reserve (after tax)	24	-6.0	869.3
Realized income from Available for Sale reserve (after tax)	24	-864.0	580.0
Unrealized income from currency conversion		-26,644.3	-8,180.8
Other comprehensive income		-69,861.2	-1,385.2
Comprehensive income		-105,040.9	-339,434.4
Comprehensive income attributable on a pro rata basis:			
to the shareholder of the parent company		-105,204.2	-337,649.2
to non-controlling interests		163.3	-1,785.2

Consolidated Statement of Financial Position as of December 31, 2011

Assets	Note	Dec 31, 2011 in KEUR	Dec 31, 2010 in KEUR
Non-current assets			
Property, plant and equipment	14	19,597,569.9	18,207,189.3
Intangible assets	15	556,705.1	554,079.7
Investment property	16	102,671.4	87,934.7
Investments in associated companies recorded at equity	17	68,833.9	66,941.6
Other non-current financial assets	18	978,431.7	1,027,859.6
Other non-current receivables and assets	20	129,209.8	110,873.8
Deferred tax assets	13	1,545.1	2,724.0
		21,434,966.9	20,057,602.7
Current assets			
Inventories	21	158,886.3	131,971.9
Trade receivables	20	545,950.1	587,159.0
Other current receivables and assets	20	315,894.9	452,047.4
Income tax receivables	13	1,293.7	569.1
Other current financial assets	18	221,914.9	84,049.7
Non-current assets held for sale	19	1,006.1	33,063.7
Cash and cash equivalents	22	202,847.6	137,573.3
		1,447,793.6	1,426,434.1
		22,882,760.5	21,484,036.8
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	23	1,900,000.0	1,900,000.0
Additional paid-in capital	24	260,812.2	260,812.2
Other reserves	24	-145,686.4	-75,825.3
Retained earnings	24	-647,139.1	-608,810.1
Equity attributable to shareholder of the parent company		1,367,986.7	1,476,176.8
Non-controlling interests	24	1,720.8	1,870.3
		1,369,707.5	1,478,047.1
Non-current liabilities			
Financial liabilities	25	18,072,076.2	15,916,736.1
Provisions	26	349,597.8	283,277.7
Other liabilities	27	301,119.1	358,611.1
Deferred tax liabilities	13	1,624.2	0.0
		18,724,417.3	16,558,624.9
Current liabilities			
Financial liabilities	25	961,641.2	1,560,977.1
Provisions	26	410,891.8	417,209.8
Trade payables	27	983,595.9	968,372.9
Other liabilities	27	432,506.8	500,805.0
		2,788,635.7	3,447,364.8
		22,882,760.5	21,484,036.8

Consolidated Statement of Cash Flows 2011

	Note	2011 in mil. EUR	2010 *) in mil. EUR
Earnings before income taxes (EBT)		-27.9	-329.8
Non-cash expenses and income			
+ Depreciation and amortization on property, plant and equipment, intangible assets and investment property	9	901.0	1,067.6
+ Depreciation / - appreciation on non-current financial assets		30.5	48.9
- Release of government grants	9	-215.6	-227.4
+ Losses / - gains on disposal of property, plant and equipment and intangible assets		-70.5	-83.6
+ Losses / - gains on disposal of financial assets		-4.6	-8.6
- Gains on exchange rates / + losses on exchange rates		-1.6	5.3
- Other non-cash income / + other non-cash expenses		0.6	0.1
+ Interest expense	11	695.1	636.9 *)
- Interest income	11	-82.9	-87.7 *)
Changes in assets and liabilities			
- Increase / + decrease in inventories		-27.2	1.3
- Increase / + decrease in trade receivables and other assets		105.4	-174.0
+ Increase / - decrease in trade payables and other liabilities		-161.9	277.4
+ Increase / - decrease in provisions		58.5	-139.4
- Interest paid		-704.3	-552.6
+ Interest received		93.9	36.2
- Income tax paid		-2.9	-6.9
Cash flow from operating activities a)		585.6	463.7
+ Proceeds from disposal of property, plant and equipment and intangible assets		132.2	41.5
- Expenditures for property, plant and equipment and intangible assets		-2,276.9	-2,568.8
+ Proceeds from disposal of financial assets		11.7	44.4
- Expenditures for financial assets		-2.1	-14.1
+ Proceeds from / - reimbursement of government grants		213.3	175.1
- Expenditures for consolidated companies and other business units		-6.7	-9.2
+ Dividends received		0.6	0.5
+ Redemption of loans granted / - grant of loans (from investment activities)		13.9	9.1
Cash flow from investing activities b)		-1,914.0	-2,321.5
+ Proceeds from equity contributions		0.0	0.6
- Payments to owner and non-controlling interests		-0.7	-0.5
+ Proceeds from issue of bonds and loans		1,692.5	3,212.8
- Redemption of bonds and loans		-219.2	-1,186.0
- Payment of finance lease receivables		-18.1	-72.3
+ Proceeds from grant / - redemption of other loans		-46.3	0.0
Cash flow from financing activities c)		1,408.2	1,954.6
Cash flow from operating activities a)		585.6	463.7
Cash flow from investing activities b)		-1,914.0	-2,321.5
Free cash flow (a+b)		-1,328.4	-1,857.8
<i>Funds at the beginning of the period</i>		118.4	19.9
Change resulting from the basis of consolidation		-2.2	0.0
Foreign currency translation		2.7	1.7
Change in the funds resulting from cash flow (a+b+c)		79.8	96.8
Funds at the end of the period		198.7	118.4

*) adjusted prior year amounts, cf. Note 11

For details on the composition of the fund, please refer to Note 35.

Consolidated Statement of Changes in Shareholder's Equity 2011

in mil. EUR	Equity attributable to the shareholder of the parent company								Non-controlling interests	Total shareholder's equity
	Number of shares	Share capital	Additional paid-in capital	Cash flow hedge reserve	Available-for-Sale-reserve	Foreign currency translation	Retained earnings	Total		
<i>As of January 01, 2010</i>	190,000	1,900.0	568.1	-69.9	-0.6	-3.9	-574.7	1,818.9	4.7	1,823.6
Net income							-336.3	-336.3	-1.8	-338.1
Other comprehensive income				5.3	1.5	-8.2		-1.4		-1.4
Comprehensive income				5.3	1.5	-8.2	-336.3	-337.7	-1.8	-339.5
Purchase/sale of investments							-5.1	-5.1	-1.6	-6.7
Release of additional paid in capital			-307.4				307.4	0.0		0.0
Other changes									0.6	0.7
As of December 31, 2010	190,000	1,900.0	260.8	-64.6	0.9	-12.1	-608.8	1,476.2	1.9	1,478.0

in mil. EUR	Equity attributable to the shareholder of the parent company								Non-controlling interests	Total shareholder's equity
	Number of shares	Share capital	Additional paid-in capital	Cash flow hedge reserve	Available-for-Sale-reserve	Foreign currency translation	Retained earnings	Total		
<i>As of January 01, 2011</i>	190,000	1,900.0	260.8	-64.6	0.9	-12.1	-608.8	1,476.2	1.9	1,478.0
Net income							-35.3	-35.3	0.2	-35.1
Other comprehensive income				-42.3	-0.9	-26.7		-69.9		-69.9
Comprehensive income				-42.3	-0.9	-26.7	-35.3	-105.2	0.2	-105.0
Purchase/sale of investments							1.9	1.9	-0.2	1.7
Other changes							-4.9	-4.9	-0.2	-5.1
As of December 31, 2011	190,000	1,900.0	260.8	-106.9	0.0	-38.8	-647.1	1,368.0	1.7	1,369.7

Further details on the Statement of Changes in Shareholder's Equity are given in Notes 23 and 24.

Notes on the Consolidated Financial Statements as of December 31, 2011

A. BASIS AND METHODS

Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereinafter referred to as "ÖBB-Holding AG") and its subsidiaries constitute the Österreichische Bundesbahnen-Holding Aktiengesellschaft Group (hereinafter referred to as "ÖBB Group").

ÖBB-Holding AG is a stock corporation incorporated as controlling company of the ÖBB Group in 2004 pursuant to § 2 (1) *Bundesbahngesetz* [Austrian Federal Railways Act] as amended by the *BundesbahnstrukturG* [Federal Railway Structure Act] according to *BGBI.* [Federal Law Gazette] I no. 138/2003 and having its registered office in Vienna. The address of the registered office is Vienna, Wienerbergstraße 11. The ÖBB Group is registered in the Company Register at the *Handelsgericht* [Commercial Court] Vienna under number FN 247642 f. This is also where the Consolidated Financial Statements are filed.

ÖBB-Holding AG is the strategic controlling company of the ÖBB Group, holding all the shares of the three stock corporations (sub-groups) ÖBB-Personenverkehr Aktiengesellschaft, Rail Cargo Austria Aktiengesellschaft and ÖBB-Infrastruktur Aktiengesellschaft (hereinafter "AG" instead of "Aktiengesellschaft"). The sub-groups are hereinafter referred to as ÖBB-Personenverkehr sub-group, Rail Cargo Austria sub-group and ÖBB-Infrastruktur sub-group. In the following, the sub-groups will be described within the framework of the segment reporting.

Pursuant to § 245 (5) *UGB* [Austrian Commercial Code], one subsidiary of ÖBB-Holding AG, namely ÖBB-Infrastruktur AG, is obligated to prepare unconsolidated financial statements in accordance with the IFRS because it issued bonds listed for trade in the regulated market at the Vienna Stock Exchange. The unconsolidated financial statements of ÖBB-Infrastruktur AG are submitted to the *Handelsgericht* Vienna under Company Register number FN 71396 w.

1. Accounting principles

ÖBB-Holding AG is required to issue Consolidated Financial Statements pursuant to § 244 *UGB*. The Consolidated Financial Statements as of December 31, 2011 (including the figures from the prior year as of December 31, 2010), were prepared pursuant to § 245a (2) *UGB* in conjunction with the International Financial Reporting Standards ("IFRS/IAS") issued by the International Accounting Standards Board ("IASB"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC", "SIC"), which were effective as of December 31, 2011 and endorsed by the European Union. With these Consolidated Financial Statements according to the IFRS, ÖBB-Holding AG issues exempting Consolidated Financial Statements pursuant to § 245a *UGB* in accordance with internationally accepted accounting principles.

The Consolidated Financial Statements are presented in Euro (EUR). All amounts contained in the Notes are presented in million EUR, unless a different currency unit is indicated. Since the rounded presentation in internal calculation systems also includes amounts not presented, rounding differences may occur.

Disclosure on amended and new IFRS regulations

The following standards and interpretations were amended compared to the Consolidated Financial Statements as of December 31, 2010, or were to be applied initially on a mandatory basis due to the endorsement by the EU or as they took effect for the first time during the year. 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
IAS 32	Financial Instruments: Presentation - Classification of Rights Issues	Feb 01, 2010	no
IFRS 1	Limited Exemption for First-time Adopters from Comparative IFRS 7 Disclosures	Jul 01, 2010	no
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Jul 01, 2010	no
IFRIC 14	Prepayment of a Minimum Funding Requirement	Jan 01, 2011	no
IFRS 1, IFRS 7, IAS 1, IAS 34, IFRIC 13	Improvements of the IFRS 2010	Jan 01, 2011	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, but they have not yet been endorsed by the EU - except for IFRS 7 - and may therefore not yet be applied early for the financial year 2011. The possibility of early application of IFRS 7 was not used. Possible impacts of this standard are currently being evaluated.

Revised and amended standards/interpretations		Effective as of ¹⁾	Impact on the Consolidated Financial Statements
IFRS 1	Hyperinflation and Fixed Conversion Date	Jul 01, 2011 ²⁾	no
IFRS 7	Financial Instruments: Disclosures	Jul 01, 2011	yes
IAS 12	Income Taxes	Jan 01, 2012 ²⁾	Is evaluated
IAS 1	Presenting Comprehensive Income	Jul 01, 2012 ²⁾	yes
IFRS 10	Consolidated financial statements	Jan 01, 2013 ²⁾	Is evaluated
IFRS 11	Joint Arrangement	Jan 01, 2013 ²⁾	Is evaluated
IFRS 12	Disclosure of interests in other entities	Jan 01, 2013 ²⁾	yes
IFRS 13	Fair Value Measurement	Jan 01, 2013 ²⁾	Is evaluated
IAS 19	Employee benefits	Jan 01, 2013 ²⁾	yes
IFRS 9	Financial Instruments	Jan 01, 2013 ²⁾	yes

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

²⁾ not yet endorsed by the EU

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 according to 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 EURO, the functional currency of the parent company.

Foreign currency transactions are first translated into the functional currency 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. Any translation differences are recognized in the other operating income or expenses or in the other financial expenses or financial income, with the exception of all monetary items constituting an effective hedge of a net investment in a foreign operation. Such items are recognized in the other comprehensive income until disposal of the net investment, and included in the income statement only after disposal of the investment. Any income taxes resulting from translation differences of such monetary items are also recognized in the other comprehensive income. Non-monetary items measured at cost and denominated in a foreign currency are translated at the rate applicable at 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.

The financial statements of the foreign subsidiaries included in the Consolidated Financial Statements are translated according to the modified closing rate method. The equity items are measured at the historical rates of the initial consolidation reporting date, and the other items in the statement of financial position are measured at the foreign exchange reference rates of *Österreichische Nationalbank* [Austrian National Bank] (ÖNB) applicable at the reporting date. The items of the income statement are translated at the annual average rates. Differences resulting from foreign currency translation are recognized in the other comprehensive income. As long as the subsidiary is included in the basis of consolidation, the translation differences are continued in the consolidated shareholder's equity. If subsidiaries leave the basis of consolidation, the corresponding translation differences are recognized in the consolidated net income.

As the principal market of the ÖBB Group is in Austria, sales in foreign currencies account only for a small portion. The exchange rates of important currencies developed as follows (source: reference rates of the European Central Bank (ECB) according to www.oenb.at):

rounded in EUR	Reporting date rate		Annual average rate	
	Dec 31, 2011	Dec 31, 2010	2011	2010
Bulgarian Lev (BGN)	1.956	1.956	1.956	1.956
Swiss Francs (CHF)	1.216	1.25	1.2326	1.38
Czech Koruna (CZK)	25.787	25.061	24.590	25.284
Japanese Yen (JPY)	100.2	108.65	110.96	116.24
Croatian Kuna (HRK)	7.537	7.383	7.439	7.289
Hungarian Forint (HUF)	314.58	277.95	279.37	275.48
Polish Złoty (PLN)	4.458	3.975	4.121	3.995
Romanian Leu (RON)	4.3233	4.262	4.239	4.212
Russian Ruble (RUB)	41.765	40.82	40.885	40.263
Swedish Krona (SEK)	8.912	8.966	9.03	9.537
New Turkish Lira (TRY)	2.4432	2.069	2.338	1.997
US Dollar (USD)	1.2939	1.336	1.392	1.326

Consolidation

Subsidiaries

Entities are considered subsidiaries, if the ÖBB Group can exercise control over the financial and operating policies by holding voting rights of more than 50%. In determining whether control is exercised, the existence and impact of potential voting rights currently exercisable or convertible is considered. Subsidiaries are included in the Consolidated Financial Statements (full consolidation) from the date the ÖBB Group obtains control. Upon expiration of control, these entities are deconsolidated.

The results of operations of the acquired businesses are included in the Consolidated Income Statement from the respective dates of acquisition until the date of disposal. Non-controlling interests in equity and the earning of companies are disclosed separately.

Accounting and measurement methods are applied consistently by all subsidiaries in the ÖBB 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 non-controlling interests in the acquired company. For each business combination, the acquirer measures the non-controlling interests 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 other operational expenses.

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

At initial recognition, goodwill is first measured at cost, determined as the excess amount of the consideration transferred plus the amount 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 the income statement. 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 generate 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 portion of it is sold, goodwill attributable to this business unit is taken into account determining the carrying amount and the profit from the sale of this business unit. The value 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 where the ÖBB Group has significant influence on financial and operating decisions, but is not able to control or jointly control the company. This is generally the case when the interest held in a company is between 20% and 50%.

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

If the acquisition cost of the share acquired by the ÖBB Group exceeds the fair values of identifiable assets and liabilities of the associated company at the date of acquisition, such excess amount is accounted for as goodwill within the framework of the valuation of the investment. If the acquisition cost of the share acquired by the ÖBB Group is less than the fair values of identifiable assets and liabilities at the date of acquisition (i.e. deduction upon acquisition), the difference is recognized in the income statement in the period the acquisition occurred. However, if the negative difference is caused by shareholder's relations, the difference is recognized in the additional paid-in capital.

Elimination of intercompany accounts

Trade receivables and other receivables are offset with the corresponding liabilities and provisions between the subsidiaries included in the Consolidated Financial Statements in the course of elimination of intercompany accounts. In total, intra-group assets and liabilities were eliminated at an amount of EUR 3.7 billion.

Income and expense elimination

Any and all intra-group expenses and income are eliminated in the course of the income and expense elimination. When fixed assets are constructed by the ÖBB Group itself, any revenues arising therefrom are transferred to own work capitalized after elimination of the interim profits. Unrealized gains and losses from transactions between Group companies are eliminated. In total, intra-group revenues, other income and financial income were set off against the respective expenses at an amount of EUR 3.4 billion.

Interim profit elimination

Unrealized profits resulting from intra-group sales of assets and assets created by the ÖBB Group itself were eliminated in the Consolidated Financial Statements of the two years under review.

Composition of and change in the basis of consolidation

The basis of consolidation includes ÖBB-Holding AG and 60 (prior year: 69) other fully consolidated entities and 15 (prior year: 15) entities accounted at equity (associated companies), i.e. a total of 76 (prior year: 85) companies. The companies included in the Consolidated Financial Statements are indicated in Note 36. It lists all investments of the ÖBB Group, including shareholder's equity, net income according to local national accounting law and the type of consolidation. Subsidiaries consolidated in the years 2010 and 2011 or subsidiaries for which the type of consolidation changed are disclosed separately in the list of investments in Note 36.

The basis of consolidation is delimited in such a way that the Consolidated Financial Statements give a true and fair view on the net assets, financial position and results of operations of the ÖBB Group. The subsidiaries that are not fully consolidated are those with a small business volume whose turnover and respective equity jointly account for less than 1% of the consolidated amounts. In the year under review, two (prior year: three) subsidiaries were excluded from the consolidation after discontinuing their business activities or after the business operation of the subsidiary became insignificant. With respect to the changes in the basis of consolidation in 2011, see Note 36.

Changes in the basis of consolidation in 2010 and 2011

The basis of consolidation developed as follows:

Basis of consolidation	Consolidated	At equity method of accounting	Total
As of Jan 01, 2010	73	15	88
<i>thereof foreign companies</i>	31	8	39
Mergers	-1	0	-1
Initial consolidation	1	2	3
Disposal (final consolidation)	-3	-2	-5
As of Dec 31, 2010	70	15	85
<i>thereof foreign companies</i>	32	6	38
Mergers	-6	0	-6
Initial consolidation	1	0	1
Disposal (change from V to V0)	-2	0	-2
Disposal (final consolidation)	-2	0	-2
As of Dec 31, 2011	61	15	76
<i>thereof foreign companies</i>	30	7	37

Notes 32 and 36 explicate the changes in the basis of consolidation.

Effects of the changes in the basis of consolidation on the financial position and result of operations

The changes in the basis of consolidation described have the following effects on the Consolidated Financial Statements:

Development of the statement of financial position in mil EUR	Jan 01, 2010	Change in basis of consolidation	Organic incl. exchange and cons. effects	Dec 31, 2010	Change in basis of consolidation	Organic incl. exchange and cons. effects	Dec 31, 2011
Non-current assets	18,439.2	0.1	1,618.3	20,057.6	-2.6	1,380.0	21,435.0
Current assets	1,212.5	4.4	209.5	1,426.4	-5.9	27.3	1,447.8
Balance sheet total	19,651.7	4.5	1,827.8	21,484.0	-8.5	1,407.3	22,882.8
Shareholder's Equity	1,823.6	2.2	-347.8	1,478.0	-3.5	-104.8	1,369.7
Non-current liabilities	14,349.7	0.0	2,208.9	16,558.6	-0.5	2,166.3	18,724.4
Current liabilities	3,478.4	2.3	-33.3	3,447.4	-4.5	-654.2	2,788.7
Balance sheet total	19,651.7	4.5	1,827.8	21,484.0	-8.5	1,407.3	22,882.8

Income statement development in mil. EUR	2009	Change in basis of consolidation	Organic incl. exchange and cons. effects	2010	Change in basis of consolidation	Organic incl. exchange and cons. effects	2011
Total revenues	5,747.6	37.7	296.5	6,081.8	-29.9	227.8	6,279.7
Total expenses	-5,434.0	-34.6	-358.4	-5,827.0	34.6	135.8	-5,656.6
Financial result	-192.8	-0.2	-391.5	-584.5	0.1	-36.7	-621.1

The column "Organic" includes changes that do not result from changes in the basis of consolidation.

3. Summary of significant accounting policies

Basic principles for the preparation of the financial statements

The Consolidated Financial Statements are prepared on a cost basis, 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. Costs include certain expenses incurred in the course of the acquisition, the construction and development, such as acquisition costs, material and personnel expenses, directly attributable fixed and variable overheads, the present value of obligations resulting from the demolition and disposal of assets as well as the restoration of sites and borrowed capital costs directly attributable to qualifying assets. Value added tax charged by suppliers and entitling to input tax deduction is not included in the cost. Property, plant and equipment under finance lease are recognized at the lower of the present value of minimum lease payments or its fair value.

Property, plant and equipment and investment property is depreciated on a straight-line basis over the estimated useful life, and recognized in the line item Depreciation and amortization of 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 leasing term, otherwise it is depreciated over the shorter of the lease term or their estimated useful life. Assets with costs of up to EUR400.00 are classified as low-value assets and are expensed as incurred due to their insignificance.

The useful lives are:

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

Costs for maintenance and repair are recognized as incurred, whereas replacements and improvements are capitalized. The cost and accumulated depreciation of assets sold or retired are recognized as disposal, and the profit or loss is recognized in other operating income or expenses. The useful lives presented in this table and the methods of depreciation are also applied to assets presented in the line item "Investment property".

The useful life for new acquisitions of "Slab tracks in tunnels" was extended from 30-35 years to 80 years in 2010 and thus adjusted to the actual operational availability. For further information on the effects of this change of the useful life see Note 14. The useful lives were not adjusted in the current year under review.

Grants related to assets

The ÖBB Group receives public grants that are on principle related to assets. Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Asset-related grants, in particular government 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.

Goodwill and other intangible assets

Goodwill

The difference between the cost of acquisition of a company and the fair value of the share of the ÖBB Group in the net assets of the acquired company at the time of acquisition constitutes the goodwill. Goodwill generated through the acquisition of a company is accounted for in the intangible assets. The recognized goodwill is subject to an annual impairment test and measured at its original cost less accumulated impairments. Impairment reversals are not permitted. For the purpose of impairment testing, the goodwill is allocated to cash-generating units. It is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that generated the goodwill.

Other intangible assets

The ÖBB Group does not recognize any important other intangible assets with indefinite useful lives. Intangible assets with a finite useful life are recognized at cost less amortization on a straight-line basis. Assets with costs of up to EUR400.00 are classified as low-value assets and expensed as incurred due to their insignificance.

Straight-line amortization is based on the following useful lives:

	Years
Investment grants to third parties	3–20
Concessions	4–20
Software	2–20
Other intangible assets	5–30

Grants are amortized over the useful life of the asset for which the grant was received.

Impairment of property, plant and equipment and intangible assets

Methodology

Property, plant and equipment and intangible assets with a definite useful life are tested for impairment if specific events or changes in circumstances indicate that the carrying amount of an asset exceeds the fair value. The impairment test is carried out for all property, plant and equipment and intangible assets. According to the provisions of IAS 36, impairment expenses are recognized if the carrying amount exceeds the higher of the fair value less liquidation cost or the value in use. The fair value after deduction of liquidation cost corresponds to the amount recoverable in a sales transaction at arm's length less liquidation cost. The value in use corresponds to the estimated future net discount cash flows expected from continued usage of an asset and its disposal at the end of the useful life. Impairments are recognized in a separate line item of the income statement.

For the purpose of impairment testing, the ÖBB Group calculates the value in use. The value in use is determined by estimating the future net cash flows of the cash-generating units based on the business plans, which are derived from the historical performance and the management's best estimates with respect to future developments. The growth rates assumed in the business plans (budget 2012 and medium-term plan 2013-2017) reflect the weighted average growth rates based on market estimates. Estimated cash flow projections 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 exceeds the carrying amount, the respective cash-generating unit shall be regarded as not impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the unit shall recognize an impairment loss. The impairment loss in connection with the cash-generating unit will first be allocated to the goodwill and subsequently to the other assets on a pro-rata basis, whereas the other assets of the cash-generating unit may not be impaired below their respective recoverable amounts. The reductions in carrying amounts constitute impairment losses on individual assets.

If there is any indication that an impairment of an asset (except for goodwill) no longer exists, the ÖBB Group shall reverse the impairment, in whole or in part, in the consolidated net income. Impairment reversal is not permitted for goodwill and financial assets recognized at cost. Any increase in the fair value of equity instruments classified as "available for sale" is recognized in the other comprehensive income.

After approval of the medium-term plan by the Supervisory Board, regular audits are carried out to determine whether an event triggering impairment has occurred. If a considerable change of the value in use is suspected due to current in-

sights gained regarding business development or changes in assumptions during the financial year, additional audits shall be carried out.

Structure of the cash-generating units

Each cash-generating unit comprises a single unit or a number of legally independent companies. The delimitation criteria for the cash-generating units are based on the operative business structure and correspond to the business units or business activities. A short description of these business units is given in Note 34. ÖBB-Produktion GmbH is allocated to the Rail Cargo Austria segment and the ÖBB-Personenverkehr segment on a pro rata basis.

Calculation assumption

Cash-generating units of ÖBB-Personenverkehr

The cash-generating units of ÖBB-Personenverkehr are Passenger Transport Rail, Bus and Services.

For the cash-generating units ÖBB-Personenverkehr Rail and Services, a weighted average capital cost rate reflecting the interest claim of the capital market for the allocation of borrowed capital and equity against the cash-generating units of the ÖBB-Personenverkehr group is used for discounting. Risks and taxes are taken into account by means of various deductions. The following discount rates were applied:

	Dec 31, 2011		Dec 31, 2010	
	Borrowed capital	Shareholder's equity	Borrowed capital	Shareholder's equity
For the cash-generating unit of ÖBB-Personenverkehr				
Share acc. to Peer Group	36%	64%	31%	69%
Risk-free interest rate for 10-year or 30-year German Government Bonds	2.42%	3.23%	2.47%	2.93%
Beta Relevered according to the respective Peer Group		0.68		0.71
Country or market risk	0.00%	4.50%	0.00%	4.50%
Spread	1.25%		0.71%	
Borrowed capital interest rate after tax or equity interest rate	2.75%	6.27%	2.39%	6.14%
Weighted Average Cost of Capital (after tax)	5.00%		4.98%	
Growth deduction	-1.33%		-1.33%	
Weighted Average Cost of Capital (perpetuity from 2018 or 2017)	3.67%		3.65%	

The cash flow forecasts take intra-group transfer prices based on market-oriented evaluations of the companies involved into account. For the cash flow forecasts after the planning period (perpetuity approach), the impairment test was based on assumed growth rates corresponding to a realistic evaluation of the specific market development. The capital cost rate was separately calculated for ÖBB-Personenverkehr group, independently from the rest of the ÖBB Group. Risk and resource consolidation with the rest of the ÖBB Group was not assumed.

The impairment test for the cash-generating unit Bus is based on the fair value (market value) less cost to sell, because the preconditions of an active market are fulfilled for the assets - primarily the busses. Therefore, the sales experts created a measurement model reflecting the typical development of the value of the individual types of busses per manufacturer based on the age of the bus. The empirical values reflected in the value curve are confirmed by past sales of busses and contractually agreed repurchase prices of the bus manufacturers. As of the reporting date, the busses are categorized according to bus type, manufacturer and age, and the value is measured on the basis of the value curve of the measurement model. The fair value (market value) determined this way is compared to the carrying amount of the bus assets in order to check for any impairment of these assets.

Cash-generating units of Rail Cargo Austria

The cash-generating units of the Rail Cargo Austria group are: Cargo & Logistics (C&L), Unaccompanied Transport (UKV), Combined Road/Railway Transport (RoLa), Contracted Logistics (KL), Freight Forwarders (SPED) and Technical Services (TS).

A weighted average capital cost rate reflecting the interest claim of the capital market for the allocation of borrowed capital and equity against the Rail Cargo Austria group is used for discounting. Risks and taxes are taken into account by means of various deductions. The following discount rates were applied:

For the cash-generating unit of Rail Cargo Austria	C&L	UKV	RoLa	KL	SPED	TS
Dec 31, 2011						
Austria						
Before tax						
Interest rate 2012-2017	7.0%	11.5%	26.1%	37.8%	7.8%	7.3%
Interest rate perpetuity	5.2%	9.8%	24.3%	36.1%	6.0%	5.5%
After tax						
Interest rate 2012-2017	6.3%	6.3%	6.3%	6.3%	6.3%	5.7%
Interest rate perpetuity	5.0%	5.0%	5.0%	5.0%	5.0%	4.3%
Hungary						
Before tax						
Interest rate 2012-2017	10.9%	14.6%	12.9%		11.6%	10.9%
Interest rate perpetuity	9.1%	12.8%	11.2%		9.8%	9.1%
After tax						
Interest rate 2012-2017	10.3%	10.3%	10.3%		10.3%	9.7%
Interest rate perpetuity	9.0%	9.0%	9.0%		9.0%	8.4%
Dec 31, 2010						
Austria						
Before tax						
Interest rate 2011-2016	12.5%	16.6%	8.4%	6.3%	7.6%	7.0%
Interest rate perpetuity	10.7%	14.8%	6.6%	4.5%	5.8%	5.2%
After tax						
Interest rate 2011-2016	6.0%	6.0%	6.0%	6.0%	6.0%	5.5%
Interest rate perpetuity	4.7%	4.7%	4.7%	4.7%	4.7%	4.2%
Hungary						
Before tax						
Interest rate 2011-2016	13.8%	10.7%	10.0%			10.7%
Interest rate perpetuity	12.0%	8.8%	8.2%			8.9%
After tax						
Interest rate 2011-2016	9.7%	9.7%	9.7%			9.4%
Interest rate perpetuity	8.4%	8.4%	8.4%			8.1%

The discount rates before tax indicated above were determined by means of the internal rate of return. Based on the internal rate of return, the discount rates before tax for the cash-generating units RoLa and KL are significantly higher than the discount rates after tax due to the strong fluctuations of scheduled cash flows. The value in use of the cash-generating units is determined based on the discount rates after tax. The discount rates before tax are indicated for information purposes only. An unvarying growth factor in the amount of 1.33% (2/3 of the rate of inflation) was used for the perpetuity from 2018.

The cash flow forecasts take intra-group transfer prices based on market-oriented evaluations of the companies involved into account. For the cash flow forecasts after the planning period (perpetuity approach), the impairment test was based on assumed growth rates corresponding to a realistic evaluation of the specific market development. The capital cost rate was calculated separately for the Rail Cargo Austria group, independently from the rest of the ÖBB Group. Risk and resource consolidation with the rest of the ÖBB Group was not assumed and the capital cost rate was not applied consistently throughout the Group. The interest rate after tax was used for the impairment test.

Cash-generating units of ÖBB-Infrastruktur

Due to the following preamble to the grant agreements, no impairment test was required any more: "ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and further defined in § 31 BBG [Austrian Federal Railways Act]. The basis for the financing of the company is given in § 47 BBG, according to which the federal government is responsible for ensuring that ÖBB-Infrastruktur AG has the funds available required to fulfill its tasks and maintain its liquidity and equity, insofar as the tasks are included in the business plan pursuant to § 42 para. 6 BBG. The commitment regulated by the federal government in this provision is implemented by the grant agreements pursuant to § 42 para. 1 and 2 BBG. 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 subgroup used for the tasks pursuant to § 31 BBG, which also conforms with the official task according to the *Bundesbahngesetz*."

Further information is provided in Notes 9, 14 and 15.

Impairment of investments recognized at equity

After application of the equity method according to IAS 28.31 it has to be determined whether there is any objective indication of an impairment of the carrying amount in accordance with IAS 39.58 et seq. If indicators are identified, the recoverable amount of the investment shall be determined according to IAS 36 Impairment of assets. In case of impairment, the investment shall be impaired accordingly. If associated companies or joint ventures are affected by the impairment, such impairment is recognized in the line item "Equity in earnings from associated companies".

Non-current assets held for sale (IFRS 5)

Assets held for sale are measured at the lower of the carrying amount or the fair value less disposal cost according to IFRS 5 ("Non-current assets held for sale and discontinued operation"). Assets classified as "held for sale" are not amortized 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 profits or losses from the disposal of property, plant and equipment and intangible assets as other operating income or expenses or, for investments, as other financial result.

Financial instruments

General information

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

- 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 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 cancelled or has expired. Regular 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 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. Money market deposits with original maturities of more than three months are classified as current financial assets along with securities. Cash and cash equivalents represent the funding for the cash flow statement.

Financial assets and liabilities

Financial instruments disclosed in the Statement of Financial Position as financial assets and derivative financial instruments are measured at their fair value with the exception of loans and receivables and assets held to maturity. The financial instruments recognized as financial liabilities in the Statement of Financial Position are measured at amortized cost, with the exception of one bond for which fair value hedge accounting was used. Changes in the fair value of derivative financial instruments are recognized in profit or loss or other comprehensive income, depending on whether the derivative financial instrument is designated to hedge assets or liabilities recognized in the Statement of Financial Position (fair value hedge) or the fluctuations of 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 hedging instrument are recognized in profit or loss. For derivative financial instruments designated as cash flow hedges, changes of the fair value of the effective portion of the hedging instrument are recognized via other comprehensive income in equity (cash flow hedge reserve). Effects recognized in other comprehensive income are transferred to profit or loss when the hedged item affects 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 hedge are recognized in profit or loss immediately. A general description of hedge accounting is given in Note 29.2.

Furthermore, the ÖBB Group entered into interest or interest currency swaps and forward foreign exchange contracts which are accounted for as free standing derivative financial instruments. In economic terms, these derivatives serve primarily for hedging risks from fluctuations in foreign currencies and interest rates. Changes in the fair value are recognized directly in profit or loss.

In accordance with IAS 39, securities and certain non-current financial instruments are classified either as financial assets held to maturity (HtM) or available for sale (AfS) by the ÖBB Group and are measured at amortized cost or at fair value. Unrealized profits and losses on available-for-sale assets are recognized in the other comprehensive income.

Long-term derivative financial instruments (interest swaps for hedging purposes) are on principle separated into a current and a non-current portion based on the discounted cash flows accruing in the respective time frames. In case of a derivative financial instrument with an obviously negative overall fair value, any current positive portion is not recognized as a current asset, as such recognition would be misleading in view of the obviously negative overall fair value; instead, the overall negative fair value is recognized as a non-current liability. The same applies in case of an obviously positive overall fair value with 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 the acquisition cost differs from the fair value of the securities, as well as the period of time for which such a difference exists. Impairment losses are recognized in other financial result in the respective period.

If there is an indication that an impairment no longer exists, the ÖBB Group has to reverse all or part of the impairment in the consolidated net income, unless these financial assets are carried at cost or 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 other comprehensive income.

Trade receivables

Trade receivables are recognized at amortized cost or the lower fair value. Impairments are recognized if the collection of the claims can no longer be expected due to customer-specific circumstances. If such doubts regarding the collection of the receivables occur, receivables are measured at the lower realizable amount and specific provisions are recognized on the basis of identifiable risks. Impairment indications include significant financial difficulties of the contractual partner, initiated insolvency proceedings, 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 in determining the amount of impairment. As soon as the irrecoverability of the receivable has been determined, the receivable is derecognized.

Construction contracts, if significant, are recognized according to the "percentage of completion" method. Insignificant construction contracts are recognized at cost of production less appropriate allowances in trade receivables.

Fair value of financial instruments

The carrying amounts of funds, trade receivables and payables, receivables due from and liabilities due to related companies approximate their fair values. The fair values of securities held to maturity and securities available for sale result from the respective quoted prices. The fair value of non-current financial liabilities and swap agreements is based on the future cash flows, discounted at the ÖBB Group's estimated current interest rate at which comparable financial instruments may be concluded.

The ÖBB Group estimates, based on the audited financial statements, if any, that the fair value of assets for which no quoted prices are available - mainly investments - corresponds to their carrying amount. Assets are subject to impairment testing if the investment generates losses over an extended period or in the event of significant changes in the business environment.

For further information on accounting and measurement methods see Note 29.

Inventories

Inventories mainly consist of material and spare parts used primarily for the expansion, maintenance and repair of faults of the Group's own railway networks and for maintenance of the automobiles and trucks. Inventories are measured at the lower of cost or net realizable value, cost being determined on the basis of the weighted average price method. The net realizable value is determined based on the estimated selling price in the ordinary course of business, less estimated cost to complete and selling costs still to be incurred.

For spare parts and material, the replacement value constitutes the best available measurement basis for the net sales price.

Provisions

Provisions are recognized when obligations to a third party were assumed, payment made by the ÖBB Group is probable and the amount can be reasonably estimated. Non-current provisions are recognized at their present value. For further information see Note 26.2.

Leases

Lease agreements in which the ÖBB Group, being the 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 leased item's fair value or at the lower 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 Group as lessor, the leased asset is recognized in the Statement of Financial Position by the ÖBB Group. The leased item is accounted for according to the regulations applicable to this asset in accordance with IAS 16. Information on the accounting and measurement method for cross border leasing transactions is provided in Note 30.3.

Lease agreements in which the ÖBB-Infrastruktur Group, being the lessor, transfers substantially all the risks and rewards of ownership of an asset to the lessee are classified as finance leases. Otherwise, they are classified as operating leases. Lease receivables are recognized at the amount of the net investment in the lease.

Employee benefit obligations

The ÖBB Group has entered into only one individual pension obligation for a former member of the Executive Board. Apart from this obligation, there are only defined contribution plans with respect to pensions. The ÖBB Group pays contributions to publicly or privately administered pension or 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 and anniversary payments) result from unfunded defined benefit plans for which adequate provisions are recognized. The ÖBB Group calculates the provision using the projected unit credit method (PUC method) in accordance with IAS 19 ("Employee Benefits"). The future obligations are measured using actuarial methods on the basis of an appropriate assessment of the discount rate, rate of compensation increase, rate of increase of pensions and rate of employee turnover. In accordance with this method, the ÖBB Group recognizes all actuarial profits and losses immediately and totally as personnel expenses. Any past service cost is amortized on a straight-line basis over the remaining service period. For further information see Note 26.1.

Changes in existing provisions for decommissioning, restoration and similar liabilities

In accordance with IAS 16 ("Property, Plant and Equipment"), the cost of property, plant and equipment includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Provisions for decommissioning, restoration and similar obligations are measured in accordance with the regulations of IAS 37. The effects of changes in the measurement of existing provisions for decommissioning, restoration and similar obligations 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 of these liabilities resulting from changes in the estimated maturity or amount of the outflow of resources required to fulfill the liability 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 shall not exceed its carrying amount. If the adjustment results in an addition to the cost of an asset, the ÖBB Group shall examine whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the asset shall be tested for impairment and any impairment losses shall be recognized.

Revenue recognition

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

Grants related to income

Grants related to expenses and income provided to the ÖBB Group are recognized in profit or loss immediately upon fulfillment of the preconditions.

Research and development costs

In accordance with IAS 38, research costs refer to original and planned research performed to gain new scientific or technical knowledge and understanding, and are expensed as 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 they are expensed as incurred in accordance with IAS 38. If the recognition requirements of IAS 38 are not met, research and development costs are expensed as incurred. If the recognition requirements of IAS 38 are met, development costs shall be capitalized as intangible assets.

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. Royalties 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.

Income tax

In accordance with § 50 (2) *Bundesbahngesetz* as amended by *BGBI. No. 95/2009*, ÖBB-Infrastruktur AG has been exempted from federal taxes as of 2005, except for VAT, from federal administration fees as well as from court charges and from juridical administration fees to the extent that such taxes and duties result from the execution of the respective tasks under the *Bundesbahngesetz* (partial tax exemption).

With respect to the tax situation of ÖBB-Infrastruktur AG, the following business areas are primarily assumed to be subject to income tax:

- Income from power trade;
- Provision of services not related to railway infrastructure;
- Management of real estate not representing railway assets as defined in § 10a *Eisenbahngesetz* [Railways Act];
- Investment administration.

The other Group entities are subject to corporate income tax obligations.

In December 2005, a tax group contract was concluded with ÖBB-Holding AG as head of the tax group and the majority of the ÖBB Group companies as group members. At present, the corporate tax group does not include any foreign companies. The fiscal claims and obligations from the tax group contract are based on the current fiscal result of each member of the group. Positive tax amounts are on principle charged at the corporate income tax rate valid in the year of the financial statements, while negative tax amounts are compensated only insofar as they can be realized in the Group.

The primacy of sub-group consideration and the principle of equal treatment of all participants in the company group within the respective sub-group apply for the usage of fiscal losses; in addition, the principle of equal treatment of all participants in the company group applies for inter-sub-group usage of fiscal losses.

Deferred taxes

Deferred taxes are recognized - taking the exception clauses under IAS 12.15 and IAS 12.24 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 accounting profit or loss nor 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 associates are recognized, unless the ÖBB 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 to the period when the deferred tax assets are realized or the deferred tax liability is expected to be settled.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in the future against which the temporary difference can be utilized.

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

The Executive Board made estimates in the process of applying the accounting policies of the ÖBB Group. Additionally, as of the reporting date, the Executive Board 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:

The measurement of the post-employment benefit plans, pension plans and anniversary benefit claims is based on a method that uses various parameters such as the expected discount rate, rate of compensation and pension increase and rate of employee turnover (see Note 26.1). If the development of the relevant parameters differs significantly from the expectations, this can have a significant effect on the provision and, as a result, on the net personnel expenses of the ÖBB Group.

With respect to long-term provisions for employees (severance and anniversary), the rate of employee turnover and the long-term rate of compensation increase were adjusted in 2011 to reflect the current situation. Further information is provided in Note 26.1. The resulting change in the provision affects the actuarial profits and losses; it is apparent in the development of the provision.

b. Impairments:

Impairment tests for intangible assets and property, plant and equipment are generally based on estimated discounted future net cash flows expected to result from the continued use of the asset and its disposal at the end of its useful life. Factors such as lower than anticipated revenue and resulting decreases in net cash flows as well as changes in the discount rates used could lead to impairment. Impairment tests were carried out at each of the reporting dates and resulted in impairment expenses as described in Note 14, as the value in use was lower than the carrying amount in some cases. According to the sensitivity analysis performed, a change in the discount rate by +/- 0.25% would have resulted in an impairment amounting to EUR22.3 million, but not in any appreciation. In the previous year, such a change in the discount rate would have led to an increase in impairment amounting to EUR277.2 million or a decrease in impairment amounting to EUR210.3 million respectively. With respect to the carrying amounts of the intangible assets and property, plant and equipment, please refer to the asset analysis in Notes 14 and 15 or to Note 9.

c. Assumptions with respect to the useful life of property, plant and equipment and intangible assets:

The useful lives are determined based on the specific conditions of the company, taking regular maintenance into account. According to the sensitivity analysis performed, a change in the useful life of +/- 1 year would result in an increase in depreciation and amortization amounting to EUR70.9 million (prior year: EUR77.7 million) or a decrease in depreciation and amortization amounting to EUR111.6 million (prior year: EUR68.5 million). The useful life for new acquisitions of "Slab tracks in tunnels" was extended from 30-35 years to 80 years in 2010 and thus adjusted to the actual operational availability.

In the years under review, the useful lives of further lines that are not part of the target network were reduced to the expected remaining useful life, which resulted in an additional depreciation amounting to EUR2.7 million (prior year: EUR12.3 million). On the other hand, the definite useful life was extended, resulting in a decrease in depreciation amounting to EUR0.9 million (prior year: EUR1.4 million). The useful life for buildings that are scheduled to be demolished within the next three years was reduced to the scheduled demolition date, resulting in an increase in depreciation amounting to EUR3.4 million. Furthermore, estimates of residual values with respect to properties and buildings in the amount of EUR0.8 million had to be adjusted, carrying amounts had to be depreciated by EUR7.8 million due to calculated values according to various expert opinions, and estimated costs for the demolition, removal or restoration of property, plant and equipment had to be corrected by EUR4.2 million. For further information see Note 14 or Note 3 "Property, plant and equipment".

d. Provisions:

Provisions were measured according to the best estimate in accordance with IAS 37.37, i.e. 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, reduced tickets outside the tariff and public services, are not possible. The measurement of the provision for decommissioning costs is based on the assumption that the Company and the lines will continue to exist and 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 carrying amounts are indicated in Note 26.2.

Holocaust

On October 20, 2010, an indictment was issued at the United States District Court for the District of Columbia against the Republic of Hungary, MÁV and Rail Cargo Hungaria Zrt. for alleged misconduct during the Hungarian holocaust. On December 31, 2010, the indictment was formally filed with the Hungarian Department of Justice. Following some consultations, a model case is currently pending at the American courts of law. This model case deals with the clarification of basic legal issues regarding international cases tried in American courts of law. The judicial authorities are expected to

wait for the outcome of this model case. Based on the current legal situation, no payments are generally expected to be made by Rail Cargo Austria AG and Rail Cargo Hungaria Zrt.

Lawsuit initiated by the *Bundeswettbewerbsbehörde* [Austrian Federal Competition Authority] (“BWB”)

In February 2010, the *Bundeswettbewerbsbehörde* (“BWB”) filed a declaratory action against 43 companies at the Cartel Court for infringement of antitrust rules and for imposition of a fine. The lawsuit distinguishes two facts. Subject-matter of the first accusation is the so-called Speditions-Sammelladungskonferenz (“SSK”). The BWB accuses the former members of the SSK, which was dissolved in 2007, and thus also Schier Otten & Co Gesellschaft mbH (merged with Express-Interfracht Internationale Spedition GmbH in 2009), of having agreed and applied a common tariff for domestic consolidated shipments and of having segmented the market, among other things. The BWB accuses Rail Cargo Austria AG of having disclosed the annual increases of the BahnExpress tariff (BEX) applicable for domestic general cargo in advance to the members of the SSK in the years 2002 - 2007. Furthermore, market-sensitive data is claimed to have been exchanged. There were no new findings in 2011 regarding both facts of the matter. At present, it is not possible to make a reliable prediction as to whether, when and in what amount a fine may or may not be imposed for infringement of antitrust rules as a result of this lawsuit. Therefore, based on the current legal situation, the Group does not expect any payments to be made.

e. Deferred taxes:

Deferred tax assets were recognized for temporary differences between the tax base and the carrying amounts of assets and liabilities as well as for losses carried forward. If the tax assessment regarding the qualification of the segments of ÖBB-Holding AG changes from “exempt from taxes” and “taxable” or if future taxable results are insufficient, this can have a significant impact on the amount of deferred tax assets. When assessing deferred tax assets, the Executive Board evaluates the prospective usage within the 5-year tax-planning period (see Note 13).

f. Cross Border Leasing:

With respect to contracting parties for investments with an AA+ rating or better or for which a subsidiary guarantor liability is assumed by the government, the default risk is still regarded as extremely low. Accordingly, there is no need for adjustments in line with present assessments, and these transactions can continue to be presented “off balance”. Should there be unexpected defaults on these investments or should requirements for the minimum rating no longer be fulfilled, the obligations from the transactions as well as the investments will be recognized in the Statement of Financial Position, allowances on the investments will be recognized or the repayment vehicle will be exchanged (see Note 30.3).

Concentration of risks

As of the reporting dates, no significant dependence on particular suppliers or creditors outside the ÖBB Group 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 Group is dependent on and that could, if suddenly eliminated, severely affect business operations. The ÖBB Group invests its cash with various institutes with excellent credit ratings. For information on the grants and grant agreements provided by the Republic of Austria, see Note 33.

Capital management

The company defines equity as shareholder’s capital, additional paid-in capital and reserves as well as retained earnings and possible non-controlling interests. The objective of the financial management of the ÖBB 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 expenditures (both erection 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 and on the following ratios, which are compared to the respective budgeted values: number of employees, EBIT margin, “income from ordinary activities” margin, equity ratio, net working capital.

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

4. Revenue

	2011 in mil. EUR	2010 in mil. EUR
Goods transport	1,999.7	1,924.9
<i>thereof public services contracted by the federal government</i>	96.7	103.6
Passenger and baggage transport	1,410.8	1,381.6
<i>thereof public services contracted by the federal government</i>	565.1	567.8
Government grant pursuant to § 42 <i>Bundesbahngesetz</i> for operation	1,033.0	1,054.0
Energy	200.9	163.7
Revenue from rent and lease	172.9	166.8
Traffic service orders	247.4	247.2
Maintenance/repair	53.8	56.3
Traction services	29.8	26.6
Infrastructure usage charge	21.3	20.3
Other revenue	102.0	94.7
Total	5,271.6	5,136.1

The government grant pursuant to § 42 *Bundesbahngesetz* is paid for the provision, operation and maintenance of the railway infrastructure and for the fulfillment of statutory tasks, to the extent that the revenues achievable from the users of the railway infrastructure (infrastructure usage charge) do not cover the expenses incurred under economical and efficient management. More information on the grant agreement is provided in Note 32.

For the composition of revenue per business unit and according to geographic aspects see Note 34 (segment reporting).

5. Own work capitalized

Directly attributable personnel expenses and expenses for materials as well as appropriate parts of material and production overheads were taken into account in determining the own work capitalized in connection with the construction of assets. This item also comprises own work capitalized that was provided by a subsidiary to other related companies within the Group. In the course of the preparation of the Consolidated Financial Statements, these settlements within the Group were recognized as own work capitalized.

6. Other operating income

	2011 in mil. EUR	2010 in mil. EUR
Grant of the federal government pursuant to § 42 <i>Bundesbahngesetz</i> for infrastructure	390.7	308.0
Gain from the disposal of property, plant and equipment, intangible assets, investment property and non-current assets held for sale	90.7	105.4
Proceeds from leisure time service	15.4	16.0
Exchange rate differences	15.0	8.8
Personnel leasing to third parties	13.6	8.5
Proceeds from sale of materials	8.4	17.1
Compensation for damage	7.0	5.1
Additional and re-capitalization of property, plant and equipment	3.5	2.7
Third-party grants for expenses	0.7	3.8
Energy charge reimbursement	0.1	29.3
Derecognition of old liabilities	0.8	5.0
Other operating income	38.2	27.0
Total	584.1	536.7

The indicated government grant pursuant to § 42 *Bundesbahngesetz* in the amount of EUR390.7 million (prior year: EUR308.0 million) is composed as follows: The total government grant in this respect amounts to EUR398.9 million (prior year: EUR308.0 million), EUR390.7 million of which constitute the federal grant for planning and construction of railway infrastructure projects on the basis of the 6-year master plan. Of this federal subsidy, an amount of EUR8.2 million is not recognized in profit or loss due to the low degree of implementation of the measures; instead, it is recognized in the other liabilities. The other operating income includes income from rent and lease of buildings and other advertising space and income from canteens, among others.

7. Expenses for materials and services received

	2011 in mil. EUR	2010 in mil. EUR
Expenses for materials and for services received		
Power	298.2	272.9
Raw materials and supplies	192.0	182.0
Other expenses for materials	98.9	81.2
Subtotal expenses for materials	589.1	536.1
Third-party transport services	317.7	276.7
Infrastructure usage charge	85.3	108.0
Rent for rail and road vehicles	97.2	113.2
Other services received	1,042.1	1,034.6
Subtotal expenses for services received	1,542.3	1,532.5
Total	2,131.4	2,068.6

The other expenses for materials mainly comprise expenses for liquid fuels less payments of the petroleum tax.

Expenses for other services received mainly comprise freight forwarding services, incoming and customs duties as well as goods and services of a non-capital nature in connection with repairs, maintenance, cleaning and other services.

8. Personnel expenses and employees

	2011 in mil. EUR	2010 in mil. EUR
Salaries	1,742.7	1,712.4
Wages	59.4	58.2
Statutory social contributions	488.7	558.5
Expenses for pension plans	27.9	27.6
Expenses for severance payments	3.2	46.7
Other social expenses	6.3	6.7
Total	2,328.2	2,410.1

The employee structure is composed as follows:

Employee structure	Dec 31, 2011	Dec 31, 2010	Reporting date	Change in %	Average	
					2011	2010
Employees	15,142	15,647	-505	-3%	15,304	15,864
Tenured employees	25,691	26,772	-1,081	-4%	26,437	27,912
Total active employees	40,833	42,419	-1,586	-4%	41,741	43,776
Apprentices	1,742	1,706	36	2%	1,559	1,576
Total including apprentices	42,575	44,125	-1,550	-4%	43,300	45,352

9. Amortization and depreciation

	2011 in mil. EUR	2010 in mil. EUR
Depreciation on property, plant and equipment	849.0	818.9
<i>thereof low-value assets</i>	8.1	9.7
Amortization on intangible assets	48.9	50.7
Depreciation on investment property	3.1	2.9
less amortization of investment grants	-215.6	-227.4
Total regular depreciation	685.4	645.1
Impairment of property, plant and equipment	0.0	91.5
Impairment of intangible assets	0.0	103.7
Total impairment	0.0	195.2
Total depreciation and amortization	685.4	840.3

No impairments were deducted after impairment tests in 2011. In 2010, impairments amounting to EUR195.2 million were deducted from property, plant and equipment and intangible assets.

10. Other operating expenses

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

	2011 in mil. EUR	2010 in mil. EUR
Cost of operation	119.8	133.2
Compensation for additional expenses	50.2	52.0
Non-income taxes	41.9	42.1
Rent, lease and license expenses	34.2	40.7
Office supplies	30.1	33.1
Marketing	24.3	24.2
Loss from disposal of assets	19.5	21.4
Legal and consultancy fees	16.7	16.3
Postal, bank and telephone fees	15.9	11.0
Lease of personnel and service contracts	13.5	7.6
Exchange rate differences	11.9	10.8
Leisure time service	11.8	12.8
Brokerage fees	11.1	12.5
Events of loss	10.8	32.8
Allowances for receivables	9.6	29.0
Insurances	9.0	12.2
Initial and further training	7.1	7.6
Other passenger transport services	6.6	5.8
Work clothes	5.8	5.6
Leasing expenses	4.3	2.8
Consumption/allocation of reserves	-4.9	-65.3
Other	62.4	59.8
Total	511.6	508.0

Non-income taxes comprise all taxes related to business operations (electricity tax, motor vehicle tax, real estate tax, road user charges and other taxes and contributions etc.).

The termination of legal disputes resulted in an increase in the consolidated net income by EUR10.4 million (prior year: EUR5.1 million). The development of the provision for legal disputes is shown in the schedule of provisions (Note 26.2).

The expenses for services of the auditors of the Consolidated Financial Statements and the unconsolidated financial statements are also included in the other operating expenses and are as follows (amounts in thousands EUR):

	2011 in KEUR	2010 in KEUR
Annual financial statements and consolidated annual financial statements audit	1,454	1,083
Other auditing services	246	260
Consulting services	212	85
Other services	72	102
Total	1,984	1,530

11. Interest income and expense

The interest income and expenses of the ÖBB Group is composed as follows:

Interest income/expenses	2011 in mil. EUR	2010 *) in mil. EUR
Interest income	82.9	87.6 *)
Interest expenses	-695.1	-636.9 *)
Total	-612.2	-549.3

*) adjusted prior year amounts

In the year under review, the interest received from swap agreements was for the first time offset against the interest expenses from the respective original financial instruments in order to provide a better overview of the financial position. The values from the prior year were adjusted by EUR58.4 million.

The interest income mainly comprises interest income from derivative financial instruments as well as interest income from marketable deposits made in connection with cross border leasing transactions. The borrowing costs amounting to EUR453.8 million (prior year: EUR404.0 million) refer to bonds. In addition, interest expenses are incurred in connection with loans of the EUROFIMA or banks, for cross border leasing transactions and derivative financial instruments.

12. Other financial result

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

Other financial result	2011 in mil. EUR	2010 *) in mil. EUR
Other financial income	69.6	99.6 *)
<i>thereof from measurement/ foreign currency translation differences</i>	32.1	86.6 *)
<i>Income from disposal and appreciation of financial assets</i>	33.5	11.7
<i>thereof from affiliated companies</i>	0.6	0.5
Other financial expenses	-83.5	-140.0 *)
<i>thereof from measurement/foreign currency translation differences</i>	-77.4	-94.6 *)
Total	-13.9	-40.4

*) adjusted prior year amounts

In the year under review, measurement gains/losses from the hedged items in connection with cash flow hedge and fair value hedge accounting were for the first time offset against the results of derivative financial instruments in order to provide a better overview of the financial position. The values from the prior year were adjusted by EUR327.8 million.

The other financial expenses result in particular from fair value changes of derivative financial instruments as well as losses resulting from the measurement of financial liabilities. In 2011, the other financial income (prior year: other financial expenses) includes the income (prior year: expenses) from the release (prior year: formation) of provisions for investments in connection with cross border leasing transactions amounting to EUR26.8 million (prior year: EUR38.9 million).

13. Income taxes

The line item income taxes is composed as follows:

	2011 in mil. EUR	2010 in mil. EUR
Actual income taxes current period	-8.3	-0.3
Actual income taxes prior periods	0.0	-6.9
Actual income taxes	-8.3	-7.2
Deferred tax benefit/expense	1.0	-1.1
Income taxes	-7.3	-8.3

Domestic income taxes are calculated at 25% of the estimated taxable profit in the financial year. The tax load abroad is calculated at the respective rates applicable there.

The changes in deferred taxes are composed as follows:

	2011 in mil. EUR	2010 in mil. EUR
Amounts recognized as of Jan 01	2.7	0.2
<i>thereof long-term</i>	37.2	-6.7
Change in deferred taxes		
<i>in income or expense</i>	1.0	-1.1
<i>in the other comprehensive income</i>	-3.8	3.6
Amounts recognized as of Dec 31	-0.1	2.7

The following table shows the main reasons for the difference between the income taxes indicated in the income statement and the income taxes calculated with application of the statutory tax of 25% on the annual taxable result.

	2011 in mil. EUR	2010 in mil. EUR
Income before income tax according to the IFRS	-27.9	-329.8
Adjustment of the tax-exempt portion pursuant to § 50 (2) <i>Bundesbahngesetz</i>	50.0	49.9
Taxable portion of the income	22.1	-279.9
Group tax rate	25%	25%
Expected income/expense from taxes in the financial year	-5.5	69.9
Tax rate differences between foreign companies and the corporate tax rate	7.2	-3.8
Other tax-exempt income and other reductions	11.7	30.9
Non-deductible operating expense and other additions	-2.1	-9.2
Effects of taxes from previous years reimbursed in the financial year	-13.4	-6.0
Effects of tax rate changes	0.6	-6.5
Offsetting from consolidation	-68.7	0.0
Effects of changes in recognition	86.8	-93.9
Other effects	-23.9	10.3
Accounted income taxes	-7.3	-8.3
Effective corporate tax rate	32.9%	-3.0%

Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities as of December 31, 2011, and December 31, 2010, are the result of the following temporary differences between the carrying amounts in the IFRS Consolidated Financial Statements and the relevant tax bases, insofar as they do not relate to the tax-exempted portion according to § 50 (2) of the *Bundesbahngesetz*.

The deferred taxes refer to the following important balance sheet items, loss carried forward and tax credits:	Deferred tax		Deferred tax	
	assets Dec 31, 2011 in mil. EUR	liabilities Dec 31, 2011 in mil. EUR	assets Dec 31, 2010 in mil. EUR	liabilities Dec 31, 2010 in mil. EUR
Non-current assets				
Property, plant and equipment	24.4	-69.6	17.1	-60.7
Intangible assets	0.5	-0.7	0.3	-0.4
Investment property	0.1	0.0	0.8	0.0
Financial assets	8.7	-9.1	7.6	0.0
Other non-current financial assets	0.0	0.0	3.7	-8.4
Other non-current receivables and assets	0.0	-0.5	0.1	-1.1
	33.7	-79.9	29.6	-70.6
Current assets				
Inventories	0.4	0.0	0.1	0.0
Trade receivables	0.0	-0.3	1.1	0.0
Other current receivables and assets	1.0	-0.5	1.1	0.0
Financial assets	1.5	-7.0	0.0	-5.6
Other current financial assets	0.0	0.0	11.5	-7.0
	2.9	-7.9	13.8	-12.6
Non-current liabilities				
Financial liabilities	70.8	-1.4	68.5	-0.9
Other non-current financial liabilities	11.1	0.0	0.0	-1.3
Provisions	0.0	-1.6	6.9	-0.8
Other non-current liabilities	9.5	0.0	8.0	-2.2
	91.4	-3.0	83.4	-5.2
Current liabilities				
Financial liabilities	1.3	-3.1	4.1	0.0
Other current financial liabilities	0.0	0.0	1.3	-3.9
Provisions	1.8	-29.7	7.1	-31.8
Trade payables	0.0	-2.3	0.0	-12.2
Other current liabilities	0.9	-6.3	2.2	-2.9
	4.1	-41.4	14.7	-50.8
Tax losses carried forward	0.0	0.0	0.4	0.0
Deferred tax assets or deferred tax liabilities	132.0	-132.1	141.9	-139.2
Offsetting	-130.5	130.5	-139.2	139.2
Net deferred tax assets or deferred tax liabilities	1.5	-1.6	2.7	0.0

With respect to seventh-part depreciations of investments not yet claimed as operational expense, the ÖBB Group did not establish any deferred tax assets (prior year: EUR0.1 million) as of the reporting date.

When assessing the recoverability of deferred tax assets, the Executive Board estimates the prospective use within the 5-year tax planning period. In order to use deferred tax assets, sufficient taxable income must be available in those periods in which the deductible temporary differences reverse. In this assessment, the Executive Boards considers the expected release of deferred tax assets and the planned taxable income. The temporary differences in the line items property, plant and equipment and intangible assets primarily result from the different beginning of the depreciation and amortization (*pro rata temporis* according to the IFRS vs. half-year rule pursuant to tax law) and from differing procurement cost. The temporary differences in the financial assets and liabilities primarily result from the different measurement of the derivative financial instruments according to the IFRS (measurement at fair value) and pursuant to tax law (provision for contingent losses).

Based on these planning calculations, usage of the tax losses carried forward and the temporary differences is improbable for the Austrian corporate tax group. Therefore, deferred tax assets were recognized only at the amount of the deferred tax liabilities in the corporate tax group as of December 31, 2011. The deferred taxes indicated in the Statement of Financial Position originate from foreign subsidiaries. They result from positive or negative surpluses after offsetting on company level.

No deferred tax liabilities were established for the following losses carried forward and temporary differences:

Temporary differences for which no deferred taxes were established	2011 in mil. EUR	2010 in mil. EUR
Losses carried forward	5,704.6	5,755.0
Temporary differences	1,384.0	1,087.1
Total	7,088.6	6,842.1

The tax losses carried forward in the amount of EUR5,701.7 million (prior year: EUR5,747.6 million) originate from Austrian companies and can be carried forward for an unlimited period of time according to currently applicable law. Annual usage of losses carried forward is limited to 75% of the respective taxable income in Austria; however, EUR4,081.3 million (prior year: EUR4,258.5 million) result from pre-tax group losses and can therefore be utilized in their entirety against taxable income generated in future periods.

With respect to seventh-part depreciations of investments that have not yet been asserted as operating expenses, deferred tax assets amounting to EUR0.0 million (prior year: EUR0.6 million) were recognized as of the reporting date.

14. Property, plant and equipment

The following fixed asset schedule shows the structure of the property, plant and equipment, the changes in the financial year, and the development of government grants (investment grants) to property, plant and equipment.

in mil. EUR	Land and buildings	Lease of land and buildings	Automobiles and trucks	Automobiles and trucks leased	Technical equipment and machinery	Technical equipment and machinery leased	Other plant furniture and fixtures	Assets under construction and prepayments	Total
Cost 2011									
<i>Cost as of Jan 01, 2011</i>	18,029.0	7.3	5,552.9	1,102.5	7,012.6	9.5	263.2	5,806.8	37,783.8
Translation differences	-1.7	0.0	-25.9	-3.7	-0.7	0.0	-0.6	-0.1	-32.7
Additions	35.0	6.8	84.8	0.2	3.0	3.0	19.4	2,260.2	2,412.4
Disposals	-203.0	0.0	-223.5	-14.0	-60.5	-3.1	-27.6	-27.1	-558.8
Disposals to basis of consolidation	-3.5	0.0	0.0	0.0	0.0	0.0	-0.6	0.0	-4.1
Transfers	3,325.1	0.0	325.5	-13.6	432.0	0.0	25.7	-4,114.3	-19.6
Cost as of Dec 31, 2011	21,180.9	14.1	5,713.8	1,071.4	7,386.4	9.4	279.5	3,925.5	39,581.0
<i>Accumulated depreciation as of Jan 01, 2011 (incl. impairment)</i>									
	-6,706.0	-7.3	-3,087.6	-304.6	-3,794.9	-6.4	-192.2	-0.6	-14,099.6
Translation differences	0.4	0.0	5.0	1.4	0.4	0.0	0.4	0.0	7.6
Depreciation	-370.4	-0.3	-149.2	-44.9	-247.8	-1.2	-34.5	-0.7	-849.0
Disposals	149.0	0.0	143.2	7.4	51.2	0.4	25.3	0.0	376.4
Disposals to basis of consolidation	1.2	0.0	0.0	0.0	0.0	0.0	0.4	0.0	1.6
Transfers	-0.5	0.0	-7.9	7.3	0.3	0.3	0.0	0.0	-0.4
Accumulated depreciation as of Dec 31, 2011 (incl. impairment)	-6,926.3	-7.6	-3,096.5	-333.4	-3,990.8	-6.9	-200.6	-1.3	-14,563.4
Carrying amounts before investment grants as of Jan 01, 2011	11,323.0	0.0	2,465.3	797.9	3,217.7	3.1	71.0	5,806.2	23,684.2
Carrying amounts before investment grants as of Dec 31, 2011	14,254.6	6.5	2,617.3	738.0	3,395.6	2.5	78.9	3,924.2	25,017.6
Investment grants 2011									
<i>Cost as of Jan 01, 2011</i>	-8,812.2	0.0	-419.3	0.0	-2,955.7	0.0	-9.3	-916.8	-13,113.3
Translation differences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	-46.7	0.0	-0.2	0.0	-13.9	0.0	-1.1	-112.5	-174.4
Disposals	61.3	0.0	0.0	0.0	21.8	0.0	0.4	11.3	94.8
Transfers	-469.4	0.0	0.0	0.0	-6.4	0.0	0.0	476.6	0.8
Cost as of Dec 31, 2011	-9,267.0	0.0	-419.5	0.0	-2,954.2	0.0	-10.0	-541.4	-13,192.1
<i>Accumulated depreciation as of Jan 01, 2011</i>									
	5,139.8	0.0	287.3	0.0	2,201.4	0.0	4.6	3.2	7,636.3
Depreciation	125.9	0.0	10.4	0.0	69.2	0.0	0.8	0.0	206.3
Disposals	-51.3	0.0	0.0	0.0	-17.0	0.0	-0.4	-3.2	-71.9
Transfers	0.0	0.0	0.0	0.0	0.4	0.0	1.0	0.0	1.4
Accumulated depreciation as of Dec 31, 2011	5,214.4	0.0	297.7	0.0	2,254.0	0.0	6.0	0.0	7,772.1
Investment grants as of Jan 01, 2011	-3,672.4	0.0	-132.0	0.0	-754.3	0.0	-4.7	-913.6	-5,477.0
Investment grants as of Dec 31, 2011	-4,052.6	0.0	-121.8	0.0	-700.2	0.0	-4.0	-541.4	-5,420.0
Carrying amounts after investment grants as of Jan 01, 2011	7,650.6	0.0	2,333.3	797.9	2,463.4	3.1	66.3	4,892.6	18,207.2
Carrying amounts after investment grants as of Dec 31, 2011	10,202.0	6.5	2,495.5	738.0	2,695.4	2.5	74.9	3,382.8	19,597.6

in mil. EUR	Land and buildings	Lease of land and buildings	Automobiles and trucks	Automobiles and trucks leased	Technical equipment and machinery	Technical equipment and machinery leased	Other plant furniture and fixtures	Assets under construction and prepayments	Total
Cost 2010									
<i>Cost as of Jan 01, 2010</i>	17,316.6	10.2	5,259.1	1,173.2	6,587.8	47.0	233.8	5,264.6	35,892.3
Translation differences	-0.1	0.0	-4.1	-0.6	-0.1	0.0	0.1	0.0	-4.8
Additions	103.8	0.0	101.6	9.2	5.1	0.2	22.8	2,333.2	2,575.9
Additions to basis of consolidation	0.0	0.0	0.1	0.0	0.0	0.0	0.3	0.0	0.4
Disposals	-475.6	-26.3	-160.5	-5.8	-106.6	-54.6	-12.1	20.4	-821.1
Restructuring	0.0	26.3	0.0	0.0	33.7	127.3	0.0	-10.2	177.1
Transfers	1,084.3	-2.9	356.7	-73.5	492.7	-110.4	18.3	-1,801.2	-36.0
Cost as of Dec 31, 2010	18,029.0	7.3	5,552.9	1,102.5	7,012.6	9.5	263.2	5,806.8	37,783.8
Accumulated depreciation as of Jan 01, 2010 (incl. impairment)									
	-6,688.0	-6.2	-2,970.1	-295.9	-3,573.6	-42.1	-161.4	-0.9	-13,738.2
Translation differences	-0.3	0.0	0.1	0.0	0.0	0.0	-0.1	0.0	-0.3
Depreciation (incl. impairment)	-387.5	0.1	-202.0	-50.9	-233.3	-5.6	-31.2	0.0	-910.4
Additions to basis of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	-0.2
Disposals	369.8	7.5	126.6	0.0	45.7	51.5	0.7	0.3	602.1
Restructuring	0.0	-8.7	0.0	0.0	-33.7	-10.2	0.0	0.0	-52.6
Transfers	0.0	0.0	-42.2	42.2	0.0	0.0	0.0	0.0	0.0
Accumulated depreciation as of Dec 31, 2010 (incl. impairment)	-6,706.0	-7.3	-3,087.6	-304.6	-3,794.9	-6.4	-192.2	-0.6	-14,099.6
Carrying amounts before investment grants as of Jan 01, 2010	10,628.6	4.0	2,289.0	877.3	3,014.2	4.9	72.4	5,263.7	22,154.1
Carrying amounts before investment grants as of Dec 31, 2010	11,323.0	0.0	2,465.3	797.9	3,217.7	3.1	71.0	5,806.2	23,684.2
Investment grants 2010									
<i>Cost as of Jan 01, 2010</i>	-8,866.9	0.0	-422.1	0.0	-2,895.5	0.0	-10.1	-872.4	-13,067.0
Additions	-44.2	0.0	0.0	0.0	-9.6	0.0	-0.5	-76.8	-131.1
Disposals	113.3	20.2	10.3	0.0	35.0	75.8	1.5	0.0	256.1
Restructuring	0.0	-20.2	-7.5	0.0	-75.4	-75.8	0.0	0.0	-178.9
Transfers	-14.4	0.0	0.0	0.0	-10.2	0.0	-0.2	32.4	7.6
Cost as of Dec 31, 2010	-8,812.2	0.0	-419.3	0.0	-2,955.7	0.0	-9.3	-916.8	-13,113.3
Accumulated depreciation as of Jan 01, 2010									
	5,122.1	0.0	278.5	0.0	2,152.0	0.0	5.1	3.2	7,560.9
Depreciation	129.2	0.7	16.3	0.0	67.5	2.6	0.9	0.0	217.2
Disposals	-111.5	-3.4	-7.5	0.0	-18.1	-12.8	-1.4	0.0	-154.7
Restructuring	0.0	2.7	0.0	0.0	0.0	10.2	0.0	0.0	12.9
Accumulated depreciation as of Dec 31, 2010	5,139.8	0.0	287.3	0.0	2,201.4	0.0	4.6	3.2	7,636.3
Investment grants as of Jan 01, 2010	-3,744.8	0.0	-143.6	0.0	-743.5	0.0	-5.0	-869.2	-5,506.1
Investment grants as of Dec 31, 2010	-3,672.4	0.0	-132.0	0.0	-754.3	0.0	-4.7	-913.6	-5,477.0
Carrying amounts after investment grants as of Jan 01, 2010	6,883.8	4.0	2,145.4	877.3	2,270.7	4.9	67.4	4,394.5	16,648.0
Carrying amounts after investment grants as of Dec 31, 2010	7,650.6	0.0	2,333.3	797.9	2,463.4	3.1	66.3	4,892.6	18,207.2

Reclassification of the fixed assets of the schedule of 2010 was required in order to appropriately allocate the investment grants.

The ÖBB Group received non-repayable investment grants for property, plant and equipment that were deducted from costs according to IAS 16.28 in conjunction with IAS 20. These investment grants are indicated in the schedule of assets. Both the depreciation of these assets and the release of all investment grants due to depreciation are recognized in profit or loss in the line item "Depreciation and Amortization".

The additions to property, plant and equipment resulting from the initial consolidation of companies and the disposals due to final consolidations are indicated in separate line items in the schedule of assets.

The transfers refer primarily to amounts of finished assets transferred from the line item "Assets under construction and prepayments" to the specific asset accounts. In addition, transfers were made with respect to assets held for sale. Property, plant and equipment with carrying amounts of EUR1.0 million (prior year: EUR33.1 million) were transferred to the assets held for sale and recognized in the schedule of assets as disposals.

The ÖBB Group capitalized interest on construction costs of qualifying assets amounting to EUR29.8 million (prior year: EUR13.9 million) in accordance with the provisions of IAS 23. The underlying interest rate for borrowed capital is 4.1% (prior year: 4.1%). Losses from the disposal of property, plant and equipment incurred at an amount of EUR19.5 million (prior year: EUR21.4 million), resulting from retirement by scrapping or demolition of assets or from the sale of vehicles and other plant equipment.

Financial liabilities are collateralized by property, plant and equipment at the following carrying amounts:

	2011 in mil. EUR	2010 in mil. EUR
Land and buildings	0.1	67.9
Automobiles and trucks	1,886.3	1,813.8
Other technical equipment and machinery	47.0	211.1

In total, assets amounting to EUR983.9 million (prior year: EUR979.2 million) are subject to restrictions of the rights of disposal. Certain assets are subject to acceptance obligations, in particular due to the finance leasing agreements and open purchase commitments amounting to EUR1,832.7 million (prior year: EUR1,980.2 million). Estimations of residual values had to be adjusted by EUR0.8 million (prior year: EUR0.4 million).

Third-party grants

The ÖBB Group received non-repayable investment grants for assets, usually from public authorities or companies that are closely related to the state, that were treated as reduction of costs in accordance with IAS 16.28 in conjunction with IAS 20. Both the depreciation of these assets and the release of all grants due to depreciation are recognized in the line item "Depreciation and Amortization". If assets that grants were allocated to are disposed of, these are recognized together with the sold or retired carrying amounts in the other operating income or other operating expenses. The development of the investment grants is shown in the attached schedules of assets. The most important grantors for property, plant and equipment and intangible assets are:

	Dec 31, 2011 in mil. EUR	Dec 31, 2010 in mil. EUR
Republic of Austria	2,232.5	2,224.3
Schieneninfrastrukturfinanzierungs GmbH	1,538.3	1,608.8
former Eisenbahn-Hochleistungsstrecken AG	1,424.8	1,453.0
ASFINAG	116.2	123.2
Other third parties	215.5	168.1
Total	5,527.3	5,577.4

Master plan

The ÖBB Group, in particular the ÖBB-Infrastruktur sub-group, initiated numerous infrastructure projects based on the master plan 2009-2014 approved by the Federal Minister of Transport, Innovation and Technology and by the Federal Minister of Finance, which projects are currently being carried out over a period of several years. Pursuant to § 42 *Bundesbahngesetz* (previously § 43 *Bundesbahngesetz*) in conjunction with § 47 (1) *Bundesbahngesetz*, the Republic of Austria is obligated to provide the means to ÖBB-Infrastruktur AG that it requires fulfilling its tasks and maintaining its liquidity and equity for the implementation of the master plan. Further information is given in Note 33.

Finance leasing assets

The property, plant and equipment include leased and rented out assets that are reported separately in the fixed assets schedule. The ÖBB Group is the beneficial owner, but not the legal owner of these property, plant and equipment due to the underlying lease agreements. These assets primarily comprise technical equipment and machinery as well as automobiles and trucks. For further information see Note 30.

Impairment

The impairment tests for property, plant and equipment and intangible assets based on current planning data for the year under review 2011 did not result in any need for impairment. Due to the negative economic circumstances, the planning assumptions had to be adjusted in the impairment test compared to the prior year. The impairment test carried out for property, plant and equipment and intangible assets with the adjusted planning data resulted in a need for impairment for the year under review 2010. The parameters for calculation of the value in use are described in Note 3. The cash-generating units subject to impairments are all part of the Rail Cargo Austria sub-group and located in the Rail Cargo segment (Note 34). An overview of the cash-generating units, the impairments recognized in 2010 and the type of asset for which impairment was recognized are shown in the following table.

Dec 31, 2010	Total in mil. EUR	Automobiles and trucks in mil. EUR	Technical equipment and machinery in mil. EUR	Land and buildings in mil. EUR	Other facilities, fixtures and furnishings in mil. EUR	Intangible assets in mil. EUR	Goodwill in mil. EUR
Cargo & Logistics	90.8	0.0	0.0	0.0	0.0	0.0	90.8
Technical Services	26.6	1.0	3.9	19.6	0.8	0.1	1.2
Unaccompanied combined transport	73.6	62.0	0.0	0.0	0.0	0.0	11.6
Freight forwarders	4.2	0.0	0.0	4.2	0.0	0.0	0.0
Rail Cargo Austria	195.2	63.0	3.9	23.8	0.8	0.1	103.6

15. Intangible assets

in mil. EUR	Concessions, property rights, licenses	Investment grants to third parties	Goodwill	Down payments on intangible assets	Total
Accumulated cost and amortization 2011					
Cost as of Jan 01, 2011	255.1	734.6	291.0	8.1	1,288.8
Translation differences	-3.4	0.0	-38.3	0.0	-41.7
Additions	7.4	28.1	0.0	24.7	60.2
Disposals	-7.4	-2.3	0.0	0.0	-9.7
Transfers	17.2	18.9	0.0	-16.5	19.6
Cost as of Dec 31, 2011	268.9	779.3	252.7	16.3	1,317.2
<i>Accumulated amortization as of Jan 01, 2011 (incl. impairment)</i>					
	-162.9	-361.8	-109.6	0.0	-634.3
Translation differences	2.1	0.0	18.3	0.0	20.4
Amortization (incl. impairment)	-22.7	-26.2	0.0	0.0	-48.9
Disposals	7.0	2.2	0.0	0.0	9.2
Transfers	0.0	0.4	0.0	0.0	0.4
Accumulated amortization as of Dec 31, 2011 (incl. impairment)	-176.5	-385.4	-91.3	0.0	-653.2
Carrying amounts before investment grants as of Jan 01, 2011					
	92.2	372.8	181.4	8.1	654.5
Carrying amounts before investment grants as of Dec 31, 2011					
	92.4	393.9	161.4	16.3	664.0
Investment grants 2011					
Cost as of Jan 01, 2011	-32.5	-388.7	0.0	0.0	-421.2
Additions	-3.3	-14.4	0.0	0.0	-17.7
Disposals	0.3	0.3	0.0	0.0	0.6
Transfers	0.3	-1.1	0.0	0.0	-0.8
Cost as of Dec 31, 2011	-35.2	-403.9	0.0	0.0	-439.1
<i>Accumulated amortization as of Jan 01, 2011</i>					
	9.1	311.7	0.0	0.0	320.8
Amortization	1.8	7.5	0.0	0.0	9.3
Disposals	-0.2	-0.4	0.0	0.0	-0.6
Transfers	2.3	0.0	0.0	0.0	2.3
Accumulated amortization as of Dec 31, 2011	13.0	318.8	0.0	0.0	331.8
Investment grants as of Jan 01, 2011					
	-23.4	-77.0	0.0	0.0	-100.4
Investment grants as of Dec 31, 2011					
	-22.2	-85.1	0.0	0.0	-107.3
Carrying amounts after investment grants as of Jan 01, 2011					
	68.8	295.8	181.4	8.1	554.1
Carrying amounts after investment grants as of Dec 31, 2011					
	70.2	308.8	161.4	16.3	556.7

in mil. EUR	Concessions, property rights, licenses	Investment grants to third parties	Goodwill	Down payments on intangible assets	Total
Accumulated cost and amortization 2010					
<i>Cost as of Jan 01, 2010</i>	231.3	607.5	292.3	0.0	1,131.1
Translation differences	4.2	0.0	1.6	0.0	5.8
Additions	9.6	100.0	0.0	13.0	122.6
Disposals	-3.3	-0.5	-2.9	0.0	-6.7
Transfers	13.3	27.6	0.0	-4.9	36.0
Cost as of Dec 31, 2010	255.1	734.6	291.0	8.1	1,288.8
<i>Accumulated amortization as of Jan 01, 2010 (incl. impairment)</i>					
	-139.8	-336.8	0.0	0.0	-476.6
Translation differences	-5.8	0.0	-6.0	0.0	-11.8
Amortization (incl. impairment)	-21.7	-29.1	-103.6	0.0	-154.4
Disposals	4.4	4.1	0.0	0.0	8.5
Accumulated amortization as of Dec 31, 2010 (incl. impairment)	-162.9	-361.8	-109.6	0.0	-634.3
Carrying amounts before investment grants as of Jan 01, 2010	91.5	270.7	292.3	0.0	654.5
Carrying amounts before investment grants as of Dec 31, 2010	92.2	372.8	181.4	8.1	654.5
Investment grants 2010					
<i>Cost as of Jan 01, 2010</i>	-33.8	-372.6	0.0	0.0	-406.4
Additions	-1.1	-8.6	0.0	0.0	-9.7
Disposals	2.4	0.1	0.0	0.0	2.5
Transfers	0.0	-7.6	0.0	0.0	-7.6
Cost as of Dec 31, 2010	-32.5	-388.7	0.0	0.0	-421.2
<i>Accumulated amortization as of Jan 01, 2010</i>	9.7	303.3	0.0	0.0	313.0
Amortization	1.8	8.4	0.0	0.0	10.2
Disposals	-2.4	0.0	0.0	0.0	-2.4
Accumulated amortization as of Dec 31, 2010	9.1	311.7	0.0	0.0	320.8
Investment grants as of Jan 01, 2010	-24.1	-69.3	0.0	0.0	-93.4
Investment grants as of Dec 31, 2010	-23.4	-77.0	0.0	0.0	-100.4
Carrying amounts after investment grants as of Jan 01, 2010	67.4	201.4	292.3	0.0	561.1
Carrying amounts after investment grants as of Dec 31, 2010	68.8	295.8	181.4	8.1	554.1

The development of the intangible assets is shown in the table above.

The ÖBB Group received non-repayable investment grants for intangible assets that were deducted as cost reduction according to IAS 16.28 in conjunction with IAS 20. These investment grants are indicated in the schedule of assets. Both the amortization of these assets and the release of all grants due to amortization are recognized in the line item "Amortization". The grantors are listed in Note 14.

Development costs amounting to EUR4.0 million (prior year EUR2.3 million) were recognized in expenses, because distinction from the research phase of the projects was not possible and the ability to generate future benefits was considered uncertain. Besides the goodwill and advertising rights amounting to EUR14.1 million (prior year: EUR14.1 million), which are recognized in the line item concessions, property rights, licenses, there are no intangible assets with an indefinite useful life.

Goodwill

The development of the goodwill is shown in the table above. This goodwill is allocated to the Rail Cargo Austria segment, and it is subject to impairment testing with respect to future profits. Further information is given in Note 14, Note 32 and Note 3.

16. Investment property (IAS 40)

Only properties not classified as railway assets which can be leased out to third parties or sold at any time is assigned to this asset category. Therefore, the investment property comprises mainly crossing keeper's houses und residential buildings.

No impairments according to IAS 36 had to be recognized. The line item developed as follows:

	2011 in mil. EUR	2010 in mil. EUR
Cost		
<i>As of Jan 01</i>	263.8	253.7
Additions	17.5	10.0
Disposals	-1.9	-4.7
Transfers	0.3	4.8
As of Dec 31	279.7	263.8
Depreciation		
<i>As of Jan 01</i>	175.9	176.4
Depreciation	3.1	2.9
Disposals	-1.7	-4.3
Transfers	-0.3	0.9
As of Dec 31	177.0	175.9
Cost as of Dec 31	279.7	263.8
Depreciation as of Dec 31	-177.0	-175.9
Net carrying amount as of Dec 31	102.7	87.9

Investment property held by the ÖBB Group is all leased out under operating leases. Rental income from these leases amounted to EUR13.9 million, not including operating costs (prior year: EUR15.2 million); expenses directly attributable to rental income (including repair and maintenance, but not including operating costs) amounted to EUR10.7 million (prior year: EUR13.0 million, not including operating costs). Additionally, operating expenses amounting to EUR0.2 million (prior year: EUR0.8 million) were incurred to which no rental income was attributable. The ÖBB Group did not enter into maintenance contracts with respect to its investment property that result in a corresponding obligation.

The fair value of the investment property was determined by internal and external experts using the existing market data and the gross rental method and amounts to EUR275.4 million (prior year: EUR354.8 million). An interest rate of 4.0-8.0% was applied in both years under review to determine the fair values. Additions to the line item mainly result from the restoration of building bases. Additions amounting to EUR2.3 million (prior year: EUR1.7 million) primarily result from subsequent acquisitions cost.

17. Investment in associated companies

The following table shows the roll forward of the investments in associated companies:

	2011 in mil. EUR	2010 in mil. EUR
<i>As of Jan 01</i>	66.9	64.6
Additions	0.0 *)	2.5
Disposals	0.0	-1.7
Share of income	5.0	5.1
Dividends	-3.1	-3.6
As of Dec 31	68.8	66.9

*) small amount

The equity in earnings from associated companies indicated in the Consolidated Income Statement corresponds to the share of the net income attributed to the ÖBB Group.

Galleria di Base del Brennero - Brenner Basistunnel BBT SE received investment grants in an amount of EUR11.3 million. Another 25% of the shares of Galleria di Base del Brennero were purchased at the price of EUR1.00 in the year under review. The difference to the equity for the 25% share in the amount of EUR40.6 million at the time of the acquisition was recorded as increase in the investment on the one hand and as investment grant received on the other hand, resulting in neutralization.

The financial data of all associated companies is summarized in the following table. The shares held directly and indirectly by the ÖBB Group are shown in the schedule of investments (Note 36).

Financial data 2011 (2010)	Assets in KEUR	Borrowed capital in KEUR	Revenue in KEUR	EBIT in KEUR	Net income in KEUR
Data from annual financial statements of associated companies	339,837 (412.090)	189,099 (185.231)	457,562 (419.363)	18,661 (15.381)	14,359 (13.519)

18. Other financial assets

2011	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Investments	0.0	13.3	13.3
Financial assets - leasing	145.1	888.6	1,033.7
Other financial assets	76.8	76.5	153.3
Total	221.9	978.4	1,200.3

2010	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Investments	0.0	19.9	19.9
Financial assets - leasing	24.5	810.1	834.6
Other financial assets	59.5	197.8	257.3
Total	84.0	1,027.8	1,111.8

Investments

A complete overview over all investments is given in Note 36. These investments are classified as financial assets available for sale in accordance with IAS 39, but they are measured at amortized cost, since the fair values cannot reliably be determined because the shares are not listed.

Financial assets - Leasing

The financial assets - leasing are mostly composed of non-current loans and deposits and are almost completely connected to cross border leasing transactions. They serve to cover future payment obligations (lease payments and purchase price). Income from these accumulating investments increases this line item, while payments made from these funds to settle the lease obligations result in a decrease of these assets. These financial assets are matched by financial liabilities in the same amounts. Differences result from the impairments made in the year under review as well as the prior years.

In the year under review 2011, the (non-current) financial assets comprise the residual value of assets leased out, which amounts to EUR81.8 million (prior year: EUR81.8 million), in the form of bank deposits. In the prior year, this amount was recognized in the other financial assets. For further information see Note 30.

Other financial assets

In the year under review 2010, the other (non-current) financial assets comprise the residual value of assets leased out, which amounts to EUR81.8 million in the form of bank deposits. This amount is now recognized in the financial assets - leasing. Furthermore, this line item primarily includes short-term securities, investment certificates, derivatives in connection with energy trade transactions and other derivatives with a positive present value that are not related to hedging. Other financial assets at an amount of EUR4.7 million (prior year: EUR4.7 million) are issued as collateral for debts.

19. Non-current assets held for sale (IFRS 5)

Non-current assets held for sale	2011 in mil. EUR	2010 in mil. EUR
<i>As of Jan 01</i>	33.1	37.4
Additions	1.0	33.1
Disposal by sale	-33.1	-37.4
As of Dec 31	1.0	33.1

In both years under review, the non-current assets mainly related to properties. All the assets recognized in this line item in the prior year were sold.

The proceeds anticipated for 2012 exceed the current carrying amounts of the assets. The ÖBB Group recognized proceeds from assets held for sale amounting to EUR25.6 million in the year under review (prior year: EUR26.6 million), which is recognized in the other operating income, together with the income from the sale of other investments. The non-current assets held for sale relate solely to the ÖBB-Infrastruktur sub-group.

After the reporting date, no further assets (prior year: assets with a carrying amount of EUR0.6 million) were designated as held for sale.

20. Trade and other receivables

Dec 31, 2011	Maturity	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade receivables		546.0	0.0	546.0
<i>thereof unbilled services</i>		16.0	0.0	16.0
Other receivables and deferrals		315.9	129.2	445.1
Income tax receivables		1.3	0.0	1.3
Total		863.2	129.2	992.4

Dec 31, 2010	Maturity	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
Trade receivables		587.2	0.0	587.2
<i>thereof unbilled services</i>		20.0	0.0	20.0
Other receivables and deferrals		452.0	110.9	562.9
Income tax receivables		0.6	0.0	0.6
Total		1,039.8	110.9	1,150.7

Receivables amounting to EUR0.2 million (prior year: EUR43.7 million) are secured by bills of exchange.

The trade receivables result primarily from transport services and from power trading. The carrying amounts of the trade receivables and the other receivables approximate their respective fair values due to the short maturity.

Receivables from unbilled services in connection with services provided to third parties that are not yet completed are recognized in the trade receivables. Work orders produced income amounting to EUR71.1 million (prior year: EUR33.4 million). In the year under review, an order for a third party that was not yet finalized at the reporting date produced a loss in the amount of EUR0.5 million, for which a provision was made.

The other receivables primarily refer to receivables from value added tax payable by the Austrian revenue office. Furthermore, this line item comprises receivables payable by the Republic of Austria with respect to subsidies for apprentices and energy charge reimbursements.

The other receivables comprise prepaid expenses amounting to EUR220.6 million (prior year: EUR203.4 million). The deferral items mainly refer to prepaid guarantee premiums amounting to EUR131.5 million (prior year: EUR107.4 million) and to the salaries paid in December 2011 including the charges for January 2012 amounting to EUR60.9 million (prior year: EUR59.1 million).

The impairments mainly refer to trade receivables and developed as follows:

	2011 in mil. EUR	2010 in mil. EUR
<i>As of Jan 01</i>	78.5	119.7
Consumption	-7.8	-13.0
Liquidation	-1.3	-74.6
Creation	14.1	46.4
As of Dec 31	83.5	78.5

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

Dec 31, 2011 Analysis of past due / impaired receivables	Gross carrying amount (before deduction of impairment) in mil. EUR	thereof not individually impaired in mil. EUR	thereof individually impaired (gross) in mil. EUR	Impairment in mil. EUR	thereof individual impairment in mil. EUR	thereof standard individual impairment in mil. EUR	Net carrying amount in mil. EUR
Receivable not yet past due but impaired	43.9	0.0	43.9	22.7	2.3	20.4	21.2
less than 30 days past due	201.7	161.7	40.0	4.6	4.6	0.0	197.1
30 to 60 days past due	75.6	57.1	18.5	0.2	0.2	0.0	75.4
60 to 90 days past due	19.4	13.7	5.7	0.5	0.5	0.0	18.9
90 to 180 days past due	12.2	9.6	2.6	1.5	1.5	0.0	10.7
180 to 360 days past due	54.8	38.1	16.7	14.1	14.1	0.0	40.7
more than 360 days past due	91.1	46.3	44.8	39.9	22.7	17.2	51.2
Total exposure	498.7	326.5	172.2	83.5	45.9	37.6	415.2

Dec 31, 2010 Analysis of past due / impaired receivables	Gross carrying amount (before deduction of impairment) in Mio. EUR	thereof not individually impaired in Mio. EUR	thereof individually impaired (gross) in Mio. EUR	Impairment in Mio. EUR	thereof individual impairment in Mio. EUR	thereof standard individual impairment in Mio. EUR	Net carrying amount in Mio. EUR
Receivable not yet past due but impaired	35.0	0.0	35.0	35.0	9.5	25.5	0.0
less than 30 days past due	203.4	139.6	63.8	3.5	3.5	0.0	199.9
30 to 60 days past due	18.3	8.2	10.1	1.0	1.0	0.0	17.3
60 to 90 days past due	12.4	7.2	5.2	0.6	0.6	0.0	11.8
90 to 180 days past due	10.3	5.8	4.5	1.5	1.5	0.0	8.8
180 to 360 days past due	20.9	15.6	5.3	5.5	5.5	0.0	15.4
more than 360 days past due	59.2	28.4	30.8	31.4	23.7	7.7	27.8
Total exposure	359.5	204.8	154.7	78.5	45.3	33.2	281.0

Past due but unimpaired receivables amounting to EUR326.5 million (prior year: 204.8 million) are subject to regular monitoring.

Based on experience, the management of the ÖBB Group estimates that no additional impairments 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, 2011 in mil. EUR	Dec 31, 2010 in mil. EUR
Raw materials and supplies	147.0	128.2
Unfinished goods	0.4	0.2
Finished goods	4.5	1.4
Down payments	7.0	2.2
Total	158.9	132.0
<i>thereof measured at cost</i>	<i>148.4</i>	<i>124.4</i>
<i>thereof measured at realizable net value</i>	<i>10.5</i>	<i>7.6</i>

The expenses for goods and services received are shown in Note 7. The line item expenses for materials includes expenses due to the impairment of inventories amounting to EUR4.5 million (prior year: EUR6.9 million). No reversals of previous impairments were recorded.

22. Cash and cash equivalents

	Dec 31, 2011 in mil. EUR	Dec 31, 2010 in mil. EUR
Cash on hand and checks	5.1	3.6
Cash in banks	197.7	134.0
Total	202.8	137.6

This item includes current (terms of less than 3 months) investments and cash in banks as well as cash on hand, the residual term at the time of acquisition being the decisive factor. The carrying amount of these assets corresponds to their respective fair value. All components of the funds are at the unrestricted disposal of the ÖBB Group. The composition of the funds is described in Note 35.

23. Share capital and other equity

The development of the shareholder's equity is shown in the Statement of Changes in Shareholder's Equity.

The share capital consists of 190,000 common stock at a nominal value of EUR10,000 each. The share capital is fixed in § 2 (1) *Bundesbahngesetz* and constitutes the share capital of the parent company. The share capital was raised pursuant to § 2 (2) *Bundesbahngesetz* by contribution of all shares of the federal government in *Österreichische Bundesbahnen* [Austrian Federal Railways]. The shares had to be recognized at equity in the sense of § 224 (3) *UGB* according to the Statement of Financial Position of *Österreichische Bundesbahnen* as of December 31, 2003. The shares in ÖBB-Holding AG are reserved for the Republic of Austria in their entirety pursuant to § 2 (1) *Bundesbahngesetz*, and may not be traded publicly.

The development of this line item and the other line items in the shareholder's equity is shown in the schedule of equity.

24. Reserves and retained earnings

	Dec 31, 2011 in mil. EUR	Dec 31, 2010 in mil. EUR
Additional paid-in capital	260.8	260.8
Other reserves	-145.6	-75.8
<i>thereof cash flow hedge reserve</i>	<i>-106.9</i>	<i>-64.6</i>
<i>thereof available-for-sale reserve</i>	<i>0.0</i>	<i>0.9</i>
<i>thereof translation differences</i>	<i>-38.7</i>	<i>-12.1</i>
Retained earnings	-647.1	-608.8

Further information on the changes in equity is provided in the Statement of Changes in Shareholder's Equity. In 2010, additional paid-in capital amounting to EUR307.4 million was released.

The differences resulting from capital consolidation which occurred prior to the transition to the IFRS are recognized in the retained earnings.

The cash flow hedge reserve and the available-for-sale reserve developed as follows:

	Cash flow hedge reserve		Available-for-sale reserve	
	Development	included taxes	Development	included taxes
	carrying amount in mil. EUR	in mil. EUR	carrying amount in mil. EUR	in mil. EUR
<i>As of Jan 01, 2010</i>	-69.9	-14.7	-0.6	-0.2
Realized profit	-0.9	-0.2	0.6	0.2
Unrealized profit	6.2	-2.1	0.9	0.3
As of Dec 31, 2010	-64.6	-17.0	0.9	0.3
Realized profit	-0.6	-0.2	-0.9	-0.3
Unrealized profit	-41.7	-10.4	0.0	0.0
As of Dec 31, 2011	-106.9	-27.6	0.0	0.0 *)

*) small amount

The transition reserve amounting to -EUR402.3 million, which resulted from the IFRS opening statement of financial position as of January 1, 2006, and includes all the effects of the transition from UGB to IFRS, was recognized in the retained earnings in both years. Further information on the shareholder's equity is given in the Statement of Changes in Shareholder's Equity.

25. Financial liabilities

2011	< 1 year	1 - 5 years	> 5 years	Total
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
Bonds	3.2	3,305.0	8,710.6	12,018.8
Bank loans	184.4	476.0	1,928.0	2,588.4
Financial liabilities leasing	155.6	240.5	1,083.6	1,479.7
Other financial liabilities	618.4	621.3	1,707.1	2,946.8
Total	961.6	4,642.8	13,429.3	19,033.7

2010	< 1 year	1 - 5 years	> 5 years	Total
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
Bonds	1,001.7	1,901.6	7,792.8	10,696.1
Bank loans	187.6	490.9	1,822.3	2,500.8
Financial liabilities leasing	41.0	558.7	830.2	1,429.9
Other financial liabilities	330.7	1,039.2	1,481.0	2,850.9
Total	1,561.0	3,990.4	11,926.3	17,477.7

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

Issued bonds

Face value	Currency	Term	ISIN	Interest rate
9,450,000.00	EUR	2003 - 2015	AT0000171723	EIB Poolrate
3,500,000.00	EUR	2004 - 2015	AT0000171731	EIB Poolrate
165,000,000.00	CHF	2008 - 2013	CH0047775413	2.7500%
575,000,000.00	USD	2003 - 2013	DE0008021759	4.7500%
600,000,000.00	USD	2003 - 2013	DE000A0AABN9	4.6250%
650,000,000.00	EUR	2004 - 2014	XS0206152810	3.8750%
1,000,000,000.00	EUR	2005 - 2020	XS0232778083	3.5000%
300,000,000.00	EUR	2010 - 2020 ⁶⁾	XS0232778083	3.5000%
100,000,000.00	EUR	2006 - 2036 ²⁾	XS0243862876	3.4200%
100,000,000.00	EUR	2006 - 2036 ²⁾	XS0244522396	3.4800%
100,000,000.00	EUR	2006 - 2036 ²⁾	XS0252697130	³⁾
50,000,000.00	EUR	2006 - 2036 ²⁾	XS0252721450	³⁾
1,000,000,000.00	EUR	2006 - 2016	XS0271660242	3.8750%
100,000,000.00	EUR	2006 - 2036 ¹⁾	XS0275973278	3.4900%
80,000,000.00	EUR	2006 - 2036 ¹⁾	XS0275974599	3.4900%
1,300,000,000.00	EUR	2007 - 2022	XS0307792159	4.8750%
200,000,000.00	EUR	2008 - 2022 ⁶⁾	XS0307792159	4.8750%
100,000,000.00	EUR	2007 - 2037 ⁵⁾	XS0321318163	4.1750%
100,000,000.00	EUR	2007 - 2037 ⁵⁾	XS0324893626	4.3975%
50,000,000.00	EUR	2007 - 2037 ⁵⁾	XS0324895670	4.3975%
100,000,000.00	EUR	2007 - 2037 ⁵⁾	XS0328866982	4.2270%
50,000,000.00	EUR	2007 - 2037 ⁵⁾	XS0331427905	4.1950%
50,000,000.00	EUR	2007 - 2037 ⁴⁾	XS0336043517	3.9850%
1,250,000,000.00	EUR	2009 - 2019	XS0436314545	4.5000%
100,000,000.00	EUR	2010 - 2019 ⁶⁾	XS0436314545	4.5000%
50,000,000.00	EUR	2011 - 2019 ⁶⁾	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 ⁶⁾	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) Right of early cancellation by the investor in 2015, 2) Right of early cancellation by the investor in 2016, 3) 3.409% as long as the 1 year EURIBOR swap rate is < 5%, otherwise 1 year EURIBOR swap rate -0.2%, 4) Right of early cancellation by the investor in 2014, 5) Right of early cancellation by the investor in 2017, 6) Increase

All the bonds were issued by ÖBB-Infrastruktur AG. In 2005, ÖBB-Infrastruktur AG initiated a Euro Medium Term Note program ("EMTN"). All amounts due in respect of bonds issued under this framework agreement are unconditionally and irrevocably guaranteed by the Republic of Austria. ÖBB-Infrastruktur AG has issued all bonds since 2005 in the framework of this program.

As of December 31, 2011, the Group complied with all covenants in respect of the loan agreements

An amount of EUR1,745.8 million (prior year: EUR1,559.0 million) of the bank loans refers to financing by the European Investment Bank (EIB).

Financial liabilities leasing

The liabilities from leasing primarily result from non-linked CBL transactions and from finance lease liabilities. With one exception, the cross-border lease liabilities are matched by assets in the same amount (financial assets such as loans to banks and leasing institutes or securities, compensation claims from payment undertaking agreements). Differences regularly result from impairments that had to be made in the year under review and in the prior years.

Other financial liabilities

The other financial liabilities consist mainly of EUOFIMA loans amounting to EUR2331.3 million (prior year: EUR2,231.9 million), EUR277.7 million (prior year: EUR74.6 million) of which having a maturity of less than one year in 2011. Apart from that, this line item also includes the negative present values of derivative financial instruments.

Financial liabilities from leases amounting to EUR463.6 million (prior year: EUR663.0 million) and other financial liabilities amounting to EUR1,422.9 million (prior year: EUR1,181.6 million) are collateralized in rem, mainly with vehicles. Information on the leasing transactions is given in Note 30, statements according to IFRS 7 are given in Note 29.

Guarantees by the federal government

The federal government issued guarantees with respect to bonds and bank loans amounting to EUR12,014.3 million (prior year: EUR10,692.8 million). In addition, liabilities to the EUROFIMA amounting to EUR2,331.3 million (prior year: EUR2,147.7 million) are secured by guarantees of the federal government. Österreichische Kontrollbank Aktiengesellschaft assumed guarantees for financial liabilities in the amount of EUR69.2 million (prior year: EUR70.6 million).

26. Provisions

The ÖBB Group records provisions when an outflow of resources embodying economic benefits in the future is probable and a reliably estimate can be made of the amount of the obligation. The provision is recognized in the amount of the probable obligation. In the event of scenarios with equal probabilities, the expected value weighted according to the probability is recognized as provision.

26.1. Provisions for personnel

Provisions for personnel

	Dec 31, 2007 in mil. EUR	Dec 31, 2008 in mil. EUR	Dec 31, 2009 in mil. EUR	Dec 31, 2010 in mil. EUR	Dec 31, 2011 in mil. EUR
Statutory severance payments	26.1	28.5	28.7	31.1	34.9
Pensions	0.8	0.9	4.0	2.7	0.9
Anniversary bonuses	129.6	135.0	124.4	129.4	147.1
Voluntary severance payments	17.7	16.2	13.6	14.2	15.4
Other provisions for personnel	3.7	2.5	2.3	32.8	18.9
Total	177.9	183.1	173.0	210.2	217.2
<i>thereof long-term</i>	<i>174.6</i>	<i>180.8</i>	<i>170.7</i>	<i>207.4</i>	<i>213.3</i>

Short-term provisions are mainly constituted by provisions for personnel. Any changes in these provisions for personnel affecting income are recognized in personnel expenses.

The following table shows the adjustments based on experience in percent of the present value of the obligations for severance payments, pensions and anniversary bonuses.

	2007	2008	2009	2010	2011
Statutory severance payments	5%	7%	1%	0%	0%
Anniversary bonuses	-3%	-1%	-8%	-2%	0%
Voluntary severance payments	-2%	35%	-23%	-5%	-17%

Actuarial assumptions

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

	Dec 31, 2009	Dec 31, 2010	Dec 31, 2011
Discount rate	5,5%	5.0%	5.0%
Rate of compensation increase	3,5%	3.2%	4.0%
Employee turnover rate of tenured employees	0,0 - 7,3 %	0,0 - 6,19%	0,0 - 6,94%
Employee turnover rate of other workers and employees	0,0 - 7,0%	0,0 - 9,32%	0,0 - 7,96%

Statutory severance payments

A provision was made for severance obligations for those employees who are not tenured employees based on mandatory and contractual regulations in the sense of § 21 (3) *Bundesbahngesetz* as amended by federal law *BGBI. I no. 71/2003*. In accordance with IAS 19, the calculation of the severance payment provision was based on an actuarial report using the project unit credit method (PUC method). The calculation was based on the biometric actuarial basis of the Actuarial Association of Austria (AVÖ) 2008-P issued by Pagler & Pagler (male and female employees).

Severance obligations to employees hired before January 1, 2003, are covered by defined benefit plans as described below. Following a legal amendment, obligations for employees hired in Austria after January 1, 2003, are covered by a defined contribution plan. With respect to this, the ÖBB Group paid EUR4.8 million and EUR4.6 million to this defined contribution plan (VBV Vorsorgekasse AG) in 2011 and 2010, respectively.

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 the employment, up to three monthly 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. In addition, a provision for voluntary severance obligations was made.

The following table shows the components of net periodic severance cost and the development of the severance provisions:

	2011 in mil. EUR	2010 in mil. EUR
Service cost	2.1	1.7
Interest cost	1.4	1.3
Actuarial losses (+) / gains (-)	3.0	1.2
Net periodic cost of statutory severance	6.5	4.2

	2011 in mil. EUR	2010 in mil. EUR
<i>Defined benefit obligation as of Jan 01</i>	31.1	28.7
Service cost	2.1	1.7
Interest cost	1.4	1.3
Severance payments	-2.5	-2.5
Additions and disposals	-0.2	0.7
Actuarial losses (+) / gains (-)	3.0	1.2
Present value of the obligation as of Dec 31	34.9	31.1

Anniversary bonuses

Tenured employees and certain employees (together "employees") are eligible for anniversary bonuses. Pursuant to statutory and contractual provisions, eligible employees receive a bonus in the amount of two monthly salaries after 25 years of service and four monthly salaries after 40 years of service. Employees with at least 35 years of service when retiring are also eligible for a bonus equal to four monthly salaries. For those tenured employees of ÖBB who have reached an age between 47 and 51 as of the reporting date (completed years in both cases) and have been with the Company for at least 31 years, a provision for voluntary severance payments is recognized. The provision was calculated based on an actuarial report using the project unit credit (PUC) method, which is prescribed for assessments in accordance with IAS 19. The calculation was based on the biometric actuarial basis of the Actuarial Association of Austria (AVÖ) 2008-P prepared by Pagler & Pagler. The employee benefits are accrued over the period of service taking into account an employee turnover deduction for employees retiring early from service. Actuarial gains and losses are recognized in the period they are incurred.

Anniversary bonuses for the other employees are provided for in accordance with the provisions of the applicable collective wage agreement or of internal company agreements respectively.

The following table shows the components and the development of the anniversary bonus provision:

	2011 in mil. EUR	2010 in mil. EUR
Service cost	6.2	4.2
Interest cost	6.2	4.4
Actuarial losses (+) / gains (-)	14.1	4.5
Net periodic cost of anniversary bonuses	26.5	13.1

	2011 in mil. EUR	2010 in mil. EUR
<i>Present value of the obligation as of Jan 01</i>	129.4	124.4
Service cost	6.2	4.2
Interest cost	6.2	4.4
Anniversary bonuses	-9.2	-12.3
Additions and disposals	0.4	4.2
Actuarial losses (+) / gains (-)	14.1	4.5
Present value of the obligation as of Dec 31	147.1	129.4

Voluntary severance payments

A provision for voluntary severance payments is recognized for those tenured employees of ÖBB who have completed a minimum of 31 years of service in the Company at the reporting date. After 40 years of service, the voluntary severance payment amounts to four times the monthly salary to which the employees are entitled at the beginning of the month in which the voluntary severance will be paid. A provision for voluntary severance payments is also recognized for those employees who have not reached 40 years of service but a minimum of 35 years of service at the time of their retirement. Those employees receive the full amount of the voluntary severance payment upon commencement of their retirement.

Voluntary severance payments for the other employees are provided for in accordance with the provisions of internal company agreements.

The entitled employees always comprise the persons having reached the stated ages. Therefore, the group of beneficiaries always changes at the respective date of calculation.

	2011 in mil. EUR	2010 in mil. EUR
Service cost	0.5	0.4
Interest cost	0.7	0.5
Actuarial gains	0.2	-0.4
Net periodic cost of voluntary severance	1.4	0.5

	2011 in mil. EUR	2010 in mil. EUR
<i>Present value of the obligation as of Jan 01</i>	14.2	13.6
Service cost	0.5	0.4
Interest cost	0.6	0.5
Severance payments	-0.1	-0.2
Additions and disposals	0.0	0.3
Actuarial gains	0.2	-0.4
Present value of the obligation as of Dec 31	15.4	14.2

Pensions

The provisions for pensions account only for benefit obligations arising from individual contracts.

Defined contribution plans

In Austria, pension benefits for employees are generally provided by the social security institutions, and for tenured railway employees by the *Versicherungsanstalt für Eisenbahn und Bergbau* [insurance institution for railway and mining] or the federal government pursuant to § 52 *Bundesbahngesetz*. The ÖBB Group is required to pay pension and health care contributions for current and retired tenured employees and their surviving dependents. The ÖBB Group is legally obligated to make annual contributions to the *Versicherungsanstalt für Eisenbahn und Bergbau* for active tenured employees. Additionally, the ÖBB Group offers a defined contribution plan to all employees of the ÖBB Group in Austria. The contributions of the ÖBB Group are calculated as a percentage of the compensation and must not exceed 0.8%. The contribution to this plan amounted to EUR16.2 million and EUR16.4 million in 2011 and 2010, respectively.

Defined benefit plans

A defined benefit plan is provided for one former Board member (payments beginning with the 60th birthday), under which the ÖBB Group has been making payments according to a defined benefit plan 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.

26.2. Other provisions

in mil. EUR	As of Jan 01, 2011	Translation difference	Utilization	Release	Transfers	Interest effects	Translation differences	Appropriation	As of Dec 31, 2011
Asset retirement obligation	81.8	0.0	-0.3	-23.5	0.0	1.8	0.0	40.7	100.5
Threat potential of public services	47.6	0.0	0.0	0.0	0.0	0.0	0.0	20.7	68.3
Reduced tickets outside tariffs	71.3	0.0	-25.3	-3.0	6.7	0.0	0.0	0.2	49.9
Free student and apprentice tickets	35.1	0.0	0.0	0.0	0.0	0.0	0.0	5.1	40.2
Litigations	36.8	0.0	-0.8	-10.4	0.0	0.0	0.5	12.4	38.5
Provision for auditing costs acc. to EU RL 1370/2007	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.0	28.0
Uncertain debts	20.5	0.0	-3.7	-4.7	0.0	0.0	0.0	15.5	27.6
Environmental protection measures	27.6	0.0	-0.6	-3.7	0.0	0.2	0.0	0.1	23.6
Imminent losses	26.0	0.0	-4.4	0.0	0.0	0.0	0.0	1.2	22.8
Prepayments and similar obligations	16.2	0.0	0.0	0.0	0.0	0.4	0.0	4.0	20.6
Project cost	31.8	0.0	-23.1	-10.0	1.6	0.0	0.0	18.2	18.5
Taxes	5.2	0.0	-0.3	0.0	-4.2	0.0	0.0	0.8	1.5
Deferrals	1.2	0.0	-1.2	0.0	0.0	0.0	0.0	0.5	0.5
Miscellaneous	89.2	-1.3	-41.9	-5.1	-5.6	0.2	-1.1	68.4	102.8
Total other provisions	490.3	-1.3	-101.6	-60.4	-1.5	2.6	-0.6	215.8	543.3
<i>thereof long-term</i>	<i>75.9</i>								<i>136.3</i>

Asset retirement

The provision for asset retirement obligations includes expenses for the demolition and removal of assets and the restoration of sites. The lines in question either have already been decommissioned or are to be decommissioned in the near future. The provision is only recognized for lines when it is sufficiently certain that they will be decommissioned. In the year under review, the probability of occurrence of asset retirement obligations was reassessed and additional provisions amounting to EUR40.7 million (prior year: EUR54.1 million) were recognized.

Threat potential of public services

In the course of an audit of the Rail Cargo Austria group, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH discovered that the Rail Cargo Austria group had submitted amounts based on the agreements concluded with the federal government on the commissioning and provision of public services for the year 2007 that were not invoiced in compliance with the agreements according to Schienen Control GmbH.

Based on the information available at present, the risks with respect to the expected liability towards the federal government arising from the non-compliant invoicing of transports of hazardous and environmentally hazardous materials were assessed for the respective years 2007 to 2009. As a result, the ÖBB Group was required to establish a provision amounting to EUR68.3 million (prior year: EUR47.6 million) as at 31.12.2011.

Reduced tickets outside tariff

Due to the division of the ÖBB company into nine separate companies under the holding of ÖBB-Holding AG in the framework of the *Bundesbahnstrukturgesetz* [Federal Railway Structure Act] 2003, legally independent companies were formed that are no longer recognized as transport companies in the sense of § 3 *EStG* [Income Tax Act] by the relevant tax authorities. Privileged transport of own employees constitutes a taxable employment benefit that is subject to social security contributions for the companies concerned (i.e. all Group companies with the exception of ÖBB-Personenverkehr AG and ÖBB-Produktion GmbH).

For risks with respect to the measurement of employment benefits, provisions in the amount of EUR49.9 million (prior year: EUR71.3 million) were made as of the reporting date.

Other issues

Appropriate provisions are made for uncertainties with respect to the settlement of the free student and apprentice tickets (SLF) with the individual transport associations.

The provision for litigations was recorded based on all litigation risks at the time of the preparation of the Statement of Financial Position based on management's best estimate. The provision comprises numerous minor litigations resulting from the Company's normal course of business.

The invoice of the German VDV Association is audited ex-post by an independent auditor every year. A provision in the amount of EUR28.0 million was made for any reimbursement claims of the federal government arising from this title.

The provision for environmental protection measures concerns anticipated restoration measures for contaminated sites.

The provision for project costs results primarily from additional costs justifiably claimed by suppliers and examined in detail by the ÖBB-Infrastruktur group. These additional project costs were capitalized in property, plant and equipment.

Miscellaneous provisions primarily include provisions for liability pensions and warranties.

Anticipated cash outflow for the provisions

Non-current provisions are discounted at interest rates of 1.6% - 3.3% (prior year: 1.5% - 3.4%). Adjustments due to changes in the discount factor were insignificant.

EUR136.3 million (prior year: EUR75.9 million) of the miscellaneous provisions are classified as non-current. The payment for these provisions is anticipated after 2012. Cash outflows are anticipated in the year 2012 for provisions classified as current. When the maturity is uncertain, the provisions concerned were mainly classified as current.

27. Trade payables and other payables

	Current in mil. EUR	Non-current in mil. EUR	Total in mil. EUR
2011			
Trade payables	983.6	0.0	983.6
<i>thereof down payments on orders received</i>	32.9	0.0	32.9
Other liabilities	432.5	301.1	733.6
<i>thereof other deferrals</i>	67.1	146.1	213.2
<i>thereof taxes</i>	49.7	0.0	49.7
<i>thereof accrued employee liabilities</i>	145.6	0.0	145.6
<i>thereof social security</i>	25.1	0.0	25.1
<i>thereof other liabilities</i>	145.1	155.0	300.1
Total	1,416.1	301.1	1,717.2
2010			
Trade payables	968.4	0.0	968.4
<i>thereof down payments on orders received</i>	39.2	0.0	39.2
Other liabilities	500.8	358.6	859.4
<i>thereof other deferrals</i>	70.7	153.0	223.7
<i>thereof taxes</i>	138.2	0.0	138.2
<i>thereof accrued employee liabilities</i>	102.0	0.0	102.0
<i>thereof social security</i>	38.5	0.0	38.5
<i>thereof other liabilities</i>	151.4	205.6	357.0
Total	1,469.2	358.6	1,827.8

The management estimates that the carrying amounts of the trade payables approximate their respective fair values.

Down payments received mainly relate to down payments on services provided for third parties. Trade payables in the amount of EUR1.2 million (prior year: EUR0.0 million) are collateralized in rem.

Employee-related liabilities include in particular overtime at an amount of EUR10.5 million (prior year: EUR14.2 million) and vacation days not yet taken at an amount of EUR62.4 million (prior year: EUR70.7 million).

Other deferrals primarily comprise the unamortized deferred tax benefit resulting from the CBL transactions of EUR88.2 million (prior year: EUR101.8 million) and from the advance sale of tickets in the amount of EUR19.3 million (prior year: EUR19.2 million).

Furthermore, the trade payables and other payables include cross-currency derivatives recognized at their respective fair value (see Note 29).

C. OTHER NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

28. Other guarantees and contingent liabilities

The contingent liabilities are composed as follows:

	2011 in mil. EUR	2010 in mil. EUR
Contingent liabilities from lease transactions	1,106.0	1,225.7
Other contingent liabilities	46.1	80.0
Total	1,152.1	1,305.7

Contingent liabilities from lease transactions (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, so that the related investments and lease obligations are not recorded in the Statement of Financial Position. In respect of these transactions, the ÖBB Group assumes that the relevant contracting parties of the underlying assets will continue to fulfill their payment obligations in line with the agreement - as in previous periods - and that no outflows of cash exceeding the payments made upon conclusion of the transaction are to be expected. The relevant contracting parties of the assets concerned have at least an AA+ rating according to Standard & Poor's or a subsidiary guarantor liability is assumed by the federal government. Due to the existing contractual obligation of the ÖBB Group resulting from the cross border lease agreements, the obligations in respect of the unredeemed lease liabilities are disclosed as contingent liabilities. Collateral securities in the form of pledged investments exist for unredeemed lease obligations.

Other contingent liabilities

The guarantees mainly comprise guarantees for associated companies at an amount of EUR35.8 million (prior year: EUR39.1 million).

For further information on the contractual terms of the CBL transactions see Notes 30.3 and 29.3.

29. Financial instruments

29.1. Risk management

The ÖBB Group is exposed, in particular, to foreign currency exchange rate risks, interest rate risks and risks arising from the creditworthiness of its contractual partners (credit risk) associated with its underlying financial assets and liabilities. Financial risk management is considered as management of market risks and means the economic balancing of the portfolios of the individual companies with respect to the development of interests, currencies and commodities. The ÖBB Group uses derivative financial instruments for the purpose of hedging these risks. Derivative financial instruments are entered into only with reference to a hedged item.

The key task of risk management is to identify, assess and limit financial risks. The limitation of risks does not mean a complete exclusion of financial risks, but a reasonable control of risk positions quantified at any time within a precisely defined framework.

ÖBB-Holding AG, who performs financial transactions on behalf and on the account of its subsidiaries only with their approval and at their instruction, created a risk-oriented control environment that includes guidelines and processes for the assessment of risks, the approval, reporting and supervision of financial instruments, among others. Highest priority of all financial activities is the protection of the assets of the ÖBB Group.

Financial risks are defined as follows:

- 29.1.a. Interest rate risk
- 29.1.b. 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 for the profitability and enterprise value of the ÖBB Group 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 from market interest rate fluctuations may affect the financial result of the ÖBB Group due to the structure of its Statement of Financial Position. Therefore, market interest rate fluctuations exceeding a certain level to be agreed with the Group companies need to be limited, e.g. by using derivative financial instruments, in order to minimize the influence on the earnings development.

The conclusion of adequate derivative financial instruments to manage interest risks (interest swaps) is based on portfolio analyses and recommendations by ÖBB-Holding AG and relating decisions of the subsidiaries.

The ÖBB Group is exposed to interest risks mainly in the Euro zone. In order to most efficiently implement the Company's risk strategy, it uses derivative interest rate contracts taking the present debt structure into account.

Financial instruments (current and non-current)	Fixed interest financial instruments in mil. EUR	Variable interest financial instruments in mil. EUR
Dec 31, 2011		
Financial assets	921.1	80.2
Trade receivables	13.0	0.0
Other receivables and assets	1.1	0.0
Cash and cash equivalents	97.2	83.7
Total	1,032.4	163.9
Financial liabilities	17,258.4	1,180.8
Other liabilities	6.1	0.0
Total	17,264.5	1,180.8

Financial instruments (current and non-current)	Fixed interest financial instruments in mil. EUR	Variable interest financial instruments in mil. EUR
Dec 31, 2010		
Financial assets	902.7	110.0
Trade receivables	7.9	0.0
Other receivables and assets	0.4	0.0
Cash and cash equivalents	47.1	53.4
Total	958.1	163.4
Financial liabilities	15,143.1	1,288.7
Other liabilities	72.9	0.0
Total	15,216.0	1,288.7

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

Sensitivity analysis interest risk

IFRS 7 requires a sensitivity analysis for market risks, showing how profit and loss and shareholder's equity would be affected by hypothetical changes in market interest rates. The effects of 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, it is assumed that the portfolio at the reporting date is representative for the entire year.

Changes in market interest rates of original fixed interest financial instruments affect profit or loss only if these instruments are measured at fair value. As such, fixed interest rate financial instruments carried at amortized cost are not exposed to any interest rate risks.

In the case of fair value hedges designated to hedge against interest rate fluctuations, 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 compensated in the income statement. Consequently, these financial instruments are not exposed to any interest rate risks either.

Market interest rate fluctuations of financial instruments designated as cash flow hedges affect the cash flow hedge reserve in shareholder's equity and are therefore considered in equity-related sensitivities.

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

Market interest rates fluctuation of derivative financial instruments not designated as hedging instrument in accordance with IAS 39 affect the other financial expense or income (changes of the fair value of the financial assets) and are therefore included in the profit-related sensitivities.

Sensitivity analysis interest risk as of Dec 31, 2011	Effect in income statement		Effect in shareholder's equity	
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
	+ 100 base points	- 100 base points	+ 100 base points	- 100 base points
Assets				
Financial assets	0.9	-0.9	-2.3	2.3
Trade receivables	2.1	-2.1	0.0	0.0
Other receivables	0.1	-0.1	0.0	0.0
Cash and cash equivalents	0.8	-0.7	0.0	0.0
Liabilities				
Financial liabilities	-11.5	11.5	40.9	-34.6
Balanced effect 2011	-7.6	7.7	38.6	-32.3

Sensitivity analysis interest risk as of Dec 31, 2010	Effect in income statement		Effect in shareholder's equity	
	in mil. EUR	in mil. EUR	in mil. EUR	in mil. EUR
	+ 100 base points	- 100 base points	+ 100 base points	- 100 base points
Assets				
Financial assets	1.0	-1.0	-14.9	16.9
Cash and cash equivalents	0.4	-0.3	0.0	0.0
Liabilities				
Financial liabilities	-11.9	11.9	71.3	-77.5
Balanced effect 2010	-10.5	10.6	56.4	-60.6

29.1.b. Exchange rate risk

The exposure of ÖBB-Infrastruktur AG to exchange rate risks primarily results from financial liabilities denominated in foreign currencies. The predominant part of these risks is hedged. At the reporting date, the ÖBB Group was not exposed to any significant risks resulting from liabilities denominated in foreign currencies, with the exception of one open currency item amounting to CHF120 million. Cross-currency swaps are used to convert financial liabilities in foreign currencies into Euros. Therefore, changes in foreign exchange rates have no material effects on the income. As of the reporting date, foreign currency liabilities which are hedged against exchange rate risks were primarily bonds denominated in USD and loans denominated in CHF.

With cross border lease transactions, all cash flows (lease payments as well as backflow from investments) are processed in US dollars or Canadian dollars (CAD) with matching maturities. Therefore, they are not exposed to any exchange rate risk, provided that there are no losses in the investments.

Foreign currencies are hedged as follows:

	JPY	USD	CHF	CAD
	in mil.	in mil.	in mil.	in mil.
Currency-sensitive financial instruments 2011				
Trade receivables	0.0	1.4	0.0	0.0
Financial assets	0.0	1,000.0	0.0	112.0
Trade payables	0.0	-2.0	0.0	0.0
Financial liabilities	0.0	-2,208.0	-285.0	-112.0
	0.0	-1,208.6	-285.0	0.0
less forward foreign exchange contracts or currency swaps resp.	0.0	1,198.0	165.0	0.0
Net exchange rate risk	0.0	-10.6	-120.0	0.0

	JPY in mil.	USD in mil.	CHF in mil.	CAD in mil.
Currency-sensitive financial instruments 2010				
Trade receivables	0.0	1.3	0.0	0.0
Financial assets	0.0	949.0	0.0	106.0
Trade payables	0.0	-1.3	0.0	0.0
Financial liabilities	-3,300.0	-2,162.0	-285.0	-106.0
	-3,300.0	-1,213.0	-285.0	0.0
less forward foreign exchange contracts or currency swaps resp.	3,300.0	1,203.0	165.0	0.0
Net exchange rate risk	0.0	-10.0	-120.0	0.0

Sensitivity analysis exchange rate risk

In the case of fair value and cash flow hedges designated to hedge exchange rate risks, the changes in the fair value of the hedged item and the hedging instrument resulting from changes in exchange rates are almost entirely compensated in the income statement in the same period. Therefore, these financial instruments are not exposed to foreign exchange rate risks in respect of their effects on profit and loss and shareholder's equity.

Additionally, the Company entered into derivative financial instruments which completely hedge the foreign exchange risk of the hedged item (basis swaps), but for which hedge accounting is not applied.

The ÖBB Group is therefore only exposed to exchange rate risks resulting from liabilities denominated in foreign currencies that are not hedged. Gains and losses resulting from the changes in the rate of the currency in which these transactions are denominated are recognized in the income statement.

A revaluation (devaluation) of the Euro compared to the CHF by 10% as of December 31, 2011, would have resulted in an increase in income amounting to EUR10.0 million (decrease in income amounting to EUR10.0 million) as of December 31, 2011, and an increase amounting to EUR10.0 million (decrease amounting to EUR9.0 million) as of December 31, 2010; a revaluation (devaluation) of the Euro compared to the USD by 10% as of December 31, 2011, would have resulted in an increase (decrease) in income amounting to EUR1.0 million in both years under review.

29.1.c. Credit risk

Credit risk is the risk of loss if the counterparty to a financial instrument fails to meet its contractual obligations (mainly money-market transactions, investments, funds, swap transactions with positive present value). ÖBB-Holding AG monitors compliance with the limits underlying the counterparty risk management, which are individually allocated to each financial partner, on a daily basis. The ÖBB Group maintains only business relations with financial partners who have a defined rating and an objective risk classification of the capital market.

The ÖBB Group uses a credit risk management system in which the determination and allocation of limits is primarily based on the evaluation of credit default swap data of the financial partners. This ensures fast reaction to changing risk evaluations by the capital market regarding such financial partners. The applicable limits and their use are monitored on a daily basis in order to be able to react to market disturbances in a quick and risk-oriented manner.

Credit risks also exist outside of the original transactions with the financial partners in connection with cross border leasing. For cross border lease transactions, security deposits, payment undertaking agreements and swaps were concluded with financial partners to make lease payments during the lease term and to pay the purchase price at the end of the term. For more information on cross border lease agreements, see Note 30.3.

The maximum credit risk for the ÖBB Group resulting from original financial instruments as of the reporting date corresponds to the total of the investments, the positive present values from derivatives and guarantees issued (Note 28).

The financial assets of the ÖBB Group mainly comprise cash in banks, trade receivables as well as receivables from finance leases and securities. These items represent the maximum loss exposure of the ÖBB Group with respect to its financial assets. In an extreme case, this credit risk constitutes the equivalent of all assets less property, plant and equipment, intangible assets, investments in associated companies, inventories and other receivables that do not constitute financial instruments.

This credit risk is composed as follows:

Credit risk from financial instruments in the Statement of Financial Position	Gross exposure (carrying amount plus impairment) in mil. EUR	less collateral (FL) in mil. EUR	Net exposure in mil. EUR
Total exposure 2011			
Financial assets	1,212.2	0.0	1,212.2
Trade receivables	598.7	-9.9	588.8
Other receivables and assets	475.9	-269.0	206.9
Cash and cash equivalents	202.8	0.0	202.8
Risk from non-current and current assets	2,489.6	-278.9	2,210.7
<i>thereof neither past due nor impaired</i>			1,710.0
<i>thereof not past due because renegotiated or impaired</i>			45.9
<i>thereof past due</i>			454.8
Guarantees from leases	1,106.0	0.0	1,106.0
Other contingent liabilities	46.1	0.0	46.1
Credit risk from issued guarantees	1,152.1	0.0	1,152.1
Total credit risk as of Dec 31, 2011	3,641.7	-278.9	3,362.8
Total exposure 2010			
Financial assets	1,176.3	0.0	1,176.3
Trade receivables	631.4	-16.8	614.6
Other receivables and assets	596.5	-272.2	324.3
Cash and cash equivalents	137.6	-1.1	136.5
Risk from non-current and current assets	2,541.8	-290.1	2,251.7
<i>thereof neither past due nor impaired</i>			1,880.3
<i>thereof not past due because renegotiated or impaired</i>			46.9
<i>thereof past due</i>			324.5
Guarantees from leases	1,225.7	0.0	1,225.7
Other contingent liabilities	80.0	0.0	80.0
Credit risk from issued guarantees	1,305.7	-3.7	1,302.0
Total credit risk as of Dec 31, 2010	3,847.5	-293.8	3,553.7

The credit risk of the ÖBB Group mainly results from the trade receivables and from finance leasing. The amounts reported in the Statement of Financial Position are net of allowances for doubtful accounts that were estimated by the management of the ÖBB Group based on previous experience and the current economic environment as well as debtor-specific circumstances.

With respect to maturities, see Note 20.

29.1.d. Liquidity risk

The primary aim of ÖBB Group treasury management is the safeguarding of the necessary liquidity for all companies of the ÖBB Group. For the ÖBB Group, liquidity risk means any limitation of the indebtedness or the ability to raise capital (e.g. due to a lower credit rating by a rating agency or by a bank-internal rating) with respect to volume and conditions for raising financial funds whereby the realization of the Company's strategy or of the financial scope might be limited.

Therefore, analyzing the liquidity risk and consistently securing liquidity (mainly by liquidity planning, agreement of sufficient credit lines and sufficient diversification of creditors) constitutes the core task of treasury management.

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

	Carrying amount Dec 31, 2011 in mil. EUR	Cash-Flows 2012		Cash-Flows 2013-16		Cash-Flows 2017 et seq.	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
		2012 in mil. EUR	2012 in mil. EUR	2013-2016 in mil. EUR	2013-2016 in mil. EUR	2017 et seq. in mil. EUR	2017 et seq. in mil. EUR
Original financial liabilities							
Bonds	12,018.8	481.2	3.2	1,723.6	3,305.0	2,154.5	8,710.6
Bank loans	2,588.4	99.8	184.4	348.3	476.0	792.6	1,928.0
Finance leasing, sub-lease and CBL liabilities	1,479.7	58.5	155.6	186.2	558.6	506.9	765.5
Other financial liabilities	2,604.7	69.5	540.8	307.8	424.7	640.1	1,639.2
Trade payables	983.6	0.0	983.6	0.0	0.0	0.0	0.0
<i>non-interest bearing</i>	983.6	0.0	983.6	0.0	0.0	0.0	0.0
Other liabilities	733.6	0.8	432.5	0.8	261.5	0.0	39.6
<i>interest-bearing</i>	6.1	0.5	0.0	0.4	5.1	0.0	1.0
<i>non-interest bearing</i>	727.5	0.3	432.5	0.4	256.5	0.0	38.5

	Carrying amount Dec 31, 2010 in mil. EUR	Cash-Flows 2011		Cash-Flows 2012-15		Cash-Flows 2016 et seq.	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
		2011 in mil. EUR	2011 in mil. EUR	2012-2015 in mil. EUR	2012-2015 in mil. EUR	2016 et seq. in mil. EUR	2016 et seq. in mil. EUR
Original financial liabilities							
Bonds	10,696.1	434.9	1,001.7	1,465.9	1,901.6	1,794.7	7,792.8
Bank loans	2,500.8	91.8	187.6	334.9	490.9	768.6	1,822.3
Finance leasing, sub-lease and CBL liabilities	1,429.9	44.7	41.0	142.0	558.7	565.7	830.2
Other financial liabilities	2,523.0	51.4	296.9	183.0	628.5	225.5	1,597.6
Trade payables	968.4	0.0	968.4	0.0	0.0	0.0	0.0
<i>interest-bearing</i>	53.6	0.0	53.6	0.0	0.0	0.0	0.0
<i>non-interest bearing</i>	914.8	0.0	914.8	0.0	0.0	0.0	0.0
Other liabilities	859.4	1.9	500.8	3.0	358.0	0.0	0.6
<i>interest-bearing</i>	321.8	1.7	252.7	2.0	69.1	0.0	0.0
<i>non-interest bearing</i>	537.6	0.2	248.1	1.0	288.9	0.0	0.6

	Carrying amount Dec 31, 2011 in mil. EUR	Cash-Flows 2012		Cash-Flows 2013-16		Cash-Flows 2017 et seq.	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
		2012 in mil. EUR	2012 in mil. EUR	2013-2016 in mil. EUR	2013-2016 in mil. EUR	2017 et seq. in mil. EUR	2017 et seq. in mil. EUR
Derivative financial receivables							
Other derivatives not designated as hedges	28.9	0.0	28.9	0.0	0.0	0.0	0.0
Interest rate derivatives designated as cash flow hedges	57.5	18.3	21.6	18.3	0.0	0.0	0.0
Electricity derivatives designated as fair value hedges	0.2	0.0	0.1	0.0	0.1	0.0	0.0
Derivative financial liabilities							
Interest rate derivatives not designated as hedges	10.9	1.8	0.0	4.2	0.0	0.0	0.0
Interest rate derivatives designated as fair value hedges	16.2	-8.8	34.3	-9.1	0.0	0.0	0.0
Interest rate derivatives designated as cash flow hedges	233.7	48.0	0.0	95.2	75.3	73.4	0.0
Electricity derivatives designated as fair value hedges	6.2	0.0	3.8	0.0	2.4	0.0	0.0
Other derivatives	75.0	6.0	39.0	19.2	0.3	17.4	0.0
Financial guarantees							
Guarantee from cross border leasing	1,106.0	65.9	55.4	219.7	169.9	371.9	880.7
Other contingent liabilities	46.1	0.0	5.3	0.0	0.1	0.0	40.7

	Carrying amount Dec 31, 2010 in mil. EUR	Cash-Flows 2011		Cash-Flows 2012-15		Cash-Flows 2016 et seq.	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
		2011 in mil. EUR	2011 in mil. EUR	2012-2015 in mil. EUR	2012-2015 in mil. EUR	2016 et seq. in mil. EUR	2016 et seq. in mil. EUR
Derivative financial receivables							
Electricity derivatives designated as fair value hedges	24.4	0.0	13.9	0.0	10.4	0.0	0.0
Interest rate derivatives designated as fair value hedges	72.3	18.7	0.0	32.9	17.9	-15.3	0.0
Other derivatives not designated as hedges	6.8	0.1	5.2	1.5	0.0	-0.1	0.0
Derivative financial liabilities							
Interest rate derivatives not designated as hedges	38.6	6.7	0.2	22.4	0.9	16.9	0.1
Interest rate derivatives designated as fair value hedges	20.1	-10.0	0.0	-19.9	44.0	0.0	0.0
Electricity derivatives designated as fair value hedges	26.2	0.0	15.8	0.0	10.5	0.0	0.0
Interest rate derivatives designated as cash flow hedges	221.2	53.0	0.0	138.3	94.2	87.9	0.0
Other derivatives	21.8	3.6	0.0	14.4	0.0	17.2	0.0
Financial guarantees							
Guarantee from cross border leasing	1,225.7	73.7	53.6	255.8	214.9	389.0	957.2
Other contingent liabilities	80.0	0.4	3.7	1.4	2.3	0.4	74.0

All instruments included in the portfolio as of the reporting date for which contractual payments have already been agreed are included in this table. Anticipated new liabilities were not included. Amounts in foreign currencies were translated at the rate applicable at the reporting date. Variable interest payments from financial instruments were determined based on the interest rates applicable at the reporting date.

Guarantees of the federal government

As explained in Note 25, the federal government has issued guarantees for bonds, certain liabilities payable to banks and liabilities payable to EUROFIMA.

29.2. Hedging transactions

Hedge Accounting

The ÖBB 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 Consolidated Income Statement. Depending on the type of the hedged item, the hedge is either designated as "fair value hedge" or "cash flow hedge".

In case of fair value hedges, the exposure to changes in the fair value of a recognized asset or liability or a fixed commitment is hedged. Changes in the fair value of the derivative used as hedging instrument are recognized in profit or loss; the carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk.

In the case of a cash flow hedge the exposure to variability of future, anticipated cash flows from recognized financial assets and liabilities and from planned transactions is hedged. For cash flow hedges, the effective portion of the change in the fair value of the hedging instrument is recognized via other comprehensive income in shareholder's equity (cash flow hedge reserve) until the cash flow resulting from the hedged item occurs with effect on profit and loss; the ineffective portion of the change in the fair value of the hedging instrument is recognized in the income statement.

For cross currency swaps designated as cash flow hedges, the hedged risk comprises only the exchange rate risk, i.e. 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 Consolidated Income Statement.

The ÖBB Group does not apply hedge accounting in accordance with IAS 39 for basis swaps with respect to foreign currency risks of variable interest bearing assets and liabilities because the gains and losses on the hedged items to be realized from the currency translation and recognized in profit or loss in accordance with IAS 21 are reported in the Consolidated Income Statement in the same period as the gains and losses resulting from the derivatives used as hedging instruments. However, when fixed interest bearing hedged items denominated in a foreign currency are hedged, they may be designated as cash flow hedge.

The ÖBB Group complies with the requirements of IAS 39 in respect of hedge accounting as follows:

At the inception of the hedge, the relationship of the hedging instrument and the hedged item as well as the Company's objective for undertaking the hedge are documented. The documentation includes allocation of the hedging instruments to the respective hedged assets/liabilities and assessment of the effectiveness of the hedging instruments used. The effectiveness of the current hedges is assessed on an ongoing basis; if the hedge becomes ineffective, the hedging relationship is discontinued.

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

Fair Value Hedges

For the purpose of hedging the fair value or present value risk of fixed interest rate liabilities, the ÖBB Group entered into receiver swap agreements ("receive fixed - pay variable") denominated in EUR in the financial year 2011. A USD fixed interest rate bond was designated as hedged item. Changes in the value of this hedged item resulting from the changes in the market interest rate and exchange rate are offset by the changes in the fair value of the interest rate and cross currency swap. The objective of this hedge transaction is to transform the fixed interest rate bond into a debt at variable interest rate, thus hedging the fair value of the financial liability.

The effectiveness of the hedging relationship is assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. On a retrospective basis, the effectiveness is assessed at each reporting date by an effectiveness test according to the Dollar-Offset method. The Dollar-Offset method compares the cumulative changes in the value of the hedged item, expressed in monetary units, to the cumulative changes in the fair value of the interest swap, expressed in monetary units. The changes in the value of both transactions are calculated based on the cash flows outstanding at the beginning and at the end of a test period and are adjusted for accrued interest. The effectiveness of all hedging relationships was within the range of the quotient of both accumulated value changes required by IAS 39 (between 80% and 125%). The change in the credit spread (component depending on the creditworthiness) was not considered in the determination of the change in value of the hedged item for the purpose of effectiveness assessment.

The following table shows the range of maturities of the fair value hedges:

Other derivative financial instruments	Dec 31, 2011		Dec 31, 2010	
	Number of contracts	Nominal volume in mil. EUR	Number of contracts	Nominal volume in mil. EUR
Maturity				
Portfolio (maturing in 2013)	1	343.6	1	343.6

As the table of fair values of derivative financial instruments shows (see table "Derivative financial instruments"), the ÖBB Group designated interest rate derivatives totaling EUR343.6 million (prior year: EUR343.6 million) as fair value hedges as of December 31, 2011.

In the financial year 2011, the change in the carrying amount of the hedged items (interest portion) resulted in profits amounting to EUR7.1 million (prior year: losses amounting to EUR6.3 million) recognized in the other financial income (prior year: recognized in the other financial expense), and changes of the fair values (interest portion) of the hedging transactions resulted in expense amounting to EUR8.9 million (prior year: profits amounting to EUR5.1 million) recognized in other the financial expense (prior year: recognized in the other financial income).

Cash flow hedges

Interest rate risks / exchange rate risks

For the purpose of hedging interest payment risks with respect to hedged items at variable interest, the ÖBB Group entered into payer interest rate swaps ("receive variable - pay fixed") in the financial year 2011. The changes in cash flows of the hedged items resulting from changes in the EURIBOR rate are offset by the changes in cash flows of the interest rate swaps. The objective of these hedges is to transform the variable interest bonds into fixed interest financial debts, thus hedging the cash flow from the financial liabilities.

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

Dec 31, 2011		
Maturity	Number of contracts	Nominal volume in mil. EUR
Portfolio	117	2,758.8
<i>thereof maturing in 2012</i>	26	226.1
<i>thereof maturing in 2013</i>	26	1,521.8
<i>thereof maturing in 2014</i>	23	144.7
<i>thereof maturing in 2015</i>	6	56.7
<i>thereof maturing in 2016 et seq.</i>	36	809.5

Dec 31, 2010		
Maturity	Number of contracts	Nominal volume in mil. EUR
Portfolio	66	2,538.9
<i>thereof maturing in 2011</i>	3	33.0
<i>thereof maturing in 2012</i>	9	185.0
<i>thereof maturing in 2013</i>	11	1,457.7
<i>thereof maturing in 2014</i>	8	111.7
<i>thereof maturing in 2015 et seq.</i>	35	751.5

The effectiveness of the hedging relationship is assessed on a prospective basis using the Critical Terms Match method pursuant to IAS 39.AG 108. On a retrospective basis, the effectiveness is assessed at each reporting date by an effectiveness test according to the Dollar-Offset method. A hypothetical derivative financial instrument serves as the hedged item. All hedging relationships of this type were effective as of the reporting date. As the table of present values of derivative financial instruments shows (see table "Derivative financial instruments"), the ÖBB Group designated derivative financial instruments totaling EUR2,758.8 million as of December 31, 2011 (prior year: EUR2,538.9 million) as cash flow hedges. In 2011, an amount of -EUR43.7 million (prior year: -EUR16.4 million) recognized in the cash flow hedge reserve resulted from the change in value of the hedging instruments recognized in the other comprehensive income. In this respect, see Note 24.

Changes in the fair value of interest rate swaps designated as hedging instruments with respect to future variable interest payments are recognized in shareholder's equity via the other comprehensive income (cf. Statement of Changes in Shareholder's Equity). These amounts are recognized in finance costs in the period in which the corresponding interest payments from the hedged item affect profit and loss. In 2011, an amount of EUR22.7 million (prior year: EUR62.8 million) from foreign currency hedges was recognized as expense in the Consolidated Income Statement via. Furthermore, ineffective portions of hedge accounting relationships amounting to EUR0.1 million (prior year: EUR0.1 million) were recognized in the profit. As a result of discontinued hedging instruments (cash flow hedges), an amount of EUR4.6 million (prior year: EUR5.1 million) was recognized in shareholder's equity via other comprehensive income, which will be realized as follows: 2012: EUR0.7 million, 2013 - 2015: EUR2.6 million, 2016 et seq.: EUR1.3 million.

Energy derivatives

The ÖBB-Infrastruktur Group has entered into energy derivatives (long-term procurement agreements, energy purchase and sale forwards) aiming primarily at hedging of the energy purchase price, in addition to the trade activities themselves. The forward contracts are concluded via the OTC market (forwards). Changes in the cash flows for the planned energy purchases due to changes of the energy price are compensated by the changes in the cash flows of the forwards, which had to be classified as derivatives according to IAS 39. The hedging measures aim at fixing the variable prices of planned energy purchases. Insofar as concluded purchase and sales agreements were terminated by counter-transactions, both transactions are recognized in profit or loss at their respective fair value.

In general, every derivative designated as hedging instrument is subject to prospective efficiency measurement within the framework of its designation and retrospective efficiency measurement at each reporting date. In the course of this efficiency measurement, proof has to be provided that the change in value of the derivative is between 80% and 125% of the change in the value of the designated hedged item caused by 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 efficiency was determined in retrospect by means of the Change in Fair Value method, i.e. the change in the value of the hedging instrument was compared to the change in the value of the hedged item.

The market value of the energy purchase and energy sales forwards as of the reporting date is determined based on the EEX (European Energy Exchange) futures rates discounted on the basis of current interest curves. The recognition of energy forwards as hedging transactions resulted in an amount of EUR2.6 million less income taxes in the amount of

EUR0.7 million being recognized in the cash flow hedge reserve via the other comprehensive result in the financial year 2011.

Power derivatives	Dec 31, 2011		Dec 31, 2010	
	Number of contracts	Nominal volume in mil. EUR	Number of contracts	Nominal volume in mil. EUR
Portfolio	44	100.9	21	399.6
<i>thereof maturing in 2011</i>	-	-	11	194.1
<i>thereof maturing in 2012</i>	15	34.9	7	121.4
<i>thereof maturing in 2013</i>	14	32.9	2	69.0
<i>thereof maturing in 2014</i>	15	33.1	1	15.1

In addition, diesel hedges were concluded at a small amount.

29.3. Additional disclosures according to IFRS 7

Financial assets are initially recognized at their fair value. For all financial assets subsequently not measured at their fair value through profit or loss, the transaction costs directly attributable to the acquisition are included in cost. The fair values recognized in the Statement of Financial Position usually approximate the market prices of the financial assets.

Financial assets and liabilities held for trading (FAHfT) are measured at their fair value. This category consists primarily of derivative financial instruments that do not qualify for hedge accounting in accordance with IAS 39 and are therefore mandatorily classified as held for trading. Gains or losses from the subsequent measurement are recognized in the consolidated 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 mutual funds, if not carried at fair value through profit or loss, are mandatorily allocated to this category. On principle, interests in mutual funds are always allocated to this category, unless a 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, credit and exchange rate risks resulting from financial transactions. All derivative financial instruments are recognized either as assets or liabilities in the Statement of Financial Position and are measured at their fair 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 in the Consolidated Income Statement or other comprehensive income (cash flow hedge reserve), depending on whether the derivative instrument is hedging the fair value of an item recognized in the Statement of Financial Position (fair value hedge) or future cash flows (cash flow hedge). If the transaction does not qualify for hedge accounting, the derivative financial instrument must mandatorily be classified as held for trading and is therefore measured at fair value through profit or loss.

Recognition in the Consolidated Income Statement

The interest result is allocated to the valuation categories according to the hedged item; in the reporting period, only financial liabilities were hedged.

Additional disclosures regarding the financial instruments

Cash and cash equivalents, trade receivables and other receivables 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.

Trade payables and other liabilities are mainly short-term; the amounts reported approximate the fair values. The fair values of bank loans and other financial liabilities are determined as the present values of the future interest and redemption payments, based on the applicable interest 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 item reported in the Statement of Financial Position.

Financial assets as of Dec 31, 2011 in mil. EUR	Carrying amount as of Dec 31, 2011	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Held to Maturity (HtM)	Loans and Receiv- ables	Cash	Hedge Account- ing	Non- Financial Instru- ments	Fair value as of Dec 31, 2011
Non-current assets										
Financial assets	978.4	0.1	61.5	0.0	84.5	787.4	0.0	41.1	3.8	1,080.8
Other receivables and assets	129.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	129.2	0.0
Current assets										
Financial assets	221.9	0.3	0.1	28.9	0.0	168.5	4.8	16.6	2.7	220.6
Trade receivables	546.0	8.8	0.0	0.0	0.0	504.2	0.0	0.0	33.0	506.8
Other receivables and assets	315.9	0.0	0.0	0.0	0.0	315.9	0.0	0.0	165.1	315.9
Cash and cash equivalents	202.8	0.0	0.0	0.0	0.0	0.0	202.8	0.0	0.0	202.8
Total carrying amount per category		9.2	61.6	28.9	84.5	1,776.0	207.6	57.7		

Financial liabilities as of Dec 31, 2011 in mil. EUR	Carrying amount as of Dec 31, 2011	At Amortized Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Non- Financial Instruments	Fair value as of Dec 31, 2011
Non-current liabilities							
Financial liabilities	18,072.1	17,411.6	45.9	211.3	402.1	1.2	18,337.4
<i>thereof interest-bearing liabilities</i>	<i>17,805.7</i>	<i>17,402.5</i>	<i>0.0</i>	<i>0.0</i>	<i>402.1</i>	<i>1.1</i>	<i>19,903.8</i>
Other liabilities	301.1	82.2	0.0	0.0	0.0	218.9	82.2
<i>thereof interest-bearing liabilities</i>	<i>2.9</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>2.9</i>	<i>0.0</i>
Current liabilities							
Financial liabilities	961.6	861.4	40.0	44.8	10.0	5.4	929.7
<i>thereof interest-bearing liabilities</i>	<i>633.5</i>	<i>618.4</i>	<i>0.0</i>	<i>0.0</i>	<i>10.0</i>	<i>5.1</i>	<i>601.6</i>
Trade payables	983.6	925.0	0.0	0.0	0.0	58.6	958.1
Other liabilities	432.6	125.7	0.0	0.0	0.0	306.9	411.4
<i>thereof interest-bearing liabilities</i>	<i>3.2</i>	<i>1.8</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1.3</i>	<i>1.8</i>
Total carrying amount per category		19,405.9	85.9	256.1	412.1		
<i>thereof interest-bearing liabilities</i>		<i>18,022.7</i>	<i>0.0</i>	<i>0.0</i>	<i>412.1</i>		

Financial assets as of Dec 31, 2010 in mil. EUR	Carrying amount as of Dec 31, 2010	Available for Sale (at Fair Value)	Available for Sale (at Cost)	At Fair Value through Profit and Loss (Held for Trading)	Held to Maturity (HtM)	Loans and Receiv- ables	Cash	Hedge Account- ing	Non- Financial Instru- ments	Fair value as of Dec 31, 2010
Non-current assets										
Financial assets	1,027.8	0.1	69.0	1.8	79.2	780.0	0.0	96.7	1.0	1,038.8
Other receivables and assets	110.9	0.0	0.0	0.0	0.0	5.4	0.0	0.0	105.5	5.4
Current assets										
Financial assets	84.0	10.4	0.1	5.0	0.0	63.5	3.5	0.0	1.5	83.8
Trade receivables	587.2	0.0	0.0	0.0	0.0	557.5	0.0	0.0	29.7	557.5
Other receivables and assets	452.6	0.0	0.0	0.0	0.0	241.0	0.0	0.0	211.6	241.0
Cash and cash equivalents	137.6	0.0	0.0	0.0	0.0	0.0	137.6	0.0	0.0	137.6
Total carrying amount per category		10.5	69.1	6.8	79.2	1,647.4	141.1	96.7		

Financial liabilities as of Dec 31, 2010 in mil. EUR	Carrying amount as of Dec 31, 2010	At Amortized Cost	At Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Finance Lease	Non-Financial Instruments	Fair value as of Dec 31, 2010
Non-current liabilities							
Financial liabilities	15,916.7	15,166.2	59.1	263.7	406.6	21.1	16,365.2
<i>thereof interest-bearing liabilities</i>	15,569.3	15,139.9	0.0	0.0	406.6	22.8	16,018.1
Other liabilities	358.6	158.9	0.0	0.0	0.0	199.7	158.9
<i>thereof interest-bearing liabilities</i>	208.7	54.4	0.0	0.0	0.0	154.3	69.1
Current liabilities							
Financial liabilities	1,561.0	1,537.9	0.0	0.6	15.5	7.0	1,553.0
<i>thereof interest-bearing liabilities</i>	1,315.2	1,293.4	0.0	0.0	15.3	6.5	0.0
Trade payables	968.4	906.6	0.0	0.0	0.0	61.8	906.6
<i>thereof interest-bearing liabilities</i>	0.3	0.3	0.0	0.0	0.0	0.0	0.3
Other liabilities	500.8	316.8	0.0	0.0	0.0	184.0	316.8
<i>thereof interest-bearing liabilities</i>	21.0	18.5	0.0	0.0	0.0	2.5	21.0
Total carrying amount per category		18,086.4	59.1	264.3	422.1		
<i>thereof interest-bearing liabilities</i>		16,506.5	0.0	0.0	421.9		

Net financial results by category

The net financial result by category presents itself as follows:

Result of subsequent measurement Dec 31, 2011	Interest result in mil. EUR	At fair value in mil. EUR	Foreign currency translation in mil. EUR	Result from disposal in mil. EUR	Result from investments in mil. EUR	Other results in mil. EUR
Loans and Receivables (LaR)	55.3	0.0	-17.4	0.0	0.0	4.5
Held-to-Maturity Investments (HtM)	4.7	0.0	0.0	0.0	0.0	0.0
Available for Sale Financial Assets (AfS)	0.1	12.2	0.0	2.6	0.3	0.0
Financial Instruments Held-for-Trading (FAHfT, FLHfT)	-3.5	-9.2	0.6	2.3	0.0	-12.3
Financial Liabilities Measured at Amortized Cost (FLAC)	-651.5	0.0	-33.1	0.2	0.0	-1.8
Hedge Accounting	-22.1	21.2	0.0	0.0	0.0	7.9
Cash and cash equivalents	3.3	0.0	0.1	0.0	0.0	0.0

Result of subsequent measurement Dec 31, 2010	Interest result in mil. EUR	At fair value in mil. EUR	Foreign currency translation in mil. EUR	Impairment/ appreciation in mil. EUR	Result from disposal in mil. EUR	Result from investments in mil. EUR	Other results in mil. EUR
Loans and Receivables (LaR)	55.0	-0.1	51.1	0.1	2.6	0.1	2.5
Held-to-Maturity Investments (HtM)	5.8	0.0	9.5	0.0	0.0	0.0	0.0
Available for Sale Financial Assets (AfS)	0.9	-12.4	0.0	-1.3	2.8	3.5	-3.4
Financial Instruments Held-for-Trading (FAHfT, FLHfT)	0.0	58.4	0.0	0.0	0.0	0.0	0.0
Financial Liabilities Measured at Amortized Cost (FLAC)	-571.9	-0.5	-170.5	0.0	0.0	0.0	-0.6
Hedge Accounting	-33.8	0.0	0.0	0.0	0.0	0.0	20.4
Cash and cash equivalents	-0.4	0.0	-0.2	0.0	0.0	0.0	0.0

The ÖBB Group recognizes other components of the net result in other financial expense or the other financial income.

Interest expense on financial liabilities classified as financial liabilities measured at amortized cost (net expenses amounting to EUR651.5 million [prior year: EUR571.9 million]) mainly includes interest expense from bonds and loans. Furthermore, it also comprises interest income from discount rate adjustments with respect to trade payables.

In the course of recognition of changes in the value of financial assets classified as available for sale in the other comprehensive income, measurement gains amounting to EUR0.0 million are recognized in the equity at the end of the financial year (prior year: measurement losses amounting to EUR0.9 million). EUR0.9 million (losses) (prior year: EUR0.6 million) of the amounts recognized in the equity were transferred to the income statement in the financial year 2011.

Impairments of assets classified as available for sale amounting to EUR0.0 million were carried out in the year under review (prior year: EUR1.3 million). For details on these financial instruments see Note 25.

29.4. Derivative financial instruments

The following table shows the fair values of all derivative financial instruments as recognized. They are divided into those that qualify for hedge accounting in accordance with IAS 39 (fair value hedge, cash flow hedge) and those that do not.

	Assets		Shareholder's equity and liabilities	
	Carrying amounts Dec 31, 2011 in mil. EUR	Carrying amounts Dec 31, 2010 in mil. EUR	Carrying amounts Dec 31, 2011 in mil. EUR	Carrying amounts Dec 31, 2010 in mil. EUR
Interest rate swaps				
without hedge relation	0.0	1.8	46.2	49.2
designated as cash flow hedge	35.7	53.8	124.5	90.7
Cross currency swaps				
without hedge relation	0.0	5.0	0.7	1.4
designated as fair value hedge	0.0	0.0	16.2	16.9
designated as cash flow hedge	21.8	18.5	109.2	130.5
Power forwards				
without hedge relation	28.9	0.0	31.7	0.0
designated as fair value hedge	0.0	24.4	0.0	26.2
designated as cash flow hedge	0.2	0.0	6.2	0.0
Other derivatives				
without hedge relation	0.0	10.5	7.3	8.5
Total	86.6	114.0	342.0	323.4

Furthermore, other derivatives without hedge relation at fair values amounting to -EUR301.0 million existed in the year under review 2010.

Fair value hierarchy

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

Dec 31, 2011	Level 2	Total
Trading	28.9	28.9
Derivatives designated as hedge instrument	57.7	57.7
Derivative financial assets	86.6	86.6
Trading	85.9	85.9
Derivatives designated as hedge instrument	256.1	256.1
Derivative financial liabilities	342.0	342.0

Dec 31, 2010	Level 1	Level 2	Total
Trading	2.4	14.9	17.3
Derivatives designated as hedge instrument	0.0	96.7	96.7
Derivative financial assets	2.4	111.6	114.0
Trading	0.0	59.1	59.1
Derivatives designated as hedge instrument	0.0	264.3	264.3
Derivative financial liabilities	0.0	323.4	323.4

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 instruments (either directly, i.e. as price, or indirectly, i.e. derived from prices).

Level 3: Parameters were used which are not based on observable market data.

The financial assets and financial liabilities presented above are exclusive derivative financial instruments and financial assets which are measured using evaluation model and market input parameters and therefore allocated to level 2. There were no transfers between the levels. The line "Trading" includes derivative financial instruments as well as financial instruments available for sale (at fair value).

For further details on these financial instruments see Note 29.3.

30. Leasing transactions

30.1. Lessor

There are 32,000 lease agreements for the real estate, predominantly with indefinite terms, which could be terminated with a notice period of six months maximum. About 5,700 external lease agreements exist, which end between 2012 and 2017. The long-term agreements refer to building leases granted for property. Contingent lease payments relate exclusively to lease agreements and were concluded with third parties. The assets comprised in property, plant and equipment and in the line item "Investment property" and leased out by "operating leases" have the following residual carrying amounts as of the respective reporting dates:

	Dec 31, 2011 in mil. EUR	Dec 31, 2010 in mil. EUR
Net carrying amount of the finance lease assets per group of assets		
Land and buildings	6.6	6.9
Technical equipment and machinery	1.5	2.9
Investment properties	105.0	87.9
Total	113.1	97.7

The ÖBB Group leases out equipment that is classified either as operating lease or as finance lease or cross border lease. The agreements have different contractual terms customary in the market, depending on the leased object.

The ÖBB Group had agreed the following minimum lease payments with the lessees as of the reporting date:

Dec 31, 2011	Total	up to 1 year	1 to 5 years	more than 5
	in mil. EUR	in mil. EUR	in mil. EUR	years in mil. EUR
Land and buildings	172.3	15.5	37.5	119.3
Automobiles and trucks	0.7	0.7	0.0	0.0

Dec 31, 2010	Total	up to 1 year	1 to 5 years	more than 5
	in mil. EUR	in mil. EUR	in mil. EUR	years in mil. EUR
Land and buildings	169.8	14.6	33.5	121.7
Automobiles and trucks	0.5	0.3	0.2	0.0

Contingent lease payments were recognized as income from land and buildings at an amount of EUR1.4 million in 2011 (prior year: EUR0.4 million) and from technical equipment and machinery and automobiles and trucks at an amount of EUR0.7 million (prior year: EUR0.9 million). For further information on the cross border lease transactions see Note 30.3.

30.2. Lessees

Finance leasing

The ÖBB Group procured certain items of its property, plant and equipment by means of finance lease agreements. As of December 31 2011, the average effective interest rate was based on the six-month EURIBOR rate, incl. a contractually agreed premium. The interest rates are determined as fixed rates upon conclusion of the contracts. The terms of all leases are stipulated in writing. The obligations of the ÖBB Group resulting from finance lease agreements are secured by the lessor's retention of the title of the leased assets.

The net carrying amounts of the finance lease assets by asset category and their respective development are shown in the schedule of assets (Note 14). As of the reporting date, the ÖBB Group had contractually agreed the following minimum lease payments for the non-terminable finance leases with the lessors:

As of Dec 31, 2011	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR
2012	30.1	18.5
2013 - 2016	370.0	50.9
after 2016	265.0	71.7
Total of minimum lease payments	665.1	141.1
less interest	-141.1	
Present value of lease payments	524.0	

As of Dec 31, 2010	Minimum lease payments in mil. EUR	Interest expense included in mil. EUR
2011	34.0	18.4
2012 - 2015	387.9	59.1
after 2015	279.3	80.6
Total of minimum lease payments	701.2	158.1
less interest	-158.1	
Present value of lease payments	543.1	

Contingent lease payments were made at an amount of EUR8.0 million (prior year: EUR1.9 million).

Operating leases

Minimum lease payments amounting to EUR150.4 million (prior year: EUR59.8 million) were recognized as expense in the respective reporting periods.

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

2011	up to 1 year in mil. EUR	1-5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	16.8	52.3	79.2
Automobiles and trucks	10.9	13.0	0.0
Other technical equipment and machinery	7.9	9.3	0.0
Other plant, furniture and fixtures	0.0	0.1	0.0
Total	35.6	74.7	79.2

2010	up to 1 year in mil. EUR	1-5 years in mil. EUR	more than 5 years in mil. EUR
Land and buildings	20.4	55.8	78.5
Automobiles and trucks	19.3	23.5	0.1
Other technical equipment and machinery	3.1	12.3	0.0
Other plant, furniture and fixtures	0.7	1.1	0.0
Intangible assets	1.0	4.0	0.0
Total	44.5	96.7	78.6

The operating leases primarily refer to buildings and furnitures and fixtures. No contingent lease payments were made. The term of the lease agreements is 2034. In the years under review 2011 and 2010, no significant future minimum lease payments from non-terminable sub-lease agreements were recognized.

30.3. Cross border lease agreements

Between May 1995 and June 2006, Österreichische Bundesbahnen (now ÖBB-Infrastruktur AG) entered into 14 (prior year: 15) cross border lease (“CBL”) transactions, ÖBB-Produktion Gesellschaft mbH and ÖBB-Personenverkehr AG each entered into one CBL transaction which are still valid as of December 31, 2010.

In essence, two types of lease transaction were carried out:

- Sale and leaseback:
In this transaction, the contractual partner is the buyer of the assets and leases them back to the respective companies of the ÖBB Group.
- Lease and leaseback:
The respective companies of the ÖBB Group lease assets under their legal ownership to the investor and simultaneously lease them back. The contractual partner makes upfront lease payments at the inception of the lease.

Amounts (purchase price or lease payment in advance) received by Österreichische Bundesbahnen at the inception of the CBL transactions are invested in specially structured products in such a way that the future obligations can be serviced from the investments (taking generated interest into account). The CBL agreements grant the ÖBB Group companies early buyout options at a fixed price and at defined dates. There is only one CBL transaction with a volume of EUR31.5 million for rolling stock with a maturity until 2019 which does not provide for a fixed repurchase price.

A part of the lease obligations was transferred to various banks and leasing institutes by concluding payment undertaking agreements in return for a single payment; those institutes had a high credit rating at the time of conclusion of the agreement. In these payment undertaking agreements, the banks or leasing institutes agreed to make the contractual payments at the stipulated payment dates on behalf of the ÖBB Group companies.

Assets subject to the CBL transactions are maintained regularly in accordance with the stipulations of the agreements and may, in principle, not be sold, leased, pledged as collateral or decommissioned.

Premature termination of CBL transactions

In the year under review, one tranche of a CBL transaction was terminated prematurely, thus terminating one entire CBL transaction (prior year: two tranches of two CBL transactions and one entire CBL transaction). The CBL transaction terminated in its entirety in the financial year legally relates to ÖBB-Infrastruktur AG in their external relation, but was charged to the group companies ÖBB-Personenverkehr AG, ÖBB-Produktion GmbH and Rail Cargo Austria as sub-lessees in its entirety.

Accounting

General principles for all CBL transactions:

- The ÖBB 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 Statement of Financial Position of the ÖBB Group.
- Amortization of the deferred tax benefit:
The deferred tax benefit realized at the inception of the transaction is recognized in other liabilities and is amortized *pro rata temporis* over the term of the contracts. As of December 31, 2011, the deferred tax benefit not yet amortized amounted to EUR94.4 million (prior year: EUR108.3 million). Income from the amortization of the deferred tax benefit amounting to EUR14.6 million in 2011 (prior year: EUR21.4 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 of time. In consideration of the regulations of SIC 27, numerous financial assets in the legal ownership of the ÖBB Group (securities and bank deposits) as well as the corresponding lease liabilities do not meet the criteria of assets and liabilities (“linked transactions”), respectively, due to the lack of substance, and are therefore not accounted for (“off balance”). Consequently, some transactions have to be recognized (in part) in the consolidated Statement of Financial Position (“on balance”) (“non-linked transactions”).

In respect of contracting 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 can continue to be disclosed “off balance”. However, the creditworthiness (measured by the rating) of contracting partners rated as safe in the past has, in part, deteriorated significantly. For this case, the contractual provisions prescribe, among others, that the affected

deposits or payment undertaking agreements shall be replaced or hedged. In consideration of the increased risk, two redemption carriers in the amount of EUR97.9 million classified as "off balance" in the past had to be recognized in the Statement of Financial Position of the year under review 2011. No further transactions had to be included in the financial statement of in 2010.

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

If recognition in the Statement of Financial Position is required, the securities were classified as held to maturity (bonds) or loans and receivables (deposits with banks and payment undertaking agreements) and measured at amortized cost. Initially, the financial assets are matched with lease liabilities 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.

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 collaterals in the form of guarantor liability or pledged marketable securities of the highest rating (AAA) in favor of the ÖBB Group exist. The amount of the respective impairment is always determined by way of portfolio allowance depending on historical probabilities of default, measured by the rating of the contractual parties and the residual term of the transaction, taking the individual circumstances into consideration. As of December 31, 2011, the company recognized allowances on investments of EUR12.0 million (prior year: EUR36.6 million).

In the Consolidated Financial Statements as of December 31, 2011, financial assets in connection with non-linked lease transactions amount to EUR1,007.30 million (prior year: EUR915.9 million). The related financial liabilities amount to EUR1,142.60 million as of December 31, 2011 (prior year: EUR1,077.5 million). These lease liabilities include finance lease liabilities at an amount of EUR192.3 million (prior year: EUR220.9 million). Therefore, this amount is indicated in the table in Note 30.2.

In 2011, an amount of EUR59.3 million (prior year: EUR75.6 million) of interest income from financial assets related to CBL transactions was recognized. This interest income is matched with interest expenses in the amount of EUR64.9 million (prior year: EUR75.6 million).

Accounting for transactions without substance (linked transactions)

In accordance with SIC 27, the Company did not recognize assets or liabilities for these transactions. Therefore, the deposits made and marketable securities purchased in connection with the payment undertaking agreements as well as the lease prepayments received under the master lease agreement are not recognized in the Statement of Financial Position. Legal obligations under the lease agreements resulting from the failure of the banks or leasing institutes to comply with their payment obligation towards the investors, which they assumed for the ÖBB Group companies in return for a single payment, are recognized as contingent liabilities. As of December 31, 2011, contingent liabilities from CBL transactions amount to EUR1,106.0 million (prior year: EUR1,225.7 million). All underlying investments have at least an AA+ rating or are collateralized by a guarantor liability issued by the government.

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 area of railway infrastructure concession Liechtenstein. On June 13, 1977, ÖBB-Infrastruktur Bau AG (now ÖBB-Infrastruktur AG) was granted a concession to operate railways in the Principality of Liechtenstein, which is valid until December 31, 2017. Accordingly, ÖBB-Infrastruktur AG is entitled and obligated to operate the licensed public transport railways in Liechtenstein without disruption and in compliance with regulations throughout the entire period of the concession. The infrastructure assets located in Liechtenstein are owned by ÖBB-Infrastruktur AG. The concessionaire is responsible for the transportation of people, luggage and goods.

An extension of the concession is aspired. The new Liechtenstein Railways Act was agreed in 2011 and has come into effect. The resolution on the draft of the legislation was an essential precondition for the decision on the application for concession, particularly because free access to the network must now also be implemented in Liechtenstein law. A draft of the concession is currently being processed in Liechtenstein. The progress of the negotiations on the partially double-track line expansion according to the demands of short-distance transport is expected to have significant influence on the timeframe of the concession proceedings. Although upon expiration of the concession in 2017, the assets would be transferred to Liechtenstein, the assets concerned are depreciated over the anticipated longer useful life, 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 constitutes the subject-matter of international agreements) and due to the fact that ÖBB is the only applicant for the concession, 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 the law provides for a waiver of the government as well.

32. Company acquisitions

No initial consolidation of investments in acquired companies, for which the recognized investment exceeded the fair value of the net assets acquired and goodwill was created, was carried out in both years under review.

Due to subsequent cost incurred in the year under review, undisclosed reserves in the intangible assets amounting to EUR0.3 million (prior year: EUR0.5 million) were capitalized and will be amortized over the scheduled useful life. In the prior year, differences amounting to EUR1.8 million were adjusted in the other operating expenses and differences amounting to EUR1.1 million were adjusted in the other operating income. The acquisition of further shares in subsidiaries already under the control of the Group was accounted for at an amount of EUR1.5 million (prior year: EUR5.1 million) as equity transaction with the shareholders.

33. Related party transactions

Supplies to and from related parties

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

The Company maintained business relationships at arm's lengths, within the scope of activities of the ÖBB Group, with companies in which the Republic of Austria directly or indirectly holds an interest (e.g. Österreichische Industrieholding AG, ÖMV Aktiengesellschaft, Telekom Austria AG, ASFINAG 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 year under review referred to ordinary transactions in the course of the operating business, were overall insignificant and accounted for less than 1% of sales or 1% of expenses. Receivables due from and liabilities due to these companies are disclosed as trade receivables and trade payables and are not discussed further in this Note.

Purchases were made at market prices less standard volume discounts and other discounts based on the business relationship. The following table presents the volume of transactions carried out with consolidated companies of the Group and related parties, and the receivables or liabilities resulting from these transactions at the end of the financial year:

in mil. EUR, rounded	Members of the Supervisory Board and persons related to other bodies		Associated companies	
	2011	2010	2011	2010
Sale of goods/provision of services (share in total income)	2.9	18.4	174.9	179.1
Purchase of goods/services (share in total expenses)	13.5	9.8	86.8	93.4
Receivables as of Dec 31			28.8	68.6
Liabilities as of Dec 31			6.3	9.1
Transactions with Raiffeisen Bank International AG				
Liabilities without cross border leasing as of Dec 31	0.0	401.2		
Average liabilities without cross border leasing in the year under review	0.0	368.5		
Liabilities from cross border leasing	0.0	10.6		
Average liabilities from cross border leasing in the year under review	0.0	10.7		
Money market investments and deposits	0.0	17.4		
Average money market investments in the year under review	0.0	16.8		
Other financial transactions	0.0	248.8		
Average level of other financial transactions	0.0	213.2		

No guarantees or investment subsidies were issued to or accepted from affiliated, not fully consolidated companies. No transactions with board members to be disclosed were reported in both financial years. Guarantees amounting to EUR35.8 million (prior year: EUR39.1 million) were issued to associated companies. The guarantees issued by the Republic of Austria and Österreichische Kontrollbank AG are described in Note 25.

Transactions with members of the Supervisory Board relate to sales concluded with companies in which the members of the Supervisory Board of the ÖBB Group were also members of executive bodies of the respective company.

Transactions with and benefits from the Republic of Austria, master plan for investments in infrastructure and guarantees provided by the Republic of Austria

ÖBB-Personenverkehr and Rail Cargo Austria sub-groups

Pursuant to the *Bundesbahnstrukturgesetz*, public service agreements are concluded with the Republic of Austria referring primarily to the granting of social tariffs in passenger transport, the commissioning of services regarding short-distance and regional passenger transport by railway, the compensation for transports of hazardous and waste materials and the compensation for unaccompanied combined road/railway transport. Accordingly, ÖBB-Personenverkehr AG and Rail Cargo Austria AG provides public services. The services charged to the Republic of Austria amount to EUR661.8 million (prior year: EUR671.5 million). On the basis of transport service agreements, services are provided for the federal states and the communities that were charged at EUR247.4 million (prior year: EUR247.2 million) in the financial year.

ÖBB-Infrastruktur sub-group

ÖBB-Infrastruktur AG is a railway infrastructure company whose activities are of public interest and further defined in § 31 *Bundesbahngesetz*. The basis for the financing of the Company is given in § 47 *Bundesbahngesetz*, according to which the federal government is responsible for ensuring that ÖBB-Infrastruktur AG disposes of 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 § 42 (6) *Bundesbahngesetz*. The commitment regulated by the federal government in this provision is implemented by the grant agreements pursuant to § 42 (1) and (2) *Bundesbahngesetz*.

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 § 31 *Bundesbahngesetz*, which also conforms with the official task according to the *Bundesbahngesetz*.

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

- a grant pursuant to § 42 (1) *Bundesbahngesetz*, at the request of the ÖBB-Infrastruktur Group, 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 generated 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 § 42 (2) *Bundesbahngesetz* for maintenance, planning and construction of the railway infrastructure.

Two separate agreements on the grants, each with a term of six years, shall be concluded between ÖBB-Infrastruktur AG and the Federal Minister of Transport, Innovation and Technology in coordination with the Federal Minister of Finance pursuant to § 42 (1) and (2) *Bundesbahngesetz*, and these agreements shall determine the object of the grant, the amounts to be granted for this purpose, the general and specific terms and conditions and the payment terms. The agreements shall be amended each year by one year and adapted to the new six-year period.

Schieneinfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG) monitors the compliance with the grant agreements concluded between the federal government and ÖBB-Infrastruktur AG pursuant to § 42 (1) and (2) *Bundesbahngesetz* as well as compliance with the objectives and provisions stipulated in the business plan pursuant to § 42 (6) *Bundesbahngesetz*. Furthermore, SCHIG is entrusted with the task of monitoring the implementation and execution of a project cost control system, taking the efficiency improvement program to be consistently pursued and implemented by ÖBB-Infrastruktur AG into account.

The update of the master plan for the period 2012 - 2017 has not been approved by the Supervisory Board of the Company yet.

In the course of the coordination of the master plan with the BMVIT, investment cuts in the amount of EUR1 billion of the planned investments were taken into account as consolidation grant. At the end of March 2011, the Republic of Austria, represented by the Federal Ministry of Transport, Innovation and Technology in coordination with the Federal Ministry of Finance and by ÖBB-Infrastruktur AG and ÖBB-Holding AG formally concluded the grant agreement pursuant to § 42 *Bundesbahngesetz* which was for the most part negotiated and agreed in terms of content during the past financial year and that regulates the subsidies from 2011 onwards.

Infrastructure financing

The grants agreement pursuant to § 42 (2) *Bundesbahngesetz* is based on the business plan to be prepared by ÖBB-Infrastruktur AG pursuant to § 42 (6) *Bundesbahngesetz*. One component of the business plan is the six-year master plan to be prepared by ÖBB-Infrastruktur AG pursuant to § 42 (7) *Bundesbahngesetz*, which has to comprise the annual funds for maintenance (in particular repairs and reinvestments) as well as 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 2011-2016, 75% of the investments in expansion and reinvestments according to the master plan 2011-2016 (with the exception of the Brenner base tunnel) shall be borne by the federal government in each year until 2016, for which 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 validated and adjusted as necessary to the current requirements for future subsidies. With respect to payments to be made to third parties in the course of the transfer of railway facilities to third parties, which have to be considered in the master plan, a separate agreement on the required government grants will be concluded with reference to each individual case.

For the construction of the Brenner base tunnel, the federal government will assume 100% of the annual investment costs, for which subsidies will be granted in the form of an annuity allocated over 50 years, and the interest rate will correspond to the rate respectively applicable for long-term financing measures of ÖBB-Infrastruktur AG.

The federal government also provides a grant 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 § 42 *Bundesbahngesetz* and the objectives (performance and output objectives) according to the grant agreement pursuant to § 42 (1) *Bundesbahngesetz*. 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 shall obtain the consent of the Federal Ministry of Transport, Innovation and Technology (BMVIT) and the Federal Ministry of Finance (BMF) prior to any such change.

Based on the valid master plan agreement 2011 to 2016, an amount of EUR398.9 million (prior year: EUR308.0 million) was granted for investments in expansion and reinvestments (with the exception of the Brenner base tunnel) in 2011; for inspection, maintenance and elimination of malfunctions, an amount of EUR328.3 million (prior year: EUR343.8 million) was granted.

With respect to the construction costs of the Brenner base tunnel, ÖBB-Infrastruktur AG paid amounts totaling EUR11.3 million (prior year: EUR10.3) that were reimbursed to the Company by the federal government in the same amount.

Infrastructure operation and apprenticeship costs

The federal government grants ÖBB-Infrastruktur AG a subsidy pursuant to § 42 (1) *Bundesbahngesetz*, at the request of the ÖBB-Infrastruktur Group, 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.

The agreement on the grant pursuant to § 42 (1) *Bundesbahngesetz* is based in particular on the six-year business plan to be prepared by ÖBB-Infrastruktur AG pursuant to § 42 (6) *Bundesbahngesetz*, 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 and budgets as well as rationalization plans and a forecast with respect to usage fees and other fees and charges. The business plan pursuant to § 42 (6) *Bundesbahngesetz* shall be amended each year by one year and adapted to the new six-year period.

Pursuant to § 45 *Bundesbahngesetz*, 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 § 42 *Bundesbahngesetz*.

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 § 42 para. 6 *Bundesbahngesetz*.

Compliance with the obligation for ÖBB-Infrastruktur AG to guarantee and constantly improve the quality and safety of the railway infrastructure operated, which results from the *Bundesbahngesetz*, 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 part 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 § 42 (6) Bundesbahngesetz.

In 2011, the total grant granted pursuant to § 42 Bundesbahngesetz therefore amounted to EUR1,431.9 million (prior year: EUR1,362.0 million); the grant for investments for expansion and reinvestments, which accounts for EUR398.9 million thereof (prior year: EUR308.0 million) and was reduced by EUR8.2 million to EUR390.7 million due to the lower level of implementation of measures, is recognized in the other operating income, and the grant for signaling and control and maintenance, which accounts for EUR1,033.0 million (prior year: EUR1,054.0 million), is recognized in revenue. The accrued amount in connection with the grant for expansion and reinvestment in the amount of EUR8.2 million is recognized in the other liabilities.

In addition, contributions (usually grants for investment measures) amounting to EUR87.5 million (prior year: EUR68.1 million) were paid by the governments of the Austrian federal states or communities respectively; EUR26.9 million thereof (prior year: EUR11.9 million) are still outstanding. Furthermore, the EU paid grants in the amount of EUR62.5 million (prior year: EUR53.7 million). The investment grants and EU subsidies are grants of the public authorities and the EU which were recorded as grants reducing cost.

Remuneration of members of the Executive Board

As of the reporting date, the Executive Board of ÖBB-Holding AG consists of three members. Remuneration of the members of the Executive Board amounted to EUR1.4 million in 2011 (prior year: EUR2.1 million). In the prior year, former board members accounted for EUR0.8 million thereof. No additional expenses for contractual severance payments were incurred in the year under review (prior year: EUR0.4 million). Provisions for holidays were created in the amount of EUR0.2 million (prior year: EUR0.1 million). The provision for severance payments was increased by EUR0.1 million to EUR0.2 million (prior year: reduced by EUR0.3 million).

Expenses for severance payments and pensions for members of the Executive Board and executives of the ÖBB Group were made in the following amounts in the period under review:

Entire Group in KEUR	2011	2011	2010	2010
	Severance payments	Pensions	Severance payments	Pensions
Members of the Executive Board (entire Group)	497	83	-448	104
Executives	146	159	-364	204

The total remuneration of the members of the Executive Board 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 Executive Boards 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 general, 2/3rds of the remuneration of top executives consist in a fixed base salary, and 1/3rd 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 aligned with the Group's overall results, its strategy and the focus of its activities.

The members of the Executive Board of ÖBB-Holding AG participate in an external pension fund scheme based on a defined contribution plan, except for members of the Executive Board 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 Österreichische Bundesbahnen (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 Executive Board. No further claims exist.

Remuneration of members of the Supervisory Board

In accordance with the rules of procedure of the Supervisory Board of ÖBB-Holding AG and the resolution of the annual general meeting, the ÖBB Group shall reimburse the actual expenses incurred by the members of the Supervisory Board in the course of performing their duty against the provision of bills and pay a compensation to the shareholders' representatives on the Supervisory Board.

The basic remuneration for a Supervisory Board member amounts to EUR9,000 per year. In addition, the Supervisory Board member receives an attendance fee of EUR200 for each meeting of a Supervisory Board, an Executive Committee or any other committee. The chairperson of the Supervisory Board receives 200% of the basic remuneration, and a depu-

ty chairperson in ÖBB-Holding 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 EUR27,000 (plus attendance fees) may not be exceeded. Members of the Supervisory Board who are members of the Executive Board, Managing Directors or employees of the ÖBB Group do not receive any supervisory board remuneration.

Compensation of the shareholders' representatives on the Supervisory Board for their activities in the ÖBB-Holding Group amounted to EUR130,000 (prior year: EUR145,000). Compensation of the other Supervisory Board members of the Group companies amounted to EUR31,000 (prior year EUR62,000).

34. Segment reporting

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

Information on business segments

The structure of the ÖBB sub-groups according to the management structure is used for segment reporting. In addition, the unit "Others" comprises the direct subsidiaries of ÖBB-Holding AG. These units constitute the basis for segment reporting by business segment. The ÖBB Group comprises the following segments (= sub-groups):

ÖBB-Personenverkehr

This sub-group comprises all the activities in the area of passenger transport and service. The business fields refer to long distance railway transport, short-distance railway transport and bus transport as well as the travel agency activities of Rail Tours Touristik GmbH.

Rail Cargo Austria

Rail Cargo Austria AG handles the classic railway cargo business. A major part of the sub-group is the Express-Interfracht Internationale Spedition GmbH group, which operates as national and international logistics and freight forwarding service group with subsidiaries located in almost every country in Central, Eastern and Southeastern Europe. In addition to Rail Cargo Austria AG, Express-Interfracht Internationale Spedition GmbH comprises specialized companies in the field of full-load transportation for almost every type of freight from various industries (agriculture, chemistry, wood, coal, paper, waste disposal). Furthermore, Express-Interfracht Internationale Spedition GmbH comprises companies in the field of intermodal transportation, in unaccompanied combined road/railway transport as well as in the field of rolling road, and also companies in the field of storage and contracted logistics (general cargo transport and food logistics). ÖBB-Technische Services-GmbH is responsible for the provision of technical services.

ÖBB-Infrastruktur

The tasks of the ÖBB-Infrastruktur sub-group comprise

- the previous tasks of planning and construction of railway infrastructure including high-performance tracks, planning and construction of related projects as well as the provision of railway infrastructure including equipment and facilities
- and the tasks of former ÖBB-Infrastruktur Betrieb AG, such as: provision, operation and maintenance of safe railway infrastructure corresponding to requirements (maintenance, inspection, repair, operational planning and shunting).

Holding/ Other activities

This segment comprises the various management, financing and service functions of ÖBB-Holding AG, its other investments (e.g. ÖBB-Shared Service Center Gesellschaft mbH, ÖBB-Finanzierungsservice GmbH, ÖBB-Werbecenter GmbH) and ÖBB-Produktion GmbH (provision of traction services).

The accounting and measurement methods of segment reporting are in accordance with the IFRS regulations applicable for the preparation of the Consolidated Financial Statement. The earnings before interest and taxes are used as Performance Measure. Interest income and interest expenses are allocated.

The accounting principles for inter-segmental transactions with a reporting obligation are standardized and correspond to Note 3.

Investment expenses

Investments are recognized prior to the deduction of grants, if any.

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other consolidated in mil. EUR	Transition in mil. EUR	Total in mil. EUR
2011						
Total revenue						
Total revenue unconsolidated	1,818.5	3,383.2	3,264.5	1,032.0	0.0	9,498.2
<i>thereof sales</i>	1,781.8	3,261.8	2,479.9	1,007.7	0.0	8,531.2
<i>thereof other revenues</i>	36.7	121.4	784.6	24.3	0.0	967.0
Elimination of revenues in the segment	-36.1	-780.3	-327.8	0.0	-2,104.2	-3,248.4
<i>thereof sales</i>	-33.2	-753.0	-369.7	0.0	-2,103.7	-3,259.6
<i>thereof other revenues</i>	-2.9	-27.3	41.9	0.0	-0.5	11.2
Total revenue of the segment	1,782.4	2,602.9	2,936.7	1,032.0	-2,104.2	6,249.8
<i>thereof sales</i>	1,748.6	2,508.8	2,110.2	1,007.7	-2,103.7	5,271.6
<i>thereof other revenues</i>	33.8	94.1	826.5	24.3	-0.5	978.2
Elimination of revenues between segments	-24.3	-354.2	-759.6	-966.1	2,104.2	0.0
<i>thereof sales</i>	-21.2	-378.8	-743.7	-960.0	2,103.7	0.0
<i>thereof other revenues</i>	-3.1	24.6	-15.9	-6.1	0.5	0.0
Total revenue vis-à-vis third parties	1,758.1	2,248.7	2,177.1	65.9	0.0	6,249.8
<i>thereof sales</i>	1,727.4	2,130.0	1,366.5	47.7	0.0	5,271.6
<i>thereof other revenues</i>	30.7	118.7	810.6	18.2	0.0	978.2
Expenses for materials and services received	-1,105.9	-1,867.0	-592.3	-54.1	1,487.9	-2,131.4
Personnel expenses	-376.8	-426.3	-1,041.4	-483.6	-0.1	-2,328.2
Depreciation and amortization	-85.8	-78.7	-481.7	-40.3	1.1	-685.4
Other operating expenses	-153.6	-219.2	-277.3	-102.4	240.9	-511.6
Earnings before interest and taxes (EBIT)	60.3	11.7	544.0	351.6	-374.4	593.2
Equity in earnings from associated companies	7.2	2.6	0.9	0.1	-5.8	5.0
Interest income	24.5	11.6	92.2	9.8	-55.2	82.9
Interest expenses	-61.8	-52.1	-623.7	-13.6	56.2	-695.0
Other financial result	-14.3	-22.4	-5.0	1.0	26.7	-14.0
Earnings before income tax (EBT)	15.9	-48.6	8.4	348.9	-352.5	-27.9
Income tax	21.1	-4.4	-22.6	-1.4	0.0	-7.3

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other consolidated in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Dec 31, 2011						
Assets						
Assets	2,945.2	2,071.5	19,028.9	1,134.7	-2,297.5	22,882.8
Investments in associated companies	346.1	226.1	43.7	0.7	-547.8	68.8
Liabilities						
Liabilities unconsolidated	2,540.0	2,460.3	17,990.6	2,408.5	0.1	25,399.5
Elimination of liabilities in the segment	-82.8	-274.1	-77.2	0.0	-3,452.3	-3,886.4
Liabilities of the segment	2,457.2	2,186.2	17,913.4	2,408.5	-3,452.2	21,513.1
Elimination of liabilities between segments	-464.3	-644.1	-653.6	-1,690.2	3,452.2	0.0
Liabilities towards third parties	1,992.9	1,542.1	17,259.8	718.3	0.0	21,513.1

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other consolidated in mil. EUR	Transition in mil. EUR	Total in mil. EUR
2011						
Other information						
Investment expenses (property, plant and equipment and intangible assets)	168.8	147.3	2,145.3	77.0	-65.8	2,472.6

Dec 31, 2010	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other consolidated in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Total revenue						
Total revenue unconsolidated	1,786.7	3,288.5	3,223.5	1,050.8	0.0	9,349.5
<i>thereof sales</i>	1,754.8	3,167.8	2,497.1	998.6	0.0	8,418.3
<i>thereof other revenues</i>	31.9	120.7	726.4	52.2	0.0	931.2
Elimination of revenues in the segment	-39.4	-793.3	-332.9	0.0	-2,102.1	-3,267.7
<i>thereof sales</i>	-35.3	-755.0	-342.2	0.0	-2,149.7	-3,282.2
<i>thereof other revenues</i>	-4.1	-38.3	9.3	0.0	47.6	14.5
Total revenue of the segment	1,747.3	2,495.2	2,890.6	1,050.8	-2,102.1	6,081.8
<i>thereof sales</i>	1,719.5	2,412.8	2,154.9	998.6	-2,149.7	5,136.1
<i>thereof other revenues</i>	27.8	82.4	735.7	52.2	47.6	945.7
Elimination of revenues between segments	-25.2	-334.0	-773.9	-969.0	2,102.1	0.0
<i>thereof sales</i>	-23.8	-376.5	-790.3	-959.1	2,149.7	0.0
<i>thereof other revenues</i>	-1.4	42.5	16.4	-9.9	-47.6	0.0
Total revenue vis-à-vis third parties	1,722.1	2,161.2	2,116.7	81.8	0.0	6,081.8
<i>thereof sales</i>	1,695.7	2,036.3	1,364.6	39.5	0.0	5,136.1
<i>thereof other revenues</i>	26.4	124.9	752.1	42.3	0.0	945.7
Expenses for materials and services received	-1,069.0	-1,861.1	-584.1	-381.0	1,826.6	-2,068.6
Personnel expenses	-384.0	-463.7	-1,093.6	-471.7	2.9	-2,410.1
Depreciation and amortization	-78.7	-25.1	-452.7	-88.1	-0.5	-645.1
Impairments	0.0	-195.2	0.0	0.0	0.0	-195.2
Other operating expenses	-182.5	-229.5	-263.7	-125.2	292.9	-508.0
Earnings before interest and taxes (EBIT)	33.1	-279.4	496.5	-15.2	19.8	254.8
Equity in earnings from associated companies	-6.8	-43.2	0.9	0.0	54.2	5.1
Interest income	32.8	12.1	155.4	76.7	-131.0	146.0
Interest expenses	-66.4	-40.3	-637.8	-78.8	128.0	-695.3
Other financial result	-5.7	-2.4	-4.1	-22.2	-6.1	-40.5
Earnings before income tax (EBT)	-13.0	-353.2	10.9	-39.5	64.9	-329.9
Income tax	-5.7	-3.7	5.4	3.9	-8.2	-8.3

Dec 31, 2010	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other consolidated in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Assets	2,971.7	2,274.0	17,756.3	6,532.3	-8,050.3	21,484.0
Investments in associated companies	343.2	236.4	43.7	0.3	-556.7	66.9
Liabilities						
Liabilities unconsolidated	2,557.0	2,515.6	16,751.1	2,733.5	0.0	24,557.2
Elimination of liabilities in the segment	-15.2	-210.0	-127.6	0.0	-4,059.2	-4,412.0
Liabilities of the segment	2,541.8	2,305.6	16,623.5	2,733.5	-4,059.2	20,145.2
Elimination of liabilities between segments	-733.4	-542.9	-885.6	-1,897.3	4,059.2	0.0
Liabilities towards third parties	1,808.4	1,762.7	15,737.9	836.2	0.0	20,145.2

2010	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other consolidated in mil. EUR	Transition in mil. EUR	Total in mil. EUR
Other information						
Investment expenses	156.0	204.9	2,287.0	17.3	33.3	2,698.5

Services provided between segments are charged at customary rates.

ÖBB-Produktion GmbH was classified as joint venture in the segments passenger transport and Rail Cargo Austria and recognized in investments in associated companies. Apart from that, ÖBB-Produktion GmbH is allocated to the segment "Other".

Information on company level

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

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other/ Transition in mil. EUR	Total in mil. EUR
Total revenue 2011					
Domestic	1,076.4	1,954.7	1,334.5	982.2	5,347.8
Foreign	140.4	1,210.4	112.4	25.4	1,488.6
<i>thereof Germany</i>	59.7	270.5	85.0	12.1	427.3
<i>thereof Switzerland</i>	16.9	56.0	20.5	0.0	93.4
<i>thereof Hungary</i>	12.1	379.1	0.0	8.4	399.6
<i>other markets</i>	51.7	504.8	6.9	4.9	568.3
Total unconsolidated	1,216.8	3,165.1	1,446.9	1,007.6	6,836.4
Revenues from public service orders	565.1	96.7	0.0	0.0	661.8
Government grant pursuant to § 42 Bundesbahngesetz	0.0	0.0	1,033.0	0.0	1,033.0
less internal turnover	-33.3	-753.0	-369.7	-2,103.6	-3,259.6
Segment turnover	1,748.6	2,508.8	2,110.2	-1,096.0	5,271.6
Other operating income incl. other own work capitalized	33.8	94.1	826.5	23.8	978.2
Total segment revenue	1,782.4	2,602.9	2,936.7	-1,072.2	6,249.8

	Passenger transport in mil. EUR	Rail Cargo Austria in mil. EUR	Infrastructure in mil. EUR	Other/ Transition in mil. EUR	Total in mil. EUR
Total revenue 2010					
Domestic	1,053.7	1,927.5	1,367.5	976.2	5,324.9
Foreign	133.4	1,351.5	75.6	32.7	1,593.2
<i>thereof Germany</i>	53.7	266.2	42.0	12.9	374.8
<i>thereof Switzerland</i>	15.2	56.4	26.1	0.2	97.9
<i>thereof Hungary</i>	0.0	307.4	0.0	16.3	323.7
<i>other markets</i>	64.5	721.5	7.5	3.3	796.8
Total unconsolidated	1,187.1	3,064.1	1,443.1	998.5	6,692.8
Revenues from public service orders	567.8	103.7	0.0	0.0	671.5
Government grant pursuant to § 42 Bundesbahngesetz	0.0	0.0	1,054.0	0.0	1,054.0
less internal turnover	-35.4	-755.1	-342.2	-2,149.5	-3,282.2
Segment turnover	1,719.5	2,412.7	2,154.9	-1,151.0	5,136.1
Other operating income incl. other own work capitalized	27.8	82.5	735.7	99.7	945.7
Total segment revenue	1,747.3	2,495.2	2,890.6	-1,051.3	6,081.8

The following table shows the carrying amounts of the segment assets and the additions to property, plant and equipment and intangible assets by geographic areas in which the assets are located. The segment assets comprise property, plant and equipment, intangible assets and investment property.

	Carrying amounts of segment assets		Additions to property, plant and equipment and intangible assets	
	Dec 31, 2011 in mil. EUR	Dec 31, 2010 in mil. EUR	Dec 31, 2011 in mil. EUR	Dec 31, 2010 in mil. EUR
Segment ÖBB-Personenverkehr				
Domestic	1,835.4	1,830.3	162.4	154.9
Foreign	10.1	8.8	6.4	1.1
<i>thereof Eastern Europe</i>	10.1	8.8	6.4	1.1
Total	1,845.5	1,839.1	168.8	156.0
Segment Rail Cargo Austria				
Domestic	605.6	565.8	112.0	167.9
Foreign	379.3	416.0	35.3	37.0
<i>thereof Italy</i>	11.9	12.5	0.2	0.5
<i>thereof Eastern Europe</i>	367.3	398.2	35.1	36.2
<i>rest of Europe</i>	0.1	5.1	0.0	0.2
<i>rest</i>	0.0	0.2	0.0	0.1
Total	984.9	981.8	147.3	204.9
Segment ÖBB-Infrastruktur	16,496.8	15,164.4	2,145.3	2,287.0
Domestic	16,496.8	15,164.4	2,145.3	2,287.0
Segment Holding and other companies	858.9	893.9	77.0	50.6
Domestic	858.9	893.9	77.0	50.6
Sub-total segments	20,184.4	18,879.2	2,538.4	2,698.5
less consolidation	-30.1	-30.0	-65.8	0.0
According to Consolidated Financial Statements	20,154.3	18,849.2	2,489.1	2,698.5
<i>thereof domestic</i>	19,764.9	18,424.4	2,447.4	2,660.4
<i>thereof foreign</i>	389.4	424.8	41.7	38.1

35. Notes on the Cash Flow Statement

The Cash Flow Statement shows the change in cash and cash equivalents of the ÖBB Group from inflows and outflows of funds in the year under review. The Cash Flow Statement is divided into cash flows from operating activities, from investing activities and from financing activities. Operative parts of the Cash Flow Statement are presented using the indirect method. The liquid funds presented in the Cash Flow Statement comprise cash on hand, checks and cash in banks.

Liquid funds include cash and cash equivalents as well as current liabilities (recognized in the current liabilities) in the amount of EUR4.1 million (prior year: EUR19.1 million).

Important non-cash transactions carried out during the year under review mainly refer to finance lease transactions regarding property, plant and equipment as well as recognition of investments and obligations from CBL transactions.

As regards proceeds and expenditures with respect to the acquisition of consolidated companies, please refer to Note 36 and the figures in brackets there.

36. Subsidiaries

Disclosures on subsidiaries, associated companies, investments and other interests of the ÖBB Group existing as of December 31, 2011

In the year under review, the following companies perished due to mergers:

- EXPRESS-HUNGÁRIA Kft. (merger with Express-Interfracht Hungaria Kft. (previously: Raabersped Kft.) as of January 01, 2011))
- Dione Kft (merger with Express-Interfracht Hungaria Kft. (previously: Raabersped Kft) as of January 01, 2011))
- MÁVTRANSSPED Kft. (merger with Express-Interfracht Hungaria Kft. (previously: Raabersped Kft. as of January 01, 2011))
- Intercontainer Austria GmbH (merger with Rail Cargo Austria AG as of January 01, 2011)
- ProRail Internationale Speditionsgesellschaft m.b.H. (merger with Express-Interfracht Internationale Spedition GmbH as of January 01, 2011)
- ÖBB-Versicherungsmanagement Gesellschaft mbH (merger with ÖBB-Shared Service Center GmbH as of January 01, 2011)
- ÖBB-Netting GmbH (merger with ÖBB-Holding GmbH as of January 01, 2011)

In October 2011, 50% of the interest in Asotra - Internationale Speditions- und Transport-Gesellschaft mit beschränkter Haftung was sold. The interest now amounts to 1%. The company was excluded from consolidation as of October 01, 2011.

In November 2011, all the interest in Dolphin Shipping Transportagentur GmbH was sold. The company was excluded from consolidation as of November 01, 2011.

The company in liquidation Viator & Vector TIR storitve in trgovina d.o.o. was eliminated.

In the year under review, the company TS-MÁV Gépészeti Services Kft. was founded and initially consolidated as of December 31, 2011.

The following names were changed in the year under review:

- Raabersped Kft. was renamed Express-Interfracht Hungaria Kft. in January 2011.
- Express Italia s.r.l. was renamed EXPRESS-INTERFRACHT ITALIA S.r.l. in February 2011.
- Express-Interfracht mezinárodní spedice CZ s.r.o. was renamed Express-Interfracht Czech s.r.o. in February 2011.
- ECS EUROCARGO SPÓLKA z.o.o. was renamed Express-Interfracht Polska Sp. z.o.o. in June 2011.

Purchases and new incorporations are noted in brackets, and changes in the type of consolidation are noted in footnotes in the schedule of investments.

ÖBB-Holding AG held direct or indirect (through other affiliated companies) interests in the following companies as of the reporting date (without interests in short-term joint ventures). The disclosures regarding equity and the net income were adopted from the annual financial statements according to respective national accounting laws; exceptions are marked with corresponding footnotes.

Parent company	Country, registered office and type of consolidation	Equity in KEUR	Net income in KEUR
100% Österreichische Bundesbahnen-Holding Aktiengesellschaft	A-1100 Vienna V	2,251,637	6,417

ÖBB-Personenverkehr Group	Country, registered office and type of consolidation	Equity in KEUR	Net income in KEUR
100% ÖBB-Personenverkehr Aktiengesellschaft	A-1220 Vienna V	903,970	-26,198
▶ 100% BD Gastservice GmbH	A-1220 Vienna V0	188	190
▶ 100% ÖBB-Postbus GmbH	A-1220 Vienna V	79,661	-558
▶▶ 100% ČSAD AUTOBUSY České Budějovice a.s.	CZ-37027 České Budějovice V	6,668	898 ⁴⁾
▶▶ 100% Koch Busverkehr GmbH	A-1220 Vienna V0	121	19
▶▶ 100% "KÖB" Kraftwagenbetrieb der Österreichischen Bundesbahnen Gesellschaft m.b.H.	A-1220 Vienna V0 ¹⁾	1,354	-33
▶▶ 100% Österreichische Postbus Aktiengesellschaft	A-1220 Vienna V	3,562	1,880
▶▶ 100% Rail Tours Touristik Gesellschaft m.b.H	A-1220 Vienna V	1,223	432
▶▶ 98,57% FZB Fahrzeugbetrieb GmbH	A-1220 Vienna V	45,738	168
▶▶ 50% Niederösterreichische Schneebergbahn GmbH	A-2734 Puchberg/Schneeberg E	6,904	-250 ³⁾
▶▶ 49,9% City Air Terminal Betriebsgesellschaft m.b.H.	A-1300 Vienna-Airport E	12,378	474
▶▶ 50% (100%) [PY: 49% (100%)]ÖBB-Produktion Gesellschaft mbH (2011: purchase of 1% by Rail Cargo Austria AG)	A-1150 Vienna E	736,997	-9,865
▶▶ 49% (100%) ÖBB-Technische Services-Gesellschaft mbH	A-1110 Vienna E	196,040	18,386
▶▶ 10% RailLink B.V.	NE-1012 AB Amsterdam	0	not specified
▶▶ 10% Railteam B.V.	NE-1012 AB Amsterdam	0	not specified
▶▶ 6,8% (10,8%) Bureau central de clearing s.c.r.l.	B-1060 Brussels	0	not specified

Rail Cargo Austria-Group		Country, registered office and type of consolidation	Equity in KEUR	Net income in KEUR	
100%	Rail Cargo Austria Aktiengesellschaft	A-1030 Vienna	V	114,931	-39,805
▶	100% Express-Interfracht Internationale Spedition GmbH	A-1050 Vienna	V	30,025	1,917
▶	100% BURGYPED S.L.	E-20302 Irún	V	1,156	339 ⁴⁾
▶	100% Express-Interfracht Polska Sp. z o.o. (previously: ECS EUROCARGO SPÓLKA z o.o.)	PL-42500 Bedzin	V	-498	-2,904 ⁴⁾
▶	100% Entsorgungsl Logistik Austria GmbH	A-1020 Vienna	V	3,665	1,985
▶	50% HAELA Abfallverwertung GmbH	A-4470 Vienna	E0	449	97
▶	50% AUL Abfallumladelogistik Austria GmbH	A-2344 Maria Enzersdorf	E0	not specified	
▶	50% ELATEC Metallverwertungs GmbH	A-2201 Grasdorf near Vienna	E	376	228
▶	33% Ökologische Bodenaufbereitung GmbH	A-2475 Neudorf/Parndorf	E0	0	-26
▶	100% Express-Interfracht Bulgaria Speditionsgesellschaft EOOD	BG-1000 Sofia	V0	1,348	0 ³⁾
▶	100% Express-Interfracht Hellas S.A.	GR-17121 Nea Simirni -Athens	V	686	-2,088 ⁴⁾
▶	100% Express-Interfracht Czech s.r.o. (previously: Express-Interfracht mezinárodní spedice CZ s.r.o.)	CZ-61400 Brno	V	3,281	634 ⁴⁾
▶	100% Express-Interfracht Romania srl	RO-75100 Otopeni	V	2,005	291 ⁴⁾
▶	0,95% (100%) (PY: 1%) RAIL CARGO ROMANIA S.R.L. (2011: reduction of interest following capital increase)	RO-75100 Otopeni	V	579	-68 ⁴⁾
▶	100% Express-Interfracht Uluslararası Tasimacilik Ticaret Limited Sirketi	TR-34303 Halkali-Küçükçekmece	V	-214	-485 ⁴⁾
▶	100% EXPRESS-INTERFRACHT ITALIA S.r.l.	I-20121 Milan	V	1,699	107 ⁴⁾
▶	100% Magazzini del Veneto Orientale S.R.L.	I-30029 Santo Stino di Livenza	V	169	-216 ⁴⁾
▶	100% M.D.B. – Magazzini Desio Brianza S.p.A.	I-20033 Desio	V	137	-463 ⁴⁾
▶	80% (100%) ooo "Express-Interfracht RUS"	RU-620026 Yekaterinburg	V0	39	45 ³⁾
▶	100% Express Polska Sp. z o.o.	PL-02796 Warsaw	V	1,852	115 ⁴⁾
▶	50% RAILPORT Sławków Sp. z o. o.	PL-02796 Warsaw	E0	69	-6 ³⁾
▶	100% Express Scandinavia AB	S-23145 Trelleborg	V	173	-1,061 ⁴⁾
▶	100% Kadmos Line s.r.o. Kadmos Line s.r.o.	SK-82109 Bratislava	V0	5	0 ³⁾
▶	100% Papier & Recycling Logistik GmbH	A-1020 Vienna	V	3,491	1,260
▶	100% SLOVAKTEAM s.r.o.	SK-83104 Bratislava	V0	-15	98 ³⁾
▶	100% TEAMTRANS d.o.o.	SLO-2000 Maribor	V0	-23,758	52,370 ³⁾
▶	100% EXPRESS-INTERFRACHT CROATIA d.o.o.	HR-10000 Zagreb	V	543	170 ⁴⁾
▶	95% 6.OKTOBAR d.o.o.	SCG-11070 Novi Beograd	V0 ¹⁾	100	0 ⁴⁾
▶	90% TRANSPED-SOC spol.s.r.o.	CZ-50002 Hradec Králov	V	758	323 ⁴⁾
▶	75% AgroFreight Spedition GmbH	A-1050 Vienna	V	2,836	423
▶	100% AgroFreight Spedition CZ s.r.o.	CZ-61200 Brno	V	357	419 ⁴⁾
▶	74,60% Express-Interfracht Internationale Spedition AG	FL-9494 Schaan	V	373	-91 ⁴⁾
▶	60% SKAT - Express Ltd.	UA-3150 Kiev	V0	-766	-58 ³⁾
▶	1% (PY: 51%) Asotra-Internationale Speditions- und Transport Limited Liability Company (2011: sale of 50%)	A-2000 Stockerau	0	1,562	-271
▶	51% BIHATEAM d.o.o.	BiH-71000 Sarajevo	V0	90	38 ³⁾
▶	100% [PY: 51% (100%)] Express-Interfracht Hungaria Kft. (intra-group purchase of 49% by Dione Kft.)	HU-1037 Budapest	V	4,328	185
▶	100% MAVTRANSPED GmbH	A-1040 Vienna	V0	not specified	
▶	50% ChemFreight Transport, Logistik & Waggonvermietung GmbH	A-1030 Vienna	E	9,416	2,294
▶	50% HUNGARO-RAIL Kft.	HU-1023 Budapest	E	302,848	23,159
▶	50% INTEREUROPA FLG, Železniška špedicija d.o.o.	SLO-1001 Ljubljana	E	235	48
▶	50% Trans Cargo Logistic GmbH	A-1030 Vienna	E	655	260
▶	46,50% VADECO SRL	RO-900733 Constanta	E	719	431
▶	45,35% Eurocargo Rail Spółka z o.o.	PL-00696 Warsaw	E0	87	-40 ³⁾
▶	45% logMAster Kft.	HU-1139 Budapest	E	124	114
▶	33% Express Slovakia "Medzinárodná preprava, a.s."	SK-82109 Bratislava	E	17,535	8,665
▶	20% (100%) ooo "Express-Interfracht RUS"	RU-620026 Yekaterinburg	V0	39	45 ³⁾
▶	100% EC LOGISTIK GmbH	A-4600 Wels	V	843	-918
▶	100% Industriegaggon GmbH	A-1030 Vienna	V	45,003	7,988
▶	100% Česká a slovenská kombinovaná doprava - INTRANS s.r.o.	CZ-13000 Prague	V	3,439	2,822 ⁴⁾
▶	100% Slovenská kombinovaná doprava INTRANS a.s.	SK-01236 Žilina	V	4,380	1,338 ⁴⁾
▶	90% INTRANS Port/Rail Services GmbH	D-20459 Hamburg	V0	0	-2 ³⁾
▶	33,06% Terminal Brno, a.s.	CZ-61900 Brno	E0	not specified	
▶	100% HUNGARIA INTERMODAL Kft.	HU-1133 Budapest	V	386	292 ⁴⁾
▶	37,08% ICA Romania s.r.l. (in bankruptcy)	RO-020572 Bucharest	E0	in bankruptcy	
▶	20% Bohemiakombi spol. s.r.o.	CZ-11376 Prague	E	571	102

Rail Cargo Austria-Group (continuance)	Country, registered office and type of consolidation	Equity in KEUR	Net income in KEUR
▶ 5,56% (16,67%) Union International des Sociétés de Transport Combine Rail-Route s.c.	B-1000 Brussels	0	not specified
▶ 100% ÖKOMBI GmbH	A-1030 Vienna	V	3,277 2,044
▶ 71,52% HUNGAROKOMBI KFT	HU-1138 Budapest	V	2,906 231 ⁴⁾
▶ 14,52% (100%) BILK KOMBITERMINÁL Zrt.	HU-1239 Budapest	V	10,415 333
▶ 12% (65,2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation
▶ 5,56% (16,67%) Union International des Sociétés de Transport Combine Rail-Route s.c.	B-1000 Brussels	0	not specified
▶ 5% EURO KAPU Kft.	HU-4624 Tiszabездéd	0	not specified
▶ 4% (11%) Bulkombi Co.Ltd (in liquidation)	BG-1000 Sofia	0	in liquidation
▶ 0,09% (53,82%) LOGISZTÁR Kft.	HU-8000 Székesfehérvár	V0	3,926 115 ³⁾
▶ 25,10% ADRIA KOMIB NOVA d.o.o..	SLO-1000 Ljubljana	E0	not specified
▶ 7% (11%) Bulkombi Co.Ltd (in liquidation)	SLO-1000 Ljubljana	0	in liquidation
▶ 5,56% (16,67%) Union International des Sociétés de Transport Combine Rail-Route s.c.	BG-1000 Sofia	0	not specified
▶ 100% RCA Terminal s.r.o.	CZ-13000 Prague	V	22 -228 ⁴⁾
▶ 99,05% (100%) (PY: 99%) RAIL CARGO ROMANIA S.R.L. (2011: increase of the interest following capital increase)	RO-75100 Otopeni	V	579 -68 ⁴⁾
▶ 85% Wagon service s.r.o.	SK-83101 Bratislava	V0	-34 -15 ³⁾
▶ 100% (PY: 75%) Rail Cargo Italia s.r.l. (previously: Linea SpA): (2011: purchase of 25%)	I-28100 Novara	V	-131 -2,982
▶ 51% FR Logistik-Betriebs GmbH	A-8141 Zettling	V0	15 0
▶ 51% FR Logistik-Betriebs GmbH & Co KG	A-8141 Zettling	V0	32 -24
▶ 50% (100%) [PY: 51% (100%)] ÖBB-Produktion Gesellschaft mbH (2011: sale of 1% of ÖBB-Personenverkehr AG)	A-1150 Vienna	E	736,997 -9,865
▶ 51% (100%) ÖBB-Technische Services-Gesellschaft mbH	A-1110 Vienna	V	196,040 18,386
▶ 100% TS Hungaria Kft.	HU-3527 Miskolc	V	6,269 979
▶ 55% NIKO SERVIZI d.o.o. (not operating)	HR-10000 Zagreb	V0	not operating
▶ 51% Technical Services Slovakia, s.r.o.	SK-91701 Trnava	V	1,828 1,134
▶ 50,9805% TS-MÁV Gépészeti Services Kft. (2011: incorporation)	HU-1097 Budapest	V	new 2011
▶ 46,67% ABC-Provider GmbH	A-1220 Vienna	E0	49 -53 ³⁾
▶ 16% X-Rail s.a.	B-1000 Brussels	0	not specified
▶ 3,53% Intercontainer-Interfrigo (ICF) SA (in liquidation)	B-1060 Brussels	0	in liquidation
▶ 100% Rail Cargo Hungaria Zrt.	HU-1133 Budapest	V	56,249 -26,189
▶ 100% Blue Real Estate Kft.	HU-1133 Budapest	V0	not specified
▶ 100% RAIL SERVICE HUNGARIA KFT.	HU-1065 Budapest	V	4,809 -592
▶ 53,73% (53,82%) LOGISZTÁR Kft.	HU-8000 Székesfehérvár	V0	3,926 115 ³⁾
▶ 3% (65,2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation
▶ 50,2% (65,2%) KOMBISZTÁR Kft. (in liquidation)	HU-8000 Székesfehérvár	V0	in liquidation
▶ 45% Kelenföld Konténer Depo Kft.	HU-1239 Budapest	E0	1,175 -24 ³⁾
▶ 33,33% Railport Arad srl.	RO-31000 Arad	E	6,436 733
▶ 4,98% MTMG Zrt.	HU-1012 Budapest	0	221 1 ³⁾
▶ 0,8354% (PY: 10%) Törökbálint Kombiterminál Kft. (2011: increase in equity)	HU-2045 Törökbálint	0	114 8 ³⁾
▶ 5% ZÁHONY TÉRSÉGI LOGISZTIKAI KLASZTER KFT.	HU-4625 Záhony	0	in liquidation
▶ 0,1715% (PY: 0,19%) GlobalLog Kft.	HU-6728 Szeged	0	929 -508 ³⁾
▶ 85,48% (100%) BILK KOMBITERMINÁL Zrt.	HU-1239 Budapest	V	10,415 333
▶ 50% Vámkapu Zrt.	HU-1239 Budapest	E0	816 265 ³⁾
▶ 33,33% boxAgency Kft.	HU-1239 Budapest	E0	23 70 ³⁾
▶ 25% BILK-TRANS Kft	HU-1239 Budapest	E0	34 -7 ³⁾
▶ 32% EAST Rail srl. (in liquidation)	I-34132 Trieste	E0	in liquidation
▶ 30% Agrochimtranspack Kft	HU-1117 Budapest	E0	988 -183 ³⁾
▶ 15,25 (PY: 24,5%) UniverTrans Kft. (2011: increase in equity)	HU-1211 Budapest	0	not specified
▶ 6,67% HUNGRAIL Magyar Vasúti Fuvarozói Egyesülés	HU-1138 Budapest	0	not specified
▶ 4% (10,8%) Bureau central de clearing s.c.r.l.	B-1060 Brussels	0	not specified

ÖBB-Infrastruktur-Group	Country, registered office and type of consolidation	Equity in KEUR	Net income in KEUR
100% ÖBB-Infrastruktur Aktiengesellschaft	A-1020 Vienna V	1,013,397	-44,152
▶ 100% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna VO	129	1
▶ 100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna VO	210	5
▶ 100% Hans Hechenbichler Erdölprodukte Gesellschaft m.b.H.	A-6020 Innsbruck VO	430	-8 ³⁾
▶ 100% Hauptbahnhof Zwei Holding GmbH	A-1100 Vienna VO	41	-3
▶ 100% HBF Fünf Epsilon Projektentwicklungs GmbH	A-1100 Vienna VO	8	-3
▶ 100% HBF Sechs Gamma Projektentwicklungs GmbH	A-1100 Vienna VO	8	-3
▶ 100% Mungos Sicher & Sauber GmbH	A-1050 Vienna V	33	1
▶ 100% Mungos Sicher & Sauber GmbH & Co KG	A-1050 Vienna V	2,318	1,308
▶ 100% Netz- und Streckenentwicklung GmbH	A-1020 Vienna VO	403	31
▶ 100% Nordbahnhof Projekte Holding GmbH (2011: incorporation)	A-1100 Vienna VO	32	-3
▶ 100% Nordbahnhof Baufeld Fünf Projektentwicklung GmbH (2011: incorporation)	A-1100 Vienna VO	32	-3
▶ 100% Nordbahnhof Baufeld Sieben Projektentwicklung GmbH (2011: incorporation)	A-1100 Vienna VO	32	-3
▶ 100% Nordbahnhof Baufeld Acht Projektentwicklung GmbH (2011: incorporation)	A-1100 Vienna VO	32	-3
▶ 100% ÖBB-IKT Gesellschaft mbH	A-1010 Vienna V	7,033	611
▶ 100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1100 Vienna V	4,325	653
▶ 100% ÖBB-Projektentwicklung GmbH	A-1100 Vienna V	42	13
▶ 100% ÖBB-Realitätenbeteiligungs GmbH & Co KG	A-1100 Vienna V	51,423	2,488
▶ 100% BahnhofCity WBHF Alpha GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% BahnhofCity WBHF Beta GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% Businesscenter Linz Entwicklungs- und Verwertungs GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% Elisabethstraße 9 Projektentwicklung GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% Europaplatz 1 Projektentwicklung GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% Gauer mann gasse 2-4 Projektentwicklung GmbH & Co KG	A-1100 Vienna V	11,339	105
▶ 100% Mariannengasse 16-20 Projektentwicklung GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% Modul Office Hauptbahnhof Graz GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% Westbahnhof A3 GmbH & Co KG	A-1100 Vienna VO	1	-1
▶ 100% Nordbahnhof Baufeld Sechs Projektentwicklung GmbH & Co KG (2011: incorporation)	A-1100 Vienna VO	1	-3
▶ 100% Nordbahnhof Baufeld 39 Projektentwicklung GmbH & Co KG (2011: incorporation)	A-1100 Vienna VO	1	-3
▶ 100% ÖBB Telekom Service GmbH	A-1210 Vienna V	1,644	44
▶ 100% Rail Equipment GmbH	A-1040 Vienna V	16,098	732
▶ 100% Rail Equipment GmbH & Co KG	A-1040 Vienna V	26,800	4,947
▶ 30% Weichenwerk Wörth GmbH	A-3151 St. Georgen am Steinfeld E	10,384	2,704 ²⁾
▶ 50% (PY: 25%)Galleria di Base del Brennero - Brenner Basistunnel BBT SE (2011: purchase of 25%)	I-39100 Bozen E	233,214	0
▶ 8% HIT Rail B.V.	NL-3500 HA Utrecht O	not specified	
▶ ⁶⁾ „Am Hafen“ Garagenerrichtungs- und Betriebs GmbH & Co KG	A-6900 Bregenz O	not specified	
▶ ⁵⁾ Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	6762 Stuben/Arlberg O	not specified	

Other	Country, registered office and type of consolidation		Equity in KEUR	Net income in KEUR
100% ÖBB-CI & M Werbeagentur GmbH	A-1100 Vienna	V	443	13
100% ÖBB-Finanzierungsservice GmbH	A-1100 Vienna	V	313	600
100% ÖBB-Shared Service Center Gesellschaft mbH	A-1100 Vienna	V	12,533	2,390
▶ 100% ÖBB-Stiftungs Management Gesellschaft mbH	A-1100 Vienna	VO	73	0
▶▶ 100% Allgemeine Privatstiftung für berufliche Bildung	A-1100 Vienna	VO	103	48
▶▶ 34% Wellcon Gesellschaft für Prävention und Arbeitsmedizin GmbH	A-1030 Vienna	E	2,032	106
100% ÖBB-Werbecenter GmbH	A-1100 Vienna	V	9,240	1,117
25% ÖBB-Breitspur Planungsgesellschaft mbH	A-1100 Vienna	E0	2,626	-151
2% EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial AG	CH-4001 Basel	0	1,217,432	32,928

The equity of foreign companies was translated into EUR at the exchange rate applicable at the reporting date. The net income is translated into EUR at the average exchange rate. The values were determined in accordance with the respective national accounting laws. Disclosures in accordance with the IFRS were marked with a footnote. Investments in % indicated in brackets indicate the recognized investment held by several companies within in the ÖBB Group; if the figure is preceded by "PY", it refers to the previous year.

V	Affiliated, fully consolidated company
VO	Affiliated company not fully consolidated due to its insignificance
E	Participating company accounted for at equity (associated company)
E0	Participating company not accounted for at equity due to its insignificance
0	Other associated company

Abbreviations and footnotes

i.l.	in liquidation
PY:	Prior year
¹⁾	Final consolidation in 2011
²⁾	Amounts as of March 31, 2011
³⁾	Amounts as of December 31, 2010
⁴⁾	Amounts in accordance with IFRS
⁵⁾	limited partnership shares
⁶⁾	Silent contributions

Information on the purposes of the sub-groups is given in Note 34.

37. Subsequent events

The Executive Board members of ÖBB-Holding AG released the audited Consolidated Financial Statements as of December 31, 2011, on April 5, 2012, for submission to the Supervisory Board. The Supervisory Board is charged with auditing the Consolidated Financial Statements and declaring whether it approves the Consolidated Financial Statements.

Effects of the ÖBB consolidation package

On February 10, 2012, the federal government of Austria presented a package of measures for consolidation of the national budget with the objective of gaining EUR27 billion both in income and expenses by 2016. The proposal includes a contribution of EUR1.7 billion from the ÖBB. In addition to the key measures summarized below, there are a number of smaller changes that will affect the company. Furthermore, the tax exoneration that the ÖBB benefitted from until now due to the reimbursement of the tax on oil for railway diesel is abolished. This measure affects the profitability of non-electrified branch lines. Together with the increase of the energy charge introduced in 2010, the company will have to bear charges in an amount of EUR145.0 million in the period 2012 - 2016. As a whole, this causes a competitive disadvantage for the railway traffic, which is more sensible from an ecological point of view, vis-à-vis air traffic, which produces much more pollution.

Restructuring of infrastructure investments

Within the framework of the coordination of the master plan with the BMVIT, a reduction of the investments by EUR1.0 billion, from EUR10.8 billion to EUR9.8 billion, was requested with respect to the investments planned until 2016. 75% of this reduction will be realized in the major projects Brenner base tunnel, Koralm railway and Semmering base tunnel; 25% of the economies will be achieved by postponements and restructuring of other projects. The Brenner base tunnel is supposed to produce savings of EUR450.0 million, but the planned commissioning in 2026 will not change. Commissioning of the Koralm tunnel will be postponed by one year to 2023, matching it with the Semmering base tunnel. The master plan for 2012 to 2017 has not been approved by the Council of Ministers yet.

Outlook

The different legislative proposals relating to budget reorganization measures are currently being considered. The precise effects on the company can only be quantified in their entirety after the competent authorities have come to a decision. The company monitors the developments closely. It is obvious that the framework conditions will change due to the consolidation package, which will cause additional charges for the ÖBB Group and require additional efforts with respect to cost reduction.

ÖBB-Personenverkehr sub-group

The transport service contract between ÖBB-Personenverkehr AG and the state of Lower Austria for the period from 2012 to 2019 (with an option for extension until 2020) was signed on March 05, 2012. This contract secures the existing offer of local and regional public railway transport in Eastern Austria. The interest in Niederösterreichische Schneebergbahn GmbH was sold to Niederösterreichische Verkehrsorganisationsgesellschaft m.b.H. with retroactive effect as of January 01, 2012.

In accordance with the result of the call for tenders, catering in the railjet trains will be provided by DO & CO Restaurants & Catering AG from April 01, 2012. At the same time, the service concept of the railjet trains is adapted: from April 01, 2012, the Premium Class will be converted into Business Class, i.e. there will be only one top class with corresponding service offers in the future.

Rail Cargo Austria sub-group

All shares in the company Express Scandinavia AB, which was fully consolidated as of December 31, 2011, were sold with retroactive effect as of January 01, 2012.

ÖBB-Infrastruktur sub-group

Rating of ÖBB-Infrastruktur AG

On December 07, 2011, Standard & Poor's set the long-term AAA Rating of ÖBB-Infrastruktur AG to credit watch with a negative outlook and confirmed the A-1+ short term rating. On January 17, 2012, the AAA/Watch Negative long-term rating of the company was lowered to AA+/Negative. On February 16, 2012, Moody's changed the outlook of the Aaa rating of ÖBB-Infrastruktur AG from stable to negative.

These downgrades are the immediate consequence of the respective downgrades of the Republic of Austria.

Premature termination of another cross border lease transaction

At the end of February, another cross border lease transaction was terminated prematurely. Although this transaction relates to ÖBB-Infrastruktur AG in its external relation, but is charged, based on sub-lease agreements, to a group affiliate in its entirety in its internal relation.

38. Executive bodies of the parent company of the ÖBB Group

In the financial year 2011, the following persons were appointed members of the Executive Board or members of the Supervisory Board of ÖBB-Holding AG:

Members of the Executive Board

Mag. Christian Kern		spokesman of the Executive Boards
Mag. Josef Halbmayr MBA		
KR Ing. Franz Seiser		

Members of the Supervisory Board

DI Horst Pöchhacker		chairman
DI Herbert Kasser		1st deputy of the chairman
Wilhelm Haberzettl *	until November 30, 2011	2nd deputy of the chairman
Roman Hebenstreit *	from December 01, 2011	2nd deputy of the chairman

Dr. Leopold Specht		
KR Kurt Eder		
Lic.rer.pol. Paul Blumenthal		
Dr. Getrude Tumpel-Gugerell	from August 18, 2011	
Mag. Maria Kubitschek	until August 18, 2011	

Mag. Andreas Martinsich *
Gottfried Winkler *

* staff representative

State commissioner

Mag. Ursula Zechner	from September 01, 2011	state commissioner
MR Mag. Dr. Gerhard Gürtlich	until August 31, 2011	state commissioner
Dipl.-Ing. Georg Parrer		deputy state commissioner

A report on compensations paid during the reporting period is presented in Note 33 ("Transactions with affiliated parties").

Vienna, this April 5, 2012

The Executive Board

Mag. Christian Kern m.p.

KR Ing. Franz Seiser m.p.

Mag. Josef Halbmayr MBA m.p.

Independent Auditor's Report on the Consolidated Financial Statements

AUDITOR'S REPORT *)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Österreichische Bundesbahnen-Holding Aktiengesellschaft**, Vienna, for the fiscal year from January 1, 2011 to December 31, 2011. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2011, 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, 2011, and the 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 the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU. 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; 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 Accounting 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 reasonable 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, 2011 and of its financial performance and its cash flows for the fiscal year from January 1, 2011 to December 31, 2011 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the consolidated Management Report

Pursuant to statutory provisions, the consolidated management report 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 consolidated management report 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 consolidated management report is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, April 5, 2012

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp

Certified Auditor

Mag. Karl Rab mp

Certified Auditor

*) This report is a translation of the original report in German, which is solely valid. Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the consolidated management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Separate Financial Statement of ÖBB-Holding AG: Statement of Financial Position

	Dec 31, 2011 EUR	Dec 31, 2010 EUR
Assets		
A. Fixed assets		
I. Intangible assets		
1. Industrial property rights and similar rights and derived licenses	322,894.04	296,249.07
Total I	322,894.04	296,249.07
II. Property, plant and equipment		
1. Land and buildings, including buildings on third-party land	15,515.08	18,842.52
2. Other tools, furniture and fixtures	65,300.40	97,649.61
3. Advance payments and construction in progress	313.96	89,704.94
Total II	81,129.44	206,197.07
III. Financial assets		
1. Interest in affiliated companies	2,221,591,625.51	2,221,610,461.93
2. Investments	14,296,510.07	22,169,334.07
Total III	2,235,888,135.58	2,243,779,796.00
Total A	2,236,292,159.06	2,244,282,242.14
B. Current assets		
I. Inventories		
1. Not yet invoiced services	202,453.06	0.00
Total I	202,453.06	0.00
II. Receivables and other assets		
1. Trade receivables	10,122.75	38,400.00
2. Accounts due from affiliated companies	134,519,055.89	104,741,756.36
3. Other receivables and assets	37,939,259.17	79,100,261.16
Total II	172,468,437.81	183,880,417.52
III. Cash on hand and cash in banks		
1. Cash on hand	5,645.38	6,116.23
2. Cash in banks	22,648.82	799.74
Total III	28,294.20	6,915.97
Total B	172,699,185.07	183,887,333.49
C. Prepaid expenses	151,368.16	180,425.28
Total assets	2,409,142,712.29	2,428,350,000.91

Liabilities	Dec 31, 2011 EUR	Dec 31, 2010 EUR
A. Equity		
I. Shareholder's capital	1,900,000,000.00	1,900,000,000.00
II. Additional paid-in capital		
1. Allocated capital reserves	66,970,555.93	66,970,555.93
2. Unallocated capital reserves	277,244,688.93	277,244,688.93
III. Profit reserves		
1. Statutory reserve	1,350,000.00	1,000,000.00
2. Free reserves	6,000,000.00	0.00
IV. Accumulated net profit	72,071.76	4,373.89
thereof profit carried forward EUR 4,373.89 (2010: EUR 721.19)		
Total A	2,251,637,316.62	2,245,219,618.75
B. Untaxed reserves		
1. Valuation reserve due to extraordinary depreciations	3,113.88	3,800.00
Total B	3,113.88	3,800.00
C. Provisions		
1. Provisions for severance payments	371,087.00	220,237.00
2. Provisions for taxes	80,439.97	257,062.50
3. Other provisions	2,902,639.04	2,444,507.06
Total C	3,354,166.01	2,921,806.56
D. Liabilities		
1. Trade payables	1,001,406.74	824,355.69
2. Liabilities to affiliated companies	149,504,312.86	167,614,758.16
3. Liabilities to associated companies	0.00	8,320,000.00
4. Other liabilities	3,641,295.11	3,441,832.01
thereof taxes EUR 2,773,356.57 (2010: EUR 2,684,933.45)		
thereof social security EUR 204,988.99 (2010: EUR 144,931.96)		
Total D	154,147,014.71	180,200,945.86
E. Deferred income		
	1,101.07	3,829.74
Total liabilities	2,409,142,712.29	2,428,350,000.91

Separate Financial Statement of ÖBB-Holding AG: Income Statement

	1-12/2011 EUR	1-12/2010 EUR
1. Revenues	34,462,332.60	30,000,321.39
2. Change in the inventory of not invoiced services	202,071.80	-1,132,796.95
3. Other operating income		
a) Income from the disposal of fixed assets	0.83	1.00
b) Income from the release of provisions	0.00	135,572.09
c) Other operating income	6,901,839.35	7,504,196.95
	6,901,840.18	7,639,770.04
4. Total income (sub-total from lines 1 to 3)	41,566,244.58	36,507,294.48
5. Expenses for purchased services	-5,054,068.10	-5,350,728.72
6. Personnel expenses		
a) Salaries	-12,804,813.91	-11,255,750.13
b) Expenses for severance payments and contributions to severance funds	-552,637.97	-244,926.42
c) Contributions to pension schemes	-136,298.74	-106,504.79
d) Statutory social security contributions and wage-related taxes and compulsory contributions	-2,770,561.84	-2,306,832.69
	-16,264,312.46	-13,914,014.03
7. Depreciation and amortization		
a) on intangible fixed assets and property, plant and equipment thereof extraordinary EUR 0.00 (2010: EUR 0.00)	-181,019.53	-190,817.21
	-181,019.53	-190,817.21
8. Other operating expenses		
a) Non-income taxes	-341,685.42	-476,133.16
b) Others	-18,004,294.12	-16,425,168.88
	-18,345,979.54	-16,901,302.04
9. Earnings before interest and tax (EBIT) (sub-total from lines 4 to 8)	1,720,864.95	150,432.48

	1-12/2011 EUR	1-12/2010 EUR
10. Income from investments	4,613,402.05	3,570,303.11
thereof from affiliated companies EUR 4,613,402.05 (2010: EUR 3,570,303.11)		
11. Other interest and similar income	594,134.59	39,020.90
thereof from affiliated companies EUR 145,839.96 (2010: EUR 38,306.62)		
12. Income from write-up of financial assets	150,163.58	0.00
13. Expenses for financial assets	0.00	-317,569,874.60
a) thereof impairment EUR 0.00 (2010: EUR 317,569,874.60)		
b) thereof from affiliated companies EUR 0.00 (2010: EUR 316,544,874.60)		
14. Interest and similar expenses	-17,645.78	-470,266.86
thereof from affiliated companies EUR 2,315.15 (2010: EUR 20,872.89)		
15. Financial result (sub-total from lines 10 to 14)	5,340,054.44	-314,430,817.45
16. Income from ordinary activities	7,060,919.39	-314,280,384.97
17. Income taxes	-643,907.64	7,002,837.67
18. Annual income/ -annual deficit	6,417,011.75	-307,277,547.30
19. Release to untaxed reserves	686.12	0.00
20. Release of capital reserves	0.00	307,285,000.00
21. Allocation to untaxed reserves	0.00	-3,800.00
22. Allocation to profit reserves	-6,350,000.00	0.00
a) Statutory reserve EUR 350,000.00 (2010: EUR 0.00)		
b) Free reserves EUR 6,000,000.00 (2010: EUR 0.00)		
23. Profit carried forward from previous years	4,373.89	721.19
24. Accumulated net profit	72,071.76	4,373.89

Independent Auditor's Report on the Separate Financial Statements

AUDITOR'S REPORT *)

Report on the Annual Financial Statements

We have audited the accompanying financial statements, including the accounting system, of Österreichische Bundesbahnen-Holding Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2011 to December 31, 2011. These financial statements comprise the balance sheet as of December 31, 2011, the income statement for the fiscal year ended December 31, 2011, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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 financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of December 31, 2011 and of its financial performance for the fiscal year from January 1, 2011 to December 31, 2011 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the 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 is consistent with the financial statements.

In our opinion, the management report is consistent with the financial statements.

Vienna, March 30, 2011

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Elfriede Baumann mp

Certified Auditor

Mag. Karl Rab mp

Certified Auditor

*) This report is a translation of the original report in German, which is solely valid. Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the consolidated management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

ÖBB-Holding AG

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Masthead

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Graphic arrangement and design

ÖBB-CI&M Werbeagentur
on behalf of ÖBB-Holding AG with support of FIRE.sys (Prod.No. 3110120072)

Disclaimer

The statements contained in this report were compiled to the best of our knowledge and verified with due diligence. Typographical errors and misprints excepted. This annual report is also available in German. In case of doubt, the German version takes precedence. This annual report is available only in electronic form at:
<http://konzern.oebb.at/de/Presse/Publikationen/index.jsp>